

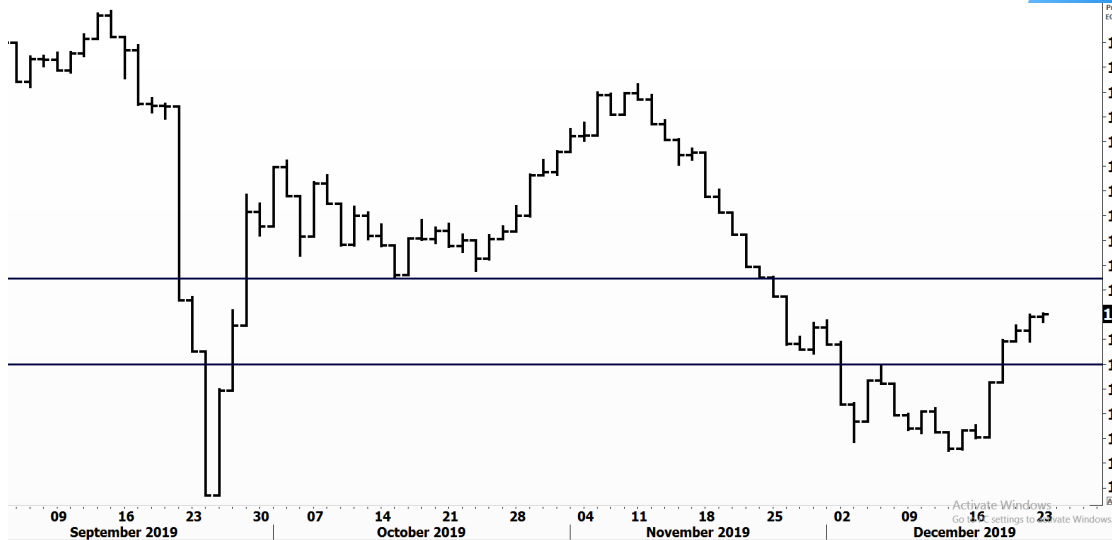


PIONEERSECURITIES

# TECH TO THE POINT

24-Dec-19

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



|                     |           |
|---------------------|-----------|
| Last                | 13,902.43 |
| High Today          | 13,904.67 |
| Low Today           | 13,873.49 |
| Volume              | M 33.208  |
| First Support       | 13,380.00 |
| Second Support      | 13,200.00 |
| First Resistance    | 14,100.00 |
| Second Resistance   | 14,300.00 |
| Stop Loss           |           |
| HISTORICAL RETURN % |           |
| 1 WEEK              | 3.72%     |
| 1 MONTH             | -1.36%    |
| 1 QUARTER           | 1.09%     |
| 1 YEAR              | 7.38%     |
| YTD                 | 6.65%     |

## Analysis

If we give a title to the analysis, we will call it "The index bluff".

In paper, the EGX 30 index rose relatively well, however, most of the stocks that constitute the index actually fell, or at least did not rise. This is due, as we all know, to the way the EGX 30 is calculated. Thus, and as we mentioned before, we are waiting for a confirmation by a similar breakout on the EGX 50 index, which did not occur yet.

Based on the current market performance, the index will probably decline from here or from slightly above; such a decline will lead the EGX 30 back near 13,600.

