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Weekly Overview

13–Jan 19

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BarOHLC, .EGX30, Trade Price, 1/10/2019, 13,365.58, 13,370.81, 13,299.77, 13,367.44, +1.86, (+0.01%)
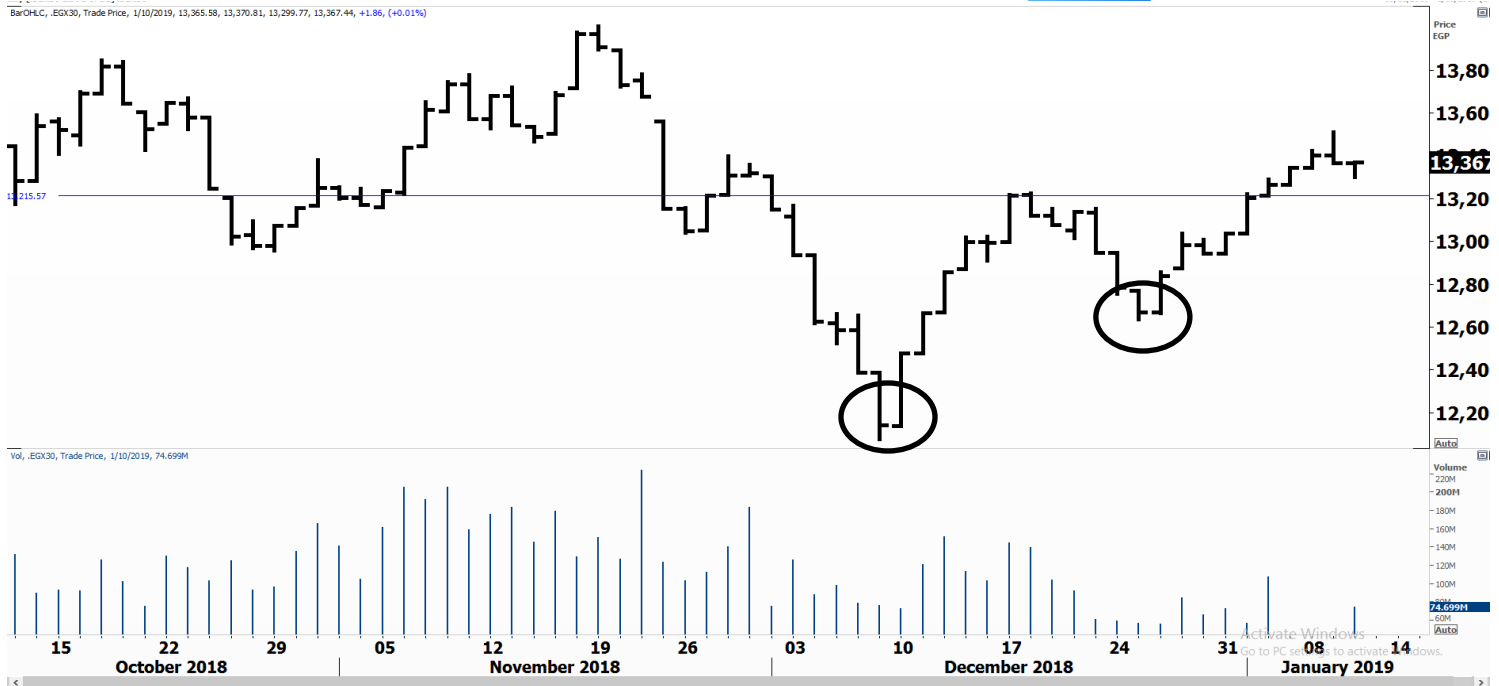
Before we analyze our market let us remind our readers with the new product which is called "Moving Average Crossover System". We urge our clients to read it carefully as it will be very beneficial for them in our view. We have added another section that will appear in the first "Weekly Overview" of each month (with the exception of this month as we will introduce this new product today). This new section ranks the EGX 30 stocks from best to worst with a certain system that will be explained later in the report.

