PIONEERSSECURITIES

Weekly Overview

26–Apr 2020
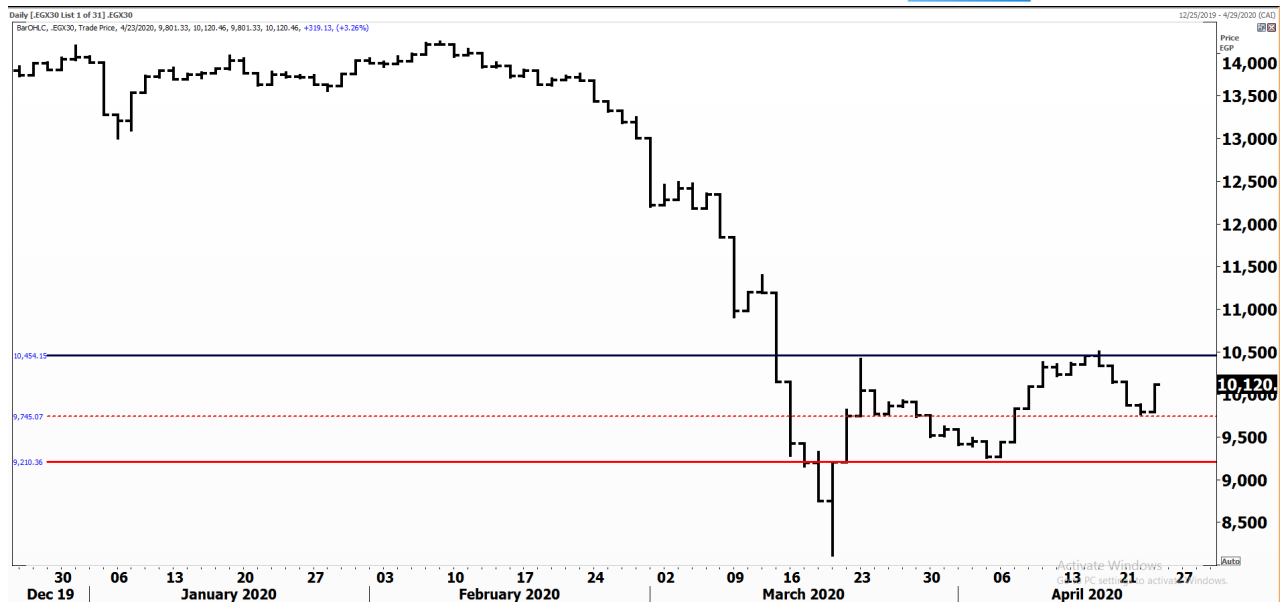
The 9,750 level is the newly created minor bottom that can be used as a new short-term stop for those who are very short-term in nature. The 9,200 level remains our more important stop.

The rise that occurred on Thursday formed another higher low, as we were expecting; if the 10,400 is broken upwards this time, the breakout will probably be confirmed and a new buy signal will be triggered with a target around 12,000.

Those who want to enter after confirmation can wait for the 10,400 break before taking a decision to buy.

EGX 50 Index Daily Chart

The strong performance of the EGX 50 index is telling us that the overall market is leading blue chips; this signal is important and significant because it enhances market breadth. As we know, during 2018 and 2019 all market rises were mainly due to a handful of blue chips rising.

Now, and as this phenomenon is changing to a wider perspective, we believe that the market can begin a new phase where lots of stocks will show superior performance.

Obviously, if the risk of the corona virus begins to diminish and the numbers improve, this will be very bullish for the global equity market.
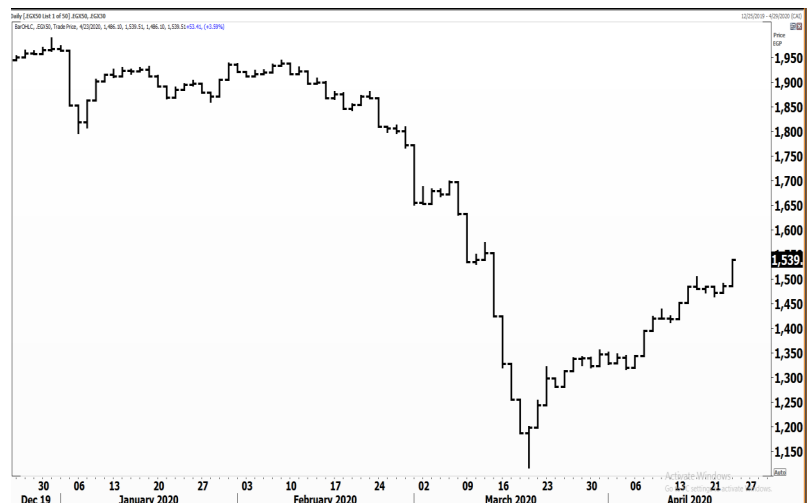
TMGH

TMGH is one of the important blue chips in the EGX 30 index; the stock is still in its trading range and did not break to the upside, giving investors a great chance to step in if they are expecting the overall market to rise.

