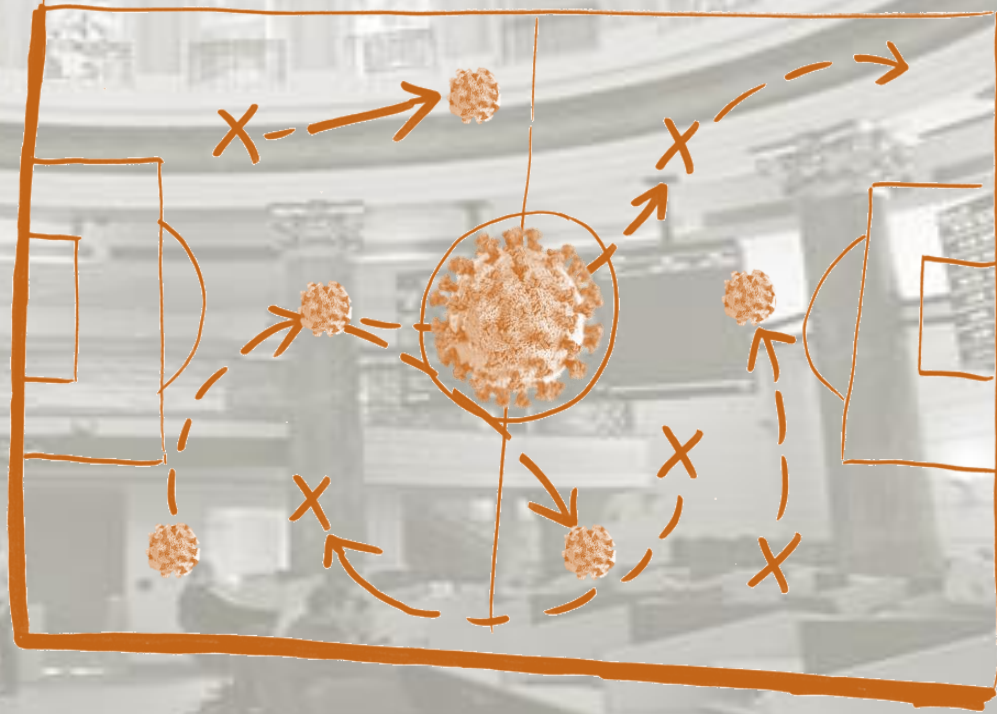


# Egypt 2021 Investing Playbook





# To Kim, With Love

What a year 2020 has been!

It started off with a global economic crisis in the making as investors were running multiple scenarios trying to understand the ramifications of an all-out U.S.-China trade war. But related economic risks began to subside somewhat following the Trade One deal between the world’s two largest economic powerhouses. Yet, the world had no chance to breathe a full sigh of relief, having been slapped with another global crisis – albeit health-related at that time, the COVID-19 pandemic.

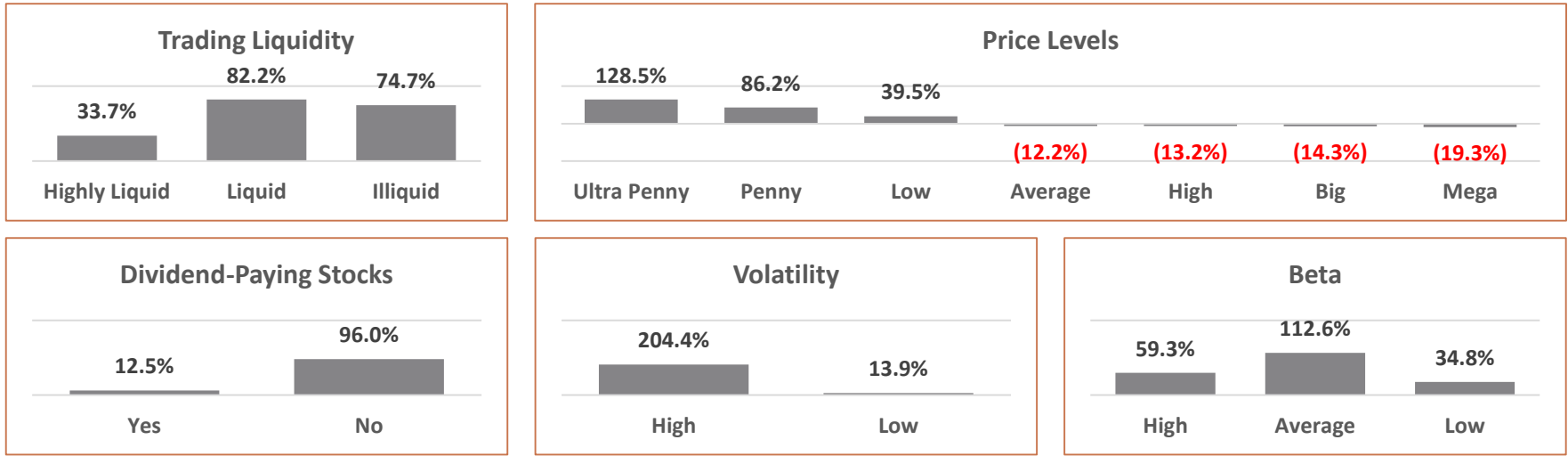
Just to avail ourselves of history, we look back to capture the big picture and how it all played out. While we examined our local market in

hindsight, our outlook for the most part does not derive from historical data. Instead, we developed new lenses to look at the market from different, yet more revealing, angles. These lenses are style and quantitative. Please see summary performance in Figures 1 and 2.

In this strategy note, we also lay down our economic outlook for 2021 as well as our sector views and stock views. We put together a list of 20 stocks to long and eight stocks to short in the form of stock cards for ease of reference.

As for the above title, please read on for more details ...

Figure 1: Prime Research’s five quantitative lenses for EGX (2020)



Source: Bloomberg, Prime Research.

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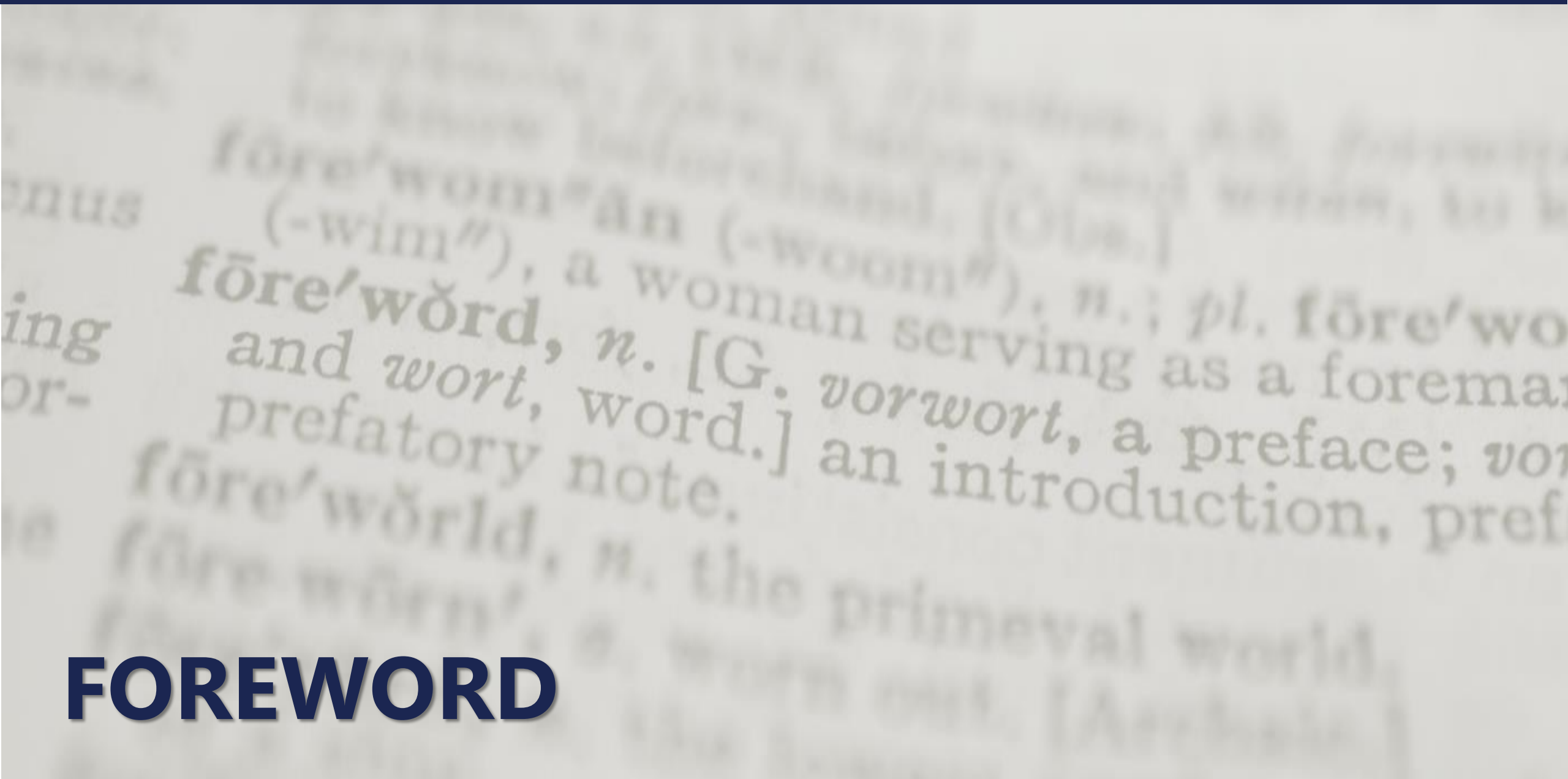
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Figure 2: Prime Research’s EGX style performance matrix (2020)

	Large	Mid	Small
Value	(15.5%)	(14.7%)	(18.8%)
Core	(0.7%)	(11.6%)	50.5%
Growth	116.1%	125.3%	123.7%

Source: Bloomberg, Prime Research.



# FOREWORD



## FOREWORD

**The right answer to the wrong question:** Are you expecting us to tell you the future? Well, we must alert you that you are reading the wrong report. Left to our own devices, we do not think that any particular market participant can tell how this year, or any other year for this matter, will unfold. For instance, who knew how the year 2020 would turn out to be 12 months ago? What started out with a year with key geopolitical and economic risks taking the front seat ended with a health crisis (instigated by the COVID-19 pandemic) impacting the whole world. Stepping into 2020, the world was concerned about **(1)** the U.S.-China trade war and what it means for global trade, **(2)** Brexit and what it means for the Eurozone, and **(3)** the geopolitical tension in the Middle East following the assassination of Iran's top military official and what it means for oil prices. Today, with only a few of 2021's 52 weeks behind, we believe there are two key issues—or rather questions—to deal with globally: **(1)** How will COVID-19's second wave impact the global economy and hence Egypt's? **(2)** How will the new U.S. administration led by the Democrat Joe Biden deal with China and the rest of the world?

**A rearview:** As we delve into our outlook for the Egyptian market for 2021, we prefer to first take a look in the rearview mirror, starting globally before zooming in on Egypt. Yes, we realize that history does not always repeat itself, but we can argue that understanding *how* and *why* events turned out to be in the past can help us prepare for the future.

**Global markets took the heat but recovered fast:** How global markets reacted to the COVID-19 health scare differed from one to another, yet almost all had one common theme: bottoming in March 2020. Also, the recovery was even sharper than the decline. [Figure 6](#) shows their performance from 2001 to 2020, illustrating how all asset classes ended the year 2020 on a positive note, with the exception of a few. Indeed, in 2020, losses

were inflicted on commodities (oil included), emerging markets real estate (understandably so, coming off a general risk-off mode), and the U.S. dollar index (as investors chased other asset classes as opposed to stashing cash).

### Bitcoin outperforms gold and global stock markets – again:

Granted, bitcoin has had a rollercoaster in the past 10 years, but its cumulative performance is of interest. Whether bitcoin is an asset class of its own or not, we looked at its performance in the past 10 years since it became tracked, generating a 10-year CAGR of 215% by end of 2020. It seems that over those past 10 years bitcoin has been a binary call: either outperforming all asset classes when it was positive or underperforming all asset classes when it was negative (-57.5% in 2014 and -74.3% in 2019 to be specific)—nothing in between. In 2020, bitcoin ended the year up 305.1%, dwarfing other asset classes, followed by Asian stocks (excluding Japan) and gold—each up some 25%.

### Emerging markets outperform developed and frontier markets:

Emerging markets have outperformed other developed and frontier markets in 2020, thanks in part to China which ended the year up 24.3% in USD terms. Globally, 58% of the stock markets closed out 2020 in green (averaging +25.1%), with 42% ending in the red (averaging -10.2%). [Figure 9](#) shows the top and bottom ten markets in each of the three stock market categories: developed, emerging, and frontier. On one front, developed and frontier markets ended the year mostly positive (78% of DMs and 52% of FMs, respectively). On the other, emerging markets ended the year mostly negative (52% of EMs).

**Was 2020 a good or bad year for Egyptian stocks?** Ideally, this would have been an easy question for anyone to answer. However, the answer would actually be different depending on whom you ask. For the second year in a row, the Egyptian stock

market ended the calendar year with diverging performance. The EGX 30 (the market's bellwether) was down 22.3% for the year, whereas EGX 70 EWI (the small-cap laden counterpart) jumped 69.3%. In 2019, EGX 30 was the one that outperformed, up 7.1% vs. EGX 70's -23.0%. This in and of itself tells the story of the Egyptian market in 2020. Most institutional and foreign investors would probably say that the Egyptian market did not recover off its COVID-19-induced abyss. On the other hand, most individual and local investors would tend to think otherwise. Indeed, the top 10 gainers in 2020 were all retail favorites. Over 50 stocks more than doubled in value in 2020. Overall, gainers outnumbered decliners by a ratio of 9 to 2. So, to answer the aforementioned question, you would first need to know the profile of whom you are asking.

### For the first time in Egypt, a multi-factor analysis approach:

This very performance of the Egyptian stock market calls for a different approach towards stocks to better understand what drives their behavior. For this, we present in this note a multi-factor analysis approach, which we claim to be the first analysis of its kind to be conducted on Egyptian stocks' performance. Instead of analyzing the stock performance based simply on sector or size, we apply different factors to examine how each group behaved in 2020, covering other characteristics, such as type, yield, insider sentiment, price levels, trading liquidity, volatility, and beta. We think this should help us understand the market better and make specific calls for the year ahead. For more details on this, please refer to [STOCKView](#).

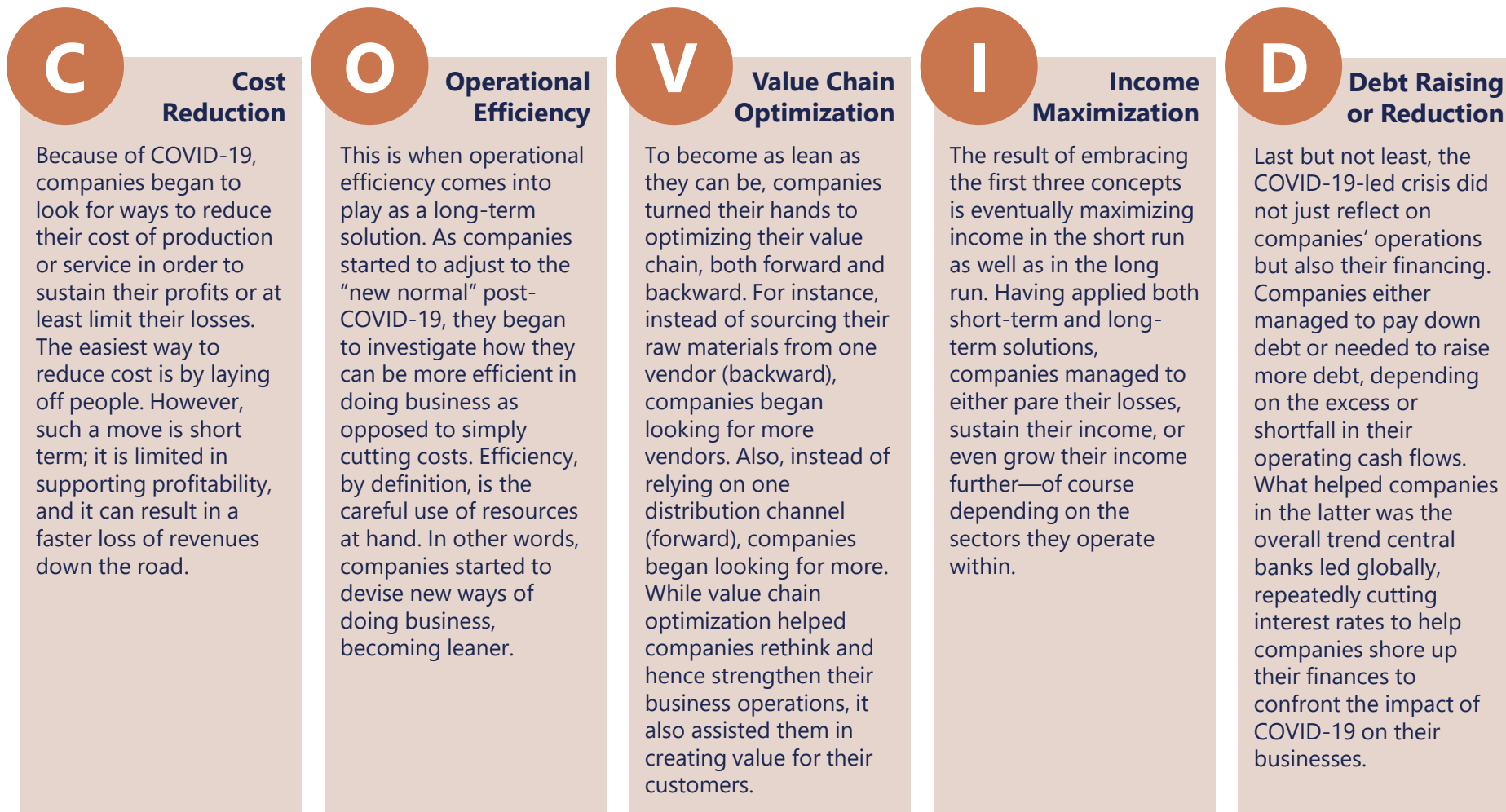


## FOREWORD (cont'd)

But before we dig into Egypt's **MACROView** and **STOCKView**, let's first reflect back on the year that has been and the new year that we are in.

**COVID: What it meant for the corporate world?** It seems that over the past two decades alone the world has come to learn how to get along within, not just one or two but several, "new normals". The "new normal" term has been often used to explain the situation post-economic crises, such as the Global Financial Crisis of 2008. More recently, the "new normal" resurfaced as the world starts to deal with the repercussions of the COVID-19 pandemic. For this, we break down the acronym COVID into what we think the corporate world has become to focus on as a result of the virus outbreak. In health, COVID is an acronym made up of "CO" (for corona), "VI" (for virus), and "D" (for disease). In the corporate world, we devise a new meaning for the acronym by the letter. Please see Figure 3 for our explanation of what COVID means to the corporate world, which incidentally can be in some way applied to people as well.

Figure 3: How we spell out COVID



Source: Prime Research.



## FOREWORD (cont'd)

**The corporate world dilemma:** Because of all the above, the corporate world—Egypt included—was in a pickle. On one hand, companies had the choice to either lay off employees (leading to higher unemployment) or end up with high-cost products. On the other, companies had a choice to either end up with high-cost products or sacrifice their profits. This further pushed them to re-strategize their business models, while hoping for a fast recovery.

**The alphabetic shapes of recovery:** At the onset of the COVID-19 crisis early 2020, we were overwhelmed with what we call “the alphabetic shapes of recovery”. Economists and strategists began to draw the different shapes that a recovery could take, naming each for a letter. It looked as if we just opened a tin of alphabet soup and everyone started to name whatever they found in their bowl. In Figure 5, we summarize all shapes as “2 KM WZ LUV” or what we spell out as “To Kim, With Love.”

**How will Egypt’s economic recovery shape up?** For Egypt, we think the economic recovery will be U-shaped for three reasons. First, Egypt was ready to handle the COVID-19 crisis having adopted its economic reform program late 2016. Second, Egypt is better positioned than the rest of the region in terms of economic growth drivers, being the only economy to post a positive growth in 2020. Third, an overall drop in global interest rates helped Egypt’s yields remain attractive, hence providing the government with funding flexibility as the economy recovers.

For more details, please read [MACROView](#).

Figure 4: The antonyms of the COVID-19 crisis

### Supply Chain vs. Supply China?

One of the key takeaways that the world had from both the COVID-19 crisis and earlier the U.S.-China trade war is that the global supply chains need a revisit. The way we see it is what used to be known as the global supply “chain” has become de facto the global supply “China”. This underscores how an important role China has grown to play in global manufacturing and hence global trade. This led global manufacturers to consider diversifying their value and supply chains away from China or at least look for other alternatives, albeit in the vicinity of China (e.g. Vietnam). This is known as “de-Chinafication” of value and supply chains.

Source: Prime Research.

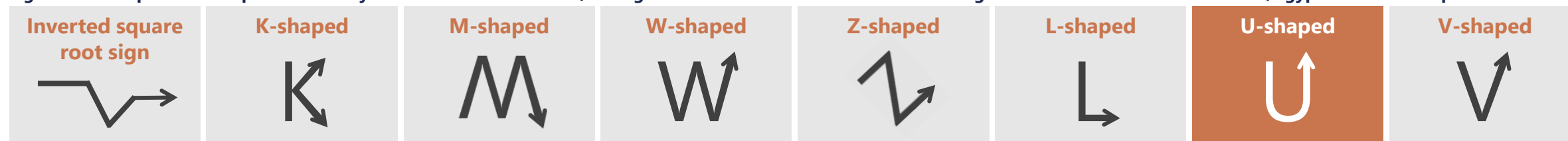
### Health Care vs. Health Score?

Undoubtedly, the COVID-19 crisis has driven the world into a “new normal” that is here to stay for some time. All of a sudden, the health care sector turned into a health scare across the globe, with government-led lockdowns negatively impacting sectors such as hospitality, travel, and tourism. However, it was not all bad omen for all sectors, with some benefitting off the whole ordeal, such as telecom and technology. In Egypt, the fintech-linked stocks were those beneficiaries.

