

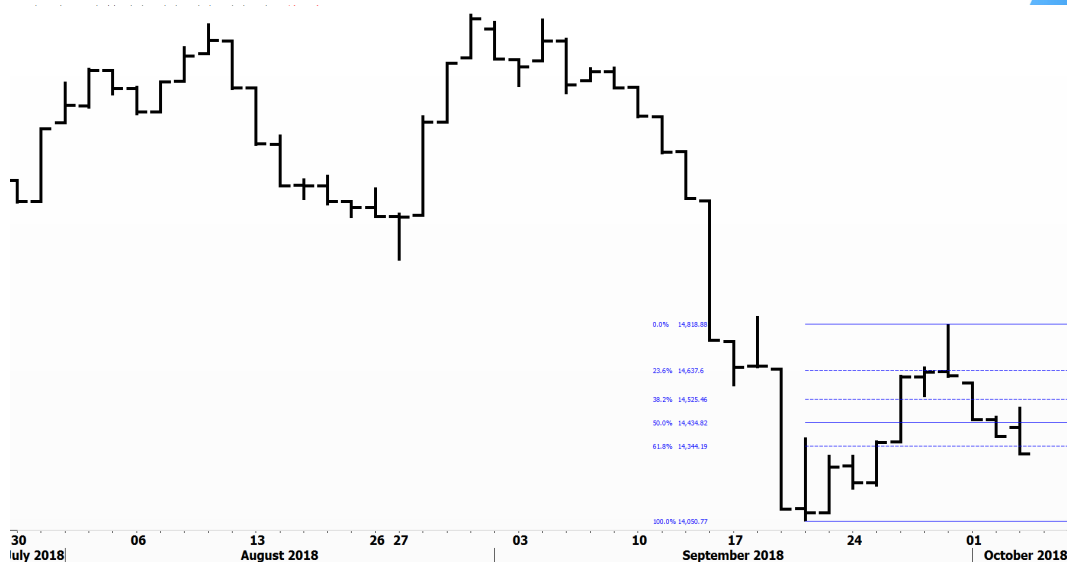


PIONEERSECURITIES

TECH TO THE POINT

4-Oct-18

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



EGX	
Last	14,313.17
High Today	14,491.45
Low Today	14,313.17
Volume	M 110.690
First Support	14,300.00
Second Support	14,000.00
First Resistance	14,800.00
Second Resistance	15,000.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-2.05%
1 MONTH	-9.54%
1 QUARTER	-12.24%
1 YEAR	2.75%
YTD	-4.70%

Analysis

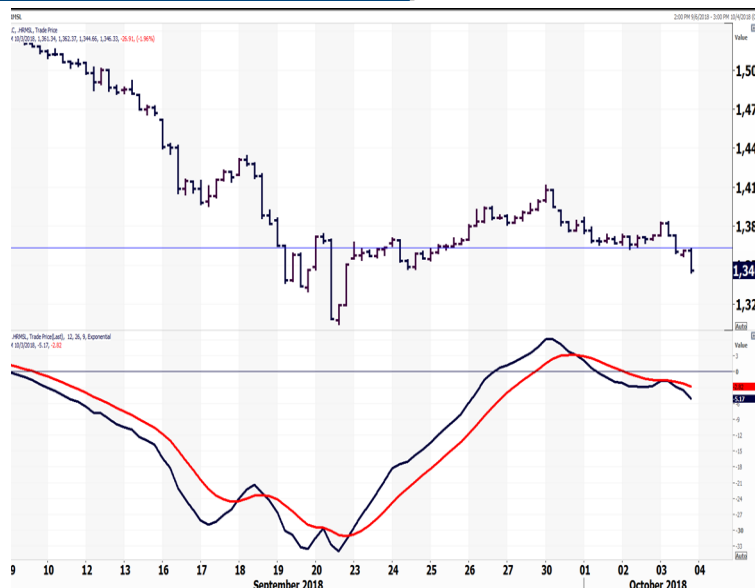
The market began yesterday's session with a rise but was not able to sustain itself as sellers exerted a lot of pressure on the market, to bring it significantly lower than its open. The EGX 30 index closed at around 14,300, breaking the low of the previous session and closing slightly below its 62% retracement of the overall rise. On the other hand, the Hermes Last Index closed exactly at the 62% retracement level. What worried us yesterday is the way the market declined; this panic selling that occurred yesterday was unexpected and it can be bearish if we do not rebound today.

We will have to wait for a clear rebound before being short-term bullish once again; by a clear rebound we mean that the end of day close should be positive. Those who are invested in the market are recommended to respect their stops; while repurchasing at the market rebound. It is very risky to buy while the market is declining, especially after yesterday's panic selling.

