

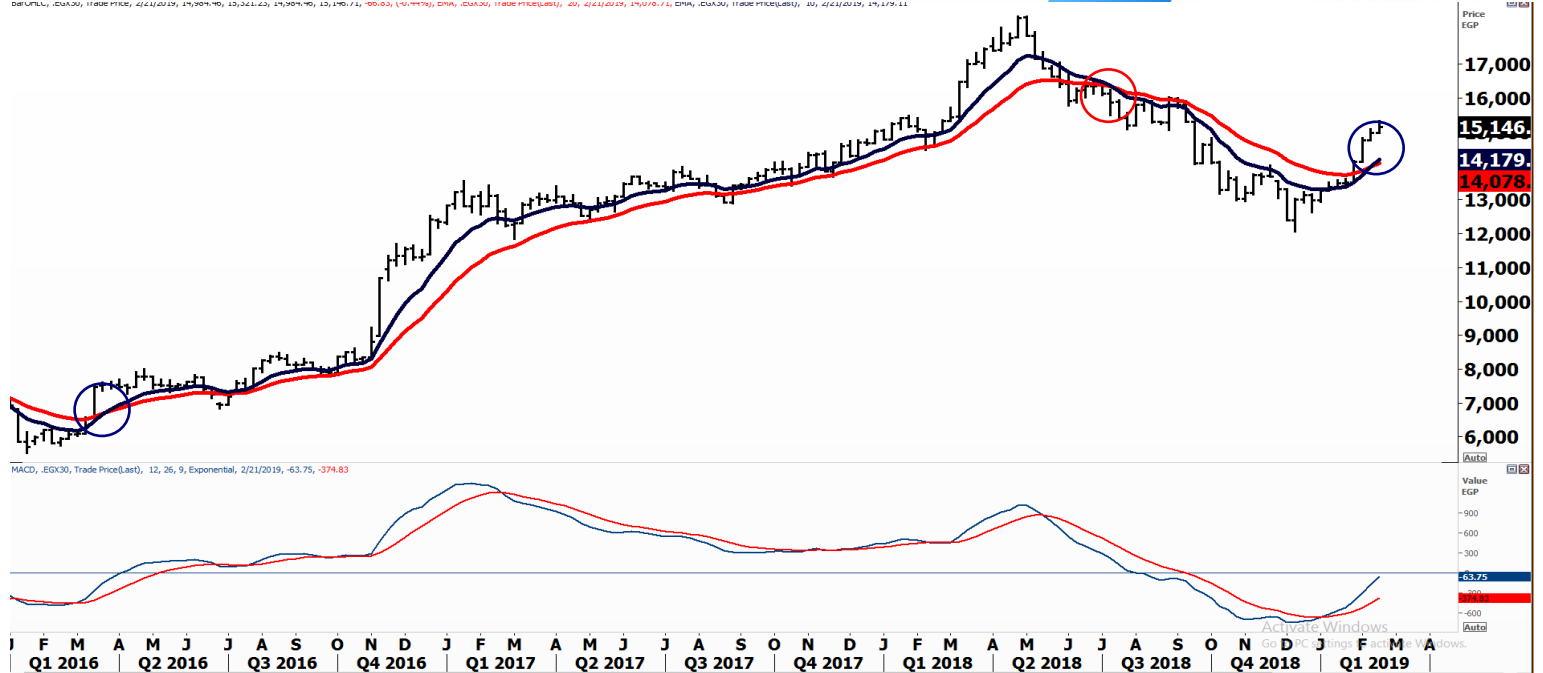


PIONEERSECURITIES

Weekly Overview

24-Feb 19

This report must be read with the disclaimer
on last page



The chart above is a weekly chart of the EGX 30 index along with the 10/20 weeks moving averages and the MACD indicator. First of all, the 10 weeks broke the 20 weeks moving average upwards for the first time since April 2018 when a sell signal was triggered; this bullish crossover came with the MACD indicator also witnessing a buy signal for the first time since the May 2018 correction. These two signals tell us that the major market correction ended and that the EGX 30 should resume its major uptrend.

The probability of a correction from current levels, especially with the market weakness that appeared during the past two sessions, is probable. Such a correction, however, will be viewed as a chance to step in. Let us discuss the two scenarios we have currently in our hands:

First scenario: a significant correction from current levels; if this occurs, the EGX 30 will probably reach 14,000 or slightly below; the next upward move will lead the index to its high that lies at 18,500. In other words, if we correct from current levels, the next rise will not stop at the 16,000 resistance level.

