

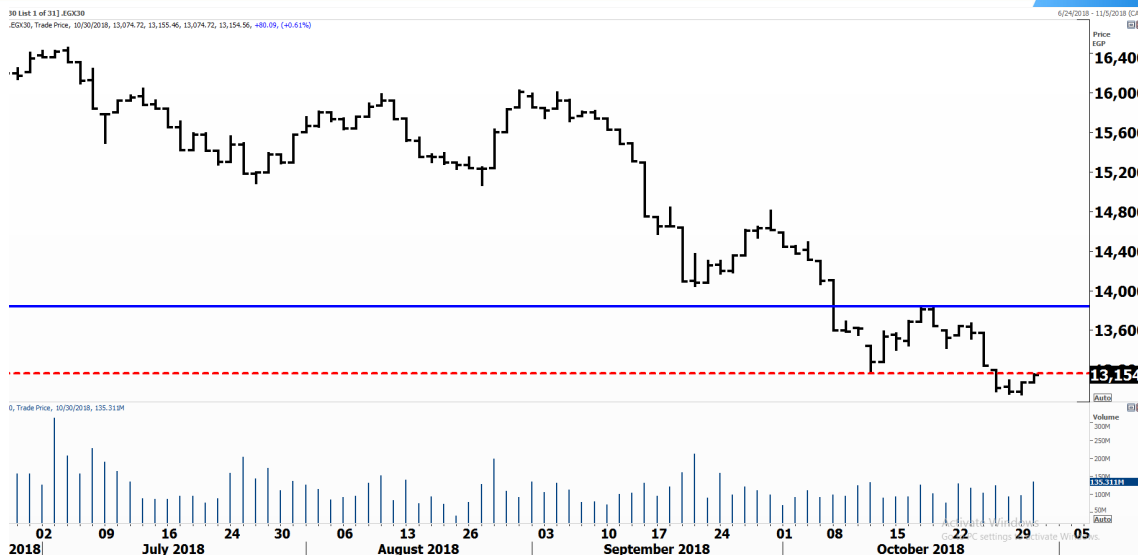


PIONEERSECURITIES

# TECH TO THE POINT

31-Oct-18

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



Last	13,154.56
High Today	13,155.46
Low Today	13,074.72
Volume M	135.311
First Support	12,900.00
Second Support	12,450.00
First Resistance	13,200.00
Second Resistance	13,800.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-3.13%
1 MONTH	0.00%
1 QUARTER	-15.57%
1 YEAR	0.00%
YTD	0.00%

## Analysis

The EGX 30 index closed at 13,154 testing its previous bottom that lies at the same level. As we know, the Hermes Last Index is already above its bottom as it did not break it downwards. As for the EGX, if the index succeeds to trade back above 13,200, we will probably witness a significant rise that will take us to 13,800.

As we can see, not all stocks are performing well. The best strategy is to invest in outperforming stocks. It is better to invest in already strong stocks, better than those that still have potential. Nonetheless, many of the stocks that did not rise yet and have potential may witness very strong upward moves; to be on the safer side, however, we must also be holding positions in outperformers.

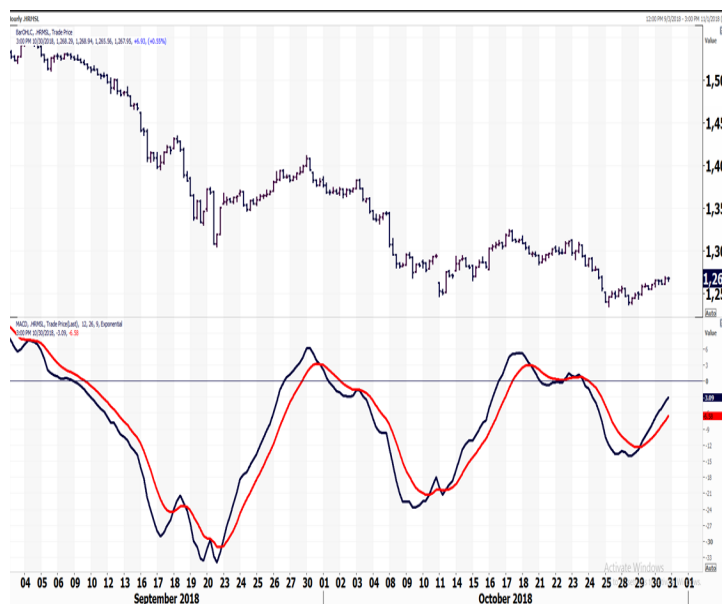
## Hermes Last Index/ Hourly Chart

### Analysis


As we all know, the market declined severely from 1st of September until the 20th. This was the first declining leg and it was so ugly and terrible that it had a lethal effect on many retail investors. The market then rose until the end of the month, and began to decline once again from the beginning of October making a new low.


Let us say it another way, the October decline violated the September 20th low on both the EGX 30 and the Hermes Last Index. However (*and this is a very important however*); there is a huge (*a really huge*) difference between the first sharp decline that ended on September 20, and the second decline that began October first and broke September 20th's bottom. The second decline, despite that it broke the low, came on much weaker selling momentum. Thus, the second decline, in our view, is probably a bear trap. If this is true, we are heading for a big rise to come. We are still not sure about this but we are more biased to this scenario.


The Hermes Last Hourly chart is showing this by the clear higher lows on the MACD indicator despite the October decline. Such signals should not be ignored.




## Resistance

**ACAMD**  The break above 1.9 triggered a short-term buy signal; first target lies at 2.15. If ACAMD breaks 2.15 upwards, a confirmed buy will be triggered with an upward target at around 2.7-2.8.

**EGTS**  If the breakout above 2.03 is confirmed today, EGTS will probably break above 2.1 and our target will be set near 2.5. This is our first target as we are expecting higher levels. Those who want to step in can buy today if the stock trades above 2.03.

**SVCE**  Broke 2.43 with high volumes, closing at 2.55 at the end of the session. The stock might find some resistance at 2.72; a breakout above this level, however, will lead it to much higher levels. The 3.5-3.6 area will be an important resistance area to watch.

**ELEC**  The break above 0.97 is significant. We prefer, however, to wait for a break above 1.04. Such a breakout will trigger a buy signal with a target at 1.25


## Support


No stocks broke their support yesterday.

## Testing

### Support

### Resistance

**MPRC**  A confirmed break above 4.35 will trigger a buy signal with a target at 4.8, followed by 5.5. We expect the second target to be reached.

**ORHD**  The stock has been witnessing high volumes lately, which is a sign of a potential breakout. A break above 5.15-5.17 will trigger a buy signal with a target at around 6.5.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	79.01	78.60	77.00	84.00	86.25	↔	Hold	78.60
EAST.CA	EASTERN CO	16.20	14.60	13.50	17.00	19.80	↓	P.SELL	17.00
SWDY.CA	ELSWEDY ELECTRIC	14.71	13.25	12.50	15.50	18.00	↓	P.SELL	15.50
TMGH.CA	TALAT MOSTAFA	9.40	9.00	8.80	9.90	10.50	↓	P.SELL	10.50
ABUK.CA	ABU QIR FRT&CHM	26.65	25.90	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	14.16	14.00	13.20	14.50	15.12	↓	P.SELL	15.12
GTHE.CA	GLOBAL TELECO	2.77	2.55	2.20	3.00	3.50	↓	P.SELL	3.50
AMOC.CA	ALX MINERAL OILS	6.94	6.80	6.25	8.00	8.20	↓	P.SELL	8.90
MNHD.CA	MEDINET NASR HOU	7.08	7.00	6.50	8.40	9.15	↔	Hold	6.50
SKPC.CA	SIDI KERIR PETRC	22.40	21.40	20.50	23.50	26.00	↔	Hold	20.50
OCDI.CA	6TH OCT DEV INV	15.01	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	18.90	19.00 *	18.50	20.95	21.50	↓	P.SELL	21.50
ETEL.CA	TELECOM EGYPT	10.75	10.25	9.55	11.20	11.90	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.64	2.85	2.60	3.85	4.20	↔	Hold	2.85
QNBA.CA	QNB ALAHLI	42.50	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.35	1.96	1.80	2.55	2.90	↔	Hold	2.55
ORAS.CA	ORASCOM CONST	115.00	108.00	94.00	117.00	122.00	↓	P.SELL	122.00
HELI.CA	Misr Gedida Hou	18.15	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	9.77	8.60	8.00	10.23	10.80	↔	Hold	8.60
EMFD.CA	EMAAR MISR DEV	3.13	2.90	2.70	3.20	3.45	↓	P.SELL	3.45
PIOH.CA	PIONEERS HLDG	6.60	5.75	5.40	7.15	8.00	↔	Hold	5.40
OIH.CA	ORASCOM INVESTMENT HOLDING	0.55	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	2.05	1.88	1.68	2.03 *	2.11	↔	Hold	1.68
PORT.CA	PORTO GROUP	0.72	0.71	0.60	0.77	0.85	↓	P.SELL	0.85
IRON.CA	EGYPTIAN IR & ST	4.70	4.15	3.85	5.30	5.90	↓	P.SELL	5.30
ACGC.CA	ARAB COTTON GIN.	1.72	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

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.