As for our market, the EGX 30 already witnessed a higher low and higher high formation, which makes the short-term up. We are expecting the current rise to continue to at least 14,000, which is our short-term target. If the market declines from here it should witness another higher low (from above 12,600); this is why our target, if the decline continues, lies at around 13,000.

Thus, declines are chances to step in as we are expecting more rise to come. As for the intermediate-term picture, as we mentioned before, the break above 14,000 will be the confirmation that we bottomed and that the major uptrend is intact.

EGX 70 Monthly Chart

Let us look at the monthly chart of the EGX 70 index. As we can see, the past 10-11 months decline led the EGX 70 to its major support that lie at 670. This is an important support level as it was the major monthly peak that was broken upwards. A retest of this level should not be taken lightly.

We are expecting a rebound from here, which should take the index to higher levels. On a short-term time dimension, a break above 700-705 will trigger a buy signal.
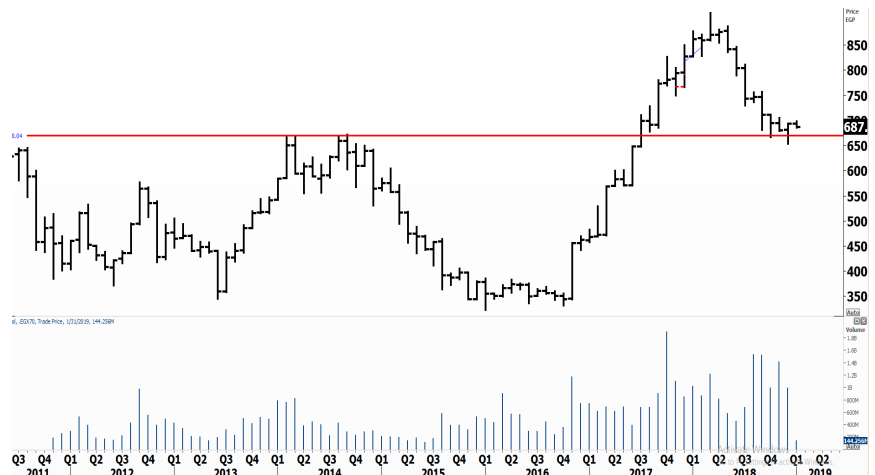
EGAL

EGAL is preparing itself for a big rise. The stock witnessed a rebound during the past week and is currently challenging its resistance that lies at around 26. If a break above this level occurs, along with the current rising MACD, a strong rise will probably follow, which will lead EGAL near 35 and above.

Those who are out of the stock are recommended to step in at a breakout above 26.

SKPC

One of the stocks that are expected to witness strong performance in the near future. SKPC began to show improvement lately and should continue its current outperformance.

If the stock continues trading above 18 this week, a buy signal will be triggered with a target near 23. Those who want to take an objective buy signal can wait for the MACD weekly crossover. As we can see from the chart, the indicator is on the verge of giving a bullish crossover; such a crossover will confirm the buy signal with the aforementioned target.
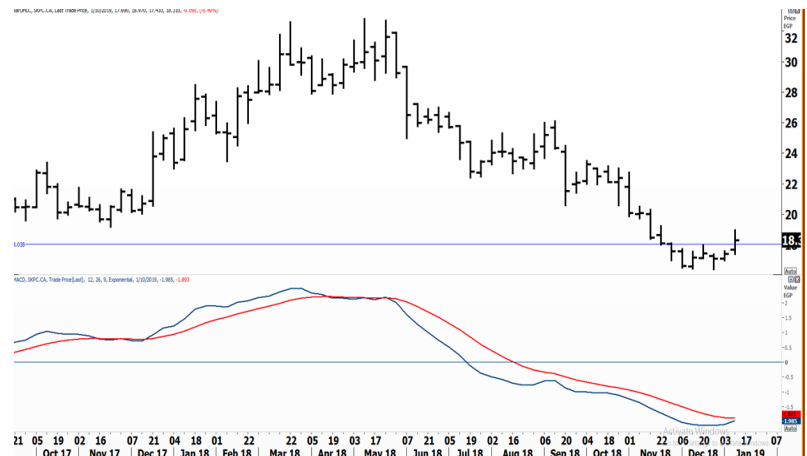

HELI

The daily chart of Heliopolis Housing looks great. We can see an MACD indicator that is clearly trending upwards, along with the prices trying to break resistance. The final confirmation will be a breakout above 19-19.5. Such a breakout will lead to a strong rise that will probably reach mid twenties.

