

Technical Analysis – The Egyptian Exchange

03-June-2024

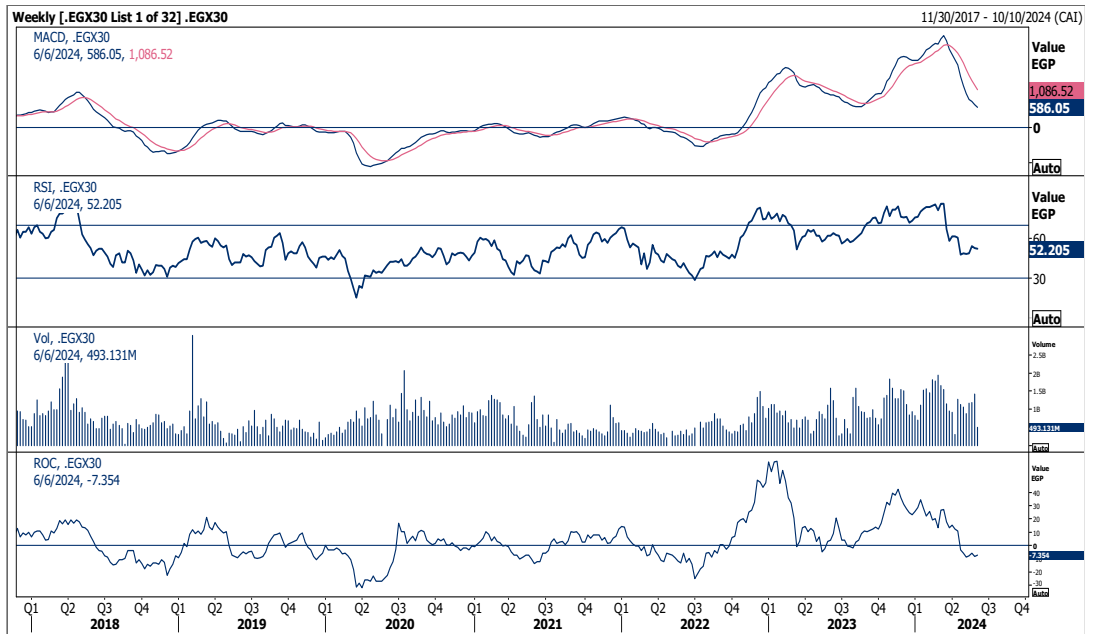
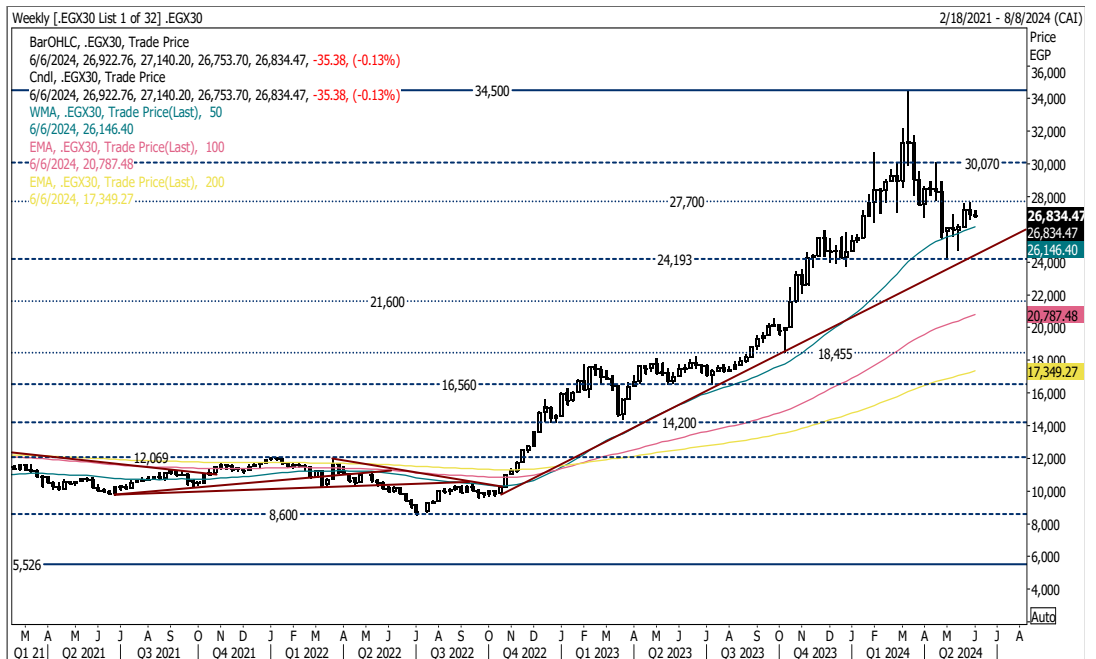
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The Egyptian Exchange

EGX 30 Index <.EGX30> closed at 26,834.47 point. The index has lost its upward momentum but continues to move within the long-term ascending trend line and above all MAs on the weekly chart. A break above the tiny resistance level at 27,700 point would re-activate the buying momentum and open the road for a re-visit to 30,070 point, while surpassing this would target 32,217 point. However, a dip below the support zone between 24,193 point-23,700 point would re-instate the bearish tone and allow a fall to the next defense line at 21,600 point.

Medium-term and long-term investors can stay in the market as long as the index is closing above 20,800 point and 17,350 point, respectively.

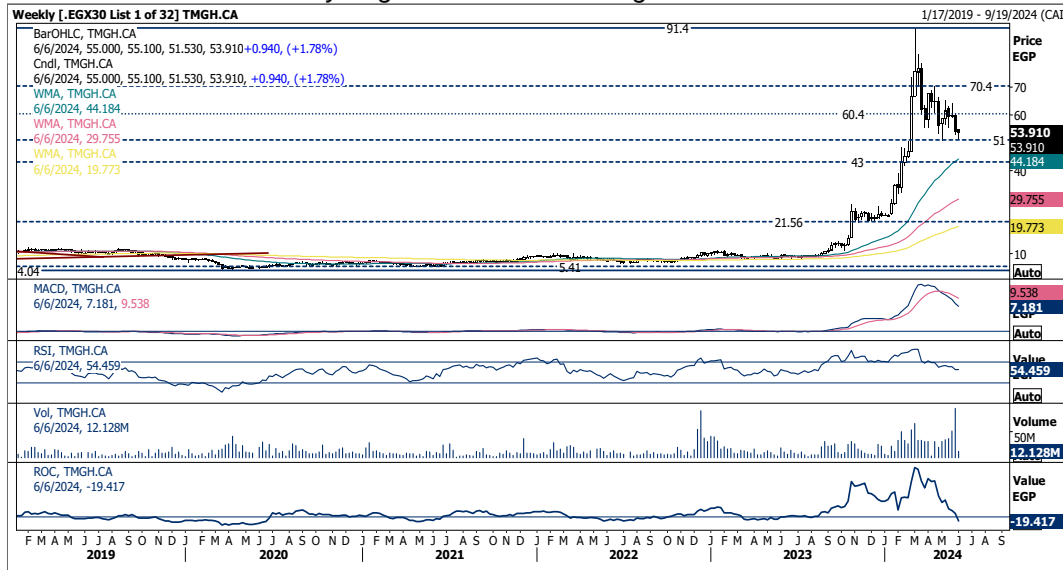


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TMG Holding

Reuters Ticker: <TMGH.CA>

Price closed at EGP53.91. The stock witnessed a downward correction after posting an all-time high at EGP91.40 but remains above all MAs on the weekly chart; however, losing the support level at EGP51.00 (near the 50% level of the Fibonacci Retracement from EGP8.20-EGP91.40) could lead to EGP43.00. On the other side, above the horizontal line at EGP60.40 would most likely target EGP70.40 once again.



RSI (W)	54.459
MACD (W)	9.538
ROC (W)	-19.417
MA50 (W)	44.185
MA100 (W)	29.755
MA200 (W)	19.775
S1	51.000
S2	43.000
S3	32.000
R1	60.400
R2	70.400
R3	91.400

Madinet Masr for Housing and Development

Reuters Ticker: <MASR.CA>

Price closed at EGP3.75. The technical picture will remain positive as long as the price remains above the support level at EGP3.12 (found here the 200-weeks MA and the lower-end of the ascending trend line), while a fall below this would call for a deeper correction to EGP2.66 and maybe lower to EGP2.39. However, back above the resistance level at EGP4.18 should lead to EGP4.65.



RSI (W)	48.868
MACD (W)	-0.039
ROC (W)	-18.655
MA50 (W)	3.850
MA100 (W)	3.660
MA200 (W)	3.190
S1	3.120
S2	2.660
S3	2.390
R1	4.180
R2	4.650
R3	5.740

Elsewedy Electric

Reuters Ticker: <SWDY.CA>

Price closed at EGP46.15. The stock is hovering near its all-time high at EGP49.00 and further momentum above this cannot be neglected, given the close above all MAs on the weekly chart and the move within the ascending trend line, knowing that a successful jump above this would target EGP57.00. However, back below EGP37.00 could put selling pressure on EGP30.00 once again.



RSI (W)	70.421
MACD (W)	2.846
ROC (W)	31.857
MA50 (W)	32.910
MA100 (W)	26.320
MA200 (W)	18.920
S1	37.000
S2	30.000
S3	26.000
R1	49.000
R2	57.000
R3	60.000

Telecom Egypt

Reuters Ticker: <ETEL.CA>

Price closed at EGP30.77. The stock retreated from its all-time high at EGP42.66, while additional weaknesses below EGP29.00 is expected to increase the downside risk and trigger a fall to EGP22.55. On the counter side, a close above the resistance level at EGP36.00 would be positive and should attract additional gains to EGP39.55 and maybe higher to re-test EGP42.66.



RSI (W)	40.124
MACD (W)	0.313
ROC (W)	-20.285
MA50 (W)	35.270
MA100 (W)	31.370
MA200 (W)	25.250
S1	29.000
S2	22.550
S3	20.200
R1	36.000
R2	42.660
R3	48.000

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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