

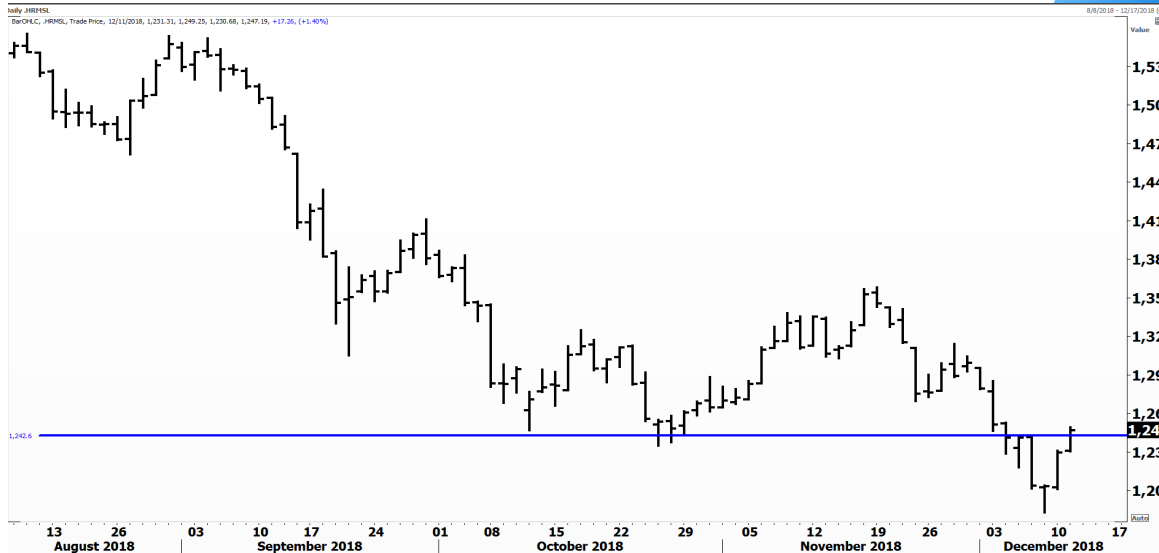


PIONEERSECURITIES

TECH TO THE POINT

12-Dec-18

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



| | |
|---------------------|------------|
| Last | 1,247.19 |
| High Today | 1,249.25 |
| Low Today | 1,230.68 |
| Volume M | 0.000 |
| First Support | 1,180.00 |
| Second Support | 1,130.00 |
| First Resistance | 1,245.00 * |
| Second Resistance | 1,300.00 |
| Stop Loss | |
| HISTORICAL RETURN % | |
| 1 WEEK | 0.46% |
| 1 MONTH | -4.92% |
| 1 QUARTER | -17.13% |
| 1 YEAR | -10.63% |
| YTD | -13.60% |

Analysis

The Hermes Last Index closed yesterday slightly above Wednesday's and Thursday's high. As we mentioned, the break above these two sessions is important for this short-term move to ensue. If this break is confirmed today, then we will probably see higher targets. This will also be an early signal for the EGX 30 index which will be expected to break above 13,000 once again.

As we mentioned before, the 12,000 was our major target; the ability of the EGX 30 to rebound significantly from this target is important and can be viewed as bullish, only if the current rise is sustainable. A break back above 13,000 will be seen as a positive action for the market.

If the Hermes Last Index continues trading above 1,245 today, our target will be set near 1,300.

