

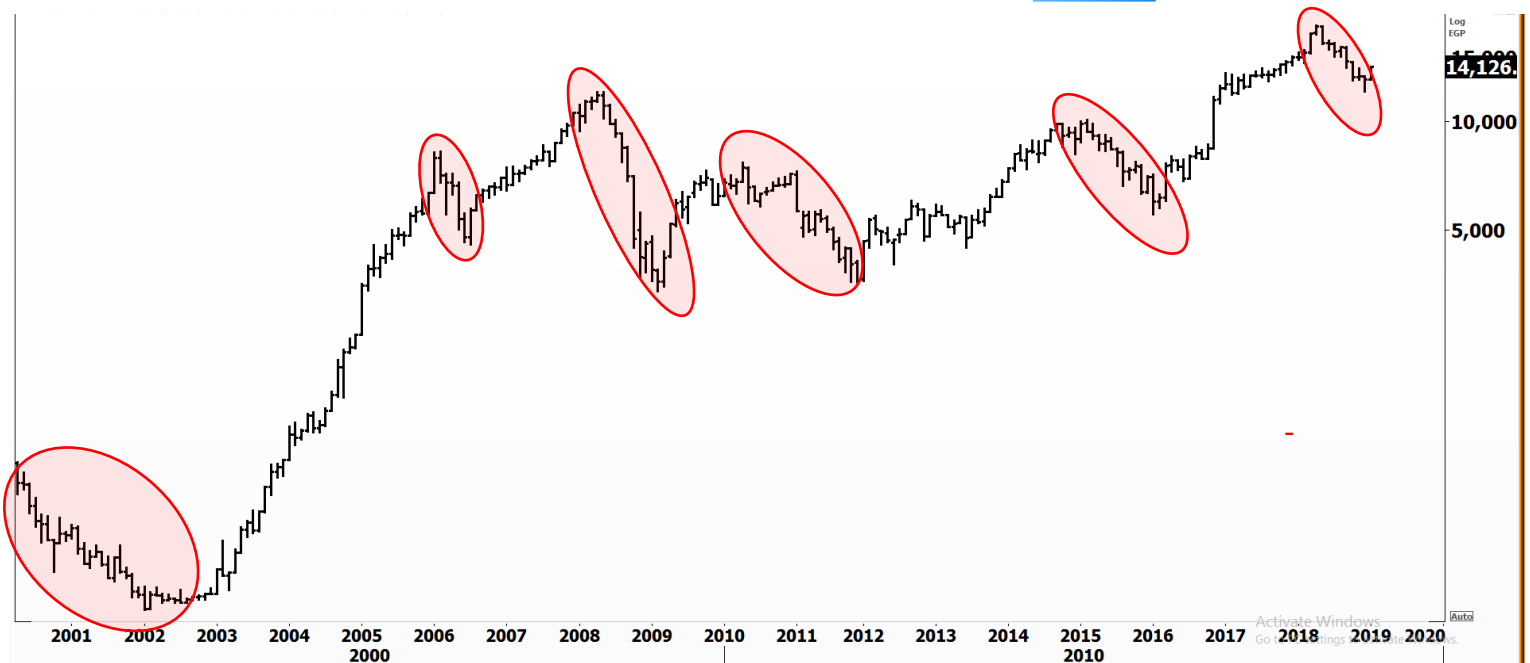


PIONEERSECURITIES

Weekly Overview

3–Feb 19

This report must be read with the disclaimer
on last page



The chart above is a monthly chart (log scale) of the EGX 30 index from 2000 until 2019. During the past 19 years, 6 major corrections were witnessed, 3 of them began at the end of Jan, while the other 3 began their correction at the end of April. The amplitude of each of these corrections and the time taken in each one is shown below:

