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## No Longer Cheap

### 1. Today's Trading Playbook

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#### KEY THEMES

Egypt Aluminum [**EGAL**] has witnessed strong price movements since last April 2021. We remind you that we mentioned the name [back in our Trading Playbook dated 14 April 2021](#), when the stock was near EGP11.25/share. Since then, EGAL rose to a high of EGP22.48/share, achieving a return of c.99% since our call, before cooling to EGP20.65/share. The justification for such strong run could be viewed in light of higher global aluminum prices, that are currently hovering around USD2,500/ton.

Despite the positive vibes around EGAL, we don't think the current prices as appealing as before. In fact, we believe EGAL has clearly wandered off to overvaluation territory lately. The foundations on which we base our opinion are (1) Aluminum prices are not supposed to remain that high, if anything, prices may be straight up peaking, and (2) People tend to forget that the cut in electricity prices, which took place in 2020, was targeted to be only for five years, where we believe long term electricity prices will not be sustained at EGP1.01/kWh. Given the aforementioned factors, we don't encourage buying EGAL at such high levels, deeming the name as "no longer cheap".

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

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**Egypt has signed four agreements on gold exploration in the Eastern desert with Canadian Barrick Gold Corporation.** The company will invest for the first time in mining through 19 sectors in the Eastern desert at a total investment cost of USD8.8mn. ([Ahram online](#))

**Tesla postponed entering the Egyptian market until the completion of the infrastructure for charging stations, taxi stands and maintenance centers.** (Al-Borsa)

## CORPORATE NEWS

**SODIC [OCDI] securitized receivables worth of EGP384mn** with a net value of EGP343mn. Issued in two tenors of 13 and 36 months, the securitization was assigned credit ratings of AA+ and A for each respective tranche. ([Company disclosure](#))

**Alexandria Container & Cargo Handling's [ALCN] unaudited 2020/21 net income went down by 5.8% to EGP1.4bn.** Meanwhile, top line slipped by 8% to EGP2.4bn. ([Company disclosure](#))

**Raya Contact Center [RACC]'s BoD approved to establish a new entity in the United States.** Moreover, RACC seeks to acquire an entity in the U.S before end of 2021. ([Company disclosure](#), Al-Mal)

**Contact Financial Holding [CNFN] will launch its e-payments company in a month with around 250 branches operating.** ([Al-Mal](#))

**Elsaeed Contracting [UEGC] was awarded projects to put up two buildings for a total of EGP168.5mn** in Suhag and Obour City. ([Company disclosure](#))

**Remco for Tourism Villages Construction [RTVC] approved the EGP348mn fair value assigned to its subsidiary Ambian for Tourism Investment** by Alpha Capital Financial Advisory. ([Company disclosure](#), [EGX](#))

**Alexandria National Co. for Financial Investment's [ANFI] shareholders will soon be able to sell their shares to Tycoon Holding** after obtaining the FRA approval yesterday. ([Enterprise](#))

## GLOBAL NEWS

**The International Monetary Fund warned ,on Tuesday, that there's a risk inflation will prove to be more than just transitory,** pushing central banks to take preemptive action. ([CNBC](#))

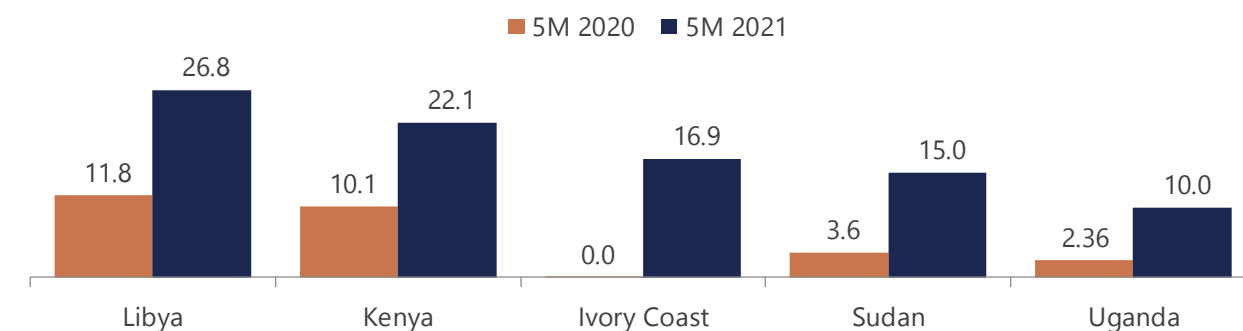
**The summer rebound in global fuel demand could be turning into a slowdown,** as analysts expect gasoline consumption to taper off due to resurgent COVID-19 cases and structural changes in commuting patterns. ([Reuters](#))

### 3. CHART OF THE DAY

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#### Egyptian Cement Export Destinations (USDmn)



Source: ECBM.

Egyptian cement exports had a significant recovery in 5M 2021. According to ECBM, total cement exports grew by 181% y/y to USD135mn, thanks to African countries that continued to reserve the top five positions. **Libya** is still Egypt's favorite destination with cement exports worth USD26.8mn (+128% y/y). Meanwhile, **Ivory Coast** exhibited the biggest jump in the top five countries with exports of USD16.9mn in 5M 2021 compared to only USD0.05mn a year before.

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.			
697.5					2,091.4 1,178.6			
			daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	10,763.26	0.62%	(0.76%)		Gold	1,799.09	0.08% (4.93%)
	EGX 30 TR	4,189.89	0.36%	0.43%		Silver	24.69	(1.99%) (5.92%)
	EGX 70 EWI	2,662.66	2.32%	24.12%		Brent Oil	74.48	0.56% 44.59%
	EGX 100 EWI	3,640.90	1.93%	17.53%		WTI	71.65	0.67% 48.66%
	DFMGI	2,761.42	0.09%	10.81%		Natural Gas	3.97	(0.58%) 55.49%
	ADSMI	7,170.96	0.03%	42.68%		USD/EGP	15.73	0.29% (0.32%)
	TASI	10,916.67	0.17%	25.63%		EUR/USD	1.18	(0.05%) (3.32%)
	QE Index	10,668.40	(0.10%)	2.23%		GBP/USD	1.39	(0.01%) 1.51%
	S&P 500	4,401.46	(0.47%)	17.18%		USD/JPY	109.78	0.08% 6.41%
	Dow 30	35,058.52	(0.24%)	14.55%		6M TB yield	13.23	(2) 50
	NASDAQ	14,660.58	(1.21%)	13.75%		1Y TB yield	13.31	2 54
	VIX	19.36	10.13%	(14.90%)		10Y TB yield	14.82	(0) 43
	STOXX 50	4,064.83	(0.92%)	14.42%		2Y TB yield	0.21	0 8
	MSCI Emerging	1,252.43	(2.15%)	(3.01%)		10Y TB yield	1.25	(5) 32
	MSCI Frontier	635.60	0.05%	11.19%		30Y TB yield	1.90	(5) 24

\* As of market close, except for commodities and currencies at 8.35am 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
28-Jul-21	MICH	BoD meeting	Discussing 2020/21 financials.
28-Jul-21	ZEOT	BoD meeting	Discussing the financial results.
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 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 items.
10-Aug-21	ORAS	Cash dividend	Date for paying out a dividend of USD0.2313/share.
10-Aug-21	RTVC	EGM	Discussing an offer for subsidiary Ambian for Tourism Investment.
10-Aug-21	HELI		Deadline for turning in the conditions brochure for Heliopark.
14-Aug-21	HELI	OGM	Approving the estimated budget of FY 2021/22.
14-Aug-21	HELI	EGM	Amending articles of the bylaws.
18-Aug-21	MOIN	OGM	Authorizing the board of directors to appoint a new member.
18-Aug-21	MOIN	EGM	Amending article 21 of the bylaws.
21-Aug-21	ELNA	OGM	Approving the financial statements and other agenda items.
30-Aug-21	EGTS	OGM	Approving the financial statements and other agenda items.
31-Aug-21	MBSC	Cash dividend	The deadline for eligibility for a dividend of EGP1.5/share.

## 7. LATEST RESEARCH

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

18-Mar-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</u></a>
10-Mar-21	<a href="#"><u>MACROView – Still Below the Target, but Global Headwinds Cloud the Horizon</u></a>
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>
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25-Feb-21	<a href="#"><u>Elsowedy 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>
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<b>28-Dec-20</b>	<b><a href="#"><u>Elsowedy 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>
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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>
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11-Oct-20	<a href="#"><u>MACROView – External strains are slacking and reserves are growing</u></a>
6-Oct-20	<a href="#"><u><b>CIB [COMI] – A Good Bet for the “Risk On” Mode</b></u></a>
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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>



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