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## Monetary Divergence?

### 1. Today's Trading Playbook

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#### KEY THEMES

Yesterday, U.S. equities ended lower, after data related to Producer Price Index (PPI) showed prices accelerating more than expected in November, strengthening the notion that the Fed will go with a faster wind-down of asset purchases. Furthermore, such fears added to the existing jittery related to the spreading Omicron variant. On the other hand, oil prices were slipping for a third straight day on growing notions that supply growth will outpace demand growth stepping into 2022. We see volatility in global markets as a fair reflection to vagueness on the global policy making front, with great emphasis on divergence of monetary policy stances and its impact on money flows between emerging markets (EMs) and developed markets.

Yesterday, we published our [MACROView note](#), discussing the crossing paths of healthy vs. destructive inflation, and why the Central Bank of Egypt (CBE) will be extra careful not to wear an ultra-hawkish outfit until H1 2022. In summary, we think this will be the case on the back of five factors: **(1)** Inflation remains within target, with focus on core inflation, **(2)** The emergence of a new variant and its trajectory on the ground continue to cast uncertainty on the growth outlook, **(3)** Limited fiscal space and the need to keep interest payments in check, **(4)** The country's dependence on external funding and capital inflows, and **(5)** Advanced economies' monetary policy remains accommodative. For more details, please read our full note [here](#).

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

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**Egypt's economy is expected to grow at a 6-7% clip in Q2 FY22** according to the Minister of Planning. ([Sky News Arabia](#))

**Energean expects to increase natgas production through new Mediterranean wells.** The Greek energy firm sees new discoveries in its North Idku and North Amriya concessions adding 150 mn cubic feet of gas per day. ([Cabinet statement](#))

**Steel manufacturers interested in new steel licenses from the Industrial Development Authority (IDA) want the license prices slashed.** ([Al-Borsa](#))

**Financially-distressed SMEs at risk of default will be given more time — and more avenues** — to settle their debts under a raft of new decisions the **Central Bank of Egypt (CBE)** announced. ([Enterprise](#))

## CORPORATE NEWS

**Madinet Nasr Housing & Development's [MNHD] EGM approved the acquisition of Mink for Real Estate Investment and EGY Can for Real Estate Development.** The independent financial advisor assigned the two target companies a combined fair value of EGP232mn which is the maximum amount MNHD would pay. ([Company disclosure](#))

**Edita Food Industries' [EFID] request to label all its products under its flagship Molto as free of hydrogenated fats has been approved** by the **Egyptian National Food Safety Authority (NFSA)**. ([Company disclosure](#))

**Orascom Development Holding's [SWX: ODHN] chairman, Samih Sawiris, stepped down and will be succeeded by his son Naguib Samih.** ([Enterprise](#))

**The Ministry of Supply & Internal Trade (MOSIT) issued a decree to decrease coarse bran selling prices for state-owned and private mills to EGP3,600/ton (-10%)** compared to EGP4,000/ton of bran by mid-November, including supply services charges of EGP75/ton of bran and packaging, loading, and unloading of EGP145/ton of bran. ([Al-Mal](#)) In our view, any drop in coarse bran prices is negative for EGX-listed state-owned mills.

## GLOBAL NEWS

**Traders are betting that emerging-market currencies will remain vulnerable into the new year,** even as central banks from Moscow to Mexico City are set to push ahead with interest-rate hikes that theoretically should attract investors. ([Bloomberg](#))

**The Federal Reserve is expected on Wednesday to announce that it is speeding up the end of its pandemic-era bond purchases** and signal a turn to interest rate increases next year as a guard against surging inflation. ([Reuters](#))

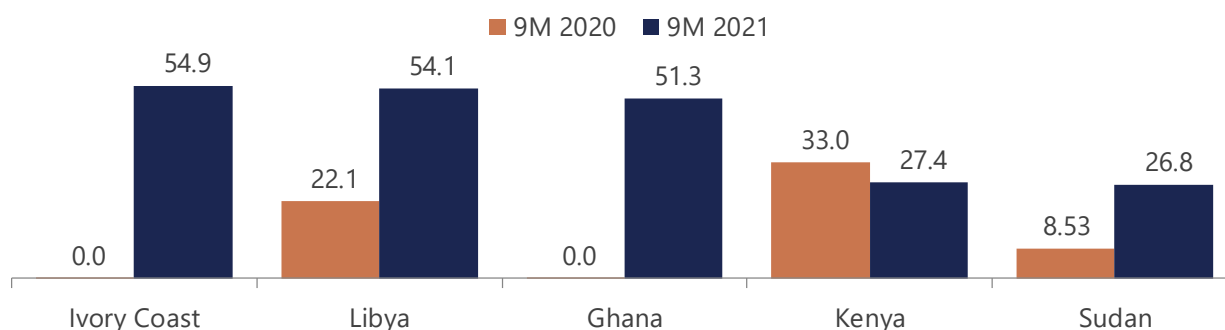
## 3. CHART OF THE DAY

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## Egyptian Cement Export Destinations (USDmn)



Source: ECBM.