2000: End of Jan 2000, 65% (22 months) 3% monthly

2006: End of Jan 2006, 43% (5 months) 8.5% monthly

2008: End of April 2008, 72% (10 months) 7.2% monthly

2010: End of April 2010, 54% (18 months) 3% monthly

2015, End of Jan 2015, 45% (12 months) 3.75% monthly

2018, End of April 2018, 35% (8 months) 4.3% monthly

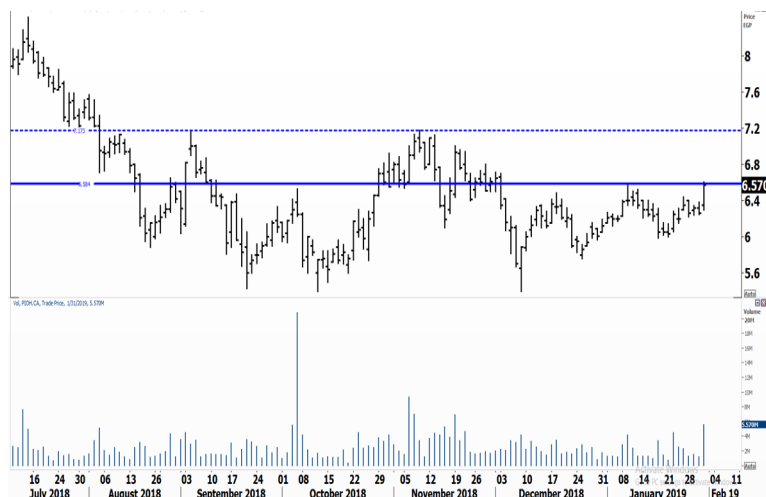
If we look at the past 6 corrections we will note that they all began either at the end of Jan or the end of April as shown above; we will also note that the smallest correction of them (if we exclude the last correction) had an amplitude of 43 to 45%. Our current correction fell so far only 35% which makes it the slightest correction of them all. Analysts who support the point of view that the correction did not end yet can use this information and conclude that the market should reach 10,000, where it will finish a 45% correction. On the other hand, we can also conclude that this was a correction that ended at 12,000 and it can be considered as the smallest of the all past six major corrections.

We are more biased to the second point of view, which says that this correction ended with a decline of 35% from high to low in 8 months. The reason why we say that is the following: 1– the January bar closed significantly higher than its previous (December) bar, which was already a bullish month (as we mentioned before that the month of December witnessed a bullish hammer formation). 2– All of the previous corrections witnessed a bearish crossover between the 10 and 20 months moving averages, It is important to note though that the bearish crossover of the 2015 correction was witnessed at the end of this correction and was considered as a whipsaw this is the only risk we are facing currently. 3– The MACD buy signal on the weekly chart that was witnessed lately is an important sign that tells us that the correction probably ended. In all previous corrections, the weekly MACD buy signal was a successful one.

Let us be more conservative and say that the probability of another strong decline that can take the market near 10,000 is still there; if this occurs, it will be the last declining leg and will lead to a 10-20 monthly bearish crossover, which will probably be a false signal afterwards. Our first signs of such a negative scenario will be a break below 13,600, followed by a violation of the 13,300 level.

We reiterate, however, our view, that we believe that the correction already ended at 12,000 and that the market should aim to higher levels, especially if it continues this week above the 14,000 level.

