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Goodbye July

1. Today's Trading Playbook

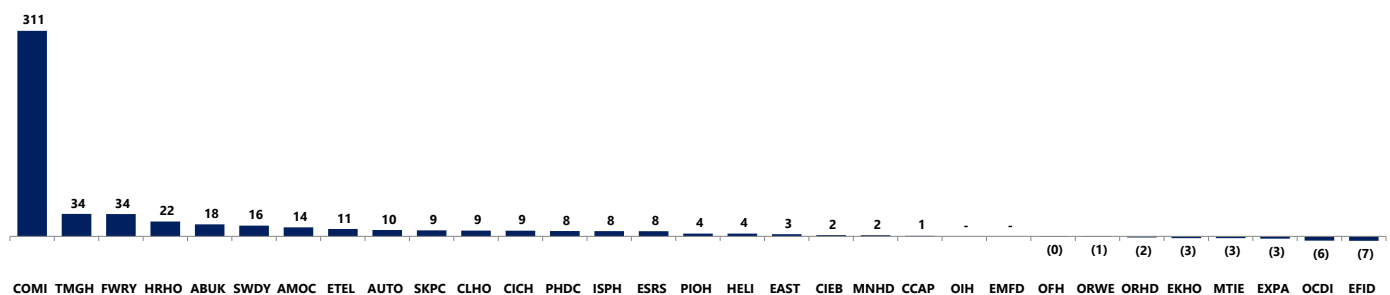
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KEY THEMES

July is a very generous month for the EGX 30 historically. Since 2005, the EGX 30 has had a total of 16 July readings (not counting July 2021 yet). Historically, the index's monthly performance averaged +3.2% in July over that period, where it was 37.5% of the time (i.e. 6 times) negative (averaging -4.3%) and 62.5% of the time (i.e. 10 times) positive (averaging +7.6%). While today is the last trading session of the month, the index is currently up 5% on a month-to-date basis.

Through July 2021 so far, the EGX30 has gained 512.6 points during or 5%. The below chart depicts the 31 stocks that affected the EGX30 performance during July 2021 so far, represented by the number of points each name contributed to the index movement (i.e 512.6 point north so far). Out of 31 stocks, 21 had positive influence on the index movement. Meanwhile, two names were unchanged, where eight stocks had negative influence on the EGX 30 during July 2021.

More on EGX 30 related news; six names were included in the last index review, effective August 2021. The new members namely are: Misr Fertilizers Production Company [**MFPC**], Cairo for Investment & Real Estate Development [**CIRA**], Speed Medical [**SPMD**], Raya Holding for Financial Investment [**RAYA**], Rameda [**RMDA**], and Egyptian Resorts Co. [**EGTS**]. The review resulted in seven names, being excluded namely are, SODIC [**OCDI**], Edita Food Industries [**EFID**], Emaar Misr for Development [**EMFD**], The Export Development Bank of Egypt [**EXPA**], Orascom Financial Holding [**OFH**], Orascom Investment Holding [**OIH**], and CI Capital Holding [**CICH**].

EGX 30 movers in July 2021 so far in points

Source: Bloomberg

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Russia will complete its industrial zone in Ain Sokhna within the next five months, SCZone Chairman said. Meanwhile, the Russian Industrial Zone, located in East Port Said, is expected to be up and running in 2022, with work said to begin soon. ([Enterprise](#))

Cairo-based vaccine manufacturer MEVAC plans to invest EGP1.8bn over three years to establish three new plants in Egypt for manufacturing veterinary and human vaccines. ([Cabinet statement](#))

The Council of Ministers approved the executive regulations for the new export support program, and it is scheduled to be sent to the concerned authorities within days in preparation to begin its implementation. The new program raised the percentage of support to 12% on average, compared to 8% in the previous program, in addition to increasing the support for shipping operations to 80%. ([Economy Plus](#))

CORPORATE NEWS

EFG Hermes Holding [HRHO] said RIMCO EGT Investment LLC upped its stake in the company to 10.54% from 9.97% at an average price of EGP11.52/HRHO share. Meanwhile, HRHO's consumer finance arm, **ValU**, signed a partnership agreement with SODIC's [OCDI] club, Club S, to finance the latter's customers' membership fees. ([Company disclosure](#), [Zawya](#))

Delta Sugar [SUGR] preliminary H1 2021 results showed an increase in bottom line of 559% to EGP344mn. The increase in net profits was attributed to higher selling price of sugar and fodder. ([Company disclosure](#))

Rameda Pharma's [RMDA] largest shareholder Equinox Pharma has raised its stake in the company by 2.7% to 15.4%. ([Enterprise](#))

South Cairo & Giza Flour Mills [SCFM] Q1 2021 net losses widened to EGP54.2mn compared to a net loss of EGP34.4mn in Q1 2020 on lower revenues of EGP142.0mn in Q1 2021 (-29% y/y). Gross margin witnessed an improvement to 16.7% in Q1 2021 compared to 13.7% in Q1 2020. It's worth mentioning that the surge in net losses could be attributed to the decline in the lower volumes during the period compared to a year earlier. ([Company disclosure](#))

