



PIONEERSECURITIES

TECH TO THE POINT

27-Sep-18

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



Last	14,612.18
High Today	14,615.93
Low Today	14,360.18
Volume	M 120.138
First Support	14,000.00
Second Support	13,700.00
First Resistance	14,800.00
Second Resistance	15,000.00
Stop Loss	

HISTORICAL RETURN %

1 WEEK	3.64%
1 MONTH	-4.10%
1 QUARTER	-9.67%
1 YEAR	6.63%
YTD	-2.71%

Analysis

The EGX 30 index closed at 14,612 after breaking above 14,400 yesterday. Despite the selling pressure that appeared at the end of the session, we are bullish on the short-term time dimension, and are expecting the index to reach 15,000 or above (near the 15,400 level). The current rise that the market is witnessing might take the form of a zigzag shape; in other words, we might see a complex rebound that can include a shorter-term decline; if this occurs, the EGX 30 index will probably reach higher targets.

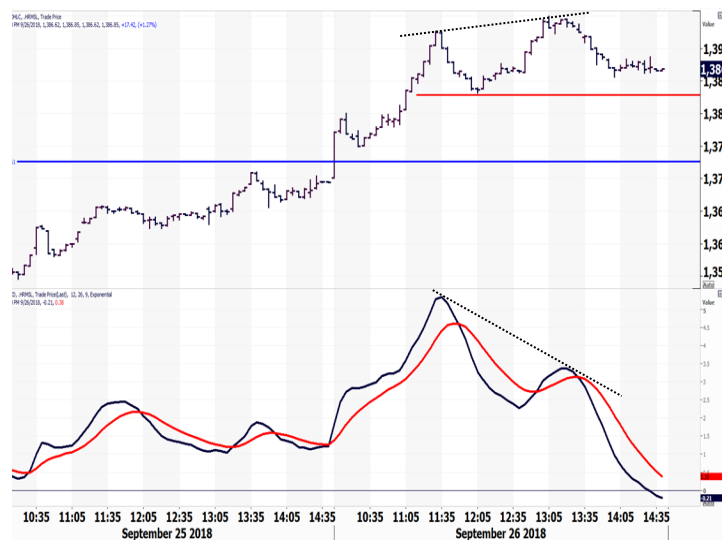
For now, however, let us stick to our initial targets and see how the market will react when it reaches them.

Hermes Last Index/ 5 mins chart


Analysis

The chart on the right is a 5-minutes chart of the Hermes Last Index, and it shows the trading action that occurred in the past two sessions (Tuesday and Wednesday). As we can see from this intraday chart, the index rose slightly on September 25. Yesterday, it began the session with a strong rise, which broke our 1,370-1,375 resistance area. Later during the session, and as the index was hitting new highs, the MACD indicator witnessed a lower high, diverging negatively with the index and telling us that the momentum of buyers decreased slightly despite the new high. The index then began to fall until the end of the session as most stocks fell from their highs.

Such a negative divergence has a very minor effect on the market and should not worry investors and traders. In case this divergence leads to a stronger decline, the Hermes Last will violate 1,382 downwards, which will lead it to its double top target that lies at 1,370. This is the breakout level and should serve as support. Thus, if a decline occurs from current levels, we will be buying once again as the index approaches 1,370. This level coincides with the 14,400 on the EGX 30 index.



Resistance


ISPH  Closed at 9.41 with moderately high volumes, breaking 9.3 upwards. Our first target lies at around 10.1. Position holders are recommended to place their stop below 8.9 as a break below it will lead the stock near 8.4. We expect, however, a continuation of the current rise.


Support


Testing

Support

Resistance

ABUK  If ABUK breaks above 32.2, a new buy signal will be triggered with a target at around 34-31.5. ABUK is one of the stocks that did not panic severely with the rest of the stocks, which confirms its outperformance characteristic.

ETEL  The stock might find some resistance at 12. If it succeeds to break above it, our target will be set at around 12.8. We will not turn bullish once again on ETEL until the stock breaks above 12.8 clearly. As long as it is trading below this level, we are not bullish.

