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Reminiscing

1. Today's Trading Playbook

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KEY THEMES

Oil prices continued to soar on the first day trading of the week, reaching levels not seen before since October 2018 and November 2014. The tenuous rally, which kicked off with oil prices around USD16/bbl mid-2020, has elevated prices to trade this morning above the USD85/bbl mark. Reasons continued to be the bounce in power demand that is unmatched with high coal and natural gas prices. This, in return, throws the ball to fuel oil, being a cheaper alternative at the moment, hence stimulating demand for more oil barrels. For more details, please read our [Trading Playbook](#) issued on 4 October 2021.

Elsewhere, the EGX 30 is now running on a hot nine-day winning streak, which sparked on 4 October's trading session, gaining nearly 790 points or 7.6% amid a slight improvement in trading activities. The current recovery so far in October is mainly anchored around CIB [**COMI**], followed by EK Holding [**EKHO**], besides Fawry [**FWRY**], and Ezz Steel [**ESRS**], which reestablishes the notion that the shift from small- to large-cap preference is building up. Despite the 9-day winning streak, the EGX 30 still trades at 2022e P/E of only 7x (i.e. earnings yield of 14.3%).

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The Ministry of Finance is now planning a series of incentives designed to help businesses in sectors it identifies as key growth. Among the ministry's priorities on the incentive front: extending the current freeze on natural gas prices for industry, a new incentive program for local automotive assembly, and revamped export subsidies program. ([Enterprise](#))

The House of Representatives' CIT Committee yesterday gave final approval to a draft law to regulate Egypt's fintech sector. ([Al-Mal](#))

Investments of foreign oil companies operating in Egypt declined by 26% y/y during FY21, recording USD5.4bn, compared to USD7.3bn during the previous fiscal year. ([Economy plus](#))

Workers remittances' last decreased by 3% y/y to record about USD2.79bn in July 2021. ([Economy Plus](#))

The Egyptian government aims to achieve a primary surplus of 1.5% of GDP, reduce the total deficit to 6.7%, and reach a growth rate of 5.4%. ([Economy Plus](#))

CORPORATE NEWS

e-finance's [EFIH] initial public offering (IPO) was oversubscribed 61.36x with 1.58bn shares ordered for the retail portion of 25.8mn shares. Meanwhile, **EFIH partnered with Universal Health Insurance Authority (UHIA) to establish a joint venture focused on digitalizing healthcare services, named e-health.** ([EGX](#), [Al-Mal](#))

Eastern Co.'s [EAST] bottom line hit EGP4.2bn in 2020/2021 (+13% y/y), while revenues increased to EGP16bn (+11% y/y). EAST improved its GPM to 42% or EGP6.8bn from 40% or EGP5.8bn a year ago. ([Company disclosure](#))

Telecom Egypt [ETEL] and Nokia International signed a cooperation agreement with the aim of building the first infrastructure in Egypt exclusively to provide Internet of Things (IoT) services through Nokia's global network (WING). ([Arab Finance](#))

Arab Ceramic Co.'s (Ceramica Remas) [CERA] OGM approved a 4-for-1 stock split after the Financial Regulatory Authority (FRA) gave its nod. CERA's par value will be EGP0.25 vs. EGP1.0 currently. ([Company disclosure](#))

Nasr Co. for Civil Works [NCCW] is on its way to do sewage work worth EGP174mn in Fayoum as per a letter of intention it received from the Arab Organization for Industrialization. ([Company disclosure](#))

GLOBAL NEWS

The U.S. dollar found a footing on Monday as soft economic data in China and climbing oil prices jangled investors' nerves that inflation will drive interest rates higher. ([Reuters](#))

