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The Return of the 'Vigilante'

1. Today's Trading Playbook

TABLE OF CONTENTS**KEY THEMES**

Turkish lira (TRY) continues to exhibit wild and volatile swings, post its all-time low recorded last week. Since then, the TRY rebounded by around 30% in response to governmental plans which will include a protection of citizens' savings from TRY fluctuations. According to the announced plan, the government will compensate for losses endured by holders of TRY deposits in the event of TRY weakening exceed interest rates promised by banks.

We discussed [here](#) before in our trading playbook dated 19 December 2021 in a quick glance the initial repercussions from TRY slippage on Egypt's economic conditions. This morning, we published a note which close down in more detail how the recent movements of TRY will play out for the economy here at home. In our note, We discuss the expected impact from TRY volatility will be limited to three main areas: (1) Capital inflows, (2) Financial stability, and (3) Trade linkages. For more details please check our note [here](#).

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

2. TOP NEWS & ANALYSIS

TABLE OF CONTENTS**MACRO NEWS**

Thousands of companies will be given a six-week reprieve from the new private sector minimum wage requirement coming into force at the beginning of 2022 under a decision by the **National Council for Wages (NCW)**. ([MoP](#))

Remittances from Egyptians abroad were up 1.5% y/y to USD8.1bn in Q2 FY22. The quarterly figure rose despite September being a slow month, with remittances dipping 3% y/y to USD2.6bn. ([Enterprise](#))

Some foreign investors are becoming cautious about buying domestic Egyptian Treasuries due to jitters over emerging markets and the sustainability of high Egyptian yields. ([Reuters](#))

CORPORATE NEWS

Oriental Weavers Carpet [ORWE] aims to pump USD15mn in 2022 to add a number of new looms and machines, in addition to raising efficiency and developing some factories with the aim of increasing production. Meanwhile, ORWE said that the investments planned for 2021 is expected to reach USD26mn. ([Company disclosure](#))

The General Authority for the Suez Canal Economic Zone has signed a land use contract with a company jointly owned by Abu Qir Fertilizers [ABUK], Helwan Fertilizers, and Al-Ahly Capital Holding, to establish an USD2.6bn methanol plant at Egypt's Ain Sokhna port and industrial complex. ([Enterprise](#))

Faisal Islamic Bank of Egypt's [FAIT] will increase its paid capital by USD101.2mn to USD607.5mn, distributed over 101.2mn share through a 20% bonus shares distribution. Last date for bonus shares eligibility is 5 January 2022. ([Company disclosure](#))

Zahraa Maadi Investment & Development [ZMID] signed a contract with Heliopolis Housing & Development [HELI] to buy a 31,201.9 sqm land plot in New Heliopolis City at a price of EGP3,470/sqm. It's worth noting that 10% of the value is already paid and the rest will be paid over the next five years through quarterly installments. ([Company disclosure](#))

GLOBAL NEWS

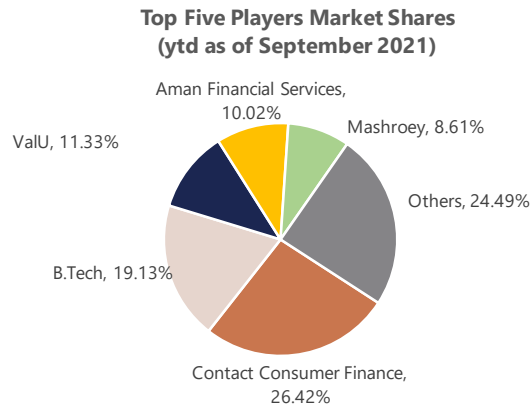
The U.S. current account deficit surged to a 15-year high in the third quarter amid a record increase in imports as businesses rushed to replenish depleted inventories. ([Reuters](#))

The Turkish currency was highly volatile again on Tuesday as traders digested measures proposed by President Tayyip Erdogan and the Turkish central bank to guard local currency savings against precisely such swings. One-month implied volatility on the lira, or expected price swings, jumped to the highest on record, reflecting uncertainty about the scheme. ([Reuters](#))

3. CHART OF THE DAY

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Source: FRA, Prime Research.

