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Weekly Overview

12–July 2020

This report must be read with the disclaimer on last page

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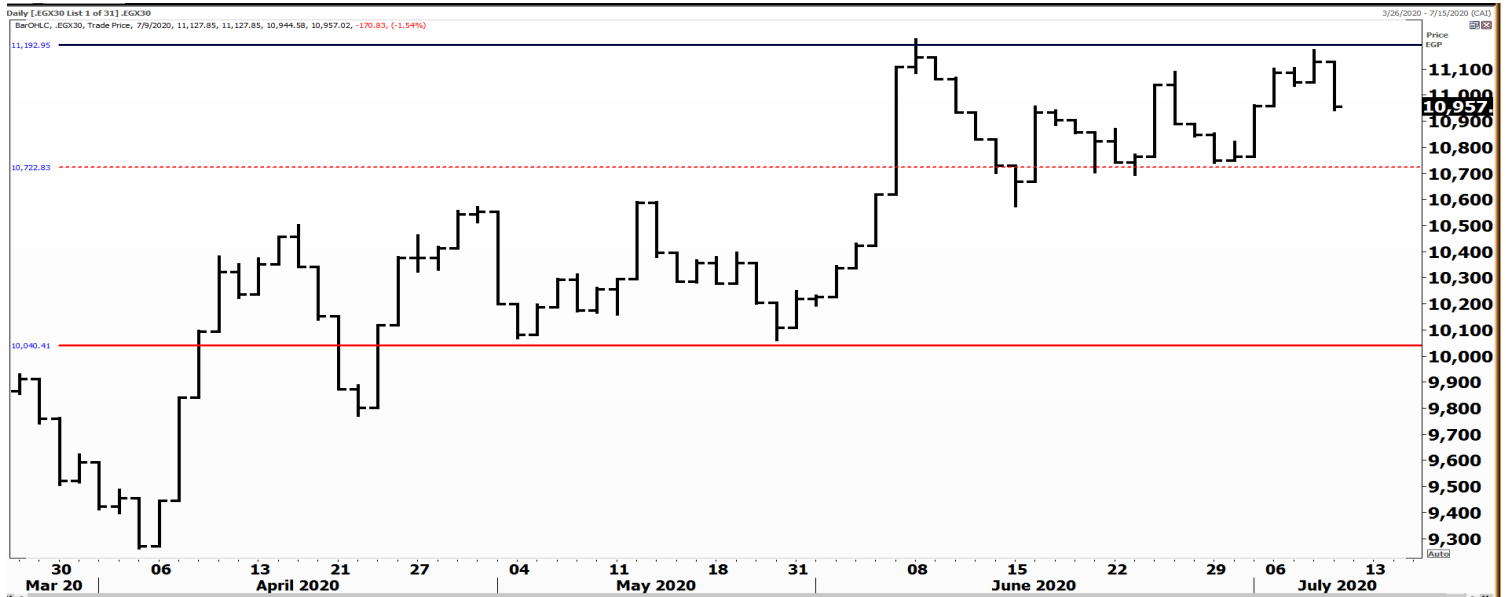
As we can see from the chart, the EGX 30 fell from its resistance that lies at 11,200; Thursday's decline was relatively strong and the index closed at 10,957. Our next minor support lies at 10,700. Those who want to place their short-term stops can use 10,700 as their stop. A break below this level will lead the index back to 10,000.

We are not expecting a break through 10,700; on the contrary, we expect a rebound that should begin today; in other words, a higher low should take place, which will probably lead to a breakout above 11,200.

Let us put it this way; if any rebound occurs from above 10,700, we will probably break 11,200 sharply, which will lead to a renewed significant rise.

EGX 50 Index/ Daily Chart

The 1,650 level is the important support of the EGX 50. We are actually not expecting the index to hit this level. Usually, during a strong market, prices rise before testing their support levels, which creates a higher low.

Thus, the current correction can theoretically reach 1,650; we expect, however the rebound to take place from above this level.

As we mentioned, the next rebound should lead to a strong rise that will break resistance levels upwards.

