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For Business and Pleasure

1. Today's Trading Playbook

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KEY THEMES

Starting off the second day of this 4-day week which will be shortened by a holiday on Thursday, investors are looking for company-specific news that may help provide direction for the market. A case in point is the tourism stocks we mentioned [yesterday](#), most of which ended the day higher. Indeed, three of the five stocks we recommended rose, namely Egyptian Resorts Co. [EGTS] (+6.6%), Remco for Touristic Villages [RTVC] (+6.2%), and Misr Hotels [MHOT] (+3.5%). The other two, Pyramisa Hotels [PHTV] and National Co. for Housing for Professional Syndicates [NHPS], are very illiquid and they ended the day unchanged. These stocks outperformed both EGX 30 and EGX 70 EWI; the former was almost unchanged, while the latter rose 2.4%. The reason of yesterday's trip has so far been "business and pleasure".

POSITIVE

SWDY, ORAS: Scanning today's news, we see Elsewedy Electric [SWDY] and Orascom Construction [ORAS] reporting some new awards. Both are among our top picks in the industrial sector, offering 59% and 72% upside, respectively, to our 12M PT.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Egypt achieved a primary surplus during 9M FY21 (July 2020-March 2021), amounting to EGP25.3bn (0.4% of GDP). This is compared to a primary surplus of EGP40.6bn (0.7% of GDP) in the comparable period in FY20. ([MoF](#))

Egypt expects its borrowing needs to rise by 7.1% to EGP1.068tn (USD68.bn) in the financial year that will begin in July. The government projected raising EGP66bn of this by selling international bonds, down from EGP72bn this year. ([Reuters](#))

Egypt expects to see tourism revenues of USD6-7bn in 2021, with tourist arrivals recovering to 60% of 2019 levels. The resumption of direct flights between Russian cities and Egypt's Red Sea resorts next month could bring as many as 1mn Russian tourists to Egypt this year. ([Reuters](#))

Dana Gas [ADX: DANA] has terminated its agreement with IPR Wastani Petroleum Ltd., a member of the IPR Energy Group, to sell its Egyptian assets, as a number of conditions precedent to the transaction could not be fulfilled to satisfy both parties prior to the due date of the Sale & Purchase Agreement (SPA). ([Mubasher](#))

CORPORATE NEWS

Elsewedy Electric's [SWDY] subsidiary Elsewedy Electric for Trading & Distribution, along with ABB and Hitachi ABB, signed a contract to establish the Delta Regional Control Center (DRCC) with the Egyptian Electricity Transmission Co. (EETC). The project value is EGP870mn and SWDY's share is EGP439mn and will be implemented over 24 months. ([Company disclosure](#))

Orascom Construction [ORAS] added USD650mn of new awards to its backlog in Q1 2021 (+8% y/y) to end the quarter with a backlog of USD5.3bn. Egypt captured 85% of Q1 new awards, while the U.S. made up the remaining 15%. ([Company disclosure](#))

SODIC's [OCDI] ordinary general meeting approved dividends of EGP0.55/share, implying a 3.16% yield. On a separate note, OCDI's Managing Director Magued Sherif said the company would consider buying lands in the New Administrative Capital if its bid for a 1,695-feddan land in Heliopark is unsuccessful. On another note, OCDI is eying acquiring 200 feddans of land plots in North Coast and Red Sea. Meanwhile, the company is planning to launch its North Coast project, which stretches over 300 feddans, this year. OCDI should also deliver its EDNC project by Q4 2021. Achieving a 100% occupancy rate, OCDI expects to generate recurring revenues of EGP600mn by 2023 and looks to securitize its receivable portfolio of units delivered in some projects. ([Company disclosure](#), [Hapi](#))

Telecom Egypt [ETEL] signed a cooperation protocol with Marakez for Real Estate Investment to provide internet and integrated telecommunications services for the Marakez projects. ([Arab Finance](#))

Raya Holding [RAYA] sold a 24% stake in Aman Holding to National Bank of Egypt (NBE) for EGP480mn. ([Company disclosure](#))

MM Group for Industry & International Trade's [MTIE] EGM approved to increase the company's capital from EGP479.5mn to EGP599.4mn through a 25% stock dividend. ([Company disclosure](#))

EFG Hermes Holding's [HRHO] investment banking arm will be the financial advisor for the Egyptian fertilizer company Evergrow which plans to float a 40% stake in an IPO on the EGX in 2023. ([Hapi](#))

Egyptians for Housing & Development [EHDR] said an independent financial advisor has set the fair value of its stock at EGP0.94/share (21% higher than yesterday's closing price). (Company disclosures: [1](#), [2](#))

GLOBAL NEWS

Oil prices fell on Monday on fears that surging COVID-19 cases in India will drive down fuel demand in the world's third biggest oil importer and as investors adjusted positions ahead of a planned increase in OPEC+ oil output from May. ([Reuters](#))

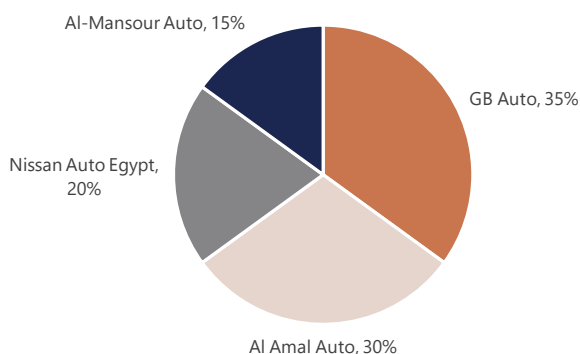
The Fed officials are likely to paint a robust picture on the economy while simultaneously not even hinting at policy changes ahead. Investors increasingly have come to trust central bankers when they say that even with the economy running at its hottest pace in nearly 40 years, they won't start taking away policy accommodation until it's clear the recovery is on solid ground. ([CNBC](#))

3. CHART OF THE DAY

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Auto companies' shares in the car replacement initiative



Source: Al-Mal.

GB Auto **[AUTO]** was set to command the lion's share (35%) of the government's initiative to convert and replace cars to operate with a dual-fuel system. The initiative's spokesperson said that both Hyundai Elantra and Hyundai Accent RB had the largest share of the seven models available to participants. However, AUTO said it is unable to deliver Hyundai cars to all AUTO registers due to a shortage of some input components.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
656.5					894.7 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
		EGX 30	10,604.28	0.04% (2.22%)		Gold	1,777.20	(0.38%) (6.38%)	
		EGX 30 TR	4,099.88	(0.07%) (1.73%)		Silver	26.01	(0.54%) (1.77%)	
		EGX 70 EWI	2,060.57	2.43% (3.94%)		Brent Oil	66.11	(1.12%) 26.20%	
		EGX 100 EWI	2,994.77	1.79% (3.33%)		WTI	62.14	(1.11%) 26.65%	
		DFMGI	2,627.12	0.05% 5.42%		Natural Gas	2.73	(0.55%) 6.93%	
		ADSMI	6,117.17	0.25% 21.25%		USD/EGP	15.69	0.08% (0.45%)	
		TASI	10,142.48	0.08% 16.72%		EUR/USD	1.21	0.03% (0.94%)	
		QE Index	10,860.11	0.14% 3.96%		GBP/USD	1.39	0.24% 1.75%	
		S&P 500	4,180.17	1.09% 11.29%		USD/JPY	107.88	(0.08%) 4.40%	
		Dow 30	34,043.49	0.67% 11.23%		6M TB yield	13.40	1 66	
		NASDAQ	14,016.81	1.44% 8.76%		1Y TB yield	13.38	1 61	
		VIX	17.33	(7.38%) (23.82%)		10Y TB yield	14.84	2 45	
		STOXX 50	4,013.34	(0.04%) 12.97%		2Y TB yield	0.17	1 4	
		MSCI Emerging	1,353.02	0.86% 4.78%		10Y TB yield	1.58	1 65	
		MSCI Frontier	608.56	0.50% 6.46%		30Y TB yield	2.25	1 59	

* As of market close, except for commodities and currencies at 8.55am 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
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	MICH	BOB meeting	Follow up on production, sales and exports.
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.
6-May-21	TALM	Stabilization fund	OPR closes.
6-May-21	MNHD	Cash dividend	Date for a payout of EGP0.15/share (1st round).
8-May-21	ECAP	OGM	Approving the financial statements and other agenda items.
8-May-21	ECAP	EGM	Amending articles 6 & 7 of the bylaws.
8-May-21	IRAX	OGM	Approving the financial statements and other agenda items.
8-May-21	IRAX	EGM	Discussing the agenda.
8-May-21	ESRS	OGM	Approving the financial statements and other agenda items.
8-May-21	AIFI	EGM	Amending article 4 of the bylaws.
9-May-21	ELSH	OGM	Approving the financial statements and other agenda items.
9-May-21	TMGH	Cash dividend	Last date for eligibility for an EGP0.145/share dividend to be issued over two equal payouts.
9-May-21	CCRS	OGM	Approving the financial statements ending 31 Dec. 2020 and other agenda items.

10-May-21	SVCE	OGM	Approving the financial statements and other agenda items.
10-May-21	ZMID	OGM	A board reshuffle.
10-May-21	ZMID	EGM	Amending articles 20, 29 & 30 of the bylaws.

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>Elsewedy 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 – Rutted Road to Recovery</u>
28-Dec-20	<u>Elsewedy 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 slacking 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>

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