

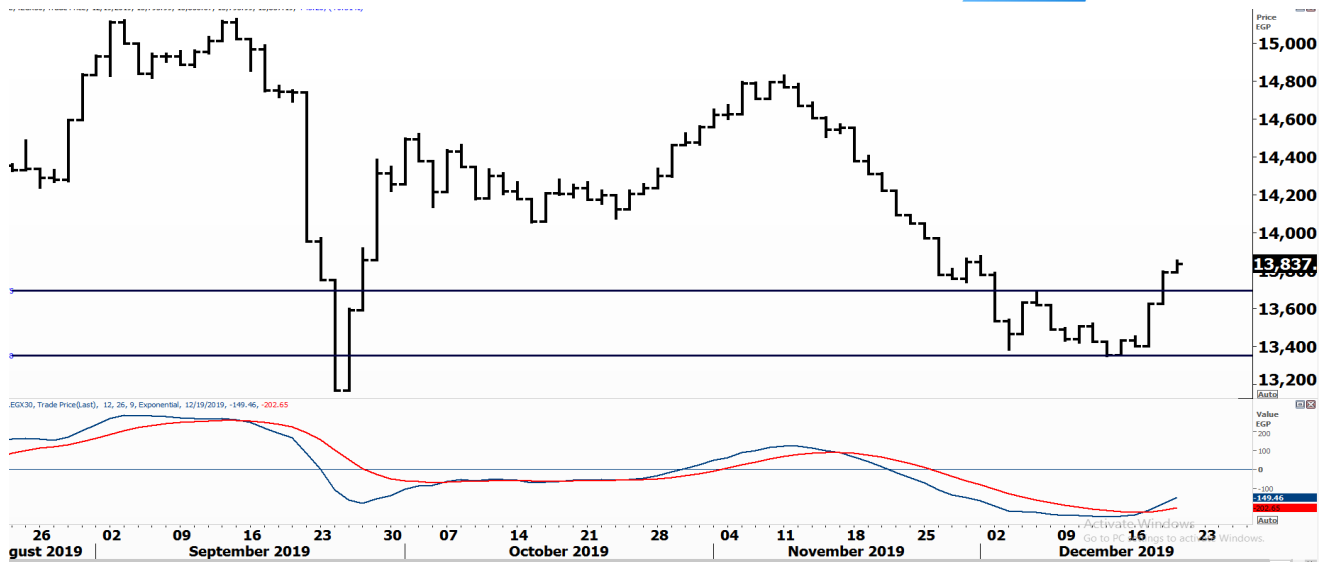


PIONEERSECURITIES

Weekly Overview

22-Dec 19

This report must be read with the disclaimer
on last page

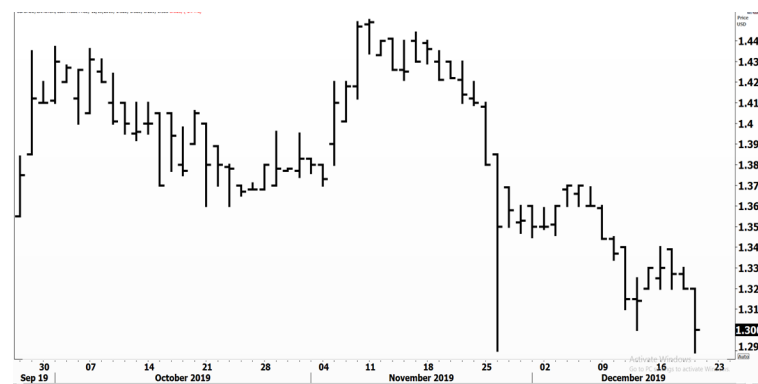
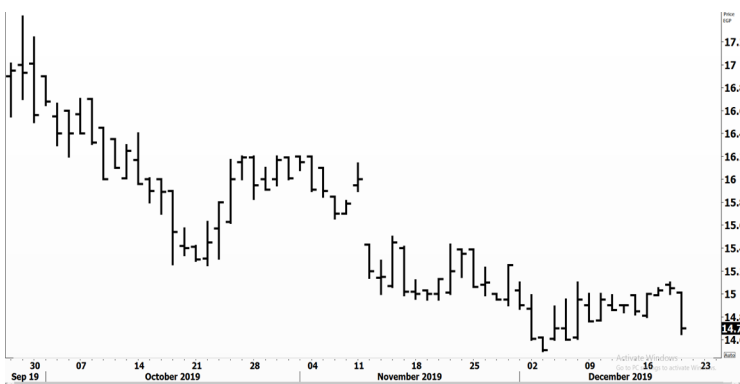
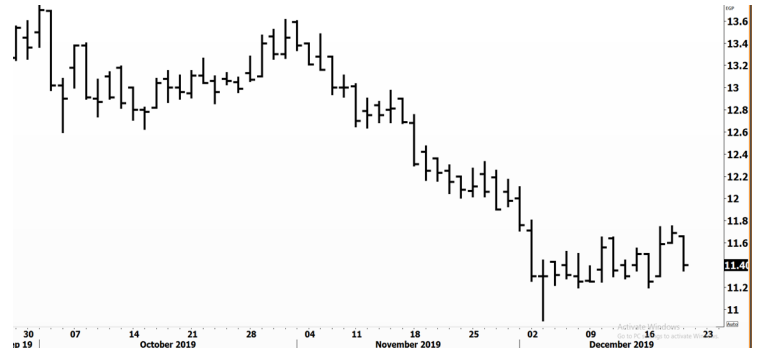
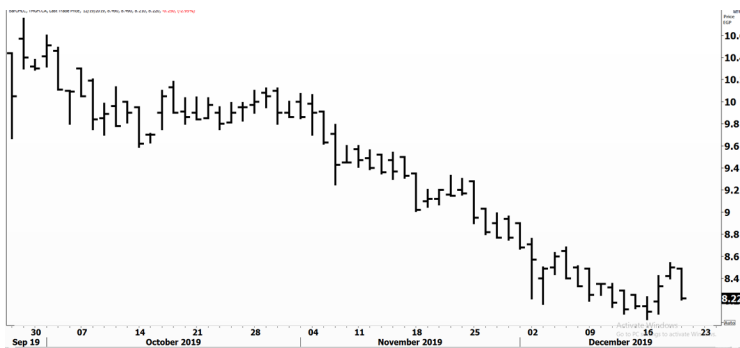


The EGX 30 index broke its peak (13,700) and closed at 13,800 at the end of Thursday's session. Despite this breakout, we still do not recommend entering the market as we might witness another false break. Unfortunately, the index broke its peak on its own along with the CIB and left the rest of the market