AUTO  The stock reached yesterday 5.7, near its resistance that lies at 5.8 before it declined to close a 5.5 at the end of the session. If the 5.8 is broken upwards, our target will be set at 6.2. Those who want to step in should wait for the breakout before buying.

Symbol	S. Description	Last	Support 1	Support 2	Resistance 1	Resistance 2	Trend	Recommendation	Stop Loss/ Re-Entry
COMI.CA	COM INTL BK	82.66	80.00	77.00	83.00	84.50	↔	Hold	80.00
EAST.CA	EASTERN CO	92.00	80.00	75.00	96.50	105.00	↓	P.SELL	105.00
SWDY.CA	ELSWEDY ELECTRIC	175.00	165.00	150.00	184.00	204.00	↓	P.SELL	184.00
TMGH.CA	TALAT MOSTAFA	10.87	10.70	9.90	11.20	12.30	↔	Hold	9.90
ABUK.CA	ABU QIR FRT&CHM	32.03	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	17.55	17.00	15.50	18.40	19.50	↔	Hold	15.00
GTHE.CA	GLOBAL TELECO	3.32	2.90	2.65	3.50	3.90	↓	P.SELL	3.90
AMOC.CA	ALX MINERAL OILS	11.03	10.50	9.80	11.40	11.80	↔	Hold	10.50
MNHD.CA	MEDINET NASR HOU	7.72	6.50	5.50	8.40	9.15	↓	P.SELL	8.40
SKPC.CA	SIDI KERIR PETRC	21.84	20.50	19.20	24.50	26.00	↓	P.SELL	26.00
OCDI.CA	6TH OCT DEV INV	22.52	21.50	19.00	24.00	25.30	↔	Hold	18.75
JUFO.CA	JUHAYNA FOOD IND	10.20	9.30	8.70	10.60	11.50	↓	P.SELL	11.50
ESRS.CA	EZZ STEEL	21.84	21.50	20.00	24.00	26.00	↓	P.SELL	26.00
ETEL.CA	TELECOM EGYPT	11.65	10.25	9.50	11.90	13.20	↓	P.SELL	11.90
CCAP.CA	CITADEL CAPITAL	3.04	2.60	2.45	3.05	3.26	↓	P.SELL	3.26
QNBA.CA	QNB ALAHLI	43.50	40.00	38.00	50.00	54.50	↓	P.SELL	54.50
PHDC.CA	PALM HILL DEV CO	2.45	2.15	1.80	2.70	2.90	↓	P.SELL	2.90
ORAS.CA	ORASCOM CONST	130.00	125.00	106.00	140.00	151.00	↓	P.SELL	151.00
HELI.CA	Misr Gedida Hou	23.10	21.00	20.00	24.50	26.30	↓	Hold	26.30
EFID.CA	EDITA FOOD INDS	16.57	16.00	14.50	19.00	21.50	↔	Hold	17.50
ISPH.CA	IBNSINA PHARMA	9.41	8.90	8.40	10.10	11.00	↔	Hold	8.90
EMFD.CA	EMAAR MISR DEV	3.60	3.45	3.22	3.85	4.25	↓	P.SELL	3.85
PIOH.CA	PIONEERS HLDG	6.00	5.50	5.00	6.15	7.00	↓	P.SELL	7.00
OIH.CA	ORASCOM INVESTMENT HOLD-	0.61	0.54	0.51	0.63	0.65	↓	P.SELL	0.65
EGAL.CA	EGYPT ALUMINIUM	34.92	32.50	3.50	39.20	41.65	↓	P.SELL	39.20
EGTS.CA	EGYPTIAN RESORTS	1.72	1.42	1.27	1.80	2.03	↓	P.SELL	1.80
PORT.CA	PORTO GROUP	0.83	0.80	0.60	1.00	1.20	↓	P.SELL	1.20
IRON.CA	EGYPTIAN IR & ST	4.95	4.00	3.60	5.25	5.90	↓	P.SELL	5.90
ACGC.CA	ARAB COTTON GIN.	2.16	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

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.