

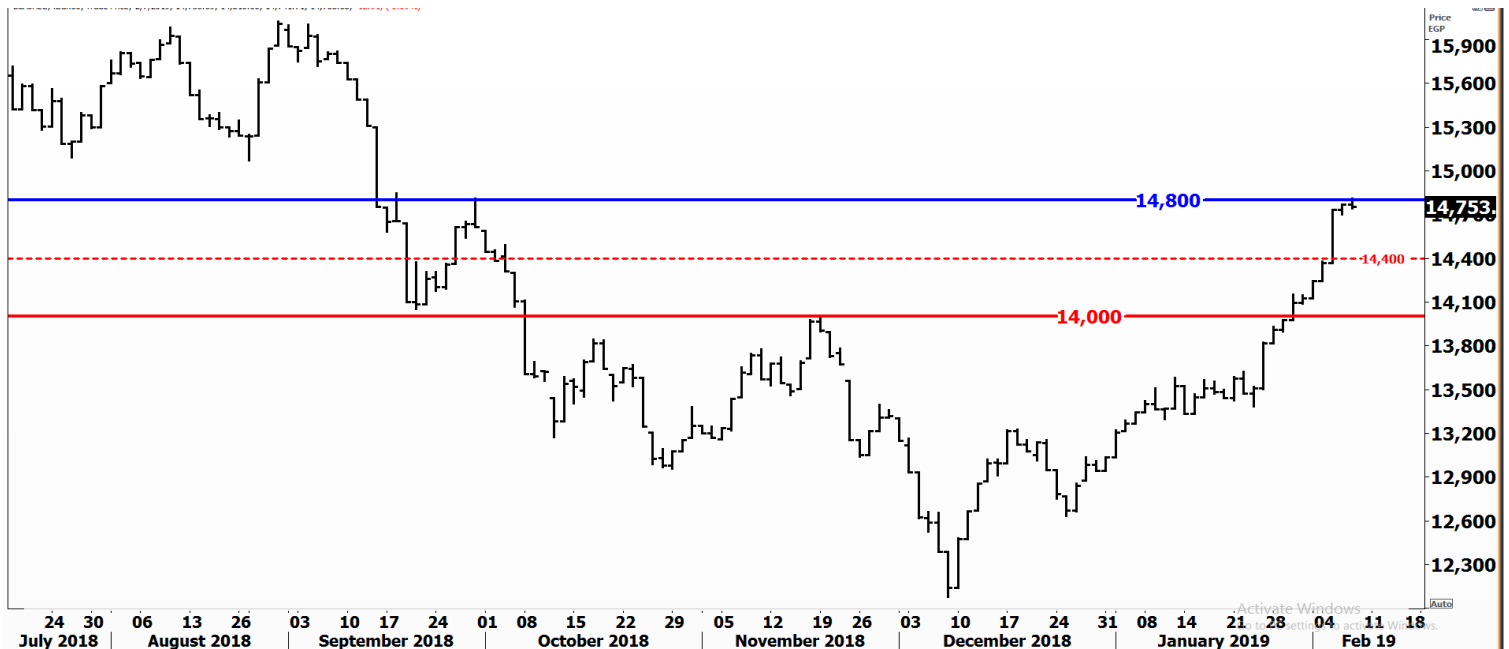


PIONEERSECURITIES

Weekly Overview

10–Feb 19

This report must be read with the disclaimer
on last page



The EGX 30 index reached our first important target that lies at 14,800. We were expecting this target to be reached before any correction occurs. This what happened exactly but the question now is whether we will correct from here or not. This is a difficult question to answer as the market is still strong but began to witness some selling pressure as it tested our important 14,800 target.

First let us say that our intermediate-term view is bullish; in other words we are expecting a clear breakout above the 14,800 followed by a breakout above 15,000 whether a correction occurs or not.

