

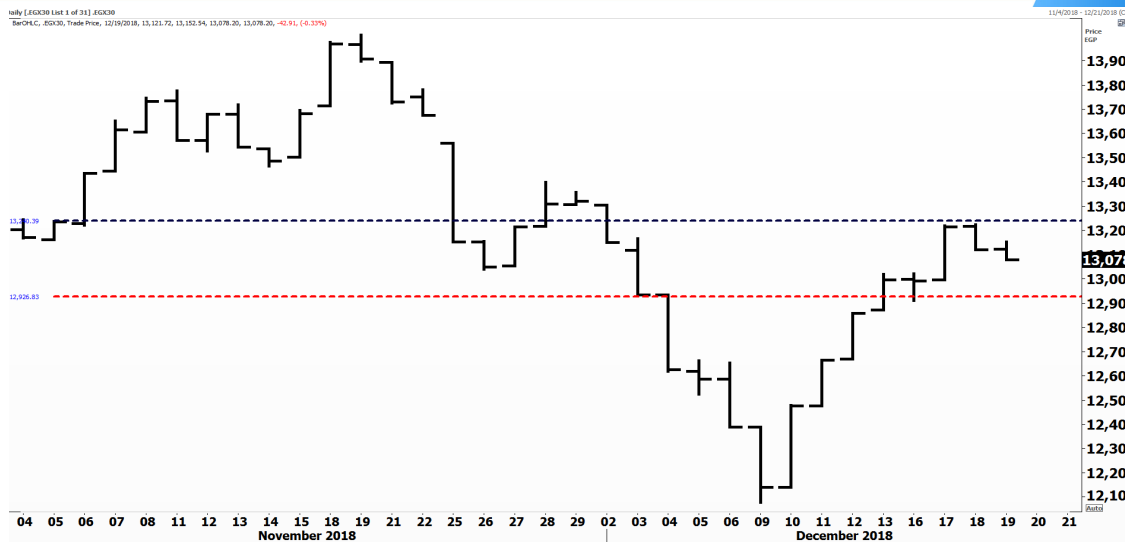


PIONEERSECURITIES

TECH TO THE POINT

20-Dec-18

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



Last	13,078.20
High Today	13,152.54
Low Today	13,078.20
Volume M	104.029
First Support	12,900.00
Second Support	12,500.00
First Resistance	13,400.00
Second Resistance	14,000.00
Stop Loss	

HISTORICAL RETURN %

1 WEEK	1.72%
1 MONTH	-5.95%
1 QUARTER	-7.24%
1 YEAR	-10.90%
YTD	-12.92%

Analysis

The market continued its decline yesterday to close at 13,078 as most of the stocks closed near their lows. The current decline is viewed as a correction within the current market rise; in other words, we are not expecting a break below the bottom that was formed early this month. Our first level to watch lies around 12,900, if we are strong enough this level will be able to halt the decline. Thus, very short-term traders can place their stop below this level. If we break below 12,900 the EGX 30 will probably test 12,500 which will probably serve as a strong support and a higher low will probably occur.

Our only concern is the US markets; if a break of major support levels occur globally, this will obviously have a negative effect on our equity market. For now, let us monitor and see how the market will react as it approaches 12,900.

Hermes Last Index/ Hourly Chart

Analysis


It is important to show the signals that appear whether they are good or bad. The hourly chart of the Hermes Last Index triggered a negative crossover on the MACD indicator for the first time since the 9th of December. Such a signal should not be ignored, especially that it is the first sell since two working weeks.


Having said that, the 1,266 level can be used as a stop; a break below our minor support will bring the index to lower levels.

As we mentioned in the previous analysis, we do not expect a break below the lows (12,000 on the EGX 30) but a higher low formation is a probable scenario.




Resistance

BTFH  The very high volumes witnessed in the last two sessions hint of more upward potential. Our first upward target lies near 7.8. This level will probably serve as resistance. Only a break above this level will lead BTFH to much higher levels


KABO  The breakout above 1.1-1.12 is not clearly confirmed as the stock closed at 1.13. Yesterday's volumes were very high, however, which hints of more rise in the near future. The 1.25-1.26 range should serve as resistance. Next level to watch lies at around 1.4.

Support


ELWA  Broke 8.2 downwards to close at 8.05 at the end of the session. We are expecting ELWA to reach the 7.6-7.7 range. For now, intraday rises should be treated as a chance to reduce exposure.

