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The Egyptian government's decision to raise natural gas prices for certain industries will take effect tomorrow, 1 November. Below, we summarize our take on the effect this step will bring about on the listed companies. Meanwhile, a more detailed analysis can be found in [our TAKEStock published earlier this morning](#).

We see certain names taking a punch to their pocketbooks, mainly manufacturers of fertilizers (e.g. Abu Qir Fertilizers [**ABUK**], MOPCO [**MFPC**], and Alexfert which is a 55.4%-owned subsidiary of Egypt Kuwait Holding Co. [**EKHO/EKHOA**]), as well as steel (e.g. Ezz Steel [**ESRS**]). Inversely, we note the price increase should not impact Sidi Kerir Petrochemicals [**SKPC**] as it pays for natural gas using a pricing formula. Egypt's cement manufacturers will not be hurting either, being mostly reliant on coal, and this price hike will most likely lead them to jettison their plans to reuse natural gas. Lastly, Egypt's ceramics manufacturers will generally be minimally impacted, with the exception of Lecico Egypt [**LCSW**].

For more details, please read our [TAKEStock](#).

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

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Abu Qir Fertilizers	ABUK
FV / 12M PT (EGP)	21.9 / 25.4
Closing price (EGP)	21.50
Up/(downside) potential	18%
MOPCO	MFPC
FV (EGP)	75.0
Closing price (EGP)	101.90
Up/(downside) potential	(26%)
Egypt Kuwait Holding Co.	EKHO/ EKHOA
Impact per share (USD / EGP)	(0.08) / (1.3)
Closing price (USD / EGP)	1.379 / 21.40
Up/(downside) potential	(6%) / (6%)
Ezz Steel	ESRS
Impact per share (EGP)	(7.93)
Closing price (EGP)	15.86
Up/(downside) potential	(50%)
Lecico Egypt	LCSW
Impact per share (EGP)	(0.89)
Closing price (EGP)	3.26
Up/(downside) potential	(27%)
Al-Ezz for Ceramics & Porcelain (Gemma)	ECAP
Impact per share (EGP)	(0.65)
Closing price (EGP)	9.63
Up/(downside) potential	(7%)
Arab Ceramic Co. (Ceramica Remas)	CERA
Impact per share (EGP)	(0.19)
Closing price (EGP)	3.24
Up/(downside) potential	(6%)

* As of 28 October 2021.

Source: Prime Research.

2. TOP NEWS & ANALYSIS

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MACRO NEWS

In line with expectations, the Central Bank of Egypt (CBE) left interest rates on hold for the eighth consecutive meeting last Thursday amid growing risks of inflation and global tightening conditions. ([CBE](#))

The Egyptian government hiked gas prices for factories by up to 28% on the backdrop of the surge on global gas prices. Cement, iron, steel, petrochemicals, and fertilizers producers will now pay USD5.75/MMBtu, up from USD4.5/MMBtu. Gas prices for other industries will be set at USD4.75/MMBtu. ([Reuters](#))

Starting from next month, the price of a cooking oil liter will increase from EGP21 to EGP25 for ration card holders, while the 800ml bottle will jump from EGP17 to EGP20. Meanwhile, the government is downplaying the likelihood of an imminent increase in the price of subsidized bread amid rising global wheat prices, as it will take time for the government to set a new price. ([Reuters](#))

Egypt's pharmaceutical private sector generated higher sales of EGP8.2bn in 9M 2021 (+6% y/y). Retail drug sales rose to c. EGP62bn in 9M 2021 (+6.1% y/y) and to EGP84.1bn (+7.1%) in the past 12 months ending September 2021. ([Souq Al-Dawaa](#))

The World Bank's Board of Executive Directors approved a USD360mn Development Policy Financing (DPF) loan to support Egypt's post-pandemic recovery and enhance the country's prospects for sustainable and inclusive growth. ([World Bank](#))

The Ministry of Finance will launch a fourth phase of its export subsidy program at the beginning of November. ([MoF](#))

CORPORATE NEWS

Fertilizer manufacturers are asking for an increase in their local subsidized selling prices between 15-20%, following the recent hike in natural gas prices. (Al-Mal)

