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## A Sentiment Reset

### 1. Today's Trading Playbook

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The fourth quarter figures related to Cleopatra Hospital [**CLHO**] sent a positive vibe about patient volume reflation which was the main drawback during H1 2020 specifically. Meanwhile, a strong margin expansion in Q4 2020 was pretty much expected, given the upping in prices which took place during the entirety of 2020, to compensate for the thin volumes seen earlier in the year. Top line growth in the last quarter of the year was enough to turn a 9% slippage in 9M 2020 into an 11% y/y growth in 2020.

We view the fourth quarter numbers as reassuring as possible in respect with CLHO upcoming performance in 2021. If the effect of higher pricing extends partially in 2021, coupled with favorable volumes, earnings growth should remain in double digits. Having seen its stock punished during 2020 up until now, CLHO is currently trading at 2020 P/E of 24x, too far from the levels it used to trade at during normal times (i.e. mid to high 30x's), which promises successful re-rating once the market gets a sentiment reset.

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

### 2. TOP NEWS & ANALYSIS

**TABLE OF CONTENTS****MACRO NEWS**

**Total banking sector's net profit in 2020 inched up 29.3% q/q to EGP59bn.** Meanwhile, ROAE stabilized at 23.4%, up from 19.2% in Q4 2019. On the asset quality side, non-performing loans inched up to 3.6% in Q4 2020 from 3.4% in Q3 2020 but declined from 4.2% in Q4 2019. (CBE: [1](#), [2](#))

**The Ministries of Environment and Communications & Information Technology signed a cooperation protocol to review the technical requirements for issuing licenses for the construction of mobile phone network towers.** ([Al-Borsa](#))

**The Minister of Trade & Industry said that the government is keen to promote the timber sector to meet the needs of the national industry and bridge the import-export gap to regional and global markets. ([Al-Borsa](#))**

## **CORPORATE NEWS**

**Eastern Tobacco's [EAST] CEO said that the requirements of the new license to manufacture cigarettes ensures that the company maintains 100% of its production as it is the only one that manufactures popular products. ([Al-Borsa](#))**

**Cleopatra Hospital's [CLHO] net profit grew 11% y/y to EGP287mn in 2020, following the 10% y/y increase in gross profit. Revenues, meanwhile, upped to EGP2bn, showing 11% y/y growth. ([Company disclosure](#))**

**Alexandria Container & Cargo Handling [ALCN] was granted usufruct rights for a 33,000sqm land plot in Alexandria port for EGP70/sqm a month. The five-year contract is renewable at a 7% annual increase. ([Company disclosure](#))**

**The Financial Regulatory Authority (FRA) suspended trading on Dice Sport & Casual Wear's [DSCW] shares after declining by c.50% since late February, until an independent financial advisor is appointed to conduct a fair value study of the stock. ([FRA](#))**

**Banque du Caire [BDQC] announced that Capital Intelligence confirmed BDQC's rating at "B +" with a stable outlook, which is the highest credit rating granted by the agency to an Egyptian bank. ([Al-Mal](#))**

**Faisal Islamic Bank of Egypt's [FAIT] BoD agreed to distribute a stock dividend of 101mn shares through 0.2-for-1 share, as a step of increasing paid-up capital from USD506mn to USD607mn. ([Bank release](#))**

**Marselia Real Estate Investment [MAAL] plans to move from the small-cap Nilex to the EGX before the end of this year. ([Al-Mal](#))**

## **GLOBAL NEWS**

**Saudi Aramco will prioritize energy supply to China for the next 50 years and beyond, as new and existing energy sources run in parallel for some time, CEO Amin Nasser told the China Development Forum on Sunday. ([Reuters](#))**

**The Turkish lira plunged as much as 15% against the U.S. dollar following Turkish President Erdogan's shock decision to replace the country's central bank chief. ([Bloomberg](#))**

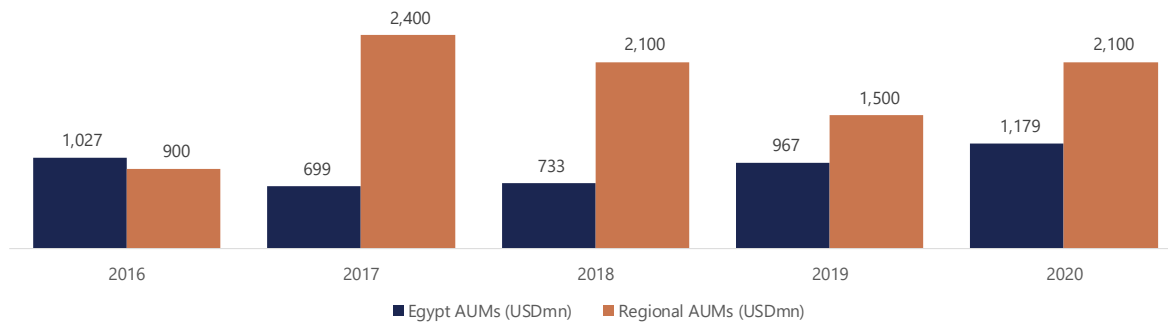
### 3. CHART OF THE DAY

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HRHO's AUMs split (Egypt & Regional)



Source: Company reports, Prime Research.

EFG Hermes Holding [HRHO] Asset Management arm has seen net revenues surge 46% y/y in 2020, mainly attributed to regional y/y growth of 40% y/y, backed by the outstanding Q4 performance of FIM, HRHO's regional asset manager. FIM's AUMs increased 19.6% y/y in Q4 2020.

### 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
658.5					701.6 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	📉	EGX 30	10,802.29	(1.06%)	(0.40%)		📈	Gold	1,745.23 0.51% (8.76%)
	📉	EGX 30 TR	4,116.32	(2.09%)	(1.33%)		📈	Silver	26.25 0.67% (3.08%)
	📉	EGX 70 EWI	2,026.91	(2.48%)	(5.51%)		📉	Brent Oil	64.53 (0.50%) 23.96%
	📉	EGX 100 EWI	2,979.65	(2.22%)	(3.81%)		📉	WTI	61.42 (0.34%) 26.15%
	📉	DFMGI	2,583.73	(0.77%)	3.68%		📉	Natural Gas	2.54 (1.93%) (2.09%)
	📉	ADSMI	5,723.10	(0.22%)	13.65%	EGP	📉	USD/EGP	15.68 (0.05%) (0.40%)
	📈	TASI	9,498.85	0.14%	9.31%	€	📉	EUR/USD	1.19 (0.11%) (2.66%)
	📉	QE Index	10,217.53	(0.85%)	(2.09%)	£	📉	GBP/USD	1.39 (0.11%) 1.37%
	📉	S&P 500	3,913.10	(0.06%)	4.18%	¥	📉	USD/JPY	108.88 (0.11%) 5.34%
	📉	Dow 30	32,627.97	(0.71%)	6.60%		📈	6M TB yield	13.39 3 66
	📈	NASDAQ	13,215.24	0.76%	2.54%		📈	1Y TB yield	13.36 0 59
	📉	VIX	20.95	(2.92%)	(7.91%)		📉	10Y TB yield	14.70 (2) 31
	📉	STOXX 50	3,837.02	(0.79%)	8.00%		📈	2Y TB yield	0.16 2 3
EM	📉	MSCI Emerging	1,336.84	(0.78%)	3.53%		📈	10Y TB yield	1.73 8 80
FM	📉	MSCI Frontier	577.19	(0.24%)	0.97%		📈	30Y TB yield	2.44 1 78

\* 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

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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-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	MICH	BoD meeting	Following up on production, sales and exports.
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	HELI	Cash dividend	Record date for a payout of EGP0.05/share (1st installment).
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, and discussing a dividend distribution and other agenda items.
30-Mar-21	EFID	OGM	Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items.
30-Mar-21	AMER	OGM	Approving the financial statements ending 31 Dec. 2020.
30-Mar-21	PHTV	OGM	Approving the financial statements ending 31 Dec. 2020.
30-Mar-21	PHTV	EGM	Amending article 4 of the bylaws.
30-Mar-21	ELEC	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
30-Mar-21	ELEC	EGM	Discussing a land sale.
30-Mar-21	ZMID	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
30-Mar-21	MFPC	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
30-Mar-21	PRMH	OGM	Approving the financial statements ending 31 Dec. 2020.
30-Mar-21	PRMH	EGM	Discussing the agenda.
30-Mar-21	NEDA	EGM	Approving the financial statements ending 31 Dec. 2020.
30-Mar-21	EKHO	OGM	Approving the financial statements ending 31 Dec. 2020.
30-Mar-21	COMI	OGM	Approving the financial statements ending 31 Dec. 2020 and the employee profit share distribution.
31-Mar-21	HELI	Cash dividend	Distribution date for dividends of EGP0.05/share (1st installment).
31-Mar-21	EMFD	OGM	Approving the financial statements ending 31 Dec. 2020.
31-Mar-21	SPMD	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
31-Mar-21	CERA	OGM	Approving the financial statements ending 31 Dec. 2020.
31-Mar-21	CERA	EGM	Approving increasing the issued capital.

## 7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
18-Mar-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</u></a>
10-Mar-21	<a href="#"><u>MACROView – Still Below the Target, but Global Headwinds Cloud the Horizon</u></a>
8-Mar-21	<a href="#"><u>MACROView – Buffers Grew Despite Signs of Unwelcome Tightening of Financial Conditions</u></a>
7-Mar-21	<a href="#"><u>Al-Shams Housing &amp; Development [ELSH] – Making Hay While the Sun Shines</u></a>
3-Mar-21	<a href="#"><u>MACROView – Weak Demand Still Weighing on the Rebound Trajectory</u></a>
2-Mar-21	<a href="#"><u>MACROView – Commodity Supercycle: Real or Hype?</u></a>
1-Mar-21	<a href="#"><u>Commercial International Bank [COMI] – Earnings Beat Despite Higher Provisions</u></a>
25-Feb-21	<a href="#"><u>Elsowedy 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>
8-Jun-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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