

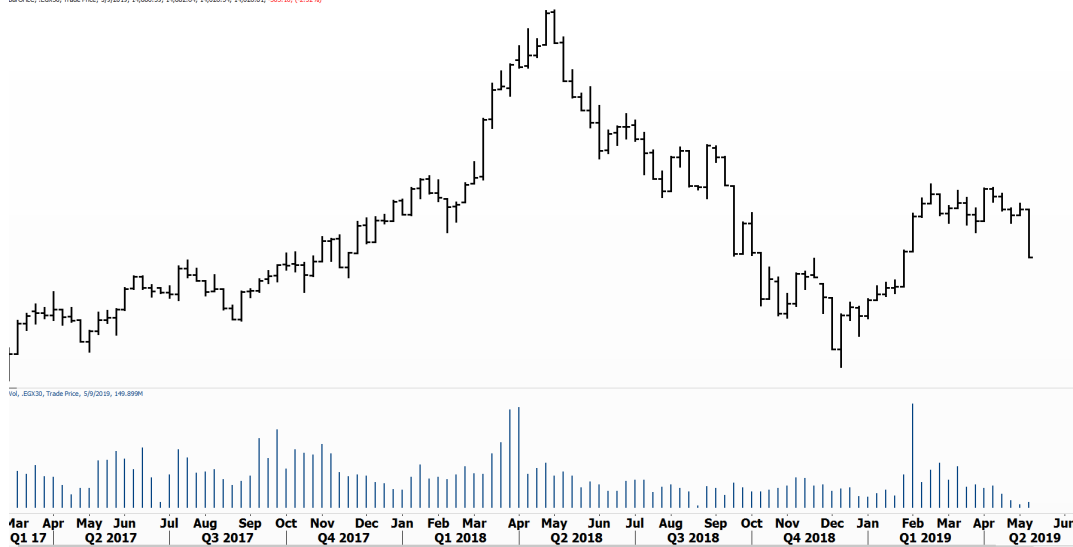


PIONEERSECURITIES

TECH TO THE POINT

9-May-19

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



Price	EGP		
18,000	Last	14,026.81	
17,500	High Today	14,389.91	
17,000	Low Today	14,026.54	
16,500	Volume	M	93.266
16,000	First Support	14,000.00	*
15,500	Second Support	13,600.00	
15,000	First Resistance	14,450.00	
14,500	Second Resistance	14,950.00	
14,026	Stop Loss		
13,500			
13,000			
12,500			
12,000			
11,500			
11,000			
10,500			
10,000			
9,500			
9,000			
8,500			
8,000			
7,500			
7,000			
6,500			
6,000			
5,500			
5,000			
4,500			
4,000			
3,500			
3,000			
2,500			
2,000			
1,500			
1,000			
500			
0			

Analysis

The severe market panic continued yesterday as almost all of the stocks witnessed extreme selloffs, which led to new lows in many of the stocks in the Egyptian Market.

The market selloff did not end; it is actually still building up, which means that there is still a lot of decline to come. Lots of margins positions are still open and need to be closed. On the other hand, the market has literally zero buying power; and this is the case since the sideways period that took place from Feb 2019. Such a decline was expected as the EGX 30 index was falsely moving at high levels only because of one stock that was controlling it. If we rank the EGX 30 stocks along with the index itself based on their performance, we will notice that the best performer is the EGX 30 index itself, which actually does not make sense; such a twisted result is due to the way the stock exchange calculates the index.

As for the upside potential; investors are not recommended to touch the market until it breaks the high of the past two sessions that lies at 14,450. If this level is broken, new buy signals will be triggered as we will be aiming for a short-term rise.

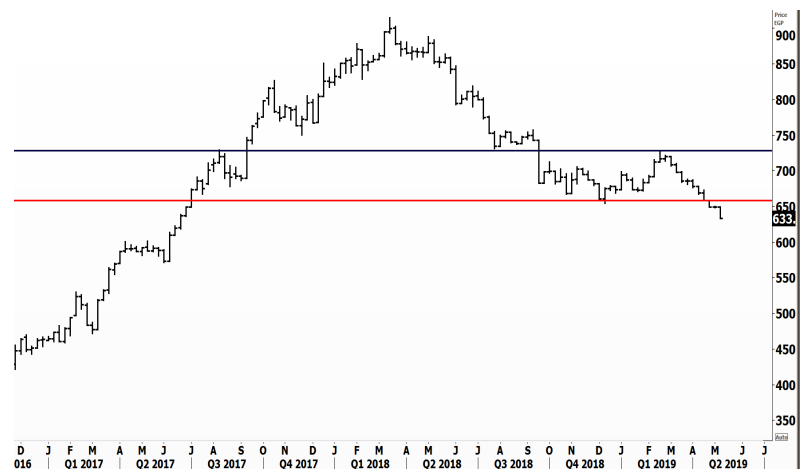
Egyptian Exchange Equal Weights Index EGX50

Analysis

If we look where the EGX 50 is, we will find that the EGX 30 index should be already trading below 13,000. In other words, if we take the 50 stocks that constitute the EGX 50 index, they trade (in average) below the 13,000 level.

