



A Mixed Bag

1. Today's Trading Playbook

Mohamed Saad | Equity Analyst

MSaad@egy.primegroup.org

KEY THEMES

Yesterday's market performance started off with a positive aura as investors bid petrochemicals and fertilizers stocks higher as key beneficiaries of new amendments to the investment law (please read on). Later on, the market sentiment was probably dampened on fears of possible imposition of measures to fend off COVID-19 cases recently rising in the country. On Sunday, Egypt's House of Representatives greenlighted amendments to the investment law, which will see operators in natural gas-intensive industries able to apply for licenses to work in free zones. Those industries include refining, liquefaction, and transportation of natural gas, and fertilizers and petrochemicals production. Meanwhile, here are our takeaways. First off, this is not fresh news; these amendments have already been proposed by the Egyptian government back in May. The only news was the Parliament's approval to make these amendments part of the Investment Law. That said, the new amendments have not specified whether the free-zone status will be applicable to all existing companies or exclusive to new ventures only. We tend to believe that if the amendments are meant to attract new investments into Egypt, it makes more sense for the free-zone status to be offered only to new ventures. That said, if the amendments do apply to existing companies, they would prop up the valuation of petrochemical and fertilizers quite swiftly. In this case, Abu Qir Fertilizers [**ABUK**], MOPCO [**MFPC**], Egypt Kuwait Holding Co. [**EKHO**], Kima [**EGCH**], and Sidi Kerir Petrochemicals [**SKPC**] are strong prospects to bear the fruit. On the other hand, if the amendments are only applicable to new projects, we think ABUK will be the more apparent beneficiary, given its plans to inaugurate a new methanol factory. Meanwhile, it is rather doubtful for SKPC to see a significant progress in setting up its polypropylene plant. We note that MFPC had been operating under a free zone status before its license was withdrawn in accordance to law No. 114/2008.

POSITIVE

ABUK: On higher possibility that its upcoming methanol will receive a free zone license.

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



2. TOP NEWS & ANALYSIS

MACRO NEWS

Egypt's PMI rose to 51.4 in October, from 50.4 in September, to signal a second consecutive month of business expansion. ([PMI Markit](#)) Our detailed report will be published later on today.

Some 380,000 tourists have visited Egypt since commercial flights resumed in July, with Ukrainian tourists making up the bulk of Egypt's visitors. ([Egyptian Cabinet](#))

Egypt, Saudi Arabia, Qatar, and Mexico are expected to be the biggest net issuers of sovereign debt among emerging markets in 2021. ([Reuters](#))

The USD350mn Italian-Egyptian Debt for Development Swap program could be extended for a fourth time. ([MOIC](#))

CORPORATE NEWS

Sidi Kerir Petrochemicals' [SKPC] preliminary Q3 2020 showed that net losses narrowed q/q to EGP47mn from EGP61mn in Q2 2020. Revenues rose 4% sequentially to EGP746mn, as polyethylene prices bounced back during the quarter. SKPC's GLM in Q3 2020 dropped to 0.6%, vs. 4.6% in the previous quarter. ([Company disclosure](#))

Export Development Bank of Egypt [EXPA] obtained a loan of USD15mn from the GGF (Green for Growth Fund), to finance different sectors in the areas of energy saving and rationalization service. ([Al-Borsa](#)) It is obvious that EXPA continues to support its capital base and hence CAR in preparation for potential lending recovery.

Speed Medical's [SPMD] 9M 2020 net profit jumped 199% y/y to EGP49mn, mainly attributed to an 85% surge in revenues to EGP113mn. ([Company disclosure](#))

Ezdehar Management's Nile Aluminum & Metals Co. (AluNile) expects to complete within days its acquisition of a land in Sadat City for a new plant. ([Enterprise](#))

Northern Upper Egypt Development and Agricultural Production [NEDA]'s shareholder Hany Mohamed Saeed raised his stake from 3.85% to 5.27%. ([Company disclosure](#))



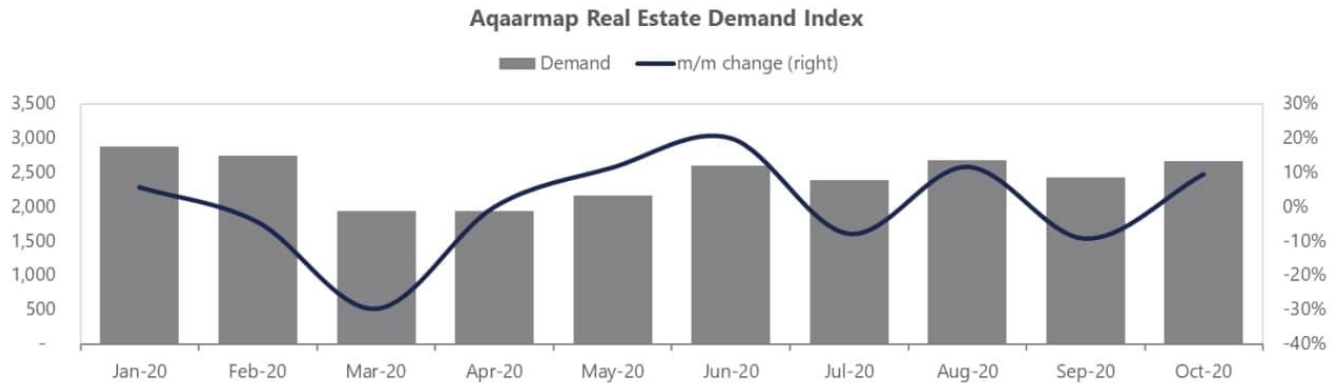
GLOBAL NEWS

U.S. manufacturing activity accelerated more than expected in October, with new orders jumping to their highest level in nearly 17 years amid a shift in spending toward goods like motor vehicles and food as the COVID-19 pandemic drags on. ([Reuters](#))

Manufacturing growth in the euro zone soared in October, but the recovery from severely depressed activity at the height of the coronavirus pandemic was again mostly driven by a buoyant Germany, a survey showed. ([Reuters](#))

3. CHART OF THE DAY

Kareem Farid | Equity Analyst
KFarid@egy.primegroup.org



Source: Aqaarmap.

Based on Aqaarmap's index, demand for real estate properties has risen m/m by 10% in October. However, demand is still down 8% ytd. The index gauges demand using the website's traffic and economic and statistical data.



4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
600.4						1,345.1 956.1					
				daily chg.	ytd chg.					daily chg.	ytd chg.
	📉	EGX 30	10,429.34	(0.26%)	(25.30%)		📈	Gold	1,895.48	0.89%	24.72%
	📈	EGX 30 TR	4,005.08	0.39%	(22.51%)		📈	Silver	24.09	1.83%	34.41%
	📉	EGX 70 EWI	1,820.45	(1.82%)	43.67%		📉	Brent Oil	38.97	(0.49%)	(38.38%)
	📉	EGX 100 EWI	2,672.24	(1.70%)	22.32%		📉	WTI	36.81	(0.35%)	(37.09%)
	📈	DFMGI	2,165.33	0.60%	(21.68%)		📉	Natural Gas	3.24	(1.51%)	45.96%
	📈	ADSMI	4,637.78	0.07%	(8.36%)	EGP	📈	USD/EGP	15.75	0.31%	(2.07%)
	📈	TASI	8,021.02	1.99%	(4.39%)	€	📈	EUR/USD	1.16	0.13%	3.95%
	📉	QE Index	9,639.61	(0.01%)	(7.54%)	£	📈	GBP/USD	1.29	0.09%	(2.47%)
	📈	S&P 500	3,310.24	1.23%	2.46%	¥	📉	USD/JPY	104.72	(0.01%)	(3.59%)
	📈	Dow 30	26,925.05	1.60%	(5.65%)		📈	6M TB yield	13.49	4	(152)
	📈	NASDAQ	10,957.61	0.42%	22.12%		📈	1Y TB yield	13.66	7	(91)
	📉	VIX	37.13	(2.34%)	169.45%		📈	10Y TB yield	14.79	6	109
	📈	STOXX 50	3,019.54	2.07%	(19.37%)		📉	2Y TB yield	0.17	(1)	(140)
EM	📈	MSCI Emerging	1,114.76	1.02%	0.01%		📉	10Y TB yield	0.86	(2)	(106)
FM	📉	MSCI Frontier	517.07	(0.62%)	(11.76%)		📉	30Y TB yield	1.63	(3)	(76)

* As of market close, except for commodities and currencies at 8.33am 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
4-Nov-20	EDFM	OGM	Approving the financial statements ending 30 Jun. 2020.
4-Nov-20	SPIN	OGM	Approving the financial statements ending 30 Jun. 2020.
4-Nov-20	AXPH	Cash dividend	Distribution date for EGP15.50/share.
4-Nov-20	CPCI	Cash dividend	Distribution date for EGP3.20/share.
4-Nov-20	NIPH	Cash dividend	Distribution date for EGP1.00/share.
4/5-Nov-20		FOMC	Discussing FED's policy rate decision
8-Nov-20	CEFM	OGM	Approving the financial statements ending 30 Jun. 2020 and proposed dividend.
8-Nov-20	MNHD	Lawsuit	To recover EGP24.8mn owed by MNHD to NRPD for the development of 32 buildings in 6th of October project.
8-Nov-20	EGBE	Stock dividend	Record date dividends at ratio of for 0.0822:1.
9-Nov-20	EGBE	Stock dividend	Distribution date for dividends at ratio of 0.0822:1.
9-Nov-20	KABO	OGM	Approving the financial statements ending 30 Jun. 2020.



9-Nov-20	CICH	BoD meeting	Approving 9M 2020 financial statements
11-Nov-20	GSSC	OGM	Approving the financial statements ending 30 Jun. 2020 and proposed dividend.
11-Nov-20	ZMID	EGM	Amending articles No. 3 & 4 of the company's bylaws and creating a JV company with Premier for Real Estate Investment.
11-Nov-20	EGAL	OGM	Approving the financial statements ending 30 Jun. 2020.
11-Nov-20	EGAL	EGM	Amending articles of the company's bylaws.
12-Nov-20	EAST	Cash dividend	Record date for EGP1.429/share.
12-Nov-20		MPC Meeting	Discussing CBE's policy rate decision.
12-Nov-20	PRCL	OGM	Approving the financial statements ending 30 Jun. 2020.
12-Nov-20	PRCL	EGM	Discussing the continuation of the company.
15-Nov-20	EAST	Cash dividend	Distribution date for EGP0.714/share (1st installment).

7. LATEST RESEARCH

DATE

PUBLISHED REPORT

25-Oct-20	<u>CIB [COMI] – Short-term pain for longer-term gain</u>
11-Oct-20	<u>MACROView – Disinflationary trend interrupted</u>
11-Oct-20	<u>MACROView – External strains are slacking and reserves are growing</u>
6-Oct-20	<u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u>
5-Oct-20	<u>MACROView – Egypt’s recovery is broadening</u>
10-Sep-20	<u>MACROView – A Stunning Chapter Towards Targets</u>
8-Sep-20	<u>MACROView – Crawling Out of the Troughs</u>
3-Sep-20	<u>MACROView – Job losses and the bumpy road to recovery</u>
18-Aug-20	<u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u>
13-Aug-20	<u>Credit Agricole Egypt [CIEB] – Q2 2020 Results</u>
10-Aug-20	<u>MACROView – Muted inflation environment still dominates</u>
9-Aug-20	<u>MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed</u>
5-Aug-20	<u>MACROView – Toward gradual recovery</u>
29-Jul-20	<u>MACROView – CAD gains eroded by financial account vulnerability</u>
14-Jul-20	<u>Commercial International Bank - [COMI] - Q2 2020 results</u>
9-Jul-20	<u>MACROView – Inflation driven by non-food baskets and unfavorable base effect</u>
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>



Prime Securities

Shawkat El Maraghy

Managing Director

T +202 3300 5622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +202 3300 5784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +202 3300 5612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head –Institutional Desk

T +202 3300 5609

AAlaa@egy.primegroup.org

Mohamed El Metwaly

Manager

T +202 3300 5610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +202 3300 5624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +202 3300 5110

SRaslan@egy.primegroup.org

Mohamed El Henawy

Nasr City Branch Manager

T +202 3300 5166

MElhenawy@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +202 3300 5173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +202 3300 5724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi Elnil St., Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +202 3300 5700 / 770 / 650 / 649

F +202 3760 7543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +202 2777 0600

F +202 2777 0604

Nasr City

9 Elbatrawy St.
Nasr City, Cairo, Egypt

T +202 3300 8160

F +202 3305 4622

Alexandria

7 Albert Al Awal St.
Smouha, Alexandria, Egypt

T +202 3300 8170

F +202 3305 4622

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2020, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.