

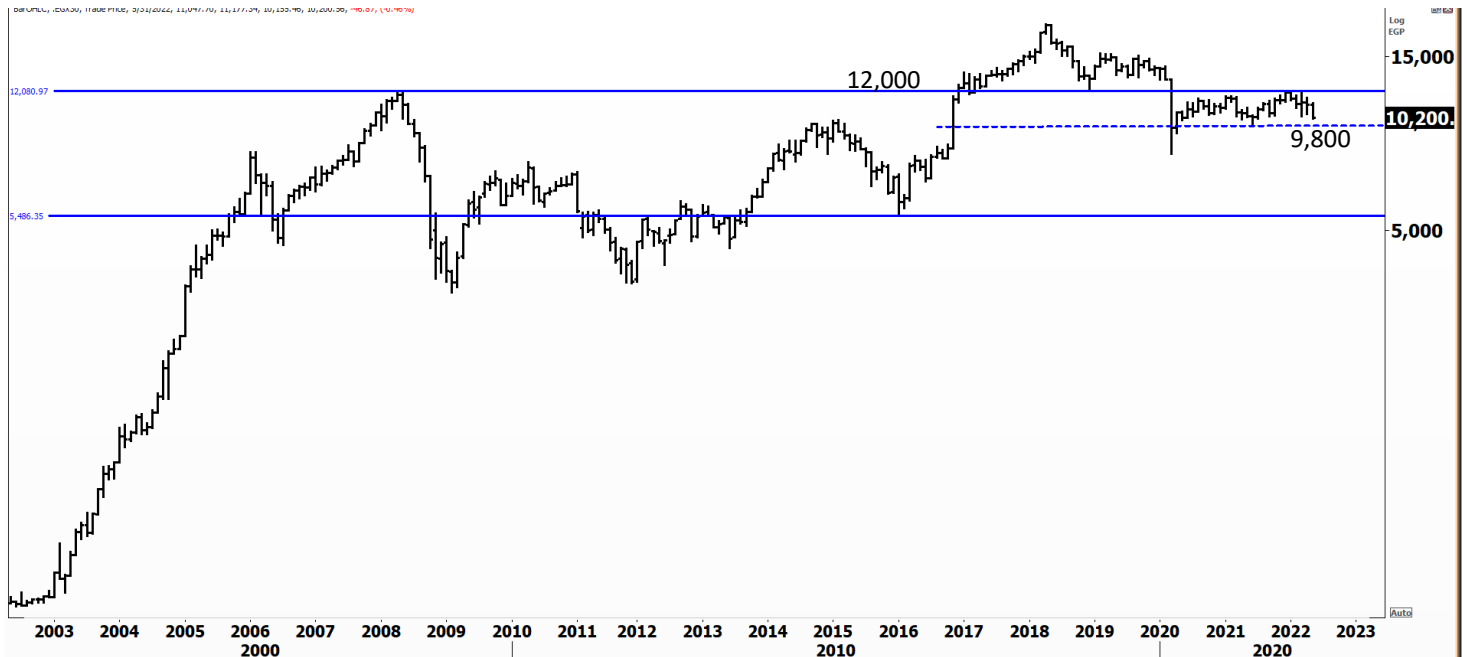


PIONEERSECURITIES

Weekly Overview

29-May 2022

This report must be read with the disclaimer
on last page



The chart above is a log-scale monthly chart of the EGX 30 index. The chart is interesting as it shows many important points that should be watched from a Major perspective.

As we can see from the monthly chart, the 12,000 was broken to the upside in mid 2017 and the market peaked before mid 2018. The decline from 2018 broke 12,000 once again to the downside, which served as a strong resistance in the ensuing 2 significant rises (Jan-Feb 21, and Dec 2021)

Now, the significant and major support that can be seen clearly on the monthly chart is 9,800; this is a very important and crucial support and its violation will be long-term significant for two main reasons: 1– because it appears clearly on the monthly chart and served as a good base in mid 2021. 2– it also constitutes the mid range (or even slightly below) of the 2016 EGP flotation bar; in other words, a clear and confirmed break below 9,800 will be considered as a break of the 2016 flotation bar which can bring the market back to much older levels.

