

**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

## Talking U

### 1. Today's Trading Playbook

**TABLE OF CONTENTS**

**Mohamed Saad** | Senior Equity Analyst

[msaad@egy.primegroup.org](mailto:msaad@egy.primegroup.org)

#### KEY THEMES

Yesterday, we issued our [Core Coverage Report on Abu Qir Fertilizers \[ABUK\]](#), a stock we first picked back on 1 February 2021 when we published [STANDPoint "Egypt 2021 Investing Playbook"](#) along with 19 other EGX-listed stocks. There are plenty of factors that shape our view regarding ABUK which include but are not limited to:

**ABUK is Egypt's most diversified fertilizer manufacturer:** ABUK is one of the most diversified fertilizer manufacturers in Egypt with a saleable capacity of 2.3mtpa. ABUK has overcome many of its operational challenges, including price hikes and low supplies of natural gas, which led historically to lower utilization rates. Despite local restraining factors, such as local sales quota, ABUK's profitability is still unquestionably well anchored.

**Further growth to come from expansion:** ABUK's future top line growth can be linked to potential capacity upgrades (i.e. Abu Qir III expansion). This is because the current operating rates are nearly 100%, and prices are expected to normalize in the near future.

**Overweight / Medium Risk, 12M PT EGP26.0/share (+33%):** We valued ABUK using a DCF approach, reaching a fair value of EGP22.6/share. This implies a 12-month PT of EGP26.0/share (+30%), hence our Overweight rating. Our DCF assumes a terminal WACC of 13.2% and a long-term growth rate of 3%. Our projections include Abu Qir III expansion but exclude any impact related to ABUK's upcoming methanol venture. However, we are keeping an eye out for any updates on the technical and financial feasibility of the methanol plant. Initially, we think the methanol facility will be value accretive if natural gas were to be supplied at USD3.5/mmbtu or less.

**Catalysts to watch:** Favorable nitrogen fertilizer market, possibility of a natural gas price cut, liberalization of local prices, and qualifying for free zone status.

**Risks to look out for:** Soft global urea prices, appreciating local currency, and continued threats to trade mobility posed by COVID-19.

[Please click here for the full report.](#)

## POSITIVE

**ABUK:** Please see above.

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

## 2. TOP NEWS & ANALYSIS

### [TABLE OF CONTENTS](#)

### MACRO NEWS

**Egypt's PMI recorded only fractionally below the 50.0 neutral threshold at 49.9 in June.**

The index was up from 48.6 in May and at its highest level since November 2020. ([Markit](#))

**Nile Misr Healthcare Platform intends to complete at least three acquisitions** by end of this year. (Al-Mal)

**A group of Egyptian banks and investors have set up a new EGP1.75bn investment fund dedicated to investing in K-12 private schools in Egypt.** ([Enterprise](#))

**Egypt's population increased to 102mn,** compared to 101mn in early October 2020, according to data released by CAPMAS. ([Mubasher](#))

### CORPORATE NEWS

**Orascom Construction [ORAS] added USD1.8bn new awards in H1 2021 (achieving 57% of our estimated 2021 new awards).** Meanwhile, the ending backlog came in at USD5.8bn compared to our estimated ending backlog for 2021 of USD4.98bn. ORAS said that the USD1.1bn new awards in Q2 2021 were driven mainly by new data center projects in the U.S., representing 68% of the quarter's new awards. The remaining new awards were related to the water and industrial sectors in Egypt. ([Company disclosure](#)) ORAS is currently traded at a TTM P/E of 6.2x.

**EFG Hermes Holding's [HRHO] brokerage arm in Kenya launched its online trading platform "EFG Hermes One".** ([Company disclosure](#))

**GB Auto [AUTO] decided to buy back 20mn treasury shares,** representing around 1.8% of issued shares, starting 5 July to 5 September. ([Company disclosure](#))

## GLOBAL NEWS

**Brent oil rose above USD77/barrel for the first time since 2018** after OPEC+ failed to reach an agreement on bringing back curtailed output, leaving the market with tighter supplies than expected. ([Bloomberg](#))

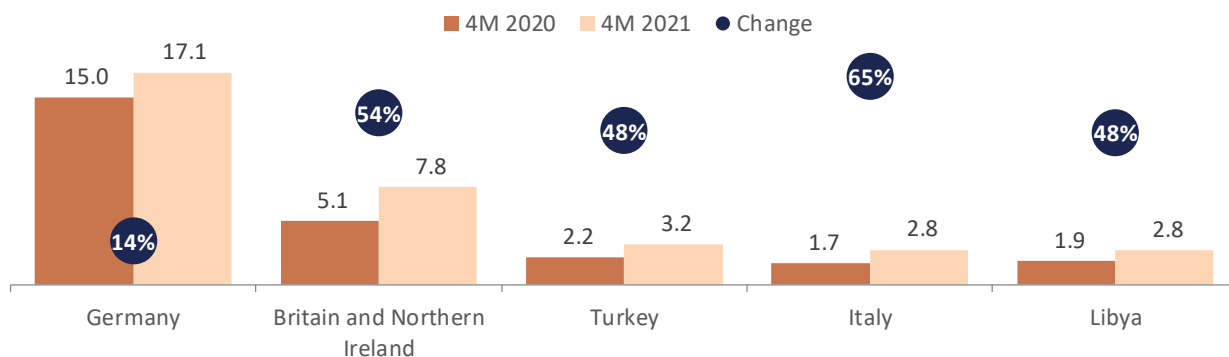
**Emerging markets saw more interest rate hikes in June as a hawkish pivot from the U.S. Federal Reserve amplified inflationary pressures in a number of developing economies.** Policymakers across a group of 37 emerging market central banks delivered a net five interest rate rises in June after a single increase in May. ([Reuters](#))

## 3. CHART OF THE DAY

### [TABLE OF CONTENTS](#)

**Dina Abdelbadie** | Equity Analyst  
[dabdelbadie@egy.primegroup.org](mailto:dabdelbadie@egy.primegroup.org)

**Egyptian sanitary ware export destinations (USDmn)**



Source: ECBM.

Egypt's sanitary ware exports increased 25% y/y to USD52mn in 4M 2021. In this period, Egypt exported USD17.1mn worth of exports, the most, to Germany (+14% y/y), as per ECBM. Meanwhile, Egypt's exports to Italy grew the most in the top five destinations, hitting USD2.8mn (+65% y/y).

## 4. MARKETS PERFORMANCE

## TABLE OF CONTENTS

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
670.3						1,328.9 1,178.6					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	10,348.29	0.03%	(4.58%)			Gold	1,791.77	0.25%	(4.88%)
		EGX 30 TR	4,022.94	(0.27%)	(3.57%)			Silver	26.48	0.03%	1.03%
		EGX 70 EWI	2,351.43	(0.03%)	9.62%			Brent Oil	77.16	0.41%	49.58%
		EGX 100 EWI	3,312.76	(0.10%)	6.94%			WTI	75.16	2.08%	58.12%
		DFMGI	2,803.17	(0.03%)	12.49%			Natural Gas	3.70	2.49%	49.35%
		ADSMI	6,995.32	0.67%	38.82%	EGP		USD/EGP	15.72	0.26%	(0.16%)
		TASI	11,001.03	(0.28%)	26.60%	€		EUR/USD	1.19	0.24%	(2.64%)
		QE Index	10,799.85	(0.26%)	3.49%	£		GBP/USD	1.38	0.38%	1.65%
		S&P 500	4,352.34	0.75%	15.87%	¥		USD/JPY	110.97	(0.16%)	7.30%
		Dow 30	34,786.35	0.44%	13.66%			6M TB yield	13.35	(1)	62
		NASDAQ	14,639.33	0.81%	13.59%			1Y TB yield	13.27	4	50
		VIX	15.07	(2.65%)	(33.76%)			10Y TB yield	14.82	(1)	43
		STOXX 50	4,087.37	0.07%	15.05%			2Y TB yield	0.24	(1)	11
EM		MSCI Emerging	1,354.47	(0.07%)	4.90%			10Y TB yield	1.44	(3)	51
FM		MSCI Frontier	645.71	(0.44%)	12.96%			30Y TB yield	2.05	(4)	39

\* As of market close, except for commodities and currencies at 8.28am 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
7-Jul-21	ELSH	Auction	Open bid for five residential buildings and 11 commercial plots.
11-Jul-21	EXPA	Stock dividend	Last date for eligibility for a 0.2-for-1 stock dividend.
11-Jul-21	MNHD	Lawsuit	To recover EGP24.8mn owed by MNHD to NRPD for the development of 32 buildings in the 6th of October project.
11-Jul-21	MTIE	Stock dividend	Last date for eligibility for a 0.25-for-1 stock dividend.
12-Jul-21	EXPA	Stock dividend	Date for distributing a 0.2-for-1 stock dividend.
12-Jul-21	MTIE	Stock dividend	Date for distributing a 0.25-for-1 stock dividend.
12-Jul-21	SVCE	EGM	Amending articles of the bylaws.
13-Jul-21	RAYA	Cash dividend	Last date for eligibility for a dividend of EGP0.045/share.
14-Jul-21	RAYA	Cash dividend	Date for ex-dividends of EGP0.045/share.
14-Jul-21	EXPA	OGM	Approving the estimated budget.
15-Jul-21	TMGH	Cash dividend	Date for a payout of EGP0.072/share (2nd round).
18-Jul-21	RAYA	Cash dividend	Date for paying out a dividend of EGP0.045/share.
21-Jul-21	PHDC	Decreasing issued capital	Decreasing the issued capital to EGP6.16bn from EGP6.23bn by writing off 36.5mn treasury shares.
24-Jul-21	PIOH	EGM	Ratification of PIOH's split.

