

Technical Analysis – The Egyptian Exchange

09-November-2020

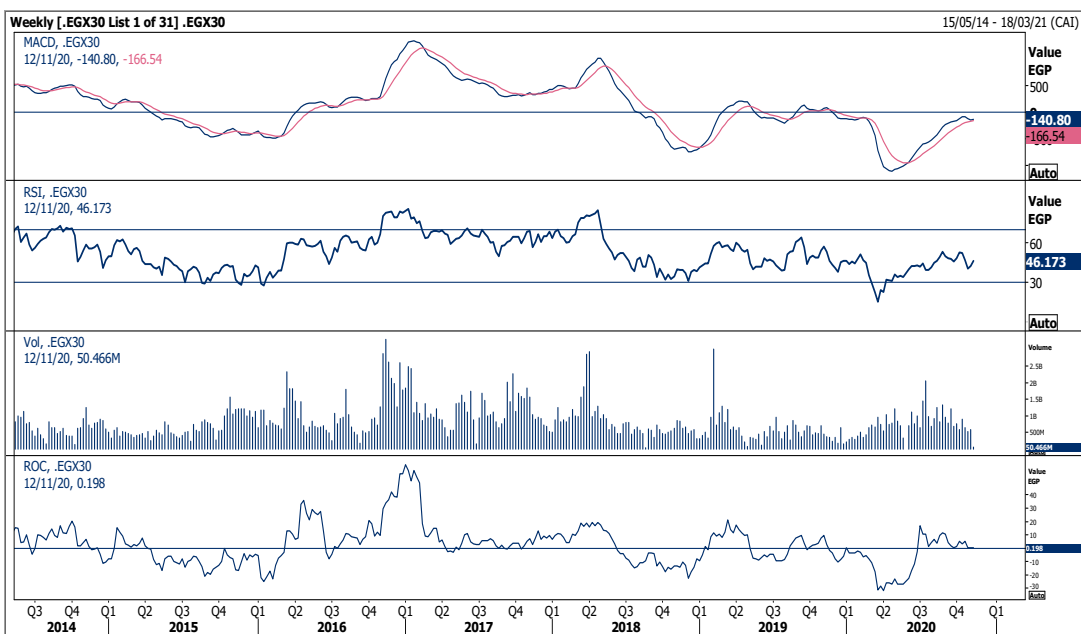
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The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 10,838.66 point. The market continues to move within the wide range of 10,070 point-11,493 point and needs to escape this zone to indicate the next trend. Knowing that a successful close above 11,493 point will confirm a positive continuation pattern and open the road for additional gains to 12,000 point before 12,350 point. On the counter side, losing the support level at 10,070 point will allow another slippage to the horizontal line at 9,205 point.

Medium-term and long-term investors can only enter the market at levels higher than 11,493 and 12,350 point, respectively.



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TMG Holding

Reuters Ticker: <TMGH.CA>

Price closed at EGP6.270. The picture has turned cautious after the stock retreated from the 38.2% level of the Fibonacci Retracements from EGP12.300-EGP4.040 at around EGP7.200; however, further weaknesses below the support level at EGP5.800 could allow a fall back to EGP4.800. On the counter side, a jump over EGP7.200 would lead to another leg up to EGP8.200 (50%) and maybe more to EGP8.540.



RSI	48.778
MACD	-0.071
ROC	3.295
M10	6.320
M50	6.175
M100	7.460
S1	5.800
S2	4.800
S3	4.040
R1	7.180
R2	8.540
R3	10.300

Six of October Development & Investment (SODIC)

Reuters Ticker: <OCDI.CA>

Price closed at EGP12.970. The stock continues to move within the 8-months ascending trend line but needs to print a firm close above last month high at EGP13.900 to re-activate the buying momentum towards the next layer of resistance at EGP16.450 before EGP18.000. However, the support level at EGP10.900 should prevent any attempt to move down, while a dip below it will lead to EGP8.550.



RSI	57.266
MACD	0.332
ROC	0.309
M10	12.605
M50	11.475
M100	12.485
S1	10.900
S2	8.550
S3	6.100
R1	13.900
R2	16.450
R3	18.000

Heliopolis Co. for Housing & Development

Reuters Ticker: <HELI.CA>

Price closed at EGP6.190. The stock lost its upward potential as it reached levels last seen in January-2020. The current picture looks neutral and the stock can move in either direction, knowing that a fall below EGP5.520 would lead to additional downward correction to EGP4.900. However, back above the resistance level at EGP6.700 would bring back to focus EGP7.590, which if broken will target EGP8.470.



RSI	52.187
MACD	0.120
ROC	-0.801
M10	6.260
M50	5.785
M100	6.475
S1	5.520
S2	4.900
S3	4.000
R1	7.590
R2	8.470
R3	9.730

Elsowedy Electric

Reuters Ticker: <SWDY.CA>

Price closed at EGP7.850. The break above the first overhead resistance line at EGP8.210 will be a positive sign, which should then lead to EGP9.800; however, only above this will decrease the downside risk and call for an advance to EGP11.800 and maybe higher to EGP13.600. On the negative side, the nearby support levels are located at EGP6.200 and EGP5.240, while only losing this will deepen the bearish tone and trigger EGP2.790.



RSI	52.030
MACD	-0.429
ROC	15.611
M10	7.460
M50	7.675
M100	9.685
S1	6.200
S2	5.240
S3	2.790
R1	8.210
R2	9.800
R3	11.800

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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