struggling. The four charts below are TMGH, SWDY, EAST, and EKHO, and these are 4 of the heaviest weights in the index. All of these stocks, are showing weakness, especially after the slight rise they witnessed. In other words, stocks tried to rise but they could not witness any significant rise, while the index flew alone.

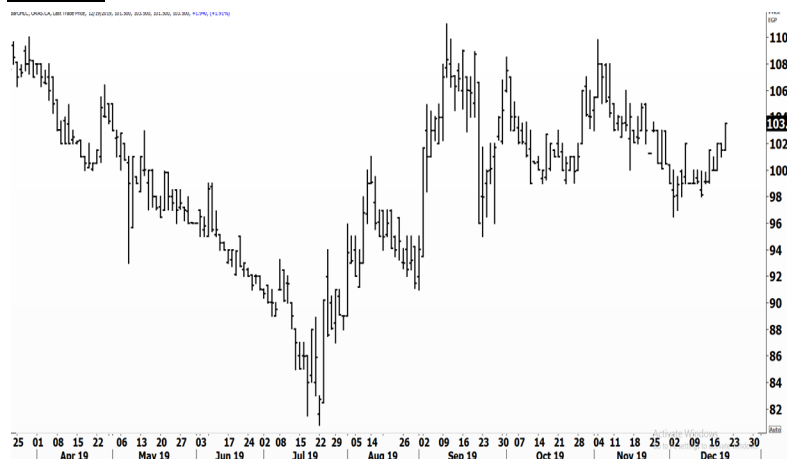
Obviously, the rest of the EGX constituents were not able to rise too with the exception of defensives, like CIEB which witnessed relatively good performance, especially on Wednesday and Thursday, hinting that more market decline might be seen in the near future.

