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By Comparison

1. Today's Trading Playbook

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KEY THEMES

Zahraa Maadi Investment & Development [**ZMID**] is now the second largest EGX-listed real estate developer in terms of market cap, only EGP1.1bn behind TMG Holding [**TMGH**]. ZMID is now worth a market cap of EGP13.2bn after closing near its intraday high yesterday at EGP49.99/share. Here are some interesting comparisons:

1. Market cap of ZMID is now almost 3x that of Madinet Nasr Housing & Development's [**MNHD**].
2. Market cap of ZMID is very close to 2.5x the market cap of either Palm Hills [**PHDC**], SODIC [**OCDI**], or Orascom Development [**ORHD**].
3. Remember the failed merger attempt between MNHD and OCDI back in 2018? ZMID's market cap is now around 1.3x the current market cap of both name altogether.

It is important to remember that ZMID is 20.3%, owned by **aiBank**. With a market cap of EGP13.2bn, this would imply an attributable value of EGP2.7bn for aiBank. Despite the surge in ZMID stock price, we note that the market has not priced the effect on EFG Hermes Holding [**HRHO**], which has announced the acquisition of 51% of aiBank. As such, ZMID's market value implies an attributable value of EGP1.4bn for HRHO or c. EGP1.5/share, 13% of yesterday's close. By the way, ZMID's market cap is 24% higher than that of HRHO.

POSITIVE

TMGH, EMFD, PHDC, ORHD, HRHO: Within the real estate sector, we pick four stocks that have been lagging, namely TMGH, Emaar Development Misr [**EMFD**], PHDC, and ORHD. Also, we think HRHO is due for a re-rating as a result of its imminent acquisition of aiBank and its recently-announced strong Q2 2021 results.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The Ministry of Finance lifted administrative seizure orders from more than 3,000 companies between April 2020 and July 2021 under an initiative that allows relief when companies that have fallen behind on taxes cough up 1-10% of what they owe in overdue income and value-added taxes. ([MoF](#))

Suez Canal revenues rose almost 11.2% y/y to USD3.88bn from January to August, compared with the preceding year when revenues came at USD3.49bn. ([Reuters](#))

CORPORATE NEWS

CIB [COMI] has signed a cooperation protocol with Al-Ahly Sabbour Real Estate Development Company to provide real estate financing services for the Green Square project that the company is constructing in Mostakbal City. Moreover, the bank's retail sector financing portfolio amounted to c.EGP40bn, EGP2bn of which is real estate loans, according to COMI's CEO of the retail banking sector. (Hapi: [1](#), [2](#))

Elsawedy Electric [SWDY] and Madkour Group submitted the financial offers to construct Sheikh Zayed transformer monorail station. This turnkey project is expected to be executed from eight to ten months. Meanwhile, negotiations should be finalized and contracts should be signed in September. (Al-Mal)

Middle & West Delta Flour Mills [WCDF] reported audited FY2020/21, showing a net income of EGP191.02mn compared to unaudited figure of EGP164.36mn reported earlier. The surge in net income figure resulted from local wheat marketing commission not reported earlier. On a different note, GPM inched up to 25% in FY 2020/21 compared to 22.86% reported earlier. ([Company disclosure](#))

GLOBAL NEWS

U.S. business activity growth slowed for a third straight month in August as capacity constraints, supply shortages and the rapidly spreading Delta variant of the coronavirus weaken the momentum of the rebound from last year's pandemic-induced recession. ([Reuters](#))

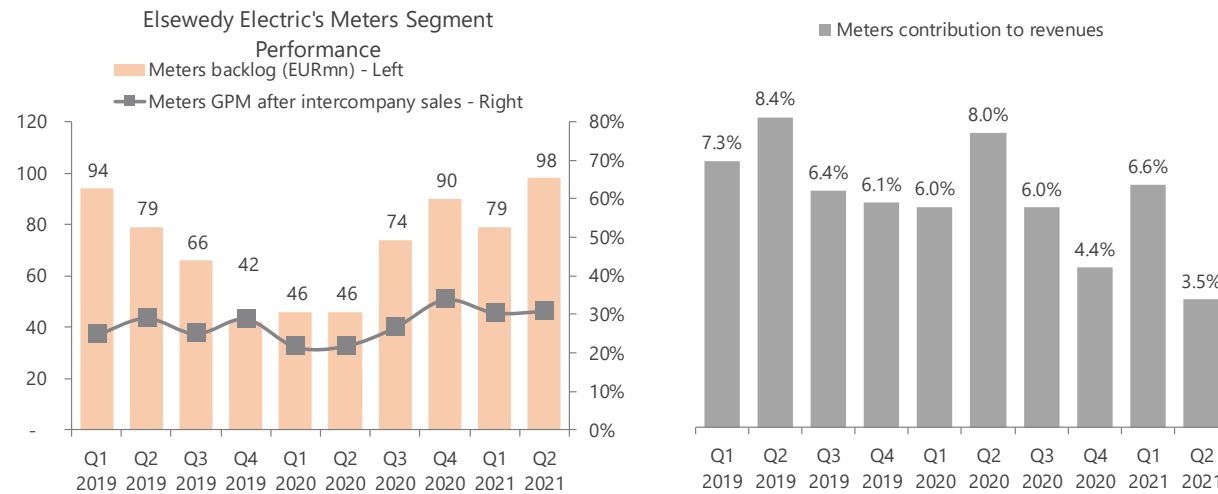
Asia's robust economic recovery from last year's coronavirus low is losing momentum as a surge in COVID-19 cases sees shops empty again and factories close, dimming prospects for corporate profit growth after a blockbuster half year. ([Reuters](#))

British manufacturers reported the worst stock shortages on record, caused in large part by a post-lockdown lack of components for the electronics industry and in plastics, according to a survey published on Monday. ([Reuters](#))

3. CHART OF THE DAY

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Dina Abdelbadie | Equity Analyst
dabdelbadie@egy.primegroup.org



Source: Company report.

Elsewedy Electric's [SWDY] management puts high hopes on Meters segment as an expected growth driver. SWDY managed to increase its backlog to EUR98mn in Q2 2021, the highest level in two years. Q2 2021 was not nice to meters due to some raw material shortage which is reflected in a lower contribution to revenues. Meanwhile, it is expected to rebound.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
722.9						2,223.3 1,178.6					
				daily chg.	ytd chg.					daily chg.	ytd chg.
		EGX 30	10,884.29	1.81%	0.36%			Gold	1,805.43	1.37%	(4.95%)
		EGX 30 TR	4,255.59	1.87%	2.01%			Silver	23.63	2.61%	(10.53%)
		EGX 70 EWI	2,973.67	1.74%	38.62%			Brent Oil	68.75	0.45%	33.32%
		EGX 100 EWI	3,932.91	1.52%	26.96%			WTI	65.64	0.37%	35.78%
		DFMGI	2,887.53	0.72%	15.87%			Natural Gas	3.95	0.30%	55.85%
		ADSMI	7,683.98	0.06%	52.26%	EGP		USD/EGP	15.69	(0.04%)	(0.31%)
		TASI	11,062.99	(0.12%)	27.31%	€	⇄	EUR/USD	1.17	0.00%	(3.86%)
		QE Index	11,133.51	0.50%	6.68%	£		GBP/USD	1.37	0.20%	0.56%
		S&P 500	4,479.53	0.85%	19.26%	¥		USD/JPY	109.70	0.08%	6.33%
		Dow 30	35,335.71	0.61%	15.45%			6M TB yield	12.98	(16)	25
		NASDAQ	14,942.65	1.55%	15.94%			1Y TB yield	13.18	(9)	41
		VIX	17.15	(7.60%)	(24.62%)			10Y TB yield	14.80	0	41
			STOXX 50	4,176.42	0.70%	17.56%			2Y TB yield	0.22	(1)
EM		MSCI Emerging	1,237.53	1.37%	(4.16%)			10Y TB yield	1.25	(1)	32
FM		MSCI Frontier	650.84	(0.17%)	13.86%			30Y TB yield	1.87	0	21

* 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
24-Aug-21	ARCC	Conference Call	Discussing Q2 2021 earnings.
24-Aug-21	GOCO	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividend.
25-Aug-21	OCDI	Conference Call	Discussing Q2 2021 earnings.
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 of 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

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DATE	PUBLISHED REPORT
18-Aug-21	EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth
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	EFG Hermes Holding [HRHO] – FV and 12MPT Adjustment to Bonus Share Action
13-Jul-21	Commercial International Bank [COMI] – Tamed Credit Provisions Spur Annual Growth
8-Jul-21	MACROView – Inflation Edged Up, As Expected
8-Jul-21	MACROView – External Buffers Still Powering Ahead
6-Jul-21	MACROView – A Steady and Slow Recovery in the Making
5-July-21	Abu Qir Fertilizers [ABUK] – Talking U
16-June-21	B Investments Holding [BINV] – Strong Financials, Growing Investments
14-June-21	Al-Shams Housing & Development [ELSH] – Earnings Flattened by Factoring Cost
10-June-21	MACROView – Inflation Risk Rising, but Still Within Target
8-June-21	TAKESStock – Telecom Egypt [ETEL] – Show Me the Dividends
6-June-21	MACROView – Further Enhancement
3-June-21	MACROView – Contraction Eased
23-May-21	Orascom Construction [ORAS] – Earnings Short of Our Estimates
23-May-21	CI Capital Holding [CICH] – Earnings Dented by One-off ESOP Expense
22-May-21	Commercial International Bank [COMI] – Earnings Growth Driven by Lower Provisions
20-May-21	Crédit Agricole Egypt (CAE) [CIEB] – Slowing Lending Inhibits Earnings Growth
20-May-21	EFG Hermes Holding [HRHO] – Recovery Signs; Back on Track

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>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	<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>

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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