Egypt's consumer finance sector market shares ytd (by end of September) showed that four out of the top five companies are subsidiaries of EGX-listed companies. Contact Consumer Finance, a Contact Financial Holding [**CNFN**] subsidiary, has the highest market share of 26.42%. Meanwhile ValU, EFG Hermes Holding's [**HRHO**] subsidiary, ranked third with a market share of 11.33%. Moreover, Aman Financial Services, a Raya Holding [**RAYA**] subsidiary, held a market share of 10.02%. Lastly, Mashroey, a GB Auto [**AUTO**] subsidiary, ranked fifth with a market share of 8.61%.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
734.9					1,382.4 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
		EGX 30	11,524.66	0.37%	6.26%			Gold	1,789.27 (0.09%) (5.82%)
		EGX 30 TR	4,551.53	0.31%	9.10%			Silver	22.52 1.11% (14.79%)
		EGX 70 EWI	2,146.61	1.52%	0.07%			Brent Oil	73.98 0.08% 42.93%
		EGX 100 EWI	3,166.70	1.30%	2.22%			WTI	71.12 0.27% 46.97%
		DFMGI	3,152.93	(0.13%)	26.52%			Natural Gas	3.87 (0.83%) 51.12%
		ADSMI	8,458.62	(1.15%)	66.80%	EGP		USD/EGP	15.71 0.13% 0.12%
		TASI	11,261.28	0.81%	29.60%	€		EUR/USD	1.13 (0.16%) (7.77%)
		QE Index	11,653.27	(0.05%)	11.56%	£		GBP/USD	1.33 (0.10%) (3.08%)
		S&P 500	4,649.23	1.78%	23.78%	¥		USD/JPY	114.10 (0.43%) (9.55%)
		Dow 30	35,492.70	1.60%	15.96%			6M TB yield	12.35 (10) (38)
		NASDAQ	15,341.09	2.40%	19.03%			1Y TB yield	13.25 (4) 48
		VIX	21.01	(8.13%)	(7.65%)			10Y TB yield	14.72 (1) 33
		STOXX 50	4,174.99	1.65%	17.52%			2Y TB yield	0.67 2 54
EM		MSCI Emerging	1,203.66	1.14%	(6.78%)			10Y TB yield	1.47 4 54
FM		MSCI Frontier	656.09	0.37%	14.78%			30Y TB yield	1.88 2 22

* 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
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.
2-Jan-22	JUFO	Cash dividend	Deadline for eligibility for a dividend of EGP0.20/share.
3-Jan-22	JUFO	Cash dividend	Ex-dividend date for EGP0.20/share.
3-Jan-22	AREH	EGM	Amending articles 4 and 33 of the bylaws.

5-Jan-22	JUFO	Cash dividend	Date for paying out a dividend of EGP0.20/share.
9-Jan-22	PORT	EGM	Amending article No. 2 of the company's bylaws.
10-Jan-22	ODIN	EGM	Amending Articles No. 3 & 4 of the company's bylaws.
12-Jan-22	CCRS	OGM	A board reshuffle.
15-Jan-22	DSCW	EGM	Approving increasing issued capital and amending articles No. 6 & 7 of the company's bylaws.
20-Jan-22	ARCC	EGM	Discussing changes to the bylaws.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
22-Dec-21	MACROView – The Return of the 'Vigilante'
14-Dec-21	MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation
9-Dec-21	MACROView – Another Retreat ... Until Further Notice
8-Dec-21	MACROView – For Stormy Days, Eyes on the Ball
7-Dec-21	EGYPTBanks – Takeoff Time
5-Dec-21	MACROView – Searching for Lost Momentum
21-Nov-21	TAKESock – 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	Elsowedy 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	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	<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-Jul-21	<u>Abu Qir Fertilizers [ABUK] – Talking U</u>
16-Jun-21	<u>B Investments Holding [BINV] – Strong Financials, Growing Investments</u>
14-Jun-21	<u>Al-Shams Housing & Development [ELSH] – Earnings Flattened by Factoring Cost</u>
10-Jun-21	<u>MACROView – Inflation Risk Rising, but Still Within Target</u>
8-Jun-21	<u>TAKEStock – Telecom Egypt [ETEL] – Show Me the Dividends</u>
6-Jun-21	<u>MACROView – Further Enhancement</u>
3-Jun-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>

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