

# Fundamental and Technical Analysis in the Context of Sustainable Development for the Dubai Financial Market (2008 – 2017)

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The research aims to develop specific tools for analyzing the financial market conditions, including the Dubai Securities Market, which was prepared for the period 2008-2017 to support sustainable development. The main analysis focuses on the study of economic changes, political and security conditions, financial conditions and their impact on market prices, such as economic growth, level of operation and changes in interest rates. The basic analysis is concerned with studying the conditions of the industry and companies. It is based on the study and analysis of economic data and information and the financial statements of the companies that form the basis for forecasting future prices and profits. The technical analysis focuses on the trends of prices and the volume of trading and deviations that occurred in these prices or profits achieved by companies operating in the market, and technical analysis to study the performance of the market in the past period with the aim of reaching the investments sought in the future. The technical analysis also examines the movement of prices based on technical indicators or charts based on three fundamentals: First, history repeats itself, and second, all events that drive the market are reflected in the movement of prices, and the third that the price goes in specific directions, to arrive at the expected prices In the future. The research focuses on the analysis of economic, political and financial data and information as the basis for determining the appropriate price for a stock in the market. The technical analysis focuses on studying the market movement to determine the direction of prices in order to predict future prices. The existence of rigorous scientific analysis of forecasting future prices and profits cannot be effective without a clear strategy for sustainable development by States. The research also leads to a number of recommendations, the most important of which is that the promotion of

sustainable development requires the market to create long-term added value by diversifying opportunities and investment options and quality services for all customers and raising the operational operations of intermediaries by activating the clearing system.

**Key words:** *Fundamental analysis and technical analysis sustainable development.*

## Introduction

There are two methods of analysis and valuation of securities, namely fundamental analysis and technical analysis, each with its own principles and methods in reaching the expectations of future stock price trends. The main analysis is based on the analysis of the financial statements, in order to benefit from the understanding and interpretation of the data presented by the company or the market, through which it can assess its performance and future expectations, and the extent to which it is affected by economic factors and variables and market conditions, for example inflation and fluctuation in interest rates, and the state of the security in the presentation of a true reality about the risk that suits the objectives of the investor.

The technical analysis focuses on the selection and study of previous and current price movements to predict future price movements, whether it is the price of a share or index or even a traded commodity, in other words is the method used to know the value of a security by studying the statistics of the circulation of this paper. The success of the analyst in achieving the objectives is linked to the method of analysis and the level of efficiency of the market and the extent of the flow of information across markets and their impact on the prices of securities, and the availability of the environment that helps the sustainable development of the financial market.

## Research Problem

The majority of financial markets suffer from the absence of sustainable development that is directly in line with the importance of fundamental analysis and technical analysis to know the financial indicators, and the lack of sustainability of the development of financial markets will negatively affect the outlook for investors. Therefore, the problem of research can be posed by the following questions:

- What is the fundamental and technical analysis of the financial market?
- Can fundamental and technical analysis be used in future projections?
- What is the reality of sustainable development in the Dubai stock market?



## **Research Objectives**

The research aims to achieve the following:

1. Identify the basic analysis and technical analysis of the Dubai Securities Market.
2. Identification of basic analysis indicators and technical analysis.
3. Showing of the role of sustainable development in the development of indicators of basic analysis and technical analysis.

## **Research Importance**

The research derives its importance from the role that sustainable development can play in promoting and supporting fundamental analysis and technical analysis of securities in the market.

## **Search Hypothesis**

The research starts from the hypothesis that the sustainable development of financial markets can give good results and in the form required for basic analysis and technical analysis used by investors

## **Research Methodology**

The research adopted the method of the analysis method and the technical analysis, based on the annual reports of the main trading indicators of the Dubai Financial Market for the period (2008 - 2017). As well as adopting the method of descriptive approach to identify the reality of sustainable development in the Dubai stock market to identify weaknesses, if any, and then develop proposals and ways to address them.

## **Structure of Research**

The research included three main topics, the first topic dealt with the theoretical framework of basic and technical analysis, the second topic dealt with the basic analysis and technical analysis indicators on the Dubai Stock Exchange. The third topic dealt with analyzing the reality of sustainable development in the Dubai stock market.

## **The Metaphysical Aspect of Basic Analysis and Technical Analysis**

### ***Fundamental Analysis***

This type is a traditional method of securities analysis, focusing on the study and analysis of economic and financial data and information as the basis for determining the appropriate price

of the company's share, using traditional economic instruments to determine the expected future prices, and this is the essence of the fundamental analysis. (Al-Muhailmi, 2005: 33), considering the prices resulting from the interaction of supply and demand, are only real factors, and the prediction of future prices requires research on the reasons and not the results.

This analysis links the company's expectations to the macroeconomic factors and the industry conditions to which the company belongs. Therefore, the owners of the basic approach adopt two manners of analysis, and there is no preference for one manner over another. (Al-Douri, 2010):

1. The first manner depends from the bottom to the top, starting with the analysis of the company and then industry and finally analysis at the level of the economy.
2. The second manner depends on the analysis from top to bottom, starting with analysis of the economy first, then industry, and finally analysis at the company level.

