

Technical Analysis – The Egyptian Exchange

13-February-2023

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The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 17,214.56 point. The index continued its upward move and reached levels last seen on May-2018 before losing momentum; however, managing to surpass the recent high at 17,765 point would increase the chances of re-testing 18,414 (all-time high). On the negative side, failure to jump over 17,765 point could lead to some natural downward correction, knowing that the nearby support levels are located at 15,750 point and 14,200 point.

Medium-term and long-term investors can stay in the market as long as the index is maintaining a close above 12,000 point and 11,830 point, respectively.



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TMG Holding

Reuters Ticker: <TMGH.CA>

Price closed at EGP9.770. The stock retreated from its recent high at EGP11.050 but continues to move within the ascending trend line and above its MAs on the weekly chart. Gaining strength above EGP11.050 would target EGP12.300, while above this will most likely promote a jump to EGP14.900. However, a break below EGP9.020 would lead to EGP7.830, which is expected to arrest further slippage.



RSI	57.904
MACD	0.555
ROC	16.726
MA50	8.720
MA100	8.375
MA200	7.775
S1	9.020
S2	7.830
S3	6.500
R1	11.050
R2	12.300
R3	14.900

Elsewedy Electric

Reuters Ticker: <SWDY.CA>

Price closed at EGP13.120. Further gains cannot be neglected on the coming period as the price remains within the positive territory, knowing that a close above the resistance level at EGP15.170 would be enough to anticipate a jump back to EGP20.450. On the other side, losing the horizontal line at EGP10.650 would put selling pressure on EGP8.830, which if broken would turn the technical picture negative.



RSI	65.422
MACD	1.223
ROC	56.190
MA50	9.630
MA100	8.960
MA200	8.880
S1	10.650
S2	8.830
S3	7.000
R1	15.170
R2	20.450
R3	25.850

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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