

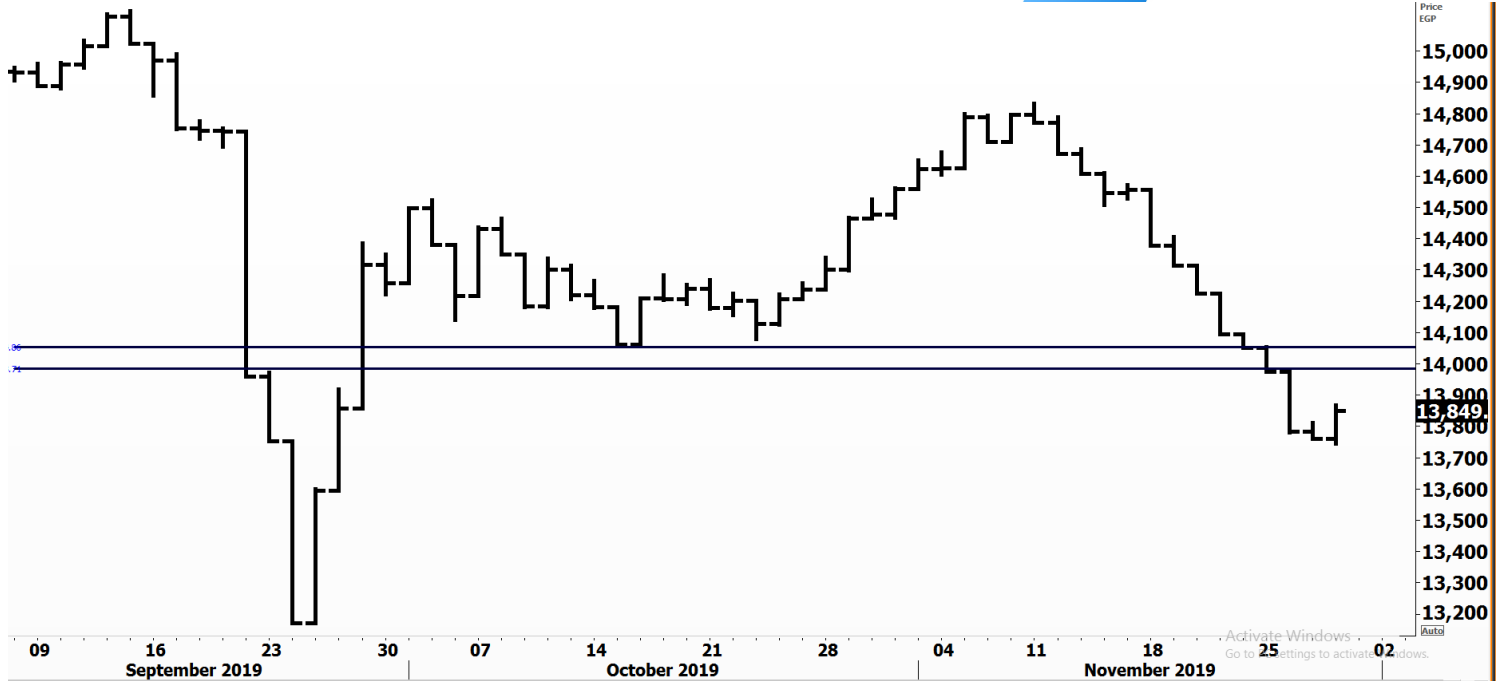


PIONEERSECURITIES

Weekly Overview

1–Dec 19

This report must be read with the disclaimer
on last page



The market, unfortunately did not rebound last week as we were expecting and continued its “one shot” decline to reach a low of 13,750, closing at 13,850 on Thursday. It is worth noting that Thursday’s rise was a fake rise as it came with low volumes and with almost no stocks rising.

The 13 days continuous decline on the EGX 30 index can be considered as a new “Guinness” record; as the market did not witness even a one day rise during this decline; and as we mentioned, the 14th day (Thursday) was a rise with almost no volumes and with very weak market breadth.

May be our negative sentiment that we are sending here is a sign of a bottom, but our main problem is that buyers are completely absent for unknown reasons.

