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Another Episode of Volatility

1. Today's Trading Playbook

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KEY THEMES

Global markets ended last week lower, with US equities slipping on fears coming from weak jobs data, coupled with persistent worries that Omicron variant will dent economic activity in 2022. Meanwhile, Brent oil prices dropped below the USD70/bbl mark. Oil prices fell on Thursday after OPEC+ confirmed their commitment to their existing policy of monthly oil output increases despite fears from Omicron will hurt global demand. We stated before that volatility in global markets is here to stay at the end of 2021, helped by the overall state of confusion between investors, coupled by elevated asset prices.

Elsewhere, Qalaa Holdings [**CCAP**] has posted 9M 2021 figures, showing contracting net losses of EGP1.3bn vs. EGP1.6bn a year earlier. This comes in light of 17% higher revenues of EGP30.1bn. CCAP's GPM improved to 11% vs. 8% in 9M 2020.

During Q3 2021, CCAP achieved wider net losses of EGP441mn, vs. EGP402mn in Q2 2021. Furthermore, the company's top line grew to EGP12.8bn (+26% q/q), on strong contribution from ERC in the first place, in addition to TAQA Arabia. Meanwhile, CCAP GPM improved slightly q/q to 12.6 vs. 12.4% in the previous quarter.

ERC's quarterly volumes recorded 847,954 (+18% q/q, -12% y/y). We note that Q3 2020 almost witnessed no contribution from jet fuel, vs. 16% contribution from jet fuel in Q3 2021. ERC managed to achieve annual top line growth during the quarter, despite 12% weaker revenues driven by a recovery in refined petroleum product prices coupled with an increasing gross refining margin. Management indicated that lower volumes is a reflection management's direction of ceasing tolling crude oil at Cairo Oil Refining Company (CORC) for part of its inputs to increase ERC's gross refining margin. Management indicated that ERC's gross daily GRM during Q4 2021 has surpassed USD2mn per day. However, management had previously stated that GRM peaked between November-December 2019 at USD3mn/day. We note that, ERC net losses contracted to EGP418mn in Q3 2021 vs. 451mn in the previous quarter.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Egypt's PMI remained unchanged at 48.7 in November, below the 50.0 neutral mark for 12 successive months. Further details will be published soon. ([PMI](#))

Egypt's natural gas exports are at full capacity of about 1.6 bcf/d from its two natural gas liquefaction terminals as it seeks to benefit from a surge in international gas prices. ([Reuters](#))

The Oil Ministry hiked butane gas cylinder prices by 7.7%, reaching EGP70 for household cylinders (from EGP65) and EGP140 (from EGP130) for commercial consumption. ([Almasry Alyoum](#))

State-owned El Nasr Automotive will meet with three Chinese companies this week as it looks for a new partner with whom to locally assemble electric vehicles. ([Masrawy](#))

The Ministry of Supply & Internal Trade (MOSIT) released a decree to decrease the bran selling price for state-owned mills to EGP3,800/ton (-5.0%) compared to EGP4,000/ton of bran last month including supply services charges of EGP75/ton of bran and packaging, loading, and unloading of EGP145/ton of bran. (Al Borsa)

CORPORATE NEWS

Juhayna Food Industries' [JUFO] 9M 2021 KPIs show consolidated revenues rose to EGP6.5bn (+16% y/y) and net income climbed to EGP490mn (+28% y/y). ([Company disclosure](#))

Arab Cotton Ginning Co.'s [ACGC] Q1 2021/22 KPIs indicate net losses narrowed to EGP0.4mn (vs. EGP4.7mn in Q1 2020/21) on a higher gross profit margin of 17% (vs. 7% in Q1 2020/21). Revenues, however, dropped to EGP227mn (-7% y/y) during the same period. ([Company disclosure](#))

Ibnsina Pharma [ISPH] plans to inject new investments in the local market worth EGP450mn during the next year in order to support the expansion plans of the parent company and its affiliated entities. (Al-Mal)

Vodacom intends to manage Vodafone Egypt [VODE], after the finalization of the acquisition of Vodafone Group's 55% stake of VODE, as a separate entity that is not affiliated with the international division of the group, which includes a number of African countries. Vodacom seeks major expansions in the Egyptian market which include increasing financial services revenues and bringing electronic programs and applications to the local market. (Al-Mal)



GLOBAL NEWS

The IMF is likely to react to Omicron by downgrading its growth forecast for the global economy, fund chief said on Friday. ([Reuters](#))

Federal Reserve policymakers look likely to accelerate the wind-down of their bond-buying program when they meet later this month as they respond to a tightening labor market and move to open the door to earlier rate hikes than they had projected. ([Reuters](#))

