

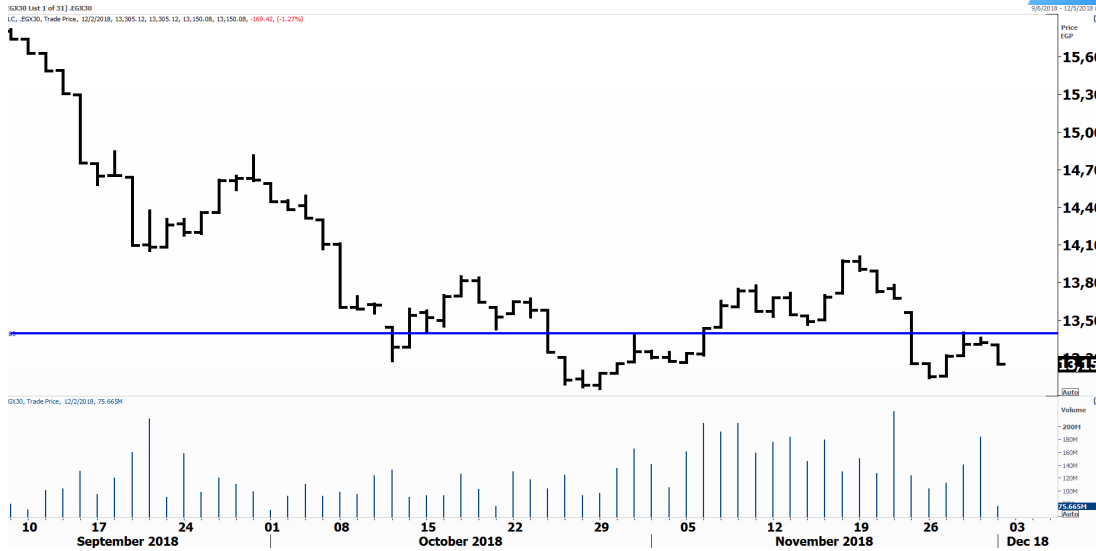


PIONEERSECURITIES

TECH TO THE POINT

3-Dec-18

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



Last	13,150.08
High Today	13,305.12
Low Today	13,150.08
Volume M	75.665
First Support	13,000.00
Second Support	12,700.00
First Resistance	13,400.00
Second Resistance	14,000.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-0.03%
1 MONTH	-0.40%
1 QUARTER	-17.05%
1 YEAR	-9.82%
YTD	-12.44%

Analysis

Everybody hates capital increases; GTHE's shocking morning news led the stock to a 12% decline with almost 13 million shares offered at the limit down price. Such a sudden bad sentiment did not have a strong effect on the rest of the market which was able to maintain itself. Obviously, the rest of the stocks did not rise, but at least, they did not witness selloffs.

It is hard to say what will happen with GTHE, especially that we were positive on the stock on Thursday because of its relatively strong performance recently. As for the index, we have formed a minor peak at 13,400, which can be used as an entry point in case it is broken upwards.

Let us put it this way; if the market succeeds to absorb this news and rise, this will be considered bullish for our market; a break above 13,400 will be viewed as positive. It is not easy to tell whether GTHE will rebound today or not, but we should note that at least a part of the "capital increase" news is already discounted since the stock was trading at 4.5.

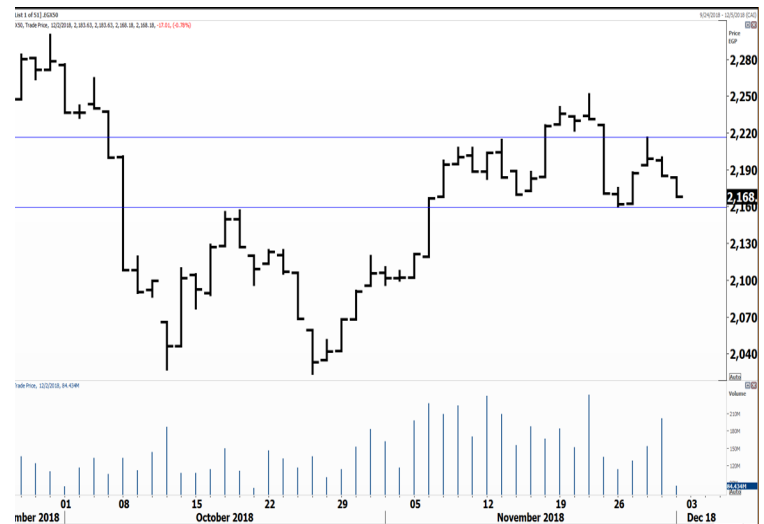
Egyptian Exchange Equal Weights Index EGX50

Analysis


The EGX 50 index declined yesterday along with the EGX 30 decline, to close at 5,168. The index created a minor peak at 2,220; this peak can be used as an early entry point.


Yesterday's decline has put the market in jeopardy especially that the index is challenging its minor support that lies at 2,160. A break below this level will invite more selling pressure to come, which will put some pressure on the market, which can lead the EGX 50 to 2,070 (a 4.5% decline from current levels).


It is important to watch how the market will perform today and whether the 2,160 will be violated or not.




