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Gaining the Opposition

1. Today's Trading Playbook

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As we mentioned in our [Trading Playbook](#) last Thursday, Egypt went to the international bond market raising as much as USD3bn in Eurobonds that same day. We had said that Egypt will likely be more active this year and early 2022 in tapping international markets to meet its growing financing needs, including international bonds market, sukuk market, and green bonds.

This recent USD3bn Eurobond issuance was c.3x oversubscribed, compared to c.4.4x in the preceding issuance. However, Thursday's Eurobond issuance was accomplished at a slightly lower yield in comparison. We note that the Egyptian government has planned to tap the international market to ask for more than USD4bn, which hints that this issuance will not be the last one in 2021/22. Also, it's highly expected that the next issuance will be early next year, given the timeline of the government's financing needs.

Overall, the issuance success should support the view that Egypt is in a league of its own, as opposed to the vulnerable segments in the emerging markets (EM) world. This strategy is well timed ahead of potential tightening by the U.S. Federal Reserve and its imminent tapering and the impact on capital flows globally.

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

2. TOP NEWS & ANALYSIS

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Pharmaceutical companies achieved sales growth of 6.2% y/y in 8M 2021 ended August, with sales amounting to EGP53.8bn. (Al-Borsa)

Egypt successfully sold USD3bn of Eurobonds in an issuance that took place last Thursday, which was c.3x oversubscribed. ([MoF](#))

The Sovereign Fund of Egypt (SFE) is working to launch a technology-focused sub-fund.

The fund will invest in tech essential to high-growth sectors, manufacturing and sustainable development. ([Al-Arabiya](#))

Rising global demand for holidays in Egypt has left some travel agencies in the UK unable to make bookings. ([The Sun](#))

CORPORATE NEWS

Abu Qir Fertilizers' [ABUK] OGM has upped the previously proposed DPS by the BoD from EGP1.2 to EGP1.3 to be paid in two tranches. This implies a dividend yield of 6.6%. ([Company disclosure](#))

Speed Medical [SPMD] intends to open 13 new branches of the company's laboratories next October at an investment cost of EGP20mn. ([Al-Borsa](#))

Ora Developers is close to finalizing negotiations with CIB [COMI] to obtain a loan of EGP700mn to start construction work on the Zed project, Fifth Settlement. ([Al-Mal](#))s

GLOBAL NEWS

Sales of new U.S. single-family homes increased for a second straight month in August, but demand for housing has probably peaked after a COVID-19 pandemic-fueled buying frenzy. ([Reuters](#))

The Bank of England said the case for higher interest rates "appeared to have strengthened" on Thursday after it nudged up its forecast for inflation at the end of the year to over 4%, more than twice its target rate. ([Reuters](#))

Turkey's central bank unexpectedly cut its policy rate by 100 basis points to 18% on Thursday, delivering a stimulus long sought by President Erdogan despite high inflation and sending the lira to near a record low. ([Reuters](#))

China's most powerful regulators on Friday intensified a crackdown on cryptocurrencies with a blanket ban on all crypto transactions and mining, hitting bitcoin and other major coins and pressuring crypto and blockchain-related stocks. ([Reuters](#))

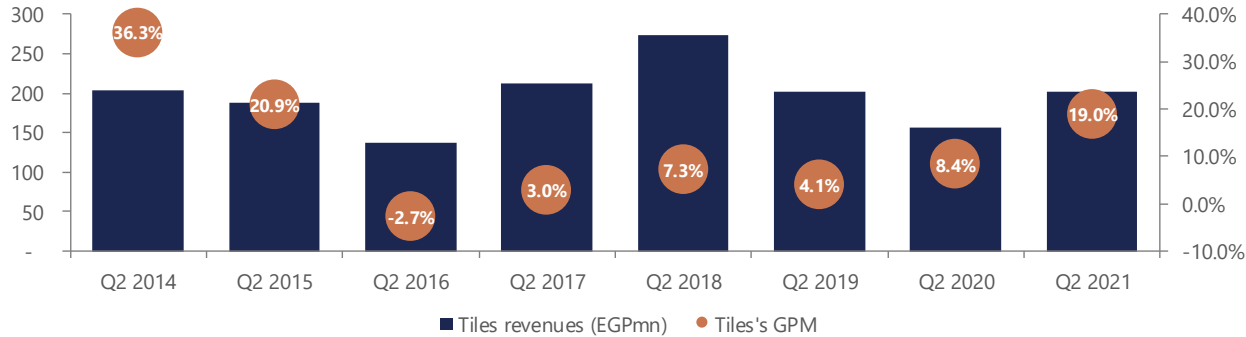
3. CHART OF THE DAY

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LCSW's Tiles Quarterly performance (2014-2021)



Source: Company disclosure.

Tiles accounted for 32% of Lecico Egypt's [LCSW] revenues in Q2 2021, making it the second largest contributor. Tile revenues rose by 28% y/y to EGP201mn in Q2 2021, as volume and prices rose y/y by 23% and 5%, respectively. Hence, the company improved its gross profit margin significantly to near in Q2 2015 margin, when it was even much healthier.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
709.0					1,296.9 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	10,642.02	0.43%	(1.87%)		Gold	1,750.42	0.44%	(7.79%)
	EGX 30 TR	4,156.30	0.45%	(0.37%)		Silver	22.42	(0.41%)	(15.08%)
	EGX 70 EWI	2,763.74	3.14%	28.84%		Brent Oil	78.09	1.09%	50.75%
	EGX 100 EWI	3,722.36	2.42%	20.16%		WTI	73.98	0.93%	52.47%
	DFMGI	2,839.57	(0.15%)	13.95%		Natural Gas	5.14	3.30%	102.44%
	ADSMI	7,824.79	0.55%	55.09%		USD/EGP	15.70	(0.22%)	(0.26%)
	TASI	11,270.57	(0.40%)	29.70%		EUR/USD	1.17	(0.16%)	(4.06%)
	QE Index	11,240.53	0.56%	7.71%		GBP/USD	1.37	(0.30%)	0.07%
	S&P 500	4,455.48	0.15%	18.62%		USD/JPY	110.73	0.36%	7.24%
	Dow 30	34,798.00	0.10%	13.69%		6M TB yield	12.61	(8)	(12)
	NASDAQ	15,047.70	(0.03%)	16.75%		1Y TB yield	13.03	0	26
	VIX	17.75	(4.72%)	(21.98%)		10Y TB yield	14.69	(2)	30
	STOXX 50	4,158.51	(0.87%)	17.05%		2Y TB yield	0.28	4	15
	MSCI Emerging	1,265.10	(0.58%)	(2.03%)		10Y TB yield	1.45	14	52
	MSCI Frontier	662.52	(0.13%)	15.90%		30Y TB yield	1.99	17	33

* As of market close. 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
28-Sep-21	HRHO	OGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
29-Sep-21	DEIN	OGM	Approving the financial statements and other agenda items.
29-Sep-21	CICH	EGM	Amending articles 4, 7 & 19 of the bylaws.
29-Sep-21	IFAP	OGM	Approving the financial statements and other agenda items.
29-Sep-21	IFAP	EGM	Amending articles 3, 24 & 31 of the bylaws.
30-Sep-21	AIFI	OGM	Discussing listing Atlas Siwa for Agricultural Development on the Nilex.
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.
30-Sep-21	MOED	OGM	Approving the financial statements and other agenda items.
30-Sep-21	MICH	OGM	Discussing a dividend distribution for FY2020/21.
2-Oct-21	NRPD	EGM	Amending article 46 of the bylaws.
4-Oct-21	CIRA	Cash dividend	Last date for eligibility for a dividend of EGP0.17/share.
5-Oct-21	CIRA	Cash dividend	Ex-dividend date for EGP0.17/share.
10-Oct-21	CIRA	Cash dividend	Payment date for a dividend of EGP0.17/share.
10-Oct-21	DOMT	BoD meeting	Discussing financial results.
11-Oct-21	ISMQ	OGM	Discussing 2020/21 financials.
11-Oct-21	ISMQ	EGM	Amending the articles of association.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
19-Sep-21	TAKESock – Consumer Staples (Food & Beverage) – All You Can Eat Festival
15-Sep-21	MACROView – Deciphering the Din of Battle
14-Sep-21	TAKESock – Orascom Investment Holding [OIH] — Monetization at Play
9-Sep-21	MACROView – Hot Summer Winds
7-Sep-21	MACROView – The Global Blessing Windfall
6-Sep-21	MACROView – Tempered, But Cautious, Optimism
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	<u>Commercial International Bank [COMI] – Adjustment Post Stock Dividend</u>
16-Aug-21	<u>B Investments Holding [BINV] – Growth Dented Across the Board</u>
11-Aug-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth</u>
10-Aug-21	<u>MACROView – July’s Feverous Inflation</u>
9-Aug-21	<u>CI Capital Holding [CICH] – Robust Exit Saves the Day</u>
5-Aug-21	<u>MACROView – The Sky Is No Blue</u>
4-Aug-21	<u>MACROView – Constrained Recovery</u>
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>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>Elsowedy 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>Elsowedy 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>

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