

**TABLE OF CONTENTS****1. Today's Trading Playbook****2. Top News & Analysis****3. Chart of the Day****4. Markets Performance****5. Latest EGX Valuation Multiples****6. Key Dates****7. Latest Research**

Volatility Is Back

1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

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KEY THEMES

We saw some intraday volatility yesterday as we measure it using the day's high-to-low range. For example, three of our four blue-chip picks [mentioned in yesterday's issue](#) ended the day up after reaching intraday highs, still beating EGX 30's +0.04% performance. The names are:

- Orascom Construction [**ORAS**] (+1.3% d/d) had **3.9%** intraday volatility.
- Elsewedy Electric [**SWDY**] (+1.7% d/d) had **1.9%** intraday volatility.
- TMG Holding [**TMGH**] (+2.0% d/d) had **1.7%** intraday volatility.
- Ibsina Pharma [**ISPH**] (-0.2% d/d) had **1.6%** intraday volatility.

How high this intraday volatility becomes clearer when compared to EGX 30's 0.2% and EGX 70 EWI's 0.6%. Meanwhile, foreign investors were net buyers yesterday, albeit with just less than EGP17mn, whereas Egyptians and Arabs were net sellers with just around EGP8mn each. We believe investors are still keeping an eye out for company-specific events, be it related to M&A or earnings reports.

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

2. TOP NEWS & ANALYSIS

[TABLE OF CONTENTS](#)

MACRO NEWS

State-owned El-Nasr Automotive signed yesterday two contracts with China's Dongfeng which produces c.3.5mn "E70" electric car annually. The first contract is to locally assemble electric vehicles, and the second is to rehabilitate El-Nasr factory through one of the Chinese group's subsidiaries. Meanwhile, El-Nasr began negotiating with four local banks to finance 70% of the total investment cost worth EGP2bn, including **Banque Misr, National Bank of Egypt, Banque du Caire**, and **Alex Bank**. (Al-Borsa)



Some 30,000 vehicle owners have applied to replace their old cars with newer natural gas models under the government's car transition plan. ([Enterprise](#))

IT exports will receive incentives from ITIDA's annual "Export IT" program, granting IT export incentives on proceeds of value-added exports for two consecutive years, 2019 and 2020. The program is designed to encourage local IT companies to boost exports, secure their position in existing markets, and increase market penetration capabilities. ([ITIDA](#))

CORPORATE NEWS

EFG Hermes Holding's [HRHO] consumer finance arm, ValU, aims to double the transactions held on its platform since its inception from 250,000 to 500,000 this year, backed by expansion in services provided and direction towards financial inclusion. ([Al-Mal](#))

Prime Holding's [PRMH] NBFS arm, Endorse, is launching operations of its leasing and factoring activities during the current month. ([Al-Borsa](#))

Giza Spinning & Weaving decided to postpone its floatation on the EGX for the fourth time, now until Q1 2022. ([Al-Mal](#))

GLOBAL NEWS

Lockdowns across Europe have the continent heading for a double-dip recession, according to data that point to slowdowns in consumer spending, travel, and workplace activity in the first weeks of the year. ([Financial times](#))

Dubai home prices will likely extend declines this year and next as the market works to clear an oversupply that has been a drag on values since 2014. ([Bloomberg](#))

Despite the ECB's decision to top up its pandemic emergency purchases by EUR500bn to EUR1.85tn and extend the program for nine months, the bloc's economic outlook remains bleak. The Reuters poll consensus of over 80 economists forecast the euro zone economy shrank 2.5% last quarter after expanding 12.5% in the third quarter and was expected to grow 0.6% this quarter, nearly half the 1.1% predicted a month ago. ([Reuters](#))



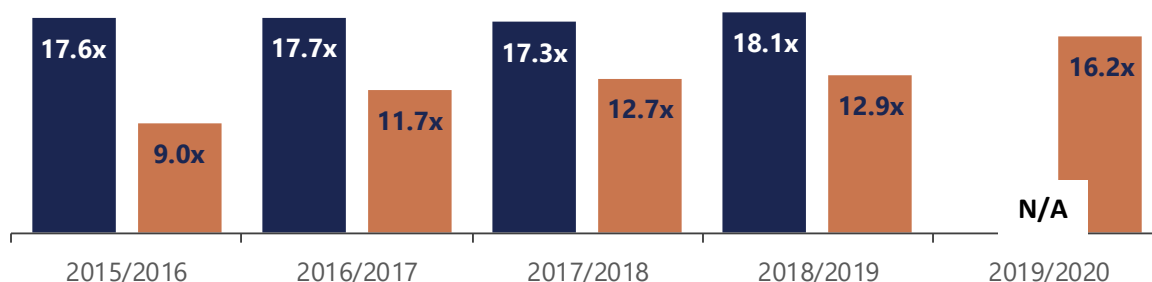
3. CHART OF THE DAY

TABLE OF CONTENTS

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PTR ratios of CIRA vs. Other Private Universities

■ Average PTR ratio for private universities in Egypt, Higher-Education ■ CIRA's PTR ratio, Higher-Education













































Source: Company disclosure, CAPMAS.

The graph above shows a gap in the pupil-teacher ratio (PTR) of Cairo for Investment & Real Estate Development's [CIRA] university versus other private universities in Egypt since academic year 2015/16. Gradually, the gap has been narrowing down as CIRA's university PTR increased over time, indicating that CIRA's university has become more efficient. Its PTR reached 16.2x in 2019/20, thanks to growth in CIRA's Badr University in Cairo (BUC).

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
679.8						1,458.7 1,178.6					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	11,450.54	0.04%	5.58%			Gold	1,841.26	0.70%	(3.24%)
		EGX 30 TR	4,397.36	(0.49%)	5.41%			Silver	25.35	2.36%	(4.84%)
		EGX 70 EWI	2,261.27	(0.71%)	5.41%			Brent Oil	54.75	0.33%	6.04%
		EGX 100 EWI	3,250.42	(0.73%)	4.93%			WTI	52.36	(0.34%)	7.54%
		DFMGI	2,726.23	1.16%	9.40%			Natural Gas	2.74	(3.65%)	3.86%
		ADSMI	5,489.57	3.97%	8.81%	EGP		USD/EGP	15.73	0.40%	(0.10%)
		TASI	8,931.29	0.64%	2.78%	€		EUR/USD	1.21	0.15%	(0.99%)
		QE Index	10,863.27	0.02%	4.09%	£		GBP/USD	1.36	0.15%	(0.45%)
		S&P 500	3,768.25	(0.72%)	0.32%	¥		USD/JPY	103.69	0.31%	0.74%
		Dow 30	30,814.26	(0.57%)	0.68%			6M TB yield	12.84	4	11
		NASDAQ	12,998.50	(0.87%)	0.86%			1Y TB yield	12.88	1	11
		VIX	24.34	4.69%	6.99%			10Y TB yield	14.38	(1)	(1)
			STOXX 50	3,602.67	0.09%	1.41%			2Y TB yield	0.13	(2)
EM		MSCI Emerging	1,358.98	0.07%	5.24%			10Y TB yield	1.09	1	16
FM		MSCI Frontier	590.07	(0.27%)	3.23%			30Y TB yield	1.85	3	19

* As of market close, except for commodities and currencies at 8.15am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.



5. LATEST EGX VALUATION MULTIPLES

TABLE OF CONTENTS

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

TABLE OF CONTENTS

DATE	TICKER	TYPE	EVENT
19-Jan-21	ORAS	Cash dividend	Record date for EGP3.313/share.
20-Jan-21	ORAS	Cash dividend	Ex-Dividend date for EGP3.313/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.
24-Jan-21	CSAG	Cash dividend	Record date for EGP1.382/share.
24-Jan-21	SUCE	Auction	Auctioning a 51% stake in Kuwait-based Hilal Cement at a starting price of KWD0.058/share.
25-Jan-21	CSAG	Cash dividend	Ex-Dividend date for EGP1.382/share.
26-Jan-21	ORAS	Cash dividend	Distribution date for EGP3.313/share.
27-Jan-21	PACH	Cash dividend	Distribution date for EGP0.50/share (1st installment).
27-Jan-21	CSAG	Cash dividend	Distribution date for EGP1.382/share.
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 6 & 7 of the bylaws.
31-Jan-21	PORT	Lawsuit	A court session discussing legal disputes relevant to the company.
31-Jan-21	AMER	Lawsuit	A court session discussing legal disputes relevant to the company.
3-Feb-21	ETRS	OGM	Discussing adding a new board member.
3-Feb-21	ETRS	EGM	Amending articles 5 & 22 of the bylaws.
4-Feb-21	AMES	OGM	Approving increasing the issued capital.
6-Feb-21	EDBM	EGM	Discussing cutting the share par value and amending articles 6 & 7 of the bylaws.
8-Feb-21	MFPC	EGM	Amending articles 4, 7, 25, 21, 29, 46, 48 & 55 of the bylaws.
8-Feb-21	EIUD	EGM	Amending articles 3, 4, 6 & 7 of the bylaws.
9-Feb-21	RAYA	EGM	Discussing a stock split and articles 6 & 7 of the bylaws.
9-Feb-21	EGCH	EGM	Approving increasing the issued capital and amending article 6 of the company's bylaws.
13-Feb-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
15-Feb-21	SRWA	EGM	Increasing BoD members from 11 to 13.
15-Feb-21	EAST	Cash dividend	Distribution date for EGP0.714/share (2nd installment).
15-Feb-21	HELI	Auction	Open bid for 270 feddans in New Heliopolis



7. LATEST RESEARCH

TABLE OF CONTENTS

DATE	PUBLISHED REPORT
14-Jan-21	<u>CI Capital Holding [CICH] – New Expansions = Further Growth</u>
10-Jan-21	<u>MACROView – Below End-of-Year Target</u>
6-Jan-21	<u>MACROView – On the Path to Further Recovery</u>
5-Jan-21	<u>MACROView – Ruttled Road to Recovery</u>
28-Dec-20	<u>Elsewedy Electric [SWDY] – More Growth to Come</u>
22-Dec-20	<u>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</u>
16-Dec-20	<u>CIB [COMI] – Earnings beat despite higher provisions</u>
10-Dec-20	<u>MACROView – The Highest Reading in Seven Months</u>
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>



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