

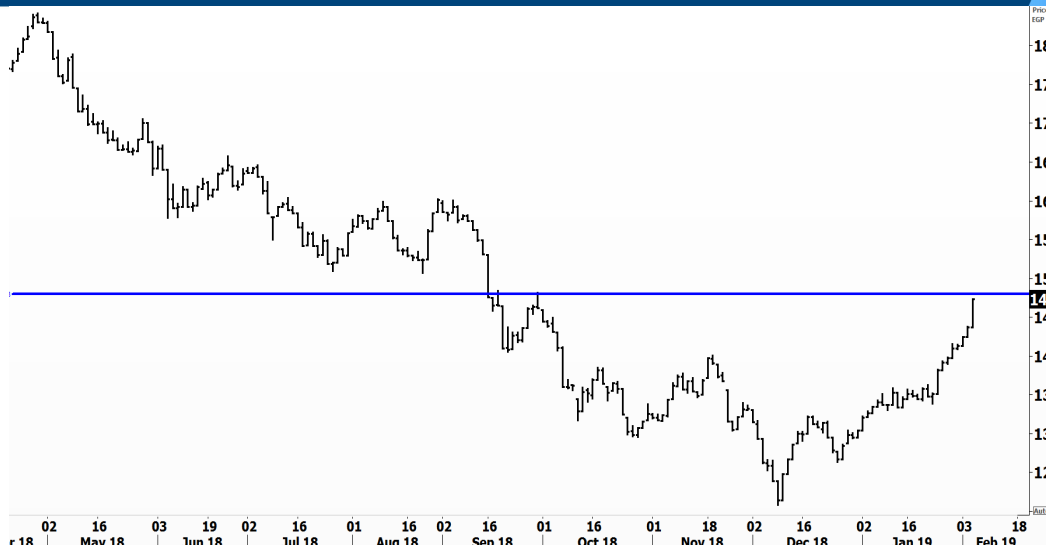


PIONEERSECURITIES

TECH TO THE POINT

6-Feb-19

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



Last	14,733.11
High Today	14,733.36
Low Today	14,366.06
Volume	M 1.638
First Support	14,000.00
Second Support	13,600.00
First Resistance	14,800.00
Second Resistance	15,000.00
Stop Loss	14,000.00
HISTORICAL RETURN %	
1 WEEK	5.41%
1 MONTH	10.42%
1 QUARTER	9.65%
1 YEAR	-1.53%
YTD	13.02%

Analysis

The market continued its strong rise yesterday, approaching our target as the EGX 30 almost reached 14,800. We can consider the 14,800-15,000 as our target area ; since the market reached this area quickly, the next decline can be less sharp than usual. In other words, the correction that the market might witness from current levels will probably not be strong.

Those who use trailing stops are recommended to alter the stop and keep it below yesterday's low; at around 14,400. On the other hand, investors who are trying to reduce their exposure at the current target area are recommended to step in at the next correction, or if the index breaks 15,000 upwards. A renewed break above this level will lead the index to 16,000.

As we know, we are bullish on the market and are expecting much higher levels. We are just monitoring the market at these levels to see whether a minor correction will occur or not.

Egyptian Exchange Small Caps Index EGX70


Analysis


Trying to break its minor resistance upwards. If the EGX 70 index continues its rise today, it will probably reach the 700-705 area soon. A break above this important resistance area will trigger a strong buy signal.


The EGX 70 index is still in its early phases of a significant rise. We are thus expecting small and medium caps stocks to perform well in the coming period. Our final confirmation will be triggered at a clear breakout above 705.



Resistance

TMGH  The stock broke 11.48 upwards with high volumes but was stopped by the 12 resistance level. A minor correction might occur from here; those who are out of the stock are recommended to buy at dips as we are expecting an ultimate breakout above 12.

COMI  If CIB continues trading above 88 today, our next target will be set at around 95, which is the stock's major peak. COMI is in a bullish mode and any decline will be considered as a chance to step in. If the market corrects, and COMI declines, it will not go beyond 85, which will be a very good price for buying opportunities.

AUTO  Closed at 5.41 after breaking 5.35 to the upside with high volumes. AUTO still has an important resistance at 5.68. After the recent breakout, however, the probability of a breakout above the next resistance is higher.


Support


No stocks broke their support yesterday.


Testing

Support

Resistance

SKPC  Challenging its resistance that lies at 19. A break above this level will trigger a buy signal with a target around 22-22.5. SKPC looks better than before and is preparing itself for the breakout.

