

TABLE OF CONTENTS

1. Today's Trading Playbook	2. Top News & Analysis	3. Chart of the Day
4. Markets Performance	5. Latest EGX Valuation Multiples	6. Key Dates
		7. Latest Research

The Growth Trajectory

1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

KEY THEMES

Today's news continue with key earnings reports from large cap names with EFG Hermes Holding [**HRHO**] just reporting this morning. Earnings are up 67% in H1 2021 on higher revenues. The stock, which we rate as Overweight with a 12M PT of EGP14.8, is trading at a 20% discount to its book value despite improving its performance (ROAE now stands at 12%). The company is yet to benefit off its 51% acquisition of Arab Investment Bank (aiBank). Also, HRHO is an indirect beneficiary of the recent rise in Zahraa El-Maadi Investment [**ZMID**], with an attributable value of EGP1.1bn or EGP1.2/HRHO share.

Elsewhere, Cairo for Investment & Real Estate Development [**CIRA**] continues to grow its foothold in the Egyptian education sector, partnering with Elsewedy Capital Holding (the family office of Elsewedy family but has nothing to do with Elsewedy Electric [**SWDY**]) to tap the Delta region. For this, one should pay less attention to its seemingly rich multiples and focus more on growth.

POSITIVE

HRHO, CIRA: HRHO reporting strong results in Q2 2021; CIRA continues on its growth path.

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

2. TOP NEWS & ANALYSIS

[TABLE OF CONTENTS](#)

MACRO NEWS

Remittances from Egyptians abroad jumped to USD2.6bn in May 2021 (+45% y/y) from USD1.8bn in May 2020. ([Economy Plus](#))

The Egyptian Ministry of Petroleum signed four contracts for gold exploration with Canada's Barrick Gold Co., the second largest mining company in the world. ([Economy Plus](#))



The Egyptian Electricity Transmission Co. started negotiations with seven local banks to borrow EGP2.5bn to complete its expansion plan in inauguration of transformer stations and transmission lines. Moreover, the company is looking to increase the capacity of its existing electricity link to Jordan to reach 2 GW from the current 450 MW. (Al-Borsa, [Masrawy](#))

Egypt received a 299.7k doses shipment of the Oxford / AstraZeneca vaccine on Monday, as a gift from the UK. The shipment delivered through the Gavi / Covax program. ([British Embassy](#))

In addition to the semiconductor global supply shortage, the automotive sector faces a shortage of auto spare parts for various brands offered locally due to the slowdown in freight movement by shipping companies. This led to an increase in spare parts prices. (Al-Borsa)

CORPORATE NEWS

The New Urban Communities Authority has allocated 58 acres in New Damietta for the benefit of the Cairo for Investment & Real Estate Development [CIRA] and Elsewedy Capital Holding's consortium, Cairo Egypt for Education, to establish a private university with an investment cost above EGP2.5bn. The new university will include 16 faculties to cater 25,000 students and the first phase of the project is expected in September 2023. ([Company disclosure](#))

EFG Hermes Holding's [HRHO] H1 2021 results showed a bottom line surge to EGP698mn (+67% y/y, 52% of our FY21 estimates) on the back of higher total revenues of EGP3.6bn (+23% y/y). ([Company disclosure](#))

Unipak's [UNIP] H1 2021 net income soared to EGP15mn (+ 95% y/y), and revenues climbed to EGP273mn (+52% y/y). ([Company disclosure](#)) UNIP trades at a TTM P/E of 57x.

GLOBAL NEWS

British inflation cooled more quickly than expected in July when it slowed to 2.0% in annual terms from 2.5% in June, official data showed on Wednesday. ([Reuters](#))

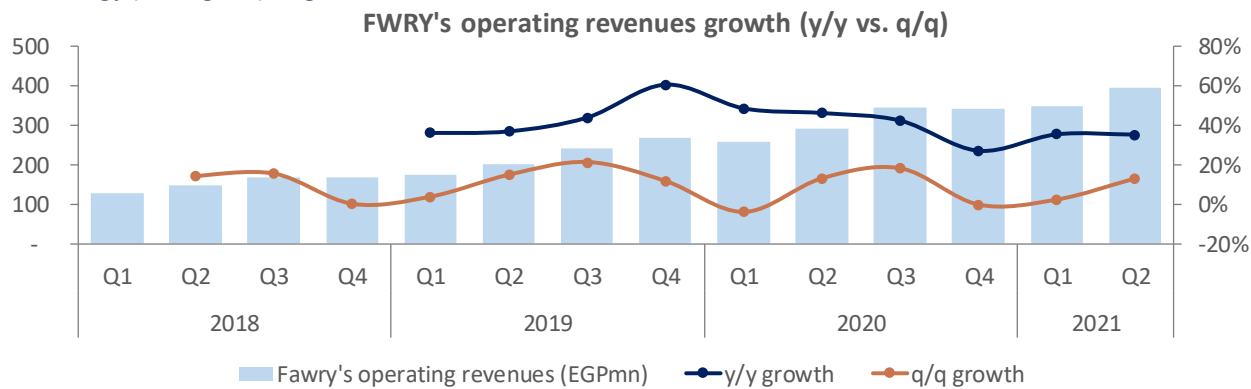
Billions of dollars have flowed into "defensive" exchange traded funds in recent weeks, highlighting the jitters arising in some corners of Wall Street after US stocks have set a series of record peaks. ([Financial Times](#))

3. CHART OF THE DAY

TABLE OF CONTENTS

Sherif El Etr | Equity Analyst

seletr@egy.primegroup.org



Fawry's [FWRY] Q2 2021 results showed a bottom line of EGP37mn (-6% y/y) and revenues of EGP394mn (+35% y/y), driven by its moves towards financial inclusion and its improved fintech tools. However, we see FWRY's y/y growth plateauing in Q2 2021 at 35% y/y. We should observe closely how FWRY's y/y growth rate will fare to justify the TTM P/E of 140x it is currently trading at.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
720.9					1,960.0 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	10,937.69	(0.98%)	0.85%		Gold	1,786.19	(0.07%)	(5.55%)
	EGX 30 TR	4,264.80	(0.40%)	2.23%		Silver	23.66	(0.76%)	(9.95%)
	EGX 70 EWI	2,919.82	1.20%	36.11%		Brent Oil	69.03	0.49%	33.92%
	EGX 100 EWI	3,895.82	0.83%	25.76%		WTI	66.59	0.44%	37.84%
	DFMGI	2,837.34	0.44%	13.86%		Natural Gas	3.84	(0.03%)	51.08%
	ADSMI	7,729.87	0.87%	52.38%	EGP	USD/EGP	15.70	(0.06%)	(0.26%)
	TASI	11,392.83	0.63%	31.11%	€	EUR/USD	1.17	0.09%	(4.06%)
	QE Index	10,983.33	0.29%	5.25%	£	GBP/USD	1.37	0.01%	0.53%
	S&P 500	4,448.08	(0.71%)	18.42%	¥	USD/JPY	109.60	(0.02%)	6.13%
	Dow 30	35,343.28	(0.79%)	15.48%		6M TB yield	13.14	(1)	40
	NASDAQ	14,656.18	(0.93%)	13.72%		1Y TB yield	13.27	2	50
	VIX	17.91	11.10%	(21.27%)		10Y TB yield	14.80	0	41
	STOXX 50	4,196.40	(0.14%)	18.12%		2Y TB yield	0.21	5	8
EM	MSCI Emerging	1,255.78	(1.29%)	(2.75%)		10Y TB yield	1.26	(1)	33
FM	MSCI Frontier	657.38	0.03%	15.00%		30Y TB yield	1.93	(0)	27

* As of market close, except for commodities and currencies at 8.4am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

[TABLE OF CONTENTS](#)

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

[TABLE OF CONTENTS](#)

DATE	TICKER	TYPE	EVENT
18-Aug-21	MOIN	BoD meeting	Discussing appointing a new managing director.
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.
29-Aug-21	ORAS	Earnings release	Announcing H1 2021 financial results.
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	AMES	Stock dividend	Last date for eligibility for a 0.09-for-1 stock dividend.
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	AMES	Stock dividend	Date for distributing a 0.09-for-1 stock dividend.
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.
8-Sep-21	CNFN	EGM	Adding investment banking to the company's activities.

7. LATEST RESEARCH

[TABLE OF CONTENTS](#)

DATE	PUBLISHED REPORT
17-Aug-21	Elsewedy Electric [SWDY] – Impressive Set of Results
17-Aug-21	Commercial International Bank [COMI] – Adjustment Post Stock Dividend
16-Aug-21	B Investments Holding [BINV] – Growth Dented Across the Board
11-Aug-21	Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth
10-Aug-21	MACROView – July's Feverous Inflation
9-Aug-21	CI Capital Holding [CICH] – Robust Exit Saves the Day
5-Aug-21	MACROView – The Sky Is No Blue
4-Aug-21	MACROView – Constrained Recovery



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>Crédit Agricole 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>Elsowedy 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>Crédit Agricole 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 [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](#)

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

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2021, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.