

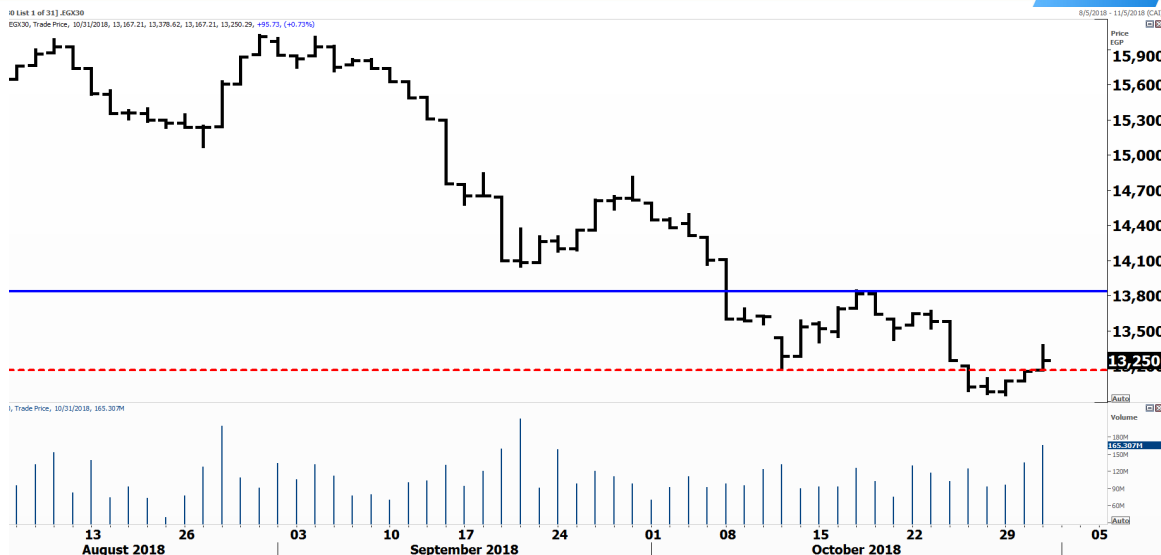


PIONEERSECURITIES

TECH TO THE POINT

1-Nov-18

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



Last	13,250.29
High Today	13,378.62
Low Today	13,167.21
Volume	M 165.307
First Support	12,950.00
Second Support	12,450.00
First Resistance	13,200.00 *
Second Resistance	13,800.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	0.03%
1 MONTH	-8.28%
1 QUARTER	-15.44%
1 YEAR	-7.61%
YTD	-11.78%

Analysis

The EGX 30 index was able to break above 13,200 yesterday but witnessed selling pressure at the end of the session to close near the low of the session. Yesterday's selling pressure is not a strange scenario, especially that we are probably in the process of forming a bottom. We are expecting the index to witness a higher low and rebound once again; it is important to note, however, that investors should choose their stocks with care. Not all the market is moving together. Stocks like EGTS, PIOH, CCAP, are the current outperformers and are expected to continue their strong performance. Other stocks like GTHE, ARCC, PHDC should follow too.

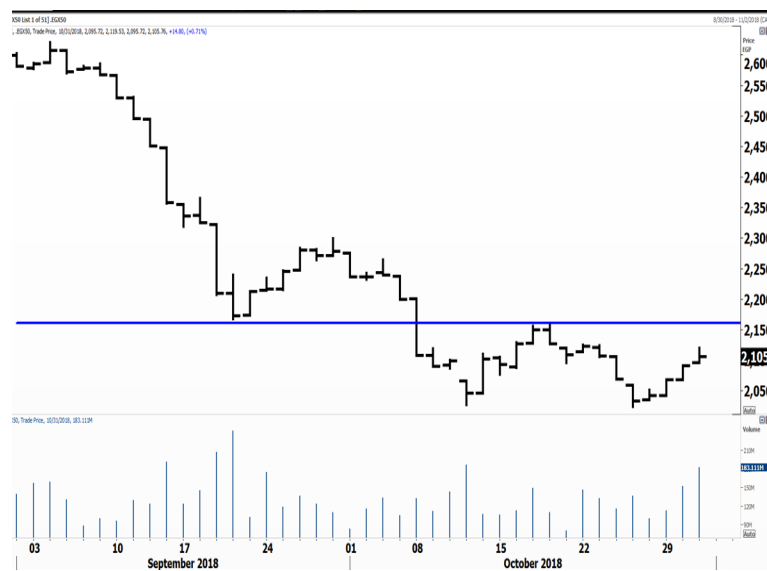
As we mentioned before, those who want a clear confirmation that the market has bottomed should wait for a breakout above 13,800. A break above this level will signal the beginning of a stronger upward move.

Egyptian Exchange Equal Weights Index EGX50


Analysis


Looking at the EGX 50 index, which gives 2% weight for each of its 50 stocks constituents, we are approaching the important resistance; thus, a slight decline is probable. We are not expecting a big decline from here. A higher low is expected, followed by a breakout.

If the EGX 50 breaks above 2,150-2,160, a clear buy signal will be triggered, even before the EGX 30 breaks its 13,800 level. This means that we can use the EGX 50 index as a leading indicator for its 30 counterpart. The reason of the outperformance of the EGX50 lies in the fact that some of the heavy constituents of the EGX 30 (especially real estate stocks) are not doing very well.





Resistance

ORHD  Closed at 5.29, breaking 5.18 upwards. If the stock confirms this breakout today, our target will be set at 6.5, which is the target of an inverted head and shoulders formation.

RAKT  Broke 8.48 with high volumes, closing at its high at 8.83. We expect RAKT to continue its rise and reach the 10.5-11 range. Those who want to step in can buy at intraday dips.


Support

HELI  A downtrend is a downtrend. Nothing can be said until clear strength appears. The first, and very minor sign of strength is a clear break above 18.82. The break below 17.8 yesterday, however, makes things harder for buyers.


ESRS  Continued its major decline, breaking below its most recent support once again. The major double top formation that took place from April to September 2018 has a target at 17.45, while next major support lies at around 16. Thus, our two next levels to watch are 17.45 and 16.


Testing

Support

SKPC  The 20.65 level is the current support. Those who own positions are recommended to place their stops below support. On the other hand, we do not recommend stepping in until the 23.5 is broken upwards. This will be our first signal to buy.

Resistance

AJWA  The stock is hovering around 3. A break above this level will trigger a buy signal with an initial target at 3.3.

EGCH  Looks strong, especially that it is maintaining itself close to its resistance that lies at 5.25. If EGCH breaks 5.25 upwards, a buy signal will be triggered with a target near 6.5. We recommend buying at the breakout.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	79.50	78.60	77.00	84.00	86.25	↔	Hold	78.60
EAST.CA	EASTERN CO	15.88	14.60	13.50	17.00	19.80	↓	P.SELL	17.00
SWDY.CA	ELSWEDY ELECTRIC	15.05	13.25	12.50	15.50	18.00	↓	P.SELL	15.50
TMGH.CA	TALAT MOSTAFA	9.10	9.00	8.80	9.90	10.50	↓	P.SELL	10.50
ABUK.CA	ABU QIR FRT&CHM	27.00	25.50	24.50	27.00 *	29.00	↓	P.SELL	29.00
EKHO.CA	EGYPT KUWAIT HLD	1.12	\$1.11	\$1.08	\$1.15	\$1.17	↔	Hold	\$1.08
HRHO.CA	EFG HERMES HOLD	13.90	14.00 *	13.20	14.50	15.12	↓	P.SELL	15.12
GTHE.CA	GLOBAL TELECO	2.76	2.55	2.20	3.00	3.50	↓	P.SELL	3.50
AMOC.CA	ALX MINERAL OILS	6.92	6.80	6.25	8.00	8.20	↓	P.SELL	8.90
MNHD.CA	MEDINET NASR HOU	6.98	7.00 *	6.50	8.40	9.15	↔	Hold	6.50
SKPC.CA	SIDI KERIR PETRC	21.30	21.40 *	20.50	23.50	26.00	↔	Hold	20.50
OCDI.CA	6TH OCT DEV INV	14.90	14.75	13.00	16.80	17.90	↓	P.SELL	17.90
JUFO.CA	JUHAYNA FOOD IND	9.60	8.70	7.70	10.85	11.50	↓	P.SELL	10.85
ESRS.CA	EZZ STEEL	18.08	17.45	16.00	19.90	20.95	↓	P.SELL	20.95
ETEL.CA	TELECOM EGYPT	10.60	10.25	9.55	11.20	11.90	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.68	3.45	3.20	3.85	4.20	↔	Hold	3.20
QNBA.CA	QNB ALAHLI	45.00	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.32	2.18	2.06	2.55	2.90	↔	Hold	2.55
ORAS.CA	ORASCOM CONST	117.00	110.00	108.00	117.00 *	122.00	↓	P.SELL	122.00
HELI.CA	Misr Gedida Hou	17.46	16.00	14.60	18.80	19.90	↓	P.SELL	19.90
EFID.CA	EDITA FOOD INDS	13.80	13.00	12.20	14.50	16.00	↓	P.SELL	17.00
ISPH.CA	IBNSINA PHARMA	9.78	9.40	8.60	10.23	10.80	↔	Hold	8.60
EMFD.CA	EMAAR MISR DEV	3.08	2.90	2.70	3.20	3.45	↓	P.SELL	3.45
PIOH.CA	PIONEERS HLDG	6.55	6.47	5.75	7.15	8.00	↔	Hold	5.75
OIH.CA	ORASCOM INVESTMENT HOLDING	0.54	0.51	0.45	0.58	0.64	↔	Hold	0.51
EGAL.CA	EGYPT ALUMINIUM	36.00	33.88	32.50	39.20	42.00	↔	Hold	32.50
EGTS.CA	EGYPTIAN RESORTS	2.10	1.85	1.68	2.11	2.40	↔	Hold	1.85
PORT.CA	PORTO GROUP	0.71	0.71	0.60	0.77	0.85	↓	P.SELL	0.85
IRON.CA	EGYPTIAN IR & ST	4.65	4.15	3.85	4.90	5.30	↓	P.SELL	5.30
ACGC.CA	ARAB COTTON GIN.	1.69	1.65	1.50	1.99	2.07	↓	P.SELL	2.07

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.