Total cement exports from Egypt soared 202% y/y in 9M 2021 to USD347mn, according to ECBM. This leap was helped by African countries, topped by Ivory Coast in terms of absolute numbers, followed by Libya which imported USD54.1mn worth of cement (+145% y/y).

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
731.7						7,339.6      1,178.6					
daily chg.    ytd chg.						daily chg.    ytd chg.					
		EGX 30	11,618.01	(0.70%)	7.13%			Gold	1,770.85	(0.89%)	(6.81%)
		EGX 30 TR	4,617.68	0.00%	10.69%			Silver	21.95	(1.74%)	(17.00%)
		EGX 70 EWI	2,113.37	(0.97%)	(1.48%)			Brent Oil	73.70	(0.98%)	40.89%
		EGX 100 EWI	3,124.18	(0.84%)	0.85%			WTI	70.73	(1.13%)	44.13%
		DFMGI	3,276.18	0.91%	31.47%			Natural Gas	3.75	1.76%	50.18%
		ADSMI	8,841.70	(1.05%)	75.11%	EGP		USD/EGP	15.71	0.27%	0.19%
		TASI	11,024.68	0.04%	26.87%	€		EUR/USD	1.13	0.10%	(7.74%)
		QE Index	11,727.36	0.58%	12.37%	£		GBP/USD	1.32	0.07%	(3.15%)
		S&P 500	4,634.09	(0.75%)	23.38%	¥		USD/JPY	113.70	(0.14%)	(9.21%)
		Dow 30	35,544.18	(0.30%)	16.13%			6M TB yield	12.46	(13)	(27)
		NASDAQ	15,237.64	(1.14%)	18.23%			1Y TB yield	13.28	(3)	51
		VIX	21.89	7.78%	(3.78%)		10Y TB yield	14.72	(1)	33	
		STOXX 50	4,144.51	(0.92%)	16.66%			2Y TB yield	0.66	2	53
		MSCI Emerging	1,222.10	(0.69%)	(5.36%)			10Y TB yield	1.44	2	51
		MSCI Frontier	655.79	(0.10%)	14.72%			30Y TB yield	1.82	1	16

\* 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

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

## 6. KEY DATES

DATE	TICKER	TYPE	EVENT
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.
27-Dec-21	ORAS	EGM	Approving the potential acquisition of an equipment distribution business.
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.
1-Jan-22	ALCN	OGM	Approving the financial statements and other agenda items.
1-Jan-22	ALCN	EGM	Approving the company's draft articles of association.
1-Jan-22	CSAG	OGM	Approving its 2021 financials and discussing a dividend distribution.
1-Jan-22	CSAG	EGM	Approving the company's draft articles of association.
2-Jan-22	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
3-Jan-22	AREH	EGM	Amending articles 4 and 33 of the bylaws.
12-Jan-22	CCRS	OGM	A board reshuffle.
20-Jan-22	ARCC	EGM	Discussing changes to the bylaws.

## 7. LATEST RESEARCH

DATE	PUBLISHED REPORT
14-Dec-21	<a href="#">MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation</a>
9-Dec-21	<a href="#">MACROView – Another Retreat ... Until Further Notice</a>
8-Dec-21	<a href="#">MACROView – For Stormy Days, Eyes on the Ball</a>
<b>7-Dec-21</b>	<b><a href="#">EGYPTBanks – Takeoff Time</a></b>
5-Dec-21	<a href="#">MACROView – Searching for Lost Momentum</a>
21-Nov-21	<a href="#">TAKESock – Nitrogen Fertilizers Local Price Hike</a>
17-Nov-21	<a href="#">EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</a>



17-Nov-21	<a href="#"><u>Orascom Construction [ORAS] – BESIX – Back on Track Again</u></a>
15-Nov-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board – Take 2</u></a>
15-Nov-21	<a href="#"><u>Elsewedy Electric [SWDY] – A Quarter to Forget?</u></a>
14-Nov-21	<a href="#"><u>Misr Chemical Industries [MICH] – A Healthy Kick-off to a Promising Year</u></a>
14-Nov-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u></a>
14-Nov-21	<a href="#"><u>Commercial International Bank [COMI] – Elegant Earnings Growth on All Fronts</u></a>
10-Nov-21	<a href="#"><u>MACROView – The Calm Before the Storm, or Maybe Not</u></a>
10-Nov-21	<a href="#"><u>CI Capital Holding [CICH] – Record-Breaking Quarter</u></a>
7-Nov-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Earnings Recover on Lower Provisions</u></a>
4-Nov-21	<a href="#"><u>MACROView – Underlying Strength, but Gathering Headwinds</u></a>
3-Nov-21	<a href="#"><u>MACROView – Gathering Clouds</u></a>
1-Nov-21	<a href="#"><u>TAKEStock – Separating the Wheat from the Chaff</u></a>
31-Oct-21	<a href="#"><u>TAKEStock – Natural Gas Price Hike</u></a>
19-Oct-21	<a href="#"><u>MACROView – The Storm Is Gone but the Headwinds Persist</u></a>
13-Oct-21	<a href="#"><u>e-finance [EFIH] – An Eye-Opening IPO</u></a>
10-Oct-21	<a href="#"><u>MACROView – Walking a Tightrope</u></a>
6-Oct-21	<a href="#"><u>MACROView – On “Risk Control” Mode</u></a>
6-Oct-21	<a href="#"><u>MACROView – The Tortuous Path to Recovery</u></a>
19-Sep-21	<a href="#"><u>TAKEStock – Consumer Staples (Food &amp; Beverage) – All You Can Eat Festival</u></a>
15-Sep-21	<a href="#"><u>MACROView – Deciphering the Din of Battle</u></a>
14-Sep-21	<a href="#"><u>TAKEStock – Orascom Investment Holding [OIH] — Monetization at Play</u></a>
9-Sep-21	<a href="#"><u>MACROView – Hot Summer Winds</u></a>
7-Sep-21	<a href="#"><u>MACROView – The Global Blessing Windfall</u></a>
6-Sep-21	<a href="#"><u>MACROView – Tempered, But Cautious, Optimism</u></a>
5-Sep-21	<a href="#"><u>Misr Chemical Industries [MICH] – Nice While It Lasted</u></a>
29-Aug-21	<a href="#"><u>Orascom Construction [ORAS] – Recovery on Track Although Below Estimates</u></a>
24-Aug-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – When the Stars Align</u></a>
18-Aug-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth</u></a>
17-Aug-21	<a href="#"><u>Elsewedy Electric [SWDY] – Impressive Set of Results</u></a>
17-Aug-21	<a href="#"><u>Commercial International Bank [COMI] – Adjustment Post Stock Dividend</u></a>
16-Aug-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board</u></a>
11-Aug-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth</u></a>

10-Aug-21	<a href="#"><u>MACROView – July’s Feverous Inflation</u></a>
9-Aug-21	<a href="#"><u>CI Capital Holding [CICH] – Robust Exit Saves the Day</u></a>
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4-Aug-21	<a href="#"><u>MACROView – Constrained Recovery</u></a>
26-Jul-21	<a href="#"><u>EFG Hermes Holding [HRHO] – FV and 12MPT Adjustment to Bonus Share Action</u></a>
13-Jul-21	<a href="#"><u>Commercial International Bank [COMI] – Tamed Credit Provisions Spur Annual Growth</u></a>
8-Jul-21	<a href="#"><u>MACROView – Inflation Edged Up, As Expected</u></a>
8-Jul-21	<a href="#"><u>MACROView – External Buffers Still Powering Ahead</u></a>
6-Jul-21	<a href="#"><u>MACROView – A Steady and Slow Recovery in the Making</u></a>
<b>5-Jul-21</b>	<b><a href="#"><u>Abu Qir Fertilizers [ABUK] – Talking U</u></a></b>
16-Jun-21	<a href="#"><u>B Investments Holding [BINV] – Strong Financials, Growing Investments</u></a>
14-Jun-21	<a href="#"><u>Al-Shams Housing &amp; Development [ELSH] – Earnings Flattened by Factoring Cost</u></a>
10-Jun-21	<a href="#"><u>MACROView – Inflation Risk Rising, but Still Within Target</u></a>
8-Jun-21	<a href="#"><u>TAKEStock – Telecom Egypt [ETEL] – Show Me the Dividends</u></a>
6-Jun-21	<a href="#"><u>MACROView – Further Enhancement</u></a>
3-Jun-21	<a href="#"><u>MACROView – Contraction Eased</u></a>
23-May-21	<a href="#"><u>Orascom Construction [ORAS] – Earnings Short of Our Estimates</u></a>
23-May-21	<a href="#"><u>CI Capital Holding [CICH] – Earnings Dented by One-off ESOP Expense</u></a>
22-May-21	<a href="#"><u>Commercial International Bank [COMI] – Earnings Growth Driven by Lower Provisions</u></a>
20-May-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Slowing Lending Inhibits Earnings Growth</u></a>
20-May-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Recovery Signs; Back on Track</u></a>
<b>18-May-21</b>	<b><a href="#"><u>B Investments Holding [BINV] – Exits Kick Off, Unlocking Value</u></a></b>
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6-Apr-21	<a href="#"><u>MACROView – Still Downbeat</u></a>
28-Mar-21	<a href="#"><u>Taaleem Management Services [TALM] – Enriching the Education Sector</u></a>
18-Mar-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</u></a>
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