

## Technical Analysis – The Egyptian Exchange

09-October-2023

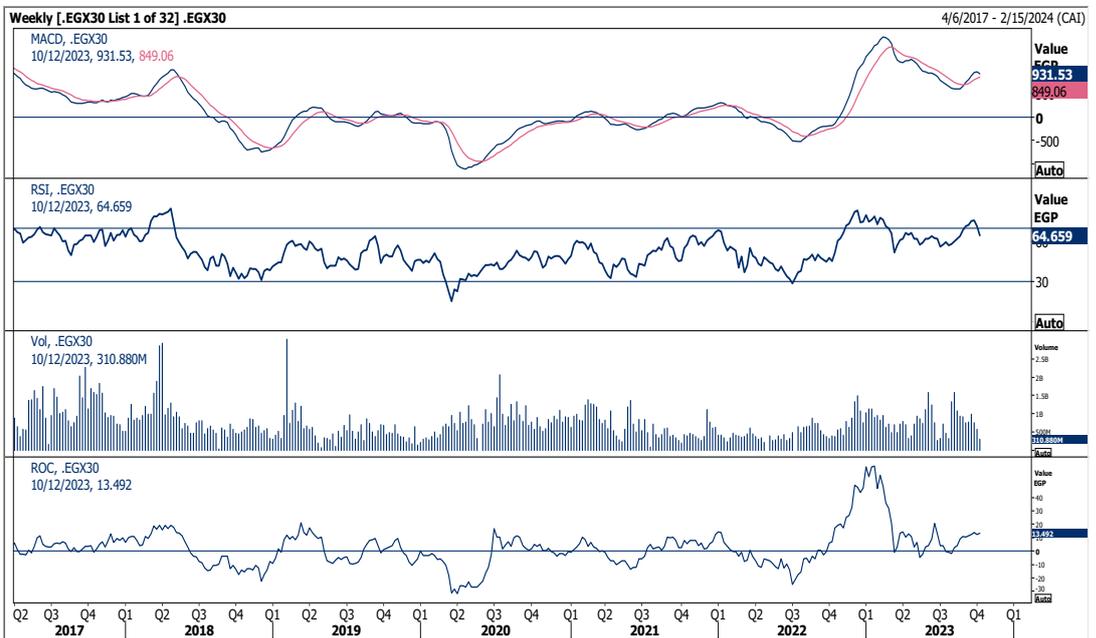
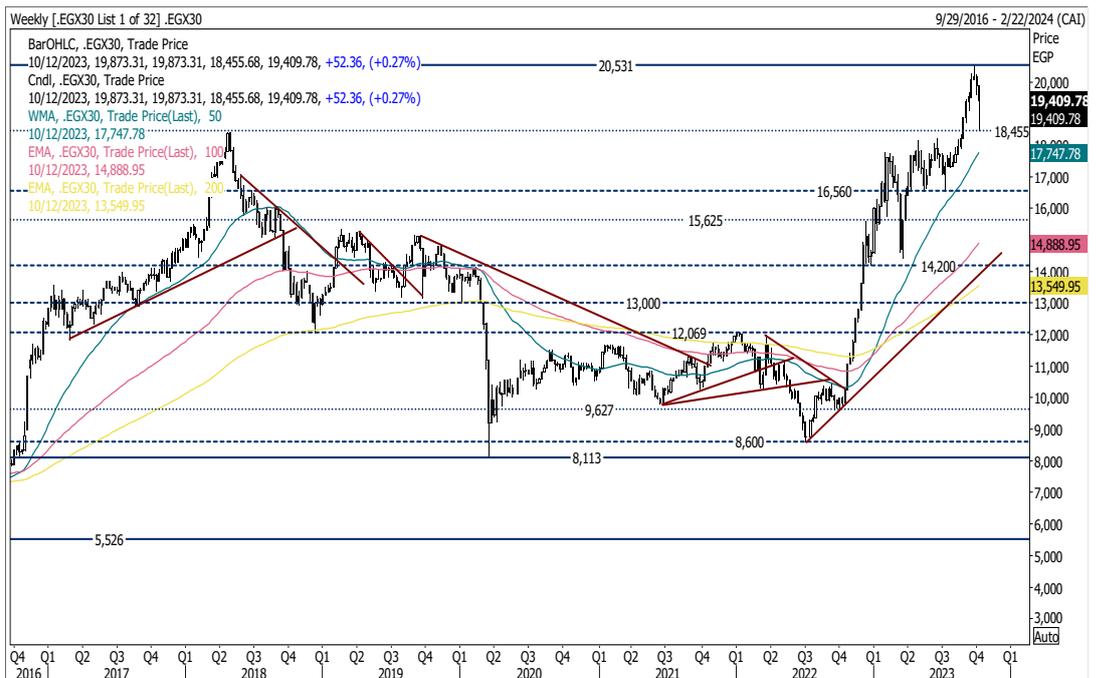
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### The Egyptian Exchange

**EGX 30 Index <.EGX30> closed at 19,409.78 point.** A normal brief downward correction took place after a prolonged bullish move that reached 20,531 point (all-time high) and as the RSI indicators look overbought. The overall technical picture remains positive but further profit-taking move cannot be neglected, knowing that the nearby support levels are located at 18,455 point, 17,300 point and 16,560 point. However, managing to jump over the recent top at 20,531 point would call for another leg up to 21,000 point.

Medium-term and long-term investors can stay in the market as long as the index is closing above 14,900 point and 13,500 point, respectively.



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**Qalaa Holdings**

Reuters Ticker: <CCAP.CA>

**Price closed at EGP1.990.** The stock has lost its upward momentum and could witness additional weaknesses to EGP1.820, while below this would trigger a fall to the strong support line at EGP1.510. On the counter side, back above the resistance level at EGP2.530 is expected to call for a re-test of EGP3.060 (the high of this year), while a close above this will lead to RGP3.440.



RSI (W)	41.214
MACD (W)	0.049
ROC (W)	-31.849
MA50 (W)	2.280
MA100 (W)	1.965
MA200 (W)	1.685
S1	1.820
S2	1.510
S3	1.300
R1	2.290
R2	2.530
R3	3.060

**Eastern Co.**

Reuters Ticker: <EAST.CA>

**Price closed at EGP23.150.** The stock has posted a temporarily top at EGP25.690 before easing down but remains within the positive territory as it closes above all MAs on the weekly chart, knowing that a jump over EGP25.690 would most likely target EGP30.133. However, a dip below EGP21.740 could trigger further downward correction to EGP19.590, which if broken could lead to EGP17.300.



RSI (W)	63.620
MACD (W)	1.490
ROC (W)	20.573
MA50 (W)	19.210
MA100 (W)	16.320
MA200 (W)	14.310
S1	21.740
S2	17.300
S3	14.900
R1	25.690
R2	30.133
R3	35.000

**Telecom Egypt**

Reuters Ticker: <ETEL.CA>

**Price closed at EGP27.990.** As was expected in our last analysis, the stock fulfilled and exceeded the target price at EGP30.000 by posting a new history high at EGP31.230 before seeing a brief correction, knowing that a break below EGP25.800 could lead to further slippage to EGP22.500 and maybe lower to EGP20.200. On the other side, only above EGP31.230 would re-activate the buying potential to EGP35.000.



RSI (W)	56.805
MACD (W)	1.110
ROC (W)	14.338
MA50 (W)	25.980
MA100 (W)	23.100
MA200 (W)	19.230
S1	25.800
S2	22.500
S3	20.200
R1	31.230
R2	35.000
R3	38.000

**Orascom Development Egypt**

Reuters Ticker: <ORHD.CA>

**Price closed at EGP9.250.** The stock has seen a downward correction after recording a multi-year high at EGP12.100, knowing that a break below the recent low at EGP8.310 would target EGP7.600 (near the 50% level of the Fibonacci Retracements from EGP3.350-EGP12.100). However, a cross over the resistance level at EGP10.000 would reduce the downside risk and lead to EGP11.470 before EGP12.100.



RSI (W)	42.874
MACD (W)	0.490
ROC (W)	-8.416
MA50 (W)	8.145
MA100 (W)	9.830
MA200 (W)	6.740
S1	8.310
S2	7.600
S3	6.660
R1	9.500
R2	11.470
R3	12.100

## 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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