

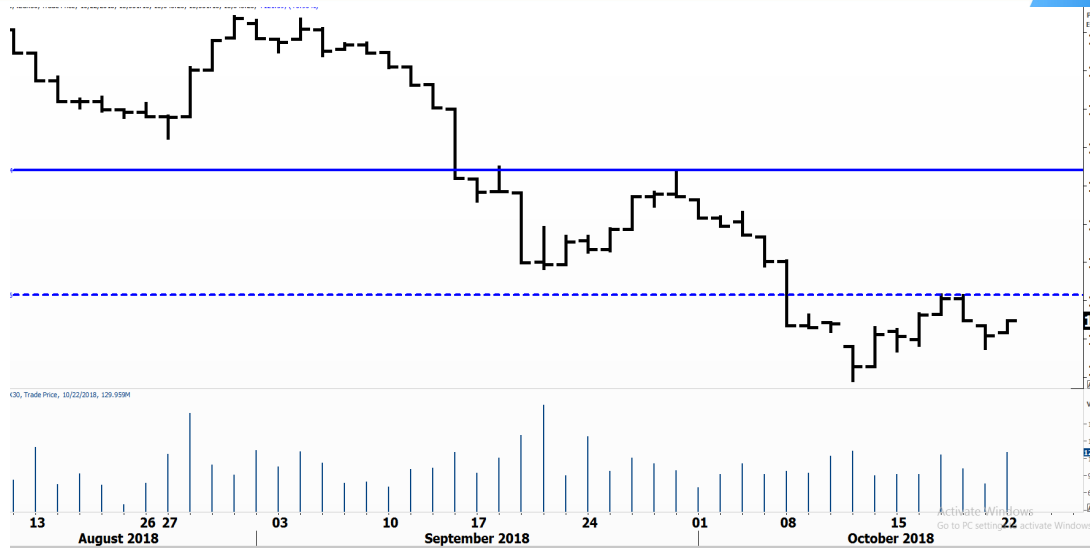


PIONEERSECURITIES

TECH TO THE POINT

23-Oct-18

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



Price EGP	Last	13,646.26
15,900	High Today	13,646.26
15,600	Low Today	13,551.16
15,300	Volume	M 129.959
15,000	First Support	13,175.00
14,700	Second Support	12,900.00
14,400	First Resistance	13,850.00
14,100	Second Resistance	14,100.00
13,800	Stop Loss	
13,646.26		
13,500		
13,200		
	HISTORICAL RETURN %	
	1 WEEK	0.92%
	1 MONTH	-3.10%
	1 QUARTER	-10.83%
	1 YEAR	-0.44%
	YTD	-9.14%

Analysis

Yesterday's rise created a higher low, which is our first signal for a breakout above 13,850. As we mentioned yesterday, a break above this minor peak (13,850) will trigger a buy signal with a target at around 14,800. Thus, this minor resistance is important as its breakout will give permission to the market to make a swift upward rise, which should reach its target in a relatively short period of time.

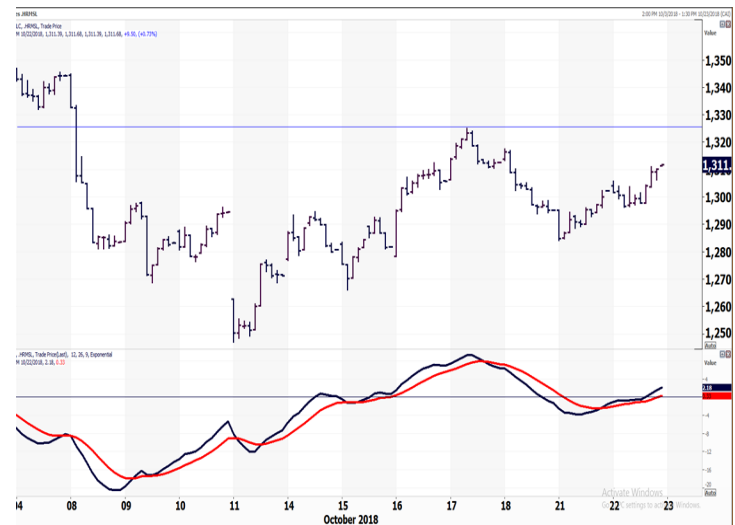
Investors who are waiting for this breakout are recommended to step in with this move and wait for the 14,800 to be reached. It looks like the month of November will be a better month than both September and October.

Hermes Last Index/ 30 mins Chart


Analysis


The 30 mins chart of the Hermes Last Index shows the higher lows that are being formed on an intraday basis from the 11th of October until today. As we can see from the chart, all declines from that date were falling at a higher level than the previous bottom; this should be considered as an early sign of a potential breakout. The higher lows also show that the market began to show a different pattern than what it used to do before. In other words, the higher lows that are being formed show stronger and more decisive buyers than what we used to see during the past two months.


We cannot be bullish yet on the market, but the break above 1,325 on the Hermes Last Index will be an important bullish sign on the short-term.



Resistance

ORHD  Closed at 4.81 after breaking 4.75 to the upside. Our next target lies at 5.15-5.2. Only a break above this level will lead to a significant rise, probably to 6.

IFAP  The stock was introduced in our breakouts at its first breakout when it broke 2.65 upwards. IFAP continued its rise as it was expected and broke another resistance at 3.28. We expect the stock to reach 3.6 first, then reach 4.

DAPH  Broke 15.9 upwards, closing at 16.35 at the end of the session. DAPH witnessed high volumes the past two sessions and should reach higher targets. If the stock moves as we expect it can reach 20 in a relatively short period of time.


Support


No stocks broke their support yesterday.

Testing

Support

Resistance

SKPC  Currently witnessing a sideways pattern with an upper boundary at 23.5. Only a break above this level will trigger a buy signal with a target at 26.

SWDY  The stock needs to clearly close above 15.5 first before we consider it. It is important to note that SWDY witnessed very bad performance lately and will take some time before regaining strength. Those who want to treat the stock from a short-term perspective can step in at a break above 15.5.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	82.88	80.00	77.00	84.00	86.25	↔	Hold	80.00
EAST.CA	EASTERN CO	16.40	14.60	13.50	17.00	19.80	↓	P.SELL	17.00
SWDY.CA	ELSWEDY ELECTRIC	15.37	13.25	12.50	15.50	18.00	↓	P.SELL	15.50
TMGH.CA	TALAT MOSTAFA	10.10	9.90	9.50	10.50	11.40	↔	Hold	9.90
ABUK.CA	ABU QIR FRT&CHM	30.00	30.00	29.00	32.60	35.00	↔	Hold	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	15.00	14.00	13.20	16.00	18.00	↔	Hold	14.00
GTHE.CA	GLOBAL TELECO	2.79	2.65	2.20	3.00	3.50	↓	P.SELL	3.50
AMOC.CA	ALX MINERAL OILS	8.64	8.20	7.92	9.50	10.10	↓	P.SELL	10.10
MNHD.CA	MEDINET NASR HOU	7.46	7.00	6.50	8.40	9.15	↔	Hold	6.50
SKPC.CA	SIDI KERIR PETRC	22.75	21.40	20.50	23.50	26.00	↔	Hold	23.50
OCDI.CA	6TH OCT DEV INV	16.28	16.00	14.75	18.70	21.00	↓	P.SELL	18.70
JUFO.CA	JUHAYNA FOOD IND	9.90	8.70	7.70	10.85	11.50	↓	P.SELL	10.85
ESRS.CA	EZZ STEEL	20.41	19.25	18.50	21.50	24.00	↓	P.SELL	24.00
ETEL.CA	TELECOM EGYPT	10.97	10.25	9.55	11.20	11.90	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.34	2.85	2.60	3.45	3.75	↔	Hold	2.85
QNBA.CA	QNB ALAHLI	43.00	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.16	1.96	1.80	2.35	2.55	↓	P.SELL	2.55
ORAS.CA	ORASCOM CONST	112.26	108.00	94.00	117.00	122.00	↓	P.SELL	122.00
HELI.CA	Misr Gedida Hou	20.65	19.90	18.00	23.50	25.00	↓	P.SELL	23.50
EFID.CA	EDITA FOOD INDS	14.00	13.00	12.20	17.00	19.00	↓	P.SELL	17.00
ISPH.CA	IBNSINA PHARMA	10.00	8.60	8.00	10.23	10.80	↔	Hold	8.60
EMFD.CA	EMAAR MISR DEV	3.19	3.00	2.90	3.45	3.70	↓	P.SELL	3.70
PIOH.CA	PIONEERS HLDG	6.17	5.40	5.00	6.50	7.00	↓	P.SELL	6.50
OIH.CA	ORASCOM INVESTMENT HOLDING	0.56	0.51	0.45	0.60	0.64	↔	Hold	0.51
EGAL.CA	EGYPT ALUMINIUM	37.85	35.80	33.00	39.20	42.00	↔	Hold	33.00
EGTS.CA	EGYPTIAN RESORTS	1.97	1.68	1.42	2.03	2.11	↔	Hold	1.68
PORT.CA	PORTO GROUP	0.73	0.60	N.A	0.85	1.20	↓	P.SELL	0.85
IRON.CA	EGYPTIAN IR & ST	4.79	4.15	3.85	5.30	5.90	↓	P.SELL	5.30
ACGC.CA	ARAB COTTON GIN.	2.19	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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Technical Analysis Department

Saleh Nasser

Chief Technical Strategist

Ahmed Hassan

Senior Technical Analyst

Dina Fahmy

Senior Technical Analyst

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.