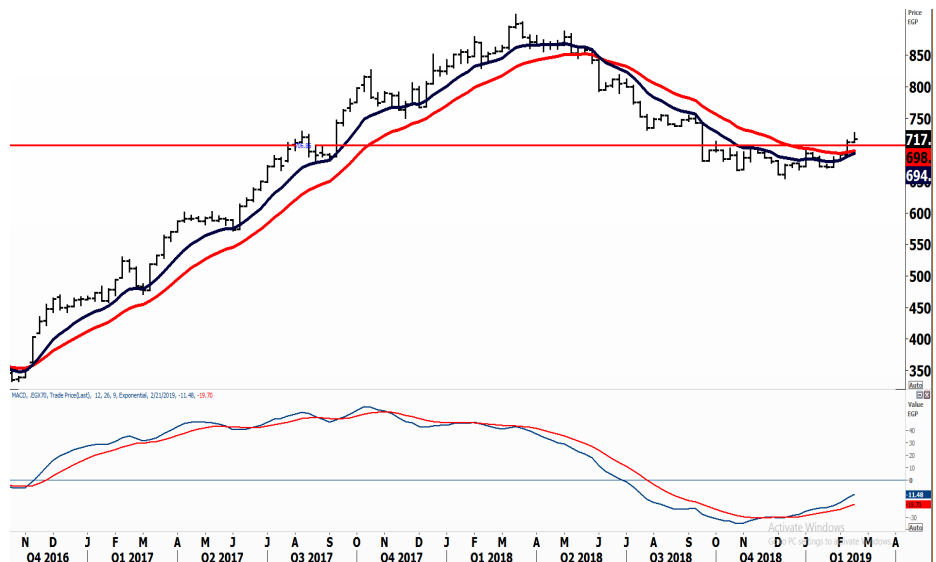
Second scenario is a continuation of the current rise without a significant correction; this scenario will lead the index to 16,000 where a significant correction will be expected to begin. Thus, if the current rise continue we will probably be postponing the market correction for a few weeks.

Having said that, we will not worry if the market corrects from here; short-term investors will obviously be stopped out (please refer to our daily reports for more info about short-term levels to watch), but this correction will probably be a splendid opportunity to build new intermediate-term positions.

EGX 70 Weekly Chart

Now, that is an important weekly chart to watch. The EGX 70 index gave an MACD buy signal, broke its peak that lies at 705 and confirmed it on a weekly basis, but did not yet trigger a 10/20 weeks moving average crossover.

If the 10 weeks moving average crosses above its 20 weeks counterpart, we will probably witness a strong rise and a confirmation that the current market rise is not due to a handful of stocks rising, but to a broader market universe that is witnessing improving performance.



CLHO



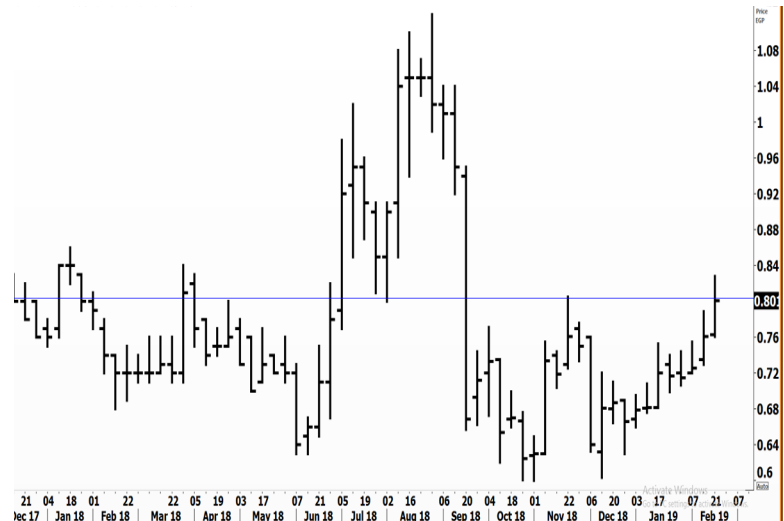
CLHO is one of the best performing stocks in the Egyptian Stock Market. The stock is currently challenging its historical peak that lies at 5.8. A confirmed breakout above this major peak will lead the stock to new highs, which will be very bullish for Cleopatra Hospital, as the next rise will probably be very strong.

A slight decline is very normal from current levels as the stock is testing its historical peak. A confirmed breakout, however, will be very significant for the stock.

