



# How Much Is Enough?

## 1. Today's Trading Playbook

### KEY THEMES

After three months of above 50 PMI readings, December's came at 48.2 as growth in both output and new orders declined at a moderate pace. Meanwhile, the long-lasting effect of the COVID-19 crisis on labor market dynamics is still material given the continued fall in the employment index. We expect PMI readings in 2021 to remain in contraction territory through the first quarter of the year, with outlook improving afterwards. For more details, please read our PMI macro note published on [5 January 2021](#).

On a different note, Ministry of Petroleum approved to reschedule debts that resulted from natural gas consumption related to ceramics manufacturers. While this should provide some breather to ceramics manufacturers, weakness in demand coupled with current natural gas prices will remain the two biggest challengers to factories profitability.

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

## 2. TOP NEWS & ANALYSIS

### MACRO NEWS

**Egypt's economy is forecasted to end the current fiscal year on 30 June with 2.7% growth, the World Bank said.** Growth will be milder than the 3.6% recorded last fiscal year, but higher than previous forecasts of 2.3% and 2.1% stated earlier in October and June. ([World Bank](#))

**Foreign reserves reached their highest level since April last month, rising almost USD800mn in December to top USD40bn,** according to central bank figures released yesterday. This was the largest monthly increase in 2020. We'll be sending our macro note regarding the issue very soon. ([CBE](#))



## CORPORATE NEWS

**Sarwa Capital [SRWA] will establish its first fixed-income investment fund for its life insurance arm.** The EGP100mn fund will be managed by Misr Capital, Banque Misr's investment arm. ([Company disclosure](#))

**Sidi Kerir Petrochemicals's [SKPC] BoD that will be held today will discuss the company's investment plan for 2021.** ([Company disclosure](#))

**Ebtikar's owners, MM Group [MTIE], B Investments [BINV] and BPE Partners, are willing to invest in Basata Financial Holding.** MTIE BoD has already approved contributing EGP30mn (49.9% stake) earlier in Basata. (Al-Mal)

**Ministry of Petroleum approved to reschedule debts that resulted from natural gas consumption related to ceramics manufacturers.** ([Al-Borsa](#))

**A group of medical and scan labs including AIMokhtabar, AlBorg and Alpha labs, tended to raise their services' prices, in the Egyptian market, during the year by about 10% to meet costs increase.** This comes at a time of higher the demand for their services in light of pandemic. (Al Mal)

**The Egyptian Saudi Insurance House has raised its stake in Dice Sports & Casual Wear [DSCW] from 1.94% to 10%.** ([Company disclosure](#))

## GLOBAL NEWS

**The global economy is expected to expand by 4% in 2021,** after a 4.3% contraction in 2020, on the back of the initial COVID-19 vaccine rollout globally in 2021. ([World Bank](#))

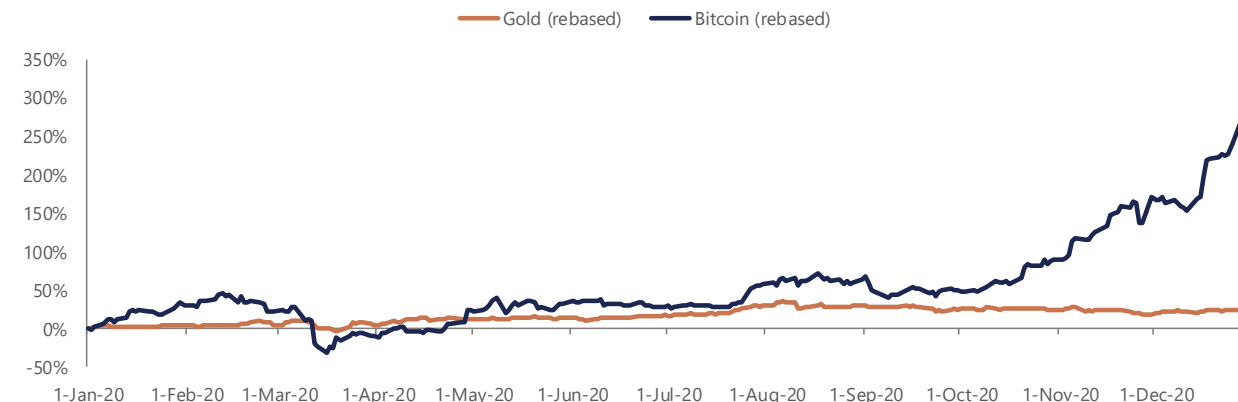
**Saudi Arabia surprised the market with a large cut in crude production,** a bold assertion of primacy over the global oil industry that came directly from the kingdom's de-facto ruler. ([Bloomberg](#))



### 3. CHART OF THE DAY

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Source: Bloomberg.

Bitcoin rocketed up to a fresh all-time high on 3 January, breaking past USD34,000. Examining the performance of Bitcoin vs. gold throughout 2020, we see the former ending the year at quadruple the value recorded in its first trading day of 2020, whereas gold rose only 25% through the same year.

### 4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
656.1					1,379.7 1,025.2				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
🇪🇬	📈 EGX 30	10,829.96	0.15%	(0.14%)	📈 Gold	1,950.01	0.37%	2.49%	
	📉 EGX 30 TR	4,169.48	(0.02%)	(0.06%)	📈 Silver	27.55	1.17%	3.50%	
	📉 EGX 70 EWI	2,141.18	(0.11%)	(0.19%)	📈 Brent Oil	53.60	0.58%	4.07%	
	📈 EGX 100 EWI	3,101.07	0.14%	0.10%	📈 WTI	49.93	0.24%	3.15%	
🇦🇪	📈 DFMGI	2,608.90	1.16%	4.69%	🔥 📉 Natural Gas	2.70	(1.85%)	4.45%	
	📈 ADSMI	5,143.52	0.55%	1.49%	EGP 📉 USD/EGP	15.70	(0.06%)	(0.26%)	
🇸🇦	📈 TASI	8,682.11	0.17%	(0.09%)	€ 📈 EUR/USD	1.23	0.05%	0.72%	
🇨🇳	📈 QE Index	10,618.39	1.35%	1.75%	£ ⇄ GBP/USD	1.36	0.00%	(0.31%)	
	📈 S&P 500	3,726.86	0.71%	(0.78%)	¥ 📈 USD/JPY	102.72	0.02%	(0.49%)	
	📈 Dow 30	30,391.60	0.55%	(0.70%)	🇪🇬 📈 6M TB yield	12.92	19	19	
	📈 NASDAQ	12,818.96	0.95%	(0.54%)	📈 1Y TB yield	12.95	18	18	
	📉 VIX	25.34	(6.04%)	11.38%	📈 10Y TB yield	14.39	13	0	
	📉 STOXX 50	3,547.85	(0.46%)	(0.13%)	🇺🇸 ⇄ 2Y TB yield	0.13	0	(1)	
EM	📈 MSCI Emerging	1,319.97	1.19%	2.22%	📈 10Y TB yield	0.95	4	2	
FM	📈 MSCI Frontier	575.77	0.17%	0.72%	📈 30Y TB yield	1.71	5	5	

\* As of market close, except for commodities and currencies at 8.24am 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
6-Jan-21	EDBM	BoD meeting	Amending the nominal value of the share.
6-Jan-21	SKPC	BoD meeting	Presenting the company's draft investment budget for the fiscal year 2021 to the Board of Directors.
6-Jan-21	ACAMD	EGM	Discussing a stock split and amending articles 6 & 7 of the bylaws.
9-Jan-21	ARVA	EGM	Amending article 4 of the bylaws.
11-Jan-21	ALCN	Cash dividend	Distribution date for EGP0.776/share.
11-Jan-21	IRON	OGM	Approving transferring ownership of some lands held by Egyptian Iron and Steel Company.
11-Jan-21	IRON	EGM	Approving splitting the company, amending articles 6 & 7 of the bylaws and discussing the continuation of the company.
14-Jan-21	SMCS	EGM	Discussing netting contracts.
16-Jan-21	EPPK	OGM	Examining violations to article 160.
17-Jan-21	MNHD	Lawsuit	For recovering EGP24.8mn owed by MNHD to NRPD for the development of 32 buildings in a 6th of October project.
19-Jan-21	ORAS	Cash dividend	Record date for USD0.21/share.
21-Jan-21	GPPL	OGM	Approving the financial statements ending 31 Dec. 2019 & a board reshuffle.
23-Jan-21	DSCW	OGM	Approving the financial statements ending 31 Dec. 2019 & a board reshuffle.
24-Jan-21	AIH	Lawsuit	A court session discussing legal disputes relevant to the company.
24-Jan-21	PACH	Cash dividend	Record date for EGP1.00/share.
26-Jan-21	ORAS	Cash dividend	Distribution date for USD0.21/share.
27-Jan-21	PACH	Cash dividend	Distribution date for EGP0.50/share (1st installment).
28-Jan-21	SKPC	EGM	Discussing a board proposal to amend articles 2, 3 & 4 of the bylaws.
30-Jan-21	ALRA	EGM	Amending articles No. 6 & 7 of the bylaws.

## 7. LATEST RESEARCH

DATE	PUBLISHED REPORT
5-Jan-21	<a href="#">MACROView – Ruttled Road to Recovery</a>
28-Dec-20	<a href="#">Elsewedy Electric [SWDY] – More Growth to Come</a>
22-Dec-20	<a href="#">EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</a>
16-Dec-20	<a href="#">CIB [COMI] – Earnings beat despite higher provisions</a>
10-Dec-20	<a href="#">MACROView – The Highest Reading in Seven Months</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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