



PIONEERSECURITIES

TECH TO THE POINT

10-Sep-18

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



Last	15,740.06
High Today	15,817.59
Low Today	15,740.06
Volume	M 79.087
First Support	15,720.00
Second Support	15,500.00
First Resistance	16,000.00
Second Resistance	16,600.00
Stop Loss	15,500.00
HISTORICAL RETURN %	
1 WEEK	-0.71%
1 MONTH	-1.16%
1 QUARTER	-2.49%
1 YEAR	17.18%
YTD	4.80%

Analysis

If we look at the EGX 30 daily chart we will note that the index witnessed a negative divergence with its MACD during March and April, this led to a significant market decline, which took the index from 18,500 to a low of 15,000. From June 2018, however, the MACD began to witness clear higher lows, diverging positively with the index; such a positive divergence tells us that sellers are getting weaker with time. Based on the current MACD move, we should still witness a market rise that should break above 16,000. The failure to break upwards is not a good sign however, as sellers are on the sidelines and did not step in once again yet. In other words, we should see buying power entering the market soon so the short-term rise continues to our target that lies near 17,000.

Egyptian Exchange Small Caps Index EGX70





Analysis

We like how the EGX 70 index looks. Despite that it did not break its resistance yet, it is hovering around it slowly and will probably break suddenly upwards. Our stop will be placed below 745. A break below this level will trigger short-term stops.

The MACD indicator looks good and shows strength as it is witnessing a clear uptrend. This is a hint of a potential upward breakout.



Resistance

- ELEC**  Closed at 1.21 after breaking 1.2 upwards. The breakout is not confirmed yet but the stock looks strong. We will remain bullish on ELEC as long as it trades above 1.1. In other words, we do not mind the stock falling slightly from here. Our target lies at 1.75.
- ECAP**  Broke above 11.85 to close at 12.5 at the end of the session. Yesterday's breakout came on high volumes and our target lies at around 13.4-13.6.
- SKPC**  Confirmed the breakout above 25.5 yesterday and closed near 26. We recommend short-term investors to buy intraday dips. The 25.25-25.5 area is expected to serve as support. Our upwards target, on the other hand, lies at around 28.5.
- ZEOT**  The stock witnessed a minor higher low and higher high, breaking 1.43 upwards and closing near 1.5. Yesterday's rise came on high volumes, which gives a hint of a potential breakout above 1.6. Those who want to wait for confirmation can wait for a break above 1.6 before stepping in.



Support

No stocks broke their support yesterday

Testing

Support

Resistance

- COSG**  The 9.8 is the current resistance of the stock. A clear break above it will trigger a buy signal with a target at around 11.5. If COSG succeeds to break 9.8 upwards, the next rise will probably be strong.
- AFMC**  Alex Flour Mills is an illiquid stock and it has been moving sideways in a tight range since June 2018. If the 15.8 is broken upwards with high volumes, liquidity will increase and potential profitable trading opportunities will be available. We recommend short-term investors to buy at the 15.8 breakout.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	85.80	80.00	77.00	88.50	92.50	↔	Hold	80.00
EAST.CA	EASTERN CO	100.00	96.50	91.00	110.00	113.00	↓	P.SELL	113.00
SWDY.CA	ELSWEDY ELECTRIC	196.66	187.00	171.00	208.00	225.00	↑	P.Buy	171.00
TMGH.CA	TALAT MOSTAFA	11.56	11.40	10.70	12.30	13.20	↑	P.Buy	11.40
ABUK.CA	ABU QIR FRT&CHM	33.00	30.50	28.50	34.00	36.65	↑	Hold	28.50
EKHO.CA	EGYPT KUWAIT HLD	1.18	\$1.15	\$1.12	\$1.20	\$1.25	↔	Hold	\$1.12
HRHO.CA	EFG HERMES HOLD	17.60	17.20	16.70	18.90	19.60	↔	Hold	16.00
GTHE.CA	GLOBAL TELECO	3.64	3.52	3.35	3.95	4.50	↓	P.SELL	4.50
AMOC.CA	ALX MINERAL OILS	11.56	10.85	10.44	11.80	12.20	↔	Hold	10.85
MNHD.CA	MEDINET NASR HOU	8.46	8.35	8.00	9.11	9.50	↔	Hold	8.00
SKPC.CA	SIDI KERIR PETRC	25.98	23.70	22.70	27.00	28.50	↑	P.Buy	23.70
OCDI.CA	6TH OCT DEV INV	22.45	21.50	20.00	24.25	25.30	↔	Hold	24.25
JUFO.CA	JUHAYNA FOOD IND	12.10	11.20	10.60	13.00	14.00	↔	Hold	10.60
ESRS.CA	EZZ STEEL	25.91	25.65	24.00	27.50	28.50	↔	Hold	28.50
ETEL.CA	TELECOM EGYPT	13.53	13.40	13.00	14.60	15.50	↔	Hold	13.40
CCAP.CA	CITADEL CAPITAL	3.40	3.25	3.05	3.75	4.00	↔	Hold	3.75
QNBA.CA	QNB ALAHLI	46.00	45.50	43.00	51.80	54.50	↔	Hold	45.50
PHDC.CA	PALM HILL DEV CO	3.07	2.90	2.75	3.28	3.60	↓	P.SELL	3.60
ORAS.CA	ORASCOM CONST	143.25	140.00	130.00	151.00	165.00	↔	Hold	140.00
HELI.CA	Misr Gedida Hou	29.79	29.50	28.50	31.70	32.50	↑	P.Buy	28.50
EFID.CA	EDITA FOOD INDS	17.08	17.50	16.00	19.00	21.50	↔	Hold	17.50
ISPH.CA	IBNSINA PHARMA	10.60	10.40	10.12	11.15	11.50	↔	Hold	10.12
EMFD.CA	EMAAR MISR DEV	4.33	4.25	3.95	4.55	4.75	↔	Hold	3.95
PIOH.CA	PIONEERS HLDG	6.60	6.15	5.85	7.05	7.50	↔	Hold	7.50
OIH.CA	ORASCOM INVESTMENT HOLDING	0.68	0.66	0.63	0.72	0.76	↔	Hold	0.72
EGAL.CA	EGYPT ALUMINIUM	41.52	41.65*	39.50	44.00	48.00	↓	P.SELL	48.00
EGTS.CA	EGYPTIAN RESORTS	1.93	1.80	1.55	1.94	2.04	↔	Hold	1.75
PORT.CA	PORTO GROUP	1.23	1.20	1.02	1.44	1.68	↓	P.SELL	1.68
IRON.CA	EGYPTIAN IR & ST	6.20	6.00	5.35	7.40	8.00	↔	Hold	6.80
ACGC.CA	ARAB COTTON GIN.	2.34	2.30	2.10	2.73	2.90	↔	Hold	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

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.