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## Another Good Surprise

### 1. Today's Trading Playbook

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#### KEY THEMES

We continue to await some important Q2 2021 earnings results of large cap companies, one of which just reported this morning, namely Elsewedy Electric [**SWDY**]. The company just reported yet another stellar set of results, posting 73% y/y higher earnings of EGP890mn on 47% y/y higher revenues of EGP13.7bn. The stock is now trading at a TTM P/E of 5.2x and EV/EBITDA of 3.7x. With a TTM ROE of 21% and a recent history of being a good dividend payer, if these results are not good enough, we don't know what is!

#### POSITIVE

**SWDY:** Better-than-expected earnings should bode well for the stock in the near future.

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

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**The Russian Committee to Combat the Spread of COVID-19 decided to triple the number of tourist flights to Egypt**, to reach 30 flights per week to Hurghada and Sharm El-Sheikh airports. ([Economy Plus](#))

**The New Urban Communities Authority is preparing for the largest proposal for various housing units that suit different segments of society in the real estate initiative** with an interest rate of 3%. ([Economy Plus](#))

**The value of raw cotton exports jumped 800%**, supported by the rise in international prices of Egyptian cotton, which was encouraged by India's good demand. (Al-Borsa)

**Egyptian economy could face daily losses of more than EGP31mn if it stays on the UK's travel 'red list'**, according to World Travel & Tourism Council (WTTC). ([Enterprise](#))

**Border authorities will not accept negative ID Now rapid COVID tests in place of PCR tests,** an official at Cairo International Airport said. ([Al-Shorouk](#))

## CORPORATE NEWS

**Elsowedy Electric's [SWDY] consolidated Q2 2021 revenues increased by 47% y/y to EGP13.7bn (+12% q/q).** Meanwhile, net income after minorities jumped by 73% y/y to EGP890mn (+27% q/q). (Company disclosures: [1](#), [2](#)) SWDY trades at a TTM EV/EBITDA of 3.7x and a TTM P/E 5.2x.

**Fawry's [FWRY] H1 2021 posted a net income surge to EGP113mn (+61% y/y)** on the back of higher revenues of EGP743mn (+35% y/y). ([Company disclosure](#))

**Speed Medical's [SPMD] H1 2021 consolidated net profit grew fivefold to EGP108mn, as a result of tripled revenues of EGP175mn.** GPM reached 54% in H1 2021 vs. 55% in H1 2020, while NPM rose to 62% in H1 2021 vs. 36% in H1 2020. SPMD's ROAE rose to 55% in H1 2021 vs. 13% in H1 2020. ([Company release](#))

**MM Group for Industry & International Trade [MTIE] reported net income after minority of EGP114mn (+11% y/y) in Q2 2021** on higher revenues of EGP2.3bn (+10% y/y), driven mainly by the 40% y/y increase in auto segment's revenues (represent 24% of total). MTIE is now trading at LTM P/E of 18.6x. ([Company disclosure](#))

**Raya Holding's [RAYA] H1 2021 results showed its bottom line turning profitable posting EGP126mn (from a loss of EGP105mn same period last year).** The earnings growth was backed by a surge in revenue to EGP8.3bn (+73% y/y) as almost all business lines posted growth. RAYA's trade and distribution segment showed a growth of 86% to EGP4.7bn and NBFS activities growth of 100% y/y to EGP505mn. ([Company disclosure](#)) Meanwhile, **RAYA's NBFS platform, Aman Holding, will securitize EGP500mn of its consumer finance portfolio before year end.** (Al-Mal)

**QNB Alahli [QNBA] borrowed USD50mn from the European Bank for Reconstruction & Development (EBRD) to lend households and SMEs.** ([EBRD](#))

## GLOBAL NEWS

**The Federal Reserve may be wrestling with an inflation problem,** but two former senior staffers at the U.S. central bank argue that continued higher prices in the future may be what is needed to shift the whole economy to a higher plateau and deliver a jobs boom that helps the broadest set of people. ([Reuters](#))

**The closure of a terminal at the world's third-busiest container port is only the latest sign that turmoil in ocean shipping could run into next year,** posing a threat to global economic growth as chronic delays and soaring transport costs may leave demand unmet and push up consumer prices. ([Financial Times](#))

### 3. CHART OF THE DAY

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Source: Companies' disclosures, IC Insights.

According to EETAsia, semiconductor global revenues are expected to see an increase of 12.5% y/y to hit USD522bn in 2021. However COVID-19 continues to make a supply squeeze worldwide as the market was already unstable before the pandemic started, hence the supply shortage. The existing shortage was reflected in a strong set of Q1 2021 results for the major 15 global semiconductor sellers. Together, these 15 companies showed revenue growth of 21% y/y to USD102bn in Q1 2021, beating the market growth of 18% y/y. The best performer was **AMD** (+93% y/y), while the worst was **Intel** (no changes y/y).

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						720.5					
						Equity turnover (EGPmn): Last, ytd avg.		2,009.4		1,178.6	
						daily chg.		ytd chg.			
		EGX 30	11,046.15	0.15%	1.85%			Gold	1,787.45	0.43%	(5.63%)
		EGX 30 TR	4,281.80	(0.27%)	2.64%			Silver	23.84	0.39%	(9.39%)
		EGX 70 EWI	2,885.09	(0.08%)	34.49%			Brent Oil	69.51	(0.14%)	34.00%
		EGX 100 EWI	3,863.58	(0.06%)	24.72%		WTI	67.29	(0.09%)	38.56%	
		DFMGI	2,824.97	0.32%	13.36%			Natural Gas	3.95	(0.51%)	54.63%
		ADSMI	7,662.86	0.81%	51.88%	EGP		USD/EGP	15.71	0.07%	(0.19%)
		TASI	11,321.85	(0.26%)	30.29%	€		EUR/USD	1.18	(0.09%)	(3.68%)
		QE Index	10,951.33	0.17%	4.94%	£		GBP/USD	1.38	(0.22%)	1.08%
		S&P 500	4,479.71	0.26%	19.27%	¥		USD/JPY	109.24	0.07%	5.88%
		Dow 30	35,625.40	0.31%	16.40%			6M TB yield	13.14	(1)	40
		NASDAQ	14,793.76	(0.20%)	14.78%		1Y TB yield	13.27	2	50	
		VIX	16.12	4.34%	(29.14%)		10Y TB yield	14.80	0	41	
		STOXX 50	4,202.44	(0.64%)	18.29%			2Y TB yield	0.21	5	8
EM		MSCI Emerging	1,272.19	(0.68%)	(1.48%)		10Y TB yield	1.28	(32)	35	
FM		MSCI Frontier	657.17	0.14%	14.96%		30Y TB yield	1.93	(33)	27	

\* As of market close, except for commodities and currencies at 8.1am 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
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.
22-Aug-21	PRCL	OGM	Reshuffling the board and discussing other agenda items.
22-Aug-21	PRCL	EGM	Amending the articles of association.
24-Aug-21	GOCO	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
25-Aug-21	NCCW	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
26-Aug-21	ELWA	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
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.
1-Sep-21	MBSC	Cash dividend	Date for ex-dividends for EGP1.5/share.
1-Sep-21	MSCI		The effective date for MSCI's August 2021 Quarterly Index Review.



2-Sep-21	DAPH	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
5-Sep-21	MBSC	Cash dividend	Date for paying out a dividend of EGP1.5/share.

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11-Aug-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth</u></a>
10-Aug-21	<a href="#"><u>MACROView – July's Feverous Inflation</u></a>
9-Aug-21	<a href="#"><u>CI Capital Holding [CICH] – Robust Exit Saves the Day</u></a>
5-Aug-21	<a href="#"><u>MACROView – The Sky Is No Blue</u></a>
4-Aug-21	<a href="#"><u>MACROView – Constrained Recovery</u></a>
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>Crédit Agricole 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>Elsowedy 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>
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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>
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<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>
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<b>25-Nov-20</b>	<b><a href="#"><u>Misr Chemical Industries [MICH] – Pandemic Proof</u></a></b>
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18-Aug-20	<a href="#"><u>Oriental Weavers Carpet [ORWE] – Q2 2020 Results</u></a>

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