

Technical Analysis – The Egyptian Exchange

12-March-2020

In this Report...

EGX 30 INDEX.....	1
COMI.....	2
TMG.....	2
SODIC.....	3
EZZ STEEL.....	3

The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 11,194.12 point. The market saw a sharp move down and hit levels last seen on November-2016 before seeing a brief upward correction due to the oversold status of the daily RSI indicator. Further strength cannot be ignored, knowing that the next levels of resistance come at 11,850 point, 12,500 point and 13,000 point but only above this will change the tone. However, a dip below the recent low at 10,913 point will trigger 10,625 point and maybe deeper to 10,000 point.

Medium-term and long-term investors can only enter the market at levels higher than 14,000 point.



Raed Diab

Vice President

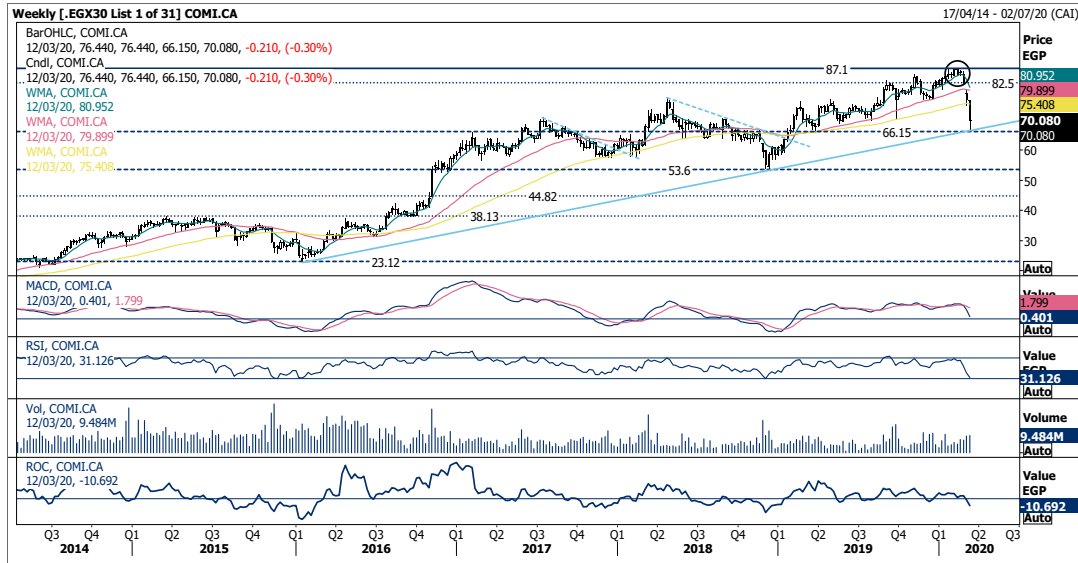
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Commercial International Bank (Egypt)

Reuters Ticker: <COMI.CA>

Price closed at EGP70.080. The stock fell from all-time high at EGP87.100 and hit the lower-end of the 4-years ascending trend line. A fall below EGP66.150 will deepen the bearish tone to the strong support level EGP53.600; however, losing this will lead to EGP44.820. On the counter side, some attempts to go up could be seen but only above EGP87.100 will re-activate the bullish momentum.



RSI	31.126
MACD	1.799
ROC	-10.692
M10	80.950
M50	79.900
M100	75.410
S1	66.150
S2	53.600
S3	44.820
R1	76.440
R2	82.500
R3	87.100

TMG Holding

Reuters Ticker: <TMGH.CA>

Price closed at EGP6.280. The stock has seen an aggressive move down since last September and found a temporarily support at EGP6.000. Losing this would increase the downside risk and lead to EGP5.140 before the strong line at EGP4.370 (low of year 2016). However, some short-term relief could be seen due to the oversold status of the weekly RSI indicator, while back above EGP7.140 could enhance further momentum to EGP8.540.



RSI	15.841
MACD	-0.683
ROC	-26.204
M10	7.450
M50	9.060
M100	9.855
S1	6.000
S2	5.140
S3	4.370
R1	7.140
R2	8.540
R3	10.180

Reuters Ticker: <OCDI.CA>

[illegible]

RSI	20.549
MACD	-0.715
ROC	-32.700
M10	11.855
M50	13.920
M100	15.025
S1	9.300
S2	6.560
S3	5.500
R1	11.900
R2	13.600
R3	14.480

Reuters Ticker: <ESRS.CA>

Weekly [.EGX30 List of 31] ESR.S.CA 12/09/13 - 16/07/20 (CAI)

The chart displays the weekly price movement of ESR.S.CA from 2013 to 2020. The price is shown as a black candlestick line. Several moving averages are plotted: a blue line for the 30-day moving average (30.79), a red line for the 60-day moving average (22.8), a green line for the 90-day moving average (19.31), a yellow line for the 120-day moving average (17.09), and a light blue line for the 200-day moving average (13.11). The MACD indicator is shown as a red line with a green signal line, and the RSI indicator is shown as a blue line. The Volume indicator is shown as a blue bar chart. The ROC indicator is shown as a blue line. The chart also includes a table of key values on the right side.

Indicator	Value
Price	EGP
MACD	Value
MACD	-0.934
MACD	-1.175
MACD	Auto
RSI	Value
RSI	EGP
RSI	27.152
RSI	Auto
Vol	Volume
Vol	30M
Vol	9.931M
Vol	Auto
ROC	Value
ROC	EGP
ROC	-42.677

RSI	27.152
MACD	-0.934
ROC	-42.677
M10	7.905
M50	9.975
M100	13.150
S1	6.010
S2	5.000
S3	4.200
R1	7.860
R2	9.450
R3	13.110

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 lower 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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