In other words, if this rise continues, TMGH must boom. We recommend buying at current levels and add as the stock breaks 5.5 to the upside. Based on the overall situation, and if the market continues its rise, TMGH can reach 7.5.

COMI

The stock witnessed some underperformance lately but is expected to regain its strength once again. COMI is the heaviest weight on the EGX 30 index and is expected to break 66 to the upside. A breakout above this level will trigger a confirmed buy signal with a target near 80. In other words, COMI is expected to approach its peak if it breaks above 65-66.

Buying at current levels is not a bad idea; we recommend investors who want to step in here to buy partially and add at the 66 breakout.
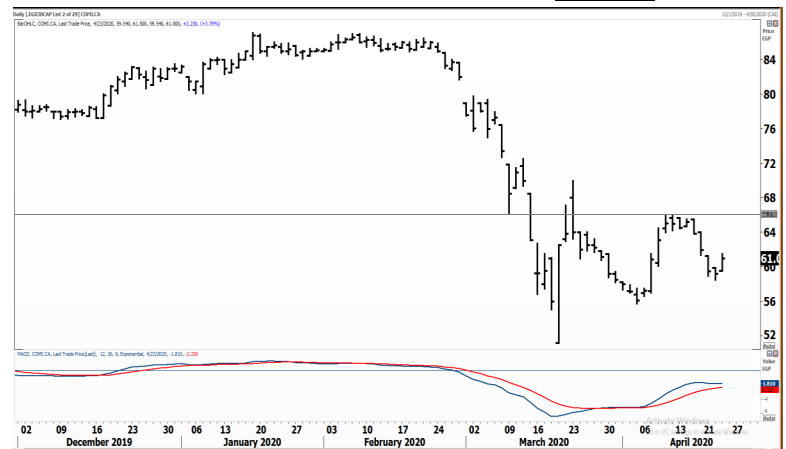

AUTO

The 1.75 level needs to be broken to the upside on a confirmed basis. The stock broke upwards on Thursday but needs to confirm this breakout. A confirmed break above 1.75 will lead AUTO to the 2.3-2.4 range.

Those who want to enter if this breakout is confirmed are recommended to place their stop below 1.6 and use the 2.3 as their first important target to watch.

Top index weights
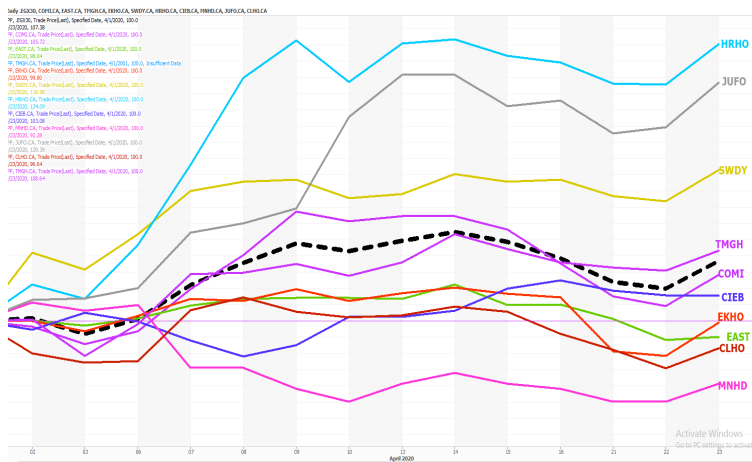
From the first of April HRHO is on top, followed by JUFO and SWDY. Then comes TMGH and COMI which are performing almost like the index.

The strong performance of HRHO is expected to continue as the stock looks strong; we also expect SWDY and TMGH to continue their outperformance and we should see COMI soon moving above the EGX 30 index once again.

Mid Weights
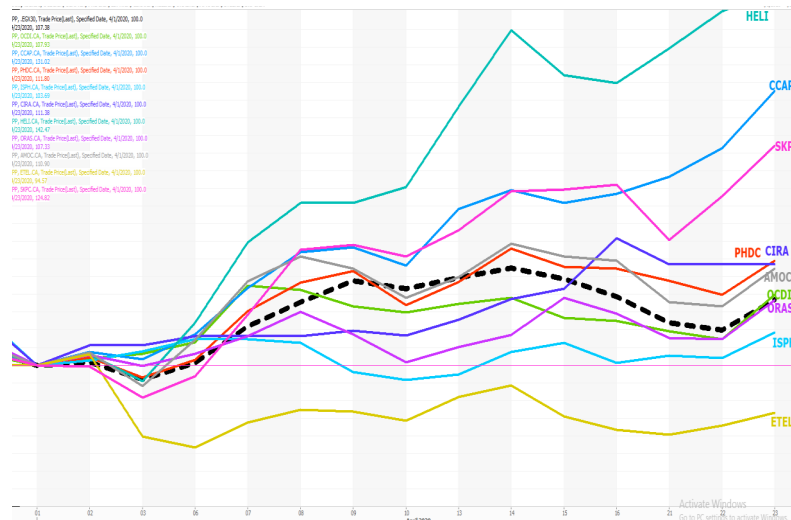
HELI is the best performer in this category of stocks, followed by CCAP, which began to show improvement in its relative performance curve since few weeks. SKPC also is on the top three. As for the rest, we recommend waiting until they show more strength confirmation.

