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A Bird's Eye View

1. Today's Trading Playbook

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Yesterday, we published our [pre-IPO note on e-finance \[EFIH\]](#), where we evaluated the stock from all angles. Set at EGP13.98/share, EFIH's IPO price indicates the following:

- **EFIH's market cap of EGP24.9bn** is 444% higher than FWRV's EGP4.6bn at IPO debut and 6% below FWRV's current market cap of EGP26.3bn.
- **EFIH's implied TTM P/E of 51.8x** is at a 30% discount to FWRV's IPO TTM P/E of 73.7x and a 55% discount to FWRV's TTM P/E of 114.9x.
- **EFIH's implied forward P/E of 45x** is at a 4% premium to FWRV's IPO forward P/E of 43.1x and a 49% discount to FWRV's forward P/E of 88.9x.

The aforementioned points would emphasize EFIH's cheaper multiples to Fawry [**FWRV**], its only EGX-listed peer. Looking at the aforementioned set of multiples made us curious about those of EFIH's peers in emerging markets (EM), which drew us to the conclusion that, from a TTM P/E perspective, EFIH is 17% cheaper than its EM peers with a TTM P/E of 62.5x. Thus, EFIH's implied valuation from the eyes of developing markets peers could fetch EGP16.9/share. This suggests a 21% upside to EFIH's IPO price of EGP13.98/share.

Valuation TTM	EFIH	FWRV	Premium/ (Discount)	EM* Peers	Premium/ (Discount)
EV/EBITDA	34.3x	66.0x	-48%	28.4x	21%
P/E	51.8x	114.9x	-55%	62.5x	-17%
P/B	19.5x	21.0x	-7%	5.6x	246%
P/S	15.2x	18.4x	-18%	7.6x	101%

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Egypt's banks will adopt the Tax Authority's e-invoicing system, according to the Finance Ministry. ([The Cabinet](#))

Egypt government bond will join J.P Morgan EM bond index beginning January 31 2022 with estimated weight of 1.85%. ([Reuters](#))

Egypt will be looking to tap international debt markets again in February or March 2022, according to Vice Minister of Finance. He also said, Egypt is currently in talks with banks and international institutions to expand the framework of our sovereign green bonds into more comprehensive development bonds. ([Enterprise](#))

Foreign holdings of Egypt's debt currently sits at around USD30bn. ([Enterprise](#))

Egypt and Greece are set to agree on building an undersea cable through which Egypt will export surplus electricity to Greece, with the two countries set to sign MoU in Athens later today. ([Reuters](#))

Egypt's trade balance deficit decreased by 14.6% by the end of July 2021 compared to the same month last year. ([Masrawy](#))

CORPORATE NEWS

Orascom Construction [ORAS] announced that its consortium with each of Japanese Toyota Tsusho Corporation, Eurus Energy Holding, and French ENGIE has signed an agreement with the Egyptian Electricity Transmission Company (EETC) to develop, construct, and operate a 500MW wind production station electricity in Ras Ghareb for 20 years. ([Company disclosure](#))

Raya Contact Center's [RACC] BoD decided to reduce the company's paid capital by EGP2.84mn through writing off 5.69mn in treasury shares. ([Company disclosure](#))

The FRA is currently checking Sidi Kerir Petrochemicals' [SKPC] documents to raise its paid capital through the distribution of 10% bonus shares. ([Company disclosure](#))

Amer Group [AMER] bought back 2.7mn in treasury shares on 13 October 2021. ([Company disclosure](#))

GLOBAL NEWS

U.S. inflation accelerated to 5.4%y/y and 0.4 m/m last month and remained at its highest rate in over a decade, with price increases from pandemic-related labor and materials shortages rippling through the economy. ([WSJ](#))

The IMF now sees the budget deficit narrowing to 6.3% of GDP by the end of the current fiscal year, compared to 7.3% in FY21. ([IMF](#))

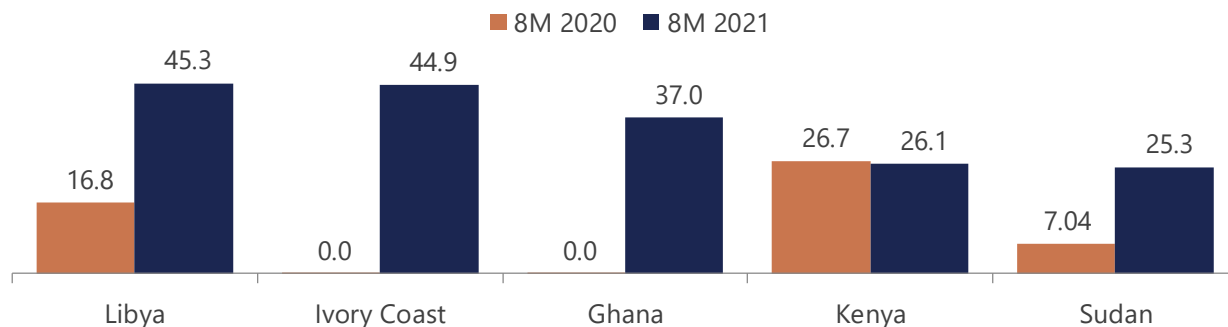
Singapore's central bank unexpectedly tightened its monetary policy on Thursday, delivering its first such move in three years, amid mounting cost pressures caused by supply constraints and a recovery in the global economy. ([Reuters](#))

3. CHART OF THE DAY

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Egyptian Cement Export Destinations (USDmn)



Source: ECBM.

Cement exports had an outstanding recovery in 8M 2021. According to ECBM, the total exported cement increased by 198% y/y to USD281mn in 8M 2021 backed by Egypt's exports to African countries. Libya reserved its first place with cement exports worth USD45.3mn (+170% y/y). Meanwhile, Ivory Coast witnessed the biggest absolute change in the top five destinations with exports of USD44.9mn in 8M 2021 compared to only USD0.05mn a year before. However, exports to Kenya slipped slightly y/y from USD26.7mn in 8M 2020 to USD26.1mn in 8M 2021.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						708.4		Equity turnover (EGPmn): Last, ytd avg.				1,143.7		1,178.6					
						daily chg.		ytd chg.						daily chg.		ytd chg.			
		EGX 30	10,881.40	0.90%	0.33%			Gold	1,792.97	1.86%	(5.56%)				Silver	23.09	2.35%	(12.43%)	
		EGX 30 TR	4,248.51	0.92%	1.84%			Brent Oil	83.18	0.84%	61.93%				WTI	80.44	0.81%	67.13%	
		EGX 70 EWI	2,647.49	(1.21%)	23.42%			Natural Gas	5.59	1.66%	123.83%				USD/EGP	15.70	(0.13%)	(0.25%)	
		EGX 100 EWI	3,598.70	(0.88%)	16.17%			EUR/USD	1.16	0.03%	(5.06%)				GBP/USD	1.37	0.13%	0.05%	
		DFMGI	2,789.37	0.06%	11.93%			GBP/USD	1.37	0.13%	0.05%				USD/JPY	113.25	0.21%	9.92%	
		ADSMI	7,786.29	(0.01%)	54.52%				6M TB yield	12.57	2	(16)			1Y TB yield	13.11	6	34	
		TASI	11,624.98	0.71%	33.78%			10Y TB yield	14.70	1	31				2Y TB yield	0.36	1	23	
		QE Index	11,603.88	0.07%	11.19%			10Y TB yield	1.55	(3)	62				30Y TB yield	2.06	(3)	40	
		S&P 500	4,363.80	0.30%	16.18%			1Y TB yield	13.11	6	34				2Y TB yield	0.36	1	23	
		Dow 30	34,377.81	(0.00%)	12.32%			10Y TB yield	1.55	(3)	62				30Y TB yield	2.06	(3)	40	
		NASDAQ	14,571.63	0.73%	13.06%			10Y TB yield	1.55	(3)	62				30Y TB yield	2.06	(3)	40	
		VIX	18.64	(6.10%)	(18.07%)			10Y TB yield	1.55	(3)	62				30Y TB yield	2.06	(3)	40	
		STOXX 50	4,083.28	0.70%	14.94%			2Y TB yield	0.36	1	23				2Y TB yield	0.36	1	23	
		MSCI Emerging	1,260.23	0.53%	(2.40%)			10Y TB yield	1.55	(3)	62				30Y TB yield	2.06	(3)	40	
		MSCI Frontier	674.52	0.28%	18.00%			2Y TB yield	0.36	1	23				2Y TB yield	0.36	1	23	

* As of market close, except for commodities and currencies at 8.1am 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
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.
25-Oct-21	MICH	Cash dividend	Last date for eligibility for a dividend of EGP1.00/share.

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.
28-Oct-21	MICH	Cash dividend	Date for paying out a dividend of EGP0.50/share (1st round).
30-Oct-21	COSG	EGM	Discussing a capital decrease.
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).
1-Nov-21	ICLE	Cash dividend	Payment date for a dividend of EGP2.50/share.
1-Nov-21	SPIN	OGM	Approving financial results and other Agenda items.
1-Nov-21	CEFM	OGM	Approving FY21 financial results and the proposed dividends.
2-Nov-21	KABO	OGM	Approving financial results and other Agenda items.
2-Nov-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
2-Nov-21	EDFM	OGM	Approving FY21 financial results and the proposed dividends and other Agenda items.
2-Nov-21	EDFM	EGM	EGM Amending articles of incorporation.
2-3 Nov-21		FOMC	Determining US Monetary stance.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
13-Oct-21	<u>e-finance [EFIH] – An Eye-Opening IPO</u>
10-Oct-21	<u>MACROView – Walking a Tightrope</u>
6-Oct-21	<u>MACROView – On “Risk Control” Mode</u>
6-Oct-21	<u>MACROView – The Tortuous Path to Recovery</u>
19-Sep-21	<u>TAKEStock – Consumer Staples (Food & Beverage) – All You Can Eat Festival</u>
15-Sep-21	<u>MACROView – Deciphering the Din of Battle</u>
14-Sep-21	<u>TAKEStock – Orascom Investment Holding [OIH] — Monetization at Play</u>
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>Elsowedy 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>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 [MACROView – The Highest Reading in Six Years](#)
- 25-Oct-20 [CIB \[COMI\] – Short-term pain for longer-term gain](#)

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