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R for Resilience**1. Today's Trading Playbook****TABLE OF CONTENTS****KEY THEMES**

Delta Sugar [**SUGR**] has been on the rise since we mentioned the name back in [our Trading Playbook dated 12 July 2021](#), as SUGR has gained c.16% under only four trading sessions. We remind you that we anticipate SUGR to achieve a bottom-line between EGP180mn to EGP200mn in 2021, where we valued SUGR at EGP14.5/share (+43%). Performance recovery in 2021 is anchored by starting the year with a thin inventory, coupled with higher global sugar prices.

Elsewhere, Alexandria Mineral Oils's [**AMOC**] preliminary 2020/21 standalone figures showed a turn-back to profitability, registering net earnings of EGP399.5mn vs. net losses of EGP488.3mn. This comes due to annual growth in revenues of 13% to EGP10.0bn. Also, AMOC has succeeded in recording gross profits of EGP810.0mn (i.e. GPM of 8%) vs. gross losses of EGP533.1mn (i.e. GLM -6%). We note that during H2 2020/21, AMOC's bottom-line came at EGP483.9mn, with GPM reaching a double-digit territory of 13%. Stupendous recovery in H2 2020/21 is the product of rebounding oil prices, coupled with tamed spreads between LSFO and HSFO, which enabled AMOC to achieve profits on both gross and net levels. While we think it's tough for AMOC to replicate H2 2020/21 going forward, we believe AMOC will enjoy relative stability in the medium to long-term future given (1) its resilient balance sheet with lush cash balance, (2) thin reinvestments required to operate, and (3) long term prospect for LSFO-HSFO spread will allow AMOC to demonstrate reasonable fundamentals compared to current market price.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The IMF expects Egypt's economy to "rebound strongly" in FY22, with GDP coming in at 5.2%. ([IMF](#))

According to Bloomberg Economics' food vulnerability scorecard, Egypt is among the 15 emerging economies most at risk to food shortage. ([Bloomberg](#))

CORPORATE NEWS

EFG Hermes Holding [HRHO] advised on the USD735mn IPO of Al Yah Satellite Communications (Yahsat), a subsidiary of UAE's state investor Mubadala Investment Co. (Mubadala), on the Abu Dhabi Securities Exchange (ADX). Meanwhile, HRHO was appointed by Alwatania Poultry Egypt as the advisor to float a stake on EGX. ([Mubasher](#), [Economy Plus](#))

Tenth of Ramadan for Pharmaceutical (Rameda) [RMDA] announced that it has concluded the acquisition of an anticoagulant molecule. This came as part of its previously communicated strategy to grow the company's portfolio through purchasing existing molecules with an established market presence. ([Enterprise](#))

Telecom Egypt [ETEL] launched the voice call service through the fourth generation VoLTE technology in the Egyptian telecom market, in cooperation with Ericsson in the main network, Nokia and Huawei in the availability networks. The new VoLTE technology will provide customers with high quality voice calls. ([Arab finance](#))

A.T Lease [ATLC] targets new financing contracts worth of EGP2.5bn by end of current year. (Al-Mal)

GLOBAL NEWS

U.S. Treasury yields rose from one-week lows on Friday after data showed that U.S. retail sales unexpectedly rose in June, though doubts about the strength of the economic recovery and dovish Federal Reserve policy were seen as likely to keep a cap on yields in the near-term. ([Reuters](#))

OPEC+ ministers plan to hold their next meeting on Sunday to decide on output policy, three sources within the producers group told Reuters on Saturday. ([Reuters](#))

Investments into global bond funds dropped sharply in the week to 14 July 2021, as a jump in U.S. inflation rates raised fears that rising price pressures may lead the Fed to tighten policy rates soon. ([Reuters](#))

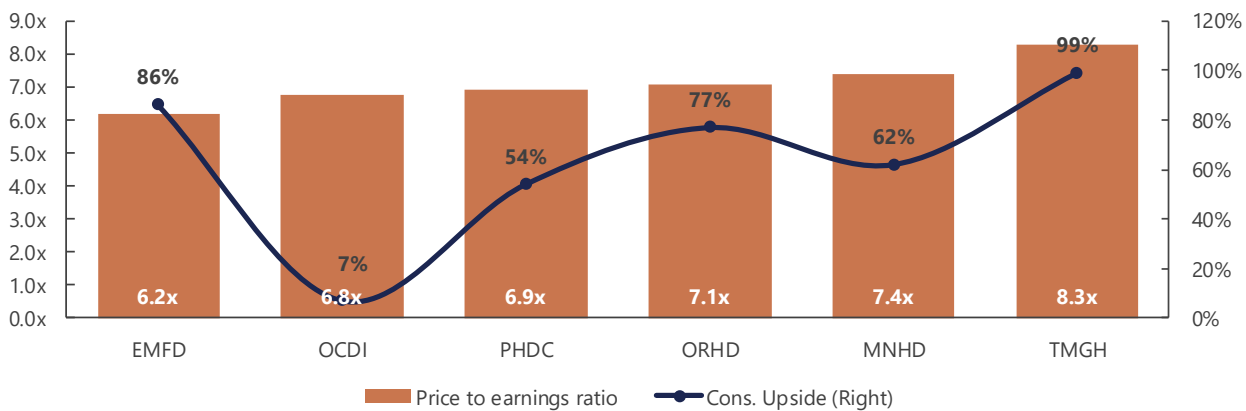
3. CHART OF THE DAY

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Top six real estate developers



Source: Bloomberg.

Looking at PE Multiples for top EGX listed six developers, we find Emaar Misr for Development [**EMFD**] is the cheapest in P/E terms at 6.2x, whereas TMG Holding [**TMGH**] is the most expensive at 8.3x. However, based on consensus price targets, TMGH has the highest potential return of 99%, while SODIC [**OCDI**] has the lowest potential of 7%.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
679.7						1,635.4 1,178.6					
daily chg. ytd chg.						daily chg. ytd chg.					
	📉	EGX 30	10,561.28	(0.39%)	(2.62%)		📉	Gold	1,812.05	(0.95%)	(4.55%)
	📈	EGX 30 TR	4,122.55	0.14%	(1.18%)		📉	Silver	25.66	(2.58%)	(2.80%)
	📈	EGX 70 EWI	2,474.89	2.18%	15.37%		📈	Brent Oil	73.59	0.16%	42.07%
	📈	EGX 100 EWI	3,428.76	1.46%	10.68%		📈	WTI	71.81	0.22%	48.00%
	📉	DFMGI	2,744.28	(0.41%)	10.12%		📈	Natural Gas	3.67	1.66%	44.70%
	📉	ADSMI	7,068.98	(0.15%)	40.69%	EGP	📈	USD/EGP	15.70	0.08%	(0.24%)
	📈	TASI	10,794.51	0.15%	24.22%	€	📉	EUR/USD	1.18	(0.05%)	(3.36%)
	📉	QE Index	10,696.30	(0.74%)	2.49%	£	📉	GBP/USD	1.38	(0.45%)	0.71%
						¥	📈	USD/JPY	110.07	0.22%	6.61%
	📉	S&P 500	4,327.16	(0.75%)	15.20%		📉	6M TB yield	13.32	(2)	59
	📉	Dow 30	34,687.85	(0.86%)	13.33%		📈	1Y TB yield	13.28	6	51
	📉	NASDAQ	14,427.24	(0.80%)	11.94%		📉	10Y TB yield	14.82	(1)	43
	📈	VIX	18.45	8.47%	(18.90%)						
	📉	STOXX 50	4,035.77	(0.51%)	13.60%		📈	2Y TB yield	0.24	1	11
EM	📉	MSCI Emerging	1,340.08	(0.62%)	3.78%		📉	10Y TB yield	1.29	(4)	36
FM	📈	MSCI Frontier	635.77	0.11%	11.22%		📉	30Y TB yield	1.92	(5)	26

* As of market close. 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
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.
25-Jul-21	HRHO	Stock dividend	Last date for eligibility for a 0.2-for-1 stock dividend.
25-Jul-21	ECAP	Stock dividend	Last date for eligibility for a 0.045-for-1 stock dividend.
25-Jul-21	NBKE	Stock dividend	Last date for eligibility for a 2.33-for-1 stock dividend.
25-Jul-21	MNHD	Stock dividend	Last date for eligibility for a 0.04-for-1 stock dividend.
26-Jul-21	HRHO	Stock dividend	Date for distributing a 0.2-for-1 stock dividend.
26-Jul-21	ECAP	Stock dividend	Date for distributing a 0.045-for-1 stock dividend.
26-Jul-21	NBKE	Stock dividend	Date for distributing a 2.33-for-1 stock dividend.
26-Jul-21	MNHD	Stock dividend	Date for distributing a 0.04-for-1 stock dividend.
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	Date for paying out a dividend of EGP0.15/share (2nd round).
1-Aug-21	FWRY	OGM	Discussing netting contracts and the financial statements ending 31

2-Aug-21	POUL	OGM	Dec., 2020. Appointing an independent board member and voting on changes to the board responsibilities.
2-Aug-21	PHDC	OGM	Discussing netting contracts
2-Aug-21	ORAS	Cash dividend	Last date for eligibility for a dividend of USD0.2313/share.
5-Aug-21		MPC Meeting	Determining the CBE's policy rate.
5-Aug-21	DAPH	EGM	Increasing the capital from EGP249.48mn to EGP299.37mn and amending articles 4, 6 & 7 of the bylaws.
8-Aug-21	SKPC	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
10-Aug-21	ORAS	Cash dividend	Date for paying out a dividend of USD0.2313/share.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
13-Jul-21	<u>Commercial International Bank [COMI] – Tamed Credit Provisions Spur Annual Growth</u>
8-Jul-21	<u>MACROView – Inflation Edged Up, As Expected</u>
8-Jul-21	<u>MACROView – External Buffers Still Powering Ahead</u>
6-Jul-21	<u>MACROView – A Steady and Slow Recovery in the Making</u>
5-July-21	<u>Abu Qir Fertilizers [ABUK] – Talking U</u>
16-June-21	<u>B Investments Holding [BINV] – Strong Financials, Growing Investments</u>
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>AI-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 – Ruttled 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>

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