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## Tough Break

### 1. Today's Trading Playbook

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#### KEY THEMES

The EGX 30 ended yesterday lower 1.54%, marking a tough break for Egyptian equities. The index performance was harmed by devastating losses in its key blue chips. In particular, CIB [COMI] was the heaviest dragger, ending the day below EGP55/share. We note that COMI's GDRs had closed at USD3.46 (equivalent to EGP54.3/share) last Thursday on London Stock Exchange.

Given a somewhat stable global atmosphere and the local market adapting to COVID-19, it is only unclear why the market is behaving in such a way. In view of the strong selling pressure experienced yesterday by the majority of stocks, we believe the market sell-off is spouting from certain systematic fears that investors are pricing in. Furthermore, such concerns are amplified by worsening market technicals due to high levels of margin debt, representing a tactical overhang on stocks performance.

We had mentioned earlier in [our PRIMETime issued on 23 March 2021](#) that the EGX 30 in USD terms was about 20% up from its most famous low recorded right after the EGP flotation. We mentioned back then that, hypothetically speaking, if the EGP were to weaken by about 20%, the index would be as attractive as it was back in November 2016. Looking at yesterday's performance, we find that Monday's intraday low for EGX 30 in USD terms is only 15% above its EGP flotation bottom, noting that the FX rate is relatively unchanged since the last week of March 2021.

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

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**Higher tax revenues will be used to subsidize higher government spending in the coming fiscal year.** The Ministry of Finance expects tax receipts to grow 11-12% in FY21, which will allow the government to pay for an increase in wages over the coming year. ([Asharq Business](#))

**The Ministry of Trade is working on an additional export subsidy scheme focusing on projects in the Suez Canal Economic Zone, Upper Egypt, and border governorates** in the coming year in cooperation with the Ministry of Finance. ([Al-Borsa](#))

**Banque Misr signed a subordinated loan worth USD100mn with Japan International Cooperation Agency (JICA) and Sumitomo Mitsui Banking Corporation (SMBC) to support SMEs in Egypt.** ([Banque Misr](#))

## CORPORATE NEWS

**Taaleem Management Services' [TALM] EGP2.06bn public and private offerings were executed yesterday**, with c.358mn shares representing 49% of TALM's issued shares. Trading on shares will commence tomorrow. ([Arab Finance](#))

**Edita Food Industries' [EFID] EGM approved to reduce its issued capital to EGP144.6mn** from EGP145mn by cancelling 2.3mn treasury shares. ([Company disclosure](#))

## GLOBAL NEWS

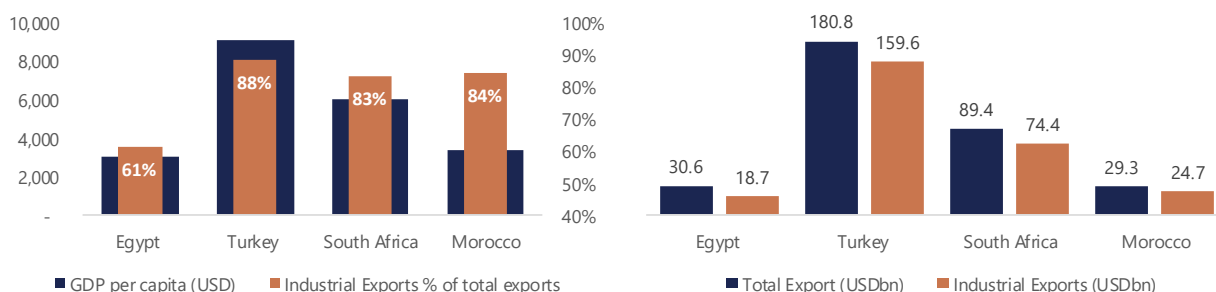
**U.S. Treasury Secretary Janet Yellen doubts that Biden spending initiatives, including a USD1.9tn relief package and a proposed USD2tn infrastructure investment plan, would cause inflationary pressures** because the true U.S. unemployment rate was still around 9% due to the coronavirus pandemic. ([Reuters](#))

**Turkey's annual inflation climbed above 16% in March for the first time since mid-2019**, piling pressure on the central bank's new chief to maintain tight policy after his surprise appointment sparked a lira sell-off. ([Reuters](#))

## 3. CHART OF THE DAY

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Source: Comtrade.

"What you export really does matter" is a common saying within the world of development economics that holds true today. A comparison between the exports profile and per capita GDP of Egypt and three other countries, as shown in the graph above, clearly demonstrates that industrial exports still prevail among the countries that have higher GDP per capita. Global exports show that the manufacturing sector remains the leader in value in the international goods trade. In terms of exports, manufactured goods accounted for 68% of the world's exports in 2019.

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
635.5					2,931.7 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	📉	EGX 30	10,256.92	(1.54%)	(5.42%)		📉	Gold	1,728.27 (0.03%) (8.59%)
	📉	EGX 30 TR	3,956.32	(0.18%)	(5.17%)		📉	Silver	24.88 (0.52%) (5.13%)
	📉	EGX 70 EWI	1,868.52	(6.27%)	(12.90%)		📈	Brent Oil	62.15 1.32% 21.56%
	📉	EGX 100 EWI	2,783.33	(4.94%)	(10.15%)		📈	WTI	58.65 1.45% 22.63%
	📈	DFMGI	2,573.32	0.91%	3.26%		📈	Natural Gas	2.51 0.52% (0.59%)
	📈	ADSMI	6,015.33	1.04%	20.08%	EGP	📉	USD/EGP	15.70 (0.11%) (0.15%)
	📈	TASI	9,964.84	0.02%	14.68%	€	📉	EUR/USD	1.18 (0.03%) (3.33%)
	📉	QE Index	10,374.40	(0.63%)	(0.59%)	£	📈	GBP/USD	1.39 0.01% 1.70%
	📈	S&P 500	4,077.91	1.44%	8.57%	¥	📈	USD/JPY	110.18 0.08% 6.80%
	📈	Dow 30	33,527.19	1.13%	9.54%		📉	6M TB yield	13.39 (2) 66
	📈	NASDAQ	13,705.59	1.67%	6.34%		📉	1Y TB yield	13.37 (1) 60
	📈	VIX	17.91	3.35%	(21.27%)		📈	10Y TB yield	14.79 8 40
	📈	STOXX 50	3,945.96	0.68%	11.07%		📉	2Y TB yield	0.16 (3) 3
EM	📈	MSCI Emerging	1,338.79	0.04%	3.68%		📉	10Y TB yield	1.70 (2) 77
FM	📈	MSCI Frontier	584.31	0.28%	2.22%		📉	30Y TB yield	2.35 (1) 69

\* As of market close, except for commodities and currencies at 8.43am 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
6-Apr-21	NCCW	OGM	Approving the financial statements ending 31 Dec. 2020.
7-Apr-21	TALM	IPO	First trading day on EGX.
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 and a board reshuffle.
15-Apr-21	MOIN	EGM	Approving increasing the issued capital and amending articles 4, 6 & 7 of the bylaws.
18-Apr-21	CCRS	OGM	Approving the financial statements ending 31 Dec. 2020 and other agenda items.
18-Apr-21	RMDA	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
18-Apr-21	RMDA	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
21-Apr-21	PORT	EGM	Voting on a new company name.
22-Apr-21	OCDI	OGM	Approving the financial statements, and discussing a dividend distribution and other agenda items.
24-Apr-21	CICH	OGM	Electing a new BoD and ratifying the financial statements.

## 7. LATEST RESEARCH

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### DATE PUBLISHED REPORT

28-Mar-21	<a href="#">Taaleem Management Services [TALM] – Enriching the Education Sector</a>
18-Mar-21	<a href="#">EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</a>
10-Mar-21	<a href="#">MACROView – Still Below the Target, but Global Headwinds Cloud the Horizon</a>
8-Mar-21	<a href="#">MACROView – Buffers Grew Despite Signs of Unwelcome Tightening of Financial Conditions</a>
7-Mar-21	<a href="#">Al-Shams Housing &amp; Development [ELSH] – Making Hay While the Sun Shines</a>
3-Mar-21	<a href="#">MACROView – Weak Demand Still Weighing on the Rebound Trajectory</a>
2-Mar-21	<a href="#">MACROView – Commodity Supercycle: Real or Hype?</a>



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>
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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