

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

Separating the Wheat from the Chaff

1. Today's Trading Playbook

KEY THEMES

Egypt's milling industry is one of the few industries that include high dividend plays, along with the pharmaceutical industry. The fact that the seven milling stocks listed on the EGX are all state-owned mills means that it is dividend season. State-owned mills end their fiscal year in June with annual cash dividends usually paid in November/December. This is one reason we think milling stocks should perform well over the coming period. Another reason, dividends aside, is that four of these seven names are worth owning on a valuation basis, specifically for income investors. Our top picks are Middle & West Delta Flour Mills [**WCDF**] (PT EGP170.8/share, +65%), East Delta Flour Mills [**EDFM**] (PT EGP131.4/share, +54%), Upper Egypt Flour Mills [**UEFM**] (PT EGP131.4/share, +29%), and Central Egypt Flour Mills [**CEFM**] (PT EGP42.7/share, +28%). While POSITIVE, we see the dividend story a MODERATE impact due to the low trading liquidity of all milling stocks.

For more details please read [our note published yesterday about the Egyptian milling industry](#).

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

2. TOP NEWS & ANALYSIS

MACRO NEWS

SPACs could be landing in Egypt soon after the Financial Regulatory Authority's (FRA) board greenlit a proposal to allow the establishment of blank-check firms here. ([FRA](#))

Egypt is getting seven grants worth USD125mn from the U.S. to support education, health and other development projects. ([Egyptian Cabinet](#))

Egypt has seen the price of Russian wheat rise another 1.5% in just a few days as its state grain buyer issued its second international tender in less than a week. The General Authority for Supply Commodities (GASC) yesterday purchased 180k tons of Russian wheat at an average price of USD332.3 a ton. ([Nasdaq](#))



Egypt vehicle sales grew 37% y/y during the 9M 2021 to 208,900 units, compared to sales of 152,300 units in the same period last year. ([Al-Borsa](#))

CORPORATE NEWS

Egypt Aluminum's [EGAL] preliminary Q1 2021/22 indicators showed bottom line of EGP305mn vs. net losses of EGP151mn a year earlier. Revenues hiked 53% to EGP3.3bn, where GPM came in 16% vs. GLM of 11% a year earlier. The y/y notable recovery is primarily anchored by improving selling prices. However, given the high levels of aluminum prices during the quarter, sales volumes appear to be below our expectations. ([Company disclosure](#))

Arabian Cement Co. [ARCC] said the 28% natural gas price increase to USD5.75/MMBtu will have a limited effect on the company, as it does not rely on natural gas as the main source of fuel. The company went on to say coal is currently more expensive than natural gas, expecting the former will comparatively cheapen to a marked extent. ([Company disclosure](#))

e-finance's [EFIH] BoD announced a cash capital increase of EGP2.49bn through issuing 177.8mn shares at the IPO price of EGP13.98/share. As announced before the offering, this issue will be allocated to pre-IPO shareholders on a pro rata basis. ([Company disclosure](#))

Al Baraka Bank - Egypt's [SAUD] 9M 2021 consolidated net profit retreated to EGP1bn (-9.3% y/y), as provisions built up to EGP415mn (+77% y/y). Meanwhile, net interest income (NII) hit EGP2.1bn (+15.3% y/y), and net lending grew to EGP21.2bn (+8.2% ytd). Ytd, deposits increased to EGP68.5bn (+3.3%). In Q3 2021, ROAE retreated to 25% from 35% y/y. ([Bank release](#)) SAUD is currently trading at a P/BV of 0.51x and a TTM P/E of 2.62x.

CIRA's higher-ed and K-12 students increased 10% y/y in first term of FY22. CIRA is operating and managing 16 faculties and 24 schools nationwide now (vs. 13 and 21, respectively, in the same period last year). ([Company disclosure](#))

Lecico Egypt [LCSW] announced that the natural gas price increase to USD4.75/MMBtu will lead to a small increase in the prices. Meanwhile, the company is still studying the increase effect on the company's operations. ([Company disclosure](#))