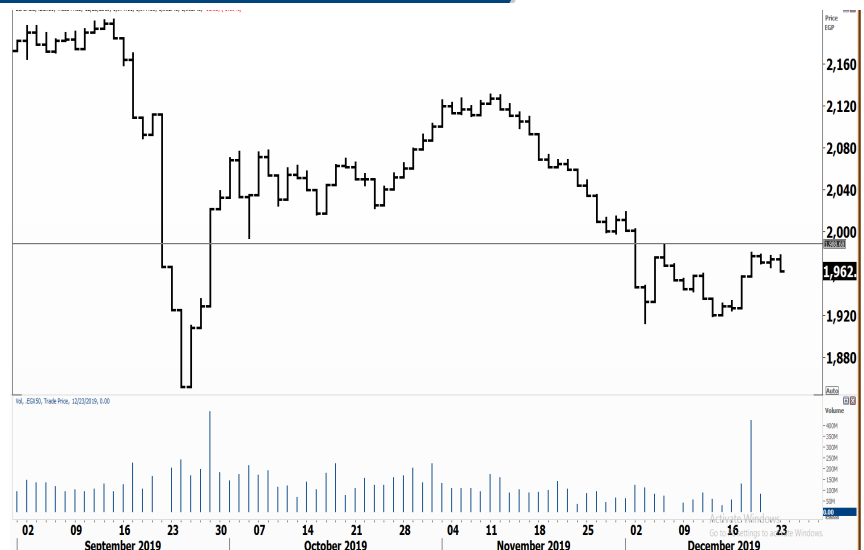
In all cases, our entry signal will be a function of the overall market situation, not only on the index performance.

## Egyptian Exchange Equal Weights Index EGX50


### Analysis

As we can see from the chart, the EGX 50 index actually declined yesterday, showing that the overall market witnessed a slide despite the EGX 30 rise.

We reiterate our recommendation to wait for a clear breakout above 1,990 before entering the market. Our entry signal this time will be entirely based on the EGX 50 index. If the index falls from here it will probably test 1,940 back before its next rebound.



## Resistance


**EAST**  Broke a minor resistance level to close at 15.4 at the end of the session. The breakout did not come on significantly high volumes; if the rise continues, it will probably not surpass 16.

## Support


No stocks broke their support yesterday.


## Testing

### Support

**EKHO**  Support lies at 1.29. If the stock breaks this level, it will probably reach 1.25. Thus, we recommend position holders to place their stop below 1.29.

### Resistance

**COMI**  First resistance lies around 83.2, while second resistance lies at 85. COMI is probably the sole outperformer among all of the EGX constituents. If market breadth remains weak, the stock will follow the overall weakness.

**HRHO**  The 17.4-17.5 range is a resistance for the stock. It is worth noting that yesterday's rise came on low volume. This is not a good sign for the stock. Position holders are recommended to sell and repurchase at a clear breakout above resistance.

| Symbol  | S. Description                 | Last   | Support 1 | Support 2 | Resistance 1 | Resistance 2 | Trend | Recommendation | Stop Loss/<br>Re-Entry |
|---------|--------------------------------|--------|-----------|-----------|--------------|--------------|-------|----------------|------------------------|
| COMI.CA | COM INTL BK/d                  | 83.14  | 79.30     | 77.00     | 83.40        | 85.00        | ↔     | Hold           | 77.00                  |
| EAST.CA | EASTERN CO/d                   | 15.40  | 14.60     | 14.30     | 15.65        | 16.20        | ↔     | Hold           | 14.60                  |
| SWDY.CA | ELSWEDY ELECTR/d               | 11.32  | 11.20     | 10.90     | 12.00        | 12.60        | ↓     | P.SELL         | 12.60                  |
| TMGH.CA | TALAT MOSTAFA/d                | 8.17   | 8.03      | 7.95      | 8.70         | 9.00         | ↓     | P.SELL         | 9.00                   |
| SKPC.CA | SIDI KERIR PET/d               | 9.20   | 8.70      | 8.00      | 10.25        | 11.00        | ↓     | P.SELL         | 11.00                  |
| EKHO.CA | EGYPT KUWAIT H/d               | 1.30   | 1.29 \$   | 1.26 \$   | 1.37 \$      | 1.40 \$      | ↓     | P.SELL         | 1.37                   |
| HRHO.CA | EFG HERMES HOL/d               | 17.30  | 15.85     | 15.20     | 17.35        | 18.00        | ↓     | P.SELL         | 18.00                  |
| ORAS.CA | ORASCOM CONST/d                | 102.00 | 95.00     | 91.00     | 103.00       | 106.00       | ↔     | Hold           | 95.00                  |
| AMOC.CA | ALX MINERAL OI/d               | 3.71   | 3.55      | 3.30      | 3.97         | 4.10         | ↓     | P.SELL         | 4.10                   |
| MNHD.CA | NASR CITY HOUS/d               | 4.90   | 4.45      | 4.20      | 4.95         | 5.20         | ↓     | P.SELL         | 4.95                   |
| CIRA.CA | Cairo Investment & Real Estate | 13.50  | 11.55     | 10.98     | 13.60        | 14.25        | ↔     | Hold           | 13.60                  |
| OCDI.CA | 6TH OCT DEV IN/d               | 13.60  | 13.30     | 12.99     | 14.60        | 15.20        | ↓     | P.SELL         | 15.20                  |
| JUFO.CA | JUHAYNA FOOD I/d               | 8.37   | 8.00      | 7.70      | 9.20         | 10.00        | ↔     | Hold           | 10.00                  |
| ESRS.CA | EZZ STEEL/d                    | 10.87  | 10.12     | 9.60      | 11.50        | 12.40        | ↔     | Hold           | 11.50                  |
| ETEL.CA | TELECOM EGYPT/d                | 10.50  | 10.00     | 9.60      | 10.66        | 11.00        | ↓     | P.SELL         | 10.60                  |
| CCAP.CA | CITADEL CAPITA/d               | 2.27   | 2.10      | 2.00      | 2.40         | 2.55         | ↔     | Hold           | 2.40                   |
| ISPH.CA | IBNSINA PHARMA                 | 8.90   | 8.90      | 8.50      | 10.00        | 10.30        | ↔     | Hold           | 8.90                   |
| PHDC.CA | PALM HILL DEV /d               | 1.85   | 1.83      | 1.72      | 1.97         | 2.05         | ↓     | P.SELL         | 2.05                   |
| CLHO.CA | CLEOPATRA HOSPITAL COMPA-      | 5.80   | 5.00      | 4.68      | 6.00         | 6.40         | ↔     | Hold           | 6.00                   |
| HELI.CA | HELIOPOLIS/d                   | 24.20  | 23.00     | 21.80     | 24.85        | 25.90        | ↓     | P.SELL         | 25.00                  |
| CIEB.CA | CREDIT AGRICOL/d               | 43.00  | 40.00     | 38.00     | 45.00        | 47.00        | ↔     | Hold           | 40.00                  |
| EGCH.CA | EGYPT CHEM IND/d               | 5.26   | 5.05      | 4.70      | 5.65         | 6.10         | ↔     | Hold           | 5.05                   |
| EMFD.CA | EMAAR MISR DEV/d               | 2.78   | 2.67      | 2.49      | 3.01         | 3.10         | ↔     | Hold           | 2.67                   |
| OIH.CA  | ORASCOM INVESTMENT HOLDING     | 0.56   | 0.54      | 0.52      | 0.59         | 0.62         | ↓     | P.SELL         | 0.59                   |
| ORHD.CA | ORASCOM EGYPT/d                | 6.36   | 6.10      | 5.95      | 6.50         | 6.80         | ↔     | Hold           | 6.80                   |
| EGTS.CA | EGYPTIAN RESOR/d               | 2.50   | 2.40      | 2.32      | 2.70         | 2.88         | ↔     | Hold           | 2.40                   |
| ORWE.CA | ORIENTAL WEAVE/d               | 10.40  | 9.90      | 9.45      | 11.10        | 11.70        | ↔     | Hold           | 9.90                   |
| IRON.CA | EGYPTIAN IR & /d               | 2.39   | 2.15      | N.A       | 2.60         | 2.84         | ↓     | P.SELL         | 2.60                   |
| ADIB.CA | ABU DHABI/d                    | 12.46  | 11.50     | 11.00     | 12.50        | 13.00        | ↓     | P.SELL         | 13.00                  |

## 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.