

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

## Greek Gift

### 1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

#### KEY THEMES

Misr Chemical Industries [**MICH**] posted its 7M 2020/21 indicators, showing a bottom line of EGP93mn. This implies a monthly net income for January of c. EGP11mn vs. EGP10mn in December. We note that net earnings for January and December are below the 7-month average for 2020/21 of EGP13mn. However, this is still conforming with the view of normalization in selling prices during H2 2020/21. We remind you that our projections for MICH bottom line is EGP141mn this year. Unless a surprising rebound in selling prices took place in Q3 2020/21 on the back of the situation with a second wave of COVID-19, we believe MICH is on the road to hit our target earnings for the year. At the current market price, MICH 2020/21 forward P/E and EV/EBITDA are in the space of 5.6x and 3.1x, respectively. We remind you that we have an Overweight investment rating on the name, with a 12M PT of EGP13.9/share (ETR +29%).

#### POSITIVE

**MICH:** The likelihood of continuing stable performance throughout the entirety of 2020/21.

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

### 2. TOP NEWS & ANALYSIS

[TABLE OF CONTENTS](#)

#### MACRO NEWS

**Another Chinese auto firm signs up for government natural gas transition plan. General Misr, the local agent of China's Joylong Automobile minibus brand, intends to start by early 2022 producing some 3,000 vehicles with dual-fuel engines.** The Chinese company has agreed to have one of its vehicle models locally assembled in Egypt, and will choose between four local factories owned by the Arab Organization for Industrialization. ([Enterprise](#))

**Amendments to the Real Estate Registry Law are now suspended for at least two years under directives from President Abdel-Fattah El-Sisi.** ([Ittihadiya statement](#))



**The Ministry of Finance approved new facilities for customs' duty on imported second-hand cars.** The ministry issued a decree that gives second-hand cars, which run with electric engines or are powered by electric and fossil engines, a 10% deduction on the free of board (FOB) value applied to imported cars. The decree will be applied to second-hand cars that are imported as of October of the model year through September of the following year. ([Ahram Online](#))

## CORPORATE NEWS

**Commercial International Bank - Egypt's [COMI] BoD agreed to increase the paid-in capital by EGP10bn through a stock dividend at the ration of 1-to-2 or 1bn shares to be financed from 2020 general reserves.** In addition, the board approved raising the paid-in capital by 12.3mn shares as part of the bank's employee stock ownership plan. ([Bank release](#)) We note that this step will be implemented once the previous 1-to-3 stock dividend is distributed and after implementing the ESOP plan.

**Palm Hills Developments' [PHDC] net profits after minority declined to EGP718mn in 2020 (-15% y/y),** while revenues contracted to EGP5.2bn (-16% y/y). Meanwhile, pre-sales grew to EGP12.8bn (+6% y/y). PHDC's BoD approved distributing a dividend of EGP304mn, implying a DPS of EGP0.1. The board also gave the go-ahead for acquiring the 28.16% stake owned by Mansour & Maghraby Investment & Development Co. (MMID) in Palm Hills Education for c. EGP4.2mn, which will raise PHDC's stake to 99.2%. In addition, the board greenlighted buying MMID's 11% stake in Eastern New Cairo for Real Estate Development for EGP11mn, which will make PHDC a full owner. ([Company disclosure](#))

**Egypt Kuwait Holding Co. [EKHO] achieved net earnings of USD116mn in 2020 (+1% y/y),** driven by a top line of USD603mn. The company reported a 7% y/y growth in revenues in the same year. The energy and energy-related segment (+20% y/y) was the main revenue booster. The segment's performance was improved by a growing contribution from NatEnergy's Kahraba facility, coupled with solid performance from ONS. In line with the top-line growth, gross profit widened 7% y/y to USD225mn. The GPM was nearly unchanged at 37%. Margins were stabilized by the raw material costs borne by Sprea Misr, as well as AlexFert's improved operational efficiencies. EBITDA grew to USD238mn (+10% y/y) and EBITDA margin expanded by 1pp to 39%. On another note, the BoD agreed to a 10-for-1 stock split and to offer the Egyptian pound as a trading currency for interested shareholders. (Company disclosures: [1](#), [2](#))

**Cairo Poultry's [POUL] net profits dipped to EGP103mn in 2020 (-12% y/y)** after a plunge in other operating income and expenses (-89% y/y). Revenues, meanwhile, dropped 3% y/y to EGP4.2bn. ([Company disclosure](#))



**Ibnsina Pharma's [ISPH] net profit fell in 2020 to EGP225mn (-32% y/y), mainly on higher SG&A expenses (+22% y/y).** Revenues, however, rose to EGP19bn (+13% y/y). ISPH's BoD proposed distributing a 16.7% stock dividend, thus bringing ISPH's capital to EGP280mn. (Company disclosures: [1](#), [2](#)) Meanwhile, **ISPH seeks to break into the financial technology field by establishing a company focusing on health care**, north of 99% to be owned by ISPH, with an issued capital of EGP300mn. ([Company disclosure](#))

**Madinet Nasr for Housing & Development [MNHD] said it received an approval from the Civil Aviation Authority to be allocated additional heights in Taj City**, which could add 1.2mn sqm (+63%) to its remaining built-up area in the project. ([Company disclosure](#))

**Misr Fertilizers Production Co. (MOPCO) [MFPC] saw its stand-alone net earnings rise to EGP1.1bn (+36% y/y)**, despite weaker top line of EGP2.4bn (-2% y/y). The company's performance was propelled up by an increase in GPM to 57.5% (vs. 54.9%) and a decrease in FX losses. ([Company disclosure](#))

**Arabian Food Industries Co.'s [DOMT] net profit for 2020 was almost flat at EGP158mn (+1% y/y)**, pressured by an increase in SG&A expenses. Revenues, however, grew to EGP3bn (+12% y/y). ([Company disclosure](#))

**GB Auto [AUTO] announced it is selling 1.7mn treasury shares during the 1-17 March period.** ([Company disclosure](#))

**Rameda [RMDA] achieved a net profit of EGP112mn in 2020 (+36% y/y) following the 10% y/y gross profit increase.** Revenues, meanwhile, upped 7% y/y to EGP960mn. ([Company disclosure](#))

**Lecico Egypt's [LCSW] 2020 consolidated net loss after minorities narrowed to EGP221mn compared to a net loss of EGP298mn in 2019, helped by lower SG&A and lower financing costs.** Meanwhile, revenues decreased by 13% y/y to EGP2.06bn. LCSW's BoD proposed not distributing dividends. (Company disclosures: [1](#), [2](#), [3](#))

**Pioneers Holding [PIOH] BoD decided to sell the entire treasury stocks (9.49mn) owned by the company.** ([Company disclosure](#))

**Misr National Steel [ATQA] turned to a net loss of EGP4.5mn in 2020 vs. net earnings of EGP14mn in 2019.** This comes on the back of a 15% decline in revenues to EGP1.89bn, as well as a decrease in GPM to 5% (vs. c.9% in 2019). ([Company disclosure](#))



## Macro Group Pharmaceuticals plans to float its ordinary shares on the EGX during H1

**2021.** The offering is expected to consist of a secondary sale by the selling shareholder, Leo 1, of up to 283 existing ordinary shares on the EGX, representing up to 49% of Macro's share capital. ([Company disclosure](#))

### GLOBAL NEWS

**The Turkish economy grew at a faster rate than all its G20 peers except China in the final quarter of 2020, thanks to a pick-up in consumer spending.** The country recorded a growth rate of 5.9%, propelled by lower borrowing rates. The growth comes despite the lira tumbling 20% and inflation remaining in the double digits through 2020. ([Bloomberg](#))

**The S&P 500 surged on Monday in its strongest one-day gain since June as bond markets calmed after a month-long selloff,** while another COVID-19 vaccine getting U.S. approval and fiscal stimulus bolstered expectations of a swift economic recovery. ([Reuters](#))

### 3. CHART OF THE DAY

#### [TABLE OF CONTENTS](#)

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#### EGX30 (USD)



Source: Bloomberg.

The above chart shows the performance of EGX 30 adjusted in USD terms after last March's slump on the back of COVID-19. The chart shows the index recovered most of its losses after hitting the 556 level in March 2020. However, the index is still short of its pre-COVID-19 levels, finding stiff resistance near the 740 level.



## 4. MARKETS PERFORMANCE

### TABLE OF CONTENTS

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
702.6						1,355.1 1,178.6			
				daily chg.	ytd chg.			daily chg.	ytd chg.
	↓	EGX 30	11,521.38	(0.03%)	6.23%		↓	Gold	1,725.04 (0.52%) (9.48%)
	↑	EGX 30 TR	4,417.58	0.45%	5.89%		↓	Silver	26.57 (0.36%) (0.89%)
	↓	EGX 70 EWI	2,316.26	(0.75%)	7.98%		↓	Brent Oil	63.69 (0.82%) 21.95%
	↓	EGX 100 EWI	3,351.11	(0.56%)	8.18%		↓	WTI	60.64 (0.82%) 23.95%
	↑	DFMGI	2,551.75	0.01%	2.40%		↓	Natural Gas	2.78 (0.32%) 9.02%
	↓	ADSMI	5,663.04	(0.01%)	12.81%	EGP	↑	USD/EGP	15.77 0.41% (0.06%)
	↓	TASI	9,138.37	(0.07%)	5.17%	€	↓	EUR/USD	1.20 (0.22%) (1.58%)
	↑	QE Index	10,210.26	0.63%	(2.16%)	£	↓	GBP/USD	1.39 (0.26%) 1.60%
	↑	S&P 500	3,901.82	2.38%	3.88%	¥	↑	USD/JPY	106.76 0.06% 3.46%
	↑	Dow 30	31,535.51	1.95%	3.04%		↑	6M TB yield	13.25 6 51
	↑	NASDAQ	13,588.83	3.01%	5.44%		↓	1Y TB yield	13.22 (1) 45
	↓	VIX	23.35	(16.46%)	2.64%		↑	10Y TB yield	14.73 4 34
	↑	STOXX 50	3,706.62	1.93%	4.33%		↑	2Y TB yield	0.13 1 0
EM	↑	MSCI Emerging	1,362.47	1.73%	5.51%		↓	10Y TB yield	1.44 (1) 51
FM	↑	MSCI Frontier	576.51	0.44%	0.85%		↑	30Y TB yield	2.20 6 54

\* As of market close, except for commodities and currencies at 8.35am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

## 5. LATEST EGX VALUATION MULTIPLES

### TABLE OF CONTENTS

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

## 6. KEY DATES

### TABLE OF CONTENTS

DATE	TICKER	TYPE	EVENT
2-Mar-21	RMDA	Conference Call	Discussing 4Q 2020 financial results.
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.
4-Mar-21	ORWE	Conference Call	Discussing 4Q 2020 financial results.
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
10-Mar-21	FWRY	Stock dividend	Record date for 0.28-for-1.
11-Mar-21	FWRY	Stock dividend	Distribution date for 0.28-for-1.
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	SRWA	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
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 bylaws.
18-Mar-21	NBKE	OGM	Approving the financial statements ending 31 Dec. 2020.
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	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
23-Mar-21	EHDR	EGM	Approving a stock dividend and amending articles 6 and 7 of the bylaws.

## 7. LATEST RESEARCH

## TABLE OF CONTENTS

DATE	PUBLISHED REPORT
1-Mar-21	<a href="#"><u>Commercial International Bank [COMI] – Earnings Beat Despite Higher Provisions</u></a>
25-Feb-21	<a href="#"><u>Elsewedy Electric [SWDY] – Strong Set of Results Driven by Turnkey</u></a>
22-Feb-21	<a href="#"><u>CI Capital Holding [CICH] – Got the Hit, Yet Better Than Expected</u></a>
10-Feb-21	<a href="#"><u>MACROView – Disinflation Continues Amid Acceleration in Global Commodity Prices</u></a>
8-Feb-21	<a href="#"><u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u></a>
4-Feb-21	<a href="#"><u>MACROView – External Buffers Are Still Restoring Grounds</u></a>
3-Feb-21	<a href="#"><u>MACROView – A Fragile Improvement but Favorable Sentiment</u></a>
3-Feb-21	<a href="#"><u>MACROView – External Woes vs. Cautious Optimism</u></a>
<b>2-Feb-21</b>	<b><a href="#"><u>STANDPoint – Egypt 2021 Investing Playbook</u></a></b>
14-Jan-21	<a href="#"><u>CI Capital Holding [CICH] – New Expansions = Further Growth</u></a>
10-Jan-21	<a href="#"><u>MACROView – Below End-of-Year Target</u></a>
6-Jan-21	<a href="#"><u>MACROView – On the Path to Further Recovery</u></a>
5-Jan-21	<a href="#"><u>MACROView – Rutted Road to Recovery</u></a>
28-Dec-20	<a href="#"><u>Elsewedy Electric [SWDY] – More Growth to Come</u></a>



22-Dec-20	<a href="#"><u>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</u></a>
16-Dec-20	<a href="#"><u>CIB [COMI] – Earnings beat despite higher provisions</u></a>
10-Dec-20	<a href="#"><u>MACROView – The Highest Reading in Seven Months</u></a>
7-Dec-20	<a href="#"><u>MACROView – Restored Ground</u></a>
6-Dec-20	<a href="#"><u>MACROView – Lost Momentum</u></a>
3-Dec-20	<a href="#"><u>MACROView – Not as Severe as Expected but All Eyes on the Scars</u></a>
25-Nov-20	<a href="#"><u>Misr Chemical Industries [MICH] – Pandemic Proof</u></a>
10-Nov-20	<a href="#"><u>MACROView – An expected rise as the new school year began</u></a>
4-Nov-20	<a href="#"><u>MACROView – The Stars Seem to Be Aligned for International Reserves</u></a>
3-Nov-20	<a href="#"><u>MACROView – The Highest Reading in Six Years</u></a>
25-Oct-20	<a href="#"><u>CIB [COMI] – Short-term pain for longer-term gain</u></a>
11-Oct-20	<a href="#"><u>MACROView – Disinflationary trend interrupted</u></a>
11-Oct-20	<a href="#"><u>MACROView – External strains are slacking and reserves are growing</u></a>
6-Oct-20	<a href="#"><u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u></a>
5-Oct-20	<a href="#"><u>MACROView – Egypt’s recovery is broadening</u></a>
10-Sep-20	<a href="#"><u>MACROView – A Stunning Chapter Towards Targets</u></a>
8-Sep-20	<a href="#"><u>MACROView – Crawling Out of the Troughs</u></a>
3-Sep-20	<a href="#"><u>MACROView – Job losses and the bumpy road to recovery</u></a>
18-Aug-20	<a href="#"><u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u></a>
13-Aug-20	<a href="#"><u>Credit Agricole Egypt [CIEB] – Q2 2020 Results</u></a>
10-Aug-20	<a href="#"><u>MACROView – Muted inflation environment still dominates</u></a>
9-Aug-20	<a href="#"><u>MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed</u></a>
5-Aug-20	<a href="#"><u>MACROView – Toward gradual recovery</u></a>
29-Jul-20	<a href="#"><u>MACROView – CAD gains eroded by financial account vulnerability</u></a>
14-Jul-20	<a href="#"><u>Commercial International Bank - [COMI] - Q2 2020 results</u></a>
9-Jul-20	<a href="#"><u>MACROView – Inflation driven by non-food baskets and unfavorable base effect</u></a>
8-Jul-20	<a href="#"><u>MACROView – Propped up by FX inflows, CBE amasses more reserves, turns NFA to net asset position</u></a>
7-Jul-20	<a href="#"><u>MACROView – Non-oil private sector keeps perking up in June, but demand stays depressed</u></a>
25-Jun-20	<a href="#"><u>EFG Hermes Holding [HRHO] – Behind the Optics of the Arab Investment Bank Potential Acquisition</u></a>
10-Jun-20	<a href="#"><u>MACROView – Lowest annual reading in five months, but monthly figures show no changes</u></a>
8Jun-20	<a href="#"><u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u></a>
8-Jun-20	<a href="#"><u>MACROView – Solid buffers and moderate depreciation: The CBE’s recipe to deal with COVID-19</u></a>



3-Jun-20	<a href="#"><u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u></a>
18-May-20	<a href="#"><u>Abu Dhabi Islamic Bank (ADIB) – Q1 2020 Results</u></a>
18-May-20	<a href="#"><u>Al Baraka Bank Egypt (SAUD) – Q1 2020 Results</u></a>
17-May-20	<a href="#"><u>Credit Agricole Egypt (CIEB) – Q1 2020 Results</u></a>
13-May-20	<a href="#"><u>MACROView – Yesterday’s CBE conference call with Deputy Governor</u></a>
11-May-20	<a href="#"><u>MACROView– Acceleration in April driven by food prices – as expected</u></a>
7-May-20	<a href="#"><u>MACROView – Keeping head above water amid pandemic uncertainties</u></a>
5-May-20	<a href="#"><u>Commercial International Bank (CIB) - Egypt (COMI) – Q1 2020 Results</u></a>





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