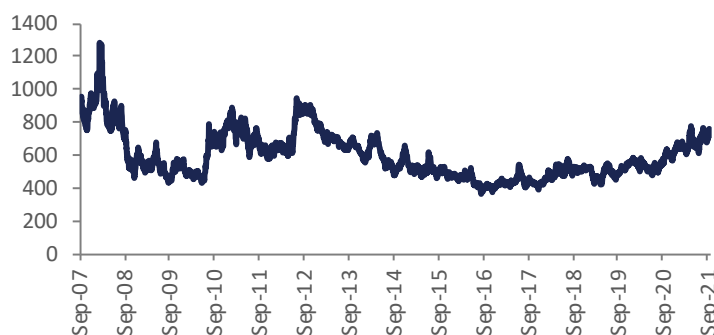
China's economy hit its slowest pace of growth in a year in the third quarter. Hurt by power shortages, supply chain bottlenecks and major wobbles in the property market, and raising pressure on policymakers to do more to prop up the faltering recovery. Data released on Monday showed GDP grew 4.9% in Q3 2021 from a year earlier, the weakest clip since the third quarter of 2020 and missing forecasts. ([Reuters](#))

3. CHART OF THE DAY

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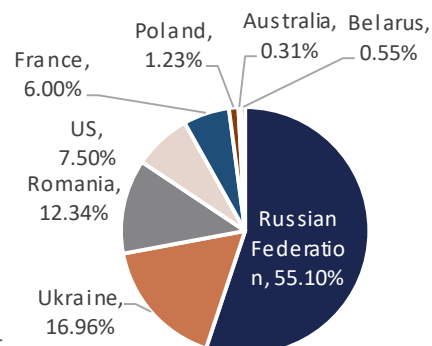
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Chicago wheat futures prices (USD)



Source: Bloomberg.

Egypt's main wheat importers markets



Benchmark Chicago wheat futures climbed more than 13% ytd after an increase of more than 20% in 2020. Bad weather in North America and Russia in addition to higher shipping costs continue to fuel the price rally. Global wheat stockpiles came also below all estimates as the USDA's October World Agricultural Supply & Demand Estimates (WASDE) report estimates global wheat ending stocks for 2021-22 at 277.175mn metric tons, down for a second year and to the lowest stocks reported since 2016-17, or five years. This should add more pressures on Egypt's import bills of wheat, clouding the outlook for inflation.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.			
717.4					1,267.8 1,178.6			
			daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	11,155.57	1.45%	2.86%		Gold	1,767.62	(1.57%) (7.04%)
	EGX 30 TR	4,358.32	1.47%	4.47%		Silver	23.31	(0.89%) (11.83%)
	EGX 70 EWI	2,639.46	0.11%	23.04%		Brent Oil	84.86	0.74% 65.04%
	EGX 100 EWI	3,609.93	0.47%	16.53%		WTI	82.28	1.17% 71.56%
	DFMGI	2,802.12	0.45%	12.45%		Natural Gas	5.41	(4.45%) 103.58%
	ADSMI	7,834.71	0.30%	55.78%		USD/EGP	15.72	0.11% (0.20%)
	TASI	11,773.36	0.63%	35.49%		EUR/USD	1.16	(0.22%) (5.25%)
	QE Index	11,751.38	0.75%	12.78%		GBP/USD	1.38	(0.12%) 0.47%
	S&P 500	4,471.37	0.75%	19.04%		USD/JPY	114.22	0.11% 10.74%
	Dow 30	35,294.76	1.09%	15.32%		6M TB yield	12.60	4 (13)
	NASDAQ	14,897.34	0.50%	15.59%		1Y TB yield	13.16	5 39
	VIX	16.30	(3.32%)	(28.35%)		10Y TB yield	14.70	1 31
	STOXX 50	4,182.91	0.82%	17.74%		2Y TB yield	0.40	4 27
	MSCI Emerging	1,283.67	1.34%	(0.59%)		10Y TB yield	1.58	2 65
	MSCI Frontier	678.35	0.15%	18.67%		30Y TB yield	2.04	(2) 38

* As of market close, except for commodities and currencies at 8.55am 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
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, the proposed dividends and other Agenda items.
2-Nov-21	EDFM	EGM	Amending articles of incorporation.
2-3 Nov-21		FOMC	Determining U.S. Monetary stance.

7. LATEST RESEARCH

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DATE	PUBLISHED REPORT
13-Oct-21	e-finance [EFIH] – An Eye-Opening IPO
10-Oct-21	MACROView – Walking a Tightrope
6-Oct-21	MACROView – On “Risk Control” Mode
6-Oct-21	MACROView – The Tortuous Path to Recovery
19-Sep-21	TAKESStock – Consumer Staples (Food & Beverage) – All You Can Eat Festival



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>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>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>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>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>

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