The first manner begins by predicting the sales and profits of companies in different industries. The analyst focuses on buying a company's shares regardless of the industries or economic sectors to which the company belongs. The analyst takes into account the characteristics and advantages of these companies as a basis for the selection process (Hindi, 2006).

The second manner requires the start of economic analysis at the macro level, which includes the expected economic growth, the rate of inflation, the level of employment, the level of the direction of interest rates, and the total GDP of goods and services. Therefore, these forecasts are used as a basis for reaching the expected level of sales of various industries, recorded sales and expected profits for various companies within the industry concerned. (Hanafi, 2005).

The objective of the fundamental analysis is to assess returns and risks, such as activity risk, risk of sales volatility, financial risk and misappropriation risk to make the right investment decision. (Moussa, 2012).

### ***Technical Analysis of Securities***

1. **The concept of technical analysis** :This type of analysis focuses on the movement of market indicators, not on the study and analysis of financial statements. The success of using this method depends on the degree of efficiency of the flow of all information available on the market in a manner that is reflected on the prices of securities as soon as possible. Give an early warning of a change in the direction of prices has increased or decreased.

2. **The importance of technical analysis :** Technical analysis helps, the investment decision maker in the stock market, to identify many aspects, including: (Essam, 2008: 164).
  - a. Determining the direction of the prices of securities, i.e. extrapolating the direction of the movement of future prices up and down.
  - b. Determining the price levels of the target security, to make the appropriate decision based on the information obtained through the technical analysis process.
  - c. Studying the behavior of psychopaths, which affect the performance of financial markets.
  - d. Assist in making the investment decision in a timely manner, i.e. when to buy and when to sell and when to get rid of the stock with a simple loss, rather than hanging high prices, may not be realized in subsequent periods.
  
3. **Basis of Technical Analysis:** The technical analysis is concerned with tracking the movement of stock prices in the past periods, which aims to determine the pattern of that movement to enable the investor to make the right investment decision, so far away from the thinking underlying the basic analysis, nor does it recognize the concept of market efficiency, which is the mainstay of Based on capital markets .There is a basis for the (Dow Theory), which is based on technical analysis (Hammad, 2003: 1):
  - a. The price of a market share is determined by the interaction of the supply and demand forces, which are governed by several factors, including rational and other rational, including in the field of interest of the basic analysis, including what is away from this area, as the mood of investors.
  - b. The market gives weight to each of the variables that govern supply and demand.
  - c. Stock prices tend to move in a certain direction, except for minor fluctuations and continue these movements for relatively long periods.
  - d. The change in the direction of stock prices is due to the change in the relationship between supply and demand, and this change in the relationship can be determined by its causes regardless of the period of time, by studying what is happening within the market. (Abdel Hammid, 2010).

**.Advantages and Disadvantages of Technical Analysis :**The technical analysis is characterized by many advantages and disadvantages that have created supporters and opponents, including **(Alwan, 2009: 265-266):**

- **Advantages**
  1. This analysis is easy to apply, compared to the basic analysis of the company, the inputs of this analysis is limited (supply and demand + price), without compilation and analysis of the vast amount of information needed by the basic analysis, which requires considerable time and effort.
  2. the ease of learning and application by investors, regardless of their level of culture, an advantage not possessed by fundamental analysis.

3. The information needed by the technical analyst is affordable and available on prices and profits, from reports published by the Internet and the relevant newspapers.

▪ **Disadvantages**

1. Continuation of reading: Technical analysts should read the daily indicators of stocks, which requires continuous monitoring and time to track the behavior of stock exchanges, and this may not be achieved because of external factors prevent this.
2. The technical analyst creates the same expectations that are believed to be possible, if hundreds of technical analysts used the same method, they reach the same decision, Suppose the decision to buy the shares of a certain company because of their expectation of higher price in the future, the prices will rise at the present time, While the basic analyst relies on data analysis.

**4. Differentiation Between Basic Analysis and Technical Analysis :**There are many differences between the analyzes, including: (Alwan, 2009: 266 – 268)

- a. The main store can get better information from the technical analyst if the information and analytical ability is available, because the basic analyst predicts the future events and comes out with the right decision at the right time. The technical analyst is waiting for events to occur, ie price movements and then make the decision.
- b. The basic analysis focuses on financial and economic theories, as well as political developments to determine supply and demand forces, while technical analysis focuses on studying the effects of market movements (supply and demand forces), ie price, to determine whether it is expected to continue in the future.
- c. Basic analysis is used in the short, medium and long term, while technical analysis uses speculators, both speculators and daily or weekly speculators.
- d. The basic analysis uses the financial statements of the company and compares these data for a specific period of time. Technical analysis uses charts, technical indicators and models to understand the future movement of shares.

