

Advisor

In dealing with the Stock Exchanges

The data contained in the tables pertain to the period from 1/1/2020 to 4/15/2020

Prepare

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## Introduction

- \* To all dealers in stock exchanges (investors or speculators and whatever their country)
- \* To all specialists and amateurs.
- \* To everyone who dreams of becoming wealthy and wants to make profits from his investments in the stock market.
- \* To all those who were disappointed and suffered huge losses in their dealings with the Stock Exchange.
- \* To everyone who is good at performing calculations, accounting and technical transactions.
- \* To everyone who does not know anything about the sciences to use on the stock exchange.
- \* To everyone who questions the transparency of work in the stock market.
- \* To everyone who wants to know the basis on which to choose shares.
- \* To everyone who wants to know the conditions that must be fulfilled in the company
- \* To everyone who wants to know the maximum market value of the share and must not exceed it.
- \* To everyone who wants to know the strength of the shares (book value).
- \* To everyone who wanted to know the period of retention of shares.
- \* To everyone who wants to make his decision stem from him as a result of relying on real and correct data.
- \* To everyone who wants to get out of the circle of misleading information.
- \* To everyone who wanted to learn this field in a simplified way without violating the scientific method.
- \* To all these people, we are pleased to present this book, which has used the most recent scientific research in the world, which took more than thirty years, whether in the field of financial analysis or technical analysis, which are used in order to deal in stock market shares (buying and selling), and this is a contribution from us in spreading sound economic thought Which aims to:
  - 1- Reducing the risk ratio in the field of buying and selling stocks.
  - 2- Enabling non-specialists to make the right decision.
  - 3- Clear the ambiguity that sometimes surrounds this field. With an emphasis on finding transparency
  - 4- Trying to find a unified approach with the aim of finding bases to judge the correctness of decision-making
  - 5- Finding the best way to achieve profits.
  - 6- Activating all the shares registered in the Stock Exchange, and therefore the brokerage firms are active in light of the many dealers with the Stock Exchange and those who achieve successes in them.

The author

## How to deal with tables

First: define of headings the program columns

### 1- Company code



A screenshot of a dropdown menu. The top part is a blue box with the text "Company code" in white. Below it is a white box with a small inverted triangle on the left and the text "EGS74191C015" in black.

the company code is the company registration code on the stock exchange, and it differs from one company to another and its usefulness is to enable the customer to extract the company name whose data you want to see.

Example: If you click on the inverted triangle in the far north of the program (the filter button as it appears in the image above ) and write in the search box the company code as following (EGS74191C015) then the company name will appear (Raya Contact Center services ) and all its data

### 2- The name of the company



A screenshot of a dropdown menu. The top part is a blue box with the text "name of the company" in white. Below it is a white box with a small inverted triangle on the left and the text "Raya Contact Center" in black.

It is the name given by the company registered on the stock exchange (the legal and proven name in the company's commercial register) and its usefulness is to enable the customer that deals with tables to extract the name of the company whose data you want to see.

Example: If you click on the inverted triangle in the far north of the program (the filter button as it appears in the image above) and write in the search box the name of the company as following (Raya Contact Center Services) then the company name will appear (Raya Contact Center services ) and all its data

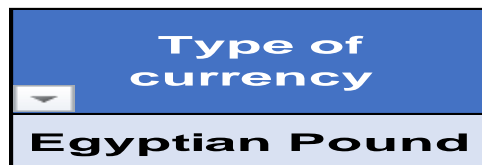
### 3- Type of company activity (sector)



The sector is column which determine the type of activity of the company. and its usefulness is to enable you to make comparisons between companies that participate in one type of activity to find out the best.

Example: If you click on the inverted triangle in the far north of the program (the filter button as it appears in the image above) if you write (for example) in the search box the type of sector that is intended to appear (Communications, Media and Information Technology) then it will show you all the companies that participate in this activity and all its data.

### 4- Type of currency



there are two type of currency for the shares value that traded on the Egyptian Stock Exchange, and they are either Egyptian pounds, and it is the dominant currency in dealing in the Egyptian Stock Exchange or the US dollar only.

Example: If you click on the inverted triangle in the far north of the program (the filter button as it appears in the image above) and I wrote in the search field the type of currency, then it will show you all the companies that deal in this currency and all its data.

