

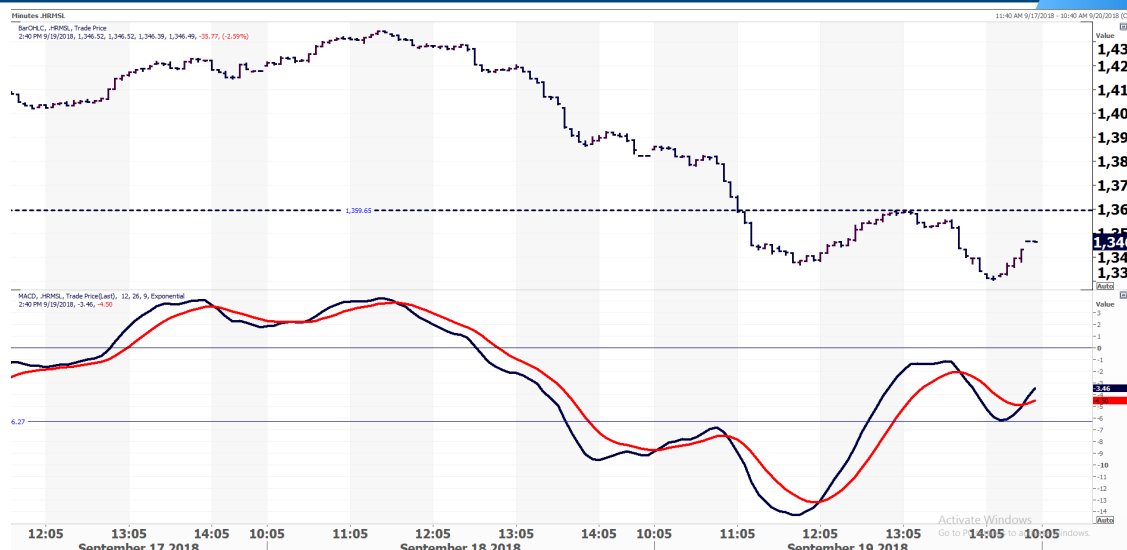


PIONEERSECURITIES

TECH TO THE POINT

20-Sep-18

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



Last	1,346.42
High Today	1,386.12
Low Today	1,330.43
Volume	M 0.000
First Support	1,300.00
Second Support	1,275.00
First Resistance	1,435.00
Second Resistance	1,460.00
Stop Loss	
HISTORICAL RETURN %	
1 WEEK	-9.21%
1 MONTH	-9.35%
1 QUARTER	-14.66%
1 YEAR	6.85%
YTD	-6.72%

Analysis

Since our main aim currently is to search for the beginning of an upward market move within the current correction, looking at the intraday picture of the Hermes Last Index is very important. The market, as we all know, panicked severely the past few sessions witnessing a very harsh decline which hurt badly all margin holders. Our overall conservative view was clear in our reports and we always advised our clients and investors to get rid of their margin exposure. Even when we expected a rise before the 15,000 violation (which unfortunately did not happen) our view was clear that margins should be closed.

If we want to look at the current situation to see how can we initiate short-term trades to make up for some of the previous losses, we have to dig in to a more micro level and seek very short-term trading opportunities.

The 5-minutes chart shows two things: first, we have to watch the nearest minor peak that lies at 1,360. A break above it will initiate a new trading opportunity, and position holders will have a big chance to sell at higher prices. Second, the MACD indicator began to show a positive divergence, which is a hint of a potential rise. We will not think of entering the market unless the 1,360 level is broken upwards.

Egyptian Exchange Equal Weights Index EGX50



Analysis

The weekly chart of the EGX 50 index shows that the index is approaching its important support area that lies at around 2,140. This level coincides with the 13,500 on the EGX 30 index. These levels are very close to current prices, despite that we were at different levels last week. Such a sharp decline in a short period of time, is usually followed by a strong rebound. If we take into consideration the current support that both the EGX 50 and the EGX 30 are approaching, the probability of a market rebound becomes bigger.






Resistance

Support

- CCAP**  The stock witnessed strong selling pressure yesterday, closing below 2.95 at the end of the session. If the 2.95 violation is confirmed, the stock will probably reach 2.7 initially. Only a break above 3.05-3.06 will give hope to investors of another rebound
- SKPC**  Broke below 22.5, closing at 21.5 at the end of the session. If SKPC continues its decline, it will meet support at the 19.8-20 range. We will think of opening new position only if a rebound from current levels breaks 22 clearly upwards.