PHDC, CIRA, and AMOC are moving above the EGX 30 index, while OCDI and ORAS are market performers.

Smallest Weights
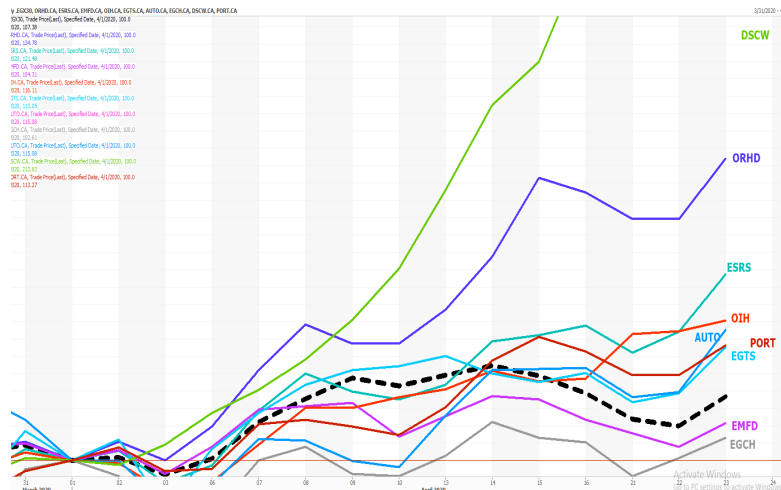
DSCW is the best stock in the while index as we were mentioning before in our previous reports. ORHD improved significantly lately and is showing superior performance. Then comes ESRS, followed by OIH.

EMFD, despite that it was outperforming lately, it began to underperform once again along with the recent market rise because of its defensive nature.

DSCW, ORHD, and ESRS are our stop stocks.

PIONEERSSECURITIES

Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks moving average is still below its 20 weeks counterpart
COMI	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EAST	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EKHO	Below	The 10 weeks moving average is still below its 20 weeks counterpart
TMGH	Below	The 10 weeks moving average is still below its 20 weeks counterpart
HRHO	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
SWDY	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CLHO	Below	The 10 weeks moving average is still below its 20 weeks counterpart
CIEB	Below	The 10 weeks moving average is still below its 20 weeks counterpart
JUFO	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ETEL	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ISPH	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CIRA	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ORAS	Below	The 10 weeks moving average is still below its 20 weeks counterpart
OCDI	Below	The 10 weeks moving average is still below its 20 weeks counterpart
CCAP	Below	The 10 weeks moving average is still below its 20 weeks counterpart
HELI	Below	The 10 weeks moving average is still below its 20 weeks counterpart
SKPC	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
PHDC	Below	The 10 weeks moving average is still below its 20 weeks counterpart
AMOC	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
AUTO	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ESRS	Below +	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ORHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EMFD	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
OIH	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EGTS	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EGCH	Below	The 10 weeks moving average is still below its 20 weeks counterpart
PORT	Below	The 10 weeks moving average is still below its 20 weeks counterpart
DSCW	Above	Buy signal was triggered in early April 2020

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.

It is important to note that most of the stocks that were written in blue last week already gave a buy signal this week. Thus, we should be monitoring closely stocks that are in blue as they are almost giving a buy signal.

Disclaimer

This report has been prepared according to the general data available for public, in accordance with the professional standards applied in that career to the best knowledge of the reporter. The recommendations mentioned are a guiding tool representing a professional opinion, and not granting any profits, consequently it is not obligatory for our valued customers and investors. Pioneers Securities©, Egypt shall not be liable for any direct, indirect, incidental, or consequential damages, including limitation losses, lost revenues, or lost profits that may result from these materials. Republishing this report or any of its contents is subject to prior approval; referring to the source is a must. Opinions expressed are subject to change without notice and may differ or be contrary to the opinions or recommendations of Pioneers Securities©, Egypt Research or the opinions expressed by other business areas or groups of Pioneers Securities©, Egypt as a result of depending solely on the historical technical behavior (price and volume).

Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst