

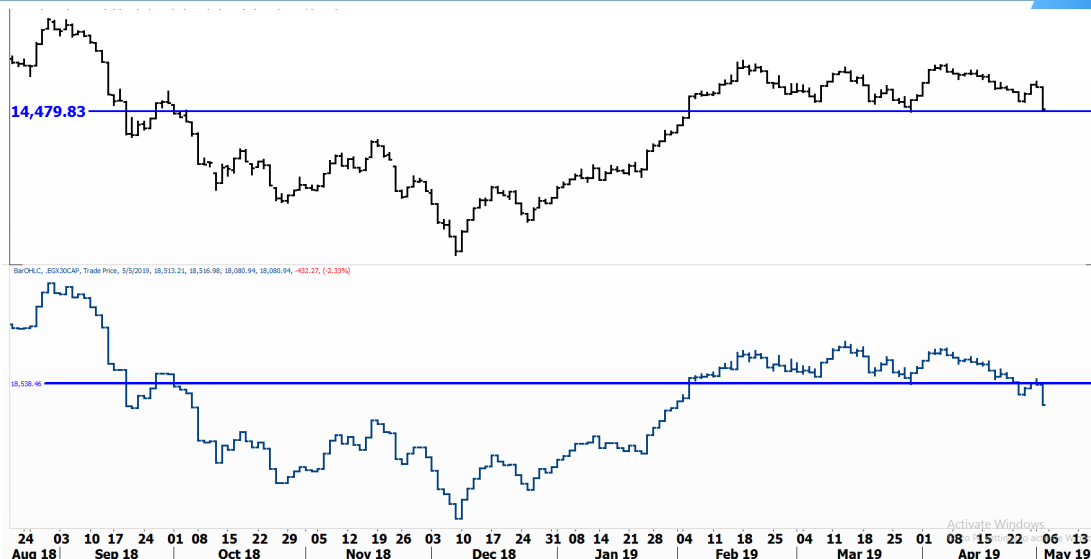


PIONEERSECURITIES

# TECH TO THE POINT

6-May-19

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



Price EGP	Last	14,511.54
15,500	High Today	14,882.64
15,000	Low Today	14,511.54
14,511	Volume	M 39.096
14,000	First Support	14,500.00
13,500	Second Support	14,000.00
13,000	First Resistance	14,950.00
12,500	Second Resistance	15,300.00
12,000	Stop Loss	14,500.00
11,500	HISTORICAL RETURN %	
11,000	1 WEEK	-1.75%
10,500	1 MONTH	-4.83%
10,000	1 QUARTER	1.88%
9,500	1 YEAR	-18.62%
9,000	YTD	11.32%

## Analysis

Happy Ramadan to all.

Today we will be analyzing the EGX 30 index along with the EGX 30 capped index, which puts a 15% cap on the stocks' weights. If we look at both charts, we will note that the EGX capped (lower panel of the chart) broke below its support that coincides with the 14,500 on the EGX 30 index. This leading signal tells us that we still have more room to go down. Thus, a break of support is currently inevitable; we expect this breakdown to occur very soon, which will take the EGX 30 to the 13,800-14,000 area.

Thus, our short-term view is still bearish and it did not change; on the other hand, our intermediate-term view is not that bearish. Having said that, we are expecting the next market decline, which will lead to short-term losses, will be a chance to build positions for the intermediate-term time dimension.

## Egyptian Exchange Small Caps Index EGX70

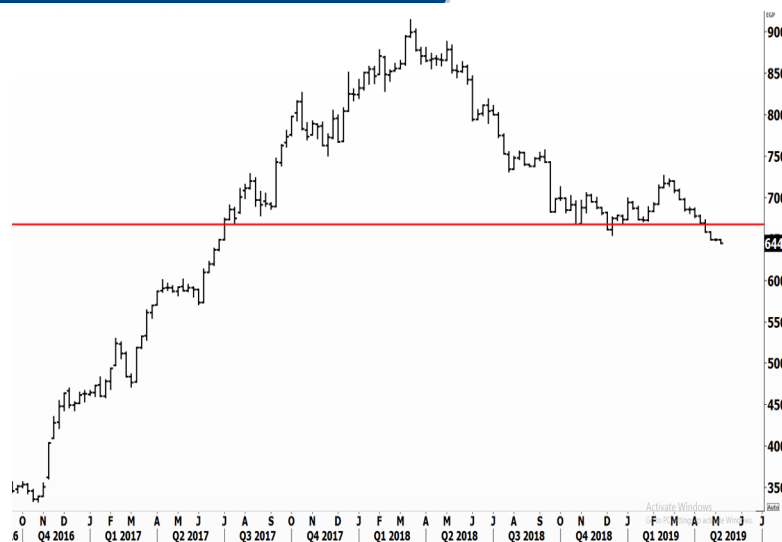
### Analysis

The breakdown is confirmed.

As we were expecting, the EGX 70 index broke clearly its major support and is on its way to reach lower levels. The next decline will lead the index to 600, then 580; thus, we are still expecting an additional 10% decline from current levels.

Despite that equity indices around us look bullish, our market has been showing severe underperformance since few months; this was one of the main reasons why we were bearish on the market, even before this strong decline.


Usually, markets that underperform severely do not rise quickly, they must spend sometime in their underperformance phase until they slowly regain their strength. This is what is currently happening with our market.





## Resistance


No stocks broke their resistance

## Support

**HELI**  As it was expected, HELI broke its support at 25.5 and closed clearly below it. Our target was already set at 22. We believe that the stock can even reach much lower levels.


**ETEL**  Closed at 13.7 after breaking below 14. ETEL broke its support despite that it can be considered as one of the defensives in our market. The stock is expected to reach 13.


**CCAP**  Despite its trial to rise at the end of the previous session, CCAP witnessed severe selling pressure yesterday which led it to close at 3.44. Position holders are recommended to sell rises.

**ESRS**  As we mentioned before, ESRS is the worst performer in the Egyptian market; the stock reaches new lows with each new decline without respecting any support levels. Our recommendation remains the same; ignore it until clear strength appears.

## Testing

### Support

**OCDI**  Current support lies at 16. A break below this level will trigger stop losses. Position holders are recommended to get out of their positions if this support is broken. On the other hand, we do not recommend buying until the 17.5 level is clearly broken to the upside.

**EMFD**  Currently challenging its support that lies at 3.35. Position holders are recommended to reduce near 3.5-3.55 and place their stop below 3.35. Only a break above 3.55 will trigger a short-term buy signal with a target near 3.8.

### 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	73.50	72.00	69.00	77.00	80.00	↑	Hold	72.00
EAST.CA	EASTERN CO/d	16.74	16.00	15.30	17.70	19.00	↔	Hold	19.00
SWDY.CA	ELSWEDY ELECTR/d	15.48	15.00	13.80	16.60	17.50	↓	P.SELL	16.60
TMGH.CA	TALAT MOSTAFA/d	11.30	10.85	10.30	11.90	12.20	↔	Hold	10.85
ACAMD.CA	Arab Co. for Asset Management	2.63	2.60	2.42	2.85	2.97	↔	Hold	2.60
EKHO.CA	EGYPT KUWAIT H/d	1.43	1.37 \$	1.30 \$	1.48 \$	1.59 \$	↔	Hold	1.48
HRHO.CA	EFG HERMES HOL/d	15.90	15.60	15.30	17.00	17.70	↓	P.SELL	17.70
GTHE.CA	GLOBAL TELECO/d	4.46	4.35	4.00	4.75	4.90	↔	Hold	4.35
AMOC.CA	ALX MINERAL OI/d	5.30	4.85	3.85	5.85	6.25	↓	P.SELL	5.85
MNHD.CA	MEDINET NASR H/d	6.26	6.20	5.50	6.80	7.25	↓	P.SELL	7.25
CIRA.CA	Cairo Investment & Real Estate	11.50	10.60	10.00	12.50	13.30	↔	Hold	10.00
OCDI.CA	6TH OCT DEV IN/d	16.60	15.90	15.20	17.49	18.00	↔	Hold	15.90
JUFO.CA	JUHAYNA FOOD I/d	12.95	12.00	11.00	14.00	N.A	↔	Hold	12.00
ESRS.CA	EZZ STEEL/d	14.94	13.50	11.55	17.00	18.40	↓	P.SELL	17.00
ETEL.CA	TELECOM EGYPT/d	13.70	13.00	12.00	14.50	15.10	↓	P.SELL	14.50
CCAP.CA	CITADEL CAPITA/d	3.44	3.40	3.30	3.71	3.80	↓	P.SELL	3.80
SRWA.CA	Sarwa Capital Holding	6.13	6.00	5.50	6.40	6.80	↔	Hold	6.00
PHDC.CA	PALM HILL DEV /d	2.41	2.30	2.10	2.60	2.80	↓	P.SELL	2.60
AUTO.CA	GB AUTO S.A.E/d	4.40	4.40 *	4.00	4.75	5.00	↓	P.SELL	5.00
HELI.CA	Misr Gedida Ho/d	23.85	22.50	21.50	25.50	27.00	↓	P.SELL	27.00
AINH.CA	Arab Investment Holding	0.64	0.63	0.60	0.68	0.73	↓	P.SELL	0.73
EGCH.CA	EGYPT CHEM IND/d	5.82	5.75	5.45	6.15	6.40	↓	P.SELL	6.40
EMFD.CA	EMAAR MISR DEV/d	3.38	3.35	3.20	3.60	3.80	↔	Hold	3.35
PIOH.CA	PIONEERS HLDG/d	7.37	7.25	6.95	7.65	8.00	↔	Hold	7.65
OIH.CA	ORASCOM INVESTMENT HOLDING	0.57	0.55	0.51	0.60	0.63	↓	P.SELL	0.63
ORHD.CA	ORASCOM DEV/d	6.55	6.50	6.25	7.00	7.50	↓	P.SELL	7.50
EGTS.CA	EGYPTIAN RESOR/d	1.94	1.87	1.83	2.00	2.04	↔	Hold	1.87
ORWE.CA	ORIENTAL WEAVE/d	9.06	8.90	8.55	10.00	10.70	↓	P.SELL	10.70
IRON.CA	EGYPTIAN IR & /d	4.37	4.40 *	4.22	5.24	5.50	↓	P.SELL	5.24
ACGC.CA	ARAB COTTON GI/d	1.98	1.92	1.84	2.05	2.13	↓	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

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.