

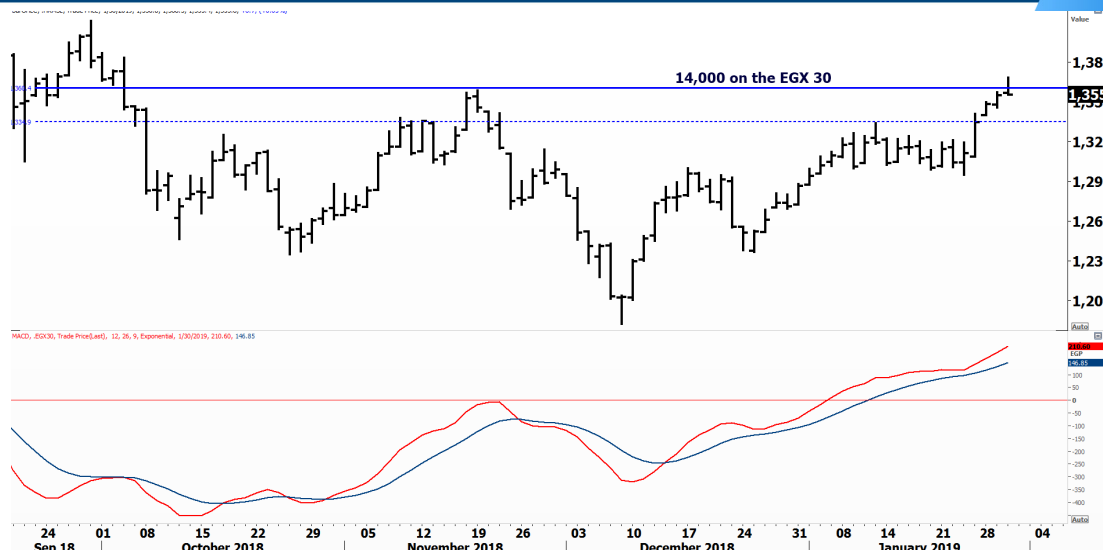


PIONEERSECURITIES

# TECH TO THE POINT

31-Jan-19

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



Last	1,355.82
High Today	1,368.31
Low Today	1,355.40
Volume M	0.000
First Support	1,335.00
Second Support	1,294.00
First Resistance	1,360.00
Second Resistance	1,410.00
Stop Loss	1,294.00

## HISTORICAL RETURN %

1 WEEK	3.38%
1 MONTH	5.35%
1 QUARTER	7.20%
1 YEAR	-11.08%
YTD	5.35%

## Analysis

The market witnessed some selling pressure in the second half of yesterday's session, leading the Hermes Last Index near the low of the day. The index closed at 1,355, below 1,360 which coincides with the 14,000 on the EGX 30 index. Having said that, the EGX 30 is not considered a breakout despite that it closed slightly above 14,000. The failure of the Hermes Last Index to close beyond its corresponding resistance tells us that the breakout did not occur yet.

Nonetheless, we are bullish and are expecting a confirmation of this breakout; the confirmation will occur as the Hermes Last Index closes the week above 1,360; if this occurs, we will consider the market to have broken upwards.

If a correction occurs from current levels, it will be considered healthy as it will be like a preparation for a stronger breakout. Our important support to watch will be 1,335 on the Hermes Last Index, which coincides with the 13,600 on the EGX 30.

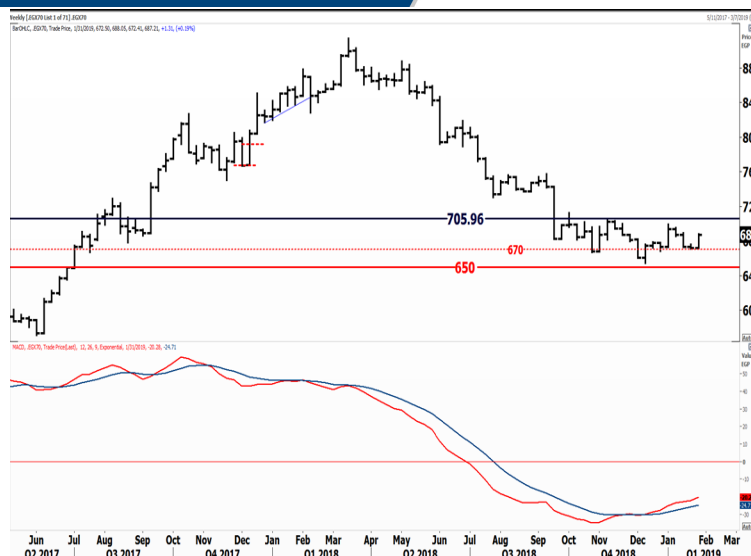
## Egyptian Exchange Small Caps Index EGX70

## Analysis


The EGX 70 index is currently moving in a sideways range between 650 and 705. A break beyond either of these two boundaries will have strong implications on the next move. Our bias is more to the bullish side as we are expecting a breakout above the 700 level which will lead the index to higher levels.


Shorter-term investors can place their stop below 670; this is the week's low and we are considering it as a significant level as any violation below it will put the important 650 support in jeopardy.

For now, our support that should halt minor corrections is 670; on the other hand, a break above 705 will call for new entries.




## Resistance

**TMGH**  Closed at 11.2 after confirming the breakout of the 11-resistance level. The stock might correct if the market retreats from here; the 10.9 level will probably serve as support. Our upward target lies at 12.3. We are expecting the 11.45 (which can be considered as a minor resistance) to be broken upwards. TMGH is one of the outperformers.

**MOIL**  Broke 0.37 upwards yesterday to close at 0.38 at the end of the session. The breakout came on relatively high volumes. It is important to note that the 0.393 can serve as resistance; a break above this level, however, will lead MOIL near 0.43.


## Support


**ORAS**  Closed at 106 after breaking its support yesterday. If this decline continues, ORAS can reach 85 where the next important support resides. We do not recommend any entry until the 120 level is broken upwards or if the stock tests its next important support.

## Testing

### Support

### Resistance

**KABO**  Preparing itself to break 1.19 upwards. A breakout above this level will trigger a buy signal with a target at 1.4. On the other hand, position holders are recommended to place their stop below 1.12. Obviously, a breakout above 1.19-1.2 will call for adding to positions.

**ELSH**  The 6.5 level will probably be broken today, which should lead ELSH to 6.9 which is the major resistance of the stock. We recommend investors to step in at the 6.5 breakout, and add to positions as the stock is breaking 6.9 upwards.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	82.25	79.00	77.00	86.00	88.00	↑	Hold	79.00
EAST.CA	EASTERN CO	16.75	15.50	14.60	17.15	19.00	↔	Hold	17.15
SWDY.CA	ELSWEDY ELECTRIC	17.72	17.30	16.00	19.00	20.45	↑	Hold	17.30
TMGH.CA	TALAT MOSTAFA	11.21	10.85	10.30	11.45	12.30	↑	P.Buy	10.30
ABUK.CA	ABU QIR FRT&CHM	23.51	22.50	21.25	24.80	26.00	↓	P.SELL	26.00
EKHO.CA	EGYPT KUWAIT HLD	1.25	\$1.17	\$1.15	\$1.27	\$1.34	↑	P.Buy	\$1.17
HRHO.CA	EFG HERMES HOLD	16.72	16.20	15.30	17.10	17.80	↑	Hold	15.30
GTHE.CA	GLOBAL TELECO	4.56	4.35	3.93	4.50*	4.92	↑	Hold	3.93
AMOC.CA	ALX MINERAL OILS	5.73	5.50	5.35	6.07	6.70	↔	Hold	6.70
MNHD.CA	MEDINET NASR HOU	6.67	6.20	5.50	7.00	7.22	↔	Hold	7.22
SKPC.CA	SIDI KERIR PETRC	17.70	16.43	15.70	19.00	20.50	↔	Hold	16.43
OCDI.CA	6TH OCT DEV INV	15.00	13.00	12.60	15.50	16.90	↔	Hold	15.50
JUFO.CA	JUHAYNA FOOD IND	11.50	10.50	9.50	11.70	13.00	↔	Hold	9.50
ESRS.CA	EZZ STEEL	19.50	18.35	17.60	20.10	21.15	↔	Hold	20.10
ETEL.CA	TELECOM EGYPT	13.71	13.15	12.50	14.60	15.50	↑	P.Buy	13.15
CCAP.CA	CITADEL CAPITAL	3.66	3.60	3.50	3.98	4.15	↔	Hold	3.50
QNBA.CA	QNB ALAHLI	45.85	41.00	39.00	46.00	48.00	↔	Hold	46.00
PHDC.CA	PALM HILL DEV CO	2.23	2.11	2.06	2.30	2.40	↔	Hold	2.40
ORAS.CA	ORASCOM CONST	106.00	103.00	85.00	120.00	135.00	↓	P.SELL	120.00
HELI.CA	Misr Gedida Hou	18.70	17.00	16.30	19.50	22.00	↔	Hold	19.50
EFID.CA	EDITA FOOD INDS	0.00	14.00	12.60	15.40	17.00	↔	Hold	16.00
ISPH.CA	IBNSINA PHARMA	11.00	10.65	10.00	11.93	12.15	↔	Hold	10.00
EMFD.CA	EMAAR MISR DEV	3.45	3.02	2.90	3.45 *	3.70	↔	Hold	3.45
PIOH.CA	PIONEERS HLDG	6.26	5.97	5.75	6.60	6.80	↔	Hold	5.75
OIH.CA	ORASCOM INVESTMENT HOLDING	0.58	0.54	0.51	0.60	0.64	↔	Hold	0.54
EGAL.CA	EGYPT ALUMINIUM	24.60	23.50	21.60	27.00	30.00	↔	Hold	26.12
EGTS.CA	EGYPTIAN RESORTS	1.97	1.83	1.72	2.05	2.22	↑	P.Buy	1.83
PORT.CA	PORTO GROUP	0.82	0.77	0.73	0.96	1.00	↔	Hold	0.96
IRON.CA	EGYPTIAN IR & ST	5.29	5.25	5.00	5.70	6.00	↔	Hold	5.70
ACGC.CA	ARAB COTTON GIN.	1.70	1.64	1.60	1.77	1.88	↔	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).

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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.