



# Cashing in the Chips

## 1. Today's Trading Playbook

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### KEY THEMES

This year, retail investors have been the main engine behind the surge in daily trading values. A quick look at EGX 70 performance (+55% ytd despite yesterday's 7% decline) reveals how far this has gone. It was a matter of when, not if, that we would see profits taken off the table. Retail investors ran for the exit, trying to cash in their chips as fast as they can. They only needed a reason to do so; the resurgence of COVID cases and air travel shutdown in some countries was enough of a reason. No one knows what will happen next year, exactly like no one knew what was going to happen earlier this year. But investors need to remember that stocks are part ownerships of businesses that may suffer from or benefit off extreme scenarios, like COVID. Not all stocks are created equal, so it is up to investors to stick to the stocks where they see value supported with sustainable business models. Indeed, sharp market declines create opportunities for those investors who patiently wait for bargains.

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

## 2. TOP NEWS & ANALYSIS

### MACRO NEWS

**The World Bank, through the International Finance Corporation (IFC) — its financial arm — is in talks with The Sovereign Fund of Egypt to partner** in a number of projects that the fund is offering to the private sector for investing. ([Ahram Online](#))

**Although Egypt's economic reform program has improved the country's macroeconomic performance and restored confidence in its economy,** the reforms have not triggered a marked and sustained increase in Egypt's private sector investments, according to The World Bank. ([Ahram Online](#))

**Egyptian banks' net loans inched up 5% m/m (+26% ytd) to EGP2.3tn in Q3 2020, while deposits grew 3% m/m (+19.3% ytd) to EGP5tn.** ([CBE](#))



**Egypt will establish an electronic system to track the goods received under the indirect transit system until the final release stage** and to deal in customs with goods contracted with the modern e-commerce system, with the possibility of pre-clearance and payment of customs duties before the goods arrive. ([Egypt Today](#))

## CORPORATE NEWS

**Abu Qir Fertilizers [ABUK] has tapped Stamicarbon to conduct the technical feasibility for Abuqir 3 expansions for EUR1.58mn.** These expansions will raise urea daily capacity by 22% from 1,940 tons to 2,370 tons. ([Company disclosure](#))

**GB Auto's [AUTO] NBFi arm GB Capital acquired a 20% stake in New City Housing & Development, previously a subsidiary of Orascom Development Egypt [ORHD], for EGP73mn.** ([Company disclosure](#))

**EFG Hermes Holding's [HRHO] consumer finance ValU has increased the limits granted to its customers to EGP2bn.** ([Al-Borsa](#))

**Abu Dhabi Islamic Bank Egypt's [ADIB] subsidiary Alexandria National Co. for Financial Investment [ANFI] received a letter from Kayan for Sustainable Development,** indicating its interest to acquire a 90% stake for EGP5.3/share (implying a total value of c. EGP25mn). (Bank release)

**Suez Cement's [SUCE] OGM agreed to the terms of a five-year loan worth USD125mn from HeidelbergCement.** The interest rate will be based on a USD LIBOR plus a margin of up to 8%. ([Company disclosure](#))

**Elwadi for International Investment & Development's [ELWA] 10-for-1 stock split has been approved** and will become effective on 24 December. ([Mubasher](#))

## GLOBAL NEWS

**The U.S. Congress overwhelmingly approved a USD900bn billion of relief for households and businesses battered by the coronavirus pandemic.** The package would be the second-largest economic stimulus in U.S. history, following a USD2.3tn aid bill passed in March. ([WSJ](#), [Reuters](#))

**The African Development Bank (AfDB)'s board of directors has approved its 2021 Borrowing Program, allocating USD10.4bn to be raised from capital markets.** The program



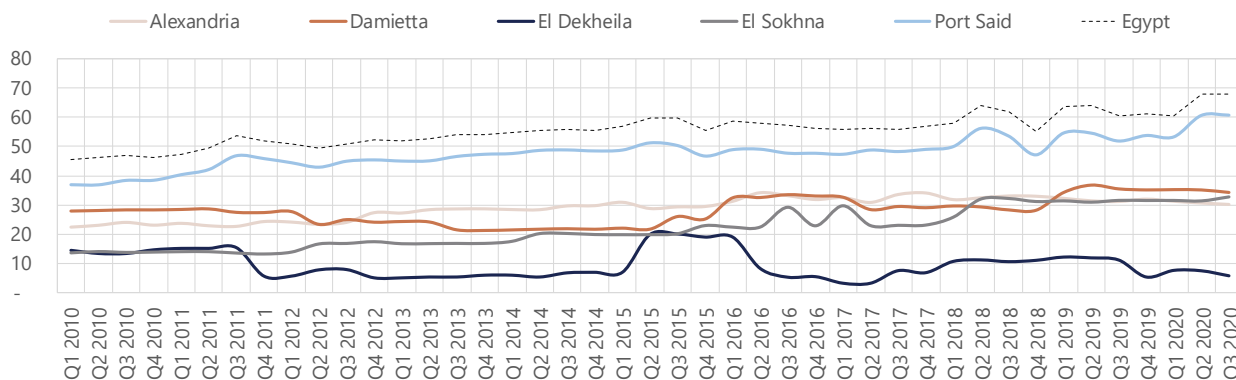
allows the bank to raise funds in debt capital markets to finance its projects in Africa. ([Ahram Online](#))

