

Technical Analysis – The Egyptian Exchange

10-May-2022

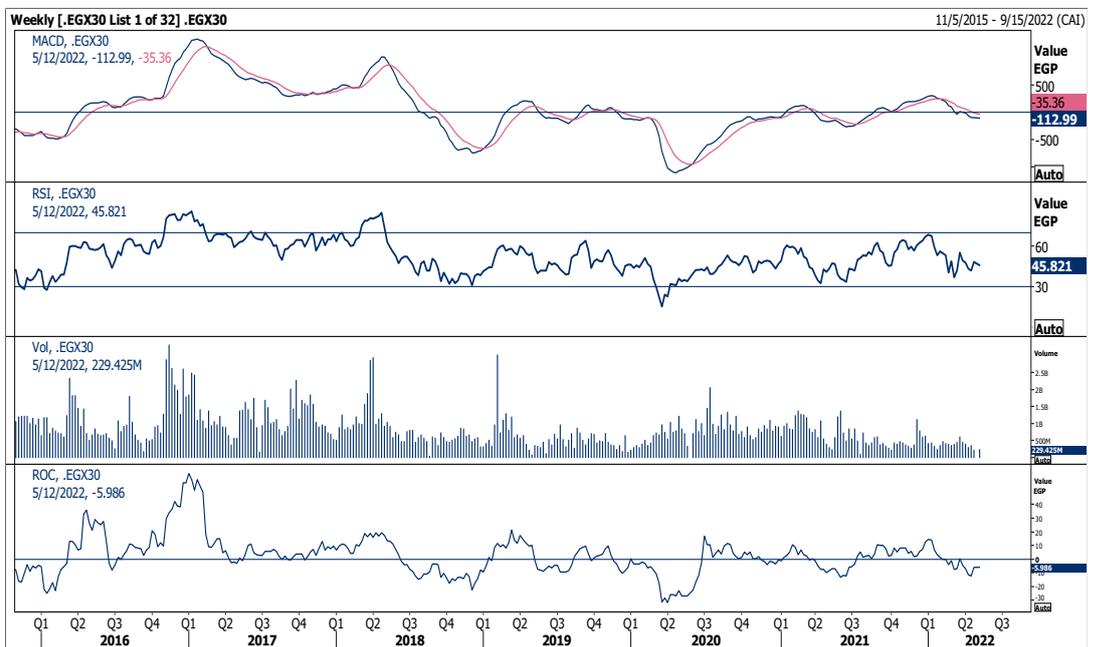
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The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 10,811.45 point. The index reached the strong support level at 10,280 point, as was expected in our last analysis, but failed once again to go below it. The current technical picture is leaning more to the south but a break above the first resistance level at 11,150 point would decrease the downside risk and lead to 11,350 point, while to establish a new bull trend the index should print a firm foothold above 12,069 point. On the counter side, a break below 10,280 point would lead to 9,770 point and maybe lower to 9,205 point.

Medium-term and long-term investors can re-enter the market at levels higher than 11,150 point and 11,350 point, respectively.



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Commercial International Bank

Reuters Ticker: <COMI.CA>

Price closed at EGP43.21. The stock looks ambiguous as to where it could go from here, knowing that a break below the support zone at EGP39.40-EGP36.50 will re-instate the bearish tone and call for a fall back to EGP28.60. However, a close above the horizontal line at EGP48.00 will be a positive sign that should lead to the next layer at EGP54.15, which if broken would target the strong line at EGP65.32 (high of Jan-2020).



RSI	42.354
MACD	-0.621
ROC	-16.663
M10	44.275
M50	47.615
M100	46.575
S1	39.400
S2	36.500
S3	28.600
R1	48.000
R2	54.150
R3	65.320

Six of October Development & Investment (SODIC)

Reuters Ticker: <OCDI.CA>

Price closed at EGP11.47. As was expected in our last analysis, the stock moved down and found support at EGP10.55 before seeing some relief; however, losing this level would deepen the negative move to EGP8.55, while below this will bring back to focus the critical line at EGP6.100. On the other side, the first overhead resistance line comes at EGP13.00, knowing that the above this will target EGP15.50.



RSI	33.976
MACD	-1.256
ROC	-19.790
M10	11.725
M50	14.760
M100	15.380
S1	10.550
S2	8.550
S3	6.100
R1	13.000
R2	15.500
R3	19.950

Ezz Steel

Reuters Ticker: <ESRS.CA>

Price closed at EGP14.49. The stock re-gained strength above its MAs on the weekly chart and eyes now have shifted towards the high of this year at EGP17.24, while a break above it is required to confirm a positive continuation pattern and call for a jump to EGP22.20. However, a dip below the support area at EGP12.60-EGP11.80 will most likely delay any upward move and lead to EGP8.55.



RSI	52.144
MACD	0.266
ROC	8.621
M10	14.480
M50	14.140
M100	12.750
S1	11.800
S2	8.550
S3	5.300
R1	17.240
R2	22.200
R3	27.000

Orascom Development Egypt

Reuters Ticker: <ORHD.CA>

Price closed at EGP4.39. The stock is leaning more towards the bulls after posting a temporarily bottom at EGP3.71, knowing that a cross over the tiny resistance zone at EGP4.70-EGP5.00 will most likely lead to a re-test of the strong layer at EGP6.23. On the counter side, a move below EGP3.71 will allow a fall to EGP3.19, which is expected to arrest further weaknesses but losing it will trigger EGP2.01.



RSI	42.938
MACD	-0.279
ROC	-15.739
M10	4.230
M50	4.980
M100	5.080
S1	3.710
S2	3.190
S3	2.010
R1	4.700
R2	6.230
R3	7.150

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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