Going back to the EGX 50 chart, the index declined yesterday more than 4%, which is literally a seriously severe panic selloff. The index is at 2,115 and is approaching 2,075, which coincides with the 12,500 on the EGX 30 index.





We have nothing to say here but to be away from the market until a “CLEAR” buy signal takes place. We will not recommend entering as long as the decline is still in place, even if we see upward potential.



Resistance



No stocks broke their resistance

Support

- GTHE**  Violated 4.35 sharply, and closed at 4.16 at the end of the session. GTHE witnessed a slight rise at the end but not enough to predict a rebound. If this breakdown is confirmed today, we should be ready to see more declines.
- OCDI**  Violated three support levels in one shot; the stock closed at 14.65 and is expected to retest its lows. Only a break above 16 will create a short-term buy signal.
- PIOH**  The violation of the 6.8 level triggered a sell signal. PIOH has its next support at 6. A decline to this level will come at no surprise, especially with the current market panic selloff.
- AIH**  Broke its major low and closed clearly below it, falling 8.5%, AIH is currently trading very near to its historical lows. We should not break below historical lows.

Testing

Support

- OIH**  The 0.51 is a major support since the end of 2015 and early 2016. If we break below this level, this will be considered as a very bearish scenario for the stock. The failure to rise from here is considered as a dangerous sign for the stock.
- EMFD**  Support lies at 2.9; this support is also considered very important as a violation below it will be very bearish for the stock.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	75.00	72.00	69.00	77.00	80.00	↔	Hold	72.00
EAST.CA	EASTERN CO	16.20	15.20	14.60	17.70	19.00	↓	P.SELL	17.70
SWDY.CA	ELSWEDY ELECTRIC	13.15	13.00	12.00	15.00	16.00	↓	P.SELL	16.00
TMGH.CA	TALAT MOSTAFA	10.49	10.30	9.60	11.50	12.00	↓	P.SELL	11.50
ACAMD.CA	Arab Co. for Asset Management	2.34	2.30	2.15	2.80	2.97	↓	P.SELL	2.80
EKHO.CA	EGYPT KUWAIT HLD	1.42	1.37 \$	1.30 \$	1.47 \$	1.55 \$	↔	Hold	1.47
HRHO.CA	EFG HERMES HOLD	15.42	15.30	14.30	16.35	17.00	↓	P.SELL	17.00
GTHE.CA	GLOBAL TELECO	4.16	3.93	3.77	4.40	4.75	↔	Hold	4.75
AMOC.CA	ALX MINERAL OILS	4.55	4.00	3.40	5.50	6.20	↓	P.SELL	5.50
MNHD.CA	MEDINET NASR HOU	5.72	5.50	5.00	6.50	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	14.65	14.50	12.85	16.30	17.50	↔	Hold	17.50
JUFO.CA	JUHAYNA FOOD IND	12.25	12.00	10.80	13.70	14.50	↔	Hold	12.00
ESRS.CA	EZZ STEEL	12.70	11.55	10.00	15.60	17.10	↓	P.SELL	15.60
ETEL.CA	TELECOM EGYPT	12.60	12.50	11.40	14.25	15.30	↓	P.SELL	14.25
CCAP.CA	CITADEL CAPITAL	3.09	2.90	2.60	3.40	3.60	↓	P.SELL	3.60
SRWA.CA	Sarwa Capital Holding	5.90	5.90 *	5.50	6.40	6.80	↔	Hold	5.90 *
PHDC.CA	PALM HILL DEV CO	2.31	2.30	2.10	2.60	2.80	↓	P.SELL	2.60
AUTO.CA	GB AUTO S.A.E	4.34	4.30	4.00	4.65	5.00	↓	P.SELL	5.00
HELI.CA	Misr Gedida Hou	22.25	21.50	20.00	24.20	25.50	↓	P.SELL	25.50
AINH.CA	Arab Investment Holding	0.58	0.55	0.50	0.66	0.71	↓	P.SELL	0.71
EGCH.CA	EGYPT CHEM IND	5.00	5.25	4.50	5.75	6.25	↓	P.SELL	6.25
EMFD.CA	EMAAR MISR DEV	3.04	3.00	2.85	3.60	3.80	↓	P.SELL	3.60
PIOH.CA	PIONEERS HLDG	6.58	6.60 *	6.22	7.00	7.65	↓	P.SELL	7.00
OIH.CA	ORASCOM INVESTMENT HOLDING	0.51	0.51 *	0.45	0.59	0.63	↓	P.SELL	0.63
ORHD.CA	ORASCOM DEV	6.23	6.25 *	5.50	6.70	7.00	↓	P.SELL	7.00
EGTS.CA	EGYPTIAN RESORTS	1.91	1.87	1.83	2.00	2.10	↔	Hold	1.87
ORWE.CA	ORIENTAL WEAVERS	9.21	8.90	8.55	10.00	10.70	↓	P.SELL	10.70
IRON.CA	EGYPTIAN IR & ST	3.64	3.50	3.30	4.10	4.50	↓	P.SELL	5.25
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

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.