



PIONEERSECURITIES

Weekly Overview

21–Apr 19

This report must be read with the disclaimer
on last page



Last week did not bring good news to the market as buyers were almost completely absent. The problem with the current absence of any buying power resides in the potential strong decline that can take place if position holders (*especially those who are holding margin positions*) begin to “just” sell.

We all know what are our important levels to watch either to the upside or the downside; it is important to note though that if any of our support levels is broken to the downside, selling pressure will intensify, especially after this lateral range. The market is eligible for a strong decline; such a decline can take us below 14,000. We will only be saved if the 15,300 level is broken upwards as soon as possible. As long as we are not able to break upwards, the probability of a big and swift decline will be high.

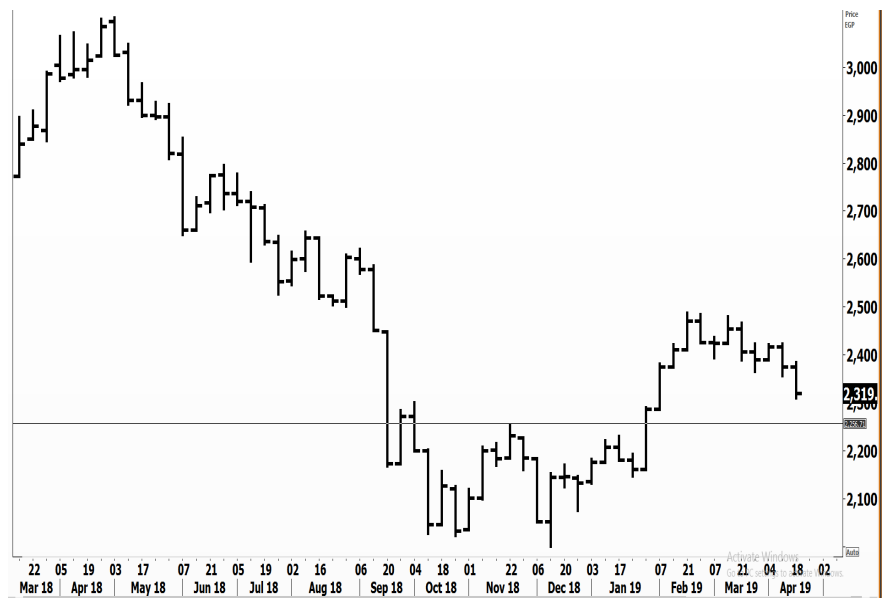
Let us reiterate the fact that the EGX 30 index rose alone without its constituents; this is obviously due to the way the index is calculated, which does not give a good representation of its constituents. Thus, a decline in the EGX 30 index will be also bearish for the stocks that did not rise in the first place; such a scenario will be bearish for the overall market.

We reiterate the fact that a break above 15,300 will save us from this short-term bearish scenario.

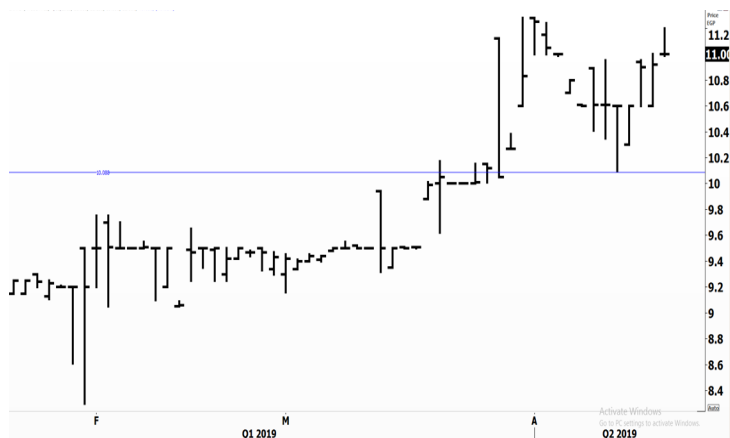
EGX 50 Index/ Weekly Chart

Looking at the EGX 50 index, we get a better representation of the market performance. The index broke its support level few weeks ago and is currently trading below it. The good news is that we are approaching the 2,250 level, which is the breakout point. If we test this support, buying power can appear; we do not know where the EGX 30 index will be if the EGX 50 tests its support, but we will then re-analyze the situation to look at potential market rises.

It is important to note that our worries are all short-term in nature; in other words, our major trend is up and we are still bullish on the big picture.



CIRA



Despite its low liquidity, CIRA is recommended as an intermediate-term investment vehicle. The stock has a bottom at around 10.15. We recommend holding the stock as long as it is trading above this level. If CIRA breaks above its peak that lies around 11.2 it will continue its major trend, which will take it to much higher levels.

Dips are chances to step in with a stop below 10.

