

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****Bittersweet****1. Today's Trading Playbook****TABLE OF CONTENTS****KEY THEMES**

Continuing with the Q1 2021 earnings season, albeit this time focusing on a small cap name, Arabia Investments Holding's [AIH] consolidated figures showed 66% higher bottom line of EGP15mn. Once again, a weak base causes Q1 2021 to prevail. When it comes to AIH, the curse last year was really a very sluggish Construction & Building Materials (CBM) segment, given the lockdown measures and the prohibition on construction activities. However, this year, it could be a different story. Also, Q1 2020 is not the weakest in 2020, which means there are other stronger base effects to be had this year, assuming performance stability. We note that H1 2020 was only 26% of last year's bottom line. This is due to AIH booking securitization gains in Q4 2020. Applying the same seasonality, AIH could see its earnings grow in 2021 to approach a triple-digit figure (i.e. EGP85-95mn), which renders AIH trading at 2021 forward P/E of only 7x.

Furthermore, AIH had plans to partially exit some of its successful ventures related to its Non-Banking Financial Services (NBFS) segment, which includes both **Rawaj** and **UE Finance**. The company has mulled before to float a stake of the two NBFS vehicles on the EGX, yet market conditions were harsh to even consider listing. However, given that many IPOs plans have resurfaced once again, it is not entirely farfetched for AIH to reconsider such move once again.

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

2. TOP NEWS & ANALYSIS**TABLE OF CONTENTS****MACRO NEWS**

Egypt's Parliament on Monday approved budget for FY22. Egypt is targeting a budget deficit of 6.7% in the FY22 vs. 7.7% expected in FY21. We will publish our main takeaways on the budget soon. ([Zawya](#))

The House of Representatives gave its final approval yesterday to the state's FY22 social and economic development plan that includes EGP933bn allocated to public investments, and EGP317bn provided to private and cooperative sectors. ([Yum7](#))

The International Finance Corporation (IFC) is considering lending USD300mn to healthcare companies in Egypt. ([Hapi](#))

Finance in Motion's two funds are considering lending USD75mn to one of the major Egyptian banks. ([Hapi](#))

Building materials exports decreased by 12.6% y/y to USD1.83bn in 4M 2021. (Al-Borsa)

CORPORATE NEWS

Palm Hills Developments' [PHDC] Q1 2021 pre-sales surged to EGP3.4bn(+98% y/y). Meanwhile, its Q1 2021 Net Profit After Tax & Minority Interest skyrocketed to EGP205mn (+152% y/y) and revenues grew to EGP2bn (+74% y/y). PHDC attributed the growth in pre-sales to the increase in demand, growth in commercial sales, and the launch of its new project in New Alamein City. On the other hand, net profit growth was driven by revenues and a decline in interest expense. ([Company disclosure](#))

B Investments Holding [BINV] Q1 2021 results showed a net profit surge to EGP51mn (+34% y/y) as revenues increased to EGP61mn (+13% y/y) on the back of a higher share of profits from **Giza Systems** which amounts to EGP33mn vs. EGP0.4mn a year before. ([Company disclosure](#))

Arabian Food Industries Co. [DOMT] recorded net losses of EGP3mn in Q1 2021 (vs. a net income of EGP32mn) on lower revenues of EGP647mn (-13% y/y) and a lower gross profit margin of 21% (-418bps). DOMT is now trading at an LTM P/E of 10x. ([Company disclosure](#))

Telecom Egypt [ETEL] signed a cooperation protocol with IWAN for Investment & Development to provide integrated telecommunication services for IWAN's real estate projects. ([Amwal Al-Ghad](#))

Arabia Investments Holding's [AIH] Q1 2021 results showed a net profit of EGP15mn (+13% y/y), driven by higher revenues of EGP336mn (+55% y/y). Revenues surge did not completely cascade to bottom line as gross profit margin dropped to 15% vs. 31% a year before. ([Company disclosure](#))

Pioneers Holding's [PIOH] Q1 2021 results showed a net profit of EGP259mn (+5% y/y) on higher revenues of EGP2bn (+18% y/y). ([Company disclosure](#))

United Arab Stevedoring's [UASG] 9M FY2020/21 net losses narrowed to EGP21.4mn from EGP22.7mn a year before. Meanwhile, revenues increased to EGP9.3mn in (+11% y/y). ([Company disclosure](#))

Raya Holding [RAYA] plans to issue securitized bonds worth of EGP585mn to finance Aman Holding's consumer finance expansions. (Al-Borsa)

Eastern Company [EAST] denied a news report suggesting the company is mulling issuing securitized bonds to finance its expansions. ([Company disclosure](#))

Elsaeed Contracting Co. [UEGC] was awarded projects to put up two buildings for a total of EGP146.6mn in the New Administrative Capital. ([Company disclosure](#))

GLOBAL NEWS

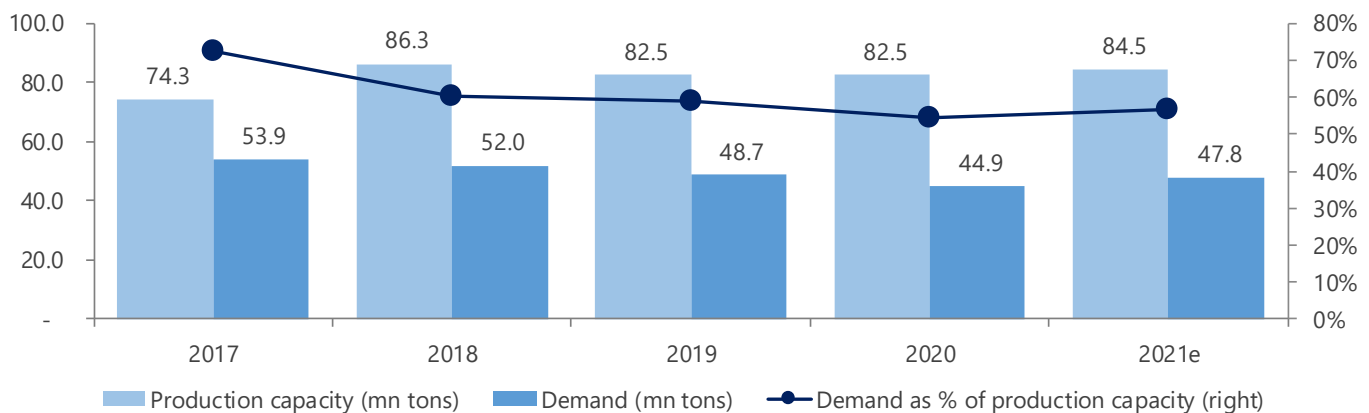
The U.S. Federal Reserve monetary policy meeting that will kick off today has turned from a snooze-fest into a test of the institution's control of the narrative it sought to promote in markets: that the current spike in inflation is transitory. ([FT](#))

3. CHART OF THE DAY

[TABLE OF CONTENTS](#)

Dina Abdelbadie | Equity Analyst
dabdelbadie@egy.primegroup.org

Cement Production Capacity vs. Demand












































Source: Cement Division of FEI.

Cement is a key industry in Egypt, bringing EGP255bn worth of investments. Over the 2017-2020 period, the country's cement production capacity increased at a 3-year CAGR of 4%, while demand fell 6%, leading oversupply to worsen. Over the course of this year, demand should grow by 6% to 47.8mn tons and production capacity by only 2% to 84.5mn tons, as expected by the cement division at the Building Materials Chamber within the Federation of Egyptian Industries.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
635.0						1,058.7 1,178.6					
			daily chg.	ytd chg.					daily chg.	ytd chg.	
		EGX 30	9,933.35	0.47%	(8.41%)			Gold	1,866.18	(0.60%)	(1.56%)
		EGX 30 TR	3,864.93	0.59%	(7.36%)			Silver	27.86	(0.22%)	5.06%
		EGX 70 EWI	2,286.99	(1.59%)	6.61%			Brent Oil	72.86	0.43%	41.25%
		EGX 100 EWI	3,221.17	(1.28%)	3.98%			WTI	70.88	0.38%	46.64%
		DFMGI	2,868.02	0.90%	15.09%			Natural Gas	3.35	0.30%	32.41%
		ADSMI	6,736.11	0.51%	33.54%	EGP		USD/EGP	15.64	0.02%	(0.67%)
		TASI	10,913.56	0.15%	25.59%	€		EUR/USD	1.21	0.11%	(0.68%)
		QE Index	10,811.23	0.67%	3.60%	£		GBP/USD	1.41	0.02%	3.26%
		S&P 500	4,255.15	0.18%	13.29%	¥		USD/JPY	110.07	(0.01%)	6.60%
		Dow 30	34,393.75	(0.25%)	12.37%			6M TB yield	13.38	(1)	65
		NASDAQ	14,174.14	0.74%	9.98%			1Y TB yield	13.29	(4)	52
		VIX	16.39	4.73%	(27.96%)			10Y TB yield	14.84	1	45
		STOXX 50	4,132.67	0.14%	16.33%			2Y TB yield	0.16	1	3
EM		MSCI Emerging	1,383.19	0.09%	7.12%			10Y TB yield	1.50	4	57
FM		MSCI Frontier	643.16	0.50%	12.51%			30Y TB yield	2.18	4	52

* As of market close, except for commodities and currencies at 8.42am 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
15-Jun-21	PHDC	Conference Call	Discussing Q1 2021 earnings.
15-Jun-21	ALCN	BoD meeting	Discussing 11M 2020/21 financials.
15-Jun-21	AJWA	Reverse stock split	Execution date for a reverse stock split at a 1:5 ratio.
15-Jun-21	UNIP	Cash dividend	Last date for eligibility for a dividend of EGP0.011/share.
16-Jun-21	UNIP	Cash dividend	Date for ex-dividends of EGP0.011/share.
16-Jun-21	UNIT	EGM	Approving a capital reduction and amending articles 6, 7 and 24 of the bylaws.
16-Jun-21	HDBK	Stock dividend	Last date for eligibility for a 1-for-5 stock dividend.
16-Jun-21	EHDR	Stock dividend	Last date for eligibility for a 0.1-for-1 stock dividend.
17-Jun-21	HDBK	Stock dividend	Date for distributing stock dividends at a 1-for-5 ratio.
17-Jun-21	EHDR	Stock dividend	Date for distributing stock dividends at a 0.1-for-1 ratio.
17-Jun-21	SCEM	OGM	Approving the 2020 financial statements and approving an asset sale.
17-Jun-21	SCEM	EGM	Amending articles in the bylaws.
17-Jun-21		MPC Meeting	Determining the CBE's policy rate.

20-Jun-21	UNIP	Cash dividend	Payment date for a dividend of EGP0.011/share.
21-Jun-21	MOIL	OGM	Approving the financial statements and other agenda items.
21-Jun-21	MOIL	EGM	Approving a capital reduction.
24-Jun-21	MENA	EGM	Amending articles 5 and 39 of the bylaws.
26-Jun-21	CSAG	OGM	Approving the estimated budget of FY 2021/22.
26-Jun-21	UASG	OGM	Approving the estimated budget of FY 2021/22.
26-Jun-21	ALCN	OGM	Approving the estimated budget of FY 2021/22.
28-Jun-21	DSCW	OGM	Approving the financial statements ending 31 Dec. 2020 and other agenda items.
29-Jun-21	RACC	EGM	Discussing a capital decrease and amending articles 4, 6 and 7 of the bylaws.
29-Jun-21	CIEB	OGM	Approving a capital increase and other agenda items.
29-Jun-21	CIEB	EGM	Amending articles 6 and 7 of the bylaws.
29-Jun-21	HELI	Cash dividend	Date for a payout of EGP0.16/share (2nd round).
29-Jun-21	HELI		The deadline for buying a copy of the bidding terms for Heliopark.
30-Jun-21	IDHC	OGM	Approving the financial statements and approving distributing dividends.
30-Jun-21	CICH	Cash dividend	Date for a payout of EGP0.05/share (2nd round).
30-Jun-21	EGTS	OGM	Approving the financial statements and other agenda items.

7. LATEST RESEARCH

TABLE OF CONTENTS

DATE	PUBLISHED REPORT
14-June-21	<u>Al-Shams Housing & Development [ELSH] – Earnings Flattened by Factoring Cost</u>
10-June-21	<u>MACROView – Inflation Risk Rising, but Still Within Target</u>
8-June-21	<u>TAKEStock – Telecom Egypt [ETEL] – Show Me the Dividends</u>
6-June-21	<u>MACROView – Further Enhancement</u>
3-June-21	<u>MACROView – Contraction Eased</u>
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>CréditAgricole 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>CréditAgricole 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 – Rutted 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 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>

Prime Securities

ShawkatElMaraghy

Managing Director

T +20233005622

SElmaraghy@egy.primegroup.org

Sales

MohamedEzzat

Head of Sales & Branches

T +20233005784

MEzzat@egy.primegroup.org

MohamedAshmawy

Head of Institutional Sales

T +20233005612

MAshmawy@egy.primegroup.org

AmrAlaaCFTe

Team Head – Institutional Desk

T +20233005609

AAlaa@egy.primegroup.org

MohamedElMetwaly

Manager

T +20233005610

MElmetwaly@egy.primegroup.org

EmadElSafoury

Manager

T +20233005624

EElsafoury@egy.primegroup.org

ShawkatRaslan

Heliopolis Branch Manager

T +20233008130

SRaslan@egy.primegroup.org

NashwaAbuelatta

Alexandria Branch Manager

T +20233005173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +20233005724

AElalfy@egy.primegroup.org

Head Office

PrimeSecurities.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi El Nil St., Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

Alexandria

7 Albert Al Awa St.
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

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.