### Globalization vs. De-Globalization?

Contrary to recent economic theories, globalization showed its ugly face, failing to diversify business risk as all global businesses were exposed simultaneously. Indeed, business strategies to off-shore jobs are now being abandoned as a wave of de-globalization began to take hold, driven by political concerns of national societies. In some instances, globalization even turned into anti-globalization. Hence, companies began to look for localized fixes rather than global fixes, opting for less international economic integration.

Figure 5: The alphabetic shapes of recovery from the COVID-19 crisis; the figures indicate the direction of economic growth over time in different cases; Egypt seen as U-shaped



Source: Media reports, Prime Research.



## FOREWORD (cont'd)

Figure 6: Asset class USD-based performance in the last 20 years (2001-2020)

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Asset Class
6.6%	44.0%	55.8%	34.1%	71.6%	93.9%	54.2%	6.0%	78.9%	29.6%	1316.7%	217.9%	5428.4%	12.8%	36.2%	120.3%	1403.2%	4.4%	94.8%	305.1%	Bitcoin
4.0%	39.0%	55.2%	26.0%	45.8%	33.8%	50.4%	5.8%	72.5%	22.2%	13.3%	52.9%	27.4%	6.7%	9.3%	52.4%	49.7%	2.4%	30.3%	25.2%	Asia (ex. Japan)
2.5%	24.8%	46.9%	20.9%	39.1%	32.5%	40.7%	4.8%	70.9%	21.6%	10.1%	22.7%	25.9%	5.6%	0.3%	27.8%	42.1%	(1.2%)	28.4%	25.1%	Gold
2.3%	16.5%	42.3%	20.7%	34.3%	23.2%	40.5%	3.0%	59.4%	20.4%	5.6%	19.6%	25.5%	5.0%	(0.3%)	14.3%	37.8%	(1.6%)	27.3%	19.4%	S&P Global 100
1.6%	4.1%	34.7%	19.2%	23.2%	21.6%	39.7%	(22.6%)	57.8%	19.9%	3.1%	18.6%	23.5%	4.8%	(1.5%)	11.7%	31.8%	(3.4%)	23.9%	18.5%	Emerging Markets
(2.4%)	1.8%	33.8%	18.0%	23.2%	21.0%	38.6%	(26.9%)	50.3%	19.2%	2.1%	16.8%	7.3%	3.3%	(1.8%)	9.2%	24.7%	(4.1%)	22.7%	16.8%	MSCI All-Country World
(3.1%)	(5.9%)	32.4%	15.8%	17.9%	20.7%	30.9%	(36.5%)	35.5%	14.8%	1.5%	16.6%	3.4%	2.6%	(2.3%)	8.5%	24.1%	(5.6%)	18.8%	16.5%	Developed Markets
(5.8%)	(8.0%)	28.0%	15.3%	12.8%	13.7%	12.3%	(40.3%)	30.9%	13.3%	1.5%	13.6%	0.3%	0.6%	(2.7%)	8.2%	23.1%	(8.2%)	18.5%	9.2%	Global Bonds
(15.2%)	(12.8%)	19.4%	13.2%	11.4%	6.6%	11.5%	(41.8%)	26.8%	12.4%	0.3%	8.5%	0.3%	0.2%	(3.2%)	8.1%	17.7%	(8.9%)	18.3%	7.0%	Global High Yield
(15.8%)	(18.9%)	12.5%	9.3%	10.1%	5.4%	9.7%	(42.8%)	24.4%	5.9%	(3.1%)	7.1%	(0.3%)	0.0%	(6.8%)	5.9%	13.5%	(14.2%)	18.0%	4.3%	Sukuk
(16.5%)	(19.5%)	10.8%	8.4%	5.1%	3.2%	9.5%	(51.4%)	22.5%	5.9%	(5.0%)	4.3%	(2.2%)	(1.4%)	(8.9%)	3.6%	11.1%	(14.3%)	16.5%	1.6%	Frontier Markets
(16.6%)	(20.7%)	5.3%	5.5%	3.7%	0.4%	5.5%	(52.2%)	11.3%	5.5%	(6.8%)	3.7%	(2.3%)	(2.0%)	(10.4%)	2.8%	10.4%	(15.4%)	12.6%	0.7%	USD Cash (3M)
(31.5%)	(24.9%)	1.2%	1.7%	3.6%	0.3%	3.2%	(53.2%)	6.9%	1.5%	(17.1%)	3.5%	(2.6%)	(3.4%)	(14.6%)	2.1%	7.4%	(16.4%)	6.9%	(6.1%)	Commodities
		(14.7%)	(7.0%)	(4.5%)	(8.2%)	(1.9%)	(55.2%)	0.7%	0.3%	(18.2%)	0.4%	(3.4%)	(33.9%)	(14.7%)	0.8%	1.3%	(17.1%)	6.8%	(6.7%)	US Dollar Index
					(10.8%)	(8.3%)	(66.6%)	(4.2%)	(1.7%)	(18.4%)	0.3%	(15.9%)	(48.3%)	(25.5%)	0.8%	0.9%	(19.5%)	2.4%	(16.9%)	EM Real Estate
										(26.1%)	(0.5%)	(28.3%)	(57.5%)	(35.0%)	(3.1%)	(9.9%)	(74.3%)	0.2%	(21.5%)	Oil

Note: The red solid line separates the positive from the negative performance each year.  
Source: Bloomberg, Prime Research.



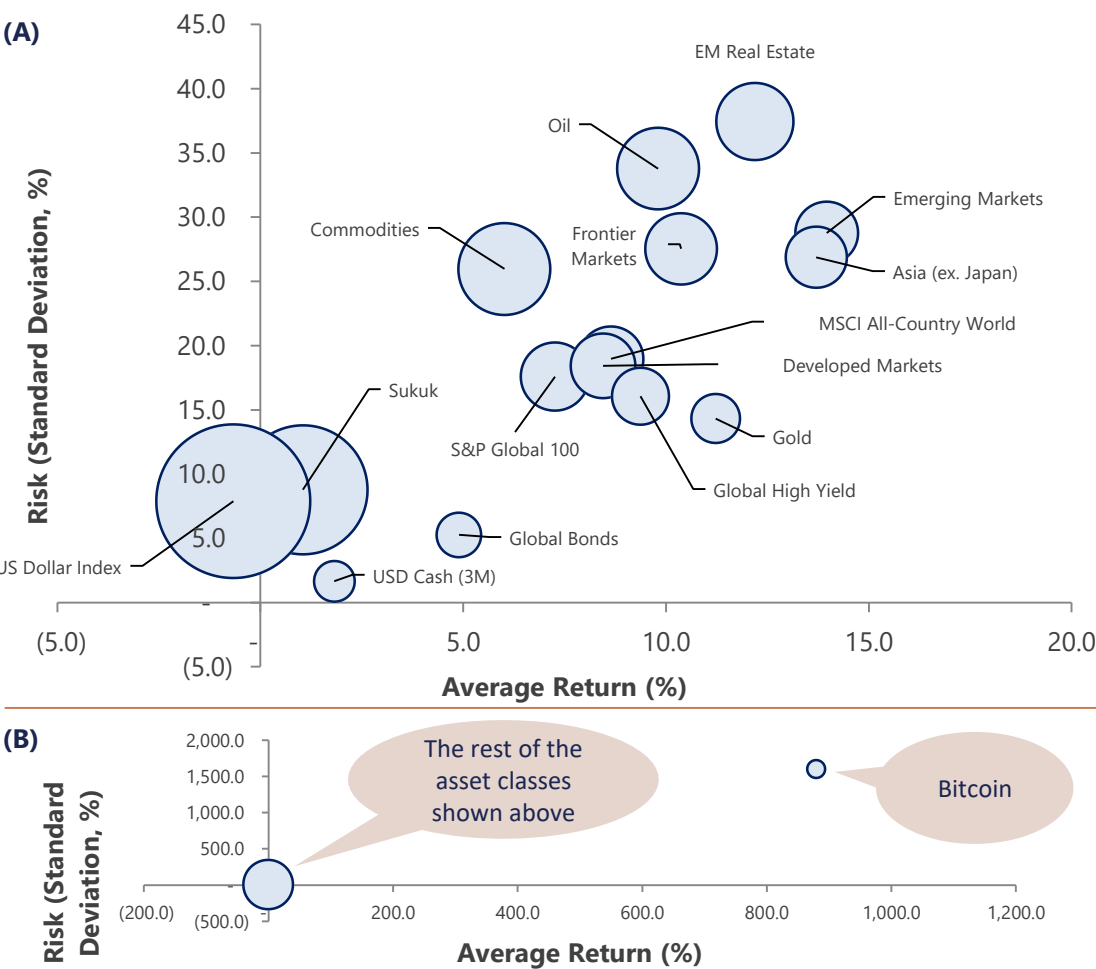
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Figure 7: Asset class performance in the past 20 years (2001-2020)

20Y CAGR	Asset class	% +ve years	Asset class	RSD	Asset class
215.15%	Bitcoin	100%	USD Cash (3M)	0.90	USD Cash (3M)
10.20%	Gold	85%	Global High Yield	1.08	Global Bonds
10.07%	Asia (ex. Japan)	80%	Gold	1.28	Gold
9.90%	Emerging Markets	80%	Global Bonds	1.72	Global High Yield
8.24%	Global High Yield	80%	Bitcoin	1.82	Bitcoin
6.71%	MSCI All-Country World	72%	Frontier Markets	1.96	Asia (ex. Japan)
6.63%	Developed Markets	70%	Asia (ex. Japan)	2.06	Emerging Markets
6.42%	Frontier Markets	70%	MSCI All-Country World	2.18	Developed Markets
5.62%	S&P Global 100	70%	Developed Markets	2.19	MSCI All-Country World
5.22%	EM Real Estate	70%	S&P Global 100	2.42	S&P Global 100
4.76%	Global Bonds	67%	Sukuk	2.66	Frontier Markets
3.95%	Oil	65%	Oil	3.07	EM Real Estate
2.56%	Commodities	65%	Commodities	3.45	Oil
1.81%	USD Cash (3M)	60%	Emerging Markets	4.32	Commodities
0.65%	Sukuk	55%	US Dollar Index	8.35	Sukuk
(0.98%)	US Dollar Index	45%	EM Real Estate	11.81	US Dollar Index

Note: Bitcoin's return is a 10-year CAGR (2010-2020). RSD is the relative standard deviation (risk divided by absolute return), which is similar to the coefficient of variation but only fixes the issue when the return is negative as is the case with the U.S. dollar index above. Shaded rows in the above three tables indicate negative performance, 50% or less chances of a down year in the past 20 years, and a high RSD reading above 3.00, respectively. Source: Bloomberg, Prime Research.

Figure 8: Asset class risk-return profiles in the past 20 years (2001-2020)



Note: Bubble size reflects the relative standard deviation (RSD). Source: Bloomberg, Prime Research.



## FOREWORD (cont.'d)

Figure 9: Global stock markets performance in 2020 (total return, percentage, and in USD terms)

Top 10 Global Markets		Top 10 Developed Markets		Top 10 Emerging Markets		Top 10 Frontier Markets	
Zimbabwe	553.14	Denmark	44.23	South Korea	39.77	Zimbabwe	553.14
Nigeria	48.01	Japan	24.70	Taiwan	35.24	Nigeria	48.01
Denmark	44.23	Finland	24.42	China	24.34	Lithuania	25.70
South Korea	39.77	Sweden	22.16	India	14.22	Bangladesh	21.64
Taiwan	35.24	New Zealand	21.42	Malaysia	7.55	Botswana	17.49
Lithuania	25.70	US	18.39	Saudi Arabia	6.67	Vietnam	17.39
Japan	24.70	Netherlands	14.87	UAE - ADX	5.26	Estonia	15.09
Finland	24.42	Switzerland	14.35	Turkey	5.03	Romania	13.14
China	24.34	Germany	13.50	Qatar	3.71	Slovenia	11.68
Sweden	22.16	Ireland	13.25	Pakistan	3.54	Sri Lanka	11.56

Bottom 10 Global Markets		Bottom 10 Developed Markets		Bottom 10 Emerging Markets		Bottom 10 Frontier Markets	
Argentina	(12.51)	Italy	5.96	Russia	(4.49)	Palestine	(6.64)
Ghana	(13.89)	Norway	4.37	UAE - DFM	(4.98)	Kuwait	(9.70)
Ukraine	(15.35)	France	3.47	Thailand	(5.28)	Bulgaria	(11.04)
Lebanon	(16.25)	Belgium	1.67	Chile	(5.46)	Ghana	(13.89)
<b>Egypt</b>	<b>(18.07)</b>	Hong Kong	0.22	Peru	(7.23)	Ukraine	(15.35)
Brazil	(20.08)	Austria	(2.21)	Hungary	(9.38)	Lebanon	(16.25)
Jamaica	(25.88)	Israel	(4.29)	Colombia	(12.47)	Jamaica	(25.88)
Trinidad and Tobago	(27.95)	Spain	(4.96)	Argentina	(12.51)	Trinidad and Tobago	(27.95)
Kenya	(29.70)	Singapore	(6.43)	<b>Egypt</b>	<b>(18.07)</b>	Kenya	(29.70)
Mauritius	(29.75)	UK	(8.86)	Brazil	(20.08)	Mauritius	(29.75)

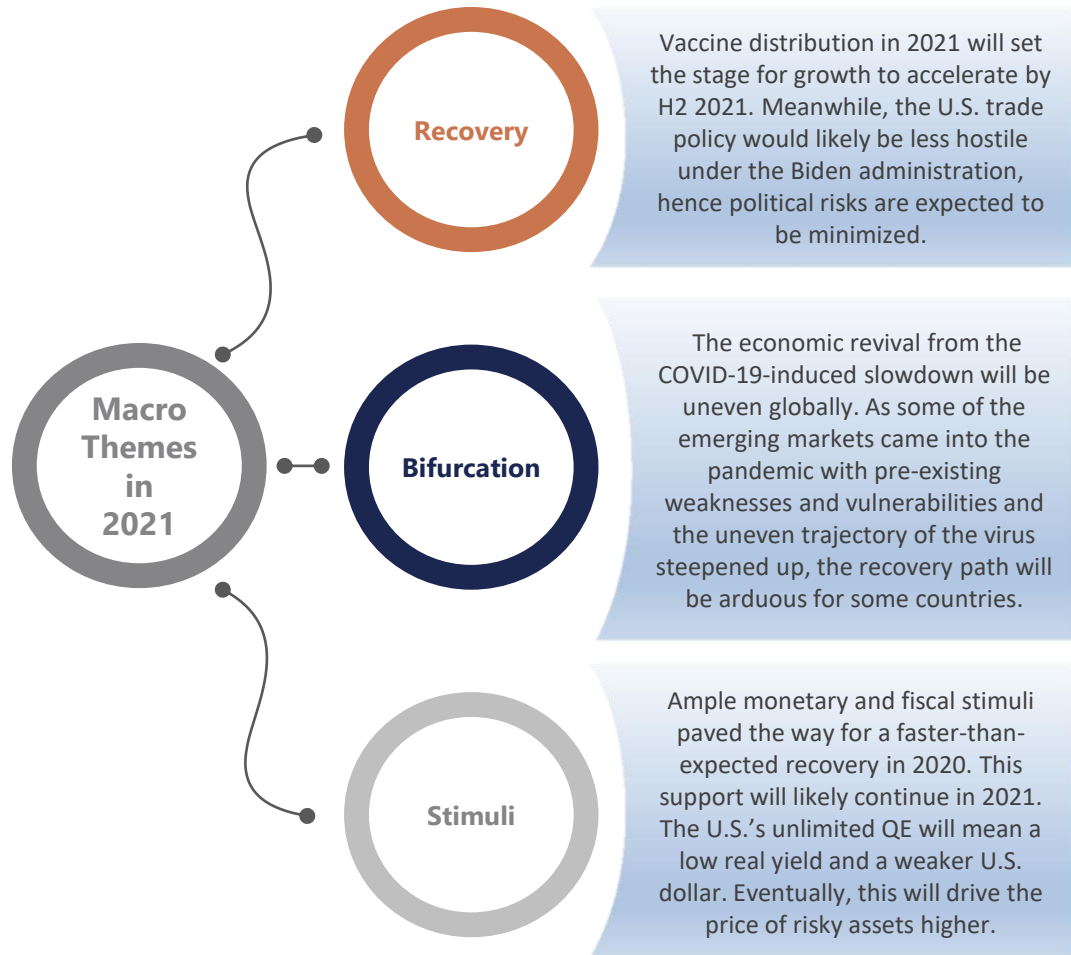
Note: Markets in colored rows produced negative returns.  
Source: Bloomberg, Prime Research.

A detailed, close-up photograph of the intricate mechanical gears and components of a watch movement, rendered in a light, faded tone to serve as a background.

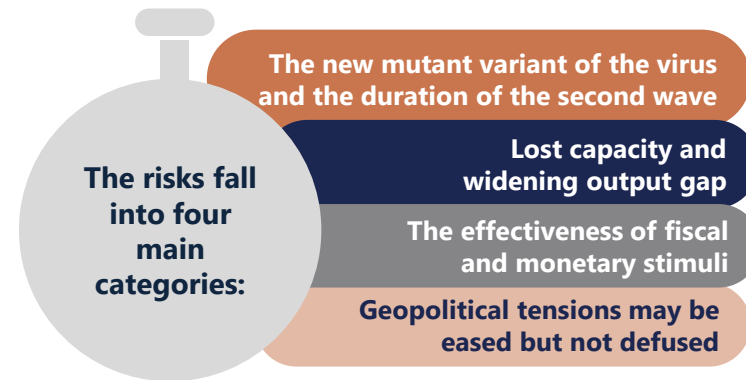
# **MACRO**View

## MACROView

### Road to Recovery Twists and Turns



### FOUR GLOBAL RISKS TO WATCH



After suffering from the 'Great Lockdown' in 2020, the world seems to be primed to start its journey to recovery in 2021. The unparalleled fiscal and monetary support and the distribution of an effective vaccine will set the stage for the global (and domestic) economy to restore its lost capacity during the year. Yet, we have to remember that the COVID-19 crisis has forced the world to grapple with a difficult trade-off between applying fiscal measures, which are needed to stimulate growth, and avoiding a further buildup of debt, which will be hard to service over the medium term. Also, the economic effect of the recently targeted lockdown and virus restriction measures will not be as draconian as those in the first wave, yet will still be severe.

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### FOUR AREAS TO MONITOR FOR EGYPT

#### Growth Potential

The Egyptian economy recovery will be hanging in the balance of the lingering virus effect on the tourism sector and investment inflows. Uneven recovery between sectors is more likely as global headwinds weigh heavier on external demand.

#### External Debt Sustainability

The surge in external debt should lead to serving more obligations, but it should also remain manageable in the short term.

#### Financing Gap

Considerable financing needs (14% of GDP) will limit the fiscal space and raise public debt obligations.

#### Labor Market Dynamics

Persistently limited job creation in the formal sector and the fall in the labor force participation rate are threatening the sustainability of the growth trajectory.

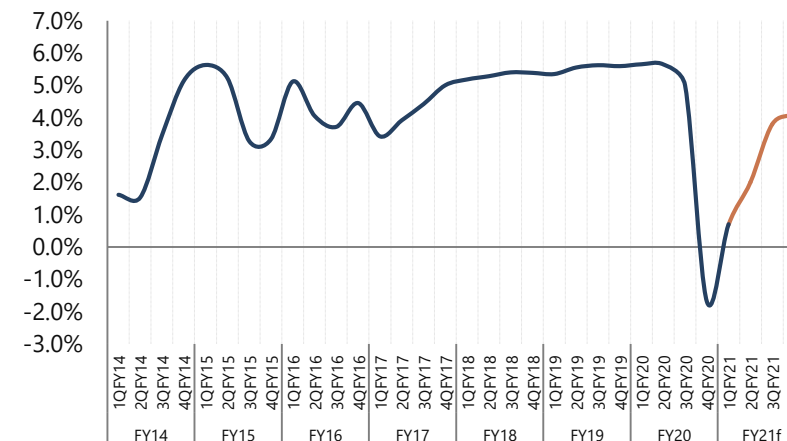


## MACROView (cont.'d)

### The Aftershock: Loss of Momentum vs. Prospect of Recovery

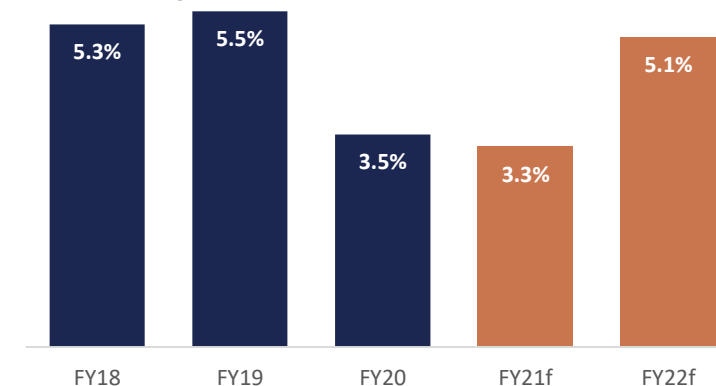
- **The virus shock led the Egyptian economy to contract by 1.7% in Q4 FY20, trimming the overall annual growth rate to 3.5% in FY20.** The annual growth was slowed down by a plunge in the contribution of exports. The emergence of COVID-19 and its health-related restrictions had a longer-lasting influence on Egypt's tourism sector, which accounted for 26% of total exports.
- **Over the first three quarters of FY20 (Jul 2019-March 2020), GDP grew by an average of 5.4%, thanks to the handsome contribution of private household consumption which leapt by an average of 5.8% from a meagre 1% in the same period a year earlier.** Private household consumption continued to grow at a strong rate of 11.6% y/y in Q4 FY20 (vs. 1.7% y/y in Q4 FY19), when the whole country was under the tight health restrictions triggered by the pandemic. This adds weight to our argument that private consumption was statistically strengthened by the base year effect and the rebasing of CPI index in 2019.
- **The path to post-pandemic normalization and recovery has started since Q1 FY21, when the economy inched up 0.7%.** Yet, the growth trajectory will remain rocky and fraught with pandemic-related uncertainties. Based on our base scenario, the economy is set to deliver a modest growth of 3.3% in FY21 before nearing its pre-pandemic growth level of 5.1% in FY22.
- **Personal consumption expenditures (PCE) is seen leading economic growth in FY21, driven by pent-up consumption, monetary easing, and government policies stimulating domestic consumption.** However, as the pandemic shock echoed through the labor market dynamics and the mathematic base year effect, we expect PCE growth to normalize at 3% y/y in FY21.
- **Gross capital formation is expected to drive growth through public investment in real state, electricity, refineries, petrochemicals, and construction.** Nonetheless, private investment in most hard-hit sectors should fall under the pressure of ebbing economic activity and lingering uncertainties over the virus trajectory. Public investment is expected to surpass private investment in 2021, led by medium- and long-term strategies, including **(1)** a plan to achieve self-sufficiency of refined fuel products by 2023 and **(2)** a plan to increase clean water capacity by constructing 47 seawater desalination plants over the next five years in a project that aims to scale up water supply.
- **Business models relying on domestic demand are seen to bounce up faster.** We still expect the global economy, and in turn external demand for goods and services, to take time to recover from the pandemic shock. This has created uncertainties and made massive vaccination campaigns a prerequisite for restoring pre-pandemic confidence and economic activities.

