PIONEERSSECURITIES

# TECH TO THE POINT

15-Oct-19

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

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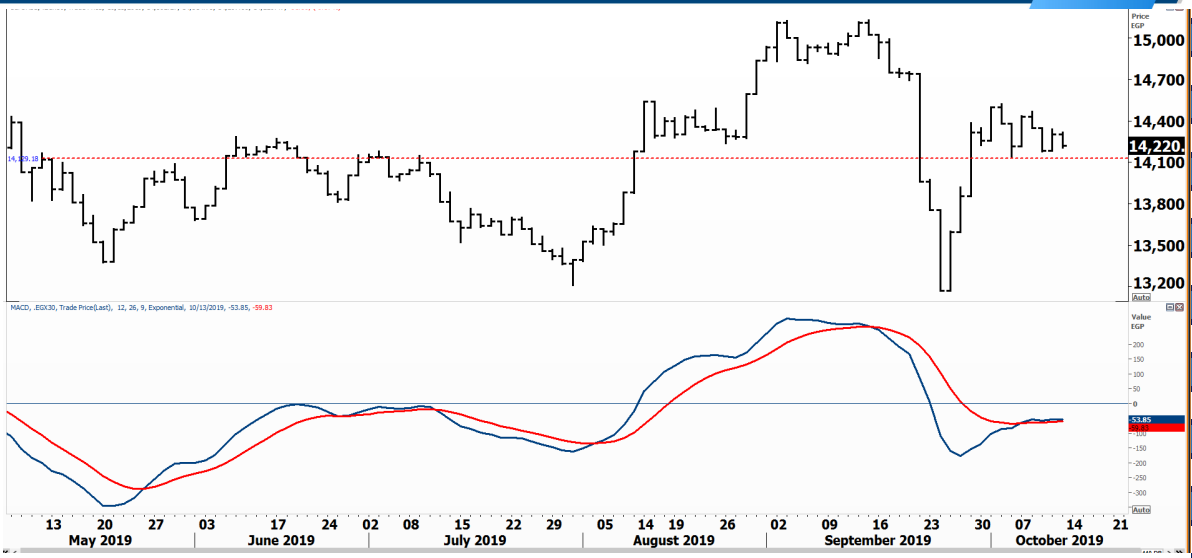
# EGX 30 Index / .EGX30




| | | |
|---|---|---|
| Last | | 14,180.76 |
| High Today | | 14,266.70 |
| Low Today | | 14,179.64 |
| Volume | M | 83.146 |
| First Support | | 14,150.00 |
| Second Support | | 14,000.00 |
| First Resistance | | 14,550.00 |
| Second Resistance | | 14,800.00 |
| Stop Loss | | 14,150.00 |

| HISTORICAL RETURN % | |
|---|---|
| 1 WEEK | -1.74% |
| 1 MONTH | -6.15% |
| 1 QUARTER | 4.06% |
| 1 YEAR | 4.75% |
| YTD | 8.78% |

## Analysis

The market tried to rebound in the beginning of yesterday's session but sellers stepped in aggressively to drag the market down and to take the index near its stop loss that lies at 14,150. Unfortunately, yesterday's market action is considered bearish on the short-term and raises the probability of a potentially stronger decline. As we mentioned before, a break below support will trigger stops.

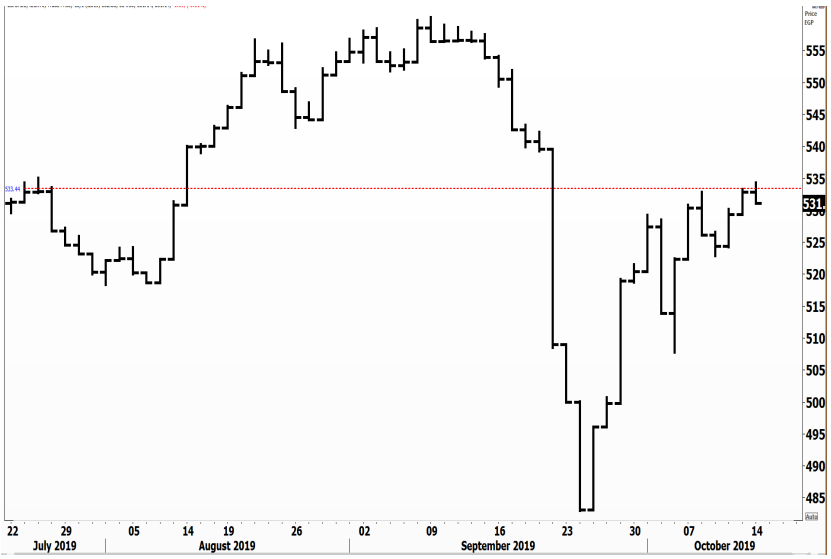
It is worth mentioning that if the 14,150-14,180 area is violated, our target will be set around 13,500 initially.

# Egyptian Exchange Small Caps Index EGX70

## Analysis

The EGX 70 index has been forming what looks like a rising wedge; if this formation is confirmed, the target will be set near 510. We mentioned before that the small caps index is currently outperforming the EGX 30. This is true, but it is important also to note that a significant decline on the EGX 30 index will obviously affect the 70 negatively.

Thus, we recommend waiting until the 535 is broken upwards; a break above this level will cancel the rising wedge and will be bullish for small and medium caps.



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# Breakouts

## Resistance

**EFIC** Closed at 11.76 after breaking its resistance. We believe that EFIC can go near the 14-15 range. If a decline occurs, the 11 level will probably serve as support.

## Support

**ACGC** Despite that the stock broke a minor support, we expect the 1.67-1.7 area to serve as a stronger support. Those who want to step in are recommended to make sure that the next support will halt the stock's decline.

