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Stating the Obvious

1. Today's Trading Playbook

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KEY THEMES

Another round of earnings-related news that belong to small- and mid-cap names. We begin with Alexandria Container & Cargo Handling's [**ALCN**] KPIs for 4M 2021/22, which showed a 22% y/y increase in net income to EGP448mn, backed by an 11% y/y in the company's gross profit to EGP444mn. We note that ALCN revenues were flat y/y, registering EGP718mn, despite an 11% slippage in total volumes during 4M 2020/21, which hints to a notable increase in ALCN's blended average prices during the quarter. We believe ALCN is on the road to deliver a double-digit growth this year in net earnings. On an annualized basis, ALCN is currently traded at 2021/22e P/E of 8x, which is considered a bit slim when compared to Canal Shipping Agencies [**CSAG**], which is currently traded at 2020/21 P/E of 11x.

Elsewhere, PACHIN's [**PACH**] figures for 2020/21 showed a significant jump in net income post minorities to EGP53mn, up from EGP5mn a year before, backed by a 42% y/y in the company's gross profit to EGP156mn. Meanwhile, revenues increased by 8% y/y to EGP849mn in 2020/21. We note that PACH has witnessed an 8.6% improvement in total volumes to 38,653 tons, where average selling prices came flat y/y. PACH's current net cash position is EGP155mn (i.e. 36% of current market cap). In view of 2020/21 net earnings and a net cash position, PACH is currently traded at a cash adjusted P/E of only 6x.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The overall budget deficit rose to 3.1% of GDP during 4M FY21 to EGP219.8bn, compared to 2.68% in the same period last year. Revenue increased by 8.4% y/y, but expenditures rose by 16.6% y/y. ([Economy Plus](#))

El-Nasr Automotive Co. has received more than 13 proposals from potential car maker partners to assemble electric vehicles in Egypt since talks with the Chinese Dongfeng co. failed. El-Nasr expects to have a new partner by the end of this month. ([Enterprise](#))

All imported mobile phones will now be subject to a 10% import tariff. The new tariff is double the 5% import fee originally imposed by the National Telecom Regulatory Authority last year and essentially applies to all phones sold in Egypt except for those assembled by local electronics outfit **Sico**. ([Enterprise](#))

The government's USD2bn syndicated bank loan has been finalized and is awaiting approval in the House of Representatives, Minister of Finance said. ([CNBC Arabia](#))

CORPORATE NEWS

MOPCO's [MFPC] Q3 2021 consolidated net income jumped 171% y/y to EGP1.34bn, backed by a 70% y/y increase in revenues to EGP2.9bn. Meanwhile, MFPC's gross profit increased by 96% y/y to EGP1.6bn, scoring GPM of 55% vs. 47% a year earlier. Meanwhile, net financing costs decreased significantly to EGP11mn from EGP119mn a year before. ([Company disclosure](#))

UAE-based Aldar Properties' and the sovereign wealth fund ADQ's bid to acquire at least 51% of SODIC [OCDI] has been approved by the Financial Regulatory Authority (FRA) yesterday at EGP20/share. ([Enterprise](#))

Alexandria Container & Cargo Handling's [ALCN] KPIs for 4M 2021/22 show an increase in net income to EGP448mn (+22% y/y) as gross profit rose to EGP444mn (+11% y/y). Meanwhile, revenues were flat y/y at EGP718mn. ([Company disclosure](#))

PACHIN's [PACH] net income after minorities jumped to EGP53mn in 2020/21 from EGP5mn a year before, after gross profit climbed to EGP156mn (+42% y/y). In the meantime, revenues rose to EGP849mn (+8% y/y). ([Company disclosure](#))

GLOBAL NEWS

The International Energy Agency (IEA) said OPEC+ production was below its target in both September and October by more than 700,000 barrel per day and analysts expect this to continue as the group's targets rise going forward. ([Reuters](#))

Investors are betting that newly re-nominated Federal Reserve Chairman Jerome Powell will need to step up the pace at which the central bank is normalizing monetary policy to better grapple with surging consumer prices. ([Reuters](#))