To make things simple; we need a clear confirmation of market strength; this will appear with more stocks breaking their resistance levels, and the EGX 50 index breaking its peak (which did not occur yet).

If we do not see improvement in market breadth, then we will not benefit from the EGX 30 rise, unless we only invest in COMI.



ORAS



Since the market's breakout came with very weak breadth, we should continue sticking to defensives to be in a safer place. Most of our recommended stocks during the past few weeks were defensives, which proved to be the best way to invest in our market.

ORAS is one of these defensives which is doing relatively well. Our target lies initially near 110. A break above this level will lead the stock to higher targets.

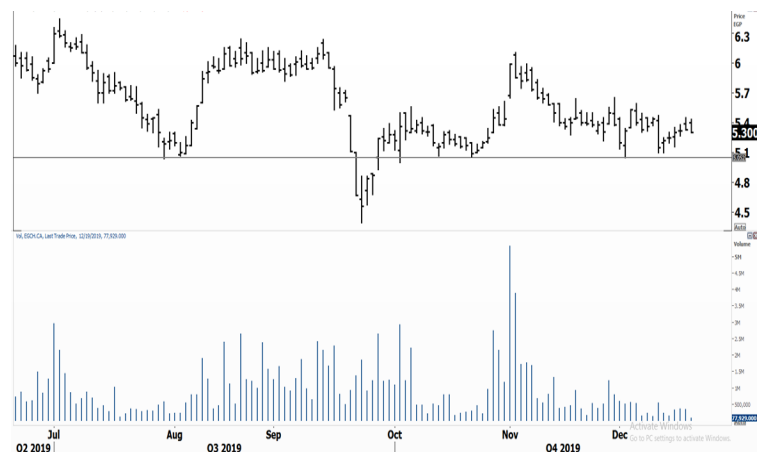
ORWE



Sticking to defensives, ORWE is one of the stocks that should be watched. The stock tested its resistance that lies at 11 and witnessed a decline to close at 10.6 on Thursday.

We recommend stepping in either at a decline near 10.25 or at a break above 11. At current levels, we recommend investors to wait.

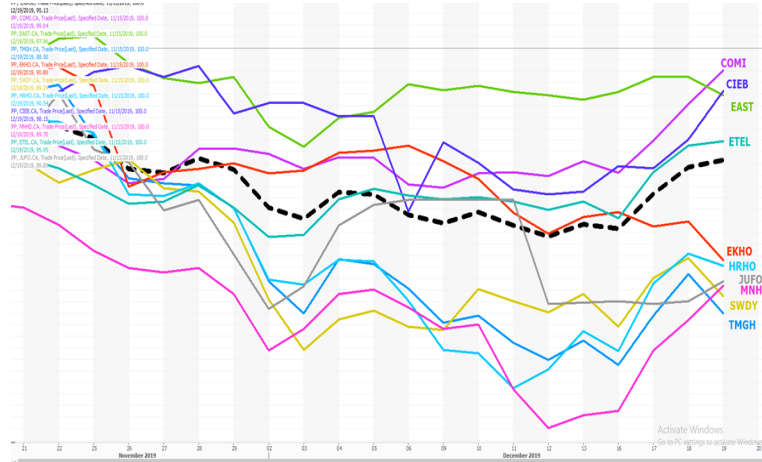
EGCH



The stock usually respects its support that lies at 5. Thus, if we approach support and rebound from there, a buy signal will be triggered.

