

TABLE OF CONTENTS

1. Today's Trading Playbook	2. Top News & Analysis	3. Chart of the Day
4. Markets Performance	5. Latest EGX Valuation Multiples	6. Key Dates
		7. Latest Research

Liquidity Recoil

1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

KEY THEMES

Last Wednesday, the market witnessed the debut of e-finance [EFIH] which dominated the market's trading activities at its first appearance. Such show-stealing performance was borderline expected, yet the state of how the rest of the market behaved came more in an improvised fashion. Liquidity was violently taken out of the EGX 70 EWI stocks, feeling the heavy recoil that arises from remapped investor preferences. If it's not for altering the circuit breaker limit to 10%, instead of 5% I, for the EGX 100 EWI, trading could have halted for 30 minutes for the second session in a row. On the other hand, the EGX 30, while enduring some losses, remained safe from the aforementioned recoil, slipping only 0.56% by close (vs. 2.72% for the EGX 70 EWI). We attribute the scene that took place last Wednesday to the snowball effect caused by margin trading, which tends to amplify the EGX70 EWI movement, overshooting both on the way up and the way down. We do not think the EGX 70 EWI performance on Wednesday is an actual liquidity migration to the large cap universe, yet it's a very strong indication that such migration is imminent. Hence, we encourage buying dips under the possibility of any future contagion effect hitting large caps in general.

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

2. TOP NEWS & ANALYSIS

[TABLE OF CONTENTS](#)

MACRO NEWS

Egypt's economy is expected to grow 5.1% in the fiscal year that ends in June 2022 then accelerate to 5.5% in each of the following two fiscal years as tourism continues to rebound and the effects of the coronavirus pandemic wane, according to a Reuters poll. ([Reuters](#))

Fitch Ratings has affirmed Egypt's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'B+' with a Stable Outlook. ([Fitch](#))

Egypt received 1.4mn doses of Pfizer's COVID-19 vaccine from the U.S. on Friday under the Gavi / Covax program. ([US State Department's Bureau of Near Eastern Affairs](#))



Egyptian hotels are now allowed to operate at full capacity for the first time in 18 months.

Meanwhile, the German "FTI" group intends to return strongly once again to the Egyptian tourism market, according CEO of the company's local agent. ([Akhbar Alyoum](#), [Al-Shorouk](#))

Water-scarce Egypt aims to more than quadruple desalination capacity by granting private companies concessions from its sovereign wealth fund to build 17 plants over the next five years with sustainable solar energy. ([Reuters](#))

Egypt and Israel are considering connecting their gas grids through a new USD200mn onshore pipeline that would run through North Sinai, the Israeli energy ministry said.

([Reuters](#))

The European Bank for Reconstruction & Development (EBRD) is committed to supporting the Egyptian private and public sectors as the two sides begin preparations for the new country strategy. (The Cabinet [1](#), [2](#))

CORPORATE NEWS

e-finance [EFIH] will purse the CBE's digital bank license once the framework is disclosed.

EFIH could partner with another commercial bank if the requirements obligated so. ([Al-Mal](#))

Eastern Company [EAST] aims to penetrate different global markets by launching a new product in the segment of moassel tobacco. Meanwhile, EAST will invest more than EGP1bn to improve its manufacturing capabilities. (Hapi)

Telecom Egypt [ETEL] secured a new USD500mn medium-term syndicated loan to finance its capital expenditure and refinance existing short-term facilities. ([Company disclosure](#))

Cairo for Investment & Real Estate Development [CIRA] and Al Ahly Capital Holding will create Al Ahly CIRA for Educational Services through signing a partnership and investment management agreement. The platform will start its initial investment project by establishing Egypt's first private technology university specialized in technology and applied education at an investment cost amounting to EGP2bn. ([Company disclosure](#))

Qalaa Holdings' [CCAP] subsidiary TAQA Arabia announced commencing operation at its latest solar power station, with an overall capacity of 6.0MW located at Dina Farms.

([Mubasher](#))

GLOBAL NEWS

Nearly 100mn people nationwide in the U.S. are immediately eligible to receive COVID-19 booster shots after the Centers for Disease Control and Prevention authorized extra doses of Moderna and Johnson & Johnson's vaccines. ([CNBC](#))

Nations are edging toward a deal that could create a global carbon market when they meet in Scotland for COP26 climate talks in about a week, after Brazil signaled its will to compromise. ([Bloomberg](#))

