

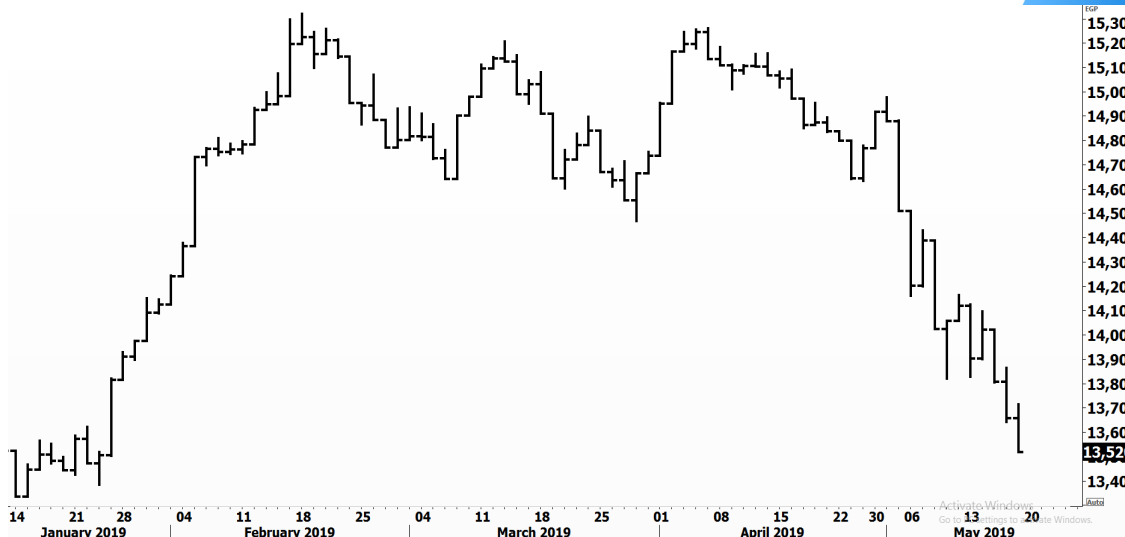


PIONEERSECURITIES

TECH TO THE POINT

20-May-19

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



Last	13,520.82
High Today	13,715.72
Low Today	13,520.82
Volume	M 58.261
First Support	13,200.00
Second Support	12,700.00
First Resistance	14,150.00
Second Resistance	14,450.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-4.26%
1 MONTH	-9.11%
1 QUARTER	-11.04%
1 YEAR	-19.89%
YTD	3.72%

Analysis

After confirming the breakdown of 13,800, the market continued its decline yesterday, closing clearly below support. As we mentioned before, our next target lies at 13,200; we mentioned in our "Weekly Overview" that the rebound can occur before the index reaches 13,200; it is important to note, however, that we need to see significant buying power though; if the market's liquidity remains as it is, the market will reach 13,200 first before witnessing any rebound.

Unfortunately, our market is very weak and is still unable to witness any rebound; investors either do nothing or they sell. This is why volumes only appear when investors dump their shares. This is the situation where no one is thinking of touching the market. Such an extreme situation hints of a probable bottom; we cannot say where the bottom will appear though, but what we know is that everybody is now getting very bearish.

Our recommendation is to wait for a rebound before initiating any new trades.

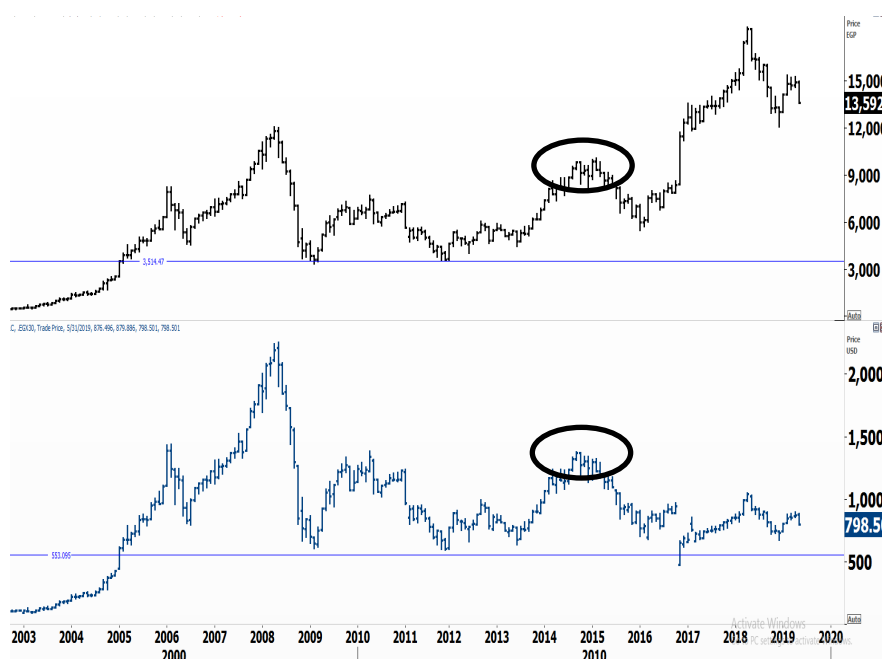
EGX 30 index Versus EGX 30 Dollars denominated; Monthly Chart

Analysis

If we look at the dollars denominated EGX 30 we will note that it did not break the 10,000 level in the first place. As we can see from both charts, the dollars denominated index witnessed a clear lower high as the index itself was breaking upwards. This is not considered as a weakening signal, but it only tells us that the 2017-2018 rise did not actually increase investors' wealth, especially foreign investors; on the contrary, the devaluation effect was much stronger than the overall market rise.

If we look where is the dollars denominated index trading, we will note that it is currently trading near the 7,000 level on the EGX 30 index. In other words, if we add the devaluation factor, we will have a different picture than the current one.


This analysis does not say a lot concerning expectations, but it is only a fact about real investors' wealth which did not improve with the 2017-2018 market rise.





Resistance


No stocks broke their resistance yesterday

Support

COMI  Closed below 72, triggering its stop. COMI should reach 66 until buyers step in earlier. In all cases, we do not recommend entering before the 66 level.


HELI  Violated the 22 level, closing at 20.7. HELI is currently approaching 20.2, which is its next support. We do not recommend buying, however, as a violation below the next support is very probable.


TORA  Broke its major support that lies at 11.85, closing at 11.1 at the end of the session. The stock looks like it is heading towards the 8.75-9 area.

IFAP  Closed at 2.69 after breaking 2.82 downwards. Those who still have positions are recommended to offload as our next target lies near 2.2.


Testing

Support

MNHD  The stock already broke major support levels, so the minor bottom that lies at 5.45 will probably not be able to halt the decline. MNHD is one of the worst stocks in the EGX 30 index and is preparing itself for more decline.

EMFD  The 2.9-2.95 range is a very important support for the stock. If a rebound occurs from this area, a short-term buy signal will be triggered with a target near 3.4. We do not recommend stepping in though, unless a clear rebound occurs.

Resistance

ADIB  Tested its resistance that lies at 11.8 but witnessed selling pressure to close near the session's low. The stock can go back to 10.7-10.8 where support will probably appear.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	70.50	69.00	66.00	73.00	77.00	↓	P.SELL	77.00
EAST.CA	EASTERN CO	15.71	15.20	14.60	17.00	17.70	↓	P.SELL	17.70
SWDY.CA	ELSWEDY ELECTRIC	13.27	12.80	11.60	15.00	16.00	↓	P.SELL	16.00
TMGH.CA	TALAT MOSTAFA	10.22	9.60	8.75	11.00	11.60	↓	P.SELL	11.60
ACAMD.CA	Arab Co. for Asset Management	2.24	2.20	2.00	2.42	2.60	↓	P.SELL	2.60
EKHO.CA	EGYPT KUWAIT HLD	1.40	1.37 \$	1.30 \$	1.47 \$	1.55 \$	↔	Hold	1.47
HRHO.CA	EFG HERMES HOLD	15.75	15.20	14.30	16.35	17.00	↓	P.SELL	17.00
GTHE.CA	GLOBAL TELECO	4.52	4.05	3.90	4.75	4.90	↔	Hold	4.75
AMOC.CA	ALX MINERAL OILS	3.86	3.40	2.50	4.30	4.80	↓	P.SELL	5.50
MNHD.CA	MEDINET NASR HOU	5.56	5.50	5.00	6.25	6.85	↓	P.SELL	6.85
CIRA.CA	Cairo Investment & Real Estate	11.00	10.60	10.00	12.50	13.30	↔	Hold	10.00
OCDI.CA	6TH OCT DEV INV	13.58	12.85	12.55	14.50	16.00	↓	P.SELL	16.00
JUFO.CA	JUHAYNA FOOD IND	0.00	12.00	10.80	13.70	14.50	↔	Hold	12.00
ESRS.CA	EZZ STEEL	11.80	11.55	10.00	13.50	14.80	↓	P.SELL	15.60
ETEL.CA	TELECOM EGYPT	12.69	12.50	11.40	13.25	14.25	↓	P.SELL	14.25
CCAP.CA	CITADEL CAPITAL	3.32	3.20	2.90	3.45	3.60	↓	P.SELL	3.60
SRWA.CA	Sarwa Capital Holding	0.00	5.50	5.00	6.00	6.40	↓	P.SELL	6.00
PHDC.CA	PALM HILL DEV CO	2.35	2.30	2.10	2.45	2.60	↓	P.SELL	2.60
AUTO.CA	GB AUTO S.A.E	3.83	3.65	3.00	4.30	4.65	↓	P.SELL	4.65
HELI.CA	Misr Gedida Hou	20.70	20.00	18.50	23.30	25.50	↓	P.SELL	23.30
AINH.CA	Arab Investment Holding	0.55	0.55*	0.50	0.60	0.66	↓	P.SELL	0.66
EGCH.CA	EGYPT CHEM IND	4.85	4.70	4.50	5.30	5.75	↓	P.SELL	5.75
EMFD.CA	EMAAR MISR DEV	3.04	3.00	2.85	3.35	3.60	↓	P.SELL	3.60
PIOH.CA	PIONEERS HLDG	6.17	5.98	5.75	6.40	6.80	↓	P.SELL	6.80
OIH.CA	ORASCOM INVESTMENT HOLDING	0.51	0.51 *	0.45	0.55	0.59	↓	P.SELL	0.59
ORHD.CA	ORASCOM DEV	6.10	5.75	5.50	6.70	7.00	↓	P.SELL	7.00
EGTS.CA	EGYPTIAN RESORTS	1.79	1.72	1.64	1.86	2.00	↓	P.SELL	2.00
ORWE.CA	ORIENTAL WEAVERS	9.50	8.90	8.55	10.00	10.70	↓	P.SELL	10.70
IRON.CA	EGYPTIAN IR & ST	3.01	3.00	2.70	3.70	4.10	↓	P.SELL	4.10
ACGC.CA	ARAB COTTON GIN.	1.75	1.65	1.55	1.95	2.05	↓	P.SELL	2.05

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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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.