

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**

The Waiting Game

1. Today's Trading Playbook

TABLE OF CONTENTS

Amr Hussein Elalfy | Head of Research
aelalfy@egy.primegroup.org

KEY THEMES

The market continues to suffer from a dearth of good news. Over the past few weeks, trading has been impacted by concerns over new margin trading rules, geopolitical tension with regards to the Ethiopian dam, potential disruption in Egypt's constituents of MSCI EM rebalancing, and—more recently—[Ramadan doldrums](#). For this, we believe investors will be better served if they play the waiting game. In other words, we believe investors that are patient enough to wait out short-term market volatility until the dust settles will eventually be rewarded, mainly in stocks that are relatively cheap with recent news catalysts. As a quick wrap up, so far into April, we had made positive calls on certain stocks in view of related news, which we reiterate below for those who may have missed them.

POSITIVE**HELI, ESRS, HRHO, AUTO, QNBA, SWDY, BINV, MTIE, ORAS, CIEB, Cement Stocks:**

Heliopolis Housing & Development [**HELI**] on sale of land; Ezz Steel [**ESRS**] on narrower bottom-line losses in 2020; **cement stocks** on government-proposed production cut; EFG Hermes Holding [**HRHO**] on final conclusion of its **aiBank** acquisition at below-than-expected valuation; GB Auto [**AUTO**] on revaluation after announcing a stake sale of one of its subsidiaries; QNB Al Ahli [**QNBA**] on positive Q1 2021 results; Elsewedy Electric [**SWDY**] on recent sell-off related to MSCI EM rebalancing rumors; B Investments [**BINV**] and MM Group [**MTIE**] on potential unlocking of value related to their non-banking financial services platforms. Meanwhile, we had published two *Core Coverage Reports* on [Orascom Construction](#) [**ORAS**] and [Credit Agricole Egypt](#) [**CIEB**], both of which we rated as Overweight due to their trading at attractive valuation multiples.

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

2. TOP NEWS & ANALYSIS

TABLE OF CONTENTS

MACRO NEWS

The Central Bank of Egypt (CBE) decided to allow bank clients to create saving accounts and borrow through e-wallets. ([Elbalad News](#)) Catering to the needs of bank clients, this step aims to accelerate lending and deposit growth. EGX-listed banks, like CIB [**COMI**], Credit Agricole Egypt [**CIEB**], and QNB Al Ahli [**QNBA**], that paid keen attention to financial services in the past few years will be reaping the most rewards.

Egypt's GDP is expected to grow at a 2.9% in FY21, marking a slight downward revision of the 3% Fitch predicted in January due to a bumpy vaccine rollout. Fitch Solutions sees the country ramping up its output of natural gas to hit pre-COVID-19 production levels in FY21. Production is expected to plateau at these rates, with a marginal decline of 10% at most throughout FY22. ([Fitch Solutions](#))

Egypt should be back on JPMorgan's emerging-market government bonds index in October or November. ([Al-Mal](#))

The Ministry of Health & Population aims to cooperate with Russia to manufacture the COVID-19 vaccine (Sputnik V) in Egypt. ([Al-Borsa](#))

Children's nurseries have been included among the activities that enjoy the benefits of the Medium-, Small-, and Micro-Sized Enterprises Law. Accordingly, nurseries will enjoy tax facilities and other incentives. In the same context, Cairo for Investment & Real Estate Development's [**CIRA**] BoD had approved, last January, to enter in to a partnership with a 51% stake in Innovvete for Education Co. to establish nurseries. ([Spokesman of the Egyptian Presidency](#))

CORPORATE NEWS

GB Capital, a subsidiary of GB Auto [AUTO], appointed Arqaam Capital Investment Banking as its financial advisor to explore investments options for its subsidiaries. This may include a partial sale of GB Capital's stake in its leasing subsidiary, GB Lease. ([Company disclosure](#))

Dice Sports & Casual Wear's [DSCW] logged net losses of EGP57mn in 2020 (vs. net income of EGP116mn a year earlier), following a y/y drop of 54% in gross profit. Revenues, meanwhile, decreased 21% y/y to EGP1.2bn. ([Company disclosure](#))

United Housing & Development [UNIT] is going to reduce its issued capital from EGP354mn to EGP343.1mn by writing off treasury stocks worth c. EGP10.9mn. ([Company disclosure](#))

EFG Hermes Holding's [HRHO] consumer finance arm ValU launched an online shopping platform called Shop It where its customers can use its services including installment financing. (Al Borsa)

Beltone Financial Holding [BTFH] has reportedly chosen by the CBE to manage the new margin trading fund. The fund which aims to support margin lending has a preliminary allocation of EGP1bn. ([Al-Mal](#))

GLOBAL NEWS

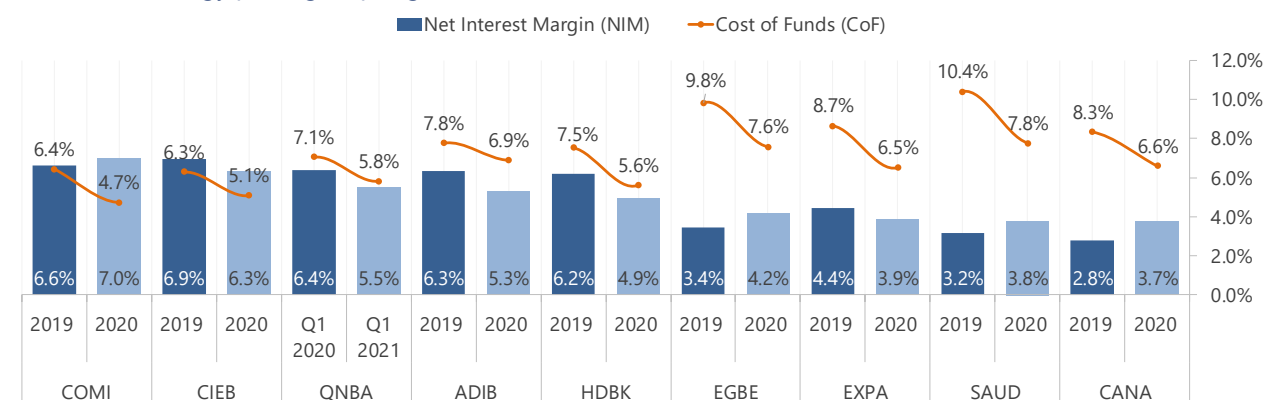
Green bond issuances in emerging markets are expected to more than double to north of USD100bn by 2023 despite lagging sales in regions with climate risks, such as Sub-Saharan Africa. ([Bloomberg](#))

The European Union is seeking to encourage greater investment from Taiwan, especially its semiconductor firms, amid a global chip shortage that has impacted auto makers like Volkswagen. ([Reuters](#))

3. CHART OF THE DAY

[TABLE OF CONTENTS](#)

Shihab M. Helmy | Equity Analyst
smohammed@egy.primegroup.org



Source: Banks' Financials.

Egypt banks' NIM vs. cost of funds: As depicted above, the prevailing status of most EGX-listed banks during 2020 was a decline in NIMs, which is no wonder when considering the 400bps cut in corridor rates last year. However, other banks showed a hike in their NIM levels, having anticipated the easing monetary cycle by parking most of their assets in long-term Treasury instruments while shortening the duration of their deposits. For instance, CIB [**COMI**],

Egyptian Gulf Bank [**EGBE**], Al Baraka Bank - Egypt [**SAUD**], and Suez Canal Bank [**CANA**] all expressed higher NIMs in 2020, fueled by a reduction in their cost of funds.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)					628.8	
					</	

* As of market close, except for commodities and currencies at 8.45am 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
20-Apr-21	CIRA	Conference Call	Discussing Q2 20/21 results.
20-Apr-21	FWRV	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 a dividend distribution and other agenda items.
29-Apr-21	CLHO	EGM	Approving an employee incentive system.

7. LATEST RESEARCH

TABLE OF CONTENTS

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>
8-Jun-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>

Prime Securities

Shawkat El Maraghy

Managing Director

T +202 3300 5622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +202 3300 5784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +202 3300 5612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head –Institutional Desk

T +202 3300 5609

AAlaa@egy.primegroup.org

Mohamed El Metwaly

Manager

T +202 3300 5610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +202 3300 5624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +202 3300 8130

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +202 3300 5173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +202 3300 5724

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, 7th 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

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.