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## Taking Another Bite?

### 1. Today's Trading Playbook

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It's as if the market came back to life yesterday with speculation over yet another M&A deal. This time it involved Obour Land Food Industries [**OLFI**]. The potential suitor? Rumor has it, the suitor might be no one other than Agthia [**ADX: AGTHIA**] which seems to have found its match in Egypt's thriving food sector. We contacted OLFI's management who denied the rumors of any pending deal. We note that OLFI's stock price is now almost exactly what it was at the time of its IPO back in December 2016! We also note that in 2021, Agthia bought Atyab, a deal that at the time we thought would trigger a sector-wide re-rating.

And just a couple of days ago, Agthia also agreed to acquire a 60% stake in Abu Auf Holding, the parent company of the Abu Auf food chain. Thus, another deal in the same consumer sector could be possible, which led OLFI's stock price higher yesterday as much as 20%. Notwithstanding the rumored acquisition, OLFI's 12-month price target (12MPT) is almost 75% higher than its current market price. OLFI, one of the 15 stocks we recommended in our STANDPoint annual strategy note published on 30 January 2022, is also a good regular dividend payer with a double-digit yield. Our 12MPT is EGP8.6/share.

Elsewhere, U.S. equity markets started this week on a negative note after stocks gave up earlier gains on Monday with Q2 2022 earnings reports coming in. Also, investors were soothed by a Fed official's alluding that a 75bps hike is more likely, which means a less aggressive Fed, than previously thought, when it meets next week.

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

## 2. TOP NEWS & ANALYSIS

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#### MACRO NEWS

**Egypt and Germany will cooperate on developing Egypt's green hydrogen industry in a bid to help Europe diversify its energy supplies away from Russia.** ([Enterprise](#))

**A group of investors led by MGM Banking is in talks with the FRA for a license to operate a credit rating agency.** ([Enterprise](#))

#### CORPORATE NEWS

**Madinet Nasr for Housing and Development's [MNHD] managing director said that neither SODIC [OCDI] proposed an official offer, nor MNHD issued a final rejection. Instead, OCDI's offer is a guiding offer.** Furthermore, MNHD's management believes that the underlying value of MNHD's portfolio worth around 3x to 4x the proposed offer, Also, MNHD be raising its paid capital from EGP1.8bn to EGP2.1bn by EGP228mn distributed over 228mn shares at a par value of EGP1/share through a 12% bonus share distribution. (CNBC, Company disclosure [1,2](#))

**Abu Dhabi Islamic Bank's [ADIB] BoD held on 18 July 2022 approved the suggestion to increase the bank's paid capital from EGP4bn to EGP5bn by EGP100bn through cash distributed over 100mn shares** at a par value of EGP10/share plus EGP0.05/share to cover issuance fees. ([Company disclosure](#))

**Zahraa El-Maadi Investment's [ZMID] Q1 2022 net earnings grew by 78% y/y to EGP75mn as top line surged to EGP109mn vs. EGP27mn a year earlier.** ([Company disclosure](#))

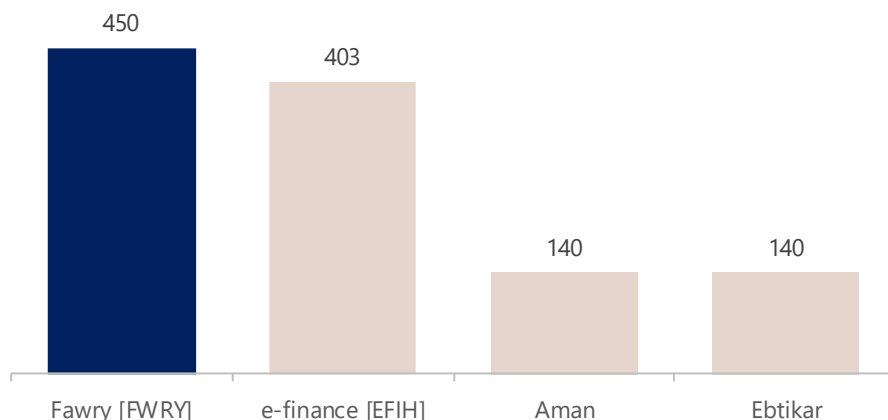
**Alexandria Container and Cargo Handling [ALCN] plans to acquire two new load yard winches with a capacity of 40 tons per each winch to be added to Alexandria and El-Dekhila ports.** ([Al-Borsa](#))

## 3. CHART OF THE DAY

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**Yousef Ghazy** | Equity Analyst  
[yghazy@egy.primegroup.org](mailto:yghazy@egy.primegroup.org)

### Number of POSs by the end of 2021 (000's)



Source: Company reports.

The above chart indicates that the number of POSs is captured mostly by Fawry [FWRY] with 0.45mn POSs, followed by e-finance [EFIH] with almost 0.4mn POSs.

## 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
603.0						936.2		802.2			
			daily chg.	ytd chg.					daily chg.	ytd chg.	
		EGX 30	8,867.94	1.08%	(25.79%)			Gold	1,709.22	0.06%	(6.61%)
		EGX 30 TR	3,586.43	1.09%	(23.96%)			Silver	18.70	(0.08%)	(19.76%)
		EGX 70 EWI	1,725.69	1.71%	(21.62%)			Brent Oil	106.27	0.16%	42.30%
		EGX 100 EWI	2,527.09	1.71%	(22.37%)			WTI	102.60	0.18%	42.41%
		DFMGI	3,170.90	0.34%	(0.78%)			Natural Gas	7.48	(0.70%)	99.12%
		ADSMI	9,259.80	0.11%	9.09%		EGP		USD/EGP	18.92	(0.19%)
		TASI	11,555.08	2.33%	2.42%	€		EUR/USD	1.01	0.11%	(10.69%)
		QE Index	12,092.91	0.95%	4.02%	£		GBP/USD	1.20	0.16%	(11.53%)
		S&P 500	3,830.85	(0.84%)	(19.62%)	¥		USD/JPY	138.14	0.31%	(16.52%)
		Dow 30	31,072.61	(0.69%)	(14.49%)			6M TB yield	15.50	(2)	277
		NASDAQ	11,360.05	(0.81%)	(27.39%)			1Y TB yield	15.75	14	298
	VIX	25.30	4.42%	46.92%			10Y TB yield	14.68	30	29	
		STOXX 50	3,511.86	1.00%	(18.30%)				2Y TB yield	3.17	4
	EM		MSCI Emerging	980.48	1.94%	(20.42%)			10Y TB yield	2.98	6
FM		MSCI Frontier	509.72	(0.25%)	(23.42%)			30Y TB yield	3.16	8	150

\* 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
19-Jul-22	HRHO	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
20-Jul-22	JUFO	EGM	Amending Articles No. 4, 25, 32, 44 & 47 of the company's bylaws.
20-Jul-22	DSCW	Capital increase	Capital increase subscription closing date.
20-Jul-22	FWRY	OGM	Discussing netting contracts & board election.
20-Jul-22	ELSH	Stock dividend	Last date for eligibility for a 0.25-for-1 stock dividend.
21-Jul-22	ELSH	Stock dividend	Date for distributing a 0.25-for-1 stock dividend.
21-Jul-22	ADIB	Capital increase	Capital increase subscription closing date.
21-Jul-22	ADIB	Right Issue	Rights issue subscription closing date.
22-Jul-22	CCAP	EGM	Discussing agenda items.
24-Jul-22	AIFI	OGM	Approving financial statements.
26-Jul-22	MOIL	OGM	Discussing agenda items.
26-Jul-22	ZMID	Cash dividend	Deadline for eligibility for a dividend of EGP0.30/share.
26-27 Jul-2022		FOMC	Determining policy rate & monetary stance.
27-Jul-22	ELSH	Cash dividend	Payment date for a dividend of EGP0.075/share (1st installment).
28-Jul-22	PHAR	Cash dividend	Payment date for a dividend of EGP1.5/share (2nd installment).
30-Jul-22	ELNA	OGM	Approving financial statements and other agenda items.
30-Jul-22	ELNA	EGM	Approving cancelling Articles No. 21 & 23 of the company's bylaws.
31-Jul-22	ZMID	Cash dividend	Payment date for a dividend of EGP0.15/share (1st installment).
31-Jul-22	AJWA	OGM	Approving financial statements.
31-Jul-22	AJWA	EGM	Discussing the continuation of the company & amending Article No. 4 of the company's bylaws.
1-Aug-22	ORAS	EGM	Approval of appointing Renad Younes as Independent Non-Executive Director
7-Aug-22	AIVC	OGM	Approving financials ended 31 January 2022.
11-Aug-22		MSCI	MSCI's August 2022 Quarterly Index Review Announcement.
11-Aug-22	UNIT	EGM	Approving decreasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
14-Aug-22	GMFC	Subscription in the capital increase	Last day of subscription in the GMFC's EGP98mn capital increase.
16-Aug-22	MNHD	OGM	To discuss allowing OCDI to conduct due diligence.

## 7. LATEST RESEARCH

DATE	PUBLISHED REPORT
14-Jun-22	<a href="#">Ghazi El-Mahalla Football Co. [GMFC] - In a League of Its Own</a>
8-Jun-22	<a href="#">TAKESock – Delta Sugar [SUGR] - Sweet and Sour</a>
7-Jun-22	<a href="#">TAKESock – Orascom Financial Holding [OFH] - Triple-Digit Upside</a>

25-May-22	<a href="#"><u>TAKEStock – The Egyptian Cement Industry - Gauging the Impact</u></a>
<b>23-May-22</b>	<b><a href="#"><u>Cairo for Investment &amp; Real Estate Development [CIRA] – Head of the Class</u></a></b>
19-May-22	<a href="#"><u>MACROView – A New Game Plan</u></a>
17-May-22	<a href="#"><u>MACROView – All Uphill from Here</u></a>
<b>15-May-22</b>	<b><a href="#"><u>EGYPTBanks – Harness the Hike</u></a></b>
15-May-22	<a href="#"><u>TAKEStock – Hidden “valu”</u></a>
28-Apr-22	<a href="#"><u>MACROView – Din of Battle Getting Louder</u></a>
17-Apr-22	<a href="#"><u>MACROView – Before the Grand Storm</u></a>
14-Apr-22	<a href="#"><u>EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB’s Bid</u></a>
12-Apr-22	<a href="#"><u>MACROView – Mounting External Vulnerabilities</u></a>
10-Apr-22	<a href="#"><u>MACROView – Much Higher Inflation ... and Longer</u></a>
24-Mar-22	<a href="#"><u>EFG Hermes Holding [HRHO] – The Best Is Yet to Come</u></a>
23-Mar-22	<a href="#"><u>CI Capital Holding [CICH] – A Year to Remember</u></a>
22-Mar-22	<a href="#"><u>Orascom Construction [ORAS] – A Clear Devaluation Winner</u></a>
10-Mar-22	<a href="#"><u>MACROView – The Dizzying Speed</u></a>
6-Mar-22	<a href="#"><u>MACROView – On the Back Foot</u></a>
2-Mar-22	<a href="#"><u>MACROView – Calculating the Ferocity</u></a>
1-Mar-22	<a href="#"><u>Housing &amp; Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth</u></a>
27-Feb-22	<a href="#"><u>Export Development Bank of Egypt [EXPA] – A Year to Forget</u></a>
22-Feb-22	<a href="#"><u>Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale</u></a>
21-Feb-22	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day</u></a>
20-Feb-22	<a href="#"><u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability</u></a>
17-Feb-22	<a href="#"><u>Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk</u></a>
16-Feb-22	<a href="#"><u>MACROView – A Soothing Message From the CBE ... and Our Takeaways</u></a>
14-Feb-22	<a href="#"><u>Abu Qir Fertilizers [ABUK] – Another Record-High Quarter</u></a>
13-Feb-22	<a href="#"><u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u></a>
10-Feb-22	<a href="#"><u>MACROView – Ebb and Flow</u></a>
10-Feb-22	<a href="#"><u>MACROView – The Cloudy Year Has Just Begun</u></a>
9-Feb-22	<a href="#"><u>Elsewedy Electric [SWDY] – Ending 2021 on a Good Note</u></a>
8-Feb-22	<a href="#"><u>MACROView – A Fall in Disguise</u></a>
7-Feb-22	<a href="#"><u>Macro Group Pharmaceuticals [MCRO] – Not the Usual Pharma Stock</u></a>
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>TAKEStock – 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>Elsewedy 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>TAKEStock – 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>
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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>

## Prime Securities

### Shawkat El Maraghy

Managing Director

T +20233005622

[SElmaraghy@egy.primegroup.org](mailto:SElmaraghy@egy.primegroup.org)

## Sales

### Mohamed Ezzat

Head of Sales & Branches

T +20233005784

[MEzzat@egy.primegroup.org](mailto:MEzzat@egy.primegroup.org)

### Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

[MAshmawy@egy.primegroup.org](mailto:MAshmawy@egy.primegroup.org)

### Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

[AAlaa@egy.primegroup.org](mailto:AAlaa@egy.primegroup.org)

### Mohamed ElMetwaly

Manager

T +20233005610

[MElmetwaly@egy.primegroup.org](mailto:MElmetwaly@egy.primegroup.org)

### Emad El Safoury

Manager

T +20233005624

[EElsafoury@egy.primegroup.org](mailto:EElsafoury@egy.primegroup.org)

### Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

[SRaslan@egy.primegroup.org](mailto:SRaslan@egy.primegroup.org)

### Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

[NAbuelatta@egy.primegroup.org](mailto:NAbuelatta@egy.primegroup.org)

## Research

### Amr Hussein Elalfy CFA

Head of Research

T +20233005724

[AElalfy@egy.primegroup.org](mailto: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, 7<sup>th</sup> 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](http://www.primeholdingco.com)

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