

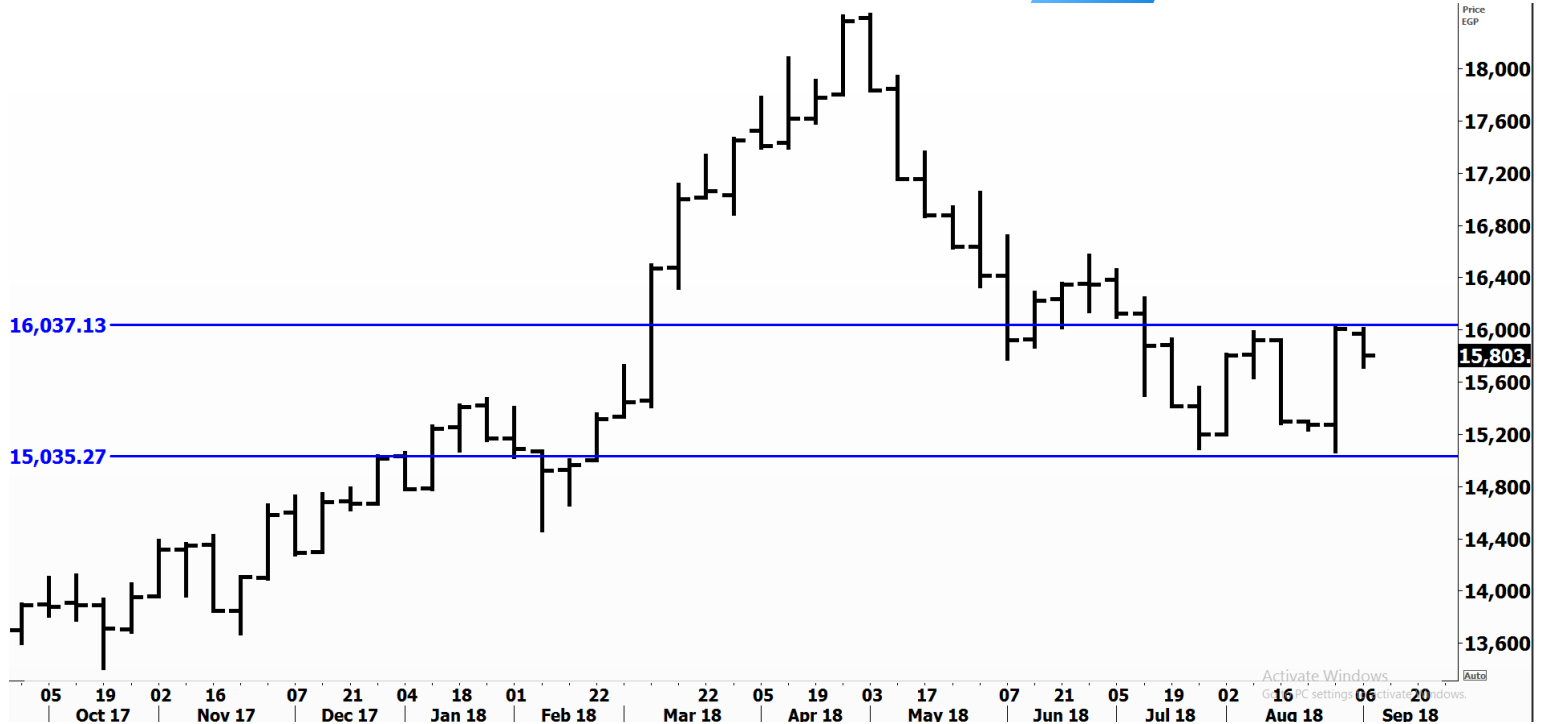


PIONEERSECURITIES

# Weekly Overview

9– Sept 18

This report must be read with the disclaimer  
on last page



Last week was not a positive week for the Egyptian Equity market especially with the negative sentiment that appeared with GTHE's news. Lots of investors are stuck in this stock, which also spreads negativity to the rest of the equity market. We noticed, however, that buying power is still strong despite the strong selling pressure that appeared.

