

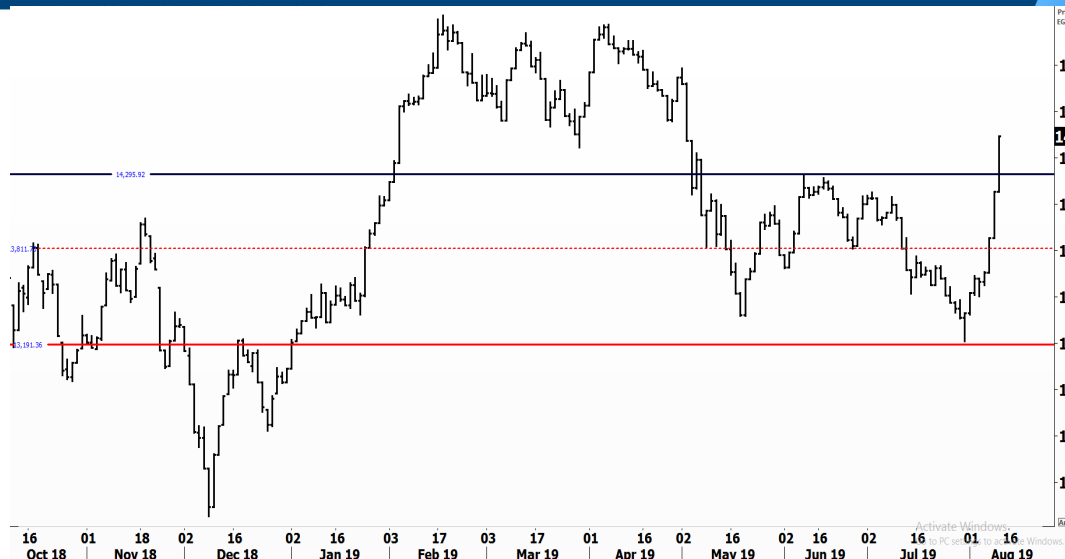


PIONEERSECURITIES

TECH TO THE POINT

15-Aug-19

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



Last	14,540.56
High Today	14,540.56
Low Today	14,180.44
Volume	M 153.737
First Support	14,100.00
Second Support	13,600.00
First Resistance	14,500.00 *
Second Resistance	15,000.00
Stop Loss	

HISTORICAL RETURN %

1 WEEK	4.75%
1 MONTH	6.70%
1 QUARTER	5.29%
1 YEAR	-5.32%
YTD	11.54%

Analysis

The market continued its rise as the EGX 30 index closed around 14,500, breaking 14,300 upwards as it was expected. The EGX capped (which puts a maximum weight of 15% for each stock) also broke its important resistance that lies at 17,500 and closed at 17,850 by the end of the session. Such breakout from both indices shows that the market is breaking upwards with confirmation, which is a good and positive sign for the market.

From now on, we will consider market declines as chances to buy; in other words, our strategy changes from selling rallies to buying dips. Such a big rise came to no surprise as all sentiment indicators were telling us clearly that the next market upward move should be strong and swift.

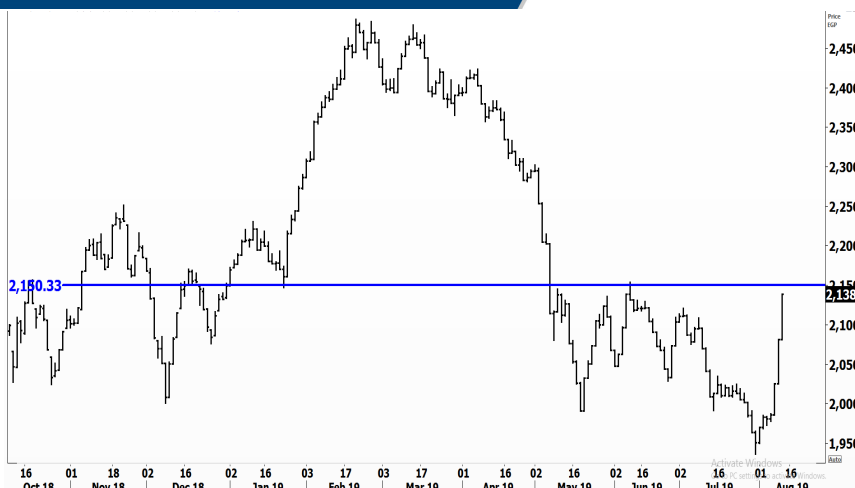
As we can obviously see, market breadth is much better than before, as well as overall market volume.

Egyptian Exchange Equals Weights Index EGX50

Analysis

The equal weighted 50 stocks index did not break yet its resistance that lies at 2,150. The index rose sharply along with the EGX 30 but did not break yet its resistance. This tells us that despite that market breadth is improving, blue chips are still outperforming. We believe, however, that a break above 2,150 on the EGX 50 is a matter of time; may be today, or in few days if a slight market correction occurs.

Our recommendation to buy dips is intact as we believe that the market rise is still beginning. A break above the 2,150 on the EGX 50 index will add to the overall bullish picture of the market.



Resistance

HRHO  Closed at 18.8 after breaking its resistance that lies at 18.2 to the upside. We expect HRHO to reach 21.5 as its first important target. Those who want to step in can do so and place their initial stop below 18.


Support


No stocks broke their support levels.


Testing


Support

Resistance

COMI  The 77.5-77.6 level is the historical high for COMI. This is an important level as its breakout will lead the stock to new historical highs; i.e. highs never seen before. Since COMI is the major market outperformer, it is one of the first stocks to witness new highs. We usually do not set targets for stocks that reach new highs.

SWDY  Approaching the 14.6-14.8 area which is an important resistance to watch. It is important to note first that the rise that occurred in the past couple sessions came on high volumes, which gives power to the stock to break its resistance. Whether SWDY will break this area from the first time or not, however, will be left to the stock to tell us. Those who had severe losses and are recovering can sell partially and repurchase either at a dip near 13.5 or at a breakout above 14.8.

EGTS  The swift and sharp rise that EGTS witnessed lately sent it to its very important resistance that lies at 2.55. This is a major resistance that appears clearly on both the weekly and monthly charts. Again, those who want to sell partially should be quick in their repurchasing decision, as buying again at higher prices will not be an easy job, especially after the big rise that the stock has been encountering. In other words, we prefer to hold positions even if a correction occurs, or place a nearby trailing stop (at 2.47 for example) to take profits.

MPRC  The 5.5 level is a major resistance that appears clearly on the weekly chart. A clear break above this level will trigger an important buy signal and our target will be set around 7. We thus recommend investors to step in at the 5.5 breakout.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK/d	77.05	75.30	73.00	77.20	79.00	↔	Hold	73.00
EAST.CA	EASTERN CO/d	16.60	15.90	15.40	16.70	17.22	↔	Hold	15.20
SWDY.CA	ELSWEDY ELECTR/d	14.25	12.50	11.60	14.60	15.08	↔	Hold	12.50
TMGH.CA	TALAT MOSTAFA/d	11.65	10.50	9.75	11.65 *	11.90	↔	Hold	10.50
SKPC.CA	SIDI KERIR PET/d	9.48	8.20	7.75	9.60	10.60	↔	Hold	8.20
EKHO.CA	EGYPT KUWAIT H/d	1.36	1.20 \$	1.16 \$	1.36 \$ *	1.40 \$	↓	Hold	1.36 *
HRHO.CA	EFG HERMES HOL/d	18.80	17.20	16.10	19.00	19.60	↔	Hold	17.20
ORAS.CA	ORASCOM CONST/d	99.06	87.00	80.80	99.00 *	105.00	↓	P.SELL	105.00
AMOC.CA	ALX MINERAL OI/d	4.31	3.55	3.20	4.30*	4.60	↓	P.SELL	4.60
MNHD.CA	MEDINET NASR H/d	5.30	4.90	4.65	5.44	5.65	↔	Hold	4.65
CIRA.CA	Cairo Investment & Real Estate	11.50	10.50	9.60	11.70	12.50	↔	Hold	11.70
OCDI.CA	6TH OCT DEV IN/d	16.15	14.70	13.65	16.00 *	17.50	↑	Hold	14.70
JUFO.CA	JUHAYNA FOOD I/d	0.00	9.00	8.50	10.50	11.20	↓	P.SELL	11.20
ESRS.CA	EZZ STEEL/d	10.50	8.60	7.85	10.75	11.60	↔	Hold	7.85
ETEL.CA	TELECOM EGYPT/d	14.39	13.50	13.00	14.90	15.30	↔	Hold	13.20
CCAP.CA	CITADEL CAPITA/d	2.64	2.30	2.00	2.95	3.20	↓	P.SELL	
ISPH.CA	IBNSINA PHARMA	10.40	9.70	9.00	11.00	12.00	↔	Hold	9.70
PHDC.CA	PALM HILL DEV /d	2.38	2.14	2.03	2.40	2.49	↔	Hold	2.14
CLHO.CA	CLEOPATRA HOSPITAL COMPANY	6.44	5.80	5.30	6.70	7.00	↔	Hold	5.80
HELI.CA	Misr Gedida Ho/d	25.65	23.85	22.30	26.00	27.20	↑	Hold	23.85
CIEB.CA	CREDIT AGRICOL/d	45.15	42.00	40.00	48.00	53.00	↔	Hold	40.00
EGCH.CA	EGYPT CHEM IND/d	5.84	5.00	4.60	5.90	6.40	↔	Hold	5.00
EMFD.CA	EMAAR MISR DEV/d	3.42	3.07	2.95	3.38 *	3.60	↔	Hold	2.95
OIH.CA	ORASCOM INVESTMENT HOLDING	0.68	0.58	0.56	0.69	0.72	↔	Hold	0.58
ORHD.CA	ORASCOM DEV/d	7.25	6.55	6.20	7.55	7.95	↔	Hold	6.55
EGTS.CA	EGYPTIAN RESOR/d	2.55	2.32	2.17	2.55 *	2.70	↑	Hold	2.17
ORWE.CA	ORIENTAL WEAVE/d	11.49	10.85	10.40	11.30 *	11.80	↑	Hold	10.40
IRON.CA	EGYPTIAN IR & /d	3.00	2.70	2.55	3.20	3.50	↓	P.SELL	3.20
ADIB.CA	ABUDHABI ISLM /d	11.95	10.40	9.50	12.00	12.40	↔	Hold	10.40

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

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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.