HELI is one of the stocks that were underperforming but began to show superior performance lately.

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## Top index weights (3% and above)
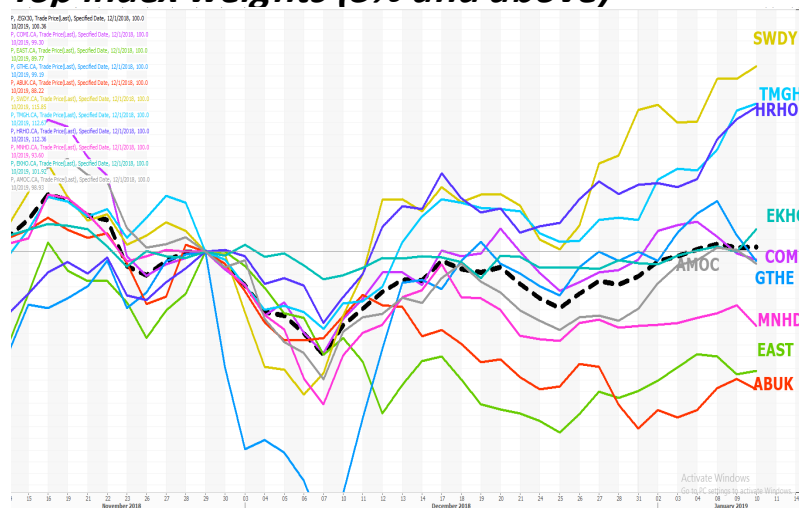
SWDY, TMGH, and HRHO are the top 3 performers since Dec 2017. EKHO, COMI, and GTHE come next.

One of the important things to watch is AMOC, which began to show significant improvement in its performance after its long period of underperformance. Such an improvement should be taken into account.

As for the rest, we do not recommend stepping in until their performances improve.

Mid Weights (above 1.5%)
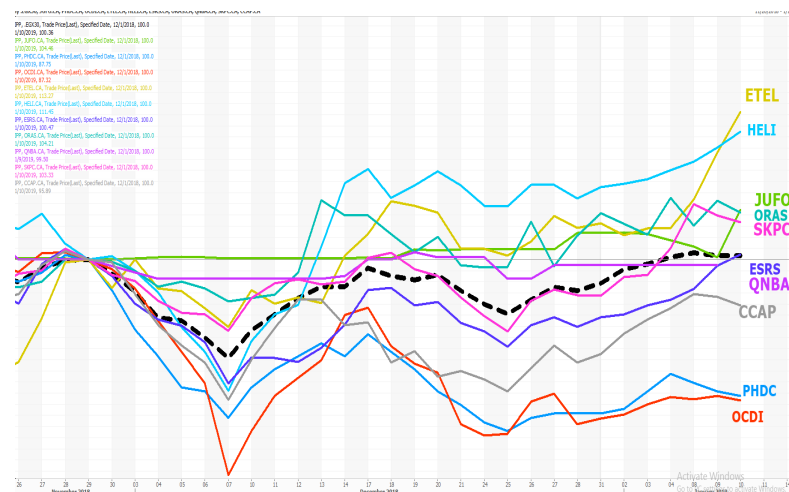
Let us begin by saying that HELI continued its outperformance as we were expecting since few weeks as we mentioned that the stock began to show significant improvement. Thus, HELI is one of the stocks that should be watched carefully. On top comes ETEL which is currently a clear outperformer.

