

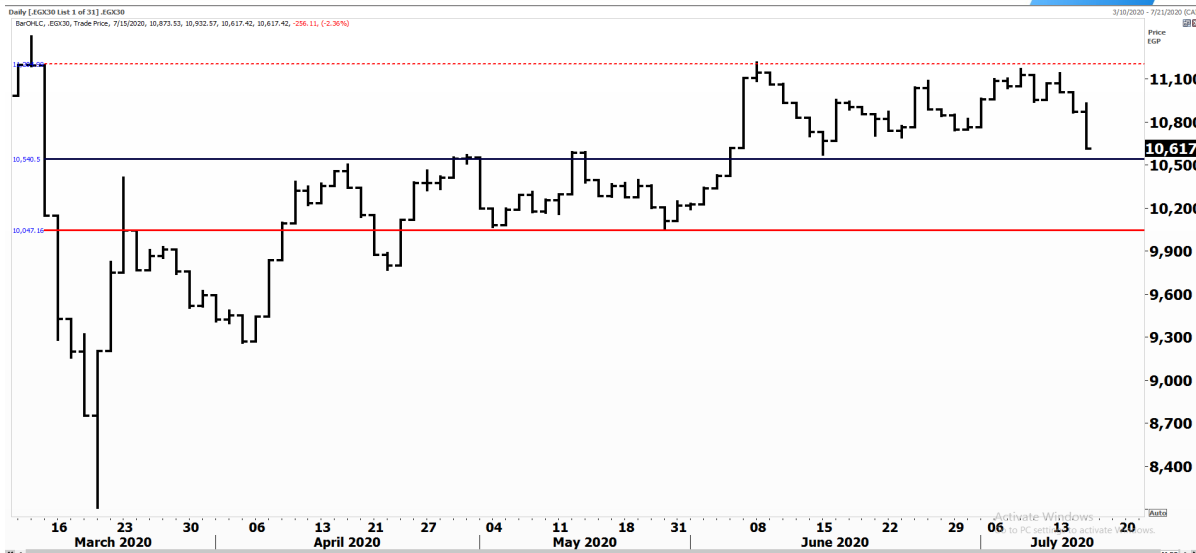


PIONEERSECURITIES

TECH TO THE POINT

16-July-2020

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



Last	10,617.42
High Today	10,932.57
Low Today	10,617.42
Volume	M 351.424
First Support	10,500.00
Second Support	10,000.00
First Resistance	11,200.00
Second Resistance	12,500.00
Stop Loss	10,500.00
HISTORICAL RETURN %	
1 WEEK	-4.59%
1 MONTH	-0.48%
1 QUARTER	2.66%
1 YEAR	-22.62%
YTD	-23.95%

Analysis

The market panicked yesterday as most of the stocks in the EGX 30 closed at their (or close to) limit down. Yesterday's panic was not expected and it came to us as a surprise.

The EGX closed at 10,600 but it should be trading near 10,300 based on last prices; in other words, we should see the index today trading near 10,300-10,400.

The question is, what to do for those who are still invested in the market. We do not recommend selling here because the panic sent the index near its support and these strong declines are usually followed by a rebound. Such rebounds can be used as a chance to sell at better prices. However, we still believe that the market's yesterday decline was just a panic that will probably be followed by a strong rise and we are still expecting the breakout of 11,200.

If the market proves us wrong, we will have nothing to do but to cope with the situation. So far, our bullish bias is still intact.

Egyptian Exchange Equal Weight Index .EGX 50

Analysis

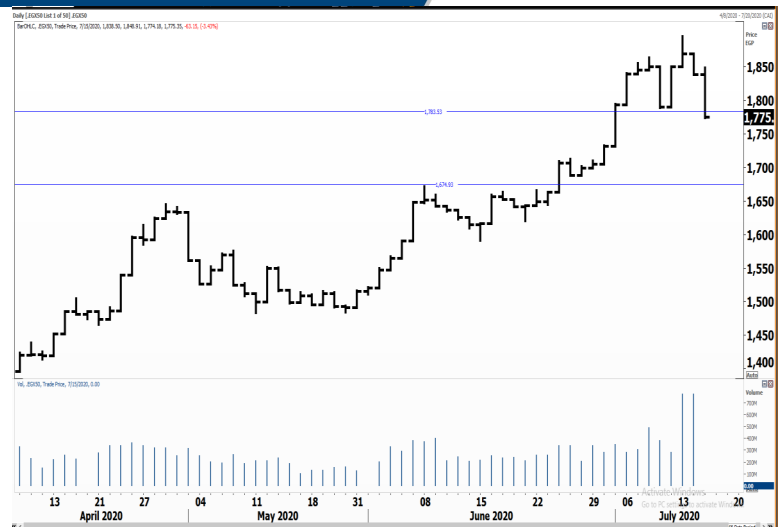
The EGX 50 index broke its bottom that lies at 1,790, triggering our stop. The decline, however, came in the shape of a crash which makes us wait before selling the stocks.

If this break is confirmed today, the EGX 50 will probably approach 1,670; a significant decline from current levels. On the other hand, a rebound above 1,790 once again will open the way once again for a renewed rise.

Let us be completely unemotional; those who follow the rules blindly can sell based on yesterday's support violation. However, there should be a clear view for re-entry in case the market rebounds.

The re-entry signal can be triggered if the index trades back above 1,780 and closes clearly above it. In other words, those who want to sell because they cannot bear any more losses, can repurchase if the market rebounds after they sell and closes above support for two consecutive days.


As for our "stock trades" recommendations, we are out of all the stocks with the exception of ESRS which was not sold.





Resistance

No stocks broke their resistance yesterday.

Support


HRHO  Broke 13.8 downwards with high volumes, closing at 12.92. The 13.75-13.8 range should serve as resistance. A rise near this area will probably meet selling pressure. Those who have positions are recommended to reduce at the next rise.


OIH  Broke 0.39 downwards closing clearly below it. The next rebound can take the stock near 0.39-0.4 but we should sell if we reach this area.

AIH  If the 0.35 violation is confirmed today, a sell will be triggered. Any selling action should be accompanied by a re-entry signal if the 0.365 level is broken to the upside.


Testing

Support

COMI  The 62.50 level was violated on an intraday basis but the stock was able to rebound and close at 63.50. If COMI continues trading above 64 today, a buy signal opportunity will be available with a target around 67.

MNHD  Reached a low of 2.72, near 2.65 which is an important support for the stock. Those who want to trade MNHD can buy near these levels with a target around 2.9-2.95 and a stop below 2.65.

AMOC  The 2.15-2.2 area is an important support for AMOC. Those who are holding positions should place their stop below this support range. If it rebounds from these levels, AMOC can reach 2.35-2.4 on the short-term.

ESRS  Broke 5.75 on an intraday basis and closed at 5.79 at the end of the session. If ESRS trades above 5.75 it will witness a rebound to 6.15-6.2. Yesterday's high can be considered as a key level for most of the stocks. I.e.: if we break above yesterday's highs the market will begin its renewed rise.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK/d	63.50	62	58.5	67.5	70	↔	Hold	62
EAST.CA	EASTERN CO/d	11.90	11.8	11.2	13	13.9	↔	Hold	11.8
SWDY.CA	ELSWEDY ELECTR/d	6.55	6.5	5.75	7.24	7.88	↓	Hold	7.24
TMGH.CA	TALAT MOSTAFA/d	5.82	5.65	5.3	6.5	6.75	↔	Hold	5.3
SKPC.CA	SIDI KERIR PET/d	5.78	5.67	5.44	6.29	6.55	↔	Hold	5.67
EKHO.CA	EGYPT KUWAIT H/d	1.06	1.04 \$	1.0 \$	1.13 \$	1.17 \$	↔	Hold	1.04
HRHO.CA	EFG HERMES HOL/d	12.92	12.85	12	14.6	15.25	↑	Hold	12.85
ORAS.CA	ORASCOM CONST/d	66.00	65	62.5	70.5	73	↔	Hold	62.5
AMOC.CA	ALX MINERAL OI/d	2.25	2.19	2	2.5	2.75	↔	Hold	2.19
MNHD.CA	NASR CITY HOUS/d	2.81	2.8	2.5	3.2	3.33	↔	Hold	2.5
CIRA.CA	Cairo Investment & Real Estate	0.00	12.5	11.55	14	15	↑	Hold	12.5
OCDI.CA	6TH OCT DEV IN/d	10.49	9.6	9.11	11.35	12	↔	Hold	9.6
JUFO.CA	JUHAYNA FOOD I/d	7.61	7.6	7.16	8.5	9.8	↑	Hold	7.6
ESRS.CA	EZZ STEEL/d	5.79	5.75	5.33	6.77	7.2	↔	Hold	5.75
ETEL.CA	TELECOM EGYPT/d	12.85	12.8	11.95	14.4	14.9	↑	Hold	12.8
CCAP.CA	CITADEL CAPITA/d	1.35	1.36*	1.19	1.485	1.54	↔	Hold	1.19
ISPH.CA	IBNSINA PHARMA	8.38	8.3	8	9.25	9.6	↔	Hold	8.3
PHDC.CA	PALM HILL DEV /d	1.29	1.21	1.11	1.46	1.51	↑	Hold	1.21
CLHO.CA	CLEOPATRA HOSPITAL COMPANY	4.90	4.8	4.5	5.4	5.8	↔	Hold	4.8
HELI.CA	HELIOPOLIS/d	5.80	5.6	5.11	6.5	6.75	↑	Hold	5.11
CIEB.CA	CREDIT AGRICOL/d	28.00	28*	26.5	30.5	31.55	↔	Hold	26.5
EGCH.CA	EGYPT CHEM IND/d	3.73	3.7	3.45	4.37	4.7	↔	Hold	3.7
EMFD.CA	EMAAR MISR DEV/d	2.24	2.19	2.13	2.43	2.55	↔	Hold	2.19
OIH.CA	ORASCOM INVESTMENT HOLDING	0.38	0.36	0.344	0.43	0.463	↔	Hold	0.344
ORHD.CA	ORASCOM EGYPT/d	4.00	3.6	3.27	4.35	4.75	↑	Hold	3.6
EGTS.CA	EGYPTIAN RESOR/d	1.34	1.3	1.2	1.62	1.77	↔	Hold	1.3
PORT.CA	PORTO GROUP	0.51	0.495	0.445	0.565	0.62	↑	Hold	0.495
AUTO.CA	AUTO GHABBOUR	2.08	2	1.8	2.3	2.43	↑	Hold	2
DSCW.CA	DICE SPORT AND CASUAL WEAR	1.31	1.26	1.196	1.54	1.635	↔	Hold	1.26

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.