

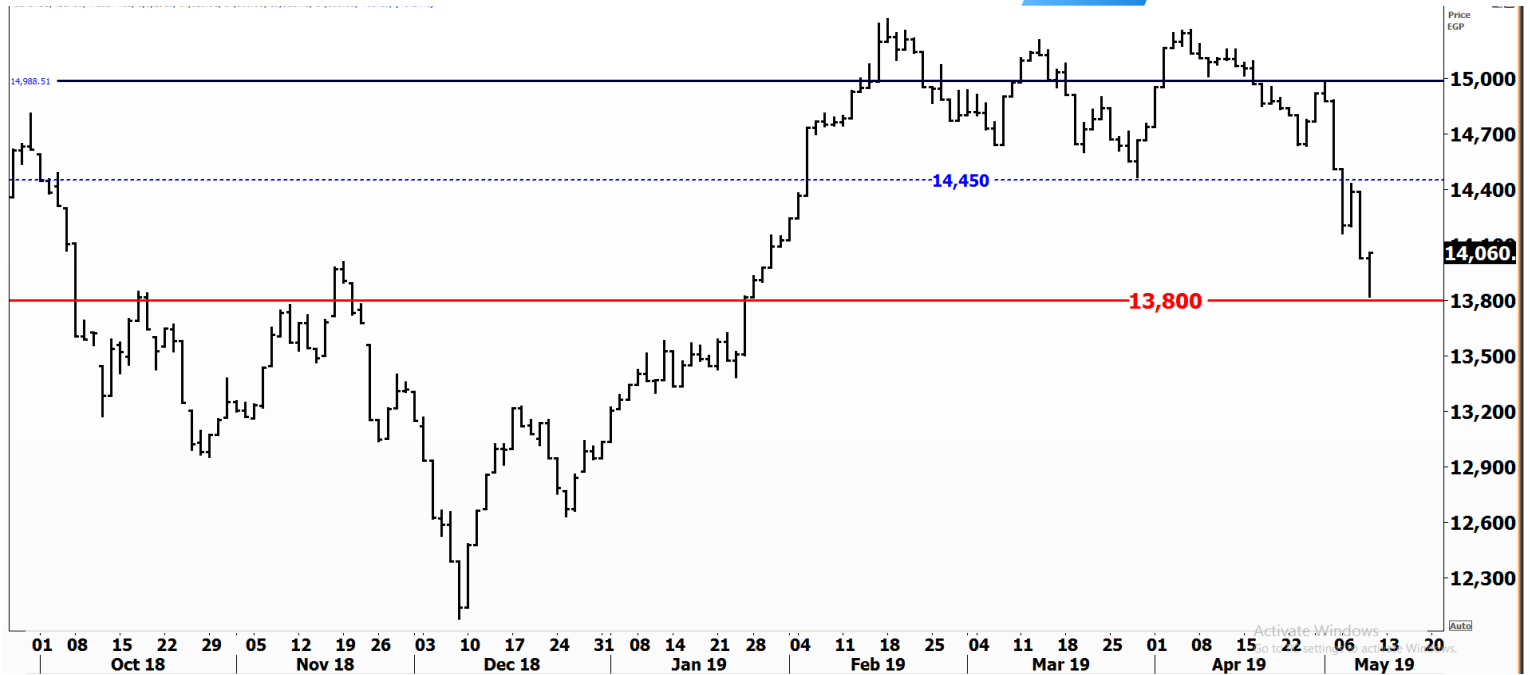


PIONEERSECURITIES

# Weekly Overview

12-May 19

This report must be read with the disclaimer  
on last page



Let us be clear and blunt while analyzing the Egyptian market. Thursday's hammer formation should be considered bullish and should lead the market to a short-term rise. As we can see, the EGX 30 index hit our target and rebounded from our target range. We mentioned before that the 14,000 and 13,800 are our targets for the EGX 30 index. It is important to note though, that the EGX 30 index hit our target while almost all of the index' constituents reached much lower targets; in other words, if the EGX 30 index was not controlled by COMI it should have been trading near 12,700-12,800. This "1000 points" difference is due to the one-stock effect on the index.