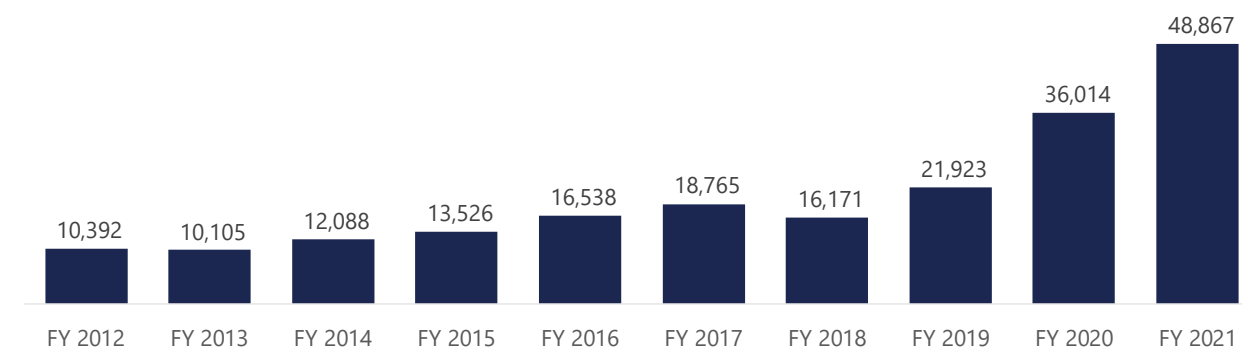
Asia liquefied natural gas (LNG) prices fell this week as spot demand from China remained muted despite the start of winter and as natural gas supplies from Russia continued to flow steadily to Germany. ([Reuters](#))

3. CHART OF THE DAY

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Public investments in the water & sewerage sector in the last 10 years (EGPmn)



Source: Ministry of Planning & Economic Development.

Public investments in the water and sewerage sector grew at a 10-year CAGR of 16%, hitting EGP48.9bn in FY21. This significant increase over the years was driven by public projects.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						721.7	

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

DATE	TICKER	TYPE	EVENT
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 round).
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.
6-Dec-21	TALM	OGM	Approving the financial statements ending 31 Dec. 2020.
6-Dec-21	TALM	EGM	Amending articles 4 & 21 of the bylaws.
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.
13-Dec-21	HELI	Cash dividend	Deadline for eligibility for a dividend of EGP0.10/share.
14-Dec-21	PHDC	OGM	Discussing netting contracts.
14-15 Dec-21		FOMC	Determining the U.S. Monetary stance.
16-Dec-21	HELI	Cash dividend	Date for paying out a dividend of EGP0.02/share (1st round).
16-Dec-21		MPC Meeting	Determining the CBE's policy rate.
16-Dec-21	NBKE	EGM	Discussing delisting.
16-Dec-21	ETRS	EGM	Amending articles of incorporation.
16-Dec-21	PRCL	OGM	Approving the financial statements and other agenda items.
16-Dec-21	PRCL	EGM	Discussing a capital increase.
19-Dec-21	PORT	EGM	Amending article 2 of the bylaws.
20-Dec-21	RAYA	OGM	Approving the financial statements and the proposed dividends.
22-Dec-21	EGCH	OGM	Approving the financial statements ending 30 Jun. 2021.
22-Dec-21	EGCH	EGM	Amending articles of the bylaws.
23-Dec-21	PACH	OGM	Approving the financial statements and the proposed dividends.
26-Dec-21	AIH	Lawsuit	A court session discussing legal disputes relevant to the company.
30-Dec-21	ABUK	Cash dividend	Date for paying out a dividend of EGP1.00/share (2nd round).
30-Dec-21	MICH	Cash dividend	Date for paying out a dividend of EGP0.50/share (2nd round).
30-Dec-21	EGTS	OGM	Approving the financial statements and other agenda items.

7. LATEST RESEARCH

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21-Nov-21	TAKESStock – Nitrogen Fertilizers Local Price Hike
17-Nov-21	EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs
17-Nov-21	Orascom Construction [ORAS] – BESIX – Back on Track Again
15-Nov-21	B Investments Holding [BINV] – Growth Dented Across the Board – Take 2
15-Nov-21	Elsewedy Electric [SWDY] – A Quarter to Forget?

14-Nov-21 [Misr Chemical Industries \[MICH\] – A Healthy Kick-off to a Promising Year](#)

14-Nov-21 [Abu Qir Fertilizers \[ABUK\] – A “One-of-a-Kind” Quarter](#)

14-Nov-21 [Commercial International Bank \[COMI\] – Elegant Earnings Growth on All Fronts](#)

10-Nov-21 [MACROView – The Calm Before the Storm, or Maybe Not](#)

10-Nov-21 [CI Capital Holding \[CICH\] – Record-Breaking Quarter](#)

7-Nov-21 [Crédit Agricole Egypt \(CAE\) \[CIEB\] – Earnings Recover on Lower Provisions](#)

4-Nov-21 [MACROView – Underlying Strength, but Gathering Headwinds](#)

3-Nov-21 [MACROView – Gathering Clouds](#)

1-Nov-21 [TAKEStock – Separating the Wheat from the Chaff](#)

31-Oct-21 [TAKEStock – 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 [TAKEStock – Consumer Staples \(Food & Beverage\) – All You Can Eat Festival](#)

15-Sep-21 [MACROView – Deciphering the Din of Battle](#)

14-Sep-21 [TAKEStock – 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	<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>
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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>
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13-Apr-21	<u>Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</u>
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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>
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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>
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10-Feb-21	<u>MACROView – Disinflation Continues Amid Acceleration in Global Commodity Prices</u>
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4-Feb-21	<u>MACROView – External Buffers Are Still Restoring Grounds</u>
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1-Feb-21	<u>STANDPoint – Egypt 2021 Investing Playbook</u>
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10-Jan-21	<u>MACROView – Below End-of-Year Target</u>
6-Jan-21	<u>MACROView – On the Path to Further Recovery</u>
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16-Dec-20	<u>CIB [COMI] – Earnings beat despite higher provisions</u>
10-Dec-20	<u>MACROView – The Highest Reading in Seven Months</u>

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