

## Technical Analysis – The Egyptian Exchange

21-September-2020

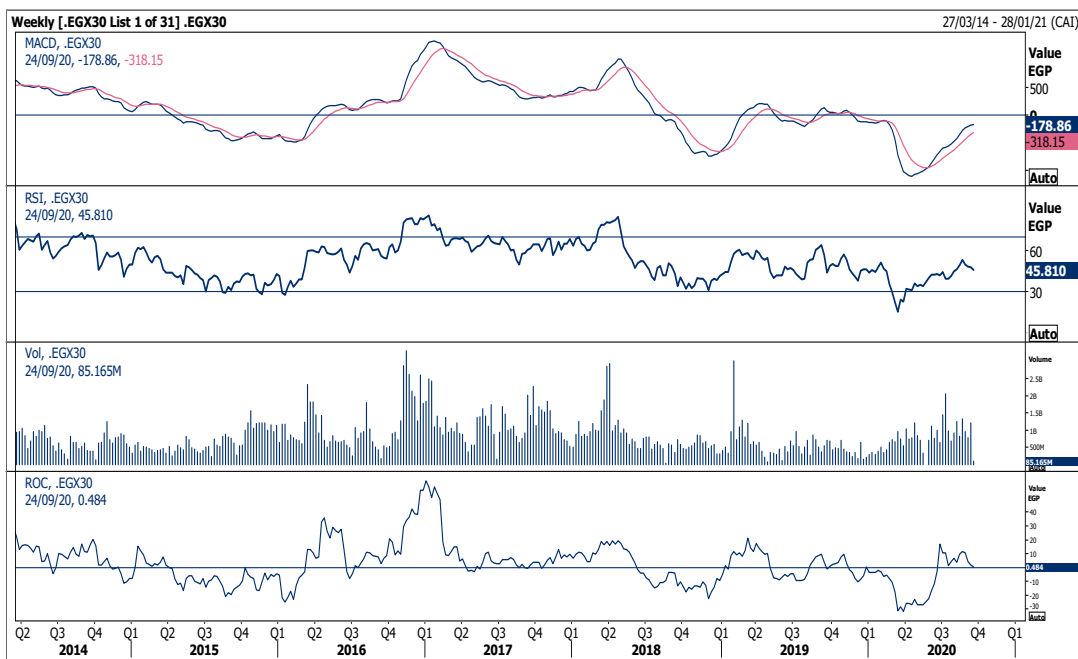
### In this Report...

EGX 30 INDEX.....	1
COMI.....	2
PALM HILLS.....	2
EZZ STEEL.....	3
ORASCOM.....	3

### The Egyptian Exchange

**EGX 30 Index <.EGX30> closed at 10,910.37 point.** The market has posted a temporarily top at 11,493 point, while a break above this is required to gain more confidence and call for a jump to the psychological level at 12,000 point; however, a successful close above this will promote 12,500 point. On the other side, a fall below the support line at 10,870 point will lead to 10,570 point and maybe 10,070 point, which should prevent further losses and force the index to inch upwards.

Medium-term and long-term investors can only enter the market at levels higher than 11,790 and 12,570 point, respectively.



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## Commercial International Bank (Egypt)

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

**Price closed at EGP66.780.** The continuous reluctance to surpass the horizontal line at EGP70.250 (near the 50% level of the Fibonacci Retracements from EGP87.100-EGP51.200) would most likely trigger further weaknesses to the support level at EGP60.310, while below this could lead to EGP55.750. However, a firm close above EGP70.250 will target EGP77.150 and maybe higher to EGP82.500.



RSI	48.471
MACD	-1.802
ROC	-1.736
M10	66.630
M50	68.550
M100	71.655
S1	60.310
S2	55.750
S3	51.200
R1	70.250
R2	77.150
R3	82.500

## Palm Hills Development Co.

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

**Price closed at EGP1.386.** The stock encounters a resistance level at EGP1.590 (also found there the upper-end of the 6-months descending trend line), which needs to be cleared to confirm the formation of a positive continuation pattern and call for an advance to EGP1.940 before EGP2.170. On the negative side, a fall below the support level at EGP1.040 will bring back to focus EGP0.792 (the low of last March).



RSI	49.952
MACD	-0.030
ROC	19.380
M10	1.430
M50	1.360
M100	1.680
S1	1.200
S2	1.040
S3	0.792
R1	1.590
R2	1.940
R3	2.170

## Ezz Steel

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

**Price closed at EGP7.240.** Further strength could still be seen on the coming period despite the recent weaknesses; however, a drop below EGP6.550 will change the tone and lead to additional losses to EGP5.300, while below this will most likely call for a re-test of last March low at EGP4.060. On the counter side, managing to surpass EGP9.450 would target the strong layer at EGP13.110.



RSI	52.802
MACD	-0.381
ROC	19.669
M10	7.110
M50	7.000
M100	8.990
S1	6.550
S2	5.300
S3	4.060
R1	9.450
R2	13.110
R3	17.090

## Orascom Development Egypt

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

**Price closed at EGP4.140.** The stock did well after hitting last March low at EGP2.010 but failed to sustain its upward momentum as the resistance level at EGP4.860 (near the 50% level of the Retracements from EGP7.940-EGP2.010) arrested additional upward correction to EGP5.685 (61.8% level). However, losing the support level at EGP3.960 will call for further weaknesses to EGP3.600 and maybe lower to EGP3.190.



RSI	47.125
MACD	-0.106
ROC	6.701
M10	4.380
M50	4.220
M100	5.170
S1	3.960
S2	3.600
S3	3.190
R1	4.860
R2	5.685
R3	6.200

## 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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