PIOH

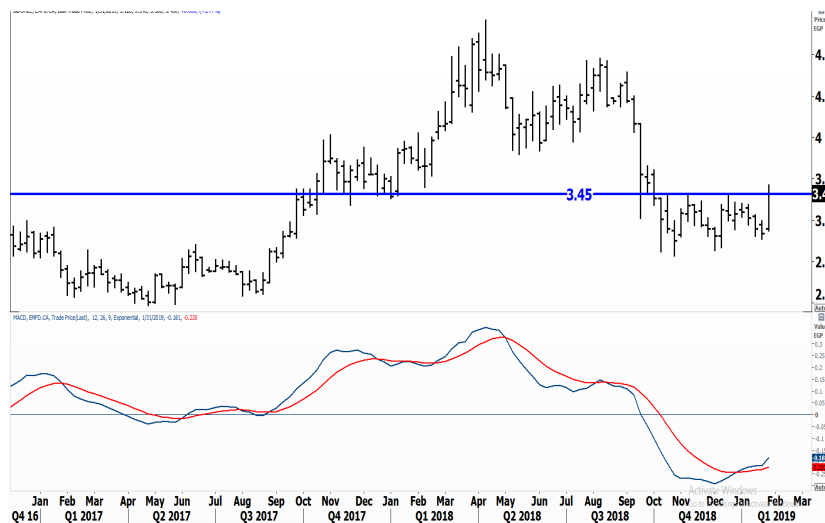


The stock's important resistance lies at 7.2. PIOH witnessed another significant peak at around 6.6; this resistance is intact since early December 2018. Thus, a clear and confirmed breakout above 6.6 will be considered as an early signal of another break above 7.2. In other words, if the stock breaks 6.6 upwards, a buy signal will be triggered and our target will be set near 8.5. Those who want to wait for clear confirmation can wait for the 7.1 breakout, but we recommend, at least, stepping in at the 6.6 break.

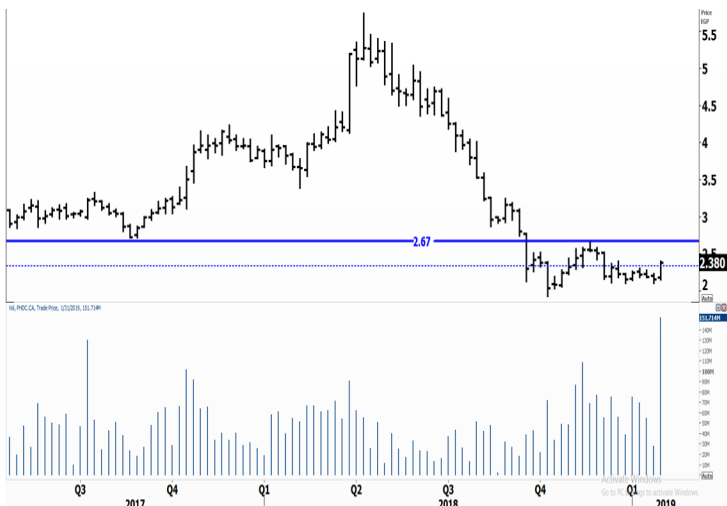
EMFD

EMFD is trying to witness a major breakout above 3.45. If this breakout is confirmed, an important buy signal will be triggered with an upward target at around 4.5.

We are bullish on the stock, especially after the MACD weekly buy signal. We are waiting for the 3.45 confirmed breakout to recommend the stock as a buy; we believe that the next rise will be strong.



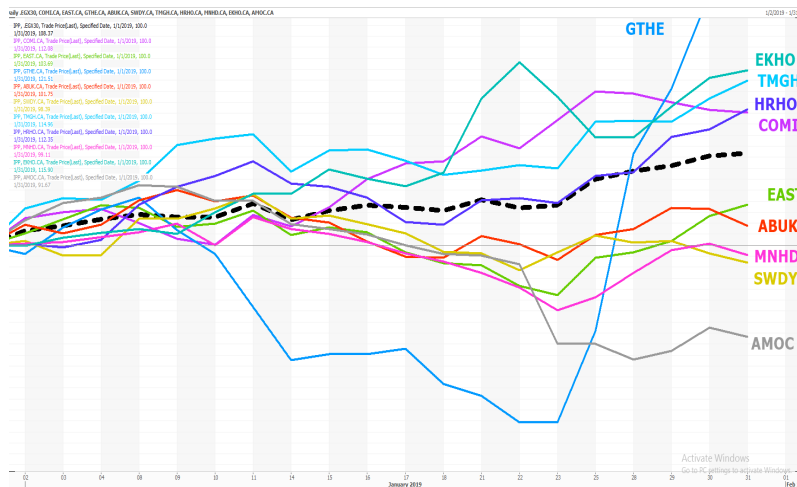
PHDC



Palm Hills witnessed a 4-weeks breakout lately with very high volumes; this breakout is significant, and should be considered as an early sign of a breakout above 2.65.

Thus, those who are playing the stock from a short-term perspective can place their target around 2.65. On the other hand, investors who are more intermediate-term in nature can hold their positions and add at the 2.65 breakout as the stock might reach much higher levels afterwards.