Testing

Support

CCAP  The 3.45 level is a minor support level; its importance however is that it can be used as an early sign of a break below 3.28-3.3. CCAP has been witnessing lower highs lately, which can be seen as a sign of more decline before the major trend resumes. If the stock continues trading below 4, especially if it breaks its support, our target will be set near 2.8.

Resistance

EGAL  The 35 is a resistance for EGAL; if we break above it a buy signal will be triggered with a target near 37. On a major level, the 38-39 area should be broken upwards for the stock to witness strong rises.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	74.62	71.50	67.00	75.00	77.75	↓	P.SELL	75.00
EAST.CA	EASTERN CO	15.80	15.20	14.50	17.55	19.00	↓	P.SELL	17.55
SWDY.CA	ELSWEDY ELECTRIC	16.51	16.00	13.90	17.50	18.30	↓	P.SELL	17.50
TMGH.CA	TALAT MOSTAFA	9.85	9.50	8.70	10.25	10.50	↓	P.SELL	10.50
ABUK.CA	ABU QIR FRT&CHM	24.27	24.00	22.00	26.00	27.75	↓	P.SELL	27.75
EKHO.CA	EGYPT KUWAIT HLD	1.06	\$1.03	\$1.00	\$1.10	\$1.13	↓	P.SELL	\$1.13
HRHO.CA	EFG HERMES HOLD	14.70	14.50	13.60	15.70	16.20	↔	Hold	13.60
GTHE.CA	GLOBAL TELECO	3.66	3.20	2.75	3.80	3.93	↔	Hold	3.80
AMOC.CA	ALX MINERAL OILS	6.30	5.90	5.60	6.80	7.50	↓	P.SELL	7.50
MNHD.CA	MEDINET NASR HOU	6.75	6.70	6.30	7.30	7.65	↓	P.SELL	7.65
SKPC.CA	SIDI KERIR PETRC	17.65	16.30	15.70	18.10	19.23	↓	P.SELL	20.60
OCDI.CA	6TH OCT DEV INV	14.02	12.90	12.00	14.80	16.00	↓	P.SELL	16.00
JUFO.CA	JUHAYNA FOOD IND	11.01	10.50	9.50	11.30	13.00	↔	Hold	9.50
ESRS.CA	EZZ STEEL	18.35	17.25	16.00	20.00	21.00	↓	P.SELL	20.00
ETEL.CA	TELECOM EGYPT	12.79	11.40	10.85	13.20	14.50	↑	Hold	11.40
CCAP.CA	CITADEL CAPITAL	3.52	3.40	3.20	3.83	4.00	↓	P.SELL	4.00
QNBA.CA	QNB ALAHLI	40.50	40.00	38.00	46.00	50.00	↓	P.SELL	50.00
PHDC.CA	PALM HILL DEV CO	2.27	2.12	2.06	2.43	2.58	↓	P.SELL	2.58
ORAS.CA	ORASCOM CONST	114.00	108.00	106.00	120.00	127.00	↔	Hold	108.00
HELI.CA	Misr Gedida Hou	17.82	17.30	16.30	18.80	19.50	↓	P.SELL	19.50
EFID.CA	EDITA FOOD INDS	0.00	13.00	12.20	15.20	17.00	↓	P.SELL	16.00
ISPH.CA	IBNSINA PHARMA	10.35	9.50	8.60	10.50	11.00	↔	Hold	9.50
EMFD.CA	EMAAR MISR DEV	3.22	3.22 *	2.90	3.45	3.72	↔	Hold	3.45
PIOH.CA	PIONEERS HLDG	6.21	5.40	5.00	6.40	6.80	↔	Hold	5.40
OIH.CA	ORASCOM INVESTMENT HOLDING	0.57	0.54	0.51	0.58	0.60	↔	Hold	0.51
EGAL.CA	EGYPT ALUMINIUM	34.52	32.50	31.00	36.00	38.00	↔	Hold	32.50
EGTS.CA	EGYPTIAN RESORTS	1.83	1.68	1.42	1.94	2.05	↓	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	5.34	5.00	4.50	5.70	6.00	↔	Hold	5.70
ACGC.CA	ARAB COTTON GIN.	1.77	1.70	1.60	2.00	2.15	↔	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.