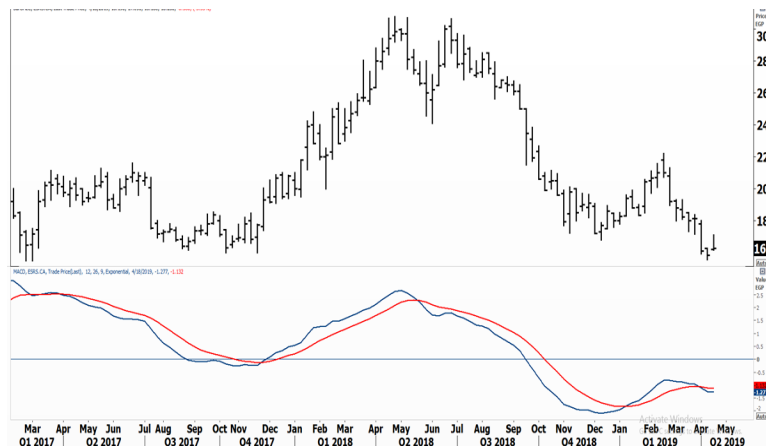
Heliopolis Housing is one of the outperforming stocks in the EGX 30 index. The stock, however began to show some weakness lately in its price action. The 25.5 level is the current support for HELI. A rebound from here will trigger a buy signal; on the other hand, if the stock breaks below this level, it will probably create a higher low from above 22.5.

In other words, if HELI declines from current levels, we will be looking for buying opportunities but probably at lower levels.

HELI



ESRS

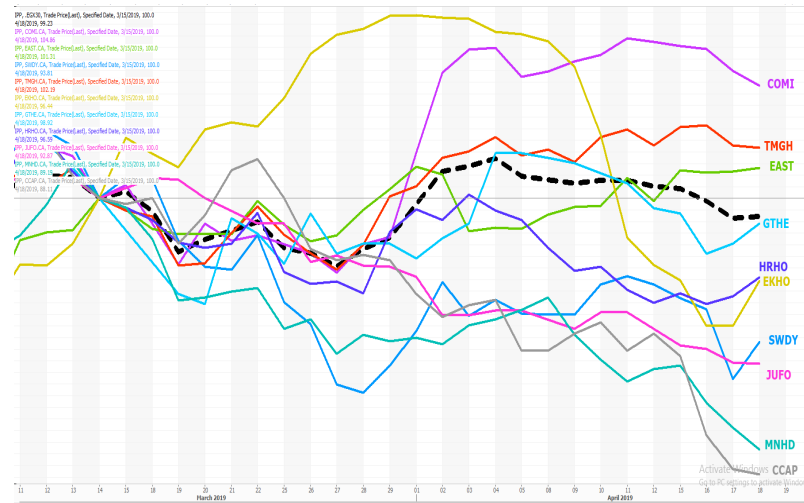


First of all, let us agree that ESRS is one of the most underperforming stocks in the Egyptian Stock Market. Thus, it is not on our recommended list. It is worth noting, however, that the stock began to witness a positive divergence with its MACD indicator.

This divergence is not confirmed yet until a rebound occurs. Thus, if ESRS rebounds from current levels it will be witnessing a divergence, showing that the momentum of the decline shrank significantly.

We will be following-up with our clients in case a buy signal is triggered.

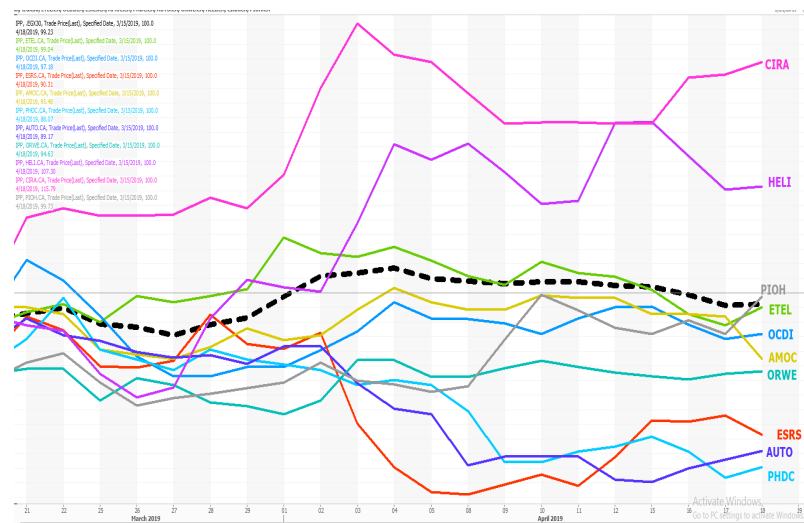
Top index weights (3% and above)



COMI, TMGH, and EAST are still the top three outperformers. Then come GTHE and HRHO. It is important to note that if GTHE and HRHO begin to witness better performance, this will be considered as good news as they will lead other stocks to rise. GTHE is expected to be a leader, especially if good news appear on the stock.

