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The Whistleblower

1. Today's Trading Playbook

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US equities slipped notably on Monday's session, pulled down by heavy tech stocks, following a breakdown in Facebook app, WhatsApp, and Instagram. The sudden breakdown came suspiciously just ahead of the testimony related to an ex manager at Facebook before Congress today, claiming the company is prioritizing profit over public good.

The silver lining of yesterday's declines in the U.S. was the gains achieved by energy stocks, following Brent oil prices above USD80/bbl. This comes in light of OPEC+ decision yesterday to stick to gradual output hikes, adding only 400,000 barrels per day during the month of November. The upbeat outlook regarding oil prices, which took the oil towards its best levels since October 2018, refreshed inflation worries in different regions around the globe, including non-oil other than Asia, with Asian stocks broadly down in Early Tuesday's trading. Meanwhile, US future indices are currently unchanged.

Here at home, we have a handful of listed names that are poised to benefit from the global inflation story, while many others are unfazed. Despite the EGX 30 is currently trading at a forward 2022e P/E of only 6.7x (i.e. an earnings yield of 15%), it's the general risk off/on mode of global investors towards EMs that will set the bar for the status quo of Egypt's large caps.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Egypt's PMI fell to a four-month low of 48.9 in September, from 49.8 in August. The index was below the 50.0 neutral mark for the tenth month in a row, signaling a contraction in the non-oil economy. We'll be publishing our PMI note shortly after. ([Markit](#))

The Central Bank of Egypt (CBE) amended some conditions of the mortgage initiative for middle-income people. CBE decided to increase the financing period to reach 25 years instead of 20 years, The Central Bank also decided to cancel the requirement for the maximum net area of the unit in addition to increasing the maximum unit price to EGP2.5mn, while facilitating the terms of guarantees and allowing banks to accept alternative guarantees in the event that the unit cannot be registered. ([Hapi](#))

Egypt will receive a total of 8mn doses of Pfizer and Moderna vaccines from the U.S. this month, all of it is a donation. ([Enterprise](#))

Egypt's foreign currency reserves inched up USD153mn in September, reaching USD40.83bn from USD40.67bn in August. ([CBE](#))

CORPORATE NEWS

Vortex Energy, a company managed by EFG Hermes Holding's [HRHO] private equity arm, will inject along with its co-investors a total of EUR625mn, where HRHO's contribution is c.EUR150mn, into Ignis Energy Holdings for a 49% stake in the Spanish renewable energy developer. The investment will be made over a series of capital injections over the coming few years. ([Company disclosure](#)) ([Al-Mal](#)). Moreover, EFG Hermes Holding [HRHO] will enter into a partnership with Microsoft [**NASDAQ: MSFT**] that the latter will provide cloud solutions to accelerate HRHO's digital transformation. That is aimed to improve customer, employee and developer experience. ([Mubasher](#))

Misr Insurance Holding Group decided to drop its plans to acquire Misr Health Care to manage medical treatment programs. ([Al-Borsa](#))

GLOBAL NEWS

New orders for U.S.-made goods accelerated in August, pointing to sustained strength in manufacturing even as economic growth appeared to have slowed in the third quarter because of shortages of raw materials and labor. ([Reuters](#))



Worries about rising debt defaults by Chinese property developers sapped investor sentiment on Tuesday amid fresh credit rating downgrades and uncertainty about the fate of China Evergrande Group as it scrambles to raise cash by selling assets. ([Reuters](#))

The Biden administration offered its strongest signal yet that the United States' combative economic approach toward China would continue. ([NY Times](#))

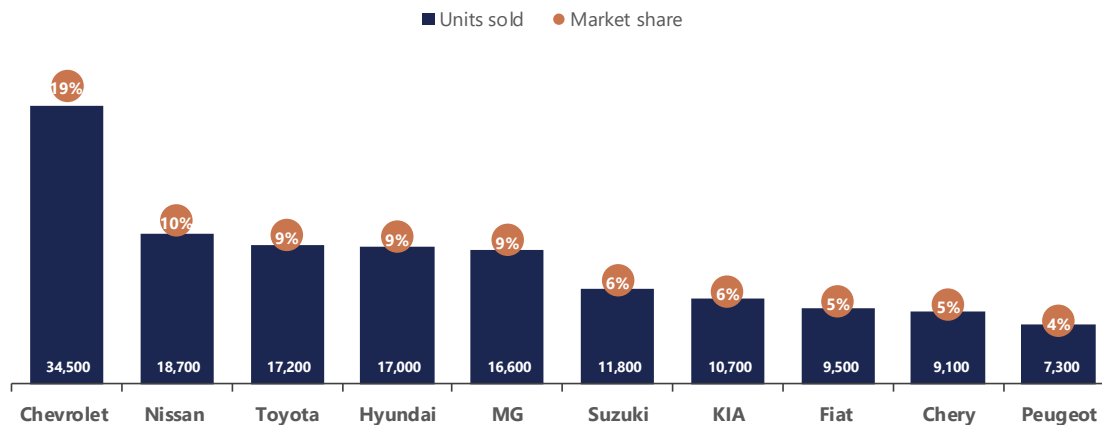
3. CHART OF THE DAY

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The best-selling car brands during Jan-Aug 2021















































Source: Al-Borsa.

Cars sold in Egypt increased 44% y/y during the January-August period to c.186,300 units. Chevrolet cars topped the best-selling list during the first eight months of 2021, after capturing an 19% market share, while Peugeot cars bottomed the list with a market share of 4%.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						697.3		Equity turnover (EGPmn): Last, ytd avg.				980.4		1,178.6			
						daily chg.		ytd chg.						daily chg.		ytd chg.	
		EGX 30	10,427.44	0.59%	(3.85%)												
		EGX 30 TR	4,070.74	0.61%	(2.42%)												
		EGX 70 EWI	2,673.89	(0.15%)	24.65%												
		EGX 100 EWI	3,613.66	(0.05%)	16.65%												
		DFMGI	2,812.14	(0.76%)	12.85%												
		ADSMI	7,698.26	(0.27%)	52.03%												
		TASI	11,466.91	0.12%	31.96%												
		QE Index	11,512.29	0.43%	10.31%												
		S&P 500	4,300.46	(1.30%)	14.49%												
		Dow 30	34,002.92	(0.94%)	11.10%												
		NASDAQ	14,255.48	(2.14%)	10.61%												
		VIX	22.96	8.56%	0.92%												
		STOXX 50	3,996.41	(0.96%)	12.49%												
		MSCI Emerging	1,236.41	(0.82%)	(4.25%)												
		MSCI Frontier	664.78	0.30%	16.30%												

		Gold	1,769.57	0.49%	(7.35%)		
		Silver	22.68	0.64%	(14.82%)		
		Brent Oil	81.26	0.33%	57.39%		
		WTI	77.62	0.19%	60.28%		
		Natural Gas	5.77	2.12%	131.90%		
EGP		USD/EGP	15.71	(0.09%)	(0.15%)		
€		EUR/USD	1.16	(0.20%)	(5.06%)		
£		GBP/USD	1.36	(0.10%)	(0.53%)		
¥		USD/JPY	110.93	0.22%	7.67%		
		6M TB yield	12.55	(6)	(18)		
		1Y TB yield	13.06	3	29		
		10Y TB yield	14.69	(2)	30		
		2Y TB yield	0.27	(2)	14		
		10Y TB yield	1.48	2	55		
		30Y TB yield	2.04	1	38		

* 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

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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
5-Oct-21	PIOH	Suspension of trading	First day of trading suspension for three trading sessions.
5-Oct-21	CIRA	Cash dividend	Date for ex-dividends of EGP0.17/share.
10-Oct-21	CIRA	Cash dividend	Date for paying out a dividend of EGP0.17/share.
10-Oct-21	DOMT	BoD meeting	Discussing the financial results.
11-Oct-21	ISMQ	OGM	Discussing 2020/21 financials.
11-Oct-21	ISMQ	EGM	Amending the articles of association.
13-Oct-21	IRON	OGM	Approving the financial statements and other agenda items.
14-Oct-21	CERA	EGM	Approving a 4-for-1 stock split.
14-Oct-21	RAKT	OGM	Approving the financial statements and other agenda items.
14-Oct-21	RAKT	EGM	Discussing article 38 of the bylaws.
17-Oct-21	WCDF	OGM	Approving the financial statements for FY2017-FY2021.
17-Oct-21	WCDF	EGM	Amending the articles of incorporation.
17-Oct-21	ABUK	Cash dividend	Last date for eligibility for a dividend of EGP1.30/share.
18-Oct-21	AMOC	Cash dividend	Last date for eligibility for a dividend of EGP0.150/share.
18-Oct-21	SIPC	Stock dividend	Last date for eligibility for a 1-for-7 stock dividend.
19-Oct-21	SIPC	Stock dividend	Date for distributing a 1-for-7 stock dividend.
19-Oct-21	AMOC	Cash dividend	Date for ex-dividends of EGP0.150/share.
21-Oct-21	AMOC	Cash dividend	Date for paying out a dividend of EGP0.150/share.
21-Oct-21	ABUK	Cash dividend	Date for paying out a dividend of EGP0.30/share (1st round).
25-Oct-21	IFAP	EGM	Amending articles 3, 24 & 31 of the bylaws.
25-Oct-21	SCFM	OGM	Approving the financial statements and other agenda items.
25-Oct-21	SCFM	EGM	Discussing the continuation of the company.
27-Oct-21	MILS	OGM	Approving the financial statements and the proposed dividend.
27-Oct-21	BTFH	OGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
27-Oct-21	AIH	Lawsuit	A court session discussing legal disputes relevant to the company.
28-Oct-21		MPC Meeting	Determining the CBE's policy rate.
30-Oct-21	EGTS	OGM	Approving the financial statements and other agenda items.
31-Oct-21	MNHD	Cash dividend	Date for paying out a dividend of EGP0.30/share (2nd round).

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
19-Sep-21	TAKEStock – Consumer Staples (Food & Beverage) – All You Can Eat Festival
15-Sep-21	MACROView – Deciphering the Din of Battle
14-Sep-21	TAKEStock – Orascom Investment Holding [OIH] — Monetization at Play
9-Sep-21	MACROView – Hot Summer Winds

7-Sep-21	<u>MACROView – The Global Blessing Windfall</u>
6-Sep-21	<u>MACROView – Tempered, But Cautious, Optimism</u>
5-Sep-21	<u>Misr Chemical Industries [MICH] – Nice While It Lasted</u>
29-Aug-21	<u>Orascom Construction [ORAS] – Recovery on Track Although Below Estimates</u>
24-Aug-21	<u>Abu Qir Fertilizers [ABUK] – When the Stars Align</u>
18-Aug-21	<u>EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth</u>
17-Aug-21	<u>Elsawedy Electric [SWDY] – Impressive Set of Results</u>
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>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>

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