Figure 10: Egypt's growth to bounce back gradually in FY21



Source: Ministry of Planning, Prime Research.

Figure 11: Despite the rebound, Egypt's growth is expected to remain below pre-COVID-19 levels



Source: Ministry of Planning, Prime Research.

## MACROView (cont.'d)

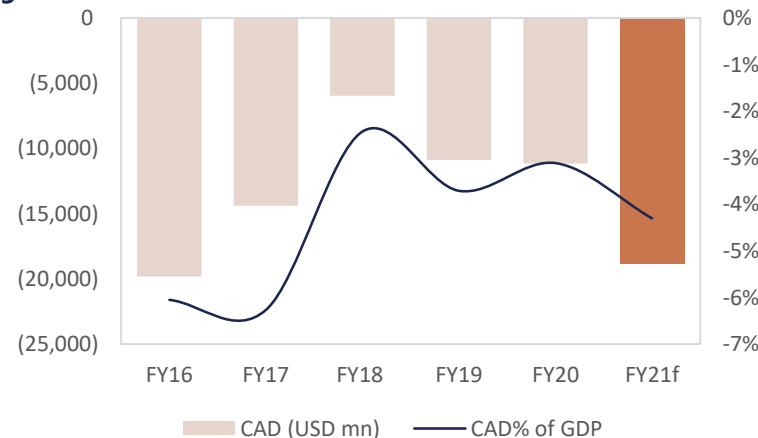
## External Sector on a Tightrope

- **Egypt's current account deficit (CAD) as a percentage of GDP narrowed in FY20 despite the COVID-19 shock.** Having widened to 3.7% of GDP in FY19 (vs. 2.4% in FY18), CAD narrowed in FY20 to 3.2% of GDP or USD11.16bn, albeit slightly up from USD10.9bn in FY19. This came well below our expectations for CAD to reach 3.9% of GDP (USD15bn). The pressures of the COVID-19 turmoil on CAD were eased by (1) larger-than-expected work remittances in Q4 FY20, (2) a significant improvement in the hydrocarbon trade balance, and (3) a strong balance of payment position in the first two quarters of the year.
- **The health crisis should leave a long-lasting effect on CAD, given the long road to recovery ahead for tourism and remittances.** We predict CAD will reach 4.5% of GDP (USD17.7bn) in FY21, stretched by:
  - 1) **Slowdown in workers' remittances** as most of the GCC countries have been bracing for a slowdown and speeding up their labor market nationalization policies. Remittances could drop c.20% y/y by end of FY21, in our view.
  - 2) **Prolonged standstill in the tourism sector** due to the second wave of COVID-19, as well as the long process of the vaccine rollout. Tourism revenues are seen further plunging by 40% y/y in FY21. The tourism sector should begin rebounding by 2H 2021, but restoring the lost ground in full is not expected before 2023.
  - 3) **Further acceleration of investment income deficit** by 27% y/y, as interest on external debt will increasingly be paid back. The COVID-19 crisis has triggered a massive wave of external borrowing. To offset the virus effect on FX liquidity, Egypt managed to secure USD7.8bn through

the IMF funding package, and issued USD5bn in Eurobonds by end of May 2020 and US\$750mn green bonds in September 2020. In addition, around USD8.1bn worth of loans, along with other financing from regional and international institutions, were raised.

- **Sluggish economy and cheaper oil should nudge trade deficit down, despite the expected fall in merchandise exports.** We expect trade deficit to narrow down by 5% y/y to USD34.5bn as the decline in imports (-4%) more than offsets the decline in exports (-3%). Lower oil prices should be a bliss for Egypt, being a net oil importer. In addition, restoring Damietta LNG terminal will boost the natural gas export capacity, yet the slump in global demand remains a risk.

**Figure 12: CAD to widen on the back of pandemic-driven global headwind**



Source: CBE and Prime Research.

- **The dovish stance in various advanced and emerging economies and the grimmer outlook for the U.S. dollar in 2021 will provide a supply of investible funds.** The outlook for foreign inflows into Egypt's local debt market will remain positive given the macro stability of the country's very attractive real yield. With an expected average yield on debt instruments hovering around 13%, the rate of return for investors remains attractive compared to EM peers, even after taking into account a 20% withholding tax.
- **FDIs are expected to remain pressured by a global slowdown and pandemic-related distortion.** We envisage a 7% y/y fall in FDIs to USD6.8bn channeled into oil & gas, renewable energy, and infrastructure and real estate mega projects.
- **En route to addressing the external financing gap, estimated at 9% of GDP, external borrowing will keep swelling yet at a slower rate.** Egypt is still able to garner widespread international support that should allow it to access the debt market under favorable conditions. The external debt is expected to hit 36% of GDP. But over the medium term, the government will put it back on a downward trajectory.
- **International reserves and the Egyptian pound will be vulnerable to capital outflows and a widening CAD.** We expect net international reserves (NIR) to drop by the end of 2021 to USD38bn, but the Egyptian pound should move within the 2-3% range and end the year at an average of EGP16/USD.



## MACROView (cont.'d)

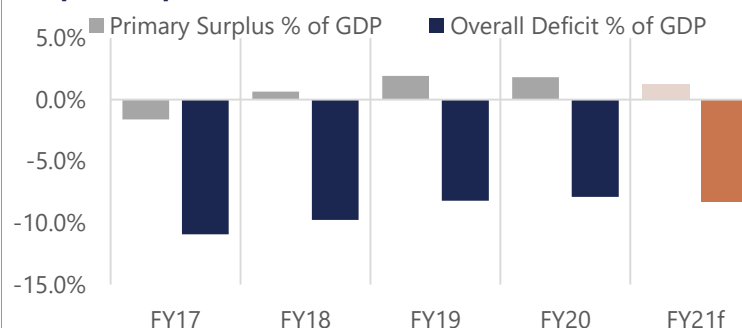
## Macro Policy: Balancing and Infusion

- **The impact of the COVID-19 crisis on fiscal balances was expected after discretionary fiscal measures were instituted and growth of fiscal revenues slackened.** However, the Egyptian government managed to reallocate its spare resources to finance a fiscal stimulus package of USD100bn (1.9% of GDP). This fiscal space was created by (1) savings from energy subsidy cuts after a plunge in oil prices as well as lower interest rates due to the Central Bank of Egypt's (CBE) easing policy and (2) the government's ability to rationalize some of its expenditures, including public wages and state pensions which have been cut by 1% and 0.5%, respectively.
- **Overall deficit is likely to exceed the 6.3% threshold targeted by the government for FY21. We expect fiscal deficit to hit 8.3% in FY21.** Value-added taxes, which account for 48% of total tax revenues, should be pressurized by uncertainties, limited direct income support by the government, and a lower propensity to consume driven by job losses. Also, corporate profits are projected to be stunted by pandemic-related distortions. Earnings growth of commercial banks, for instance, should remain subdued for their tendency to increase provisions to hedge against any surge in NPLs.
- **Still, Egypt should be able to achieve a positive primary surplus of 1.3% of GDP.** Despite the expected pressures on tax revenues, the government's efforts to counter these headwinds (such as automation of tax collection and widening the tax base) will alleviate the strain on the primary surplus.
- **Recognizing the limited fiscal scope due to the constraints on government spending and the growing risk of excessive borrowing, the Ministry of Finance (MoF) and**

**the CBE have opted for liquidity infusion measures to aid the economy in the pandemic fight.** The CBE actively used its EGP150bn sector-specific initiatives to support frontline sectors, while the MoF channeled part of its EGP100bn package to support the transfer payment system and the health sector. Helping the government access funds at favorable financing conditions has been the CBE's key role recently.

- **Thus, monetary policy will remain cautiously accommodative.** Over the course of the year, we forecast an average y/y monthly inflation rate of 6.3%. The cautious approach to monetary easing is likely to further strengthen the EGP, despite external pressures on the country's main FX revenues, which will help mitigate the inflationary pressures. Oil prices, as estimated by the government, are also unlikely to prompt any sharp uptick in inflation. Also, prolonged muted demand in FY21 will soften the surge of underlying demand-driven inflationary pressures.

**Figure 13: There is still a room to run positive primary surplus despite the shock**



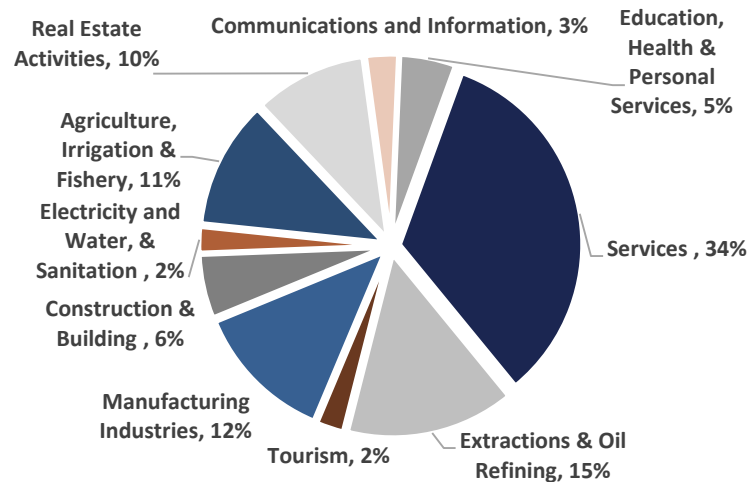
Source: Ministry of Finance, Prime Research.

- **Real rates will remain comfortably positive even with an expected 150bps cut in 2021.** As such, the CBE will be able to preserve Egypt's attractiveness to foreign portfolio investors. Maintaining portfolio inflows, which is the key for a stronger EGP against the USD, appears to have been a crucial concern for the CBE over the past several years, which helps explain its cautious stance when it comes to resuming its easing cycle.
- **Resuming the rate-cutting cycle will generate fiscal space from debt service payment.** We expect an amount ranging between EGP8-15bn to be saved from interest payments, if the CBE cuts its benchmark rate by 100-150bps in 2021.
- **Due to the COVID-19 crisis, we expect domestic public debt to rise this year, reaching 89.5% of GDP in 2021, up from 74.8% by the end of 2020.** The fall in tax revenues caused by the economic slowdown, combined with the elevated gap between interest rate paid by the government and nominal growth rate, will place public debt on an upward trajectory. We expect this situation to reverse in 2022, when primary surplus returns back to the 2% threshold needed to reduce debt ratio, thus putting the Egyptian economy back on the sustainability path.

## MACROView (cont'd)

### Key Macro Data

Figure 14: Diversification led to resilience (GDP by sectors average FY15-FY19)



Source: Prime Research.

Figure 15: Egypt credit rating (January 2021)

	Rating	Outlook
S&P	8-Nov-2020	B
	17-Apr-2020	B
	11-May-2018	B
Fitch	27-Jul-2020	B+
	25-Nov-2020	B+
	21-Mar-2019	B+
Moody's	2-Sep-2020	B2
	11-May-2020	B2
	17-Apr-2019	B2

Source: Credit rating agencies.

Figure 16: Selected macro indicators

	FY17	FY18	FY19	FY20	FY21e
<b>Real Economy</b>					
Nominal GDP (EGPbn)	3,470	4,437	5,459	5,770	6,540
Real GDP (EGPbn)	1,998	3,654	3,857	3,995	4,121
Growth rate (%)	4.20%	5.30%	5.60%	3.60%	3.30%
Unemployment rate (%)	12.0%	9.9%	7.5%	9.7%	10.0%
<b>External Sector</b>					
Trade Balance (% of GDP)	-15.9%	-14.9%	-12.6%	-10.2%	-8.2%
CAD (% of GDP)	6.3%	2.4%	3.7%	3.1%	4.2%
FDI (% of GDP)	3.5%	3.2%	2.8%	2.1%	1.6%
NIR (end of period USDbn)	31.3	44.3	44.5	38.2	38.0
External debt (% of GDP)	41%	37%	34%	35%	36%
<b>Monetary Sector*</b>					
Inflation rate (average %)	29.60%	14.40%	9.40%	5.10%	6.30%
CBE's lending rate (end of period )	19.75%	17.75%	13.25%	9.25%	7.75%
USD/EGP	17.8	17.8	16.8	15.8	16.1
<b>Fiscal Sector</b>					
Overall budget deficit (% of GDP)	10.9%	9.7%	8.2%	7.9%	8.3%
Primary Balance (% of GDP)	-1.8%	0.1%	1.9%	1.8%	1.3%

\*Calendar year.

Source: Government reports, Prime Research.



# SECTORView



## SECTORView

### 1. Banks



SECTORView

Positive



#### Key Themes

- Recovery in lending volumes.
- Recovery in deposit growth.
- Further monetary policy easing in 2021.

#### The Dreams

- Recovery in consumer purchasing power.
- Larger-than-expected monetary policy easing, hence, a faster-than-expected recovery in lending volumes.
- CBE decreasing the required reserve ratio from the current 14%.
- Potential fee income from ending the exemption of ATM and transfer fees as client activity persists.

#### The Nightmares

- Unexpected interest rate hikes.
- Tough competition and new players in the market due to recent and potential M&A deals.
- Further lockdowns due to COVID-19 or severe preventive measures by the CBE.

🚀 **Long Ideas:** CIEB, COMI, SAUD.

📉 **Short Ideas:** ADIB, EGBE.

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### 2. Consumer Discretionary



SECTORView

Neutral



#### Key Themes

- Purchasing power hit by nationwide lockdowns.
- Consumer spending will likely to recover by end of 2021.

#### The Dreams

- The sector, particularly textiles exporters, benefiting from the new government's rebate initiative.
- The sector benefiting from the government's consumer spending initiatives.
- Further interest rate cuts.
- Stronger EGP (vs. USD), except for exporters.
- Lower energy costs.

#### The Nightmares

- Unexpected interest rate hikes.
- Any inflation hikes.
- Severe competition.
- Delays or cancelation of shipments due to COVID-19.
- Weaker EGP (vs. USD), except for exporters.
- Exporting less amid COVID-19.

🚀 **Long Ideas:** AUTO, CIRA, MTIE, ORWE.

📉 **Short Ideas:** ACGC, KABO.

📧 **Nada Wagdy**  
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### 3. Consumer Staples



SECTORView

Neutral



#### Key Themes

- Purchasing power hit by COVID-19 and the closure of schools and universities.
- Profitability improving for most players on lower material costs, better deals, and stronger EGP.

#### The Dreams

- Purchasing power recovering as consumers start to adapt to COVID-19 environment.
- Further interest rate cuts.
- Stronger EGP (vs. USD), except for exporters.
- Companies adopting cost reduction initiatives, hence improving margins.
- Benefiting from the CBE's low-cost financing initiative for the private sector, including F&B.

#### The Nightmares

- Unexpected interest rate hikes.
- Any inflation hikes.
- Weaker EGP (vs. USD), except for exporters.
- High raw material costs.
- Severe competition and new entries.
- Delays in launching new products.

🚀 **Long Ideas:** OLFI.

📉 **Short Ideas:** None.

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### 4. Energy & Utilities



SECTORView

Negative



#### Key Themes

- Oil price response to supply-related factors outweighing demand fears so far in January 2021.
- Saudi Arabia's decision to voluntarily cut output by 1mn bpd through February and March, accompanied by geopolitical tensions, swiftly lifting oil prices.

#### The Dreams

- Successful vaccination campaigns, adding momentum to demand for jet fuel and kerosene.
- Further extensions to oil output cuts by Saudi Arabia and possibly other OPEC+ members.

#### The Nightmares

- New cases infected during the second wave of COVID-19, putting a lid on global trade activity.
- Oil market becoming a bit too sensitive to demand drivers instead of supply.
- Discoordination among OPEC members, resulting in market imbalances.








🚀 **Long Ideas:** EKHO.

📉 **Short Ideas:** None.

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## SECTORView (cont.'d)

<h3>5. Health Care &amp; Pharma</h3> 	<h3>6. Industrials</h3>	<h3>b. Ceramics</h3> 	<h3>c. Cables &amp; Construction</h3> 
<p><b>SECTORView</b> <span>Positive</span> </p> <p><b>Key Themes</b></p> <ul style="list-style-type: none"> <li>M&amp;A activity expected.</li> <li>Surprisingly, the sector being negatively impacted, slowing down amid COVID-19.</li> </ul> <p><b>The Dreams</b></p> <ul style="list-style-type: none"> <li>Reduction in the widespread fear of visiting clinics and/or performing medical operations.</li> <li>Growth in over-the-counter (OTC) drug sales.</li> <li>Benefiting from the implementation of the Universal Health Care Law in the long term.</li> <li>Expected shorter CCC for pharma companies can be seen due to the shift to the Authority for Unified Procurement &amp; Medical Supplies (AUP).</li> </ul> <p><b>The Nightmares</b></p> <ul style="list-style-type: none"> <li>Delays in procuring raw materials due to COVID-19.</li> <li>Weaker EGP (vs. USD).</li> <li>Weaker revenues if further lockdowns applied.</li> <li>Severe competition, particularly from online retail pharmacies.</li> </ul> <p>➔ <b>Long Ideas:</b> ISPH.</p> <p>👉 <b>Short Ideas:</b> None.</p> <p>📄 <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>	<p><b>SECTORView</b> <span>Neutral</span> </p> <p><b>Key Themes</b></p> <ul style="list-style-type: none"> <li>Oversupply in the market (80mn tons of production capacity, exceeding expected demand of 45mn tons).</li> <li>High production costs.</li> <li>Tough export competition.</li> </ul> <p><b>The Dreams</b></p> <ul style="list-style-type: none"> <li>Reconstruction in Libya, Syria, and Iraq.</li> <li>Government initiatives to limit supply (e.g. imposing production quota).</li> <li>Further consolidation of the industry (more M&amp;A deals).</li> <li>Cutting natural gas costs significantly (positive for South Valley Cement [SVCE]).</li> </ul> <p><b>The Nightmares</b></p> <ul style="list-style-type: none"> <li>Banning new construction permits.</li> <li>Declining cement prices.</li> <li>Any delay in the reconstruction in Libya, Syria, or Iraq (specifically in Libya where Egyptian cement producers have a competitive advantage in exports, thanks to their relatively low costs).</li> </ul> <p>➔ <b>Long Ideas:</b> MBSC.</p> <p>👉 <b>Short Ideas:</b> SVCE.</p> <p>📄 <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>	<p><b>SECTORView</b> <span>Neutral</span> </p> <p><b>Key Themes</b></p> <ul style="list-style-type: none"> <li>The 3-month import ban (ending March 2021) should reduce competition in the short term.</li> <li>High production costs.</li> </ul> <p><b>The Dreams</b></p> <ul style="list-style-type: none"> <li>Recovery in purchasing power and exports.</li> <li>Faster-than-expected migration to new cities, such as the New Administrative Capital.</li> <li>Lower natural gas costs.</li> <li>Other potential initiatives by the CBE may help decrease ceramics manufacturers' debt</li> </ul> <p><b>The Nightmares</b></p> <ul style="list-style-type: none"> <li>Any delay in purchasing power recovery.</li> <li>Tough competition in the local market and from imports.</li> </ul> <p>➔ <b>Long Ideas:</b> None.</p> <p>👉 <b>Short Ideas:</b> PRCL, LCSW.</p> <p>📄 <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>	<p><b>SECTORView</b> <span>Positive</span> </p> <p><b>Key Themes</b></p> <ul style="list-style-type: none"> <li>Accelerated infrastructure spending.</li> <li>Expansion in renewable energy and water treatment stations.</li> </ul> <p><b>The Dreams</b></p> <ul style="list-style-type: none"> <li>Reconstruction in Libya, Syria, and Iraq.</li> <li>Increasing contracts and workflow in Africa.</li> </ul> <p><b>The Nightmares</b></p> <ul style="list-style-type: none"> <li>Further lockdown measures or shorter working hours.</li> <li>Lower new awards.</li> <li>Unexpected interest rate hikes.</li> </ul> <p>➔ <b>Long Ideas:</b> ORAS, SWDY.</p> <p>👉 <b>Short Ideas:</b> None.</p> <p>📄 <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>





## SECTORView (cont.'d)

### 6. Industrials



#### d. Logistics



SECTORView

Neutral 😐

#### Key Themes

- Global trade slowdown.

#### The Dreams

- Weaker EGP (vs. USD).
- Higher oil prices.
- Potential incentives provided by the government to shipping companies in Egyptian ports.
- Infrastructure spending expansion for improving ports quality.

#### The Nightmares

- Stronger EGP (vs. USD).
- Lower oil prices.
- Global lockdowns.

🚀 Long Ideas: CSAG.

📉 Short Ideas: ALCN.

📧 Dina Abdelbadie  
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### 7. Materials



SECTORView

Neutral 😐

#### Key Themes

- Market focus is now on the recovery of product pricing, having had a cut in electricity prices in 2020, which certainly supported margins of energy-intensive producers.
- Fertilizer producers remain a safe bet, given their stable cost patterns and relatively resilient prices.

#### The Dreams

- Either a cut in natural gas prices or implementation of the recently-enacted amendments to the Investment Law should benefit fertilizer and petchem players.
- Aluminum stabilizing above USD2,000/ton.
- Benefits from relocation to the New Administrative Capital.
- As an exception, MICH still remains a pro-pandemic call within its sector.

#### The Nightmares

- Softer commodity markets.
- Stronger EGP (vs. USD)—definitely a bad omen.
- Delayed cuts in natural gas prices denting sentiment.

🚀 Long Ideas: ABUK, MFPC, MICH.

📉 Short Ideas: None.

📧 Mohamed Saad  
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### 8. Non-Banking Financials



SECTORView

Positive 😊

#### Key Themes

- Recovery in capital market performance.
- Growth in NBFS activities, backed by the government's initiatives and market needs.

#### The Dreams

- Delayed IPOs coming back on track.
- Capital market recovery.
- Capex plans resuming, further driving growth in the leasing segment.
- Digitalization of the economy, driving growth in e-payment platforms.

#### The Nightmares

- Fears over the second wave of COVID-19 pressuring capital markets to hit new lows as seen back in 2020.
- Any economic disturbance leading to setbacks of planned IPOs.
- Slower market adoption of digitalization tools, impeding potential growth.

🚀 Long Ideas: CICH, HRHO, BINV.

📉 Short Ideas: AFDI, FWRY, RAYA.

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### 9. Real Estate



SECTORView

Neutral 😐

#### Key Themes

- Lower interest rates.
- Upward trend in securitization in view of lower interest rates and extended payment terms.
- Expected sales to stabilize.
- Ongoing expansion into 4<sup>th</sup> generation cities.

#### The Dreams

- Having a cost-passing ability (cost inflation to pricing).
- Further decline in interest rates.
- Decline in land prices and extended tenors.
- Ability to reduce payment terms without jeopardizing sales.

#### The Nightmares

- Fluctuating prices of building materials.
- The ongoing release of new lands by NUCA, leading the market to be oversupplied and leaving developers with a high volume of inventories on their books.
- Tourism not recovering before 2022.

🚀 Long Ideas: ELSH, EMFD, MNHD, OCDI, TMGH.

📉 Short Ideas: EGTS, RTVC.

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## SECTORView (cont.'d)

### 10. Telecom Services & IT



#### SECTORView

Positive



#### Key Themes

- One of the key sectors benefiting from COVID-19.
- Ongoing construction boom in Egypt.
- The government's strategic initiatives of financial inclusion and digital transformation.
- Higher contribution to GDP (4.4% in FY20 vs. 3.8% a year earlier).

#### The Dreams

- New subscribers, particularly data subscribers, on improving infrastructure and coverage of new cities and regions.
- Further interest rate cuts.
- More benefits from the government's ICT initiatives and projects.

#### The Nightmares

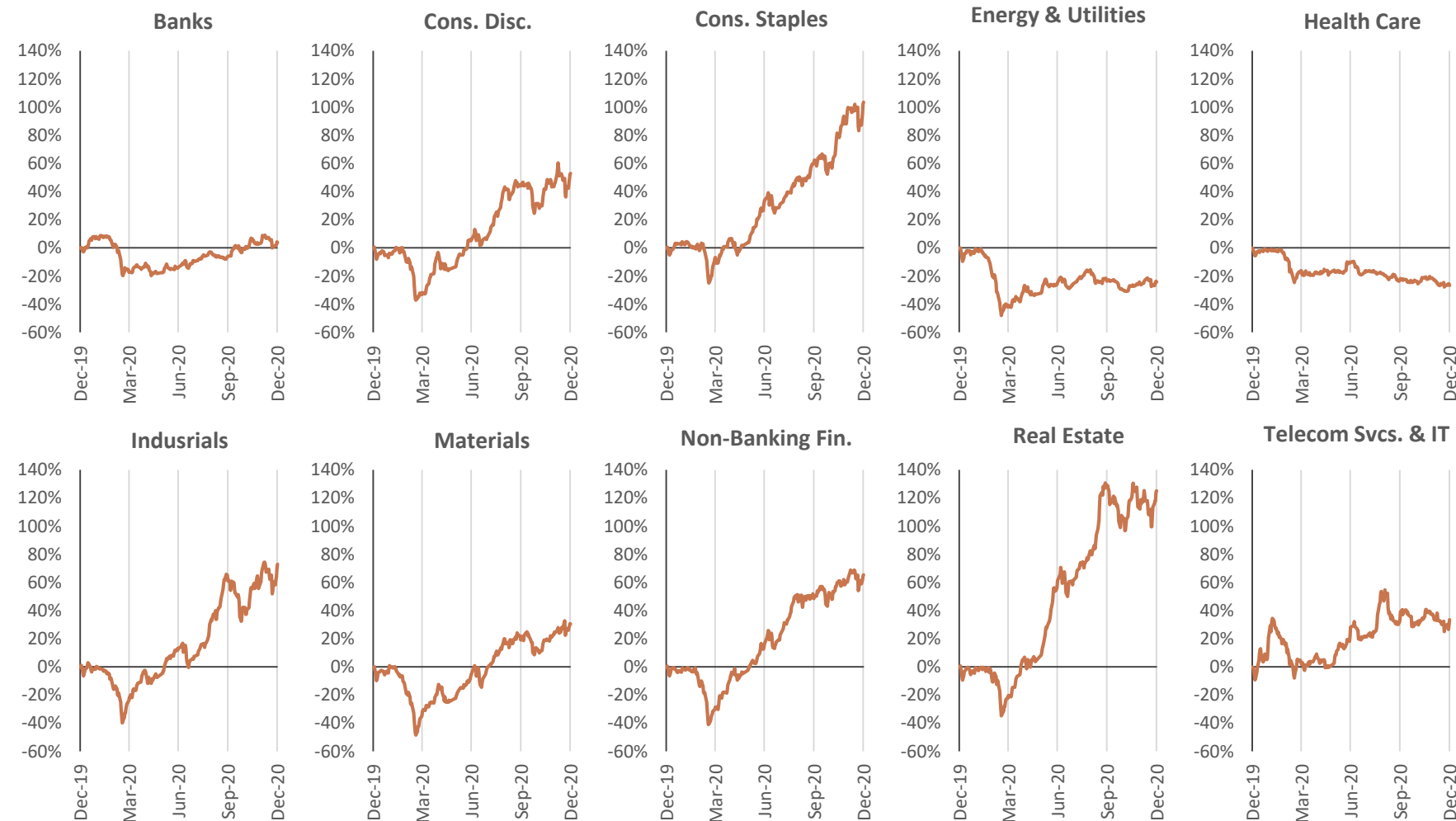
- Unexpected interest rate hikes.
- Unexpected infrastructure delays amid COVID-19.

📈 Long Ideas: ETEL.

📉 Short Ideas: None.

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Figure 17: Prime Research Sector Performance (2020, daily)



Source: Bloomberg, Prime Research.



# STOCKView





## STOCKView

We find the idea of dissecting the market into regular indices or sectors becoming a bit dull nowadays. On one hand, it does provide investors with a simplified view on market performance by grouping stocks within certain cohorts. But then again, the fact that two stocks share the same sector does not make them a matching pair for the sake of comparison. We believe that stocks possess other demographics that would present us with different performance views.

Thus, marching to the beat of our own drum, away from such traditional measures for weighing market performance, we decided to go the other way. We decided to conduct our own "factor analysis", which we believe would give investors many views of how the market performs using different lenses. Below, we explain the derivation of our main "factor analysis" study through two main lenses, style and quantitative.

## I. Style

To set up this "size vs. style" matrix, we first run our "size analysis" by sorting the EGX universe on a descending basis using each stock's EGP-denominated market cap as of 31 December 2019. We then calculate a cumulative market cap ratio when adding each next stock. The market cap ratio is the cumulative market caps of selected stocks as a percentage of total market cap of all EGX stocks. We then label all stocks that get us a cumulative market cap ratio of 70% as "large cap". Next, we label the stocks that get us a cumulative market cap between 70% and 90% as "mid cap", and the remaining 10% (i.e. a cumulative market cap ratio between 90% and 100%) as "small cap".

As for our "style analysis", we classified stocks as either "value", "growth", or "core". To do that, we opted to apply certain measures on EGX 100 constituents, three growth measures and three value measures, as follows:

Growth Measures

*(The higher the reading, the higher the growth score)*

- Three- and two-year CAGRs of revenues.
- Three- and two-year CAGRs of total assets.
- P/E.

Value Measures

*(The higher the reading, the higher the value score, except for P/E)*

- Dividend yield.
- P/BV divided by the "ROE – COE" spread.
- P/E (the lower, the higher the value score).

After scoring each measure, we calculate the final score. The final score is calculated as the average of the Growth group of measures minus the average of the Value group of measures. We finally sort the names based on their final score in a descending order. We label the stocks at the top 25% percentile as "growth" and the stocks in the bottom 25% percentile as "value". Meanwhile, we label the rest of the stocks as "core".

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## II. Quantitative

## i. Dividend-Paying Stocks

This one is a straight forward factor, as it dissects the EGX 100 constituents into dividend payers and non-dividend payers. This is based on the constituents' payout consistency and relative dividend yields.

## ii. Price Levels

While stock price levels should not have any direct fundamental effect on the company's performance or the fair value of its stock, they do bring about an obvious psychological effect. We classified the market based on their opening prices on 2 January 2020, the first trading day of the year. We classified all stocks into seven price groups (regardless of their trading currency), as follows:

**Figure 18: Price categories mix and characteristics**

Category	From	To	% of total	% Mkt Cap	Average ytd TRA
Ultra Penny	0.001	0.999	16%	3%	109.7%
Penny	1.000	4.99	28%	17%	77.9%
Low	5.00	14.99	37%	38%	58.1%
Average	15.00	29.99	9%	14%	30.1%
High	30.00	49.99	4%	4%	13.2%
Big	50.00	74.99	1%	3%	8.4%
Mega	75.00		5%	21%	-8.0%

Source: Mubasher, Prime Research.



## STOCKView (cont.'d)

### iii. Insider Sentiment

In a crazy ride like the one we had in 2020, we thought listening to the voice of insiders could be a good idea, assuming they know more about their companies. Insider transactions are the “buy” and “sell” transactions carried by a board member, manager, other insiders, or strategic shareholders. We collected the data on insider transactions executed across the EGX universe throughout the year 2020. We detected stocks with the highest net buying value relative to their market caps.

### iv. Beta

Based on data sourced from Bloomberg, we gathered the 2-year weekly adjusted beta for each of the EGX 100 constituents. The idea is to split stocks into three cohorts based on their beta, as follows:

1. **Low Beta:** Up to and including 0.9.
2. **Average Beta:** Above 0.9 to and including 1.1.
3. **High Beta:** Above 1.1.

### v. Trading Liquidity

Addressing trading liquidity is often very subjective. However, we think that the best way to gauge liquidity is to be consistent with how we account for size. Therefore, our method for liquidity-based grouping is similar to that of size-based grouping. We conducted our analysis by sorting the EGX 100 constituents in a descending order based on their EGP-denominated turnover during 2020. We then calculate the cumulative turnover ratio when adding each next stock. The turnover ratio is the cumulative annual turnover of selected stocks as a percentage of total annual turnover of all EGX stocks. We then label all stocks that get us a cumulative annual turnover ratio of 70% as “highly liquid”. Next, we label the stocks that get us a cumulative annual turnover between 70% and 90% as “liquid”, with the remaining 10% (i.e. a cumulative annual turnover ratio between 90% and 100%) as “illiquid”.

### vi. Volatility

For each EGX 100 constituent, we calculate its weekly range (i.e. the range between each week’s high and low) in the 52 weeks of 2020. We then average each constituent’s weekly range during the year to arrive at one average weekly range for all EGX constituents (i.e. EGX 100’s weekly average range). Next, we take the average of all 52-week weekly ranges (i.e. average of the weekly averages) for all EGX 100 constituents collectively and individually to reach what we call the “average weekly range for the year (AWRY)”. On this account, we came up with what we call the “V Score”. In simple terms, the V Score of each stock is that stock’s AWRY as a percentage of the market’s AWRY (EGX 100 in this case), divided by 100 to scale it to an absolute number.

**Figure 19: Insider transactions, by sector and by month, in 2020**

EGPmn	Value Bought	Value Sold	Net value	EGPmn	Value Bought	Value Sold	Net value
Banks	1,086	(132)	954	January-20	66	(84)	(18)
Industrials	654	(517)	137	February-20	611	(4,205)	(3,594)
Telecom Services & IT	93	(80)	13	March-20	279	(145)	134
Energy & Utilities	107	(130)	(22)	April-20	1,134	(1,085)	49
Healthcare	27	(89)	(62)	May-20	553	(1,114)	(561)
Consumer Discretionary	126	(394)	(268)	June-20	1,475	(1,115)	360
Materials	1,271	(1,697)	(426)	July-20	271	(1,822)	(1,551)
Real Estate	732	(1,347)	(615)	August-20	187	(433)	(246)
Consumer Staples	501	(1,334)	(834)	September-20	302	(2,072)	(1,770)
Health Care	248	(1,855)	(1,607)	October-20	233	(311)	(79)
Non-Banking Financials	1,454	(6,570)	(5,116)	November-20	350	(695)	(345)
<b>Total</b>	<b>6,299</b>	<b>(14,144)</b>	<b>(7,845)</b>	December-20	838	(1,064)	(225)
				<b>Total</b>	<b>6,299</b>	<b>(14,144)</b>	<b>(7,845)</b>

Source: Mubasher, Prime Research.





# STOCKCards



## STOCKCards – Summary Table

Figure 20: Prime Research Long and Short Ideas

Stock data					Trading data			Price Perf.		Valuation						Fundamentals								
Ticker	Sector	TC	NOS (mn)	Mkt cap (EGPmn)	ADTV 6M (EGP000)	Free float	Index	Last	ytd	FY ends	Cons. PT	Up/ (dn)	Prime Res. PT	Up/ (dn)	Method	P/E	P/BV	DY	ROE	FLM	Earnings 3Y CAGR	Net debt/ (cash)	Net debt (cash)/MC	
# Long Ideas																								
1	CIEB	Banks	EGP	311	8,706	8,213	39%	EGX30	28.00	-3.5%	Dec	44.1	57%	31.4	12%	Multiples	6.3x	1.3x	12.2%	20.1%	7.6x	20%	na	na
2	COMI	* Banks	EGP	1,478	92,503	120,998	68%	EGX30	62.60	5.8%	Dec	79.6	27%	83.0	33%	Multiples	8.7x	1.7x	1.6%	19.5%	7.6x	25%	na	na
3	AUTO	Consumer Discretionary	EGP	1,094	3,906	18,354	36%	EGX30	3.57	7.5%	Dec	4.6	28%	4.2	18%	SOTP	5.8x	0.9x	na	15.5%	4.2x	na	12,464	319.1%
4	CIRA	Consumer Discretionary	EGP	583	8,101	6,721	49%	EGX70	13.90	-5.1%	Aug	18.5	33%	19.0	37%	Multiples	30.4x	7.9x	1.0%	25.9%	2.6x	na	227	2.8%
5	MTIE	Consumer Discretionary	EGP	773	7,278	8,946	59%	EGX30	9.41	20.0%	Dec	11.6	23%	10.8	15%	Multiples	18.2x	4.4x	na	24.1%	1.8x	1%	201	2.8%
6	ORWE	Consumer Discretionary	EGP	665	4,716	9,626	54%	EGX30	7.09	3.5%	Dec	8.1	15%	8.3	17%	Multiples	6.1x	0.7x	9.2%	11.6%	1.6x	16%	445	9.4%
7	OLFI	Consumer Staples	EGP	400	2,980	2,614	53%	EGX70	7.45	31.4%	Dec	9.5	28%	8.2	10%	Multiples	9.6x	3.2x	6.7%	33.4%	1.5x	na	146	4.9%
8	EKHO	Energy & Utilities	USD	1,024	17,239	811	51%	EGX30	1.07	5.7%	Dec	1.6	51%	1.6	49%	Multiples	10.6x	3.7x	5.6%	34.5%	3.0x	40%	1,782	10.3%
9	ISPH	Health Care & Pharma	EGP	960	4,992	13,139	87%	EGX30	5.20	2.2%	Dec	8.4	62%	7.5	44%	Multiples	17.6x	3.7x	1.3%	21.2%	6.6x	45%	963	19.3%
10	ORAS	Industrials	EGP	117	11,479	4,256	27%	EGX70	98.31	17.3%	Dec	140.2	43%	140.0	42%	DCF	7.9x	1.2x	3.4%	15.6%	6.7x	65%	(3,282)	-28.6%
11	SWDY	* Industrials	EGP	2,184	22,322	30,026	34%	EGX30	10.22	4.2%	Dec	11.0	8%	12.7	24%	DCF	7.4x	1.4x	7.8%	19.3%	3.1x	1%	(18)	-0.1%
12	ABUK	Materials	EGP	1,262	30,058	13,518	30%	EGX30	23.82	15.2%	Jun	25.2	6%	25.0	5%	Multiples	11.1x	5.4x	5.0%	49.2%	1.8x	37%	(6,380)	-21.2%
13	MFPC	Materials	EGP	229	16,826	5,547	22%	EGX70	73.44	25.0%	Dec	95.6	30%	90.0	23%	Multiples	8.1x	1.1x	3.4%	13.5%	1.7x	32%	3,319	19.7%
14	MICH	* Materials	EGP	73	810	2,250	30%	EGX70	11.08	3.0%	Jun	13.3	20%	13.9	25%	DCF	7.3x	1.4x	9.0%	19.8%	1.2x	39%	(235)	-29.0%
15	BINV	Non-Banking Financials	EGP	160	2,045	1,351	na	na	12.78	16.7%	Dec	na	na	16.1	26%	SOTP	11.1x	1.1x	3.1%	10.1%	1.0x	4%	(437)	-21.4%
16	CICH	* Non-Banking Financials	EGP	1,284	4,310	16,765	66%	EGX30	4.31	8.0%	Dec	5.5	28%	6.0	39%	DCF	8.7x	1.5x	na	16.7%	4.7x	na	8,980	208.4%
17	HRHO	* Non-Banking Financials	EGP	769	12,198	26,526	65%	EGX30	15.87	8.5%	Dec	21.7	37%	17.7	12%	DCF	10.3x	0.9x	na	8.9%	2.9x	-4%	2,050	16.8%
18	ELSH	Real Estate	EGP	182	976	3,726	23%	EGX70	5.38	11.2%	Dec	na	na	7.4	38%	NAV	6.7x	1.6x	3.7%	23.7%	2.4x	25%	402	41.2%
19	EMFD	Real Estate	EGP	4,529	12,048	15,151	11%	EGX30	2.66	12.2%	Dec	4.2	57%	3.9	45%	Multiples	5.7x	0.7x	na	12.6%	2.8x	0%	(10,325)	-85.7%
20	ETEL	Telecom Services & IT	EGP	1,707	20,041	18,879	20%	EGX30	11.74	-1.6%	Dec	17.3	47%	15.0	28%	Multiples	4.4x	0.5x	2.1%	12.1%	2.1x	22%	16,850	84.1%
# Short Ideas																								
1	ACGC	Consumer Discretionary	EGP	265	887	36,083	84%	EGX70	3.35	2.1%	Jun	2.2	-34%	2.4	-28%	Multiples	na	0.6x	na	-12.1%	1.5x	9%	499	56.3%
2	KABO	Consumer Discretionary	EGP	465	714	9,331	28%	EGX70	1.54	14.3%	Jun	na	na	1.1	-28%	Multiples	na	1.6x	na	-11.0%	1.5x	na	96	13.4%
3	RAYA	Non-Banking Financials	EGP	214	4,794	757	na	na	22.40	205.6%	Dec	na	na	12.8	-43%	SOTP	na	6.5x	0.8%	-14.2%	9.4x	na	3,882	81.0%
4	AFDI	Non-Banking Financials	EGP	18	377	3,409	51%	EGX70	20.95	12.9%	Dec	na	na	11.6	-45%	SOTP	75.4x	1.5x	na	2.0%	5.4x	na	999	264.9%
5	ALCN	Industrials	EGP	1,490	11,844	1,150	5%	na	7.95	-3.3%	Jun	9.0	13%	7.2	-9%	Multiples	8.8x	2.5x	9.8%	29.0%	1.1x	na	(2,553)	-21.6%
6	PRCL	Industrials	EGP	50	298	4,126	42%	EGX70	5.91	27.9%	Jun	na	na	4.9	-17%	Multiples	na	2.4x	na	-45.2%	2.8x	na	(15)	-5.0%
7	UNIP	Industrials	EGP	77	965	1,807	18%	EGX70	12.53	82.1%	Dec	na	na	6.1	-51%	Multiples	67.3x	6.7x	2.0%	9.9%	2.2x	na	103	10.7%
8	FWRY	Non-Banking Financials	EGP	707	32,593	18,762	48%	EGX30	46.08	37.5%	Dec	33.9	-26%	24.5	-47%	Multiples	197.5x	46.6x	na	23.6%	2.8x	27%	(482)	-1.5%

\* Core coverage, whose PT is 12-month price target. Prices as of 1 February 2021.

Source: EGX, Prime Research.



## STOCKCards – Long Ideas

Abu Qir Fertilizers ABUK	Al-Shams Housing & Urbanization ELSH	B Investments BINV	Cairo Inv. & Real Estate Development CIRA
<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP25.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>A stable player as urea selling prices are relatively less volatile.</li> <li>Even with a stronger EGP and the recent decline in urea prices, ABUK still boasts rich margins, with profitability well anchored due to healthily diversified product range.</li> <li>The new methanol project should be value accretive, only if ABUK is successful in negotiating natural gas prices below the current USD4.5/mmbtu.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Delays in announcing the executive regulations of the latest free zone framework for petchem projects.</li> <li>Stronger EGP would dampen revenues growth.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP25.0/share (based on an assumed 2021e EV/EBITDA of 7x, implying a 2021e P/E of 11x).</li> </ul> <p> <b>Mohamed Saad</b> <a href="mailto:msaad@egy.primegroup.org">msaad@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP7.4/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Launching Solana, ELSH's new project in New Administrative Capital, in 2021.</li> <li>Has been issued a decree to redesign a service area into nine commercial plots with a total GLA of 49,255 sqm.</li> <li>A partnership with Mirad over 21 buildings with a 46% share of the collected installments and no expected outflow from ELSH.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Intense competition in New Administrative Capital leading to salability risk.</li> <li>Liquidity risk due to low cash balance in addition to higher investment costs associated with off plan sales.</li> <li>Fluctuating prices of building materials.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP7.4/share (based on a net asset valuation "NAV").</li> </ul> <p> <b>Kareem Farid</b> <a href="mailto:kfarid@egy.primegroup.org">kfarid@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP16.1/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Hidden value to be unlocked in view of BINV's remaining investment in Total Egypt. Recent partial exit from Total Egypt (a fifth of BINV's 7.97% stake) with a pretax capital gain of EGP118.2mn (more than 4x capital invested).</li> <li>The potential IPO in H2 2021 by Ebtikar (20.3% owned by BINV) would unlock further hidden value. Ebtikar's NBFS platform includes two e-payment companies comparable to Fawry [FWRY].</li> <li>Monetization of the huge prime location land bank owned by Madinet Nasr Housing &amp; Development [MNHD], and diversification of land portfolio by acquiring new land in New Assiut.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any delay in Ebtikar's planned IPO.</li> <li>MNHD's salability risk and fluctuating prices of building materials.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP16.1/share (based on a SOTP method, applying adjusted book value).</li> </ul> <p> <b>Sherif El Etr</b> <a href="mailto:seletr@egy.primegroup.org">seletr@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP19.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Potential growth with the launch of new schools and faculties and the first phase of Badr University in Assiut (expected during 2021).</li> <li>Cheaper financing (e.g. issuing EGP600mn of Ijarah Sukuk) to fund CIRA's expansion plans at a low interest rate (CBE lending rate + 75bps).</li> <li>Higher expected margins from lower utility costs as online tutoring becomes the norm.</li> <li>Considerable ROE vs. peers.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Regulatory risk with the new private university admissions system to be launched soon by the Ministry of Higher Education.</li> <li>Any delays in obtaining licenses.</li> <li>Any unexpected interest rate hikes given the company's leverage.</li> <li>The expected listing of Taaleem on the EGX could attract fund flows focused on education, potentially pressuring CIRA's performance.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP19.0/share (based on a multiples approach, using P/E of 34.3x and P/S of 8.3x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>



## STOCKCards – Long Ideas (cont'd)

CI Capital Holding CICH	Commercial International Bank COMI	Crédit Agricole Egypt CIEB	EFG Hermes Holding HRHO
<p>Rating: <b>Overweight / Medium Risk</b></p> <p>12M PT: <b>EGP6.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>More expansions in NBFS, adding consumer finance and mortgage finance to its already well-established leasing and microfinance segments.</li> <li>NBFS expansion to hedge against any headwinds the IB platform could face in the case of a weak local capital market.</li> <li>A potential exit from Taaleem through an IPO.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Weak local capital market recovery, especially with no cross-border presence.</li> <li>Profitable diversification is tied to growth in newly-added segments, as Corplease commands the lion's share in the platform in terms of top line and bottom line.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>12M PT: 6.0 (based on DCF-based sum-of-the-parts valuation).</li> </ul> <p>Please refer to <a href="#">our core coverage report</a>.</p>	<p>Rating: <b>Overweight / Medium Risk</b></p> <p>12M PT: <b>EGP83.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Recovery in capex lending.</li> <li>Low cost of funds.</li> <li>High profitability indicators, backed by solid ALM management.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Systematic and geopolitical risks.</li> <li>Fierce competition resulting from recent and potential M&amp;A deals as foreign banks focus more on the Egyptian market.</li> <li>Further lockdowns due to COVID-19.</li> <li>Any severe preventive measures by the CBE.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>12M PT: EGP83.0/share (based on a historical 14-year average P/BV of 2.15x).</li> </ul> <p><b>Please refer to:</b></p> <ul style="list-style-type: none"> <li><a href="#">Our core coverage report</a></li> <li><a href="#">Our latest update</a>.</li> </ul>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP31.4/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Easing monetary cycle.</li> <li>Low cost of funds.</li> <li>Wide capital base.</li> <li>Prime asset quality.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any restriction by CAE France in Egypt will subdue lending and deposits growth.</li> <li>Further lockdowns due to COVID-19.</li> <li>Any severe preventive measures by the CBE.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP31.4/share (based on a historical 15-year average P/BV of 1.14x).</li> </ul>	<p>Rating: <b>Overweight / Medium Risk</b></p> <p>12M PT: <b>EGP17.7/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Further expansions of NBFS platform spectrum. (NBFS platform's ROAE 2019a: 42%, 2020e: 21%, 2021e: 26%).</li> <li>Expected recovery of capital markets, backed by diversified revenue stream from frontier and emerging markets.</li> <li>Value accretion via aiBank potential acquisition.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Weaker-than-expected recovery of brokerage.</li> <li>Delay in execution of investment banking pipeline.</li> <li>Any hit to customers' credit quality, amid COVID-19 second wave consequences, would affect the NBFS platform, potentially leading to more provision build-up.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>12M PT: EGP17.7/share (based on DCF-based sum-of-the-parts valuation).</li> </ul> <p>Please refer to <a href="#">our core coverage report</a>.</p>
<p> Sherif El Etr <a href="mailto:seletr@egy.primegroup.org">seletr@egy.primegroup.org</a></p>	<p> Shihab M. Helmy <a href="mailto:smohammed@egy.primegroup.org">smohammed@egy.primegroup.org</a></p>	<p> Shihab M. Helmy <a href="mailto:smohammed@egy.primegroup.org">smohammed@egy.primegroup.org</a></p>	<p> Sherif El Etr <a href="mailto:seletr@egy.primegroup.org">seletr@egy.primegroup.org</a></p>



## STOCKCards – Long Ideas (cont'd)

<b>EK Holding</b> EKHO	<b>Elsewedy Electric</b> SWDY	<b>Emaar Misr for Development</b> EMFD	<b>GB Auto</b> AUTO
<p>Rating: <b>Not Rated</b></p> <p>PT: <b>USD1.6/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Being the most diversified industrial player among its peers leaves EKHO resilient in the face of extraordinary events (e.g. COVID-19) with its diversified portfolio helping hedge currency risks.</li> <li>A better chance in 2021 to capitalize on AlexFert's latest capacity addition (after weak urea prices in 2020) and any potential cut in natural gas prices.</li> <li>Nat Energy (100%-owned subsidiary) should continue to perform well, especially with its subsidiary Kahraba growing its contribution after recent capacity additions.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Weaker urea prices would undermine AlexFert's top-line performance as well as margins.</li> <li>Any increase in methanol prices would harm Sprea Misr's gross margin.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: USD1.6 (based on an assumed 2021e EV/EBITDA of 6.5x, implying a 2021e P/E of 12x).</li> </ul> <p> <b>Mohamed Saad</b> <a href="mailto:msaad@egy.primegroup.org">msaad@egy.primegroup.org</a></p>	<p>Rating: <b>Overweight / Medium Risk</b></p> <p>12M PT: <b>EGP12.7/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Expansion of infrastructure spending in Egypt and Africa.</li> <li>Potential participation in the reconstruction plans in Libya, Syria, and Iraq.</li> <li>Potential awards from upcoming auctions for meters, renewables, and water treatment stations.</li> <li>Potential electricity distribution and exports projects.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Political risk in Africa.</li> <li>Currency risk.</li> <li>Tough competition.</li> <li>Lower turnkey's new awards in terms of value or margins.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>12M PT: EGP12.7/share (based on an 8-year three-stage discounted cash flow (DCF) model, with a terminal WACC of 15.6%, terminal growth rate of 3.5% and a cost of equity of 18.6%).</li> </ul> <p>Please refer to <a href="#">our core coverage report</a>.</p> <p> <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP3.9/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Strong brand equity supporting strong sales.</li> <li>Strong cash balance with a net cash/market cap of 86%.</li> <li>Expected to develop an investment zone with a cost of EGP40bn after securing approval from the General Authority for Investment &amp; Free Zones (GAFI).</li> <li>Its flush cash position makes EMFD most likely to acquire new land.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Fluctuating prices of building materials.</li> <li>Competition.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP3.9/share (based on a P/E of 11.9x).</li> </ul> <p> <b>Kareem Farid</b> <a href="mailto:kfarid@egy.primegroup.org">kfarid@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP4.2/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Successful participation in the national program to convert and replace cars to operate with dual fuel system.</li> <li>Lower interest rates boosting volumes in both the automotive and financing business lines.</li> <li>Stronger EGP (vs. USD).</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any unexpected interest rate hikes.</li> <li>Weaker EGP (vs. USD).</li> <li>Any nationwide closures amid the second wave of COVID-19.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP4.2/share (based on a SOTP valuation approach for both the auto and the NBFS businesses).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>





## STOCKCards – Long Ideas (cont'd)

<b>Ibnsina Pharma</b> ISPH	<b>Misr Chemical Industries</b> MICH	<b>MM Group</b> MTIE	<b>MOPCO</b> MFPC
<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP7.5/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Potential growth through its digital transformation plan (e.g. existing mobile app).</li> <li>Benefiting from the second wave of COVID-19 as Egypt's fastest growing drug distributor and one of the three key players in the market.</li> <li>Revenues growing despite a sluggish market growth, thanks to its diversified portfolio.</li> <li>Any increase in average selling prices which account for two thirds of market growth, with the remaining one third driven by volume.</li> <li>Further interest rate cuts.</li> <li>Improving margins on cost-cutting initiatives.</li> <li>Expected shorter cash conversion cycle on dealing with the Authority for Unified Procurement &amp; Medical Supplies (AUP).</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any unexpected interest rate hikes.</li> <li>Further lockdowns due to COVID-19.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP7.5/share (based on a multiples approach, using a P/E of 23.6x and P/S of 0.4x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>	<p>Rating: <b>Overweight / Medium Risk</b></p> <p>12M PT: <b>EGP13.9/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Favorable effect on selling prices will likely continue throughout 2020/21 in view of the second wave of COVID-19.</li> <li>The year 2020/21 will be the first full operating year to benefit off the recent cut in electricity prices, propping up margins.</li> <li>On the road to achieve close to triple-digit annual growth rate in 2020/21 earnings, in view of the abovementioned factors.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Stronger EGP (vs. USD) to harm top line growth, especially when it comes to caustic soda.</li> <li>Larger-than-expected normalization (i.e. a drop) in selling prices in H2 2020/21.</li> <li>Lower yields on Egypt's Treasury instruments.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>12M PT: EGP13.9/share (derived from our DCF valuation model).</li> </ul> <p>Please refer to <a href="#">our core coverage report</a>.</p> <p> <b>Mohamed Saad</b> <a href="mailto:msaad@egy.primegroup.org">msaad@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP10.8/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Potential IPO during H2 2021 by Ebtikar (49.9% owned by MTIE) would unlock further hidden value. Ebtikar's NBFS platform includes two e-payment companies comparable to Fawry [FWRY].</li> <li>Lower interest rates and the elimination of European cars customs could spur sales within this high-margin automotive segment.</li> <li>Egypt's mobile phone market growth to resume, thanks to the accelerated implementation of the government's financial inclusion initiative, albeit demand may not recover before end of 2021.</li> <li>Stronger EGP (vs. USD).</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>U.S. sanctions against Huawei may lower the appeal of its handsets in Egypt.</li> <li>Samsung losing further market share in Egypt.</li> <li>Any nationwide closures amid the second wave of COVID-19.</li> <li>Weaker EGP (vs. USD).</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP10.8/share (based on a multiples approach, using a P/E of 19.9x and a P/S of 0.9x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP90.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Enjoying the richest margins among its peers, thanks to its favorable natural gas pricing formula.</li> <li>Settlement of the arbitration case against ENPC (MFPC's subsidiary) left a major overhang on the stock without any financial consequences for MFPC.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>While it should not take any toll on MFPC's operating or financial performance, a cut in natural gas prices would be a positive for its peers, potentially hurting investor sentiment towards MFPC.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP90.0/share (based on a 2021e EV/EBITDA of 5.5x and 2021e EBITDA of c. EGP4.2-EGP4.4bn). Had the ENPC arbitration case been ruled against MFPC, our PT would have been trimmed to only EGP80/share, still offering an upside.</li> </ul> <p> <b>Mohamed Saad</b> <a href="mailto:msaad@egy.primegroup.org">msaad@egy.primegroup.org</a></p>



## STOCKCards – Long Ideas (cont'd)

Obour Land Food Industries OLFI	Orascom Construction ORAS	Oriental Weavers Carpet ORWE	Telecom Egypt ETEL
<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP8.2/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Potential growth given OLFI's expansion plans.</li> <li>Implementing cost-saving initiatives.</li> <li>Considerable ROE and low P/E vs. peers.</li> <li>Low financial leverage vs. peers.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any raw materials price hikes, especially skim milk powder (SMP).</li> <li>Existing competition and new market entrants.</li> <li>Any unexpected inflation hikes.</li> <li>Weaker EGP (vs. USD).</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP8.2/share (based on a multiples approach, using a P/E of 10.4x and P/S of 1.1x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP140.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Revenue diversification between MENA and the U.S.</li> <li>Improving performance in the U.S. and Europe (through its 50%-owned BESIX).</li> <li>Potential awards of water treatment stations tenders.</li> <li>Expansion of infrastructure spending in roads and/or transportation.</li> <li>Strong brand equity and shrewd management.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Lower-than-expected new awards.</li> <li>Any further global lockdowns.</li> <li>Potential penalty fees related to the Sidra Hospital legal case (the magnitude of which is unknown).</li> <li>Lower oil prices impacting spending in the GCC region.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP140.0/share (based on a 5-year DCF model, a terminal growth rate of 3%, and a WACC of 13.3%).</li> </ul> <p> <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP8.3/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Demand is not likely to recover before the end of 2021. Although we expect sales to be negatively affected by COVID-19 (even with confirmed long-term contracts with many clients), low oil prices should support margins.</li> <li>The rebates received (and to be received) under the recent government initiative may encourage ORWE to pay more dividends in 2021. These rebates could also help ORWE reduce its export prices and, hence, increase its competitive edge in international markets.</li> <li>Weaker EGP and stronger Turkish lira (vs. USD).</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any nationwide closures amid the second wave of COVID-19.</li> <li>Any delays by the government to disburse export rebates.</li> <li>Severe competition.</li> <li>Oil price hikes.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP8.3/share (based on a multiples approach, using a P/E of 7.8x and a P/S of 0.6x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP15.0/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Potential revenue growth amid COVID-19, particularly for data revenues.</li> <li>Better operating and net margins should continue to improve after the end of the early retirement program (ERP) in 2019.</li> <li>The rollout of ICT projects by the government which usually involves ETEL.</li> <li>Higher investment income from Vodafone Egypt.</li> <li>Further interest rate cuts.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Any unexpected interest rate hikes.</li> <li>High capex.</li> <li>The implementation of another ERP.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP15.0/share (based on a multiples approach, using a TTM P/E of 6.5x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>



## STOCKCards – Short Ideas

Al Ahly for Development & Investment AFDI	Alexandria Container & Cargo Handling ALCN	Arab Cotton Ginning ACGC	El-Nasr Clothing & Textiles KABO
<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP11.6/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Main revenue and earnings streams come from Nile Financial Leasing (NFL), its fully-owned leasing arm, which is not one of the top 11 companies in terms of market share as per the FRA ranking in 11M 2020.</li> <li>At a P/E of 75x, AFDI looks overpriced, especially when compared to B Investments [BINV] (another pure private equity outfit) which trades at a P/E of 11.1x.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>A rebound in the leasing market with NFL realizing much of the upside potential of the leasing segment. That could result in a higher market share for NFL, driving AFDI's earnings growth.</li> <li>Any exit from one of the other stakes AFDI holds (17% of Cairo Financial Holding and 39.95% of Metalart).</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP11.6/share (based on SOTP, using respective industry multiples for each subsidiary).</li> </ul> <p> <b>Sherif El Etr</b> <a href="mailto:seletr@egy.primegroup.org">seletr@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP7.2/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Revenues are mainly dominated in foreign currency so stronger EGP would hurt revenues.</li> <li>Slowdown in the international trade, especially with the continuous precautions of COVID-19.</li> <li>The relatively cheap oil prices may encourage ships to take longer roads seeking lower fee.</li> <li>Stronger EGP (vs. USD).</li> <li>Lower oil prices.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Recovery in the international trade.</li> <li>Higher infrastructure expenditures on ports.</li> <li>Weaker EGP (vs. USD).</li> <li>Higher oil prices.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP7.2/share (based on a multiples approach, using ALCN's historical average P/E of 7.7x).</li> </ul> <p> <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP2.4/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>The textiles sector continues to struggle, facing several challenges (e.g. aging machines, high manufacturing costs, weak marketing campaigns, and severe competition particularly from Asia).</li> <li>Has been reporting net losses on lower sales, deteriorating margins, and lower investment income.</li> <li>Cash conversion cycle is extending y/y, reaching 273 days in 2020, up from 184 days in 2018.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Could benefit from the new cotton pricing system (where selling prices follow global prices, and opportunities are the same for all companies).</li> <li>Could benefit from the government's plan to revive the sector in addition to potential M&amp;A deals.</li> <li>Could benefit from cotton trading on Egypt's new commodities exchange.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP2.4/share (based on a multiples approach, using a P/S of 0.6x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP1.1/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>COVID-19 and EGP appreciation will continue to hit sales hard, particularly exports, especially as they were already declining pre-COVID-19.</li> <li>Severe competition, mainly coming from Asia.</li> <li>Reporting net losses on deteriorating margins.</li> <li>Expected longer cash conversion cycle, on a higher inventory days on hand.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Weaker EGP (vs. USD).</li> <li>Could benefit from Egypt's plan to revive cotton cultivation through increasing exports of final products instead of relying on exporting raw cotton.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP1.1/share (based on a multiples approach, using P/S of 1.6x).</li> </ul> <p> <b>Nada Wagdy</b> <a href="mailto:nwagdy@egy.primegroup.org">nwagdy@egy.primegroup.org</a></p>



## STOCKCards – Short Ideas (cont.'d)

<b>Fawry</b> FWRY	<b>General Co. for Ceramic &amp; Porcelain</b> PRCL	<b>Raya Holding</b> RAYA	<b>Unipak</b> UNIP
<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP24.5/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Competition is increasing in FWRY's segment.</li> <li>New upcoming IPOs may attract investors away from FWRY, namely e-Finance and Ebtikar's two e-payment subsidiaries.</li> <li>FWRY's stock jumped 613% to date since its IPO late August 2019 (+37.5% in 2021 ytd alone). Such performance is yet to be reflected in FWRY's business as implied by its current growth profile.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>COVID-19 consequences accelerated the government's financial inclusion initiative.</li> <li>FWRY's throughput surged in 9M 2020 by 52% y/y, reflecting market appetite for digitalization.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP24.5/share.</li> <li>Looking at FWRY's TTM P/E of 197.5x, its earnings would need to grow at a 20-year CAGR of 29% to be valued at a normalized 10x P/E multiple by 2040. This reduces to EGP24.5/share today.</li> </ul> <p> <b>Sherif El Etr</b> <a href="mailto:seletr@egy.primegroup.org">seletr@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP4.9/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Inability to best utilize available recourses, such as production lines that are not operational.</li> <li>Large quantities of old fashioned inventories.</li> <li>Lack of new technologies.</li> <li>With a few leveraged clients, credit risk is high, although the company halted credit sales.</li> <li>High production costs due to using the direct order method in their purchasing instead of auctions.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Going through with the auction to upgrade two factories for porcelain and sanitary ware, co-operating with international manufacturers.</li> <li>Installing new technologies to be competitive.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP4.9/share (based on a multiples approach, using an estimated P/S of 1x).</li> </ul> <p> <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP12.8/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Over-diversified investments, operating across 12, mostly unrelated, business lines, which leads to a lack of strategic focus.</li> <li>RAYA reported consolidated TTM net losses of EGP104mn (through September 2020), yet its stock surged 206% in 2021 ytd without fundamental reasons justifying its performance.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Divestitures can unlock hidden value. RAYA has been offloading some of its investments, either partially (e.g. sale of a 24% stake in Aman Holding, valuing its NBFS arm at EGP2bn) or in full (e.g. potential sale of 100% of BariQ, its recycling business).</li> <li>New acquisitions can be value accretive if acquired at cheap valuation. Recently, RAYA's subsidiaries acquired 99.95% of i2 and 100% of United Retail Co. to boost its trade and distribution segment, the biggest contributor to RAYA's revenues.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP12.8/share (based on STOP of all subsidiaries, using a multiples approach).</li> </ul> <p> <b>Sherif El Etr</b> <a href="mailto:seletr@egy.primegroup.org">seletr@egy.primegroup.org</a></p>	<p>Rating: <b>Not Rated</b></p> <p>PT: <b>EGP6.1/share</b></p> <p><b>Investment Thesis</b></p> <ul style="list-style-type: none"> <li>Tough competition, mainly stimulated by imported paper and packaging that have a better quality.</li> <li>Decreasing consumption trends due to digital transformation, relying more on electronic devices (e.g. laptops, tablets, etc.) when it comes to writing and reading as opposed to using paper.</li> <li>High production costs, mainly of energy.</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Installing new technologies that are cost effective and providing better quality.</li> <li>Lower natural gas costs.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>PT: EGP6.1/share (based on a multiples approach, using an estimated P/S of 1.5x, which is higher than the historical average of 0.6x, to account for any potential acquisition or restructuring).</li> </ul> <p> <b>Dina Abdelbadie</b> <a href="mailto:dabdebadie@egy.primegroup.org">dabdebadie@egy.primegroup.org</a></p>

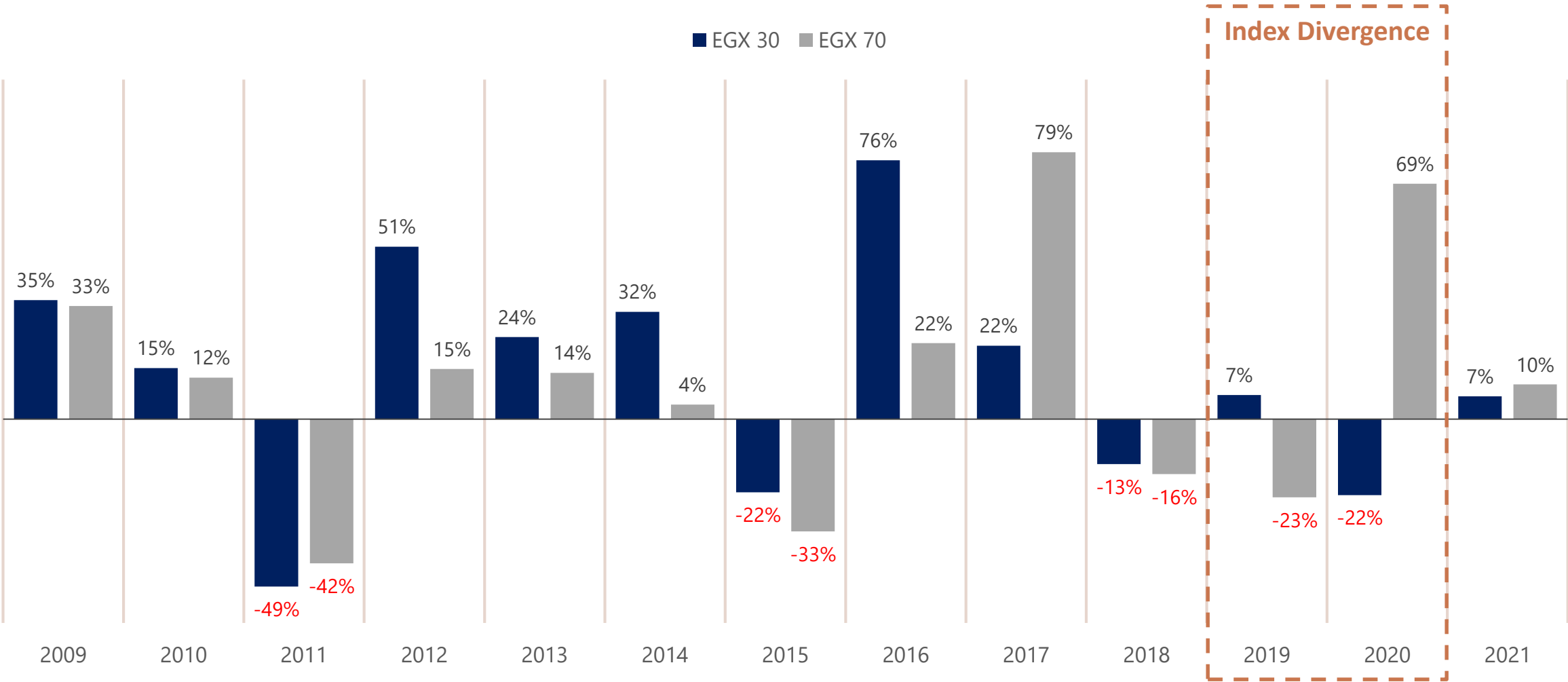






MARKET in Figures

Figure 21: EGX 30 vs. EGX 70 EWI \* (annual return in EGP terms, 2009-2021 ytd)



Source: EGX, Prime Research.



## MARKET in Figures (cont'd)

Figure 22: EGX 30 vs. EGX 70 EWI analysis in 2020 (pre- and post-COVID-19)

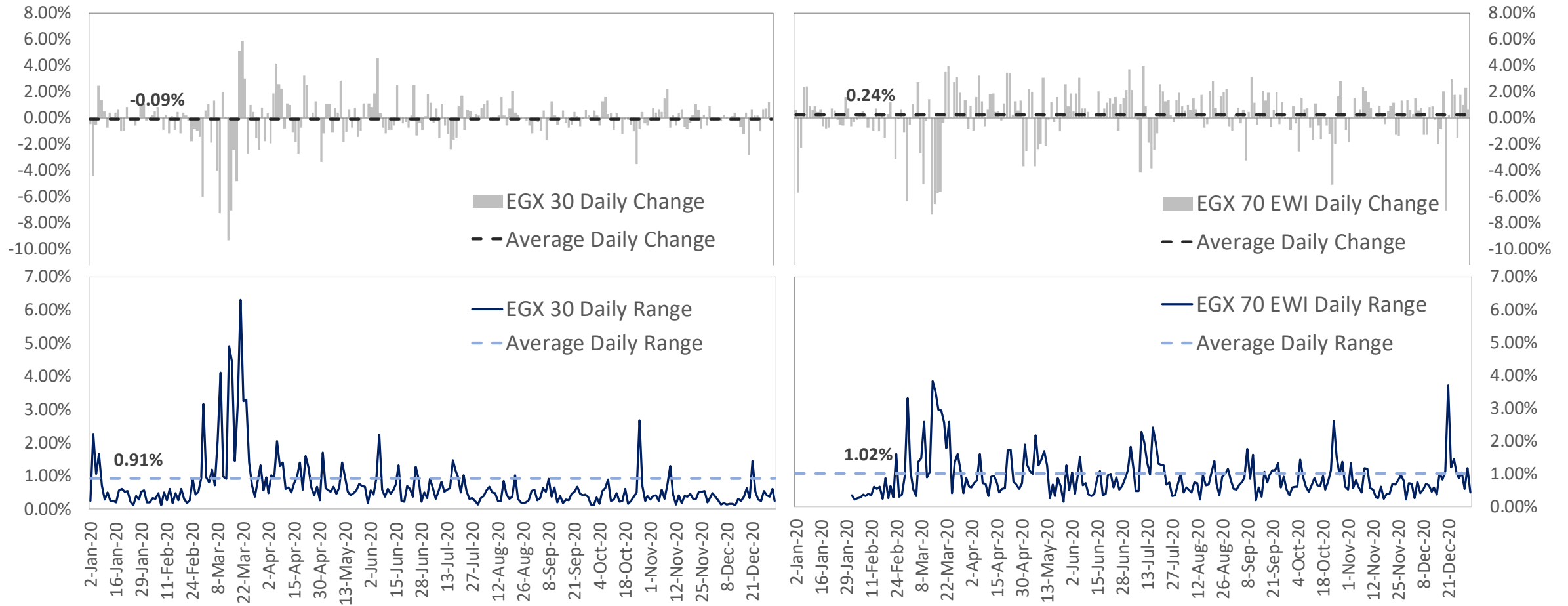
Date	EGX 30	EGX 70 EWI	Index	EGX 30	EGX 70 EWI	COVID-19 Impact	EGX 30	EGX 70 EWI
31-Dec-19	13,962	1,267	<b>Peak before trough</b>	<b>14,137</b>	<b>1,283</b>			
31-Dec-20	10,845	2,145	Date reached	9-Feb-20	9-Feb-20	31-Dec-19	13,962	1,267
<b>2020 performance</b>	<b>-22.3%</b>	<b>69.3%</b>	<b>Maximum drawdown</b>	<b>-43%</b>	<b>-38%</b>	18-Mar-20	8,757	843
			No. of days to trough	39	39	31-Dec-20	10,845	2,145
<b>No. of positive days</b>	<b>124</b>	<b>159</b>	<b>Recovery since trough</b>	<b>34%</b>	<b>168%</b>			
<b>% positive days / total days</b>	<b>51%</b>	<b>65%</b>	No. of days from trough	287	287	<b>COVID-19</b>	<b>-37.3%</b>	<b>-33.4%</b>
Average daily performance	0.96%	1.26%	Average daily change	-0.09%	0.24%	<b>Post-COVID-19</b>	<b>23.9%</b>	<b>154.4%</b>
<b>No. of negative days</b>	<b>119</b>	<b>84</b>	<b>Average daily range *</b>	<b>0.91%</b>	<b>1.02%</b>	<b>2020 performance</b>	<b>-22.3%</b>	<b>69.3%</b>
<b>% negative days / total days</b>	<b>49%</b>	<b>35%</b>	No. of days above daily change	134	144			
Average daily performance	-1.19%	-1.71%	<b>No. of days above daily range</b>	<b>45</b>	<b>67</b>	<b>Low reached post-COVID-19</b>	<b>9,447</b>	<b>871</b>
<b>2020 high</b>	<b>14,137</b>	<b>2,153</b>	<b>When daily range is above average ...</b>			Date reached	6-Apr-20	22-Mar-20
Date reached	9-Feb-20	8-Dec-20	<b>Average daily performance</b>	<b>-0.53%</b>	<b>-0.06%</b>			
<b>2020 low</b>	<b>8,114</b>	<b>801</b>	No. of days positive	20	38	<b>High reached post-COVID-19</b>	<b>11,493</b>	<b>2,153</b>
Date reached	19-Mar-20	19-Mar-20	No. of days negative	25	29	Date reached	26-Aug-20	8-Dec-20

\* Average daily range calculations for EGX 70 EWI starting from February 2020 due to the new index methodology.

Source: EGX, Prime Research.

## MARKET in Figures (cont'd)

**Figure 23: EGX 30 vs. EGX 70 EWI in 2020 (daily change vs. daily range)**



Source: EGX, Prime Research.



## MARKET in Figures (cont'd)

**Figure 24: EGX top gainers and losers in 2020**

### Top 20 gainers in 2020

IDRE	Ismailia Development & Real Estate	863%
NCGC	Nile Cotton Ginning	663%
EIUD	Egyptians for Investment & Urban Dev.	562%
ISMA	Ismailia Misr Poultry	443%
AIFI	Atlas for Investment & Food Industries	438%
CCRS	Gulf Canadian Real Estate Investment	413%
NRPD	National Real Estate Bank for Development	382%
MPCO	Mansoura Poultry	364%
INFI	Ismailia National Food Industries	358%
SPMD	Speed Medical	343%
AREH	Real Estate Egyptian Consortium	334%
FWRY	Fawry	330%
GOCO	Golden Coast	297%
EHDR	Egyptians Housing Dev. & Reconstruction	293%
ARVA	Arab Valves	275%
MEPA	Medical Packaging	275%
NEDA	Northern Upper Egypt Development	272%
COSG	Cairo Oils and Soap	271%
PSAD	Port Saied for Agricultural Dev.	256%
SEIG	Saudi Egyptian Investment & Finance	251%

### Top 20 losers in 2020

EGTS	Egyptian Resorts	-41%
CCAP	Qalaa Holdings	-41%
DOMT	Arabian Food Industries (Domty)	-41%
IRAX	EL Ezz Aldekhela Steel Alexandria	-40%
EBSC	Osool ESB Securities Brokerage	-40%
EFID	Edita Food Industries	-39%
ECAP	Al EZZ Ceramics and Porcelain	-39%
ISPH	Ibnsina Pharma SAE	-38%
DIFC	International Dry Ice	-37%
SCEM	Sinai Cement	-33%
MHOT	Misr Hotels	-31%
NBKE	National Bank of Kuwait - Egypt SAE	-30%
PHAR	EIPICO	-29%
JUFO	Juhayna Food Industries	-29%
ORHD	Orascom Development Egypt	-28%
ALCN	Alexandria Containers & Goods	-28%
COMI	Commercial International Bank Egypt	-27%
WCDF	Middle & West Delta Flour Mills	-27%
POUL	Cairo Poultry	-26%
CIEB	Credit Agricole Egypt	-25%

Source: Bloomberg, Prime Research.

**Figure 25: EGX market cap by sector**

Sector	Mkt cap (EGPmn)	%
Banks	213,751	29%
Materials	86,315	12%
Real Estate	75,611	10%
Consumer Staples	69,189	9%
Industrials	63,312	9%
Consumer Discretionary	58,193	8%
Telecom Services & IT	50,171	7%
Non-Banking Financials	43,843	6%
Health Care	36,315	5%
Energy & Utilities	35,292	5%
	<b>731,991</b>	<b>100%</b>

Source: Bloomberg, Prime Research.

## MARKET in Figures (cont'd)

Figure 26 (A): Prime Research categories (median fundamental multiples and ratios)

Category	Sub-Category	P/E	P/BV	Yield	EV/ Sales	EV/ Assets	Assets Turnover	ROE	ROA	FLM
Size	Large	8.8x	2.1x	3.4%	1.5x	0.8x	0.4x	19.5%	5.9%	2.9x
	Mid	7.4x	1.1x	9.2%	1.7x	0.8x	0.4x	15.2%	2.8%	2.8x
	Small	19.4x	1.6x	3.9%	1.9x	0.9x	0.3x	3.6%	0.9%	1.7x
Type	Value	6.8x	1.4x	9.2%	1.4x	0.7x	0.3x	17.2%	5.1%	2.8x
	Growth	27.3x	2.8x	1.3%	2.7x	1.4x	0.5x	10.4%	3.5%	2.0x
	Core	11.1x	1.3x	3.4%	1.8x	0.8x	0.3x	4.5%	1.4%	2.2x
Style	Large Value	7.4x	1.4x	9.5%	0.5x	0.4x	0.5x	20.1%	5.9%	3.1x
	Large Core	9.5x	1.5x	2.9%	1.5x	0.6x	0.3x	15.1%	5.1%	2.8x
	Large Growth	28.1x	5.9x	1.3%	5.7x	2.3x	0.6x	23.5%	7.4%	3.8x
	Mid Value	6.1x	0.7x	10.1%	1.7x	0.5x	0.1x	16.7%	4.6%	4.6x
	Mid Core	7.8x	1.1x	5.1%	1.2x	0.8x	0.6x	3.7%	-0.7%	2.3x
	Mid Growth	20.6x	2.4x	na	2.4x	1.6x	0.6x	19.5%	5.4%	2.8x
	Small Value	8.5x	1.4x	9.0%	1.4x	0.8x	0.5x	12.4%	5.4%	1.6x
	Small Core	21.5x	1.4x	3.5%	2.0x	0.8x	0.3x	-0.2%	-1.2%	1.5x
	Small Growth	27.4x	2.2x	na	1.9x	1.3x	0.3x	4.3%	2.9%	1.7x

Note: Prices as of 1 February 2021.  
Source: Bloomberg, Prime Research.



## MARKET in Figures (cont'd)

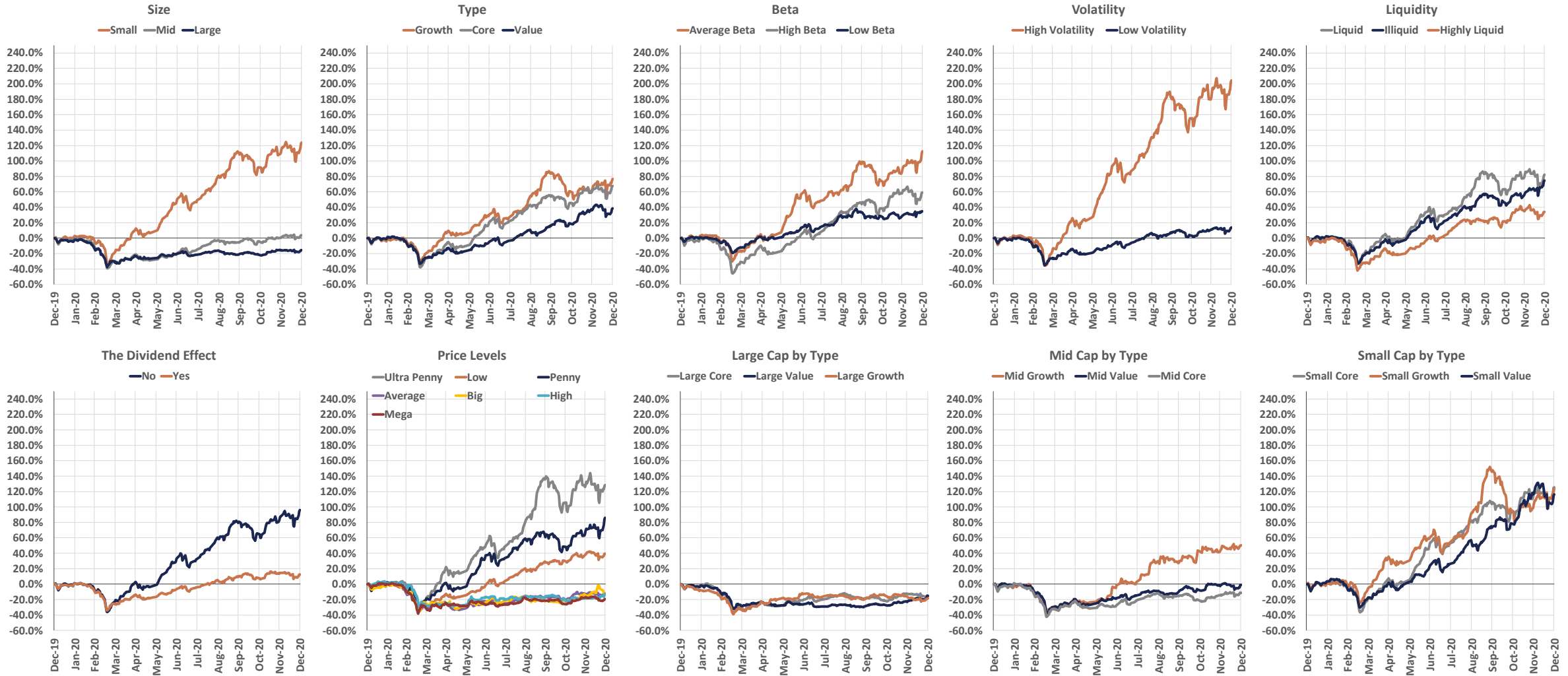
Figure 26 (B): Prime Research categories (median fundamental multiples and ratios)

Category	Sub-Category	P/E	P/BV	Yield	EV/ Sales	EV/ Assets	Assets Turnover	ROE	ROA	FLM
Beta Type	High Beta	11.0x	1.2x	3.9%	1.9x	0.8x	0.3x	4.1%	0.9%	2.2x
	Average Beta	9.9x	1.5x	3.7%	1.5x	0.8x	0.3x	12.1%	3.3%	2.4x
	Low Beta	12.3x	2.5x	5.8%	1.3x	1.4x	0.5x	15.4%	5.6%	1.9x
Volatility Type	High Volatility	43.7x	2.6x	3.9%	3.9x	1.4x	0.3x	-0.9%	-1.3%	1.5x
	Low Volatility	10.0x	1.3x	4.7%	1.5x	0.7x	0.4x	12.9%	3.2%	2.6x
Liquidity	Highly Liquid	8.7x	1.4x	2.9%	1.8x	0.7x	0.3x	13.1%	2.4%	2.9x
	Liquid	18.2x	2.1x	4.9%	1.8x	1.2x	0.4x	8.1%	2.9%	1.8x
	Illiquid	11.0x	1.4x	5.7%	1.5x	0.8x	0.4x	7.3%	2.0%	2.2x
Dividend Payer?	Yes	8.7x	1.4x	3.9%	1.3x	0.7x	0.5x	15.6%	5.5%	2.7x
	No	14.5x	1.7x	10.4%	2.0x	0.9x	0.3x	3.6%	0.4%	1.7x
Price level	Ultra Penny	30.8x	1.7x	na	2.1x	1.0x	0.3x	3.1%	1.0%	1.7x
	Penny	13.8x	1.7x	4.7%	2.3x	0.9x	0.3x	4.9%	2.0%	2.2x
	Low	10.1x	1.4x	3.5%	1.5x	0.8x	0.5x	13.8%	3.2%	2.1x
	Average	10.7x	1.0x	4.7%	1.0x	0.6x	0.6x	8.9%	3.0%	2.9x
	High	4.3x	1.0x	9.4%	0.0x	0.0x	0.1x	25.3%	3.1%	8.0x
	Big	8.2x	1.3x	6.7%	2.2x	0.9x	0.4x	15.8%	8.9%	1.8x
	Mega	8.3x	1.5x	2.5%	0.1x	0.1x	0.4x	17.5%	2.4%	7.1x

Note: Prices as of 1 February 2021.  
Source: Bloomberg, Prime Research.

## MARKET in Figures (cont'd)

Figure 27: Prime Research categories (stock performance in 2020)

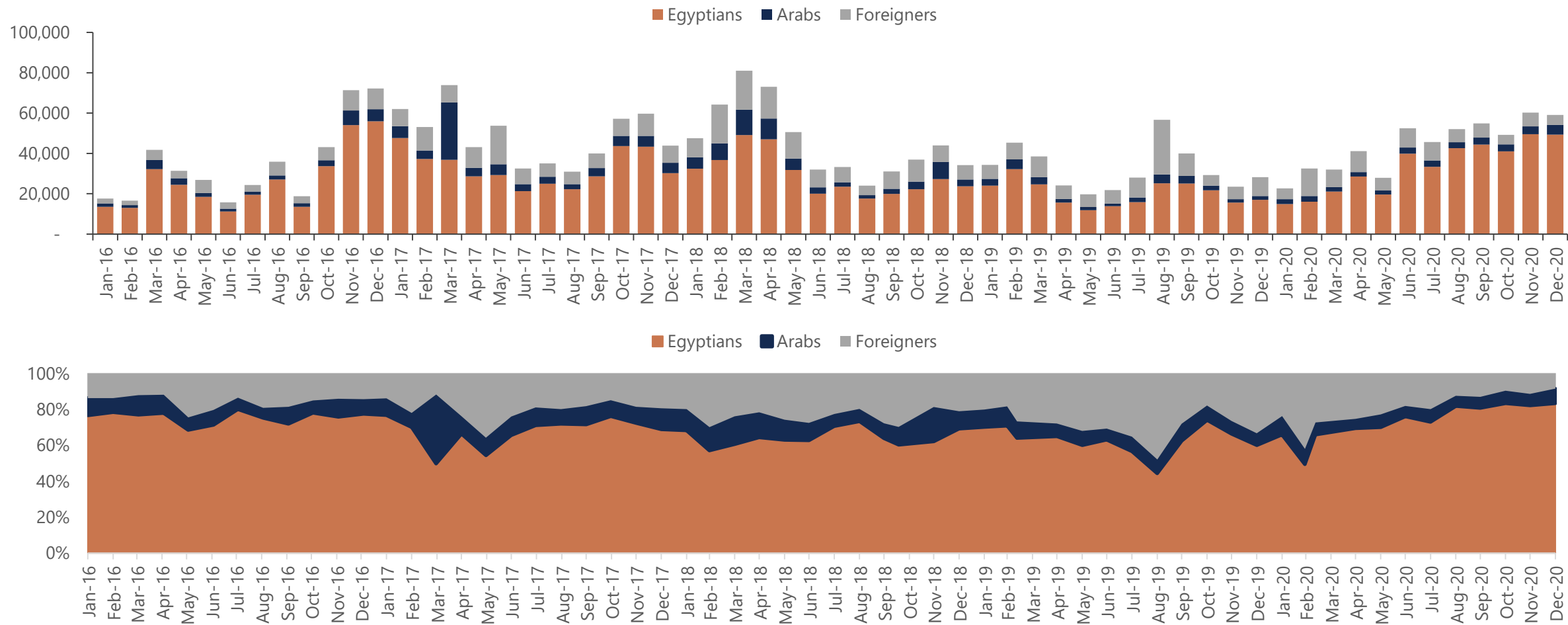


Source: Bloomberg, Prime Research.



MARKET in Figures (cont'd)

Figure 28: Trading values by nationality of investor and market share (2016-2020)

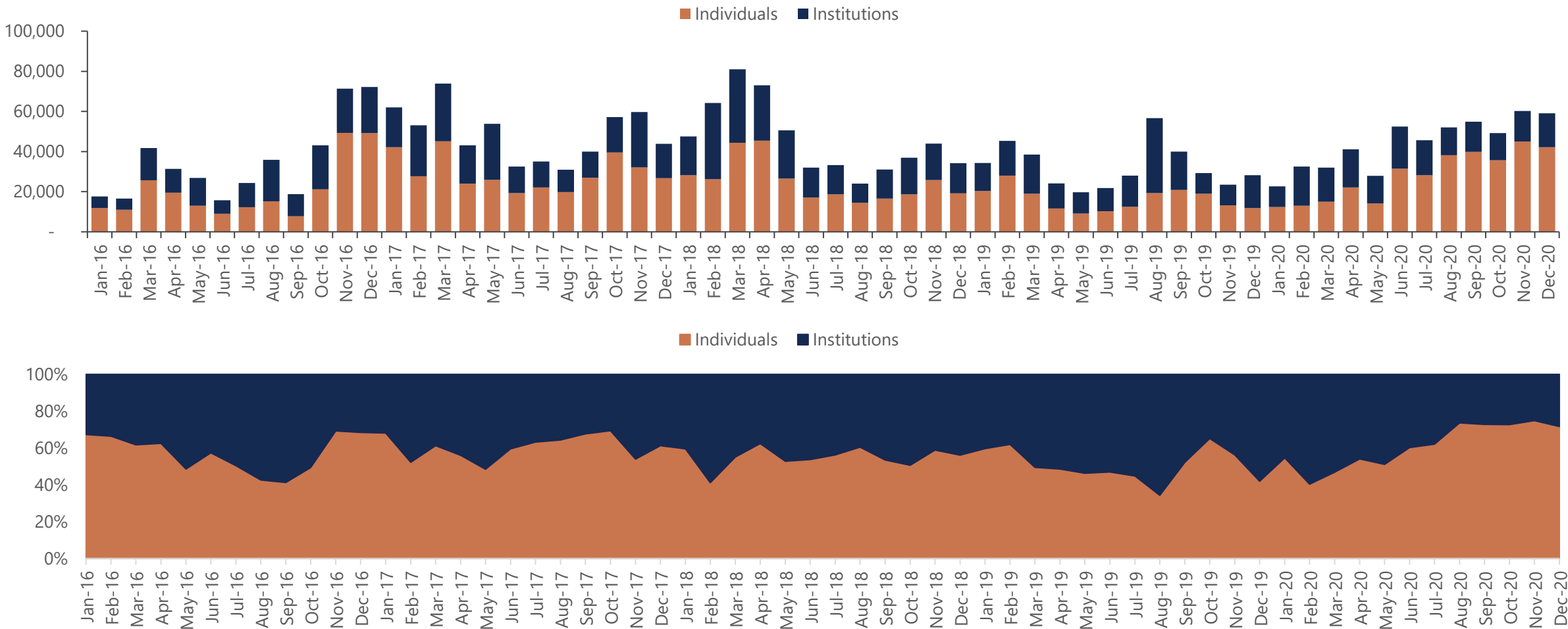


Source: EGX, Prime Research.



MARKET in Figures (cont'd)

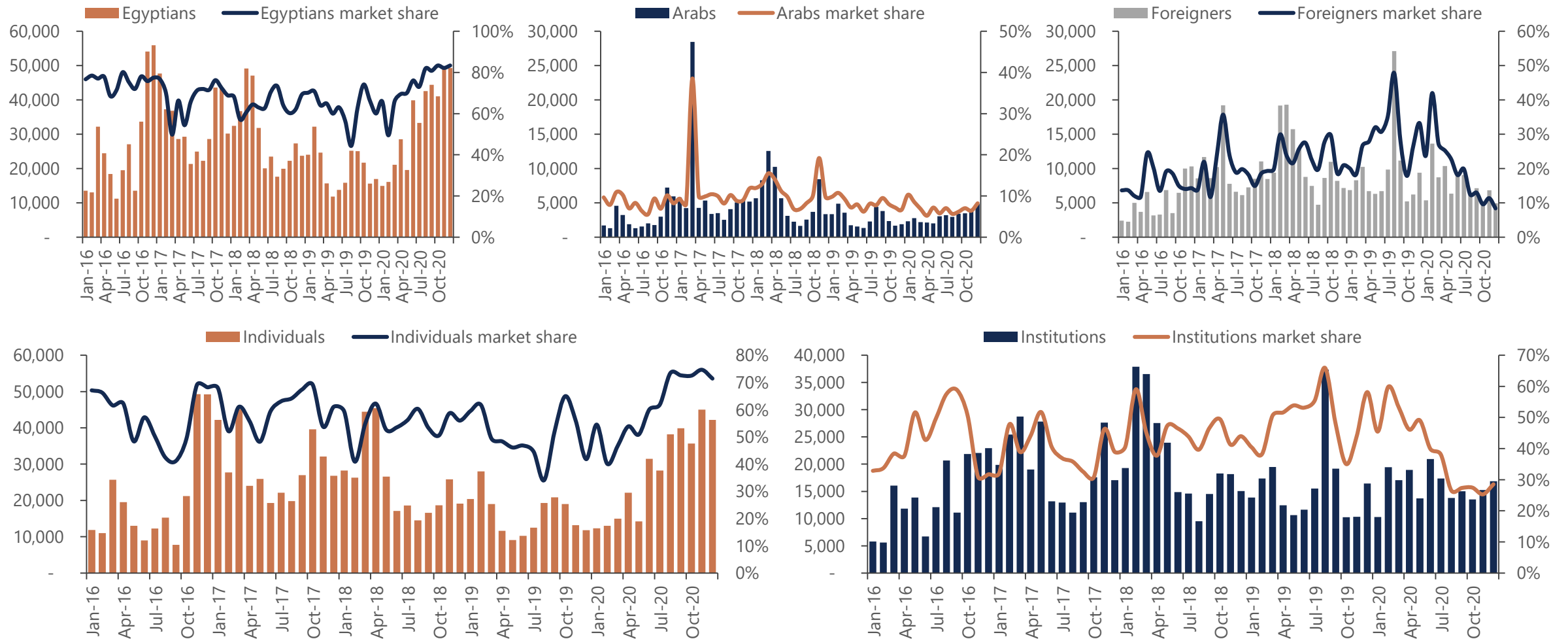
Figure 29: Trading values by type of investor and market share (2016-2020)



Source: EGX, Prime Research.

## MARKET in Figures (cont'd)

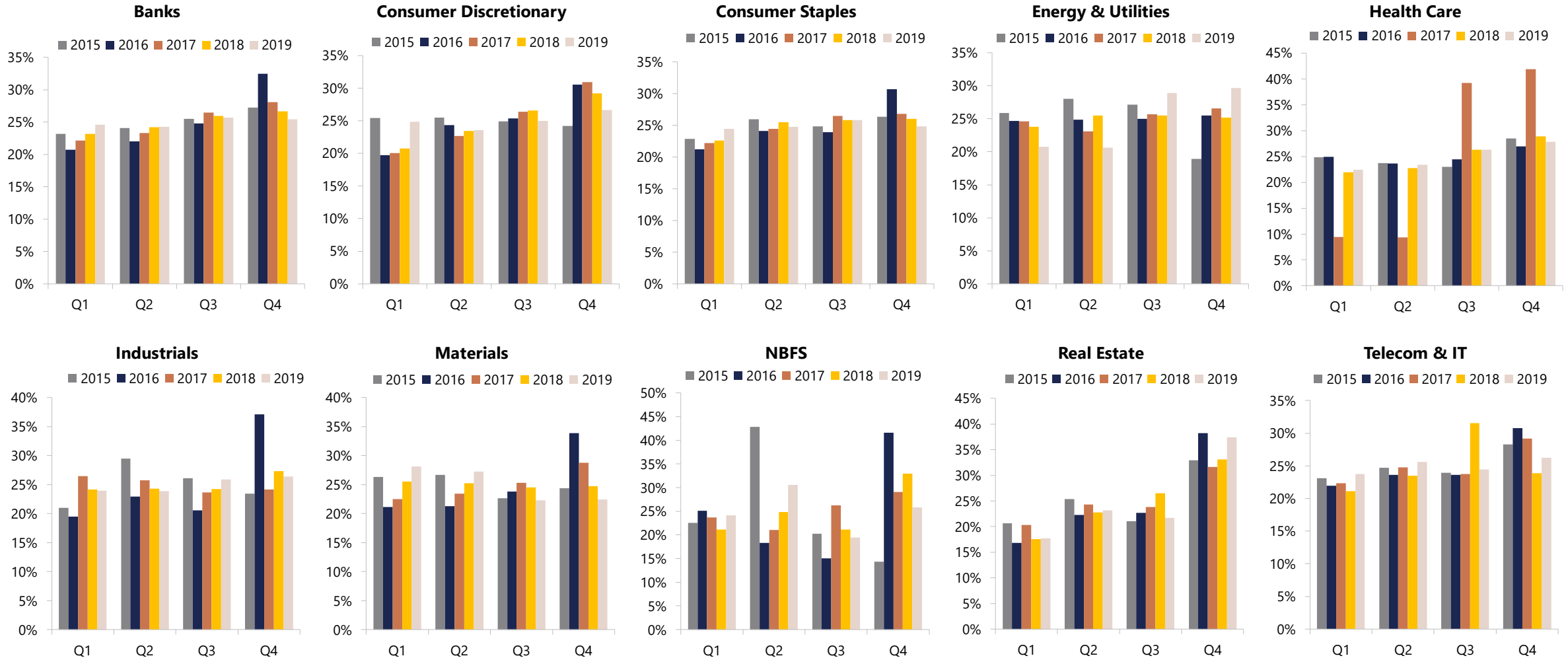
**Figure 30: Trading values by nationality and type of investor and market share (2016-2020)**



Source: EGX, Prime Research.

## MARKET in Figures (cont'd)

Figure 31: Prime Research sector revenue seasonality



Source: Bloomberg, Prime Research.



## MARKET in Figures (cont'd)

Figure 32: Equity screens

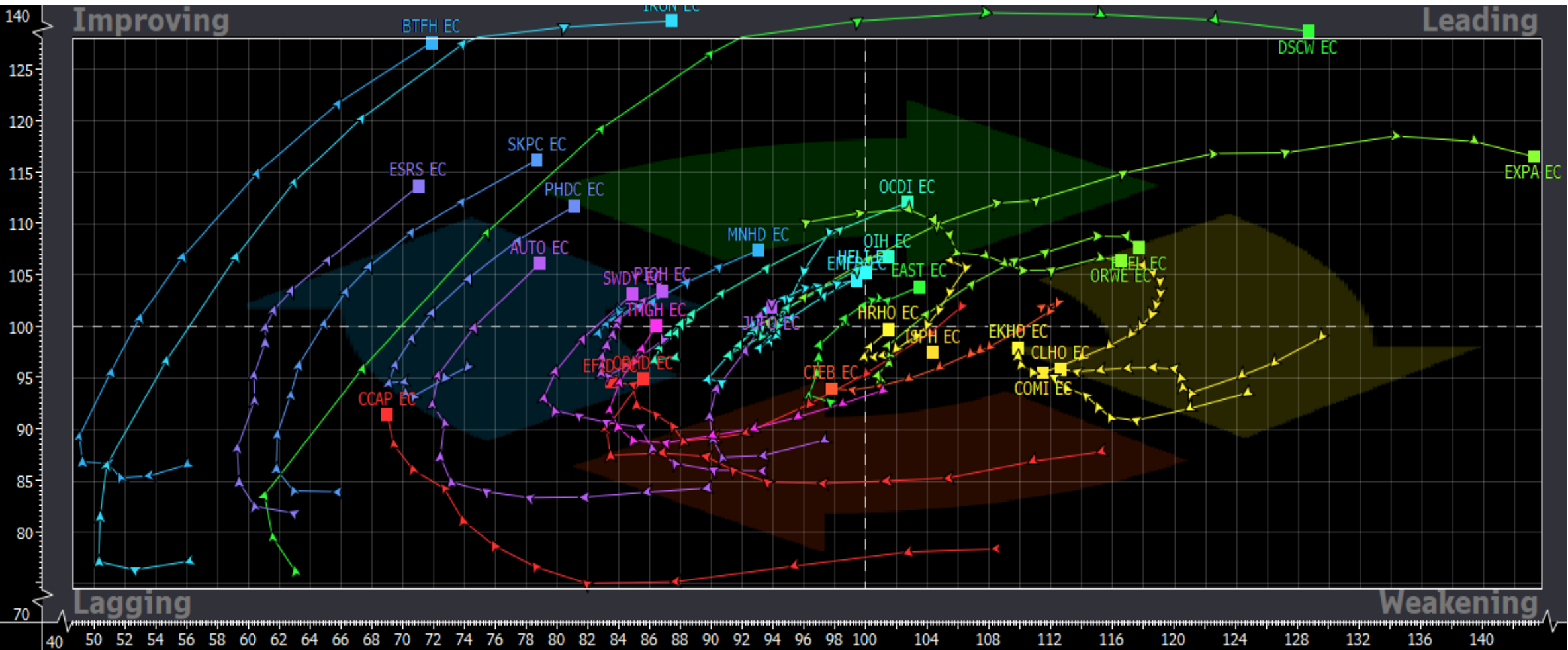
P/E		P/BV		Yield		EV/ Sales		ROE		FLM		Net Debt / (Cash)	
Dearest		Dearest		Highest		Dearest		Most Profitable		High Equity Multiplier		Highly Leveraged	
RTVC	277.5x	FWRV	46.6x	CIEB	12.2%	IDRE	549.6x	ABUK	49.2%	CCAP	17.1x	CCAP	56,281
FWRV	197.5x	ACAMD	11.4x	AMIA	11.5%	MENA	198.9x	EAST	45.5%	CANA	14.0x	ESRS	31,889
EHDR	107.9x	CCRS	10.2x	MNHD	11.3%	CSAG	38.2x	EKHO	34.5%	ADIB	13.7x	ETEL	16,850
AFDI	75.4x	IDRE	8.9x	AMOC	10.5%	UASG	36.0x	OLFI	33.4%	RAYA	9.4x	AUTO	12,464
UNIP	67.3x	HELI	7.9x	CSAG	10.4%	COSG	34.2x	HDBK	30.5%	EXPA	9.1x	CICH	8,980
MEPA	58.9x	AIFI	7.9x	FAIT	10.1%	EHDR	27.9x	HELI	29.1%	HDBK	8.5x	ORHD	7,424
EDBM	55.9x	CIRA	7.9x	PHAR	10.0%	FWRV	27.6x	ALCN	29.0%	FAIT	7.8x	EGCH	7,370
GOCO	50.9x	ASCM	7.1x	ALCN	9.8%	AREH	22.2x	CSAG	28.1%	CIEB	7.6x	MOIL	6,455
AFMC	48.7x	UNIP	6.7x	EAST	9.5%	AIFI	16.5x	CIRA	25.9%	COMI	7.6x	RAYA	3,882
AREH	36.5x	RAYA	6.5x	ORWE	9.2%	AFDI	15.3x	MOIN	24.2%	QNBA	7.3x	OCDI	3,672
Cheapest		Cheapest		Lowest		Cheapest		Least Profitable		Low Equity Multiplier		Cash Rich	
ADIB	2.2x	MOIL	0.3x	RAYA	0.8%	ORAS	0.2x	ASCM	-189.8%	BINV	1.0x	EAST	(11,397)
HDBK	2.3x	RTVC	0.3x	CIRA	1.0%	ZEOT	0.2x	SUCE	-172.5%	IDRE	1.0x	EMFD	(10,325)
FAIT	2.6x	FAIT	0.4x	TMGH	1.1%	NEDA	0.3x	EGCH	-50.2%	ALCN	1.1x	ABUK	(6,380)
EXPA	3.7x	ADIB	0.5x	AFMC	1.3%	EMFD	0.3x	PRCL	-45.2%	ACAMD	1.1x	ORAS	(3,282)
CANA	3.9x	TMGH	0.5x	ISPH	1.3%	ISPH	0.3x	AMOC	-30.4%	NEDA	1.1x	ALCN	(2,553)
ETEL	4.4x	SVCE	0.5x	ECAP	1.6%	SUCE	0.4x	EGAL	-27.0%	ELWA	1.2x	TMGH	(1,231)
QNBA	4.9x	ETEL	0.5x	COMI	1.6%	POUL	0.4x	MENA	-25.0%	MICH	1.2x	CSAG	(738)
EMFD	5.7x	DAPH	0.6x	HELI	1.7%	AJWA	0.5x	MOIL	-24.4%	MPRC	1.2x	AMOC	(637)
AUTO	5.8x	CANA	0.6x	UNIP	2.0%	PACH	0.5x	DSCW	-18.2%	UNIT	1.2x	FWRV	(482)
MNHD	5.8x	PHDC	0.6x	ETEL	2.1%	AMOC	0.5x	SUGR	-17.0%	CLHO	1.2x	BINV	(437)

Note: Net debt / (cash) is in EGPmn.  
Source: Bloomberg, Prime Research.



MARKET in Figures (cont.'d)

Figure 33: EGX 30 stock rotation during 2020 (monthly)



Source: Bloomberg.



APPENDIX.

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**APPENDIX**



## APPENDIX

Figure 34: Prime Research Core and Basic Coverage Universe

Stock data					Trading data			Price Performance		Valuation						Fundamentals							
Ticker	Sector	TC	NOS (mn)	Mkt cap (EGPmn)	ADTV 6M (EGP000)	Free float	Index	Last	ytd	FY ends	Cons. PT	Up/ (dn)	Prime Res. PT	Up/ (dn)	Method	P/E	P/BV	DY	ROE	FLM	Earnings 3Y CAGR	Net debt/ (cash)	Net debt (cash)/MC
1 CANA	Banks	EGP	200	2,070	566	11%	na	11.62	12.3%	Dec	7.0	-40%	10.6	-9%	SOTP	3.9x	0.6x	na	14.9%	14.0x	31%	na	na
2 CIEB	Banks	EGP	311	8,706	8,213	39%	EGX30	28.00	-3.5%	Dec	44.1	57%	31.4	12%	Multiples	6.3x	1.3x	12.2%	20.1%	7.6x	20%	na	na
<b>3 COMI</b>	<b>* Banks</b>	<b>EGP</b>	<b>1,478</b>	<b>92,503</b>	<b>120,998</b>	<b>68%</b>	<b>EGX30</b>	<b>62.60</b>	<b>5.8%</b>	<b>Dec</b>	<b>79.6</b>	<b>27%</b>	<b>83.0</b>	<b>33%</b>	<b>Multiples</b>	<b>8.7x</b>	<b>1.7x</b>	<b>1.6%</b>	<b>19.5%</b>	<b>7.6x</b>	<b>25%</b>	<b>na</b>	<b>na</b>
4 AUTO	Consumer Discretionary	EGP	1,094	3,906	18,354	36%	EGX30	3.57	7.5%	Dec	4.6	28%	4.2	18%	SOTP	5.8x	0.9x	na	15.5%	4.2x	na	12,464	319.1%
5 MTIE	Consumer Discretionary	EGP	773	7,278	8,946	59%	EGX30	9.41	20.0%	Dec	11.6	23%	10.8	15%	Multiples	18.2x	4.4x	na	24.1%	1.8x	1%	201	2.8%
6 ORWE	Consumer Discretionary	EGP	665	4,716	9,626	54%	EGX30	7.09	3.5%	Dec	8.1	15%	8.3	17%	Multiples	6.1x	0.7x	9.2%	11.6%	1.6x	16%	445	9.4%
7 EFID	Consumer Staples	EGP	1,010	6,528	7,034	32%	EGX30	9.00	1.1%	Dec	13.9	54%	13.5	50%	DCF	19.4x	4.0x	2.2%	20.4%	2.1x	101%	548	8.4%
8 OLFJ	Consumer Staples	EGP	400	2,980	2,614	53%	EGX70	7.45	31.4%	Dec	9.5	28%	8.2	10%	Multiples	9.6x	3.2x	6.7%	33.4%	1.5x	16%	146	4.9%
9 POUL	Consumer Staples	EGP	479	1,557	7,549	45%	EGX70	3.25	3.5%	Dec	na	na	5.6	71%	DCF	11.8x	1.2x	na	10.5%	2.2x	-31%	531	34.1%
10 SUGR	Consumer Staples	EGP	142	1,334	542	38%	na	9.38	15.0%	Dec	na	na	9.2	-2%	Multiples	na	1.3x	2.7%	-17.0%	2.7x	-33%	1,073	80.5%
11 ECAP	Industrials	EGP	51	721	3,834	30%	EGX70	14.13	0.6%	Dec	18.1	28%	10.2	-28%	Multiples	na	1.5x	1.6%	-4.0%	3.3x	na	290	40.2%
12 KZPC	Industrials	EGP	12	351	160	na	na	29.28	15.8%	Dec	na	na	33.4	14%	DCF	13.5x	1.2x	5.1%	8.8%	2.1x	-21%	235	66.9%
13 ORAS	Industrials	EGP	117	11,479	4,256	27%	EGX70	98.31	17.3%	Dec	140.2	43%	140.0	42%	DCF	7.9x	1.2x	3.4%	15.6%	6.7x	65%	(3,282)	-28.6%
<b>14 SWDY</b>	<b>* Industrials</b>	<b>EGP</b>	<b>2,184</b>	<b>22,322</b>	<b>30,026</b>	<b>34%</b>	<b>EGX30</b>	<b>10.22</b>	<b>4.2%</b>	<b>Dec</b>	<b>11.0</b>	<b>8%</b>	<b>12.7</b>	<b>24%</b>	<b>DCF</b>	<b>7.4x</b>	<b>1.4x</b>	<b>7.8%</b>	<b>19.3%</b>	<b>3.1x</b>	<b>1%</b>	<b>(18)</b>	<b>-0.1%</b>
15 ABUK	Materials	EGP	1,262	30,058	13,518	30%	EGX30	23.82	15.2%	Jun	25.2	6%	25.0	5%	Multiples	11.1x	5.4x	5.0%	49.2%	1.8x	37%	(6,380)	-21.2%
16 EGAL	Materials	EGP	413	5,767	4,101	10%	EGX70	13.98	23.4%	Jun	na	na	13.0	-7%	DCF	na	1.1x	na	-27.0%	2.3x	89%	491	8.5%
17 ESR5	Materials	EGP	543	5,943	29,845	33%	EGX30	10.94	2.0%	Dec	9.6	-12%	6.7	-39%	DCF	na	-0.4x	na	na	-4.1x	na	31,889	536.5%
18 MFPC	Materials	EGP	229	16,826	5,547	22%	EGX70	73.44	25.0%	Dec	95.6	30%	90.0	23%	Multiples	8.1x	1.1x	3.4%	13.5%	1.7x	32%	3,319	19.7%
<b>19 MICH</b>	<b>* Materials</b>	<b>EGP</b>	<b>73</b>	<b>810</b>	<b>2,250</b>	<b>30%</b>	<b>EGX70</b>	<b>11.08</b>	<b>3.0%</b>	<b>Jun</b>	<b>13.3</b>	<b>20%</b>	<b>13.9</b>	<b>25%</b>	<b>DCF</b>	<b>7.3x</b>	<b>1.4x</b>	<b>9.0%</b>	<b>19.8%</b>	<b>1.2x</b>	<b>39%</b>	<b>(235)</b>	<b>-29.0%</b>
20 SKPC	Materials	EGP	525	5,523	13,646	49%	EGX30	10.52	13.0%	Dec	9.8	-7%	9.9	-6%	DCF	na	1.8x	2.9%	-3.4%	1.6x	-30%	249	4.5%
<b>21 CICH</b>	<b>* Non-Banking Financials</b>	<b>EGP</b>	<b>1,000</b>	<b>4,310</b>	<b>16,765</b>	<b>66%</b>	<b>EGX30</b>	<b>4.31</b>	<b>8.0%</b>	<b>Dec</b>	<b>5.5</b>	<b>28%</b>	<b>6.0</b>	<b>39%</b>	<b>DCF</b>	<b>8.7x</b>	<b>1.5x</b>	<b>na</b>	<b>16.7%</b>	<b>4.7x</b>	<b>na</b>	<b>8,980</b>	<b>208.4%</b>
<b>22 HRHO</b>	<b>* Non-Banking Financials</b>	<b>EGP</b>	<b>769</b>	<b>12,198</b>	<b>26,526</b>	<b>65%</b>	<b>EGX30</b>	<b>15.87</b>	<b>8.5%</b>	<b>Dec</b>	<b>21.7</b>	<b>37%</b>	<b>17.7</b>	<b>12%</b>	<b>DCF</b>	<b>10.3x</b>	<b>0.9x</b>	<b>na</b>	<b>8.9%</b>	<b>2.9x</b>	<b>-4%</b>	<b>2,050</b>	<b>16.8%</b>
23 MOIN	Non-Banking Financials	EGP	75	1,074	2,457	na	na	14.32	-0.1%	Jun	na	na	19.0	33%	DCF	7.3x	1.8x	2.3%	24.2%	3.4x	19%	(14)	-1.3%
24 RAYA	Non-Banking Financials	EGP	214	4,794	757	na	na	22.40	205.6%	Dec	na	na	12.8	-43%	SOTP	na	6.5x	0.8%	-14.2%	9.4x	na	3,882	81.0%
25 ACAMD	Real Estate	EGP	265	1,536	32,472	62%	EGX70	5.80	8.6%	Dec	na	na	10.6	83%	SOTP	na	11.4x	na	na	1.1x	na	(25)	-1.6%
26 ELSH	Real Estate	EGP	182	976	3,726	23%	EGX70	5.38	11.2%	Dec	na	na	7.4	38%	NAV	6.7x	1.6x	3.7%	23.7%	2.4x	25%	402	41.2%
27 ETEL	Telecom Services & IT	EGP	1,707	20,041	18,879	20%	EGX30	11.74	-1.6%	Dec	17.3	47%	15.0	28%	Multiples	4.4x	0.5x	2.1%	12.1%	2.1x	22%	16,850	84.1%

\* Core coverage, whose PT is 12-month price target. Prices as of 1 February 2021.  
Source: EGX, Prime Research.

## APPENDIX (cont'd)

Figure 35 (A): Prime Research Style &amp; Quantitative Matrix

Ticker	Name	Sector	Size	Type	Beta Type	Volatility Type	Liquidity	Div Payer?	Price level
ADIB	Abu Dhabi Islamic Bank Egypt	Banks	Mid	Core	Average Beta	Low Volatility	Illiquid	No	Low
CIEB	Credit Agricole Egypt	Banks	Large	Value	Low Beta	Low Volatility	Liquid	Yes	High
COMI	Commercial International Bank (CIB)	Banks	Large	Core	Average Beta	Low Volatility	Highly Liquid	Yes	Mega
EXPA	Export Development Bank of Egypt	Banks	Small	Value	Low Beta	Low Volatility	Highly Liquid	No	Low
FAIT	Faisal Islamic Bank of Egypt (EGP)	Banks	Mid	Value	Low Beta	Low Volatility	Illiquid	Yes	Low
HDBK	Housing & Development Bank	Banks	Mid	Value	Average Beta	Low Volatility	Illiquid	Yes	High
QNBA	Qatar National Bank Alahly	Banks	Large	Value	Low Beta	Low Volatility	Illiquid	Yes	Average
ACGC	Arab Cotton Ginning	Consumer Discretionary	Small	Core	High Beta	High Volatility	Highly Liquid	No	Penny
AUTO	GB Auto	Consumer Discretionary	Mid	Growth	High Beta	Low Volatility	Highly Liquid	No	Penny
CIRA	Cairo Inv. & RE Dev.	Consumer Discretionary	Large	Growth	Low Beta	Low Volatility	Liquid	Yes	Low
DSCW	Dice Sport & Casual Wear	Consumer Discretionary	Small	Growth	High Beta	High Volatility	Highly Liquid	No	Ultra Penny
ELWA	El-Wadi for Touristic Investments	Consumer Discretionary	Small	Core	Average Beta	High Volatility	Liquid	No	Ultra Penny
KABO	El-Nasr Clothes & Textiles	Consumer Discretionary	Small	Core	High Beta	High Volatility	Liquid	No	Ultra Penny
MPRC	Egyptian Media Production City	Consumer Discretionary	Small	Growth	High Beta	Low Volatility	Illiquid	No	Penny
MTIE	MM Group	Consumer Discretionary	Mid	Growth	Low Beta	Low Volatility	Liquid	No	Low
ORWE	Oriental Weavers Carpet	Consumer Discretionary	Mid	Value	Low Beta	Low Volatility	Liquid	Yes	Low
RTVC	Remco for Touristic Villages	Consumer Discretionary	Small	Core	High Beta	High Volatility	Liquid	No	Penny
AFMC	Alexandria Flour Mills	Consumer Staples	Small	Core	Average Beta	Low Volatility	Illiquid	Yes	Low
ALRA	Atlas for Inv. & Food Industries	Consumer Staples	Small	Core	Average Beta	High Volatility	Liquid	No	Penny
AJWA	Ajwa for Food Industries	Consumer Staples	Small	Core	High Beta	High Volatility	Liquid	No	Penny
COSG	Cairo Oils & Soap	Consumer Staples	Small	Core	Low Beta	Low Volatility	Illiquid	No	Low
DOMT	Arabian Food Industries (Domty)	Consumer Staples	Mid	Core	Low Beta	Low Volatility	Illiquid	Yes	Low
EAST	Eastern Company	Consumer Staples	Large	Value	Low Beta	Low Volatility	Highly Liquid	Yes	Low
EFID	Edita Food Industries	Consumer Staples	Large	Core	Low Beta	Low Volatility	Liquid	Yes	Low
ISMA	Ismailia Misr Poultry	Consumer Staples	Small	Core	High Beta	High Volatility	Liquid	No	Penny

Source: EGX, Prime Research.



## APPENDIX (cont'd)

**Figure 35 (B): Prime Research Style & Quantitative Matrix**

Ticker	Name	Sector	Size	Type	Beta Type	Volatility Type	Liquidity	Div Payer?	Price level
JUFO	Juhayna Food Industries	Consumer Staples	Large	Core	Low Beta	Low Volatility	Liquid	Yes	Low
NEDA	Northern Upper Egypt Development	Consumer Staples	Small	Core	High Beta	High Volatility	Liquid	No	Ultra Penny
OLFI	Obour Land Food Industries	Consumer Staples	Mid	Core	Low Beta	Low Volatility	Illiquid	Yes	Low
POUL	Cairo Poultry	Consumer Staples	Small	Core	High Beta	Low Volatility	Liquid	No	Penny
ZEOT	Extracted Oils	Consumer Staples	Small	Core	High Beta	Low Volatility	Illiquid	Yes	Penny
AMOC	Alexandria Mineral Oils	Energy & Utilities	Mid	Core	High Beta	Low Volatility	Liquid	No	Penny
CCAP	Qalaa Holdings	Energy & Utilities	Mid	Growth	High Beta	Low Volatility	Highly Liquid	No	Penny
EKHO	Egypt Kuwait Holding	Energy & Utilities	Large	Core	Low Beta	Low Volatility	Illiquid	Yes	Penny
MOIL	Maridive & Oil Services	Energy & Utilities	Small	Core	Average Beta	Low Volatility	Illiquid	No	Ultra Penny
CLHO	Cleopatra Hospitals Group	Health Care	Large	Growth	Low Beta	Low Volatility	Highly Liquid	No	Low
ISPH	Ibnsina Pharma	Health Care	Large	Growth	Low Beta	Low Volatility	Highly Liquid	Yes	Low
PHAR	EIPICO	Health Care	Mid	Core	Low Beta	Low Volatility	Illiquid	Yes	Big
RMDA	Rameda	Health Care	Mid	Growth	Low Beta	Low Volatility	Liquid	No	Penny
ALCN	Alexandria Containers Handling	Industrials	Large	Value	Low Beta	Low Volatility	Illiquid	Yes	Low
CSAG	Canal Shipping Agencies	Industrials	Mid	Value	High Beta	Low Volatility	Illiquid	No	Low
ECAP	Al-Ezz Ceramics & Porcelain	Industrials	Small	Core	Low Beta	Low Volatility	Illiquid	Yes	Average
EDBM	Egyptian for Developing Building	Industrials	Small	Growth	Low Beta	High Volatility	Liquid	No	Penny
EEII	El-Arabia Engineering Industries	Industrials	Small	Core	Low Beta	High Volatility	Illiquid	No	Ultra Penny
ELEC	Egyptian Electrical Cables	Industrials	Small	Growth	Average Beta	Low Volatility	Illiquid	No	Penny
ETRS	Egytrans	Industrials	Small	Value	Average Beta	Low Volatility	Illiquid	Yes	Low
GGCC	Giza General Contracting	Industrials	Small	Growth	Average Beta	High Volatility	Liquid	No	Ultra Penny
NRPD	National RE Bank for Dev.	Industrials	Small	Value	High Beta	High Volatility	Illiquid	No	Low
ORAS	Orascom Construction	Industrials	Large	Core	Average Beta	Low Volatility	Illiquid	Yes	Mega
PRCL	Sheeni	Industrials	Small	Core	High Beta	High Volatility	Illiquid	No	Penny
SWDY	Esewedey Electric	Industrials	Large	Value	High Beta	Low Volatility	Highly Liquid	Yes	Low

Source: EGX, Prime Research.





## APPENDIX (cont'd)

Figure 35 (C): Prime Research Style &amp; Quantitative Matrix

Ticker	Name	Sector	Size	Type	Beta Type	Volatility Type	Liquidity	Div Payer?	Price level
UASG	United Arab Shipping	Industrials	Small	Core	High Beta	High Volatility	Illiquid	No	Ultra Penny
UEGC	Elsaeed Contracting & RE Inv.	Industrials	Small	Growth	High Beta	Low Volatility	Liquid	No	Ultra Penny
ABUK	Abu Kir Fertilizers & Chemicals	Materials	Large	Core	Average Beta	Low Volatility	Highly Liquid	Yes	Average
ARCC	Arabian Cement	Materials	Small	Core	High Beta	Low Volatility	Illiquid	Yes	Penny
ASCM	ASEC Co. for Mining (ASCOM)	Materials	Small	Core	High Beta	Low Volatility	Illiquid	No	Low
ATQA	Misr National Steel (Ataqa)	Materials	Small	Growth	High Beta	High Volatility	Liquid	No	Ultra Penny
EFIC	Egyptian Financial & Industrials	Materials	Small	Value	Average Beta	Low Volatility	Liquid	Yes	Low
EGAL	Egypt Aluminum	Materials	Mid	Core	High Beta	Low Volatility	Illiquid	No	Low
EGCH	KIMA	Materials	Mid	Core	High Beta	Low Volatility	Liquid	No	Low
ESRS	Ezz Steel	Materials	Mid	Core	High Beta	Low Volatility	Highly Liquid	No	Low
IRON	Egyptian Iron & Steel	Materials	Small	Core	High Beta	High Volatility	Highly Liquid	No	Penny
MCQE	Misr Cement (Qena)	Materials	Small	Core	High Beta	Low Volatility	Illiquid	Yes	Low
MEPA	Medical Packaging	Materials	Small	Growth	Low Beta	High Volatility	Illiquid	No	Ultra Penny
MFPC	MOPCO	Materials	Large	Core	High Beta	Low Volatility	Illiquid	Yes	Big
MICH	Misr Chemical Industries	Materials	Small	Value	High Beta	Low Volatility	Illiquid	Yes	Low
PACH	PACHIN	Materials	Small	Core	High Beta	Low Volatility	Illiquid	Yes	Average
SKPC	Sidi Kerir Petrochemicals	Materials	Mid	Core	High Beta	Low Volatility	Highly Liquid	Yes	Low
SUCE	Suez Cement	Materials	Small	Core	Average Beta	Low Volatility	Illiquid	No	Low
SVCE	South Valley Cement	Materials	Small	Core	High Beta	Low Volatility	Illiquid	No	Penny
AIH	Arabia Investments Holding	Non-Banking Financials	Small	Value	High Beta	High Volatility	Highly Liquid	No	Ultra Penny
AMIA	Arab Moltaqa Investments	Non-Banking Financials	Small	Core	High Beta	Low Volatility	Illiquid	Yes	Low
BTFH	Beltone Financial Holding	Non-Banking Financials	Small	Core	High Beta	High Volatility	Highly Liquid	No	Penny
CICH	CI Capital Holding	Non-Banking Financials	Mid	Value	Average Beta	Low Volatility	Highly Liquid	No	Penny
FWRY	Fawry	Non-Banking Financials	Mid	Growth	High Beta	Low Volatility	Highly Liquid	No	Low
HRHO	EFG Hermes Holding	Non-Banking Financials	Large	Core	High Beta	Low Volatility	Highly Liquid	No	Average

Source: EGX, Prime Research.

## APPENDIX (cont'd)

Figure 35 (D): Prime Research Style &amp; Quantitative Matrix

Ticker	Name	Sector	Size	Type	Beta Type	Volatility Type	Liquidity	Div Payer?	Price level
OIH	Orascom Investment Holding	Non-Banking Financials	Mid	Core	High Beta	Low Volatility	Highly Liquid	No	Ultra Penny
PIOH	Pioneers Holding	Non-Banking Financials	Mid	Value	High Beta	Low Volatility	Highly Liquid	No	Low
ACAMD	Arab Co. for Asset Management & Dev.	Real Estate	Small	Core	High Beta	High Volatility	Highly Liquid	No	Penny
AMER	Amer Group Holding	Real Estate	Small	Growth	Average Beta	Low Volatility	Illiquid	No	Ultra Penny
AREH	Real Estate Egyptian Consortium	Real Estate	Small	Core	High Beta	High Volatility	Liquid	Yes	Penny
CCRS	Gulf Canadian	Real Estate	Small	Core	Low Beta	High Volatility	Illiquid	No	Low
DAPH	Dev. & Engineering Consultancies	Real Estate	Small	Core	High Beta	Low Volatility	Illiquid	No	Low
EGTS	Egyptian Resorts Co.	Real Estate	Mid	Core	High Beta	Low Volatility	Liquid	No	Penny
EHDR	Egyptians for H&D	Real Estate	Small	Core	High Beta	High Volatility	Highly Liquid	No	Ultra Penny
ELSH	El-Shams H&D	Real Estate	Small	Core	Average Beta	Low Volatility	Illiquid	Yes	Penny
EMFD	Emaar Misr for Development	Real Estate	Large	Core	Low Beta	Low Volatility	Highly Liquid	No	Penny
GOCO	Golden Coast	Real Estate	Small	Growth	Average Beta	High Volatility	Liquid	No	Ultra Penny
HELI	Heliopolis Housing & Development	Real Estate	Large	Growth	High Beta	Low Volatility	Highly Liquid	Yes	Low
IDRE	New Ismailia for Urban Development	Real Estate	Small	Core	Average Beta	High Volatility	Illiquid	No	Penny
MENA	Mena Touristic & Real Estate	Real Estate	Small	Growth	Low Beta	Low Volatility	Liquid	No	Penny
MNHD	Medinet Nasr for H&D	Real Estate	Mid	Value	High Beta	Low Volatility	Highly Liquid	Yes	Penny
OCDI	SODIC	Real Estate	Mid	Core	High Beta	Low Volatility	Highly Liquid	Yes	Low
ORHD	Orascom Development Egypt	Real Estate	Large	Core	High Beta	Low Volatility	Liquid	No	Low
PHDC	Palm Hills Developments	Real Estate	Mid	Core	High Beta	Low Volatility	Highly Liquid	No	Penny
PORT	Porto Group Holding	Real Estate	Small	Core	High Beta	Low Volatility	Highly Liquid	No	Ultra Penny
TMGH	TMG Holding	Real Estate	Large	Core	High Beta	Low Volatility	Highly Liquid	Yes	Low
UNIT	United Co for Housing & Developments	Real Estate	Small	Core	Average Beta	Low Volatility	Illiquid	No	Penny
ETEL	Telecom Egypt	Telecom Services & IT	Large	Core	Average Beta	Low Volatility	Highly Liquid	Yes	Low
RACC	Raya Contact Center	Telecom Services & IT	Small	Value	Low Beta	Low Volatility	Illiquid	No	Penny

Source: EGX, Prime Research.



## APPENDIX (cont'd)

Figure 36: Prime Research Publications since May 2020 through January 2021

DATE	PUBLISHED REPORT	DATE	PUBLISHED REPORT
14-Jan-21	<b>CI Capital Holding [CICH] – New Expansions = Further Growth</b>	9-Aug-20	MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed
10-Jan-21	MACROView – Below End-of-Year Target	5-Aug-20	MACROView – Toward gradual recovery
6-Jan-21	MACROView – On the Path to Further Recovery	29-Jul-20	MACROView – CAD gains eroded by financial account vulnerability
5-Jan-21	MACROView – Rutted Road to Recovery	14-Jul-20	Commercial International Bank - [COMI] - Q2 2020 results
28-Dec-20	<b>Elsewedy Electric [SWDY] – More Growth to Come</b>	9-Jul-20	MACROView – Inflation driven by non-food baskets and unfavorable base effect
22-Dec-20	<b>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</b>	8-Jul-20	MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position
16-Dec-20	CIB [COMI] – Earnings beat despite higher provisions	7-Jul-20	MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed
10-Dec-20	MACROView – The Highest Reading in Seven Months	25-Jun-20	EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition
7-Dec-20	MACROView – Restored Ground	10-Jun-20	MACROView – Lowest annual reading in five months, but monthly figures show no changes
6-Dec-20	MACROView – Lost Momentum	8-Jun-20	Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices
3-Dec-20	MACROView – Not as Severe as Expected but All Eyes on the Scars	8-Jun-20	MACROView – Solid buffers and moderate depreciation: The CBE's recipe to deal with COVID-19
25-Nov-20	<b>Misr Chemical Industries [MICH] – Pandemic Proof</b>	3-Jun-20	MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy
10-Nov-20	MACROView – An expected rise as the new school year began	18-May-20	Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results
4-Nov-20	MACROView – The Stars Seem to Be Aligned for International Reserves	18-May-20	Al Baraka Bank Egypt [SAUD] – Q1 2020 Results
3-Nov-20	MACROView – The Highest Reading in Six Years	17-May-20	Credit Agricole Egypt [CIEB] – Q1 2020 Results
25-Oct-20	CIB [COMI] – Short-term pain for longer-term gain	13-May-20	MACROView – Yesterday's CBE conference call with Deputy Governor
11-Oct-20	MACROView – Disinflationary trend interrupted	11-May-20	MACROView – Acceleration in April driven by food prices – as expected
11-Oct-20	MACROView – External strains are slacking and reserves are growing	7-May-20	MACROView – Keeping head above water amid pandemic uncertainties
6-Oct-20	<b>CIB [COMI] – A Good Bet for the “Risk On” Mode</b>	5-May-20	Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results
5-Oct-20	MACROView – Egypt's recovery is broadening	Note: Bold reports are Core Coverage.	
10-Sep-20	MACROView – A Stunning Chapter Towards Targets		
8-Sep-20	MACROView – Crawling Out of the Troughs		
3-Sep-20	MACROView – Job losses and the bumpy road to recovery		
18-Aug-20	Oriental Weavers Carpet [ORWE] – Q2 2020 Results		
13-Aug-20	Credit Agricole Egypt [CIEB] – Q2 2020 Results		
10-Aug-20	MACROView – Muted inflation environment still dominates		

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