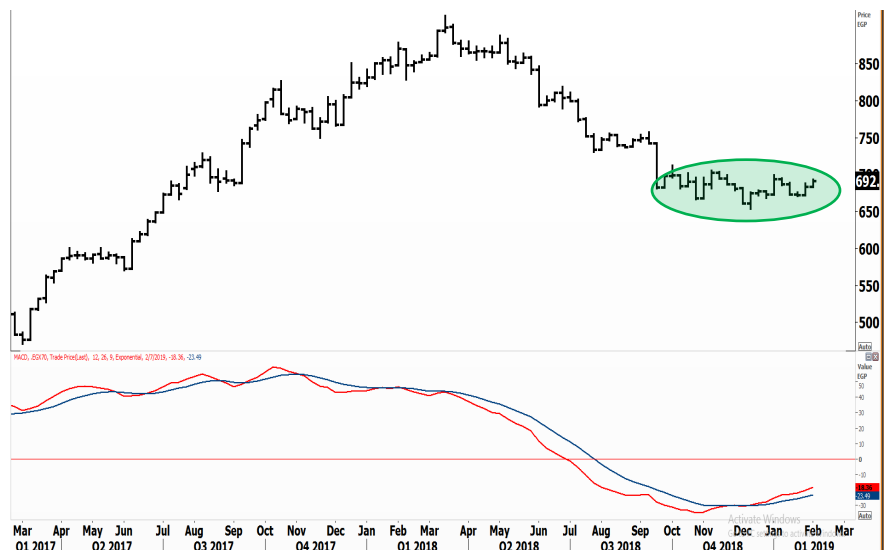
Second, as for the probability of a correction, it will be healthier to decline from current levels before breaking 14,800 upwards; if the market falls from here, our two targets will be set at 14,400, followed by 14,000 which is a level that is not expected to be violated. Those who are heavily invested can reduce their exposure here and wait for the market to act on its own; if a correction occurs from here, we will monitor the market to see from which level it will rebound. On the other hand, if the current rise continues, our re-entry will be triggered at a breakout above 14,800 and our next target will be set near 15,500.

EGX 70 Weekly Chart

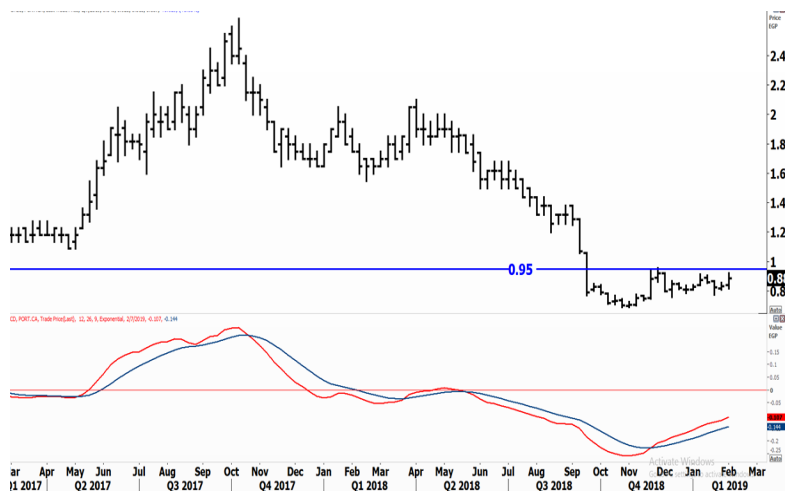
The way the EGX 70 index is moving inside its sideways range hints of a strong upwards breakout. Thus, a clear break above 700 will be considered as an important signal for small and mid caps and a strong rise will follow.

The weekly MACD is also witnessing a bullish move by rising from below zero after the positive crossover it witnessed during Jan of this year.

We are bullish on the EGX 70 index and will be more positive on the index if the 700 breakout is confirmed on a weekly basis.



PORT



The stock is preparing itself for a big rise, the weekly chart is showing a nice bottoming formation with a rising MACD indicator. A breakout above 0.95 will trigger an important buy signal as our first target will be set near 1.2-1.25, but the potential rise might reach 1.45-1.5.

We are bullish on PORT, especially if it breaks above 0.95 as a break above this level will be the first bullish sign since Q3 2017 until now.

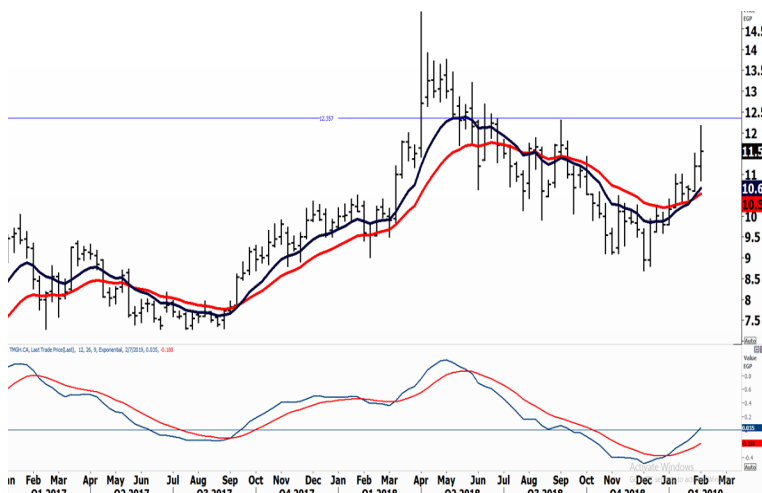
The stock is reversing its intermediate-term trend to the upside, which should not be taken lightly.

