

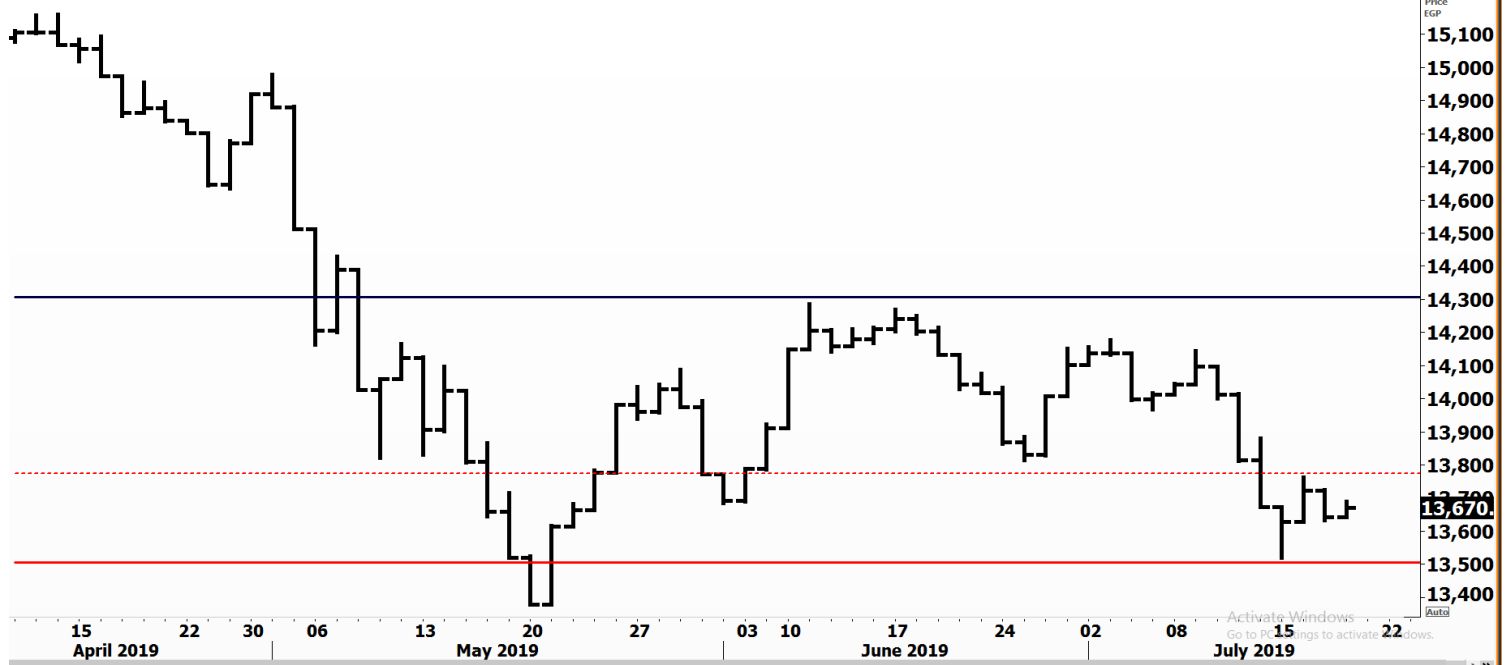


PIONEERSECURITIES

Weekly Overview

21-Jul 19

This report must be read with the disclaimer
on last page



It is important to understand the current situation of the stock market in Egypt. As we know and as we mentioned before, the major trend is still up and no major reversal occurred yet despite the market severe weakness. The correction took the index from 18,000 to 12,000 where it began to rebound but was not able to witness a strong rise, and another decline followed.

The sentiment of investors, analysts, portfolio managers, and others looks exactly like the sentiment that appears during major market bottoms. We have extreme pessimism, people talking about the market not rising again, professionals in our field giving strong negative views about the overall situation and that the career is dying, etc...

