

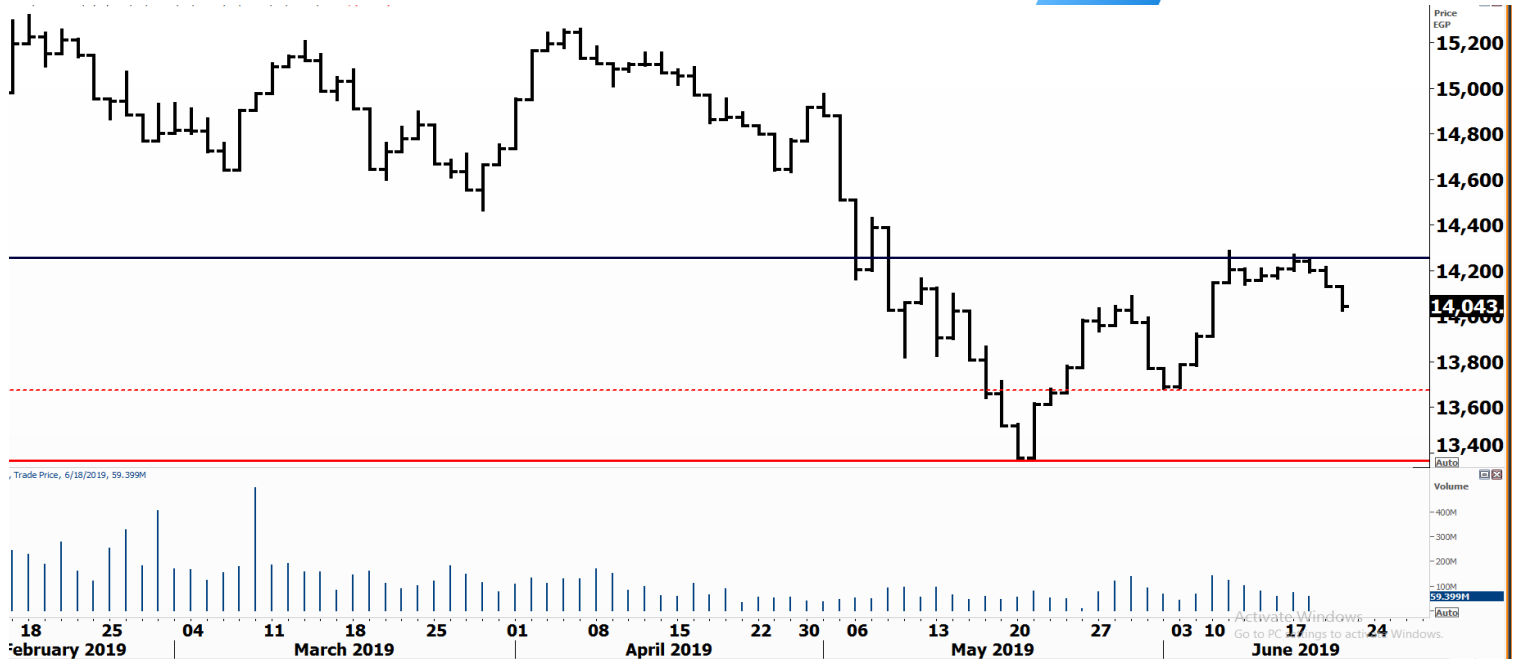


PIONEERSECURITIES

Weekly Overview

23–Jun 19

This report must be read with the disclaimer
on last page



The market witnessed selling pressure last week and showed significant weakness despite the strong performance of global equities. This week is important; if the market fails to maintain its support, then we will be eligible to a strong decline. We are still not expecting this scenario as our view is still more biased to the bullish side.

Let us put it this way; if the EGX 30 index rebounds from current levels, a new higher low will be created, which will be considered bullish for the market. A higher low that might appear this week will be a sign of a potential breakout above 14,300, which will revive hope among investors.

