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There're Bulls and There's Taper**1. Today's Trading Playbook**[TABLE OF CONTENTS](#)**KEY THEMES**

Globally, the US dollar is near a one-month low and broadly far from the levels last seen in the summer of 2020. The current debate of when exactly the Fed is going to taper is hindering the greenback path, especially after one of the softest jobs reports in many months since the pandemic. While the current bullish run in commodity prices is more of a supply issue, if the Fed's tapering coincided with supply recovery, a stronger US dollar will then help put a lid on the robust price rally in global commodity markets.

Locally, after okay gains by the EGX 30 during August (+3.7%), the index has wiped out all of September's gains so far in yesterday's session. We note that since 2005 the EGX 30 has had a total of 16 months of September (not counting September 2021 yet). During such period, the index's monthly close in September came 37.5% of the time (i.e. 6 times) in the negative territory (averaging -7.8%) and 62.5% of the time (i.e. 10 times) in the green (averaging +5.8%). Overall, the index's monthly return in September during such period averaged +0.7%. So historically, it appears that despite September being more on the green side, its bearish side is pretty wild as well.

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

2. TOP NEWS & ANALYSIS[TABLE OF CONTENTS](#)**MACRO NEWS**

The Ministry of Health received 525,000 doses of the Johnson & Johnson vaccine through the African Vaccine Acquisition Trust (AVAT) and in cooperation with the African Export-Import Bank. This is the country's second batch of the single-shot vaccine, after the Ministry of Health received 260,600 doses last month through the African Union. ([Egyptian Cabinet](#))

Four Egyptian startups secured USD125,000 each in seed funding by US accelerator Y Combinator. The funding came either following the companies closing pre-seed rounds, or as boosters to companies that are looking to expand and complete acquisitions. ([Magnitt](#))

CORPORATE NEWS

Elsewedy Electric's [SWDY] subsidiary signed a new contract to build a substation for Electricity Co. of Ghana. The project is valued at USD16.7mn and will be implemented over 24 months. ([Company disclosure](#))

Integrated Diagnostics Holdings' [IDHC] H1 2021 net profit surged to EGP668mn (+283% y/y) as revenues grew to EGP2.3bn (+141% y/y). EBITDA margin rose to 52% in H1 2021 (+13.8pp) from 39% in H1 2020. Meanwhile, GPM reached 57% (+9.9pp), and NPM hit 29% (+10.8pp). ([Company disclosure](#))

CIB [COMI] endorsed increasing its paid-in capital from EGP19.7bn to EGP19.8bn through an employee stock ownership plan. ([EGX](#)) This decision comes after COMI had distributed stock dividends at a 1-for-3 ratio mid-August.

Dice Sports & Casual Wear [DSCW] reported net income after minority of EGP1.5mn in Q2 2021 (vs. net losses of EGP49mn in Q2 2020) on higher revenues of EGP367mn (+99% y/y) and higher gross profit margin of 17% (+1,155bps). ([Company disclosure](#))

GLOBAL NEWS

German industrial orders unexpectedly surged in July, official figures showed on Monday, hitting their highest level since the data time series began in 1991 and pointing to a solid start to the second half in Europe's largest economy. ([Reuters](#))

The UAE's non-oil private sector saw a decline in its growth rate, with PMI falling to 53.8 in August, down from 54.0 in July. Though business activity in the UAE expanded at its fastest rate since July 2019, new COVID variants cast a shadow of uncertainty over future demand. ([Markit](#))

Saudi Arabia's PMI dropped for the second month running in August, recording 54.1 in August from 55.8 in July — the slowest growth recorded in five months. Businesses forecast subdued future output, leading to negligible growth and a slow-down in the pace of new stock purchases. ([Markit](#))

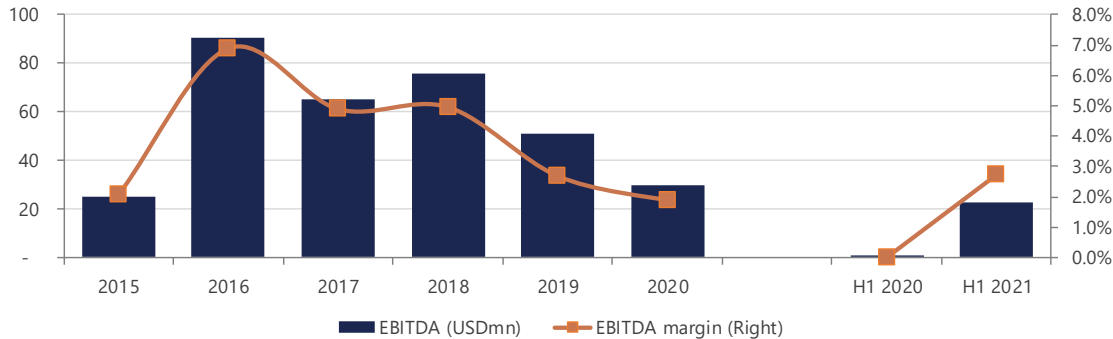
3. CHART OF THE DAY

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Dina Abdelbadie | Equity Analyst

dabdelbadie@egy.primegroup.org

BESIX's EBITDA Recovery (50% stake)



Source: Company disclosures.

BESIX, the 50%-owned joint venture of Orascom Construction [**ORAS**], showed a significant recovery in H1 2021 with an EBITDA of USD23mn compared to only USD0.1mn in H1 2020. EBITDA in H1 2021 is 77% of the full-year EBITDA of 2020. Meanwhile, EBITDA margin reverted in H1 2021 to pre-COVID-19 levels with expectations of further recovery in the second half of the year.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
728.6						1,536.8 1,178.6			
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	📉	EGX 30	11,095.89	(1.82%)	2.31%		📈	Gold	1,827.73 1.00% (3.72%)
	📉	EGX 30 TR	4,322.85	(1.94%)	3.62%		📈	Silver	24.72 3.39% (6.02%)
	📉	EGX 70 EWI	2,924.08	(3.75%)	36.31%		📉	Brent Oil	72.61 (1.17%) 38.53%
	📉	EGX 100 EWI	3,915.54	(3.49%)	26.40%		📉	WTI	69.29 (1.18%) 41.12%
	📈	DFMGI	2,913.38	0.03%	16.91%		📈	Natural Gas	4.71 0.30% 86.14%
	📉	ADSMI	7,636.88	(0.21%)	51.44%	EGP	📉	USD/EGP	15.70 (0.17%) (0.24%)
	📈	TASI	11,335.92	0.14%	30.45%	€	📉	EUR/USD	1.19 (0.06%) (2.81%)
	📉	QE Index	11,061.75	(0.08%)	6.02%	£	📉	GBP/USD	1.39 (0.15%) 1.32%
	📉	S&P 500	4,535.43	(0.03%)	20.75%	¥	📈	USD/JPY	109.71 0.09% 6.35%
	📉	Dow 30	35,369.09	(0.21%)	15.56%		📉	6M TB yield	12.68 (12) (5)
	📈	NASDAQ	15,363.52	0.21%	19.21%		📉	1Y TB yield	12.99 (14) 22
	↔	VIX	16.41	0.00%	(27.87%)		📉	10Y TB yield	14.79 (1) 40
	📉	STOXX 50	4,201.98	(0.71%)	18.28%		📉	2Y TB yield	0.21 (1) 8
EM	📈	MSCI Emerging	1,315.91	0.30%	1.91%		📈	10Y TB yield	1.33 2 40
FM	📈	MSCI Frontier	662.08	0.20%	15.82%		📈	30Y TB yield	1.95 2 29

* As of market close, except for commodities and currencies at 8.48am 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
8-Sep-21	CNFN	EGM	Adding investment banking to the company's activities.
16-Sep-21		MPC Meeting	Determining the CBE's policy rate.
18-Sep-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
19-Sep-21	MNHD	Lawsuit	To recover EGP24.8mn owed by MNHD to NRPD for the development of 32 buildings in the 6th of October project.
21-Sep-21	CIRA	OGM	Discussing the dividend distribution suggested by the BoD.
25-Sep-21	ABUK	OGM	Approving the financial statements ending 30 Jun. 2021 and the proposed dividend.
25-Sep-21	ELNA	OGM	Approving the financial statements and other agenda items.
25-Sep-21	AMOC	OGM	Approving the financial statements ending 30 Jun. 2021 and other agenda items.
30-Sep-21	CICH	Cash dividend	Date for paying out EGP0.10/share (3rd round).
30-Sep-21	ZMID	Cash dividend	Date for paying out EGP0.15/share (3rd round).
30-Sep-21	ANFI	OGM	A board reshuffle.
30-Sep-21	ANFI	EGM	Amending article 7 of the bylaws.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
5-Sep-21	Misr Chemical Industries [MICH] – Nice While It Lasted
29-Aug-21	Orascom Construction [ORAS] – Recovery on Track Although Below Estimates
24-Aug-21	Abu Qir Fertilizers [ABUK] – When the Stars Align
18-Aug-21	EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth
17-Aug-21	Elsowedy 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	<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	<u>MACROView – Egypt’s recovery is broadening</u>
10-Sep-20	<u>MACROView – A Stunning Chapter Towards Targets</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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