

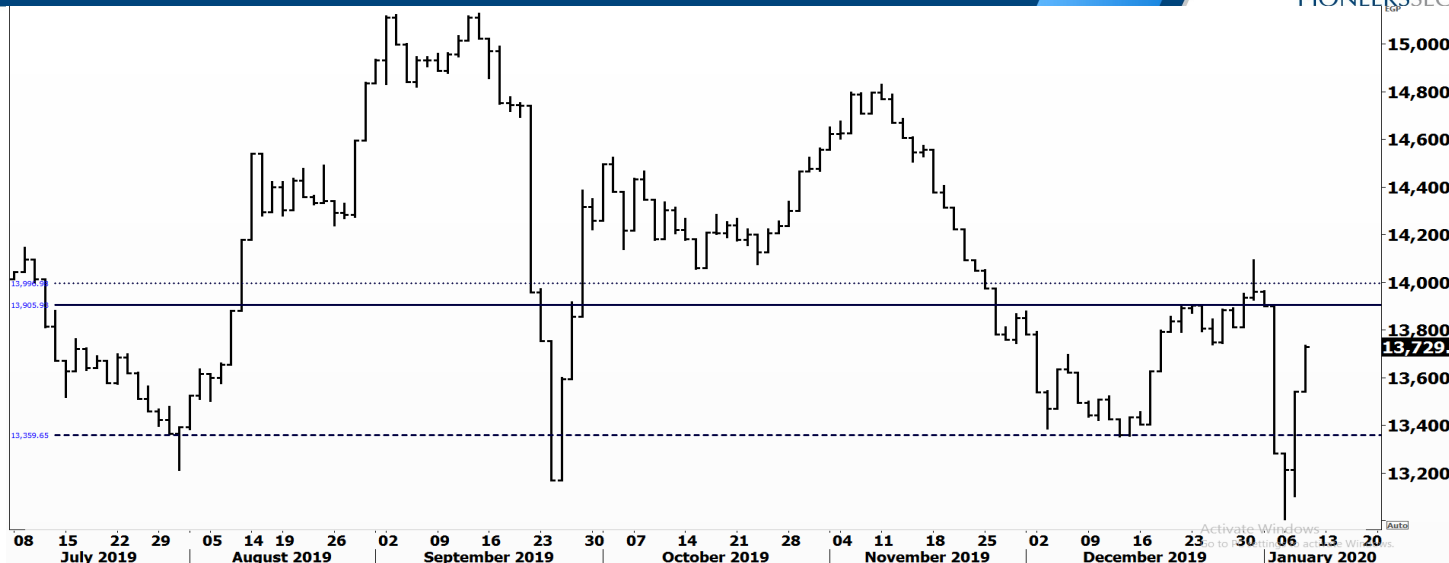


PIONEERSECURITIES

Weekly Overview

12–Jan 2020

This report must be read with the disclaimer
on last page



The sharp rise that occurred during the last two days of the week came along with the recent improvement in the overall political tensions around us which became more loose than before. This should lead the EGX 30 index near 14,000 where selling pressure will most probably appear once again.

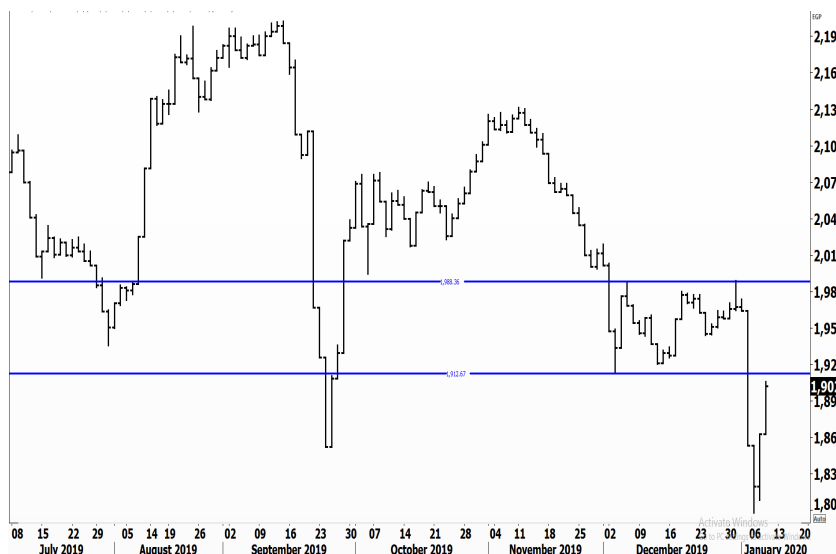
To make things clearer, the index is reaching the pre-Libya/Iran levels; this will be the real test of market strength. If sellers bring the market back near its lows, this will be a bearish sign for the market; on the other hand, a slight correction followed by a renewed rise will open the potential for a significant recovery that might lead the index near 14,600-14,800.

