

## Technical Analysis – The Egyptian Exchange

18-October-2022

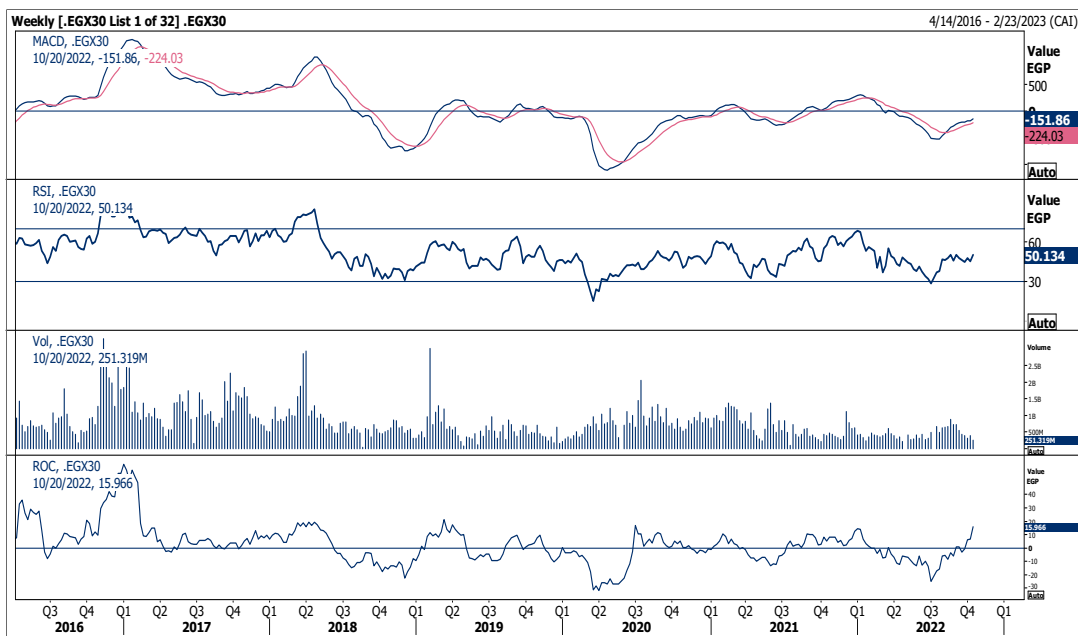
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### The Egyptian Exchange

**EGX 30 Index <.EGX30> closed at 10,163.56 point.** There is a scope for an upward momentum as long as the index is maintaining a close above the horizontal line at 9,627 point, knowing that the next line of resistance comes at 10,465 point, which if broken would call for a jump to 11,177 point and maybe more to 12,069 point. On the negative side, a close below 9,627 point could put selling pressure on the support line at 8,600 point once again, while below this would increase the downside risk to 8,113 point (the low of year 2020).

Medium-term and long-term investors can re-enter the market at levels higher than 10,465 point and 11,177 point, respectively.



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## Commercial International Bank

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

**Price closed at EGP26.760.** The technical picture looks neutral at present and the stock can move in either way, knowing that a jump over the first resistance level at EGP27.25 would be a positive sign that should lead to EGP30.57, while above this should allow a re-test of EGP36.00. However, losing the support line at EGP22.49 would re-instate the bearish tone and trigger a fall to EGP19.00 and maybe lower to EGP15.70.



## Ezz Steel

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

**Price closed at EGP14.140.** The stock is leaning more towards the bulls but should break above EGP15.38 to anticipate another test of the high of this year at EGP17.24, knowing that a firm close above this is required to call for another leg up towards EGP22.20. However, back below EGP12.25 would lead to EGP10.68, while only below this would deepen the bearish tone and trigger a fall to EGP8.55.



RSI	55.266
MACD	-0.024
ROC	28.080
M10	13.760
M50	13.370
M100	13.245
S1	10.680
S2	8.550
S3	5.300
R1	17.240
R2	22.200
R3	27.000

## Qalaa Holdings

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

**Price closed at EGP1.345.** It is not clear at present as to where the stock should go from here and needs further technical signs to confirm this. A cross over the resistance zone at EGP1.58-EGP1.78 would most likely establish a new bull trend and call for an advance to EGP2.62 before EGP2.87. On the other side, a fall below the support level at EGP1.16 would lead to EGP0.98 and maybe lower to EGP0.78.



RSI	53.864
MACD	0.006
ROC	30.583
M10	1.325
M50	1.280
M100	1.270
S1	1.160
S2	0.980
S3	0.780
R1	1.580
R2	1.780
R3	2.000

## 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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