

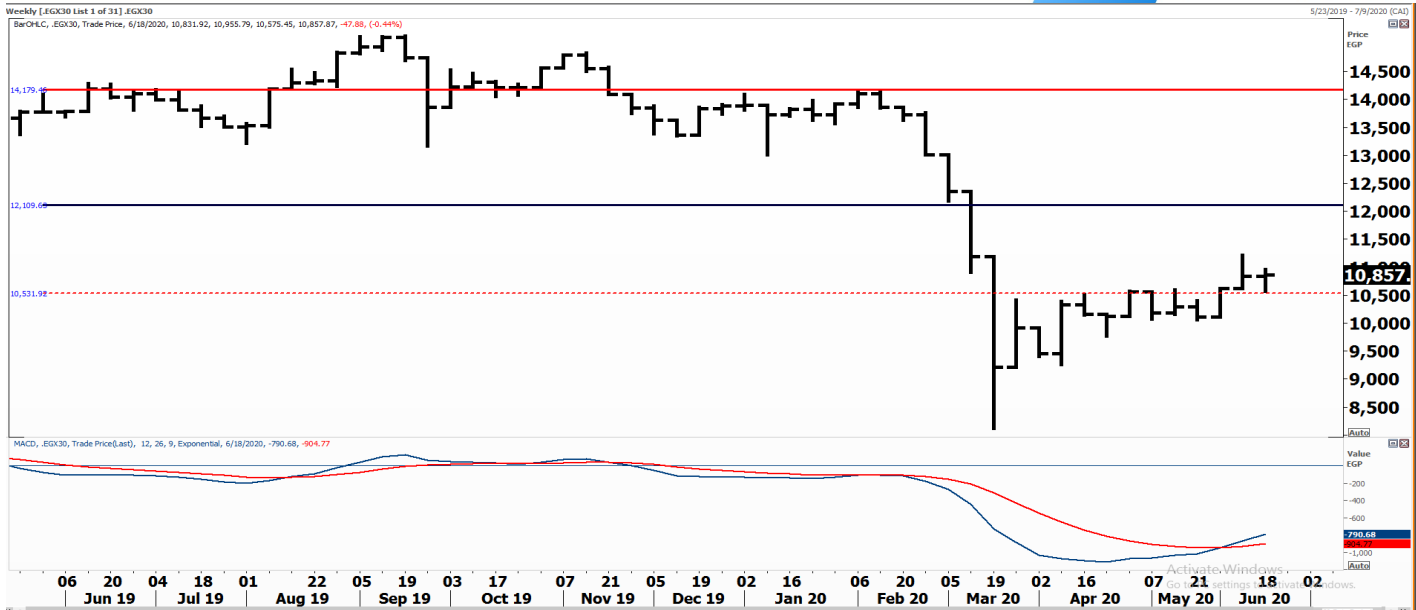


PIONEERSECURITIES

Weekly Overview

21–June 2020

This report must be read with the disclaimer
on last page



Usually after a breakout, the market should witness a significant rise, especially if the broken resistance appears on the weekly chart like the case with the EGX 30 index. The EGX 30 broke 10,500 and confirmed this breakout but was not able to rise significantly thereafter. This is a sign of weakness that should be taken into consideration.

We still believe, however, that if we continue trading above 10,500 and sellers do not drag the market below this important support, the probability of a strong rise will be high. On the other hand, a violation below 10,500 will not only lead the market to 10,000 but will be a negative sign for the future as the market will not be able to rise, probably until the rest of the year.

Let us go back to the positive side of the coin. We are still bullish on the market and are expecting the rise to continue; this rise should occur soon though so that sellers do not exert strong selling pressure from current levels.

The weekly MACD is in a buy mode, which is also positive.

EGX 50 Index/ Daily Chart

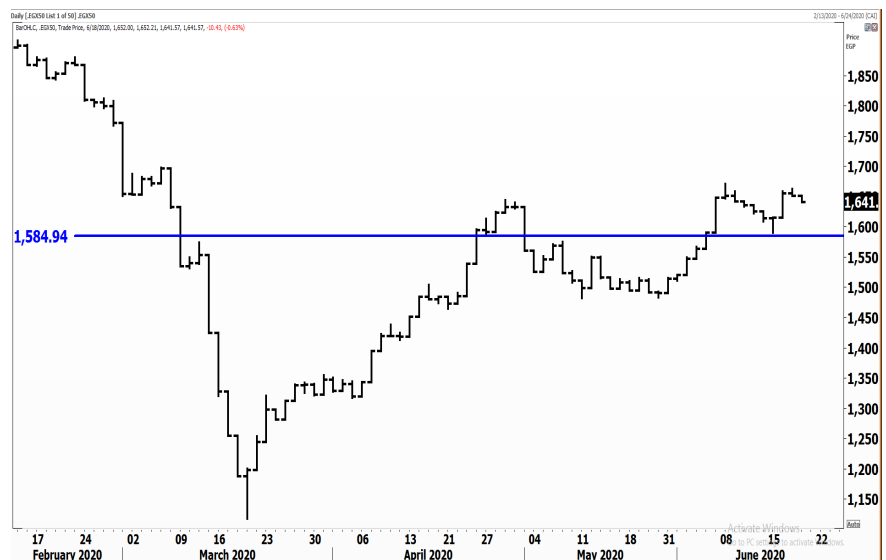
Our stop will be placed below 1,580, which is the most recent bottom. A violation below 1,580 is bearish and will be considered as a structural change from what we call a healthy correction to a bearish market.

