

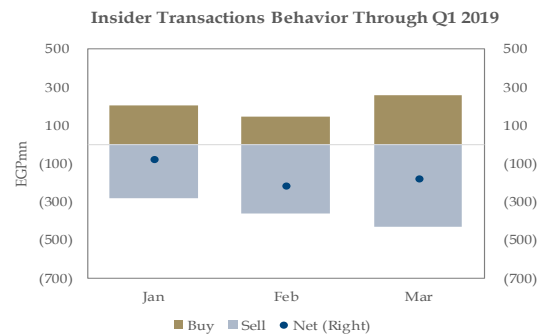
Today's Story

Q1 2019 Insider Transactions – Commitment to the Opposite Direction

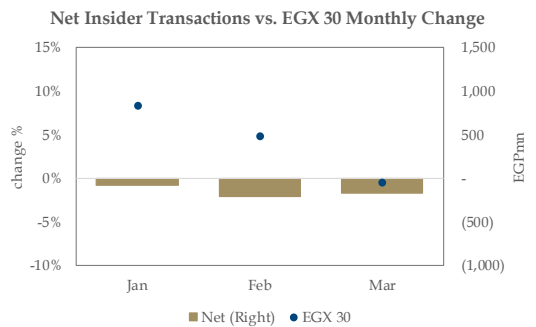
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Several behavioral patterns shaped the three-month rally staged by EGX 30 in Q1 2019. We often trace movements of some investor segments, by nationality or type, as seen in earlier *The Daily Beam* issues. But we also carry out other measures, such as the direction of insider transactions. By nature, insider transactions (i.e. made by board members, top managers or anyone with access to internal information) account for a more revealing exposé for the endeavors of the companies of which stocks are being transacted. In *Today's Story*, we give our insight on insider transaction figures for Q1 2019.

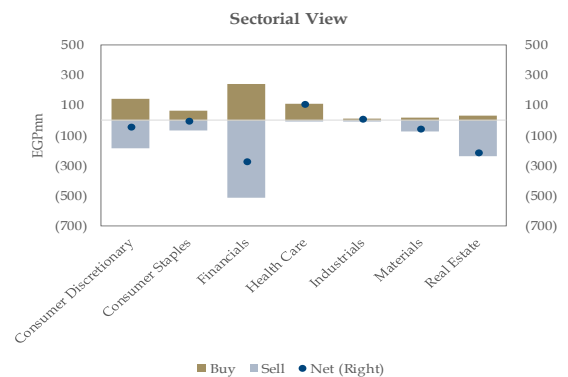
- Headline figures:** Insiders traded stocks of 57 listed companies through 412 transactions in Q1 2019. Total volume of their purchases hit 41.3mn shares, while volume of sales stood at 328.9mn shares, netting 287.6mn shares in sales. In value terms, EGP606mn were bought versus EGP3.21bn sold, netting EGP2.60bn in share sales. This selling action in Q1 2019 emulate the behavior of insiders throughout 2018; as net transactions showed that insiders tend to make more sales during market rallies, and vice versa.
- EAST and IRON intensified the selling mode:** The afore-mentioned headline figures contain two special transactions that took place in January and March. The first is the debt-equity swap deal between Egyptian Iron & Steel (IRON) and Banque Misr, where the Metallurgical Industries Holding Co. sold the bank c.73mn of IRON shares. The second transaction is Eastern Co.'s (EAST) 4.5% secondary offering. Excluding both transactions would not result in net purchase transactions by insiders during the quarter, yet trading value would have reflected only EGP473mn in net share sales versus the EGP2.60bn mentioned earlier.
- What do the figures say at the sector level?** Few sectors had their insider transactions showing a deviant behavior from the overall selling picture. If we were to exclude the two special transactions, only the health care and the industrial sectors would end in the buying territory. Also, the real estate and the financial sectors were pressured the most by the net selling of insiders. In the real estate sector, selling transactions were led by Talaat Mostafa Group Holding (TMGH), Porto Group (PORT), and SODIC (OCDI). Meanwhile, the selling activity in the financial sector was led by CI Capital Holding (CICH) and Egyptian Gulf Bank (EGBE).
- PHAR remained on the top of the ladder:** Egyptian International Pharmaceutical Industries Co. (PHAR) was the most bought stock in Q1 2019, with net buying transactions of c.EGP105mn. Also, PHAR drove the net traded value of the health care sector to the positive area, almost single-handedly. Through 2018, PHAR was the stock most bought by insiders, with net buying transactions of EGP372mn.



*Excluding IRON and EAST transactions
Source: Mubasher, Bloomberg.



*Excluding IRON and EAST transactions
Source: Mubasher, Bloomberg.



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Source: Mubasher, Bloomberg.

