

**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**

## Welcome Back!

### 1. Today's Trading Playbook

**TABLE OF CONTENTS**

**Amr Hussein Elalfy, CFA** | Head of Research  
[aelalfy@egy.primegroup.org](mailto:aelalfy@egy.primegroup.org)

#### KEY THEMES

Welcome back to yet another short trading week. Investors should be back in full force starting today through next week. The long weekend in observance of Eid El-Fitr left investors with few events to trade on, except for the MSCI rebalance which was announced last Wednesday night. This MSCI 2021 semi-annual index review (SAIR) will go in the history books as the one that finally changed the face of Egypt main index composites. Fawry [**FWRY**], the new kid in town, managed to replace Elsewedy Electric [**SWDY**], as the latter's market cap failed to withstand minimum requirements. The change will become effective as of the close of 27 May 2021. It's not very difficult to picture SWDY dealing with short term pains post SAIR; however, we think that MSCI index review was sort of a tactical overhang on the stock performance. We reiterate our view that such index review events should be exploited as mispricing opportunities. We still believe that changes in index constituents affect short-term institutional positioning towards new or deleted names, leaving zero effect on stocks' fundamentals, thus usually creating opportunities. Fundamentally speaking, we prefer SWDY to FWRY on a pure valuation basis.

Elsewhere, as we had pointed out end of April, Egypt Aluminum [**EGAL**] made our call worthwhile with the stock up 29%, outperforming both EGX 30 (+2.3%) and EGX 70 EWI (+4.6%). We continue to suggest commodity-linked stocks, such as Ezz Steel [**ESRS**] which raised its selling prices three times in the past three weeks, the last of which was over the weekend. Also, GB Auto [**AUTO**] reported its Q1 2021 results late last Tuesday after market close, showing strong performance, which bodes well for a strong 2021 performance.

#### POSITIVE

**AUTO:** Q1 2021 results were strong, showing high growth rates on both revenues and earnings fronts.

**ESRS:** Higher selling prices should bode well for the company's financials in 2021.

**SWDY:** Despite being removed from MSCI EM index, the stock still offers high upside potential and trades at cheap multiples.

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

## 2. TOP NEWS & ANALYSIS

[TABLE OF CONTENTS](#)

### MACRO NEWS

**The government is planning to expand the Suez Canal to avoid a repeat of the Ever Given fiasco that blocked the trade artery for six days in March.** ([Reuters](#))

**Egypt's unemployment rate registered 7.4% in Q1 2021**, up by 0.2% from 7.2% in Q4 2020 and down by 0.3% from Q1 2020. ([Mubasher](#))

**Importers can no longer bring in used electric vehicles (EVs)** under a new decision by the Ministry of Trade & Industry designed to boost local EV assembly. ([Ministry of Trade & Industry](#))

**The Sovereign Sukuk Law is on the Senate's agenda today as it resumes its sessions after the Eid holiday.** The draft law has passed the House Economic Committee and will be sent back to the House of Representatives for a final say following the Senate's vote. ([Al-Shorouk](#))

**The resumption of flights between Russia and Egyptian resorts depends on the epidemiological situation**, Russian Deputy Prime Minister told reporters on Wednesday. ([TASS](#))

**The National Telecom Regulatory Authority (NTRA) imposed fines of EGP20.7mn on Egypt's four mobile operators**, after monitoring violations of the regulatory rules that the NTRA had issued for the service of porting from one operator to another with the same number (number portability service). Telecom Egypt [**ETEL**] incurred a fine of EGP3.9mn. ([NTRA](#))

### CORPORATE NEWS

**GB Auto's [AUTO] Q1 2021 net income after minority grew to EGP299mn (+116% y/y)** on higher revenues of EGP6.8bn (+16% y/y) and a higher gross profit margin of 20% (+117bps). ([Company disclosure](#))

**Egypt Kuwait Holding's [EKHO] Q1 2021 net profit grew 40.8% y/y to USD42.7mn**, implying a net profit margin of 22.2%, up from 18.9%. This came as a result of a 19.3% y/y growth in revenues to USD191.9mn with GPM of 41% in Q1 2021, up from 35% in Q1 2020. ([Earnings release](#))

**Ezz Steel's [ESRS] upped its selling prices by 2.8% to reach EGP14,600/ton**, including VAT effective 17 May 2021. (Company release)

**Cairo for Investment & Real Estate Development [CIRA] plans to establish a new international school in the new city of Qena**, expected to be launched during FY23. Meanwhile, **CIRA plans to inject investments worth EGP700mn this year** to complete the first phase works for Badr University in Assiut (BUA) in addition to establishing three new international schools. (Al-Mal)

**Odin Investments' [ODIN] Q1 2021 bottom-line losses widened to EGP0.9mn (+205% y/y)** due to lower revenues of EGP2.8mn (-35% y/y). ([Company disclosure](#))

**Arab Co. for Asset Management & Development [ACAMD] said the EGP1.5bn offer it had received for its Zefta land in November 2020 has been withdrawn** after negotiations on the price and the payment terms reached a deadlock. Meanwhile, **Q1 2021 preliminary results indicate that revenues increased to EGP225,000 (+9.5% y/y)**, and net losses mounted to EGP119,000 (+20% y/y). (Company disclosures: [1](#), [2](#))

**Egyptians for Housing & Development's [EHDR] Q1 2021 net profits surged to EGP7.8mn (+115% y/y)**. ([Company Disclosure](#))

## GLOBAL NEWS

**U.S. inflation in April accelerated at its fastest pace in more than 12 years as the U.S. economic recovery kicked into gear and energy prices jumped higher.** The Consumer Price Index, which measures a basket of goods as well as energy and housing costs, rose 4.2% from a year earlier. A Dow Jones survey had expected a 3.6% increase. The month-to-month gain was 0.8%, against the expected 0.2%. ([CNBC](#))

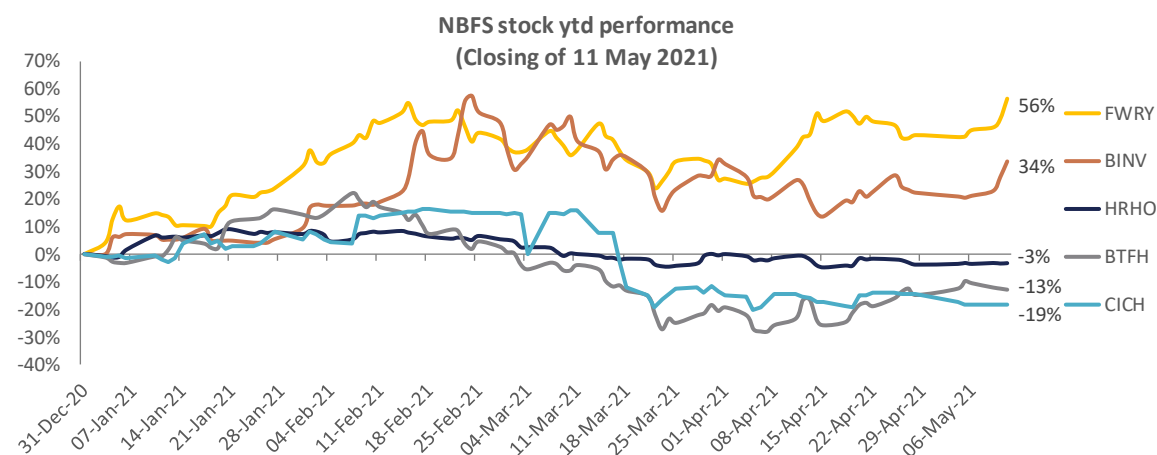
**Widespread gasoline shortages along the U.S. East Coast began to ease slightly on Saturday** as the operator of the nation's biggest fuel pipeline said it was back to delivering "millions of gallons per hour" following last week's cyberattack. ([Reuters](#))

**Iron ore prices in Asia plunged 10% on Friday from record highs** after the Chinese government stepped up its efforts to put a damper on spiraling prices. ([Bloomberg](#))

## 3. CHART OF THE DAY

## TABLE OF CONTENTS

Sherif El Etr | Equity Analyst  
seletr@egy.primegroup.org













































Source: Investing.com, Prime Research.

With the month of Ramadan now behind us, we took a look at our stock picks in the non-banking financial services (NBFS) sector to see how they performed on a ytd basis. Fawry [FWRY] is still leading, up 56% ytd, further extending its stock price surge to 518% since its IPO in August 2019. EFG Hermes Holding [HRHO] remains below our 12M PT of EGP17.7/share, with the conclusion of the aiBank 51% acquisition acting as a catalyst for the name—in our opinion.

## 4. MARKETS PERFORMANCE

## TABLE OF CONTENTS

Current equity market cap (EGPbn)						672.2						
						daily chg.		ytd chg.				
		EGX 30	10,767.84	0.77%	(0.71%)			Gold	1,843.43	0.91%	(2.89%)	
		EGX 30 TR	4,190.79	0.51%	0.45%				Silver	27.42	1.22%	3.87%
		EGX 70 EWI	2,161.97	1.24%	0.78%				Brent Oil	68.71	2.48%	32.64%
		EGX 100 EWI	3,096.77	1.22%	(0.03%)				WTI	65.37	2.43%	34.73%
		DFMGI	2,696.03	0.36%	8.19%			Natural Gas	2.96	(0.40%)	16.62%	
		ADSMI	6,209.43	(0.14%)	27.40%		EGP		USD/EGP	15.66	0.02%	(0.49%)
		TASI	10,322.68	0.92%	18.79%	€		EUR/USD	1.21	0.50%	(0.61%)	
		QE Index	10,925.24	(0.23%)	4.69%	£		GBP/USD	1.41	0.32%	3.12%	
			S&P 500	4,173.85	1.49%	11.12%	¥		USD/JPY	109.35	(0.11%)	5.91%
		Dow 30	34,382.13	1.06%	12.34%			6M TB yield	13.39	(1)	66	
		NASDAQ	13,429.98	2.32%	4.20%			1Y TB yield	13.36	(2)	59	
		VIX	18.81	(18.68%)	(17.32%)			10Y TB yield	14.83	(1)	44	
		STOXX 50	4,017.44	1.64%	13.08%			2Y TB yield	0.15	(0)	2	
EM		MSCI Emerging	1,307.53	1.14%	1.26%			10Y TB yield	1.63	2	70	
FM		MSCI Frontier	616.42	0.21%	7.84%			30Y TB yield	2.35	2	69	

\* As of market close, except for commodities and currencies at 8.32am 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
17-May-21	NCCW	OGM	A board reshuffle.
17-May-21	NCCW	EGM	Amending articles 21, 24, 31 & 32 of the bylaws.
17-May-21	POUL	Cash dividend	Last date for eligibility for a dividend of EGP0.160/share.
19-May-21	ESGI	OGM	Approving the financial statements and other agenda items.
19-May-21	RMDA	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
19-May-21	RMDA	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
19-May-21	ORAS	OGM	Approving the financial statements and a cash dividend of USD0.23/share.
19-May-21	SWDY	Cash dividend	Last date for eligibility for a dividend of EGP0.40/share.
20-May-21	FWRV	Right Issue	The closing date for a rights issue subscription.
20-May-21	POUL	Cash dividend	Date for a payout of EGP0.160/share.
20-May-21	HRHO	OGM	Approving a capital increase of EGP768.6mn through retained earnings and approving other agenda items.
20-May-21	HRHO	EGM	Approving an employee incentive system and other agenda items.
20-May-21	IDHC	First Trading Day	First day of trading of Integrated Diagnostics Holding's [IDHC] local shares in EGP on the EGX.
24-May-21	SWDY	Cash dividend	Date for a payout of EGP0.40/share.
24-May-21	BINV	Cash dividend	Last date for eligibility for a dividend of EGP1.25/share.
27-May-21	FAIT	EGM	Amending articles 2, 7, & 47 of the bylaws.
27-May-21	BINV	Cash dividend	Date for a payout of EGP1.25/share.

## 7. LATEST RESEARCH

[TABLE OF CONTENTS](#)

DATE	PUBLISHED REPORT
11-May-21	<a href="#">MACROView – Inflation Eased but Stage Still Set for a Pick-Up</a>
9-May-21	<a href="#">MACROView – Stability Prevailed</a>
6-May-21	<a href="#">MACROView – The Road to Recovery Gets Longer</a>
18-Apr-21	<a href="#">MACROView – Challenges Remain Daunting</a>
13-Apr-21	<a href="#">Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</a>
12-Apr-21	<a href="#">Orascom Construction [ORAS] – Rich in Value</a>
11-Apr-21	<a href="#">MACROView – Monthly Reading Pressured By Seasonality</a>
6-Apr-21	<a href="#">MACROView – FX Assets Well Placed to Mitigate Potential Risks</a>
6-Apr-21	<a href="#">MACROView – Still Downbeat</a>
28-Mar-21	<a href="#">Taaleem Management Services [TALM] – Enriching the Education Sector</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>Elsewedy 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>Elsewedy 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>
6-Oct-20	<a href="#"><u><b>CIB [COMI] – A Good Bet for the “Risk On” Mode</b></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>

## 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.