

Today's Story

How Fast Can the EGX 30 Jump?

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- As a free-float market cap-weighted index, the **EGX 30** index sometimes finds its performance hostage to one or two stocks that can drive its readings 1,000 points at a time. But how long does it take the index to press ahead past each 1,000 points? With a base level of 1,000 as the start of 1 January 1998, the EGX 30 has so far traded past 18,000 points in 2018. Since the flotation of the Egyptian pound back in November 2016, the EGX 30 has jumped 1,000 points seven times: once in December 2016, three times in 2017, and three times in 2018.
- The below table depicts how long it took the EGX 30 index to break above each new 1,000-point mark (for the first time) since its inception. *This analysis is based only on the closing prices of the index, not intraday prices.*
 - On average, it took the index some **412 days** to cross the 1,000-point mark.
 - Starting in 1998, the **index fell right off its 1,000-point base**, only to recover its losses by 6 December 1999 or **some 705 days** after.
 - As the index doubled**, the next 1,000 points took a bit longer (**1,742 days** from 6 December 1999 to 12 September 2004).
 - The hardest (and the longest) 1,000 points** for the index to cross was **the 12,000-point mark**. It took **3,264 days** or almost nine years (from 13 January 2008 to 20 December 2016) to gain territory beyond it. This came in the aftermath of the 2008 global financial crisis.
 - The easiest (and the fastest) 1,000 points** for the index to cross was **the 17,000-point mark**. It took the index **only 12 days** (from 6 March 2018 to 18 March 2018) to gain that 1,000 points.
- It seems that the index has been exploring new heights in a shorter timeframe than before. This is normal because a 1,000-point gain in the index is relative to its size across the years. For instance, the first 1,000 points is a 100% move, the second is a 50% move, the third is a 33.33% move, etc. However, for investors breaking through the 1,000-point mark is a psychologically-important milestone. The question is how long it will take the EGX 30 to cross the 19,000-point mark.

Points	% change	Level reached	% change	Crossed on ...	How many days it took?	How many months it took?	How many years it took?
1,000		1,000.00		31-Dec-97			
1,000	0.00%	1,015.40	1.54%	6-Dec-99	705	23.5	1.93
2,000	100.00%	2,017.34	98.67%	12-Sep-04	1,742	58.1	4.77
3,000	50.00%	3,016.40	49.52%	23-Jan-05	133	4.4	0.36
4,000	33.33%	4,036.49	33.82%	3-Mar-05	39	1.3	0.11
5,000	25.00%	5,005.57	24.01%	5-Jul-05	124	4.1	0.34
6,000	20.00%	6,055.00	20.97%	8-Nov-05	126	4.2	0.35
7,000	16.67%	7,357.08	21.50%	12-Jan-06	65	2.2	0.18
8,000	14.29%	8,063.92	9.61%	29-Jan-06	17	0.6	0.05
9,000	12.50%	9,055.07	12.29%	16-Oct-07	625	20.8	1.71
10,000	11.11%	10,082.39	11.35%	5-Dec-07	50	1.7	0.14
11,000	10.00%	11,035.09	9.45%	13-Jan-08	39	1.3	0.11
12,000	9.09%	12,147.95	10.08%	20-Dec-16	3,264	108.8	8.94
13,000	8.33%	13,014.54	7.13%	10-Jan-17	21	0.7	0.06
14,000	7.69%	14,000.43	7.58%	2-Oct-17	265	8.8	0.73
15,000	7.14%	15,016.97	7.26%	28-Dec-17	87	2.9	0.24
16,000	6.67%	16,022.26	6.69%	6-Mar-18	68	2.3	0.19
17,000	6.25%	17,271.03	7.79%	18-Mar-18	12	0.4	0.03
18,000	5.88%	18,080.70	4.69%	23-Apr-18	36	1.2	0.10
19,000	5.56%	19,000.00	5.08%	???	???	???	???
Average					412	13.7	1.13

Source: EGX, SHUAA Securities Egypt.

Top Headlines

Corporate

- **Egyptian Chemical Industries “KIMA”** (EGCH) denied what has been published in newspapers regarding making an exception for KIMA under the **Ministry of Petroleum’s** natural gas pricing. Media reports had claimed that KIMA 2 project will be supplied natural gas at USD3.0/mmbtu instead of USD4.5/mmbtu. The company reiterated that it will secure natural gas at USD4.5/mmbtu. ([Company Disclosure](#))
- **Enppi** has inked its IPO bookrunning contracts with the consortium of **CI Capital Holding** (CICH), **Jeffries**, and **Emirates NBD**. ([Al-Borsa](#))

Non-Corporate

- The **Ministry of Finance** has launched a non-deal roadshow in Asia in order to attract new investors to the Egyptian debt market, ahead of an anticipated USD5bn Eurobond sale. ([Reuters](#))
- The **Cabinet**, headed by **Prime Minister** Mostafa Madbouly, is drafting a policy change that would allow the **Ministry of Finance** to move ahead with a hedging strategy to shield the state budget against the rising price of oil and other key commodities. ([Enterprise](#))
- The **Ministry of Finance** extended the deadline for those looking to file their real estate tax exemption documents to 30 June 2019. Those with properties valued at less than EGP2mn and not used for any rental or commercial purposes are eligible. ([AMAY](#))
- **Energy subsidies** increased by EGP10bn in Q1 FY2018/19 after oil prices rose to about USD84/bbl, according to sources in the **Ministry of Petroleum**. ([Al-Borsa](#))
- The increase in **average yields on T-bills** lost some momentum as they increased marginally on 182-day and 1-year T-bills. Yield on **182-day T-bills** picked up to 19.850% from 19.808%, and yield on **1-year T-bills** picked up to 19.686% up from 19.623% compared to latest similar auction. ([CBE](#))

Markets

↘	EGX 30	14,104.90	(1.46%)	↘	EGX 70	699.34	(0.55%)
↘	DFMGI	2,790.17	(0.06%)	↘	ADSMI	4,990.25	(0.34%)
↘	TASI	7,893.62	(1.30%)	↘	QE Index	9,847.05	(0.56%)
↘	S&P 500	2,885.57	(0.55%)	↘	MSCI EM	1,000.76	(0.95%)
↘	Gold	1,195.87	(0.64%)	↘	Brent Oil	83.45	(0.84%)

*As of market close

- **MENA Markets:** The **EGX 30** ended down on Thursday, dragged by losses in **SWDY**, **EAST**, and **TMGH**. Meanwhile, **TASI** closed down yesterday, dragged by gains in the **financials** and **materials** sectors. **UAE indices** ended lower, dragged by gains in the **energy** and **financials** sectors.
- **Global Markets:** **US equities** closed sharply lower Friday as worries about rising interest rates overshadowed the September jobs report which pointed to strength in the labor market and the broader economy. **Oil** prices dropped on Monday after Washington said it may grant waivers to sanctions against **Iran’s** oil exports next month and as **Saudi Arabia** was said to be replacing any potential shortfall from Iran.

Number of the Day

6,000 mWh

The capacity of the coal electricity-generating plant in **Al-Hamrawein**.

Today's Quiz

What is the designed capacity of Qalaa Holdings (CCAP) subsidiary Egyptian Refining Co. (ERC)?

(Answer located at the end of this newsletter)

Corporate Events

Company	Ticker	Event Type	Event Date	Reason
Pioneers Holding	PIOH	Right issue	8-Oct	End date for right issue trading separately
Egypt Aluminum	EGAL	EGM	8-Oct	Discussing capital increase
Alexandria Spinning & Weaving	SPIN	GM	8-Oct	Reviewing Agenda Items
Export Development Bank	EXPA	EGM	8-Oct	Reviewing Agenda Items
Golden Coast	GOCO	Dividends	9-Oct	Distribution of 2nd installment of cash dividends of EGP 0.1 per share
Suez Canal Bank	CANA	Lawsuit	9-Oct	Legal Disputes Relevant to the Company
Extracted Oils	ZEOT	GM	10-Oct	Reviewing Agenda Items
Egyptian Iron & Steel	IRON	GM	10-Oct	Reviewing Agenda Items
Naeem Holding	NAHO	Dividends	10-Oct	Record date for bonus shares eligibility of 1:10
Union National Bank Egypt	UNBE	EGM	13-Oct	Reviewing Agenda Items
MM Group for Industry	MTIE	EGM	13-Oct	Reviewing Agenda Items
Palm Hills Developments	PHDC	Right issue	14-Oct	Record date for right issue eligibility
Nozha International Hospital	NINH	GM	15-Oct	Reviewing Agenda Items (Bonus Shares)
General Silos & Storage	GSSC	Lawsuit	15-Oct	Legal Disputes Relevant to the Company
El Nasr Clothes & Textiles	KABO	GM	17-Oct	Reviewing Agenda Items
Alexandria Flour Mills	AFMC	GM	17-Oct	Reviewing Agenda Items
Real Estate Egyptian Consortium	AREH	EGM	18-Oct	Reviewing Agenda Items
Extracted Oils	ZEOT	GM	19-Oct	Reviewing Agenda Items
Alexandria Containers Handling	ALCN	Dividends	21-Oct	Record date for cash dividends eligibility of 0.9545445705 per share
Mohandes Insurance	MOIN	GM	21-Oct	Reviewing Agenda Items
Misr Oils & Soap	MOSC	EGM	24-Oct	Reviewing Agenda Items
Ezz Steel	ESRS	EGM	24-Oct	Reviewing Agenda Items
Atlas for Land Reclamation	ALRA	GM	25-Oct	Reviewing Agenda Items
Al Ahram Co for Printing	EPPK	GM	25-Oct	Reviewing Agenda Items
Egyptian Resorts Co.	EGTS	Lawsuit	27-Oct	Legal Disputes Relevant to the Company
Alexandria Flour Mills	AFMC	Lawsuit	29-Oct	Legal Disputes Relevant to the Company
Arabia Investments and Development	AIND	Lawsuit	11-Nov	Legal Disputes Relevant to the Company
El Nasr Co for Transformers	NASR	Dividends	31-Oct	Distribution of 3rd installment of cash dividends of EGP 0.1 per share
Porto Group Holding	PORT	Lawsuit	29-Nov	Legal Disputes Relevant to the Company

Quiz Answer

4.7mn tpa.

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