

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**

And That's the Way the News Goes

1. Today's Trading Playbook

TABLE OF CONTENTS**KEY THEMES**

Yesterday, SODIC [**OCDI**] received a mandatory tender offer (MTO) from Aldar Properties [**ADX: ALDAR**] for a minimum stake of 51% at an offer price range of EGP18-19/share. ALDAR has requested access from OCDI's BOD in order to conduct due diligence. By way of background, ALDAR is one of the UAE's top real estate developers, only second to Emaar Properties [**DFM: EMAAR**] in terms of total assets, yet it's the biggest in the UAE's league in terms of market cap. ALDAR's 2020 financials showed total assets of AED39bn, net profits of AED1.9bn, and a cash balance of AED5.5bn. ALDAR has expressed back in February 2021 its interest to enter the Egyptian market by investing AED2bn. As for OCDI's MTO, a 51% stake would cost c.AED800mn. Depending on what stake ALDAR could end up with in OCDI, we could see further interest in other players, which is generally positive for the real estate sector. We note that ALDAR's offer is still 9% higher than OCDI's closing price yesterday after it rose some 4%. Moreover the MTO price is 18%, 28%, and 49% higher than OCDI's 3-month, 6-month, and 12-month average, respectively. Also, the offer is 13% below OCDI's 12M consensus price target, implying a forward 2021e P/E of 7x.

Elsewhere, with Taaleem's IPO around the corner, the educational platform valuation came in line with what we issued in CI Capital Holding [**CICH**] [Core Coverage Report](#) of EGP4.0bn. Our valuation was based on an EV/EBITDA multiple of 12.5x, compared to Cairo for Investment & Real Estate Development's [**CIRA**] LTM EV/EBITDA of 15.1x. Taaleem's press release stated a valuation of EGP4.0-4.4bn. Taaleem's revenues grew at a 2-year CAGR of 28% to EGP450mn by 2020. Simultaneously, CIRA's revenues have jumped to EGP1bn in 2020, implying a 2-year CAGR of 45%. On the bottom line, Taaleem achieved a 2-year CAGR of 52%, beating CIRA's 46%.

POSITIVE

Real Estate: ALDAR's interest in OCDI is not only positive for OCDI (although we think the offer price undervalues the real estate developer) but also for the real estate sector overall. We could see further M&A activity down the road.

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

2. TOP NEWS & ANALYSIS

TABLE OF CONTENTS

MACRO NEWS

El-Sisi asked the Central Bank of Egypt (CBE) to launch a real estate initiative targeting low- and middle-income earners to help them buy housing units, with long-term loans of up to 30 years and interest rates of up to 3%. ([Al-Mal](#))

The House of Representatives approved EGP2bn overdraft for the state's FY21 budget to help finance measures to prop up the economy and certain sectors amid the fallout from the pandemic. ([Masrawy](#))

The Egyptian Natural Gas Holding Co. (EGAS) announced signing nine new agreements for gas exploration with investments of USD981mn. ([Mubasher](#))

Egypt is on the path to achieve self-sufficiency in oil products by 2023 after it became self-sufficient in natural gas in 2018. ([Ahram Online](#))

Egypt aims to produce 7.2bcf of natural gas per day in FY22. The Ministry of Petroleum had said in December that production levels in the calendar year 2020 were at around 6.6bcf per day, which covered local needs and provided some for export. ([Zawya](#))

CORPORATE NEWS

CI Capital Holding [CICH] was appointed as the financial advisor in Aldar Properties' [ADX: ALDAR] acquisition on at least 51% of SODIC's [OCDI] issued share capital. (Al-Borsa)

Raya Holding's [RAYA] bottom-line loss decreased to EGP62mn in 2020 from EGP141mn a year before on higher revenue growth to EGP10.8bn (+23% y/y). ([Company disclosure](#))

Development & Engineering Consultants' (Tameer) [DAPH] net profits after minority of reached EGP18.1mn in 2020 (-62% y/y), as revenues decreased to EGP162mn (-20% y/y). ([Company Disclosure](#))

Remco for Tourism Villages Construction's [RTVC] EGM approved transferring its ownership of Orient Tours Hotels & Tourism Villages to Bayt El-Khebra's subsidiary Technolease in order to settle a debt of EGP826mn. ([Company disclosure](#))

Mabaret Al-Asafra Hospitals, in cooperation with its main partner, Tana Africa Capital, intends to submit a preliminary offer to acquire the entire shares of Alexandria New Medical Center [AMES]. Last month, Speed Medical's [SPMD] subsidiary, Speed Hospitals Co., announced that it will join the consortium led by Tawasul Holdings for Financial Investments to acquire AMES. ([Al-Mal](#), [Company disclosure](#))

Lift Slab Misr [EDBM] achieved a net income of EGP4.9mn in 2020 (+35% y/y). Meanwhile, revenues jumped to EGP24.2mn (+116% y/y). ([Company disclosure](#))

GLOBAL NEWS

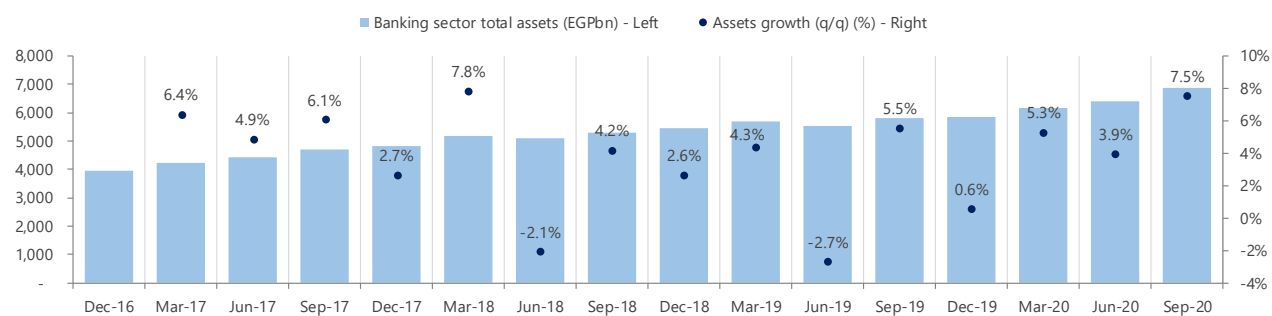
China's factory and retail sector activity surged in the first two months of the year, beating expectations, as the economy consolidated its brisk recovery from the coronavirus paralysis of early 2020. ([Reuters](#))

A surge in bond yields, fears about rising inflation and a jump-forward in interest rate expectations will be top of mind for investors at this week's Federal Reserve policy meeting. The policy-setting Federal Open Market Committee (FOMC) led by Chair Jerome Powell convenes on March 16-17, with a policy statement and fresh economic projections due to be released at the end of the meeting. ([Reuters](#))

3. CHART OF THE DAY

[TABLE OF CONTENTS](#)

Shihab M. Helmy | Equity Analyst
smohammed@egy.primegroup.org



Source: CBE.

The total asset growth of banks: During the past four years, total assets in the banking sector fluctuated in parallel with the selection of profitable opportunities in customer lending, interbank lending, and treasuries investments. Despite the COVID-19 disruption which began in Egypt in mid-March 2020, the country's banks, as depicted above, found refuge in high-yield treasuries when corporate lending opportunities were rare. We expect to see further asset growth in Q4 2020, justified by most banks' assets growth fueled by lending growth.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
688.5						904.5		1,178.6	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	↗	EGX 30	11,289.57	0.25%	4.10%		↗	Gold	1,727.11 0.26% (9.23%)
	↗	EGX 30 TR	4,342.31	0.05%	4.09%		↘	Silver	25.92 (0.78%) (2.17%)
	↘	EGX 70 EWI	2,203.64	(0.42%)	2.73%		↗	Brent Oil	69.22 0.46% 34.25%
	↘	EGX 100 EWI	3,213.97	(0.29%)	3.75%		↗	WTI	65.61 0.52% 35.92%
	↗	DFMGI	2,600.31	1.04%	4.35%		↘	Natural Gas	2.60 (2.15%) 0.20%
	↗	ADSMI	5,683.96	0.84%	12.66%	EGP	↘	USD/EGP	15.70 (0.04%) (0.28%)
	↗	TASI	9,664.61	0.80%	11.22%	€	↘	EUR/USD	1.20 (0.19%) (2.34%)
	↗	QE Index	10,240.68	0.15%	(1.87%)	£	↘	GBP/USD	1.39 (0.15%) 1.70%
	↗	S&P 500	3,943.34	0.10%	4.99%	¥	↗	USD/JPY	109.03 0.26% 5.87%
	↗	Dow 30	32,778.64	0.90%	7.10%		↗	6M TB yield	13.36 4 63
	↘	NASDAQ	13,319.86	(0.59%)	3.35%		↗	1Y TB yield	13.35 6 58
	↘	VIX	20.69	(5.57%)	(9.05%)		↘	10Y TB yield	14.70 (2) 31
	↘	STOXX 50	3,833.36	(0.32%)	7.90%		↘	2Y TB yield	0.16 (0) 3
EM	↘	MSCI Emerging	1,348.20	(0.69%)	4.41%		↗	10Y TB yield	1.62 10 69
FM	↗	MSCI Frontier	573.75	0.11%	0.37%		↗	30Y TB yield	2.39 14 73

* As of market close, except for commodities and currencies at 8.2am 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
15-Mar-21	ETEL	EGM	Amending articles 21 & 43 of the bylaws.
15-Mar-21	ACAMD	BoD meeting	Discussing sale of land in Samalloot, Minya for EGP1,800/sqm.
16-Mar-21	ALCN	BoD meeting	Discussing 8M financials ending Feb 2021.
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.
17-Mar-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
17-Mar-21	OLFI	Cash dividend	Record date for dividends of EGP0.60/share.
18-Mar-21	OLFI	Cash dividend	Ex-dividend date for dividends at EGP0.60/share.
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.
21-Mar-21	SIPC	Stock dividend	Record date for a dividend at a 0.14-for-1 ratio.
22-Mar-21	SIPC	Stock dividend	Distribution date for dividends at a 0.14-for-1 ratio.
22-Mar-21	OLFI	Cash dividend	Payout date for dividends of EGP0.60/share.
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.
23-Mar-21	PORT	OGM	Approving the financial statements ending 31 Dec. 2020.
23-Mar-21	PORT	EGM	Discussing changing the name of the company.
24-Mar-21	CICH	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
25-Mar-21	AUTO	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
25-Mar-21	AUTO	EGM	Discussing the agenda.
25-Mar-21	UNIT	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
27-Mar-21	MBSC	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
27-Mar-21	MCQE	OGM	Approving the financial statements ending 31 Dec. 2020.
27-Mar-21	PHAR	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
27-Mar-21	MPRC	OGM	Approving the financial statements ending 31 Dec. 2020.
27-Mar-21	MPRC	EGM	Amending articles 7 & 21 of the bylaws.
27-Mar-21	EFIC	OGM	Approving the financial statements ending 31 Dec. 2020.
27-Mar-21	EFIC	EGM	Amending article 36 of the bylaws.
27-Mar-21	EGAS	EGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
27-Mar-21	MPCO	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
28-Mar-21	UNIP	OGM	Approving the financial statements ending 31 Dec. 2020.
28-Mar-21	UNIP	EGM	Discussing a 10-for-1 stock split and amending articles 6 & 7 of the bylaws.
28-Mar-21	ODIN	OGM	Approving the financial statements ending 31 Dec. 2020.
28-Mar-21	TMGH	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
29-Mar-21	UEGC	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
29-Mar-21	GGCC	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
29-Mar-21	AMIA	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
29-Mar-21	ETEL	OGM	Approving the financial statements ending 31 Dec. 2020.

7. LATEST RESEARCH

TABLE OF CONTENTS

DATE	PUBLISHED REPORT
10-Mar-21	<u>MACROView – Still Below the Target, but Global Headwinds Cloud the Horizon</u>
8-Mar-21	<u>MACROView – Buffers Grew Despite Signs of Unwelcome Tightening of Financial Conditions</u>
7-Mar-21	<u>Al-Shams Housing & Development [ELSH] – Making Hay While the Sun Shines</u>
3-Mar-21	<u>MACROView – Weak Demand Still Weighing on the Rebound Trajectory</u>
2-Mar-21	<u>MACROView – Commodity Supercycle: Real or Hype?</u>
1-Mar-21	<u>Commercial International Bank [COMI] – Earnings Beat Despite Higher Provisions</u>
25-Feb-21	<u>Elsewedy Electric [SWDY] – Strong Set of Results Driven by Turnkey</u>
22-Feb-21	<u>CI Capital Holding [CICH] – Got the Hit, Yet Better Than Expected</u>
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>
8Jun-20	<u>Oriental Weavers Carpet [ORWE] – Operating margins improve despite COVID-19, thanks to lower PP and nylon prices</u>
8-Jun-20	<u>MACROView – Solid buffers and moderate depreciation: The CBE’s recipe to deal with COVID-19</u>
3-Jun-20	<u>MACROView – Non-oil private sector took a breather in May, but outlook remains cloudy</u>
18-May-20	<u>Abu Dhabi Islamic Bank [ADIB] – Q1 2020 Results</u>
18-May-20	<u>Al Baraka Bank Egypt [SAUD] – Q1 2020 Results</u>
17-May-20	<u>Credit Agricole Egypt [CIEB] – Q1 2020 Results</u>
13-May-20	<u>MACROView – Yesterday’s CBE conference call with Deputy Governor</u>
11-May-20	<u>MACROView– Acceleration in April driven by food prices – as expected</u>
7-May-20	<u>MACROView – Keeping head above water amid pandemic uncertainties</u>
5-May-20	<u>Commercial International Bank (CIB) - Egypt [COMI] – Q1 2020 Results</u>

Prime Securities

Shawkat El Maraghy

Managing Director

T +202 3300 5622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +202 3300 5784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +202 3300 5612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head –Institutional Desk

T +202 3300 5609

AAlaa@egy.primegroup.org

Mohamed El Metwaly

Manager

T +202 3300 5610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +202 3300 5624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +202 3300 5110

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +202 3300 5173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +202 3300 5724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi Elnil St., Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +202 3300 5700 / 770 / 650 / 649

F +202 3760 7543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +202 2777 0600

F +202 2777 0604

Alexandria

7 Albert Al Awal St.
Smouha, Alexandria, Egypt

T +202 3300 8170

F +202 3305 4622

Website

www.primeholdingco.com

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2021, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.