AMOC  Weaker than SKPC but also trying to improve. If the stock breaks 6.07 it might reach the 6.4-6.5 range. We are also positive on AMOC but we believe that SKPC is a better investment opportunity.

HDBK  After testing its major support and rebounding, HDBK is currently approaching its resistance that lies at 54. A break above this level will trigger a buy signal with a target at 60.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/Re-Entry
COMI.CA	COM INTL BK	89.49	85.20	82.00	88.50 *	93.00	↑	Hold	82.00
EAST.CA	EASTERN CO	16.68	15.50	14.60	17.15	19.00	↔	Hold	17.15
SWDY.CA	ELSWEDY ELECTRIC	17.90	17.30	16.00	18.40	19.00	↑	Hold	17.30
TMGH.CA	TALAT MOSTAFA	11.71	10.85	10.30	12.30	12.70	↑	P.Buy	10.85
ACAMD.CA	Arab Co. for Asset Management	2.89	2.73	2.60	3.07	3.25	↔	Hold	2.73
EKHO.CA	EGYPT KUWAIT HLD	1.27	\$1.17	\$1.15	\$1.27 *	\$1.34	↑	P.Buy	\$1.17
HRHO.CA	EFG HERMES HOLD	17.06	16.20	15.30	17.40	17.80	↑	Hold	15.30
GTHE.CA	GLOBAL TELECO	4.72	4.40	3.93	4.92	5.28	↑	Hold	3.93
AMOC.CA	ALX MINERAL OILS	6.03	5.50	5.35	6.07	6.70	↔	Hold	6.70
MNHD.CA	MEDINET NASR HOU	6.98	6.20	5.50	7.00	7.22	↔	Hold	7.22
CIRA.CA	Cairo Investment & Real Estate	9.50	8.30	8.00	10.00	N.A	↔	Hold	8.00
OCDI.CA	6TH OCT DEV INV	16.45	14.50	13.00	17.20	18.50	↑	Hold	16.90
JUFO.CA	JUHAYNA FOOD IND	12.05	11.00	10.20	13.00	14.00	↑	Hold	11.00
ESRS.CA	EZZ STEEL	20.37	19.20	18.30	21.15	22.00	↔	Hold	18.30
ETEL.CA	TELECOM EGYPT	14.76	14.00	13.00	15.50	16.00	↑	P.Buy	14.00
CCAP.CA	CITADEL CAPITAL	3.82	3.60	3.50	3.98	4.15	↔	Hold	3.50
SRWA.CA	Sarwa Capital Holding	6.58	6.00	5.50	6.75	7.40	↔	Hold	6.00
PHDC.CA	PALM HILL DEV CO	2.49	2.21	2.11	2.60	2.70	↔	Hold	2.40
AUTO.CA	GB AUTO S.A.E	5.50	5.10	4.70	5.68	5.80	↔	Hold	4.70
HELI.CA	Misr Gedida Hou	21.10	19.50	18.50	22.00	23.50	↑	P.Buy	18.50
AIND.CA	ARABIA INVEST	0.73	0.70	0.63	0.75	0.81	↔	Hold	0.75
EGCH.CA	EGYPT CHEM IND	7.20	7.00	6.65	7.60	8.20	↑	Hold	7.00
EMFD.CA	EMAAR MISR DEV	3.61	3.42	3.30	3.70	3.90	↑	Hold	3.30
PIOH.CA	PIONEERS HLDG	6.74	6.22	6.00	6.80	7.17	↔	Hold	6.00
OIH.CA	ORASCOM INVESTMENT HOLDING	0.65	0.60	0.57	0.67	0.70	↑	P.Buy	0.57
ORHD.CA	ORASCOM DEV	7.30	7.20	6.25	7.94	N.A	↑	Hold	7.20
EGTS.CA	EGYPTIAN RESORTS	2.10	1.95	1.83	2.14	2.22	↑	P.Buy	1.95
ORWE.CA	ORIENTAL WEAVERS	11.15	10.80	10.20	11.60	12.50	↔	Hold	11.60
IRON.CA	EGYPTIAN IR & ST	5.51	5.25	5.00	5.70	6.00	↔	Hold	5.70
ACGC.CA	ARAB COTTON GIN.	1.98	1.80	1.64	2.01	2.20	↔	Hold	1.64

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

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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.