

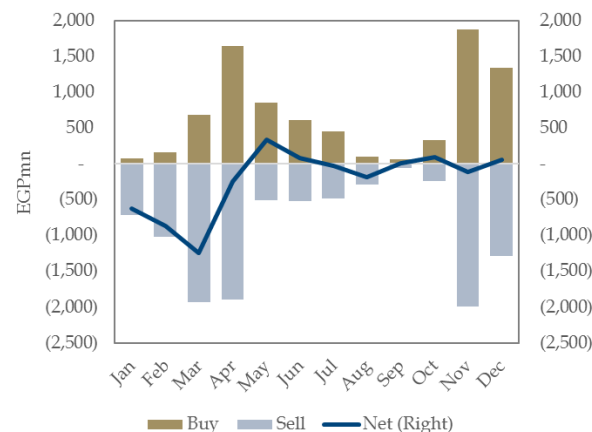
## Today's Story

### Insider Transactions — A Third Look

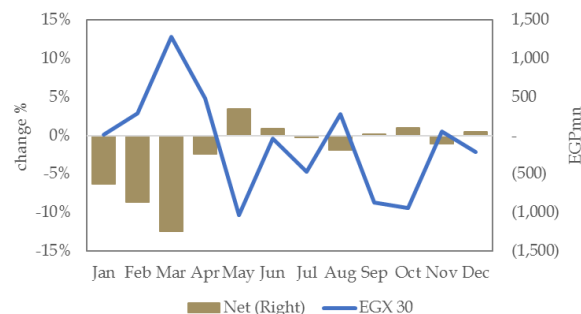
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- Insider transactions — Take 3:** We had covered the insider transactions figures twice before: Once back on 16 May 2018, covering all insider transactions since January 2018 through 15 May 2018; secondly, on 25 October 2018, covering all insider transactions since January 2018 through 15 October 2018 ([read it here](#)). Today, we are updating the exercise, looking through the entire profile of 2018 insider transactions (e.g. transactions by board members, top managers, or anyone with access to internal information) in search for any interesting patterns or valuable clues.
- The headline numbers:** Throughout 2018, we detected 1,747 insider transactions in 130 listed stocks. In volume terms, c.769mn shares were bought versus 1.58bn shares sold. However, value-wise, EGP8.2bn worth of shares were bought versus EGP10.9bn shares sold, implying an outflow of EGP2.7bn.
- Monthly view:** In earlier reports, we had mentioned that whilst plain numbers point to an aggressive bearish trend, re-watching the figures in parallel with their timeline might produce a different conclusion. For a starter, as we can see in the first chart on the right, insider transactions happened to sink in the “sell” territory up through April 2018 before gradually shifting to the “buy” territory from May 2018 onwards. In August, insider transactions nosedived again before picking up once more in September and October. They slipped in November before finally rebounding in December. We found that in March, aggressive selling was sparked by **PHDC**, **QNBA**, and **TMGH**. Also, we note that if it wasn't for November barely being in negative territory, insider transactions would have gone on their first and only four-month streak of “positive” net. We also note that selling in November mostly came from **ACAMD** and **ACGC**. November was also one of the most active months for insider transactions, marking an ownership transfer pertaining to **CIEB**. Looking at the second chart on the right, we find that selling across insider transactions was in full gear, coinciding with the market peak, by end of April 2018, while buying activities reappeared afterwards where the index losses have begun to deepen.
- Individual stocks:** As for individual stocks, we list below the top ten bought and sold names in terms of insider transactions throughout 2018. We notice that the average total return for the top 10 sold stocks was better at 0.6% versus the top 10 bought names at -13.6%.

Insider Transactions Behavior Through 2018



Net Insider Transactions vs. EGX 30 Monthly Change



Top Bought Names (EGPmn)				Top Sold Names (EGPmn)			
2018 Total				2018 Total			
Ticker	Return %	Sector	Value	Ticker	Return %	Sector	Value
PHAR	-25%	Health Care	372	QNBA	7%	Financials	(1,153)
ACRO	-3%	Materials	455	PHDC	-43%	Real Estate	(737)
EFID	-15%	Consumer Staples	1,352	HDBK	-3%	Financials	(405)
SKPC	-24%	Materials	150	TMGH	4%	Real Estate	(187)
RAYA	3%	Telecom Services & IT	97	CIEB	16%	Financials	(181)
AMOC	-17%	Materials	77	MNHD	-23%	Real Estate	(173)
ABUK	16%	Materials	96	SBAG	-9%	Materials	(162)
MTIE	-20%	Consumer Discretionary	918	QRHD	57%	Real Estate	(124)
OCDI	-30%	Real Estate	133	FERC	NA	Materials	(106)
PIOH	-21%	Financials	155	MRCO	NA	Industrials	(81)

Source: Mubasher, SHUAA Securities Egypt.

We list below the top five bought and sold names in each quarter of 2018:

### Top 5 bought names on a quarterly basis ...

Q1			
Ticker	Buy	Sell	Net
PHAR	86	(0)	86
ABUK	44	-	44
EFID	29	-	29
SKPC	29	(1)	28
EAST	13	(0)	12

Q2			
Ticker	Buy	Sell	Net
ACRO	455	(285)	169
OCDI	130	-	130
EFID	1,124	(1,016)	108
AMOC	56	-	56
SKPC	72	(18)	54

Q3			
Ticker	Buy	Sell	Net
RAYA	50	-	50
PIOH	38	(0)	37
BINV	34	-	34
ELSH	28	-	28
UNFO	28	(5)	23

Q4			
Ticker	Buy	Sell	Net
PHAR	270	-	270
ABUK	36	(13)	23
BINV	19	-	19
SKPC	23	(5)	18
EFID	197	(184)	13

Source: Mubasher, SHUAA Securities Egypt.

### Top 5 sold names on a quarterly basis ...

Q1			
Code	Buy	Sell	Net
QNBA	-	(1,153)	(1,153)
PHDC	-	(740)	(740)
HDBK	-	(405)	(405)
TMGH	-	(168)	(168)
OCDI	-	(79)	(79)

Q2			
Code	Buy	Sell	Net
MNHD	-	(128)	(128)
ORHD	-	(124)	(124)
CIEB	-	(68)	(68)
NCIN	50	(94)	(45)
BINV	22	(59)	(37)

Q3			
Code	Buy	Sell	Net
SBAG	-	(162)	(162)
CIEB	-	(113)	(113)
MRCO	-	(81)	(81)
ACAMD	-	(16)	(16)
GGCC	0	(14)	(14)

Q4			
Code	Buy	Sell	Net
FERC	-	(105)	(105)
ACCG	-	(64)	(64)
SUCE	1	(50)	(48)
EALR	-	(44)	(44)
ACAMD	-	(41)	(41)

Source: Mubasher, SHUAA Securities Egypt.

## Top Headlines

### Corporate

- **Emaar Misr for Development's** (EMFD) board appointed Mostafa El-Kady as new CEO who had joined EMFD in 2007, and his last post was Chief Development Officer. ([Company disclosure](#))
- **Heliopolis Housing & Development** (HELI) announced the restructuring of its board of directors effective 24 October 2018 for a year and hiring Ms. Sahar El-Damati as **Managing Director for Finance**. ([Al-Alam Al-Youm](#))

### Non-Corporate

- In an auction held on 6 January, average yields fell noticeably on **91-day** and **273-day T-bills**:
  - Yield on **91-day T-bills** was down to 19.190% from 19.715% (-52.5bps) with both accepted and required amounts equal to EGP8.5bn and a submitted amount of EGP32.2bn.
  - Yield on **273-day T-bills** went down to 19.668% from 19.967% (-29.9bps) with EGP12.5bn accepted vs. EGP8.5bn required, with a submitted amount of EGP19.8bn. ([CBE](#))
- **Egypt's** international reserves fell for the first time since November 2016 to USD42.551bn in December 2018, down from USD44.513bn a month before, according to the **CBE**. Although gold and SDR components increased, the foreign currencies component fell by USD2bn due to settling some foreign currency liabilities including external debt service, maturing T-bills, and liabilities on government entities. ([CBE](#), [CNN Arabic](#))
- The **Cabinet** is forming a committee to follow up on the implementation of the price indexation mechanism of fuel products. The mechanism will be revised on a quarterly basis. Octane-95 will be sold at a VAT-inclusive price effective end of December 2018 (with the end user price kept as is), with a maximum range of price fluctuation within  $\pm 10\%$ . ([Al-Borsa](#))
- **Proposed amendments** to the *Income Tax Act* would impose an across-the-board 10% **capital gains tax** on listed and privately held companies alike. As it currently stands, the law imposes a 22.5% capital gains tax on unlisted companies, while listed companies are subjected to a 10% tax which has been put on hold until 2020. ([Enterprise](#), [Al-Borsa](#))

## Markets

↗	EGX 30	13,343.08	0.59%	↘	EGX 70	687.34	(1.00%)
↗	DFMGI	2,534.80	0.14%	↗	ADSMI	4,934.29	0.62%
↗	TASI	8,047.58	1.45%	↗	QE Index	10,949.22	1.37%
↗	S&P 500	2,549.69	0.70%	↗	MSCI EM	955.66	(1.06%)
↘	Gold	1,284.75	(0.39%)	↗	Brent Oil	57.40	0.10%

\*As of market close, except for commodities at spot price as of 8.45am CLT.

- **MENA Markets:** Egypt's benchmark **EGX 30** ended in the green, powered by stronger **EAST, COMI, GTHE**, and **SKPC**. In the UAE, both **DFMGI** and **ADSMI** closed higher, while **Saudi Arabia's TASI** ended on green as well.
- **Global Markets:** **US stocks** pushed higher on Monday after as **US-China** trade talks resume, seen potentially increasing the prospects of a deal between the two countries. Meanwhile, **oil** prices flattened after jumping in the last two sessions.

## Number of the Day

## USD625mn

The value of **Global Telecom Holding's** (GTHE) planned capital increase.

## Today's Quiz

How much are the net foreign liabilities of **Egypt's** banks?

(Answer located at the end of this newsletter)

## Corporate Events

Company	Ticker	Event Type	Event Date	Reason
Raya Contact Center	RACC	EGM/ AGM	9-Jan	Reviewing Agenda Items
Suez Canal Co for Technology Settlement	SCTS	EGM/ AGM	10-Jan	Reviewing Agenda Items
El Ezz Aldekhela Steel Alexandria	IRAX	Dividends	14-Jan	Record date for cash dividends distribution of EGP40/share
El Ezz Aldekhela Steel Alexandria	IRAX	Dividends	17-Jan	Distribution of cash dividends of EGP40/share
Rowad Tourism	ROTO	EGM	21-Jan	Reviewing Agenda Items
Global Telecom Holding	GTHE	AGM	28-Jan	Discussing capital increase
Porto Group Holding	PORT	Lawsuit	29-Jan	Legal Disputes Relevant to the Company
Arabia Investments and Development	AIND	Lawsuit	3-Feb	Legal Disputes Relevant to the Company
Advanced Pharmaceutical Packaging	APPC	AGM	6-Feb	Reviewing Agenda Items

## Quiz Answer

USD7.3bn as of October 2018.

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