If we go back to analyzing our chart we will see that the 13,800 should be the new bottom to look at. Thus, if we rebound, the index will probably go back near 14,400-14,500 where resistance will be expected to appear; if the index declines from there, the probability of breaking 13,800 downwards will not be low; such a breakdown will be dangerous for the overall market from an intermediate-term basis as we will begin to challenge the 12,000 area. On the other hand, the break above 14,450 will be our bullish sign that the market was able to absorb this selling pressure and regained its strength; such a breakout must come with significant positive news in the market as a catalyst for investors to step in.

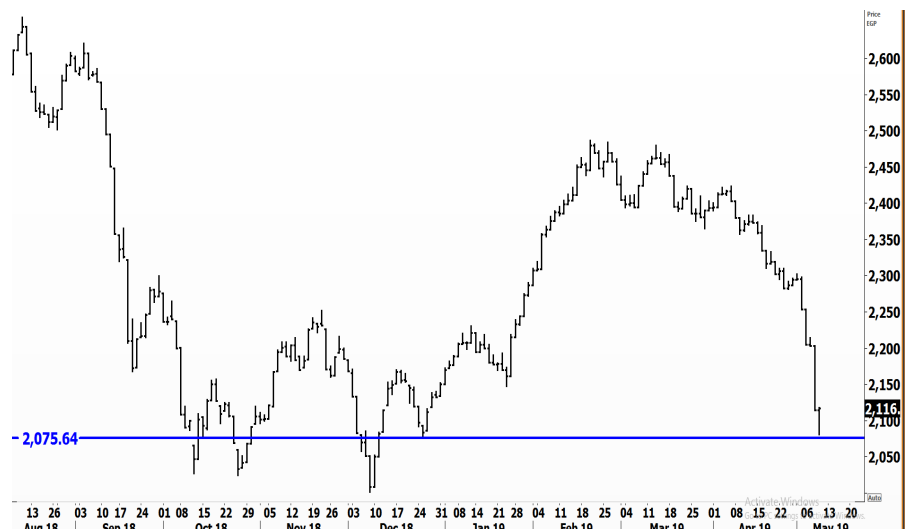
What is our view? Based on the current performance and the severe lack of buying power and volumes, we are biased to test 14,400 and decline once again; thus, we recommend investors to take chance of this rise to reduce exposure; our re-entry will be triggered at a break above 14,450-14,500.

## EGX 50 Index/ Daily Chart

If we look at the equal weights index, we will see a completely different picture than the performance of the EGX 30.

The EGX 50 index already approached its lows (which coincides with the 12,000 on the EGX 30 index). Such a big decline is indicative of the overall market situation; unlike the EGX 30 index which does not indicate anything.

A rebound from current levels is a normal scenario; the issue is whether the rebound will be strong or not. We expect the 2,200 to serve as resistance in case the rebound begins today. Obviously, a renewed decline will be expected to appear then.



## EGTS



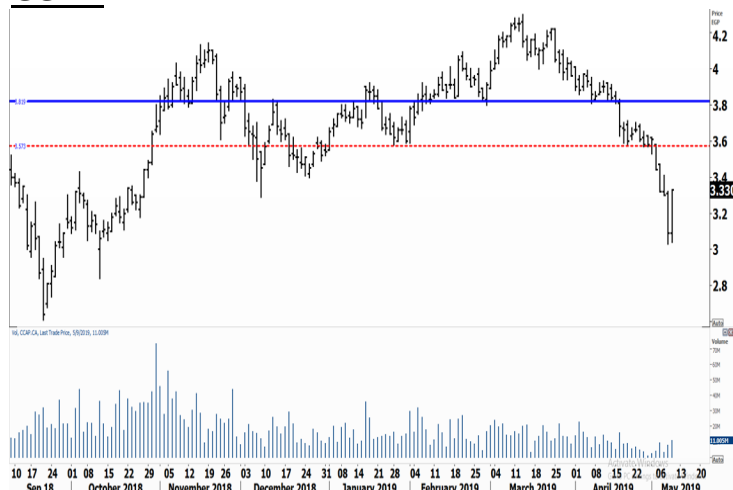
The stock is eligible for only a short-term rise that can lead it to 2- 2.03. We have introduced ACGC today because of the short-term bullish formation it witnessed on Thursday.

The stock, however, is witnessing a downtrend, which means that such a formation can only lead to a short-term rise. Our target, in case this rise occurs, will be set at 2-2.03, which is expected to serve as strong resistance

## ACGC



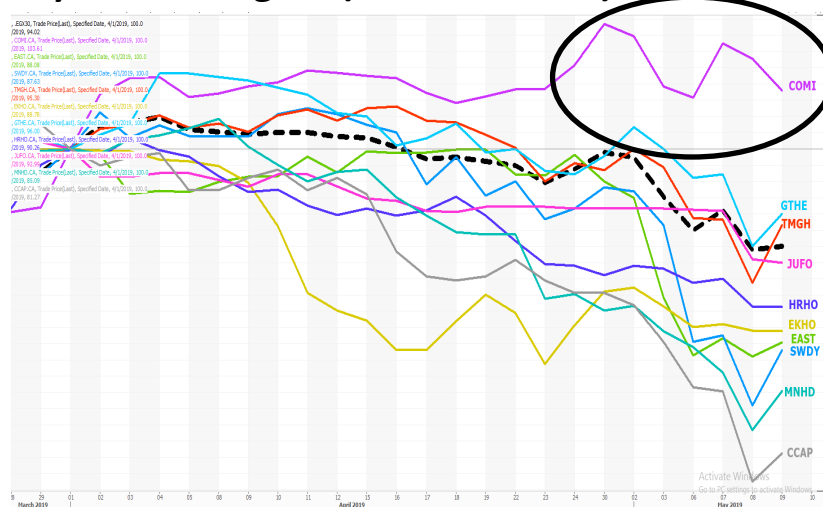
## CCAP



If the market rebounds on a short-term basis, CCAP will be one of the stocks that will rise too. Those who have positions are recommended to look at the 3.5-3.6 area as their target price; a rise to this area will probably be faced by strong selling pressure. Those who want to trade the stock must be very careful and apply a strict stop loss and profit target.

It is important to note that the stock has been witnessing an important bearish rising wedge and the minimum downward target is not reached yet; thus, we are expecting a renewed decline after this short-term rise ends.

## Top index weights (3% and above)

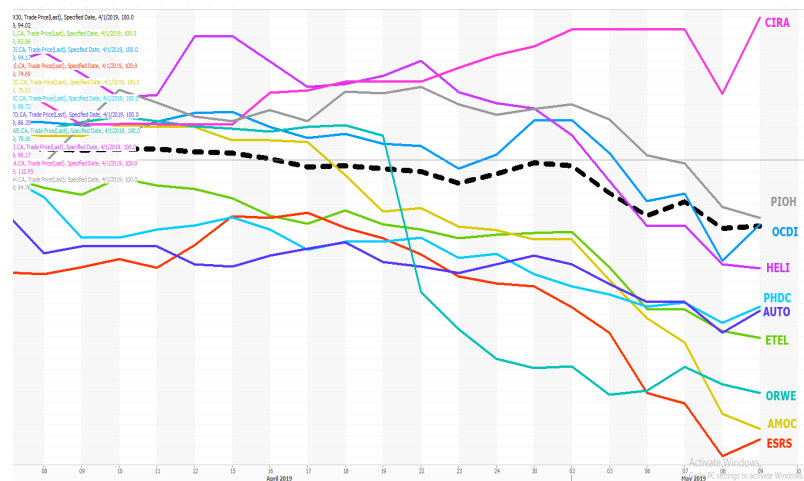


COMI, and GTHE are the current outperformers, while TMGH is a market performer. JUFO's relative performance curve is also moving close to that of the EGX 30.

