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More Economic Data to Digest

1. Today's Trading Playbook

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KEY THEMES

Misr Chemical Industries' [**MICH**] BoD held on 26 January 2022 announced that last December's bottom line came at EGP16.7mn. This brings H1 2021/22 bottom line for MICH to EGP96.5mn (+17% y/y). While the period of H1 2020/21 is considered an already a strong base, MICH was able to prevail it, thanks to rallying global caustic soda prices. In general, we believe MICH will be able to achieve a double-digit earnings growth in 2021/22, taking into consideration that H2 2021/22 will not be as strong as the first half. We note that MICH is one of the 15 stocks we picked in our annual [STANDPoint strategy report](#) published on 30 January 2022. We have an Overweight rating on MICH with a 12MPT of EGP13.9/share (ETR +36%). MICH is currently traded at a 2022e P/E of only 5x.

Elsewhere, a set of economic data were released this morning. For a starter, [Egypt's PMI](#) fell from 49.0 in December 2021 to 47.9 in January 2022 as both output and new orders sub-indices weakened. Moreover, the central bank released the [Balance of Payment \(BoP\) data for Q1 FY22](#). Until we publish our MACROView note, here are our main takeaways. First, CAD widened by 44% y/y to USD4bn, but it shrank on a quartile basis by 22% q/q. Second, travel balance more than doubled y/y mainly due to the surge in tourism revenues of USD2.8bn vs. USD801mn in the comparable period. Third, transfers grew by 1.5% y/y, recording USD8bn. Fourth, FDI increased by 3.7% y/y, recording USD1.6bn.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The Ministry of Finance is considering to reduce to 8% the current 15% haircut exporters take to get overdue subsidy payments in a single lump sum. ([Al-Borsa](#))

The Suez Canal Authority (SCA) will establish an EGP2bn fund in March to finance its economic activities. ([Bloomberg Asharq](#))

CORPORATE NEWS

The subscription process for the private placement tranche of Macro Group Pharmaceuticals [MCRO] ended and trading on the stock is likely to commence on EGX next week post the close of the public offering on 7 February 2022. The private placement was covered 1.79x, where the final price was set at EGP4.85/share. ([EGX](#))

Egypt Aluminum [EGAL] has reportedly raised its local prices by EGP5,500/ton in light of higher global aluminum prices. (Al-Mal)

Marseilia Egyptian Gulf Real Estate [MAAL] has signed a partnership agreement to develop a project valued at EGP6.5bn in North Coast. The expected sales from that project is EGP13bn, where MAAL will collect 65% of sales during the project. ([Mubasher](#))

Africa Finance Corporation (AFC) could potentially partially bankroll Egypt's monorail and high-speed train projects with an USD250mn facility. ([Enterprise](#))

GLOBAL NEWS

The European Central Bank is all but certain to keep policy unchanged on Thursday but may have to acknowledge that inflation could stay high for longer than it had projected, a signal that may be taken by some as a hint at a faster exit from stimulus. ([Reuters](#))

Efforts to speed up the movement of goods around the world have yet to solve the supply chain bottlenecks caused by surging demand for retail goods and pandemic-related lockdowns, the latest shipping data shows. ([Reuters](#))

Government debt issuance in emerging markets was the lowest for any January since 2016, bankers have estimated, as the typically busy month faced nerves about both rising global interest rates and volatile geopolitics. ([Reuters](#))

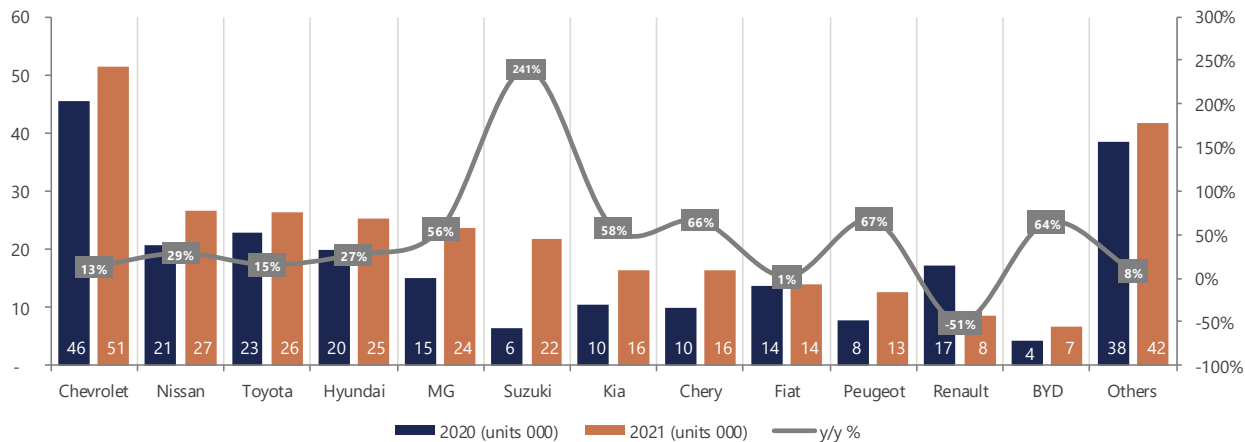
3. CHART OF THE DAY

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Egypt's vehicles' sold units in 2021 vs. 2020












































Sources: Al-Borsa.

Egypt's vehicles sales upped 26% y/y to reach c. 290,800 units in 2021. Most of the car brands witnessed an annual growth, except for Renault cars, where Suzuki witnessed the highest growth of 241% y/y. While Chevrolet topped sales with the highest market share of c.18%.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					751.9		Equity turnover (EGPmn): Last, ytd avg.					1,391.0		1,178.6					
					daily chg.	ytd chg.						daily chg.	ytd chg.						
		EGX 30	11,691.82	0.76%	(2.15%)											Gold	1,806.80	0.31%	(1.29%)
		EGX 30 TR	4,615.72	0.72%	(2.14%)											Silver	22.66	0.05%	(3.33%)
		EGX 70 EWI	2,164.35	0.57%	(1.70%)											Brent Oil	89.47	(0.50%)	14.45%
		EGX 100 EWI	3,198.68	0.87%	(1.74%)										WTI	88.26	(0.62%)	16.62%	
		DFMGI	3,174.33	0.12%	(0.68%)											Natural Gas	5.50	(3.93%)	41.69%
		ADSMI	8,734.93	0.20%	2.90%									EGP		USD/EGP	15.71	0.00%	0.06%
		TASI	12,192.61	(0.82%)	8.07%									€		EUR/USD	1.13	(0.10%)	(0.67%)
		QE Index	12,610.29	0.30%	8.47%									£		GBP/USD	1.36	(0.16%)	0.17%
		S&P 500	4,589.38	0.94%	(3.71%)									¥		USD/JPY	114.46	0.22%	0.48%
		Dow 30	35,629.33	0.63%	(1.95%)											6M TB yield	12.10	4	(63)
		NASDAQ	14,417.55	0.50%	(7.85%)										1Y TB yield	13.21	0	44	
		VIX	22.09	0.59%	28.28%										10Y TB yield	14.71	(1)	32	
		STOXX 50	4,222.05	(0.06%)	(1.78%)											2Y TB yield	1.14	(3)	101
		MSCI Emerging	1,213.23	(0.06%)	(1.52%)										10Y TB yield	1.77	(2)	84	
		MSCI Frontier	648.97	0.30%	(2.50%)										30Y TB yield	2.10	(1)	44	

* 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
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).
12-Feb-22	DSCW	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
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).
15-Feb-22	CSAG	Cash dividend	Deadline for eligibility for a dividend of EGP1.27/share.
16-Feb-22	CSAG	Cash dividend	Ex-dividend date for EGP1.27/share.
17-Feb-22	BIOC	EGM	Discussing the sale of some assets.
17-Feb-22	AIFI	EGM	Amending Articles No. 5 & 6 of the company's bylaws.
20-Feb-22	CSAG	Cash dividend	Date for paying out a dividend of EGP1.27/share.
22-Feb-22	ETEL	EGM	Amending Article No. 21 of the company's bylaws.
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.
26-Feb-22	OLFI	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
10-Mar-22	EGTS	OGM	Approving financial statements and other agenda items.
31-Mar-22	PACH	Cash dividend	Date for paying out a dividend of EGP0.50/share (2nd installment).

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
1-Feb-22	MACROView – The Ripple Effect
31-Jan-22	Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story
30-Jan-22	STANDPoint – Egypt Valuation Repertoire — 2022 Outlook
12-Jan-22	QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth
10-Jan-22	MACROView – The Last Reading Ahead of a Cloudy Year
30-Dec-21	EGYPTCeramics – From Dusk to Dawn
26-Dec-21	Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery
22-Dec-21	MACROView – The Return of the 'Vigilante'
14-Dec-21	MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation
9-Dec-21	MACROView – Another Retreat ... Until Further Notice



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>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>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>

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