

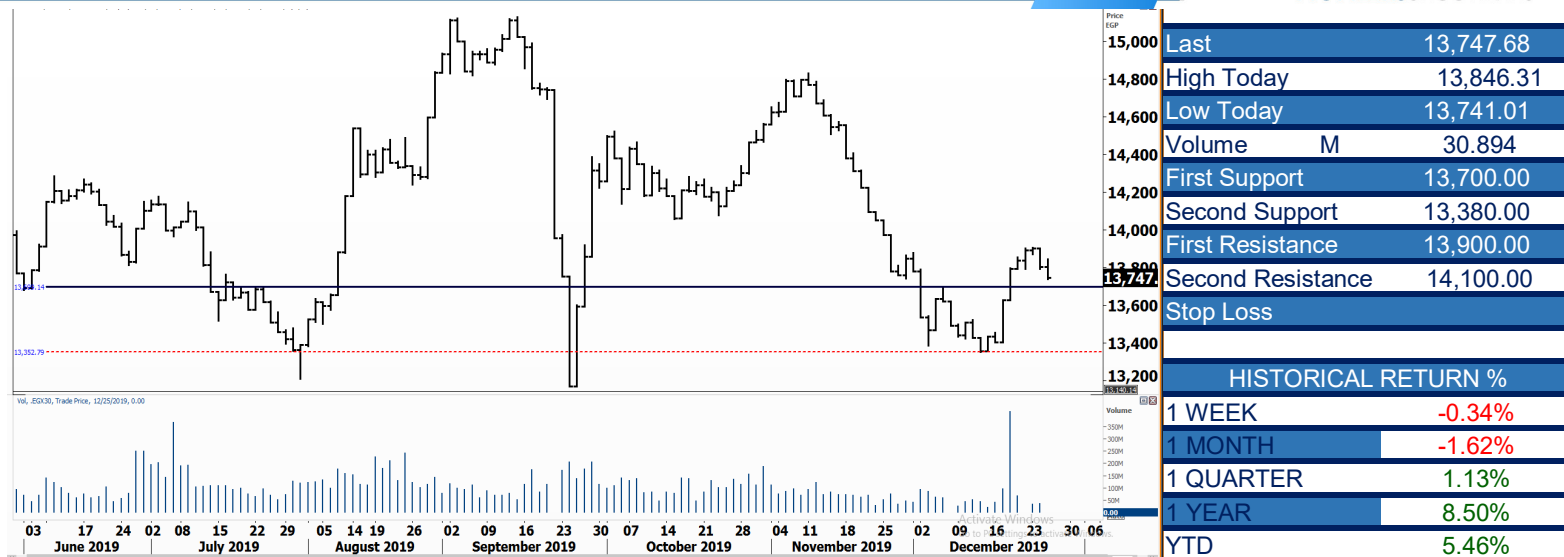


PIONEERSECURITIES

TECH TO THE POINT

26-Dec-19

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



Analysis

The EGX 30 index closed at 13,750 and is approaching its breakout point that lies at 13,700; we do not expect this support to halt the current decline because of the overall market weakness; and if the market rebounds from here, we will not enter until clear strength appears, which will be shown by a breakout on the EGX 50.

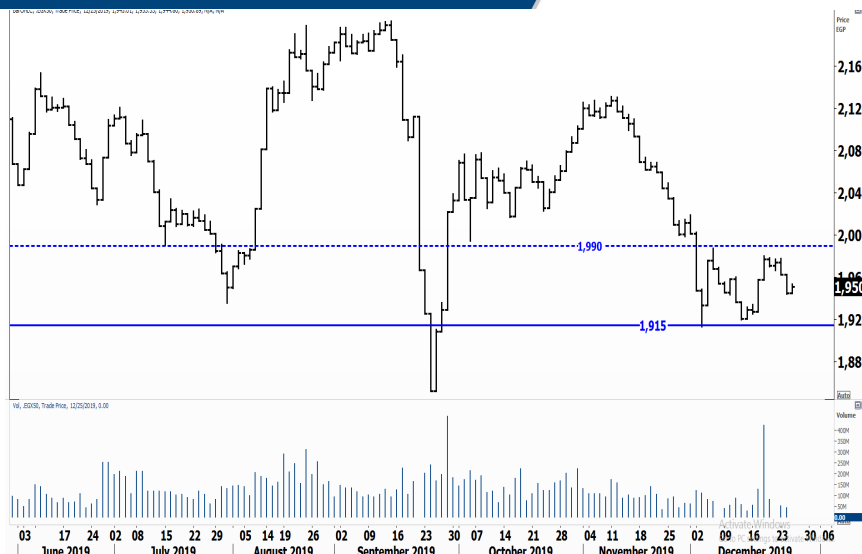
Thus, we recommend investors to stay outside until we find real buyers stepping in. A break below 13,700 will lead the EGX 30 near 13,300-13,400, which will put this area in jeopardy. As we know, a break below 13,300 will be an early sign of a major break below 12,000.