**Kuwait and Oman joined Saudi Arabia yesterday in shutting their air, sea and land borders yesterday.** In what feels like a replay of April, Morocco, Tunisia, and Algeria have also banned flights from the U.K., and Israel is not letting in any foreigners other than diplomats. At least 40 countries are believed to have closed their airspace to flights coming out of Britain. ([Bloomberg](#))

**Damac Properties, one of Dubai's largest developers, said 2021 would be another challenging year for the sector** and warned against the risk of companies "dumping" property in a market already grappling with excess inventory. ([Bloomberg](#))

### 3. CHART OF THE DAY

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Source: UNCTAD.

Egypt ranked 68 of 100 in Q3 2020 liner shipping connectivity index (LSCI), which shows the countries' position in maritime trade networks (the more the value the better the connectivity). The country advanced by about 20 points from its position in 2006. This improvement was a reflection of the enhanced performance of Port Said port.



## 4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
627.2						1,657.6		1,036.3	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	📉	EGX 30	10,581.76	(2.83%)	(24.21%)		📉	Gold	1,876.89 (0.24%) 23.62%
	📉	EGX 30 TR	4,080.15	(2.91%)	(21.06%)		📈	Silver	26.17 1.39% 45.87%
	📉	EGX 70 EWI	1,958.74	(7.10%)	54.59%		📉	Brent Oil	50.91 (2.34%) (20.99%)
	📉	EGX 100 EWI	2,852.93	(6.67%)	30.60%		📉	WTI	47.97 (2.52%) (19.81%)
	📉	DFMGI	2,460.77	(3.85%)	(11.00%)		📉	Natural Gas	2.71 (0.18%) 23.34%
	📉	ADSMI	5,073.16	(0.79%)	(0.13%)	EGP	📉	USD/EGP	15.67 (0.21%) (2.30%)
	📉	TASI	8,538.68	(1.71%)	1.78%	€	📉	EUR/USD	1.22 (0.20%) 8.98%
	📉	QE Index	10,540.18	(0.44%)	1.10%	£	📉	GBP/USD	1.35 (0.45%) 1.11%
	📉	S&P 500	3,694.92	(0.39%)	14.37%	¥	📈	USD/JPY	103.32 0.10% (4.78%)
	📈	Dow 30	30,216.45	0.12%	5.88%		📉	6M TB yield	12.65 (32) (236)
	📉	NASDAQ	12,742.52	(0.10%)	42.02%		📉	1Y TB yield	12.67 (33) (190)
	📈	VIX	25.16	16.64%	82.58%		📉	10Y TB yield	14.27 (22) 57
	📉	STOXX 50	3,448.68	(2.74%)	(7.92%)		📉	2Y TB yield	0.13 (1) (144)
EM	📉	MSCI Emerging	1,257.01	(0.89%)	12.77%		📉	10Y TB yield	0.94 (1) (98)
FM	📉	MSCI Frontier	559.35	(0.63%)	(4.54%)		📉	30Y TB yield	1.68 (2) (71)

\* As of market close, except for commodities and currencies at 8.41am 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
22-Dec-20	ACRO	Cash dividend	Ex-Dividend date for EGP1.750/share.
22-Dec-20	CIRA	EGM	Discussing the sale of some assets.
22-Dec-20	AJWA	EGM	Amending article No. 4 of the bylaws.
23-Dec-20	EGCH	OGM	Approving the financial statements ending 30 Jun. 2020 & a board reshuffle.
23-Dec-20	EGCH	EGM	Amending articles of the 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.
27-Dec-20	SCTS	Cash dividend	Record date for EGP1.50/share.



28-Dec-20	GSSC	Cash dividend	Record date for EGP3.450/share.
28-Dec-20	MENA	EGM	Discussing a stock split and amending articles No. 6 & 7 of the bylaws.
29-Dec-20	CAED	Cash dividend	Record date for EGP0.90/share.
30-Dec-20	SCTS	Cash dividend	Distribution date for EGP1.50/share.
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 the issued capital through stock dividends 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.
31-Dec-20	GSSC	Cash dividend	Distribution date for EGP3.450/share.

## 7. LATEST RESEARCH

DATE	PUBLISHED REPORT
16-Dec-20	<a href="#"><u>CIB [COMI] – Earnings beat despite higher provisions</u></a>
10-Dec-20	<a href="#"><u>MACROView – The Highest Reading in Seven Months</u></a>
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>
8-Jun-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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