For now, position holders are recommended to reduce exposure at current levels and wait and see how the market will react the next few sessions.

EGX 50 Index/ Daily Chart

Despite that the EGX 30 index broke back above its broken support that lies at 13,350, the EGX 50 index did not break yet its broken support, which is still serving as resistance. Thus, if the market witnesses selling pressure today, this will be a sign that the EGX 50 index did not break its broken support (which serves as resistance) at this rise.

We recommend investors to wait and see how the market will react at current levels before taking any new buying actions; actually we believe that selling at current levels is a good idea.



ORWE



ORWE is one of the stocks that are able to maintain themselves despite the big market decline that occurred during the past few months.

Our entry signal will be triggered at a breakout above 11.1; this will issue a new buy signal with a target around 13. This means that a break above 11.1 will be signal of another expected breakout above 11.75.

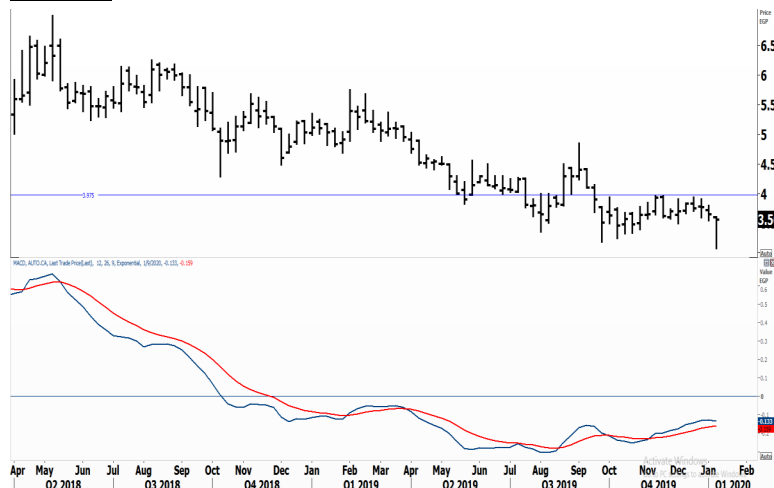
Before analyzing SKPC, let us explain a conceptual term; how can we define a low risk from a high risk trade? Most investors will call SKPC a low risk trade because the stock is trading near its historical low. Our definition of risk is different however; a low risk trade is one that possesses a higher probability to rise, or a stock that already possesses incoming money flow.

By looking at SKPC curve we will note that it is trading near its lows, which can be considered as low risk (the known definition of risk) if we have discipline to sell below support as a stop loss. Thus, a rise from these levels is probable but our buy signal will not be triggered unless a clear rebound takes place.

SKPC



AUTO

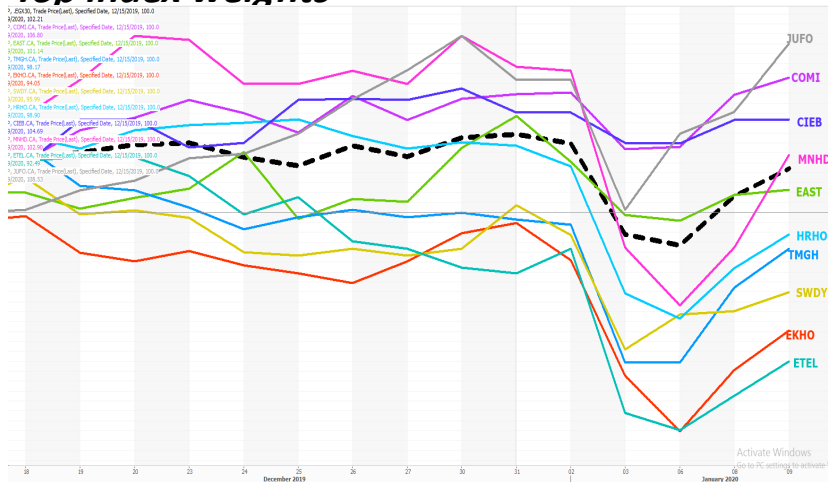


The weekly chart of AUTO shows a bullish hammer formation that should lead to, at least, a short-term rise. The MACD indicator also looks good as it is witnessing higher lows despite the recent stock's decline.

AUTO might reach 4 as our first target; those who want to step in near these levels are recommended to place their stop below the low of the week and use 4 as their target.

A breakout above 4, on the other hand, will trigger a more important buy signal.

