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Stay Vigilant

1. Today's Trading Playbook

TABLE OF CONTENTS**KEY THEMES**

It's the first day back to school! If you do not know what this is this; it means streets are jammed, and it sure gave everyone hard time getting to their offices. However, global markets were just as fuzzy following the latest U.S. jobs report.

The September's U.S. jobs report came short of expectation when it comes to jobs' creation. The U.S. economy created only 194,000 jobs during September vs. expectations of c.500,000 jobs. Meanwhile, labor participation also fell. Such weak report made some people believe that the Fed tapering could witness some delay. However, U.S. equities ended Friday on a flattish note, as the market came to its senses, not ruling out the possibility a gradual tapering at the most imminent window. We note that, the yield on the U.S. 10 year Treasury upped 8bps between Thursday and Friday. The situation with rallying energy prices, alongside other commodities, when added to weak jobs data launched a wide argument about the future of global inflation, and the likelihood of getting a global stagflation narrative.

Here at home, the government's fuel pricing committee raised the price at the nation's pumps by EGP 0.25/ liter on Friday in response to spiraling international costs. The price for diesel remained unchanged to minimize the impact on the prices of fuel and food. This is the third consecutive hike, following the hike that took place in this year's summer. This, for sure, will add layers to the local inflation story. Just this morning, annual urban inflation figures for September were released, scoring 6.6%, above our expectations of 6.2%. We note that, annual urban inflation was 5.7% in August. This will make the CBE more vigilant in anticipation of inflation approaching the upper limit of its target (i.e. 9%).

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The government's fuel pricing committee raised the price at the nation's pumps by EGP 0.25/ liter on Friday in response to spiraling international costs. The price for diesel remained unchanged to minimize the impact on the prices of fuel and food. ([MoP](#))

The government is looking to raise USD2bn through a three-year syndicated facility. The loan will include Environmental, Social and Governance (ESG) and Islamic finance components, with the ESG tranche set to target green projects under the Finance Ministry's green financing framework. ([Egyptian Cabinet](#))

The African Export-Import Bank (Afreximbank) is currently in talks with four local banks over financing worth between USD600mn and USD1bn. ([Al-Mal](#))

The National Bank of Egypt (NBE) will purchase a 20% stake in mass transport operator Mwasalat Misr through a capital increase agreed last Wednesday. ([Enterprise](#))

CORPORATE NEWS

EFG Hermes Holding [HRHO] and The Sovereign Fund of Egypt (TSFE) got the cabinet approval for their 76% acquisition on Arab Investment Bank. ([Gazette](#))

A consortium of Norway's Scatec, Orascom Construction [ORAS] and a private Iraqi company Bilal signed an agreement with Iraq to build a 525 MW solar project in Iraq. ([Reuters](#))

Pioneers Holding [PIOH] plans to exit one of its industrial subsidiaries during the next period. Meanwhile, PIOH plans to expand its NBFS activities, post the demerge, adding microfinance and mortgage finance to the NBFS activities. ([Al-Mal](#))

PACHIN's [PACH] management is taking steps to change the purpose of the company's 51,347-sqm land plots in Al Amiriya, Cairo from industrial to residential. ([Company disclosure](#))

Misr Insurance Holding's (NIHC) CEO announced its intention to float 25% of Misr Life Insurance company on EGX during H2 2022. ([Al-Mal](#))



GLOBAL NEWS

A group of 136 countries on Friday set a minimum global tax rate of 15% for big companies and sought to make it harder for them to avoid taxation in a landmark.

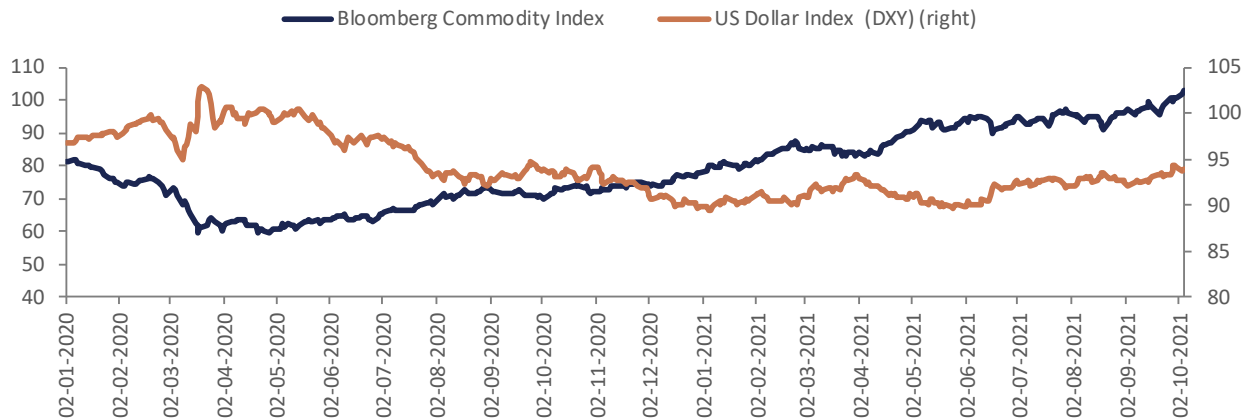
([Reuters](#))

For a second straight month, U.S. job growth proved to be bitterly disappointing in September, coming in more than 300,000 jobs short of what many economists had penciled in. That's after August's report initially came in almost half a million jobs below economists' consensus estimate. ([Reuters](#))

3. CHART OF THE DAY

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Mona Bedeir | Chief Economist


















































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Source: Bloomberg.

In textbooks, a strong U.S. dollar is bearish for commodities as it means prices of commodities dominated in other currencies will rise and demand will fall, and vice versa. However, this inverse relationship has been broken recently, as depicted in the chart, implying demand is not the problem and the supply shortages driven by COVID-19 related disruptions are what's pushing commodity prices up in tandem with the strong dollar.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						699.0		Equity turnover (EGPmn): Last, ytd avg.				1,153.5		1,178.6							
						daily chg.		ytd chg.						daily chg.		ytd chg.					
		EGX 30	10,536.39	0.99%	(2.85%)			Gold	1,757.13	0.08%	(7.44%)				Silver	22.68	0.33%	(14.11%)			
		EGX 30 TR	4,113.84	1.00%	(1.39%)				Brent Oil	82.39	0.54%	59.05%				WTI	79.35	1.34%	63.54%		
		EGX 70 EWI	2,662.81	0.17%	24.13%				Natural Gas	5.57	(1.97%)	119.18%		EGP		USD/EGP	15.70	(0.00%)	(0.26%)		
		EGX 100 EWI	3,608.62	0.16%	16.49%			€		EUR/USD	1.16	0.15%			(5.30%)		£		GBP/USD	1.36	(0.03%)
		DFMGI	2,772.44	0.76%	11.25%			TASI	11,591.33	0.17%	33.39%		¥		USD/JPY	112.24	0.55%	8.71%			
	ADSMI	7,709.35	0.71%	52.80%				QE Index	11,535.21	(0.62%)	10.53%				6M TB yield	12.55	(6)	(18)			
		S&P 500	4,391.34	(0.19%)		16.91%		1Y TB yield	13.06	3	29				10Y TB yield	14.70	1	31			
		Dow 30	34,746.25	(0.03%)		13.53%		2Y TB yield	0.31	3	18					10Y TB yield	1.61	8	68		
		NASDAQ	14,579.54	(0.51%)		13.12%		30Y TB yield	2.17	6	51										
	VIX	18.77	(3.94%)	(17.49%)			STOXX 50	4,073.29	(0.61%)	14.66%				2Y TB yield	0.31	3	18				
		MSCI Emerging	1,257.04	0.30%		(2.65%)		10Y TB yield	1.61	8	68			30Y TB yield	2.17	6	51				
		MSCI Frontier	669.19	0.32%		17.07%															

* 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
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
6-Oct-21	MACROView – On “Risk Control” Mode
6-Oct-21	MACROView – The Tortuous Path to Recovery
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	<u>MACROView – Hot Summer Winds</u>
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>Elsewedy 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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