Thus, investors should treat the 1,580 support with care and respect if anything bad happens.

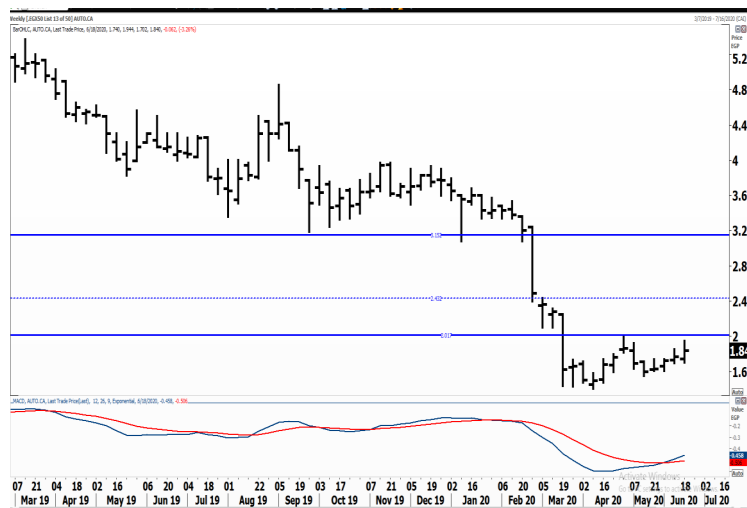
Those who have a view but always look at the other scenario are more successful than investors who only stick to their views. This is the core of success; how to use plan B when your main plan does not work out.

Our main view is still more biased to the bullish side. We did not have any confirmed bearish signal yet, but we were expecting a more significant rise during the past few days.

If the EGX 50 breaks 1,650 on a confirmed basis, the next rise will probably be strong.



AUTO



A breakout above 2 will trigger an important buy signal for AUTO as the stock will probably witness a big rise after this breakout.

If AUTO breaks 2, it should reach 2.4 as a first target, and will be expected to reach 3 at a later stage.

Those who want to step in are recommended to wait for the breakout before entering.

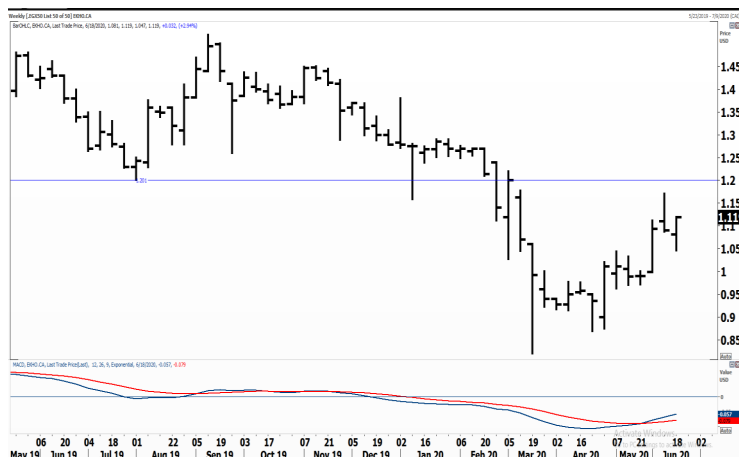
ORAS is on its way to break 73 to the upside. This is an important resistance level and its breakout will trigger an intermediate-term buy signal with a target around 90-95.

We like the stock and are expecting it to break this resistance upwards; the MACD indicator also triggered a positive crossover on the weekly chart.