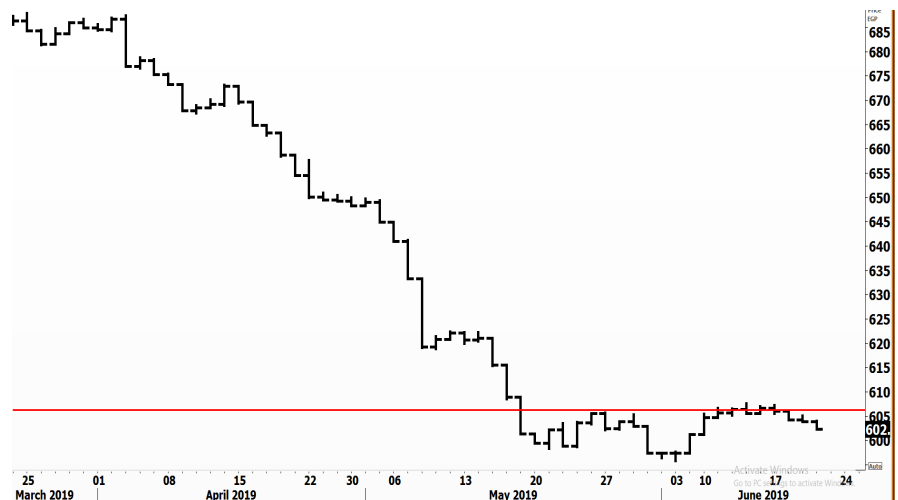
If the market breaks 14,300 upwards, the unbelief phase will begin turning slowly to a more bullish phase that will be called later the belief phase.

EGX 70 Index/ Daily Chart

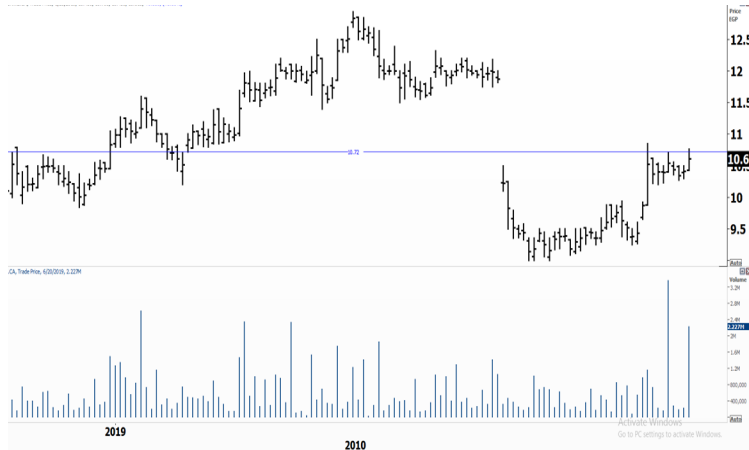
The EGX 70 index is hovering near its resistance to break it upwards. The most recent decline that the index witnessed might create a higher low.

If the index rebounds from these levels it will probably break the 605-606 level upwards. If this breakout occurs, along with the EGX 30 breakout, we will be bullish on the market.

We recommend investors to wait for a clear and confirmed breakout before stepping in.



ORWE



Only if the 10.75 level is broken upwards with high volumes a short-term buy signal will be triggered. As long as the stock is still trading below this level we do not recommend entering. A breakout above resistance will trigger a new buy signal.

Our target, in case of a breakout, will be set around 12. Those who will buy at the breakout should use the low of the breakout day as their stop and the 12 level as their profit target to sell at.

It is recommended to wait for a breakout above 4.8 before stepping in. A breakout above this level will trigger a buy signal with a target around 5.5-5.6. We need to wait for the breakout first before buying.

On the other hand, the 4.45 is the current minor support. Short-term traders should place their stop below this level; if AMOC violates 4.45 it will trigger short-term stops but we will probably witness a higher low from its bottom that lies slightly below 4.

AMOC



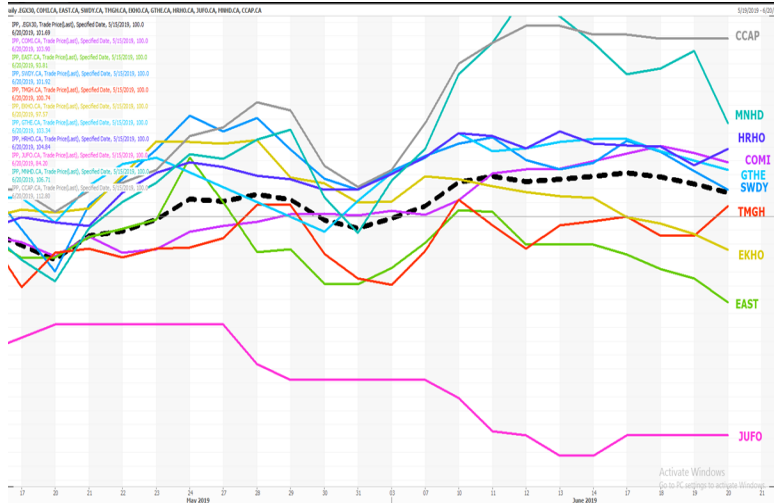
ACAMD



ACAMD witnessed a significant rise on Thursday to close at 2.4 at the end of the session. Resistance lies at 2.45. If the stock succeeds to break above 2.45 upwards, a buy signal will be triggered with a target at around 2.8.

