



# Investor Diversity

## 1. Today's Trading Playbook

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### 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](#))

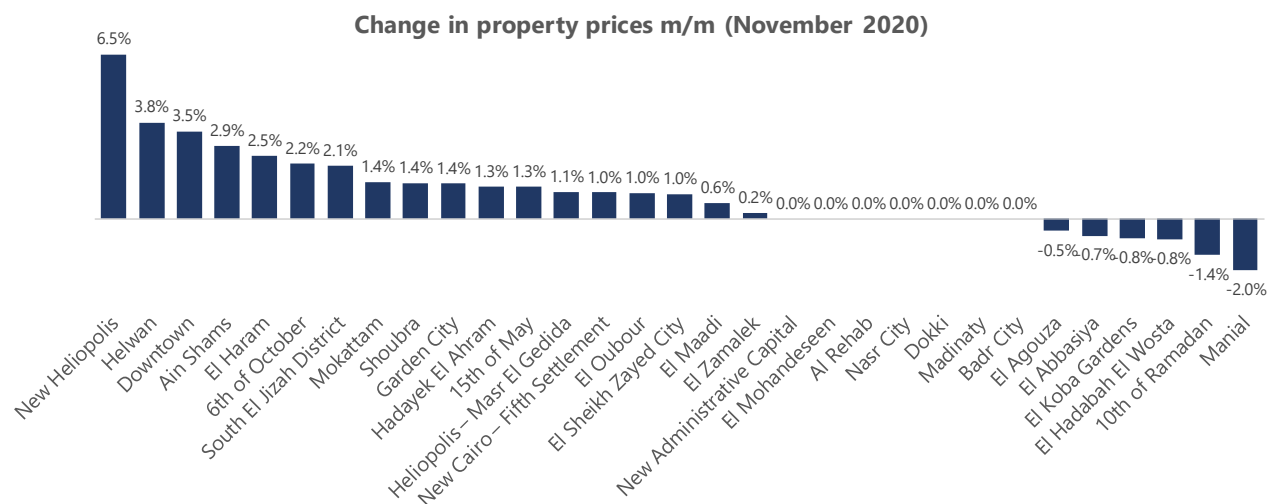


The United Kingdom is considering tougher tax rules for the so-called “sharing economy” to lift revenues and ensure a “level playing field” for all businesses, a government paper showed. ([Reuters](#))

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

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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) |   |               |           |         |          | Equity turnover (EGPmn): Last, ytd avg. |   |              |          |         |          |
| 653.6                             |   |               |           |         |          | 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  | <a href="#"><u>MACROView – Restored Ground</u></a>  |
| 6-Dec-20  | <a href="#"><u>MACROView – Lost Momentum</u></a>  |
| 3-Dec-20  | <a href="#"><u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u></a>  |
| 25-Nov-20 | <a href="#"><u>Misr Chemical Industries [MICH] – Pandemic Proof</u></a>   |
| 10-Nov-20 | <a href="#"><u>MACROView – An expected rise as the new school year began</u></a>  |
| 4-Nov-20  | <a href="#"><u>MACROView – The Stars Seem to Be Aligned for International Reserves</u></a>  |
| 3-Nov-20  | <a href="#"><u>MACROView – The Highest Reading in Six Years</u></a>   |
| 25-Oct-20 | <a href="#"><u>CIB [COMI] – Short-term pain for longer-term gain</u></a>  |
| 11-Oct-20 | <a href="#"><u>MACROView – Disinflationary trend interrupted</u></a>  |
| 11-Oct-20 | <a href="#"><u>MACROView – External strains are slacking and reserves are growing</u></a>   |
| 6-Oct-20  | <a href="#"><u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u></a>   |
| 5-Oct-20  | <a href="#"><u>MACROView – Egypt’s recovery is broadening</u></a>   |
| 10-Sep-20 | <a href="#"><u>MACROView – A Stunning Chapter Towards Targets</u></a>   |
| 8-Sep-20  | <a href="#"><u>MACROView – Crawling Out of the Troughs</u></a>  |
| 3-Sep-20  | <a href="#"><u>MACROView – Job losses and the bumpy road to recovery</u></a>  |
| 18-Aug-20 | <a href="#"><u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u></a>   |
| 13-Aug-20 | <a href="#"><u>Credit Agricole Egypt [CIEB] – Q2 2020 Results</u></a>   |
| 10-Aug-20 | <a href="#"><u>MACROView – Muted inflation environment still dominates</u></a>  |
| 9-Aug-20  | <a href="#"><u>MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed</u></a>                     |
| 5-Aug-20  | <a href="#"><u>MACROView – Toward gradual recovery</u></a>  |
| 29-Jul-20 | <a href="#"><u>MACROView – CAD gains eroded by financial account vulnerability</u></a>  |
| 14-Jul-20 | <a href="#"><u>Commercial International Bank - [COMI] - Q2 2020 results</u></a>   |
| 9-Jul-20  | <a href="#"><u>MACROView – Inflation driven by non-food baskets and unfavorable base effect</u></a>                                     |
| 8-Jul-20  | <a href="#"><u>MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position</u></a>                 |
| 7-Jul-20  | <a href="#"><u>MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed</u></a>                          |
| 25-Jun-20 | <a href="#"><u>EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition</u></a>                  |
| 10-Jun-20 | <a href="#"><u>MACROView – Lowest annual reading in five months, but monthly figures show no changes</u></a>                            |
| 8Jun-20   | <a href="#"><u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u></a> |



|           |  |
|-----------|--|
| 8-Jun-20  | <a href="#"><u>MACROView – Solid buffers and moderate depreciation: The CBE’s recipe to deal with COVID-19</u></a> |
| 3-Jun-20  | <a href="#"><u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u></a>       |
| 18-May-20 | <a href="#"><u>Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results</u></a>   |
| 18-May-20 | <a href="#"><u>Al Baraka Bank Egypt [SAUD] – Q1 2020 Results</u></a>   |
| 17-May-20 | <a href="#"><u>Credit Agricole Egypt [CIEB] – Q1 2020 Results</u></a>  |
| 13-May-20 | <a href="#"><u>MACROView – Yesterday’s CBE conference call with Deputy Governor</u></a>                            |
| 11-May-20 | <a href="#"><u>MACROView– Acceleration in April driven by food prices – as expected</u></a>                        |
| 7-May-20  | <a href="#"><u>MACROView – Keeping head above water amid pandemic uncertainties</u></a>                            |
| 5-May-20  | <a href="#"><u>Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results</u></a>                        |



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