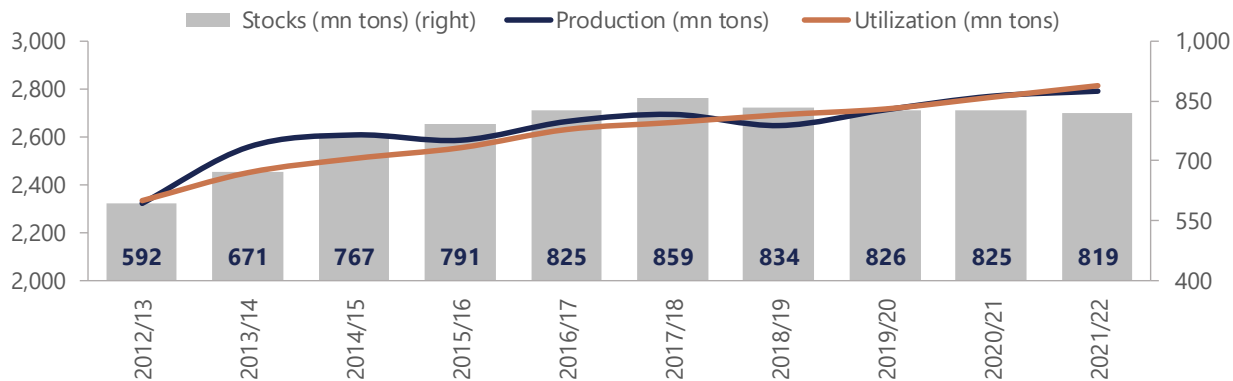
3. CHART OF THE DAY

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Record cereal production but stocks set to decline












































Source: FAO.

Despite the fact that world cereal production is likely to reach new highs in 2021, global cereal inventories are expected to fall in 2021/22. According to the FAO, total global cereal stocks are expected to shrink to 819mn tons by the end of the season in 2022. That harvest decline is largely anticipated in major exporting countries, namely Canada, the Russian Federation, and the United States.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)				710.1		Equity turnover (EGPmn): Last, ytd avg.				765.5 1,178.6	
				daily chg.	ytd chg.					daily chg.	ytd chg.
		EGX 30	11,359.03	0.76%	4.74%			Gold	1,804.65	(2.23%)	(4.85%)
		EGX 30 TR	4,450.68	0.85%	6.68%				Silver	24.18	(1.77%)
		EGX 70 EWI	1,985.31	2.12%	(7.45%)				Brent Oil	79.70	(0.77%)
		EGX 100 EWI	2,936.72	1.75%	(5.20%)			WTI	76.75	(1.08%)	56.47%
		DFMGI	3,171.65	(2.64%)	27.27%			Natural Gas	4.79	(0.19%)	88.26%
		ADSMI	8,344.66	0.10%	64.76%		EGP		USD/EGP	15.75	(0.30%)
		TASI	11,171.76	(2.74%)	28.57%	€		EUR/USD	1.12	(0.01%)	(8.02%)
		QE Index	11,810.61	(0.87%)	13.17%	£		GBP/USD	1.34	(0.09%)	(2.08%)
		S&P 500	4,682.94	(0.32%)	24.68%	¥		USD/JPY	114.88	(0.77%)	(10.28%)
		Dow 30	35,619.25	0.05%	16.38%			6M TB yield	12.66	(0)	(7)
		NASDAQ	15,854.76	(1.26%)	23.02%			1Y TB yield	13.32	3	55
		VIX	19.17	7.04%	(15.74%)		10Y TB yield	14.71	0	32	
		STOXX 50	4,338.69	(0.41%)	22.13%			2Y TB yield	0.59	8	46
EM		MSCI Emerging	1,261.56	(0.60%)	(2.30%)			10Y TB yield	1.63	8	70
FM		MSCI Frontier	665.16	(0.59%)	16.36%			30Y TB yield	1.96	5	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**TABLE OF CONTENTS**