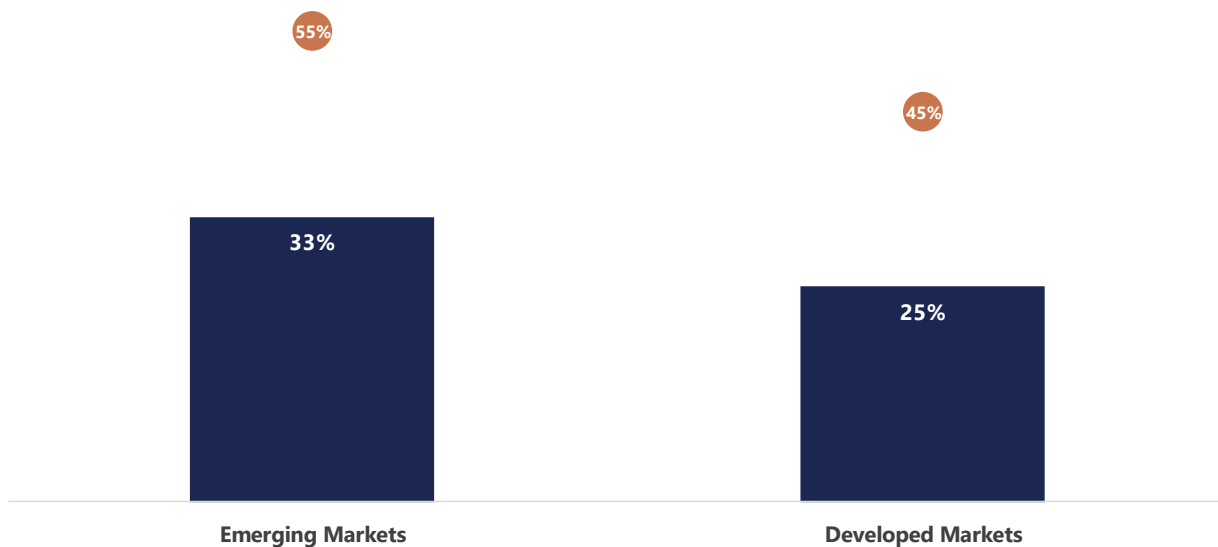
3. CHART OF THE DAY

[TABLE OF CONTENTS](#)

Nada Wagdy | Equity Analyst
nwagdy@egy.primegroup.org

World's car production y/y growth in H1 2021

■ Car production's y/y growth in H1 2021 ● Market share in H1 2021



Source: Al-Mal.

World's car production increased 29% y/y in H1 2021 to c.40mn cars. Emerging markets' car production grew 33% y/y during the same period to c.22mn cars, which contributed to raising their share in world total production to 55% by the end of June 2021, compared to 53% in June 2020. Meanwhile, car production in developed markets upped 25% y/y in H1 2021 to c.18mn cars. Still, its share in world total production fell to 45%, compared to 47% in the same period last year.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
742.1					3,285.9 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	11,132.07	(0.56%)	2.64%		Gold	1,792.65	0.55%	(5.57%)
	EGX 30 TR	4,362.61	(0.49%)	4.57%		Silver	24.32	0.69%	(7.87%)
	EGX 70 EWI	2,413.56	(2.72%)	12.51%		Brent Oil	85.53	1.09%	65.12%
	EGX 100 EWI	3,390.16	(2.00%)	9.44%		WTI	83.76	1.53%	72.63%
	DFMGI	2,857.32	1.39%	14.66%		Natural Gas	5.28	3.23%	107.96%
	ADSMI	7,876.28	(0.15%)	57.01%	EGP	USD/EGP	15.70	(0.00%)	0.25%
	TASI	11,939.58	0.30%	37.40%	€	EUR/USD	1.16	0.17%	(4.69%)
	QE Index	11,871.43	0.13%	13.76%	£	GBP/USD	1.38	(0.28%)	0.62%
	S&P 500	4,544.90	(0.11%)	21.00%	¥	USD/JPY	113.50	0.43%	(9.03%)
	Dow 30	35,677.02	0.21%	16.57%		6M TB yield	12.60	4	(13)
	NASDAQ	15,090.20	(0.82%)	17.08%		1Y TB yield	13.16	5	39
	VIX	15.43	2.80%	(32.18%)		10Y TB yield	14.73	3	33
	STOXX 50	4,188.81	0.80%	17.91%		2Y TB yield	0.46	5	33
EM	MSCI Emerging	1,293.14	0.01%	0.15%		10Y TB yield	1.64	(2)	71
FM	MSCI Frontier	678.50	0.19%	18.70%		30Y TB yield	2.07	(3)	41

* As of market close. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

TABLE OF CONTENTS

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

TABLE OF CONTENTS

DATE	TICKER	TYPE	EVENT
24-Oct-21	ALCN	BoD meeting	Discussing financial results.
25-Oct-21	MICH	BoD meeting	Follow up on production, sales and exports.
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 the 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 the 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

TABLE OF CONTENTS

DATE	PUBLISHED REPORT
19-Oct-21	<u>MACROView – The Storm Is Gone but the Headwinds Persist</u>
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>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>

Prime Securities

Shawkat El Maraghy

Managing Director

T +20233005622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +20233005784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

AAlaa@egy.primegroup.org

Mohamed ElMetwaly

Manager

T +20233005610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +20233005624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +20233005724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi El Nil St., Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

Alexandria

7 Albert Al Awa St.
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

Website

www.primeholdingco.com

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2021, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.