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A Recurring Theme

1. Today's Trading Playbook

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Bloomberg has published yesterday about early stage discussion, which involves a possible acquisition by UAE based Aldar Properties PJSC [**ADX: ALDAR**] over Madinet Nasr Housing [**MNHD**]. If this is to be proven decisive, this will be ALDAR's second attempt to capture a piece of Egypt's real estate sector, post its successful 85.5% acquisition of SODIC [**OCDI**] back in 2021. In return, MNHD has denied receiving any formal offers yesterday. However, news sources mentioned that Public Enterprise minister said that ALDAR has shown interest in MNHD. So once again, the "acquisition" world has popped out, making it a recurring theme in the year 2022. Three quick takeaways come to mind:

(1) ALDAR signaled before that OCDI acquisition will not be the last, as growth potential in the Egyptian market is considered more lucrative relative to the market in UAE. This adds more credibility to deal related speculation.

(2) Cheap valuations will continue to inspire foreign interest in names with attractive valuation and promising business models.

(3) MNHD's stock has suffered among others from bad market technical, weak liquidity, and absence consistent purchasing power, creating a long-term opportunity. MNHD has been down 8.6% since the start of 2021, while it dropped since the start of 2021 by 18%. Currently MNHD's consensus PT is at EGP4.24/share, implying upside potential of 82%. Finally, if such acquisition takes place, this could help B Investments [**BINV**] monetize its strategic stake in MNHD.

Elsewhere, we published yesterday our pre [IPO note related to Ghazl El-Mahalla Football Co. \[GMFC\]](#). The IPO is the first of its kind, for being the first football company to be listed on a regional stock exchange. Also, the IPO is the first company to be listed immediately after incorporation, before the issuance of at least two years of financial statements. For more details, check out our pre IPO note from yesterday.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Egypt saw foreign direct investment inflows fall 12% in 2021 but remained the second-largest recipient of FDI in Africa after South Africa. ([Enterprise](#))

The Egyptian International Motors Co., the General Authority For Suez Canal Economic Zone, AND the Sovereign Fund of Egypt and the East Port Said Development Co. signed a Memorandum of Understanding (MoU) to establish a joint car manufacturing complex "EPAZ" in the region with a capacity of 75,000 vehicle per annum. ([Cabinet of Egypt](#))

CORPORATE NEWS

E-Health, the healthcare arm of e-finance [EFIH] has begun the first phase of operation and management of the comprehensive health insurance system. ([Company disclosure](#))

Telecom Egypt [ETEL] and Aqua Comms, a supplier of international submarine cable connectivity services, have inked a landing and transit agreement for the Europe Middle-East India Connect 1 (EMIC-1) underwater cable in Egypt. Under this agreement, ETEL will provide a land and sea route for the EMIC-1 system using fiber-optic cables across East Africa, Asia and Europe. The new cable will connect the three continents and enable internet access to over 3bn people. ([Company disclosure](#))

Six of October for Development and Real Estate Projects (SOREAL), a wholly-owned subsidiary of SODIC [OCDI] has inked an EGP600mn discounting facility agreement with Ahli United Bank (AUB). The agreement will cover receivables representing future installments for delivered units in OCDI's East Cairo project Eastown Residences. ([Company disclosure](#))

Cleopatra Hospitals [CLHO] announced signing a non-binding cooperation agreement with UAE based Response Plus Holding, with no further disclosures about the agreement. ([Company disclosure](#))

Glaxo SmithKline [BIOC] announced its Q1 2022 consolidated results, reporting net profits of EGP869mn compared to EGP3mn last year. BIOC showed higher revenues, reaching EGP370mn (+164% y/y). Meanwhile, GPM showed a decrease, reaching 28% (-12pp). ([Company disclosure](#))

