

Technical Analysis – The Egyptian Exchange

31-May-2021

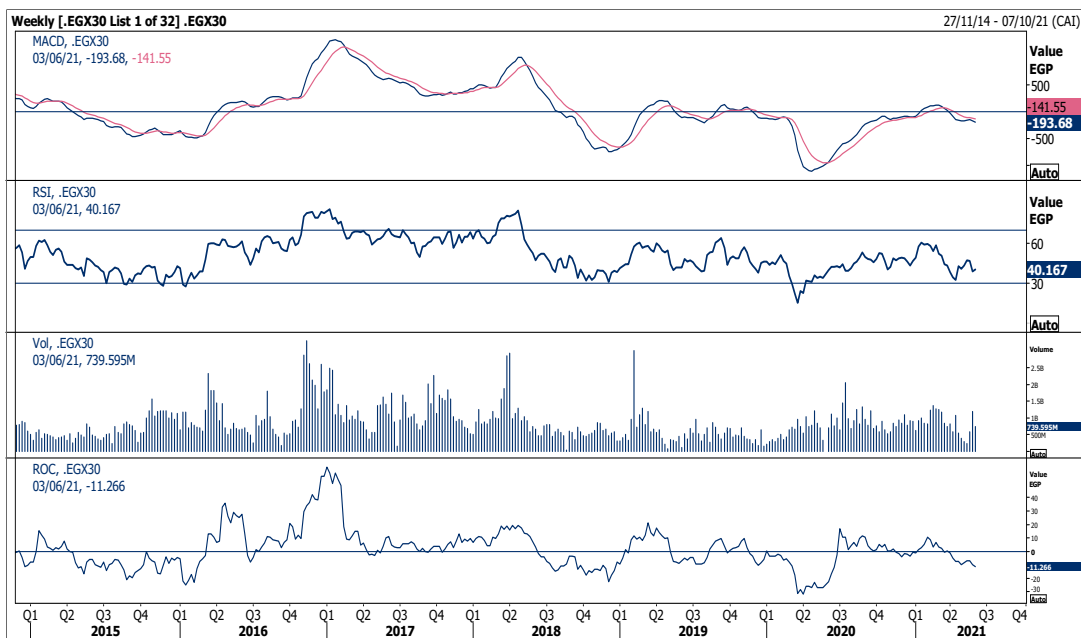
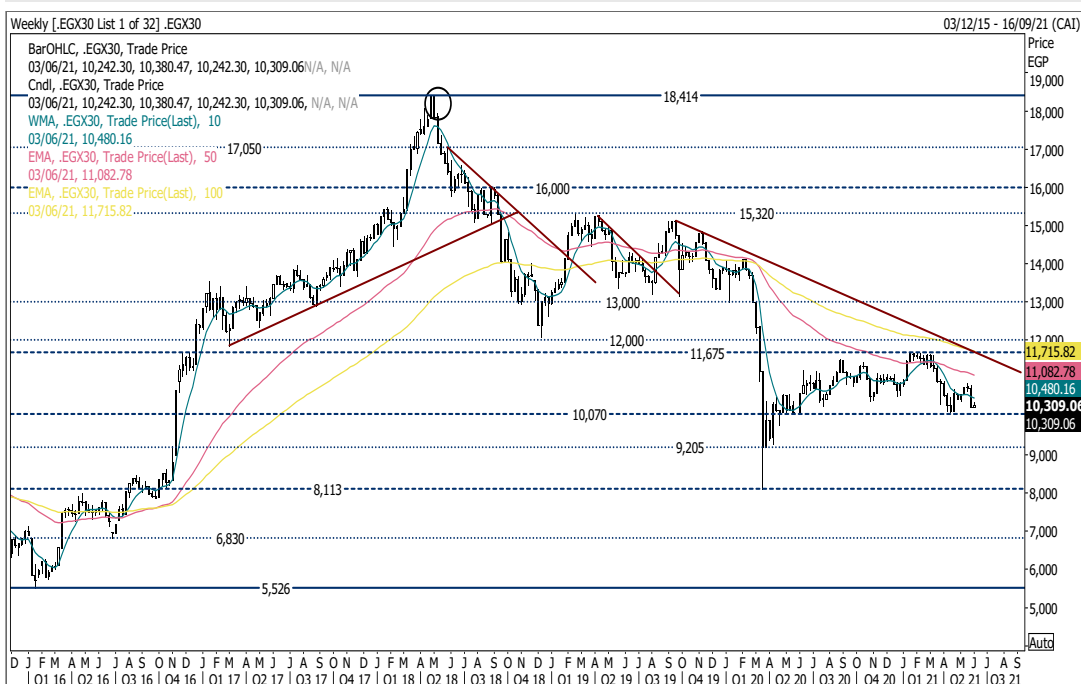
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The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 10,309.06 point. The break below the support zone at 10,070 point-10,000 point will increase the downside risk and lead to 9,205 point, while only below this will bring back to focus the low of last year at 8,113 point. On the positive side, no signs of reversal have been spotted on the weekly chart but a move back above the horizontal line at 10,860 point would give some relief and promote the strong resistance level at 11,675 point.

