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A Good Broken Record

1. Today's Trading Playbook

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KEY THEMES

It's the end of a month, but it's not the end of M&A activities in Egypt. We might start to sound like a broken record, but the M&A theme continues to be prevalent in the Egyptian stock market. Last Thursday, we learned that ADNOC Distribution [**ADX: ADNOCDIST**] has agreed to acquire a 50% stake in **TotalEnergies Egypt (TE)** for USD186mn with USD17.3mn in additional payout subject to certain conditions. What does this have to do with EGX? It's B Investments Holding [**BINV**] again that is the subject of this deal as an EGX-listed name. BINV owns a 6.38% stake in TE, together with an affiliated company that holds another 9.00% stake. This works out to be USD203.3mn for a 50% stake in TE, implying an EGP493mn value for BINV's 6.38% stake or EGP3.1/share. If BINV were to dispose of its stake, the net value post-tax would be as much as EGP2.9/share, almost 29% of BINV's market value. This is not the first time this year where BINV was involved in a potential sale of an investment. In [April 2022](#), BINV agreed to sell its 44.7% economic interest in **Giza Systems** which was valued at a total enterprise value of USD145mn. We note that BINV 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

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MACRO NEWS

Several car dealerships have re-priced their models at an exchange rate of EGP23/USD.

This is in an effort to combat the rise in global inflation, higher operational costs, and lower volumes from worldwide manufacturers in view of restrictions imposed on imports. ([Al-Mal](#)) One of the industries most adversely affected by the current circumstances is the auto industry. GB Auto's [**AUTO**] shares have fallen 43% ytd.

The United Kingdom's DFI is looking into investing USD6bn in Africa over the next five years with a substantial portion for debt and equity in 'powerhouse markets', like Egypt, Nigeria, Kenya, and Ethiopia. ([Bloomberg](#))

Egypt has cancelled a contract for 240,000 tonnes of Ukrainian wheat that were booked but never loaded due to Russia's invasion of Ukraine. ([Reuters](#))

The Egyptian authorities have been undergoing talks with Qatari officials regarding their investment in a number of sectors. (Enterprise, [Egyptian Cabinet](#))

CORPORATE NEWS

Abu Qir Fertilizers' [ABUK] preliminary 2021/22 results showed net earnings leaping to EGP9.0bn vs. EGP3.5bn a year earlier. Such a bottom line performance was sparked by an 85% growth in top line to EGP16.3bn due to rallying urea prices as well notably improved GPM of 65% vs. 44% a year earlier. We note that Q4 2021/22 showed a sequential weakness due to a slower momentum of urea prices besides a one-month stoppage in Abuqir III factory due to annual maintenance. ([Company disclosure](#))

TotalEnergies Marketing SAS (TEMA) announced its proposed sale to Abu Dhabi National Oil Company for Distribution PJSC (ADNOC) of a 50% stake in TotalEnergies Marketing Egypt LLC (TE). BINV is currently studying whether to sell its 6.38% stake in TE or to buy TEMA's remaining stake which is 34.62% of TE shares. (Company disclosure)

Delta Sugar [SUGR] announced that they did not receive any acquisition offers from ADQ Holding. ([Company disclosure](#))

Banque Misr acquired CI Capital Holding's [CICH] consumer finance arm, Souhoola, in a deal worth EGP173mn. ([Al-Mal](#))

Alexandria Container & Cargo Handling Co. [ALCN] announced that the company handled 840,000 containers during FY2021/22 (+0.3% y/y), which is less than the budgeted amount by 1.2%. ALCN expects to handle 773,000 containers during 2023, a drop in view of global fears of recession. ([Al-Borsa](#))

Fawry [FWRY] is collaborating with Petrotrade, which specializes in petroleum services, allowing for Petrotrade's services to be paid through FWRY's POSs. ([Arab finance](#))

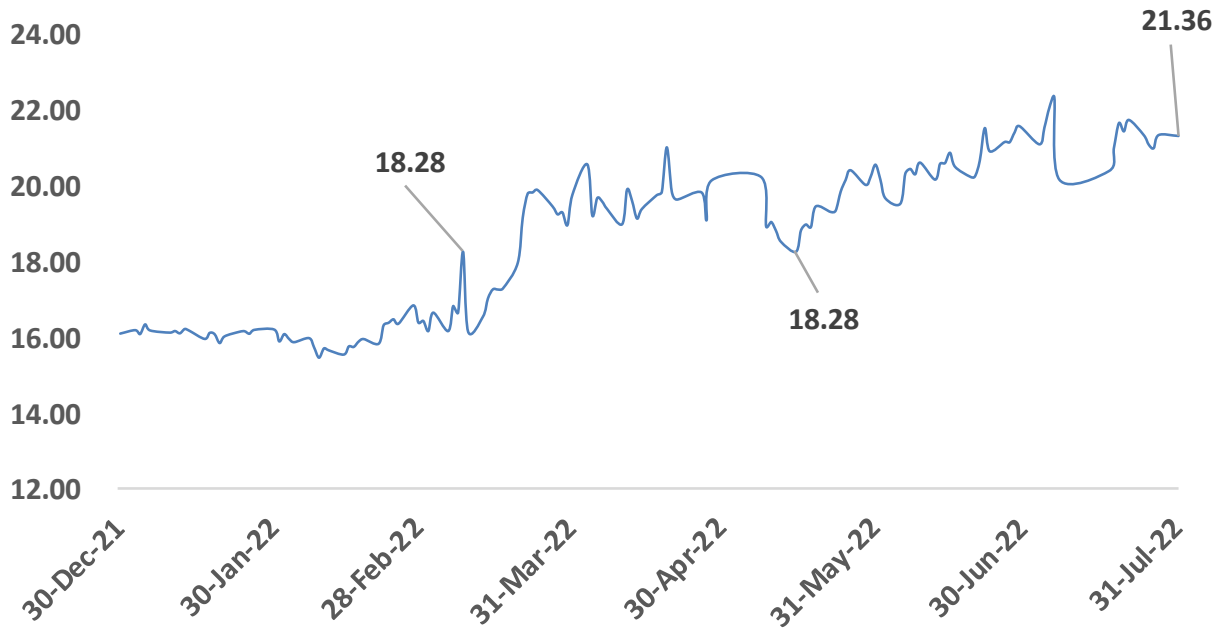
GlobalCorp plans to issue an EGP1.5bn securitization bond by the end of this year. ([Enterprise](#))

3. CHART OF THE DAY

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Implied FX Rate



Source: Bloomberg.

Looking at Commercial International Bank –Egypt’s— [**COMI**] stock price differences between its local shares and GDRs listed on London Stock Exchange, we often can deduce a different FX rate (i.e. USD/EGP) than the official one. Right now, the implied FX rate from COMI’s stock price in here and there is a whopping EGP21.36/USD (i.e. 13% higher than the official exchange rate).

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
628.1					746.8 807.7				
				daily chg.	ytd chg.			daily chg.	ytd chg.
	↗	EGX 30	9,369.32	0.88%	(21.59%)		↗	Gold	1,765.94 0.58% (3.46%)
	↗	EGX 30 TR	3,789.90	0.88%	(19.65%)		↗	Silver	20.36 1.73% (12.66%)
	↗	EGX 70 EWI	1,847.39	0.74%	(16.10%)		↗	Brent Oil	103.97 2.10% 39.91%
	↗	EGX 100 EWI	2,707.97	0.81%	(16.81%)		↗	WTI	98.62 2.28% 37.81%
	↗	DFMGI	3,337.96	1.11%	4.44%		↗	Natural Gas	8.23 1.17% 120.62%
	↗	ADSMI	9,663.47	1.04%	13.84%	EGP	↘	USD/EGP	18.92 (0.02%) (16.92%)
	↗	TASI	12,155.02	0.85%	7.74%	€	↗	EUR/USD	1.02 0.23% (10.11%)
	↗	QE Index	13,122.05	0.15%	12.87%	£	↘	GBP/USD	1.22 (0.07%) (10.06%)
	↗	S&P 500	4,130.29	1.42%	(13.34%)	¥	↗	USD/JPY	133.27 0.75% (13.65%)
	↗	Dow 30	32,845.13	0.97%	(9.61%)		↗	6M TB yield	15.63 5 290
	↗	NASDAQ	12,390.69	1.88%	(20.80%)		↗	1Y TB yield	16.29 24 352
	↘	VIX	21.33	(4.48%)	23.87%		↗	10Y TB yield	14.68 30 29
	↗	STOXX 50	3,708.10	1.53%	(13.73%)		↘	2Y TB yield	2.88 (12) 275
EM	↘	MSCI Emerging	993.78	(0.38%)	(19.34%)		↘	10Y TB yield	2.65 (14) 172
FM	↗	MSCI Frontier	520.36	0.16%	(21.83%)		↘	30Y TB yield	3.01 (6) 135

* As of market close. 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
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.
31-Jul-22	MICH	BoD meeting	Follow up on production, sales and exports.
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.
7-Aug-22	ABUK	OGM	A board reshuffle.
7-Aug-22	ABUK	EGM	Amending Articles No. 7 & 21 of the company's bylaws.
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.
17-Aug-22	ETRS	EGM	To discuss selling the company's branch headquarters in Alexandria.
17-Aug-22	SWDY	Cash dividend	Deadline for eligibility for a dividend of USD0.2313/share.
18-Aug-22	SWDY	Cash dividend	Ex-dividend date for USD0.2313/share.
18-Aug-22		MPC Meeting	Determining the CBE's policy rate.
23-Aug-22	SWDY	OGM	Approving the authorization of the Chairman or the Managing Director to participate in establishing companies and entering as a partner or shareholder in other new or existing companies.
23-Aug-22	SWDY	EGM	Discussing capital reduction by cancelling SWDY's treasury stocks & amending Articles No. 6 & 7 of the company's bylaws.
24-Aug-22	SWDY	Cash dividend	Payment date for a dividend of USD0.2313/share.
24-Aug-22	MOIL	OGM	Appointing Peter William as a member of the BoD representing EFG Capital Partners III.

7. LATEST RESEARCH

DATE PUBLISHED REPORT

14-Jun-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</u>
8-Jun-22	<u>TAKEStock – Delta Sugar [SUGR] - Sweet and Sour</u>
7-Jun-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 [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 [Elsowedy Electric \[SWDY\] – Ending 2021 on a Good Note](#)
- 8-Feb-22 [MACROView – A Fall in Disguise](#)
- 7-Feb-22 [Macro Group Pharmaceuticals \[MCRO\] – Not the Usual Pharma Stock](#)
- 1-Feb-22 [MACROView – The Ripple Effect](#)
- 31-Jan-22 [Obour Land For Food Industries \[OLFI\] – Double-Digit Growth Complements a Resilient Story](#)
- 30-Jan-22** [**STANDPoint – Egypt Valuation Repertoire — 2022 Outlook**](#)
- 12-Jan-22 [QNB Alahli \[QNBA\] – Slow Earnings Pace Despite Assets Growth](#)
- 10-Jan-22 [MACROView – The Last Reading Ahead of a Cloudy Year](#)
- 30-Dec-21** [**EGYPTCeramics – From Dusk to Dawn**](#)
- 26-Dec-21** [**Obour Land For Food Industries \[OLFI\] – A Play on Consumption Recovery**](#)
- 22-Dec-21 [MACROView – The Return of the 'Vigilante'](#)
- 14-Dec-21 [MACROView – When "Bad" Inflation Clouds the Path of "Good" Inflation](#)
- 9-Dec-21 [MACROView – Another Retreat ... Until Further Notice](#)
- 8-Dec-21 [MACROView – For Stormy Days, Eyes on the Ball](#)
- 7-Dec-21** [**EGYPTBanks – Takeoff Time**](#)
- 5-Dec-21 [MACROView – Searching for Lost Momentum](#)
- 21-Nov-21 [TAKESock – Nitrogen Fertilizers Local Price Hike](#)
- 17-Nov-21 [EFG Hermes Holding \[HRHO\] – Earnings Growth Skyrocketing ex-One-Offs](#)
- 17-Nov-21 [Orascom Construction \[ORAS\] – BESIX – Back on Track Again](#)
- 15-Nov-21 [B Investments Holding \[BINV\] – Growth Dented Across the Board – Take 2](#)
- 15-Nov-21 [Elsowedy Electric \[SWDY\] – A Quarter to Forget?](#)
- 14-Nov-21 [Misr Chemical Industries \[MICH\] – A Healthy Kick-off to a Promising Year](#)

14-Nov-21	<u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u>
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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>
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18-Aug-21	<u>EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth</u>
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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	<u>MACROView – Constrained Recovery</u>

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