As for the rest of the stocks, we prefer to wait for improvement before stepping in.

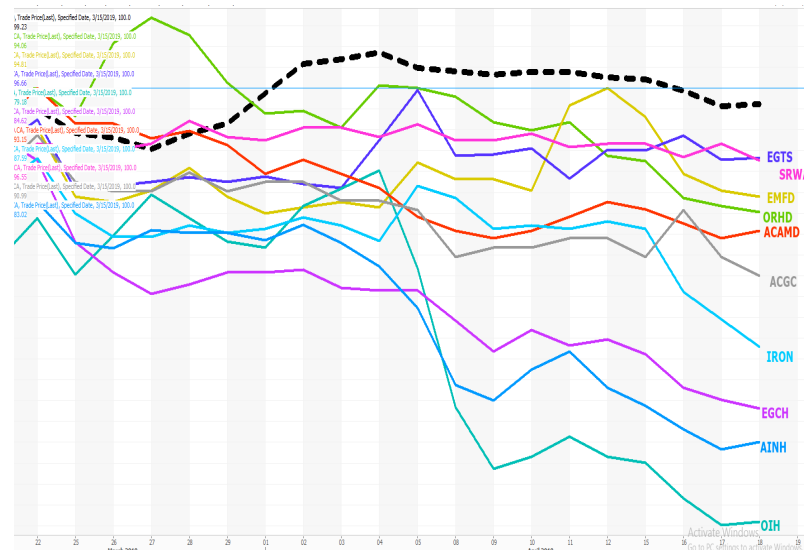
Mid Weights (above 1.5%)



CIRA and HELI are still on top, with a big gap with the rest of the stocks in this category. PTOH and ETEL come next, then OCID, which is still maintaining its performance.

As for the rest, ESRS, AUTO, and PHDC are still at the bottom of the scale; ESRS began to show some improvement though.

Smallest Weights (below 1.5%)



As we can see from the relative performance curves of this category, all stocks are underperforming the EGX 30. EGTS and SRWA are the closest to the EGX 30, while EGCH, AINH, and OIH are the worst performers.

As for the rest, EMFD, ORHD, and ACAMD are almost in the middle of these stocks, though still underperformers.

If we begin to see some of these stocks moving above the dotted line, we will begin talking about better market breadth,

Stock	10/20 EMA signal	Comments
EGX 30	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (9th week)
COMI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (10th week)
EAST	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal) *
SWDY	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Sell signal triggered
TMGH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (12th week)
EKHO	Above	Buy signal was triggered in mid Jan 2019
GTHE	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (11th week)
HRHO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (10th week)
JUFO	Above	Buy signal was triggered in mid Jan 2019
MNHD	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
CCAP	Above	Buy signal was triggered on the 17th of August 2017
ETEL	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (15th week)
OCDI	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
ESRS	Below	The 10 weeks moving average is still below its 20 weeks counterpart
AMOC	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
PHDC	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (6th week)
AUTO	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
ORWE	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (9th week)
HELI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (5th week)
PIOH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (9th week)
ORHD	Above	Buy signal was triggered in the first week of December 2018
EMFD	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (6th week)
EGTS	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (10th week)
OIH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (9th week)
EGCH	Above	Buy signal was triggered in the first week of December 2018
ACAMD	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (14th week)
IRON	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
ACGC	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (6th week)
AIND	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Sell signal triggered

Stock	10/20 EMA signal	Comments
ISPH	Above	Buy signal was triggered in the first week of January 2019
EFID	Above	Buy signal was triggered in the first week of March 2019
ORAS	Below	The 10 weeks moving average is still below its 20 weeks counterpart
SKPC	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
ABUK	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
PORT	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
EGAL	Below	The 10 weeks moving average is still below its 20 weeks counterpart

The first page contains the EGX 30 stocks with the exception of CIRA and SRWA which are not in our universe of stocks. The 7 stocks in this page are those that were kicked off the index, but we will keep them in our report so they do not get sad!

Priority are for the "Buy" stocks as they just witnessed a significant buy signal. Next, we should look at stocks that are written in blue as they are on the verge of witnessing a significant buy signal, next are those written in brown, then the red ones which are not recommended for intermediate-term investors. Stocks that are "Above" already witnessed their buy signals sometime ago and should be held.

First let us mention the "Above" stocks, which gave their buy signals a while ago but witnessed significant rises after their buy signals; EKHO, JUFO, CCAP, ORHD, EGCH, ISPH, EFID

- EAST just gave a fresh buy signal.

AINH gave a renewed bearish crossover after its previous buy; such a signal can be viewed as temporary.

Disclaimer

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