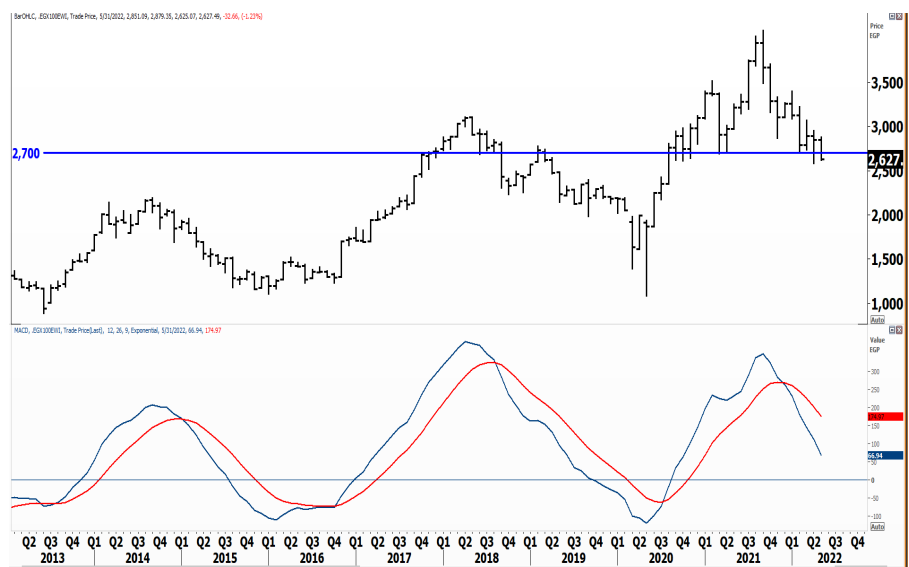
Thus, we need to look closely at the 9,800 level from a long-term perspective because if this level is violated on a confirmed basis, the market will witness significantly lower levels that can also hit the corona lows.

EGX 100 Index, Monthly Chart

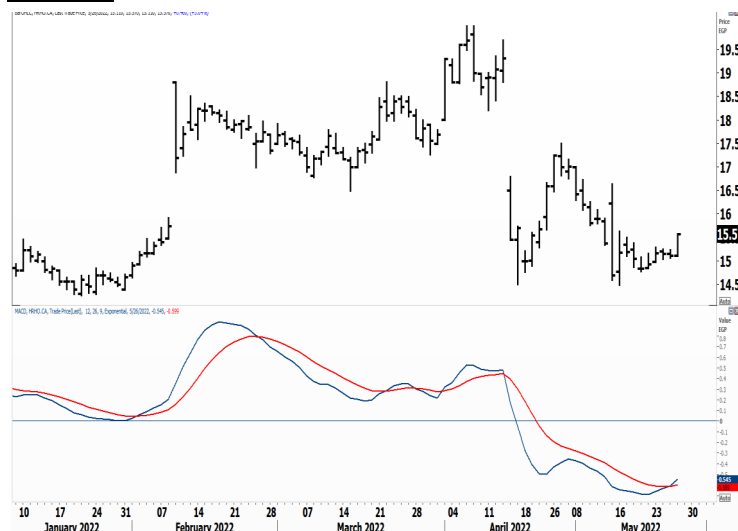
The break below 2,700, if confirmed, will be bearish from a long-term perspective. The index is already trading below this level but if it confirms this breakdown, we will see strong declines in the coming period.

A false break with a renewed strong rise is not an impossible scenario; not a high probability but still there. We will not bet on this probability cause we do not have any clear signals that can give us a positive bias on the market.

Thus, for now, we will deal with the market from a conservative perspective until it proves otherwise.