**Basic Analysis and Technical Analysis in the Dubai Financial Market**

To illustrate the philosophy of fundamental analysis and technical analysis, we take DFM as a model for analysis.

*A brief Overview of the Dubai Financial Market*

The market is a public institution with legal personality established by the Government of Dubai No. 14 of 2000, which commenced operations on 26 March 2000. On 27 December 2005, the Executive Council of Dubai decided to convert it into a public joint stock company.



It was listed as a public shareholding company on 7 March 2007 Trading (MDF). (Annual Report of the Dubai Financial Market, 2016).

Its activities are in the trading of securities and work as a holding and credit company in the commercial, industrial and agricultural activities and financial consultations and in the field of investment and financial brokerage in local and foreign shares and bonds in accordance with the company's Articles of Association. The Government of Dubai owns 79.63% of the Market Company. (Annual Report of the Dubai Market, 2014)

The market uses a new sophisticated trading system (Extreme), which is one of the best trading systems used in the international financial markets, as this system represents a quantum leap within the process of modernization and development of the market. (Annual Report of the Dubai Market, 2009).

### ***Indicators of Basic Analysis in the Dubai Financial Market***

The research sample was selected from 2008 because the market was established as a public shareholding company in 2007.

#### ***Market Price Index***

In the basic analysis, the analyst examines and analyzes the financial statements of the company or the sector or the financial market. Table (1) shows that the market share price was low for the years (2008-2011), ranged between (0.84 - 1.88) and negative 80%). The years 2010 and 2011 achieved negative growth as shown in the table below, due to the continued impact of the financial crisis that occurred in 2008, after which the market price rose to AED 1.02 with a growth rate of 21% for 2012 and AED 2.47 With a growth rate of 142% for 2013, which was the highest growth during the period of study, because of the improvement of the global economic situation as the price of oil threshold of \$ 100, but The decline in the market price per share (1.23 - 2.01) for the period (2014-2017) and a negative growth rate for the years 2014 and 2015 due to the economic crisis that occurred after the middle of 2014 and low oil prices to less than \$ 50 , Which negatively affected the circulation of shares selling and buying.

Here, the analyst examines the reasons for the decline and rise in market prices, and then decides to invest in the market or not, and if he chooses to invest, he chooses the sector and then the company, which is expected to rise in the price of its shares in the future, see share price as reflected in Table 1 below.

**Table 1:** DFM share price for the period (2008-2017)

| years | Market Price (AED<br>1)( | growth rate %<br>(2) |
|-------|--------------------------|----------------------|
| 2008  | 1.25                     | -                    |
| 2009  | 1.88                     | 50                   |
| 2010  | 1.51                     | 20 -                 |
| 2011  | 0.84                     | 80 -                 |
| 2012  | 1.02                     | 21                   |
| 2013  | 2.47                     | 142                  |
| 2014  | 2.01                     | 19 -                 |
| 2015  | 1.23                     | 39 -                 |
| 2016  | 1.25                     | 2                    |
| 2017  | 1.3                      | 4                    |

Source:

- 1) The first column of the annual reports of the Dubai Financial Market for different years.
- 2) The second column of the researchers' work.

### ***Net Profit Index***

Net profit reached AED 855 million for the year 2008, after which it started to decline until the market achieved a loss of AED 6 million in 2011 with a negative growth rate of 108% to increase the total expenditure on total revenues. 2011 prices started to rise until the net profit reached in 2014 to AED (759) million with a growth rate of (166%). However, the net profit decreased after that to reach (234) million AED and a negative growth rate (7) in 2017.

The reason for the decline in net profit for the above years is the result of the decrease in trading volume due to the two mentioned crises, which has negatively impacted the decline in trading commissions which represent the main source of revenue in the Dubai Financial Market as set out in the annual reports of the market, see Table 2 below.

**Table 2:** Net profit for the period (2008-2017)

| years | Total revenue<br>AED 1 million | Total expenses<br>AED million (2( | Net profit<br>AED million (3( | growth rate%<br>(4) |
|-------|--------------------------------|-----------------------------------|-------------------------------|---------------------|
| 2008  | 1013                           | 158                               | 855                           | -                   |
| 2009  | 503                            | 156                               | 347                           | 59                  |
| 2010  | 261                            | 182                               | 79                            | 77                  |
| 2011  | 177                            | 183                               | 6 -                           | 108 -               |
| 2012  | 191                            | 156                               | 35                            | 600                 |
| 2013  | 453                            | 168                               | 285                           | 714                 |

|      |     |     |     |     |
|------|-----|-----|-----|-----|
| 2014 | 936 | 177 | 759 | 166 |
| 2015 | 451 | 190 | 261 | 65  |
| 2016 | 445 | 191 | 254 | 2   |
| 2017 | 431 | 197 | 234 | 7   |

Source:

- 1) Columns (1) and (2) of the Annual Reports of the Dubai Financial Market.
- 2) Column (3) and (4) of the work of the researchers.