TMGH is one of the outperforming stocks in the Egyptian market. The stock witnessed a fresh intermediate-term buy signal after the 10-weeks moving average broke above its 20-week counterpart. The MACD indicator is also in a buy mode.

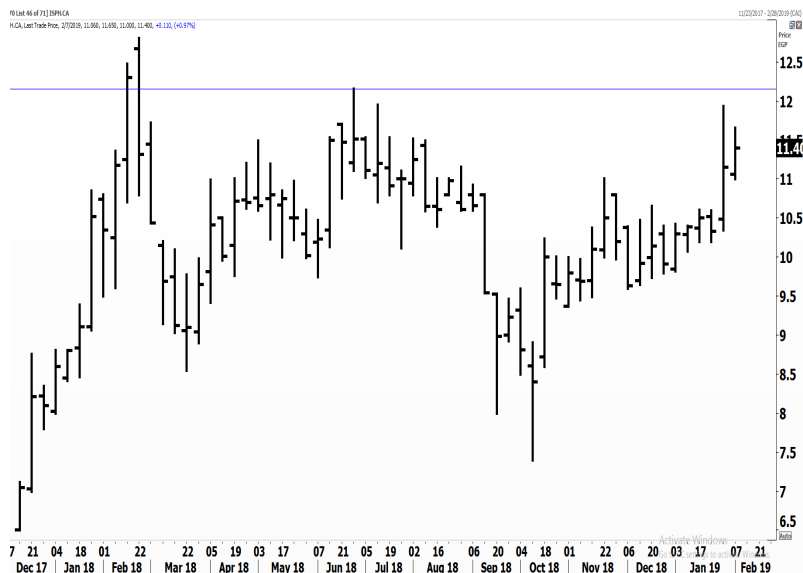
Our first important buy signal was a breakout above 10.5; next resistance lies at 12.5; if TMGH breaks above 12.5 another buy signal will be triggered and our target will be set near 14.5.

If our market continues its major uptrend, TMGH will obviously be one of the first stocks that will hit new highs.

TMGH



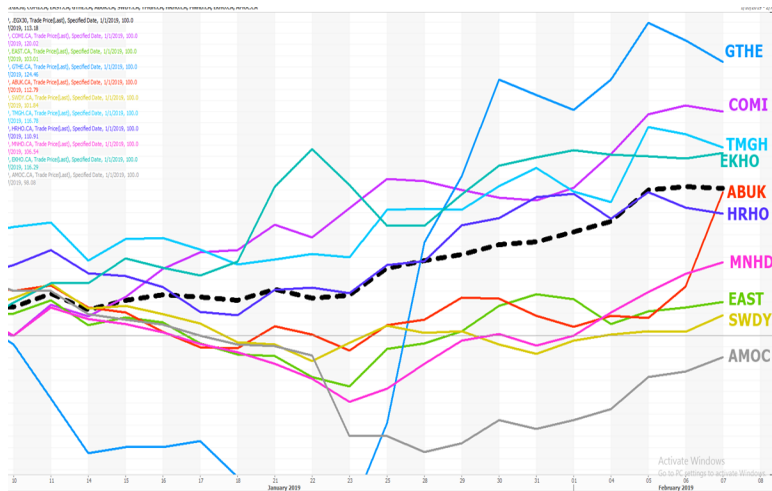
ISPH



We have introduced ISPH in a previous "Weekly Overview" and mentioned that the stock should be treated as a buy and hold stock as its trend is up and expected to reach new historical highs.

We are still bullish on the stock and are expecting much higher prices. The first important resistance the stock is facing, however, lies at 12. A clear and confirmed break above this level will lead to new highs. Those who are out of the stock are recommended to step in. A breakout above 12 will call for adding to positions.

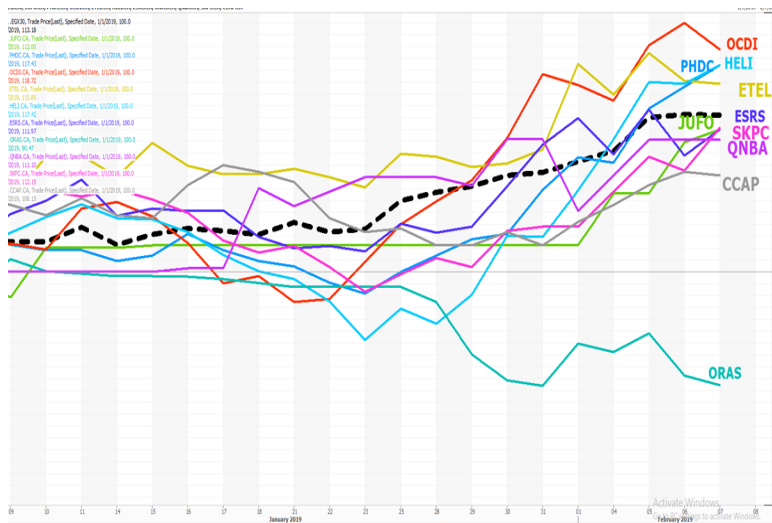
Top index weights (3% and above)



