

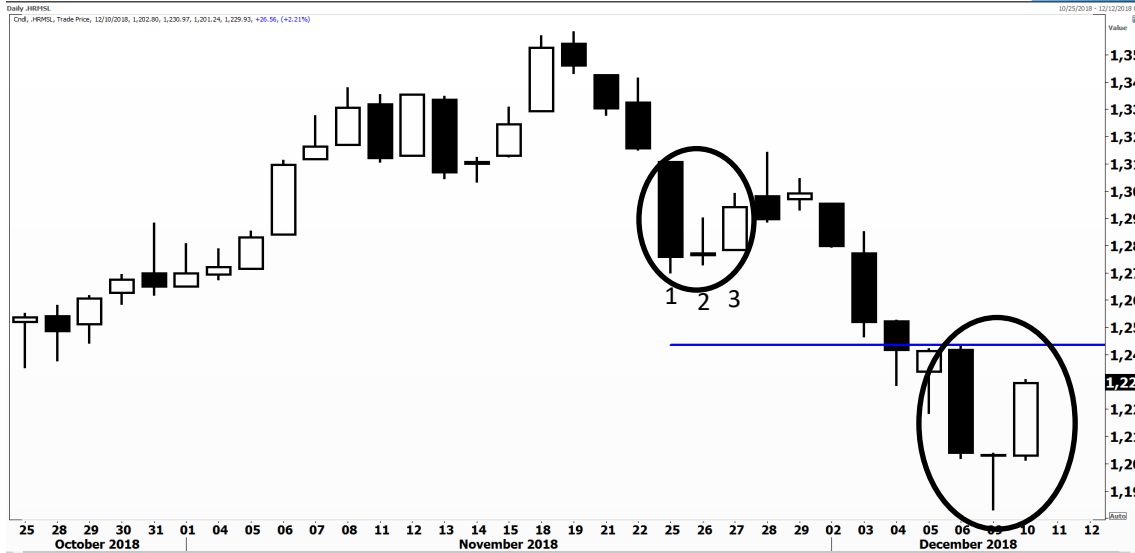


PIONEERSECURITIES

TECH TO THE POINT

11-Dec-18

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



Last	1,229.93
High Today	1,230.97
Low Today	1,201.24
Volume M	0.000
First Support	1,180.00
Second Support	1,130.00
First Resistance	1,245.00
Second Resistance	1,270.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-1.73%
1 MONTH	-7.59%
1 QUARTER	-18.28%
1 YEAR	-11.20%
YTD	-14.79%

Analysis

Yesterday's market action was positive as the Hermes Last Index closed almost at its high, closing at around 1,230. As we mentioned yesterday, the high of Wednesday's and Thursday's session that lies at around 1,240-1,245 is important to be monitored as a break beyond it will lead to a significant short-term move.

Let us look at the two circles, on the chart; the first circle witnessed a black candle, followed by a narrow trading range, then a white candle, (labeled 1, 2, 3). This pattern failed to lead to a market rise as the index fell two days after this formation.

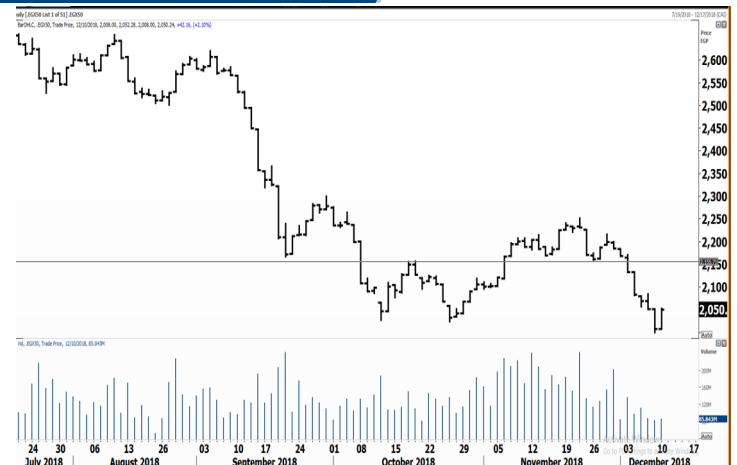
The second circle contains almost the same three candles but with a more bullish attitude; the second candle has a long lower shadow (meaning that there was selling pressure followed by significant buying power), while the third candle is a bigger white candle. If we want to see whether this pattern will be more successful than the previous pattern or not, we need to watch how the market will close today. A bullish close and a break above 1,240 will confirm a successful bullish pattern that should lead to a short-term rise.

Egyptian Exchange Equal Weights Index EGX50


Analysis

The EGX 50 index rebounded from its support that lies at around 2,000 to close at 2,050. If the market continues its rise, our first resistance to watch will be near 2,150, which is a previous peak, in addition to being the neckline of the broken head and shoulders formation.

Such level is expected to serve as resistance should the current rise continues. It is important to see, however, whether the index will create a higher low after testing its resistance or will continue its strong decline.




Resistance


EGCH  Broke 6.35 upwards, closing near 6.4 at the end of the session. The 6.8 level is an important resistance to watch. We will monitor this level closely as a failure to break above it will be considered as a sell signal. Adding to positions is only recommended if we clearly break above 6.8.

Support

Testing

Support

GTHE  The 2.75-2.9 area is the current support for GTHE. The ability to close slightly above 3 is not a bad signal, but we still need to see the stock surpassing 3.2 upwards before triggering any new recommendation. In other words, this rise should be treated as a chance to sell until GTHE breaks above 3.2.

ACGC  Hovering near its support that lies at around 1.65. ACGC can witness a rise from current levels. If this occurs, our first level to watch will be set near 1.83. Those who want to trade the stock between these two levels (current price and 1.83) can do so by placing a stop below 1.6.

Resistance

ADIB  Closed at 11.2 and approaching its resistance range (11.2-11.5). Only a break above 11.65 will trigger a new buy signal with a target at around 13. No entry is recommended until this breakout occurs.

S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COM INTL BK	71.40	66.00	62.00	72.00	75.00	↓	P.SELL	75.00
EASTERN CO	16.77	16.90 *	16.30	19.00	19.80	↔	Hold	16.90 *
ELSWEDY ELECTRIC	15.07	13.90	13.50	15.20	16.00	↓	P.SELL	16.00
TALAT MOSTAFA	9.25	8.80	8.20	9.60	10.50	↓	P.SELL	10.50
ABU QIR FRT&CHM	25.50	24.00	22.00	25.50 *	27.75	↓	P.SELL	27.75
EGYPT KUWAIT HLD	1.08	\$1.03	\$1.00	\$1.10	\$1.13	↓	P.SELL	\$1.13
EFG HERMES HOLD	14.18	13.55	12.80	14.60	15.00	↓	P.SELL	15.00
GLOBAL TELECO	3.02	2.75	2.55	3.28	3.50	↓	P.SELL	3.80
ALX MINERAL OILS	6.20	5.90	5.60	6.80	7.50	↓	P.SELL	7.50
MEDINET NASR HOU	6.67	6.30	5.50	6.90	7.65	↓	P.SELL	7.65
SIDI KERIR PETRC	17.27	16.30	15.70	18.10	19.23	↓	P.SELL	20.60
6TH OCT DEV INV	13.36	12.90	12.00	14.80	16.00	↓	P.SELL	16.00
JUHAYNA FOOD IND	10.99	10.50	9.50	11.30	13.00	↔	Hold	9.50
EZZ STEEL	17.32	17.25	16.00	18.20	20.00	↓	P.SELL	20.00
TELECOM EGYPT	11.95	10.85	10.00	12.50	13.20	↑	Hold	10.85
CITADEL CAPITAL	3.57	3.40	3.20	3.60	4.00	↓	P.SELL	4.00
QNB ALAHLI	41.00	40.00	38.00	46.00	50.00	↓	P.SELL	50.00
PALM HILL DEV CO	2.24	2.18	2.06	2.43	2.58	↓	P.SELL	2.58
ORASCOM CONST	109.40	108.00	103.00	116.00	120.00	↔	Hold	108.00
Misr Gedida Hou	16.00	14.50	13.50	16.60	17.35	↓	P.SELL	17.35
EDITA FOOD INDS	0.00	13.00	12.20	15.20	17.00	↓	P.SELL	16.00
IBNSINA PHARMA	9.73	9.50	8.60	11.00	12.20	↔	Hold	9.50
EMAAR MISR DEV	3.06	2.85	2.50	3.20	3.45	↓	Hold	3.45
PIONEERS HLDG	6.00	5.40	5.00	6.10	6.80	↔	Hold	5.40
ORASCOM INVESTMENT HOLD- ING	0.53	0.51	0.45	0.56	0.60	↔	Hold	0.51
EGYPT ALUMINIUM	34.00	32.50	31.00	36.00	38.00	↔	Hold	32.50
EGYPTIAN RESORTS	1.73	1.68	1.42	2.05	2.22	↓	P.SELL	2.05
PORTO GROUP	0.81	0.78	0.74	0.96	1.20	↔	Hold	0.74
EGYPTIAN IR & ST	4.94	4.50	4.25	5.30	5.70	↓	P.SELL	5.70
ARAB COTTON GIN.	1.68	1.65	1.57	1.83	2.00	↔	Hold	1.65

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.