General Co. for Ceramic & Porcelain Products [PRCL] received three offers to prepare the feasibility studies for constructing a new porcelain factory, raising the production capacity of its ceramic tile factory, and renewing its sanitary ware factory. ([Company disclosure](#))



GLOBAL NEWS

The U.S. economic recovery is still on track despite a rise in coronavirus infections, the Federal Reserve said on Wednesday in a new policy statement that remained upbeat and flagged ongoing talks around the eventual withdrawal of monetary policy support. ([Reuters](#))

Oil prices rose on Thursday as crude stockpiles in the United States, the world's top oil consumer, fell to their lowest since January 2020, with Brent crude oil prices pushing back past USD75 a barrel. ([Reuters](#))

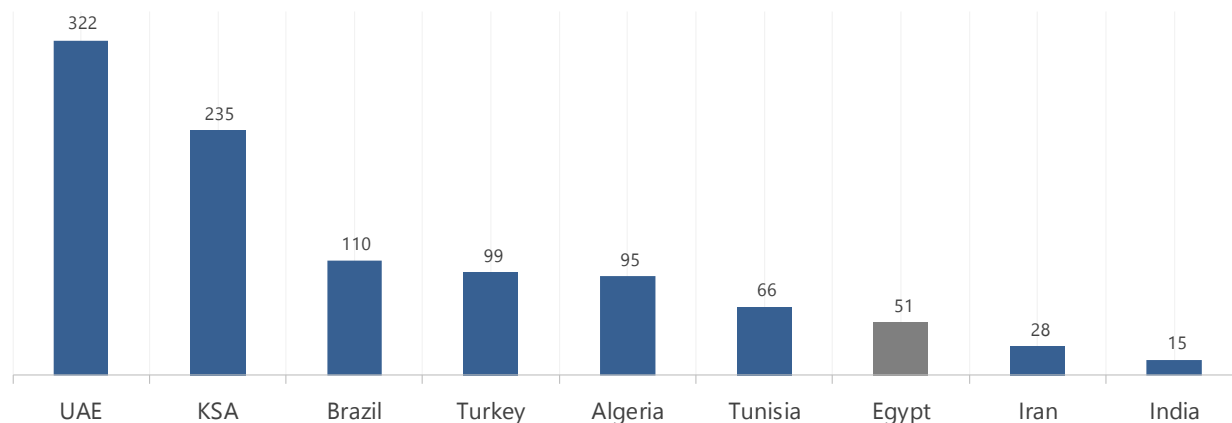
3. CHART OF THE DAY

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Pharmaceutical Sales per Capita (USD) 2018



Source: IMS.

Egypt stands among the lowest countries globally spending on pharmaceutical products, as Egyptians spending averages EGP 73 per month (Equivalent to USD4.0) across MENA and EM. Egypt also featured as one of the cheapest countries in terms of medicine cost to end user.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
700.0						2,162.3 1,178.6					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	10,769.22	0.06%	(0.70%)			Gold	1,807.11	0.45%	(4.24%)
		EGX 30 TR	4,196.51	0.16%	0.59%			Silver	24.96	1.10%	(4.17%)
		EGX 70 EWI	2,714.87	1.96%	26.56%			Brent Oil	74.74	0.43%	44.90%
		EGX 100 EWI	3,696.79	1.54%	19.34%			WTI	72.39	0.47%	49.90%
		DFMGI	2,751.70	(0.35%)	10.42%			Natural Gas	4.04	(2.30%)	55.61%
		ADSMI	7,243.78	1.02%	43.87%	EGP		USD/EGP	15.74	0.08%	(0.25%)
		TASI	10,933.73	0.16%	25.83%	€		EUR/USD	1.18	0.13%	(2.91%)
		QE Index	10,708.37	0.37%	2.61%	£		GBP/USD	1.39	0.26%	1.96%
		S&P 500	4,400.64	(0.02%)	17.16%	¥		USD/JPY	109.91	(0.14%)	6.31%
		Dow 30	34,930.93	(0.36%)	14.13%			6M TB yield	13.23	(2)	50
		NASDAQ	14,762.58	0.70%	14.54%			1Y TB yield	13.31	2	54
		VIX	18.31	(5.42%)	(19.52%)			10Y TB yield	14.82	(0)	43
		STOXX 50	4,103.03	0.94%	15.49%			2Y TB yield	0.21	0	8
EM		MSCI Emerging	1,268.21	1.26%	(1.79%)			10Y TB yield	1.25	(0)	32
FM		MSCI Frontier	636.10	0.08%	11.28%			30Y TB yield	1.89	(1)	23

* 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
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 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	<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>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 – Rutted 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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