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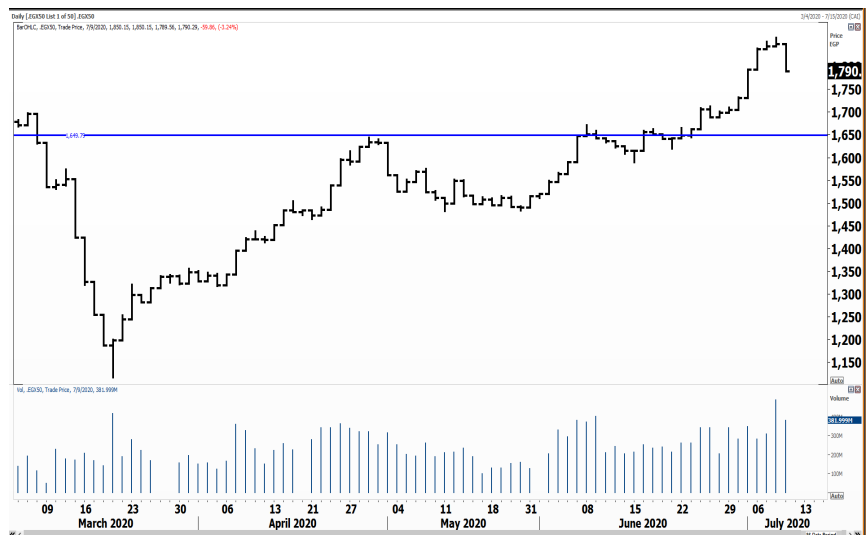
MNHD

It looks like MNHD is ready for a nice trip to the north. A break above 3.2 will confirm the strength and a strong rise will probably follow. Volumes increased dramatically during the past two sessions and the stock was able to move against Thursday's selling pressure, especially in the second half of the session.

Those who want to step in before the breakout can do so partially and add at the 3.2 breakout.

PHDC

PHDC was on our weekly report two weeks ago but we wanted to revisit it especially after the breakout of 1.32. The stock broke its resistance and closed the week above its peak with high volumes.

Those who are out of the stock are recommended to step in as our first target lies around 1.65.

PHDC should witness a strong rise in the coming short-term period.

OCDI

The stock needs to confirm its breakout above 10.65. The lateral range that the stock witnessed on Thursday is healthy and hints of a renewed rise; if the stock moves horizontally today, we will see this as a bullish sign.

A confirmed breakout above 10.65-10.8 will confirm a new buy signal with a target around 13.
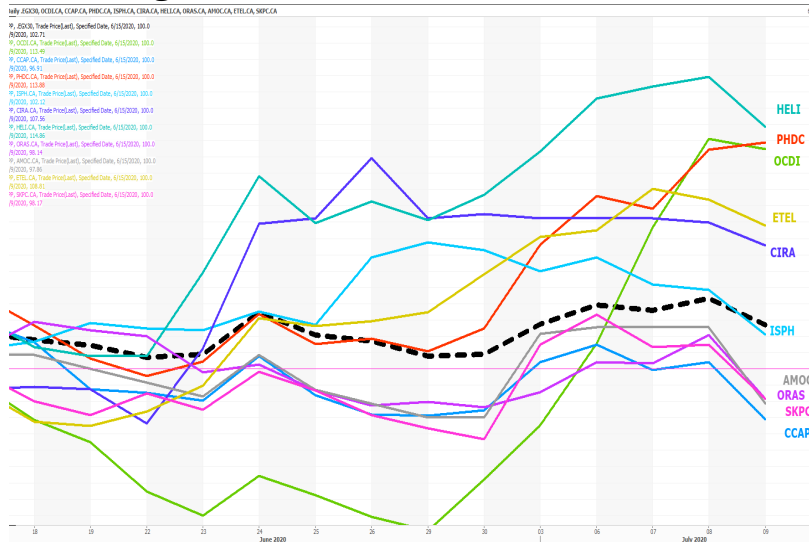
Top index weights
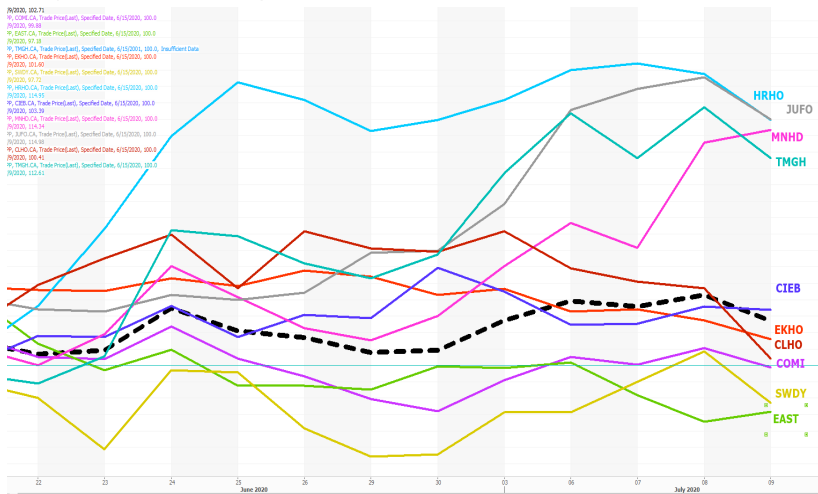
MNHD showed superior performance lately and still has lots of upward potential.

