

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

More Earnings to Digest

1. Today's Trading Playbook

TABLE OF CONTENTS

Nouran Ahmed | Equity Analyst
nahmed@egy.primegroup.org

KEY THEMES

Obour Land Food Industries [**OLFI**] has announced its consolidated Q1 2022 figures last Thursday. Below are our main takeaways for the quarter:

Exceptional top line improvement: Revenues grew 39% y/y to EGP924mn, posting a double-digit growth that we believe was due to both higher volumes and prices. White cheese volumes sold grew 23% y/y to 30,000 tons, whereas white cheese average prices rose to EGP28.5/kg (+15% y/y).

Margins pressured: Despite earnings growing by 30% y/y, margins came under pressure. We believe the GPM decline is a reflection to a worldwide rally in global commodity prices with higher skim milk powder (SMP) prices. GPM and NPM slipped by 1.9pp and 0.7pp to 22% and 10%, respectively.

Top line diversity attempts: Despite all attempts to diversify, OLFI's top line is still dominated by the cheese segment which continues to seize the largest contribution to revenues (94% of total revenues or EGP868mn). To the contrary, the juice & milk segment showed a decline in contribution to total revenues to represent 6% vs. 8% a year earlier, albeit with segment revenues increasing 4% y/y.

Overweight and 12MPT maintained: OLFI is trading at 2022e P/E of 6.8x. In view of Q1 2022 results, we maintain our Overweight rating for OLFI, with our 12MPT of EGP8.6/share (+42%). OLFI is one of the 15 stocks we had picked in our STANDPoint 2022 strategy outlook published on 30 January 2022.

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

2. TOP NEWS & ANALYSIS

TABLE OF CONTENTS

MACRO NEWS

S&P and Fitch Ratings have both affirmed Egypt's BB and B+ credit ratings with a stable outlook, despite surging food and energy prices caused by the war in Ukraine putting pressure on the country's finances, the two ratings agencies said last week. ([Enterprise](#))

Egypt's budget deficit is expected to narrow to 6.8% by the end of the current fiscal year, the IMF said in its latest Fiscal Monitor Report. ([IMF](#))

Egypt has signed major agreements with international companies to produce green energy in the Suez Canal Economic Zone in a step that could help turn the zone into a green energy hub. ([Enterprise](#))

US conglomerate Honeywell is looking to invest around USD200mn in petrochemicals and the production of green fuels for aircraft in Egypt. ([Ministry of Petroleum](#))

UAE-based fintech platform FlexxPay is expanding to Egypt. Meanwhile, Last week, China-backed fintech player OPay received preliminary approval from the Central Bank of Egypt (CBE) to issue pre-paid cards in partnership with Masria Digital Payments (MDP). Other Africa-focused fintechs such as Churpy and ImaliPay have said recently they are preparing to set up shop in Egypt. ([Enterprise](#))

Around 55,000 tons of Indian wheat will be loaded from India's Kandla Port for shipment to Egypt on Friday. ([Argus media](#))

CORPORATE NEWS

Fawry's [FWRY] net earnings grew 13% to EGP186mn in 2021, implying a net margin of 11%. Such earnings growth came on the back of double-digit top line growth of 34% y/y to EGP1.66bn vs. EGP1.2bn a year before. Around 56% of revenue growth was driven by banking services, of which revenues grew 135% y/y to EGP411mn, contributing 25% to revenues (vs. 14% a year before). Total throughput value increased by 61.5% to EGP131bn in 2021, up from EGP81bn a year before. FWRY is currently trading at 2021 EV/EBITDA of 30x and P/E of 87x. ([Company disclosure](#))

Abu Qir Fertilizers' [ABUK] latest OGM minutes suggested that the additional 10% local quota, which was placed back in November, is now canceled. As a way of background, back in November 2021, the Egyptian government revised local nitrogen fertilizers prices upward. The new regime back then necessitated fertilizers, in addition to their monthly quota, to sell an additional 10% of their output in the "free" local market, where prices are not subsidized. ([Company disclosure](#))



SODIC's [OCDI] consolidated net income in Q1 2022 surged 126% y/y, yet dropped 56% q/q to EGP226mn, while revenue increased 40% y/y (-67%q/q) to EGP1.19bn. Furthermore, GPM upped to 42% (+9pp y/y). OCDI's excellent y/y KPIs are supported by a better delivery mix and improvement in operating profitability, though q/q performance drop was due to lower recorded Q1 2022 revenue vs. Q4 2021. Meanwhile, OCDI accounted for EGP3.74bn (+102%y/y) of gross contracted sales, representing 573 units sold. ([Company disclosure](#))

Integrated Diagnostics Holdings [IDHC] net earnings in 2021 came at EGP1.5bn (+145% y/y) in line with our expectations. Stupendous bottom line growth came in light of 97% y/y growth in top line to EGP5.3bn. Furthermore, GPM improved to 54% (+3pp y/y). Growth in revenues took place on the back of 24% y/y growth in number of tests, coupled with a 53% growth in blended prices. IDHC is currently traded at 2021 P/E of 7.7x. We have an Overweight rating on IDHC, with our 12MPT of EGP28.9/share (+ETR 51%). IDHC is one of the 15 stocks we had picked in our STANDPoint 2022 strategy outlook published on 30 January 2022. ([Company disclosure](#))

Abu Auf is postponing its IPO to the second half of 2022, due to the market changes upon the Russia-Ukraine war. ([Enterprise](#))

GLOBAL NEWS

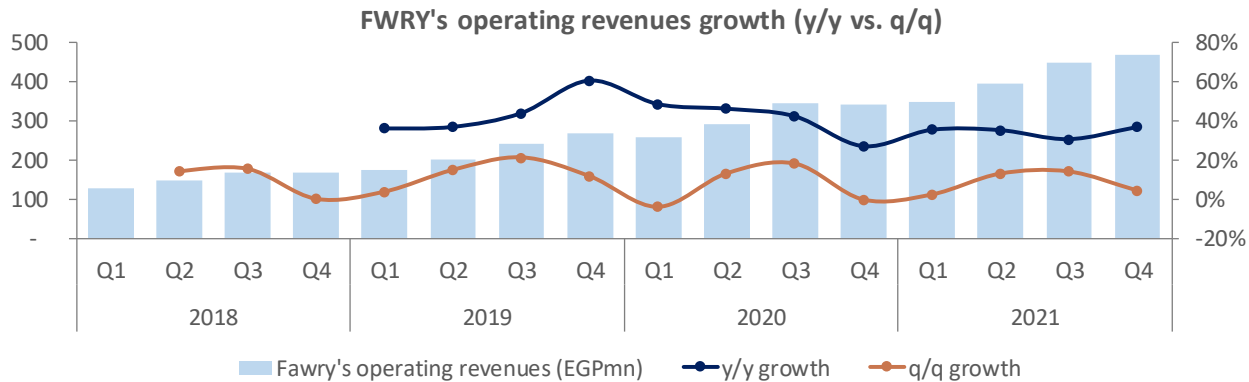
The European Central Bank should raise interest rates soon and has room for up to three hikes this year, ECB policymaker Martins Kazaks told Reuters, joining a chorus of policymakers calling for a swift exit from stimulus. ([Reuters](#))

The Bank of Japan is set to maintain ultra-low interest rates on Thursday and hold off from major tweaks to its dovish policy guidance, as rising raw material costs force it to focus on underpinning a fragile economic recovery. ([Reuters](#))

3. CHART OF THE DAY

TABLE OF CONTENTS

Youssef Ghazy | Equity Analyst























yghazy@egy.primegroup.org





















Source: company reports.

Fawry's **[FWRY]** Q4 2021 results showed a notable y/y growth in revenue of 37% compared to Q4 2020. Meanwhile, Sequential growth came at 4% compared to Q3 2021.

4. MARKETS PERFORMANCE

TABLE OF CONTENTS

Current equity market cap (EGPbn)						688.9	
						daily chg.	ytd chg.
		EGX 30	10,548.14	0.99%	(11.72%)		
		EGX 30 TR	4,246.48	1.06%	(9.97%)		
		EGX 70 EWI	1,831.32	4.72%	(16.83%)		
		EGX 100 EWI	2,767.75	3.78%	(14.97%)		
		DFMGI	3,653.60	(0.79%)	14.32%		
		ADSMI	10,042.96	(0.88%)	18.31%		
		TASI	13,543.25	0.60%	20.05%		
		QE Index	13,764.05	(1.59%)	18.39%		
		S&P 500	4,296.12	0.57%	(9.86%)		
		Dow 30	34,049.46	0.70%	(6.30%)		
		NASDAQ	13,004.85	1.29%	(16.88%)		
		VIX	27.02	(4.22%)	56.91%		
		STOXX 50	3,757.59	(2.15%)	(12.58%)		
		MSCI Emerging	1,046.04	(2.75%)	(15.09%)		
		MSCI Frontier	587.32	(2.09%)	(11.77%)		

Equity turnover (EGPmn): Last, ytd avg.						981.3 1,338.8	
						daily chg.	ytd chg.
		Gold	1,897.83	(1.75%)	4.13%		
		Silver	23.62	(2.16%)	1.96%		
		Brent Oil	102.32	1.25%	35.62%		
		WTI	98.54	0.94%	34.53%		
		Natural Gas	6.67	3.00%	84.16%		
EGP		USD/EGP	18.56	0.06%	(15.32%)		
€		EUR/USD	1.07	0.06%	(5.73%)		
£		GBP/USD	1.27	0.05%	(5.80%)		
¥		USD/JPY	128.14	0.28%	(10.07%)		
		6M TB yield	13.47	39	74		
		1Y TB yield	13.41	(9)	64		
		10Y TB yield	14.71	(0)	32		
		2Y TB yield	2.63	1	250		
		10Y TB yield	2.83	(4)	190		
		30Y TB yield	2.89	(0)	123		

* 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

TABLE OF CONTENTS

[Find out](#) how your favorite stocks compare to the rest of the market.

6. KEY DATES

DATE	TICKER	TYPE	EVENT
26-Apr-22	PHAR	Cash dividend	Date for paying out a dividend of EGP1.5/share (1st installment).
26-Apr-22	ETEL	Cash dividend	Date for paying out a dividend of EGP1.00/share.
26-Apr-22	MIPH	OGM	Approving financial statements and other agenda items.
26-Apr-22	RMDA	Cash dividend	Date for paying out a dividend of EGP0.009/share.
26-Apr-22	OCPH	Cash dividend	Date for paying out a dividend of EGP4.00/share.
26-Apr-22	ELSH	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
26-Apr-22	ELSH	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
26-Apr-22	EGCH	OGM	Approving the 2022/23 budget.
26-Apr-22	BTFH	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
26-Apr-22	BTFH	EGM	Discussing the continuation of the company.
26-Apr-22	SCEM	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
26-Apr-22	SCEM	EGM	Amending Article No. 26 of the company's bylaws.
27-Apr-22	EFID	Cash dividend	Date for paying out a dividend of EGP0.277/share.
27-Apr-22	KZPC	Cash dividend	Date for paying out a dividend of EGP4.00/share.
27-Apr-22	ELKA	OGM	Approving financial statements ending 31 Dec. 2021 & netting contracts.
27-Apr-22	ADPC	OGM	Approving financial statements ending 31 Dec. 2021 & netting contracts.
27-Apr-22	AIH	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
28-Apr-22	MCRO	Cash dividend	Date for paying out a dividend of EGP6.900/share.
28-Apr-22	CCRS	EGM	Amending Articles No. 4, 5 & 21 of the company's bylaws.
30-Apr-22	DOMT	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
3-4 May-2022		FOMC	Determining policy rate & monetary stance.
8-May-22	NINH	Cash dividend	Deadline for eligibility for a dividend of EGP0.05/share.
8-May-22	OIH	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
9-May-22	MOIL	EGM	Discussing capital reduction and amending article No.4 of the company's bylaws.
9-May-22	NINH	Cash dividend	Ex-dividend date for EGP0.05/share.
9-May-22	NEDA	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
9-May-22	ABUK	Cash dividend	Deadline for eligibility for a dividend of EGP1.00/share.
10-May-22	ABUK	Cash dividend	Ex-dividend date for EGP1.00/share.
11-May-22	ELKA	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
11-May-22	NINH	Cash dividend	Date for paying out a dividend of EGP0.05/share.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
------	------------------

17-Apr-22	<u>MACROView – Before the Grand Storm</u>
14-Apr-22	<u>EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB's Bid</u>
12-Apr-22	<u>MACROView – Mounting External Vulnerabilities</u>
10-Apr-22	<u>MACROView – Much Higher Inflation ... and Longer</u>
24-Mar-22	<u>EFG Hermes Holding [HRHO] – The Best Is Yet to Come</u>
23-Mar-22	<u>CI Capital Holding [CICH] – A Year to Remember</u>
22-Mar-22	<u>Orascom Construction [ORAS] – A Clear Devaluation Winner</u>
10-Mar-22	<u>MACROView – The Dizzying Speed</u>
6-Mar-22	<u>MACROView – On the Back Foot</u>
2-Mar-22	<u>MACROView – Calculating the Ferocity</u>
1-Mar-22	<u>Housing & Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth</u>
27-Feb-22	<u>Export Development Bank of Egypt [EXPA] – A Year to Forget</u>
22-Feb-22	<u>Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale</u>
21-Feb-22	<u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day</u>
20-Feb-22	<u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability</u>
17-Feb-22	<u>Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk</u>
16-Feb-22	<u>MACROView – A Soothing Message From the CBE ... and Our Takeaways</u>
14-Feb-22	<u>Abu Qir Fertilizers [ABUK] – Another Record-High Quarter</u>
13-Feb-22	<u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u>
10-Feb-22	<u>MACROView – Ebb and Flow</u>
10-Feb-22	<u>MACROView – The Cloudy Year Has Just Begun</u>
9-Feb-22	<u>Elsewedy Electric [SWDY] – Ending 2021 on a Good Note</u>
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>



9-May-21 [MACROView – Stability Prevailed](#)

6-May-21 [MACROView – The Road to Recovery Gets Longer](#)

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.