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Lucky Streak

1. Today's Trading Playbook

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KEY THEMES

The EGX 30 is currently on a bit of a lucky winning streak, closing in the green territory for six consecutive sessions. We note that this is the second longest positive streak this year. The longest winning streak this year lasted for seven consecutive sessions and took place between 15 March and 23 March 2022. However, despite the EGX 30 moving upward by as much as 5.2% since 5 July 2022, its forward P/E is still too low at 5x, offering an earnings yield of 20%.

Reasons for the latest movement could be summarized in light of: (1) Stocks were dipping to steep oversold territories; (2) Continuous weakness in the EGP, with the FX rate now at EGP18.94, and (3) More tactical momentum from M&A activity. We believe such market movements are part of a much deeper move, which will see fundamentals finally prevailing, given a gradual shift in investor sentiment towards risk assets to hedge their bets against mounting inflation.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The state is moving forward with the EGX listing of the National Company for Producing and Bottling Water (Safi) and Wataniya Petroleum after the cabinet approved the pre-listing procedures for the military companies during its weekly meeting yesterday.

([Enterprise](#))

Traders say that State grains buyer (GASC) is in wheat purchase talks with 14 different companies. Direct negotiations are believed to have taken place yesterday to garner an undisclosed amount of wheat. ([Nasdaq](#))

President el Sisi's first trip to Serbia was concluded with the signing of MoU's on trade and support for SMEs, higher education, agriculture, environmental protection, and arts and culture. ([Spokesman of the Egyptian Presidency](#))

CORPORATE NEWS

Commercial International Bank [COMI] announced finalizing the first bonds issuance to GB Auto's [AUTO] subsidiary, Drive Finance, by EGP700mn. The issuance is a part of a total EGP2bn program, aiming to: (1) refinance a part of the company's existing debts, and (2) support the company's expansion strategy in factoring and consumer finance. ([Arab Finance](#))

Egyptian Gulf Bank [EGBE] announced its preliminary standalone results for Q2 2022. The bank's bottom line increased 22% y/y to EGP212mn. EGBE's Net interest income (NII) increased 3% y/y to EGP685mn. On the balance sheet side, EGBE managed to increase its loan portfolio by 8% ytd to EGP25bn, backed up by a 10% ytd growth in deposits to EGP71bn. Furthermore, BoD suggests the alteration of its past decision to raise capital by USD33.4mn to USD486.5mn. Instead, the BoD suggests that the capital increase will be by USD53.6mn to reach USD506.6mn, considering the change in FX rate. ([Company disclosure](#))

Shareholders of Beltone Financial Holding [BTFH] will have from 21 July 2022 up to 3 August 2022 to respond to Chimera's MTO to acquire between 51%-90% at a price of EGP1.485/share. ([Company disclosure](#))

Paints & Chemical Industries' [PACH] BoD decided that Saybad Industrial Investment offer to acquire up to 90% of the company at a price of EGP16.25/share, should be revised higher. ([Mubasher](#))

Suez Canal Bank's [CANA] will raise its paid capital from EGP2.9bn to EGP3.6bn by EGP695mn through c.24% bonus share distribution. ([Company disclosure](#))

Cleopatra Hospitals [CLHO] announced that it has bought back 20mn shares (i.e.1.25% of total shares) during 19 July 2022. On a separate note, CLHO announced last February that it intends to buy back up to 10% of the company's total shares. ([Company disclosure](#))

Speed Medical [SPMD] announced that it utilized all proceeds from the capital increase that took place in 12 November 2020, amounting to EGP150.5mn. ([Company disclosure](#))

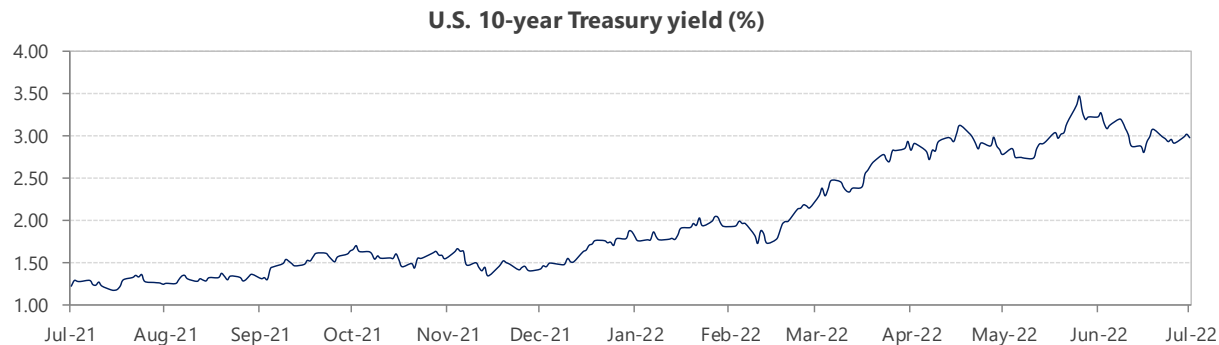
Arab Financial Services (AFS), a Bahrain-based payment solutions provider is planning to expand in Egypt. Tawfik Mahmoud, formerly of JumiaPay Egypt, is going to lead AFS activities in Egypt. Worth mentioning that AFS is a subsidiary of Bank ABC. ([Enterprise](#))

3. CHART OF THE DAY

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Research Team

















































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U.S. Treasury yields were higher as market players assessed the prospect of central banks implementing more interest rate hikes to curb soaring inflation.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						615.7		Equity turnover (EGPmn): Last, ytd avg.				907.3		806.0					
						daily chg.		ytd chg.								daily chg.		ytd chg.	
		EGX 30	9,112.72	0.88%	(23.74%)			Gold	1,696.58	(0.88%)	(7.65%)			Silver	18.68	(0.44%)	(20.27%)		
		EGX 30 TR	3,687.39	0.82%	(21.82%)			Brent Oil	106.92	(0.30%)	42.51%			WTI	99.88	(0.46%)	38.93%		
		EGX 70 EWI	1,756.21	0.59%	(20.24%)			Natural Gas	8.01	(2.80%)	108.66%	EGP		USD/EGP	18.95	(0.21%)	(16.93%)		
		EGX 100 EWI	2,580.07	0.79%	(20.74%)	€		EUR/USD	1.02	0.32%	(10.18%)	£		GBP/USD	1.20	0.10%	(11.43%)		
		DFMGI	3,211.66	0.79%	0.49%	¥		USD/JPY	138.21	(0.01%)	(16.83%)			6M TB yield	15.50	(2)	277		
		ADSMI	9,398.77	0.98%	10.73%			1Y TB yield	15.75	14	298			10Y TB yield	14.68	30	29		
		TASI	11,864.34	0.88%	5.16%			2Y TB yield	3.23	(1)	310			10Y TB yield	3.02	(1)	209		
		QE Index	12,537.58	3.37%	7.84%			30Y TB yield	3.16	(3)	150								
		S&P 500	3,959.90	0.59%	(16.92%)														
		Dow 30	31,874.84	0.15%	(12.28%)														
		NASDAQ	11,897.65	1.58%	(23.95%)														
		VIX	23.88	(2.53%)	38.68%														
		STOXX 50	3,585.24	(0.06%)	(16.59%)														
EM		MSCI Emerging	986.56	0.68%	(19.92%)														
FM		MSCI Frontier	512.07	0.08%	(23.07%)														

* 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
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	SAIB	Stock dividend	Last date for eligibility for a 0.05-for-1 stock dividend.
24-Jul-22	AIFI	OGM	Approving financial statements.
25-Jul-22	SAIB	Stock dividend	Date for distributing a 0.05-for-1 stock dividend.
26-Jul-22	ZMID	Cash dividend	Deadline for eligibility for a dividend of EGP0.30/share.
26-27 Jul-22		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
3-Aug-22	MNHD	Stock dividend	Last date for eligibility for a 0.12-for-1 stock dividend.
4-Aug-22	MNHD	Stock dividend	Date for distributing a 0.12-for-1 stock dividend.
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	Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own
8-Jun-22	TAKESStock – Delta Sugar [SUGR] - Sweet and Sour
7-Jun-22	TAKESStock – Orascom Financial Holding [OFH] - Triple-Digit Upside
25-May-22	TAKESStock – The Egyptian Cement Industry - Gauging the Impact
23-May-22	Cairo for Investment & Real Estate Development [CIRA] – Head of the Class
19-May-22	MACROView – A New Game Plan

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>Elsowedy 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>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>

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