We all know that we are witnessing a major correction inside a major uptrend, thus, this is not a major bottom, but the sentiment that we are watching in front of us reminds us of the 2002-2003 bottom, despite that there is a big difference between today and 2003.

This means that the current decline should stop soon and that the market should resume its major uptrend. We all know the levels that should be broken upwards whether on the EGX 30 index or the capped one, to confirm the end of the current correction.

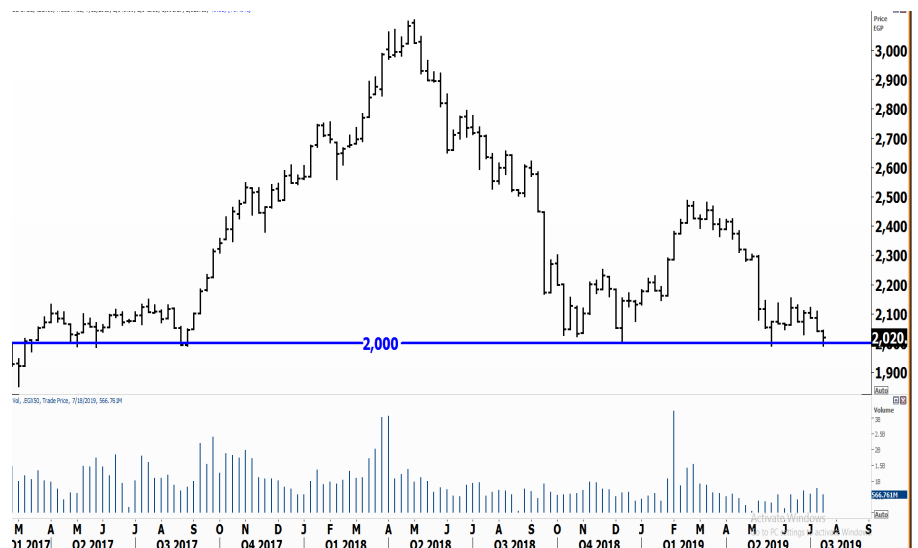
Our current positive view is built on very significant market sentiment; for example, few days ago we heard from the research of a big company that one of the stocks in our market should have a fair value of zero!!! Don't you consider this as too extreme negative sentiment?

EGX 50 Index/ Weekly Chart

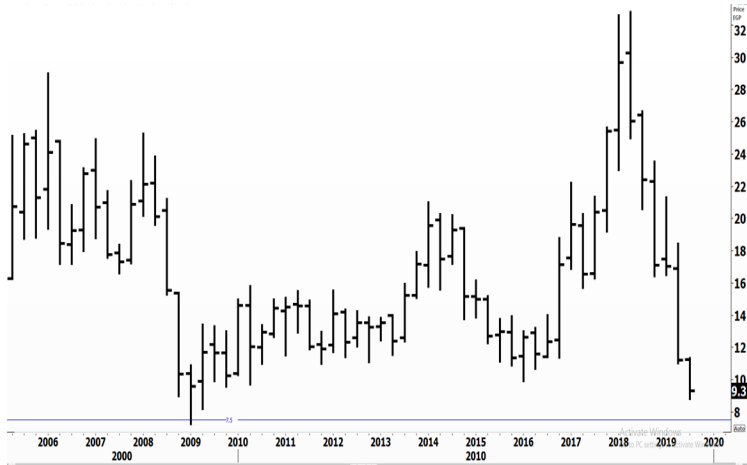
The index is still hovering around its major support that lies at 2,000; we are expecting a rebound from here that should take the index near 2,100.

It is important to note that an intra-week break below 2,000 might occur; if we close, however, above this level, the support will still be intact.

The market will trigger a buy signal if the 2,150 level is clearly broken upwards on a weekly basis.



SKPC



The stock is not in the EGX 30 index, but we are introducing it this week as it is approaching its historical low after a sharp decline that took it from 32 to around 8.5 in one year

SKPC did not witness any strength yet but this quick and sharp decline that occurred since June 2018 led the stock to extremely low levels.

Those who like to buy oversold stocks can step in with a stop below the historical low; rises will probably be quick and strong.