EKHO, TMGH, and COMI are on top. (GTHE is on top of them but its relative performance movement was so erratic and not easy to analyze). HRHO witnessed some decline in its relative performance curve lately but should regain its outperformance once again.

As for the rest of the stocks, only ABUK witnessed a significant improvement in its relative performance curve despite that it is still below the EGX 30 curve. MNHD, SWDY, and AMOC are slowly rising.

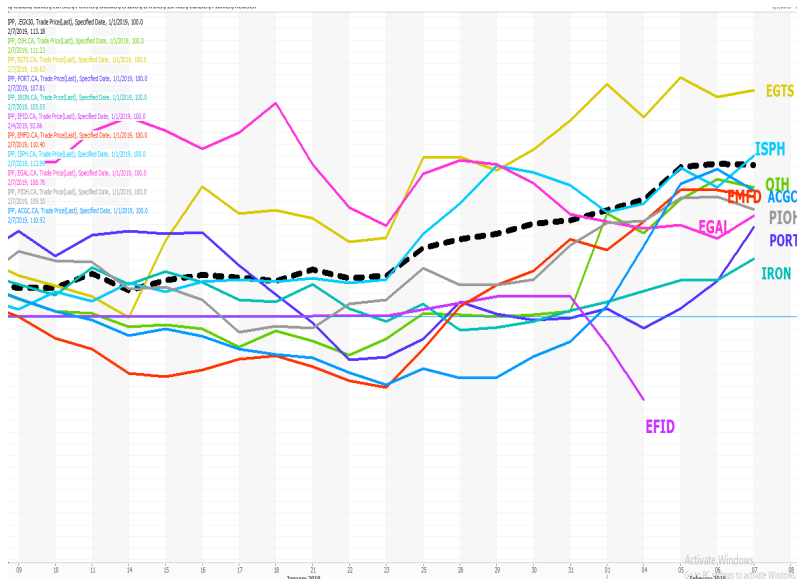
Mid Weights (above 1.5%)



With the exception of ORAS, all stocks in this category have very close relative performance curves. This should lead ORAS to enhance itself a bit to be able to approach the rest of the stocks.

PHDC began to show significant improvement in its curve, along with HELI which is continuing its good performance. ETEL is maintaining itself, while SKPC began to show a rising relative performance curve.

Smallest Weights (below 1.5%)



Most stocks in this category are below the EGX 30 relative performance curve but are converging together with the exception of EFID which is a clear underperformer.

EGTS is by itself on top, followed by ISPH, which is one of the stocks that we recommend from an intermediate-term time dimension. One of the stocks that should be watched is PORT. The stock is still below the EGX 30 curve but began to look North and looks like it will witness more improvement in its relative performance curve.

Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely ***
COMI	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
EAST	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
GTHE	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal) *
ABUK	Below	The 10 weeks moving average is still below its 20 weeks counterpart
SWDY	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (4th week)
TMGH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (2nd week)
HRHO	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EKHO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (3rd week)
AMOC	Below	The 10 weeks moving average is still below its 20 weeks counterpart
JUFO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (5th week)
PHDC	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
ETEL	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (5th week)
HELI	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ESRS	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it **
ORAS	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
SKPC	Below	The 10 weeks moving average is still below its 20 weeks counterpart
CCAP	Above	Buy signal was triggered on the 17th of August 2017
QNBA	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
OIH	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely ***
ACGC	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EGTS	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal) *
PORT	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
IRON	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely ***

Stock	10/20 EMA signal	Comments
ISPH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (5th week)
EFID	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EMFD	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it **
PIOH	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
EGAL	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely ***

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.

* GTHE and EGTS witnessed a fresh intermediate-term buy signal. It is important to note though that EGTS is witnessing a wide sideways range, so using Moving averages crossover after the break above 2.3 will be a better tactic.

*** The EGX 30, OIH, IRON, and EGAL turned from brown to blue. This means that they are on the verge of witnessing a major buy signal.

** ESRS and EMFD turned from red to brown. Both averages are approaching from each other but did not reach the "blue" level yet.

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Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst