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A Belated Q3 Appearance

1. Today's Trading Playbook

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KEY THEMES

Global shares were a mixed bag, after a set of weak economic data, which pushed Chinese policy makers to once more ease monetary policy. Meanwhile, Brent oil prices clinched a 3-year high, trading near USD86.7/bbl. Higher oil prices came on the back of tight supply concerns, with traders shrugging off the potential impact of the Omicron variant on global demand.

Elsewhere, Juhayna Food Industries [**JUFO**] has released its belated Q3 2021 financials yesterday. JUFO registered a bottom line after minority of EGP173mn (+14% y/y), as the company managed to grow its revenues by 23% y/y to EGP2.4bn (+23% y/y), mostly driven by volume growth. Despite solid top line growth, GPM deteriorated by 5pp y/y to 27%.

JUFO's management attributed margin contraction as a result of higher raw materials (i.e. raw milk) and packaging material prices, due to global supply chain disruptions. However, management expects margins to gradually improve later as JUFO started to gradually pass on the cost hikes to the consumer. We note that JUFO's stock price has rallied 76% since its bottom recorded last May. However, given projected earnings growth, JUFO could still offer a decent upside from current levels as it is still trading at a considerable discount to regional peers.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Suez Canal revenues are expected to hit USD7bn in 2022, up 11.1% y/y. ([Bloomberg Al-Sharq](#))

South Korea will reportedly provide an USD1bn in the form of soft loan to Egypt, according to the South Korean ambassador. ([Al-Mal](#))

Arab Petroleum Investments Corporation (Apicorp) and the Islamic Development Bank (ISDB) have launched a three-year, USD1bn initiative for private-sector, focusing on infrastructure financing in countries including Egypt. ([ISDB](#))

A group of Gulf banks has completed arranging a joint loan to Egypt of USD3bn divided between Islamic financing and green financing, at USD1.5bn each for a period of 3 years. ([Economy Plus](#))

State-owned Engineering Automotive Manufacturing Co. (EAMCO) is set to sign a cooperation agreement with South Korean auto parts maker Myoung Shin to locally produce electric microbuses by the end of the week. ([Enterprise](#))

A total amount of EGP30bn has been earmarked to develop state-owned oil companies in the FY23 state budget, according to the Oil minister. ([Ministry statement](#))

CORPORATE NEWS

Orascom Construction [ORAS] has announced that it added new awards during Q4 2021 of around USD785mn. Accordingly, ORAS's has added a total of USD3.5bn during 2021 to its backlog, scoring a 22% y/y growth in new awards. ORAS mentioned that the Middle East captured 55% of the newly booked new awards during Q4 2021, which included transportation and power projects in Egypt and water projects in Egypt and Tunisia. Moreover, new awards in the U.S. accounted for the remaining 45% during the quarter, mainly led by projects in the commercial sector. The estimated consolidated backlog stood at USD6.1bn by the end of 2021. ([Company disclosure](#))

Juhayna Food Industries [JUFO] has posted Q3 2021 financials, registering a bottom of EGP173mn (+14% y/y), as JUFO managed to grow its revenues by 23% y/y to EGP2.4bn (+23% y/y), mostly driven by volume growth. Despite solid top line growth, GPM deteriorated by 5pp y/y to 27%. ([Company disclosure](#))

Aspire Capital's [ASPI] subsidiary, Al-Khair Microfinance, has allegedly bought a microfinance portfolio worth EGP19mn. ([Company disclosure](#))

E-Cards, a subsidiary of E-Finance [EFIH], is currently negotiating with one of the health insurance entities in Zimbabwe to issue and manage health insurance cards. ([Company disclosure](#))

Edita Food Industries [EFID] announced the launch of its latest wafer product, Freska Choco Sticks, sold under Edita's Freska brand. (Company disclosure)

Cairo Oils & Soap [COSG] has reached to a settlement arrangement with the employees of Ghamra factory. According to the settlement, the employees will receive an amount between EGP20-30mn, to be paid over three installments. COSG said that the shutdown of the factory will impact its operations positively, as COSG will be able to eliminate fixed costs. ([Mubasher](#))

GLOBAL NEWS

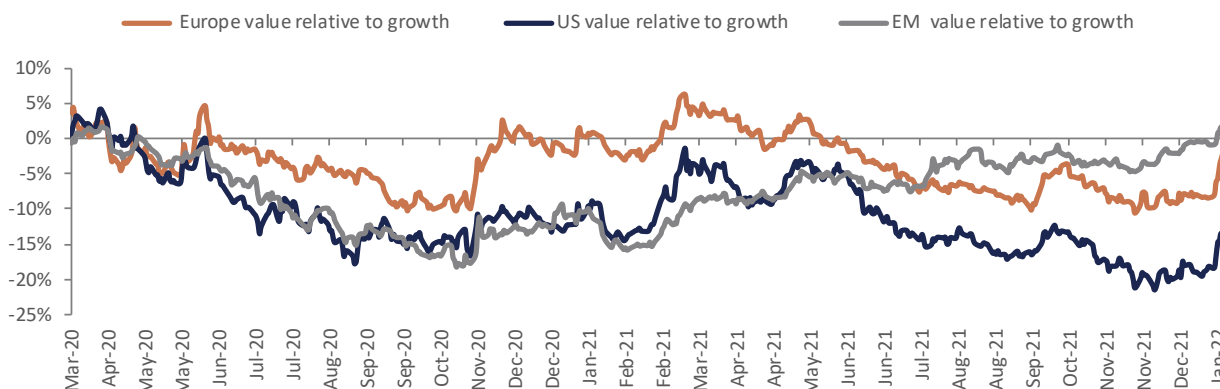
China's economy rebounded in 2021 from its pandemic-induced slump helped by robust exports, but the pace slowed further in the fourth quarter off the back of weak consumption and a property downturn, pointing to the need for more policy support. ([Reuters](#))

Gold prices held steady on Monday as market participants gauged the global economic policy outlook, with inflationary hedge demand countering hawkish comments from U.S. Federal Reserve officials that kept the dollar and Treasury yields supported. ([Reuters](#))

3. CHART OF THE DAY

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Source: Bloomberg.

The global value shares did not outperform in 2021 from the pandemic lows, with only EMs value shares bested their growth peers.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
759.9					573.6 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	11,830.94	(1.51%)	(0.99%)		Gold	1,817.94	(0.25%)	(0.55%)
	EGX 30 TR	4,671.88	(1.52%)	(0.95%)		Silver	22.96	(0.55%)	(1.44%)
	EGX 70 EWI	2,196.50	(1.69%)	(0.24%)		Brent Oil	86.06	0.41%	11.10%
	EGX 100 EWI	3,223.79	(1.64%)	(0.97%)		WTI	83.82	0.63%	12.15%
	DFMGI	3,201.77	(0.40%)	0.18%		Natural Gas	4.26	(0.42%)	13.78%
	ADSMI	8,425.40	(0.01%)	(0.74%)	EGP	USD/EGP	15.69	0.19%	0.11%
	TASI	12,110.15	0.26%	7.34%	€	EUR/USD	1.14	0.03%	0.39%
	QE Index	12,433.53	0.94%	6.95%	£	GBP/USD	1.37	0.00%	1.06%
	S&P 500	4,662.85	0.08%	(2.17%)	¥	USD/JPY	114.19	0.01%	0.52%
	Dow 30	35,911.81	(0.56%)	(1.17%)		6M TB yield	12.06	(3)	(67)
	NASDAQ	14,893.75	0.59%	(4.80%)		1Y TB yield	13.21	(1)	44
	VIX	19.19	(5.51%)	11.44%		10Y TB yield	14.72	1	33
	STOXX 50	4,272.19	(1.01%)	(0.61%)		2Y TB yield	0.96	4	83
EM	MSCI Emerging	1,257.46	(0.46%)	2.07%		10Y TB yield	1.79	4	86
FM	MSCI Frontier	661.47	0.06%	(0.63%)		30Y TB yield	2.13	4	47

* 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
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-Jan-22	PACH	Cash dividend	Deadline for eligibility for a dividend of EGP1.25/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	PACH	Cash dividend	Date for paying out a dividend of EGP0.75/share (1st installment).
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
12-Jan-22	<u>QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth</u>
10-Jan-22	<u>MACROView – The Last Reading Ahead of a Cloudy Year</u>
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>TAKEStock – 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>Elsowedy 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>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>

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