Then comes JUFO, ORAS, and SKPC, which also (like AMOC) is showing superior performance and it looks like both AMOC and SKPC will begin a new period of outperformance.

Smallest Weights (below 1.5%)
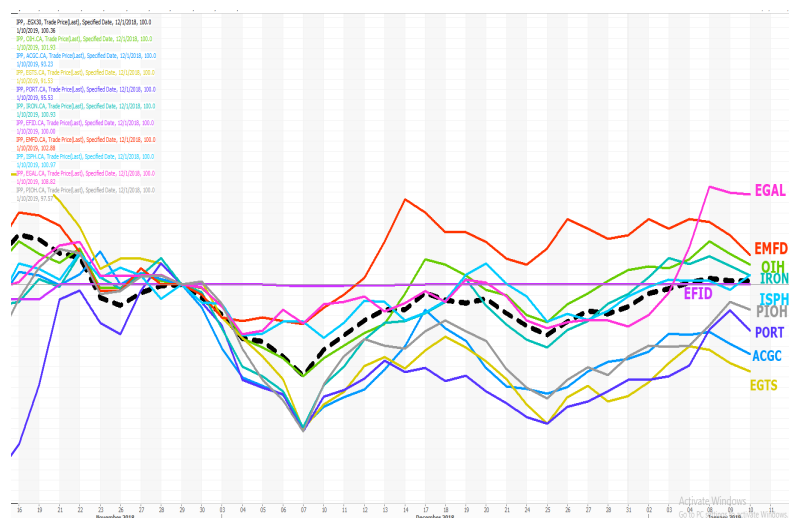
EGAL is the top performer in this category of stocks. EMFD is above the EGX 30 curve but looking down, so we prefer to wait for its relative performance curve to move up once again. Then comes OIH, IRON, and ISPH.

As we can see from the chart, PORT is a stock that still has its relative performance curve below the EGX 30 but is trying to witness some improvement in its performance.

Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks moving average is still below its 20 weeks counterpart
COMI	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
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	Below ***	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
TMGH	Below *	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
HRHO	Below *	The 10 weeks MA is below its 20 weeks counterpart but is approaching it/ **look first**
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EKHO	Below	*The 10 weeks MA just broke below its 20 weeks counterpart
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**
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**
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 moving average is still below its 20 weeks counterpart
IRON	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it

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Stock	10/20 EMA signal	Comments
ISPH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered
EFID	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EMHD	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 moving average is still below its 20 weeks counterpart

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.

*** SWDY almost gave a buy signal. We can consider it a buy as the 10 weeks MA is almost breaking above its 20 weeks counterpart.

* TMGH and HRHO, should be written in blue (i.e. 10 weeks MA almost breaking above 20 weeks MA). But we kept it in brown until next week. Thus, we are considering TMGH and HRHO as outperformers and recommended.

There is an important notice here; there is a difference between "Above" and "Buy". The Above stock (like CCAP) is not a buy signal today. It already witnessed its buy sometime ago. For example, CCAP triggered Its buy signal during August of 2017, and it is still intact until now. On the other hand, JUFO, ETEL, and ISPH witnessed a buy signal this week, so they are recommended this week. This means that if these stocks continue their rise, we will put them as "above" in the next weekly report as they are buy candidates during this week.

Let us reiterate the fact that stocks that are Below (i.e. written in blue) are the closest stocks to witness a "Buy". So investors should pay special attention to them as well as paying attention to stocks that just witnessed their buy signals.