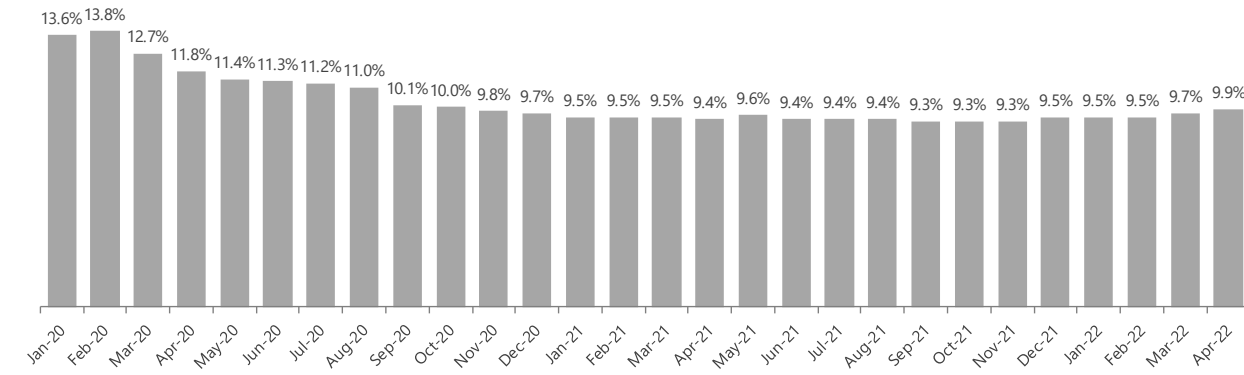
3. CHART OF THE DAY

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Egyptian banks' average lending rates



Source: CBE.

The average lending rates for the Egyptian banking sector has dropped since the start of 2020 on the back of the COVID-19 outbreak and the following easing cycle. The recent uptick in average lending rates shows that rates are bound to rebound within the context of the CBE's tightening efforts.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						661.4	

* 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
14-15 Jun-2022		FOMC	Determining policy rate & monetary stance.
15-Jun-22	MPRC	Cash dividend	Date for paying out a dividend of EGP0.50/share.
15-Jun-22	AMES	Cash dividend	Date for paying out a dividend of EGP0.80/share.
15-Jun-22	ESRS	Cash dividend	Date for paying out a dividend of EGP0.800/share.
15-Jun-22	SAUD	Stock dividend	Last date for eligibility for a 0.20-for-1 stock dividend.
15-Jun-22	MBSC	Cash dividend	Deadline for eligibility for a dividend of EGP2.090/share.
16-Jun-22	MBSC	Cash dividend	Ex-dividend date for EGP2.090/share.
16-Jun-22	SAUD	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
16-Jun-22	HELI	Cash dividend	Payment date for a dividend of EGP0.08/share (2nd installment).
16-Jun-22	DSCW	EGM	Amending Article No. 5 of the company's bylaws.
16-Jun-22	ADIB	Right Issue	Deadline for eligibility for subscribing to the rights issue.
20-Jun-22	BINV	Cash dividend	Deadline for eligibility for a dividend of EGP0.500/share.
20-Jun-22	MBSC	Cash dividend	Date for paying out a dividend of EGP2.090/share.
20-Jun-22	SUGR	Cash dividend	Deadline for eligibility for a dividend of EGP0.500/share.
21-Jun-22	BINV	Cash dividend	Ex-dividend date for EGP0.500/share.
21-Jun-22	EMFD	OGM	Approval of participation in a residential, tourist, and commercial project in the North Coast region with Eagle Hills Egypt.
21-Jun-22	ADIB	Right Issue	Rights issue subscription starting date.
21-Jun-22	ADIB	Capital increase	Capital increase subscription starting date.
22-Jun-22	ORWE	OGM	Discussing the agenda of the BOD.
22-Jun-22	ORWE	EGM	Amending Articles No. 4 & 7 of the company's bylaws.
23-Jun-22	BINV	Cash dividend	Date for paying out a dividend of EGP0.500/share.
23-Jun-22	ALCN	OGM	Approving the 2022/23 budget.
23-Jun-22	ALCN	EGM	Considering approval some articles of the law.
23-Jun-22	CSAG	OGM	Approving the 2022/23 budget.
23-Jun-22		MPC Meeting	Determining the CBE's policy rate.
23-Jun-22	SUGR	Cash dividend	Date for paying out a dividend of EGP0.500/share.
26-Jun-22	MIPH	Cash dividend	Deadline for eligibility for a dividend of EGP2.9/share.
26-Jun-22	RAYA	EGM	Discussing applying a reward system for the company.
26-Jun-22	ASCM	OGM	Approving financial statements and other agenda items.
26-Jun-22	CCAP	OGM	Approving financial statements and other agenda items.
26-Jun-22	CCAP	EGM	Discussing the continuation of the company.
29-Jun-22	MIPH	Cash dividend	Date for paying out a dividend of EGP2.9/share.
29-Jun-22	JUFO	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
29-Jun-22	JUFO	EGM	Amending Articles No. 4, 25, 32, 44 & 47 of the company's bylaws.
1-Jul-22	GMFC	Subscription in the capital increase	Last day of subscription in the GMFC's EGP98mn capital increase.
3-Jul-22	CIRA	EGM	To approved to securitize CIRA's receivable portfolio worth of a maximum of EGP2bn.
3-Jul-22	PHDC	OGM	Discussing netting contracts.

3-Jul-22	PHDC	EGM	Considering canceling the reward and incentive programs for the employees, managers and executive members of the company's BoD.
6-Jul-22	TMGH	Cash dividend	Payment date for a dividend of EGP0.087/share (2nd installment).
7-Jul-22	ASCM	EGM	Discussing the continuation of the company.
18-Jul-22	EXPA	EGM	Discussing the amendment of article no.5 of the bank's internal system.
20-Jul-22	DSCW	Capital increase	Capital increase subscription closing date.
21-Jul-22	ADIB	Capital increase	Capital increase subscription closing date.
21-Jul-22	ADIB	Right Issue	Rights issue subscription closing date.
24-Jul-22	AIFI	OGM	Approving financial statements.
26-27 Jul-2022		FOMC	Determining policy rate & monetary stance.
28-Jul-22	PHAR	Cash dividend	Payment date for a dividend of EGP1.5/share (2nd installment).

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
14-June-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</u>
8-June-22	<u>TAKEStock – Delta Sugar [SUGR] - Sweet and Sour</u>
7-June-22	<u>TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside</u>
25-May-22	<u>TAKEStock – The Egyptian Cement Industry - Gauging the Impact</u>
23-May-22	<u>Cairo for Investment & Real Estate Development [CIRA] – Head of the Class</u>
19-May-22	<u>MACROView – A New Game Plan</u>
17-May-22	<u>MACROView – All Uphill from Here</u>
15-May-22	<u>EGYPTBanks – Harness the Hike</u>
15-May-22	<u>TAKEStock – Hidden “valu”</u>
28-Apr-22	<u>MACROView – Din of Battle Getting Louder</u>
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>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>Elsowedy Electric [SWDY] – Impressive Set of Results</u>
17-Aug-21	<u>Commercial International Bank [COMI] – Adjustment Post Stock Dividend</u>
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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 [MACROView – Constrained Recovery](#)
- 26-Jul-21 [EFG Hermes Holding \[HRHO\] – FV and 12MPT Adjustment to Bonus Share Action](#)
- 13-Jul-21 [Commercial International Bank \[COMI\] – Tamed Credit Provisions Spur Annual Growth](#)
- 8-Jul-21 [MACROView – Inflation Edged Up, As Expected](#)
- 8-Jul-21 [MACROView – External Buffers Still Powering Ahead](#)
- 6-Jul-21 [MACROView – A Steady and Slow Recovery in the Making](#)
- 5-Jul-21 [**Abu Qir Fertilizers \[ABUK\] – Talking U**](#)

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