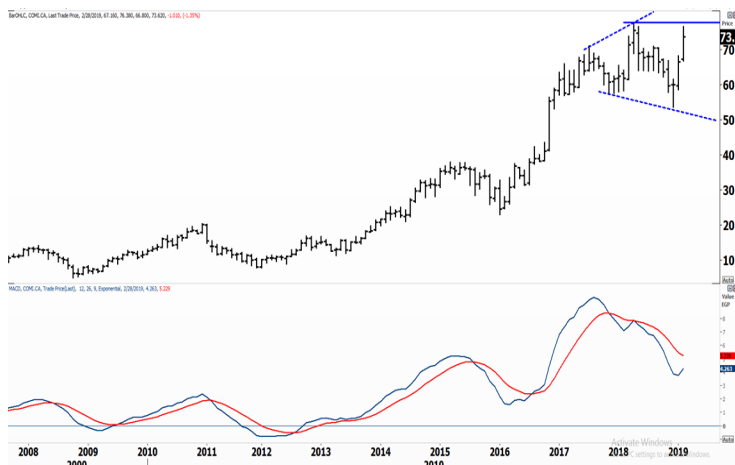
The stock is very close to break its important resistance that lies at 0.8. If this level is broken upwards with high volumes, a buy signal will be triggered with a target near 1-1.05.

Those who are out of the stock are recommended to enter at the breakout with a stop below the low of the breakout day.

AIND

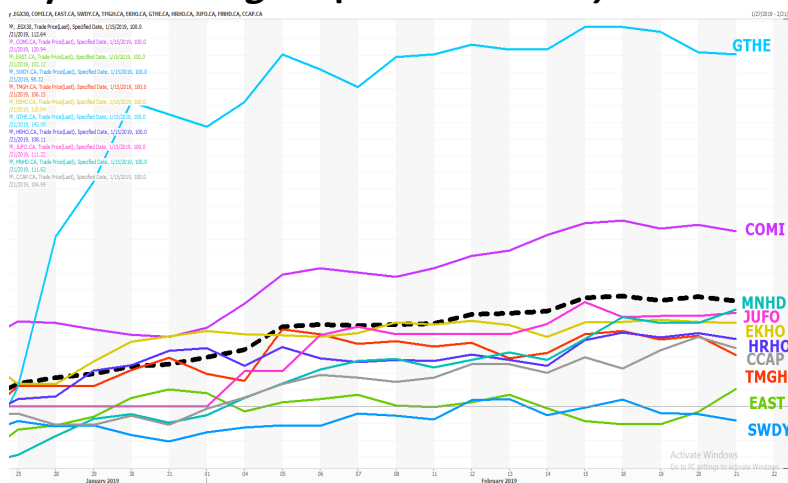


COMI



COMI is testing its highs after witnessing what looks like a major broadening formation on the monthly chart. Usually, a broadening formation is a sign that the emotions among market participants are uncontrollable and that a major peak is being formed. If we look at CIB case we will note that we did not have the feeling of uncontrollable emotions as we usually see in broadenings; if we look at the chart more closely we will note that the lower low was not really a lower low as the price did not close the month below the previous bottom. In other words, we had some irrationality going on lately, especially with the banking taxes news which led to severe selling pressure. If, however, the stock succeeds to break above 77, new highs will be formed and the next rise will be strong.

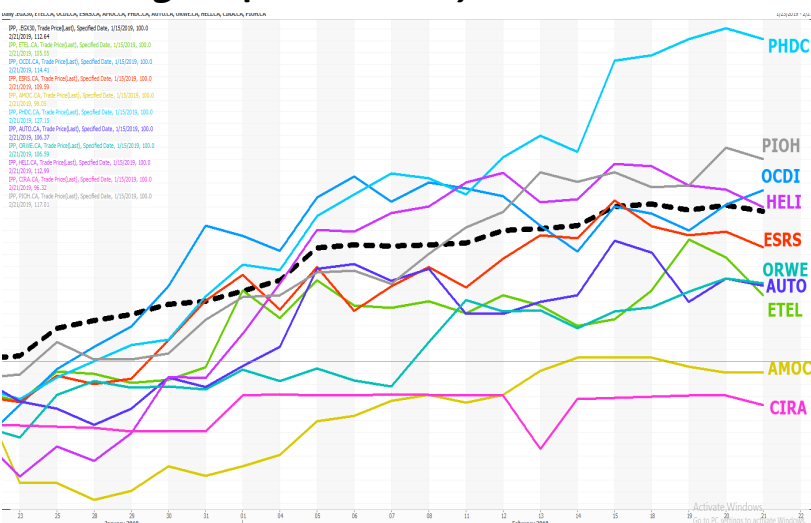
Top index weights (3% and above)



We have changed our 30 stocks to match with the new stock market changes as of Jan 31 2019. We will note that some stocks are out of the index (like ABUK, PORT, ORAS...) while others entered (like EGCH, ORHD, ORWE, ...). We will also note that some stocks witnessed changes in their weights; for example CCAP is now one of the top index weights. We will also note that SWDY is assigned a relatively higher weights than before, and so on.

