

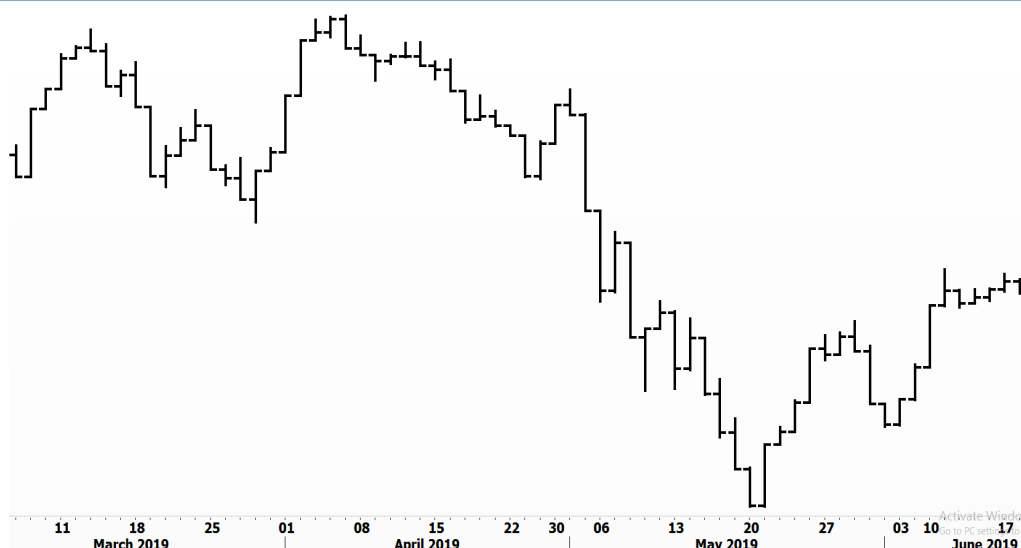


PIONEERSECURITIES

TECH TO THE POINT

19-Jun-19

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



Price (EGX)	
Last	14,202.86
High Today	14,249.17
Low Today	14,195.31
Volume	M 59.399
First Support	14,050.00
Second Support	13,680.00
First Resistance	14,250.00
Second Resistance	14,500.00
Stop Loss	14,208
HISTORICAL RETURN %	
1 WEEK	-0.02%
1 MONTH	5.04%
1 QUARTER	-3.02%
1 YEAR	-12.44%
YTD	8.95%

Analysis

The inability of the market to rise from here despite the breakout that occurred few days ago is a warning signal that buyers are unable to step in after the breakout. Volumes only rose for a couple of sessions then shrunk again. Sellers are still on the sidelines and did not step in yet, but buyers are still out of the equation. This is a typical unbelieve phase, but could lead to another decline before the next rise occurs.

Our short-term stop will be placed below 1,345 on the Hermes Last Index, which coincides with 14,130 on the EGX 30 index.

If the index breaks below 14,130 it will probably approach 13,800 once again before its next upward move. Currently, we will hold positions and will add if the EGX 30 index breaks above 14,300.

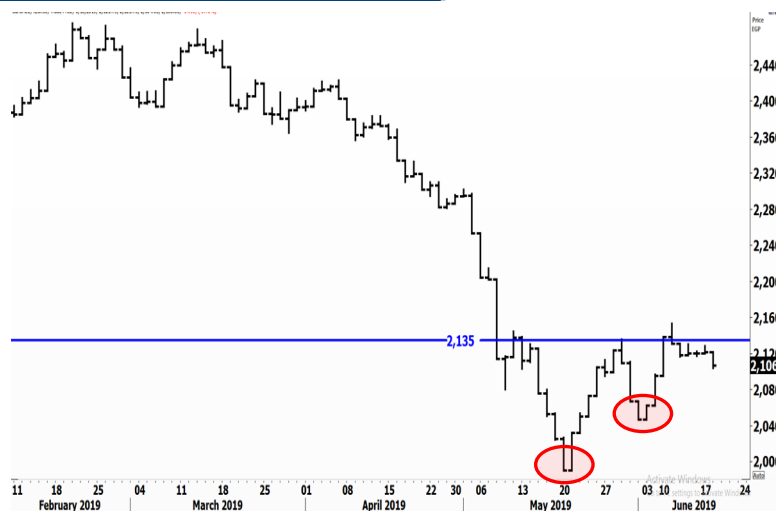
Egyptian Exchange Equals Weights Index EGX50

Analysis

After yesterday's decline, the 2,135 minor peak has gained more importance. We mentioned yesterday that the EGX 50 index did not confirm yet the EGX 30 breakout. Thus, we need to see a clear break above 2,135 to have a clear confirmation from both indices.

A breakout above this level will trigger a new buy signal.


For now, we are still expecting a new higher low to be created; in other words, despite the current weakness, we are still more biased to the bullish side.



Resistance

No stocks broke their resistance yesterday


Support


AIH  The most bearish news ever that a company can send to investors is a capital increase; this is what the company declared yesterday, which naturally led to a 10% decline. Such news can lead the stock to more decline, as we did not see lately any positive market reaction to capital increase news.

Testing

Support

Resistance

EGTS  The 1.98 is serving as resistance for the stock. Classically, a break above this level will trigger a buy signal with an initial target around 2.05. We need to see the overall market rising though to buy with more confirmation.

IRON  Despite its underperformance, IRON looks like it is witnessing a minor bottoming formation; a break above 1.5 will be our buy signal. If this level is broken, a buy will be triggered with a target around 4.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	75.24	72.00	70.55	76.00	77.00	↔	Hold	77.00
EAST.CA	EASTERN CO	15.69	15.50	15.20	16.70	17.22	↔	Hold	17.22
SWDY.CA	ELSWEDY ELECTRIC	14.10	13.75	12.80	14.80	16.00	↔	Hold	16.00
TMGH.CA	TALAT MOSTAFA	10.60	10.40	10.10	11.00	11.60	↔	Hold	11.60
ACAMD.CA	Arab Co. for Asset Management	2.32	2.26	2.19	2.44	2.60	↔	Hold	2.60
EKHO.CA	EGYPT KUWAIT HLD	1.40	1.40 \$ *	1.37 \$	1.48 \$	1.55 \$	↔	Hold	1.48
HRHO.CA	EFG HERMES HOLD	16.36	15.85	15.10	17.00	17.55	↔	Hold	17.00
GTHE.CA	GLOBAL TELECO	4.69	4.45	4.05	4.90	5.15	↔	Hold	4.75
AMOC.CA	ALX MINERAL OILS	4.56	4.45	4.25	5.00	5.50	↔	Hold	5.00
MNHD.CA	MEDINET NASR HOU	5.37	4.75	4.55	5.70	6.05	↔	Hold	4.75
CIRA.CA	Cairo Investment & Real Estate	10.50	10.50 *	10.00	11.74	12.50	↔	Hold	10.00
OCDI.CA	6TH OCT DEV INV	14.31	13.88	13.20	14.60	15.30	↔	Hold	13.90
JUFO.CA	JUHAYNA FOOD IND	10.04	10.00	9.00	11.25	12.50	↓	P.SELL	12.50
ESRS.CA	EZZ STEEL	11.87	11.00	10.00	12.55	13.50	↔	Hold	12.55
ETEL.CA	TELECOM EGYPT	13.41	13.10	12.50	14.25	15.00	↔	Hold	14.25
CCAP.CA	CITADEL CAPITAL	3.70	3.60	3.32	3.80	3.93	↔	Hold	3.32
SRWA.CA	Sarwa Capital Holding	5.35	5.00	4.70	5.80	6.00	↓	P.SELL	6.00
PHDC.CA	PALM HILL DEV CO	2.44	2.38	2.27	2.67	2.87	↔	Hold	2.38
AUTO.CA	GB AUTO S.A.E	4.16	4.04	3.85	4.55	4.90	↓	P.SELL	4.55
HELI.CA	Misr Gedida Hou	22.94	22.00	19.50	23.30	25.50	↔	Hold	23.30
AINH.CA	Arab Investment Holding	0.56	0.55	0.53	0.64	0.66	↔	Hold	0.66
EGCH.CA	EGYPT CHEM IND	6.05	5.60	5.25	6.30	7.00	↑	P.Buy	5.60
EMFD.CA	EMAAR MISR DEV	3.11	3.06	2.95	3.35	3.60	↔	Hold	3.60
OIH.CA	ORASCOM INVESTMENT HOLDING	0.58	0.55	0.53	0.59	0.63	↔	Hold	0.59
ORHD.CA	ORASCOM DEV	6.45	6.20	5.80	6.75	7.00	↔	Hold	7.00
EGTS.CA	EGYPTIAN RESORTS	1.96	1.91	1.88	2.00	2.09	↔	Hold	2.00
ORWE.CA	ORIENTAL WEAVERS	10.27	9.94	9.25	10.70	11.40	↔	Hold	9.25
IRON.CA	EGYPTIAN IR & ST	3.40	3.15	2.90	3.50	3.70	↔	Hold	3.50
ACGC.CA	ARAB COTTON GIN.	1.84	1.77	1.65	1.95	2.05	↔	Hold	1.95

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.