26-Jul-21	MICH	EGM	Approving new articles of association and other agenda items.
27-Jul-21	HELI		Last day for buying a copy of the bidding terms for Heliopark.
29-Jul-21	ZMID	Cash dividend	Payment date for EGP0.15/share (2nd installment).

## 7. LATEST RESEARCH

## TABLE OF CONTENTS

DATE	PUBLISHED REPORT
5-July-21	<b><u><a href="#">Abu Qir Fertilizers [ABUK] – Talking U</a></u></b>
16-June-21	<u><a href="#">B Investments Holding [BINV] – Strong Financials, Growing Investments</a></u>
14-June-21	<u><a href="#">Al-Shams Housing &amp; Development [ELSH] – Earnings Flattened by Factoring Cost</a></u>
10-June-21	<u><a href="#">MACROView – Inflation Risk Rising, but Still Within Target</a></u>
8-June-21	<u><a href="#">TAKESock – Telecom Egypt [ETEL] – Show Me the Dividends</a></u>
6-June-21	<u><a href="#">MACROView – Further Enhancement</a></u>
3-June-21	<u><a href="#">MACROView – Contraction Eased</a></u>
23-May-21	<u><a href="#">Orascom Construction [ORAS] – Earnings Short of Our Estimates</a></u>
23-May-21	<u><a href="#">CI Capital Holding [CICH] – Earnings Dented by One-off ESOP Expense</a></u>
22-May-21	<u><a href="#">Commercial International Bank [COMI] – Earnings Growth Driven by Lower Provisions</a></u>
20-May-21	<u><a href="#">Crédit Agricole Egypt (CAE) [CIEB] – Slowing Lending Inhibits Earnings Growth</a></u>
20-May-21	<u><a href="#">EFG Hermes Holding [HRHO] – Recovery Signs; Back on Track</a></u>
18-May-21	<b><u><a href="#">B Investments Holding [BINV] – Exits Kick Off, Unlocking Value</a></u></b>
18-May-21	<u><a href="#">Elsewedy Electric [SWDY] – Financials promise a buoyant year ahead</a></u>
17-May-21	<u><a href="#">Misr Chemical Industries [MICH] – Another Chapter of Strong Annual Growth</a></u>
11-May-21	<u><a href="#">MACROView – Inflation Eased but Stage Still Set for a Pick-Up</a></u>
9-May-21	<u><a href="#">MACROView – Stability Prevailed</a></u>
6-May-21	<u><a href="#">MACROView – The Road to Recovery Gets Longer</a></u>
18-Apr-21	<u><a href="#">MACROView – Challenges Remain Daunting</a></u>
<b>13-Apr-21</b>	<b><u><a href="#">Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</a></u></b>
<b>12-Apr-21</b>	<b><u><a href="#">Orascom Construction [ORAS] – Rich in Value</a></u></b>
11-Apr-21	<u><a href="#">MACROView – Monthly Reading Pressured By Seasonality</a></u>
6-Apr-21	<u><a href="#">MACROView – FX Assets Well Placed to Mitigate Potential Risks</a></u>
6-Apr-21	<u><a href="#">MACROView – Still Downbeat</a></u>
28-Mar-21	<u><a href="#">Taaleem Management Services [TALM] – Enriching the Education Sector</a></u>
18-Mar-21	<u><a href="#">EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</a></u>
10-Mar-21	<u><a href="#">MACROView – Still Below the Target, but Global Headwinds Cloud the Horizon</a></u>

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>
<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>

## Prime Securities

### Shawkat ElMaraghy

Managing Director

T +20233005622

[SElmaraghy@egy.primegroup.org](mailto:SElmaraghy@egy.primegroup.org)

## Sales

### Mohamed Ezzat

Head of Sales & Branches

T +20233005784

[MEzzat@egy.primegroup.org](mailto:MEzzat@egy.primegroup.org)

### Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

[MAshmawy@egy.primegroup.org](mailto:MAshmawy@egy.primegroup.org)

### Amr AlaaCFTe

Team Head-Institutional Desk

T +20233005609

[AAlaa@egy.primegroup.org](mailto:AAlaa@egy.primegroup.org)

### Mohamed ElMetwaly

Manager

T +20233005610

[MElmetwaly@egy.primegroup.org](mailto:MElmetwaly@egy.primegroup.org)

### EmadElSafoury

Manager

T +20233005624

[EElsafoury@egy.primegroup.org](mailto:EElsafoury@egy.primegroup.org)

### Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

[SRaslan@egy.primegroup.org](mailto:SRaslan@egy.primegroup.org)

### NashwaAbuelatta

Alexandria Branch Manager

T +20233005173

[NAbuelatta@egy.primegroup.org](mailto:NAbuelatta@egy.primegroup.org)

## Research

### Amr Hussein Elalfy CFA

Head of Research

T +20233005724

[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 El Nil St, Liberty Tower, 7<sup>th</sup> 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](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.