

Technical Analysis – The Egyptian Exchange

08-November-2021

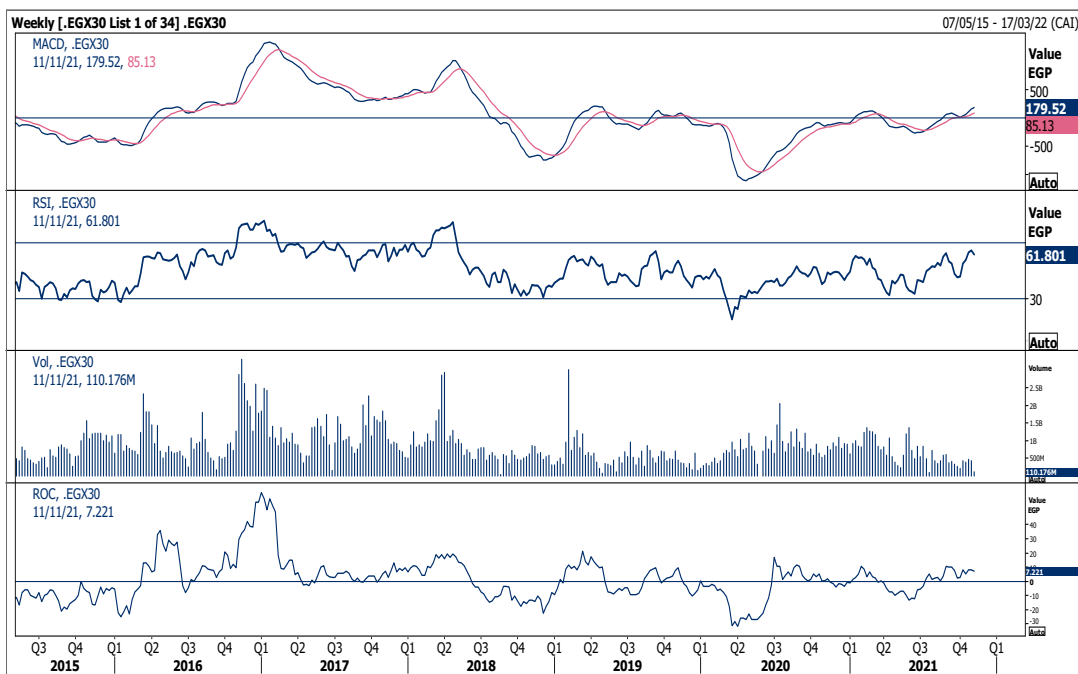
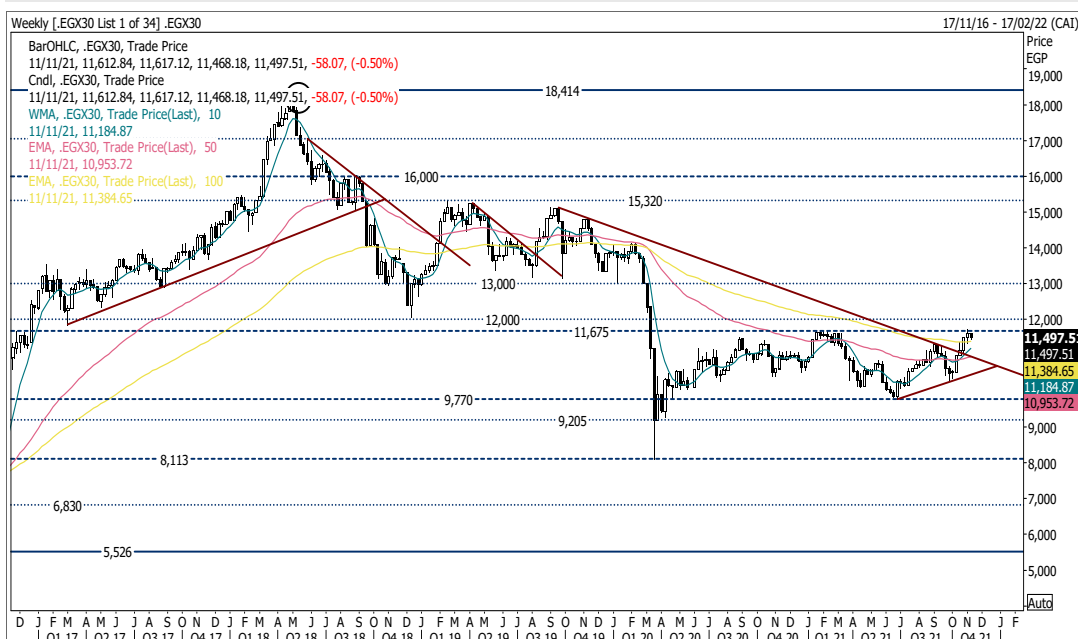
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The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 11,497.51 point. The index managed to jump over the upper end of the descending trend line and is closing above all MAs on the weekly chart. These facts should increase the upward chances and open the road for additional momentum towards 12,000 point before 12,500 point. However, no signs of reversal at the moment and no aggressive bearish move is expected but some attempts to inch down could be seen before heading north once again.

