

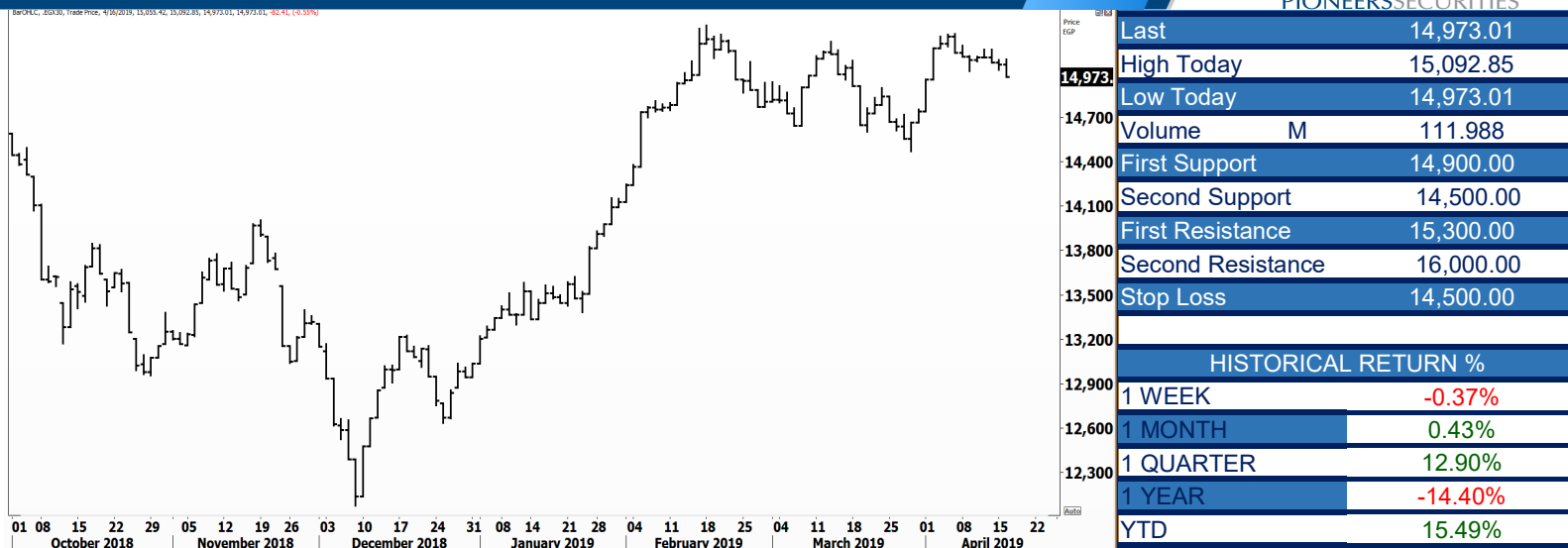


PIONEERSECURITIES

TECH TO THE POINT

17-Apr-19

This report must be read with the disclaimer
on the last page



Analysis

As we were expecting, the market began its panic phase; such a big decline is expected to take the prices to much lower levels. Based on the trading action of the past few weeks, the next decline will probably be swift and harsh. This does not cancel the probability of a probable near term rise that can last for one or two days max.

The 15,000 level is already hit and our stops are triggered. The question is whether the 14,500 will be able to sustain this decline or not. As we know, a break below 14,500 will lead the index to a minimum target of 13,800.

The current problem is that the EGX 30 index is beginning its decline, while its constituents are already in a big fall since sometime. This will add to the bearishness of the market as these already underperforming stocks will decline more. As we know from our “Weekly Overview”, only “two” stocks out of the EGX 30 stocks were outperforming the index. The rest of the stocks are underperformers.

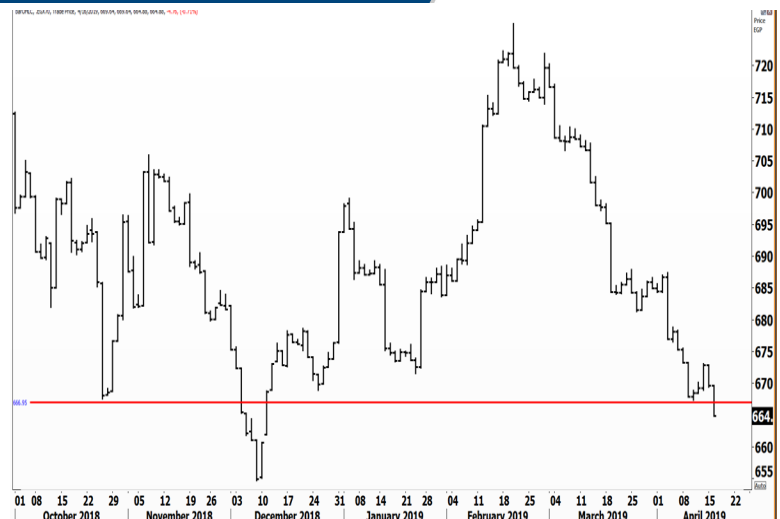
Our recommendation remains as it is; wait on the sidelines until we see how this current decline will end.

Egyptian Exchange Small Caps Index EGX70

Analysis

The EGX 70 index broke its minor support that lies at 667. This action triggered our stops and our target lies at the major support that lies at the 650-655 area. As we mentioned yesterday, our recommendation is to sell at the violation of 667; waiting for the major support to be violated will lead to much larger losses.


Having said that, we will watch how the index will act as it approaches 650. If a rebound occurs from this support, we will recommend repurchasing.





Resistance

No stocks broke their resistance levels yesterday

Support

CCAP  Violated 3.8 aggressively, and closed at 3.65. The stock is already approaching another support at 3.58. It is important to note, however, that CCAP witnessed a weekly “rising wedge” formation; such a formation is a bearish one and hints that more decline is on the way.


MNHD  After the violation of 6.85, MNHD is expected to retest its 6.2-6.3 major area where it might witness a lateral range there. MNHD is one of the underperformers that were on our “ignore” list.


IRON  Despite that the stock broke its support that lies at 4.85, the signal is not confirmed yet. If IRON trades below 4.85 today, our target will be set at 4.2. On the other hand, no entry is recommended unless the 4.96 level is broken upwards.

Testing


Support

ETEL  The 14-14.2 range is the current support of ETEL. Despite that the stock does not rise sharply yet, it is considered defensive and should outperform the market during corrections. If a rebound occurs from current levels, our target will be set back at 15.1.

GTHE  The 4.4 level should act as support if GTHE still wants to outperform. Stops, however, should be placed below 4.32. In other words, a break below the latter level will call for exiting and will have a bearish effect on the overall market.

SVCE  Tested its support at 2.25 and rebounded to close at 2.35 at the end of the session. Next resistance lies at 2.5; if the stock tests this level it will probably meet some sellers wanting to get rid of their positions.

Resistance

CICH  If the stock breaks 9.5, a buy signal will be triggered with a target around 10. Any decline from current levels should lead CICH near 9.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK/d	73.90	72.00	69.00	76.00	77.20	↔	Hold	72.00
EAST.CA	EASTERN CO/d	18.25	17.70	17.00	19.00	19.80	↔	Hold	19.00
SWDY.CA	ELSWEDY ELECTR/d	16.00	15.95	15.00	16.60	17.50	↓	Hold	17.50
TMGH.CA	TALAT MOSTAFA/d	11.75	11.45	11.00	11.90	12.20	↔	Hold	11.00
ACAMD.CA	Arab Co. for Asset Management	2.73	2.60	2.42	2.85	2.97	↔	Hold	2.60
EKHO.CA	EGYPT KUWAIT H/d	1.38	\$1.36	\$1.30	\$1.48	\$1.59	↔	Hold	1.59
HRHO.CA	EFG HERMES HOL/d	16.50	16.35	15.60	17.70	18.50	↔	Hold	16.60
GTHE.CA	GLOBAL TELECO/d	4.46	4.35	4.00	4.80	4.90	↔	Hold	4.35
AMOC.CA	ALX MINERAL OI/d	6.01	5.85	5.50	6.44	6.70	↔	Hold	5.85
MNHD.CA	MEDINET NASR H/d	6.83	6.85 *	6.20	7.28	7.70	↔	Hold	7.70
CIRA.CA	Cairo Investment & Real Estate	10.60	10.00	9.00	11.28	12.50	↔	Hold	10.00
OCDI.CA	6TH OCT DEV IN/d	16.94	16.60	15.90	17.49	18.00	↔	Hold	18.00
JUFO.CA	JUHAYNA FOOD I/d	12.41	12.00	11.00	14.00	N.A	↔	Hold	12.00
ESRS.CA	EZZ STEEL/d	16.64	15.50	13.50	17.20	18.40	↓	P.SELL	18.40
ETEL.CA	TELECOM EGYPT/d	14.35	14.00	13.00	15.10	16.00	↔	Hold	15.10
CCAP.CA	CITADEL CAPITA/d	3.68	3.60	3.40	3.85	3.99	↓	P.SELL	3.99
SRWA.CA	Sarwa Capital Holding	6.20	6.00	5.50	6.40	6.80	↔	Hold	6.00
PHDC.CA	PALM HILL DEV /d	2.50	2.45	2.35	2.65	2.87	↓	P.SELL	2.87
AUTO.CA	GB AUTO S.A.E/d	4.51	4.50	4.00	4.75	5.00	↓	P.SELL	5.00
HELI.CA	Misr Gedida Ho/d	26.60	25.75	24.25	28.00	29.50	↑	Hold	24.25
AINH.CA	Arab Investment Holding	0.66	0.66 *	0.63	0.73	0.78	↔	Hold	0.78
EGCH.CA	EGYPT CHEM IND/d	5.80	5.68	5.45	6.15	6.40	↓	P.SELL	6.40
EMFD.CA	EMAAR MISR DEV/d	3.45	3.35	3.20	3.80	3.90	↔	Hold	3.35
PIOH.CA	PIONEERS HLDG/d	7.21	7.25 *	6.95	7.65	8.00	↔	Hold	7.65
OIH.CA	ORASCOM INVESTMENT HOLDING	0.56	0.55	0.51	0.63	0.69	↓	P.SELL	0.63
ORHD.CA	ORASCOM DEV/d	7.00	7.00 *	6.80	7.60	8.00	↔	Hold	8.00
EGTS.CA	EGYPTIAN RESOR/d	1.95	1.87	1.83	2.00	2.04	↔	Hold	2.04
ORWE.CA	ORIENTAL WEAVE/d	11.85	11.50	11.00	12.40	13.00	↔	Hold	11.50
IRON.CA	EGYPTIAN IR & /d	4.80	4.85 *	4.40	5.24	5.50	↓	P.SELL	5.24
ACGC.CA	ARAB COTTON GI/d	2.06	2.00	1.92	2.20	2.40	↔	Hold	2.00

Guidelines



Bullish



Bearish



Neutral

Trend: (Upgrade, Downgrade): Change in trend color refers to upgrade or downgrade in the trend relative to the previous trend direction. E.g. change from "↓ Down" to "↔ Flat" is considered an upgrade and vice versa.

Buy: Buy the full position.

P.Buy: Buy portion of a position

Hold: Don't Buy or sell.

P.SELL: Sell portion of a position.

Sell: Sell the full position.

Stop Loss: Completely exit the position (or) Re-entry in cases of Selling.

Disclaimer

This report has been prepared according to the general data available for public, in accordance with the professional standards applied in that career to the best knowledge of the reporter. The recommendations mentioned are a guiding tool representing a professional opinion, and not granting any profits, consequently it is not obligatory for our valued customers and investors. Pioneers Securities©, Egypt shall not be liable for any direct, indirect, incidental, or consequential damages, including limitation losses, lost revenues, or lost profits that may result from these materials. Republishing this report or any of its contents is subject to prior approval; referring to the source is a must. Opinions expressed are subject to change without notice and may differ or be contrary to the opinions or recommendations of Pioneers Securities©, Egypt Research or the opinions expressed by other business areas or groups of Pioneers Securities©, Egypt as a result of depending solely on the historical technical behavior (price and volume).

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Tips on reading the report

The first page includes an analysis of two major indices in the Egyptian Stock Market; the norm is that we will analyze both the EGX 30 and 70, but sometimes we will compare the EGX 30 to its 50 counterpart if there is important information in this comparison. We also use the Hermes Last Index interchangeably with the EGX 30. The .HRMSL index has an important edge; it uses last prices instead of VWAP. First thing our clients should do is to read the indices analysis carefully to have a clear understanding on our overall view.

The second page includes stocks that broke out beyond their resistance levels, and those that violated their support levels. It also includes stocks that are testing their support levels and those that are testing their resistance. This analysis is important and it is the core of our recommendations. It is important to note though that not all stocks that are testing their support levels are bullish, and not all that are testing their resistance levels are bearish. To make it easier for our clients, we have placed a bull face 🐂 if we consider the stock under study bullish, and a bear face 🐻 if we consider it bearish. We also added a big bullet 🟩 if we are neutral.

It is important to note that you might find a stock that we consider bullish in our analysis (in the breakouts/testing section) but it remains as a hold or partial sell in the table. The conflict here is that the table is more conservative. This will not be an issue with our clients, because our analysis will explain why we are being bullish/bearish on the stock.