Arabian Food Industries (Domty) [DOMT] aims to increase its investments by c. EGP100-150mn during the next year, directed to purchase new production lines and expand production lines for cheese, juices, and dairy. ([Hapi](#))

Elsaeed Contracting Co. [UEGC] and Giza General Contracting & Real Estate Investment Co. [GGCC] approved buying treasury shares capped at 7% and 9% during the period from 28

and 27 October until 28 and 27 January 2022, respectively, in effort to support their share price. (Companies' disclosures: [1](#), [2](#), [3](#), [4](#))

Electro Cable Egypt's [ELEC] BoD endorsed buying treasury shares capped at 10% during the period from 31 October until 31 January 2022. ([Company disclosure](#))

EIPICO's [PHAR] BoD approved assigning Swedish firm Pharmdule Morimatsu to build EIPICO 3 plant for a total of USD43.5mn with a margin of $\pm 5\%$. ([Company release](#))

National Bank of Egypt secured a USD200mn loan From Asian Infrastructure Investment Bank (AIIB), and OPEC Fund for International Development (OPEC Fund). NBE will use the funding to support the infrastructure sector. ([AIIB](#))

Misr Insurance Holding Co. will participate in the private placement of Ghazl El-Mahalla Football Co. by c.EGP15mn, out of the total IPO value of EGP37mn specified for the private placement. (Hapi)

GLOBAL NEWS

A high-ranking Saudi source revealed that the Kingdom deposited USD3bn in the CBE recently and also extended the term of the current deposits, which amount to USD2.3bn. ([Al-Sharq](#))

The United States and European Union have agreed to end a festering dispute over U.S. steel and aluminum tariffs imposed by former President Donald Trump in 2018, removing an irritant in transatlantic relations and averting a spike in EU retaliatory tariffs, U.S. officials said on Saturday. ([Reuters](#))

The U.S. personal consumption expenditures (PCE) index was up in September at a 4.4% annual rate versus 4.2% in August, continuing a run of inflation at levels not seen in 30 years. Excluding food and energy costs, the index rose at a 3.6% annual rate in September, matching the rise in the prior three months and a sign that price increases continue even when some of the more volatile items are excluded. ([Reuters](#))

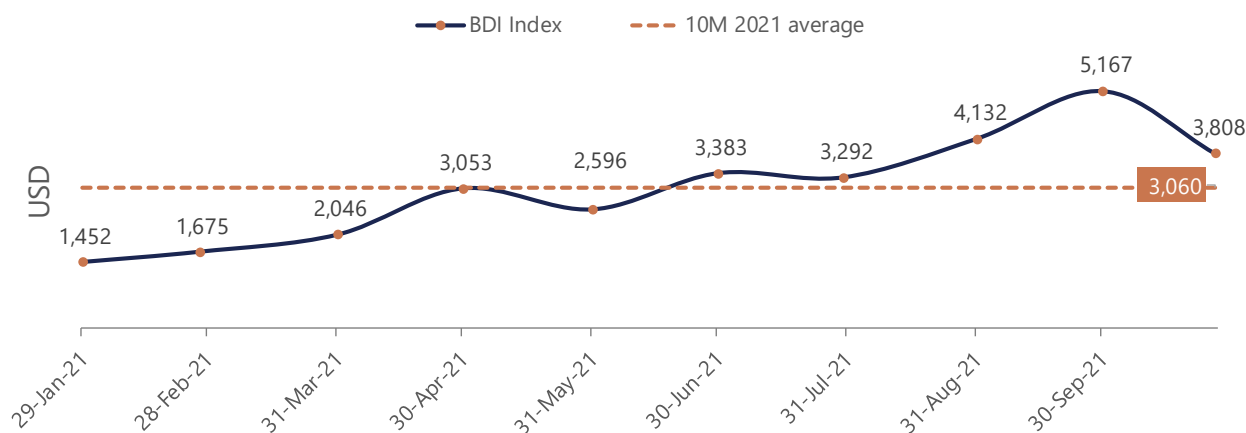
European Central Bank's President Christine Lagarde acknowledged on Thursday that inflation will be high for even longer but pushed back against market bets that price pressures would trigger an interest rate hike as soon as next year. ([Reuters](#))

3. CHART OF THE DAY

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BDI index performance



Source: Bloomberg.

