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Bits and Pieces**1. Today's Trading Playbook****TABLE OF CONTENTS**

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KEY THEMES

Investors are still grappling with the impact of COVID-19 vaccination efforts on the Egyptian economy and hence Corporate Egypt and how matters will unfold when it comes to geopolitical tensions with Ethiopia. This leaves investors more focused on company-specific events that can drive in short-term performance. An example was Heliopolis Housing & Development's [**HELI**] asset monetization that was revealed before Thursday trading (please see below). Early this morning, Ezz Steel [**ESRS**] reported narrower bottom-line losses that may help prop up its stock price a bit higher, having fallen some 14% ytd. Meanwhile, investors who have shelled out around EGP3bn to subscribe to Taaleem Management Services' [**TALM**] public subscription may reinject 25% (the subscription's minimum cash payment) of those funds or some EGP750mn back into the market.

POSITIVE

HELI: HELI sold 270 feddans for EGP2.5bn, offering the buyer(s) two payment options: (1) a two-year plan with a 20% down payment without interest and (2) a ten-year plan with a 10% down payment and a 7% interest. As per the estimates of our real estate analyst **Kareem Farid**, the after-tax discounted cash flows of the scenarios offered would see the first option adding EGP1.2/share (+24%) and the second option adding EGP1.0/share (+20%) – both based on Wednesday's closing price when the contract was signed. The stock has already risen some 7.7% on Thursday in response to the land sale to close at EGP5.16, leaving another upside of 12-16% to full reflect the impact of the land monetization.

ESRS: The stock price may react positively to reported narrower bottom-line losses.

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



2. TOP NEWS & ANALYSIS

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MACRO NEWS

Head of the Suez Canal Authority on Thursday said that losses and damages resulting from the grounding of the Ever Given container ship could run to more than USD1bn.

Meanwhile, Egypt is studying potential expansion of the Suez shipping channel to prevent a recurrence of the accident that disrupted navigation there. ([Zawya](#))

Some 500,000 tourists visited Egypt in Q1 2021, generating USD600-800mn in tourism revenues. ([Sky News Arabia](#))

Egypt seeks to develop its railway system through installing a high-level electrical system on its three main lines. The Ministry of Transport along with three global companies are working to develop the new system by June 2022. ([Egypt Today](#))

CORPORATE NEWS

Ezz Steel's [ESRS] net losses after minority nearly halved to EGP3.1bn in 2020 against a net loss of EGP6.3bn in 2019. Lower net losses are attributed to a larger gross profit of EGP1.2bn compared to a gross profit of only EGP976mn a year before with GPM widening to 3.2% vs. 2.1% in 2019. Better GPM levels were attained despite a 16% y/y decrease in revenues to EGP38.6bn. What also helped narrow the losses in 2020 was lower borrowing costs as well as more losses attributable to minorities. Q4 2020 figures depicted a strong recovery, thanks to the price hikes that took place late in the year. Price hikes were implemented to (1) benefit from higher global steel rebar prices, (2) benefit from pent-up demand in the local market, and (3) counter the impact of climbing iron ore prices. With Q1 2021 behind us, we think it is not highly probable that selling prices will maintain at such high levels. ([Company disclosure](#))

Heliopolis Housing & Development [HELI] sold two land plots totaling a GLA of 270 feddans for EGP2.5bn or c. EGP2,200/sqm. As payment options, HELI offered to receive a 20% down payment with no interest under a two-year plan or a 10% down payment and a 7% interest under a ten-year plan. On a separate note, **today marks the release of bidding terms for a partnership in 1,695-feddan in Heliopark.** (Company disclosures: [1](#), [2](#))

Arabia Investments Holding's [AIH] top line surged to EGP1.6bn in 2020 (+31% y/y), which was marginally offset by lower gross profit of EGP255mn (-10% y/y) and dragging down GPM from 23% to 16%. While operating income decreased to EGP122mn (-28% y/y), bottom line earnings increased to EGP85mn (+6% y/y) on the back of lower financing expenses of EGP44mn (-71% y/y). ([Company disclosure](#))



Speed Medical's [SPMD] BoD approved Prime Speed Healthcare LLC and SPMD's fair value set by an independent financial advisor at EGP1.82bn and EGP2.41bn, respectively. SPMD's BoD also agreed to sign a contract for acquiring Prime Speed, provided that the value of the company is recorded with credits in favor of the sellers without cash payment. ([Company disclosure](#))

LSE-listed Integrated Diagnostics Holding [LSE: IDHC] aims to add some 30 branches to its labs network annually in Egypt and around 28 branches in Nigeria. Meanwhile, IDHC plans to reach six radiology centers in Egypt by 2022. Late last month, IDHC said it is considering the dual listing of its ordinary shares on EGX by April 2021. (Al-Borsa, [Enterprise](#))

E-Finance, the state-owned e-payments platform, is sending its financial valuation study to the Ministry of Finance for the company's planned IPO which is expected to debut in H2 2021. (Al-Borsa)

CI Capital Holding's [CICH] Reefy, its microfinance subsidiary, and HSBC Egypt have signed a collaborative agreement to provide EGP150mn to microbusinesses with a planned one-third of the funding allocated to women-led SMEs. ([Daily News Egypt](#))

Taaleem Management Services' [TALM] EGP103mn public offering was 29x oversubscribed last Thursday. ([Al-Mal](#))

Oriental Weavers Carpet's [ORWE] OGM approved a cash dividend of EGP1/share to be distributed in April, implying a yield of 14%. ([Company disclosure](#))

Ibnsina Pharma's [ISPH] OGM endorsed the distribution of a 16.7% stock dividend, which will bring the company's capital to EGP280mn. ([Company disclosure](#))

Arabian Food Industries Co.'s [DOMT] OGM ratified a dividend of EGP57mn, or EGP0.20/share, implying a 5% yield. Meanwhile, the EGM approved to reduce DOMT's authorized capital from EGP500mn to EGP283mn. ([Company disclosure](#))

EgyTrans's [ETRS] OGM decided to hand out cash dividends of EGP0.75/share, implying a 6.5% yield. ([Company disclosure](#))

Cairo Poultry's [POUL] OGM approved a cash dividend of EGP77mn, or EGP0.16/share, implying a 6% yield. ([Company disclosure](#))

Electro Cable Egypt [ELEC] signed a funding agreement with Cairo Leasing Corporation for financing the EGP800mn cost of a new factory. ([Company disclosure](#))



Suez Canal Bank's [CANA] OGM agreed to increase its paid-in capital from EGP2.2bn to EGP2.9bn through a 32% stock dividend. Moreover, shareholders agreed to sell 2.3mn shares of Mohandes Insurance [MOIN] in a transaction worth EGP33.3mn (EGP14.55/share) to be sold to the Suez Canal Authority Employees Insurance Fund (represented on CANA's BoD). ([Bank release](#))

Credit Agricole Egypt's [CIEB] BoD agreed to increase its paid-in capital to EGP5bn through a stock dividend, subject to CBE approval. ([Bank release](#))

Housing & Development Bank's [HDBK] BoD agreed to increase its paid-in capital from EGP1.3bn to EGP1.4bn through a 10% stock dividend. ([Bank release](#))

GLOBAL NEWS

OPEC+ will gradually increase oil production by up to 1.1mbpd from May-July, the coalition announced after its monthly meeting last Thursday, going against expectations that it would maintain around 7mbpd of production cuts introduced a year ago to temper the effect of a COVID-19-induced slump in demand for oil. ([OPEC](#))

The U.S. economy created the most jobs in seven months in March as more Americans got vaccinated and the government doled out additional pandemic relief money, marking the start of what could be the strongest economic performance this year in nearly four decades. ([Reuters](#))

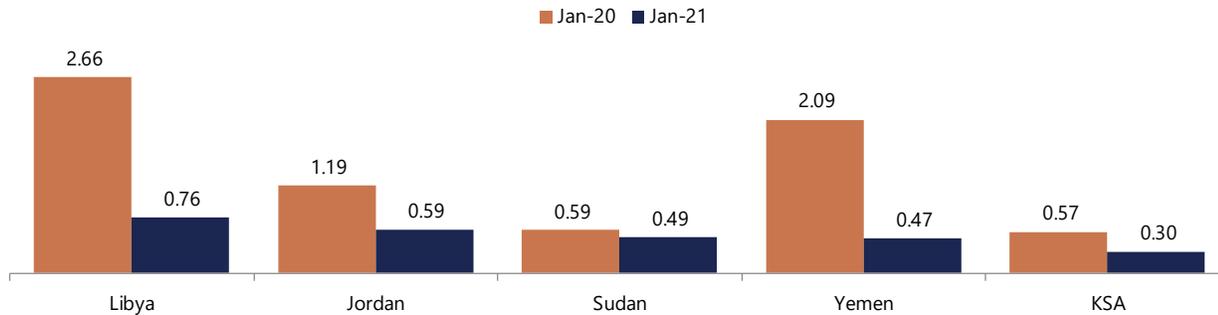
Copper prices slipped to their lowest in almost a month on Thursday on concern over slowing growth in top metals consumer China as it seeks to rein in debt levels and trim stimulus spending. ([Reuters](#))

3. CHART OF THE DAY

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Egyptian Ceramics Export Destinations (USDmn)



Source: ECBM.

Exports got off to a tough start in January this year. Ceramics exports tumbled by two-thirds to USD3mn vs. the year-ago month. In January, ceramics exports to Libya, which was Egypt's top ceramics importer, slumped by 72% y/y to USD0.8mn. Meanwhile, exports to Yemen plunged 77% y/y, the most, to USD0.5mn.

4. MARKETS PERFORMANCE

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| Current equity market cap (EGPbn) | | 652.5 | | Equity turnover (EGPmn): Last, ytd avg. | | 1,009.5 1,178.6 | |
|-----------------------------------|-----------------|-----------|------------|-----------------------------------------|------------|-----------------|--------------------------|
| | | | daily chg. | ytd chg. | | daily chg. | ytd chg. |
| | 📉 EGX 30 | 10,564.88 | (0.03%) | (2.59%) | | 📉 Gold | 1,728.87 (0.03%) (8.93%) |
| | 📉 EGX 30 TR | 4,062.73 | (0.41%) | (2.62%) | | 📈 Silver | 25.01 0.16% (5.27%) |
| | 📈 EGX 70 EWI | 2,013.92 | 2.28% | (6.12%) | | 📈 Brent Oil | 64.86 3.38% 25.21% |
| | 📈 EGX 100 EWI | 2,963.24 | 1.81% | (4.34%) | | 📈 WTI | 61.45 3.87% 26.65% |
| | 📈 DFMGI | 2,557.67 | 0.29% | 2.64% | | 📈 Natural Gas | 2.64 1.19% 3.94% |
| | 📈 ADSMI | 5,941.52 | 0.49% | 17.73% | EGP | 📈 USD/EGP | 15.72 0.14% (0.16%) |
| | 📉 TASI | 9,895.56 | (0.12%) | 13.88% | € | 📉 EUR/USD | 1.18 (0.15%) (3.74%) |
| | 📈 QE Index | 10,457.30 | 0.54% | 0.02% | £ | 📉 GBP/USD | 1.38 (0.01%) 1.19% |
| | 📈 S&P 500 | 4,019.87 | 1.18% | 7.02% | ¥ | 📈 USD/JPY | 110.69 0.06% 7.21% |
| | 📈 Dow 30 | 33,153.21 | 0.52% | 8.32% | | 📉 6M TB yield | 13.39 (2) 66 |
| | 📈 NASDAQ | 13,480.11 | 1.76% | 4.59% | | 📉 1Y TB yield | 13.37 (1) 60 |
| | 📉 VIX | 17.33 | (10.67%) | (23.82%) | | 📈 10Y TB yield | 14.79 8 40 |
| | 📈 STOXX 50 | 3,945.96 | 0.68% | 11.07% | | 📈 2Y TB yield | 0.19 2 6 |
| EM | 📈 MSCI Emerging | 1,338.23 | 0.22% | 3.64% | | 📉 10Y TB yield | 1.72 (3) 79 |
| FM | 📈 MSCI Frontier | 582.68 | 0.24% | 1.93% | | 📉 30Y TB yield | 2.36 (6) 70 |

* As of market close. 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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| 4-Apr-21 | SWDY | OGM | Approving the financial statements ending 31 Dec. 2020 and the proposed dividend. |
| 4-Apr-21 | SWDY | EGM | Amending article 4 of the bylaws. |
| 4-Apr-21 | MICH | EGM | Approving the estimated budget for FY 2020/21 |
| 4-Apr-21 | BTFH | OGM | Approving the financial statements ending 31 Dec. 2020 and other agenda items. |
| 4-Apr-21 | BTFH | EGM | Approving an employee incentive system and discussing utilizing an asset representing 50% of the company's fixed assets. |
| 4-Apr-21 | EFID | EGM | Discussing a capital reduction and amending articles 6 & 7 of the bylaws. |
| 6-Apr-21 | NCCW | OGM | Approving the financial statements ending 31 Dec. 2020. |
| 7-Apr-21 | DAPH | OGM | Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items. |
| 7-Apr-21 | RACC | OGM | Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items. |
| 7-Apr-21 | RACC | EGM | Amending article 2 of the bylaws. |
| 7-Apr-21 | MNHD | OGM | Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items. |
| 7-Apr-21 | MNHD | EGM | Amending articles 4, 6 & 7 of the bylaws. |
| 11-Apr-21 | CICH | Cash dividend | Record date for a payout of EGP0.05/share (1st installment). |
| 12-Apr-21 | RAYA | OGM | Approving the financial statements ending 31 Dec. 2020, and discussing a dividends distribution and other agenda items. |
| 12-Apr-21 | AIFI | OGM | Approving the financial statements ending 31 Dec. 2020, and discussing a dividends distribution and other agenda items. |
| 12-Apr-21 | AIFI | EGM | Amending an article of the bylaws. |
| 12-Apr-21 | SRWA | Cash dividend | Record date for a dividend of EGP0.107/share. |
| 14-Apr-21 | CICH | Cash dividend | Distribution date for a dividend of EGP0.05/share (1st installment). |
| 14-Apr-21 | EKHO | Stock dividend | Record date for dividends at a 1-for-10 ratio. |
| 14-Apr-21 | EIUD | Stock dividend | Record date for dividends at a 0.25-for-1 ratio. |
| 15-Apr-21 | SRWA | Cash dividend | Distribution date for a payout of EGP0.107/share. |
| 15-Apr-21 | EIUD | Stock dividend | Distribution date for dividends at a 0.25-for-1 ratio. |
| 15-Apr-21 | EKHO | Stock dividend | Distribution date for dividends at a 1-for-10 ratio. |
| 15-Apr-21 | CLHO | OGM | Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items. |
| 15-Apr-21 | CLHO | EGM | Approving an employee incentive system. |
| 15-Apr-21 | SAUD | OGM | Approving the financial statements ending 31 Dec. 2020 and the proposed dividend. |
| 15-Apr-21 | MENA | OGM | Approving the financial statements ending 31 Dec. 2020. |
| 15-Apr-21 | MOIN | OGM | Discussing netting contracts & a board reshuffle. |
| 15-Apr-21 | MOIN | EGM | Approving increasing issued capital and amending articles 4, 6 & 7 of the bylaws. |



7. LATEST RESEARCH

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| 28-Mar-21 | <u>Taaleem Management Services [TALM] – Enriching the Education Sector</u> |
| 18-Mar-21 | <u>EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</u> |
| 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>Elsowedy 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 – Ruttled Road to Recovery</u> |
| 28-Dec-20 | <u>Elsowedy 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> |
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| 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 [MACROView – The Highest Reading in Six Years](#)
- 25-Oct-20 [CIB \[COMI\] – Short-term pain for longer-term gain](#)
- 11-Oct-20 [MACROView – Disinflationary trend interrupted](#)
- 11-Oct-20 [MACROView – External strains are slacking and reserves are growing](#)
- 6-Oct-20 [CIB \[COMI\] – A Good Bet for the “Risk On” Mode](#)
- 5-Oct-20 [MACROView – Egypt’s recovery is broadening](#)
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- 10-Jun-20 [MACROView – Lowest annual reading in five months, but monthly figures show no changes](#)
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- 8-Jun-20 [MACROView – Solid buffers and moderate depreciation: The CBE’s recipe to deal with COVID-19](#)
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- 18-May-20 [Abu Dhabi Islamic Bank \[ADIB\] – Q1 2020 Results](#)
- 18-May-20 [Al Baraka Bank Egypt \[SAUD\] – Q1 2020 Results](#)
- 17-May-20 [Credit Agricole Egypt \[CIEB\] – Q1 2020 Results](#)
- 13-May-20 [MACROView – Yesterday’s CBE conference call with Deputy Governor](#)
- 11-May-20 [MACROView– Acceleration in April driven by food prices – as expected](#)
- 7-May-20 [MACROView – Keeping head above water amid pandemic uncertainties](#)
- 5-May-20 [Commercial International Bank \(CIB\) - Egypt \[COMI\] – Q1 2020 Results](#)

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