

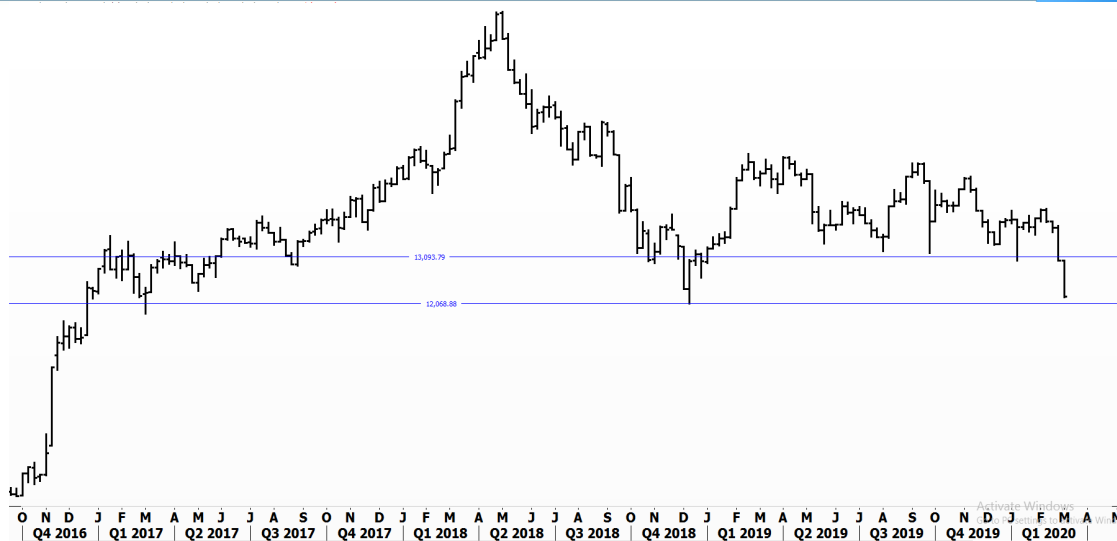


PIONEERSECURITIES

# TECH TO THE POINT

2-Mar-2020

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



Price EGP	Last	12,222.59
	High Today	13,008.94
	Low Today	12,210.82
	Volume	M 240.491
	First Support	12,000.00
	Second Support	11,800.00
	First Resistance	13,000.00
	Second Resistance	13,500.00
	Stop Loss	
	HISTORICAL RETURN %	
	1 WEEK	-10.71%
	1 MONTH	-12.19%
	1 QUARTER	-11.31%
	1 YEAR	-17.44%
	YTD	-12.46%

## Analysis

The market crashed yesterday reaching the Dec 2018 low that lies at 12,000. This level was not expected to be reached, even when the market began to fall. Reaching this level in a relatively short period of time puts the market in more pressure for any potential rises. In other words, the 13,000 is now a strong level that will not be broken to the upside easily. This means that yesterday's decline postponed the potential market rise for sometime.

It is important to note that most of the EGX 30 constituents, including almost all blue chips, are already trading below the Dec 2018 low. This is a bearish signal that tells us that the EGX 12,000 level is still inflated.

Our recommendation is the same; not entering the market until a clear sign of strength appears. All short-term trading opportunities should be accompanied by strict stop losses and targets.

## Egyptian Exchange Equal Weights Index EGX100 Monthly

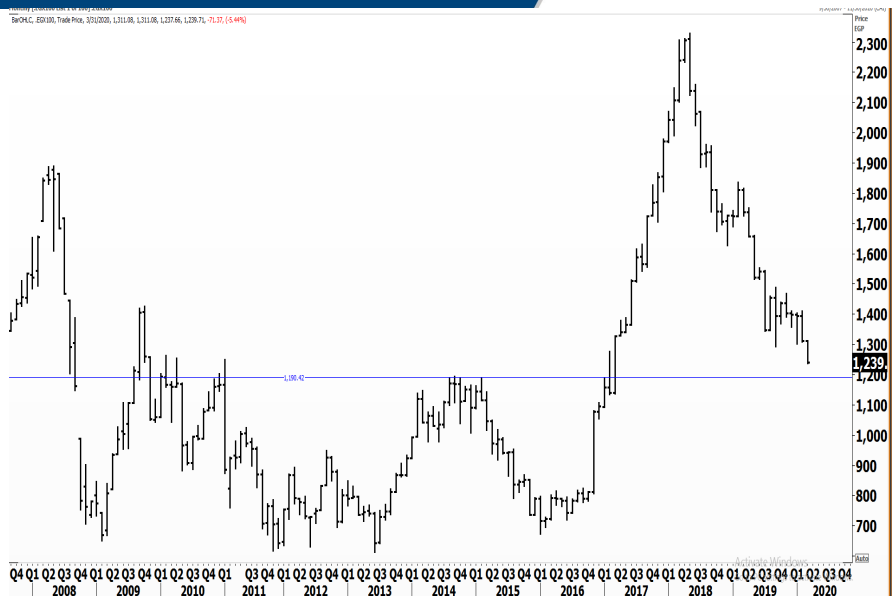
Source: Data provided by the Egyptian Exchange (EGX) for the period 2008-2020. The chart shows the monthly closing prices of the EGX 100 index. The y-axis represents the index value, ranging from 700 to 2,300. The x-axis represents the time period from Q4 2008 to Q4 2020. A horizontal line is drawn at 1,200, which is a major breakout level. The current price is 1,239.71, which is above the 1,200 level.

## Analysis

The EGX 100 index fell 50% from its 2018 high. This is a big decline for a market index. The EGX 100 is testing the 1,200 level, which is the major breakout level and which coincides with the 10,000 level on the EGX 30.

It is a normal scenario to rebound from this level as it should be acting as strong support. A violation below 1,200, however, will probably lead to more selling pressure.







We reiterate our advice to be cautious while trading and use very short-term tactics with strict stops and targets.



## Resistance



No stocks broke their resistance yesterday

## Support

- HRHO**  The violation of 13.5 is a serious bearish signal if confirmed. If HRHO continues trading below this level it will witness a stronger decline that can lead it significantly lower.
- EMFD**  Closed at 2.6 below the 2.65-2.7 major support. The stock witnessed some buying power at the end of the session so its break is not confirmed yet.
- ESRS**  Broke below 7.75, closing at 7.11 at the end of the session. We expect more decline to come, especially if the stock does not rebound from here. Minimum target lies at 6.
- CCAP**  If CCAP continues trading below 2 today, it will probably reach 1.5 which should serve as support. For now, we do not recommend stepping in until the stock trades back above 2.
- OCDI**  Broke its major support levels and closed at 11.22. OCDI broke a very important support level and is in big risk of witnessing a much stronger decline. First level to watch lies around 9.5-9.6.
- EKHO**  Violated 1.2 to the downside and closed at 1.1 at the end of the session. It is important to note, however, that the 1.027 level is a support. Those who want to trade EKHO can buy near 1.027-1.028 with a strict stop below this level and use a target at 1.15.

## Testing

### Support

- COMI**  For the first time, COMI looks more bearish than before. The stock fell with a downward gap which took it from 82 to 77.6. The stock has a support at 77; it is not easy to say whether the stock will rebound from these levels or not. A break below 77 will lead COMI near 73.
- ORAS**  Approaching support at 81. We do not recommend buying, however, until a clear rebound occurs. If ORAS rebounds from here it can approach 90 once again.

### 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	77.60	77.00	70.00	82.00	85.00	↓	P.SELL	82.00
EAST.CA	EASTERN CO/d	13.49	13.30	11.50	14.30	15.25	↓	P.SELL	14.30
SWDY.CA	ELSWEDY ELECTR/d	9.15	9.20*	9.00	10.23	11.40	↓	P.SELL	10.23
TMGH.CA	TALAT MOSTAFA/d	7.00	7.10*	6.65	7.40	8.00	↓	P.SELL	8.00
SKPC.CA	SIDI KERIR PET/d	7.49	7.30	7.00	8.30	8.90	↓	P.SELL	8.00
EKHO.CA	EGYPT KUWAIT H/d	1.10	1.10 \$ *	1.03 \$	1.15 \$	1.24 \$	↓	P.SELL	1.15
HRHO.CA	EFG HERMES HOL/d	13.30	13.25	12.50	15.00	16.06	↓	P.SELL	15.00
ORAS.CA	ORASCOM CONST/d	83.02	81.00	72.00	90.00	98.00	↓	P.SELL	90.00
AMOC.CA	ALX MINERAL OI/d	2.66	2.60	2.33	3.10	3.35	↓	P.SELL	3.10
MNHD.CA	NASR CITY HOUS/d	3.95	3.80	3.50	4.25	4.60	↓	P.SELL	4.25
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	11.22	11.50*	10.00	12.00	13.00	↓	P.SELL	12.00
JUFO.CA	JUHAYNA FOOD I/d	8.00	8.00*	7.00	9.80	10.00	↔	Hold	9.80
ESRS.CA	EZZ STEEL/d	7.11	6.40	6.10	7.80	8.50	↓	Hold	7.80
ETEL.CA	TELECOM EGYPT/d	11.91	11.40	11.22	12.60	13.20	↔	Hold	12.60
CCAP.CA	CITADEL CAPITA/d	1.85	1.77	1.56	2.01	2.20	↓	P.SELL	2.20
ISPH.CA	IBNSINA PHARMA	8.35	8.27	8.00	9.00	9.50	↔	Hold	9.50
PHDC.CA	PALM HILL DEV /d	1.28	1.22	1.15	1.45	1.55	↓	P.SELL	1.45
CLHO.CA	CLEOPATRA HOSPITAL COMPANY	4.80	4.55	4.18	5.20	5.50	↓	P.SELL	5.20
HELI.CA	HELIOPOLIS/d	4.77	4.70	4.08	5.80	6.40	↓	P.SELL	5.80
CIEB.CA	CREDIT AGRICOL/d	41.00	40.00	38.00	45.00	47.00	↔	Hold	40.00
EGCH.CA	EGYPT CHEM IND/d	4.41	4.38	3.98	4.80	5.30	↓	P.SELL	5.30
EMFD.CA	EMAAR MISR DEV/d	2.60	2.40	1.93	2.75	2.95	↓	P.SELL	2.75
OIH.CA	ORASCOM INVESTMENT HOLDING	0.49	0.49*	0.47	0.54	0.56	↔	Hold	0.49
ORHD.CA	ORASCOM EGYPT/d	3.93	3.70	3.12	4.60	5.00	↓	P.SELL	5.00
EGTS.CA	EGYPTIAN RESOR/d	2.12	2.12*	2.00	2.51	2.65	↔	Hold	2.12
PORT.CA	PORTO GROUP	0.59	0.58	0.55	0.64	66.00	↔	Hold	0.55
AUTO.CA	AUTO GHABBOUR	2.25	2.27*	2.00	2.70	3.00	↓	P.SELL	3.00
DSCW.CA	DICE SPORT AND CASUAL WEAR	1.06	1.06*	0.95	1.20	1.26	↔	Hold	1.06

## 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.