Testing

Support

- COMI**  The 80 level is an important support to watch on the short-term. If COMI succeeds to trade above this level today, this might be a nice sign for the market as stocks will probably rebound. A break below 80 will lead COMI initially to 75. Major support lies at 70.
- AUTO**  Tested its support that lies at 5.25 and rebounded to close at 5.8. AUTO is expected to meet resistance at 6-6.2. The stock is still one of the outperformers in our market.
- TMGH**  Despite its decline, TMGH is maintaining itself compared to other real estate stocks. We like how the stock is able to resist this market panic. If a rebound occurs from 10, our minimum target will be set around 12.

Resistance

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	80.03	80.00 *	77.00	83.00	8.45	↔	Hold	80.00
EAST.CA	EASTERN CO	86.00	84.50	75.50	96.50	105.00	↓	P.SELL	105.00
SWDY.CA	ELSWEDY ELECTRIC	170.00	165.00	146.00	184.00	204.00	↓	P.SELL	184.00
TMGH.CA	TALAT MOSTAFA	10.40	9.90	9.50	11.20	12.30	↔	Hold	9.90
ABUK.CA	ABU QIR FRT&CHM	30.99	30.00	28.50	32.60	33.50	↔	Hold	30.00
EKHO.CA	EGYPT KUWAIT HLD	1.16	\$1.14	\$1.12	\$1.23	\$1.35	↔	Hold	\$1.12
HRHO.CA	EFG HERMES HOLD	16.10	15.00	14.00	16.80	17.20	↓	P.SELL	17.20
GTHE.CA	GLOBAL TELECO	3.23	2.90	2.65	3.52	3.88	↓	P.SELL	3.88
AMOC.CA	ALX MINERAL OILS	10.76	10.44	10.00	11.40	11.70	↔	Hold	10.44
MNHD.CA	MEDINET NASR HOU	6.85	6.40	5.50	7.50	8.50	↓	P.SELL	8.50
SKPC.CA	SIDI KERIR PETRC	21.50	20.00	19.20	22.44	24.50	↓	P.SELL	22.44
OCDI.CA	6TH OCT DEV INV	19.70	19.00	17.50	21.50	23.00	↔	Hold	20.00
JUFO.CA	JUHAYNA FOOD IND	10.25	10.00	9.30	11.22	12.10	↓	P.SELL	12.10
ESRS.CA	EZZ STEEL	22.01	20.00	19.00	24.00	25.50	↓	P.SELL	25.50
ETEL.CA	TELECOM EGYPT	10.80	10.80 *	10.00	11.90	12.50	↓	P.SELL	13.20
CCAP.CA	CITADEL CAPITAL	2.87	2.70	2.45	3.05	3.26	↓	P.SELL	3.26
QNBA.CA	QNB ALAHLI	45.00	44.30	40.00	50.00	54.50	↔	Hold	44.30
PHDC.CA	PALM HILL DEV CO	2.35	2.20	1.84	2.70	2.90	↓	P.SELL	2.90
ORAS.CA	ORASCOM CONST	130.50	127.00	120.00	140.00	151.00	↓	P.SELL	140.00
HELI.CA	Misr Gedida Hou	22.95	22.40	20.00	25.50	26.20	↓	P.SELL	26.20
EFID.CA	EDITA FOOD INDS	0.00	17.50	16.00	19.00	21.50	↔	Hold	17.50
ISPH.CA	IBNSINA PHARMA	8.10	7.80	7.10	8.50	9.75	↓	P.SELL	9.75
EMFD.CA	EMAAR MISR DEV	3.54	3.20	2.95	4.00	4.25	↓	P.SELL	4.25
PIOH.CA	PIONEERS HLDG	5.83	5.55	5.00	7.00	7.50	↓	Hold	7.00
OIH.CA	ORASCOM INVESTMENT HOLDING	0.56	0.57 *	0.55	0.63	0.65	↓	P.SELL	0.65
EGAL.CA	EGYPT ALUMINIUM	35.71	36.00 *	31.20	41.65	45.00	↓	P.SELL	41.65
EGTS.CA	EGYPTIAN RESORTS	1.54	1.55 *	1.48	1.75	1.94	↔	Hold	1.75
PORT.CA	PORTO GROUP	0.85	0.70	N/A	1.20	1.40	↓	P.SELL	1.40
IRON.CA	EGYPTIAN IR & ST	4.53	4.40	3.90	5.25	5.90	↓	P.SELL	5.90
ACGC.CA	ARAB COTTON GIN.	2.00	1.93	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.