Top index weights (3% and above)

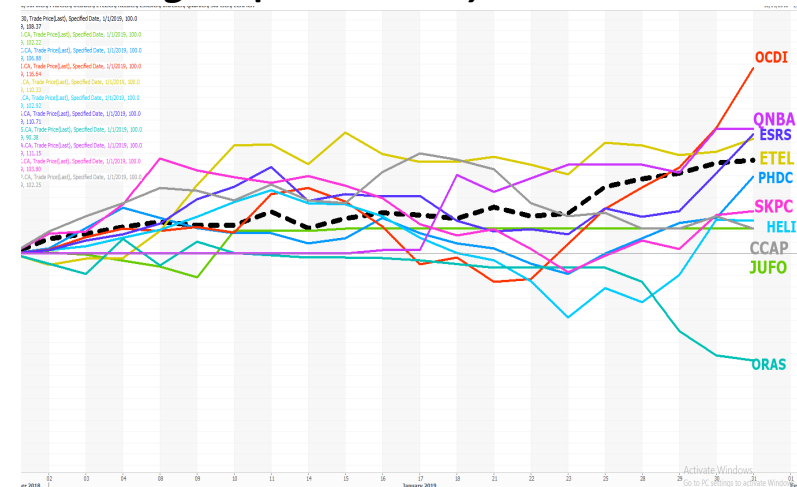


EKHO, TMGH, HRHO, and COMI are on top. (GTHE is on top of them but its relative performance movement was so erratic and not easy to analyze).

SWDY witnessed some deterioration in its relative performance curve; we expect however the stock to regain its strength especially as it is one of the overall outperforming stocks in the market.

As for MNHD and AMOC, they still need more proof of strength before stepping into them.

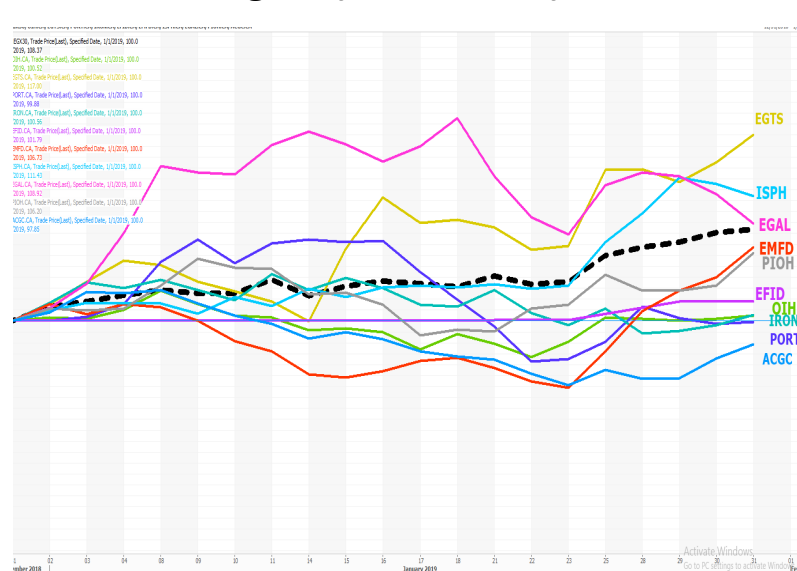
Mid Weights (above 1.5%)



If we look at the relative performance of this category of stocks from early January until now, we will note that OCIDI witnessed an incredible performance this month, coming on top of the rest of the stocks. OCIDI's significant improvement means that the stock is beginning a new phase of outperformance; if we look at its price chart we will find that the 15.5 breakout is the stock's buy signal.

QNBA, ESRS, and ETEL come next. Then comes PHDC which is running from South to North; thus, PHDC should also be watched carefully in the coming period.

Smallest Weights (below 1.5%)



EGTS is on top, followed by ISPH and EGAL, which is showing some weakness in its relative performance curve.