### *Index of Indebtedness*

It is important to know the ability of the market or a certain sector or a company to continue its activity or not, as the greater the indebtedness, the greater the risk surrounding the market or project and increased the probability of failure and exit from economic activity or financial, The percentage of total liabilities to the total assets may not exceed 15% - 20%, and here we note that the ratio in the Dubai Financial Market for the period (2008 - 2018) ranged between (2% - 13%), and this is in favor of the Dubai market Financial, and gives a good guide to the fundamental analyst on the continuity of the market and its activity and sustainability in the future and to promote development Of sustainable market, see Table 3 below.

**Table 3:** Dubai Financial Market Debt for the period (2008-2017)

| year | Total assets<br>)AED million( | Total liabilities<br>)AED million( |    |
|------|-------------------------------|------------------------------------|----|
| 2008 | 8636                          | 385                                | 4  |
| 2009 | 8221                          | 197                                | 2  |
| 2010 | 7915                          | 360                                | 5  |
| 2011 | 7698                          | 196                                | 3  |
| 2012 | 7712                          | 234                                | 3  |
| 2013 | 8292                          | 340                                | 4  |
| 2014 | 9002                          | 572                                | 6  |
| 2015 | 8535                          | 488                                | 6  |
| 2016 | 8851                          | 930                                | 10 |
| 2017 | 9428                          | 1267                               | 13 |

Source:

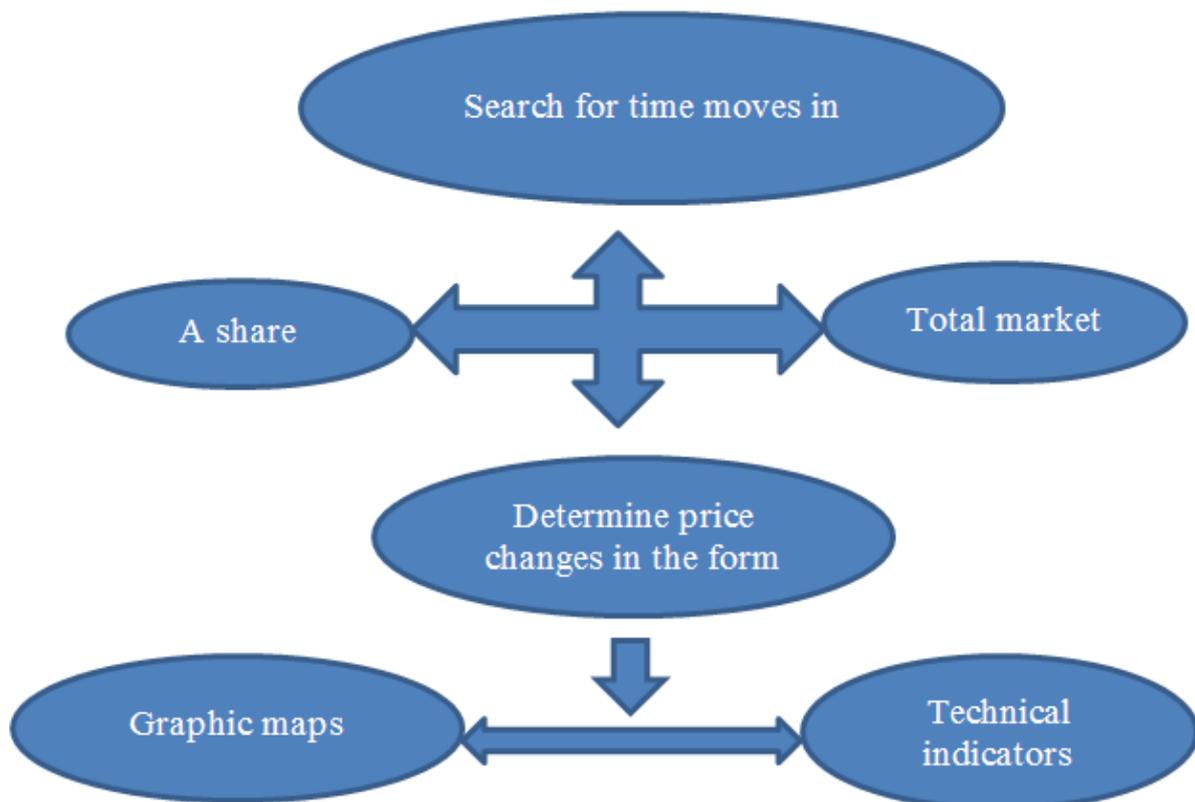
- 1) The work of the researchers based on the reports of the Dubai Financial Market.
- 2) The third column was extracted by the researchers.

### ***Indicators of Technical Analysis in the Dubai Financial Market***

The objective of investors is to obtain additional income by investing their savings, including investing in capital markets. The technical analyst is different from the basic analyst. The technical analyst examines and follows the movement of the market in order to monitor all the trading information from the price, volume and profits. Market or a particular sector or a company in order to predict the direction of prices or profits in the future, and then decides to invest (buy or sell) in the market or not.

The technical analyst relies on historical data from inside the financial market and records it in the form of graphs, or column-shaped drawings, using technical indicators to discover future patterns, as shown in the chart below, Format 1.

**Format 1.** Technical analysis tools (Abdel Hamid Abdel Muttalib, 2010)



### ***Technical Indicators***

There are several indicators and measures for technical analysis, including: (Mussa, 2012: 156-158)

A. Measure the Trend of Investors: The index measures the direction of future movement in market prices through its ability to predict the general economic situation.

Baron Confidence Index =  $(\text{Return of Bonds High Quality} \div \text{Return of Bonds High Quality}) \times 100$ .

If the value of the index is close to the correct one, it means that the general economic situation is good and that market prices are going up and vice versa.

B. Reverse View Index: The most common indicators are: Fractional Quantity Equilibrium index =  $(\text{Sales of fractional quantity} \div \text{Purchases of fractional quantity}) \times 100$

The fractional quantities are the buy and sell transactions that do not exceed the quantity of 100 shares, which are usually concluded by the small buyers. If the value is greater than one, then the sales of small buyers are greater than their purchases and for wrong decisions it is possible.

C. Professional Investor Index: A common belief that professional investors usually generate is a distinct return, so follow-up of these investors' decisions and simulations can generate significant profits.  $\text{Overdraft Sale Percentage for Specialists} \div \text{Total Overdraft Sale} \times 100$

### **Graphs**

Graphs are the main means of technical analysis of securities, and there are multiple types of graphs, including (Alwan, 2009: 276):

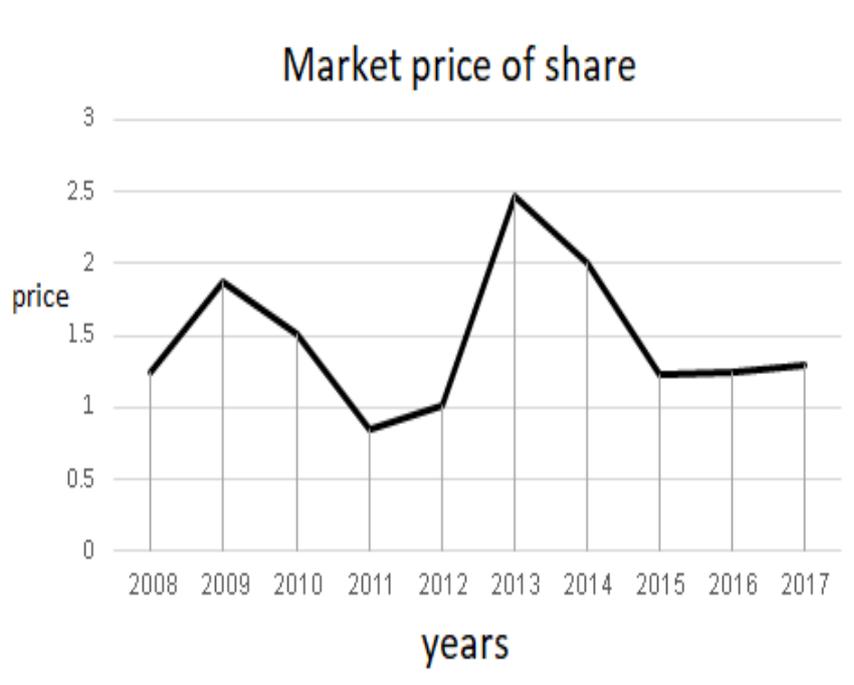
A. Linear graphs: It is one of the simplest schemes that determine the changes in supply and demand by watching the main movements in the stock prices and direction, and each point on the chart represents a closing price for one day, and then these points are delivered in a line that represents the final linear outline, some prefer this scheme for its ease and simplicity. As the linear graph consists of two axes. The vertical topic represents the prices or profits and the horizontal topic represents the date.

B. Rectangular Graphs: These charts show the highest and lowest price of the stock, as the technical analyst to link the prices rationally to form a column to draw a small horizontal line on it.

### **The share price on the Dubai Financial Market**

The chart will be based on Table (1) of the Dubai Financial Market (DFM) and the changes in prices for the period (2008-2017) as shown below in Figure 2.

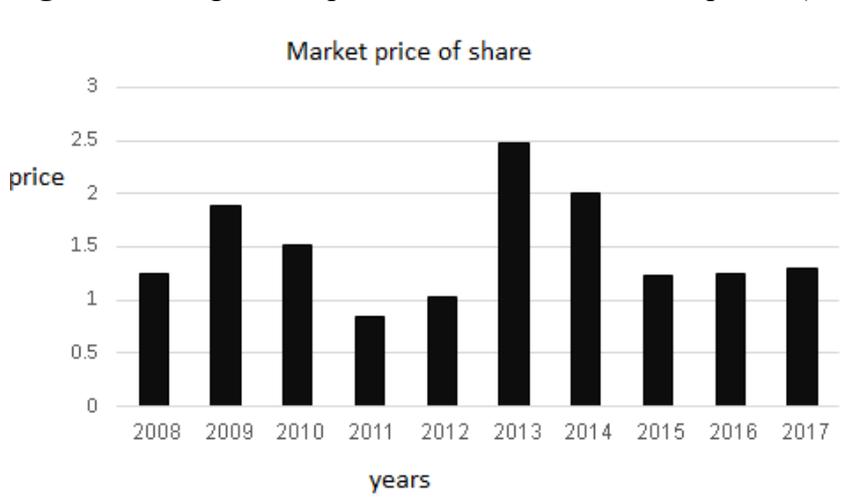
**Figure 2.** Change in the prices of Dubai Financial Market shares for the period (2008-2017) million dirhams



Source: From the work of the researchers depending on the table (1)

By tracking the movement of stock prices in the chart by the technical analyst notes that the share price was (1.25) dirhams in 2008 rose to (1.88) dirhams in 2009, but the share price began to decline for the years 2010 and 2011, and then rose again, and was The highest point of the scheme in 2013, as the market price per share (2.47) dirhams, and then looked down again . Here the technical analyst will buy when the prices are going up, and sell his shares if the stocks tend to decline for more than a year to avoid future losses without studying the reasons .The technical analyst can also follow the rectangular charts of the stock price in the DFM and then make the decision to invest or not as shown in Figure 3 below.

**Figure 3.** Change in the prices of DFM shares for the period (2008-2017) million dirhams

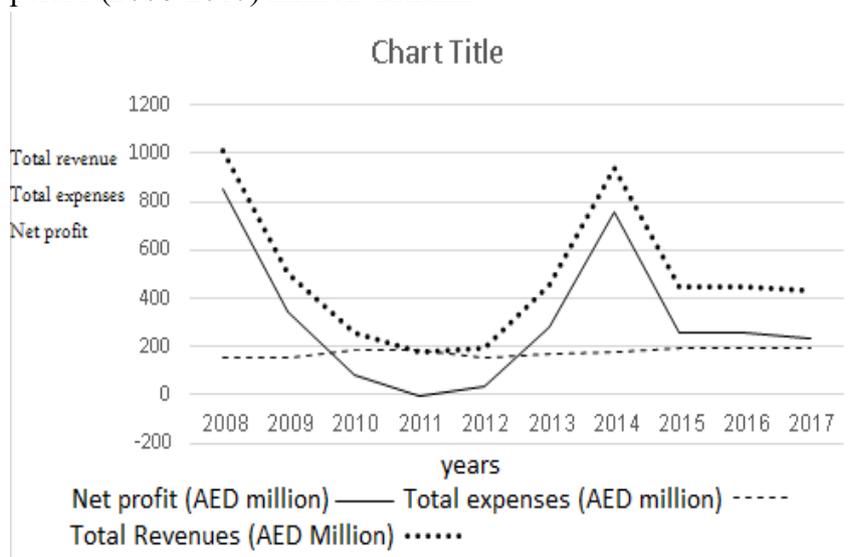


Source: From the work of the researchers depending on the table (1)

### Total Net Profit

The technical analyst can also track changes in net profit, which are important indicators of the activity of companies, sectors or market, and which is explained in the below Figure 4, the chart of the Dubai Financial Market.

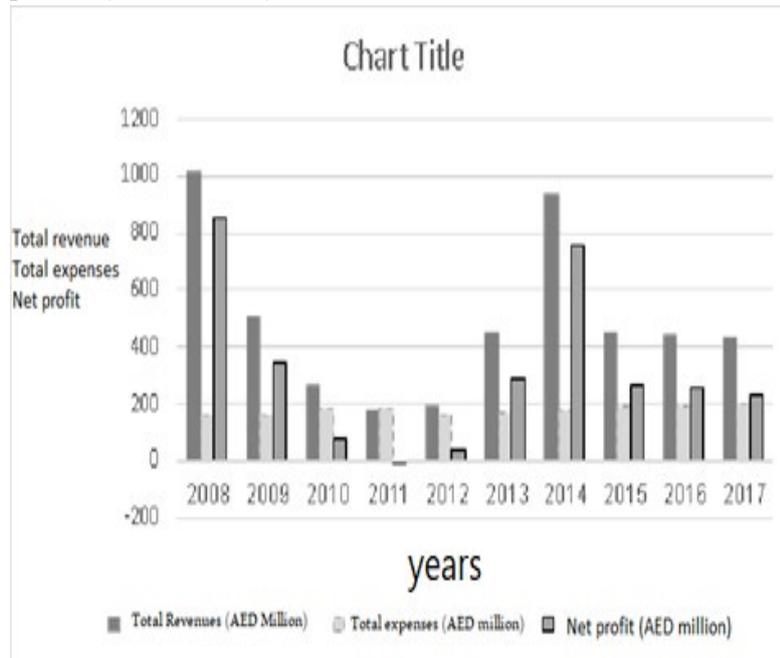
**Figure 4.** Total revenues, total expenses, net profit for the Dubai Financial Market for the period (2008-2017) million dirhams



Source: From the work of the researchers based on Table (2)

By tracking the net profit by the linear graph, we see that the highest point in net profit achieved was in 2008, then the chart line started to decline to achieve a loss of (6) million dirhams in 2011, but the trend of the line started to rise starting from 2012, the highest point after 2008 was in 2014 with a net profit of (759) million dirhams and then began to decline until it reached (234) million dirhams in 2017. The change in net profit can also be represented through the rectangular graphs, as shown in Figure 5 below.

