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## A New Earnings Season in Action

### 1. Today's Trading Playbook

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#### KEY THEMES

U.S. equities rose yesterday, led by tech names. Such upbeat notion came sparked by the testimony of the Fed's chair, Jerome Powell, signaling a less hawkish tone. As a result, markets rose in response to expectations that rates could be hiked in a slower-than-expected pace. Moreover, oil prices rose to their best levels since November 2021, with Brent oil price trading above USD83/bbl.

Elsewhere, QNB Alahli [**QNBA**] has kicked off the earnings season, reporting its Q4 2021 stand-alone and consolidated figures. QNBA's 2021 consolidated net earnings growth came tepid at 2% y/y to EGP7.6bn, despite bold balance sheet growth, where assets grew by c.24% y/y to EGP360bn. The reasons appear to be lower yields during 2021, coupled with 6% y/y higher credit provisions, despite 2020 being a strong base year for CoR. The bank recorded ROAE of 17.7% vs. 20% a year earlier on a lower ROAA of 2.3%. The bank will most likely have a better year in 2022 in terms of profitability, in light of expectations of lower credit provisions and a more stable NIM. We remind you that our 12M PT for QNBA is EGP19.5/share, with an upside potential of 4%. We note that QNBA rallied c.19% since we published our Banking Core Coverage Note back in December 2021. Meanwhile, QNBA is currently traded at a forward P/E of 4.2x and a forward P/BV of 0.78x.

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

### 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**The World Bank has revised its prediction upwards for Egypt's GDP growth by 50bps to 5.5% for FY22.** ([World Bank](#))

**Egypt will produce its first locally-assembled electric vehicles next year.** ([Enterprise](#))

## CORPORATE NEWS

**Sarwa Financial Holding [SRWA] is preparing to launch a multi-issue sukuk program for Palm Hills Developments [PHDC], with a value of EGP3bn.** (Al-Borsa)

**Amer Group Holding Co. [AMER] has approved to reduce its paid-up capital by EGP100.3mn to EGP902.8mn from EGP1,003mn.** AMER will reduce its capital through canceling 100.3 mn of treasury shares. ([Mubasher](#))

**The Holding Co. for Maritime & Land Transport is holding an auction related to El Gomhoria building, which is owned by Canal Shipping Agencies [CSAG] for commercial usage for the next eight years.** ([Company disclosure](#))

## GLOBAL NEWS

**Federal Reserve Chairman declared Tuesday that the U.S. economy is both healthy enough and in need of tighter monetary policy.** As part of his confirmation hearing before the U.S. Senate Committee, he expects a series of interest rate hikes this year, along with other reductions in the extraordinary help the Fed has been providing during the pandemic era. ([CNBC](#))

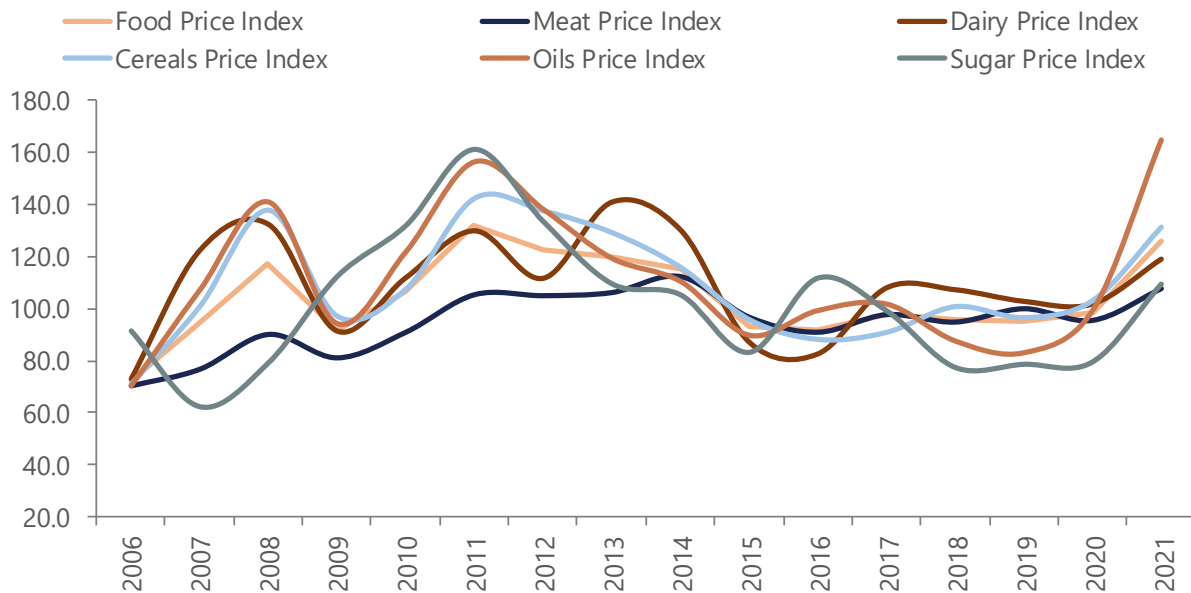
**Net capital flows to emerging markets rose last month from November and fell more than 75% y/y,** with China the main recipient as investors fear other economies will continue to underperform due to COVID-19. ([Reuters](#))

### 3. CHART OF THE DAY

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**Mona Bedeir** | Chief Economist

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Source: FAO.

