



Five More Weeks to Go

1. Today's Trading Playbook

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KEY THEMES

It's been 46 weeks so far into 2020, and EGX 30 is down more than 21% ytd. Those 46 weeks have so been split evenly between positive and negative. The index's weekly return averaged 3.2% in the weeks that ended in red and only 2.3% in those that ended in green. The worst losing streak in 2020 was in February/March, coinciding with the COVID-19 crisis, when the index fell for six consecutive weeks, shedding almost 35% off its value. On the other hand, the index saw six consecutive weeks of gains during mid-July/August, registering a cumulative performance of only 10%. Since then, the index failed to rack up more than two consecutive green weeks. Last week, EGX 30 was up slightly by 0.8%. With only five weeks left until yearend, the index will not be able to break that six-week winning streak.

While some large caps have started moving higher, CIB [**COMI**] continues to dampen the index's performance as the market awaits its delayed Q3 2020 results. Speaking of which, Elsewedy Electric [**SWDY**] just reported its Q3 2020 results which showed better margins q/q on higher revenues, which led to a 59% surge in net earnings.

POSITIVE

SWDY: Q3 2020 results imply LTM P/E of 6.6x and EV/EBITDA of 4x.

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

2. TOP NEWS & ANALYSIS

MACRO NEWS

Changes to the Antitrust Law would require companies to seek the Egyptian Competition Authority's (ECA) approval before finalizing mergers and acquisitions that could have an impact on competitiveness in any given industry. ([Egyptian cabinet](#))



Investors in Egypt's new Administrative Capital are in line for fresh incentives under changes to the Executive Regulations of Investment Law of 2017, according to a Cabinet statement. The statement gave no specifics, noting only that the incentives will be similar to those recently outlined for prospective Suez Canal Economic Zone (SCZone) projects, which include a mixture of non-tax incentives and customs breaks. ([Egyptian cabinet](#))

Charter flights landing in Egypt are eligible for a fresh batch of incentives under the next phase of the Tourism Ministry's charter flight program. ([Al-Wafd](#))

The Internal Trade Development Authority (ITDA) aims to provide more than 80% of the commercial register and brands-related services electronically during H1 2021. ([Mubasher](#))

CORPORATE NEWS

Elsewedy Electric's [SWDY] Q3 2020 net income after minorities recorded EGP818mn (-1% y/y, +59% q/q). Revenues came in EGP11.4bn (-13% y/y, +22% q/q). SWDY is currently traded at a TTM EV/EBITDA of 4x and a TTM P/E of 6.6x. ([Company disclosure](#))

EFG Hermes Holding [HRHO] intends to invest more in the electronic payments segment. HRHO has already EGP250mn worth of investments in the segment. (Hapi)

Saudi Arabia's Public Investment Fund and Abu Dhabi sovereign wealth fund ADQ aim to acquire Amoun Pharmaceuticals Co., Bausch Health's unit in Egypt, as part of a larger, longer-term partnership. ([Bloomberg](#))

Arabia Investments Holding [AIH] plans to spin off into two companies with one dedicated for financial services. (Al-Borsa)

Raya Holding's [RAYA] subsidiary Aman for Microfinance targets to end 2021 with a financing portfolio of EGP2.3bn (currently EGP1.5bn) while expanding its branches to 100 (currently 80). (Hapi)

Banque du Caire's [BQDC] Q3 2020 net profit reached EGP2.5bn, while net interest margin (NIM) inched up to 5.9% in Q3 2020, up from 5.1% in Q3 2019. RAOE reached 21.2% in Q3 2020. (Al-Alam-Al-Youm)

El-Nasr Clothing & Textiles [KABO] reported net losses after minority of EGP4.81mn in Q1 2020/21 (vs. net income of EGP1.69mn a year ago) on lower revenues. Export and local revenues plunged by 86% y/y and 24% y/y, respectively, nudging total revenues 59% down y/y to EGP51mn. ([Company disclosure](#))



Egyptian Media Production City [MPRC] reported revenues of EGP320mn and net profit of EGP23mn in 9M 2020, as per the first consolidated results MPRC released after acquiring a 97.5% stake in Arab Hotel Co. in August. ([Company disclosure](#))

Banque Misr and Al-Ahly Capital acquired a 40% stake in Western Union's local representative, International Business Associates Group (IBAG). ([IBAG release](#))

Sinai Cement's [SCEM] consolidated net losses after minorities for 9M 2020 widened to EGP425mn vs. a net loss of EGP314 a year before. Meanwhile, revenues reached EGP589mn (+5% y/y). ([Company disclosure](#))

GLOBAL NEWS

Vaccine optimism is keeping investors bullish on emerging market stocks, with EM equity funds attracting more than USD14bn over the past two weeks. ([Financial Times](#))

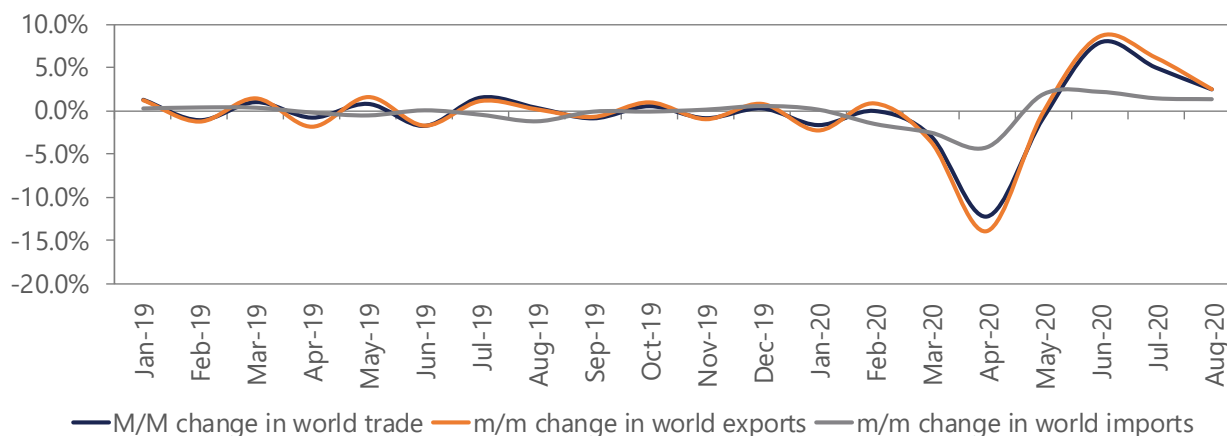
General Motors Co. is looking to get back in the banking business. The auto maker's lending arm is drawing up plans to apply for a banking charter, a move that would allow it to accept deposits and expand its auto-finance business. ([WSJ](#))

The European Union and Britain said on Friday there were still substantial differences over a Brexit trade deal as the EU chief negotiator prepared to travel to London in a last-ditch attempt to avoid a tumultuous finale to the five-year Brexit crisis. ([CNBC](#))

3. CHART OF THE DAY

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Source: CPB Netherlands Bureau for Economic Policy Analysis.



World trade volume m/m growth was halved in August 2020 to +2.5% vs. +5% in July. The slowdown in the monthly growth rate was mainly driven by slower growth in world exports which fell to +2.5% in August vs. +6.2% in July. Meanwhile, world imports m/m growth rate fell slightly to +1.4% in August from +1.5% in July.