Medium-term and long-term investors can re-enter the market at levels higher than 11,000 point and 11,700 point, respectively.



Raed Diab

Vice President

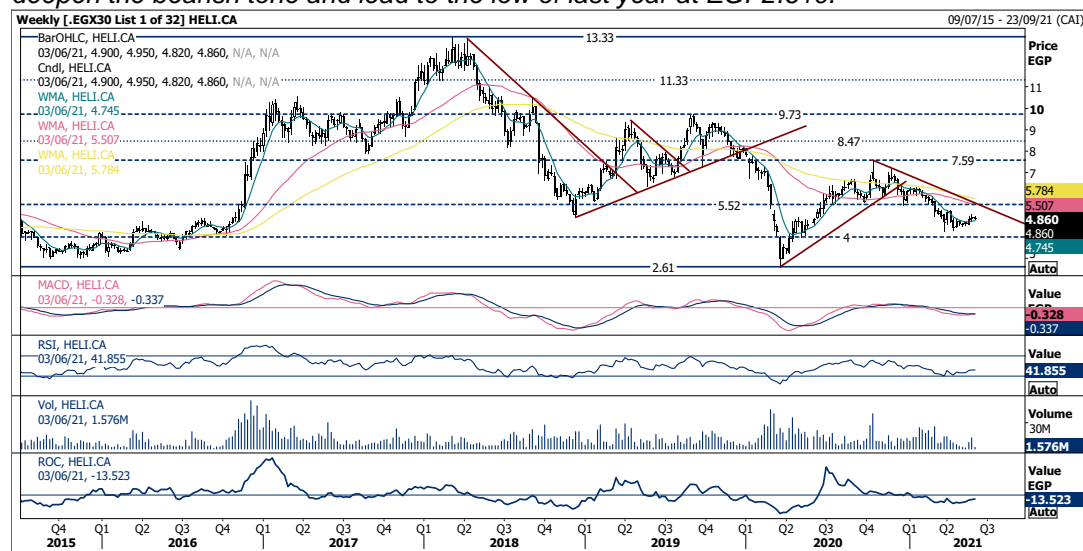
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Heliopolis Co. for Housing & Development

Reuters Ticker: <HELI.CA>

Price closed at EGP4.860. The stock is leaning more towards the bulls after finding a support level at EGP4.290 but a jump over the first overhead resistance level at EGP5.520 will increase the chances of reaching EGP7.590 once again. However, the horizontal line at EGP4.290 is expected to prevent any attempts to move down but a break below this could deepen the bearish tone and lead to the low of last year at EGP2.610.



RSI	41.855
MACD	-0.337
ROC	-13.523
M10	4.745
M50	5.505
M100	5.785
S1	4.000
S2	3.000
S3	2.610
R1	5.520
R2	7.590
R3	8.470

Elsewedy Electric

Reuters Ticker: <SWDY.CA>

Price closed at EGP8.000. The stock is still hovering near the low of last month at EGP7.450, while losing it will allow additional downward move to take place to the next line at EGP6.200 and maybe lower to EGP5.240. On the counter side, a cross over the tiny resistance line at EGP9.160 will be the first positive sign that should promote another jump to EGP10.650 before EGP11.800.



RSI	40.593
MACD	-0.066
ROC	-16.055
M10	8.180
M50	8.710
M100	8.800
S1	7.450
S2	5.240
S3	2.790
R1	10.650
R2	11.800
R3	15.170

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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