

## Technical Analysis – The Egyptian Exchange

24-June-2019

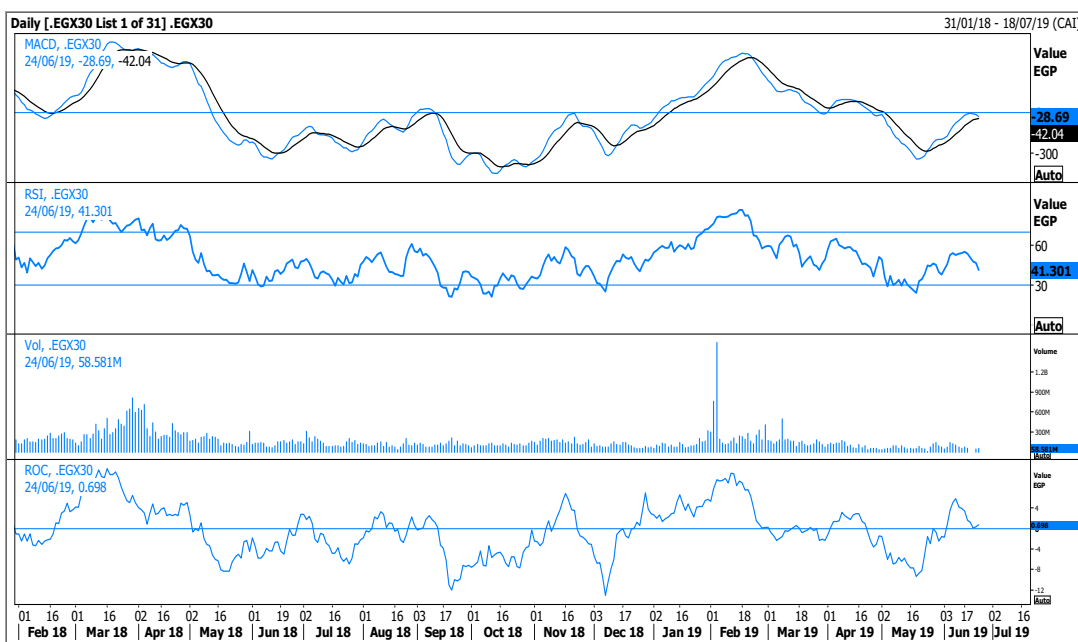
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### The Egyptian Exchange

**EGX 30 Index <.EGX30> closed at 13,867.47 point.** No clear signals at the moment to predict the next trend but the move below the resistance level at 15,320 point suggests a bearish move. A fall below the recent support level at 13,375 point will shift the trading range to 13,375 point-12,076 point but a sudden drop below 12,076 point will be a serious negative signal. On the counter side, a break above 14,500 point would lead to 15,320 point but only above this will confirm a positive continuation pattern and target 16,000 point.

Medium-term and long-term investors can re-enter the market at levels higher than 14,500 point and 14,100 point, respectively.



## TMG Holding

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

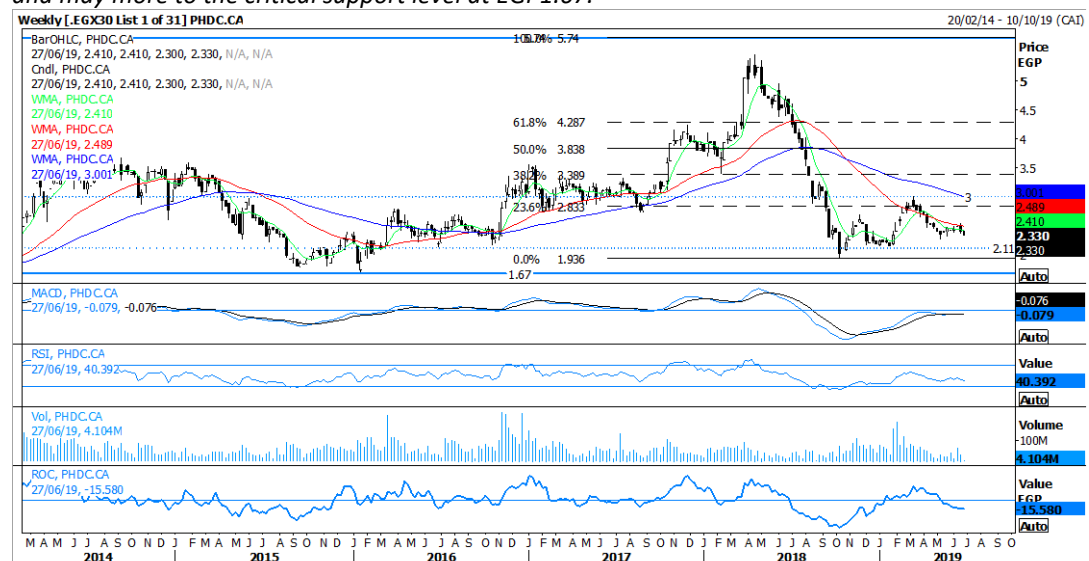
**Price closed at EGP10.48.** The bulls are not able to print a foothold above the recent resistance level at EGP11.00, also found near there the MAs of the stock on the weekly chart. A close above this would target EGP12.30, knowing that only a close above this will promote a gradual increase to EGP14.90. However, losing EGP10.00 will decrease the upward chances and lead to last year low at EGP8.70 and may be lower to EGP7.30.



## Palm Hills Development Co.

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

**Price closed at EGP2.33.** The picture looks ambiguous as to where it could go from here. A break above the tiny resistance level at EGP2.67 should lead to a re-test of this year high at EGP3.00, while above it would promote EGP3.39 (38.2% level of the Fibonacci Retracements from EGP5.74-EGP1.94). On the other side, back below EGP2.11 will most likely allow a fall back to last year low at EGP1.94 and may more to the critical support level at EGP1.67.



## Six of October Development &amp; Investment (SODIC)

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

**Price closed at EGP13.88.** The stock has been trapped within the range of EGP12.56-EGP18.00 for more than 6-months, knowing that an escape out of this is required to anticipate the next direction. A dip below EGP12.56 will re-instate the bearish tone and trigger EGP9.44. However, a firm close above the resistance level at EGP18.00 should be enough to decrease the downside risk and call for an advance towards EGP24.25.

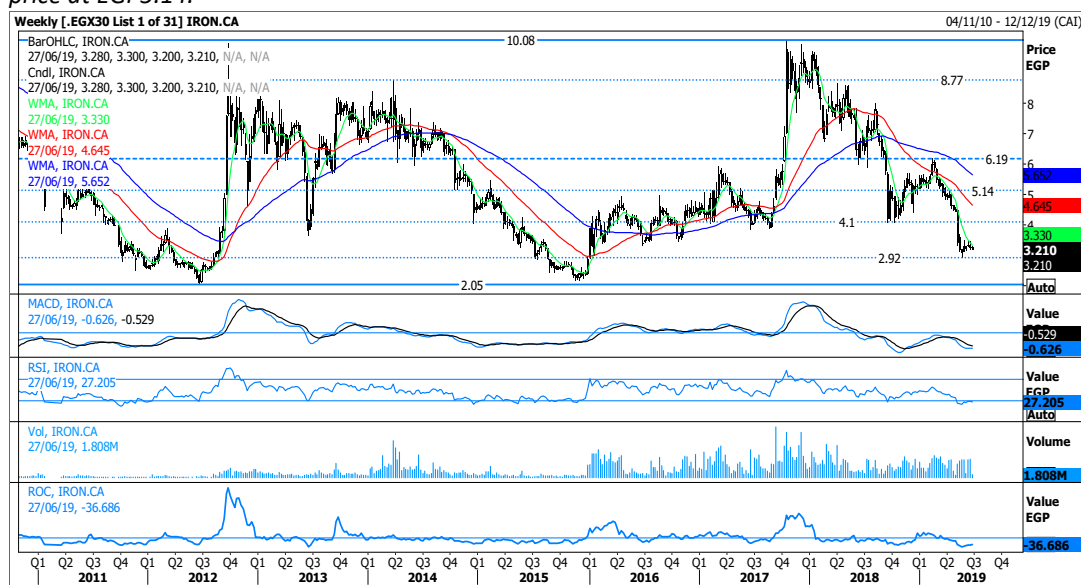


RSI	40.664
MACD	-0.726
ROC	-21.759
M10	13.97
M50	15.65
M100	17.99
S1	12.56
S2	9.44
S3	6.56
R1	18.00
R2	24.25
R3	26.30

## Egyptian Iron &amp; Steel

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

**Price closed at EGP3.21.** The oversold status of the weekly RSI indicators could spur some buying activity on the short-term period. The stock found support at EGP2.92 and only below it will lead to a re-test of the bolded horizontal line at EGP2.05, which should arrest further weaknesses. On the counter side, managing to cross over EGP4.10 will be a positive sign that would lead to the next target price at EGP5.14.



RSI	27.205
MACD	-0.529
ROC	-36.686
M10	3.33
M50	4.65
M100	5.65
S1	2.92
S2	2.05
S3	1.80
R1	4.10
R2	5.14
R3	6.19

## 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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