HRHO

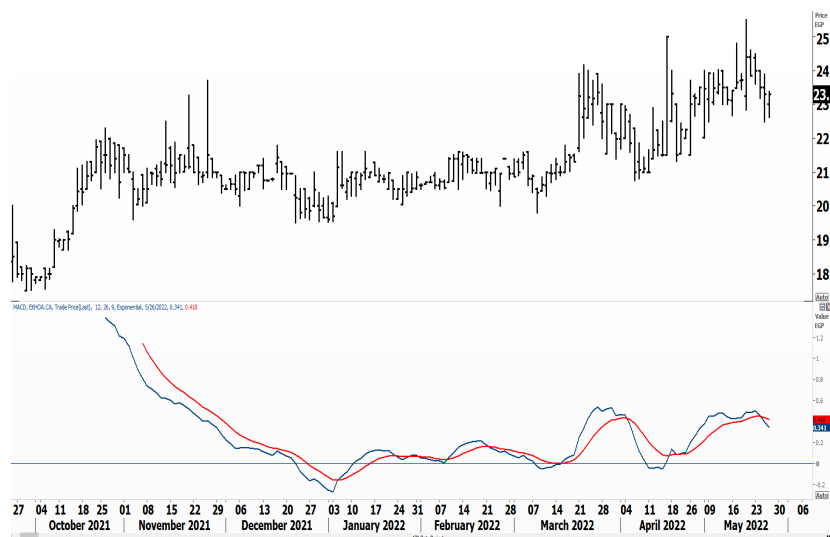


In the midst of an overall weak market where most of the stocks are expected to decline significantly, comes a nice defensive one that will probably maintain itself from a relative perspective.

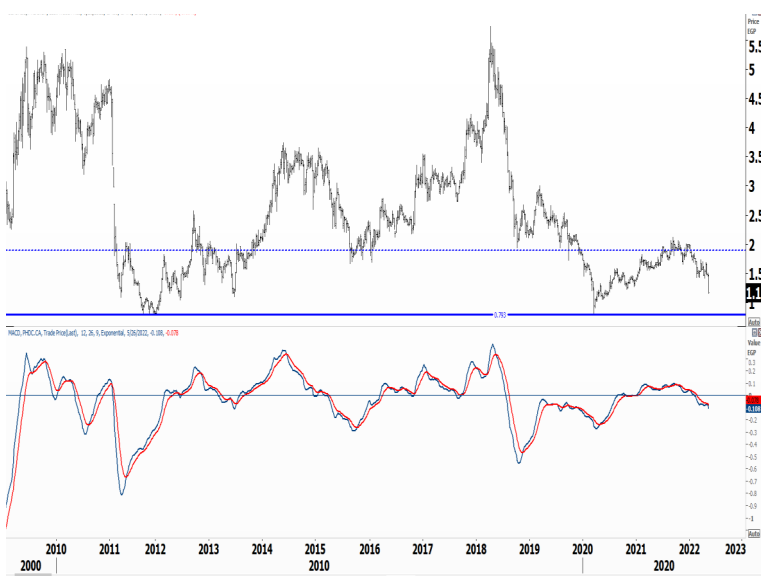
In other words, EKHOA can go to 20 along with the overall market decline, which is not a big percentage from current levels.

Those who need to have a part of their funds in the market are recommended to step in EKHOA as it will probably be a good defender in the coming period.

EKHOA



PHDC



We are not analyzing PHDC today cause we expect it to rise, actually we believe the stock will retest its historical low that lies at 0.8. The stock closed at 1.1 and broke all its support levels.

Visiting its historical lows is very probably and should lead to, at least, a short-term rebound.

This means that PHDC is expected to continue its decline to 0.8.

EHDR



It is obviously risky to buy stocks in the EGX 70. Egyptians for Housing and Dev, however, is showing a nice shape as it broke resistance and continued trading above resistance for few sessions.

Those who have positions or want to step in partially should place their stop below 0.31. Our upward target lies around 0.45.

SUGR is not a strong performer and not expected to witness a strong rise. The stock, however, is testing an important support at 9.35.

Thus, position holders should place their stop below this support.

On the other hand, if a slight rebound takes place, the stock might test 11 before declining once again.

