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## M&A ... Again

### 1. Today's Trading Playbook

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#### KEY THEMES

As we alluded [here yesterday](#), it often helps to play the waiting game. Those who waited would have celebrated yesterday's intraday rally, with EGX 30 and EGX 70 EWI jumping 1.7% and 2.2%, respectively. Of the 10 stocks we made positive calls on, [as mentioned yesterday](#), seven ended the day higher, two flat, and only one nudged lower. Trading activity rose to exceed the EGP1bn market, the first time so far in Ramadan, but it is not clear yet if it is the start of a recovery in traded values.

Meanwhile, it is interesting to see mergers and acquisitions (M&A) news resurfaced today. Some of the news are just follow-ups, but others are new. For the former, SODIC [**OCDI**] and Alexandria Medical Services [**AMES**] are being targeted by local and regional suitors. For the latter, Egyptian Iron & Steel [**IRON**] is being targeted by a UK-based firm, raising hopes about its development plans and how it will be implemented, be it through an acquisition or a partnership deal. Among the EGX-listed names involved in these M&A news are Cleopatra Hospitals Group [**CLHO**] and Speed Medical [**SPMD**] which are competing to acquire a 51% stake in AMES. We note that CI Capital Holding [**CICH**] has been retained as the exclusive financial advisor for the AMES stake sale. Hence, we would expect to see above-average activity on these names.

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

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**The Egyptian government expects the country to see a total of EGP1.25tn in public and private sector investments in FY22**, up from the EGP740bn the government had projected for the current fiscal year. ([Ministry of Planning](#))

**Air pollution costs Egypt at least EGP47bn a year, estimates by the World Bank (WB)**

**showed.** Poor-quality air causes long-term health issues, while the additional strain on healthcare systems and reduced productivity from chronic illnesses and missed workdays bring a sizable economic hit. ([Zawya](#))

**The National Telecom Regulatory Authority (NTRA) is studying to impose fees on smuggled imported mobile phones.**

The decision aims to preserve the rights of the Treasury and customs proceeds in addition to ensure fair competition between merchants. Some market sources expect the implementation of the new decision by early July. ([Youm7](#))

**CORPORATE NEWS****Sahara Group - UK has sent to the Ministry of Public Enterprise a letter of guarantee issued by JPMorgan Chase.**

The letter entails the financial ability of the group to pursue Phase One of developing Egyptian Iron & Steel [IRON] with an estimated costs of USD400mn. (Al-Borsa)

**SODIC [OCDI] said that Aldar Properties [ADX: ALDAR] is expected to begin its due diligence within days**

as it seeks acquiring at least 51% of OCDI. ([Al-Arabiya](#))

**Abu Dhabi Commercial Bank [ADCB] announced the final list of potential investors aiming to acquire its 51% stake in Alexandria Medical Services [AMES],**

namely (1) Cleopatra Hospitals Group [CLHO], (2) Alexandria Healthcare Investments or any of its subsidiaries, (3) a consortium of Speed Medical [SPMD], a LimeVest Partners' managed investment vehicle, and Tawasol Holdings for Financial Investments, and (4) Seha Capital. The average price offered by these potential investors is EGP50.77/share. We note that CI Capital Holding [CICH] is the exclusive financial advisor for the sale. ([Bank disclosure](#))

**EIPICO [PHAR] signed a partnership contract with Kampala Pharma Industries to establish a pharmaceutical plant in Sudan with investments worth USD30mn.**

EIPICO will own 50% of the plant, and construction work is expected to be completed within two years. ([Al-Borsa](#))

**The Sovereign Fund of Egypt (TSFE) will include the Cosmic Village land to the education fund managed by EFG Hermes Holding [HRHO].**

TSFE has previously committed EGP250mn to the HRHO education fund's third close. (Al-Borsa)

**Al-Shams Housing & Development's [ELSH] BoD proposed a dividend distribution of EGP0.20/share,**

implying a 4.9% yield. ([Company Disclosure](#))

**Beltone Financial Holding's [BTFH] consumer finance arm BelCash will offer tuition financing programs for students at El-Alsson International Schools.** ([Economy Plus](#))

**Palm Hills Developments [PHDC] said it has spent so far EGP1.31bn of its EGP1.54bn capital increase on developing projects,** leaving EGP225mn to be used. ([Company disclosure](#))

## GLOBAL NEWS

**The U.S. dollar languished on Wednesday, hovering just above a seven-week low with subdued U.S. bond yields reducing the currency's yield appeal.** ([Reuters](#))

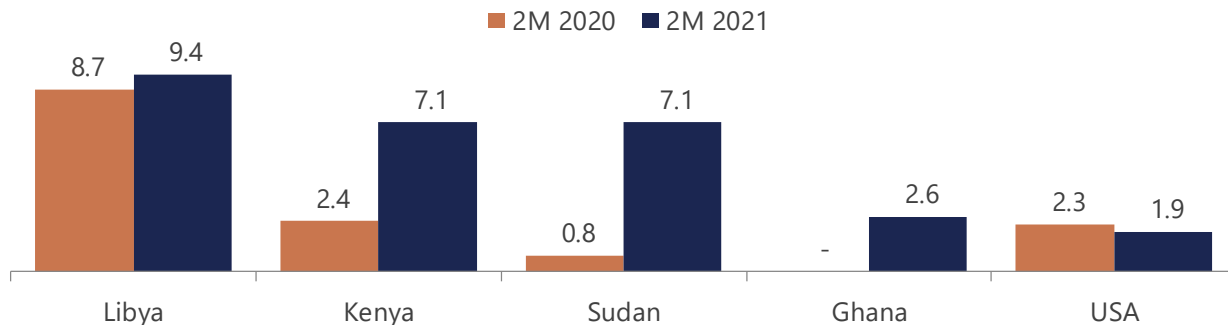
**The U.S. economy is going to temporarily see "a little higher" inflation this year as the recovery strengthens and supply constraints push up prices in some sectors,** but the Federal Reserve is committed to limiting any overshoot, Fed Chair said. ([Reuters](#))

## 3. CHART OF THE DAY

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**Egyptian Cement Export Destinations (USDmn)**



Source: ECBM.

Egyptian cement exports in January and February 2021 started to recover. Total cement exports under the supervision of the ECDM increased by 38% y/y to USD38mn, thanks to African countries which reserved the top four positions. Despite the tensions in Libya, Egyptian cement exports to the neighboring country increased by 8% to USD9.4mn, while those to Kenya, Sudan, and Ghana increased significantly. Meanwhile, exports to the U.S. decreased by 16% y/y to USD1.9mn.

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
652.2						1,083.5 1,178.6					
				daily chg.	ytd chg.				daily chg.	ytd chg.	
		EGX 30	10,620.05	1.71%	(2.08%)			Gold	1,778.75	0.41%	(5.90%)
		EGX 30 TR	4,123.15	1.78%	(1.17%)			Silver	25.84	0.07%	(1.29%)
		EGX 70 EWI	1,958.39	2.23%	(8.71%)			Brent Oil	66.57	(0.65%)	27.68%
		EGX 100 EWI	2,887.98	2.11%	(6.77%)			WTI	62.67	(0.72%)	28.24%
		DFMGI	2,624.27	(0.32%)	5.31%			Natural Gas	2.73	(0.70%)	6.66%
		ADSMI	6,155.42	0.87%	21.37%	EGP		USD/EGP	15.71	0.17%	(0.22%)
		TASI	10,116.98	0.19%	16.43%	€		EUR/USD	1.20	(0.07%)	(1.54%)
		QE Index	10,914.12	(0.06%)	4.58%	£		GBP/USD	1.39	0.03%	1.98%
		S&P 500	4,134.94	(0.68%)	10.09%	¥		USD/JPY	108.11	(0.08%)	4.62%
		Dow 30	33,821.30	(0.75%)	10.50%			6M TB yield	13.38	(2)	65
		NASDAQ	13,786.27	(0.92%)	6.97%			1Y TB yield	13.37	(1)	60
		VIX	18.68	8.04%	(17.89%)			10Y TB yield	14.84	2	45
		STOXX 50	3,940.46	(1.98%)	10.92%			2Y TB yield	0.15	(1)	2
EM		MSCI Emerging	1,347.61	(0.07%)	4.36%			10Y TB yield	1.56	(4)	63
FM		MSCI Frontier	614.33	0.54%	7.47%			30Y TB yield	2.26	(4)	60

\* 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
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.
28-Apr-21	MNHD	Cash dividend	Last date for eligibility for EGP0.45/share.
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

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DATE	PUBLISHED REPORT
18-Apr-21	<a href="#"><u>MACROView – Challenges Remain Daunting</u></a>
13-Apr-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</u></a>
12-Apr-21	<a href="#"><u>Orascom Construction [ORAS] – Rich in Value</u></a>
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>
<b>7-Mar-21</b>	<b><a href="#"><u>Al-Shams Housing &amp; Development [ELSH] – Making Hay While the Sun Shines</u></a></b>
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>1-Feb-21</b>	<b><a href="#"><u>STANDPoint – Egypt 2021 Investing Playbook</u></a></b>
<b>14-Jan-21</b>	<b><a href="#"><u>CI Capital Holding [CICH] – New Expansions = Further Growth</u></a></b>
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>
<b>28-Dec-20</b>	<b><a href="#"><u>Elsowedy Electric [SWDY] – More Growth to Come</u></a></b>
<b>22-Dec-20</b>	<b><a href="#"><u>EFG Hermes Holding [HRHO] – Blueprinting Its Eminence</u></a></b>
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>
<b>25-Nov-20</b>	<b><a href="#"><u>Misr Chemical Industries [MICH] – Pandemic Proof</u></a></b>
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>
<b>6-Oct-20</b>	<b><a href="#"><u>CIB [COMI] – A Good Bet for the “Risk On” Mode</u></a></b>

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>CIB [COMI] – Q1 2020 Results</u></a>

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