**Figure 5.** Total revenues, total liabilities and net profit for the Dubai Financial Market for the period (2008 - 2017) million dirhams

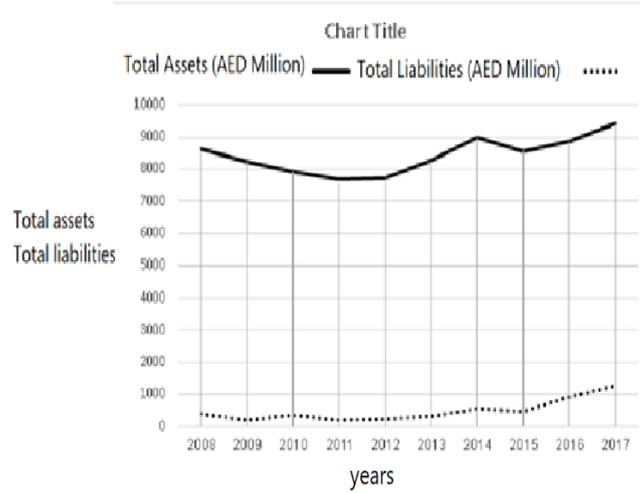


Source: From the work of the researchers based on Table (2)

Here the technical analyst is monitoring the chart movement and investing his money if the net profit chart is going up, which increases the volume of trading in the market and the situation will be reversed if the chart goes down without examining the real reasons for the change in prices or net profits of the company as the analyst.

### Total Assets and Total Liabilities (Debt)

**Figure 6.** Total liabilities and total assets for the period (2008-2017) million dirhams

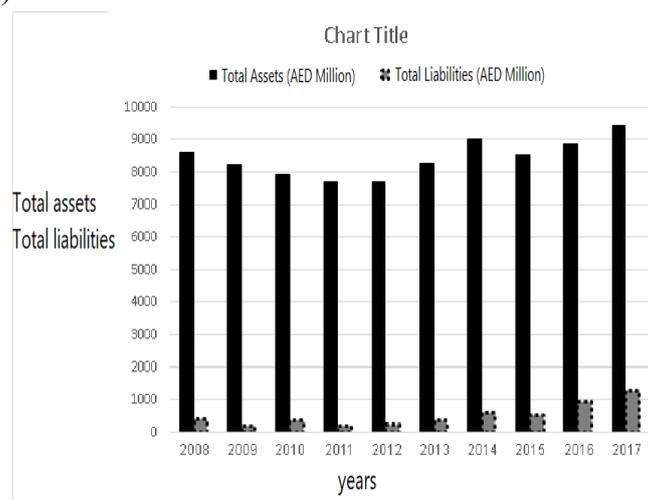


Source: From the work of the researchers based on the data of Table (3)

As can be seen from the chart above, Figure 6, the total market liabilities are much lower than their total assets, which encourages investors to invest. In the market with the assurance that they are not exposed to the risk of market failure and exit from trading.

The movement of total assets and total market liabilities can be tracked through rectangular charts, as shown in Figure 7 below.

**Figure 7.** The total assets and total liabilities of the Dubai Financial Market for the period (2008 - 2017 million)



Source: From the work of the researchers based on the data of Table (3)

The chart shows that DFM's total liabilities are very low compared to its assets, encouraging individuals to enter the market as investors.

### **The Status of Sustainable Development in the Dubai Financial Market**

It is not possible to predict the future results of sound and accurate analysis and technical analysis without a clear vision of sustainable development; sustainable development is the process of development of land and cities and communities, as well as business requirement to meet the needs of the present without prejudice to the ability of future generations, it focuses on a better life of high value for man Present and future (Abu-Zant, Ghoneim, 2009: 25). As man is the means by which sustainable development is achieved, he has the primary responsible for it, and at the same time its goal, the development that is achieved for it .Sustainable development is seen as a community process in which all sectors contribute to the social and social sectors to achieve a productive capacity that allows the citizen to have a better and lasting life. The improvement is characterized by stability, taking into account the right of future generations to enjoy natural resources, be they many or few. (Al-Essawi, 2003: 12)

It is concluded from the foregoing that sustainable development focuses on the human being, the patron of sustainable development, while at the same time benefiting from its results with a reliance on:

**First:** the natural resources available, whether on the ground or in the interior of the human.

**Second:** The use of technological developments and scientific knowledge to improve human ability to invest resources of nature; the best use to achieve a better life for all members of society.

