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No Dice?

1. Today's Trading Playbook

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KEY THEMES

Yesterday was yet another bad day for the EGX in general as the market's main indices lost in excess of 2% apiece with traded value in excess of EGP1.2bn. For EGX 30, the culprit was all stocks, except for MM Group [**MTIE**] which we published another positive call on [two days ago](#). The index was pulled lower by CIB [**COMI**], Fawry [**FWRY**], and Elsewedy Electric [**SWDY**]. Both Arab and non-Arab foreign institutions ended the day as net sellers (EGP36mn and EGP123mn, respectively). It is not clear whether this has to do with the re-balancing in MSCI EM index or it is a reflection of concerns surrounding geopolitical tensions between Egypt and Sudan on one hand and Ethiopia on the other? Meanwhile, local investors (both institutions and individuals) were net buyers (EGP137mn).

Elsewhere, trading on Dice Sport & Casual Wear [**DSCW**], the top stock in terms of traded value for the day, was suspended at the start of yesterday's session until the IFA's final valuation study was published, suggesting a fair value of EGP2.7/share. We had run [a valuation exercise on 29 March](#) and come up with an equity valuation of EGP1bn or EGP1.91/share. Both respective prices are still 72% and 22% above market. Since then, DSCW rose 11% vs. -3% for EGX 30 and +18% for EGX 70 EWI.

POSITIVE

ORHD: Orascom Development Egypt [**ORHD**] is showing progress in its O West project, having launched the first phase in of Hillside Villas.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

As the SBA with the IMF comes to its end, Egypt expects to receive the third and final USD1.6bn tranche of the USD5.2bn loan after reaching a staff-level agreement with the fund. The IMF said Egypt met all its structural benchmarks, including steps to reform fiscal transparency and governance, social protection, and to improve the business environment. ([Reuters](#))

The GERD saga continues as Sudan apparently has evidence to suggest that Ethiopia began the second filling of the dam's reservoir at the beginning of May. Meanwhile, Ethiopia has still proven that it will act unilaterally for its own interests without heeding requests from Egypt, Sudan, and the international community to reach an agreement first. ([Reuters](#))

The National Bank of Egypt (NBE) is close to finalizing a USD1bn syndicated loan from a group of banks. ([Bloomberg](#))

In line with public demands and the need to promote trade openness, the Customs Law's Executive Regulations are getting new reforms to encourage exports by removing trade barriers. ([Al-Masry Al-Youm](#))

Egyptian ports might receive fresh investment inflows from a Saudi port operator that aims to support the kingdom's food security plan. Red Sea Gateway Terminal (RSGT) — in which Saudi Arabia's Public Investment Fund and Cosco Shipping Ports together hold a 40% stake — is planning to invest in three or more ports in Africa and the Middle East over the next five years. Each investment is expected to total up to USD500mn. ([Bloomberg](#))

CORPORATE NEWS

Orascom Development Egypt [ORHD] launched Phase 1 of Hillside Villas in its O West project located in the Sixth of October City. ORHD launched the project due to high demand, so it is expected to generate strong sales. ORHD also added that construction work for 406 villas is completed and will begin construction for 185 apartments in June 2021. Furthermore, construction work of five schools began in Q1 2021 and is expected to end before September 2022. Two of these schools are managed by Cairo For Investment & Real Estate Development's [CIRA]. ([Economy Plus](#))

Integrated Diagnostics Holding [IDHC] secured an 8-year USD45mn loan to finance its plans to expand its high-quality diagnostic services within its existing and into new emerging markets. IDHC's total debt stood at EGP93mn (equivalent to USD6mn) as of 31

December 2020. ([Company disclosure](#)) On a pro forma basis, IDHC's debt-to-equity ratio at end of 2020 would have risen from 4% to 31%.

EFG Hermes Holding's [HRHO] investment bank was appointed by Macro Group [MCRO] to manage its IPO on the EGX, but the IPO date is yet to be set. ([Al-Mal](#))

Telecom Egypt [ETEL] launched the "WE Access" service to support small- and medium-sized enterprises in developing their business and enhancing the digital transformation process, by helping companies connect office and branch locations easily and with the highest degree of control and data security. ([Arab Finance](#))

B Investments Holding [BINV] announced that Rashed Al-Rashed & Sons transferred their entire stake of 7.757%, or 12.4mn shares, to its investment vehicle RIMCO EGT Investment which now holds a 10.62% stake in BINV. The transaction was executed at an average price of EGP15.5/share. (Company disclosures: [1](#), [2](#))

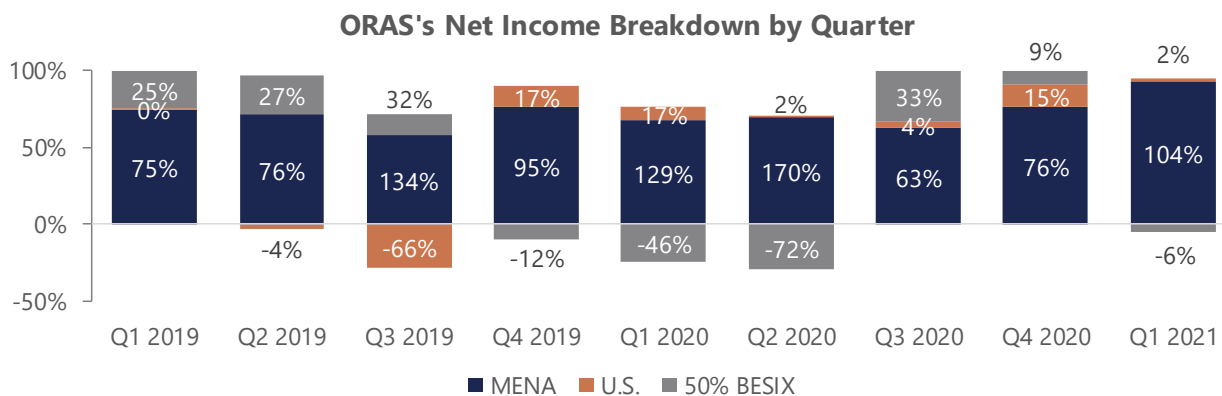
GLOBAL NEWS

Turkey's president has fired one of the deputy governors at the country's central bank, the third senior official to be dismissed in two months in a series of interventions at the nominally independent institution that has unnerved investors. The lira slumped 1.2% against the dollar on Tuesday, bringing the currency's losses to almost 15% since March amid fears the bank under new leadership would not defy Erdogan and keep monetary policy tight to fight inflation, which has been stuck in double digits for much of the past three years. ([FT](#))

3. CHART OF THE DAY

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Source: Company Reports.

Orascom Construction's **[ORAS]** net income comes from the MENA region (the company's biggest earnings contributor at 104% in Q1 2021), the U.S. (only at 2% in Q1 2021, down from 15% in Q4 2020), and its half-owned unit BESIX (negative contribution in Q1 2021 despite an improved performance y/y).

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
658.6						1,237.9 1,178.6					
				daily chg.	ytd chg.					daily chg.	ytd chg.
		EGX 30	10,531.83	(2.13%)	(2.89%)			Gold	1,899.25	0.97%	0.21%
		EGX 30 TR	4,098.60	(1.48%)	(1.76%)			Silver	28.00	0.83%	6.30%
		EGX 70 EWI	2,166.69	(2.22%)	1.00%			Brent Oil	68.65	0.28%	32.90%
		EGX 100 EWI	3,090.37	(2.22%)	(0.24%)			WTI	66.07	0.03%	36.21%
		DFMGI	2,798.50	0.39%	12.30%			Natural Gas	2.91	1.37%	16.31%
		ADSMI	6,632.90	0.28%	31.47%	EGP		USD/EGP	15.67	0.01%	(0.47%)
		TASI	10,448.00	1.25%	20.24%	€		EUR/USD	1.23	0.00%	0.28%
		QE Index	10,608.92	0.88%	1.66%	£		GBP/USD	1.42	(0.03%)	3.50%
		S&P 500	4,188.13	(0.21%)	11.50%	¥		USD/JPY	108.78	0.01%	5.37%
		Dow 30	34,312.46	(0.24%)	12.11%			6M TB yield	13.39	(1)	66
		NASDAQ	13,657.17	(0.03%)	5.97%			1Y TB yield	13.34	(1)	57
		VIX	18.84	2.39%	(17.19%)			10Y TB yield	14.83	(0)	44
		STOXX 50	4,036.04	0.01%	13.61%			2Y TB yield	0.15	(0)	2
EM		MSCI Emerging	1,345.49	1.42%	4.20%			10Y TB yield	1.57	(4)	64
FM		MSCI Frontier	631.74	0.50%	10.52%			30Y TB yield	2.26	(4)	60

* As of market close, except for commodities and currencies at 8.08am 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
26-May-21	TMGH	BoD meeting	Approving financial results.
26-May-21	ZMID	Cash dividend	Ex-dividend date for EGP0.45/share.
26-May-21	AJWA	EGM	Discussing the continuation of the company.
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.
27-May-21	MICH	BoD meeting	Following up on 10M 2020/2021 financial position.
30-May-21	ISPH	BoD meeting	Discussing the financial results.
30-May-21	HRHO	EGM	Approving an employee incentive system and other agenda items.
30-May-21	ZMID	Cash dividend	Payment date for EGP0.15/share (1st installment).
2-Jun-21	ECAP	Cash dividend	Last date for eligibility for EGP1/share.
3-Jun-21	ECAP	Cash dividend	Ex-dividend date for EGP1/share.

5-Jun-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
6-Jun-21	OCDI	Cash dividend	Last date for eligibility for a dividend of EGP0.550/share.
7-Jun-21	OCDI	Cash dividend	Ex-dividend date for EGP0.550/share.
7-Jun-21	ECAP	Cash dividend	Payment date for EGP1/share.
8-Jun-21	CCAP	OGM	Approving the financial statements ending 31 Dec. 2020 and other agenda items.
9-Jun-21	OCDI	Cash dividend	Payment date for a dividend of EGP0.550/share.
10-Jun-21	RTVC	OGM	Approving the financial statements ending 31 Dec. 2020 and other agenda items.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
23-May-21	<u>Orascom Construction [ORAS] – Earnings Short of Our Estimates</u>
23-May-21	<u>CI Capital Holding [CICH] – Earnings Dented by One-off ESOP Expense</u>
22-May-21	<u>Commercial International Bank [COMI] – Earnings Growth Driven by Lower Provisions</u>
20-May-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – Slowing Lending Inhibits Earnings Growth</u>
20-May-21	<u>EFG Hermes Holding [HRHO] – Recovery Signs; Back on Track</u>
18-May-21	<u>B Investments Holding [BINV] – Exits Kick Off, Unlocking Value</u>
18-May-21	<u>Elsewedy Electric [SWDY] – Financials promise a buoyant year ahead</u>
17-May-21	<u>Misr Chemical Industries [MICH] – Another Chapter of Strong Annual Growth</u>
11-May-21	<u>MACROView – Inflation Eased but Stage Still Set for a Pick-Up</u>
9-May-21	<u>MACROView – Stability Prevailed</u>
6-May-21	<u>MACROView – The Road to Recovery Gets Longer</u>
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>

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