Medium-term and long-term investors can stay in the market but should be aware if the index moves below 11,360 point and 11,000 point, respectively.



Raed Diab

Vice President

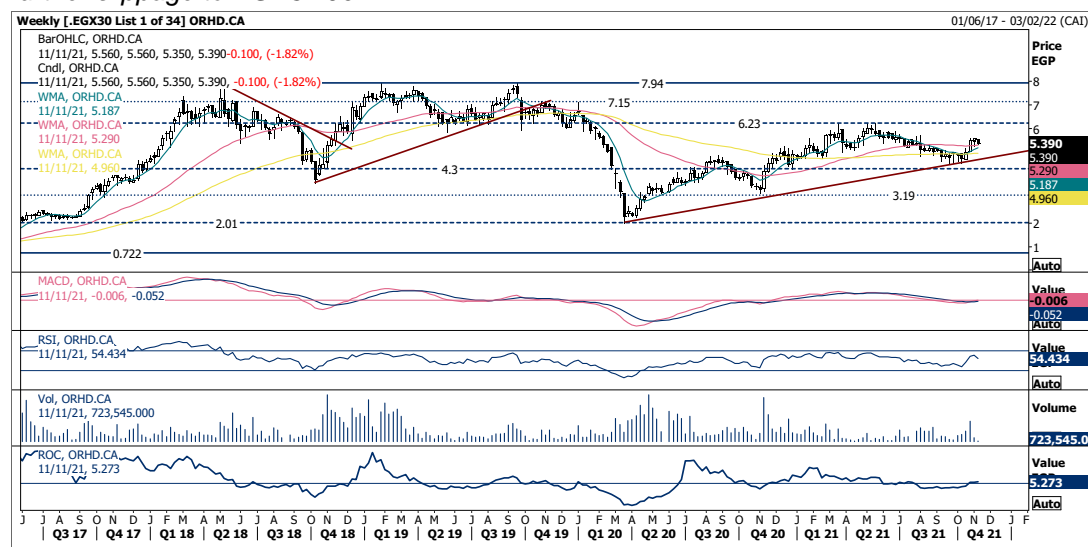
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Orascom Development Egypt

Reuters Ticker: <ORHD.CA>

Price closed at EGP5.390 Although the stock remains within the upward trend line, but bulls need to surpass the horizontal line at EGP6.230 to confirm a positive continuation pattern and lead to the resistance area at EGP7.150-EGP7.940. On the counter side, losing the support zone at EGP4.500-EGP4.300 will most likely re-instate the bearish tone and trigger further slippage to EGP3.190.

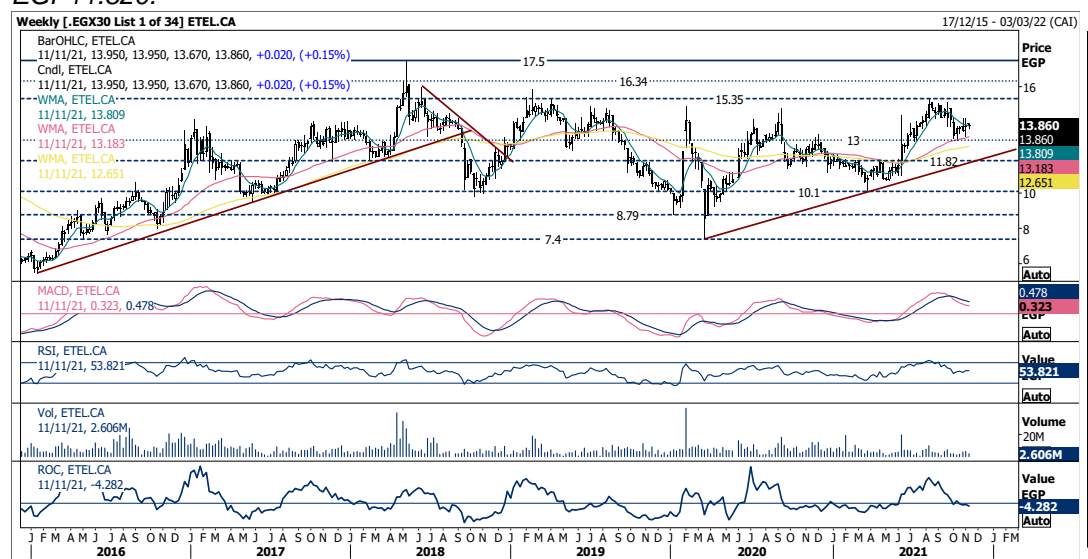


RSI	54.434
MACD	-0.052
ROC	5.273
M10	5.185
M50	5.290
M100	4.960
S1	5.000
S2	4.500
S3	4.300
R1	6.230
R2	7.150
R3	7.940

Telecom Egypt

Reuters Ticker: <ETEL.CA>

Price closed at EGP13.860. The stock retreated after posting a high of EGP15.350 but remains within the positive territory, while only above this line will re-activate the buying potential and target EGP16.340 before EGP17.500. However, a dip below the recent low at EGP13.000 could change the tone and allow additional weaknesses to take place to EGP11.820.



RSI	53.821
MACD	0.478
ROC	-4.282
M10	13.810
M50	13.185
M100	12.650
S1	13.000
S2	11.820
S3	10.100
R1	15.350
R2	16.340
R3	17.500

Madinet Nasr Holding

Reuters Ticker: <MNHD.CA>

Price closed at EGP2.290. The stock keeps on moving within the descending trend line, breaking below the low of last year at EGP2.310; however, further slippage could lead to EGP1.970 and maybe lower to EGP1.460. On the other side, some short-term momentum could be seen as the weekly RSI indicator looks oversold, but a break above EGP2.77 will be a positive sign that could allow a re-test of EGP3.420.



RSI	26.864
MACD	-0.194
ROC	-28.660
M10	2.495
M50	3.060
M100	3.205
S1	1.970
S2	1.460
S3	1.300
R1	2.770
R2	3.420
R3	4.320

Palm Hills Development Co.

Reuters Ticker: <PHDC.CA>

Price closed at EGP1.878. The technical picture is cautious as the stock has lost its upside potential and could break the lower end of the ascending trend channel, which will then delay any upward move and lead to EGP1.550. However, only a jump over this year high at around EGP2.120 will shift the sentiment towards the bulls and promote another leg up to the resistance level at EGP2.670.



RSI	53.044
MACD	0.077
ROC	4.391
M10	1.925
M50	1.805
M100	1.640
S1	1.730
S2	1.550
S3	1.300
R1	2.120
R2	2.670
R3	3.000

Definitions

Technical Analysis: Aims to identify the direction of prices and reveal any indication of possible changes as soon as possible, so it can be used as much as possible in making buying and selling decisions in the most appropriate time in order to minimize risk and maximize profits.

Trend: The general direction of a market or of the price of an asset.

Resistance: A chart point or range that caps an increase in the level of a stock or index over a period of time.

Support: The price level which, historically, a stock has had difficulty falling below. It is thought of as the level at which a lot of buyers tend to enter the stock.

Breakout: A signal that prices are beginning to trend, either upward or downward.

Bull: An investor who thinks the market, a specific security or an industry is likely to rise.

Bear: An investor who thinks the market, a specific security or an industry is likely to decline.

Channel: is two parallel trend lines either rising or declining.

Consolidation Area: is a sideways movement in prices that interrupts or reverse a trend.

Moving Average (MA): The most common applications of MAs are to identify the trend direction and to determine support and resistance levels.

MACD (Moving Average Convergence-Divergence): A trend-following momentum indicator that shows the relationship between two moving averages of prices.

Relative Strength Index: A technical momentum indicator (ranges from 0 to 100) that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions of an asset.

Overbought: A situation in which the price of a security has risen to such a degree that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming overvalued and may experience a pullback.

Oversold: A situation in which the price of a security has fallen to such a degree that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming undervalued and may represent a buying opportunity for investors.

Fibonacci: A term refers to areas of support or resistance and to help identify strategic places for transactions to be placed, target prices or stop losses.

On Balance Volume (OBV): is a simple running total of up day (added) and down day (subtracted) volume. If OBV is moving with price, it confirms the current trend. Divergences between OBV and price indicates the price may be due for a reversal.

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