It is noted that the officials of the Dubai Financial Market have taken rapid steps and measures to promote the development of the market in order to promote sustainable development. Several achievements have been made by officials to become a regional financial market with international standards:

1. In the area of the legislative environment, a comprehensive modernization of the system of laws and regulations has been introduced to various aspects of commercial and financial activities, as well as the amendment of old laws and regulations, thus encouraging the attraction of new domestic and foreign savings.
2. The market has been awarded the ISO 9001: 2015 certification by International Assurance Register Loyds as the first step of its kind in the regional markets, demonstrating the market's commitment to international quality standards to promote the sustainable development of the market.

3. The Federal Government has adopted strategic projects aimed at facilitating the exercise of business and reducing elements of cost, effort and time. In order to serve this objective, the government has sought to move into a knowledge-based economy based on the best technological applications that provide a supportive environment for creation and innovation.
  - a. In early 2017, the Dubai market opened the smart trading hall, which includes a wide range of innovative services and equipment. It also provides customers with several digital channels to follow up their activities in the market.
  - b. A modern trading hall has been developed, which includes a range of innovative services and equipment. The base is equipped with many modern computers and screens that facilitate investors to follow up on trading activities in the market.
  - c. The platform was expanded to be used directly with the banks receiving the investment. The platform allows investors to submit subscriptions through electronic channels, including ATMs, to contribute to the speed of listing the company once the IPO is completed.
  - d. Encouragement is evident for companies listed on the market by those responsible for the distribution of cash profits through smart market solutions. Dividends paid by listed companies to investors under the IFSTER card are distributed through bank accounts, which is an important factor to encourage investment in the market.
4. In 2016, the market became a member of the United Nations Sustainable Capital Markets Initiative (SSE). The Standard was formulated in 2017 to strengthen the standard frameworks in Islamic finance, The Dubai Financial Market Standard on Equity in 2007 and the Dubai Financial Market Standard on checks issued in 2014 to integrate the Islamic finance standard system, which is a supportive step to enhance transparency and sustainability strategy in the capital sector.
5. From the principle of transparency, the companies operating in the market by the Board of Directors of the Market and Commodities have been obliged to apply the rules of governance effectively to enhance the confidence of customers in the listed companies in order to avoid the strategic, operational and financial risks and risks related to compliance with the laws that may be exposed to the customers. Disclosing quarterly and annual financial statements during the legal period allowed.
6. Women's empowerment plays a key role in promoting sustainable development. The DFM sought to engage women in the market. Female employees accounted for 58% at the end of 2017, confirming the market's commitment to social balance.
7. The market has maintained a reasonable rate of indebtedness, which indicates that the market seeks sustainable development. It is known that the higher the indebtedness, the greater the probability that the market will fail to continue its activity in the future.
8. Within the DFM strategy, the launch of the Central Clearing Company (CCP), which specializes in transaction settlement solutions between post-trading brokers, will be considered to contribute to better risk management.

## **Conclusions and Recommendations**

The researchers reached a number of conclusions and recommendations, the most important of which are:

### ***Conclusions***

1. The basic analysis focuses on the study and analysis of economic, political and financial data and information as the basis for determining the appropriate price for a market share. The technical analysis focuses on studying the movement of the market to determine the direction of prices in order to forecast future prices.
2. The financial crisis in 2008 and the economic crisis in 2014 affected the rates of trading in the Dubai Financial Market, which led to a decline in market prices and net profit due to the decline of the commission on which the market depends heavily.
3. One of the accelerated steps towards sustainable development taken by the market is the modernization of economic, commercial and financial laws. In the field of infrastructure, the government has built the smart exchange, such as smart trading platforms and electronic platform for initial subscription.
4. As part of the global effort to achieve sustainability and transparency, the Investment and Finance Risk Hedge Act was formulated in 2017, based on the market being a member of the UN Capital Markets Initiative.
5. The market maintained reasonable debt ratios, thus promoting sustainable development

### ***Recommendations***

1. To promote sustainable development, the market requires the creation of long-term added value, through diversifying opportunities and investment options and quality services for all customers, and raising the operational operations of intermediaries by activating the clearing system.
2. Man is the true wealth and the first catalyst for success, so the market has to attract the best talents and talents, as well as training and development of human cadres operating within the market, and make innovations the focus of achieving the best results.
3. The studied investments, based on the modern technological information system, support and support sustainable development
4. To enhance the confidence of market participants in the Securities and Commodities Authority in the Dubai market, to work on applying corporate governance in a more transparent manner, and to familiarize clients with all aspects and elements of governance measurement.



5. Continuing to use and update the electronic services gateway as a certified communication channel for trading on smart phones, based on the Smart Exchange strategy to facilitate the process of trading in the market.



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