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Ramadan Doldrums

1. Today's Trading Playbook

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KEY THEMES

It's almost a week since the Holy month of Ramadan started, and the market seems to be slow on price action, activity, and even news! Since Ramadan started (only four trading sessions so far), EGX 30 is almost unchanged, down marginally or 0.9%. On the other hand, EGX 70 EWI is down 5.3%, leaving the former outperforming the latter so far in 2021 by 8.55 percentage points. In terms of activity, the market averaged so far more than EGP800mn in daily traded values. Yet, yesterday marked the lowest of all four trading sessions, down by around 50% versus the average daily traded value in the first three trading sessions in Ramadan. As for news, it seems to be a slow start for the second quarter as investors await first-quarter results from EGX-listed stocks to help them set the tone for this year's earnings visibility. For now, it seems that Ramadan doldrums will continue, save for some price action related to MSCI EM rebalancing, which again we think would be a good opportunity to play [the mispricing game](#).

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Proposed amendments to the Value-Added Tax (VAT) Law would impose a 1% schedule tax on the rent or purchase of commercial and administrative property. This means that offices or factories will not be subject to the full 14% VAT as was previously reported in the local press. ([MoF](#))

Egypt's non-oil trade deficit remained almost flat in Q3 FY21, narrowing by 1% to USD9.55bn compared to USD9.68bn in Q3 FY20. Chemical products and fertilizers accounted for the largest share of exports, clocking in at USD1.53bn during the quarter, followed by construction materials (USD1.35bn) and food industries (USD965mn). (Ministry of Trade: [1](#), [2](#))

The Fuel Pricing Committee is currently working on determining the selling prices of gasoline and petroleum products in the local market for the coming three months (April-June). All details will be announced as soon as the committee finishes its work, which is expected to be soon. ([Masrawy](#))

Egypt's holding of U.S. Treasuries stabilized at USD2.24bn in February for the third consecutive month but rose on a yearly basis from USD2.21bn a year before. ([Mubasher](#))

The Egyptian Export Development Fund has issued 511 export certificates with total subsidies worth EGP2.4bn or a net value of EGP2.2bn after deducting tax and gas bill arrears as part of the second phase of the immediate disbursement of export subsidies initiative. ([Mubasher](#))

CORPORATE NEWS

The board of directors of the government's initiative to convert and replace cars to operate with a dual-fuel system will hold a meeting this week to discuss the shortage of Hyundai input components. The board will be considering whether to have a waiting list or switch to another car brand within the initiative. Earlier this month, GB Auto [**AUTO**] said it was unable to deliver Hyundai cars to all those who registered with AUTO, representing 35% of all the initiative registrations, due to the lack of some input components. (Al-Borsa)

Rameda's [RMDA] OGM approved to distribute a 30% stock dividend, which will raise RMDA's capital to EGP250mn to be distributed over 1bn shares with a par value of EGP0.25/share. ([Company disclosure](#))

Cleopatra Hospitals Group's [CLHO] OGM approved not to distribute dividends for 2020. ([Company disclosure](#))

Delta Sugar's [SUGR] plant development plan included raising the plant's operating capacity by 50% from 14,000 tons of beet/day to 21,000 tons of beet/day. ([Arab Finance](#))

El Nasr for Manufacturing Agricultural Crops' [ELNA] shareholder Ibrahim Al Nahhas reduced his stake in the company from 3.08% to 0.92%. ([Company disclosure](#))

GLOBAL NEWS

Consumers around the world have stockpiled an extra USD5.4tn of savings since the coronavirus pandemic began and are becoming increasingly confident about the economic outlook, paving the way for a strong rebound in spending as businesses reopen. ([FT](#))

The European Central Bank meets on Thursday and will likely be pressed on signs of divisions over the future pace of bond purchases, which have been stepped up recently to prevent a rise in borrowing costs from derailing the recovery. ([Reuters](#))

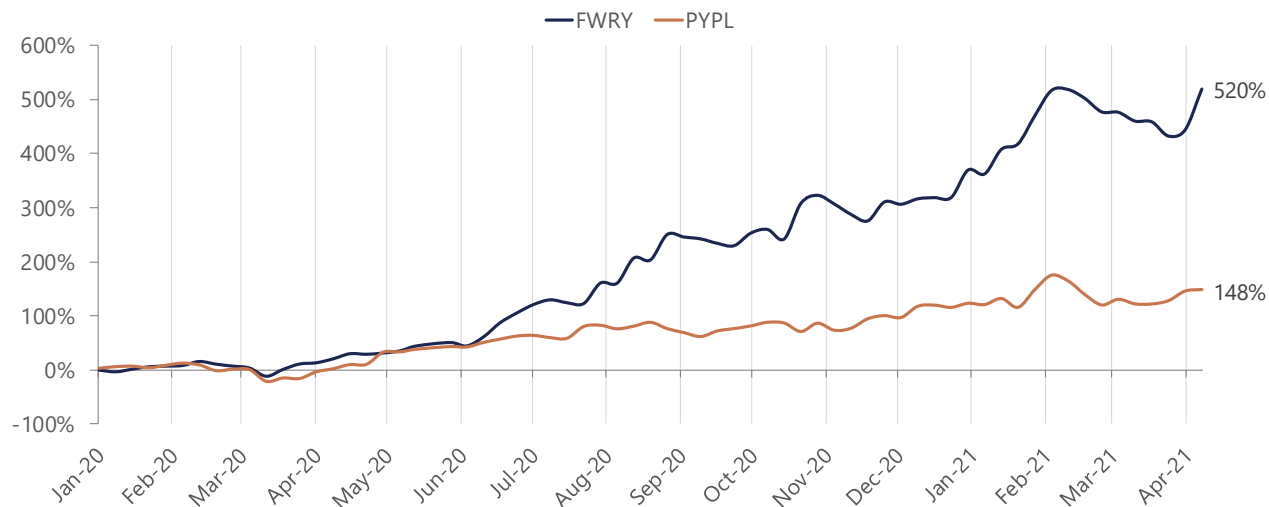
Auto industry executives are rattled by a global shortage of semiconductors which is hitting production in China, after hoping the world's biggest car market could spearhead global recovery in the sector. Automakers around the world have had to adjust assembly lines due to the shortages, caused by manufacturing delays that some semiconductor makers blame on a faster-than-expected recovery from the coronavirus pandemic. ([Reuters](#))

3. CHART OF THE DAY

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Stock Performance Since COVID-19 (Fawry vs. PayPal)



Source: Bloomberg.

Fawry's [**FWRY**] stock price surged as investors prefer fintech exposure in COVID-19 environment. This preference was also borne out by a pricier PayPal [**NASDAQ: PYPL**] stock. Since the first trading week in 2020 to-date, FWRY and PYPL's stock prices jumped 520% and 148%, respectively.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
623.3					462.3 1,178.6				
				daily chg.	ytd chg.			daily chg.	ytd chg.
		EGX 30	10,358.26	2.12%	(4.49%)			Gold	1,776.51 0.71% (6.28%)
		EGX 30 TR	3,998.21	1.53%	(4.16%)			Silver	25.97 0.45% (2.11%)
		EGX 70 EWI	1,865.45	2.44%	(13.04%)			Brent Oil	66.77 (0.18%) 28.67%
		EGX 100 EWI	2,772.73	2.09%	(10.49%)			WTI	63.13 (0.10%) 29.99%
		DFMGI	2,636.40	0.13%	5.80%			Natural Gas	2.68 2.01% 7.68%
		ADSMI	6,124.09	(0.12%)	21.93%	EGP		USD/EGP	15.68 (0.03%) (0.38%)
		TASI	10,048.70	0.61%	15.64%	€		EUR/USD	1.20 (0.10%) (2.01%)
		QE Index	10,760.96	(1.27%)	3.11%	£		GBP/USD	1.38 0.13% 1.32%
		S&P 500	4,185.47	0.36%	11.43%	¥		USD/JPY	108.80 (0.24%) 5.12%
		Dow 30	34,200.67	0.48%	11.74%			6M TB yield	13.38 (2) 65
		NASDAQ	14,052.34	0.10%	9.03%			1Y TB yield	13.37 (1) 60
		VIX	16.25	(1.93%)	(28.57%)			10Y TB yield	14.82 3 43
		STOXX 50	4,032.99	0.99%	13.52%			2Y TB yield	0.16 (1) 3
EM		MSCI Emerging	1,348.69	0.57%	4.45%			10Y TB yield	1.58 (5) 65
FM		MSCI Frontier	604.40	0.22%	5.73%			30Y TB yield	2.28 (4) 62

* As of market close, except for commodities and currencies at 8.4am 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
19-Apr-21	ELSH	BoD meeting	Approving 2020 financial results.
19-Apr-21	EFIC	Cash dividend	Last date for eligibility for dividends of EGP0.250/share.
19-Apr-21	DOMT	Cash dividend	Last date for eligibility for dividends of EGP0.20/share.
19-Apr-21	EFID	Cash dividend	Last date for eligibility for dividends of EGP0.21/share.
20-Apr-21	FWRY	Right Issue	The starting date for a rights issue subscription.
20-Apr-21	PHDC	Cash dividend	Last date for eligibility for dividends of EGP0.100/share.
20-Apr-21	AUTO	Cash dividend	Last date for eligibility for dividends of EGP0.25/share.
21-Apr-21	PORT	EGM	Voting on a new company name.
22-Apr-21	EFID	Cash dividend	Date for a dividend payout of EGP0.21/share.
22-Apr-21	EFIC	Cash dividend	Date for a dividend payout of EGP0.250/share.
22-Apr-21	OCDI	OGM	Approving the financial statements, appointing an IFA to evaluate ALDAR's offer to acquire no less than 51% for EGP18-19/share, and discussing a dividend distribution and other agenda items.
22-Apr-21	KZPC	Cash dividend	Last date for eligibility for dividends of EGP2.50/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.
25-Apr-21	CERA	Cash dividend	Last date for eligibility for EGP0.15/share.
25-Apr-21	AUTO	Cash dividend	Date for a dividend payout of EGP0.25/share.
25-Apr-21	AMIA	Cash dividend	Last date for eligibility for dividends of EGP0.50/share.
25-Apr-21	ETRS	Cash dividend	Last date for eligibility for dividends of EGP0.375/share.
25-Apr-21	ORWE	Cash dividend	Last date for eligibility for dividends of EGP1.00/share.
25-Apr-21	PHDC	Cash dividend	Date for a dividend payout of EGP0.100/share.
25-Apr-21	MFPC	Cash dividend	Last date for eligibility for dividends of EGP3.50/share.
25-Apr-21	ETEL	Cash dividend	Last date for eligibility for EGP0.75/share.
25-Apr-21	PHAR	Cash dividend	Last date for eligibility for EGP2.95/share.
27-Apr-21	KZPC	Cash dividend	Date for a payout of EGP2.50/share.
27-Apr-21	AJWA	OGM	Approving the financial statements and other agenda items.
27-Apr-21	AJWA	EGM	Discussing the continuation of the company.
28-Apr-21	CERA	Cash dividend	Date for a payout of EGP0.15/share.
28-Apr-21	ETEL	Cash dividend	Date for a payout of EGP0.75/share.
28-Apr-21	PHAR	Cash dividend	Date for a payout of EGP2.95/share.
28-Apr-21	MFPC	Cash dividend	Date for a payout of EGP3.50/share.
28-Apr-21	ORWE	Cash dividend	Date for a payout of EGP1.00/share.
28-Apr-21	ETRS	Cash dividend	Date for a payout of EGP0.375/share.
28-Apr-21	AMIA	Cash dividend	Date for a payout of EGP0.50/share.
28-Apr-21	ORHD	OGM	Approving the financial statements ending 31 Dec. 2020 and other agenda items.
28-Apr-21	AREH	OGM	Approving the financial statements, and discussing a dividend distribution and other agenda items.
28-Apr-21	ACAMD	OGM	Approving the financial statements and other agenda items.
28-Apr-21	EGAL	OGM	Approving the budget estimates for FY2021/22.
28-Apr-21	EGCH	OGM	Approving the budget estimates for FY2021/22.
28-Apr-21	EGCH	EGM	Approving increasing the issued capital.
29-Apr-21	PACH	Cash dividend	Date for a payout of EGP0.50/share (2nd round).
29-Apr-21	FWRY	OGM	Approving the financial statements and other agenda items.
29-Apr-21	AIH	OGM	Approving the financial statements and other agenda items.
29-Apr-21	BINV	OGM	Approving the financial statements, and discussing a dividend distribution and other agenda items.
29-Apr-21	CLHO	OGM	Approving the financial statements ending 31 Dec. 2020, and discussing dividends distribution and other agenda items.
29-Apr-21	CLHO	EGM	Approving an employee incentive system.

7. LATEST RESEARCH

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DATE PUBLISHED REPORT

18-Apr-21	<u>MACROView – Challenges Remain Daunting</u>
13-Apr-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</u>
12-Apr-21	<u>Orascom Construction [ORAS] – Rich in Value</u>
11-Apr-21	<u>MACROView – Monthly Reading Pressured By Seasonality</u>

6-Apr-21	<u>MACROView – FX Assets Well Placed to Mitigate Potential Risks</u>
6-Apr-21	<u>MACROView – Still Downbeat</u>
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>
1-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>
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 slackening 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>CIB [COMI] – Q1 2020 Results</u>

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