HRHO and JUFO are still on top, but their relative performance curves are falling slightly. TMGH is also outperforming but began to underperform MNHD lately.

As for the rest, SWDY and EAST are the two worst performers.

Mid Weights

Two stocks showed significant improvement in their relative performance curves; PHDC and OCDI. We actually like PHDC's curve more as it rose through a series of higher lows and higher highs, while the relative performance curve of OCDI witnessed a sharp rise.

As for the underperformers, AMOC, ORAS, SKPC, and CCAP are currently weak performers and need to show more strength in their relative performance curves.

Smallest Weights
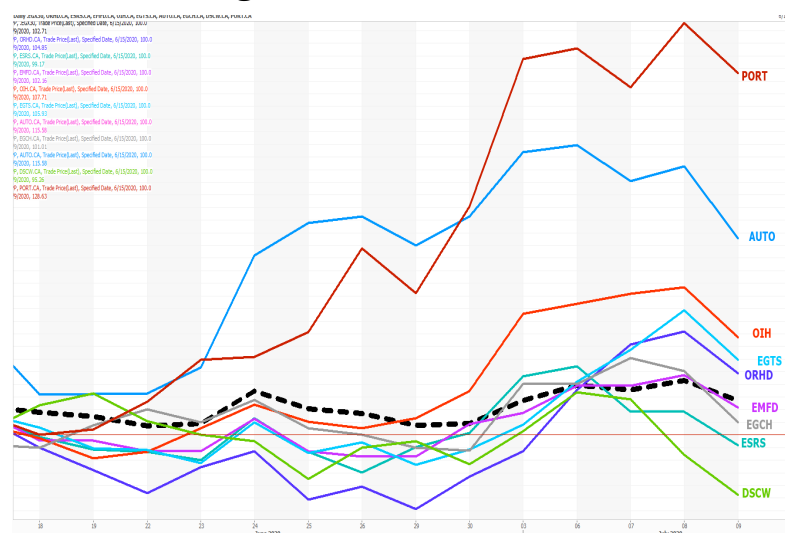
Same alignment of stocks' performance like the past few weeks. PORT, AUTO, OIH, and ORHD are on top; EGTS, however, entered among the outperformers and began to show improvement.

DSCW is still weak after its recent deterioration in its relative performance curve, while EMFD, EGCH, and ESRS still need to show more strength.

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Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
COMI	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
EAST	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
EKHO	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 but approaching it
HRHO	Below	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
SWDY	Below	The 10 weeks moving average is still below its 20 weeks counterpart
CLHO	Below	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
CIEB	Below	The 10 weeks moving average is still below its 20 weeks counterpart
JUFO	Below +	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ETEL	Above	Buy signal was triggered in June 2020
ISPH	Below	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
CIRA	Buy	The 10 weeks moving average just broke above its 20 weeks counterpart
ORAS	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
OCDI	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CCAP	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
HELI	Below	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
SKPC	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
PHDC	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
AMOC	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
AUTO	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ESRS	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ORHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
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 but approaching it
EGTS	Below	The 10 weeks moving average is still below its 20 weeks counterpart
EGCH	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
PORT	Below +	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
DSCW	Above	Buy signal was triggered in early April 2020

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

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