

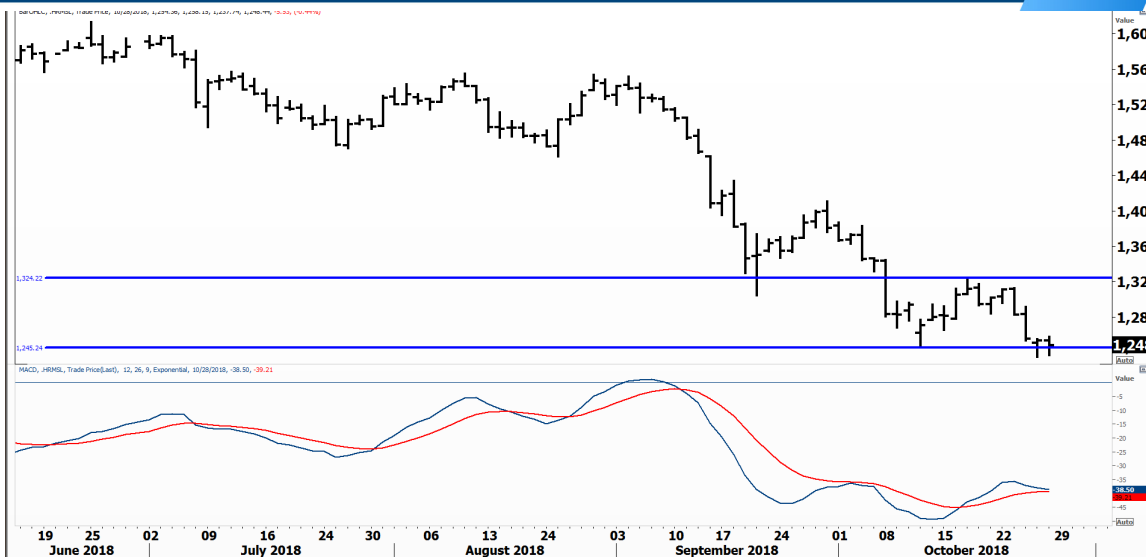


PIONEERSECURITIES

TECH TO THE POINT

29-Oct-18

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



Last	1,248.44
High Today	1,258.15
Low Today	1,237.74
Volume	M 0.000
First Support	1,245.00
Second Support	1,170.00
First Resistance	1,320.00
Second Resistance	1,380.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-4.13%
1 MONTH	-10.78%
1 QUARTER	-16.95%
1 YEAR	-5.34%
YTD	-13.51%

Analysis

The market yesterday was exceptional, as the EGX 30 itself declined, the Hermes Last Index stabilized, while many stocks witnessed a strong upward move which gave a general sense that a rebound might be coming.

If we look at the Hermes Last Index we will note that it did not break its bottom yet, and it is struggling to rise; this, coupled with the potential higher low on the MACD, hints of a potential rebound. If the market rebounds from here, it will reach 1,320, which coincides with the 14,800 on the EGX 30 index. Those who want to open positions after confirmation are recommended to wait for a clear break above the peak. If this breakout occurs, the next rise will be strong.

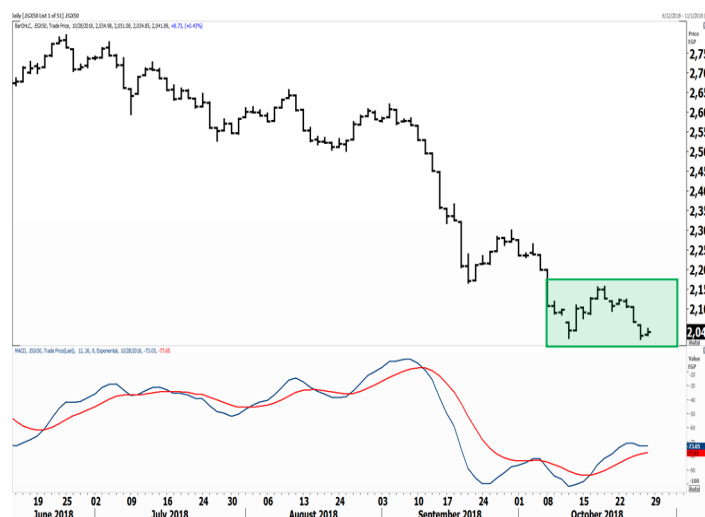
Egyptian Exchange Equal Weights Index EGX50

Analysis


The EGX 50 index is currently inside its sideways range and it did not break its bottom yet. The rising MACD is an important signal of fading selling pressure. Despite that buyers are not yet able to step in aggressively, sellers are also weakening.

The difference during yesterday's session is that we began to witness aggressive buyers in a handful of stocks like CCAP, PI-OH, and PHDC. If this buying power continues for the next few sessions it will spread, which should lead to a significant rise.

Our peak lies at 2,150; as long as the EGX 50 is trading below it, we will not turn bullish. If, however, the 2,150 is broken upwards, the next rise will be significant.




Resistance


ECAP  Closed at 11.5 after breaking above 11.4. If the stock continues trading above 11.5 above it will probably reach 12.75, which is our first important target.

Support


Testing

Support

COMI  Despite that COMI closed below 79, it is still considered within its support range, especially if it succeeds to break above 79-80 once again today. Thus, we will wait to see whether COMI will trade above 79 or not. A failure to do so will place the stock in the "break of support" zone.

MPRC  The 3.85-4 area is an important support to watch. A break below it will be considered bearish for MPRC. On the other hand, those who want to step in are recommended to buy at a break above 4.35. A breakout above this minor peak will lead the stock to 4.85, then 5.5.

Resistance

CCAP  Probably the leader of the market in the coming period. A break above 3.45, which will probably occur today, will lead the stock to new highs. In other words, if CCAP trades above 3.45 it will probably break above 3.85 upwards and our target will be set at 5.

PIOH  Those who want to buy after confirmation are recommended to enter at a break above 6.55. This breakout will be an early signal of a potential break above 7.25; our target will be set at around 8.5.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	78.62	78.60 *	77.00	84.00	86.25	↔	Hold	78.60
EAST.CA	EASTERN CO	15.41	14.60	13.50	17.00	19.80	↓	P.SELL	17.00
SWDY.CA	ELSWEDY ELECTRIC	14.30	13.25	12.50	15.50	18.00	↓	P.SELL	15.50
TMGH.CA	TALAT MOSTAFA	9.47	9.50 *	9.00	9.90	10.50	↓	P.SELL	10.50
ABUK.CA	ABU QIR FRT&CHM	26.45	25.90	24.50	29.00	31.50	↓	P.SELL	31.50
EKHO.CA	EGYPT KUWAIT HLD	1.11	\$1.11	\$1.08	\$1.15	\$1.17	↔	Hold	\$1.08
HRHO.CA	EFG HERMES HOLD	14.17	14.00	13.20	15.12	15.70	↓	P.SELL	15.70
GTHE.CA	GLOBAL TELECO	2.64	2.55	2.20	3.00	3.50	↓	P.SELL	3.50
AMOC.CA	ALX MINERAL OILS	6.95	6.80	6.25	8.00	8.20	↓	P.SELL	8.90
MNHD.CA	MEDINET NASR HOU	7.20	7.00	6.50	8.40	9.15	↔	Hold	6.50
SKPC.CA	SIDI KERIR PETRC	21.50	21.40	20.50	23.50	26.00	↔	Hold	20.50
OCDI.CA	6TH OCT DEV INV	15.03	14.75	13.00	17.90	18.70	↓	P.SELL	18.70
JUFO.CA	JUHAYNA FOOD IND	0.00	8.70	7.70	10.85	11.50	↓	P.SELL	10.85
ESRS.CA	EZZ STEEL	19.60	19.25	18.50	21.50	24.00	↓	P.SELL	24.00
ETEL.CA	TELECOM EGYPT	10.64	10.25	9.55	11.20	11.90	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.44	2.85	2.60	3.45	3.75	↔	Hold	2.85
QNBA.CA	QNB ALAHLI	45.90	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.30	1.96	1.80	2.35	2.55	↓	P.SELL	2.55
ORAS.CA	ORASCOM CONST	111.01	108.00	94.00	117.00	122.00	↓	P.SELL	122.00
HELI.CA	Misr Gedida Hou	18.27	18.00	16.00	20.00	21.95	↓	P.SELL	21.95
EFID.CA	EDITA FOOD INDS	14.00	13.00	12.20	14.50	16.00	↓	P.SELL	17.00
ISPH.CA	IBNSINA PHARMA	9.51	8.60	8.00	10.23	10.80	↔	Hold	8.60
EMFD.CA	EMAAR MISR DEV	3.09	2.90	2.70	3.20	3.45	↓	P.SELL	3.45
PIOH.CA	PIONEERS HLDG	6.46	5.40	5.00	6.50	7.00	↓	P.SELL	6.50
OIH.CA	ORASCOM INVESTMENT HOLDING	0.54	0.51	0.45	0.58	0.64	↔	Hold	0.51
EGAL.CA	EGYPT ALUMINIUM	35.04	33.88	32.50	39.20	42.00	↔	Hold	32.50
EGTS.CA	EGYPTIAN RESORTS	1.96	1.88	1.68	2.03	2.11	↔	Hold	1.68
PORT.CA	PORTO GROUP	0.70	0.71 *	0.60	0.77	0.85	↓	P.SELL	0.85
IRON.CA	EGYPTIAN IR & ST	4.41	4.15	3.85	5.30	5.90	↓	P.SELL	5.30
ACGC.CA	ARAB COTTON GIN.	1.66	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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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.