

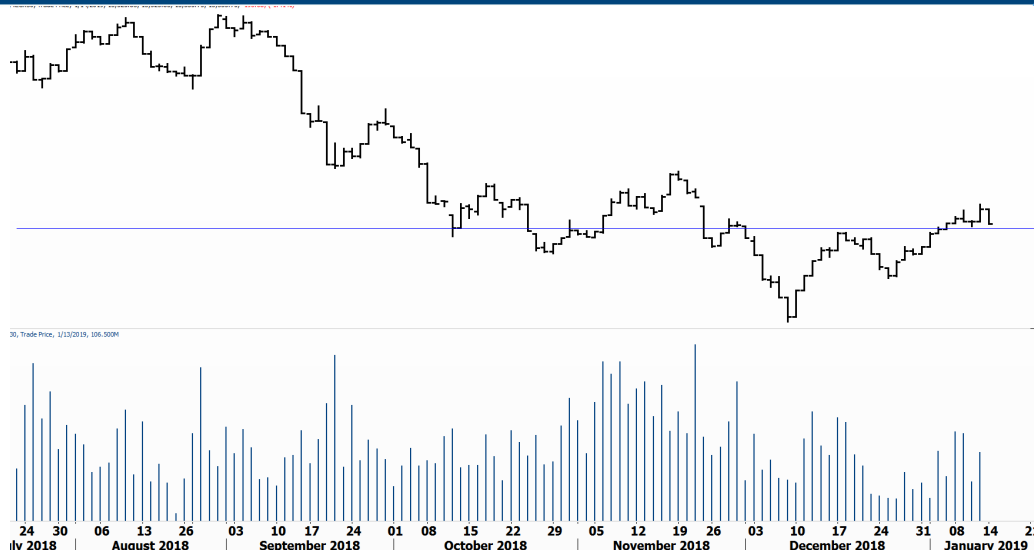


PIONEERSECURITIES

TECH TO THE POINT

15-Jan-19

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



| | |
|---------------------|-----------|
| Last | 13,335.75 |
| High Today | 13,525.83 |
| Low Today | 13,335.75 |
| Volume | M 74.435 |
| First Support | 13,300.00 |
| Second Support | 12,600.00 |
| First Resistance | 14,000.00 |
| Second Resistance | 14,500.00 |
| Stop Loss | |
| HISTORICAL RETURN % | |
| 1 WEEK | -0.05% |
| 1 MONTH | 2.61% |
| 1 QUARTER | -1.37% |
| 1 YEAR | -12.58% |
| YTD | 2.30% |

Analysis

Yesterday's decline sent the EGX 30 to 13,335. As we mentioned yesterday, the 13,300 is our short-term stop. In other words, if the market continues its decline today, short-term traders will be stopped out temporarily and our re-entry will be triggered at the next rebound, which is expected to occur from a level above 12,600.

Our breakout re-entry lies at 13,500; this means that those who sold or who will sell at a stop will repurchase their position at a breakout above 13,500 (in case the market does not continue its decline).

Our view, as we can see, is bullish despite the potential market correction. A break below 12,600 is unlikely to occur currently and we are expecting an ultimate break above 14,000.

Hermes Last Index/ 30-minutes Chart

Analysis

Looking at the Hermes Last Index intraday chart is important as it shows as clearly our stop that will be triggered for short-term traders.

The 1,300 is our current minor support and our short-term stop. The index closed at 1,303 and is currently challenging this stop. If we break below 1,300 on the Hermes Last Index, selling pressure will intensify, which will lead the index near 1,270.


Thus, a break below 1,300 will be our stop and our re-entry will be triggered at the first rebound near 1,270.


On a more micro level, short-term investors who will be stopped, can repurchase at a break above 1,308 in case the market rises after it breaks below 1,300.

What we are doing now is that we are explaining to our readers how to deal in case a false break occurs. We have to be ready in case we are stopped and also in case we are bluffed by the market.



Resistance

ESGI  The stock was able to close above its important resistance that lies at 15.9-16. If this breakout is confirmed today and ESGI continues trading above 16, the 17.5 resistance will probably be broken upwards, which will lead the stock near its peak at 19-20.


ELSH  Closed at 6.33 after breaking 6.28 upwards. Today should be the breakout confirmation; our minimum target lies at 6.9. Only a clear break above this level (i.e. a break above 7) will be bullish for ELSH and will lead it near 9.5-10.

Support


No stocks broke their support yesterday

Testing


Support

EGTS  Rebounded from its support that lies at 1.7 to close at 1.79 at the end of the session. Our buy signal will be triggered at a break above 1.88. If we break this level, a clear buy will be signaled with a target near 2.15-2.2.

Resistance

ISPH  One of the outperformers in the EGX 30 index and witnessed an intermediate-term buy signal using the weekly moving average crossover system. *"Please look at our weekly overview for info about stocks that witnessed intermediate-term buy signals, and also for our ranking".*

If ISPH breaks above 10.65, it will probably break 11, which will lead it near 12.

AIND  The stock closed slightly above its resistance that lies at 0.722. Volumes were very high yesterday and we expect this break to be confirmed today. If AIND trades above 7.22 today, a buy signal will be triggered with an initial target at 0.8.

| Symbol | S. Description | Last | Support 1 | Support 2 | Resistance 1 | Resistance 2 | Trend | Recommendation | Stop Loss/ Re-Entry |
|---------|-------------------------------|--------|-----------|-----------|--------------|--------------|-------|----------------|------------------------|
| COMI.CA | COM INTL BK | 75.06 | 73.25 | 71.50 | 77.00 | 79.00 | ↔ | Hold | 77.00 |
| EAST.CA | EASTERN CO | 16.34 | 16.00 | 15.50 | 17.15 | 19.00 | ↔ | Hold | 17.15 |
| SWDY.CA | ELSWEDY ELECTRIC | 18.31 | 17.50 | 16.00 | 19.00 | 20.45 | ↑ | P.Buy | 17.30 |
| TMGH.CA | TALAT MOSTAFA | 10.55 | 10.20 | 9.60 | 11.00 | 11.40 | ↔ | Hold | 10.20 |
| ABUK.CA | ABU QIR FRT&CHM | 23.65 | 22.50 | 21.25 | 24.80 | 26.00 | ↓ | P.SELL | 26.00 |
| EKHO.CA | EGYPT KUWAIT HLD | 1.13 | \$1.10 | \$1.05 | \$1.13 * | \$1.15 | ↔ | Hold | \$1.13 |
| HRHO.CA | EFG HERMES HOLD | 16.00 | 15.50 | 14.50 | 16.40 | 17.70 | ↑ | P.Buy | 15.50 |
| GTHE.CA | GLOBAL TELECO | 3.30 | 3.20 | 2.75 | 3.93 | 4.06 | ↔ | Hold | 3.93 |
| AMOC.CA | ALX MINERAL OILS | 6.30 | 6.07 | 5.75 | 6.70 | 7.20 | ↔ | Hold | 7.20 |
| MNHD.CA | MEDINET NASR HOU | 6.78 | 6.50 | 6.25 | 7.22 | 7.65 | ↔ | Hold | 7.65 |
| SKPC.CA | SIDI KERIR PETRC | 18.02 | 17.30 | 16.40 | 19.23 | 20.50 | ↑ | P.Buy | 17.30 |
| OCDI.CA | 6TH OCT DEV INV | 14.01 | 13.20 | 12.60 | 15.50 | 17.00 | ↔ | Hold | 15.50 |
| JUFO.CA | JUHAYNA FOOD IND | 11.48 | 10.50 | 9.50 | 11.70 | 13.00 | ↔ | Hold | 9.50 |
| ESRS.CA | EZZ STEEL | 19.19 | 18.95 | 17.50 | 20.10 | 21.15 | ↔ | Hold | 20.10 |
| ETEL.CA | TELECOM EGYPT | 13.70 | 13.15 | 12.50 | 14.00 | 15.50 | ↑ | P.Buy | 12.00 |
| CCAP.CA | CITADEL CAPITAL | 3.72 | 3.60 | 3.40 | 3.83 | 4.00 | ↔ | Hold | 3.83 |
| QNBA.CA | QNB ALAHLI | 41.00 | 39.00 | 36.00 | 42.00 | 46.00 | ↔ | Hold | 46.00 |
| PHDC.CA | PALM HILL DEV CO | 2.19 | 2.12 | 2.06 | 2.30 | 2.40 | ↔ | Hold | 2.40 |
| ORAS.CA | ORASCOM CONST | 117.58 | 112.00 | 108.00 | 120.00 | 135.00 | ↔ | Hold | 112.00 |
| HELI.CA | Misr Gedida Hou | 18.79 | 17.40 | 16.30 | 19.50 | 21.95 | ↔ | Hold | 19.50 |
| EFID.CA | EDITA FOOD INDS | 14.00 | 14.00 | 12.60 | 15.40 | 17.00 | ↔ | Hold | 16.00 |
| ISPH.CA | IBNSINA PHARMA | 10.50 | 9.50 | 8.60 | 10.50 * | 11.00 | ↔ | Hold | 9.50 |
| EMFD.CA | EMAAR MISR DEV | 3.08 | 3.11 * | 2.90 | 3.45 | 3.72 | ↔ | Hold | 3.45 |
| PIOH.CA | PIONEERS HLDG | 6.30 | 6.12 | 5.75 | 6.50 | 6.80 | ↔ | Hold | 5.75 |
| OIH.CA | ORASCOM INVESTMENT HOLDING | 0.57 | 0.58 * | 0.54 | 0.60 | 0.64 | ↔ | Hold | 0.54 |
| EGAL.CA | EGYPT ALUMINIUM | 25.62 | 23.50 | 21.70 | 26.12 | 27.20 | ↔ | Hold | 26.12 |
| EGTS.CA | EGYPTIAN RESORTS | 1.79 | 1.70 | 1.63 | 1.88 | 2.05 | ↔ | Hold | 2.05 |
| PORT.CA | PORTO GROUP | 0.89 | 0.83 | 0.79 | 0.96 | 1.00 | ↔ | Hold | 0.96 |
| IRON.CA | EGYPTIAN IR & ST | 5.50 | 5.00 | 4.50 | 5.70 | 6.00 | ↔ | Hold | 5.70 |
| ACGC.CA | ARAB COTTON GIN. | 1.73 | 1.70 | 1.60 | 1.88 | 2.01 | ↔ | Hold | 1.60 |

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.