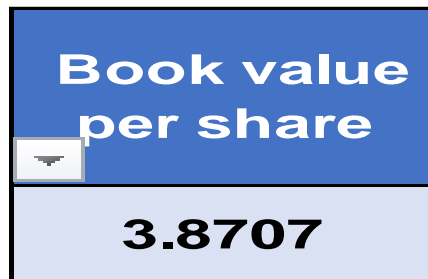
### 5- The nominal value of the share



The nominal value of the stock is the basis brick which the company's capital is formed upon its incorporation and this value varies from one company to another

(For example, there is a nominal value per share for a company equal to five pounds only and another company, the nominal value of the share is equal to half a pound, and so on)

## 5- Book value per share



The book value of the share is equal to the nominal value of the share plus the positive results achieved by the company (such as reserves, retained earnings ... etc), and deducts from it the negative results achieved by the company (such as losses) , and there are three opinions of financial and technical analysis experts, and they are as next one:

**First opinion:** the experts consider the book value of the stock is the starting point of the auction Why? Because if the book value per share is equal to ten pounds for some company, then this means that the market value of this share and traded on the stock exchange exceeds ten pounds and not five pounds, while if the book value of the share for another company is equal to twenty pounds, we find that the market value of the share that traded on the stock exchange exceeds twenty pounds and not Ten pounds, such as the book value of the first company, and for this reason, and because of that auction, there is those what is called the number of redemption years for these shares, as we will explain later.

**The second opinion:** the experts consider the book value of the stock such as the spiral (why)? Because the book value works to attract the market value of the stock so that it converges to the book value of the stock again (a process of decline), which is called correcting the market price path for the stock

**The third opinion:** the experts consider the book value of the stock as a crime scene (because there is an example that says the criminal always hovers around the crime scene in which he committed his crime) Why? Because in some stock exchanges (but not all), there is a lack of transparency in dealing due to what is called the bears and tigers, where small shareholders and speculators are tempted, thus the bears and tigers are taking advantage of the rise of the companies 'shares to achieve extraordinary profits, which ultimately leads to an unusually high market value for this stock and then this stock collapses ( these shares are declining until they near from the book value of these shares, and this case will be known through the number of redemption (recover) years.

### 7- The share purchase price

share purchase price
4.490

The share purchase price is the value that the shareholder wants to give up his shares and sell them even if he gets from these shares the return (coupon).

**Note:** If the market price of the stock is less than the share purchase price in the table, then this is good, and the investor or speculator must buy at the market price of the share after knowing the reasons of the market price decline ( reasons are as the company on the edge of liquidation ... etc.)

### 8- The cost of buying the share

cost of buying the share
4.517

It is the share purchase price plus the brokerage company commission and tax

### 9- The share's selling price

share's selling price
4.603

It is the selling price of the share, which covers both the cost of buying the share, the commission selling the stock and its taxes, and also contains the profit margin to be achieved

## 10-Earnings per share

Earnings per share
▼
0.058

It is the net profit per share that will be obtained by (the investor or speculator) who deals in buying and selling this share

## 11- Ratio of earnings per share

Ratio of earnings per share
▼
1.30%

It is the percentage of the profit made by the shares in this transaction, as it is noticed that it does not exceed 1.3%, and this is intended because studies carried out on various stock exchanges found the following:

- A- The market price per share increases or decreases by 5% in a very short time (and this may be in one session per day)
- B- This percentage (1.3%) is less than 5% (in the case of an ascension), which enables you to cover the commission of buying and selling per share as soon as possible.
- C- Repeating this percentage will achieve you with higher profits than banks' profits. For example, if you complete a deal every month, you will achieve the following ratio = Earnings per share ratio (1.3%) \* 12 months = 15.6% per year



### 12- The number of shares on the deal

number of shares on the deal
▼
2227

The number of shares on the deal is as resulting buying the value of ten thousand pounds of shares (ten thousand pounds is the lowest standard unit of purchase for dealing in the stock market shares and then doubled) when buying a specific share, for example, if the ten thousand pounds bought a certain number of shares (the number of thousand shares) then the amount of twenty thousand pounds You will buy (two thousand shares) from the same shares and so on

### 13- The profitability of the deal

profitability of the deal
▼
129.995

You will always find the profitability of the deal equal to approximately one hundred and thirty pounds for every ten thousand pounds (where ten thousand pounds is the lowest standard unit for buying shares), meaning that if the amount of the purchase doubles and becomes twenty thousand pounds, for example, the profit becomes an amount of two hundred and sixty pounds

### 14 -The highest market share price

The highest market share price	
percentage 1	value 1
▼	▼
36.303%	6.12

This is what was announced on the Stock Exchange during a period that relates to preparing data for these tables. For example, if the data for these tables is prepared from the balance sheet of 12/31/2019, then the data for these tables are valid until 4/15/2020 until the balance sheet of the first quarter of 2020 are issued, and therefore the highest a market price of a share is what happened from 1/1/2020 to the issuance of these schedules. The highest market price per share contains two columns, namely:

The first column: It contains the value of the highest price per share during the preparation of schedules

The second column: It contains the availability percentage and that the shares will achieve in the coming period

Example: If the purchase price is 11.6 pound and the highest price for this share on the stock exchange is 13 pounds, then this means that in front of this share, it will increase by equal to (+) 12.06% of its value of purchase (Because the ratio is positive)

### 15- The lowest market price per share

The lowest market price per share	
percentage 2	value 2
-10.913%	4.00

This is what was announced on the stock exchange during a period that relates to preparing data for these tables. The lowest market price per share contains two columns, namely:

The first column: It contains the value of the lowest price per share during the preparation of schedules

The second column: It contains the percentage that is availability that the shares will achieve in the coming period

Example: If the purchase price equals 11.6 pound and the lowest price for this share is 10.5 pound, then this means that in front of this share it will decrease by equal to (-) 9.48% of its value (Because the percentage is negative)

## 16 -Market risks

Market risks	
number of redemption years	market value
2.9688	4.7900

It contains two columns, namely:

The first column: the average market value traded on the stock exchange when preparing the data for these tables

The second column: the number of redemption years,

We mean the number of redemption years, it is the number of years in which the book value of the share reaches the market value of the share assuming that the market price of the share is fixed, with the company is achieving annual profits equal to the value of the alternative opportunity (the safe limits for the number of redemption years are two years)

Explanatory example: If the average market value traded on the stock market equals 14 pound per share, and the purchase price must to be purchased is 11.6 pound, then this means if the investor or speculator buys this share, he will lose the returns on this share for a period of five years, assuming that he gets the coupon every year from the company until the price of the share, which must be purchased (11.6 pound), reaches the market price of 14 pound. This means the more the number of redemption years, the greater the risk. Therefore, the market risk makes the investor or speculator compare the existing risks to different companies, as the company that has more redemption years than the number of redemption years for another company, he is trying to avoid it, and in all cases it is preferable for the investor or speculator to wait until the market share value to reaches the purchase price must to be purchased

## 17 -The company's position on liquidation

position of liquidation	
The company's position on liquidation	percentage of increase or decrease in property rights
Do not liquidate	674.137%

It contains two columns, namely:

The first column: the percentage of increase or decrease in property rights

The second column: The company's case of liquidation, and it has three cases:

**First case**: The ratio should be positive (example + 10%), which indicates an increase in property rights. Then the company does not liquidate

**The second case**: the ratio is zero, which indicates that there is no increase or decrease in property rights. Then the company does not liquidate

**The third case**: the ratio is negative (example - 10%), which indicates a decrease in property rights and has two possibilities, namely:

The first possibility is the ratio is negative from (-) 1% to less than (-) 50% Then the company does not liquidate

The second possibility is the ratio is negative and greater than (-) 50%, then the company will be liquidated by law unless there is a decision by the extraordinary general assembly otherwise.

Benefit from knowing the company's position on liquidation: The company's position on liquidation benefits the investor or speculator that he does not buy the shares of a company that will income in the liquidation stage and enters into problems that he does not need

### 18 -Financial analysis

Financial analysis	
efficiency of the managers in managing the company's activity	efficiency of the company
30/09/2019	Very good

Financial analysis, which contains two columns, namely:

The first column is the efficiency of the company: It is the degree of administrative success of the company in managing the basic activity of the company and it is divided into:

A- Companies that have achieved efficiency (excellent - very good - good) and this benefits the investor and speculator because the company is expected to spend coupons.

B- Companies that have achieved efficiency (acceptable - weak). Here only speculators can deal with such companies.

C- Companies that have achieved efficiency (losses) that the investor or speculator must avoid, especially when the company approaches liquidation

The second column: The efficiency of the managers in managing the company's activity is determined by what has been achieved in the company's balance sheet for a specific period (which is the balance sheet date)

### 19 -Last coupon payments

Last coupon payments		
Date	percentage	value
12/06/2019	18.82%	0.85

The last coupon contains three columns:

First column: coupon value

The second column: the ratio of coupon in relation to the cost of buying the share

The third column: coupon payment date

Its benefit: The coupon is considered a support for the buying and selling operations, whether for the speculator or the investor, because if the purchase price of the share collapses, the speculator or the investor does not have to sell its shares where he will get the coupons

### 20- The lowest standard unit for value to buying

The lowest standard unit for value to buying
10000

It is the lowest standard value for purchase (ten thousand pounds is the lowest standard unit for purchase to deal in stock market shares and then double it)

## 21- The number of shares of the company listed on the stock exchange

The number of shares listed on the stock exchange
106060606

It is the shares registered by the company on the stock exchange

## 22- The number of shares that are active

the active shares	
percentage 3	The number of shares traded
0.029%	30716

It contains two columns, namely:

The first column: It contains the trading volume of shares during the period of preparing these tables for the same company

The second column: determines the ratio of shares traded to shares listed on the Stock Exchange

Its usefulness: Shows the availability of the shares of this company to deal with

## 23- Notes

Notes
The company liquidates if there was no decision from the extraordinary general assembly otherwise (the capital exceeds half the capital)

there are notes for companies that listed on the stock exchange

## **Second: How to search in the table**

There are several ways to search for companies to be dealt with on the stock exchange, including but not limited to

- 1 -Searching by company code to extract a specific company name that the shareholder or speculator wants to deal with.
- 2 -Searching by the name of the company directly, which the investor or speculator wants to deal with
- 3 -Searching by the sector to extract companies participate in a specific activity to choose the best one
- 4 -Searching through the company's efficiency to identify high-efficiency companies (Excellent - very good - good) This is more suitable for investors than for speculators.
- 5 -Searching by using the market price of the share, and this is what I prefer, because the table will specify for you companies whose purchase prices are very close to the market price of the share and traded on the stock market at the present time and that enables you to deal with it after determining its advantages and risks.

How to search: In the upper table columns there is an inverted triangle mark with the name of each column here. You can click on this inverted triangle in the left of the mouse. The field (Search) will appear for you to write what you want to search for.

Example: If you want, for example, companies that have achieved a very good efficiency, go to the column on the efficiency of the company and click on the inverted triangle next to the company's efficiency. A field will appear for you (Search) and under it all degrees of efficiency. Type in the search box very good words. It will show only you all companies that have achieved good efficiency .

### **Third: How to read the company data to be dealt it**

You must determine the safety fields, which are at the same time the risk fields, then you must balance between them to take the appropriate decision, as the deeper your reading, the closer you will be to making the right decision, so we will talk here about the risk fields as follows:

- The company's position on liquidation: it is through the ratio that you can know the depth of the problem that the company lives in, for example if the ratio is, for example (-) 45%, and the situation does not liquidate the company, are not you agree with me that this company is on the edge of liquidation because it remains only (-) 5% losses and liquidates the company legally.

- Market risk: Sometimes some speculators do not want to buy their shares based on the purchase share price that listed in the table, and they want to deal with the shares of a particular company and want to buy their shares (he has complete freedom because he is the bearer of the consequences of his decision in all cases alone) so he must choose less redemption years In order not to bear heavy losses.

- The risk of the highest price per share: If the ratio of the highest price per share during the preparation of table is less than 3%, then you cannot cover the brokerage commission, taxes, and achieving profit margin.

- The risk of the number of active shares traded on the stock exchange: This risk will achieve if the number of shares to be purchased is greater than the number of shares active traded on the stock exchange for the same company.