ORAS



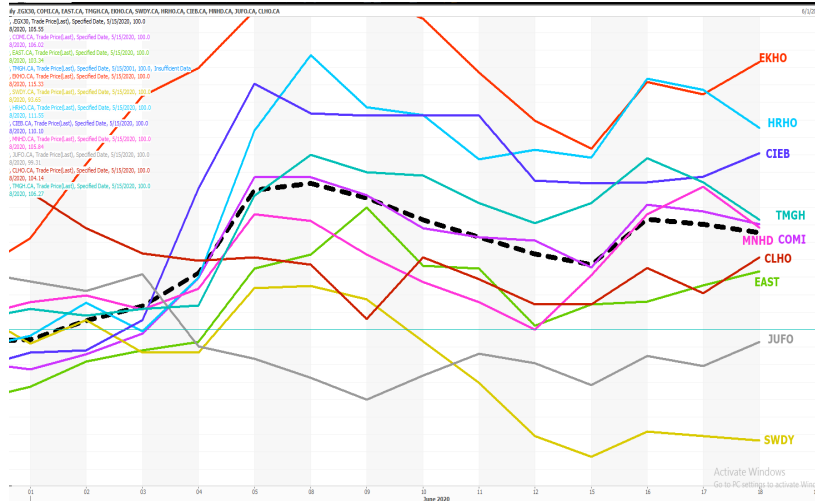
EKHO



We should be looking at 1.2 as an important level to watch. Even if EKHO breaks its peak that lies at 1.17, it might find a strong hurdle at 1.2. In other words, the breakout above 1.17 (if it takes place) will not be considered as an automatic buy signal.

EKHO is one of the outperformers and still looks strong and is usually recommended in any portfolio.

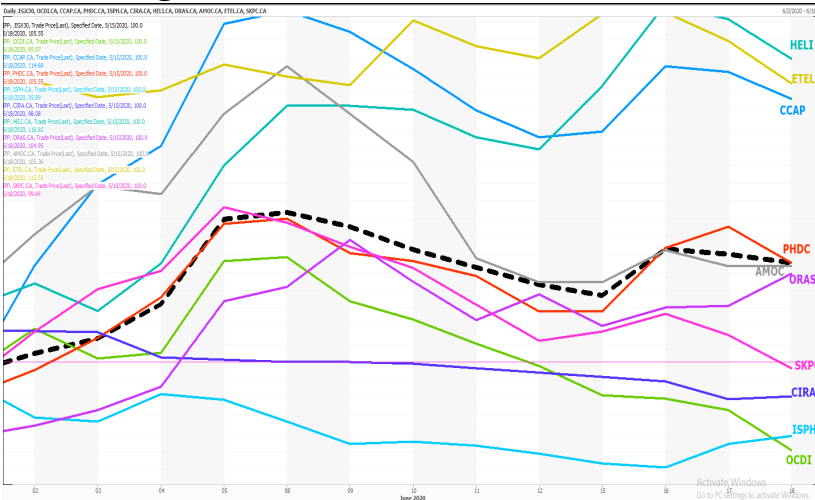
Top index weights



EKHO is still on top, followed by HRHO, which began to look down slightly. CIEB also looks good and its relative performance curve is still moving north.

At the bottom of the scale lies the sad and lonely SWDY which turned out to be a stock that no one wants and no one is interested to have it. Obviously, extreme pessimism is potentially bullish but SWDY still has worse days to come.

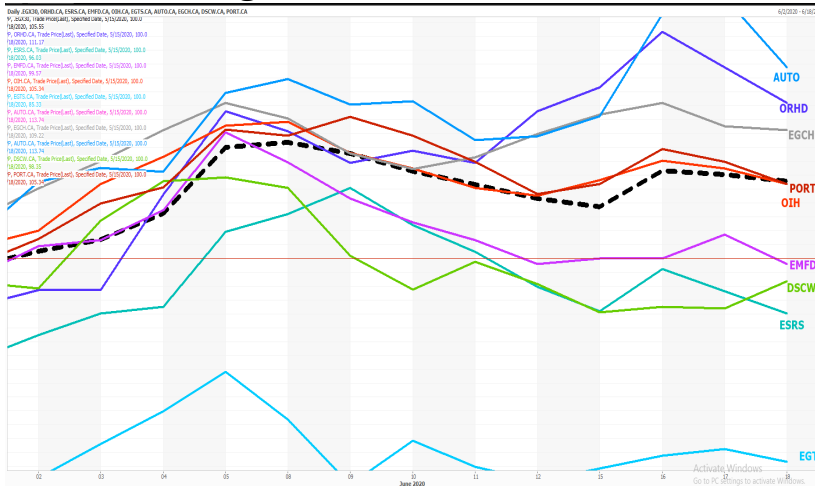
Mid Weights



HELI, ETEL, and CCAP are still the top three performers. Then comes PHDC, AMOC, and ORAS which began to show significant improvement in its relative performance curve.

As for the rest, we recommend looking at them after they improve on a relative basis.

Smallest Weights



Same stocks are on top; AUTO, ORHD, and EGCH, followed by PORT and OIH which are performing like the EGX 30.

The rest of the stocks in this category are still weak and still need more strength to begin witnessing strong performance.

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
HRHO	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
SWDY	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CLHO	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
CIEB	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 but approaching it
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart
ETEL	Buy	The 10 weeks moving average just broke above its 20 weeks counterpart
ISPH	Below	The 10 weeks moving average is almost breaking above its 20 weeks counterpart
CIRA	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
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 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
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 still below its 20 weeks counterpart but approaching it
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.

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