

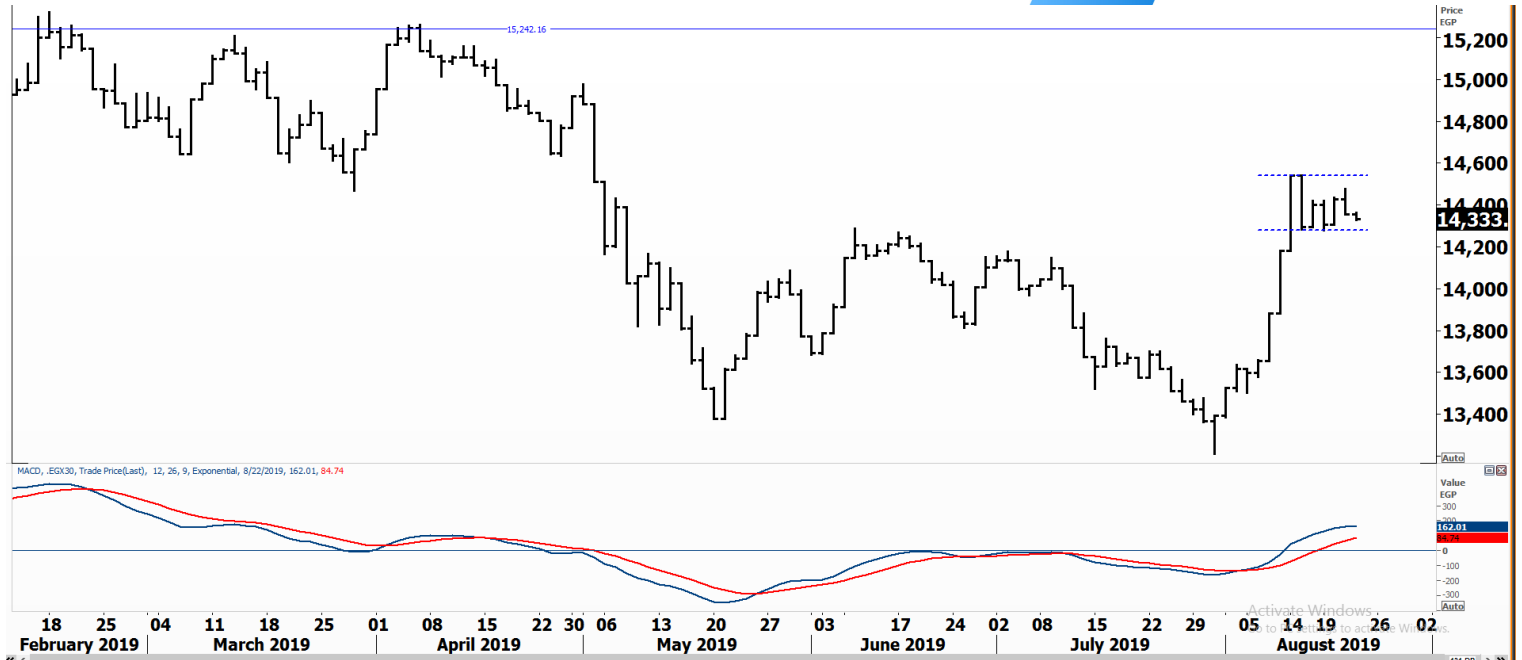


PIONEERSECURITIES

Weekly Overview

25–Aug 19

This report must be read with the disclaimer
on last page



Currently, the EGX 30 index is still moving inside its flag; a breakout above this bullish formation will signal the continuation of the upward move. As we all know, interest rates were cut on Thursday, which adds to the bullish picture of the market. On the other hand, there was a big decline in US equities because of the current Trump/China struggle. We believe that the bullish effect of the interest rates cut will surpass the bearish US equity decline effect, especially that we are currently not correlated with international equities.

A breakout above 14,550 will trigger a new entry signal and our target will be set at 15,200. As we mentioned before, we are expecting the index to break above the 15,200-15,300 before the end of the year.