As for the top weights, GTHE, COMI are the top performers. The rest have been weakening lately and need to regain their strength once again.

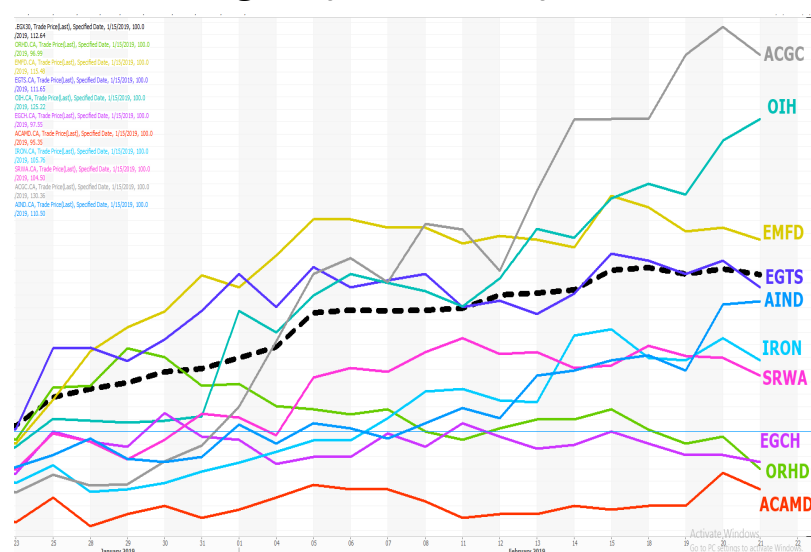
Mid Weights (above 1.5%)



PHDC comes on top again, followed by PIOH which is witnessing a dramatic improvement in its performance. OCDI also began to show better performance than before, while HELI is still maintaining itself but with slight weakness.

On the bottom we can find both AMOC and CIRA. If we look at ETEL we will note that it is currently witnessing a period of underperformance. We are expecting the stock to regain its strength soon.

Smallest Weights (below 1.5%)



Last week's stocks are still the outperformers; ACGC, OIH, and EMFD. PIOH was mentioned with them but the stock has been moved to the mid weights stocks.

If we look at the rest of the stocks we will note that AIND is witnessing improvement in its performance despite that its relative performance curve is still moving below the EGX 30. IRON comes next but with some slight weakness, while SRWA is maintaining itself below the EGX 30's relative performance curve but without further deterioration.

Stock	10/20 EMA signal	Comments
EGX 30	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(fresh signal) *</i>
COMI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(2nd week)</i>
EAST	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
SWDY	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(6th week)</i>
TMGH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(4th week)</i>
EKHO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(5th week)</i>
GTHE	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(3rd week)</i>
HRHO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(2nd week)</i>
JUFO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(7th week)</i>
MNHD	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
CCAP	Above	Buy signal was triggered on the 17th of August 2017
ETEL	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(7th week)</i>
OCDI	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
ESRS	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
AMOC	Below	The 10 weeks moving average is still below its 20 weeks counterpart
PHDC	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely **
AUTO	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
ORWE	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(fresh signal) *</i>
HELI	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely **
PIOH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(fresh signal) *</i>
ORHD	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(10th week)</i>
EMFD	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely **
EGTS	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(3rd week)</i>
OIH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(fresh signal) *</i>
EGCH	Above	Buy signal was triggered in the first week of December 2018
ACAMD	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered <i>(6th week)</i>
IRON	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
ACGC	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely **
AIND	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely

Stock	10/20 EMA signal	Comments
ISPH	Above	Buy signal was triggered in the first week of January 2019
EFID	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 MA is below its 20 weeks counterpart but is approaching it
ABUK	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it ***
PORT	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely **
EGAL	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely

The first page contains the EGX 30 stocks with the exception of CIRA and SRWA which are not in our universe of stocks. The 7 stocks in this page are those that were kicked off the index, but we will keep them in our report so they do not get sad!

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.

* The EGX 30, ORWE, PIOH, and OIH witnessed a fresh intermediate-term buy signal. This is bullish for these instruments.

** PHDC, HELI, EMFD, ACGC, and PORT turned from brown to blue. This means that they are on the verge of witnessing a major buy signal.

*** EFID and ABUK (which are not anymore in the EGX 30 index) turned from red to brown. Both averages are approaching from each other but did not reach the "blue" level yet.

Disclaimer

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