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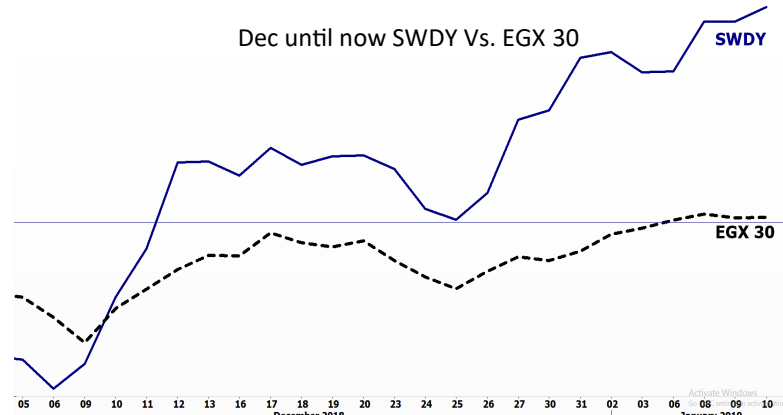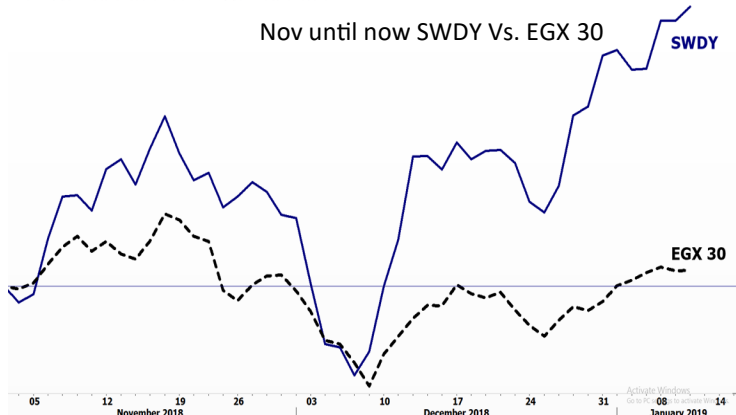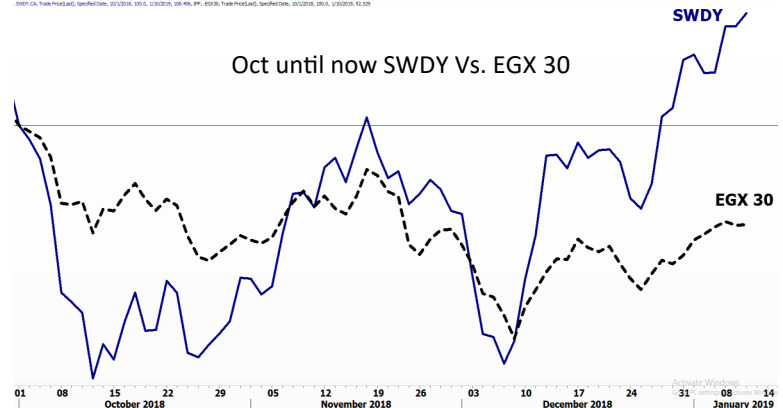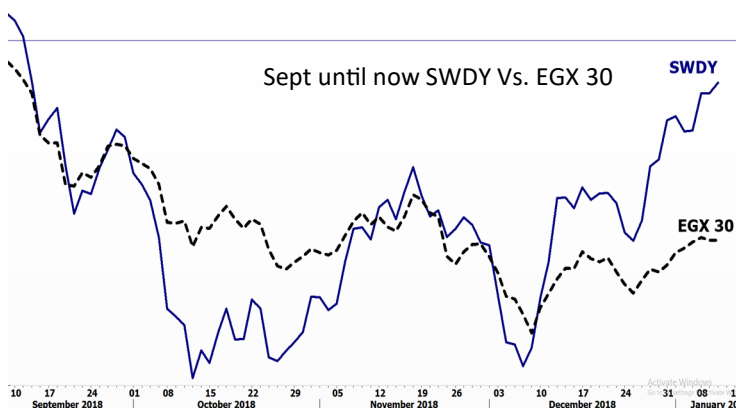
Stock	July 2018	August	Sept	Oct	Nov	Dec	Total
	Until now	Until now	Until now	Until now	Until now	Until now	
SWDY	1	1	1	1	1	1	6
JUFO	1	1	1	1	1	1	6
ETEL	1	1	1	1	1	1	6
TMGH	1	1	1	0	1	1	5
ISPH	1	1	1	1	1	0	5
HRHO	1	1	1	0	1	1	5
EKHO	1	1	1	0	0	1	4
OIH	0	0	0	1	1	1	3
GTHE	-1	1	0	1	1	0	2
CCAP	1	1	1	1	-1	-1	2
EGTS	1	1	1	1	-1	-1	2
IRON	0	-1	0	1	1	0	1
EGAL	-1	-1	0	1	1	1	1
COMI	1	1	0	-1	-1	0	0
PIOH	0	0	1	1	-1	-1	0
ORAS	0	-1	-1	0	0	1	-1
QNBA	1	-1	0	0	-1	0	-1
EFID	0	-1	-1	-1	1	1	-1
EMFD	-1	-1	-1	0	0	1	-2
HELI	-1	-1	-1	-1	1	1	-2
ESRS	-1	-1	-1	0	1	0	-2
PORT	-1	-1	-1	1	1	-1	-2
EAST	-1	-1	-1	0	0	-1	-4
ABUK	0	0	-1	-1	-1	-1	-4
ACGC	-1	-1	-1	-1	1	-1	-4
SKPC	-1	-1	-1	-1	-1	1	-4
PHDC	-1	-1	-1	0	-1	-1	-5
MNHD	-1	-1	-1	0	-1	-1	-5
AMOC	-1	-1	-1	-1	-1	0	-5
OCDI	-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 July 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 August 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; July until now, August until now, ….. Dec until now. Let us look at the SWDY example.