The rest are clearly underperforming.

It is important to look though, at the relative performance curve of COMI as it began to show some potential weakness despite its clear outperformance. The current bottom of COMI's relative performance curve (inside the circle) is important as a violation below it will be a bit bearish for the stock.

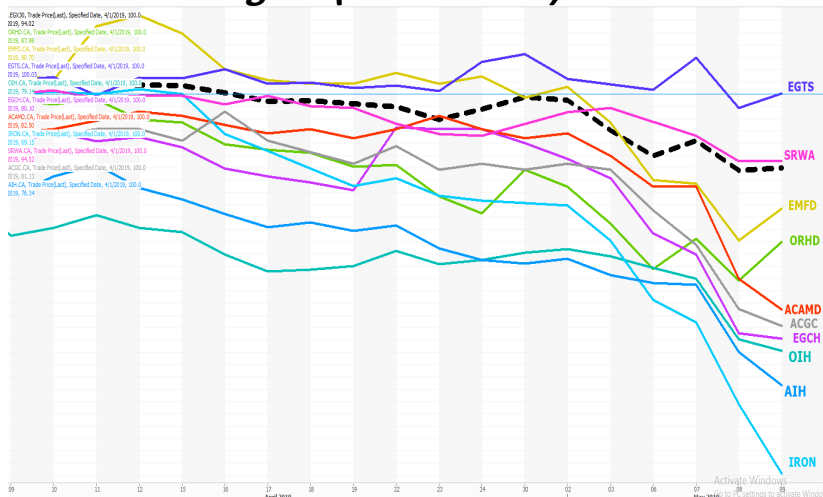
## Mid Weights (above 1.5%)



CIRA comes on top with a big gap with the rest of the stocks. Then comes PIOH, then OCIDI.

As for the rest of the stocks, PHDC began to show better performance despite its underperformance; the rest are still looking South and need more confirmation before trading them.

## Smallest Weights (below 1.5%)



EGTS and SRWA are on top; the rest of the stocks are underperforming the index. Only EMFD and ORHD's relative performance curves began to look up, while the rest are severely falling.

As we can see from the shapes of the relative performance curves of the small weights stocks in the index, they are severely underperforming with increasing declining momentum. A turnaround is needed first before looking at these stocks.

Stock	10/20 EMA signal	Comments
EGX 30	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (12th week)
COMI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (12th week)
EAST	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (4th week)
SWDY	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
TMGH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (15th week)
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 (14th week)
HRHO	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (13th week)
JUFO	Above	Buy signal was triggered in mid Jan 2019
MNHD	Below	The 10 weeks MA is below its 20 weeks counterpart but is approaching it
CCAP	Above	Buy signal was triggered on the 17th of August 2017
ETEL	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (18th week)
OCDI	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (3rd week)
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 (8th week)
PIOH	BUY	The 10 weeks MA Broke above the 20 weeks MA/ Buy signal triggered (12th week)
ORHD	Above	Buy signal was triggered in the first week of December 2018
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 (12th week)
OIH	SELL*	The 10 weeks MA Broke below the 20 weeks MA/ Buy signal triggered
EGCH	Above	Buy signal was triggered in the first week of December 2018
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 MA is below its 20 weeks counterpart but is approaching it
ABUK	Below	The 10 weeks MA is almost breaking above the 20 weeks MA/ watch closely
PORT	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

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.*

First let us mention the "Above" stocks, which gave their buy signals a while ago but witnessed significant rises after their buy signals; EKHO, JUFO, CCAP, ORHD, EGCH, ISPH, EFID

\* AMOC and IRON deteriorated from the brown to the red category.

\*\* EMFD, ACAMD, ACGC witnessed a sell signal between both moving averages after their initial buy signals.

## Disclaimer

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