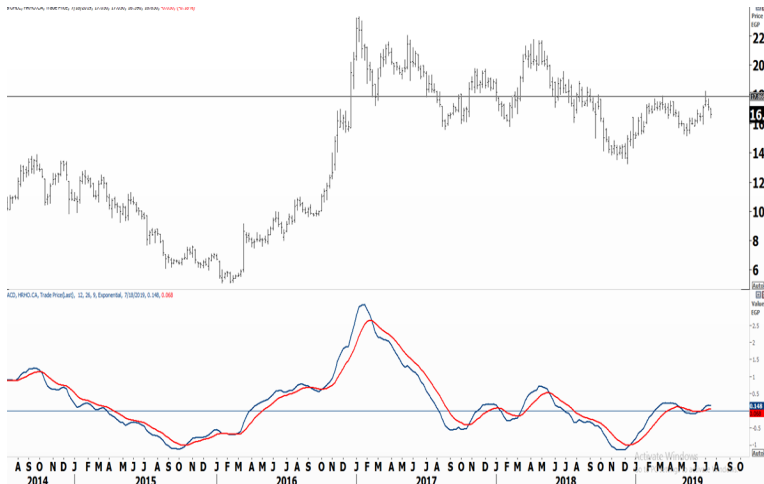
ACAMD began to witness some improvement lately, but is still trading below its important resistance that lies around 2.45. Thus, we recommend investors to wait for a breakout above this level before stepping in.

A breakout above 2.45-2.5 will probably lead the stock back near its peak.

ACAMD

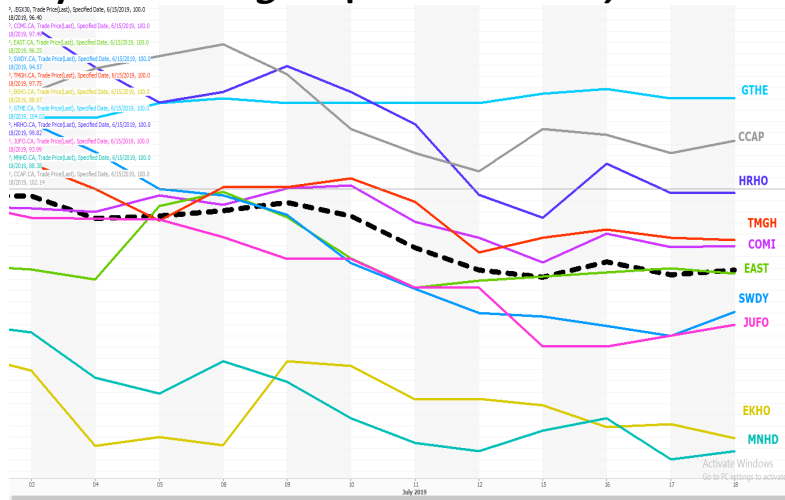


HRHO



The weekly chart of HRHO looks good despite that the stock did not break its important resistance that lies at 18 yet. The recent decline that occurred should create a higher low from the last bottom. Our buy signal, however, will be triggered if the 18 level is clearly broken to the upside.

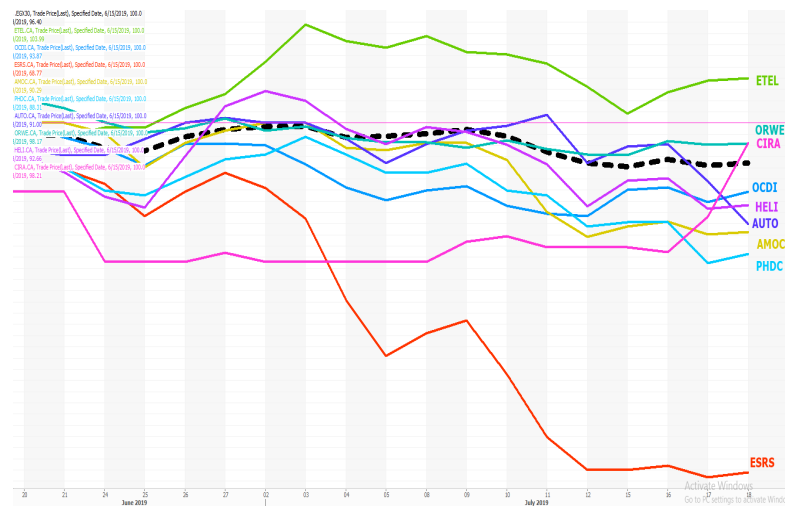
Top index weights (3% and above)