4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
636.4						1,660.2 997.5					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	10,980.96	(0.79%)	(21.35%)			Gold	1,787.79	(1.54%)	17.83%
		EGX 30 TR	4,239.06	(0.53%)	(17.98%)			Silver	22.57	(3.61%)	26.45%
		EGX 70 EWI	2,008.70	(1.41%)	58.53%			Brent Oil	48.18	0.79%	(23.44%)
		EGX 100 EWI	2,946.85	(1.25%)	34.89%			WTI	45.53	(0.39%)	(21.92%)
		DFMGI	2,420.00	0.28%	(12.47%)			Natural Gas	2.84	(1.83%)	29.88%
		ADSMI	4,971.93	(0.34%)	(1.94%)	EGP		USD/EGP	15.64	(0.13%)	(2.49%)
		TASI	8,693.47	0.05%	3.63%	€		EUR/USD	1.20	0.42%	6.69%
		QE Index	10,290.20	(0.13%)	(1.44%)	£		GBP/USD	1.33	(0.35%)	0.41%
		S&P 500	3,638.35	0.24%	12.62%	¥		USD/JPY	104.09	(0.16%)	(4.16%)
		Dow 30	29,910.37	0.13%	4.81%			6M TB yield	13.24	(1)	(178)
		NASDAQ	12,205.85	0.92%	36.03%			1Y TB yield	13.31	(4)	(126)
		VIX	20.84	(1.93%)	51.23%			10Y TB yield	14.51	(29)	81
		STOXX 50	3,527.79	0.48%	(5.80%)			2Y TB yield	0.16	(0)	(141)
EM		MSCI Emerging	1,230.72	0.09%	10.41%			10Y TB yield	0.85	(4)	(107)
FM		MSCI Frontier	547.31	0.10%	(6.60%)			30Y TB yield	1.58	(5)	(81)

* As of market close. 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
29-Nov-20	SWDY	Earnings Announcement	Announcing Q3 2020 earnings.
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.
30-Nov-20	SWDY	Conference Call	Discussing 9M 2020 results.
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	NCGC	OGM	Approving the financial statements ending 30 Jun. 2020.
3-Dec-20	EDFM	Cash dividend	Distribution date for EGP11.00/share.
5-Dec-20	AMER	Lawsuit	A court session discussing legal disputes relevant to the company.
5-Dec-20	PORT	Lawsuit	A court session discussing legal disputes relevant to the company.
7-Dec-20	ASCM	OGM	Discussing appointing a second auditor for the company's accounts for the current year ending 31 Dec.
7-Dec-20	ASCM	EGM	Amending article No. 4 of the company's bylaws.
8-Dec-20	CEFM	Cash dividend	Record date for EGP3.250/share.
8-Dec-20	BTFH	OGM	Discussing netting contracts.
8-Dec-20	OIH	OGM	Approving the sale and lease back of tangible assets with its subsidiary Beltone Financial Holding and rent an office space to its spin-off company Orascom Financial Holding.
8-Dec-20	OIH	EGM	Approving to enter into a sale and lease back for one of its tangible assets.
9-Dec-20	EGAS	Stock dividend	Record date for 1:1.
10-Dec-20	EGAS	Stock dividend	Distribution date for 1:1.
10-Dec-20	CIEB	EGM	Discussing assignment of a land plot owned by the Urban Communities Authority for EGP100mn.
10-Dec-20	ACAMD	EGM	Approving splitting the par value per share and amending articles No. 6 & 7 of the company's bylaws.
12-Dec-20	ALCN	OGM	Approving the financial statements ending 30 Jun. 2020 and proposed dividend.
12-Dec-20	ALCN	EGM	Amending article No. 19 of the company's bylaws.

7. LATEST RESEARCH

DATE

PUBLISHED REPORT

25-Nov-20	Misr Chemical Industries [MICH] – Pandemic Proof
10-Nov-20	MACROView – An expected rise as the new school year began
4-Nov-20	MACROView – The Stars Seem to Be Aligned for International Reserves
3-Nov-20	MACROView – The Highest Reading in Six Years
25-Oct-20	CIB [COMI] – Short-term pain for longer-term gain
11-Oct-20	MACROView – Disinflationary trend interrupted
11-Oct-20	MACROView – External strains are slacking and reserves are growing
6-Oct-20	CIB [COMI] – A Good Bet for the “Risk On” Mode
5-Oct-20	MACROView – Egypt’s recovery is broadening
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	<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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