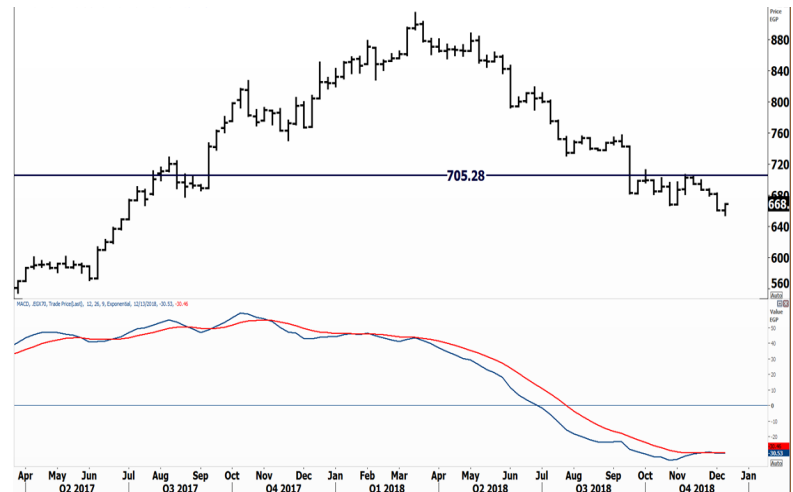
Egyptian Exchange Small Caps Index EGX70

Analysis


The EGX 70 index looks potentially strong, especially with the current MACD shape that we call "MACD glue". This tells us that we are going to witness a sharp move; either to the upside or to the downside; however, since the markets are trading near their important support levels, we bet that this sharp move will probably be upwards.


It goes without saying that from current levels to the 700 resistance is already a tradable area. It is important to note, however, that if the 705 is broken upwards, we will be seeing a strong rise that will take the index to much higher levels.

For now, we will be looking to the 700 level as the first important resistance.



Resistance

GTHE  The break above 3.2 is significant for the stock, especially with the relatively high volumes it witnessed. If GTHE continues trading above 3.25 today, our target will be set near 3.6. It is important to note that the 3.2-3.25 area is important and its confirmed breakout will be considered significant for GTHE.


COMI  Though not confirmed yet, COMI is breaking above 72 once again, which is an important level to watch. The more important level, however, lies at 75. In other words, only a breakout above 75 will be considered bullish for the stock as we will then consider the 70 violation as a false breakout. It is still too early to consider this scenario.


Support

Testing

Support

Resistance

EGCH  We are bullish on the stock, especially if it breaks 6.8 upwards. A breakout above resistance will lead to a strong move, and our target will be set at around 8. Those who want to step in are recommended to buy at the breakout above 6.8.

CSAG  Tried to break 12.2 upwards but was not able to close above it. Yesterday's volumes were high, which can be considered as a hint of a potential breakout above resistance. If the 12.2 is broken our target will be set near 15.