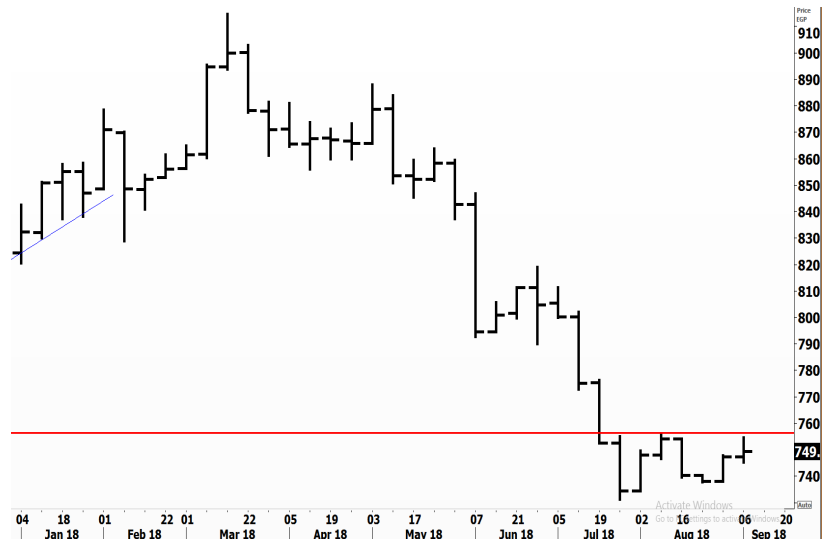
It goes without saying that our expected breakout did not occur yet, but we might witness such a break this week if nothing bad happens. As for the downside, we expect the 15,500-15,600 to serve as support; while our bearish scenario is a break below 15,000.

Our expectations; we are expecting a breakout and our target lies at around 17,200-17,500.

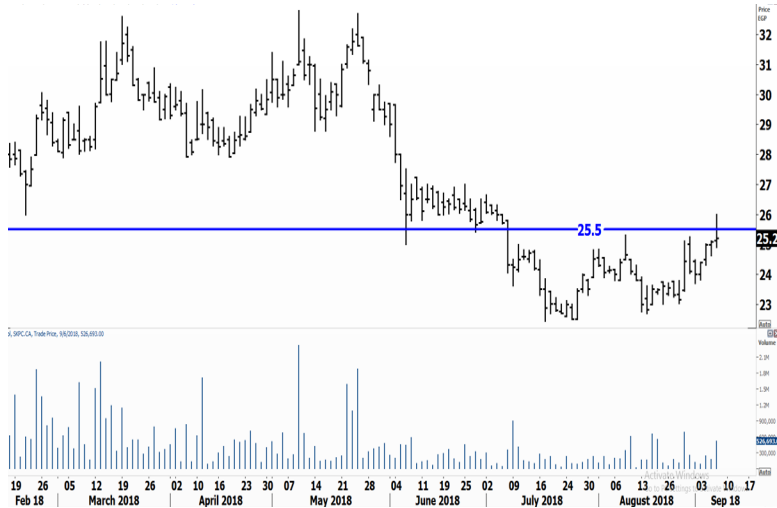
## EGX 70 Weekly Chart

The weekly chart of the EGX 70 index shows that the 755 level is obvious and important. Thus, as long as the index is trading below it we can wait before entering small and medium caps stocks. A break above this level, however, will trigger a clear buy signal with a significantly higher target.

The index witnessed a higher low, which can be viewed as a positive signal. We are waiting for the breakout to step in.