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

6. KEY DATES

DATE	TICKER	TYPE	EVENT
23-Nov-21	AFMC	BoD Meeting	Discussing the re-formation of the internal audit committee.
24-Nov-21	AUTO	Conference Call	Discussing Q3 2021 earnings.
24-Nov-21	WCDF	Cash dividend	Date for paying out a dividend of EGP13.00/share.
24-Nov-21	NRPD	OGM	Approving the financial statements ending 31 Dec. 2020.
25-Nov-21	TALM	OGM	Approving the financial statements and the proposed dividend.
25-Nov-21	TALM	EGM	Amending articles 4 & 21 of the bylaws.
25-Nov-21	ISPH	EGM	Approving increasing the issued capital and amending articles 3, 4, 6 & 7 of the bylaws.
25-Nov-21	RMDA	OGM	Discussing the agenda.
28-Nov-21	EAST	Cash dividend	Deadline for eligibility for a dividend of EGP1.6/share.
30-Nov-21	ZMID	Cash dividend	Date for paying out a dividends of EGP0.15/share (3rd round).
30-Nov-21	UEFM	Cash dividend	Deadline for eligibility for a dividend of EGP10.00/share.
30-Nov-21	MOIN	Cash dividend	Deadline for eligibility for a dividend of EGP0.25/share.
30-Nov-21	AFMC	Cash dividend	Deadline for eligibility for a dividend of EGP0.20/share.
1-Dec-21	AFMC	Cash dividend	Ex-date for dividends of EGP0.20/share.
1-Dec-21	UEFM	Cash dividend	Ex-date for dividends of EGP10.00/share.
1-Dec-21	EAST	Cash dividend	Date for paying out a dividend of EGP1.00/share (1st round).
1-Dec-21	MSCI		MSCI's November 2021 Semi-Annual Index Review Effective Date.
1-Dec-21	CIRA	OGM	Approving the financial statements and other agenda items.
2-Dec-21	GDWA	EGM	Approving changes to the bylaws.
2-Dec-21	CAED	OGM	Approving the financial statements and other agenda items.
4-Dec-21	NEDA	OGM	Board election.
5-Dec-21	AFMC	Cash dividend	Date for paying out a dividend of EGP0.20/share.
5-Dec-21	MOIN	Cash dividend	Date for paying out a dividend of EGP0.125/share (1st installment).
5-Dec-21	UEFM	Cash dividend	Date for paying out a dividend of EGP10.00/share.
6-Dec-21	ACGC	OGM	Approving the financial statements and other agenda items.
7-Dec-21	ORWE	OGM	Discussing netting contracts.
11-Dec-21	UEFM	EGM	Amending articles of the bylaws.
13-Dec-21	MNHD	OGM	Approving its fair value study.
13-Dec-21	MNHD	EGM	Approving increasing the issued capital and amending articles 6 & 7 of the bylaws.
14-Dec-21	PHDC	OGM	Discussing netting contracts.
14-15 Dec-21		FOMC	Determining the U.S. Monetary stance.
16-Dec-21		MPC Meeting	Determining the CBE's policy rate.
16-Dec-21	ETRS	EGM	Amending articles of incorporation.
26-Dec-21	AIH	Lawsuit	A court session discussing legal disputes relevant to the company.

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DATE	PUBLISHED REPORT
21-Nov-21	<u>TAKEStock – Nitrogen Fertilizers Local Price Hike</u>
17-Nov-21	<u>EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</u>
17-Nov-21	<u>Orascom Construction [ORAS] – BESIX – Back on Track Again</u>
15-Nov-21	<u>B Investments Holding [BINV] – Growth Dented Across the Board – Take 2</u>
15-Nov-21	<u>Elsowedy Electric [SWDY] – A Quarter to Forget?</u>
14-Nov-21	<u>Misr Chemical Industries [MICH] – A Healthy Kick-off to a Promising Year</u>
14-Nov-21	<u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u>
14-Nov-21	<u>Commercial International Bank [COMI] – Elegant Earnings Growth on All Fronts</u>
10-Nov-21	<u>MACROView – The Calm Before the Storm, or Maybe Not</u>
10-Nov-21	<u>CI Capital Holding [CICH] – Record-Breaking Quarter</u>
7-Nov-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – Earnings Recover on Lower Provisions</u>
4-Nov-21	<u>MACROView – Underlying Strength, but Gathering Headwinds</u>
3-Nov-21	<u>MACROView – Gathering Clouds</u>
1-Nov-21	<u>TAKEStock – Separating the Wheat from the Chaff</u>
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>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>

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