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Oil Above USD100 ... Again

1. Today's Trading Playbook

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Oil prices crossed the USD100/bbl mark once again in a display of fears from overly tight supply. This happened as the new sanctions imposed on Russia included blocking some banks from the SWIFT global payments system. In response, Russian President, Vladimir Putin put nuclear-armed forces on high alert on Sunday.

Elsewhere, yesterday Export Development Bank of Egypt's [EXPA] 2021 (12M from Jan. to Dec. 2021) separate net profits were slashed by 40% y/y to EGP500mn. Earnings slumped despite a 6% y/y growth in net interest income to EGP1.8bn. However, NII growth during 2021 was not enough to absorb the notable upping in the bank's general and administrative (G&A) expenses. Total G&A grew by 21% y/y to EGP1.3bn in 2021. Furthermore, credit provisions grew significantly, as EXPA nearly did not book credit provisions during 2020. Finally, significantly higher effective tax rate also dented EXPA's bottom line; its effective tax rate recorded 45% (+15pp y/y). In view of 2021 results, we alter our risk rating from Medium to High on unpredictable efficiency measures and to reflect the risks associated with the upcoming 60% rights issue. While the capital increase will help the bank solve its recurring issue of undercapitalization, given that its CAR has always been at a slim margin above the minimum CBE threshold due to its loan book concentration. However, the scenario for capital increase remains questionable given that the stock is trading below its par value of EGP10/share. Meanwhile, EXPA's BoD has proposed a 10% stock dividend for the financial period ending December 2021. That said, we maintain our 12MPT at EGP11.1/share (ETR +33%); hence, we maintain our Overweight. For more details, [check out our commentary note from yesterday](#).

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Suez Canal Authority said on Sunday it was increasing canal tolls by up to 10% for laden and ballast vessels, effective March 2022. ([Reuters](#))

All B2B invoices issued by businesses based in the Greater Cairo Area will be automated by June. Meanwhile, B2C invoices across the country will be fully automated by December. ([Enterprise](#))

Eleven companies are reportedly planning to bid on desalination projects worth a combined USD2.8bn. ([Al-Borsa](#))

CORPORATE NEWS

Arabian Cement [ARCC] reported its 2021 figures with net earnings of EGP34.2mn, up from net losses of EGP122.8mn a year earlier. Meanwhile, top line has recorded EGP2,449mn (-1.3% y/y). This change to profitability came as GPM upped to 6.8% vs. 0.1% a year earlier. ([Company disclosure](#))

Amer Group Holding [AMER] has reduced its issued capital from EGP1bn to EGP903mn. The reduction of 100mn share executed through the purchase of treasury shares, with a par value of EGP1/share. ([Arab Finance](#))

General Company for Silos and Storage [GSSC] 7M 2021/22 net earnings came at EGP67mn (+10% y/y). ([Mubasher](#))

Misr Chemical Industries [MICH] is targeting net earnings for 2022/23 of EGP121mn besides targeting top line of EGP457mn for the same period. ([Mubasher](#))

Misr Beni Suef Cement [MBSC] net earnings in 2021 recorded EGP169mn (+121%) despite lower top line of EGP1.12bn (-6% y/y) on higher interest income and lower inventory losses. ([Company disclosure](#))

Misr National Steel [ATQA] has turned to profitability in 2021, registering bottom line of EGP100.4mn vs. net losses of EGP4.5mn a year earlier. Turning to profitability was the product of 25% higher top line of EGP2.36bn. ([Company disclosure](#))

Alexandria Containers Handling [ALCN] has denied rumors that pointed to possible acquisition by DP World over 90% of its total outstanding shares. ([Mubasher](#))



GB Auto's [AUTO] BoD proposed a dividend distribution of EGP0.35/share, implying a dividend yield of 7%. ([Company disclosure](#))

Egytrans [ETRS] signed a lease-back contract regarding its managerial premise in Fifth Settlement with Cairo Leasing Corporation among the company's expansion plan to support its future activities. The contract value is EGP32.5mn and will provide a liquidity of EGP25.8mn for the company. Meanwhile, ETRS is buying treasury shares amounted to 3,121,250 shares at the market price to support its share price. (Company disclosures: [1](#), [2](#))

United Housing & Development [UNIT] has announced its financial results for 2021. UNIT reported a consolidated net profit of EGP81mn (-24%y/y) in 2021, compared to EGP106mn a year earlier. ([Arab finance](#))

Middle & West Delta Flour mills [WCDF] expects net income of EGP100. 8mn in and revenues of EGP1,422.4mn in 2022/23, as per the budget approved by its board on 27 February 2022. ([Company disclosure](#))

GLOBAL NEWS

The Russian central bank raised its key interest rate to 20% from 9.5% on Monday in an emergency move, and authorities told export-focused companies to sell foreign currency as the rouble tumbled to record lows. ([Reuters](#))

OPEC+ is expected to stick to its strategy of gradual output increases — even after the Ukraine conflict sent crude prices soaring over USD100/bbl at the end of last week. The news comes despite a report that the cartel has slashed its forecast for this year's oil market surplus by some 200,000 barrels per day. ([Bloomberg](#))

Goldman Sachs expects a rise in the prices of commodities that Russia is a major producer of and lifted its short-term Brent crude forecast as the West stepped up political and economic sanctions on Moscow for its invasion of Ukraine. ([Reuters](#))

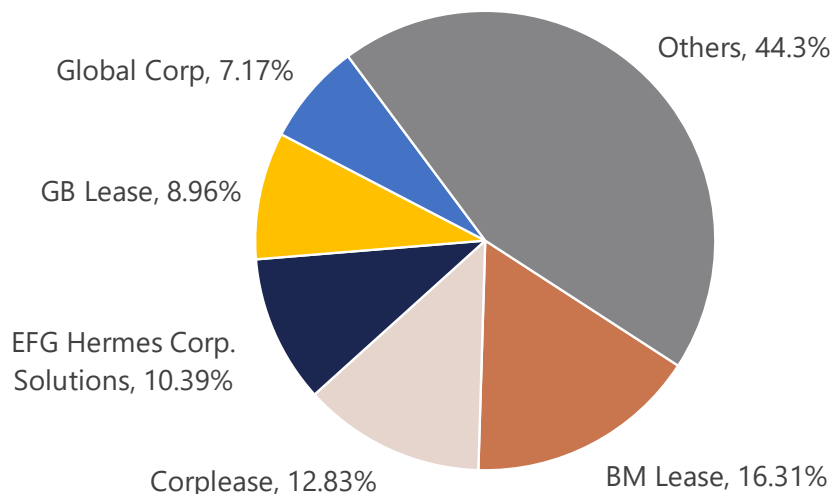
3. CHART OF THE DAY

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Egypt's Leasing Market Breakdown (January 2021 - December 2021)



Source: FRA, Prime Research.

BM Lease ranked as first with a market share of 16.31% between January and December 2021. On the other hand, CI Capital Holding's [**CICH**] **Corplease** came in second, with a market share of 12.83%. Meanwhile, EFG Hermes Holding's [**HRHO**] leasing and factoring entity held the third place with a market share of 10.39%, evidencing its growing business.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
704.5					581.5 1,178.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
		EGX 30	11,174.09	2.60%	(6.49%)			Gold	1,889.34 (0.76%) 4.39%
		EGX 30 TR	4,413.74	2.65%	(6.42%)			Silver	24.27 0.23% 4.54%
		EGX 70 EWI	1,848.51	4.16%	(16.05%)			Brent Oil	97.93 4.79% 31.94%
		EGX 100 EWI	2,823.14	3.76%	(13.27%)			WTI	91.59 5.61% 28.61%
		DFMGI	3,312.31	1.16%	3.64%			Natural Gas	4.47 2.73% 23.11%
		ADSMI	9,123.07	0.56%	7.48%	EGP		USD/EGP	15.74 (0.17%) (0.02%)
		TASI	12,417.56	0.98%	10.07%	€		EUR/USD	1.13 (0.92%) (1.81%)
		QE Index	12,659.49	0.16%	8.89%	£		GBP/USD	1.34 0.22% (0.91%)
		S&P 500	4,384.65	2.24%	(8.00%)	¥		USD/JPY	115.55 (0.02%) (0.39%)
		Dow 30	34,058.75	2.51%	(6.27%)			6M TB yield	12.07 (2) (66)
		NASDAQ	13,694.62	1.64%	(12.47%)			1Y TB yield	13.20 (2) 43
		VIX	27.59	(9.00%)	60.22%			10Y TB yield	14.71 (1) 32
		STOXX 50	3,970.69	3.69%	(7.62%)			2Y TB yield	1.58 8 145
EM		MSCI Emerging	1,171.99	1.48%	(4.87%)			10Y TB yield	1.97 10 104
FM		MSCI Frontier	619.92	1.18%	(6.87%)			30Y TB yield	2.28 7 62

* 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
1-Mar-22	AIFI	EGM	Amending Articles No. 5 & 6 of the company's bylaws.
3-Mar-22	RTVC	EGM	Approving valuation & selling Amban for tourism investments.
3-Mar-22	FWRY	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
3-Mar-22	ETEL	Earnings Announcement	Announcing 2021 financial results.
3-Mar-22	ETEL	Conference Call	Discussing Q4 2021 results.
5-Mar-22	PRDC	EGM	Amending Article No. 32 of the company's bylaws.
5-Mar-22	OLFI	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
6-Mar-22	PRCL	OGM	A board reshuffle.
10-Mar-22	EGTS	OGM	Approving financial statements and other agenda items.
10-Mar-22	FAIT	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
13-Mar-22	PHDC	EGM	Concerning the company's obtaining financing for the Badia project.
15-16 Mar-22		FOMC	Discussing Policy Rate.
20-Mar-22	SPMD	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.

20-Mar-22	SKPC	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
20-Mar-22	SKPC	EGM	Amending Articles No. 4, 5 & 26 of the company's bylaws.
22-Mar-22	RMDA	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
23-Mar-22	ADIB	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
23-Mar-22	ADIB	EGM	Amending Articles No. 6, 7 & 25 of the bank's bylaws.
24-Mar-22		MPC Meeting	Determining the CBE's policy rate.
24-Mar-22	AUTO	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
24-Mar-22	AUTO	EGM	Discussing capital reduction and amending articles No. 6 & 7 of the company's bylaws.
26-Mar-22	MBSC	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
26-Mar-22	MBSC	EGM	Amending Article No. 5 of the company's bylaws.
28-Mar-22	SWDY	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
31-Mar-22	ORWE	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
31-Mar-22	CIEB	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
31-Mar-22	CIEB	EGM	Amending Articles No. 4 & 7 of the bank's bylaws.
31-Mar-22	MENA	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
31-Mar-22	ETRS	OGM	Approving financial statements ending 31 Dec. 2021 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

27-Feb-22	Export Development Bank of Egypt [EXPA] – A Year to Forget
22-Feb-22	Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale
21-Feb-22	Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day
20-Feb-22	Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability
17-Feb-22	Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk
16-Feb-22	MACROView – A Soothing Message From the CBE ... and Our Takeaways
14-Feb-22	Abu Qir Fertilizers [ABUK] – Another Record-High Quarter
13-Feb-22	Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed
10-Feb-22	MACROView – Ebb and Flow
10-Feb-22	MACROView – The Cloudy Year Has Just Begun
9-Feb-22	Elsewedy Electric [SWDY] – Ending 2021 on a Good Note

8-Feb-22	<u>MACROView – A Fall in Disguise</u>
7-Feb-22	<u>Macro Group Pharmaceuticals [MCRO] – Not the Usual Pharma Stock</u>
1-Feb-22	<u>MACROView – The Ripple Effect</u>
31-Jan-22	<u>Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story</u>
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>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>
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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>

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