SUGR



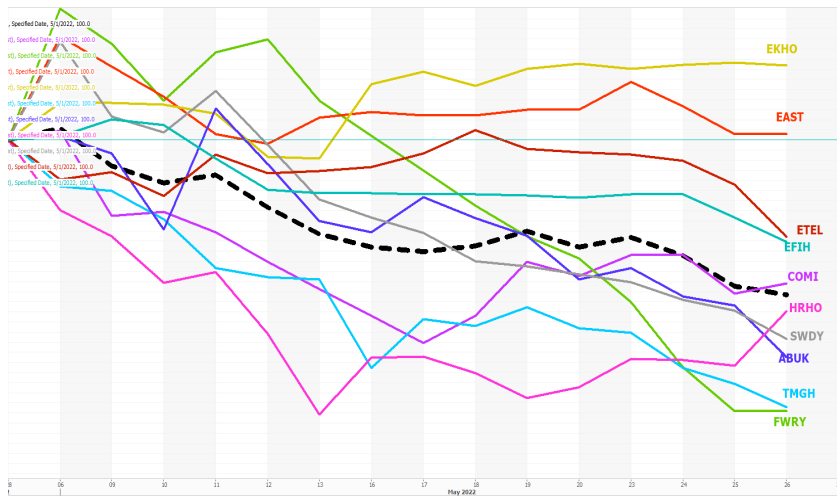
OIH



OIH is one of the stocks that investors look at. So we need to make it clear that 0.19 is a significant support level and a break below it will trigger an exit signal as a strong decline will follow.

On the other hand, any rise from here will meet resistance at 0.23.

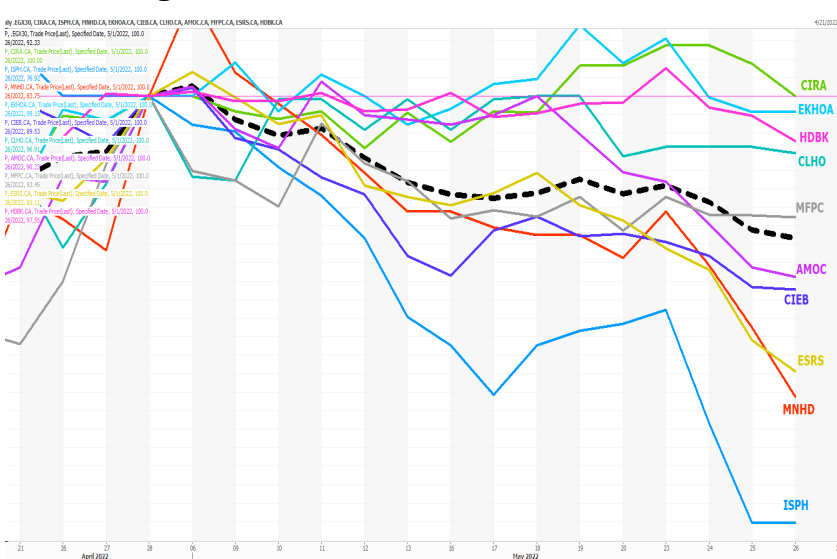
Top index weights



To be honest in our analysis, the performance of stocks in the most recent period was not as expected; many changes took place, as ABUK underperformed for the first time in many weeks; ETEL also showed some weakness, while only EKHO was able to maintain its strength.

EAST also looks strong and outperforming for now, while the rest of the stocks are looking South.