Hermes Last Index/ Hourly chart


Analysis

The hourly chart of the Hermes Last Index is showing a sell and test signal on the MACD indicator. Such a sign is bearish, especially if the decline continues today. Thus, only a break above the last two hours of yesterday's session (1,363) will revive the hopes of the short-term rise. A failure to rebound from current levels will lead to more selling pressure, which will lead the index to its low with the potential of witnessing new lows.




Resistance


Support

HELI  Closed at 20.6, breaking 21 downwards. HELI is facing significant selling pressure and is unable to witness a rebound. A confirmation of this break can lead HELI near 18. We will watch whether the stock will be able to trade back above 21 today or not.

Testing

Support

ORWE  The 9- level should act as support for the stock. Those who want to step in are recommended to wait for a breakout above 10.1. On the other hand, position holders should place their stop below 9. Those who want to step in at current levels, should respect their stop below 9 and use 10-10.1 as their first target.

AUTO  The stock has support at 5.15. A rebound from current levels is expected with a target near 5.75-5.8. If, however, AUTO breaks below 5.15, our target will be set around 4.7.

SWDY  The 15.5-16 range should act as support for SWDY. On the other hand, only a break above 18 will trigger a new entry signal. Position holders are recommended to place their stop below support.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	81.70	80.00	77.00	84.00	86.25	↔	Hold	80.00
EAST.CA	EASTERN CO	16.50	16.00	15.00	19.80	21.00	↓	P.SELL	19.80
SWDY.CA	ELSWEDY ELECTRIC	16.49	16.50 *	15.50	18.40	20.45	↔	Hold	15.50
TMGH.CA	TALAT MOSTAFA	10.85	10.70	9.90	12.00	13.20	↔	Hold	9.90
ABUK.CA	ABU QIR FRT&CHM	31.40	30.00	29.00	32.60	35.00	↔	Hold	29.00
EKHO.CA	EGYPT KUWAIT HLD	1.15	\$1.11	\$1.08	\$1.23	\$1.35	↔	Hold	\$1.08
HRHO.CA	EFG HERMES HOLD	16.61	16.00	15.00	17.65	18.00	↔	Hold	15.00
GTHE.CA	GLOBAL TELECO	3.32	3.00	2.90	3.50	3.90	↓	P.SELL	3.90
AMOC.CA	ALX MINERAL OILS	10.70	10.10	9.65	10.88	11.30	↔	Hold	9.65
MNHD.CA	MEDINET NASR HOU	7.41	6.50	5.50	7.90	8.40	↓	P.SELL	8.40
SKPC.CA	SIDI KERIR PETRC	22.61	21.40	20.50	24.50	26.00	↓	P.SELL	26.00
OCDI.CA	6TH OCT DEV INV	21.30	20.00	18.75	23.30	24.25	↔	Hold	18.75
JUFO.CA	JUHAYNA FOOD IND	9.35	9.30	8.70	10.60	11.50	↓	P.SELL	11.50
ESRS.CA	EZZ STEEL	20.70	19.25	18.50	22.70	24.00	↓	P.SELL	24.00
ETEL.CA	TELECOM EGYPT	11.26	10.70	10.23	11.90	13.20	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.31	2.96	2.60	3.50	3.70	↔	Hold	3.30
QNBA.CA	QNB ALAHLI	43.00	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.45	2.15	1.80	2.55	2.70	↓	P.SELL	2.90
ORAS.CA	ORASCOM CONST	117.00	117.00	106.00	131.00	140.00	↓	P.SELL	140.00
HELI.CA	Misr Gedida Hou	20.60	21.00 *	18.00	23.60	25.00	↓	Hold	23.60
EFID.CA	EDITA FOOD INDS	15.00	14.50	13.50	19.00	21.50	↔	Hold	17.50
ISPH.CA	IBNSINA PHARMA	9.00	8.90	8.40	9.60	10.10	↔	Hold	8.90
EMFD.CA	EMAAR MISR DEV	3.40	3.35	3.22	3.72	3.90	↓	P.SELL	3.90
PIOH.CA	PIONEERS HLDG	6.30	5.50	5.00	6.50	7.00	↓	P.SELL	7.00
OIH.CA	ORASCOM INVESTMENT HOLDING	0.58	0.54	0.51	0.63	0.65	↓	P.SELL	0.65
EGAL.CA	EGYPT ALUMINIUM	34.82	32.50	31.30	35.80	39.20	↓	P.SELL	39.20
EGTS.CA	EGYPTIAN RESORTS	1.84	1.80	1.68	1.96	2.03	↔	Hold	1.68
PORT.CA	PORTO GROUP	0.79	0.80 *	0.60	1.00	1.20	↓	P.SELL	1.00
IRON.CA	EGYPTIAN IR & ST	4.98	4.70	4.00	5.30	5.90	↓	P.SELL	5.90
ACGC.CA	ARAB COTTON GIN.	2.11	1.83	1.72	2.30	2.45	↓	P.SELL	2.45

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.