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## Flying-High Dividend Yield

### 1. Today's Trading Playbook

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A calm beginning of the week for global markets, with U.S. future equity indices broadly flat in early Monday's trading. Meanwhile, Asian shares slipped on Monday in anticipation of hawkish Fed actions in the wake of strong U.S. jobs data. Furthermore, Brent oil prices didn't move much in its weekly opening, with prices stable around USD93/bbl, after a remarkable 7-week winning streak. The situation in the oil market is anything but clear, as the notion of tactical tight supply is confronted by the slow progress in U.S. -Iran nuclear talks.

Elsewhere, NileSat [**EGSA**] has reported its preliminary figures for 2021. EGSA's bottom line dropped 10% y/y to USD31mn on 11% weaker revenues of USD112mn. Despite the annual slippage, EGSA has a tremendous cash balance, which amounts to USD255mn as of Q3 2021. EGSA's revenues have been on a downward trajectory since 2015, falling at a 7-year CAGE (2014-2021) of 7%. This has not come as a surprise since EGSA lost many main accounts as big corporates within the MENA region tightened their TV advertising budgets upon finding alternative advertising options. EGSA is awaiting to launch its new satellite (i.e. Nilsat 301) in 2022, which help EGSA offer different services beside its traditional ones. Those services will include internet transmission along with other new services. That said, EGSA is a pure dividends play, offering a phenomenal USD based DY of c.10%. We note that EGSA 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 EGSA with a 12MPT of USD6.6/share (ETR +50%). EGSA has a negative enterprise value of USD91mn, since its net cash position represent a whopping 155% of its current market cap.

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

## 2. TOP NEWS & ANALYSIS

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### MACRO NEWS

**Egypt's net official reserves inched up to USD40.98bn by the end of January, compared to USD40.93bn in December. Meanwhile, non-official reserves fell by USD2.5bn to end the month at USD9.18bn.** This fall came as the country was due to pay USD2.5bn maturing eurobonds in January 2022. ([CBE](#))

**Redcon Construction is potentially eying an IPO on EGX in Q4 2023 or Q1 2024.** ([Enterprise](#))

### CORPORATE NEWS

**EFG Hermes [HRHO] is negotiating with multiple banks to borrow EGP2bn during the current year. The loan will be directed to support the HRHO's activities through financial leasing and factoring.** The volume of credit facilities EFG currently has is about EGP10bn. ([Arab finance](#))

**United Pharma will reportedly invest EGP150mn to upgrade machinery and add production lines at its 10th of Ramadan factory, increasing production capacity by 35%.** The company is 80% owned by RX Healthcare Fund, which is managed and partially owned by EFG Hermes [HRHO]. ([Enterprise](#)). Furthermore, **valU, subsidiary of EFG Hermes [HRHO], has reportedly inked a deal with the American University in Cairo (AUC)** to provide financing solution for tuition fees. ([Mubasher](#))

**MM Group for Industry & International Trade [MTIE] and Apple Trading Egypt entered into a distribution agreement. According to the agreement, MTIE will become a non-exclusive authorized distributor for Apple products in Egypt.** Sales are expected to start by Q3 2022. ([Company disclosure](#))

**e-Finance's [EFIH] subsidiary Khaless Payment Solutions recently obtained a license to provide NBFS in the Egyptian market from the FRA.** ([Arab finance](#))

**Fawry [FWRY] plans to inject new investments worth EGP800mn or more this year.** ([Arab finance](#))

**Dot Com for Electronics Development & Online Payment, a subsidiary of Orascom Financial Holding [OFH], has reportedly inked a deal with Visa** to launch a series of services under the name of "Clever". ([Mubasher](#))

**Alexandria Pharma [AXPH] H1 2021/22 bottom line has retreated by 27.25% to EGP57.3mn.** Meanwhile, revenues retreated marginally to EGP577mn (-0.5% y/y), whereas GPM dropped by c.9pp y/y to 21.2%. ([Company disclosure](#))

## GLOBAL NEWS

**Gold prices hit a more than one-week peak on Monday, as inflationary pressures due to surging oil prices helped cushion the impact of a U.S. Treasury yield rally after an upbeat jobs report, while a drop in equities also boosted bullion's appeal.** ([Reuters](#))

**Aluminium prices in China jumped 3% on Monday, following a week-long Lunar New Year holiday,** with the market bolstered by supply concerns and expectations of a pick-up in demand in the top metals consumer. ([Reuters](#))

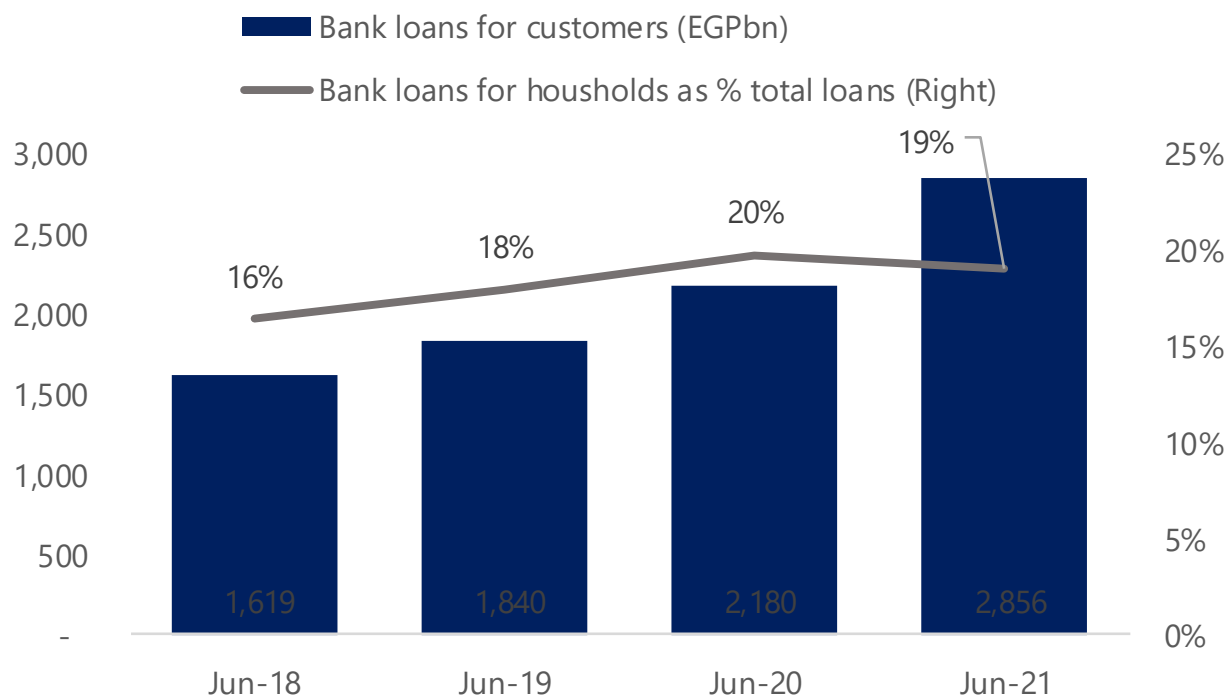
**Volkswagen does not expect the global shortage of semiconductors to end this year although it should further ease slightly in the second half,** a board member was quoted as saying by industry magazine Automobilwoche. ([Reuters](#))

### 3. CHART OF THE DAY

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#### Household Lending as % Total Lending



Sources: CBE.

Lending to the household sector growth was hindered in 2020. The sector's percentage of total market lending dropped from 20% in June 2020 to 19% by June 2021, reaching EGP544bn.

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
752.1						647.7		1,178.6	
				daily chg.	ytd chg.			daily chg.	ytd chg.
		EGX 30	11,689.55	0.44%	(2.17%)			Gold	1,808.28 0.19% (1.03%)
		EGX 30 TR	4,613.88	0.44%	(2.18%)			Silver	22.52 0.42% (2.33%)
		EGX 70 EWI	2,174.18	0.51%	(1.25%)			Brent Oil	93.27 0.32% 20.30%
		EGX 100 EWI	3,212.61	0.61%	(1.31%)			WTI	92.31 (0.18%) 22.51%
		DFMGI	3,170.67	0.57%	(0.79%)			Natural Gas	4.57 (3.57%) 18.20%
		ADSMI	8,732.92	0.06%	2.88%	EGP		USD/EGP	15.73 (0.20%) (0.00%)
		TASI	12,204.45	0.51%	8.18%	€		EUR/USD	1.14 (0.15%) 0.55%
		QE Index	12,678.31	0.19%	9.03%	£		GBP/USD	1.35 (0.04%) (0.05%)
		S&P 500	4,500.53	0.52%	(5.57%)	¥		USD/JPY	115.26 (0.25%) (0.20%)
		Dow 30	35,089.74	(0.06%)	(3.44%)			6M TB yield	12.11 0 (62)
		NASDAQ	14,098.01	1.58%	(9.89%)			1Y TB yield	13.21 (0) 44
		VIX	23.22	(4.64%)	34.84%			10Y TB yield	14.71 (1) 32
		STOXX 50	4,086.58	(1.31%)	(4.93%)			2Y TB yield	1.32 17 119
EM		MSCI Emerging	1,221.10	0.89%	(0.89%)			10Y TB yield	1.91 15 98
FM		MSCI Frontier	649.74	(0.00%)	(2.39%)			30Y TB yield	2.21 11 55

\* 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
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	<a href="#"><u>MACROView – The Ripple Effect</u></a>
31-Jan-22	<a href="#"><u>Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story</u></a>
<b>30-Jan-22</b>	<b><a href="#"><u>STANDPoint – Egypt Valuation Repertoire — 2022 Outlook</u></a></b>
12-Jan-22	<a href="#"><u>QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth</u></a>
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>TAKESock – 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>Elsowedy 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>TAKESock – 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>
5-Aug-21	<a href="#"><u>MACROView – The Sky Is No Blue</u></a>
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>
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<b>18-May-21</b>	<b><a href="#"><u>B Investments Holding [BINV] – Exits Kick Off, Unlocking Value</u></a></b>
18-May-21	<a href="#"><u>Elsowedy Electric [SWDY] – Financials promise a buoyant year ahead</u></a>
17-May-21	<a href="#"><u>Misr Chemical Industries [MICH] – Another Chapter of Strong Annual Growth</u></a>
11-May-21	<a href="#"><u>MACROView – Inflation Eased but Stage Still Set for a Pick-Up</u></a>
9-May-21	<a href="#"><u>MACROView – Stability Prevailed</u></a>
6-May-21	<a href="#"><u>MACROView – The Road to Recovery Gets Longer</u></a>
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>
11-Apr-21	<a href="#"><u>MACROView – Monthly Reading Pressured By Seasonality</u></a>
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28-Mar-21	<a href="#"><u>Taaleem Management Services [TALM] – Enriching the Education Sector</u></a>
18-Mar-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Challenging Year, Yet Growth Continues</u></a>
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<b>7-Mar-21</b>	<b><a href="#"><u>Al-Shams Housing &amp; Development [ELSH] – Making Hay While the Sun Shines</u></a></b>
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