## SKPC

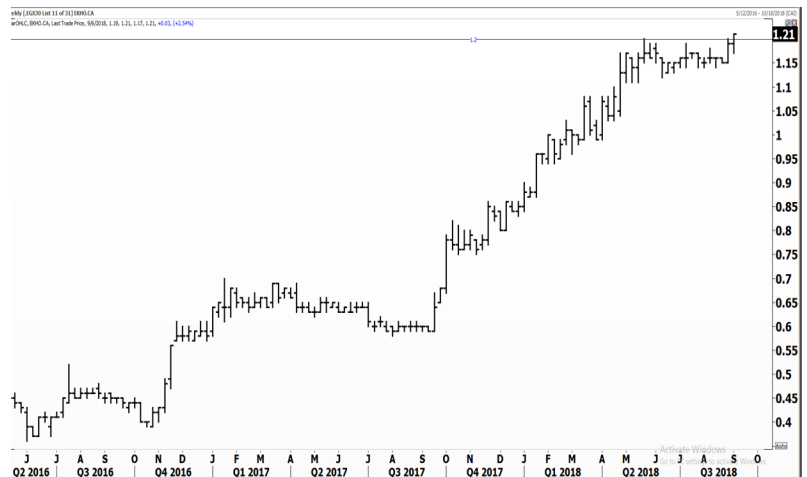


SKPC is one of the stocks that are showing significant improvement in their relative performance. The stock tried to break above 25.5 last Thursday but was not able to close above it at the end of the session. If this resistance is clearly broken to the upside, a buy signal will be triggered with a target at around 28.

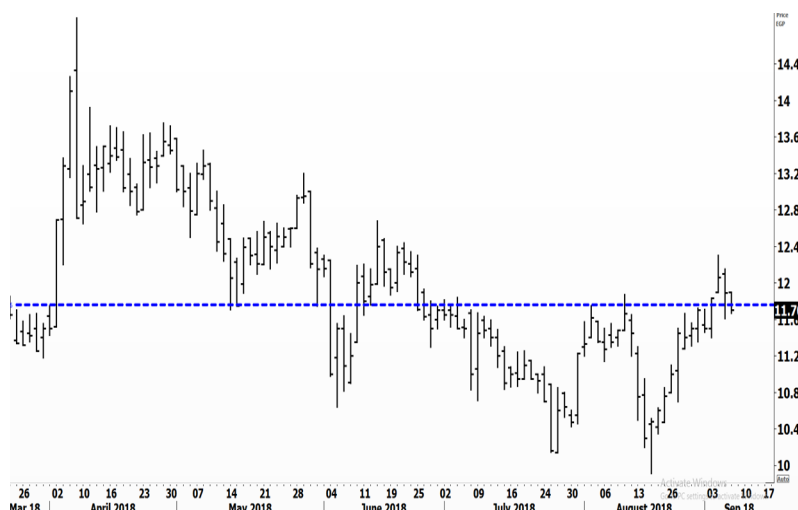
Those who are out of the stock are recommended to buy at the breakout.

One of our preferred stocks as we have always been mentioning. The breakout above 1.2 is positive and should lead EKHO to 1.35 initially. Next major target lies at 1.75. We are still bullish on the stock and are expecting it to reach much higher targets. This is a buy and hold stock that should be held for the long-term.

## EKHO



## TMGH

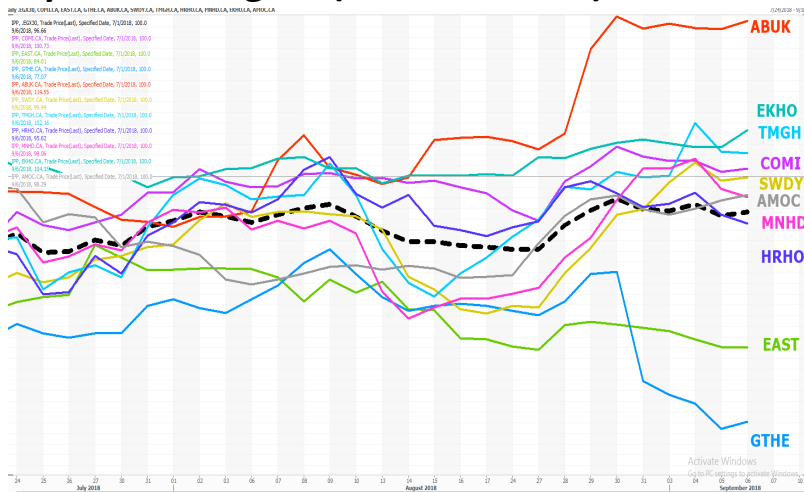


Despite that our view on TMGH is not very positive, our relative performance system is telling us that the stock is currently an outperformer. Thus, we should respect this and give it a deeper look.

TMGH tried to break 11.75 upwards but failed to confirm this breakout. We are ready to step in based on our relative performance system if the stock confirms the 11.75 breakout. This will probably lead to 12.8, which will be considered as a profitable trade.

This is our view if we combine both the relative performance of the stock along with the price chart itself.

## Top index weights (3% and above)

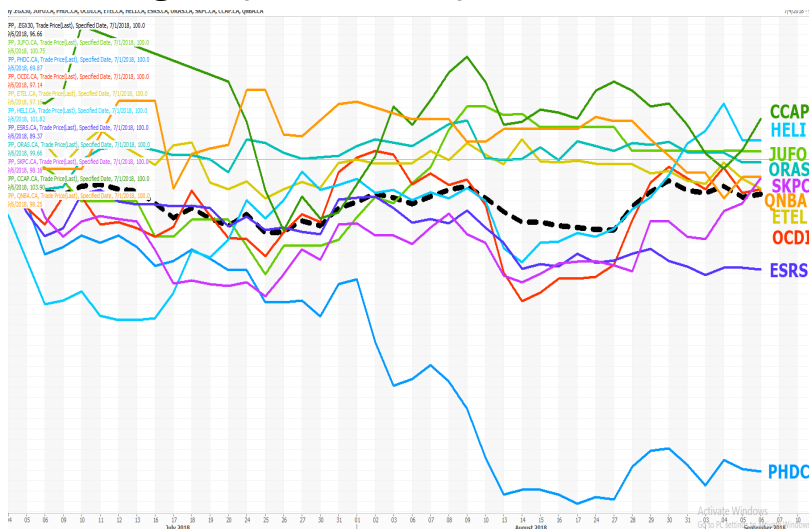


We have changed some stocks and their weights based on the new EGX constituents. We have also changed the base value to begin July first instead of June.

ABUK is still on stop showing the best performance among the heaviest weights, followed by EKHO, TMGH, COMI, and SWDY.

Only EAST and GTHE are underperforming the index, while MNHD and AMOC are showing same performance, and HRHO is slightly underperforming.

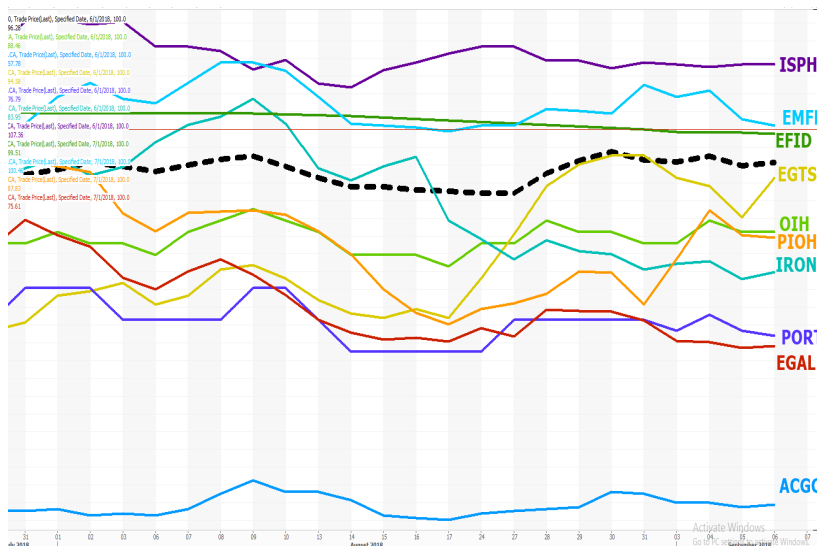
## Mid Weights (above 1.5%)



Out of the 10 mid weight stocks, only PHDC and ESRS are underperforming, while the rest are showing better performance than the EGX 30 (shown by the dotted line).

Out of these outperformers, we still like CCAP, along with SKPC, which is showing a clearly rising relative performance curve. HELI also looks strong. As for the rest, JUFO and ORAS are moving above the EGX 30 curve but are showing stable performance, while QNBA, ETEL, and ODCI are showing same market performance.

## Smallest Weights (below 1.5%)



Looking at the smallest weights stocks we will reach a very interesting conclusion. Since most of the small weight stocks are underperforming the index, then the current buying power probably comes from institutions rather than retail investors. As we have seen, most big caps are outperformers, while the smallest weights are clearly underperforming. This can be considered as a healthy scenario, especially that this has not always been the case recently.

Out of these small weights, we like ISPH, EMFI, and EFID. The rest are still in the underperformance phase.

## Disclaimer

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