

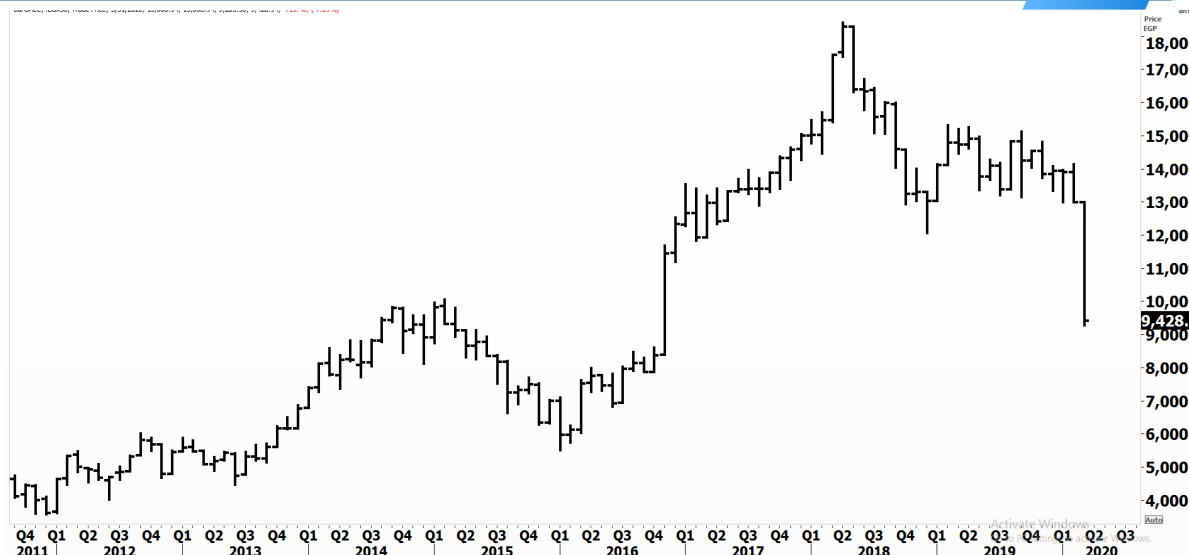


PIONEERSECURITIES

TECH TO THE POINT

17-Mar-2020

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



Price		
18,000	Last	9,428.94
17,000	High Today	10,148.34
16,000	Low Today	9,285.56
15,000	Volume M	178.464
14,000	First Support	9,300.00
13,000	Second Support	8,600.00
12,000	First Resistance	10,500.00
11,000	Second Resistance	10,900.00
10,000	Stop Loss	
9,428.94		
9,000		
8,000	HISTORICAL RETURN %	
7,000	1 WEEK	-14.15%
6,000	1 MONTH	-31.97%
5,000	1 QUARTER	-29.66%
4,000	1 YEAR	-37.28%
Auto	YTD	-32.46%

Analysis

The stock market crashed again yesterday as almost all stocks fell by their maximum 10% limit. The market was not able to rebound and sellers were as aggressive as the day before. The US stock market fell by 13% and the Dow Jones broke its Dec 2018 bottom that lies at 21,500.

We were expecting the market to rebound yesterday but the panic was too strong to stop. In the afternoon, the CBE took a very aggressive decision by reducing interest rates by 3% which should have a positive effect on the market. It is important to note though that the last three times when the CBE reduced interest rates the market continued its decline.

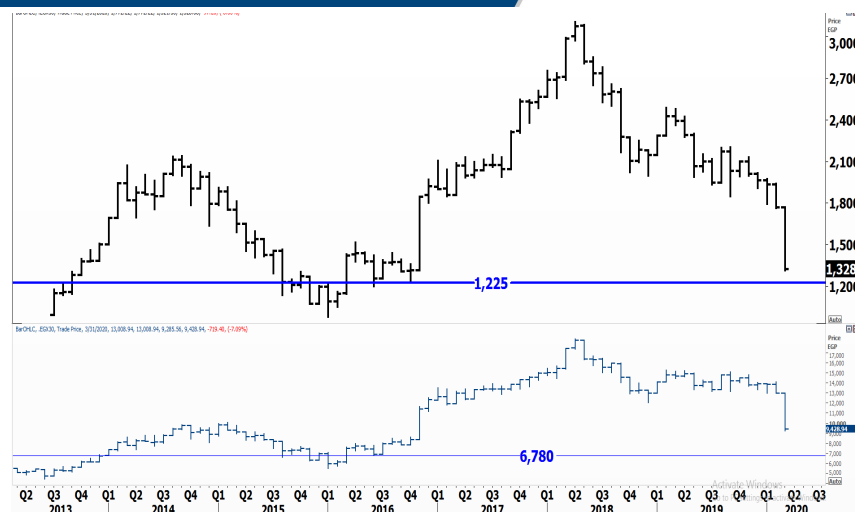
Until now we did not say what is our expectation. We believe that the market will form a sudden V-shape; it is not easy to tell from where exactly as we were expecting the market to rise yesterday. May be today the rebound begins, may be tomorrow. It is almost impossible to tell when. We believe, however, that the next rebound will be as aggressive as the decline.

Egyptian Exchange Equal Weights Index EGX50

Analysis

The EGX 50 index is approaching 1,225; this level is another support level and is around the 2016 bottom from where the market began its strong rise. This level coincides with the 6,780 on the EGX 30 index. We know that lots of stocks already broke all these levels long time ago and some of them, like SKPC are hitting new historical lows.


We will be watching and waiting for a rebound; as we mentioned, we expect the market to witness a turnaround soon.





Resistance

No stocks broke their resistance yesterday

Support


EKHO  Broke its support that lies at 1.03 and closed at 1. EKHO witnessed lower levels yesterday but rebounded at the end of the session to close at its high. We will be watching the stock to see if it will be able to trade back above 1.03 or not.

ETEL  Also broke its support that lies at 9.8 but is approaching its lows that lie at 8.8. We do not recommend stepping in until clear strength appears.

PORT  Surprisingly, after PORT was challenging its resistance it declined sharply and yesterday hit new historical lows. We do not have a downward target but a new low is something bearish.

Testing

Support

ORWE  The stock declined sharply and witnessed a big gap yesterday. If the 8-level is broken, ORWE will probably go to 6.

EXPA  The stock is below 7.75 but did not break 7 yet. A break below 7 will lead EXPA to 6. The stock should rebound from 7. Position holders should get out if this support is violated.

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	59.25	58.50	53.60	66.00	72.00	↓	P.SELL	72.00
EAST.CA	EASTERN CO/d	11.00	10.50	8.90	12.30	13.30	↓	P.SELL	13.30
SWDY.CA	ELSWEDY ELECTR/d	7.03	7.00	6.60	8.80	9.25	↓	P.SELL	9.25
TMGH.CA	TALAT MOSTAFA/d	5.31	5.12	4.88	6.00	6.60	↓	P.SELL	6.60
SKPC.CA	SIDI KERIR PET/d	5.90	5.60	4.80	7.00	7.60	↓	P.SELL	7.60
EKHO.CA	EGYPT KUWAIT H/d	1.00	0.99 \$	0.94 \$	1.03 \$	1.15 \$	↓	P.SELL	1.15
HRHO.CA	EFG HERMES HOL/d	8.92	9.00*	8.00	10.75	12.00	↓	P.SELL	12.00
ORAS.CA	ORASCOM CONST/d	62.26	61.50	51.00	72.00	80.00	↓	P.SELL	80.00
AMOC.CA	ALX MINERAL OI/d	1.72	1.66	1.45	2.06	2.12	↓	P.SELL	2.34
MNHD.CA	NASR CITY HOUS/d	3.13	3.00	2.84	3.60	4.10	↓	P.SELL	4.10
CIRA.CA	Cairo Investment & Real Estate	0.00	12.50	11.55	14.00	15.00	↑	Hold	12.50
OCDI.CA	6TH OCT DEV IN/d	7.77	7.75	6.60	9.90	10.75	↓	P.SELL	10.75
JUFO.CA	JUHAYNA FOOD I/d	5.99	6.00*	5.30	7.30	8.00	↓	P.SELL	8.00
ESRS.CA	EZZ STEEL/d	5.00	4.70	4.30	6.00	7.12	↓	P.SELL	7.12
ETEL.CA	TELECOM EGYPT/d	9.21	9.20	8.80	11.15	12.15	↓	P.SELL	12.15
CCAP.CA	CITADEL CAPITA/d	1.08	1.06	0.92	1.50	1.84	↓	P.SELL	1.84
ISPH.CA	IBNSINA PHARMA	7.10	6.50	N.A	7.70	8.30	↓	P.SELL	8.30
PHDC.CA	PALM HILL DEV /d	1.05	1.02	0.97	1.29	1.42	↓	P.SELL	1.42
CLHO.CA	CLEOPATRA HOSPITAL COMPANY	4.20	4.18	4.00	4.70	5.10	↓	P.SELL	5.10
HELI.CA	HELIOPOLIS/d	3.45	3.40	3.25	4.40	4.85	↓	P.SELL	4.85
CIEB.CA	CREDIT AGRICOL/d	34.00	33.00	32.00	39.00	42.00	↓	P.SELL	42.00
EGCH.CA	EGYPT CHEM IND/d	3.21	3.00	2.80	4.04	4.37	↓	P.SELL	4.37
EMFD.CA	EMAAR MISR DEV/d	2.41	2.40	1.93	2.75	2.95	↓	P.SELL	2.75
OIH.CA	ORASCOM INVESTMENT HOLDING	0.36	0.360*	0.32	0.50	0.54	↓	P.SELL	0.50
ORHD.CA	ORASCOM EGYPT/d	2.72	2.80*	2.55	3.50	4.30	↓	P.SELL	4.30
EGTS.CA	EGYPTIAN RESOR/d	1.31	1.27	1.21	1.50	1.67	↓	P.SELL	1.67
PORT.CA	PORTO GROUP	0.46	0.45	0.39	0.52	0.56	↓	P.SELL	0.56
AUTO.CA	AUTO GHABBOUR	1.90	1.79	N.A	2.24	2.43	↓	P.SELL	2.43
DSCW.CA	DICE SPORT AND CASUAL WEAR	0.91	0.92*	0.88	1.00	1.14	↓	P.SELL	1.14

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

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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.