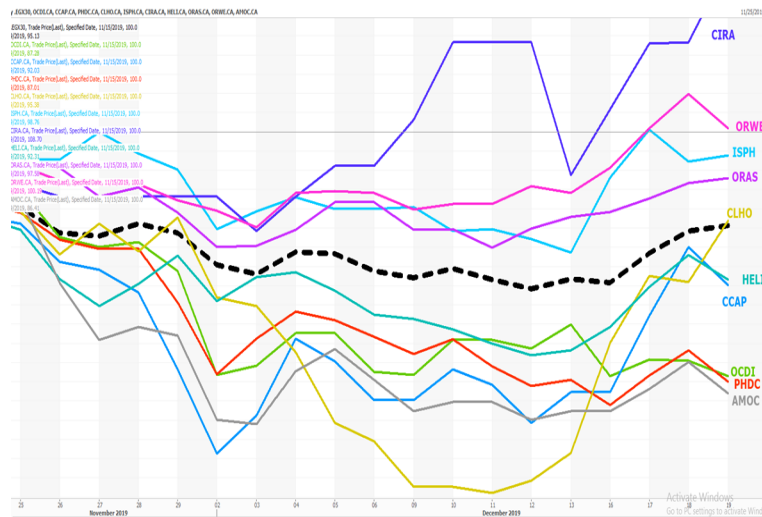
On the other hand, those who want to buy after confirmation are recommended to wait for a breakout above 5.5 or 5.7 for more confirmation.

Top index weights



COMI is on top, as we all know. EAST is still outperforming despite its latest decline, while ETEL witnessed significant improvement. As for underperformers, MNHD is having a rising relative performance curve.

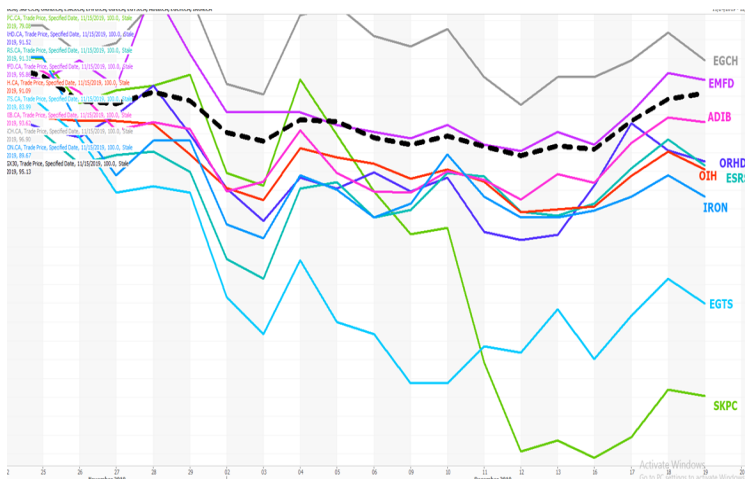
Mid Weights



Let us look at the names of the outperformers; CIRA, ORWE, ISPH, ORAS, CLHO. All of them are defensive stocks, which tells us that the market did not decide to rise yet.

Investors are recommended to give more weight to defensive stocks as we are still in a weak market phase that did not end yet.

Smallest Weights



Like last week, only EGCH and EMFD are relatively doing good while the rest are underperforming.

ADIB is the closest stock to the EGX 30 relative performance curve, while the rest are underperforming by a significant gap.

Stock	10/20 EMA signal	Comments
EGX 30	Sell	The 10 weeks moving average just broke below its 20 weeks counterpart
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
HRHO	Sell	The 10 weeks moving average just broke below its 20 weeks counterpart
CIEB	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 but approaching it
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	Sell	The 10 weeks moving average just broke below its 20 weeks counterpart
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
CLHO	Sell	The 10 weeks moving average just broke below its 20 weeks counterpart
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	Sell	The 10 weeks moving average just broke below its 20 weeks counterpart
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 still below its 20 weeks counterpart but approaching it
ORHD	Sell	The 10 weeks moving average just broke below its 20 weeks counterpart
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
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.

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