We recommend short-term investors to buy at the breakout.

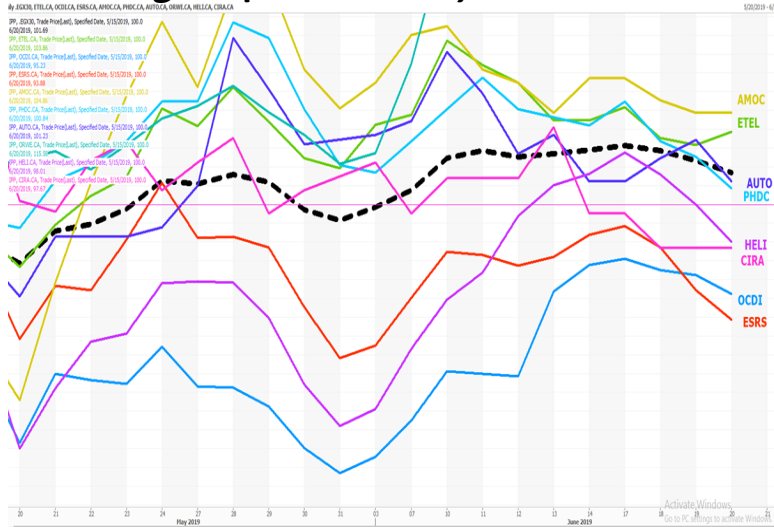
Top index weights (3% and above)



Two important notes we should be aware of. First, the number of stocks in this category that are outperforming the index are increasing than before.

Second point worth looking at is that the stocks that are considered defensive like EKHO, JUFO, and EAST began to clearly underperform, while higher beta stocks are outperforming. This can be considered as a sign that the market rise should occur soon. This is not a concrete proof, but at least it gives us a sign.

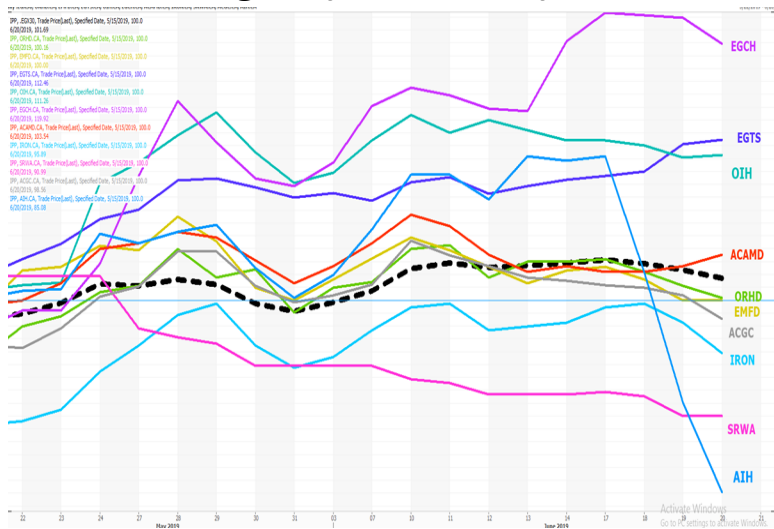
Mid Weights (above 1.5%)



AMOC and ETEL are the outperformers in this category of stocks. Then comes AUTO and PHDC which are having same market performance. The rest of the stocks are currently underperforming.

If we look at a stock like OCIDI, however, despite that it is clearly moving below the EGX 30 relative performance curve, it began to witness improvement in its relative performance curve,

Smallest Weights (below 1.5%)



As we can see from the graph on the left, the number of stocks that are outperforming the index increased this week, despite the weak market performance. This gives us another hint that we might see a market rise starting this week.

EGCH, EGTS, OIH, and ACAMD are above the EGX 30 relative performance curve. As for the rest, we should expect ORHD and EMFD to witness some improvement in their performance soon.

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 (17th 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 (17th week)
HRHO	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
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	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
ETEL	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
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 (11th 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	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
OIH	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
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.

Disclaimer

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