Resistance

ATQA  New historical highs is a nice thing to watch. Our recommendation is to enter the stock with a stop below 31 or below 33, depending on each one's risk tolerance. We do not have an upper target but we expect this rise to continue.

ESGI  Egyptian Starch and Glucose witnessed high volumes yesterday by breaking the 10.85 peak upwards, and currently challenging 11.2. If the stock confirms its breakout, especially if it succeeds to trade above 11.2, the next rise will be strong and our target will be set near 14.5


ACAMD  The stock broke 2.8, closing at 2.88 at the end of the session. ACAMD witnessed some selling pressure in the middle of the session but was able to maintain itself and absorb sellers to close near the high. We are still expecting much higher targets. The stock's historical peak is expected to be revisited soon.


Support

GTHE  The break below 3.45 came swiftly with the capital increase news; yesterday's decline does not look pretty; this can lead more pressure on the stock, especially that the 3.5-3.8 area contains a lot of volumes. Our recommendation is simply to sell rises for now until we see where the stock will bottom once again.

Testing

Support

EGTS  Rebounded from its support that lies at 1.9 to close at 1.94 at the end of the session. We need the stock to break once again above 2.05 to repurchase.

SUCE  Trading at its support but still unable to rise. Yesterday's volumes were significantly high, which increases the likelihood of a rise. Our first minor signal to enter will be a break above 13.5.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	73.01	72.00	70.00	77.00	79.50	↔	Hold	72.00
EAST.CA	EASTERN CO	18.49	16.60	15.75	19.80	21.00	↑	P.Buy	16.60
SWDY.CA	ELSWEDY ELECTRIC	15.90	15.90 *	14.80	18.30	20.50	↑	P.Buy	15.90
TMGH.CA	TALAT MOSTAFA	9.55	9.30	9.10	10.50	11.40	↔	Hold	10.50
ABUK.CA	ABU QIR FRT&CHM	26.29	25.50	24.50	28.45	29.00	↓	P.SELL	29.00
EKHO.CA	EGYPT KUWAIT HLD	1.08	\$1.08 *	\$1.03	\$1.12	\$1.15	↔	Hold	\$1.08
HRHO.CA	EFG HERMES HOLD	14.54	13.55	12.80	14.84	15.70	↓	P.SELL	14.84
GTHE.CA	GLOBAL TELECO	3.26	3.28 *	3.00	3.88	4.07	↔	Hold	3.28 *
AMOC.CA	ALX MINERAL OILS	6.44	6.25	5.93	7.18	7.50	↓	P.SELL	7.50
MNHD.CA	MEDINET NASR HOU	7.09	6.90	6.30	7.75	8.40	↔	Hold	6.90
SKPC.CA	SIDI KERIR PETRC	17.43	16.30	15.70	18.40	19.23	↓	P.SELL	20.60
OCDI.CA	6TH OCT DEV INV	15.35	14.80	14.20	17.20	17.90	↔	Hold	17.20
JUFO.CA	JUHAYNA FOOD IND	10.54	9.50	8.50	11.50	12.10	↔	Hold	9.50
ESRS.CA	EZZ STEEL	18.80	18.00	17.25	20.10	20.95	↓	P.SELL	20.95
ETEL.CA	TELECOM EGYPT	11.90	11.90	10.85	13.25	14.00	↑	P.Buy	10.85
CCAP.CA	CITADEL CAPITAL	3.87	3.60	3.40	4.13	4.40	↑	Hold	3.60
QNBA.CA	QNB ALAHLI	40.20	40.00	38.00	46.00	50.00	↓	P.SELL	50.00
PHDC.CA	PALM HILL DEV CO	2.45	2.30	2.18	2.90	3.20	↑	P.Buy	2.30
ORAS.CA	ORASCOM CONST	113.00	110.00	108.00	122.00	131.00	↔	Hold	122.00
HELI.CA	Misr Gedida Hou	17.00	16.00	15.00	18.50	19.50	↓	P.SELL	19.50
EFID.CA	EDITA FOOD INDS	0.00	13.80	13.00	16.00	17.00	↓	P.SELL	16.00
ISPH.CA	IBNSINA PHARMA	10.10	10.10	9.50	11.00	12.20	↑	P.Buy	9.50
EMFD.CA	EMAAR MISR DEV	3.10	3.05	2.85	3.45	3.70	↔	Hold	3.45
PIOH.CA	PIONEERS HLDG	6.65	6.10	5.60	7.15	8.00	↔	Hold	5.60
OIH.CA	ORASCOM INVESTMENT HOLD- ING	0.57	0.56	0.51	0.60	0.64	↔	Hold	0.56
EGAL.CA	EGYPT ALUMINIUM	34.43	32.50	31.00	36.00	38.00	↔	Hold	32.50
EGTS.CA	EGYPTIAN RESORTS	1.94	1.94 *	1.68	2.12	2.22	↓	P.SELL	2.22
PORT.CA	PORTO GROUP	0.89	0.84	0.78	0.98	1.10	↔	Hold	0.78
IRON.CA	EGYPTIAN IR & ST	5.30	5.30	4.93	5.70	5.90	↔	Hold	4.93
ACGC.CA	ARAB COTTON GIN.	1.85	1.80	1.65	2.00	2.11	↔	Hold	2.00

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).

Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst

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.