



TECH FOCUS

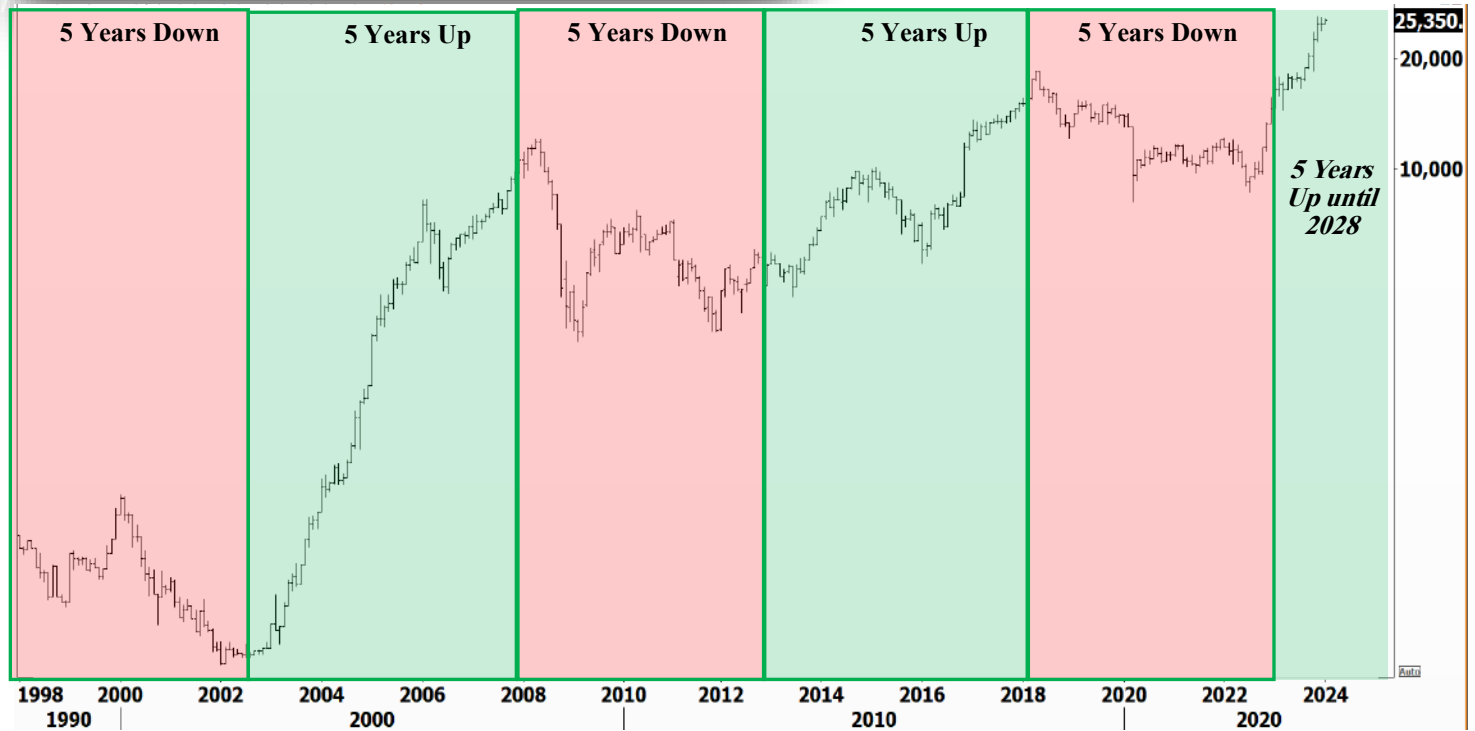
2024



PIONEERSECURITIES

Our Market

5- Year Cycle



Understanding the 5-year cycle

A very simple visually inspected 5-year cycle that changes its phase in cycles. The major dates are known by most of investors so everybody will understand this analysis because of its simplicity and ease to understand.

We had a major uptrend from 1993 to 1998 and then in 1998 there was a major reversal in the market that led to a decline until 2002-2003 (with the exception of the 2000 rise of EMOB, MPRC, OCIC)

The market bottomed in 2002 but began its rise in 2003 which continued until the major peak that took place in 2008.

We entered into a new bearish phase from 2008 and the major trend bottomed in 2012 but began its rise during 2013.

Then a new bullish phase began from 2013 until the most recent major peak that appeared in 2018.

The market has been declining since then until end of 2022 ending the 5-year bear market and beginning a new major bullish phase.

Concluding the effect of the 5- Year Cycle

By taking an abstract of the 2023 yearly report, this was our conclusion on the 5-year cycle

“The market bottomed during 2022, we were not sure if that was the bottom or not, but it looks like the 2022 bottom is in place. Now we should be beginning a new 5-year upward cycle that should take the market to new highs. We are expecting this cycle to continue and witness a 2023-2028 major bull market that will bring good news and strong profits to equity investors.

Thus, our conclusion is that we are beginning a bull phase of a Major degree.”

As we know, the market bottomed at the end of 2022 and began a new upward phase, broke all its major resistance levels, and closed the year above 24,000.

Thus, we are long-term bullish on the market based on this major cycle and are expecting this rise to continue, probably until the end of 2027.

Such a cycle leads to much higher levels. The minimum target of this bull phase should be 40,000 and this is the target if we only move like 2013-2018; but we are actually expecting a much larger phase, so we are expecting significantly higher targets.

Our Market

Long-Term Analysis



The major uptrend was confirmed after the breakout of 10,500 first, then the clear break of 12,000. The rise continued afterwards to challenge the historical peak of 18,000 between Q1 and Q3 2023. The breakout above 18,000 was a clear signal that a buy and hold strategy is the best investment strategy to use; nothing would beat a simple buy and hold during major uptrends.

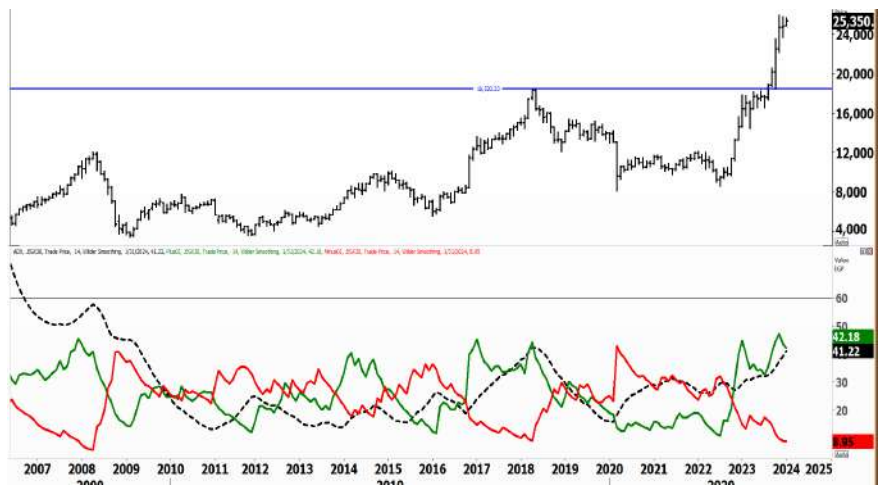
This year and as the EGX 30 is around the 25,000 without witnessing a major correction, and as the overall market sentiment is expecting a correction to come, we will probably see a strong Q1 that will hit new highs once again before the next correction, which might be a lateral trend that may stay for few months.

Thus, we expect a continuation of the current rise in the first quarter of this year; this will be followed by a major lateral range that will be intermediate-term in nature, then the major rise will be expected to follow, but after this significant corrective phase.

The DMI system is a strategy invented by Welles Wilder and it contains three lines, the ADX (dotted black line), the +DI and -DI, which show the bullish and bearish lines consecutively.

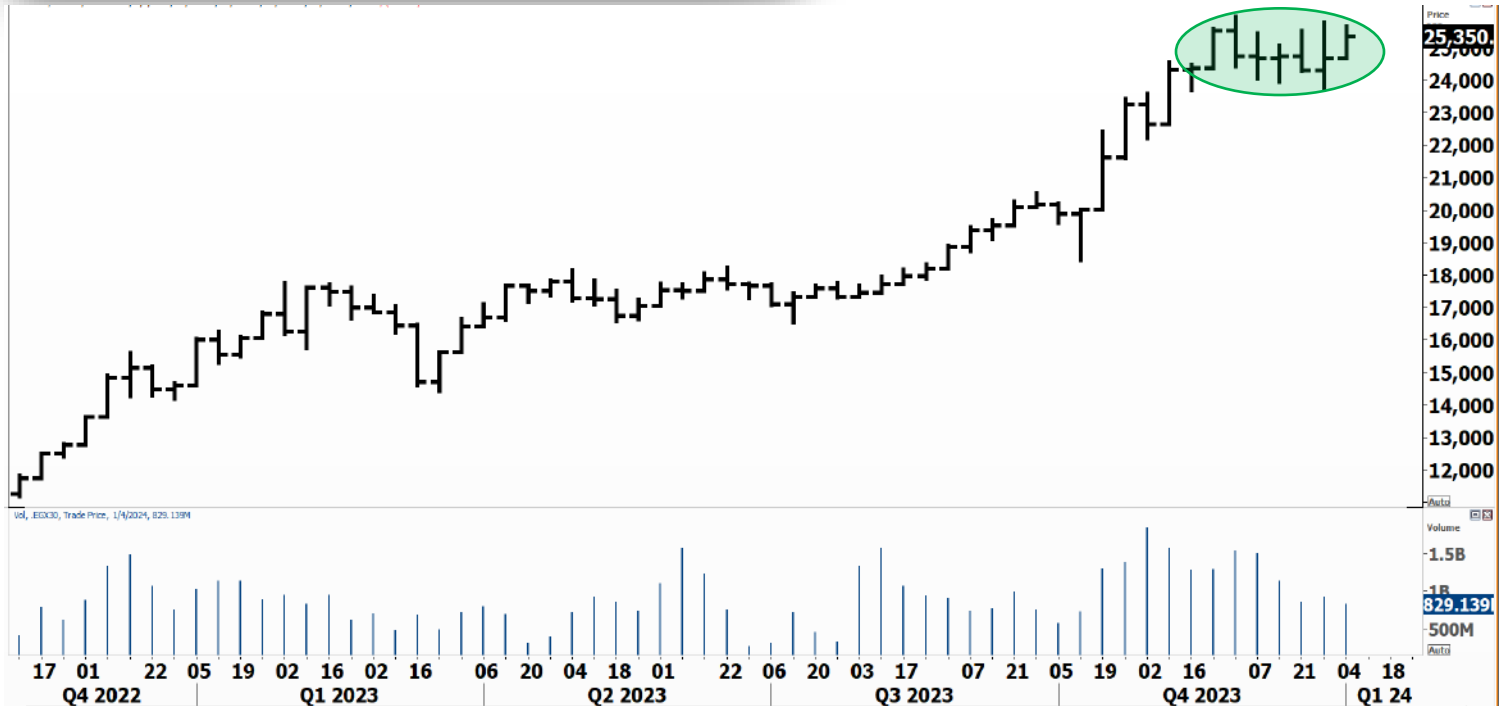
As we can see, the +DI is above -DI which is a normal signal during such a trend. It is important to note, however, whether the DMI system is telling us if the market is overbought or not yet.

Since the ADX is still below the +DI line, then we did not yet reach an overbought situation based on this system, which tells us that we should see more rise to come before the next correction takes place.



The two months sideways

Weekly Chart Analysis



The November/December period was more of a sideways range rather than an uptrend, which is a signal that the current correction is lateral, which hints that the overall rise should resume before the next major correction.

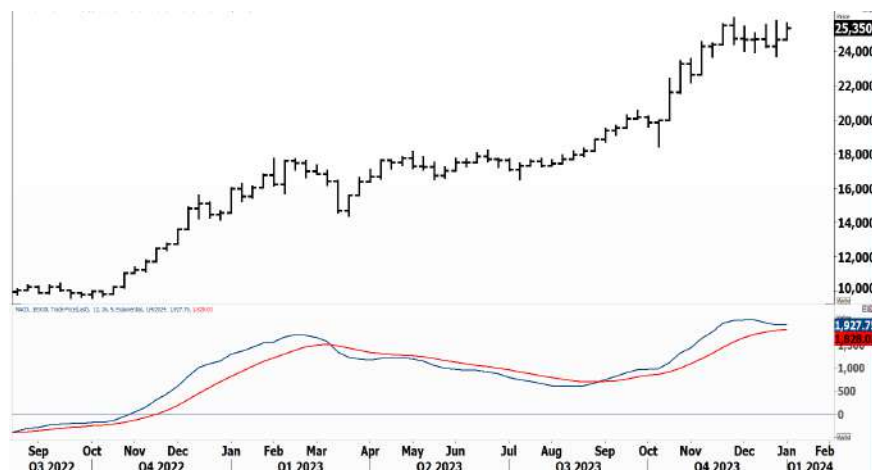
As we know from Dow theory that corrections can be lateral rather than falling, we are considering this November/December period as the correction for the previous rise that took the index from 18,000 to 26,000.

The lower boundary of this lateral range lies at 24,000 and the peak is around 26,000. Thus, intermediate-term investors can use the 24,000 as their stop. In other words, the major correction will take place if we break below 24,000, which is for now an unlikely scenario to happen.

On the other hand, we are expecting that January witnesses new historical highs above 26,000, which should lead to a strong rise with more stocks rising and better market breadth

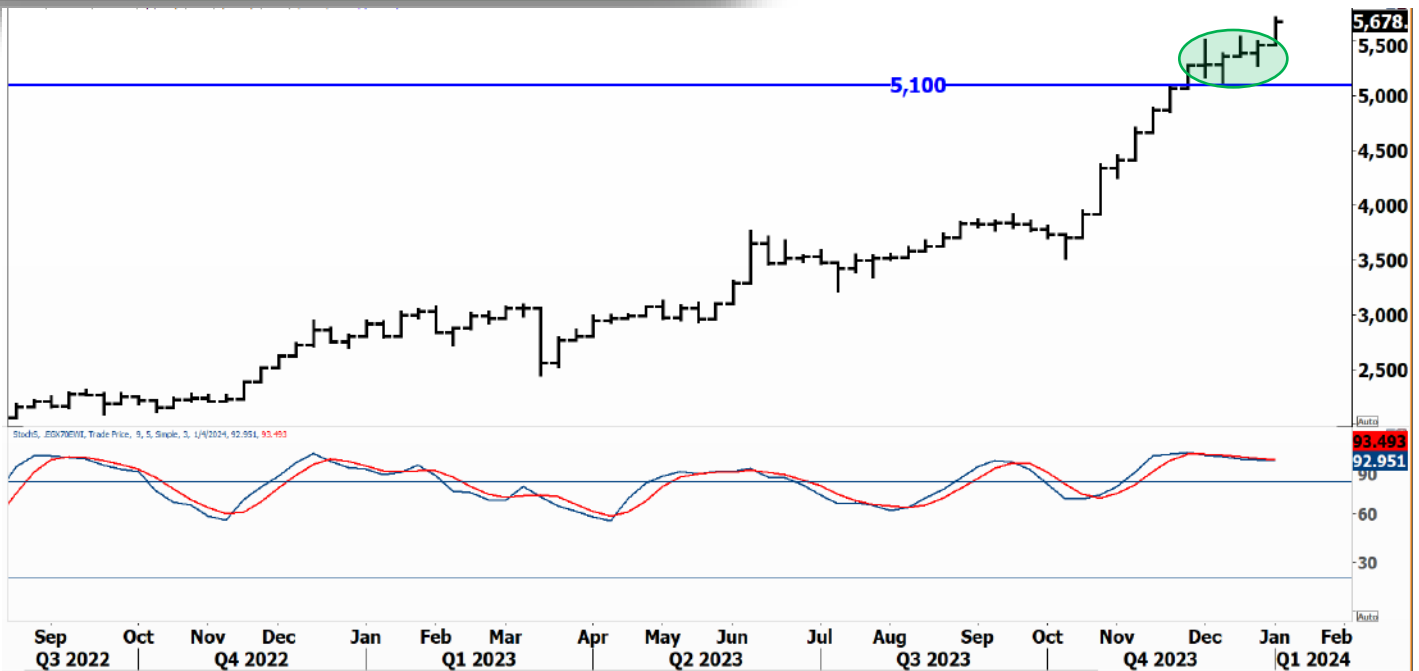
The MACD indicator, which is in a rising mode currently is witnessing a slight decline, which is normal during sideways periods. The convergence between the MACD line and its moving average is normal, and if we the MACD resuming its rise, this will be another sign of the continuation of the overall market rise.

Only a bearish crossover from these levels will be a hint of an impending stronger correction, which is not expected.



Small and Medium Caps Index

EGX 70 Weekly Chart



The EGX 70 index, and because it is outperforming blue chips, it usually leads rises, which is a normal scenario with outperforming entities; they lead bull moves.

The index witnessed a one month lateral period and then broke to the upside, confirming the strength and the continuation of the major uptrend. Our stop is 5,100; thus we recommend intermediate-term investors to hold with a stop below 5,100.

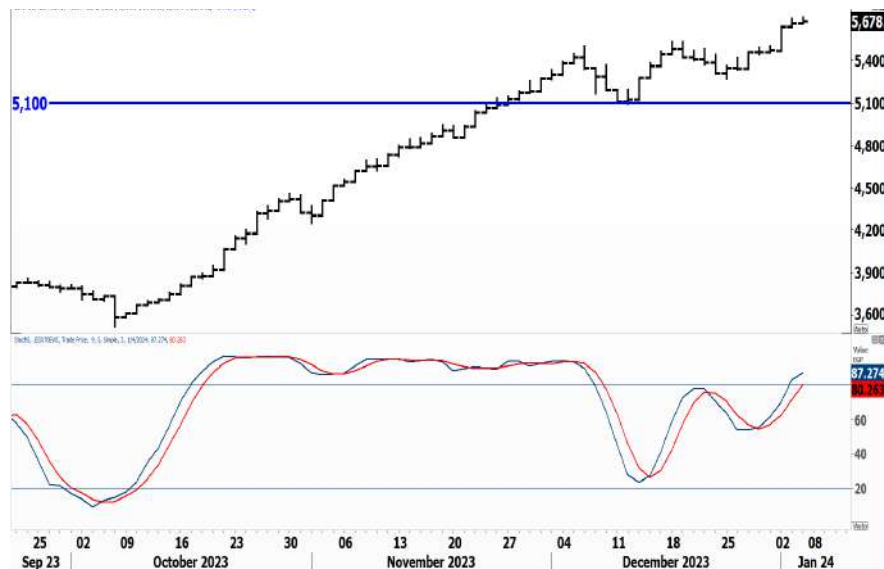
As we usually say, we do not set targets with major uptrends, especially when we see new historical highs. Almost all of the set targets are hit because the market is in an uptrend.

There are two important points to consider during such major moves; first point is the trailing stop and where to place it if a correction takes place. Second point is the stocks to choose because the markets do not move like the 2003-2008 period when everything was rising together. Things are harder than before and some effort needs to be done from investors to choose outperformers.

We are analyzing the daily chart here to show the current strength of the EGX 70 index. The stochastic oscillator is an indicator that shows the aggressiveness of bulls and bears. As we can see, the two months from mid October to the first week of December saw the stochastic inside overbought territory, which is a bullish signal for the market.

During December the indicator failed to reach overbought but then entered lately in the beginning of the new year, which tells us that we are probably expecting a strong upward move during this month.

Usually, when the stochastic enters overbought, we buy market dips as we expect significant rises.



2023 EGX 30 stocks Performance

Top Performers in 2023

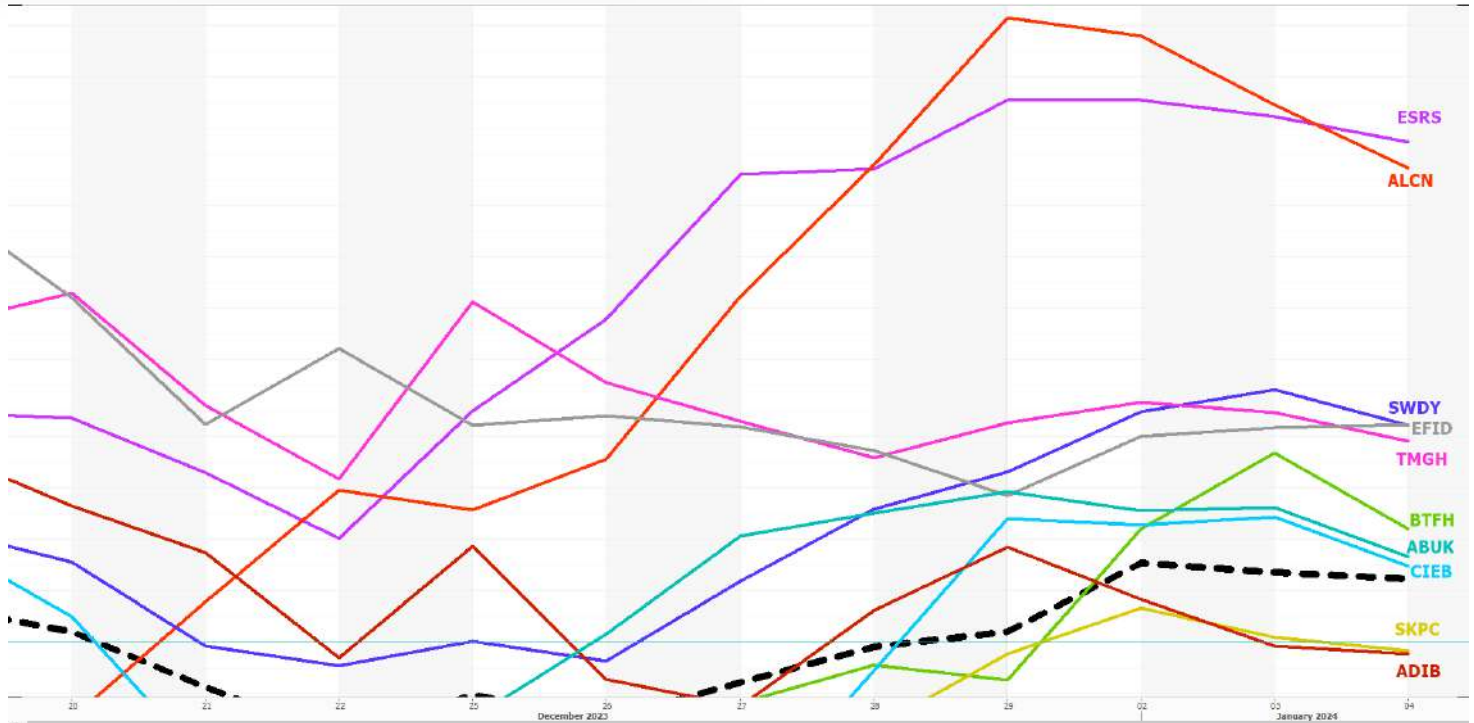
Stock Name	% Change
ESRS	296%
MFPC	286%
BTFH	181%
ALCN	173%
SKPC	166%
CIEB	145%
SWDY	142%
TMGH	142%
EFID	125%
ADIB	123%
ABUK	117%

Worst Performers in 2023

Stock Name	% Change
PHDC	36%
HELI	31%
CCAP	30%
EKHOA	28%
MASR	25%
BINV	15%
HRHO	14%
FWRY	5%
CIRA	3%
EFIH	-8%
EKHO	-35%

2023 EGX 30 stocks Performance

Top Performers in 2023 Last Month Performance



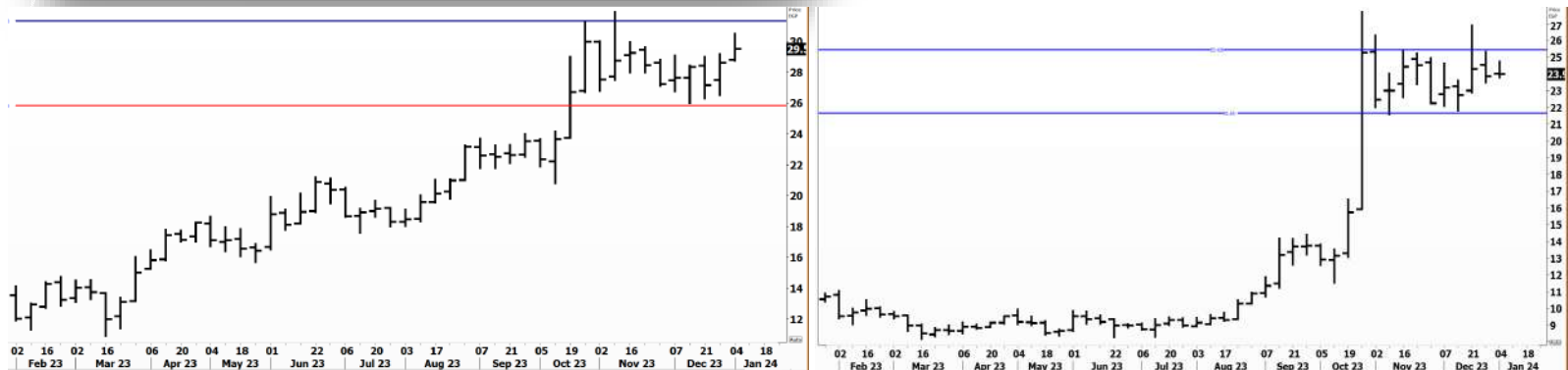
If we look at the relative performance curves of the December performance, we will see that ESRS is on top of the performers. Despite that the stock witnessed a 300% rise during 2023, it still maintains its strong performance from December until the first week Of January 2024.

We also like SWDY, EFID, and TMGH that outperformed the EGX 30 since December. ALCN is outperforming but with a slightly declining relative performance curve.

BTFH, ABUK, and CIEB are slightly outperforming, while the two that underperformed during December re SKPC and AIDB.

Individual Stocks/ 2023 Outperformers

SWDY / TMGH



Both SWDY and TMGH look almost the same with a correlation of around 96-97%. The two stocks have been moving in a lateral range from November and both did not breakout yet.

Using such a strong correlation, we can play the lead and lag game by buying the laggard if one of these stocks breakouts. We usually prefer, however, to buy the breakouts rather than buying the potentials.

SWDY's support lies at 26, and this is our stop; a break below 26 will be a sell signal. We are expecting, however, the stock to break above 31, which will trigger a strong entry signal and new highs will be seen.

On the other hand, TMGH (the stock on the right), which is hovering around its 25.5-26 resistance range is also expected to break to the upside, which will also lead it to a strong rise. TMGH's stop will be placed below 22 and this is a support that is not expected to be violated.

We are bullish on both stocks and are expecting new highs this month.

ESRS / ABUK



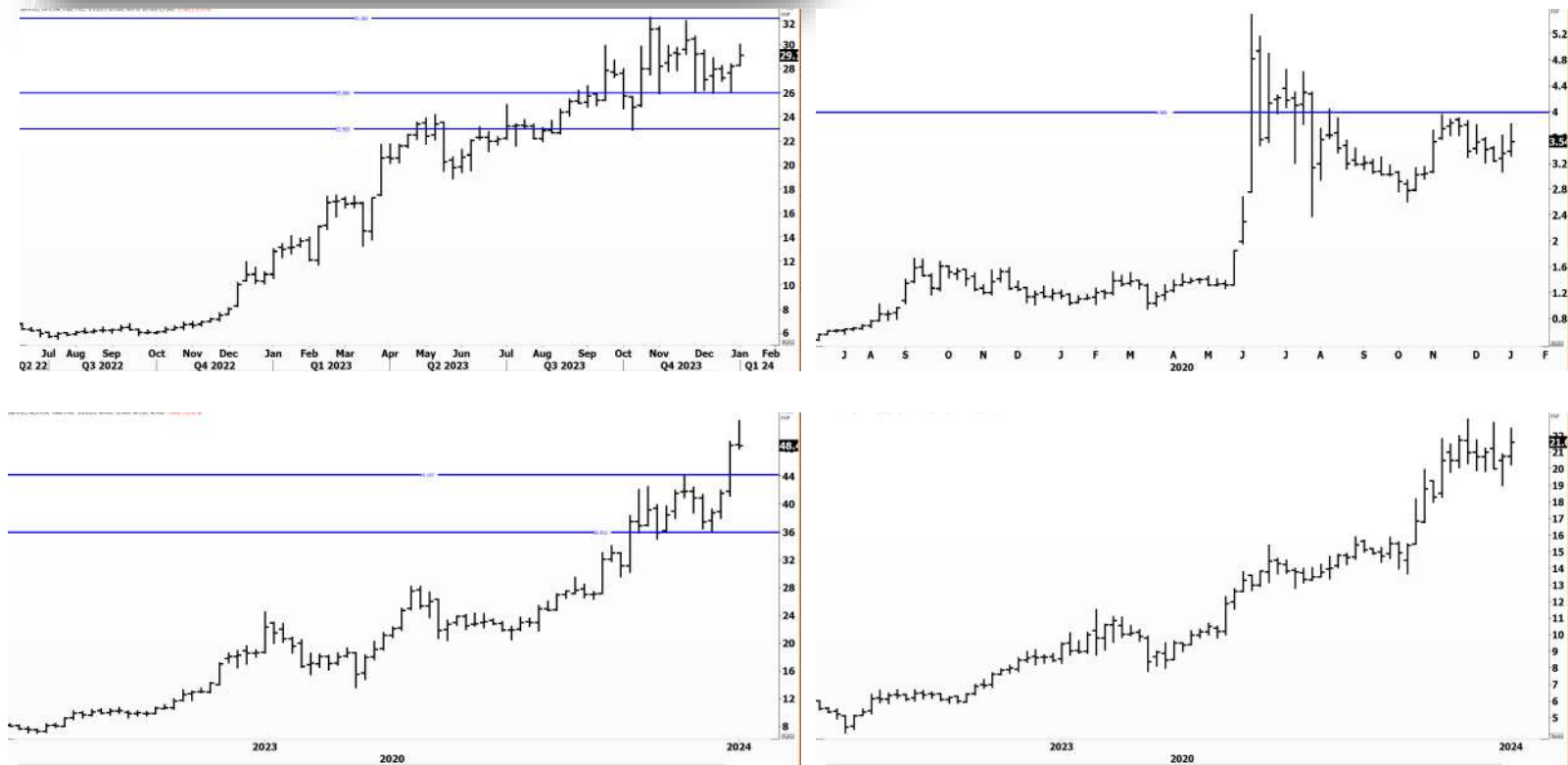
As we can see from the charts, ESRS, which is the chart on the left, is outperforming ABUK as it witnessed new highs once again. Long-term investors are recommended to hold with a major trailing stop below 70, while shorter-term investors can place their stop below 80. We believe that a decline to the 85 level will probably be accompanied by strong buying power, which will trigger an entry signal.

ABUK, on the other hand, rebounded from its major support that lies at 70, so this level should be used as our stop. On the other hand, a confirmed breakout above 85 will trigger a new entry signal and new highs will be expected to take place. Those who want to buy at confirmation can enter at the 85 breakout.

We expect ABUK to witness new highs during this month, which will be bullish for the stock and will lead it to much higher levels.

Individual Stocks/ 2023 Outperformers

SKPC/ BTFH/ ALCN/ CIEB



On the top left, SKPC is inside a sideways range with an upper boundary at 32. A breakout above this resistance will be a sign of the continuation of the major uptrend of the stock. We have two major support levels. First one is 26, followed by 23, which can be the intermediate-term stop. Those who are shorter-term in nature can use 26 as their initial stop. We are more biased to the bullish side and are expecting a breakout above 32.

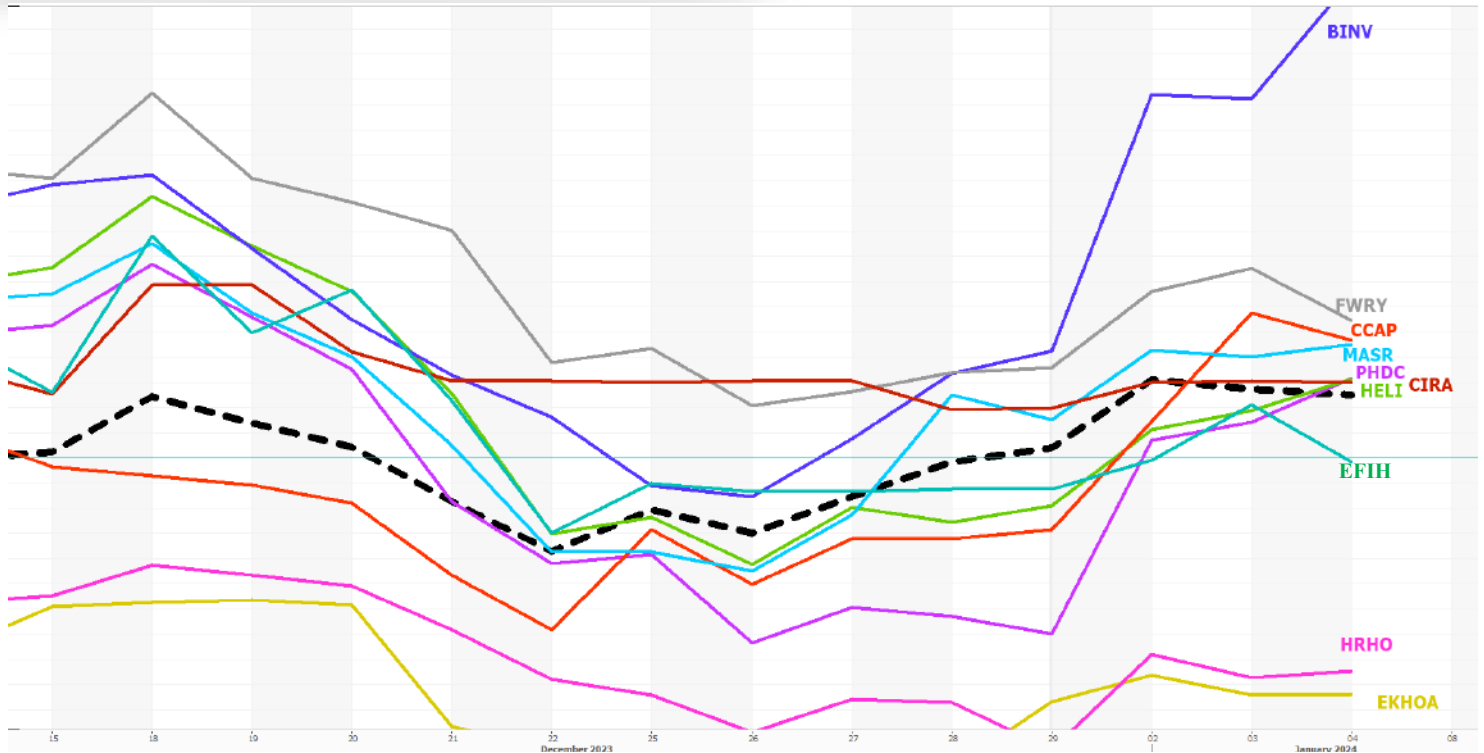
BTFH, the chart besides SKPC is forming a potential bullish formation that should lead to a strong rise in the near future. The stock witnessed a significant higher low lately after it rebounded from 3.07, and is challenging its major resistance that lies at 4. It looks like BTFH will breakout soon, which will lead to a mega rise, and potentially break above 5.5.

The two other charts are ALCN on the left and CIEB on the right. ALCN, as we can see, closed the week at its low, hinting of a potential minor correction. A decline to 44-45 will be a chance to step in, with a stop below the major support at 36.

CIEB is witnessing a sideways range with a low at 20 and a peak at 23; the stock is an outperformer so it is natural to expect an upward breakout above 23.

2023 EGX 30 stocks Performance

Worst Performers in 2023 Last Month Performance



These are the worst 10 performers in 2023. Many of these stocks witnessed significant improvement during December, which hints of a potential stronger performance in the coming period.

As we can see, BINV is now one of the strongest performers in the index. The stock only rose 15% during 2023, but is now witnessing superior performance that is expected to continue in the future.

PHDC looks great with a nicely rising relative performance curve. The stock rose 36% during 2023, but is expected to show much higher gains during this year. We are expecting a bullish January for PHDC.

FWRY and CCAP also are outperformers currently and have been performing better than the index since December; and despite their weak 2023 performance (FWRY only rose 5%, while CCAP rose 30%) we expect them to outperform this year.

On the other hand, HRHO and EKHO are still in their underperformance phase and did not show yet clear improvement in their performance. We expect, however HRHO to show better performance in the coming period.

Individual Stocks/ 2023 Underperformers

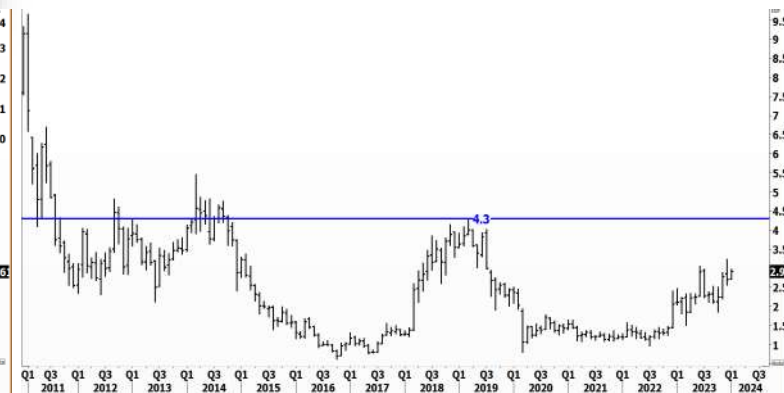
BINV / PHDC



The chart on the left is BINV. As we can see from this weekly chart, the stock witnessed a clear higher low after it rebounded from 17.5, and is now challenging its peak that lies at 21.9. A breakout above this level is expected to take place soon, probably before mid Jan and a target will be set around 30. Those who are following-up this stock are recommended to buy at the breakout with a stop below the low of the breakout day. As for our major stop, the 17.5 is the major level to use and not expected to be violated.

PHDC witnessed a correction lately that took the stock from 3.2 to 2.6 before it rebounded once again to close the first week of Jan at 2.95. PHDC is expected to continue its rise and break above 3.2. We recommend stepping in with a stop below 2.6. We are expecting PHDC to reach 4.5, which means that a major rise is still expected to take place.

FWRY / CCAP

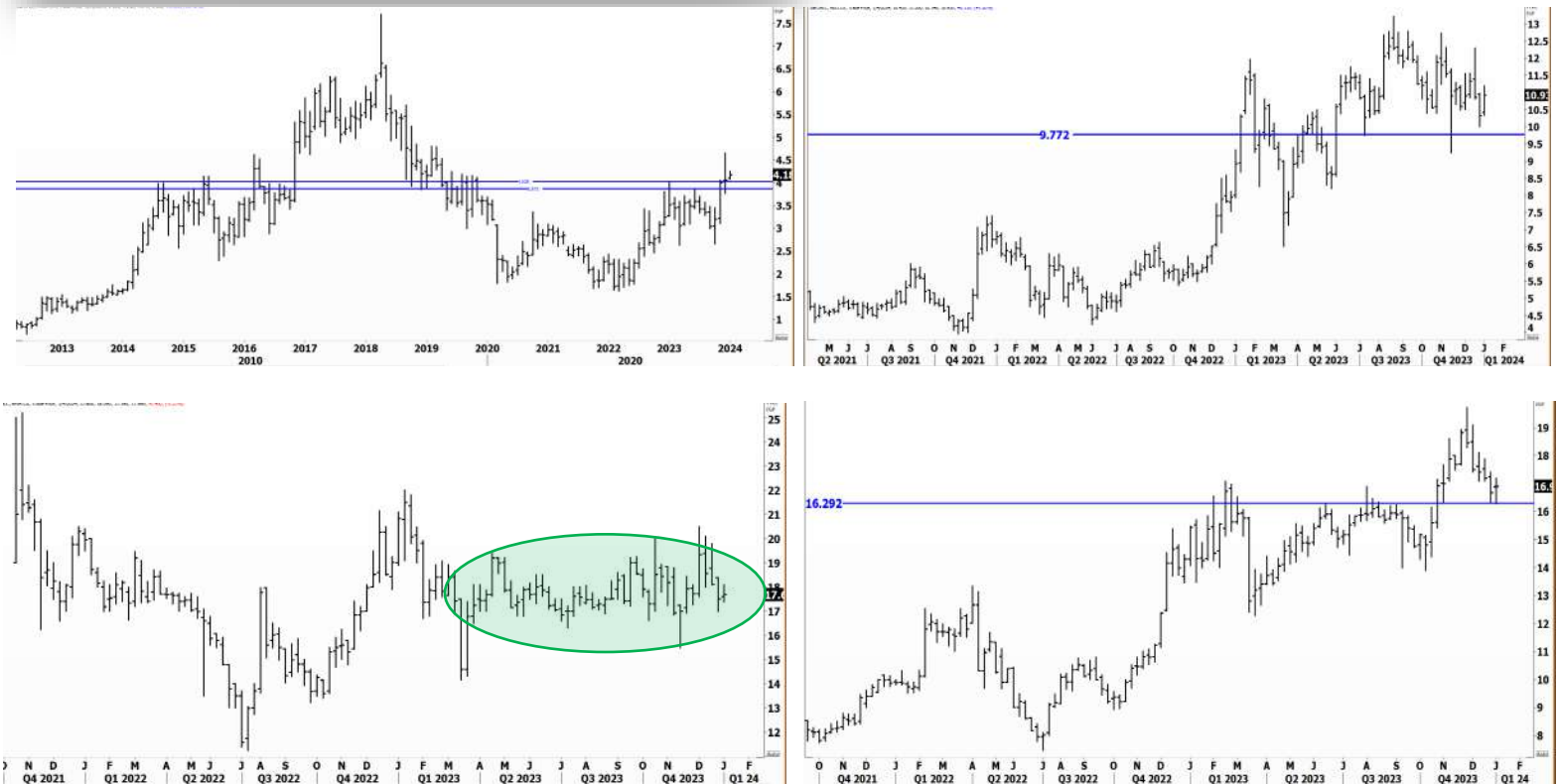


FWRY on the left has been witnessing a major sideways range during the whole 2023 year, rising only 5% from Jan to Dec. The stock is probably witnessing a major accumulation phase, which should be solved to the upside. Our first level that should be broken upwards is 6-6.2. This is expected to be cleared in the near future, but then comes the major 7-peak which will reverse the major trend to up. Thus, we can say that if FWRY breaks 7 to the upside it will begin a new phase that will normally lead it back to its 2021 highs that lie at 14.

As for CCAP, we are showing a monthly chart to smooth down the high volatility the stock has been witnessing lately. CCAP was a hard stock to trade because of its volatility. This non-directional volatility will shrink to a more directional volatility at the breakout of 3.2. If CCAP breaks above 3.2 we will probably witness a significant rise to 4.3 which is the most important resistance for the stock. Ultimately, we should see a breakout above 4.3 which will lead the stock to a new phase.

Individual Stocks/ 2023 Underperformers

MASR/ HELI/ EFIH/ HRHO



Out of these 4 stocks, we like MASR the most which is top left. The chart of MASR is a monthly chart and shows the important breakout that the stock witnessed, which should lead it to much higher levels. The stock should reach the 6.5-7 area probably in the first quarter of the year. As we can see from the chart, the major trend turned up clearly and now this is one of the buy and hold stocks.

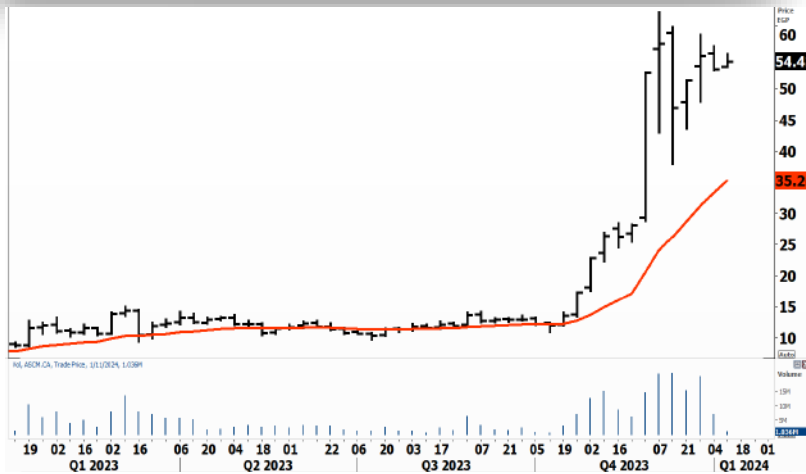
HELI, which is the top right stock, has a lot of non-directional volatility, which makes it for now a less preferred stock from our view. The stock, however, is still in an uptrend and expected to continue its rise with an important support at 9.75.

EFIH and HRHO are the two stocks on the bottom; EFIH has been witnessing a sideways period, as we can see, with an upper boundary at 19.5-20 and a support at 16.5-17. We are expecting the ultimate breakout to be to the upside, which will be bullish for the stock from an intermediate-term perspective.

HRHO witnessed a significant correction lately, declining from above 19 to 16.3 before it rebounded slightly to close the first week of Jan around 17. The stock is expected to rise significantly but we need first to make sure that the 16 level will halt any potential declines.

Other Potentials

ASCM Weekly Chart



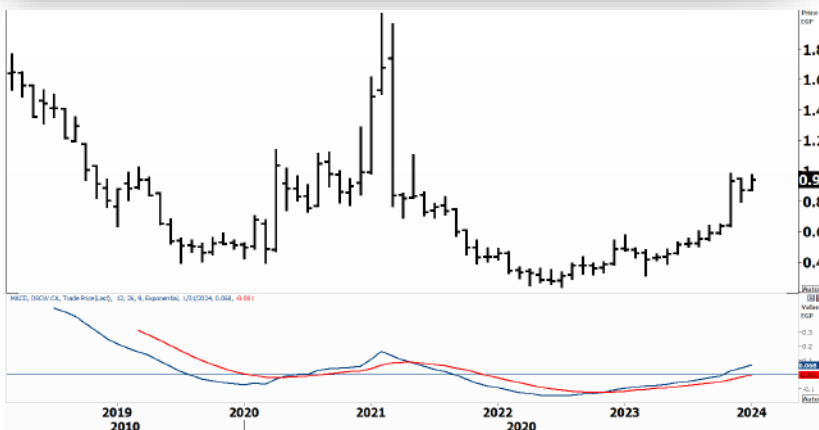
Since we like the EGX 70 index too, we will analyze some stocks that are out of the EGX 30. ASCM is one of the stocks that witnessed a major rise, rising from below 15 to a high of 62.

The stock then entered a correction that took a lateral shape, which should be considered as a rest before the continuation of this rise.

We are expecting a continuation of the rise, especially if the stock surpasses 60 once again, which is our expected scenario.

As for our first support to watch, we believe that the 50 area should halt potential declines.

DSCW/ Monthly Chart



The monthly chart of DSCW is showing a major uptrend that should continue to much higher levels. As we can see, the past two months period was sideways, which can be considered as a continuation pattern.

A confirmed break above 0.97 will be bullish for the stock and will lead us to much higher levels. On the other hand, any decline should not go below 0.8 which is a strong support to watch.

We are actually expecting the stock to continue its rise from these levels.

Other Potentials

EHDR/ Monthly Chart



This is a high risk stock and not recommended unless you are ready to buy risk.

EHDR is still one of the underperforming stocks and did not witness its rise yet. The volumes that were seen during the past few months show that there are buyers that are entering the stock.

EHDR is a stock that can witness sudden spikes that can lead to relative high prices. We can see the stock approaching 0.6 if it surpasses 0.36.

OIH/ Weekly Chart



This is one of the stocks that witnessed a significant correction after a sharp rise. The way the stock traded lately tells us that we are in a corrective phase that should end soon.

In other words, a rebound from here is a normal scenario and should lead the stock back to 0.5, which will be expected to be broken upwards.

Note that the stock's historical high lies at 0.53; a break above this level, if it takes place, will lead OIH to new highs which will be bullish for the stock.

Other Potentials

AFDI/ Monthly Chart



This monthly chart shows the potential that can be seen if the stock breaks above 34-35. As we can see, we are talking about a mega rise.

The only weakening signal for now is the stochastic which is still below overbought; if the stochastic oscillator enters overbought territory and the stock breaks above 34, buying a position will be recommended as we will probably see a very strong rise to come.

ATQA/ Monthly Chart



We are analyzing ATQA because it is one of the stocks that broke its historical high, and we love stocks that witness new highs.

This means that we are in a major uptrend that has no targets and that declines should be used as a chance to step in.

Our major support lies around 2-2.1, but we can step in even before this level; probably if the stock declines to 2.2-2.25.

Other Potentials

ISPH Weekly Chart

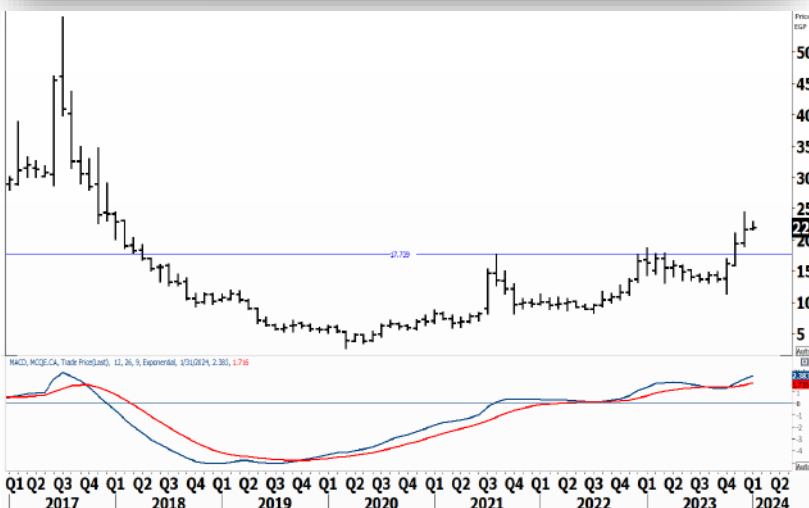


Improving and probably preparing itself for a nice 2024. those who want to step in can place their stop below 2.9. On the other hand, a breakout above 3.7 will trigger a new entry signal as a strong rise will probably follow.

Those who want to step in early can use the 2.9 as their stop.

It is important to note that the stock already witnessed a higher low followed by a higher high and confirmed its major uptrend after the 2.6-2.7 breakout; thus, we will consider this uptrend intact and should continue to much higher levels.

MCQE/ Monthly Chart



MCQE is one of the stocks that broke their major resistance levels and reversed the major trend to up.

The breakout above 18 was the confirmation, and despite that the stock did not rise significantly afterwards, we are still bullish and are expecting higher targets.

A correction from here will be a chance to step in.

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