July until now SWDY Vs. EGX 30

August until now SWDY Vs. EGX 30

Sept until now SWDY Vs. EGX 30

Oct until now SWDY Vs. EGX 30

Nov until now SWDY Vs. EGX 30

Dec until now SWDY Vs. EGX 30
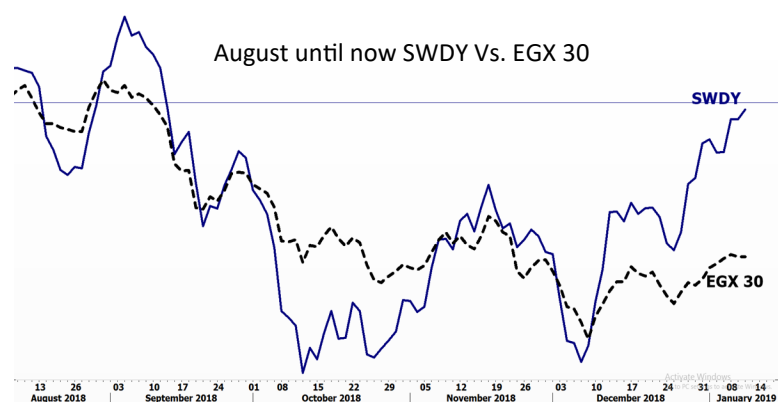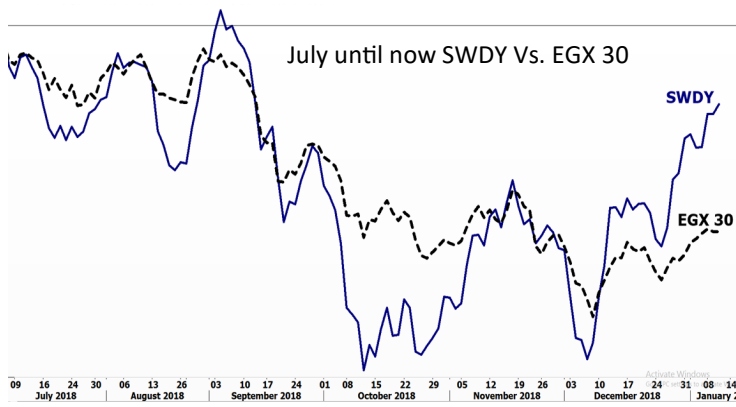
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Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst