



2022 Technical Strategy

How to Deal With Castles in the Air

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How to Deal With Castles in the Air?

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Figure 3: Our top stock picks

Ticker	Upside	Downside
AMOC	57%	27%
CCAP	48%	20%
COMI	30%	20%
EFIC	24%	16%
EKHO	37%	14%
EMFD	33%	22%
ESRS	41%	15%
FAIT	30%	13%
HELI	63%	23%
ISPH	32%	15%
MNHD	40%	25%
PHDC	44%	17%
SUGR	36%	20%
SWDY	35%	14%

Source: Prime Research.

Figure 4: Other stock picks

Ticker	Upside	Downside
ADPC	73%	21%
ALUM	26%	17%
AMIA	23%	13%
AREH	90%	33%
CERA	37%	21%
DAPH	29%	18%
DSCW	31%	8%
EDMB	28%	15%
EHDR	58%	30%
ELWA	43%	25%
GGCC	46%	19%
GIHD	58%	21%
GOCO	77%	27%
ICID	53%	18%
NEDA	79%	19%
UNIP	57%	19%

Source: Prime Research.

The year 2021 was extraordinary for traders in general, more specifically for speculative traders. While many traders made fortunes trading highly-speculative stocks in the first 8-9 months of the year, other traders suffered as stock prices began to pare their earlier gains in the latter part of the year. Such a performance was a manifestation of the "Castles in the Air" theory which became popular in 1936 by the famous economist John Maynard Keynes. The theory looks for stock bubbles that occur when the stock price achieves unprecedented heights in a short period of time. Such a rally continues until the stock finally collapses like a bubble which grows fast then explodes.

In this note, we present some examples of such castles, specifically those that have formed between 2020 and 2021, the most volatile period in terms of stock price gyrations on the EGX, be it violent rallies or sharp declines. We also showcase the track record of our technical calls which can be [downloaded here](#). Last but not least, we present our top picks for the year 2022 along with other "high-risk" stock picks for speculative traders.

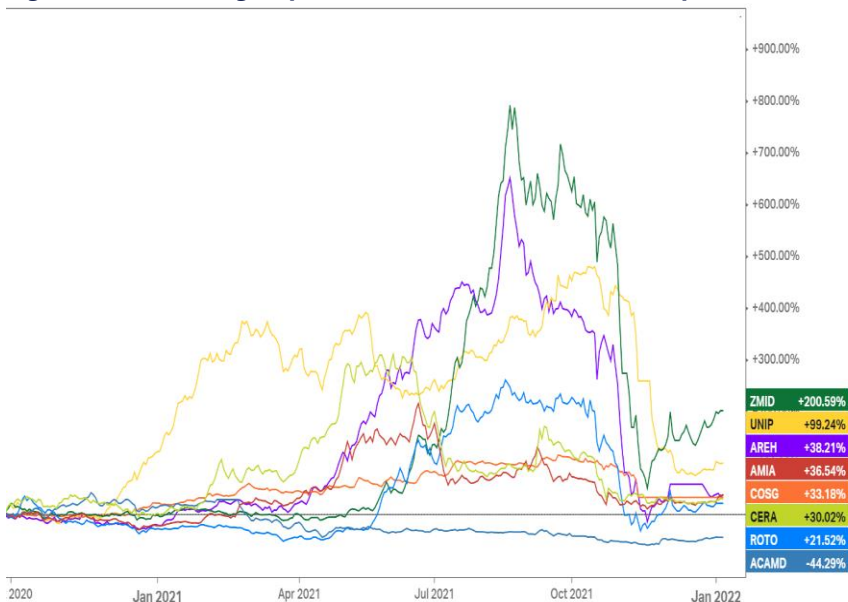
Figure 1: Summary track record of our technical calls

	Total number	% mix		Total number	% mix	Avg. return per trade
Total trades issued	107	100%	Total closed trades	86	100%	6.81%
Trades not triggered	11	10%	Winning trades	60	70%	14.11%
Open trades	10	9%	Losing trades	26	30%	(10.02%)
Closed trades	86	80%	Breakeven trades	0	0%	nm
			Return/risk ratio			1.41
			Maximum gain per trade			73.50%
			Maximum loss per trade			(23.80%)

Note: Performance from 1 January 2021 through 31 December 2021.

Source: Prime Research.

Figure 2: A selected group of "castles in the air" that built up since 2020



Source: Koyfin.

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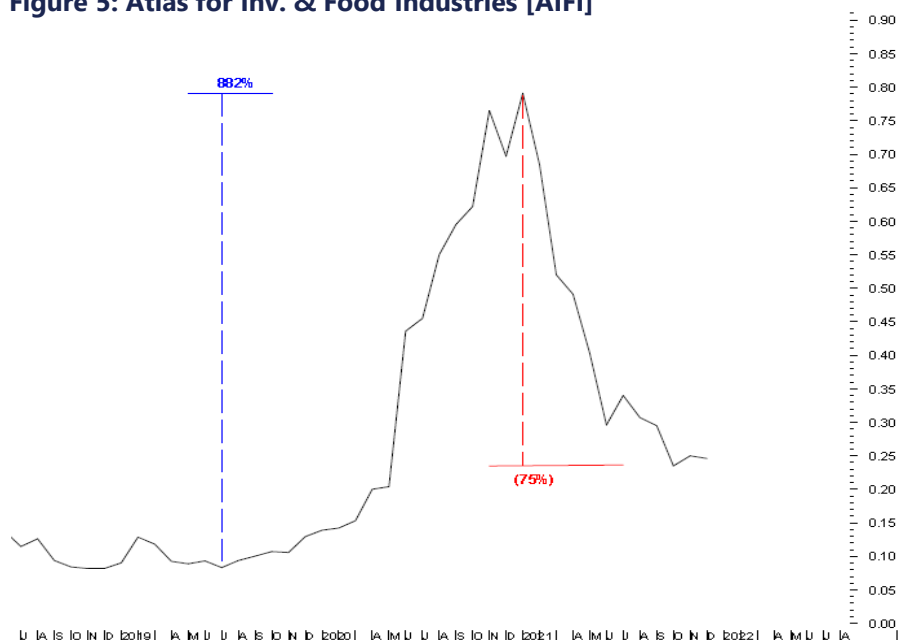
1. Phase I: Building Castles

1.1. Technical reasons for building castles

- 1.1.1. An imbalance of trade orders in one direction (e.g. all buys and no sells or vice versa) leads to volatile markets that are usually characterized by wide price fluctuations, which in turn is often exacerbated by margin trading.
- 1.1.2. The short selling mechanism, which should act as a balancing force, was not fully adopted on the ground. Indeed, many investors are not yet well acquainted with how to use short selling despite having been in place since 2019.

1.2. Exemplary patterns of castles

Figure 5: Atlas for Inv. & Food Industries [AIFI]



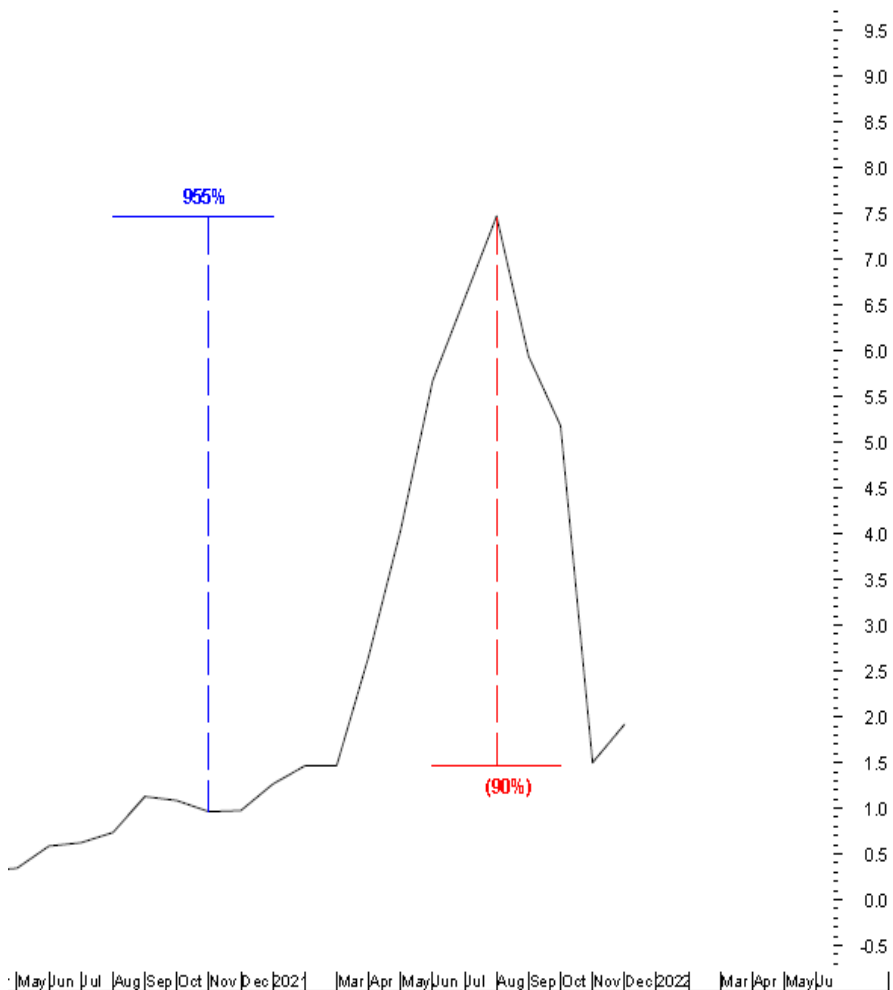
The monthly line chart above shows how AIFI soared 882% from its major support level of 0.0815 (trough formed in July 2019), hitting its major resistance level of 0.80 (peak formed in January 2021). Then, it dropped by 75% from the resistance level of 0.80 to the support level of 0.20 (trough formed in October 2021).

Figure 6: Statistics results for AIFI

Wave No.	Price Range	Date		% Range
		From	To	
1	0.0815-0.80	Jul 2019	Jan 2021	882%
2	0.80-0.20	Jan 2021	Oct 2021	(75%)

1. Phase I: Building castles (cont.'d)

Figure 7: Real Estate Egyptian Consortium [AREH]



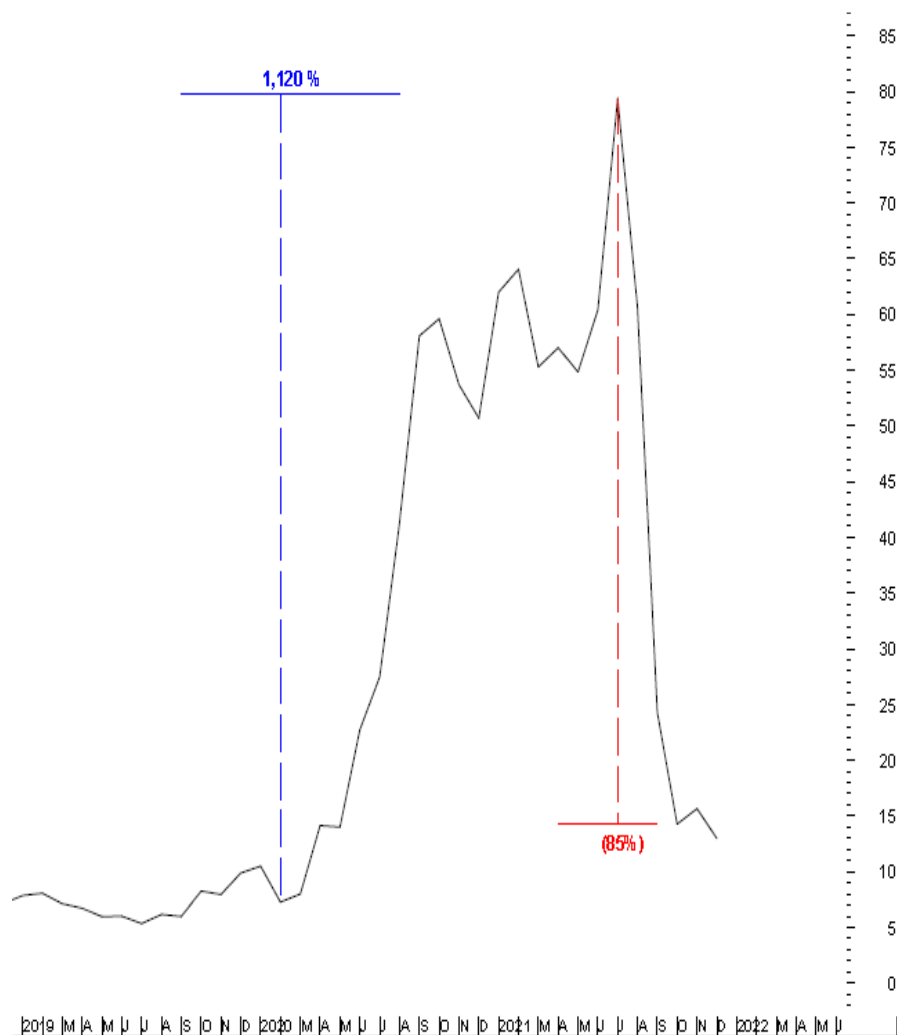
The monthly line chart above shows how AREH shot up 955% from its major support level of 0.90 (trough formed in November 2020), testing the major resistance level of 9.5 (peak formed in August 2021). Then, it tumbled 90% from the resistance level of 9.5 to the support level of 0.95 (trough formed in November 2021).

Figure 8: Statistics results for AREH

Wave No.	Price range	Date		% change
		From	To	
1	0.90-9.50	Nov 2020	Aug 2021	955%
2	9.50-0.95	Aug 2021	Nov 2021	(90%)

1. Phase I: Building castles (cont.'d)

Figure 9: Gulf Canadian [CCRS]



The monthly line chart above shows how CCRS skyrocketed up 1,120% from its major support level of 6.8 (trough formed in February 2020), reaching the major resistance level of 83 (peak formed in July 2021). Then, it fell 85% from the resistance level of 83 to the support level of 12.33 (trough formed in October 2021).

Figure 10: Statistics results for CCRS

Wave No.	Price range	Date		% change
		From	To	
1	6.80-83.00	Feb 2020	Jul 2021	1,120%
2	83.00-12.33	Jul 2021	Oct 2021	(85%)

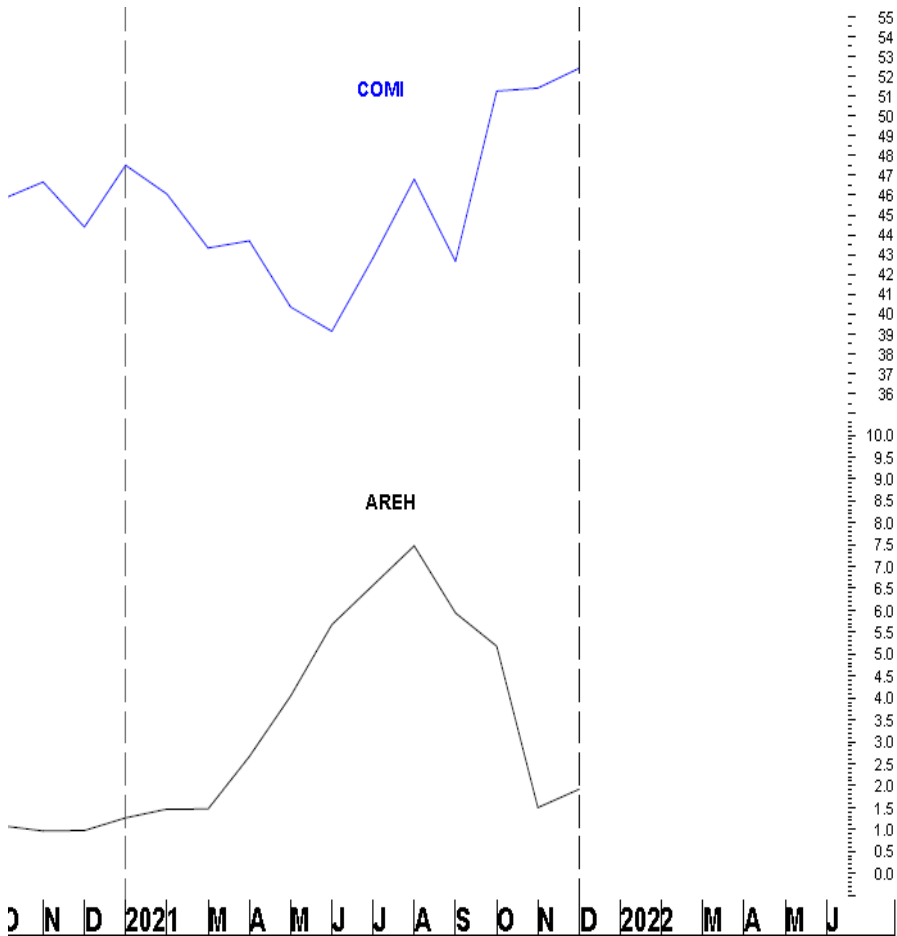


1. Phase I: Building castles (cont.'d)

1.3. Positive impact for castles

The building of such castles usually attracts many individual investors, lured by an unprecedented price boom in a short period of time. More generally, the comparison between the returns of such stocks to those of blue chips also stimulates interest from other investor segments, attracting new investors to the market.

Figure 11: Castles vs. Blue Chips



The chart above shows the great outperformance of **Egyptian Real Estate Group [AREH]** vs. **CIB [COMI]** from the beginning of 2021 until August 2021.

Figure 12: Statistics results for COMI vs. AREH

Ticker	Date		Price Range	% change
	From	To		
COMI	3 Jan 2021	25 Aug 2021	43.91-47.50	8%
AREH			0.93-9.50	922%
COMI	25 Aug 2021	21 Nov 2021	47.50-52.4	10%
AREH			9.50-0.95	(90%)

2. Phase II: Collapsing Castles

2.1. Negative impact of castles

2.1.1. There is *no* real trend (only noise trend)

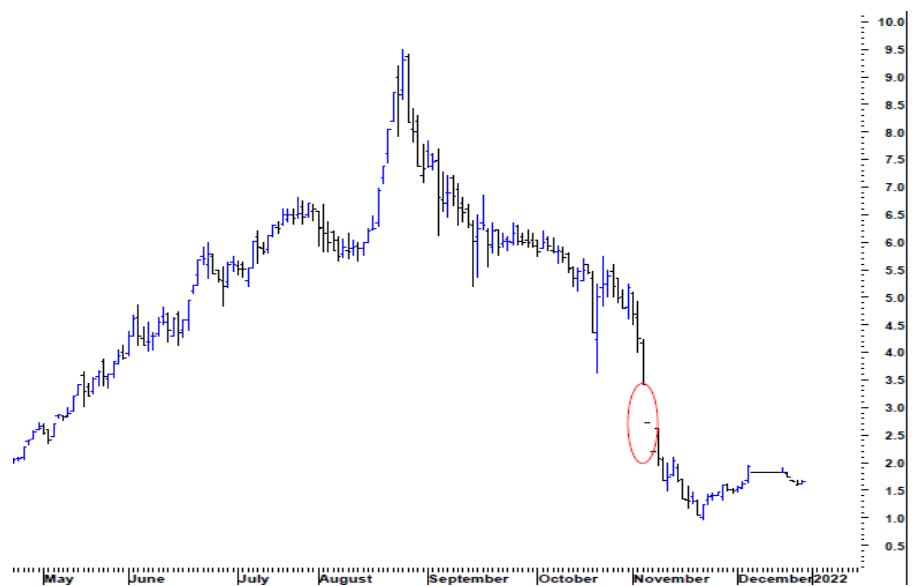
It is well known that a bullish trend consists of a series of ascending troughs and peaks (i.e. higher lows and higher highs). This is in contrast to a bearish trend which consists of a series of descending tops and bottoms (i.e. lower highs and lower lows). On the other hand, forming these castles only requires two major waves. The first wave is bullish (a strong rally), and the second wave is bearish (a sharp decline), which we had called previously “a noise trend”. We believe the main problem in this type of trend is the lack of continuous liquidity in the market, as cash begins to gradually leave the market once castles are built.

2.1.2. The stop-loss strategy does *not* usually work well

A stop-loss strategy is designed to limit an investor's loss on a security position, which is important an investor to avoid further losses. However, in reality, especially in this kind of trend (i.e. the noise trend), we believe the stop-loss strategy does *not* usually work well. We believe the main reason behind this is that when castles collapse, liquidity (i.e. buy orders) disappear. In addition, stocks are likely to fall as castles collapse with price gaps, which makes the stop-loss strategy ineffective and impractical.

The four charts below show price gaps and dried-up liquidity

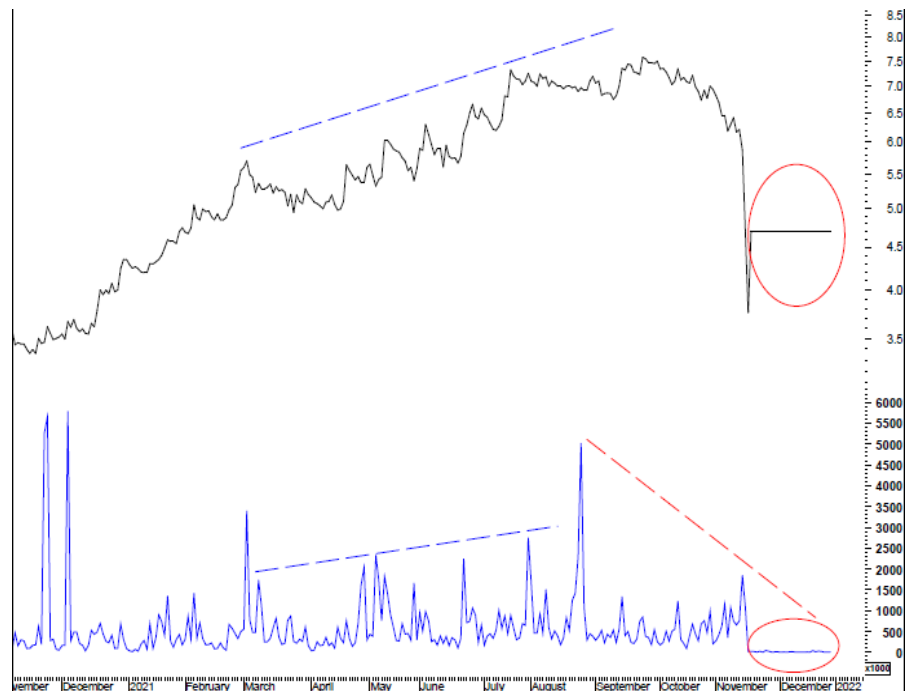
Figure 13: Price gaps in AREH



Real Estate Egyptian Consortium [AREH] saw a price gap of 36% starting from the level of 3.40 (the lowest on 3 November 2021) to the level of 2.19 (the opening price on 7 November 2021).

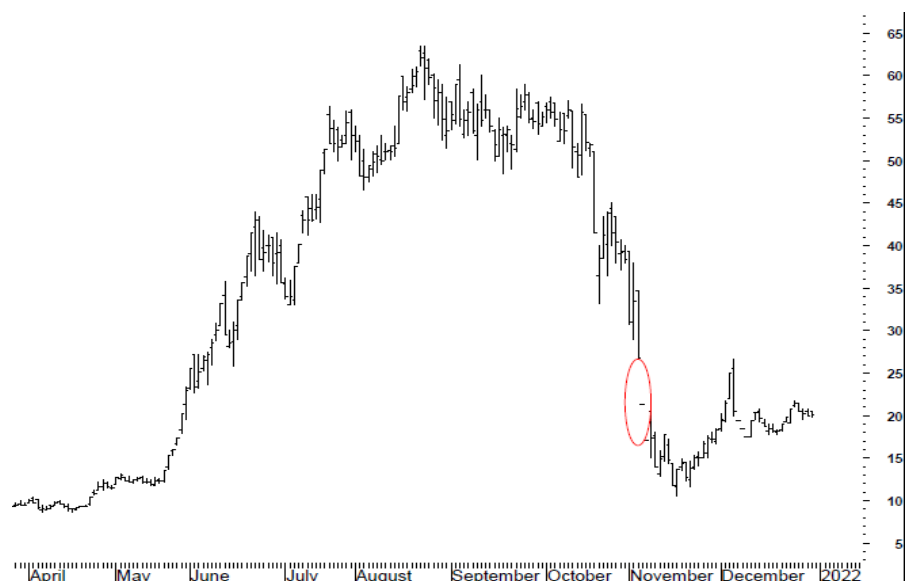
2. Phase II: Collapsing castles (cont.'d)

Figure 14: Dried up liquidity in COSG



Cairo Oils & Soap [COSG], which used to trade between 90,000 shares and 2,000,000 shares in any given session, saw its trading volume fall dramatically. COSG traded only 4,437 shares on 9 January 2022.

Figure 15: Price gaps in ROTO



Rowad Tourism [ROTO] saw a price gap of 36% starting from the level of 26.75 (the lowest on 3 November 2021) to the level of 17.12 (the opening price on 7 November 2021).

2. Phase II: Collapsing castles (cont.'d)

Figure 16: Price gaps in ZMID



Zahraa El-Maadi Investment [ZMID] experienced a price gap of 36% starting from the level of 28.80 (the lowest on 3 November 2021) to the level of 18.44 (the opening price on 7 November 2021).

2.2. Tips for trading in volatile trends

To minimize the negative impact of these castles (i.e. *no* real trend and the ineffectiveness of a stop-loss strategy), we list below a few tips:

1. Short-term traders have to determine the risks by measuring how far the entry price is from the 50-month Exponential Moving Average (EMA).
2. If the stock price rallied by 100% above the 50-month EMA, we would consider a "buy" strategy as "medium risk".
3. If the stock price rallied by 200% above the 50-month EMA, we would consider a "buy" strategy as "high risk".
4. If the stock price rallied by 500% above the 50-month EMA, we would consider a "buy" strategy as "very high risk".
5. On the other hand, if the stock price dropped by 20% below the 50-month EMA, we would consider a "sell" strategy as "high risk".
6. If the stock price dropped by 50% below the 50-month EMA, we would consider a "sell" strategy as "very high risk".

Note that these tips are only advisable for noise trends.

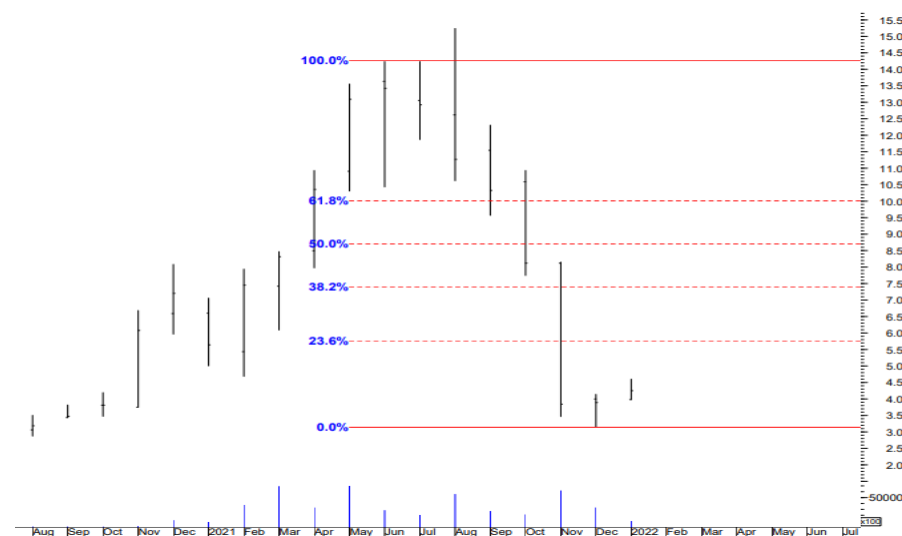
2. Phase II: Collapsing castles (cont.'d)

2.3. Applying the tips (stocks to pick)

Technical Summary for ADPC	
Current Trend	Noise
50-Month EMA	8.17
Distance form EMA	-54%
Risk degree	Low
52 week Range	3.15-15.24
Average Vol. (3m)	182,644
PAC	-40.5%

Note: Please see [Appendix](#) for definitions.

Figure 17: The Arab Dairy Products Co. [ADPC]

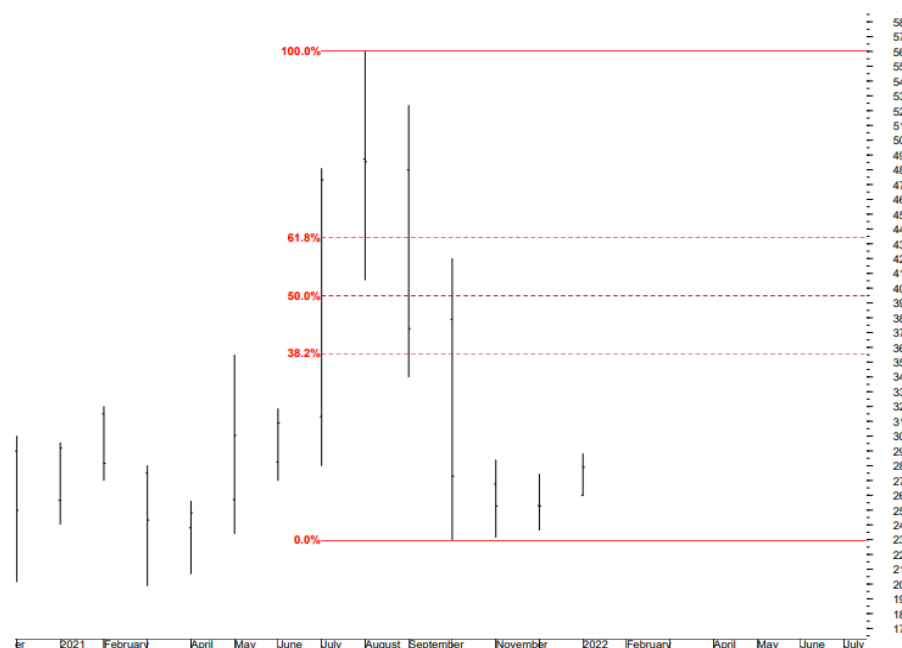


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	4.25	4-3.50	6-7	3-2.70	3

Technical Summary for ALUM	
Current Trend	Noise
50-Month EMA	23
Distance form EMA	2.17%
Risk degree	Low
52 week Range	19.88-55.99
Average Vol. (3m)	20,040
PAC	6.3%

Note: Please see [Appendix](#) for definitions.

Figure 18: Arab Aluminum [ALUM]



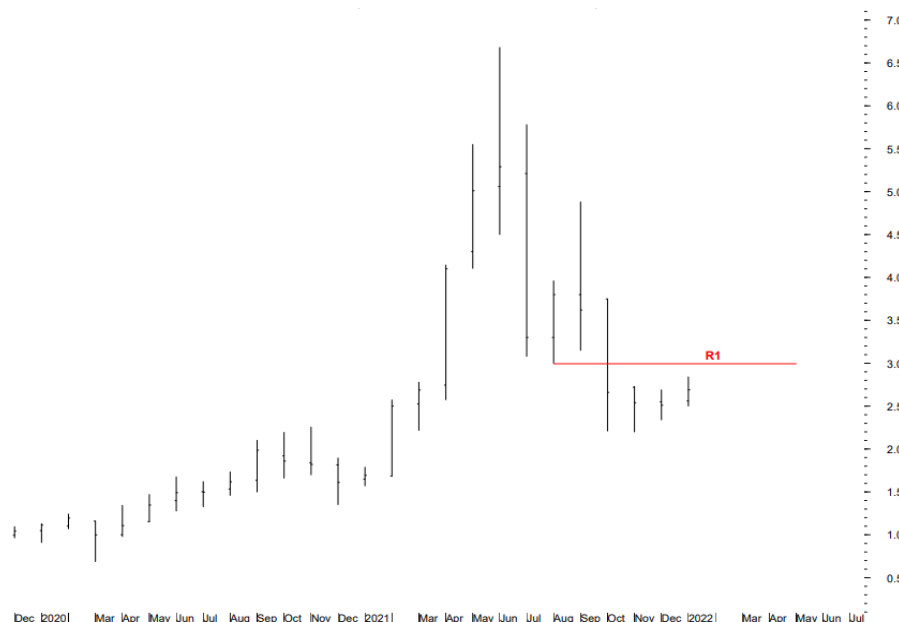
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	27.89	24-23	29-30	20-19	1.5

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for AMIA	
Current Trend	Noise
50-Month EMA	2.22
Distance form EMA	8.1%
Risk degree	Low
52 week Range	1.63-6.68
Average Vol. (3m)	1.5mn
PAC	52%

Note: Please see [Appendix](#) for definitions.

Figure 19: Arab Moltaqa Investments [AMIA]

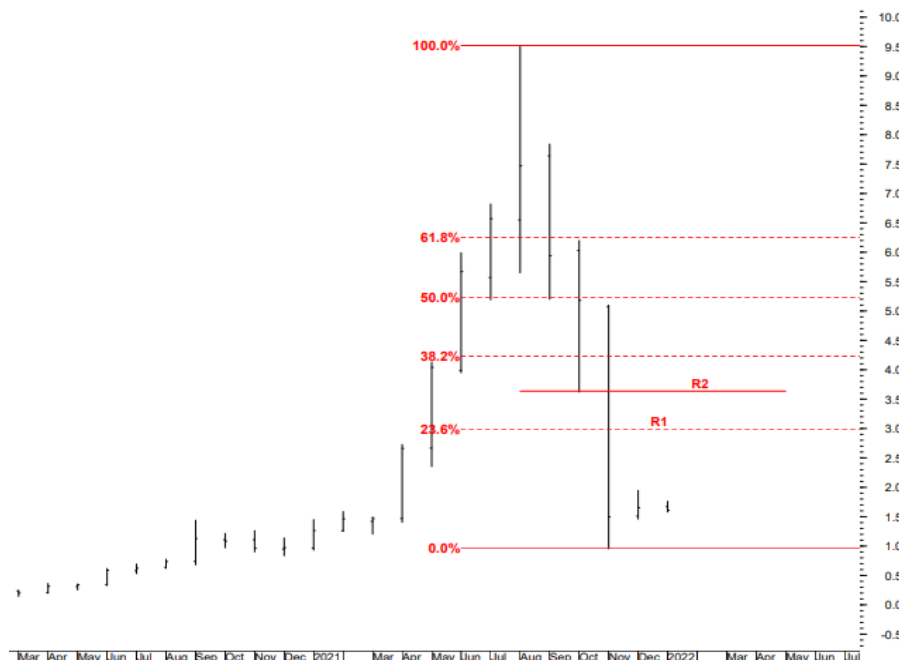


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy		2.5-2.3	2.9-3	2.2-2	1.8

Technical Summary for AREH	
Current Trend	Noise
50-Month EMA	1.67
Distance form EMA	-13.1%
Risk degree	Low
52 week Range	0.953-9.5
Average Vol. (3m)	15.7mn
PAC	71%

Note: Please see [Appendix](#) for definitions.

Figure 20: Real Estate Egyptian Consortium [AREH]



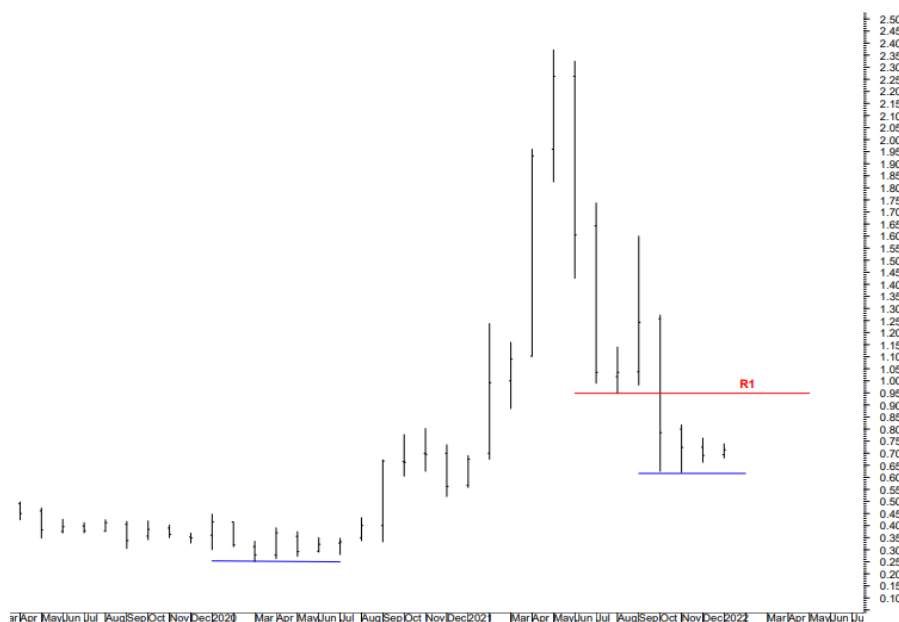
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	1.608	1.6-1.3	2.5-3	1.05-0.9	2.7

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for CERA	
Current Trend	Noise
50-Month EMA	0.78
Distance form EMA	-13.5%
Risk degree	Low
52 week Range	0.58-2.372
Average Vol. (3m)	7.3mn
RAC	21.8%

Note: Please see [Appendix](#) for definitions.

Figure 21: Ceramica Remas [CERA]

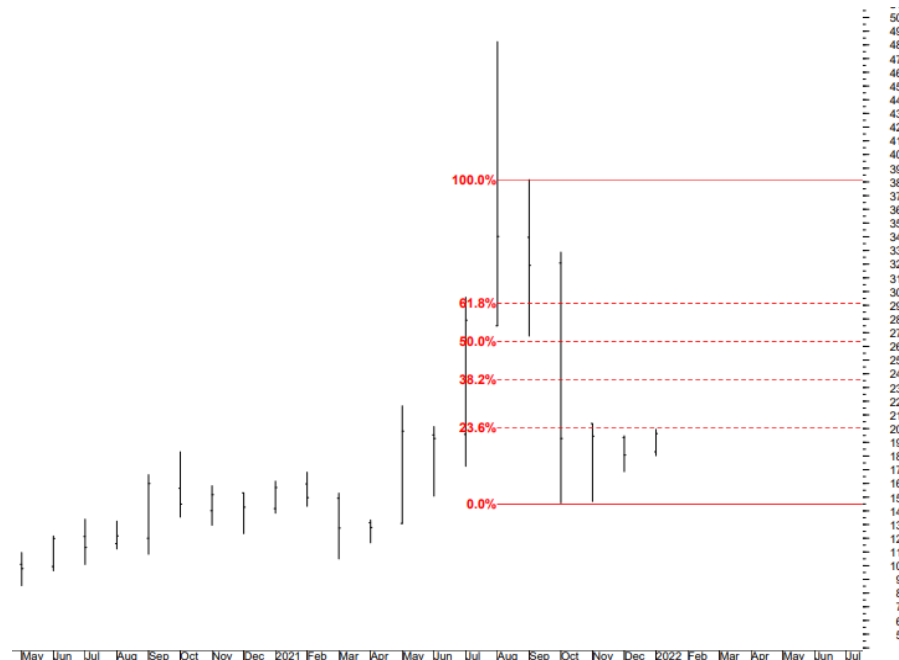


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	0.714	0.7-0.65	0.9-0.95	0.55-0.52	1.8

Technical Summary for DAPH	
Current Trend	Noise
50-Month EMA	15.52
Distance form EMA	9.5%
Risk degree	Low
52 week Range	10.5-48.23
Average Vol. (3m)	89,961
PAC	26.7%

Note: Please see [Appendix](#) for definitions.

Figure 22: Dev. & Engineering Consultancies [DAPH]



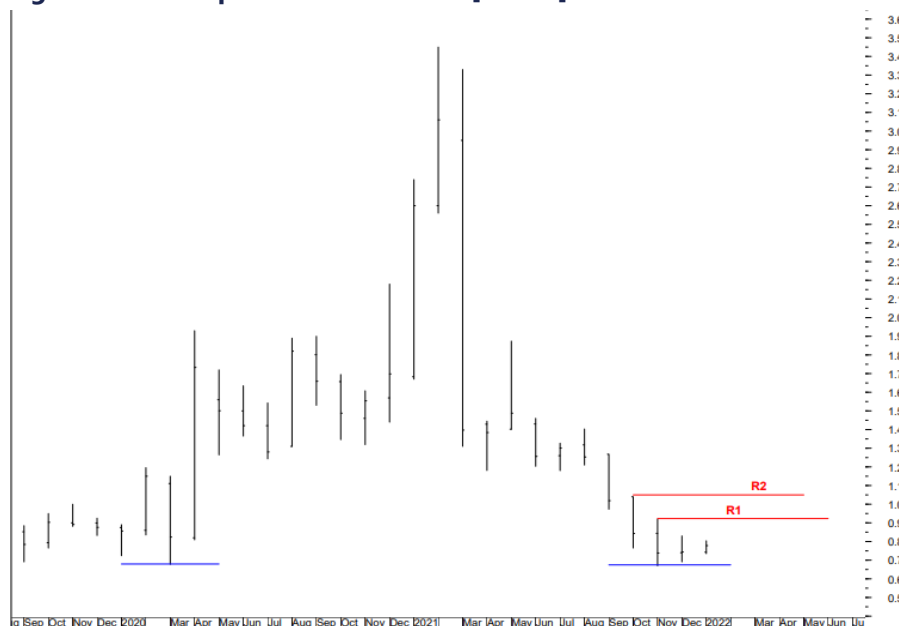
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	19.64	18-16	21-23	15-13	1.7

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for DSCW	
Current Trend	Noise
50-Month EMA	1.53
Distance form EMA	-52.6%
Risk degree	Low
52 week Range	0.67-3.45
Average Vol. (3m)	4.9mn
PAC	-55.8%

Note: Please see [Appendix](#) for definitions.

Figure 23: Dice Sport & Casual Wear [DSCW]

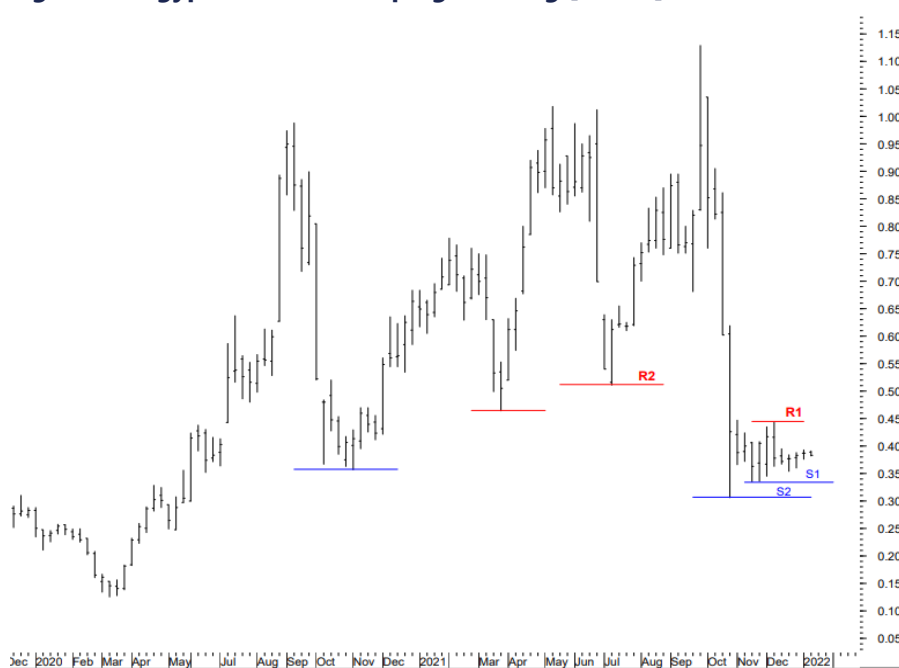


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	0.778	0.75-0.7	0.9-1	0.68-0.65	3.8

Technical Summary for EDBM	
Current Trend	Noise
50-Month EMA	0.504
Distance form EMA	-5.8%
Risk degree	Low
52 week Range	0.306-1.13
Average Vol. (3m)	32mn
PAC	-63%

Note: Please see [Appendix](#) for definitions.

Figure 24: Egyptian for Developing Building [EDBM]



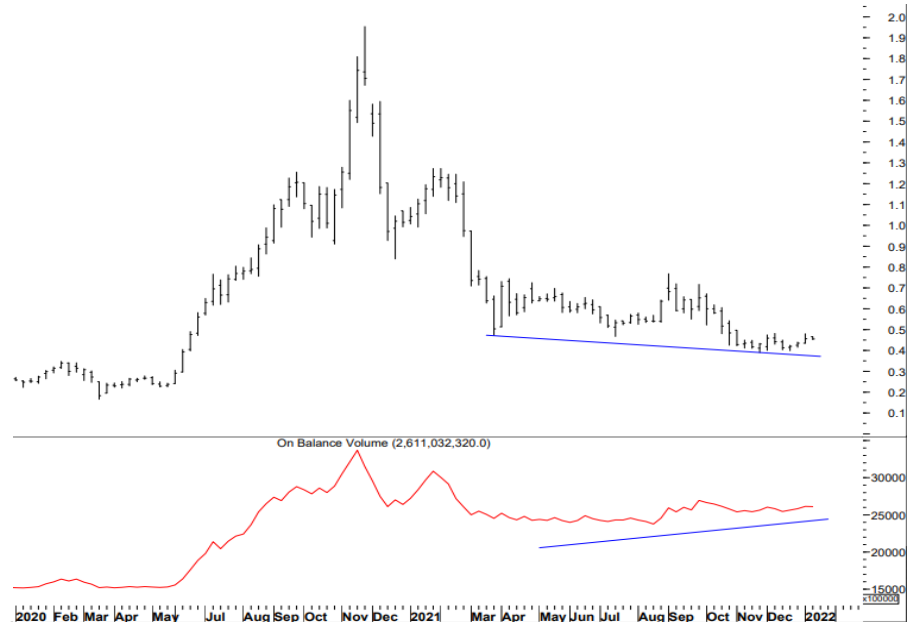
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	0.383	0.39-0.35	0.45-0.5	0.33-0.3	1.9

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for EHDR	
Current Trend	Noise
50-Month EMA	0.534
Distance form EMA	-26%
Risk degree	Low
52 week Range	0.39-1.273
Average Vol. (3m)	5.5mn
PAC	-57.5%

Note: Please see [Appendix](#) for definitions.

Figure 25: Egyptians for Housing & Development [EHDR]

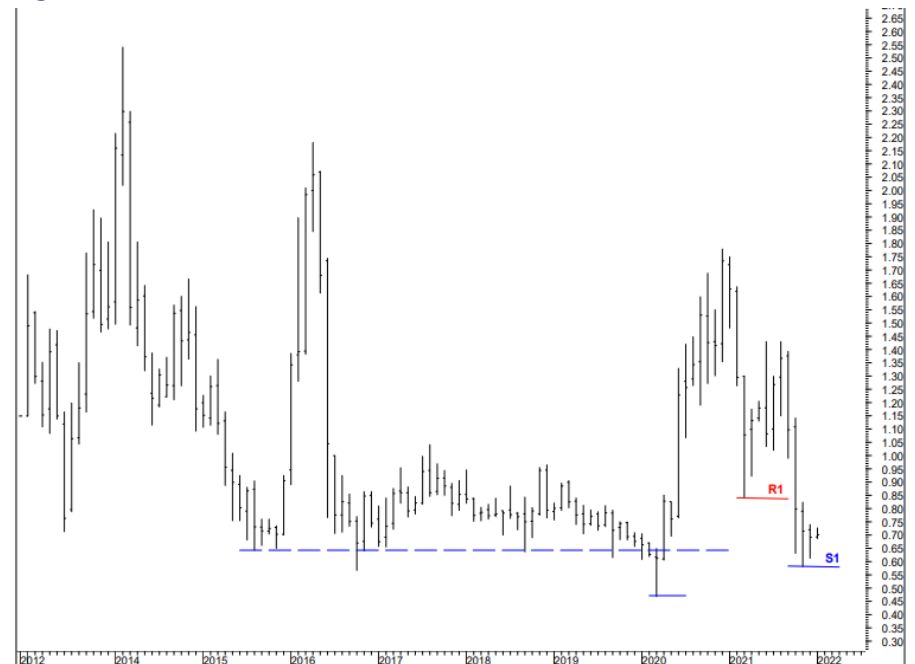


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/Risk Ratio
Buy	0.455	0.40-0.39	0.60-0.65	0.3-0.25	1.9

Technical Summary for ELWA	
Current Trend	Noise
50-Month EMA	1.027
Distance form EMA	-38.6%
Risk degree	Low
52 week Range	0.58-1.71
Average Vol. (3m)	8.3mn
PAC	-59.8%

Note: Please see [Appendix](#) for definitions.

Figure 26: El-Wadi for Touristic Investments [ELWA]



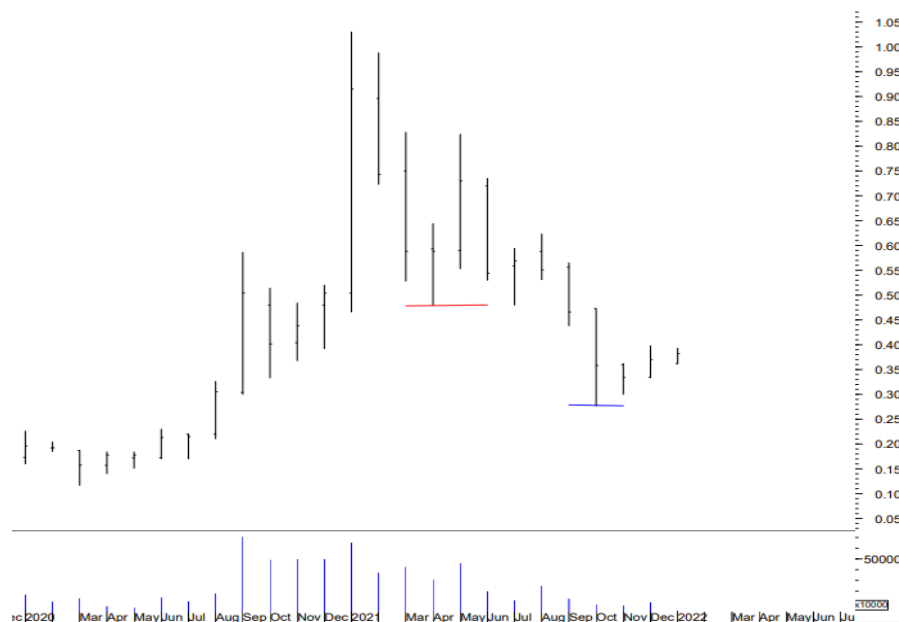
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/Risk Ratio
Buy	0.701	0.66-0.60	0.85-0.95	0.5-0.45	1.7

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for GGCC	
Current Trend	Noise
50-Month EMA	0.367
Distance form EMA	-11.4%
Risk degree	Low
52 week Range	0.277-1.03
Average Vol. (3m)	3.7mn
PAC	-26.6%

Note: Please see [Appendix](#) for definitions.

Figure 27: Giza General Contracting [GGCC]

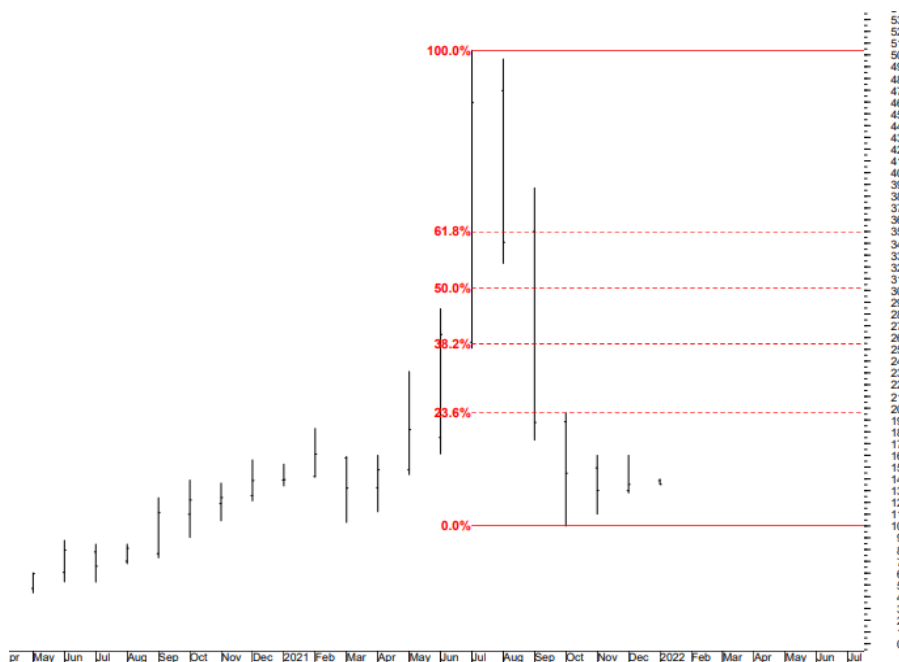


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	0.382	0.35-0.3	0.45-0.5	0.28-0.25	2.5

Technical Summary for GIHD	
Current Trend	Noise
50-Month EMA	11.77
Distance form EMA	2%
Risk degree	Low
52 week Range	10-50.39
Average Vol. (3m)	41,208
PAC	-1.4%

Note: Please see [Appendix](#) for definitions.

Figure 28: Gharbia Islamic Housing Development [GIHD]



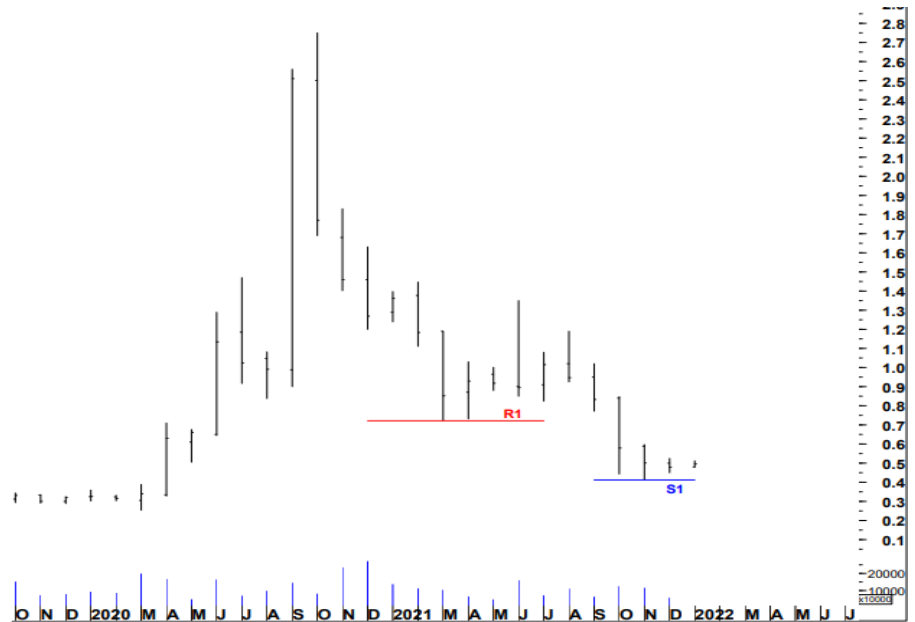
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	13.53	13-11	18-20	10-9	2.8

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for GOCO	
Current Trend	Noise
50-Month EMA	0.768
Distance form EMA	-44.7%
Risk degree	Low
52 week Range	0.412-1.447
Average Vol. (3m)	4.7mn
PAC	-62.8%

Note: Please see [Appendix](#) for definitions.

Figure 29: Golden Coast [GOCO]

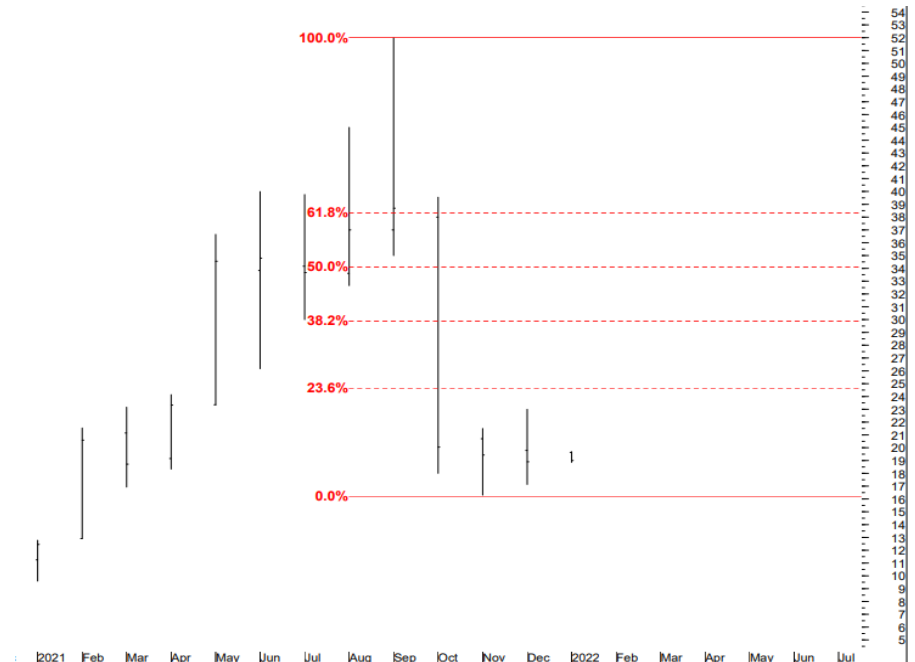


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	0.496	0.45-0.40	0.7-0.8	0.32-0.3	2.8

Technical Summary for ICID	
Current Trend	Noise
50-Month EMA	15.32
Distance form EMA	11%
Risk degree	Low
52 week Range	9.59-51.99
Average Vol. (3m)	84,251
PAC	68.9%

Note: Please see [Appendix](#) for definitions.

Figure 30: International Co. for Investment [ICID]



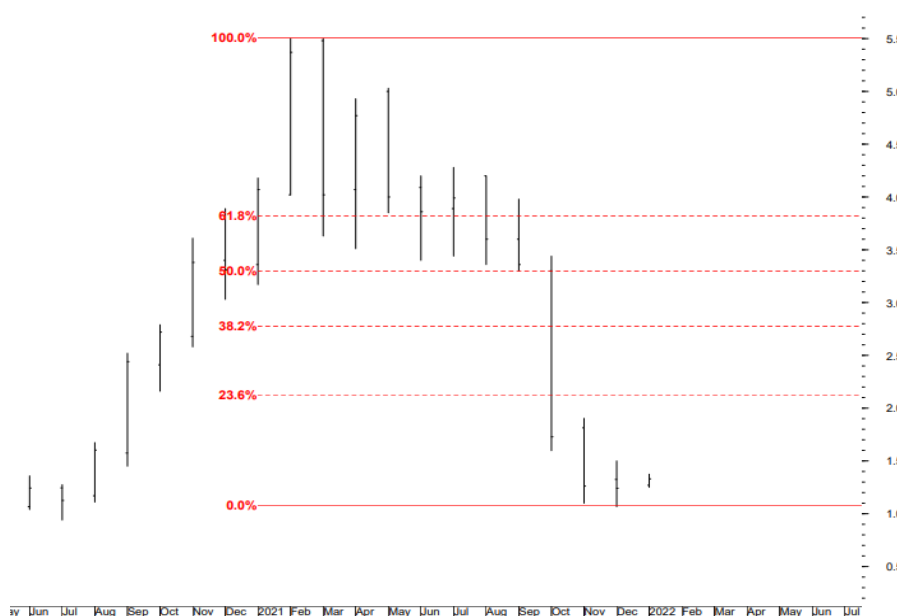
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	19	18-16	25-27	15-13	3

2. Phase II: Collapsing castles (cont.'d)

Technical Summary for NEDA	
Current Trend	Noise
50-Month EMA	2.087
Distance form EMA	-43.7%
Risk degree	Low
52 week Range	1.07-5.5
Average Vol. (3m)	1.2mn
PAC	-62.8%

Note: Please see [Appendix](#) for definitions.

Figure 31: Northern Upper Egypt Development [NEDA]

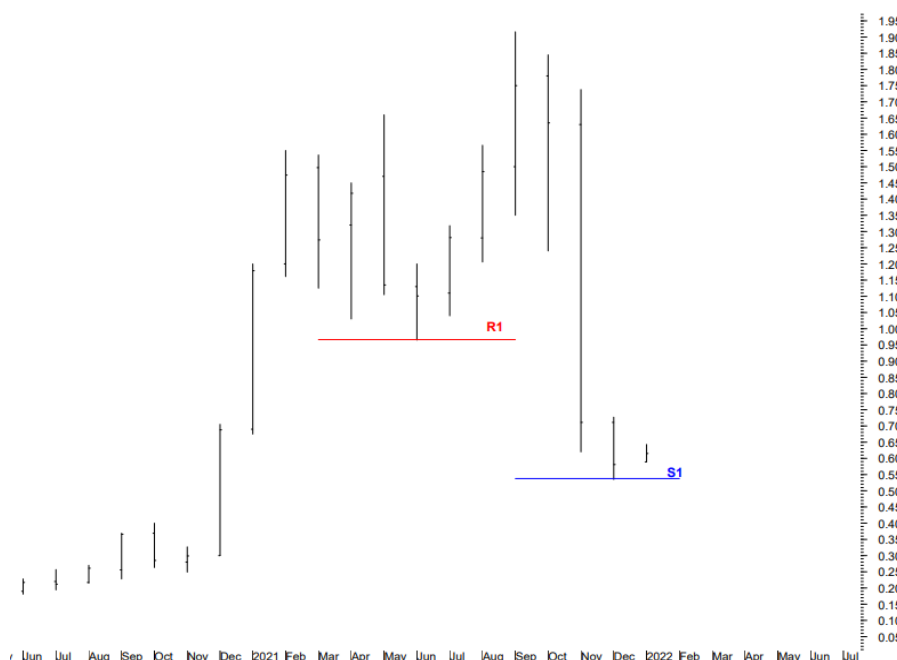


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	1.33	1.25-1.1	1.9-2.3	1-0.9	4.1

Technical Summary for UNIP	
Current Trend	Noise
50-Month EMA	0.626
Distance form EMA	-16.1%
Risk degree	Low
52 week Range	0.535-1.92
Average Vol. (3m)	4.6mn
PAC	-15.8%

Note: Please see [Appendix](#) for definitions.

Figure 32: Unipack [UNIP]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	0.615	0.55-0.5	0.75-0.9	0.45-0.4	3

3. Our Top Picks for 2022

Technical Summary for AMOC	
Current Trend	Noise
50-Month EMA	4.15
Distance form EMA	-15.7%
Risk degree	Low
52 week Range	2.33-4.48
Average Vol. (3m)	2.7mn
PAC	17%

Note: Please see [Appendix](#) for definitions.

Figure 33: Alexandria Mineral Oils [AMOC]

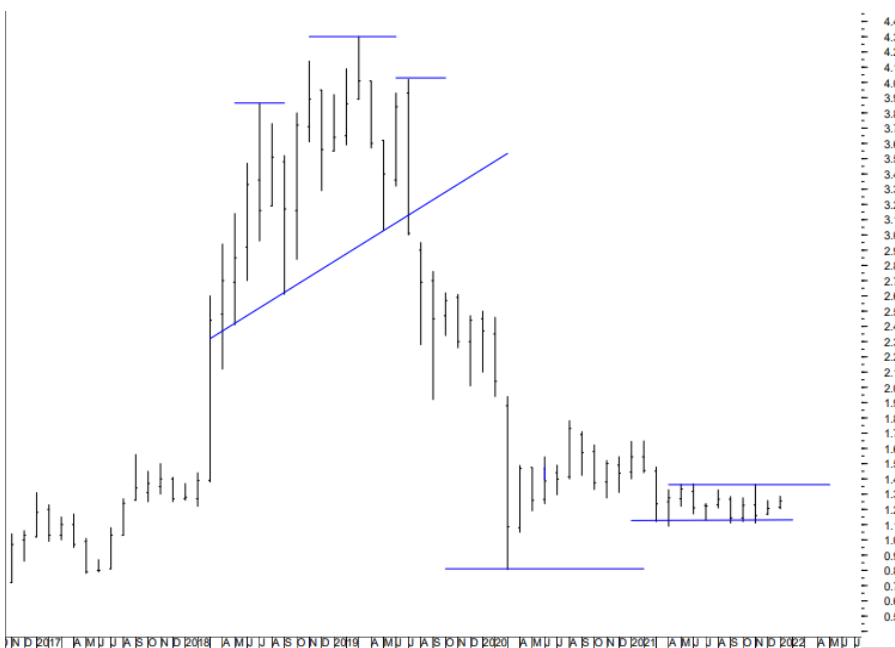


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	3.84	3.7-3.3	5-6	2.8-2.3	2.1

Technical Summary for CCAP	
Current Trend	Bearish
50-Month EMA	1.83
Distance form EMA	-37.2%
Risk degree	Low
52 week Range	1.09-1.649
Average Vol. (3m)	6mn
PAC	-16.5%

Note: Please see [Appendix](#) for definitions.

Figure 34: Qalaa Holdings [CCAP]



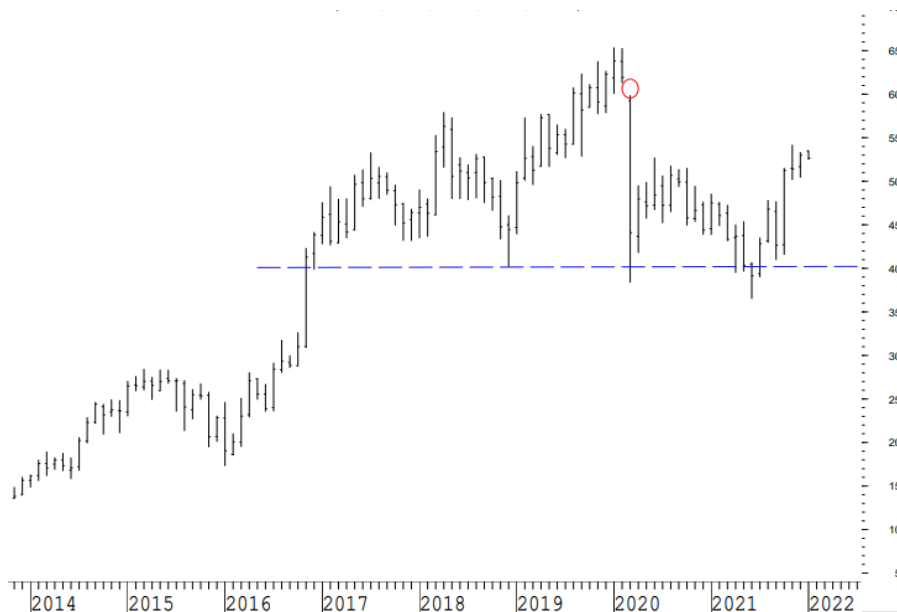
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	1.255	1.2-1.1	1.6-1.8	1.05-0.8	2.4

3. Our top picks for 2022 (cont.'d)

Technical Summary for COMI	
Current Trend	Bullish
50-Month EMA	46.8
Distance form EMA	2.6%
Risk degree	Low
52 week Range	36.53-54.15
Average Vol. (3m)	2.6mn
PAC	18.9%

Note: Please see [Appendix](#) for definitions.

Figure 35: Commercial International Bank [COMI]

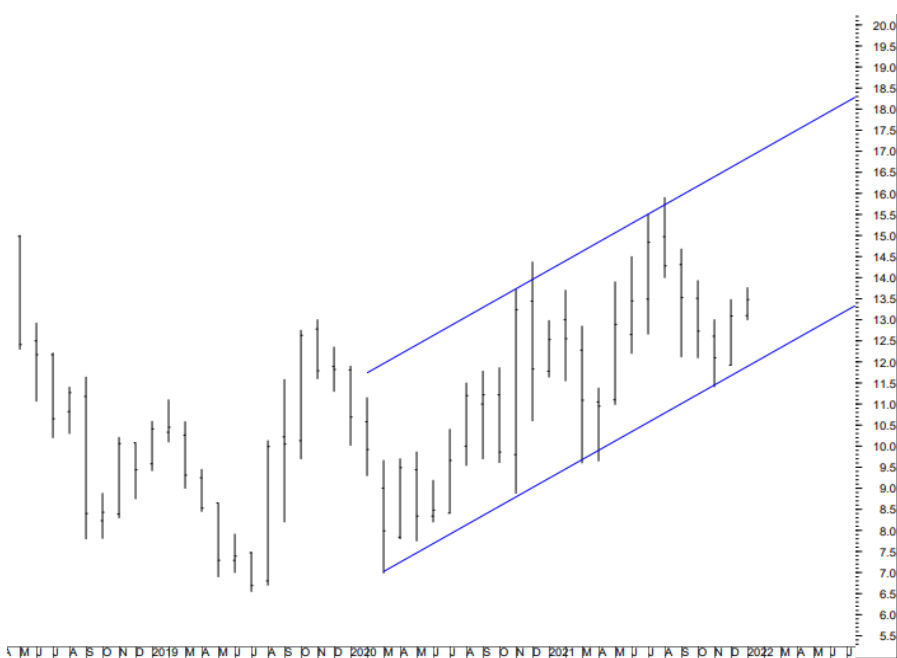


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	52.66	50-46	60-65	41-36	1.5

Technical Summary for EFIC	
Current Trend	Noise
50-Month EMA	11.63
Distance form EMA	7.5%
Risk degree	Low
52 week Range	9.6-15.9
Average Vol. (3m)	120,308
PAC	11.12%

Note: Please see [Appendix](#) for definitions.

Figure 36: Egyptian Financial & Industrials [EFIC]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	13.48	13-12	15-16	11-10	1.5

3. Our top picks for 2022 (cont.'d)

Technical Summary for EKHO	
Current Trend	Bullish
50-Month EMA	1.107
Distance form EMA	10.7%
Risk degree	Low
52 week Range	0.909-1.49
Average Vol. (3m)	519,701
PAC	29.4%

Note: Please see [Appendix](#) for definitions.

Figure 37: Egypt Kuwait Holding [EKHO]

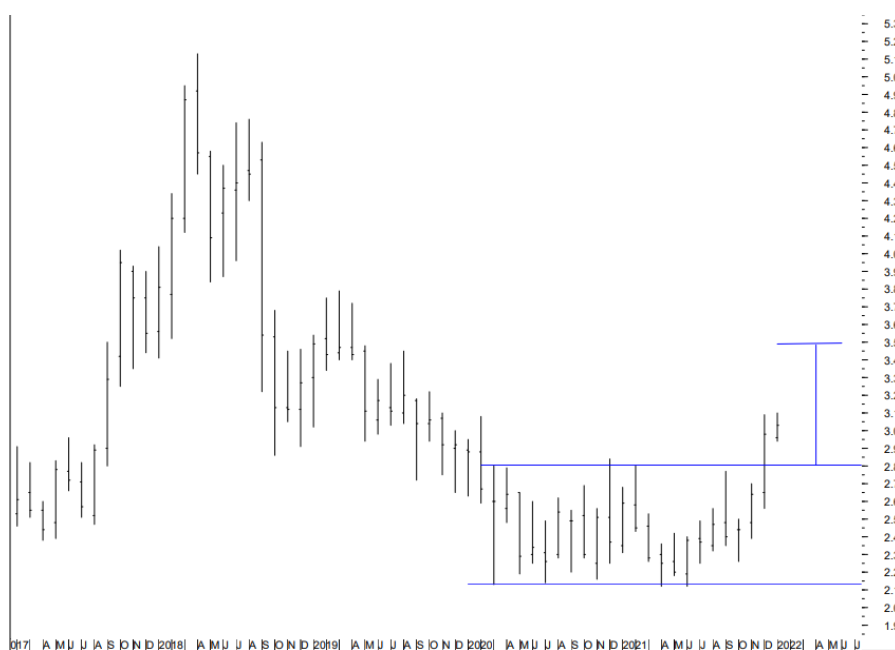


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	1.41	1.30-1.15	1.55-1.8	1.1-1	2.6

Technical Summary for EMFD	
Current Trend	Noise
50-Month EMA	2.72
Distance form EMA	2%
Risk degree	Low
52 week Range	2.12-3.09
Average Vol. (3m)	2.5mn
PAC	26.8%

Note: Please see [Appendix](#) for definitions.

Figure 38: Emaar Misr for Development [EMFD]



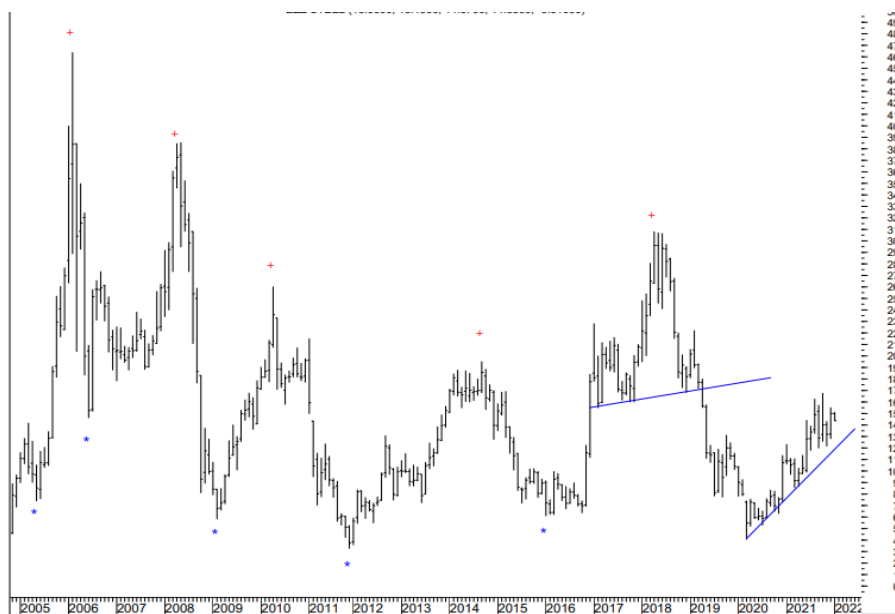
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	3.03	2.85-2.7	3.4-4	2.25-2.1	1.5

3. Our top picks for 2022 (cont.'d)

Technical Summary for ESRS	
Current Trend	Noise
50-Month EMA	12.6
Distance form EMA	7%
Risk degree	Low
52 week Range	8.55-16.75
Average Vol. (3m)	2mn
PAC	37.6%

Note: Please see [Appendix](#) for definitions.

Figure 39: Ezz Steel [ESRS]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	14.38	14-13	18-20	12-11	2.8

Technical Summary for FAIT	
Current Trend	Noise
50-Month EMA	11.9
Distance form EMA	13.4%
Risk degree	Low
52 week Range	9.25-15.74
Average Vol. (3m)	66,180
PAC	38.5%

Note: Please see [Appendix](#) for definitions.

Figure 40: Faisal Islamic Bank of Egypt (EGP) [FAIT]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	12.31	12.5-12	17-18	10-9	2.3

3. Our top picks for 2022 (cont.'d)

Technical Summary for HELI	
Current Trend	Noise
50-Month EMA	6.22
Distance form EMA	-1.1%
Risk degree	Low
52 week Range	3.97-7.4
Average Vol. (3m)	8mn
PAC	8.6%

Note: Please see [Appendix](#) for definitions.

Figure 41: Heliopolis Housing & Development [HELI]

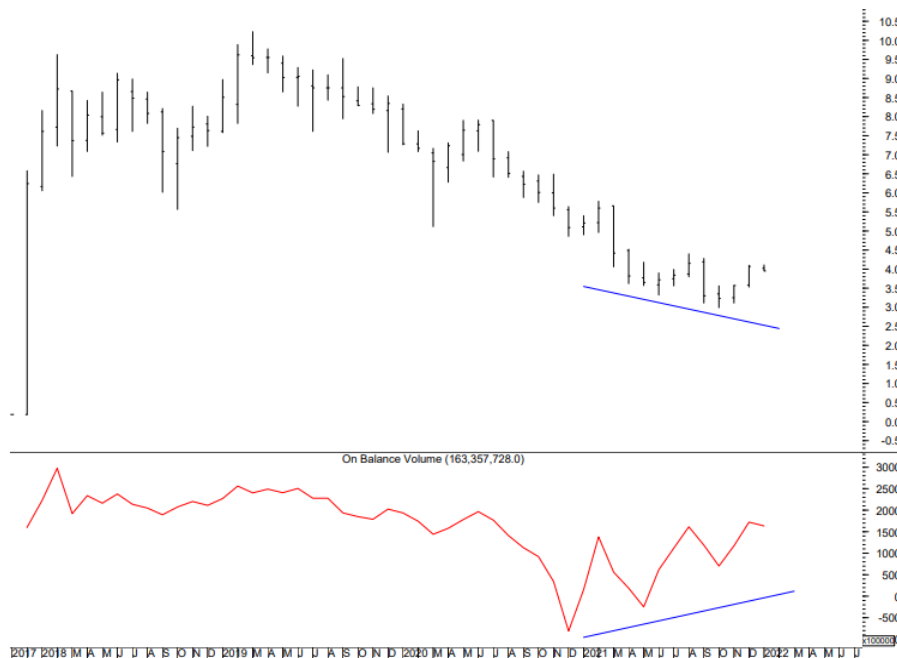


Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	6.78	6.5-5.8	9-11	5-4.5	2.8

Technical Summary for ISPH	
Current Trend	Noise
40-Month EMA	5.85
Distance form EMA	-38.4%
Risk degree	Low
52 week Range	2.99-5.78
Average Vol. (3m)	2.4mn
PAC	-21.5%

Note: Please see [Appendix](#) for definitions.

Figure 42: Ibnsina Pharma [ISPH]



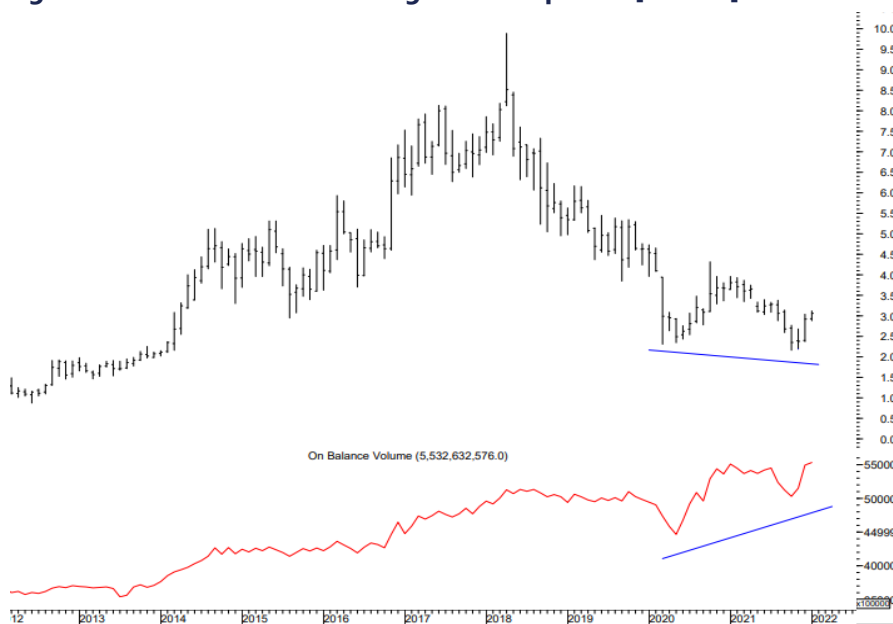
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy		3.7-3.5	4.5-5	3.1-3	2.1

3. Our top picks for 2022 (cont.'d)

Technical Summary for MNHD	
Current Trend	Noise
50-Month EMA	3.46
Distance form EMA	-24.8%
Risk degree	Low
52 week Range	2.16-3.96
Average Vol. (3m)	9.2mn
PAC	-12.6%

Note: Please see [Appendix](#) for definitions.

Figure 43: Madinet Nasr Housing & Development [MNHD]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	3.06	2.7-2.5	3.3-4	2.1-1.8	1.6

Technical Summary for PHDC	
Current Trend	Noise
50-Month EMA	2.02
Distance form EMA	-10.9%
Risk degree	Low
52 week Range	1.39-2.11
Average Vol. (3m)	4mn
PAC	53.4%

Note: Please see [Appendix](#) for definitions.

Figure 44: Palm Hills Developments [PHDC]



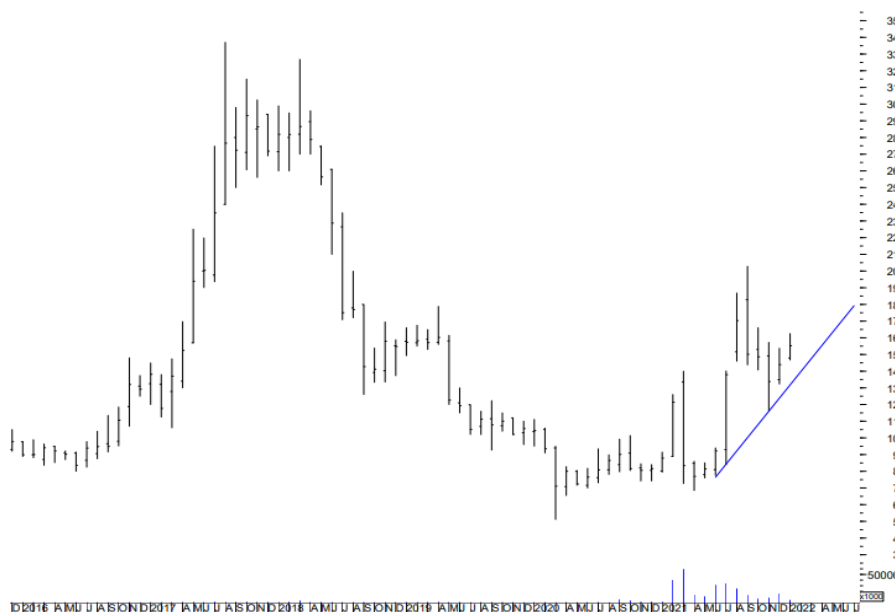
Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	1.932	1.9-1.7	2.4-2.8	1.6-1.4	2.7

3. Our top picks for 2022 (cont.'d)

Technical Summary for SUGR	
Current Trend	Noise
50-Month EMA	12.7
Distance form EMA	10.2%
Risk degree	Low
52 week Range	6.85-20.28
Average Vol. (3m)	537,867
PAC	79.6%

Note: Please see [Appendix](#) for definitions.

Figure 45: Delta Sugar [SUGR]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	15.52	14.5-13.5	18-20	11.5-11	1.8

Technical Summary for SWDY	
Current Trend	Noise
50-Month EMA	7.9
Distance form EMA	17%
Risk degree	Low
52 week Range	7.41-10.65
Average Vol. (3m)	3.2mn
PAC	-0.2%

Note: Please see [Appendix](#) for definitions.

Figure 46: Elsewedy Electric [SWDY]



Strategy	Last price	Entry Zone	Target zone	Stop Loss zone	Return/ Risk Ratio
Buy	9.86	9.5-9	12-13	8.5-7.5	2.6



4. Conclusion

- We advise **conservative traders** to buy the following:
 1. AMOC
 2. CCAP
 3. COMI
 4. EFIC
 5. EKHO
 6. EMFD
 7. ESRS
 8. FAIT
 9. HELI
 10. ISPH
 11. MNHD
 12. PHDC
 13. SUGR
 14. SWDY
- We advise **speculative traders** to buy the following "high-risk" stocks:
 1. ADPC
 2. ALUM
 3. AMIA
 4. AREH
 5. CERA
 6. DAPH
 7. DSCW
 8. EDBM
 9. EHDR
 10. ELWA
 11. GGCC
 12. GIHD
 13. GOCO
 14. ICID
 15. NEDA
 16. UNIP

while sticking to **a maximum portfolio weight of 10% per stock** in order to **(a)** have an easier exit in the case of profit or **(b)** be able to activate the mentioned stop-loss zone.



Appendix

Understanding the Technical Summary table

1. **The Noise Trend***: This trend consists of two steep waves. The first is a strong upward wave, while the second is a sharp declining one.
2. **Exponential moving average (EMA)**: An exponential moving average (EMA), also referred to as the exponentially-weighted moving average, is a type of a moving average (MA) that places a greater weight and significance on the most recent data points. It reacts more significantly to recent price changes than a simple moving average (SMA), which applies an equal weight to all observations in the period.
3. **Distance from EMA %**: The distance between the suggested entry zone and the 50-month EMA is measured to determine the risks.
4. **52-week range**: The 52-week high/low is the highest and lowest price at which a security has traded during the time period that equates to one year and is viewed as a technical indicator.
5. **Average Vol. (3m)**: The average volume is total volume over a specific period (e.g. 3 months) divided by the number of trading days in that same period.
6. **PAC**: Prior Annual Change.

* Khedr, Mohamed M., CFTE, MFTA. *IFTA Journal*: IFTA, 2021, pp 12-26.

Source: Investopedia.com.

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