It is important to note two stocks; EMFD and PIOH; these stocks are moving below the EGX 30 relative performance curve but are witnessing significant improvement and each of them possesses a steadily rising relative performance curve, which shows that their improvement is based on solid grounds.

Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
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	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
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 (3rd week)
TMGH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (fresh signal) *
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 (2nd 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 (4th 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 (4th week)
HELI	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ESRS	Below	The 10 weeks moving average is still below its 20 weeks counterpart
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 below its 20 weeks counterpart but is approaching it
ACGC	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EGTS	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
PORT	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it ***
IRON	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it

Stock	10/20 EMA signal	Comments
ISPH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (4th week)
EFID	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EMFD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
PIOH	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
EGAL	Below	The 10 weeks MA is below its 20 weeks counterpart but is 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.

* TMGH witnessed a major buy signal as the 10-weeks moving average crossed above its 20-weeks counterpart

*** COMI and HRHO turned from brown to blue, which means that they are on the verge of witnessing a major buy signal. PORT moved from red to brown, both averages are converging together.

Our Monthly Ranking

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	August till now	Sept till now	Oct till now	Nov till now	Dec till now	Jan-19 till now	TOTAL
ISPH	1	1	1	1	1	1	6
EKHO	1	1	1	1	1	1	6
GTHE	1	1	1	1	1	1	6
ETEL	1	1	1	1	1	0	5
TMGH	1	1	0	1	1	1	5
HRHO	1	1	0	1	1	1	5
ORHD	1	1	1	1	1	0	5
EGCH	1	1	1	1	1	0	5
COMI	1	1	0	0	1	1	4
JUFO	1	1	1	1	0	-1	3
QNBA	0	1	0	0	1	1	3
SWDY	1	0	0	1	1	-1	2
EGTS	1	1	1	-1	0	0	2
ACAMD	1	1	1	1	-1	-1	2
ORWE	0	1	1	1	0	-1	2
CCAP	1	1	1	-1	-1	-1	0
PIOH	0	1	1	-1	-1	0	0
OIH	0	0	0	0	0	-1	-1
IRON	-1	0	1	1	-1	-1	-1
EGAL	-1	0	1	-1	0	0	-1
EMFD	-1	-1	0	0	1	0	-1
AIND	0	-1	0	1	-1	0	-1
ESRS	-1	-1	0	0	0	0	-2
HELI	-1	-1	-1	0	1	-1	-3
PORT	-1	-1	0	1	-1	-1	-3
PHDC	0	-1	0	-1	-1	0	-3
OCDI	-1	-1	-1	0	-1	1	-3
EAST	-1	-1	0	0	-1	-1	-4
EFID	-1	-1	-1	0	-1	-1	-5
ABUK	0	-1	-1	-1	-1	-1	-5
ACGC	-1	-1	-1	0	-1	-1	-5
ORAS	-1	-1	-1	-1	-1	-1	-6
SKPC	-1	-1	-1	-1	-1	-1	-6
MNHD	-1	-1	-1	-1	-1	-1	-6
AMOC	-1	-1	-1	-1	-1	-1	-6

- This is a ranking system that can be used by investors and institutions to buy the best performing stocks in the EGX 30 index. It uses relative performance comparative by comparing each stock to the EGX 30 index. If the stock's relative performance curve is above that of the EGX 30 it takes a **+1** score, if the stock's relative performance curve is below that of the index it takes a **-1** score. If both relative performances are moving close to each other, the stock takes a **0** score.

Thus, it uses the same tactic we use on page 4 but with a more objective way to pinpoint outperformers and underperformers.

- We have used 6 months for this ranking which makes it not a long-term ranking (like the one we use in our Quarterly Report) nor a very short-term ranking system. The way we calculate the scores is as follows: we take the six periods during the past six months; for example: from August 2018 until now was the stock's relative performance curve above, below or in the same level with the EGX 30? (thus we give it either a +1, a -1, or a 0). Then, from September until now was the stock above, below or at the same level, then we repeat this with each of the rest of the six months, and give a score to each period as it appears in the table. The total score is the total addition of the six periods; August until now, Sept until now, Jan 2019 until now.

Disclaimer

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