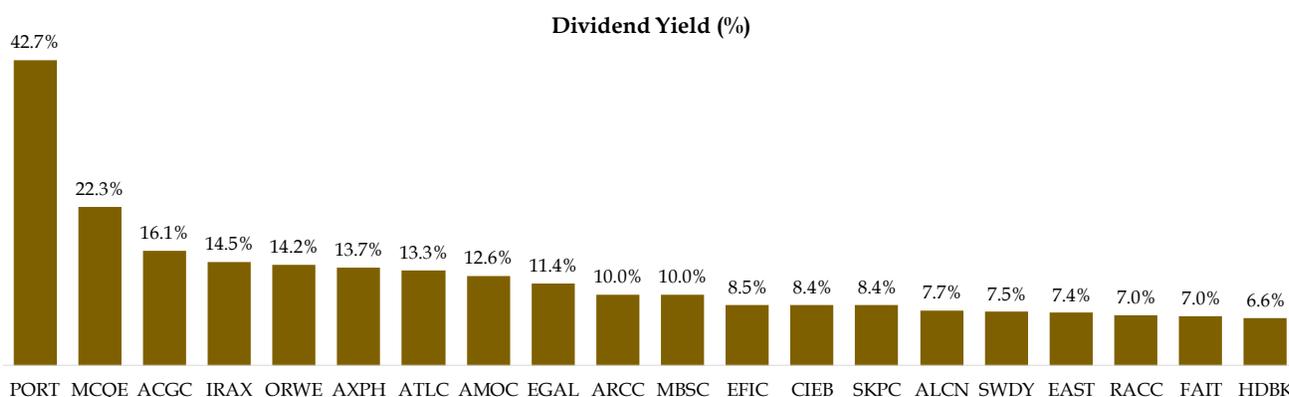


Today's Story

20 High Dividend Yield Stocks to Keep an Eye on

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- Investors should seek yield as market volatility ensues ...:** A key component of any investors' return, we keep remind our clients, comes from the businesses they own a piece of, i.e. dividends. Made of two key components, investors' total return includes the capital gain (or loss for that matter) in addition to the often-neglected dividend yield. At times when market volatility ensues, two things happen:
 - Investors tend to appreciate companies that have stable businesses and can pay a stable dividend as a result, regardless of market volatility. So, sustainability of the underlying business is key.
 - These high yield stocks become even more attractive as stock prices go south along with the market downturn.
- ... and look for above-average yield:** The EGX 30 index's current dividend yield is c.6%, but there are stocks that have an above-average dividend yields that could be worth looking at. Based on *Bloomberg* consensus estimates, we list below 20 stocks that exhibit such above-average yields, which – we think – would attract investors' attention at currently-volatile times. A word of caution, though, is that some of these *expected* dividend yields may be based on a small number of analysts, hence a closer look at each company's earning power is advised.



Source: Bloomberg.

Top Headlines

Corporate

- Elsewedy Electric (SWDY)** said in a filing following up its recently-announced mega project with **Rufiji Dam & Hydropower Plant** that it will “solely or jointly set up a new company, join an existing company as partner or open a new branch in Tanzania.” ([Company disclosure](#))
- Export Development Bank of Egypt's (EXPA)** consolidated earnings in Q1 2018/19 ended 30 September 2018 grew 52% y/y to EGP295mn on 18% higher total banking income of EGP452mn, driven by 40% higher net interest income of EGP422mn and despite 63% lower non-interest income of EGP30mn due to losses from financial investments. Net loans slipped 1.1% to EGP19.78bn, while deposits edged 1.0% down to EGP34.28bn, implying a stable net loans-to-deposits ratio of 57.7%. ([Company disclosure](#))
- CIB (COMI)** established **CVentures**, the first Corporate Venture Capital firm in **Egypt** primarily focused on investing in transformational *FinTech* start-up companies and next generation financial services platforms. CVentures will pre-dominantly participate in Series A and Series B investment rounds in Egypt, the Middle East, Africa and other highly regarded cross-border market economies, in addition to considering seed investment rounds across similar markets. ([Company disclosure](#), [CVentures](#))

- **Egypt Aluminum (EGAL)** rescheduled its USD600mn tender for 31 December 2018. Earlier planned to take place on 9 December 2018, the tender aims for a production capacity expansion. ([Company disclosure](#))
- **Orascom Development Egypt (ORHD)** signed an agreement with **Thomas Cook** to develop a new 100-room luxury beachfront hotel property under the brand of Casa Cook El-Gouna which will be opened in October 2019. The deal also includes rebranding Arena Inn, El Gouna's 144-room downtown hotel to become a Cook's Club Hotel which will be opened after rebranding in summer 2019. (Company disclosure)
- The **Financial Regulatory Authority (FRA)** will hold a hearing on 23 December to review the conditions it set for **Raya Holding for Financial Investments'** (RAYA) CEO Medhat Khalil's mandatory tender offer (MTO) to take RAYA private. ([Al-Borsa](#))

Non-Corporate

- In an auction held on 17 December 2018, **average yields on five-year and 10-year T-bonds** increased marginally:
 - Yield on **five-year bonds** edged up to 18.328% from 18.274% (+5.4bps) with an accepted amount of EGP710mn vs. a required amount of EGP750mn.
 - Yield on **10-year bonds** rose marginally to 18.075% from 18.052% (+2.3bps) with EGP102.8mn accepted vs. EGP500mn required. ([CBE](#))
- The **Central Bank of Egypt (CBE)** has extended two of its programs supporting the tourism industry for one more year ending December 2019, namely its *Tourism Industry Support Initiative* previously launched in February 2016 and *Retail Loans for Workers in the Tourism Industry Initiative* previously launched in December 2015. Under the initiative, banks will be allowed to accept requests from tourism companies wishing to delay payment of their dues for a maximum period of three years. ([CBE](#))
- The **Cabinet** clarified that it is not mulling a move that would grant **Ministry of Finance** the power to freeze bank accounts of suspected tax evaders. ([Enterprise](#))

Markets

↗	EGX 30	13,215.40	1.72%	↗	EGX 70	677.63	0.71%
↗	DFMGI	2,563.72	0.28%	↗	ADSMI	4,865.82	0.72%
↗	TASI	7,968.26	0.76%	↘	QE Index	10,489.04	(0.07%)
↘	S&P 500	2,545.94	(2.08%)	↘	MSCI EM	967.82	(0.42%)
↗	Gold	1,247.53	0.13%	↘	Brent Oil	58.72	(1.49%)

*As of market close, except for commodities at spot price as of 8am CLT.

- **MENA Markets:** Egypt's benchmark **EGX 30** ended up on Monday, driven by **COMI, HRHO, SWDY, TMGH, and MNHD**. Both **UAE** indices closed higher as the **banking** and the **telecommunication** sectors pushed **ADSMI** up, and the **real estate** sector did the same for **DFMGI**. **Saudi Arabia's TASI** dipped, however, pressured by the **banking** and the **materials** sectors.
- **Global Markets:** Stocks in **Asia** were lower on Tuesday afternoon following an overnight sell-off on **Wall Street** sparked by concerns of a slowdown in the global economy. In the **US** markets, stocks fell sharply ahead of the **Federal Reserve's** anticipated rate hike this week. **Oil** prices dropped on Tuesday, falling for the third straight session, as reports of inventory builds and forecasts of record shale output in the **United States** raised worries about oversupply.

Number of the Day

392,800 sqm

The size of **Tourah Portland Cement's (TORA)** land plot that has been auctioned on 11 December 2018.

Today's Quiz

What was the best bid on TORA's land plot auctioned in December 2018?

(Answer located at the end of this newsletter)

Corporate Events

Company	Ticker	Event Type	Event Date	Reason
Ibnsina Pharma	ISPH	Lawsuit	19-Dec	Legal Disputes Relevant to the Company
Cairo Investment & Real Estate	CIRA	AGM	20-Dec	Discussion of earnings results
Paints & Chemical Industry	PACH	EGM/AGM	20-Dec	Reviewing Agenda Items
Industrial & Engineering Projects	IEEC	EGM/AGM	21-Dec	Reviewing Agenda Items
Egypt Aluminum	EGAL	Capital Increase	23-Dec	Record date for bonus shares distribution of 50%
Egypt Aluminum	EGAL	Dividends	24-Dec	Distribution of bonus shares of 50%
Cairo for Educational Affairs	CAED	AGM	26-Dec	Reviewing Agenda Items
El Ezz Aldekhela Steel Alexandria	IRAX	AGM	29-Dec	Discussing distribution of dividends
Industrial & Engineering Projects	IEEC	EGM	29-Dec	Reviewing Agenda Items
Cairo Investment & Real Estate	CIRA	EGM	30-Dec	Reviewing Agenda Items
Egyptian Media Production City	MPRC	EGM	03-Jan	Reviewing Agenda Items
Golden Pyramids Plaza	GPPL	EGM	05-Jan	Reviewing Agenda Items
Beltone Financial Holding	BTFH	Lawsuit	05-Jan	Legal Disputes Relevant to the Company
Raya Holding	RAYA	EGM/AGM	09-Jan	Discussing capital increase & distribution of dividends
Global Telecom Holding	GTHE	AGM	28-Jan	Discussing capital increase
Porto Group Holding	PORT	Lawsuit	29-Jan	Legal Disputes Relevant to the Company

Quiz Answer

EGP2,700/sqm.

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