



Investor Diversity

1. Today's Trading Playbook

Amr Hussein Elalfy CFA | Head of Research
AElalfy@egy.primegroup.org

KEY THEMES

A new trend seems to have been evolving these days on the Egyptian Exchange (EGX). The cheaper Egyptian assets become, the more buyers we have, and those buyers are not just institutions or private equity firms. More recently, we have seen many high net worth individuals—for one reasons or another—buying stakes as large as 5-10% of listed companies. We have seen those high net worth individuals interested in banks, non-banking financial services, real estate, and consumer, adding to existing stakes they may have had or building new positions altogether in what they think are promising yet undervalued stocks.

We believe this trend will continue stepping into the New Year, especially with the onset of new initial public offerings (IPOs) coming to market. As we mentioned before [here](#), there are few listings that could come our way in 2021. Yesterday, two more (military owned) companies were added to the list, namely Safi (the water bottler) and Wataniya Petroleum (the gas station operator). Please see below in the news section for a link with more details. At the end of the day, it's not just about the number of new IPOs we have in the market; we need investor diversity. With foreign investors having been net sellers throughout the past year or so, we hope the new listings on the EGX will bring new blood to the market and will bring about that investor diversity.

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

2. TOP NEWS & ANALYSIS

MACRO NEWS

Egypt headline annual inflation rose to 5.7% in November, up from 4.5% in October. Monthly inflation eased to 0.8% down from 1.8% in October. ([CAPMAS](#))

Egypt has nearly doubled its oil hedging contracts so far this fiscal year, as the government looks to lock in the benefits of low oil prices, Finance Minister said. ([Bloomberg](#))



The Sovereign Fund of Egypt (SFE) decided that Wataniya Petroleum and the National Co. for Producing & Bottling Water (Safi) will be the first two subsidiaries of the National Service Products Organization (NSPO) that the fund will move to privatize. ([Egyptian Cabinet](#))

Ghazl El-Mahalla could sell shares in an IPO on the EGX as soon as Q1 2021. ([Al-Mal](#))

The Egyptian and Saudi governments have drafted a final agreement to launch the long-dormant Saudi-Egypt investment fund. The fund's mandate will focus on "priority sectors", including tourism, health care, pharma, ports and infrastructure, education, food, and digital payments and financial services. ([Egyptian cabinet](#))

CORPORATE NEWS

EFG Hermes Holding [HRHO] signed a partnership agreement with CAYESH to launch a program for financing suppliers' receivables using the fintech firm's technology. ([Company disclosure](#))

Elwadi for International Investment & Development [ELWA] saw its Q3 2020 net profits dive to EGP305,000 (-74% y/y) and revenues sink to EGP812,000 (-85% y/y). ([Company disclosure](#))

Mansoura Poultry's [MPCO] EGM approved a 20-for-1 stock split, which will leave the par value at EGP0.20/share, down from EGP4/share. ([Company disclosure](#))

Cairo 3A acquired Misr Group Co., which specializes in raising poultry grandparents, in a deal valued at EGP58mn. ([Al-Mal](#))

GLOBAL NEWS

The French Development Agency (AFD) is providing EUR715.6mn in financing to support an array of development projects. ([Egyptian Cabinet](#))

Emerging-market central banks cautiously revisited interest rate cuts last month following a hiatus in October, resuming an easing cycle that started in 2019 and had exceeded the cuts during the 2008 Global Financial Crisis and the 2010 Euro crisis. Central banks across a group of 37 developing economies delivered two net interest rate cuts in November after standing pat in October. ([Reuters](#))

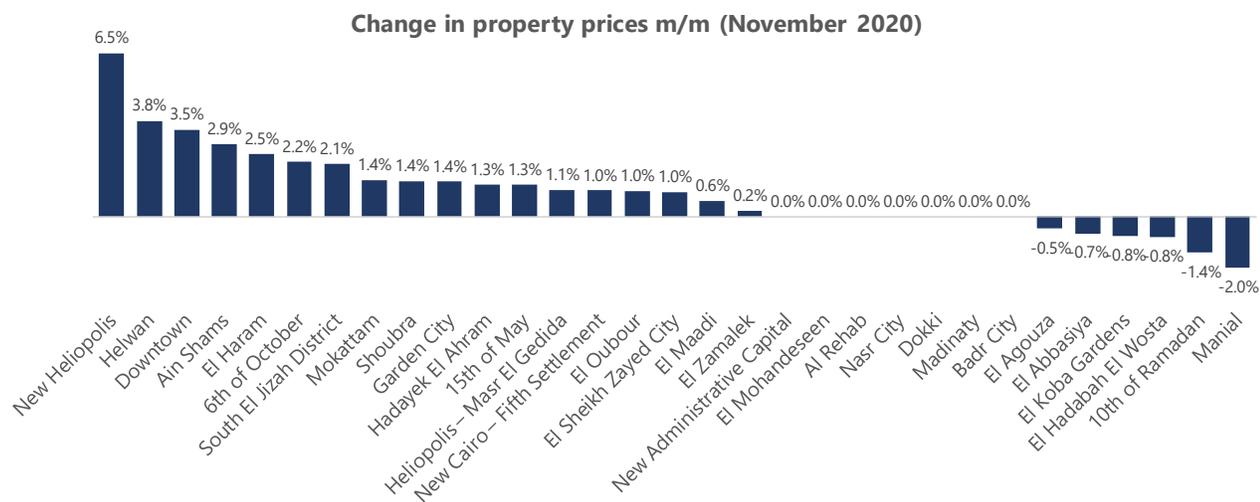


The United Kingdom is considering tougher tax rules for the so-called “sharing economy” to lift revenues and ensure a “level playing field” for all businesses, a government paper showed. (Reuters)

The U.S. economy will recover faster than expected in part because the sectors most susceptible to the most recent coronavirus spread are not taking as severe a hit, according to Goldman Sachs. (CNBC)

3. CHART OF THE DAY

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



Source: Aqaarmap.

The average price of property listings has increased m/m by 0.9% in November with New Heliopolis peaking at 6.5% and Manial bottoming at 2%, based on the listings in Aqaarmap.



4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)		653.6		Equity turnover (EGPmn): Last, ytd avg.		2,409.6 1,022.3	
			daily chg.	ytd chg.		daily chg.	ytd chg.
	📉 EGX 30	11,018.09	(0.01%)	(21.08%)		📉 Gold	1,839.55 (1.66%) 21.02%
	📉 EGX 30 TR	4,239.58	(0.36%)	(17.97%)		📉 Silver	23.95 (2.46%) 33.93%
	📉 EGX 70 EWI	2,120.47	(1.27%)	67.35%		📈 Brent Oil	48.86 0.31% (22.12%)
	📉 EGX 100 EWI	3,082.00	(1.05%)	41.08%		📈 WTI	45.52 0.44% (21.59%)
	📈 DFMGI	2,539.63	0.29%	(8.15%)		📉 Natural Gas	2.44 (2.01%) 9.32%
	📈 ADSMI	5,077.00	0.29%	0.23%	EGP	📈 USD/EGP	15.69 0.13% (2.18%)
	📈 TASI	8,660.21	0.56%	3.23%	€	📈 EUR/USD	1.21 0.08% 7.83%
	📉 QE Index	10,519.21	(0.10%)	0.90%	£	📉 GBP/USD	1.34 (0.32%) 0.75%
	📉 S&P 500	3,672.82	(0.79%)	13.68%	¥	📈 USD/JPY	104.23 0.21% (3.83%)
	📉 Dow 30	30,068.81	(0.35%)	5.36%		📉 6M TB yield	13.22 (2) (179)
	📉 NASDAQ	12,338.95	(1.94%)	37.52%		📉 1Y TB yield	13.29 (2) (128)
	📈 VIX	22.27	7.69%	61.61%		↔️ 10Y TB yield	14.49 0 79
	📈 STOXX 50	3,529.02	0.09%	(5.77%)		📉 2Y TB yield	0.15 (1) (142)
EM	📈 MSCI Emerging	1,255.85	0.13%	12.67%		📈 10Y TB yield	0.94 2 (98)
FM	📈 MSCI Frontier	553.38	0.27%	(5.56%)		📈 30Y TB yield	1.69 2 (70)

* 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
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	ALCN	EGM	Amending article No. 19 of the company's bylaws.
12-Dec-20	UASG	OGM	Approving the financial statements ending 30 Jun. 2020.
12-Dec-20	UASG	EGM	Amending article No. 22 of the company's bylaws.
12-Dec-20	CSAG	OGM	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 rights 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	<u>MACROView – Restored Ground</u>
6-Dec-20	<u>MACROView – Lost Momentum</u>
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>
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>

**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 City9 Elbatrawy St.
Nasr City, Cairo, Egypt

T +202 3300 8160

F +202 3305 4622

Alexandria7 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.