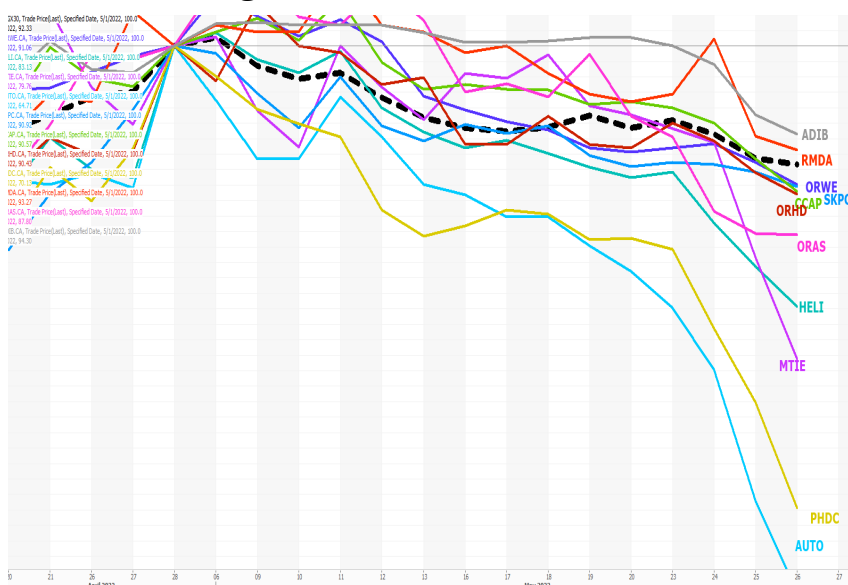
Mid Weights



CIRA, EKHOA, and CLHO are still outperforming, along with HDBK too. Nothing changed and same outperformers are maintaining their strength.

The rest of the stocks are clearly underperforming with the exception of MFPC which is still maintaining itself.

Smallest Weights



All stocks in this category are having declining relative performance curves. Even ADIB and RMDA which are outperforming are having declining curves.

We do not have any recommendation here as no stock here looks like it has any potential.

Stay out until a new signal takes place.

Stock	10/20 EMA signal	Comments
EGX 30	Below	The 10 weeks moving average broke below its 20 weeks counterpart
COMI	Below	The 10 weeks moving average broke below its 20 weeks counterpart
FWRY	Below	The 10 weeks moving average broke below its 20 weeks counterpart
ABUK	Above	Buy signal was triggered during July 2021
EAST	Below	The 10 weeks moving average broke below its 20 weeks counterpart
HRHO	Above	Buy signal was triggered during end of August 2020
TMGH	Below -	The 10 weeks moving average broke below its 20 weeks counterpart
EKHO	Above	Buy signal was triggered during August 2020
EFIH	N.A.	
SWDY	Below	The 10 weeks moving average broke below its 20 weeks counterpart
ETEL	Above	Buy signal was triggered in mid June 2021
EKHOA	N.A.	
CLHO	Above	Buy signal was triggered in November 2021
MFPC	Above	Buy signal was triggered in November 2020
CIEB	Below	The 10 weeks moving average broke below its 20 weeks counterpart
CIRA	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
HDBK	Below	The 10 weeks moving average broke below its 20 weeks counterpart
AMOC	Below	The 10 weeks moving average broke below its 20 weeks counterpart
ISPH	Below	The 10 weeks moving average broke below its 20 weeks counterpart
ESRS	Below -	The 10 weeks moving average broke below its 20 weeks counterpart
MNHD	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
HELI	Below	The 10 weeks moving average broke below its 20 weeks counterpart
SKPC	Above	Buy signal was triggered during March 2022
AUTO	Below	The 10 weeks moving average broke below its 20 weeks counterpart
PHDC	Below	The 10 weeks moving average broke below its 20 weeks counterpart
ORAS	Above	Buy signal was triggered in May 2022
ORWE	Below	The 10 weeks moving average broke below its 20 weeks counterpart
MTIE	Below	The 10 weeks moving average broke below its 20 weeks counterpart
CCAP	Below -	The 10 weeks moving average broke below its 20 weeks counterpart
ORHD	Below	The 10 weeks moving average broke below its 20 weeks counterpart
RMDA	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ADIB	Below	The 10 weeks moving average broke below its 20 weeks counterpart

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.

N.B.

Stocks that are “Above” in the table gave a buy signal sometime ago; those who followed our intermediate-term recommendations and held these stocks based on moving averages system, are making very significant performance. We will show you later the profits that can be done by using a buy and hold strategy with stocks that trigger moving averages signals.

Disclaimer

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Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst