



Time to Walk the Talk

1. Today's Trading Playbook

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KEY THEMES

Realizing that almost all international institutions believe that Egypt as a market is very cheap and as a country is well positioned for a faster recovery compared to its neighbors, one comes to wonder why aren't foreign investors coming in? In the stock market, foreigners have been net sellers throughout much of the year with their direct investments targeting the usual oil and gas sector. Maybe we can blame it on COVID-19, or maybe we can blame it on the rain. What we know for sure is that the country is poised for investments, so we come to think we had enough of the talk, and it's time now for foreign investors to walk that talk.

So which stocks can foreign investors look at when considering Egypt's stock market? First off, it would be large caps. Remember [The Big Shift](#)? Large caps means CIB [**COMI**] which is yet to report its Q3 results. It also means Telecom Egypt [**ETEL**] whose shares could re-rate once again with talks about and deal with STC [**KSA: 7010**] to sell its Vodafone Egypt [**VODE**] stake resurfacing.

POSITIVE

ETEL: Strong Q3 results and Vodafone Egypt chatter should support stock performance.

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

2. TOP NEWS & ANALYSIS

MACRO NEWS

Total funds within the presidential initiative to finance SMEs rose to EGP213bn, serving 1.08mn projects from December 2015 until September 2020, Central Bank of Egypt's (CBE) Governor Tarek Amer said. ([Al-Mal](#))

The General Authority for Investment & Free Zones (GAFI) approved the establishment of 31 new projects in 9M 2020, with an investment cost of USD1.1bn. ([Mubasher](#))



Egypt, the worst performing major equities market in the Middle East & North Africa this year, is poised for a recovery led by a positive outlook for local companies. ([Bloomberg](#))

Minister of International Cooperation said the ministry had succeeded in raising USD7.3bn of funds from international institutions, despite the outbreak of the coronavirus pandemic. ([Ahram Online](#))

CORPORATE NEWS

Orascom Development Egypt's [ORHD] signed a USD265mn 2-tranche 7-year loan to refinance its existing debt with a 2.5-year grace period. The first tranche of USD215mn will refinance debt, while the second tranche of USD50mn financing future growth opportunities over two years. ([Company disclosure](#))

Orascom Investment Holding [OIH] reported a net loss of EGP25.2mn in Q3 2020 against a net profit of EGP63.6mn in Q3 2019. Meanwhile, revenues shrank to EGP243mn (-4% y/y). ([Company disclosure](#))

EFG Hermes Holding [HRHO] and The Sovereign Fund of Egypt (TSFE) will complete due diligence on Arab Investment Bank (aiBank) by February 2021. ([Enterprise](#))

CI Capital Holding's [CICH] minority-owned investment Taaleem Management Services, will float 40% of its shares on EGX in Q1 2021. (Al-Mal)

Remco for Tourism Villages Construction [RTVC] is negotiating a long-term syndicated loan of EGP3.3bn in two tranches (EGP2.4bn and EGP862mn). Of the first tranche, EGP2.1bn will help refinance lease contracts, while the remaining EGP300mn will settle debt owed to Banque Misr. Meanwhile, the second tranche will finance working capital needs. On a separate note, RTVC is looking to restructure the company. ([Company disclosure](#))

GB Auto [AUTO] announced to sell 10mn treasury shares (0.914% of total outstanding shares) starting 23 November 2020 to 28 February 2021. ([Company disclosure](#))

Cairo Oils & Soap's [COSG] EGM approved a 10-for-1 stock split which will leave the par value at EGP0.50/share, down from EGP5/share. ([Company disclosure](#))

Talk of when Banque du Caire [BDQC] might reschedule its IPO on the EGX are "premature" in light of the emergence of a global second wave of COVID-19, unnamed sources close to the matter. ([Masrawy](#))



Two of Mansoura Poultry's [MPCO] shareholders reduced their stakes in the company.

Khaled Abd El-Razik Mohamed reduced his stake from 3.20% to 2.71%, while Tarek Abd El-Razik Mohamed reduced his stake from 6.03% to 5.17%. (Company disclosures: [1](#), [2](#))

El Nasr for Manufacturing Agricultural Crops [ELNA] rejected the offer submitted by Sohag for Housing & Development (SHD) to purchase the Sohag land for EGP650mn. SHD did not pay the EGP10mn first installment which was due on 20 November. ([Company disclosure](#))

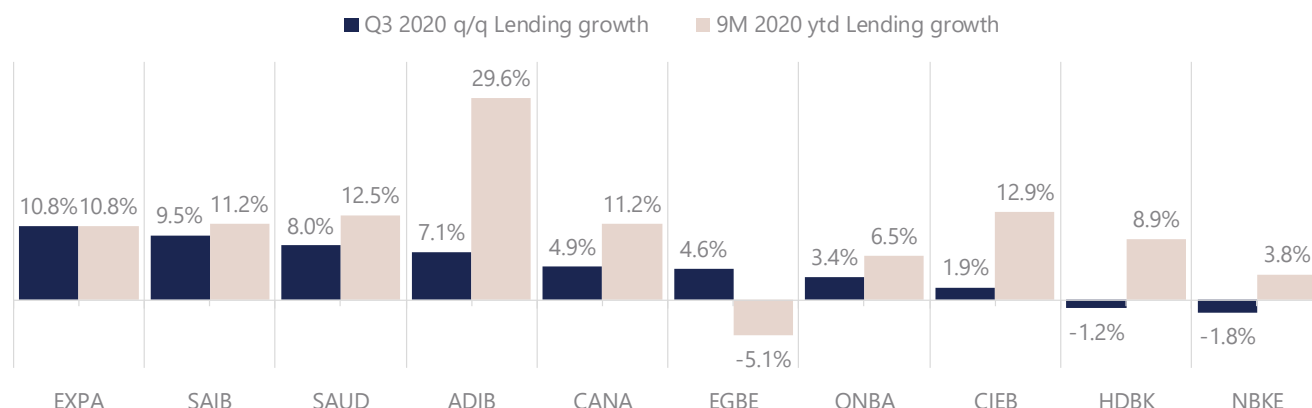
GLOBAL NEWS

The G20 agreed to freeze debt service payments for the world's poorest countries until mid-2021 and called on private creditors to join the initiative. ([Reuters](#))

3. CHART OF THE DAY

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Source: Banks' financials.

Egypt Banks' 3Q 2020 Net Lending Growth: EGX-listed banks exhibited fast recovery in lending growth during Q3 2020 in tandem with lower provisions build-up. As depicted above, Export Development Bank of Egypt [**EXPA**] recorded the highest net lending q/q growth. Fueled by working capital-focused corporate lending as well as retail loans, followed by Societe Arabe Internationale de Banque [**SAIB**] and Al Baraka Bank Egypt [**SAUD**].



4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
629.3						1,170.1		982.5	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	10,858.26	(0.37%)	(22.23%)			Gold	1,870.99	0.24% 23.55%
	EGX 30 TR	4,190.84	(0.16%)	(18.92%)			Silver	24.18	0.52% 36.09%
	EGX 70 EWI	2,020.81	0.53%	59.49%			Brent Oil	44.96	1.13% (27.75%)
	EGX 100 EWI	2,945.13	0.25%	34.82%			WTI	42.42	0.92% (26.58%)
	DFMGI	2,324.68	0.37%	(15.92%)			Natural Gas	2.65	2.08% 23.57%
	ADSMI	4,934.73	0.43%	(2.46%)		EGP	USD/EGP	15.60	0.06% (2.75%)
	TASI	8,588.17	0.11%	2.37%		€	EUR/USD	1.19	0.15% 5.90%
	QE Index	10,202.78	0.94%	(2.14%)		£	GBP/USD	1.33	0.36% 0.50%
	S&P 500	3,557.54	(0.68%)	10.11%		¥	USD/JPY	103.86	(0.11%) (4.47%)
	Dow 30	29,263.48	(0.75%)	2.54%			6M TB yield	13.25	(5) (177)
	NASDAQ	11,854.97	(0.42%)	32.12%			1Y TB yield	13.36	1 (121)
	VIX	23.70	2.55%	71.99%			10Y TB yield	14.51	(29) 81
	STOXX 50	3,467.60	0.45%	(7.41%)			2Y TB yield	0.17	1 (140)
	MSCI Emerging	1,209.26	0.73%	8.49%			10Y TB yield	0.84	1 (108)
	MSCI Frontier	541.12	0.35%	(7.65%)			30Y TB yield	1.54	2 (85)

* As of market close, except for commodities and currencies at 8.2am 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
23-Nov-20	CSAG	BoD meeting	Amending some articles of the Company's bylaws.
23-Nov-20	AJWA	EGM	Amending article No. 4 of the company's bylaws.
23-Nov-20	ZEOT	Cash dividend	Record date for EGP0.060/share.
23-Nov-20	ARCC	Conference Call	Discussing 9M 2020 results.
24-Nov-20	PIOH	EGM	Approving splitting the company into three entities.
25-Nov-20	AFMC	Cash dividend	Record date for EGP0.180/share.
26-Nov-20	ZEOT	Cash dividend	Distribution date for EGP0.060/share.
28-Nov-20	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
28-Nov-20	MPCO	OGM	Board election.
28-Nov-20	MPCO	EGM	Approving splitting the par value per share and amending articles No. 6, 7 & 21 of the company's bylaws.
28-Nov-20	HELI	OGM	Approving the financial statements ending 30 Jun. 2020.



28-Nov-20	HELI	EGM	Amending article No. 20 of the company's bylaws.
30-Nov-20	ESGI	OGM	A board reshuffle.
30-Nov-20	ZMID	Cash dividend	Distribution date for EGP0.25/share (3rd installment).
30-Nov-20	AFMC	Cash dividend	Distribution date for EGP0.180/share.
30-Nov-20	EDFM	Cash dividend	Record date for EGP11.00/share.
1-Dec-20	EDFM	Cash dividend	Ex-dividend date for EGP11.00/share.
1-Dec-20	CIRA	OGM	Approving the financial statements ending 31 Aug. 2020.
1-Dec-20	CIRA	EGM	Amending Article No. 4 of the company's bylaws.
2-Dec-20	ELEC	EGM	Approving splitting the par value per share and amending articles No. 6 & 7 of the company's bylaws.
3-Dec-20	EDFM	Cash dividend	Distribution date for EGP11.00/share.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
10-Nov-20	<u>MACROView – An expected rise as the new school year began</u>
4-Nov-20	<u>MACROView – The Stars Seem to Be Aligned for International Reserves</u>
3-Nov-20	<u>MACROView – The Highest Reading in Six Years</u>
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>
8Jun-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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