# Testing

## Support

**SWDY** First support lies at 12.6. A break below this level will probably lead the stock near 12. We will wait for a re-bound from 12.6 before stepping in.

## Resistance

**SKPC** Those who want to step in a recommended to wait for a clear break above 9.5 first. If this breakout occurs, a buy signal will be triggered with a target near 11.

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| Symbol | S. Description | Last | Support 1 | Support 2 | Resistance 1 | Resistance 2 | Trend | Recommendation | Stop Loss/ Re-Entry |
|---|---|---|---|---|---|---|---|---|---|
| COMI.CA | COM INTL BK/d | 79.25 | 77.00 | 74.00 | 80.00 | 83.00 | ↔ | Hold | 80.00 |
| EAST.CA | EASTERN CO/d | 15.96 | 15.85 | 15.00 | 16.70 | 17.40 | ↔ | Hold | 15.85 |
| SWDY.CA | ELSWEDY ELECTR/d | 12.80 | 12.60 | 11.92 | 13.75 | 15.17 | ↔ | Hold | 11.92 |
| TMGH.CA | TALAT MOSTAFA/d | 9.62 | 9.70 * | 9.27 | 10.75 | 11.15 | ↔ | Hold | 9.27 |
| SKPC.CA | SIDI KERIR PET/d | 9.11 | 8.70 | 8.00 | 9.60 | 10.85 | ↔ | Hold | 8.00 |
| EKHO.CA | EGYPT KUWAIT H/d | 1.40 | 1.37 $ | 1.29 $ | 1.44 $ | 1.52 $ | ↔ | Hold | 1.44 |
| HRHO.CA | EFG HERMES HOL/d | 17.90 | 17.50 | 17.00 | 19.70 | 20.60 | ↔ | Hold | 17.00 |
| ORAS.CA | ORASCOM CONST/d | 100.01 | 100.00 | 95.00 | 111.00 | 117.00 | ↔ | Hold | 95.00 |
| AMOC.CA | ALX MINERAL OI/d | 4.33 | 4.05 | 3.60 | 4.40 | 4.70 | ↔ | Hold | 4.40 |
| MNHD.CA | NASR CITY HOUS/d | 4.52 | 4.40 | 4.00 | 4.80 | 5.05 | ↓ | P.SELL | 4.65 |
| CIRA.CA | Cairo Investment & Real Estate | 13.00 | 12.70 | 11.50 | 13.50 | 15.00 | ↑ | Hold | 11.50 |
| OCDI.CA | 6TH OCT DEV IN/d | 14.70 | 14.25 | 13.70 | 15.90 | 16.50 | ↔ | Hold | 13.70 |
| JUFO.CA | JUHAYNA FOOD I/d | 8.16 | 8.00 | 7.70 | 10.00 | 11.00 | ↔ | Hold | 10.00 |
| ESRS.CA | EZZ STEEL/d | 11.80 | 11.25 | 10.00 | 13.55 | 15.50 | ↔ | Hold | 11.25 |
| ETEL.CA | TELECOM EGYPT/d | 11.40 | 11.20 | 10.85 | 12.30 | 12.90 | ↔ | Hold | 11.20 |
| CCAP.CA | CITADEL CAPITA/d | 2.39 | 2.30 | 2.12 | 2.60 | 2.75 | ↔ | Hold | 2.60 |
| ISPH.CA | IBNSINA PHARMA | 9.83 | 9.30 | 8.80 | 10.50 | 11.15 | ↔ | Hold | 9.30 |
| PHDC.CA | PALM HILL DEV /d | 2.00 | 1.95 | 1.90 | 2.20 | 2.43 | ↔ | Hold | 1.90 |
| CLHO.CA | CLEOPATRA HOSPITAL COMPANY | 6.27 | 5.90 | 5.55 | 6.60 | 7.06 | ↔ | Hold | 5.90 |
| HELI.CA | HELIOPOLIS/d | 26.92 | 25.50 | 24.40 | 27.55 | 29.20 | ↔ | Hold | 25.50 |
| CIEB.CA | CREDIT AGRICOL/d | 43.00 | 40.00 | 38.00 | 45.00 | 47.00 | ↔ | Hold | 40.00 |
| EGCH.CA | EGYPT CHEM IND/d | 5.20 | 5.00 | 4.40 | 5.55 | 5.80 | ↔ | Hold | 5.00 |
| EMFD.CA | EMAAR MISR DEV/d | 3.01 | 2.94 | 2.70 | 3.23 | 3.45 | ↔ | Hold | 2.94 |
| OIH.CA | ORASCOM INVESTMENT HOLDING | 0.58 | 0.54 | 0.50 | 0.60 | 0.64 | ↔ | Hold | 0.54 |
| ORHD.CA | ORASCOM EGYPT/d | 6.30 | 6.40 * | 5.95 | 6.88 | 7.30 | ↔ | Hold | 5.95 |
| EGTS.CA | EGYPTIAN RESOR/d | 2.65 | 2.55 | 2.38 | 3.04 | 3.25 | ↔ | Hold | 2.55 |
| ORWE.CA | ORIENTAL WEAVE/d | 10.30 | 10.00 | 9.50 | 10.60 | 11.09 | ↔ | Hold | 9.50 |
| IRON.CA | EGYPTIAN IR & /d | 2.76 | 2.50 | 2.15 | 2.89 | 3.10 | ↔ | Hold | 2.50 |
| ADIB.CA | ABU DHABI/d | 12.32 | 12.15 | 11.50 | 13.33 | 14.50 | ↔ | Hold | 13.33 |

## 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.