



PRIMETime

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Pending Talks

1. Today's Trading Playbook

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KEY THEMES

Telecom Egypt [ETEL] will likely top the headlines today after STC [KSA: 7010] early this morning made [an official announcement](#) on Tadawul, the Saudi stock market, concerning its talks with Vodafone Group [UK: VOD] to acquire its 55% stake in Vodafone Egypt [VODE]. STC said that the non-binding memorandum of understanding (MoU) it had signed with VOD back on 29 January (and was extended a couple of times later) has expired without reaching an agreement. STC cited “misalignment with relevant parties” as the reason behind the MoU’s expiration without a deal. That said, the dialog is still open between STC and VOD. While this will likely add further pressure on ETEL’s stock performance absent a clear deal, we understand that a deal is not totally off the table. We continue to see ETEL as undervalued whether or not a deal takes places.

Now, on to the top news and analysis for the day.

2. TOP NEWS & ANALYSIS

MACRO NEWS

Egypt’s electronic payment law that has been recently approved by the Cabinet will pave the way for promoting digital transformation in the country, the Ministry of Finance said. ([Mubasher](#))

The Ministry of Housing is in talks with seven unnamed companies to build seawater desalination plants as part of the government’s recently-announced 30-year plan to increase potable water capacity. ([Egyptian cabinet](#))

Egypt’s core inflation was 0.8% in August, up from 0.7% in July. ([Reuters](#))

The Minister of Finance grants the private and public sectors a period of six months to install electronic payment terminals for their customers without extra fees, in line with the government's plan to a cashless economy and financial inclusion. ([MoF Statement](#))

The National Telecom Regulatory Authority (NTRA) intends to make new frequencies available to the four local mobile network operators in the coming days. ([Al-Shorouk](#))

The Central Bank of Egypt (CBE) has asked banks to monitor activity on accounts held by Syrian customers. ([Al-Shorouk](#)) This is a follow-up on the movement on the accounts in light of government remarks about inflated accounts of some Syrians residing in Egypt.

CORPORATE NEWS

Orascom Construction (ORAS) was awarded to build two towers in New Alamein, out of five, by the New Urban Communities Authority (NUCA), while Hassan Allam was awarded the rest. The investment cost is EGP2bn for each tower, and NUCA is expected to award two new towers in the coming days. ([Shrouk news](#)) Meanwhile, the **European Bank for Reconstruction & Development (EBRD) approved a USD25mn 2-year working capital loan for Orascom Construction's [ORAS] fully-owned Egyptian subsidiary.** ([EBRD](#))

Amer Group Holding [AMER] and Porto Group Holding [Porto] said they will be compensated about USD15mn (29.1%) and USD37mn (70.9%), respectively, for their economic rights in Porto Tartous as per an arbitral award, basing on independent financial advisor FACT's valuation. (Company disclosures: [1](#), [2](#))

Cairo for Investment and Real Estate Development [CIRA] announced that phase-one construction of Badr University in Assiut (BUA) started on Thursday. (Company disclosure)

GB Auto [AUTO] revealed that a merger of stockholders NR Investments, DR Investments, and KAR Investments has been completed. ([Investing.com](#))

Tourah Portland Cement's [TORA] OGM and Suez Cement's [SUCE] OGM approved a no-dividend policy for 2018. (Company disclosure [1](#), [2](#))

GLOBAL NEWS

The coronavirus pandemic has pushed the U.S. federal budget deficit above USD3tn in 11M FY20, more than doubling the previous full-year record, the U.S. Treasury said on Friday. ([Reuters](#))

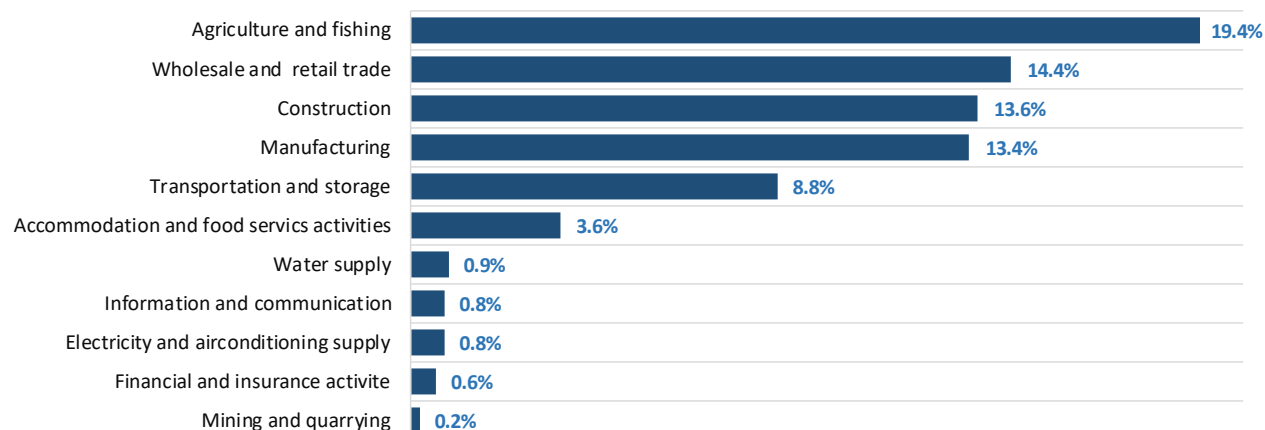
Wizz Air, Europe's third-largest discount carrier, is planning to launch flights from Milan to Alexandria on 17 September. ([Al-Shorouk](#))

Former Federal Reserve Chairman Alan Greenspan said his biggest economic concerns in the U.S. are inflation and the budget deficit. ([CNBC](#))

3. CHART OF THE DAY

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Source: CAPMAS.

Given that the construction, manufacturing, and accommodation sectors had contributed 30% to employment, among the top of the list, the economic fallout of COVID-19 that hit these sectors is likely to take a heavy toll on employment levels.

4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.		
616.8					1,083.6 908.6		

* As of market close, except for commodities and currencies at 8.12am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

DATE	TICKER	TYPE	EVENT
15/16-Sep-20		FOMC	Deciding the interest rate on USD.
16-Sep-20	AMES	Stock dividend	Record date for a dividend at ratio of 0.083:1.
17-Sep-20	AMES	Stock dividend	Distribution date for a dividend at ratio of 0.083:1.
17-Sep-20	ORAS	EGM	Voting on hiring Nada Shousha as an independent non-executive independent director.
17-Sep-20	RMDA	EGM	Amending article No. 4 of the company's bylaws.
20-Sep-20	ORWE	EGM	Amending some articles of the company's bylaws.
21-Sep-20	EHDR	EGM	Approving splitting the par value per share and amending articles No. 6 & 7 of the company's bylaws.
21-Sep-20	CICH	OGM	Discussing adding two seats to the BoD.
21-Sep-20	MFSC	Cash dividend	Record date for EGP0.995/share.
22-Sep-20	MFSC	Cash dividend	Ex-Dividend date for EGP0.995/share.
24-Sep-20	MFSC	Cash dividend	Distribution date for EGP0.995/share.
24-Sep-20		MPC Meeting	Discussing interest rate decision.
26-Sep-20	IFAP	OGM	Approving the financial statements ending 30 Jun. 2020.
26-Sep-20	ABUK	OGM	Approving the financial statements ending 30 Jun. 2020.
26-Sep-20	CPCI	OGM	Approving the financial statements ending 30 Jun. 2020.
26-Sep-20	AXPH	OGM	Approving the financial statements ending 30 Jun. 2020.
26-Sep-20	ADCI	OGM	Approving the financial statements ending 30 Jun. 2020.
27-Sep-20	CIRA	OGM	Discussing dividend distribution.
27-Sep-20	AIH	Lawsuit	A court Session discussing legal disputes relevant to the company.
27-Sep-20	NCGC	OGM	Approving the financial statements ending 30 Jun. 2020.
28-Sep-20	NCGC	EGM	Amending some articles of the Company's bylaws.
28-Sep-20	ESGI	EGM	Amending article No. 4, 7, 21, 26, & 29 of the Company's bylaws.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
10-Sep-20	MACROView – A Stunning Chapter Towards Targets
8-Sep-20	MACROView – Crawling Out of the Troughs
3-Sep-20	MACROView – Job losses and the bumpy road to recovery
18-Aug-20	Oriental Weavers Carpet [ORWE] - Q2 2020 Results
13-Aug-20	Credit Agricole Egypt [CIEB] – Q2 2020 Results
10-Aug-20	MACROView – Muted inflation environment still dominates
9-Aug-20	MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed
5-Aug-20	MACROView – Toward gradual recovery
29-Jul-20	MACROView – CAD gains eroded by financial account vulnerability
14-Jul-20	Commercial International Bank - [COMI] - Q2 2020 results
9-Jul-20	MACROView – Inflation driven by non-food baskets and unfavorable base effect

8-Jul-20	<u>MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position</u>
7-Jul-20	<u>MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed</u>
25-Jun-20	<u>EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition</u>
10-Jun-20	<u>MACROView – Lowest annual reading in five months, but monthly figures show no changes</u>
8-Jun-20	<u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u>
8-Jun-20	<u>MACROView – Solid buffers and moderate depreciation: The CBE’s recipe to deal with COVID-19</u>
3-Jun-20	<u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u>
18-May-20	<u>Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results</u>
18-May-20	<u>Al Baraka Bank Egypt [SAUD] – Q1 2020 Results</u>
17-May-20	<u>Credit Agricole Egypt [CIEB] – Q1 2020 Results</u>
13-May-20	<u>MACROView – Yesterday’s CBE conference call with Deputy Governor</u>
11-May-20	<u>MACROView– Acceleration in April driven by food prices – as expected</u>
7-May-20	<u>MACROView – Keeping head above water amid pandemic uncertainties</u>
5-May-20	<u>Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results</u>

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