In September 2021, the Baltic Dry Index (BDI), which tracks global shipping costs, reached its highest monthly record in 2021, hitting USD5,167, 69% above the 10M average of USD3,060. On the other hand, during October the index slowed down to USD3,808, yet remained 24% higher than the 10M average.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg,		
746.3					1,409.1 1,178.6		
			daily chg.	ytd chg.		daily chg.	ytd chg.
EGY	EGX 30	11,506.63	1.25%	6.10%	Gold	1,783.38	(0.86%) (6.06%)
	EGX 30 TR	4,509.11	1.26%	8.08%	Silver	23.90	(0.73%) (9.47%)
	EGX 70 EWI	2,305.37	2.50%	7.47%	Brent Oil	83.72	0.07% 61.62%
	EGX 100 EWI	3,299.42	2.15%	6.51%	WTI	83.57	0.92% 72.24%
EGY	DFMGI	2,861.13	(0.11%)	14.81%	Natural Gas	5.43	(6.16%) 113.71%
	ADSMI	7,872.55	0.24%	56.04%	USD/EGP	15.71	(0.01%) 0.20%
EGY	TASI	11,758.82	(0.41%)	35.32%	EUR/USD	1.16	(1.05%) (5.39%)
USA	QE Index	11,806.53	1.21%	13.13%	GBP/USD	1.37	(0.78%) 0.09%
	S&P 500	4,605.38	0.19%	22.61%	USD/JPY	113.95	(0.32%) (9.39%)
	Dow 30	35,819.56	0.25%	17.03%	6M TB yield	12.62	(1) (11)
	NASDAQ	15,498.39	0.33%	20.25%	1Y TB yield	13.20	3 43
	VIX	16.26	(1.63%)	(28.53%)	10Y TB yield	14.73	3 33
EU	STOXX 50	4,250.56	0.39%	19.65%	2Y TB yield	0.50	(4) 37
EM	MSCI Emerging	1,264.75	(0.89%)	(2.05%)	10Y TB yield	1.56	0 63
FM	MSCI Frontier	689.26	(0.24%)	20.58%	30Y TB yield	1.93	(2) 27

* 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
31-Oct-21	UASG	BoD Meeting	Discussing the agenda.
31-Oct-21	MCQE	Cash dividend	Date for paying out a dividend of EGP0.25/share.
31-Oct-21	MNHD	Cash dividend	Date for paying out a dividend of EGP0.30/share (2nd round).
1-Nov-21	ICLE	Cash dividend	Date for paying out 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 the U.S. monetary stance.
3-Nov-21	MOIN	OGM	Approving the financial statements and other agenda items.
4-Nov-21	FWRY	EGM	Amending articles 3, 4 & 21 of the bylaws.
4-Nov-21	UEFM	OGM	Approving FY21 financial results, the proposed dividends and other agenda items.
4-Nov-21	UEFM	EGM	Discussing the continuation of the company.
7-Nov-21	JUFO	OGM	Approving the financial statements ending 31 Dec. 2020 and the proposed dividends.
7-Nov-21	AFMC	OGM	Approving the financial statements and the proposed the dividend.
9-Nov-21	DEIN	Cash dividend	Last date for eligibility for a dividend of EGP0.40/share.
10-Nov-21	DEIN	Cash dividend	Date for ex-dividends of EGP0.40/share.
11-Nov-21	MSCI		MSCI's November 2021 Semi-Annual Index Review Announcement.
14-Nov-21	DEIN	Cash dividend	Date for paying out a dividend of EGP0.40/share.
15-Nov-21	RUBX	EGM	Approving splitting the par value per share and amending articles 6 & 7 of the bylaws.
15-Nov-21	MFPC	EGM	Amending articles 3 & 55 of the bylaws.
17-Nov-21	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
18-Nov-21	HELI	OGM	Approving the financial statements and other agenda items.
18-Nov-21	HELI	EGM	Discussing the agenda.

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DATE	PUBLISHED REPORT
31-Oct-21	<u>TAKEStock – Natural Gas Price Hike</u>
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>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>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>

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