

Turning Copper Into Gold

TODAY'S TOP NEWS & ANALYSIS

Elsowedy Electric – Core Coverage Update

New committee to set fair prices of strategic commodities

Egypt negotiates the launch of a palm oil factory

Egypt's medical and pharmaceutical exports rise in 8M 2022, driven by cosmetics

Elsowedy Electric approves a credit facility agreement with Afrexim Bank

MICH to invest in new evaporation units

Kafr El Zayat Pesticides' shareholders approve a stock split and a rights issue

Flourish Investment exits Electro Cable Egypt

Arabian Cement to pay cash dividends

AT Lease shareholders approve cash dividends

NEW RESEARCH

Elsowedy Electric – Core Coverage Update

Turning Copper Into Gold: A deeply-undervalued industrial leader; OW/M maintained but at a higher 12MPT

In view of higher commodity prices and a weaker EGP, Elsowedy Electric [**SWDY**] managed to grow its earnings, powered by a robust business model and shrewd management. Sprouting outside Egypt, SWDY was able to expand its business steadily through investments in several countries. This is reflected clearly in its strong results, having generated higher revenues (+53% y/y) and earnings (+35% y/y) in 9M 2022. SWDY currently trades at TTM P/E of 6.1x and EV/EBITDA of 4.6x, which in our view is decoupled from SWDY's fundamentals. We revisit our financial model for SWDY and revise our estimates upward, reiterating our positive view with a 47% higher 12MPT of EGP21.0/share. Thus, we reiterate our Overweight/Medium Risk rating with a 72% upside.

For the **full report**, please [click here](#).

MACRO

New committee to set fair prices of strategic commodities

The Egyptian **Ministry of Supply** is setting up a new committee that will be tasked with setting a compulsory fair price for rice, in addition to non-compulsory fair prices for up to 15 other strategic commodities. ([Enterprise](#))

Egypt negotiates the launch of a palm oil factory

Egypt is reportedly negotiating with **Malaysia** for the potential launch of a palm oil factory with a total investment of USD30mn. The factory will have two stages; the first stage is a warehouse for palm oil storage worth USD10mn, and the second will be a palm oil refinery worth USD20mn. ([Mubasher](#))

Egypt's medical and pharmaceutical exports rise in 8M 2022, driven by cosmetics

In 8M 2022, **Egypt's** total medical and pharmaceutical exports jumped 46% y/y to USD632mn, driven mainly by cosmetics which more than doubled to USD410mn (+112% y/y, 65% contribution), followed by medical industries which rose to USD69mn (+11% y/y, 4% contribution). Meanwhile, medicines fell to USD153mn (-14% y/y, -12% contribution). ([Mubasher](#))

CORPORATE

Elsewedy Electric approves a credit facility agreement with Afrexim Bank

Elsewedy Electric [**SWDY**] and its subsidiary **Elsewedy Electric Transmission & Distribution** approved a credit facilities agreement from the **African Export-Import Bank (Afrexim Bank)** with a USD200mn limit. ([Company disclosure](#))

MICH to invest in new evaporation units

Misr Chemical Industries [**MICH**] is reportedly looking to invest in new evaporation units, which will help upgrade its capacity regarding liquid caustic soda. According to the circulating news, the investment cost is around EGP130mn. ([Mubasher](#))

Kafr El Zayat Pesticides' shareholders approve a stock split and a rights issue

Kafr El Zayat Pesticides' [**KZPC**] shareholders approved a 10-for-1 stock split, increasing the number of shares outstanding to 120mn with a par value of EGP1/share. Also, the shareholders approved increasing the company's paid-in capital from EGP120mn to EGP180mn through a 50% rights issue at the new par value of EGP1/share plus EGP0.025/share of issuance fees. ([Mubasher](#))

Flourish Investment exits Electro Cable Egypt

Flourish Investment sold its remaining 3% stake in Electro Cable Egypt [**ELEC**] by selling 107mn shares with an average price of EGP0.475/share. Flourish Investment sold its stake to **Elsomow Group** (a subsidiary of Aspire Capital Holding [**ASPI**]) which increased its stake to 13.5%. We note that Flourish Investment lowered its stake in ELEC last week from 9.99% to 3% by selling a total of 248mn shares to **Elsomow Group** and **Alhosn Consultancy** (both subsidiaries of ASPI) for EGP0.475/share. (Company disclosures: [1](#), [2](#))

Arabian Cement to pay cash dividends

Arabian Cement's [**ARCC**] shareholders approved a cash dividend of EGP250mn, equivalent to EGP0.66/share, implying a 10.7% yield. ([Company disclosure](#))

AT Lease shareholders approve cash dividends

AT Lease's [**ATLC**] shareholders approved a DPS of EGP0.38/share for 2021/22, implying a 9.5% yield. ([Company disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.			
960.0					1,989.0		1,120.3	
			daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	14,843.05	(1.97%)	24.22%		Gold	1,793.08	0.91% (2.08%)
	EGX 30 TR	6,107.73	(1.97%)	29.49%		Silver	23.22	0.60% (1.05%)
	EGX 70 EWI	2,836.84	(0.95%)	28.84%		Brent Oil	79.04	0.70% 9.86%
	EGX 100 EWI	4,167.52	(1.11%)	28.03%		WTI	74.29	0.67% 7.95%
	DFMGI	3,328.97	0.41%	4.16%		Natural Gas	6.60	(6.74%) 65.01%
	ADSMI	10,327.57	1.57%	21.67%		USD/EGP	24.69	(0.10%) (36.29%)
	TASI	10,251.68	(0.38%)	(9.13%)	€	EUR/USD	1.06	0.21% (6.70%)
	QE Index	10,976.75	(0.93%)	(5.58%)	£	GBP/USD	1.21	0.22% (10.03%)
	S&P 500	3,852.36	(1.11%)	(19.17%)	¥	USD/JPY	136.60	0.86% (15.48%)
	Dow 30	32,920.46	(0.85%)	(9.41%)		6M TB yield	18.70	1 597
	NASDAQ	10,705.41	(0.97%)	(31.57%)		1Y TB yield	18.82	0 605
	VIX	22.62	(0.92%)	31.36%		10Y TB yield	14.68	30 29
	STOXX 50	3,804.02	(0.83%)	(11.50%)		2Y TB yield	4.20	(2) 407
	MSCI Emerging	957.30	(0.30%)	(22.30%)		10Y TB yield	3.52	3 259
	MSCI Frontier	483.62	(0.84%)	(27.35%)		30Y TB yield	3.58	3 192

* As of market close, except for commodities and currencies at 8.35am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
20-Dec-22	PACH	OGM	Approving financial statements.
20-Dec-22	PACH	EGM	Discussing the cancelation of GDR.
20-Dec-22	ACGC	Cash dividend	Deadline for eligibility for a dividend of EGP0.15/share.
21-Dec-22	ACGC	Cash dividend	Ex-dividend date for EGP0.15/share.
22-Dec-22		MPC Meeting	Determining the CBE's policy rate.
25-Dec-22	ACGC	Cash dividend	Payment date for a dividend of EGP0.15/share
27-Dec-22	RACC	OGM	Reconsider changing Gulf Customer Experience loan terms.
29-Dec-22	CCAP	EGM	Discussing applying a reward system for the company.
29-Dec-22	MICH	Cash dividend	Payment date for a dividend of EGP0.75/share (2nd installment).
29-Dec-22	ABUK	Cash dividend	Payment date for a dividend of EGP2.00/share (2nd installment).
1-Jan-23	BTFH	Lawsuit	Postponing the lawsuit of Lencom against Beltone Financial Holding.
2-Jan-23	MOIN	Cash dividend	Deadline for eligibility for a dividend of EGP0.19/share.
3-Jan-23	CSAG	Cash dividend	Deadline for eligibility for a dividend of EGP0.78/share.
4-Jan-23	CSAG	Cash dividend	Ex-dividend date for EGP0.78/share.
4-Jan-23	SPMD	OGM	Discussing reward system for the Board members.
4-Jan-23	SPMD	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
5-Jan-23	MOIN	Cash dividend	Payment date for a dividend of EGP0.096/share (1st installment).
8-Jan-23	CSAG	Cash dividend	Payment date for a dividend of EGP0.78/share
11-Jan-23	ADIB	Right Issue	Last day of trading the rights issue.
15-Jan-23	CIRA	OGM	Approving financial statements and the proposed dividends.
15-Jan-23	CIRA	EGM	Amending article No. 2 of the company's bylaws.
16-Jan-23	ADIB	Capital increase	Capital increase subscription closing date.

LATEST RESEARCH

DATE	PUBLISHED REPORT
18-Dec-22	Elsewedy Electric [SWDY] – Turning Copper Into Gold
5-Dec-22	Commercial International Bank [COMI] – Still Spearheading
28-Nov-22	Abu Dhabi Islamic Bank - Egypt [ADIB] – Unmitigated Temerity
20-Nov-22	Alexandria Containers & Cargo Handling Co. [ALCN] – Gateway of the North
14-Nov-22	Obour Land for Food Industries [OLFI] – Wise and Clever
13-Nov-22	STANDPoint – Time to Catch Up: Updating our fundamental outlook
3-Nov-22	TAKEStock – Telecom Egypt [ETEL] – Life Above 40
19-Oct-22	Lecico Egypt [LCSW] – A Fragile Tile?
27-Sep-22	Commercial International Bank [COMI]: Commander-in-Chief
24-Sep-22	TAKEStock: The Egyptian Banking Industry - The RRR Effect
21-Sep-22	EGYPTBanks – The Causal Sequence
24-Aug-22	Arabian Food Industries (Domty) – Core Coverage Report
22-Aug-22	Credit Agricole Egypt [CIEB] – Core Coverage Update

31-Jul-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - IPO Update</u>
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	<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 [Elsewedy 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**](#)

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