

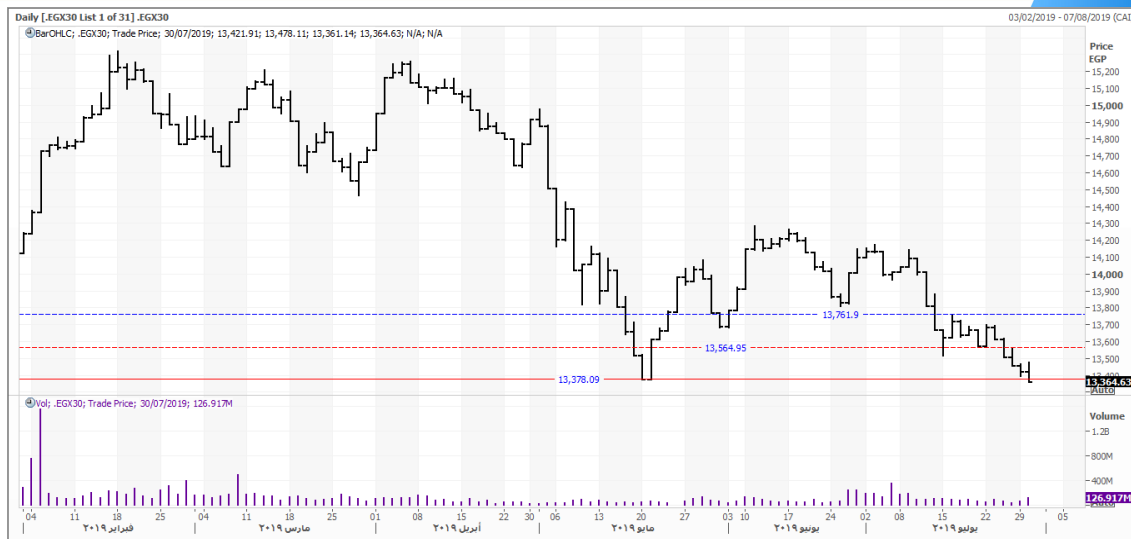


PIONEERSECURITIES

TECH TO THE POINT

31-Jul-19

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



Last	13,364.63
High Today	13,478.11
Low Today	13,361.14
Volume M	126.917
First Support	13,300.00
Second Support	12,600.00
First Resistance	13,500.00
Second Resistance	13,750.00
Stop Loss	

HISTORICAL RETURN %	
1 WEEK	-2.34%
1 MONTH	-5.22%
1 QUARTER	-10.43%
1 YEAR	-12.63%
YTD	2.52%

Analysis

Sellers did not give buyers any chance to breathe and they aggressively dumped their shares in a shocking panic selling session. Yesterday's decline broke support, which should lead to more decline. The EGX 30 index is probably heading towards 12,600.

The scenario of a false breakout is still valid; this means that the market can witness a decline to its target and then rebounds and begins its strong, expected, rise.

On a more intraday level, if the decline stops here, we will not recommend stepping in unless 13,500 is clearly broken upwards. Our entry level will obviously change if the decline continues.

Egyptian Exchange Equal Weights Index EGX50

Analysis

The break below 2,000 on the EGX 50 index is significant especially if we close the week below this level. Thus, if the index does not rebound this week and closes below 2,000, this will not be a good sign for the market. As we know, the 2,000 coincides with the 12,000 on the EGX 30 index.

Since the EGX 30 is overrated because of the capitalization effect, it is still trading near 13,300.






Thus, the break below 2,000 is not yet confirmed as the week did not end. The probability of a bear trap is still there.



Resistance

No stocks broke their resistance yesterday

Support



- SWDY**  The break below 13.5, was the initial breakout, which was confirmed later after the violation of 13. The weekly chart of SWDY looks bad, especially after the confirmation of the support break. No positive signal will appear unless the stock surpasses 13.5 upwards.
- CCAP**  Broke 3.45 and 3.3 in one shot. CCAP witnessed a severe decline yesterday, closing at 3.2 at the end of the session. The 3-3.05 range is the next important area to watch. A rebound from this support should create a short-term buy signal.
- AMOC**  Broke 3.8 downwards, closing at 3.64 at the end of the session. If this break is confirmed on a weekly basis, AMOC will probably reach 2.9.
- AIH**  Unfortunately, AIH broke its support level to reach new 5 years low; This break might be a false one, only if the 0.47 level is broken to the upside once again. If this occurs, a short-term buy signal will be triggered.
- EGAL**  Closed below the 11.75-11.85 range. This violation is not confirmed though, especially that the stock is falling with shrinking momentum. If, however, the 11.75 is not broken back upwards, stops will be triggered.

Testing

Support

- EKHO**  Approached the 1.18-1.19 support and rebounded to close at 1.248 at the end of the session. We believe that EKHO can reach 1.35. First minor hurdle however, lies near 1.265.

Resistance

- ETEL**  One of the outperformers in the stock market. If the 14.25 level is broken upwards, a new buy signal will be triggered with a target near 15.5
- EAST**  The stock has resistance at 16. A break above this resistance will trigger a buy signal with a target at 17.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK/d	71.20	70.55	69.00	73.00	75.20	↔	Hold	69.00
EAST.CA	EASTERN CO/d	15.61	15.20	14.60	16.00	16.70	↔	Hold	15.20
SWDY.CA	ELSWEDY ELECTR/d	11.90	11.60	11.00	13.00	13.60	↓	P.SELL	13.60
TMGH.CA	TALAT MOSTAFA/d	9.82	9.60	9.10	11.00	11.60	↓	P.SELL	11.00
ACAMD.CA	Arab Co. for Asset Management	2.15	2.13	1.98	2.37	2.46	↔	Hold	2.13
EKHO.CA	EGYPT KUWAIT H/d	1.25	1.18 \$	1.16 \$	1.27 \$	1.36 \$	↓	P.SELL	1.36
HRHO.CA	EFG HERMES HOL/d	16.50	16.39	15.85	17.00	17.70	↔	Hold	15.85
GTHE.CA	GLOBAL TELECO/d	4.94	4.75	4.45	5.15	5.28	↔	Hold	4.45
AMOC.CA	ALX MINERAL OI/d	3.64	3.40	3.20	4.20	4.60	↓	P.SELL	4.20
MNHD.CA	MEDINET NASR H/d	4.70	4.70 *	4.55	5.05	5.24	↔	Hold	4.55
CIRA.CA	Cairo Investment & Real Estate	10.60	9.60	9.00	11.20	11.70	↓	P.SELL	11.70
OCDI.CA	6TH OCT DEV IN/d	13.05	12.70	11.50	13.65	14.25	↔	Hold	12.70
JUFO.CA	JUHAYNA FOOD I/d	10.02	9.00	8.50	10.50	11.20	↓	P.SELL	11.20
ESRS.CA	EZZ STEEL/d	8.00	7.50	6.50	9.94	10.75	↓	P.SELL	9.94
ETEL.CA	TELECOM EGYPT/d	14.00	13.50	13.00	14.25	15.00	↔	Hold	13.20
CCAP.CA	CITADEL CAPITA/d	3.20	3.20 *	3.03	3.50	3.70	↓	P.SELL	3.50
SRWA.CA	Sarwa Capital Holding	0.00	5.00	4.70	5.80	6.00	↓	P.SELL	6.00
PHDC.CA	PALM HILL DEV /d	2.00	1.96	1.80	2.30	2.45	↓	P.SELL	2.30
AUTO.CA	GB AUTO S.A.E/d	3.56	3.50	3.00	4.00	4.30	↓	P.SELL	4.00
HELI.CA	Misr Gedida Ho/d	22.75	20.40	19.50	23.05	23.85	↔	Hold	20.40
AINH.CA	Arab Investment Holding	0.44	0.40	0.30	0.52	0.64	↓	P.SELL	0.52
EGCH.CA	EGYPT CHEM IND/d	5.30	5.25	4.60	5.60	5.90	↓	P.SELL	5.90
EMFD.CA	EMAAR MISR DEV/d	3.10	3.07	2.95	3.35	3.60	↔	Hold	2.95
OIH.CA	ORASCOM INVESTMENT HOLDING	0.60	0.60 *	0.56	0.64	0.69	↓	P.SELL	0.69
ORHD.CA	ORASCOM DEV/d	6.35	6.20	5.80	6.70	7.00	↔	Hold	6.20
EGTS.CA	EGYPTIAN RESOR/d	1.97	1.90	1.83	2.00	2.13	↔	Hold	1.90
ORWE.CA	ORIENTAL WEAVE/d	10.20	9.94	9.25	10.45	10.85	↔	Hold	9.25
IRON.CA	EGYPTIAN IR & /d	2.65	2.70 *	2.55	3.20	3.50	↓	P.SELL	3.20
ACGC.CA	ARAB COTTON GI/d	1.72	1.68	1.57	1.87	1.93	↔	Hold	1.68

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.