Top Headlines

Corporate

- **Elsewedy Electric** (SWDY) signed a 6-month contract with the **Egyptian Electricity Transmission Co. (EETC)** worth EGP1.7bn and of a length 195km to transmit the electricity generated from *Benban Solar Park* with a power of 550KV. The contract includes establishing a double circuit transmission line that connects *Nagaa Hammadi Industrial Zone Benban (S3)*. The contract is to be financed from the EETC's own resources. (Al-Borsa) On a separate note, **Elsewedy for Industrial Development**, a subsidiary of SWDY, was awarded 15.4mn sqm from various sources, including the **Industrial Development Authority (IDA)** and the **Suez Canal Economic Zone**. The company is currently negotiating 2.6mn sqm in order to act as an industrial developer. (Al-Mal)
- **Alexandria Mineral Oils Co. (AMOC)** will not continue in the first stage refinery business with **Middle East Oil Refining Co. (MIDOR)** and the **Egyptian General Petroleum Corporation (EGPC)**. (Al-Mal) *We note that income from these operations was EGP103mn in FY2017/18 (representing more than 5% of AMOC's EBITDA) and is expected to reach EGP113mn in FY2018/19 (exceeding 8% of EBITDA as per our latest forecast).*
- **Heliopolis Housing & Development (HELI)** decided to disburse the second tranche of dividends representing EGP0.25/share on Monday, 8 April, 22 days earlier than planned. ([Company disclosure](#))
- **Raya Holding for Financial Investments (RAYA)** is close to finalizing the establishment of a new holding company to combine all its non-banking financial services to be known as **Aman Holding** with a capital of EGP400mn. The new company's capital is equivalent to RAYA's four subsidiaries' capital, namely **Aman for E-Payments (EGP100mn)**, **Aman for Financial Services (EGP122.5mn)**, **Aman for Micro Finance (EGP131mn)**, and **Aman for Securitization (EGP5mn)**. (Al-Mal)
- **National Bank of Egypt (NBE)** will acquire 51% of **Arco Steel** in a debt-equity swap to settle outstanding debt close to EGP4bn in addition to injection EGP600mn of equity capital. Arco Steel produces 180,000 tpa of specialized steel, more than 90% of which is exported. (Al-Mal)

Non-Corporate

- **Egyptian** non-petroleum exports stood at USD4.10bn in January and February 2019, the **Export & Import Control Authority** said. Industrial products and food products accounted for USD3.14bn and USD961mn respectively of the total value of exports during the period. ([Egypt Today](#))
- **Egypt's net international reserves** edged up to USD44.11bn in March from USD44.06bn a month earlier, on stronger foreign currencies. ([CBE](#))
- The **Egyptian government** has raised the limit of **Egypt's Eurobond** program from USD20bn to USD30bn. ([Enterprise](#))
- The **Ministry of Finance** is planning to sell up to EUR1.5bn worth of Eurobonds in mid-April and has reportedly begun receiving bids to test the market's appetite for the issuance. ([Enterprise](#))

Markets

↗	EGX 30	15,197.84	0.21%	↘	EGX 70	676.95	(1.42%)
↗	DFMGI	2,760.48	1.12%	↘	ADSMI	5,048.98	(0.09%)
↗	TASI	8,985.48	0.57%	↘	QE Index	10,161.57	(0.39%)
↗	S&P 500	2,873.40	0.21%	↗	MSCI EM	1,079.80	0.81%
↗	Gold	1,292.71	0.22%	↘	Brent Oil	69.29	(0.03%)

*As of market close, except for commodities at spot price as of 8.15am CLT.

- **MENA Markets:** Egypt's benchmark **EGX 30** ended higher on Wednesday, driven by gains in **COMI**, **HELI**, and **CIRA**. UAE's **ADSMI** slid as **telecom** and **service** stocks dipped, while **DFMGI** strengthened on support from **banks** and **transportations** stocks. In **Saudi Arabia**, **TASI** delivered a positive performance fueled by its **banking** and **materials** sectors.
- **Global Markets:** **US stocks** finished Wednesday trade with the three main benchmarks within striking distance of all-time highs, with gains in **technology** and **materials** stocks helping to buttress the market. **Oil** prices fell early Thursday in **Asia** following reports that **US** crude oil inventories rose unexpectedly last week.

Number of the Day

20%

Sidi Krier Petrochemicals' (SKPC) ownership in the **Egyptian Ethylene & Derivatives Co. (ETHYDCO)**.

Today's Quiz

What is the feedstock for Sidi Kerir Petrochemicals' (SKPC) ethylene cracker?

(Answer located at the end of this newsletter)

Corporate Events

Company	Ticker	Event Type	Event Date	Reason
Alexandria Containers Handling	ALCN	AGM	4-Apr	Adopting the planning budget for FY 2019/2020
Palm Hills Developments	PHDC	EGM / AGM	4-Apr	Reviewing Agenda Items
Egyptian Electrical Cables	ELEC	Tender Offer	4-Apr	Last day for submitting orders in tender offer.
Suez Canal Bank	CANA	EGM / AGM	4-Apr	Reviewing Agenda Items
Obour Land For Food Industries	OLFI	AGM	6-Apr	Reviewing Agenda Items
El-Shams Housing & Urbanization	ELSH	BoD	7-Apr	Reviewing Agenda Items
Raya Holding	RAYA	OPR	7-Apr	Ending of the OPR market
Six of October Development and Investment	OCDI	EGM / AGM	8-Apr	Reviewing Agenda Items
Egyptian Gulf Bank	EGBE	Dividends	8-Apr	Last date of bonus shares eligibility of 6.6%
Cleopatra Hospital	CLHO	EGM	10-Apr	Reviewing Agenda Items
Arab Cotton Ginning	ACGC	EGM	14-Apr	Reviewing Agenda Items
Faisal Islamic Bank of Egypt - USD	FAITA	Dividends	14-Apr	Last date of cash dividends eligibility of USD0.08/share
Faisal Islamic Bank of Egypt	FAIT	Dividends	14-Apr	Last date of cash dividends eligibility of EGP1.433/share
Egyptian Iron & Steel	IRON	Tender	15-Apr	Tender for the revamping of its production lines
Ismailia Misr Poultry	ISMA	Dividends	15-Apr	Distribution of cash dividends of EGP0.10/share
Sinai Cement	SCEM	AGM	16-Apr	Reviewing Agenda Items
Faisal Islamic Bank of Egypt - USD	FAITA	Dividends	17-Apr	Distribution of cash dividends of USD0.08/share
Faisal Islamic Bank of Egypt	FAIT	Dividends	17-Apr	Distribution of cash dividends of EGP1.433/share
Oriental Weavers Carpet	ORWE	EGM / AGM	17-Apr	Discuss of bonus shares (50%)
Egyptian Satellites	EGSA	Dividends	17-Apr	Last date of cash dividends eligibility of USD0.60/share
Elsaeed Contracting & Real Estate	UEGC	AGM	18-Apr	Reviewing Agenda Items
Edita Food Industries	EFID	Dividends	18-Apr	Distribution of cash dividends of EGP0.20/share
Credit Agricole Egypt	CIEB	Dividends	18-Apr	Distribution of cash dividends of EGP4.24/share
Amer Group Holding & Porto Group Holding	AMER / PORT	Lawsuit	18-Apr	Legal Disputes relevant to <i>Porto Tartous</i> project
Minapharm Pharmaceuticals	MIPH	EGM / AGM	20-Apr	Discuss the capital increase
Egyptian Electrical Cables	ELEC	AGM	21-Apr	Reviewing Agenda Items
Arab Co for Asset Management & Development	ACAMD	Tender	21-Apr	Land Auction
EFG Hermes	HRHO	EGM / AGM	21-Apr	Reviewing Agenda Items
Arabia Investments Holding	AIND	Lawsuit	21-Apr	Legal Disputes relevant to the Company
El Obour Real Estate Investments	OBRI	EGM / AGM	22-Apr	Reviewing Agenda Items
El-Shams Housing & Urbanization	ELSH	AGM	23-Apr	Reviewing Agenda Items
Suez Cement	SUCE	AGM	23-Apr	Reviewing Agenda Items
Misr Fertilizers Production Co.	MFPC	AGM	23-Apr	Reviewing Agenda Items
Tourah Portland Cement	TORA	AGM	23-Apr	Reviewing Agenda Items
Arab Co for Asset Management & Development	ACAMD	EGM	24-Apr	Amending some of the company's articles of incorporation
Orascom Development Egypt	ORHD	AGM	24-Apr	Reviewing Agenda Items
Pioneers Holding	PIOH	EGM	25-Apr	Amending some of the company's articles of incorporation
Atlas For Investment and Food Industries	AIFI	EGM / AGM	27-Apr	Reviewing Agenda Items
National Cement	NCEM	Lawsuit	27-Apr	To rule in canceling the decision to dissolve the company
Paints & Chemical Industry	PACH	Dividends	30-Apr	Distribution of cash dividends of EGP1.5/share
Minapharm Pharmaceuticals	MIPH	AGM	30-Apr	Reviewing Agenda Items
Maridive & Oil Services	MOIL	EGM / AGM	2-May	Reviewing Agenda Items
Suez Canal Bank	CANA	Lawsuit	7-May	To rule in a lawsuit that invalidated the Bank's AGM on April 4, 2018
Amer Group Holding & Porto Group Holding	AMER / PORT	Lawsuit	23-Jun	Legal Disputes relevant to <i>Porto Tartous</i> project
Global Telecom Holding	GTHE	AGM	27-Jun	Discussing capital increase
Ismailia Misr Poultry	ISMA	Dividends	8-Aug	Distribution of cash dividends of EGP0.10/share

Quiz Answer

A propane mix.

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