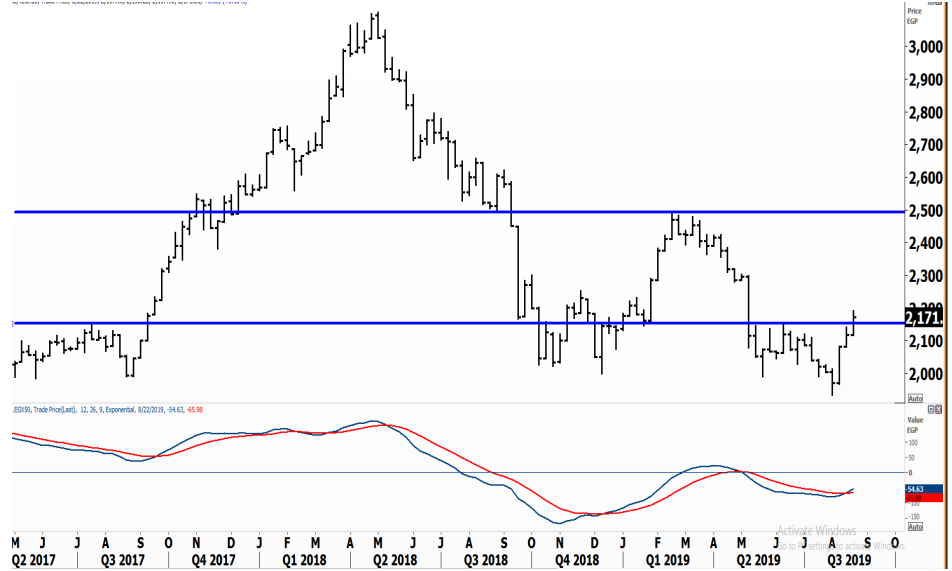
EGX 50 Index/ Weekly Chart

The break above 2,150 was confirmed on a weekly basis after the EGX 50 index closed above it. The MACD indicator also confirmed its positive divergence by triggering a bullish cross-over.

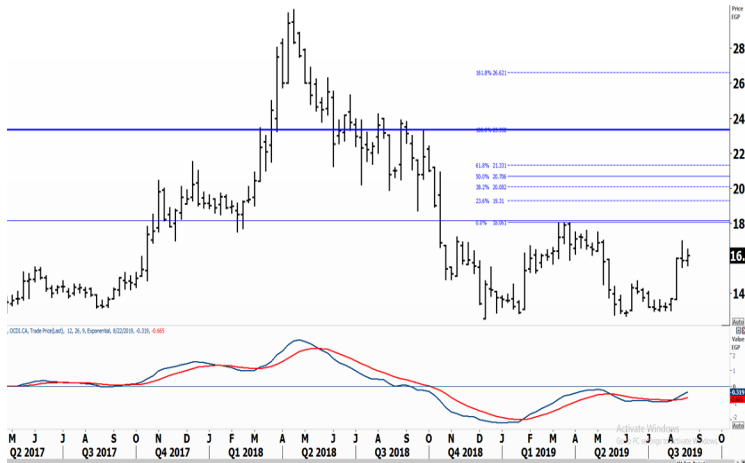
Our next target lies at the current peak at 2,500. We thus expect the EGX 50 index to reach 2,500 soon.

As we know, market breadth improved significantly, especially that many indices were confirming the EGX 30 index unlike previous periods when the market was rising based on just few stocks.

Now the number of stocks that rise is increasing, which is bullish for the overall market.



OCDI



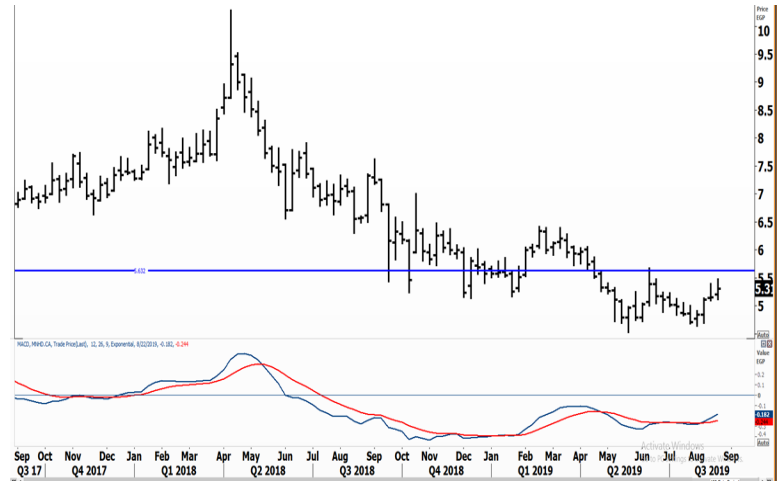
OCDI is one of the high beta stocks that outperform during markets rises; in other words, if we are bullish on the market we should have a big portion of OCDI in our portfolios.

The stock is currently heading to challenge its important resistance that lies at 18. We believe that OCDI will be able to break above 18 ultimately, this will probably lead the stock near 23.5 before the end of the year.

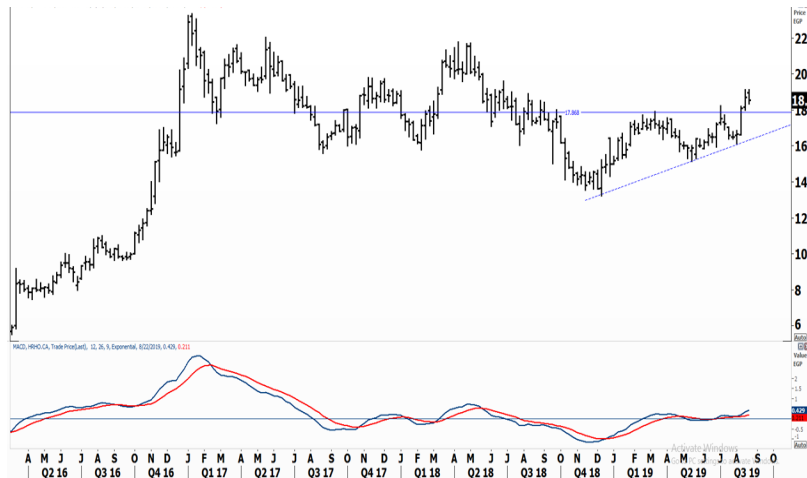
MNHD

MNHD is one of the stocks that are expected to witness strong performance should the market continues its rise. The stock is currently approaching its important resistance that lies around 5.6. If this level is broken upwards, a strong upward move will be expected to occur. We believe that a breakout above 5.6, followed by another break above 6.5 will probably lead MNHD near 8.5.

Those who are out of the stock are recommended to step in partially, while adding to their positions at a break above 5.6.

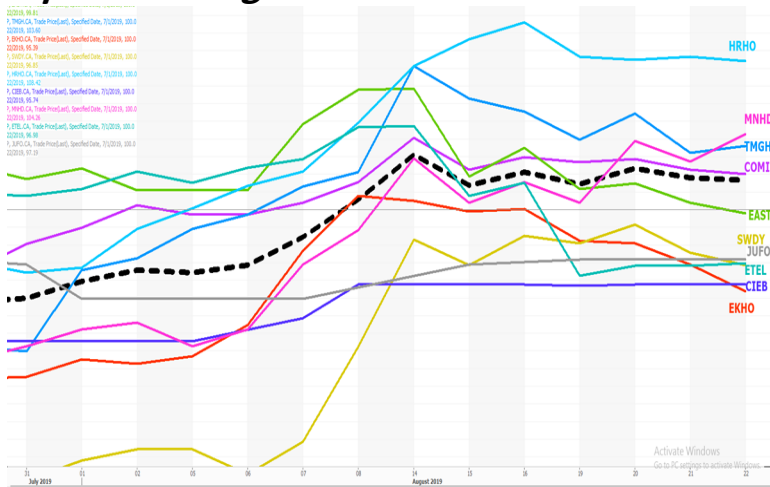


HRHO



The breakout above 18 was confirmed on a weekly basis. Declines should be used as a chance to step in or to add to current positions. HRHO's minimum target lies around 22. This is where major resistance appears. Those who want to take profits can use the 21-22 range as their selling target. For now, declines should be used as a chance to step in.

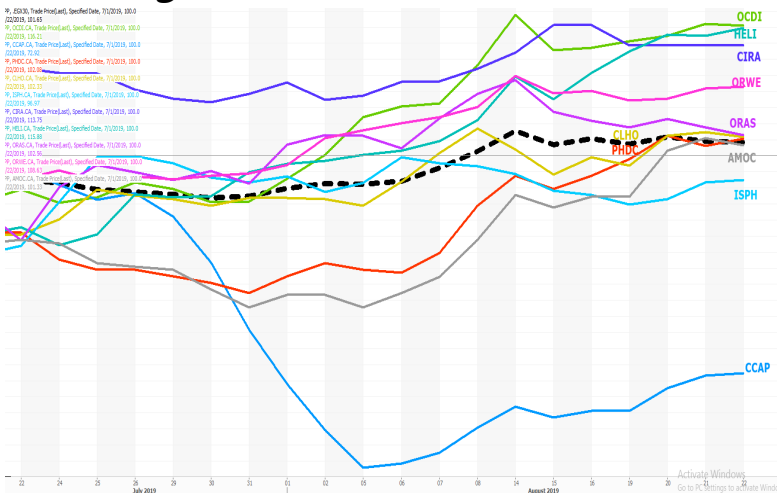
Top index weights



Top performers are HRHO, MNHD (which is improving significantly), TMGH, and COMI (which is a market performer).

As for underperformers, we can see EKHO, CIEB, ETEL, JUFO, and EAST. As we can see clearly, these stocks are defensive stocks that underperform during market rises. It makes sense and it should be that way. Thus, out of these stocks, we should see ETEL and SWDY improving.

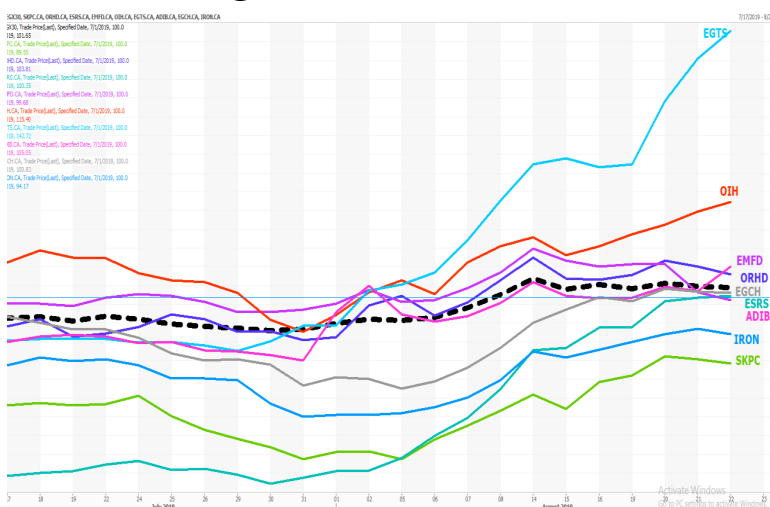
Mid Weights



OCCI, HELI, CIRA, and ORWE are the current outperformers in this category of stocks. Then comes ORAS, CLHO, PHDC, and AMOC which are performing like the index.

As for the rest, ISPH is slightly underperforming, while CCAP is moving clearly below the EGX relative performance curve but began to have a rising relative performance which gives it some potential to more improvement.

Smallest Weights



EGTS is by far the top outperformer in this category of stocks. Then comes OIH, EMFD, and ORHD. Nothing changed from last week

EGCH and ESRS are also positive and have a clearly rising relative performance curve. SKPC is also having a rising relative performance curve.

Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
COMI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
EAST	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
TMGH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal)
SWDY	Below	The 10 weeks moving average is still below its 20 weeks counterpart
HRHO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (7th week)
CIEB	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ETEL	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (6th week)
JUFO	Below	The 10 weeks moving average is still below its 20 weeks counterpart
OCDI	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
CCAP	Below	The 10 weeks moving average is still below its 20 weeks counterpart
PHDC	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CLHO	Above	Buy signal was triggered in November 2018
ISPH	SELL*	The 10 weeks MA just broke below the 20 weeks MA/ Sell signal triggered
CIRA	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
HELI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (2nd week)
ORAS	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ORWE	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal)
AMOC	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
ORHD	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal)
ESRS	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
EMFD	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
OIH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (5th week)
EGTS	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (8th week)
ADIB	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
EGCH	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
IRON	Below	The 10 weeks moving average is still below its 20 weeks counterpart

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

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