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Going Outside

1. Today's Trading Playbook

TABLE OF CONTENTS**KEY THEMES**

So far into 2022, global stock markets are starting on the wrong foot. While other global stock markets are mostly down for the year, the U.S. stock market just registered its worst weekly performance since the onset of COVID-19. Last week, both Dow Jones Industrial Average and S&P 500 fell 4.6% and 5.7%, respectively. The Nasdaq composite tech-laden index alone fell 7.6% last week. Such a negative performance has mostly been driven by a general risk-off mode in anticipation of the Fed hiking interest rates. This is feared would mean lower valuation for U.S. stocks. Elsewhere, the slide is not as severe in other major global markets.

Back home, Fawry [**FWRY**] fell for the fifth trading session in a row after the company announced Thursday morning it was calling for an EGP800mn capital increase at a par value of EGP0.50, thus almost doubling its outstanding shares. While the news may have seemed to be a short term negative for investors who do not like to take part in any cash capital increase, the announcement had a silver lining. FWRY's board has agreed to consider listing in the U.S. market through an American Depositary Shares (ADS) program through a secondary offering, although the size, share price, and timing are all still unknown. Such a U.S. listing may attract interest from foreign investors to Egypt's first fintech player to go public, but the timing and hence the impact is of the essence given that the U.S. markets are now in a correction mode.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Egypt is considering the issuance of sustainable development bonds to finance the Decent Life initiative. ([Ministry of international cooperation](#))

The Central Bank will meet with the banks' top managements to discuss their proposals for supporting manufacturers to mitigate the effects of the COVID-19 and the global inflation wave. ([Economy Plus](#))

Egypt has signed crude oil and petroleum agreements worth USD506mn for exploration and production in its eastern desert and western desert regions with TransGlobe Energy Corporation and Pharos Energy. ([Reuters](#))

The government plans to initiate water desalination project with 12.5mn cubic meter in monthly capacity, powered by probably solar energy. The project is part of governmental plan for sea water desalination projects during the period 2020-2050 with estimated costs of EGP134bn. (Al-Mal)

CORPORATE NEWS

GB AUTO's [AUTO] investment MNT-Halan launched a Buy-now Pay-later (BNPL) service through its app. The new service allows customers to use their credit limits both online and in stores. ([Company disclosure](#))

Arabian Food Industries [DOMT] is reportedly looking to add two production lines in 2022, and willing to invest up to EGP150mn. (Al-Borsa)

Macro Group Pharmaceuticals [MCRO] updated prospectus revealed that the maximum IPO price is EGP6.05/share, with implied market cap of EGP3.5bn. MCRO is considering to float 45.8% of its share on EGX during Q1 2022. (Al-Mal)

Export Development Bank of Egypt –EBE- [EXPA] will change its marketing identity through introducing a new logo. The bank will be known as EBank instead of EBE starting Sunday 23 January 2022. ([Company disclosure](#))

The Egyptian Stock Exchange (EGX) has announced the transfer of Marseilia Almasreia Alkhalegeya Real Estate Investment [MAAL] from the small and medium sized enterprises (SMEs) market to the main market. ([Mubasher Info](#))

Nahr Elkhair Development and Investment [KRDI] will start trading on the EGX next Tuesday ([Enterprise](#))



GLOBAL NEWS

U.S. Treasury Secretary rebranded the Biden administration's economic agenda as "modern supply-side economics," using a Reagan-era phrase favored by Republicans to assert that Democrats' spending plans will boost the U.S. economy's productive capacity. ([Reuters](#))

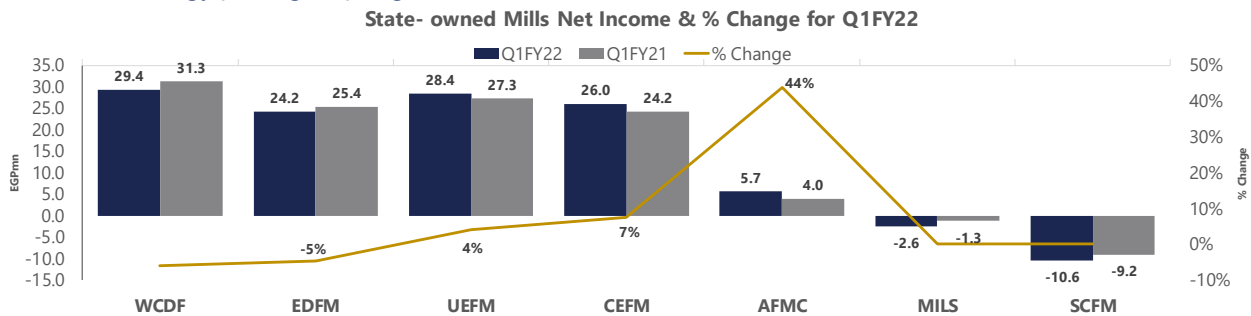
A potential invasion of Ukraine by neighboring Russia would be felt across a number of markets, from wheat and energy prices and the region's sovereign dollar bonds to safe have assets. ([Reuters](#))

3. CHART OF THE DAY

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Source: Company reports.

Out of the seven state- owned listed Mills that released Q1 FY22 results, Alexandria Flour Mills [**AFMC**] reported the highest surge in net income for the period of 44% y/y to EGP5.7mn, followed by Central Egypt Flour Mills [**CEFM**] that reported an increase of 7% y/y in net income during the period to EGP26.0mn.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						756.9					
daily chg.						ytd chg.					
		EGX 30	11,731.71	0.14%	(1.82%)			Gold	1,835.38	(0.21%)	0.34%
		EGX 30 TR	4,632.16	0.08%	(1.79%)			Silver	24.30	(0.71%)	4.24%
		EGX 70 EWI	2,208.76	(0.19%)	0.32%			Brent Oil	87.89	(0.55%)	13.00%
		EGX 100 EWI	3,231.96	(0.24%)	(0.71%)			WTI	85.14	(0.48%)	13.20%
		DFMGI	3,209.82	1.29%	0.44%			Natural Gas	4.00	5.18%	7.21%
		ADSMI	8,705.95	0.28%	2.56%	EGP		USD/EGP	15.72	(0.03%)	0.00%
		TASI	12,290.96	0.25%	8.95%	€		EUR/USD	1.13	0.28%	(0.23%)
		QE Index	12,511.98	(0.80%)	7.62%	£		GBP/USD	1.36	(0.35%)	0.16%
			S&P 500	4,397.94	(1.89%)	(7.73%)	¥		USD/JPY	113.68	0.38%
		Dow 30	34,265.37	(1.30%)	(5.70%)			6M TB yield	12.06	(3)	(67)
		NASDAQ	13,768.92	(2.72%)	(11.99%)			1Y TB yield	13.21	(1)	44
		VIX	28.85	12.74%	67.54%			10Y TB yield	14.72	1	33
			STOXX 50	4,229.56	(1.63%)	(1.60%)			2Y TB yield	1.02	(4)
EM		MSCI Emerging	1,244.31	(0.91%)	1.00%			10Y TB yield	1.76	(9)	83
FM		MSCI Frontier	646.99	(0.34%)	(2.80%)			30Y TB yield	2.08	(9)	42

* As of market close. 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
23-Jan-22	SKPC	BoD meeting	Discussing financial results.
23-Jan-22	CCRS	OGM	A board reshuffle.
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).
13-Feb-22	ELSH	BoD meeting	Discussing agenda.
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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