Top index weights

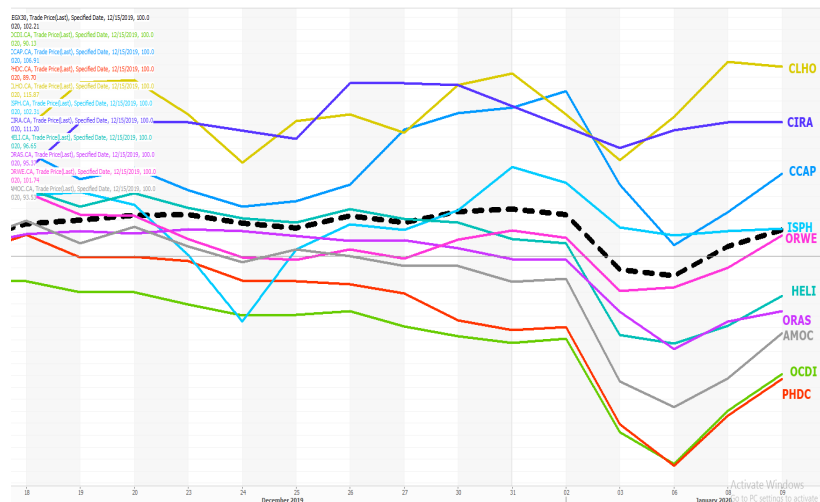


JUFO is on top, followed by COMI, CIEB, MNHD, and EAST. These are the same outperformers as the past few weeks with a slight change in their alignments.

TMGH witnessed a significant rise in its relative performance curve despite its underperformance; we will wait, however, before recommending it as we should expect a higher low in the relative performance curve; if this occurs, a probable buy signal will be in place.

As for the rest, we will wait until real improvement appears.

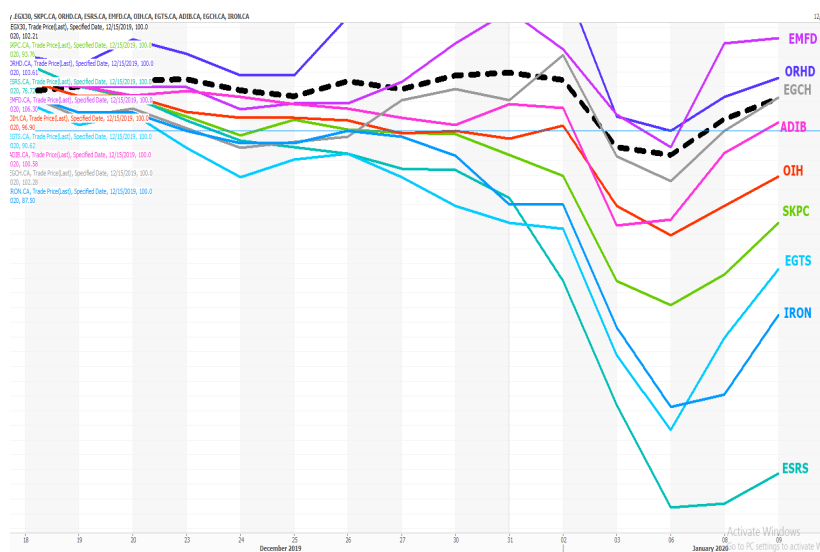
Mid Weights



CLHO came back on top of the outperformers; we like this stock as every time it witnesses some weakness in its relative performance curve it comes back quickly. CIRA comes next, followed by CCAP, ISPH, and ORWE.

We like ORWE as it is maintaining itself well and might witness some improvement in its relative performance curve.

Smallest Weights



EMFD is the best outperformer in this category of stocks, followed by ORHD and EGCH. Then comes ADIB and OIH, which are also in our radar.

The sudden rise of the relative performance curves of the rest of the stocks is due to the high market volatility lately, so we will not take that heavily into account.

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	Below	The 10 weeks moving average is still below its 20 weeks counterpart
CIEB	Below	The 10 weeks moving average is almost breaking above the 20 weeks moving average
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	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ISPH	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CIRA	Above	Buy signal was triggered in May 2019
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.

Disclaimer

This report has been prepared according to the general data available for public, in accordance with the professional standards applied in that career to the best knowledge of the reporter. The recommendations mentioned are a guiding tool representing a professional opinion, and not granting any profits, consequently it is not obligatory for our valued customers and investors. Pioneers Securities©, Egypt shall not be liable for any direct, indirect, incidental, or consequential damages, including limitation losses, lost revenues, or lost profits that may result from these materials. Republishing this report or any of its contents is subject to prior approval; referring to the source is a must. Opinions expressed are subject to change without notice and may differ or be contrary to the opinions or recommendations of Pioneers Securities©, Egypt Research or the opinions expressed by other business areas or groups of Pioneers Securities©, Egypt as a result of depending solely on the historical technical behavior (price and volume).

Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst