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Another M&A Action**1. Today's Trading Playbook**[TABLE OF CONTENTS](#)**KEY THEMES**

Delta Sugar [**SUGR**] continued its upward movement, since we mentioned the name back in [our Trading Playbook dated 12 July 2021](#), as SUGR has gained c.30% under only seven 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 (+28%). Performance recovery in 2021 is anchored by starting the year with a thin inventory, coupled with higher global sugar prices.

Elsewhere, The Egyptian Exchange has revealed the details of the MTO of **Arab Banking Corporation's (ABC)** to acquire **BLOM Bank—Egypt**. The offer valuation of the latter came at EGP22.33/share or EGP6,699mn, at a P/BV of 1.37x. We think that, given the ROE profile of BLOM Bank—Egypt, the deal implies strong growth factor seen by the acquirer. We believe the news should be refreshing to the banking sector in general, and especially to banks which resemble BLOM Bank—Egypt's size, such as Suez Canal Bank [**CANA**].

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

2. TOP NEWS & ANALYSIS[TABLE OF CONTENTS](#)**MACRO NEWS**

Egypt's economy will grow 5.0% in the fiscal year, a Reuters's survey predicted on Monday, unchanged from analysts' expectations in a similar poll three months ago and slightly below the government's target of 5.4%. ([Reuters](#))

Driven by price acceleration, the value of Egypt's food exports' increased 13% y/y during H1202, reaching USD2.0bn against USD1.8bn in the same period last year. ([Food Export Council](#))

CORPORATE NEWS

Contact Financial Holding [CNFN] closed its second sukuk issuance worth of EGP2.5bn.

The issuance is aimed to expand Contact Credit and its subsidiary. ([Company disclosure](#))

The National Bank of Kuwait - Egypt's [NBKE] BoD will meet next August 2021 to discuss the voluntary delisting based on the desire of 94% of the bank's shareholders. ([Hapi](#))

The Arab Banking Corporation's (ABC) MTO on 100% of BLOM Bank—Egypt shares, will be implemented at a price of EGP22.33/share (i.e. USD1.42/share). ([Mubasher](#)).

CBE's Governor and Minister of Finance expected that the executive regulations related to the new banking law will be completed by the end of Q1 2022. ([Al-Mal](#))

GLOBAL NEWS

Global economic growth prospects are holding strong for this year and next year, despite a significant majority of economists in Reuters's polls warning new variants of the coronavirus pose the biggest risk to that outlook. ([Reuters](#))

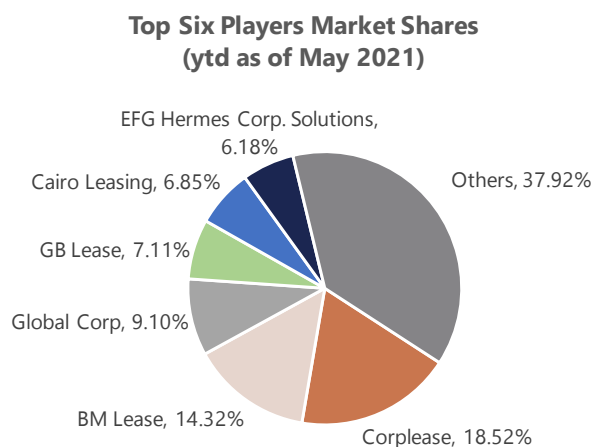
The Federal Reserve begins its two-day meeting to review interest rates today, with the fresh complication of increased COVID-19 infections and a global supply chain that is, far from sorting out its problems, may be headed for more inflation-inducing trouble. ([Reuters](#))

Profit growth at China's industrial firms slowed for the fourth straight month in June, as high raw material prices weighed on factories' margins, pointing to some weakness in the recovery of the world's second-biggest economy. ([Reuters](#))

3. CHART OF THE DAY

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













































Source: FRA, Prime Research.

CI Capital Holding's [**CICH**] leasing arm **Corplease** took the lion's share of the leasing market in the first five months of 2021. On the same note, CICH's 90% owner **Banque Misr** saw its subsidiary **BM Lease** ranked as second with a market share of 14.32%. Meanwhile, total new contracts for the year till May reached EGP24.9bn (+16% y/y).

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
692.8						1,749.8 1,178.6					
				daily chg.	ytd chg.					daily chg.	ytd chg.
		EGX 30	10,697.32	0.40%	(1.36%)			Gold	1,797.63	(0.25%)	(5.41%)
		EGX 30 TR	4,175.01	(0.50%)	0.08%			Silver	25.19	0.06%	(4.40%)
		EGX 70 EWI	2,602.33	2.77%	21.31%			Brent Oil	74.50	0.31%	44.27%
		EGX 100 EWI	3,571.98	2.24%	15.31%			WTI	71.91	0.18%	48.47%
		DFMGI	2,758.82	(0.56%)	10.71%			Natural Gas	4.10	(0.24%)	61.17%
		ADSMI	7,169.03	0.89%	42.46%	EGP		USD/EGP	15.68	0.06%	(0.38%)
		TASI	10,897.87	0.20%	25.41%	€		EUR/USD	1.18	(0.05%)	(3.43%)
		QE Index	10,679.25	(0.91%)	2.33%	£		GBP/USD	1.38	(0.03%)	1.05%
		S&P 500	4,422.30	0.24%	17.74%	¥		USD/JPY	110.39	(0.18%)	6.72%
		Dow 30	35,144.31	0.24%	14.83%			6M TB yield	13.23	(2)	50
		NASDAQ	14,840.71	0.03%	15.15%			1Y TB yield	13.31	2	54
		VIX	17.58	2.21%	(22.73%)			10Y TB yield	14.82	(0)	43
			STOXX 50	4,102.59	(0.16%)	15.48%			2Y TB yield	0.21	(3)
EM		MSCI Emerging	1,279.99	(2.39%)	(0.87%)			10Y TB yield	1.30	2	37
FM		MSCI Frontier	635.31	0.79%	11.14%			30Y TB yield	1.95	3	29

* As of market close, except for commodities and currencies at 8.3am 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
27-Jul-21	ALCN	BoD meeting	Discussing 2020/21 financials.
29-Jul-21	ZMID	Cash dividend	Date for paying out a dividend of EGP0.15/share (2nd round).
1-Aug-21	FWRV	OGM	Discussing netting contracts and the financial statements ending 31 Dec., 2020.
2-Aug-21	OCDI	MTO	The deadline for Aldar Properties' [ADX: ALDAR] MTO for a minimum of a 51% stake in SODIC [OCDI].
2-Aug-21	POUL	OGM	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	The deadline 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	OFH	OGM	Discussing the company's establishment expenses and other agenda

10-Aug-21	ORAS	Cash dividend	items.
10-Aug-21	RTVC	EGM	Date for paying out a dividend of USD0.2313/share.
10-Aug-21	HELI		Discussing an offer for subsidiary Ambian for Tourism Investment.
14-Aug-21	HELI	OGM	Deadline for turning in the conditions brochure for Heliopark.
14-Aug-21	HELI	EGM	Approving the estimated budget of FY 2021/22.
18-Aug-21	MOIN	OGM	Amending articles of the bylaws.
18-Aug-21	MOIN	EGM	Authorizing the board of directors to appoint a new member.
21-Aug-21	ELNA	OGM	Amending article 21 of the bylaws.
30-Aug-21	EGTS	OGM	Approving the financial statements and other agenda items.
31-Aug-21	MBSC	Cash dividend	Approving the financial statements and other agenda items.
			The deadline for eligibility for a dividend of EGP1.5/share.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
26-Jul-21	<u>EFG Hermes Holding [HRHO] – FV and 12MPT Adjustment to Bonus Share Action</u>
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>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 [MACROView – External strains are slacking and reserves are growing](#)
- 6-Oct-20 [**CIB \[COMI\] – A Good Bet for the “Risk On” Mode**](#)
- 5-Oct-20 [MACROView – Egypt’s recovery is broadening](#)
- 10-Sep-20 [MACROView – A Stunning Chapter Towards Targets](#)
- 8-Sep-20 [MACROView – Crawling Out of the Troughs](#)
- 3-Sep-20 [MACROView – Job losses and the bumpy road to recovery](#)
- 18-Aug-20 [Oriental Weavers Carpet \[ORWE\] – Q2 2020 Results](#)
- 13-Aug-20 [Credit Agricole Egypt \[CIEB\] – Q2 2020 Results](#)
- 10-Aug-20 [MACROView – Muted inflation environment still dominates](#)
- 9-Aug-20 [MACROView – Recovery of FX revenues is a long-term goal, but the economy is still well armed](#)
- 5-Aug-20 [MACROView – Toward gradual recovery](#)
- 29-Jul-20 [MACROView – CAD gains eroded by financial account vulnerability](#)

Prime Securities

Shawkat El Maraghy

Managing Director

T +20233005622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +20233005784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

AAlaa@egy.primegroup.org

Mohamed ElMetwaly

Manager

T +20233005610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +20233005624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

SRaslan@egy.primegroup.org

Nashwa Abuelatta

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

Prime Securities S.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

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