Egyptian Exchange Equal Weights Index EGX50

Analysis

We recommend investors to wait for a clear break above 1,990 before taking a decision to step in. Any preliminary buying action will be considered as a high risk decision. On the other hand, if this weakness continues, the index will break 1,915 downwards; this will be considered as a bearish scenario for the market.


In short, we recommend to wait until we see a clear breakout; no buying action is recommended.



Resistance




No stocks broke their resistance yesterday

Support

- ESRS**  Broke 10.75 downwards and closed at 10.7. Our first target lies near 10.1. We will watch how the stock will react as it approaches its next support.
- EFIC**  The stock closed below 11.5 but with low volumes. Next support lies near 11. We will monitor EFIC as it approaches 11 to see whether it will rebound from this support or not.
- ALCN**  If the stock continues trading below 10 today it will confirm the bearish break. Such a negative support violation will probably lead ALCN near 8.8.

Testing

Support

- ACGC**  The 1.54 is the current support for ACGC. It is important to note though that ACGC is already trading near its historical lows; it might decline until 1.285-1.29 and still maintain itself inside this bottoming formation. We do not recommend, however, stepping in until we see a confirmed buy signal.
- OIH**  It is important to watch whether the 1.54 support will halt the decline or not. Position holders are recommended to place their stop below 0.54.
- SVCE**  Support lies at 1.48; the stock is currently trading at 1.54. Our buy signal will not be triggered until the 1.61 level is clearly broken upwards.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK/d	81.65	79.30	77.00	83.40	85.00	↔	Hold	77.00
EAST.CA	EASTERN CO/d	14.70	14.60	14.30	15.65	16.20	↔	Hold	14.60
SWDY.CA	ELSWEDY ELECTR/d	11.21	11.20	10.90	11.75	12.00	↓	P.SELL	12.00
TMGH.CA	TALAT MOSTAFA/d	8.15	8.03	7.95	8.70	9.00	↓	P.SELL	8.70
SKPC.CA	SIDI KERIR PET/d	9.13	8.70	8.00	9.65	10.25	↓	P.SELL	10.25
EKHO.CA	EGYPT KUWAIT H/d	1.28	1.29 \$ *	1.26 \$	1.37 \$	1.40 \$	↓	P.SELL	1.37
HRHO.CA	EFG HERMES HOL/d	17.10	16.70	15.85	17.35	18.00	↓	P.SELL	18.00
ORAS.CA	ORASCOM CONST/d	101.40	99.00	96.50	103.00	106.00	↔	Hold	96.50
AMOC.CA	ALX MINERAL OI/d	3.70	3.55	3.30	3.97	4.10	↓	P.SELL	4.10
MNHD.CA	NASR CITY HOUS/d	4.81	4.68	4.45	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	13.65	13.30	12.99	14.60	15.20	↓	P.SELL	14.60
JUFO.CA	JUHAYNA FOOD I/d	8.50	8.00	7.70	9.20	10.00	↔	Hold	10.00
ESRS.CA	EZZ STEEL/d	10.70	10.12	9.60	11.50	12.40	↔	Hold	11.50
ETEL.CA	TELECOM EGYPT/d	10.34	10.00	9.60	10.75	11.00	↓	P.SELL	10.75
CCAP.CA	CITADEL CAPITA/d	2.28	2.10	2.00	2.40	2.55	↔	Hold	2.40
ISPH.CA	IBNSINA PHARMA	9.30	8.90	8.50	10.00	10.30	↔	Hold	8.90
PHDC.CA	PALM HILL DEV /d	1.83	1.82	1.72	1.97	2.05	↓	P.SELL	1.97
CLHO.CA	CLEOPATRA HOSPITAL COMPANY	5.85	5.00	4.68	6.00	6.40	↔	Hold	6.00
HELI.CA	HELIOPOLIS/d	24.00	23.00	21.80	24.85	25.90	↓	P.SELL	25.00
CIEB.CA	CREDIT AGRICOL/d	44.00	40.00	38.00	45.00	47.00	↔	Hold	40.00
EGCH.CA	EGYPT CHEM IND/d	5.21	5.05	4.70	5.45	5.65	↔	Hold	5.05
EMFD.CA	EMAAR MISR DEV/d	2.77	2.67	2.49	2.80	3.00	↔	Hold	2.67
OIH.CA	ORASCOM INVESTMENT HOLDING	0.55	0.54	0.52	0.59	0.62	↓	P.SELL	0.59
ORHD.CA	ORASCOM EGYPT/d	6.39	6.25	6.00	6.50	6.80	↔	Hold	6.80
EGTS.CA	EGYPTIAN RESOR/d	2.51	2.40	2.32	2.70	2.88	↔	Hold	2.40
ORWE.CA	ORIENTAL WEAVE/d	10.36	10.05	9.70	11.10	11.70	↔	Hold	11.10
IRON.CA	EGYPTIAN IR & /d	2.39	2.15	N.A	2.60	2.84	↓	P.SELL	2.60
ADIB.CA	ABU DHABI/d	12.27	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.