

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

A Play on Consumption Recovery

1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

KEY THEMES

Earlier this morning, we published our [Core Coverage Report on Obour Land for Food Industries \[OLFI\]](#), a leading cheese maker possessing the biggest slice of the white cheese pie in Egypt (42%). OLFI ventured lately into the milk segment to diversify its revenue mix. Currently, OLFI owns a farm that should be fully operational in 2022, further augmenting its milk production. Besides growth, we believe OLFI's healthy cash collection policy will continue to keep its working capital at sustained levels. Furthermore, OLFI's dividend policy of an average of 50% payout ratio should serve investors' well, even at times of volatility, thanks to a healthy balance sheet with a very low debt/equity ratio.

We rate OLFI as Overweight/Medium Risk with a 12M PT of EGP8.6, offering an upside potential in excess of 50%.

Please click [here](#) for the full report.

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

2. TOP NEWS & ANALYSIS

[TABLE OF CONTENTS](#)

MACRO NEWS

The Central Bank of Egypt (CBE) announced the extension until the end of June 2022 of its facilities adopted to mitigate the severe repercussions of COVID-19. ([Ahram online](#))

The Ministry of Petroleum signed an agreement with the Italian company "Eni" to explore for oil in areas in the Gulf of Suez and the Delta, with a total investment not less than USD1bn, according to a statement issued by the ministry. ([Economy plus](#))

Around 97 Egyptian companies will participate in a commercial mission to Libya, during the coming weeks, to discuss participation in the reconstruction process. ([Economy Plus](#))

CORPORATE NEWS

Fawry [FWRY] announced expanding its NBFS services to include consumer finance. The subsidiary will have a capital of EGP10mn and will start operating by 2022. ([Company disclosure](#))

Eastern Company [EAST] has allocated a sum of EGP700mn in investments during 2021 for upgrading and boosting the efficiency of production machines. ([Arab Finance](#))

MM Group for Industry & International Trade's [MTIE] BoD agreed to raise MTIE's capital contribution in Basata, by an amount of EGP25mn, to EGP95mn vs. EGP70mn, previously. ([Company disclosure](#))

Egyptian Gulf Bank's [EGBE] BoD has ratified the 2022 budget, with expected earnings growth of 15%. The bank's bottom line through 9M 2021 was around EGP500nm. ([Mubasher](#))

GLOBAL NEWS

The number of Americans filing new claims for unemployment benefits held below pre-pandemic levels last week as the labor market tightens, while consumer spending increased solidly, putting the economy on track for a strong finish to 2021. ([Reuters](#))

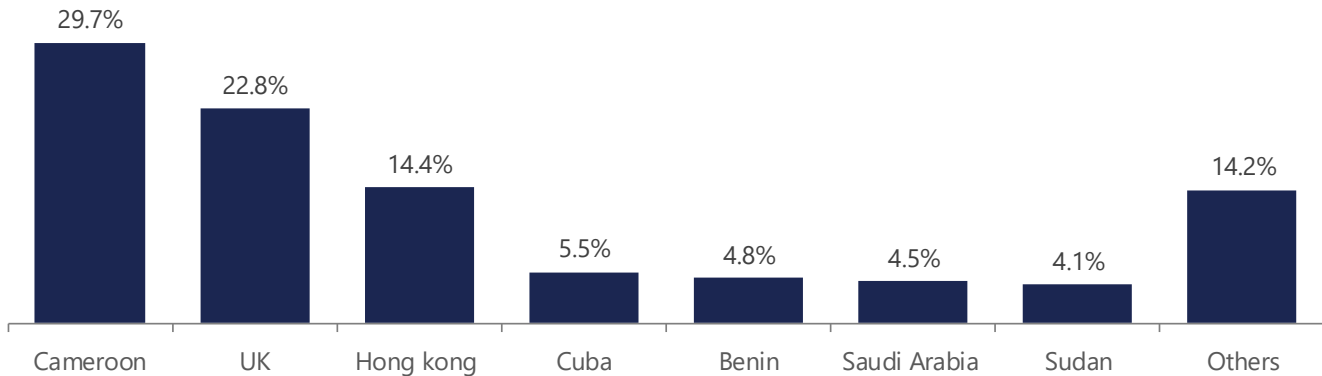
3. CHART OF THE DAY

TABLE OF CONTENTS

Nada Wagdy | Equity Analyst

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The market share of countries importing cars from Egypt in 9M 2021













































Source: Al-Mal.

Egypt's car exports increased by 87% y/y to USD81.3mn in 9M 2021. Cameroon was the most importing country from Egypt with a share of 29.7%, while Sudan ranked seventh with a share of 4.1%.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
748.4						1,246.0 1,178.6					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	11,755.46	1.07%	8.39%			Gold	1,817.32	0.47%	(4.27%)
		EGX 30 TR	4,641.21	1.07%	11.25%			Silver	23.02	0.61%	(12.81%)
		EGX 70 EWI	2,191.06	0.88%	2.14%			Brent Oil	76.14	(0.92%)	46.99%
		EGX 100 EWI	3,232.55	0.91%	4.35%			WTI	73.79	1.42%	52.08%
		DFMGI	3,144.53	0.58%	26.19%			Natural Gas	3.73	(6.16%)	46.95%
		ADSMI	8,431.36	0.39%	67.11%		EGP		USD/EGP	15.70	0.05%
		TASI	11,271.46	0.60%	29.71%	€		EUR/USD	1.13	(0.07%)	(7.34%)
		QE Index	11,696.47	0.11%	12.08%	£		GBP/USD	1.34	(0.16%)	(2.08%)
		S&P 500	4,725.79	0.62%	25.82%	¥		USD/JPY	114.38	0.01%	(9.73%)
		Dow 30	35,950.56	0.55%	17.46%			6M TB yield	12.35	(10)	(38)
		NASDAQ	15,653.37	0.85%	21.45%			1Y TB yield	13.25	(4)	48
		VIX	17.96	(3.60%)	(21.05%)			10Y TB yield	14.72	(1)	33
		STOXX 50	4,255.01	(0.25%)	19.77%			2Y TB yield	0.69	2	56
EM		MSCI Emerging	1,220.55	0.08%	(5.48%)			10Y TB yield	1.50	4	57
FM		MSCI Frontier	660.36	0.53%	15.52%			30Y TB yield	1.91	5	25

* As of market close. 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
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	MPCO	OGM	Discussing the changing and hiring for key positions.
15-Jan-22	MPCO	EGM	Approving increasing issued capital and amending articles No. 6 & 7 of the company's bylaws.
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
26-Dec-21	Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery
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	TAKESStock – Nitrogen Fertilizers Local Price Hike

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>Elsewedy 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-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>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>Elsowedy 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>

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