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All Rise!

1. Today's Trading Playbook

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KEY THEMES

With global investors starting to become a bit concerned about rising inflation (as evident in rising global commodity prices and yields), equities may start feeling the brunt. With MSCI EM up more than 10% ytd, EGX 30 is still lagging, up just above 5%. EGX 30 had also lagged MSCI EM in 2020, leaving room for the market's main index to stage a strong recovery once foreign investors start coming back to the market. The current low interest rate environment has been a boon to global markets in general and the U.S. market in specific. However, moderately higher global interest rates may lead global investors to re-think their strategy by reducing exposure to developed markets (the U.S. included) and look elsewhere for laggards, such as EGX 30.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The timing of the disbursement of the final instalment of the monthly stipend for informal laborers will be decided today. The stipend was introduced last year to support day laborers through the economic fallout from COVID-19. ([Youm7](#))

The Damietta LNG plant is finally back online after eight years of being idled, with two liquefied natural gas shipments making their way out of the Damietta Port yesterday, marking a key step towards our ambitions to become an energy hub and boost natural gas exports to Europe. An LNG carrier from the Marshall Islands is transporting 60,000 tons of LNG from Egypt to Bangladesh. ([Cabinet statement](#))



Europe could be getting even more East Med gas through our liquefaction plants, thanks to a pipeline that Egypt and Israel have agreed to build to connect Israel's offshore Leviathan gas field to Egypt's liquefaction plants. ([Ministry of Petroleum](#))

Siemens Gamesa has been awarded the five-year contract to operate and maintain the New & Renewable Energy Authority's (NREA) 220 MW Gabal El--Zeit 2 wind plant in the Gulf of Suez. ([Al-Borsa](#))

Individuals aged 16-21 can get in on EGX trading but can only have a maximum of EGP10,000 of stocks in their portfolios under new rules by the Financial Regulatory Authority. (FRA: [1](#) [2](#))

CORPORATE NEWS

Abu Dhabi Islamic Bank - Egypt's [ADIB] BoD approved the purchase offer submitted by a consortium of investors to acquire the shares of Assiut Islamic Trading [AITG] at a price of EGP28.5/share. ([Bank release](#)) The offer is worth EGP76.2mn (up to 2.67mn shares) which translates into cash proceeds of EGP0.38/ADIB share. Moreover, **ADIB is securing necessary approvals to establish two companies specialized in microfinance and consumer finance** with paid-in capital of EGP25mn and EGP10mn, respectively. (Al-Mal)

EgyTrans's [ETRS] 2020 preliminary indicators showed a 59% y/y decrease in net income to EGP13.1mn. Meanwhile, revenues dropped by 12.4% y/y to EGP216.1mn. ([Company disclosure](#))

Unipak's [UNIP] BoD approved a 10-for-1 stock split, cutting the par value to EGP0.10/share. The BoD also suggested a cash dividend of EGP0.11/share, implying a dividend yield of 0.8%. (Company disclosures: [1](#) [2](#))

Sarwa Capital Holding's [SRWA] EGM decided the company will decrease its authorized capital from EGP1bn to EGP950mn as per FRA's regulations, increase the BoD seats from 11 to 13, and change its name to Contact Financial Holding. ([Company disclosure](#))

Egyptian Media Production City's (EMPC) [MPRC] consolidated 2020 KPIs showed net income of EGP67mn. Revenues, meanwhile, reached EGP450mn. Last September, MPRC released its first consolidated financials after acquiring a controlling stake of 97.5% in Arab Hotel Co. ([Company disclosure](#))

Electro Cable Egypt [ELEC] sold 89.3mn treasury shares on 18 February. ([Company disclosure](#))



GLOBAL NEWS

Asset managers are scrambling to shield portfolios from inflation amid signs that the wave of stimulus unleashed in response to the pandemic last year will cause a pick-up in inflation in advanced economies. ([Financial Times](#))

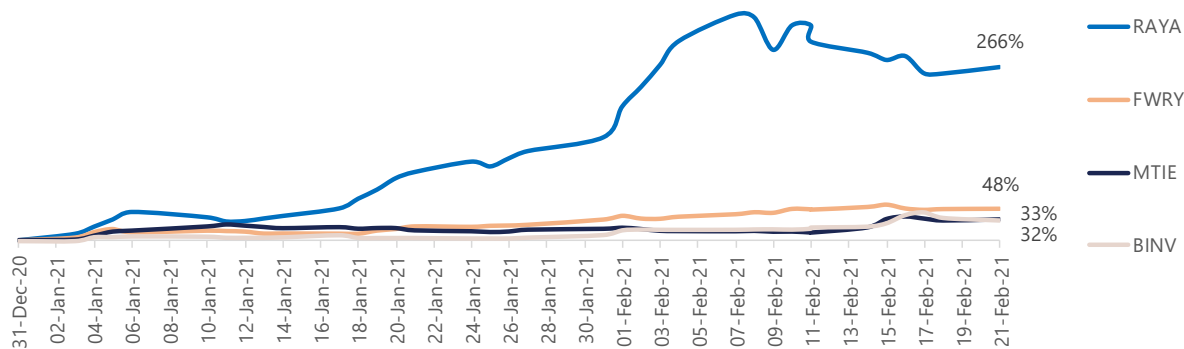
Oil prices rose on Monday as the slow return of U.S. crude output cut by frigid conditions raised concerns about supply, just as demand recovers from the depths of the coronavirus pandemic. ([Reuters](#))

3. CHART OF THE DAY

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The impact of e-payments companies on 2021 ytd stock performance



Source: Investing.com.

In view of the 266% ytd surge in Raya Holding's [**RAYA**] stock price despite the absence of any fundamental catalysts, we assume that the market has turned very bullish on companies with e-payment platforms. RAYA still owns a majority stake in Aman for E-Payments. Also, in support of that bullish sentiment, Fawry [**FWRY**] saw its stock price generate a return in excess of 330% in 2020 alone. We believe MM Group [**MTIE**] and B Investments [**BINV**] have been lagging partly due to their more diversified exposure sectorally.



4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
701.5						1,262.9		1,178.6	
				daily chg.	ytd chg.			daily chg.	ytd chg.
		EGX 30	11,425.85	0.40%	5.35%			Gold	1,784.25 0.48% (5.50%)
		EGX 30 TR	4,407.53	0.73%	5.65%			Silver	27.29 0.95% 4.44%
		EGX 70 EWI	2,392.06	1.77%	11.51%			Brent Oil	62.91 1.56% 23.34%
		EGX 100 EWI	3,420.42	1.37%	10.41%			WTI	59.24 1.49% 23.91%
		DFMGI	2,568.03	(0.32%)	3.05%			Natural Gas	3.07 (2.83%) 17.45%
		ADSMI	5,656.64	0.24%	12.13%	EGP		USD/EGP	15.66 (0.16%) (0.47%)
		TASI	9,085.97	0.68%	4.56%	€		EUR/USD	1.21 0.02% (0.77%)
		QE Index	10,266.59	(0.07%)	(1.62%)	£		GBP/USD	1.40 0.01% 2.54%
		S&P 500	3,906.71	(0.19%)	4.01%	¥		USD/JPY	105.45 0.18% 2.31%
		Dow 30	31,494.32	0.00%	2.90%			6M TB yield	13.18 5 45
		NASDAQ	13,874.46	0.07%	7.65%			1Y TB yield	13.23 6 46
		VIX	22.05	(1.96%)	(3.08%)			10Y TB yield	14.69 (0) 30
		STOXX 50	3,713.46	0.88%	4.53%			2Y TB yield	0.11 (0) (3)
EM		MSCI Emerging	1,430.03	0.34%	10.75%			10Y TB yield	1.34 5 41
FM		MSCI Frontier	589.72	(0.19%)	3.16%			30Y TB yield	2.13 8 47

* As of market close, except for commodities and currencies at 8.4am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

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

6. KEY DATES

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DATE	TICKER	TYPE	EVENT
22-Feb-21	FAIT	Stock dividend	Distribution date for 0.15-for-1.
22-Feb-21	FWRY	EGM	Discussing applying a reward system for employees.
23-Feb-21	OLFI	OGM	Approving the financial statements ending 31 Dec. 2020 and the dividend distribution.
24-Feb-21	ETEL	Earnings	2020 financial results based on EAS.
24-Feb-21	ETEL	Conference Call	Discussing FY 2020 results.
28-Feb-21	HELI	Auction	Open bid for 270 feddans in new Heliopolis.
28-Feb-21	EXPA	OGM	Approving increasing the issued capital by distributing EGP54.5mn worth of bonus shares.
28-Feb-21	EXPA	EGM	Approving increasing the issued capital and amending articles 5, 23 and 48 of the bylaws.
28-Feb-21	ACRO	EGM	Amending article 4 of the bylaws.
28-Feb-21	AREH	EGM	Discussing a stock split and amending articles 6 & 7 of the bylaws.
2-Mar-21	AUTO	Conference Call	Discussing FY 2020 results.
3-Mar-21	AMER	Lawsuit	A court session discussing legal disputes relevant to the company.



3-Mar-21	PORT	Lawsuit	A court session discussing legal disputes relevant to the company.
7-Mar-21	EGBE	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
7-Mar-21	EGBE	EGM	Amending articles 4, 52, 6 & 7 of the bylaws.
10-Mar-21	RTVC	EGM	Discussing an offer for its 99.95% stake in Orient Tours Hotels & Tourism Villages
11-Mar-21	CICH	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
13-Mar-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
15-Mar-21	ETEL	EGM	Amending articles 21 & 43 of the bylaws.
16-Mar-21	ALUM	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
16-Mar-21	ALUM	EGM	Amending articles 4 & 7 of the company's bylaws.
18-Mar-21	SAIB	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
18-Mar-21	FAIT	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
18-Mar-21		MPC Meeting	Discussing a policy rate decision.
19-Mar-21	NINH	OGM	Approving the financial statements ending 31 Dec. 2020.
19-Mar-21	NINH	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
23-Mar-21	ADIB	OGM	Approving the financial statements ending 31 Dec. 2020.
23-Mar-21	ADIB	EGM	Approving increasing the authorized capital from EGP4bn to EGP7bn, and amending article 6 of the bylaws.
23-Mar-21	EHDR	EGM	Approving a stock dividend and amending articles 6 and 7 of the bylaws.



7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
10-Feb-21	<u>MACROView – Disinflation Continues Amid Acceleration in Global Commodity Prices</u>
8-Feb-21	<u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u>
4-Feb-21	<u>MACROView – External Buffers Are Still Restoring Grounds</u>
3-Feb-21	<u>MACROView – A Fragile Improvement but Favorable Sentiment</u>
3-Feb-21	<u>MACROView – External Woes vs. Cautious Optimism</u>
2-Feb-21	<u>STANDPoint – Egypt 2021 Investing Playbook</u>
14-Jan-21	<u>CI Capital Holding [CICH] – New Expansions = Further Growth</u>
10-Jan-21	<u>MACROView – Below End-of-Year Target</u>
6-Jan-21	<u>MACROView – On the Path to Further Recovery</u>
5-Jan-21	<u>MACROView – Rutted Road to Recovery</u>
28-Dec-20	<u>Elsewedy Electric [SWDY] – More Growth to Come</u>
22-Dec-20	<u>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</u>
16-Dec-20	<u>CIB [COMI] – Earnings beat despite higher provisions</u>
10-Dec-20	<u>MACROView – The Highest Reading in Seven Months</u>
7-Dec-20	<u>MACROView – Restored Ground</u>
6-Dec-20	<u>MACROView – Lost Momentum</u>
3-Dec-20	<u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u>
25-Nov-20	<u>Misr Chemical Industries [MICH] – Pandemic Proof</u>
10-Nov-20	<u>MACROView – An expected rise as the new school year began</u>
4-Nov-20	<u>MACROView – The Stars Seem to Be Aligned for International Reserves</u>
3-Nov-20	<u>MACROView – The Highest Reading in Six Years</u>
25-Oct-20	<u>CIB [COMI] – Short-term pain for longer-term gain</u>
11-Oct-20	<u>MACROView – Disinflationary trend interrupted</u>
11-Oct-20	<u>MACROView – External strains are slacking and reserves are growing</u>
6-Oct-20	<u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u>
5-Oct-20	<u>MACROView – Egypt’s recovery is broadening</u>
10-Sep-20	<u>MACROView – A Stunning Chapter Towards Targets</u>
8-Sep-20	<u>MACROView – Crawling Out of the Troughs</u>
3-Sep-20	<u>MACROView – Job losses and the bumpy road to recovery</u>
18-Aug-20	<u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u>
13-Aug-20	<u>Credit Agricole Egypt [CIEB] – Q2 2020 Results</u>



10-Aug-20	<u>MACROView – Muted inflation environment still dominates</u>
9-Aug-20	<u>MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed</u>
5-Aug-20	<u>MACROView – Toward gradual recovery</u>
29-Jul-20	<u>MACROView – CAD gains eroded by financial account vulnerability</u>
14-Jul-20	<u>Commercial International Bank - [COMI] - Q2 2020 results</u>
9-Jul-20	<u>MACROView – Inflation driven by non-food baskets and unfavorable base effect</u>
8-Jul-20	<u>MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position</u>
7-Jul-20	<u>MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed</u>
25-Jun-20	<u>EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition</u>
10-Jun-20	<u>MACROView – Lowest annual reading in five months, but monthly figures show no changes</u>
8-Jun-20	<u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u>
8-Jun-20	<u>MACROView – Solid buffers and moderate depreciation: The CBE's recipe to deal with COVID-19</u>
3-Jun-20	<u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u>
18-May-20	<u>Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results</u>
18-May-20	<u>Al Baraka Bank Egypt [SAUD] – Q1 2020 Results</u>
17-May-20	<u>Credit Agricole Egypt [CIEB] – Q1 2020 Results</u>
13-May-20	<u>MACROView – Yesterday's CBE conference call with Deputy Governor</u>
11-May-20	<u>MACROView– Acceleration in April driven by food prices – as expected</u>
7-May-20	<u>MACROView – Keeping head above water amid pandemic uncertainties</u>
5-May-20	<u>Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results</u>



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