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The Best Is Yet to Come

1. Today's Trading Playbook

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Telecom Egypt [**ETEL**] has risen c.20% since the beginning of December 2021. Yesterday, ETEL hit its best levels since May 2018. ETEL's price has long been unfazed by the company's bold value drivers which include: (1) strong earnings generation, (2) holding a strategic stake at Egypt's number one mobile operator, Vodafone Egypt [**VODE**], and (3) being the sole telecom infrastructure player within the country.

Recently, **Ebtikar** Holding for Financial Investments (company owned jointly between B Investment [**BINV**], BPE Partners, and MM Group for Industry & International Trade [**MTIE**]) raised its stake in TBE Egypt for Payment Solutions & Services (Bee) from 60% to 99.9% through a share swap into Ebtikar shares. Such a deal means that VODE, previously one of Bee's minority shareholders, now holds some stake in Ebtikar. Moreover, given ETEL's 45% stake in VODE, we could expect ETEL to benefit indirectly from Ebtikar's IPO which is planned for this year.

We note that we had picked ETEL in [our TAKEStock](#) dated 8 June 2021. Since then ETEL has soared c.29%. ETEL's consensus PT for ETEL stands at EGP19.1/share, which implies an upside potential of 13% off yesterday's close. However, given our assessment of ETEL's value drivers, we believe ETEL could be worth some EGP22.5/share, still leaving another 33% upside despite its recent notable rally.

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

2. TOP NEWS & ANALYSIS

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Solar energy players are lobbying to scrap a newly-imposed 5% import tariff on solar panels. ([Al-Mal](#))

Egypt will soon sign an agreement with a foreign consultancy to put together a 12-month strategy to develop the country's green hydrogen industry. ([Ahram Online](#))

CORPORATE NEWS

Alexandria Containers [ACLN] has clarified that the amount declared for dividends payout is in fact EGP1.17bn, with a DPS of EGP0.78/share (i.e. a dividend yield of 9%). ([Company disclosure](#))

EIPICO [PHAR] obtained the approval of the Egyptian Drug Authority (EDA) to produce the drug "COVAPRAVIR", a similar to Merck's drug used in the treatment of COVID-19. ([Company disclosure](#))

GLOBAL NEWS

Brent crude jumped on Tuesday to USD80 a barrel, its highest since November, as OPEC+ agreed to stick with its planned increase for February based on indications that the Omicron variant would have only a mild impact on demand. ([Reuters](#))

Minneapolis Federal Reserve Bank President said he expects the U.S. central bank to need to raise interest rates two times this year to address persistently high inflation, reversing his long-held view that rates will need to stay at zero until at least 2024. ([Reuters](#))

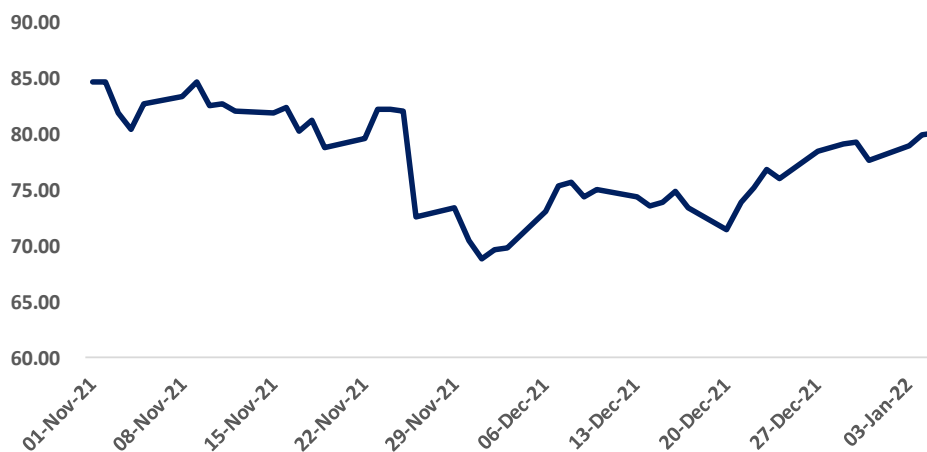
European gas prices soared more than 30% on Tuesday after low supplies from Russia reignited concerns about an energy crunch as colder weather approaches. ([Reuters](#))

3. CHART OF THE DAY

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Brent oil price



Source: Investing.com.

Brent oil prices seem to have recovered from the hit it suffered when the Omicron variant was first discovered.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
771.8						1,105.9		1,178.6	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	↗	EGX 30	11,982.61	0.72%	0.28%		↗	Gold	1,814.60 0.73% (0.74%)
	↗	EGX 30 TR	4,733.07	0.73%	0.35%		↗	Silver	23.05 0.67% (1.72%)
	↗	EGX 70 EWI	2,301.33	1.40%	4.52%		↗	Brent Oil	80.00 0.09% 2.94%
	↗	EGX 100 EWI	3,362.09	1.39%	3.28%		↗	WTI	76.99 0.04% 2.41%
	↗	DFMGI	3,216.24	0.79%	0.64%		↗	Natural Gas	3.72 0.54% 0.19%
	↘	ADSMI	8,409.70	(0.65%)	(0.93%)	EGP	↗	USD/EGP	15.71 0.12% (0.01%)
	↗	TASI	11,356.80	0.26%	0.67%	€	↗	EUR/USD	1.13 0.12% (0.62%)
	↗	QE Index	11,713.76	0.37%	0.76%	£	↗	GBP/USD	1.35 0.02% 0.01%
	↘	S&P 500	4,793.54	(0.06%)	0.57%	¥	↘	USD/JPY	116.16 (0.72%) (0.80%)
	↗	Dow 30	36,799.65	0.59%	1.27%		↘	6M TB yield	12.09 (10) (64)
	↘	NASDAQ	15,622.72	(1.33%)	(0.14%)		↘	1Y TB yield	13.22 (2) 45
	↗	VIX	16.91	1.87%	(1.80%)		↘	10Y TB yield	14.71 (1) 32
	↗	STOXX 50	4,367.62	0.83%	1.61%		↘	2Y TB yield	0.76 (3) 63
EM	↗	MSCI Emerging	1,234.95	0.12%	0.24%		↗	10Y TB yield	1.64 1 71
FM	↗	MSCI Frontier	672.03	1.01%	0.96%		↗	30Y TB yield	2.05 2 39

* As of market close, except for commodities and currencies at 8.38am 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
5-Jan-22	FAIT	Stock dividend	Last date for eligibility for a 0.20-for-1 stock dividend.
5-Jan-22	JUFO	Cash dividend	Date for paying out a dividend of EGP0.20/share.
6-Jan-22	FAIT	Stock dividend	Date for distributing a 0.200-for-1 stock dividend.
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.
13-Jan-22	RAYA	Cash dividend	Deadline for eligibility for a dividend of EGP0.060/share.
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.
16-Jan-22	OCDI	OGM	Board election.
16-Jan-22	OCDI	EGM	Amending articles of the company's bylaws.
18-Jan-22	RAYA	Cash dividend	Date for paying out a dividend of EGP0.060/share.

20-Jan-22	ARCC	EGM	Discussing changes to the bylaws.
23-Jan-22	ORAS	Cash dividend	Deadline for eligibility for a dividend of USD0.2313/share.
31-Jan-22	ORAS	Cash dividend	Date for paying out a dividend of USD0.2313/share.
3-Feb-22	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
6-Feb-22	MOIN	Cash dividend	Payment date for a dividend of EGP0.125/share (2nd installment).
15-Feb-22	EAST	Cash dividend	Payment date for a dividend of EGP0.60/share (2nd installment).

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
30-Dec-21	<u>EGYPTCeramics – From Dusk to Dawn</u>
26-Dec-21	<u>Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery</u>
22-Dec-21	<u>MACROView – The Return of the ‘Vigilante’</u>
14-Dec-21	<u>MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation</u>
9-Dec-21	<u>MACROView – Another Retreat ... Until Further Notice</u>
8-Dec-21	<u>MACROView – For Stormy Days, Eyes on the Ball</u>
7-Dec-21	<u>EGYPTBanks – Takeoff Time</u>
5-Dec-21	<u>MACROView – Searching for Lost Momentum</u>
21-Nov-21	<u>TAKESock – 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>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>TAKESock – Separating the Wheat from the Chaff</u>
31-Oct-21	<u>TAKESock – 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>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 [MACROView – External Woes vs. Cautious Optimism](#)
- 1-Feb-21 [**STANDPoint – Egypt 2021 Investing Playbook**](#)
- 14-Jan-21 [**CI Capital Holding \[CICH\] – New Expansions = Further Growth**](#)
- 10-Jan-21 [MACROView – Below End-of-Year Target](#)
- 6-Jan-21 [MACROView – On the Path to Further Recovery](#)

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