- Risks of poor company efficiency: That is, the company's efficiency (poor efficiency - or efficient losses) that is, do not predict the distribution of coupons.

Risks of not distributing coupons: It indicates to:

- May be due to supporting the financial position of the company (this will know from the percentage of the company's position from liquidation) as the book value of the share will increase, which is good, but it may be inappropriate for some investors due to their need for cash.

- Or it indicates to the weak results of the company, which leads to depriving the investor from obtaining a return on his investments.



## search methods

### Beginners search method

Beginners prefer to deal with the adviser schedule using the following steps:

1 -He must choose the name of the company that he wishes to deal on its shares and take share price of this company from the stock exchange screen

2 -He goes to the advisor's schedule and from the column the name of the company, he extracts the name of the company to know the advantages and risks of this company to take its decision

3 -The most important elements to be considered in the following order, according to importance:

- The financial statements that pertain to the company and its most important elements in the following order:

**First:** The position of the liquidation: It includes two columns:

The first column: the percentage of increase or decrease in property rights:

Whenever the percentage is positive and high, this indicates the strength and durability of the financial position of the company, and vice versa, the lower the percentage, and if this percentage is negative, it indicates a loss in property rights, which indicates the weakness of the financial position of the company.

The second column: It indicates the company's position from liquidation (liquidation or non-liquidation)

**Second:** Financial analysis: It includes two columns

The first column: It is the efficiency of the company from practicing its activity which was achieved during the period for which these tables were prepared and this efficiency is one of the following degrees (excellent - very good - good - acceptable - weak - losses)

The second column: It is the balance sheet date in which the efficiency of the company was realized from its activity

**Third:** Last coupon payment: It includes three columns

First column: Coupon value (the higher the value, the better)

The second column: coupon ratio (to compare it with the alternative opportunity in banks)

The third column: coupon payment date.

- Second: Technical analysis, which pertains to the company and its most important elements, in the following order:

**First: Market risk:** It includes two columns

The first column: the market value - the value that the share is usually traded on the exchange. You will find the value within the current price limits which you extract from the stock exchange screen at the present time.

The second column: the number of redemption years - (within the limits of two years, for example) the fewer or negative, that is better, and the more the redemption years are large, the greater the risk rate, for example, there are a number of redemption years that have reached (124.8765 year). Do you live for the next 124 years until you avoid losses?

**Second: Highest market price:** It includes two columns

The first column: the highest market price of these shares.

The second column: It is the percentage available to you that enables you to achieve profits through it. If this percentage is positive and exceeds 5%, it is good. If it is positive and less than 5%, then this means that you have little chance of making a profit. In the event that the ratio is negative, this means that the market prices are lower than the price to be bought by it and this is very good, with two conditions: The first condition is that the aforementioned financial elements are good and the second condition is that these shares are distinguished by being active, then you must buy shares per the market price.

**Third: Active Shares:** It contains three columns

The first column: The number of shares listed on the stock exchange

The second column: The number of shares traded (active shares)

The third column: Trading Ratio - It shows the availability of this shares for trading on the stock exchange

Research method for specialists, investment funds and portfolio owners

It is preferable to search by sectors to make comparisons between companies that participate in one activity to choose the best ones and by using the same steps mentioned in the research method for beginners, as follows:

First: The financial statements that pertain to the company and its most important elements in the following order:

- 1 -The position of liquidation
- 2 -Financial analysis
- 3 -The latest coupon payment

Second: Technical analysis, which pertains to the company and its most important elements, in the following order:

- 1 -Market risks
- 2 -The highest market price
- 3- The active shares

#### **Fourth: Warning and disclaimers**

Tables and analyzes were prepared based on the author's point of view, which relied on information and data obtained from sources believed to be correct and honest. In our belief, the information and results received are correct and fair at the time of preparation. Also, these data are not considered reliable as a basis for making an investment decision and the author is not responsible for any legal or investment consequences as a result of any direct losses resulting from the use of the information provided. Literary and moral information and analysis and results may not be copied or distributed without the written consent of the author. The author has the right to refer to violators in all legal procedures to preserve intellectual property rights in accordance with the laws regulated in this regard.