GTHE, CCAP, and HRHO are on top, followed by TMGH, COMI, and EAST, which are currently considered as market performers.

As for the rest, SWDY is trying to improve despite its under-performance, while EKHO and MNHD are underperforming.

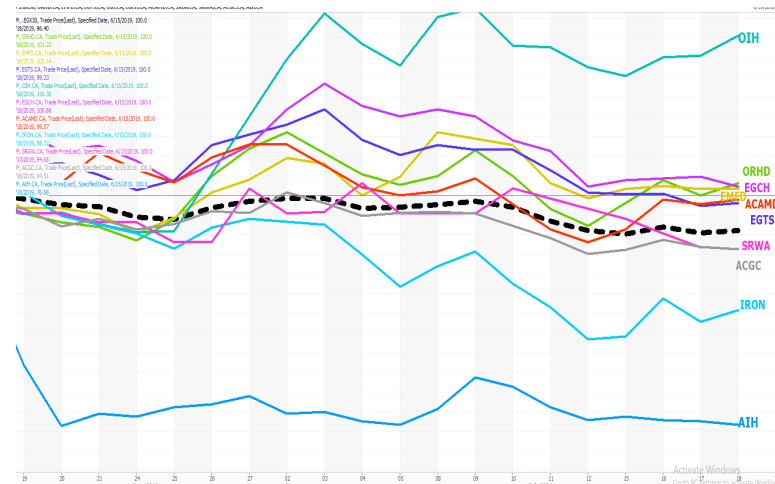
Mid Weights (above 1.5%)



ETEL is on top, witnessing the best performer in this category of stocks. ORWE comes next, followed by CIRA which witnessed a sudden improvement in its performance.

The rest of the stocks are still below the EGX; OCIDI, HELI being the closest to the index' relative performance curve.

Smallest Weights (below 1.5%)



OIH is hovering alone as the strongest performer among small weights stocks; then comes ORHD, EGCH, ACAMD, and EGTS which are all slightly outperforming the EGX 30 index.

It is important to note that the convergence of most of the relative performance curves of this category of stocks shows that their performance is almost the same.

The worst two performers are IRON and AIH.

| Stock | 10/20 EMA signal | Comments |
|--------|------------------|--|
| EGX 30 | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| COMI | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (19th week) |
| EAST | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| SWDY | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| TMGH | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| EKHO | Above | Buy signal was triggered in mid Jan 2019 |
| GTHE | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (18th week) |
| HRHO | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (3rd week) |
| JUFO | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| MNHD | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| CCAP | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (1stweek) |
| ETEL | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (1stweek) |
| OCDI | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| ESRS | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| AMOC | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| PHDC | SELL | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| AUTO | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| ORWE | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| HELI | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (13th week) |
| ORHD | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| EMFD | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| EGTS | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (sideways trend) |
| OIH | BUY | The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (1stweek) |
| EGCH | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| ACAMD | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| IRON | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| ACGC | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |
| AIND | SELL* | The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered |

| Stock | 10/20 EMA signal | Comments |
|-------|------------------|---|
| ISPH | Above | Buy signal was triggered in the first week of January 2019 |
| EFID | Above | Buy signal was triggered in the first week of March 2019 |
| ORAS | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| SKPC | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| ABUK | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| PORT | Below | The 10 weeks moving average is still below its 20 weeks counterpart |
| EGAL | Below | The 10 weeks moving average is still below its 20 weeks counterpart |

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.

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