| Symbol | S. Description | Last | Support 1 | Support 2 | Resistance 1 | Resistance 2 | Trend | Recommendation | Stop Loss/ Re-Entry |
|---------|-------------------------------|--------|-----------|-----------|--------------|--------------|-------|----------------|------------------------|
| COMI.CA | COM INTL BK | 72.40 | 66.00 | 62.00 | 72.00 * | 75.00 | ↓ | P.SELL | 75.00 |
| EAST.CA | EASTERN CO | 16.70 | 16.90 * | 16.30 | 19.00 | 19.80 | ↔ | Hold | 16.90 * |
| SWDY.CA | ELSWEDY ELECTRIC | 16.00 | 13.90 | 13.50 | 16.00 * | 16.65 | ↓ | P.SELL | 16.00 |
| TMGH.CA | TALAT MOSTAFA | 9.27 | 8.80 | 8.20 | 9.60 | 10.50 | ↓ | P.SELL | 10.50 |
| ABUK.CA | ABU QIR FRT&CHM | 25.85 | 24.00 | 22.00 | 27.75 | 29.00 | ↓ | P.SELL | 27.75 |
| EKHO.CA | EGYPT KUWAIT HLD | 1.07 | \$1.03 | \$1.00 | \$1.10 | \$1.13 | ↓ | P.SELL | \$1.13 |
| HRHO.CA | EFG HERMES HOLD | 14.25 | 13.55 | 12.80 | 14.60 | 15.00 | ↓ | P.SELL | 15.00 |
| GTHE.CA | GLOBAL TELECO | 3.24 | 2.75 | 2.55 | 3.28 | 3.50 | ↓ | P.SELL | 3.80 |
| AMOC.CA | ALX MINERAL OILS | 6.15 | 5.90 | 5.60 | 6.80 | 7.50 | ↓ | P.SELL | 7.50 |
| MNHD.CA | MEDINET NASR HOU | 6.70 | 6.30 | 5.50 | 6.90 | 7.65 | ↓ | P.SELL | 7.65 |
| SKPC.CA | SIDI KERIR PETRC | 17.35 | 16.30 | 15.70 | 18.10 | 19.23 | ↓ | P.SELL | 20.60 |
| OCDI.CA | 6TH OCT DEV INV | 13.73 | 12.90 | 12.00 | 14.80 | 16.00 | ↓ | P.SELL | 16.00 |
| JUFO.CA | JUHAYNA FOOD IND | 11.00 | 10.50 | 9.50 | 11.30 | 13.00 | ↔ | Hold | 9.50 |
| ESRS.CA | EZZ STEEL | 17.41 | 17.25 | 16.00 | 18.20 | 20.00 | ↓ | P.SELL | 20.00 |
| ETEL.CA | TELECOM EGYPT | 11.63 | 10.85 | 10.00 | 12.50 | 13.20 | ↑ | Hold | 10.85 |
| CCAP.CA | CITADEL CAPITAL | 3.66 | 3.40 | 3.20 | 3.70 | 4.00 | ↓ | P.SELL | 4.00 |
| QNBA.CA | QNB ALAHLI | 39.50 | 40.00* | 38.00 | 46.00 | 50.00 | ↓ | P.SELL | 50.00 |
| PHDC.CA | PALM HILL DEV CO | 2.29 | 2.18 | 2.06 | 2.43 | 2.58 | ↓ | P.SELL | 2.58 |
| ORAS.CA | ORASCOM CONST | 109.10 | 108.00 | 103.00 | 116.00 | 120.00 | ↔ | Hold | 108.00 |
| HELI.CA | Misr Gedida Hou | 16.20 | 14.50 | 13.50 | 16.60 | 17.35 | ↓ | P.SELL | 17.35 |
| EFID.CA | EDITA FOOD INDS | 14.00 | 13.00 | 12.20 | 15.20 | 17.00 | ↓ | P.SELL | 16.00 |
| ISPH.CA | IBNSINA PHARMA | 9.65 | 9.50 | 8.60 | 11.00 | 12.20 | ↔ | Hold | 9.50 |
| EMFD.CA | EMAAR MISR DEV | 3.06 | 2.85 | 2.50 | 3.20 | 3.45 | ↓ | Hold | 3.45 |
| PIOH.CA | PIONEERS HLDG | 6.13 | 5.40 | 5.00 | 6.40 | 6.80 | ↔ | Hold | 5.40 |
| OIH.CA | ORASCOM INVESTMENT HOLDING | 0.54 | 0.51 | 0.45 | 0.56 | 0.60 | ↔ | Hold | 0.51 |
| EGAL.CA | EGYPT ALUMINIUM | 34.05 | 32.50 | 31.00 | 36.00 | 38.00 | ↔ | Hold | 32.50 |
| EGTS.CA | EGYPTIAN RESORTS | 1.75 | 1.68 | 1.42 | 2.05 | 2.22 | ↓ | P.SELL | 2.05 |
| PORT.CA | PORTO GROUP | 0.83 | 0.78 | 0.74 | 0.96 | 1.20 | ↔ | Hold | 0.74 |
| IRON.CA | EGYPTIAN IR & ST | 4.93 | 4.50 | 4.25 | 5.30 | 5.70 | ↓ | P.SELL | 5.70 |
| ACGC.CA | ARAB COTTON GIN. | 1.69 | 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.