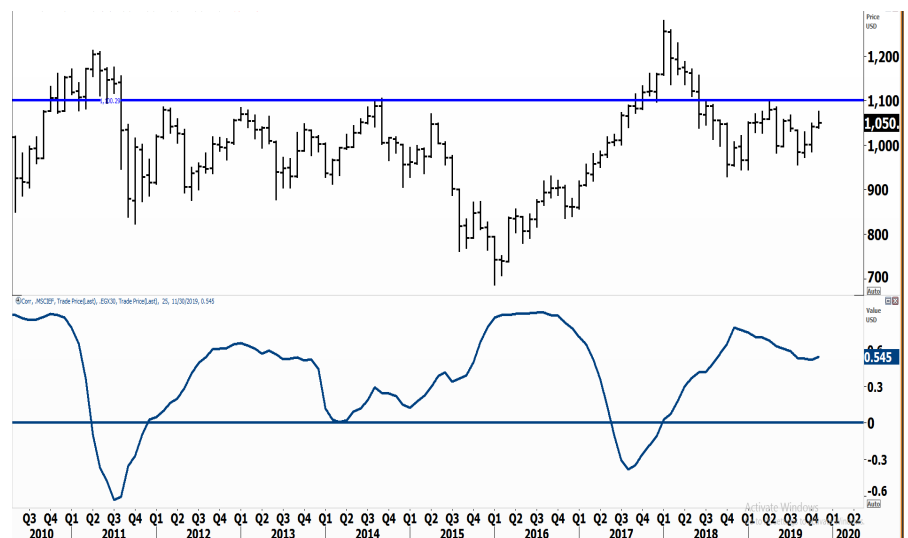
The 14,000-14,050 range must be broken upwards with high volumes. In other words, the market will not begin a significant rise until it breaks clearly above 14,050. On the other hand, if the decline continues, our target will be set around 13,200.

MSCI Index/ Monthly Chart

The chart belongs to the MSCI Emerging markets index along with a correlation indicator between the MSCI and our EGX index.

Let us send some hope to our readers after the previous dark analysis on the EGX 30.

The correlation curve shows strong correlation between our market and the MSCI index. Thus, if the MSCI succeeds to break above its peak that lies at 1,100, this will be considered as a positive sign for the Egyptian market. Honestly speaking, the MSCI index looks good and has a strong potential to break upwards. Such a breakout, if it occurs, should have a positive effect on our market.



ETEL



ETEL witnessed weak performance lately and fell from above 15, currently approaching the major support of the stock that lies at 9.9-10. We are mentioning ETEL this week in our report, as the stock is near a very important support that should not be violated.

Those who want to step in are recommended to wait for a rebound before buying. Our stop will be clearly placed below 9.9. We will not recommend buying, however, unless a rebound takes place.

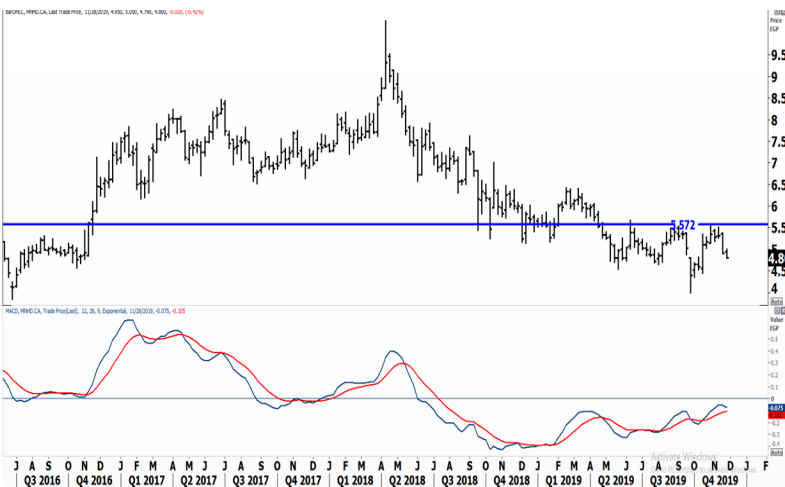
OIH

A high beta stock that rises sharply during market rises and falls severely during market declines. This means that if we are lucky enough and the market rises this week, OIH will be one of the stocks that will witness a significant rise. Obviously, if the market continues its decline, we will probably not see any good performance in this stock.

Major support lies at 0.51; those who want to buy after a clear and confirmed breakout should wait for a break above 0.64, which is our current important resistance to watch.



MNHD

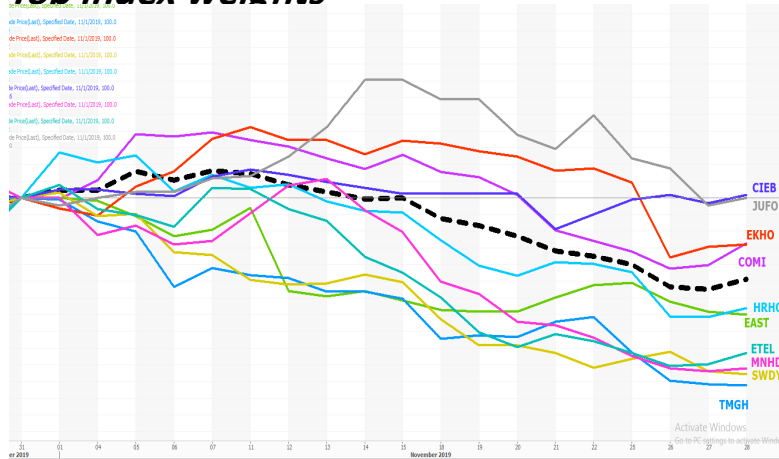


The stock began to change its character and showed strong performance during the most recent market rise. During the latest decline, MNHD witnessed a double top on its daily chart and already reached its target on Thursday. If the market rises, MNHD will probably be one of the best performers.

