

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

Egypt Valuation Repertoire

1. Today's Trading Playbook

[TABLE OF CONTENTS](#)

KEY THEMES

We just published this morning **our outlook for 2022 under our STANDPoint** series. In the strategy note titled "Egypt Valuation Repertoire", we lay down our outlook for 2022 in five sections:



- **FOREWORD**, where we take a look back at 2021 before introducing our "P²C²" Matrix and explain our investment and risk rating systems. We also show case how well our 2021 long and short ideas outperformed, generating an average return of 17.9% per idea. Lastly, we look back at how different asset classes performed in 2021 and the prior 20 years.
- **MACRO**View, where we analyze the macro picture globally in brief and locally in detail, ending up with the country's economic KPIs and our macro estimates.
- **STOCK**View, where we revisit our factor-based analysis of Egyptian stocks, covering characteristics such as style, quantitative, beta, trading liquidity, and volatility.
- **VALUATION**Repertoire, where we summarize our top picks for the market in 2022 with 15 top stock picks one by one.



- **MARKET** in Figures, where we summarize the market performance and key KPIs in figures to focus on certain aspects such as trading statistics, category performance in 2021, and investor trading activity by type and nationality.

POSITIVE

15 top stock picks: **ABUK, BINV, CICH, COMI, PHAR, SWDY, FAIT/FAITA, IDHC, WCDF, MICH, EGSA, OLF, ORAS, ORWE, and ETEL.**

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

2. TOP NEWS & ANALYSIS

TABLE OF CONTENTS

MACRO NEWS

Egypt will receive an USD368mn loan from the Arab Monetary Fund (AMF) to help strengthen its financial position and meet “emergency needs” amid challenges caused by the ongoing pandemic. ([AMF](#))

The General Authority for Supply Commodities purchased 420,000 tons of wheat for March delivery in an international tender last week — more than 40% of it from conflict-threatened Ukraine, with the rest coming from Russia and Romania. ([Nasdaq](#))

CORPORATE NEWS

Abu Qir Fertilizers' [ABUK] H1 2021/22 preliminary figures showed net earnings of EGP3.2bn (+114% y/y). Strong earnings growth came on the back of: (1) 54% y/y higher top line of EGP6.2bn. (2) 23pp improvement in GPM to 62%. Such performance leap was due to: (1) Global nitrogen fertilizers rally, where urea prices crossed the USD900/ton mark. (2) Hiking local subsidized fertilizer's prices late November 2021, which partially offset the impact of the 28% natural gas price hike undertaken early November 2021. (3) A relatively weak base in H1 2020/21. We expect ABUK's strong performance to continue in the second half of 2021/22, albeit at a lighter pace than the one we have seen in Q2 2021/22 since global urea prices are bound to correct gradually as the winter season concludes. ([Company disclosure](#))

Elsewedy Electric [SWDY] consortium with “El Gharably” and “Egyptian Railways for Track Renewal and Maintenance Company” submitted the lowest price for two tenders related to the renewal and renovation works for some railways. The contract was not signed yet nor the final letter of awards, so the company didn't disclose the size of the project. ([company disclosure](#))

Orascom Investment Holding [OIH] has announced the sale of its stake at Pakistani Transworld for USD35mn. ([Company disclosure](#))

General Company for Ceramic and Porcelain Products [PRCL] reported its preliminary figures for H1 2021/22. PRCL reported net losses of EGP28.5mn vs. net losses of EGP21.9mn a year earlier. Meanwhile, top line slipped to EGP104.5mn (-7% y/y). We note that, PRCL's GPM dropped to 3% in H1 2021/22 vs. 12% a year earlier. ([Company disclosure](#))

Makadi Heights for Tourism Development, a subsidiary of Orascom Development Egypt [ORHD], received a letter from the Egyptian Tourism Development Authority (TDA) regarding reducing a land plot area. TDA informed Makadi Height for a reduction of 1.75mn sqm. ORHD intends to file a formal petition requesting reconsideration of the TDA's decision to preserve the company's rights. ([Company disclosure](#))

Cairo for Investment & Real Estate Development [CIRA] reported net income after minority of EGP100mn (-15.4% y/y) in Q1 2021/22 on lower GPM of 53% (-9pp y/y) and higher financing cost (+53.3% y/y). Revenues, however, upped 16.2% y/y to EGP430mn during the same period. ([Company disclosure](#))

GLOBAL NEWS

The U.S. Federal Reserve has kicked off 2022 with a clear message: rates will rise to contain surging inflation. The Federal Reserve on Wednesday signaled its intention to raise interest rates in March and reaffirmed plans to end its bond purchases that month in what U.S. central bank chief pledged will be a sustained battle to tame inflation. ([Reuters](#))

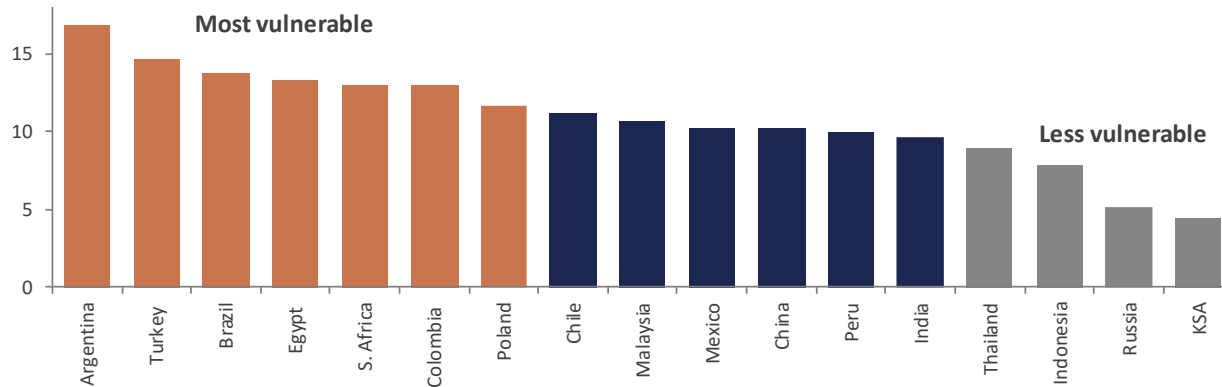
Oil prices are showing signs of overheating as traders anticipate a severe shortage of oil this year: inventories are already low and there is little spare capacity to raise production in the short term. ([Reuters](#))

3. CHART OF THE DAY

[TABLE OF CONTENTS](#)

Mona Bedeir | Chief Economist

mbedeir@egy.primegroup.org



Sources: Bloomberg.

All EMs will be exposed to higher fed rates hikes, but according to Bloomberg ranking some countries are likely to be more exposed.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)				Equity turnover (EGPmn): Last, ytd avg.			
740.8				648.7 1,178.6			
		daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	11,499.85	(0.37%) (3.76%)		Gold	1,791.53	(0.33%) (2.06%)
	EGX 30 TR	4,540.39	(0.36%) (3.74%)		Silver	22.47	(1.30%) (3.58%)
	EGX 70 EWI	2,130.11	(0.46%) (3.26%)		Brent Oil	90.03	0.77% 15.75%
	EGX 100 EWI	3,126.72	(0.47%) (3.95%)		WTI	86.82	0.24% 15.44%
	DFMGI	3,220.37	1.01% 0.77%		Natural Gas	4.64	(25.95%) 24.37%
	ADSMI	8,766.13	0.37% 3.27%		USD/EGP	15.74	(0.16%) (0.15%)
	TASI	12,179.32	(0.03%) 7.96%	€	EUR/USD	1.12	0.05% (1.93%)
	QE Index	12,508.64	0.22% 7.59%	£	GBP/USD	1.34	0.13% (0.97%)
	S&P 500	4,431.85	2.43% (7.01%)	¥	USD/JPY	115.26	0.10% (0.16%)
	Dow 30	34,725.47	1.65% (4.44%)		6M TB yield	12.10	4 (63)
	NASDAQ	13,770.57	3.13% (11.98%)		1Y TB yield	13.21	(0) 44
	VIX	27.66	(9.28%) 60.63%		10Y TB yield	14.71	(1) 32
	STOXX 50	4,136.91	(1.15%) (3.76%)		2Y TB yield	1.18	15 105
	MSCI Emerging	1,191.14	(0.08%) (3.32%)		10Y TB yield	1.79	2 86
	MSCI Frontier	637.73	0.14% (4.19%)		30Y TB yield	2.09	(2) 43

* 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
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).
17-Feb-22	BIOC	EGM	Discussing the sale of some assets.
23-Feb-22	ODID	EGM	Discussing applying a reward system for employees.
26-Feb-22	SPMD	OGM	A board reshuffle.
26-Feb-22	SPMD	EGM	Amending Article No. 21 of the company's bylaws.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
30-Jan-22	<u>STANDPoint – Egypt Valuation Repertoire — 2022 Outlook</u>
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>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>Elsowedy 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>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>

Prime Securities

Shawkat El Maraghy

Managing Director

T +20233005622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +20233005784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

AAlaa@egy.primegroup.org

Mohamed ElMetwaly

Manager

T +20233005610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +20233005624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +20233005724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi El Nil St, Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

Alexandria

7 Albert Al Awa St.
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

Website

www.primeholdingco.com

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2022, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.