GLOBAL NEWS

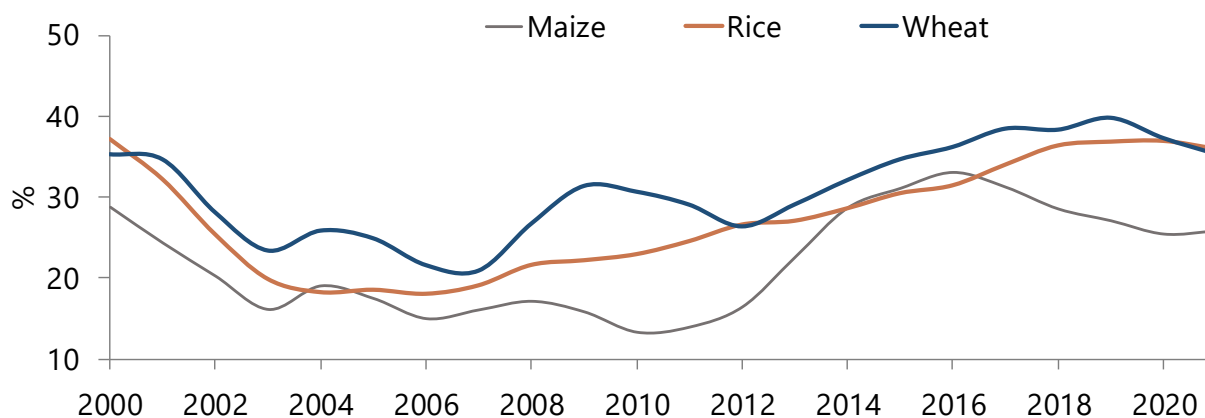
Price and wage increases running at multi-decade highs may challenge Federal Reserve officials this week as they try to maintain a balance between ensuring inflation remains contained and giving the economy as much time as possible to restore the jobs lost since the pandemic. ([Reuters](#))

U.S. manufacturing activity slowed in October as a measure of new orders dropped to a 16-month low and factories continued to experience delays with deliveries of raw materials. ([Reuters](#))

Britain announced on Monday it will fund green investments of more than GBP3bn (USD4.11bn) over five years and new guarantees to support clean infrastructure projects in developing economies. ([Reuters](#))

3. CHART OF THE DAY











































Mona Bedeir | Chief Economist
mbedeir@egy.primegroup.org



Source: The World Bank.

The aggregate global stocks-to-use ratio, an approximate measure of supply relative to demand, has declined during the past four crop seasons but is still high by historical averages.

4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)						748.1		Equity turnover (EGPmn): Last, ytd avg.					1,340.2		1,178.6	
						daily chg.	ytd chg.						daily chg.	ytd chg.		
		EGX 30	11,568.27	1.30%	6.67%			Gold	1,793.28	0.56%	(5.50%)					
		EGX 30 TR	4,531.83	1.30%	8.63%			Silver	24.04	0.59%	(9.19%)					
		EGX 70 EWI	2,316.58	0.52%	7.99%			Brent Oil	84.71	0.45%	64.27%					
		EGX 100 EWI	3,305.42	0.55%	6.70%			WTI	84.05	0.26%	73.68%					
		DFMGI	2,881.55	0.61%	15.63%			Natural Gas	5.19	1.52%	107.37%					
		ADSMI	7,924.65	0.76%	57.30%	EGP		USD/EGP	15.71	0.01%	0.18%					
		TASI	11,722.95	0.16%	34.91%	€		EUR/USD	1.16	(0.01%)	(5.00%)					
		QE Index	11,752.58	(0.10%)	12.59%	£		GBP/USD	1.37	(0.07%)	(0.11%)					
		S&P 500	4,613.67	0.18%	22.83%	¥		USD/JPY	114.00	(0.04%)	(9.17%)					
		Dow 30	35,913.84	0.26%	17.34%			6M TB yield	12.62	(1)	(11)					
		NASDAQ	15,595.92	0.63%	21.01%			1Y TB yield	13.20	3	43					
		VIX	16.41	0.92%	(27.87%)			10Y TB yield	14.73	3	33					
		STOXX 50	4,280.47	0.70%	20.49%			2Y TB yield	0.51	0	38					
EM		MSCI Emerging	1,264.54	(0.02%)	(2.07%)			10Y TB yield	1.56	0	63					
FM		MSCI Frontier	683.97	(0.77%)	19.65%			30Y TB yield	1.96	3	30					

* As of market close, except for commodities and currencies at 8.3am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

5. LATEST EGX VALUATION MULTIPLES

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

6. KEY DATES

DATE	TICKER	TYPE	EVENT
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.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
1-Nov-21	TAKESock – Separating the Wheat from the Chaff
31-Oct-21	TAKESock – Natural Gas Price Hike
19-Oct-21	MACROView – The Storm Is Gone but the Headwinds Persist
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	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	MACROView – Hot Summer Winds
7-Sep-21	MACROView – The Global Blessing Windfall
6-Sep-21	MACROView – Tempered, But Cautious, Optimism
5-Sep-21	Misr Chemical Industries [MICH] – Nice While It Lasted
29-Aug-21	Orascom Construction [ORAS] – Recovery on Track Although Below Estimates
24-Aug-21	Abu Qir Fertilizers [ABUK] – When the Stars Align
18-Aug-21	EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth
17-Aug-21	Elsewedy Electric [SWDY] – Impressive Set of Results
17-Aug-21	Commercial International Bank [COMI] – Adjustment Post Stock Dividend
16-Aug-21	B Investments Holding [BINV] – Growth Dented Across the Board
11-Aug-21	Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth
10-Aug-21	MACROView – July’s Feverous Inflation
9-Aug-21	CI Capital Holding [CICH] – Robust Exit Saves the Day
5-Aug-21	MACROView – The Sky Is No Blue
4-Aug-21	MACROView – Constrained Recovery

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>AI-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>

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.