

**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**

## When Value Prevails

### 1. Today's Trading Playbook

**TABLE OF CONTENTS****Amr Hussein Elalfy** | Head of Research[aelalfy@egy.primegroup.org](mailto:aelalfy@egy.primegroup.org)**KEY THEMES**

**Yesterday was the start of a trading week with shorter trading hours. The holy month of Ramadan starts tomorrow with the trading day one hour shorter, ending at 1:30 pm CLT. The EGX 30 managed to eke out a small gain after a tumultuous week.**

The overall positive sentiment was partly driven by a revaluation sanity check in an industry that has been hyped in the past couple of years, especially with lower interest rates, namely non-banking financial services. GB Auto's [**AUTO**] announcement that its subsidiary was selling a 5% stake in its investment vehicle holding two of its micro finance businesses was exactly that revaluation check. This EGP353mn deal implies an attributable equity value of EGP4.4bn to AUTO or more than EGP4 a share vs. a closing price of only EGP3.48 last Thursday. Absent financial KPIs for the deal, we note that this is not the first time AUTO monetizes this investment. It did so back in 2018 when it sold a 20% stake to now-partners DPI Ltd. at an implied valuation of EGP507mn. The valuation gap between the two deals that are only three years apart underlines the huge growth potential inherent in this sector. We note that AUTO has been one of our top picks in [our \*\*STAND\*\*Point published on 1 February 2021](#), since which the stock advanced some 6% vs. a 10% pullback by EGX 30 – a full 16 percentage-point outperformance.

On the other hand, the second consecutive negative day for Taaleem Management Services [**TALM**] may have spooked investors who were looking forward to subscribing to this year's second IPO, Macro Group Pharmaceuticals [**MCRO**], which with an estimated size of EGP1.6bn. Some investors blamed TALM's underperformance (closing near its IPO price two days after its debut) for MCRO's last-minute decision to shelve its IPO for now. While MCRO cited market conditions to absorb multiple offerings, we think it could very well be lackluster interest in the private placement either on the demand side or the pricing side. MCRO was scheduled to reveal the IPO pricing and its private placement allocation today.

That said, we continue to stick to our trading strategy: handpicking stocks in a stock-by-stock basis.

## POSITIVE

**AUTO:** Based on the above, we think AUTO should re-rate, unlocking some of its intrinsic value.

**QNBA:** QNB AlAhli's [QNBA] Q1 2021 results published yesterday indicate that the stock is still undervalued when considering its profitability and growth potential and despite yet another wave of credit provisions booking.

## NEGATIVE

**CICH:** With MCRO's IPO shelved indefinitely, CI Capital Holding's [CICH] investment banking division revenues in 2021 could be lower than expected.

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

## 2. TOP NEWS & ANALYSIS

### [TABLE OF CONTENTS](#)

### MACRO NEWS

**According to the IMF regional economic outlook, Egypt is classified among the region's emerging markets whose average public gross financing needs in 2021-2022 are expected to reach 37% of GDP.** The IMF is concerned that this could cut into the ability of governments to fund programs designed to get their economies past COVID — and that it could see the private sector have less access to credit as banks plow deposits into lower-risk state paper. ([IMF](#))

**Remittances from Egyptians living abroad dipped slightly in January 2021 to USD2.54bn,** down from USD2.65bn during the same month last year. ([Enterprise](#))

**The Suez Canal Economic Zone (SCZone) has signed a long-term syndicated loan worth EGP10bn to finance infrastructure projects.** The 10-year loan, signed with a consortium led by National Bank of Egypt (NBE), will fund projects at industrial zones and ports in the zone, and is divided into two tranches (EGP5bn and USD320mn). Some of the projects will be completed within two years. ([SCZone](#))

**Occupancy rates at hotels across Egypt averaged between 40-45% in Q1 2021 but have been growing m/m as international travel picks up ever so slowly.** Occupancy was at 25% in January but rose to 30% in February and 45% in March. ([Reuters](#))

## CORPORATE NEWS

**One of GB Auto's [AUTO] subsidiaries has entered into an agreement with foreign investment funds whereby it would commence the procedures for the sale of part of its stake in MNT Investments BV (Dutch), representing 5% of the shares thereof, at a price of c. EGP353mn.** Accordingly, AUTO's indirect stake in MNT Investments BV shall be reduced to 57.26%. ([Company disclosure](#))

**Macro Group Pharmaceuticals (Macro Capital) [MCRO] decided to postpone its initial public offering (IPO) on the Egyptian Exchange (EGX),** doubting the market's ability to absorb multiple offerings. ([Company disclosure](#))

**QNB AlAhli's [QNBA] Q1 2021 net profit rose to EGP1.97bn (+5.2% y/y)** on lower operating expenses of EGP944mn (-3.4% y/y) and thinner tax expenses of EGP805mn (-3.1% y/y). This came despite built-up provisions of EGP498mn (+1.8% y/y) but in view of weaker net interest income (NII) of EGP3.57bn (-7.2% y/y). Hence, NIM fell to 5.5% in Q1 2021 from 6.4% in Q1 2020. QNBA is currently trading at a P/BV of 0.84x and a TTM P/E of 4.5x. (Bank release)

**The Sovereign Fund of Egypt addressed some companies to participate in developing Al-Tahrir Complex,** namely Orascom Construction [ORAS], Hassan Allam, and Samcrete. (Al-Borsa)

## GLOBAL NEWS

**The IMF has revised its growth forecast upward for the Middle East and North Africa region, as countries recover from the coronavirus crisis that began in 2020.** Real GDP in the MENA region is now expected to grow 4% in 2021, up from the IMF's October projection of 3.2%. However, the outlook will vary significantly across countries, depending on factors such as vaccine rollouts, exposure to tourism, and policies introduced. ([IMF](#))

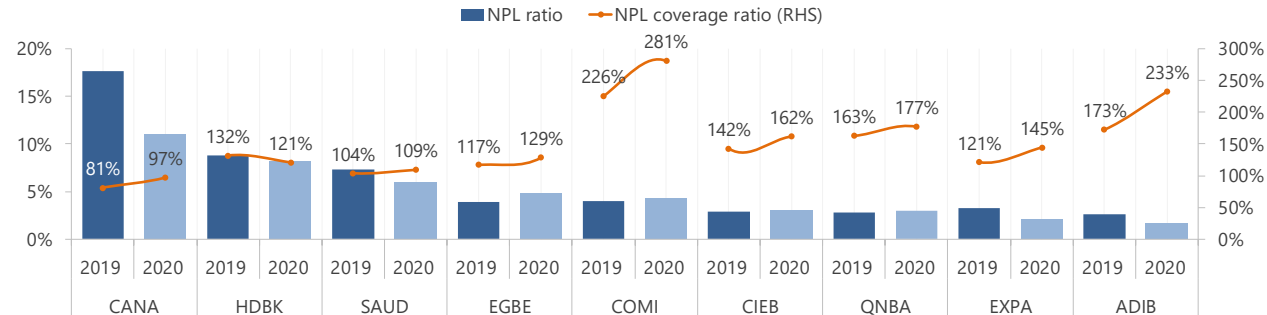
**Despite what he sees as a rapidly recovering economy, the Federal Reserve Chairman reaffirmed the central bank's commitment to keep loose monetary policy in place.** That includes a statement of near-certainty that interest rates will not be going anywhere as inflation remains tame and millions of Americans remain in need of assistance as the nation rebuilds from the damage caused by the COVID-19 pandemic. ([CNBC](#))

### 3. CHART OF THE DAY

#### TABLE OF CONTENTS

Shihab M. Helmy | Equity Analyst

[smohammed@egy.primegroup.org](mailto:smohammed@egy.primegroup.org)













































Source: Banks' Financials.

**Egypt banks' NPL & NPL coverage change:** During 2020, most banks retained their solid asset quality, while others showed an improvement in terms of NPL size and NPL coverage ratio. For instance, Abu Dhabi Islamic Bank - Egypt [ADIB] exhibited the highest decline in NPL ratio despite its high lending growth in 2020 (+30% y/y). On the other hand, despite its asset quality improvement, Suez Canal Bank [CANA] still has the highest NPL and the lowest NPL coverage ratios. In 2021, banks' asset quality will face pressure in line with expected lending growth which will most likely be elevated by an economic recovery given low interest rates that are lucrative enough for borrowers.

### 4. MARKETS PERFORMANCE

#### TABLE OF CONTENTS

Current equity market cap (EGPbn)						648.6		Equity turnover (EGPmn): Last, ytd avg.				752.7		1,178.6					
						daily chg.		ytd chg.								daily chg.		ytd chg.	
		EGX 30	10,393.13	0.87%	(4.17%)			Gold	1,743.88	(0.68%)	(8.35%)			Silver	25.27	(0.76%)	(4.82%)		
		EGX 30 TR	4,020.71	1.12%	(3.62%)														
		EGX 70 EWI	1,935.94	3.16%	(9.75%)			Brent Oil	62.95	(0.46%)	20.97%			WTI	59.32	(0.44%)	21.72%		
		EGX 100 EWI	2,868.77	2.67%	(7.39%)														
		DFMGI	2,593.22	0.40%	4.06%			Natural Gas	2.53	1.46%	0.95%	EGP		USD/EGP	15.71	0.01%	(0.21%)		
		ADSMI	6,070.10	0.18%	20.41%														
		TASI	9,938.32	(0.74%)	14.37%	€		EUR/USD	1.19	(0.05%)	(2.64%)								
		QE Index	10,563.54	0.21%	1.22%	£		GBP/USD	1.37	(0.06%)	0.21%								
		S&P 500	4,128.80	0.77%	9.92%	¥		USD/JPY	109.67	(0.09%)	6.12%			6M TB yield	13.40	1	67		
		Dow 30	33,800.60	0.89%	10.44%			1Y TB yield	13.38	2	61			10Y TB yield	14.82	3	43		
		NASDAQ	13,900.19	0.51%	7.85%														
		VIX	16.69	(1.53%)	(26.64%)														
			STOXX 50	3,978.84	0.03%	12.00%			2Y TB yield	0.15	(1)	2			10Y TB yield	1.66	(1)	73	
EM		MSCI Emerging	1,330.36	(0.97%)	3.03%			30Y TB yield	2.33	(3)	67								
FM		MSCI Frontier	589.31	0.21%	3.09%														

\* As of market close, except for commodities and currencies at 8.17am 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
12-Apr-21	RAYA	OGM	Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items.
12-Apr-21	AIFI	OGM	Approving the financial statements ending 31 Dec. 2020, and discussing a dividend distribution and other agenda items.
12-Apr-21	AIFI	EGM	Amending article 4 of the bylaws.
12-Apr-21	SRWA	Cash dividend	Last date for eligibility for EGP0.107/share.
14-Apr-21	CICH	Cash dividend	Payment date for EGP0.05/share (1st installment).
14-Apr-21	EKHO	Stock dividend	Last date for eligibility for dividends at a ratio of 1-for-10.
14-Apr-21	EIUD	Stock dividend	Last date for eligibility for dividends at a ratio of 0.25-for-1.
15-Apr-21	SRWA	Cash dividend	Payout date for a dividend of EGP0.107/share.
15-Apr-21	EIUD	Stock dividend	Payout date for dividends at a ratio of 0.25-for-1.
15-Apr-21	EKHO	Stock dividend	Payout date for dividends at a ratio of 1-for-10.
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 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.
19-Apr-21	EFIC	Cash dividend	Last date for eligibility for EGP0.250/share.
19-Apr-21	DOMT	Cash dividend	Last date for eligibility for EGP0.20/share.
19-Apr-21	EFID	Cash dividend	Last date for eligibility for EGP0.21/share.
20-Apr-21	PHDC	Cash dividend	Last date for eligibility for EGP0.100/share.
21-Apr-21	PORT	EGM	Voting on a new company name.
22-Apr-21	EFID	Cash dividend	Date for a payout of EGP0.21/share.
22-Apr-21	EFIC	Cash dividend	Date for a payout of EGP0.250/share.
22-Apr-21	OCDI	OGM	Approving the financial statements, appointing an IFA to evaluate ALDAR's offer, and discussing a dividend distribution and other agenda items.
22-Apr-21	KZPC	Cash dividend	Last date for eligibility for EGP2.500/share.
22-Apr-21	DOMT	Cash dividend	Date for a payout of EGP0.20/share.
24-Apr-21	CICH	OGM	Electing a new BoD and approving the financial statements.
24-Apr-21	MTIE	OGM	Approving the financial statements, and discussing a dividend distribution and other agenda items.

24-Apr-21	MTIE	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
24-Apr-21	EDBM	OGM	Approving the financial statements and other agenda items.

## 7. LATEST RESEARCH

## TABLE OF CONTENTS

DATE	PUBLISHED REPORT
11-Apr-21	<a href="#"><u>MACROView – Monthly Reading Pressured By Seasonality</u></a>
6-Apr-21	<a href="#"><u>MACROView – FX Assets Well Placed to Mitigate Potential Risks</u></a>
6-Apr-21	<a href="#"><u>MACROView – Still Downbeat</u></a>
28-Mar-21	<a href="#"><u>Taaleem Management Services [TALM] – Enriching the Education Sector</u></a>
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>Elsowedy 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 [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](#)



## Prime Securities

### Shawkat El Maraghy

Managing Director

T +202 3300 5622

[SElmaraghy@egy.primegroup.org](mailto:SElmaraghy@egy.primegroup.org)

## Sales

### Mohamed Ezzat

Head of Sales & Branches

T +202 3300 5784

[MEzzat@egy.primegroup.org](mailto:MEzzat@egy.primegroup.org)

### Mohamed Ashmawy

Head of Institutional Sales

T +202 3300 5612

[MAshmawy@egy.primegroup.org](mailto:MAshmawy@egy.primegroup.org)

### Amr Alaa CFTe

Team Head –Institutional Desk

T +202 3300 5609

[AAlaa@egy.primegroup.org](mailto:AAlaa@egy.primegroup.org)

### Mohamed El Metwaly

Manager

T +202 3300 5610

[MElmetwaly@egy.primegroup.org](mailto:MElmetwaly@egy.primegroup.org)

### Emad El Safoury

Manager

T +202 3300 5624

[EElsafoury@egy.primegroup.org](mailto:EElsafoury@egy.primegroup.org)

### Shawkat Raslan

Heliopolis Branch Manager

T +202 3300 8130

[SRaslan@egy.primegroup.org](mailto:SRaslan@egy.primegroup.org)

### Nashwa Abuelatta

Alexandria Branch Manager

T +202 3300 5173

[NAbuelatta@egy.primegroup.org](mailto:NAbuelatta@egy.primegroup.org)

## Research

### Amr Hussein Elalfy CFA

Head of Research

T +202 3300 5724

[AElalfy@egy.primegroup.org](mailto: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, 7<sup>th</sup> 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](http://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.