

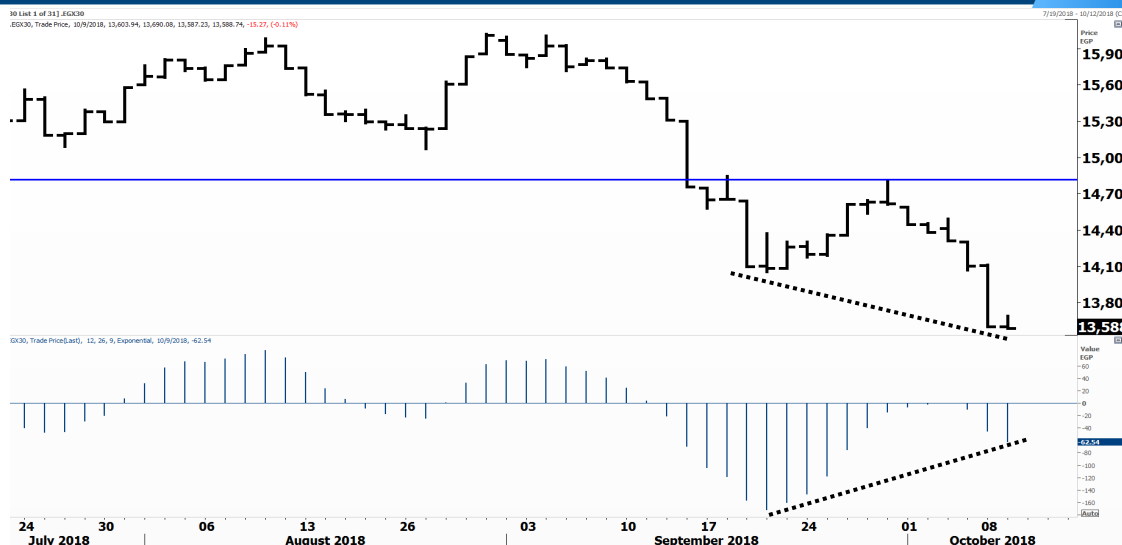


PIONEERSECURITIES

TECH TO THE POINT

10-Oct-18

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



Last	13,588.74
High Today	13,690.08
Low Today	13,587.23
Volume	M 94.646
First Support	13,500.00
Second Support	12,900.00
First Resistance	14,100.00
Second Resistance	14,800.00
Stop Loss	

HISTORICAL RETURN %

1 WEEK	-5.51%
1 MONTH	-13.67%
1 QUARTER	-14.65%
1 YEAR	-2.72%
YTD	-9.52%

Analysis

The market is very tiring to investors and confusing. People are frustrated with the overall market situation, especially that sellers do not have any mercy when they decide to sell. All these signals give us a bad feeling about the overall situation.

Let us step back a little bit though and watch where the market was few months ago, and where it is now; We already declined from 18,500 to 13,500 with no upward corrections. In other words, if (and we are saying if) the market is preparing itself to end its major decline and continue its overall uptrend, we will have the same sentiment and feelings that we are already having. This is not to say that the major decline ended, but we believe that we are approaching an end of this decline; at least a temporary end.

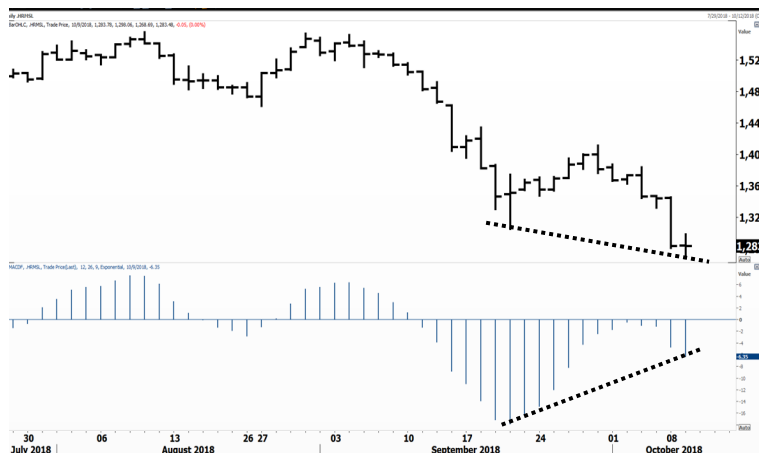
Our two important levels are 13,500 and 12,000. We believe that the EGX 30 is already near these two levels; in other words even if the decline continues it will probably stop soon before the next significant rise occurs.

Hermes Last Index/ Daily Chart


Analysis

Analyzing the Hermes Last daily chart after we analyzed the EGX 30 daily chart is like analyzing the same chart; but we believe that it is important to pinpoint that despite that both indices broke their lows, they are witnessing a positive divergence with the MACD histogram, which is one of the momentum indicators that we use. Such strength is still very preliminary and not clear yet; thus we cannot rely on it. We believe, however, that if the market begins to stabilize, it will witness a significant rise.


In short, we believe that the major correction is approaching its end; our two levels that should stop this major decline are 13,500 and 12,000. Since, we are already at the first important level, the probability of a strong rise from the current area is high.



Resistance


IFAP  Closed at 2.82 after breaking clearly its resistance that lies at 2.68. This breakout looks bullish and a rise to the 3-3.1 area is expected. Those who want to step in are recommended to use the aforementioned target for selling purposes, and a stop loss at 2.6


Support

CSAG  The stock broke its support that lies at 8, closing at 7.92. We believe, however, that this support breakout will probably be false. The stock is entering a major support area and is expected to rise from levels that are near current prices. Thus, despite the support violation, we expect a rebound.

Testing

Support

PIOH  If yesterday's volume was high we would have placed a bull face beside PIOH. The stock witnessed buying power at the end of the session to close at 6. Our first resistance to watch lies at 6.5; a break beyond this level will be an early signal of a potential breakout above 7. Thus, those who want to step in are recommended to buy at the breakout above 6.5.

GTHE  The stock is still unable to rise from its support, despite that we are still expecting it to witness a decent rise. For confirmation purposes, let us wait for a breakout above 3.5. If GTHE breaks this level upwards, the next rise will probably be strong.

MNHD  The 6.5 level should serve as a support for MNHD. A rebound from current level can trigger a short-term signal with a minor target near 7.95. Only a break above the latter level will be considered bullish for MNHD.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	80.10	80.00	77.00	84.00	86.25	↔	Hold	80.00
EAST.CA	EASTERN CO	16.02	15.00	13.50	18.00	19.80	↓	P.SELL	19.80
SWDY.CA	ELSWEDY ELECTRIC	14.71	14.50	14.00	16.50	18.30	↓	P.SELL	18.30
TMGH.CA	TALAT MOSTAFA	10.30	9.90	9.50	11.40	12.30	↔	Hold	9.90
ABUK.CA	ABU QIR FRT&CHM	30.80	30.00	29.00	32.60	35.00	↔	Hold	29.00
EKHO.CA	EGYPT KUWAIT HLD	1.13	\$1.11	\$1.08	\$1.17	\$1.23	↔	Hold	\$1.08
HRHO.CA	EFG HERMES HOLD	15.50	15.00	14.00	16.00	18.00	↔	Hold	15.00
GTHE.CA	GLOBAL TELECO	3.05	3.00	2.90	3.50	3.90	↓	P.SELL	3.50
AMOC.CA	ALX MINERAL OILS	10.25	10.25 *	9.80	10.80	11.40	↔	Hold	10.25
MNHD.CA	MEDINET NASR HOU	6.80	6.50	5.50	7.90	9.15	↓	P.SELL	7.90
SKPC.CA	SIDI KERIR PETRC	22.50	21.40	20.50	23.50	26.00	↓	P.SELL	23.50
OCDI.CA	6TH OCT DEV INV	20.00	18.75	17.50	22.20	23.30	↔	Hold	18.75
JUFO.CA	JUHAYNA FOOD IND	8.68	8.70 *	7.70	10.85	11.50	↓	P.SELL	10.85
ESRS.CA	EZZ STEEL	20.20	19.25	18.50	21.50	24.00	↓	P.SELL	24.00
ETEL.CA	TELECOM EGYPT	10.90	10.25	9.55	11.90	13.20	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.16	2.95	2.60	3.45	3.75	↔	Hold	2.95
QNBA.CA	QNB ALAHLI	42.50	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.23	2.15	1.80	2.55	2.90	↓	P.SELL	2.55
ORAS.CA	ORASCOM CONST	112.00	106.00	94.00	122.00	138.00	↓	P.SELL	138.00
HELI.CA	Misr Gedida Hou	20.50	19.90	18.00	23.50	25.00	↓	P.SELL	23.50
EFID.CA	EDITA FOOD INDS	13.70	14.50	13.50	19.00	21.50	↔	Hold	17.50
ISPH.CA	IBNSINA PHARMA	8.10	8.00	7.50	9.60	10.10	↔	Hold	8.90
EMFD.CA	EMAAR MISR DEV	3.10	2.90	2.50	3.70	3.90	↓	P.SELL	3.70
PIOH.CA	PIONEERS HLDG	6.00	5.40	5.00	6.50	7.00	↓	P.SELL	7.00
OIH.CA	ORASCOM INVESTMENT HOLDING	0.53	0.51	0.45	0.64	0.69	↓	P.SELL	0.64
EGAL.CA	EGYPT ALUMINIUM	33.70	32.50	31.00	35.80	39.20	↓	P.SELL	35.80
EGTS.CA	EGYPTIAN RESORTS	1.73	1.68	1.42	1.96	2.03	↔	Hold	1.68
PORT.CA	PORTO GROUP	0.74	0.60	N.A	0.85	1.20	↓	P.SELL	0.85
IRON.CA	EGYPTIAN IR & ST	4.48	4.15	3.85	5.30	5.90	↓	P.SELL	5.30
ACGC.CA	ARAB COTTON GIN.	1.99	1.83	1.72	2.30	2.50	↓	P.SELL	2.30

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.