



Season's Greetings

1. Today's Trading Playbook

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KEY THEMES

We can fairly say that Q3 earnings season is almost over, with the notable exceptions of two major names, CIB [**COMI**] and Qalaa Holdings [**CCAP**], which are yet to report their earnings. Hence, investors will turn their focus to other market catalysts, such as the [three key drivers](#) we mentioned earlier (potential energy price cuts, M&A activity, and new EGX listings). But we all know that this can take time, so short-term catalysts will likely be confined to company-specific events which should be monitored on a case-by-case basis.

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

2. TOP NEWS & ANALYSIS

MACRO NEWS

Egypt's debt is expected to be "Euroclear-able" sometime between September and November next year. ([Bloomberg](#))

Damietta LNG exports could be ready by Q1 2021 after Eni and its state-owned partners the Egyptian Natural Gas Holding Co. (EGAS) and the Egyptian General Petroleum Corporation (EGPC) reopen the long-dormant terminal. ([Youm 7](#))

Egypt's first micro-insurance policy has been approved by the Financial Regulatory Authority (FRA). The Cooperative Insurance Society's policy is specifically designed to cover risks for microfinance companies. ([Al-Mal](#))

Egypt is also working to secure its spot on JPMorgan's emerging markets indices to cut borrowing costs and boost debt inflows, a process which is pending action from the investment bank. ([Bloomberg](#))



The Egyptian Cabinet announced that Al-Nasr Automobile Co. will sign partnership contracts with the Chinese Dongfeng Motor Corporation to produce 25,000 electric cars annually, which is a start for the electric car industry in Egypt and a gateway for exports to Africa and neighboring countries. (Egyptian Cabinet)

Egyptian banks' balances with banks abroad jumped 90% to USD19.2bn in November, up from USD10.2bn in April. ([Al-Borsa](#)) We note that in view of this, Egyptian banks' balances abroad is back to pre-COVID-19 levels which reached USD19bn in February 2020.

CORPORATE NEWS

Heliopolis Housing & Development's [HELI] Q1 2020/2021 revenues nosedived to EGP38.3mn (-85% y/y), while net profits turned into losses recording a loss of EGP41.2mn attributed to higher interest expense recorded. ([Company Disclosure](#))

Al-Shams Housing & Development [ELSH] is targeting total sales of EGP4bn from its New Administrative Capital project Solana with EGP1bn being targeted in 2021. ELSH plans to launch the project through partnerships, having received three offers from developers from which one will be selected in the upcoming BoD meeting next week. (Al-Mal)

The Egyptian Saudi Insurance House Co. raised its stake in Dice Sport & Casual Wear [DSCW] from 7.1% to 10%. ([Company disclosure](#))

Juhayna Food Industries' [JUFO] BoD appointed Sheikh Mohamed Bin Abdallah Bin Mohamed Al-Dogheim as chairman. ([Company disclosure](#))

Egyptian Starch & Glucose [ESGI] said its production is expected to drop 50% to 6,500 tons during December as it will carry out equipment maintenance in the second half of the month. The company expects 2020 sales to decrease by EGPc.35mn. ([Company disclosure](#))

The Financial Regulatory Authority (FRA) requested from Gulf Canadian Real Estate Investment [CCRS] to republish its 9M 2020 financials with more disclosures regarding the "work in progress" account with more clarity on its projects East Al-Tafreah and Ain Shams. The FRA expects the financials to be published to the public on 15 December. As such, the FRA has allowed trading on CCRS to resume today. ([Company disclosure](#))

GLOBAL NEWS

Private sector activity in the UAE worsened for the second straight month in November due to sluggish demand. The country saw the first contraction in activity since May as COVID-19 weighed on output, exports, and jobs. ([PMI Markit](#))



Morgan Stanley said on Monday it was taking “a few chips off the table” after a thundering rally in emerging markets over the last month. ([Reuters](#))

Fitch Ratings told Reuters that upgrades of any major economy are unlikely in 2021 despite recent developments related to COVID-19 vaccination and that countries in Latin America, the Middle East, and Africa show the highest level of vulnerability to further negative action in the coming year. ([Reuters](#))

3. CHART OF THE DAY

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Source: CBE, Prime Research.

In 9M 2020, workers' remittances increased 11% y/y to USD22bn, as growth seen in Q1 (+27% y/y) and Q3 (+19% y/y) outweighed the fall in Q2 (-10% y/y). However, as our previous reports suggest, this trend is not likely to be sustainable given the challenges facing Egyptian workers in the GCC countries, where jobs and earnings have been badly affected by the economic recession in the region and the collapse of oil prices. Remittances in 2020 may still grow, but temporarily; as we believe returning workers would bring their final savings with them. Yet, over the long term, the fall in money transfer should reflect the diminished employment opportunities in the GCC which hosts more than 5mn Egyptians.



4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
655.1						1,659.2		1,019.2	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	↗	EGX 30	11,019.08	0.22%	(21.08%)		↗	Gold	1,870.56 0.42% 22.77%
	↗	EGX 30 TR	4,254.80	0.60%	(17.68%)		↗	Silver	24.55 0.28% 36.48%
	↗	EGX 70 EWI	2,147.78	0.79%	69.51%		↘	Brent Oil	48.84 (0.47%) (22.76%)
	↗	EGX 100 EWI	3,114.83	0.85%	42.58%		↘	WTI	45.60 (0.44%) (22.14%)
	↗	DFMGI	2,532.40	2.00%	(8.41%)		↗	Natural Gas	2.40 1.88% 11.65%
	↗	ADSMI	5,062.39	0.40%	0.03%	EGP	↘	USD/EGP	15.67 (0.22%) (2.24%)
	↘	TASI	8,612.13	(0.25%)	2.66%	€	↗	EUR/USD	1.21 0.31% 8.29%
	↘	QE Index	10,529.46	(0.70%)	1.00%	£	↗	GBP/USD	1.34 0.27% 1.01%
	↗	S&P 500	3,702.25	0.28%	14.59%	¥	↘	USD/JPY	104.16 (0.01%) (4.11%)
	↗	Dow 30	30,173.88	0.35%	5.73%		↘	6M TB yield	13.22 (2) (179)
	↗	NASDAQ	12,582.77	0.50%	40.24%		↘	1Y TB yield	13.29 (2) (128)
	↘	VIX	20.68	(2.91%)	50.07%		↔	10Y TB yield	14.49 0 79
	↘	STOXX 50	3,525.87	(0.12%)	(5.86%)		↗	2Y TB yield	0.16 2 (141)
EM	↗	MSCI Emerging	1,254.23	0.07%	12.52%		↘	10Y TB yield	0.92 (1) (100)
FM	↘	MSCI Frontier	551.89	(0.27%)	(5.82%)		↘	30Y TB yield	1.67 (2) (72)

* As of market close, except for commodities and currencies at 8.35am 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
9-Dec-20	EGAS	Stock dividend	Record date for 1:1 dividend.
10-Dec-20	ALCN	BoD meeting	Discussing the financial results.
10-Dec-20	EGAS	Stock dividend	Distribution date for 1:1 dividend.
10-Dec-20	CIEB	EGM	Discussing the 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.
10-Dec-20	ICLE	Cash dividend	Record date for EGP2.50/share.
12-Dec-20	ALCN	OGM	Approving the financial statements ending 30 Jun. 2020 and the proposed dividend.
12-Dec-20	UASG	OGM	Amending article No. 19 of the company's bylaws.
12-Dec-20	UASG	EGM	Approving the financial statements ending 30 Jun. 2020.
12-Dec-20	CSAG	OGM	Amending article No. 22 of the company's bylaws.
12-Dec-20	CSAG	EGM	Approving the financial statements ending 30 Jun. 2020 and proposed dividend.
12-Dec-20	CSAG	EGM	Amending article No. 19 of the company's bylaws.



13-Dec-20	CEFM	Cash dividend	Distribution date for EGP3.250/share.
13-Dec-20	MNHD	OGM	Approval on Nasr Utilities & Installations' sales contract. Restructuring the board and revising its term. Revisiting the dividend policy.
13-Dec-20	UEFM	Cash dividend	Record date for EGP10.00/share.
14-Dec-20	UEFM	Cash dividend	Ex-Dividend date for EGP10.00/share.
15-Dec-20	ICLE	Cash dividend	Distribution date for EGP2.50/share.
15/16-Dec-20		FOMC	Determining the direction of the monetary policy and benchmarks policy rates.
16-Dec-20	UEFM	Cash dividend	Distribution date for EGP10.00/share.
16-Dec-20	PACH	OGM	Approving the financial statements ending 30 Jun. 2020 and the proposed dividend.
16-Dec-20	PACH	EGM	Amending article No. 4 of the company's bylaws.
16-Dec-20	MILS	Cash dividend	Record date for EGP0.500/share.
17-Dec-20	MILS	Cash dividend	Ex-Dividend date for EGP0.500/share.
19-Dec-20	GGCC	EGM	Discussing a stock split and amending articles No. 6 & 7 of the company's bylaws.
21-Dec-20	MILS	Cash dividend	Distribution date for EGP0.500/share.
21-Dec-20	TORA	OGM	A board reshuffle.
21-Dec-20	TORA	EGM	Amending articles No. 21 & 28 of the company's bylaws.
21-Dec-20	SUCE	OGM	Discussing netting contracts and a BoD reshuffle.
21-Dec-20	SUCE	EGM	Amending articles No. 20 and 26 of the company's bylaws.
21-Dec-20	ACRO	Cash dividend	Record date for EGP1.750/share.
22-Dec-20	ACRO	Cash dividend	Ex-Dividend date for EGP1.750/share.
22-Dec-20	CIRA	EGM	Discuss the sale of some assets.
22-Dec-20	AJWA	EGM	Amending article No. 4 of the company's bylaws.
24-Dec-20	ACRO	Cash dividend	Distribution date for EGP1.750/share.
24-Dec-20		MPC Meeting	Determining the CBE's policy rate.
24-Dec-20	ROTO	Cash dividend	Distribution date for EGP0.375/share (4th installment).
27-Dec-20	EKHO	OGM	Approving the financial statements ending 30 Jun. 2020 and the proposed dividend.
27-Dec-20	EKHO	EGM	Approving increasing the issued capital.
27-Dec-20	PRMH	EGM	Approving adding a mutual fund activity by itself or with others.
27-Dec-20	MOIL	EGM	Discussing the changing and hiring for key positions.
30-Dec-20	ELSH	Cash dividend	Distribution date for EGP0.100/share (2nd installment).
31-Dec-20	FWRY	OGM	Discussing netting contracts.
31-Dec-20	FWRY	EGM	Approving increasing issued capital through stock dividend and right issue.
31-Dec-20	ABUK	Cash dividend	Distribution date for EGP0.90/share (2nd installment).
31-Dec-20	NRPD	Lawsuit	A court session discussing legal disputes relevant to the company.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
7-Dec-20	MACROView – Restored Ground
6-Dec-20	MACROView – Lost Momentum



3-Dec-20	<u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u>
25-Nov-20	<u>Misr Chemical Industries [MICH] – Pandemic Proof</u>
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>
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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