

Technical Analysis – The Egyptian Exchange

20-June-2022

In this Report...

EGX 30 INDEX.....	1
TELECOM EGYPT.....	2
HELIPOLIS.....	2
MADINAT NASR.....	3
TMG.....	3

The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 9,680.18 point. The index is trading below the support level at 9,770 point (low of year 2021) and below all MAs on the weekly chart and within the descending trend line, a case that could lead to further weaknesses to the next defense line at 9,205 point and maybe lower to 8,900 point. However, the close above the resistance level at 10,280 point will be the first improvement sign, which should then lead to 10,900 point before 11,175 point.

Medium-term and long-term investors can re-enter the market at levels higher than 10,900 point and 11,175 point, respectively.



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Reuters Ticker: <ETEL.CA>

Price closed at EGP14.94. The stock is threatening at present to go below the support level at EGP14.90, while a close below this would deepen the correction move to EGP13.00 and maybe lower to EGP11.82. On the counter side, managing to cross over EGP16.86 would be a positive sign that should promote a jump to EGP17.78 and could move further up to re-test the horizontal line at EGP19.75 (the high of this year).



RSI	42.246
MACD	0.150
ROC	-13.841
M10	15.440
M50	16.040
M100	14.730
S1	14.900
S2	13.000
S3	11.820
R1	16.860
R2	19.750
R3	23.900

Heliopolis Co. for Housing & Development

Reuters Ticker: <HELI.CA>

Price closed at EGP4.86. The current technical picture of the stock is negative at present and needs to overcome the upper end of the descending trend line at around EGP5.40 to enhance further strength to EGP6.30 before EGP7.59. However, a fall below the support level at EGP4.00 would most likely deepen the bearish tone and lead to the strong line at EGP2.61 (low of year 2020).



RSI	45.107
MACD	-0.099
ROC	1.887
M10	4.960
M50	5.420
M100	5.360
S1	4.000
S2	3.500
S3	2.610
R1	5.400
R2	6.300
R3	7.590

Madinet Nasr Holding

Reuters Ticker: <MNHD.CA>

Price closed at EGP2.56. The stock is leaning more towards the bulls after failing once again to break below the strong support level at EGP1.82, while now eyes have shifted towards the resistance line at EGP2.96, which if broken would allow a jump to EGP3.77 before EGP4.76. On the other side, only losing EGP1.82 would delay any upward move and lead to EGP1.27.



RSI	56.882
MACD	-0.040
ROC	34.242
M10	2.325
M50	2.290
M100	2.510
S1	1.820
S2	1.270
S3	0.580
R1	2.960
R2	3.770
R3	4.760

TMG Holding

Reuters Ticker: <TMGH.CA>

Price closed at EGP7.60. The stock is currently moving below its MAs on the weekly chart, while a dip below the support line at EGP7.35 will call for further slippage to the horizontal line at EGP6.75, which most likely will arrest additional weaknesses to the strong level at EGP5.41. However, a jump over the first overhead resistance level at EGP8.27 should attract some buying momentum and lead to EGP9.15, while above this would target EGP10.00.



RSI	41.185
MACD	0.025
ROC	-10.588
M10	7.910
M50	8.335
M100	7.700
S1	6.750
S2	5.410
S3	4.040
R1	8.270
R2	9.150
R3	10.000

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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