

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

"S" for Stability**1. Today's Trading Playbook****KEY THEMES**

Obour Land Food Industries [**OLFI**] intends to increase its selling prices going into Q4 2021. The decision is meant to contain the increase in raw materials costs, basically Skimmed Milk Powder (SMP). Figures from OLFI's 9M 2021 results give very sound signs of stability. OLFI managed to achieve net earnings of EGP255mn, where Q3 2021 alone was EGP111mn (i.e. 43% of the period earnings). This comes following a slightly thin Q2 2021, where volumes were not as expected. We like OLFI given its main advantages sources, which include but are not limited to (1) a neat balance sheet, with moderate debt exposure, (2) careful procurement strategies, which averted the company several possibilities of margin slumps, and (3) strong distribution capabilities, which ensures healthy cash conversion cycles. While we believe that OLFI could be the most stable among the consumer universe, the stock suffers from scarce liquidity. Nevertheless, OLFI is currently traded at P/E of only 6.6x based on annualized 9M 2021. Also, OLFI is a decent dividend payer too, with a 10% dividend yield.

Elsewhere, global equities, and the U.S. in particular, have shrugged off the news of China warning its citizens to stockpile food as COVID-19 controls are tightened. The Dow Jones Industrial Average has hit fresh highs yesterday, alongside the other main indices. The record new highs for U.S. equities were helped by a strong set of earning releases.

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

2. TOP NEWS & ANALYSIS**MACRO NEWS**

Egypt's PMI posted 48.7 in October, down slightly from 48.9 in September to the lowest since May. ([Markit](#))

Egypt is among the "attractive" emerging markets in which BlackRock could be investing through its new USD673mn climate-focused infrastructure fund. ([Reuters](#))

The Egyptian government is setting up a new committee on import substitution and growing domestic manufacturing, according to a statement following the weekly cabinet meeting. ([Egyptian Cabinet](#))

The Ministry of Tourism raised its expectations for the number of arrivals this year to 8-9 million tourists by the end of this year. The number of tourists coming to Egypt during the second half of the year ranged between 4 and 5 million tourists due to Britain's removal of Egypt from the red list for Covid-19. ([Economy Plus](#))

The Suez Canal revenues increased by 12.4% y/y in October to USD551.2mn. ([Economy Plus](#))

CORPORATE NEWS

Obour Land for Food Industries' [OLFI] Q3 2021 results showed a bottom line of EGP111mn (+12% y/y, +50% q/q), while revenues increased to EGP820mn (+3% y/y, +28% q/q). Meanwhile, GPM improved to 23% from 22% same period last year. Also, OLFI intends to increase its products prices in Q4 2021 amid increase in raw material costs. ([Company disclosure, Al-Borsa](#))

Edita Food Industries [EFID] reported Q3 2021 results showing a bottom line of EGP125mn (+3% y/y, +9% q/q), while revenues surged to EGP1.4bn (+32% y/y, +21%q/q). EFID showed a healthier GPM of 30% in Q3 2021 (vs. 16% in Q3 2020) and 31% in 9M 2021 (vs. 27% in 9M 2020). ([Company disclosure](#))

Emaar Misr for Development's [EMFD] 9M 2021 net income jumped by 138% y/y to EGP2.8bn. Revenues increased by 213% y/y to EGP7.6bn, backed by the increase in all revenue segments, especially Mivida project (41% of 9M 2021 revenues) and Marassi project (37% of 9M 2021 revenues). ([Company disclosure](#))

Cleopatra Hospitals Group [CLHO] entered into advanced negotiations with International Marasem Co. to participate in a hospital project in New Cairo, which Marasem began building on a plot of land obtained in a previous auction by the New Urban Communities Authority. ([Economy Plus](#))

Raya Holding's [RAYA] Aman for Microfinance plans to inject EGP300mn in SMEs financing after gaining the license during the next days. (Al-Mal)

EFG Hermes Holding's [HRHO] ValU signs a partnership with Misr Italia Properties that would allow ValU to finance the latter's clients. ([Zawya](#))

Central Egypt Flour Mills [CEFM] approved a DPS of EGP3.25 for FY21, implying a dividend yield of 9.7%. ([Company disclosure](#)) For more details about the milling industry and our top picks, please read [our TAKEStock titled Separating the Wheat from the Chaff.](#)

Raya Contact Center [RACC] is targeting 25% growth in its business volume in 2022. In addition to expanding in the Saudi Arabia and Polish markets. (Al-Borsa)

Banya Capital is considering a dual listing of its shares on EGX, along with another foreign exchange that has not yet been identified. ([Hapi](#))

GLOBAL NEWS

The United Arab Emirates' non-oil private sector expanded at the fastest pace since June 2019 in October, recording its 11th straight month of growth as the Expo world fair began in commercial hub Dubai, PMI survey showed. ([Reuters](#))

Saudi Arabia's non-oil private sector notched a 14th month of consecutive growth in October as output expanded at the fastest rate since December 2017, signaling the sector's continued strengthening, PMI survey showed. ([Reuters](#))

3. CHART OF THE DAY

Sherif El Etr | Equity Analyst
seletr@egy.primegroup.org

Bloomberg Crypto Currency Index ytd



Source: Bloomberg, Prime Research.

Since 2021 kicked off, crypto currencies have been on a rally with global investors pursuing alternative investments instruments amid expectations of inflation hikes.

4. MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
750.7					1,395.4 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
		EGX 30	11,676.38	0.93%	7.66%			Gold	1,787.76 (0.31%) (6.20%)
		EGX 30 TR	4,572.79	0.90%	9.61%			Silver	23.54 (2.11%) (11.11%)
		EGX 70 EWI	2,311.68	(0.21%)	7.76%			Brent Oil	84.72 (1.03%) 61.87%
		EGX 100 EWI	3,307.25	0.06%	6.76%			WTI	83.91 (1.44%) 70.45%
		DFMGI	2,995.32	3.95%	20.20%			Natural Gas	5.54 (0.76%) 116.62%
		ADSMI	7,977.00	0.66%	58.53%	EGP		USD/EGP	15.71 0.01% 0.19%
		TASI	11,752.12	0.25%	35.24%	€		EUR/USD	1.16 0.03% (5.18%)
		QE Index	11,826.31	0.63%	13.45%	£		GBP/USD	1.36 0.13% (0.29%)
		S&P 500	4,630.65	0.37%	23.28%	¥		USD/JPY	113.96 0.04% (9.29%)
		Dow 30	36,052.63	0.39%	17.79%			6M TB yield	12.62 (1) (11)
		NASDAQ	15,649.60	0.34%	21.43%			1Y TB yield	13.20 3 43
		VIX	16.03	(2.32%)	(29.54%)			10Y TB yield	14.71 (2) 32
		STOXX 50	4,296.22	0.37%	20.93%			2Y TB yield	0.45 (6) 32
EM		MSCI Emerging	1,263.96	(0.05%)	(2.11%)			10Y TB yield	1.55 (1) 62
FM		MSCI Frontier	687.11	0.46%	20.20%			30Y TB yield	1.96 0 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
2-3 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.

21-Nov-21	MNHD	Lawsuit	To recover EGP24.8mn owed by MNHD to NRPD for the development of 32 buildings in 6th of October project.
21-Nov-21	FWRV	OGM	Election of new BoD.
24-Nov-21	NRPD	OGM	Approving the financial statements ending 31 Dec. 2020.
25-Nov-21	TALM	OGM	Approving the financial statements and proposed dividend.
25-Nov-21	TALM	EGM	Amending articles No. 4 & 21 of the company's bylaws.

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>

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.