

## Technical Analysis – The Egyptian Exchange

17-July-2023

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### The Egyptian Exchange

**EGX 30 Index <.EGX30> closed at 17,512.01 point.** The upward momentum decelerated as the market approached the critical resistance level at 18,414 (all-time high) but the long-term technical picture remains bullish, knowing that managing to print a foothold above 18,144 point would open the space for a gradual increase to 19,000 point. However, the index maintains a move above the support level at 16,560 point but a fall below it could allow some correction to take place towards 15,625 point.

Medium-term and long-term investors can stay in the market as long as the index is closing above 13,800 point and 12,900 point, respectively.



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## Madinet Nasr Holding

Reuters Ticker: &lt;MNHD.CA&gt;

**Price closed at EGP3.46.** The trend will remain favoring the bulls as long as the price is maintaining a close above EGP2.63; however, a fall below this would most likely shift the tone towards the south and lead to EGP2.09. On the counter side, the price encounters a resistance level at EGP4.03 (high of this year), which if broken would allow another leg up to take place towards EGP4.78 and maybe higher to EGP5.92.



RSI (W)	52.152
MACD (W)	0.098
ROC (W)	0.290
MA50 (W)	3.370
MA100 (W)	2.980
MA200 (W)	2.745
S1	3.100
S2	2.630
S3	2.090
R1	4.030
R2	4.780
R3	5.920

## Elsewedy Electric

Reuters Ticker: &lt;SWDY.CA&gt;

**Price closed at EGP19.26.** The stock fulfilled and exceeded our target price by posting EGP21.17 before easing down but remains well above its MAs on the weekly chart knowing that a firm close above EGP21.17 would most likely promote a jump back to the all-time high at EGP25.85. However, the nearby support levels come at EGP17.60 and EGP15.17, while a dip below the last one could trigger further correction to EGP12.20.



RSI (W)	62.397
MACD (W)	1.929
ROC (W)	10.372
MA50 (W)	15.250
MA100 (W)	12.220
MA200 (W)	10.475
S1	17.100
S2	15.170
S3	10.650
R1	21.170
R2	25.850
R3	28.000

## 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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