

# Weekly Overview

24-Oct 2021

This report must be read with the disclaimer on last page





Putting all emotions aside, and looking at the chart from a purely technical perspective, the EGX 30 index looks like it wants to break to the upside; the higher low that appeared recently (the 2 circles), along with the index challenging its resistance which is coupled with lots of negative sentiment among market participants; these signals hint of a potential breakout above the 11,700 level.

Our first level to watch is 11,350; a break above it will trigger a buy signal in a handful of stocks that are outperforming. However, if the 11,700 level is broken upwards, a more general rise will take place.

Our stop will be placed below 10,200.

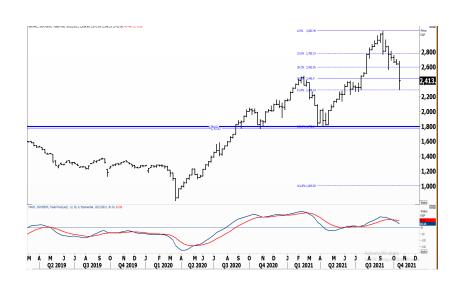
#### EGX 70 Index, Weekly Chart

The EGX 70 witnessed a strong decline lately, to test the 2,300 level, which is a 62% retracement of the most recent rise.

A rebound form this level might take place; such a rebound should take the index to the 2,800 level.

On the other hand, the 1,800 level is the next bottom that will serve as support should the decline continues.

We expect the rebound from current levels to take place, which will create a potential trading opportunity.





### <u>SKPC</u>



SKPC began to witness some improvement lately, closing at 9.59; those who are out of the stock are recommended to wait for a break above 9.85.

A break above this level will trigger a new entry signal with a target around 11.

The stock witnessed a major reversal formation on the monthly chart and solved it to the upside. This formation has a target at 21; thus buying at dips is recommended.

Any correction should be used as a chance to step in as we believe that more rise is expected.

The MACD is in a buy mode and shows that positive momentum is increasing.



# **SWDY**



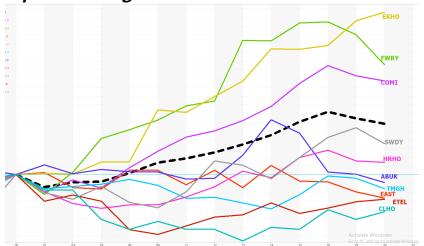
If SWDY breaks above 9, it will trigger an important buy signal with a target at 11.

Those who want to enter with a more aggressive attitude can wait for a breakout above 9. Such a breakout will be bullish for SWDY.

The MACD is hovering below the zero level; if we see a rise in this indicator, along with a price rebound, we will probably watch a significant rise.



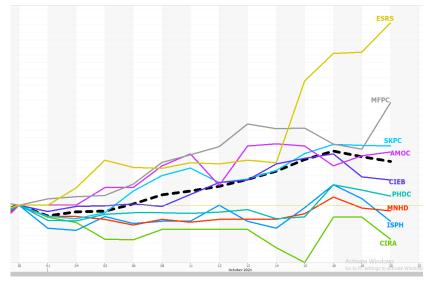
Top index weights



Top 3 outperformers from the beginning of October are EKHO, FWRY, and COMI, which makes sense because the index has been rising with these stocks.

The rest of the stock are underperforming the index.

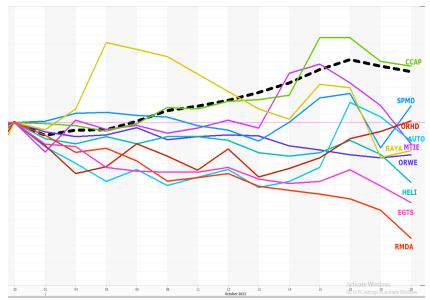
# Mid Weights



ESRS is on top, followed by MFPC, which is also outperforming. SKPC also began to perform well along with AMOC which looks strong since sometime.

The rest of the stocks in this category are underperforming.

# Smallest Weights



CCAP is the only outperformer in this category. The rest of the stocks are weaker than the EGX.

Having said that, it appears that the index rose without breadth, as only 8 stocks are outperforming, while the rest are clearly underperforming the index.

If the EGX 30 breaks above 11,350 initially, more stocks will join the good performance. Our ultimate confirmation, however, which will bring strong market breadth will be a breakout above 11,700.

# **Moving Average Crossover System**



Stock	10/20 EMA signal	Comments
EGX 30	Above	Buy signal was triggered during August 2020
СОМІ	Above	Buy signal was triggered during August 2020
FWRY	Below	The 10 weeks moving average broke below its 20 weeks counterpart
EAST	Below	The 10 weeks moving average is almost breaking its 20 weeks counterpart upwards
EKHO	Above	Buy signal was triggered during August 2020
TMGH	Above	Buy signal was triggered during July 2021
ABUK	Above +	Buy signal was triggered during July 2021
HRHO	Above	Buy signal was triggered during end of August 2020
SWDY	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
ETEL	Above	Buy signal was triggered in mid June 2021
CLHO	Below	The 10 weeks moving average is almost breaking its 20 weeks counterpart upwards
MFPC	Above	Buy signal was triggered in November 2020
CIRA	Below	The 10 weeks moving average is almost breaking its 20 weeks counterpart upwards
ISPH	Below -	The 10 weeks moving average broke below its 20 weeks counterpart
MNHD	Below	The 10 weeks moving average broke below its 20 weeks counterpart
SKPC	Below	The 10 weeks moving average broke below its 20 weeks counterpart
CIEB	Above	Buy signal was triggered in August 2021
PHDC	Above	Buy signal was triggered in Jan 2021
AMOC	Above	Buy signal was triggered in Dec 2020
ESRS	Above	Buy signal was triggered in Sept 2020
ORWE	Above	Buy signal was triggered during Oct 2020
HELI	Above	Buy signal was triggered in August 2021
MTIE	Above	Buy signal was triggered during August 2020
AUTO	Above	Buy signal was triggered during August 2020
SPMD	Below	The 10 weeks moving average broke below its 20 weeks counterpart
CCAP	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
RAYA	Above	Buy signal was triggered in Jan 2021
RMDA	Below	The 10 weeks moving average is still below its 20 weeks counterpart but approaching it
EGTS	Above	Buy signal was triggered in May 2021

# **Moving Average Crossover System (cont'd)**





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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