On the weekly chart, as we can see, the MACD indicator is witnessing a decent rise; this shows that the negative momentum is drying up and it is time for buyers to step in.

Our confirmed signal from an intermediate-term perspective is a breakout above 5.5.

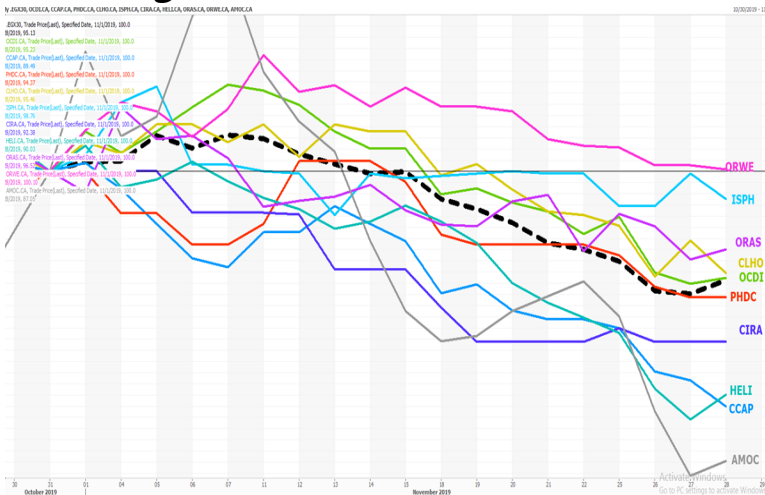
Top index weights



If we look at outperformers from the beginning of the month until today, we will find that CIEB, JUFO, and EKHO are the top three, along with COMI, which led the market decline but then bluffed the stocks and rose alone.

As we can see, the defenders are outperforming, which shows the overall market weakness. We will not step in unless the market rebounds and invites us to enter.

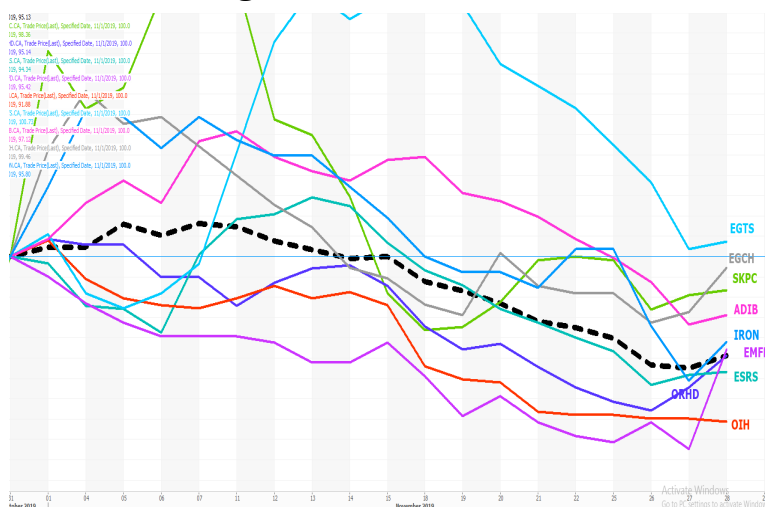
Mid Weights



ORWE, ISPH, and ORAS are outperforming this category of stocks, then comes CLHO, which is also one of the defenders.

As for the rest, OCDD and PHDC are moving close to the index relative performance curve while the rest of the stocks are underperforming.

Smallest Weights



EGTS is still outperforming despite its recent decline. EGCH looks ok, while SKPC is also trying to maintain itself.

As for the rest of the stocks, EMFD is trying to improve; if it continues its improvement, it will probably witness a significant rise. ADIB also is still outperforming the index and might continue that way.

Stock	10/20 EMA signal	Comments
EGX 30	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
COMI	Above	Buy signal was triggered in Feb 2019
EAST	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
TMGH	Below	The 10 weeks moving average is still below its 20 weeks counterpart
SWDY	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
HRHO	Above	Buy signal was triggered in June 27, 2019
CIEB	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
MNHD	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
ETEL	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
OCDI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
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	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
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
ORAS	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
ORWE	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
AMOC	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
SKPC	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
ORHD	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
ESRS	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
EMFD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
OIH	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
EGTS	Above	Buy signal was triggered in June 2019
ADIB	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
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 but approaching it

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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