Despite the small fall in December, the FAO food inflation index was higher 28.1% y/y in 2021 as a whole, with all sub-indices averaging sharply higher than in the previous year

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
772.7					998.4 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	12,002.08	(0.17%)	0.44%		Gold	1,821.60	1.11%	(0.50%)
	EGX 30 TR	4,740.28	(0.13%)	0.50%		Silver	22.78	1.40%	(2.07%)
	EGX 70 EWI	2,286.39	(1.27%)	3.84%		Brent Oil	83.72	(0.11%)	7.52%
	EGX 100 EWI	3,342.32	(1.05%)	2.68%		WTI	81.22	0.06%	8.06%
	DFMGI	3,207.81	(0.67%)	0.37%		Natural Gas	4.25	(1.15%)	12.60%
	ADSMI	8,332.69	(0.25%)	(1.83%)	EGP	USD/EGP	15.72	(0.03%)	0.01%
	TASI	11,843.55	1.53%	4.98%	€	EUR/USD	1.14	0.03%	0.00%
	QE Index	12,052.44	(0.03%)	3.69%	£	GBP/USD	1.36	0.01%	0.78%
	S&P 500	4,713.07	0.92%	(1.11%)	¥	USD/JPY	115.30	(0.09%)	(0.22%)
	Dow 30	36,252.02	0.51%	(0.24%)		6M TB yield	12.09	(10)	(64)
	NASDAQ	15,153.45	1.41%	(3.14%)		1Y TB yield	13.22	(2)	45
	VIX	18.41	(5.10%)	6.91%		10Y TB yield	14.72	1	33
	STOXX 50	4,281.54	0.99%	(0.39%)		2Y TB yield	0.90	(2)	77
EM	MSCI Emerging	1,243.04	0.87%	0.90%		10Y TB yield	1.73	(3)	80
FM	MSCI Frontier	656.99	0.03%	(1.30%)		30Y TB yield	2.07	(2)	41

\* 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
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.
18-Jan-22	UEFM	Auction	To rent 14 shops.
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.
25-Jan-22	ALCN	Cash dividend	Deadline for eligibility for a dividend of EGP0.787/share.
25-26 Jan-22		FOMC	Determining Policy Rate.
26-Jan-22	ALCN	Cash dividend	Ex-dividend date for EGP0.787/share.
31-Jan-22	ALCN	Cash dividend	Date for paying out a dividend of EGP0.787/share.
31-Jan-22	ORAS	Cash dividend	Date for paying out a dividend of USD0.2313/share.

3-Feb-22		MPC Meeting	Determining the CBE's policy rate.
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
10-Jan-22	<a href="#"><u>MACROView – The Last Reading Ahead of a Cloudy Year</u></a>
<b>30-Dec-21</b>	<b><a href="#"><u>EGYPTCeramics – From Dusk to Dawn</u></a></b>
<b>26-Dec-21</b>	<b><a href="#"><u>Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery</u></a></b>
22-Dec-21	<a href="#"><u>MACROView – The Return of the 'Vigilante'</u></a>
14-Dec-21	<a href="#"><u>MACROView – When "Bad" Inflation Clouds the Path of "Good" Inflation</u></a>
9-Dec-21	<a href="#"><u>MACROView – Another Retreat ... Until Further Notice</u></a>
8-Dec-21	<a href="#"><u>MACROView – For Stormy Days, Eyes on the Ball</u></a>
<b>7-Dec-21</b>	<b><a href="#"><u>EGYPTBanks – Takeoff Time</u></a></b>
5-Dec-21	<a href="#"><u>MACROView – Searching for Lost Momentum</u></a>
21-Nov-21	<a href="#"><u>TAKEStock – Nitrogen Fertilizers Local Price Hike</u></a>
17-Nov-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</u></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>
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18-Apr-21	<a href="#"><u>MACROView – Challenges Remain Daunting</u></a>
<b>13-Apr-21</b>	<b><a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – The Value Algorithm</u></a></b>
<b>12-Apr-21</b>	<b><a href="#"><u>Orascom Construction [ORAS] – Rich in 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>
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3-Feb-21	<a href="#"><u>MACROView – A Fragile Improvement but Favorable Sentiment</u></a>



- 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\*\*](#)



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