

National Cement (NCEM)



COMPANY PROFILE

National Cement (NCEM) is a public company, listed on Egyptian Exchange since November 1995. It operates within the materials sector focusing on construction materials. It has 2 subsidiaries operating across Egypt. National Cement is based in Cairo, Egypt and was established in January 1956.

Stock Details As at: 24-10-2017

No of Shares (mn)	103.2
Free Float	4.85 %
3m avg. Daily Volume	30,006
52 Week High-Low	16.37 / 5.85
Market Price	14.81
PE	NA
P/BV	NA

Ownership

Chemical Industries Holding Co 95.00 %

Others **5.00 %**

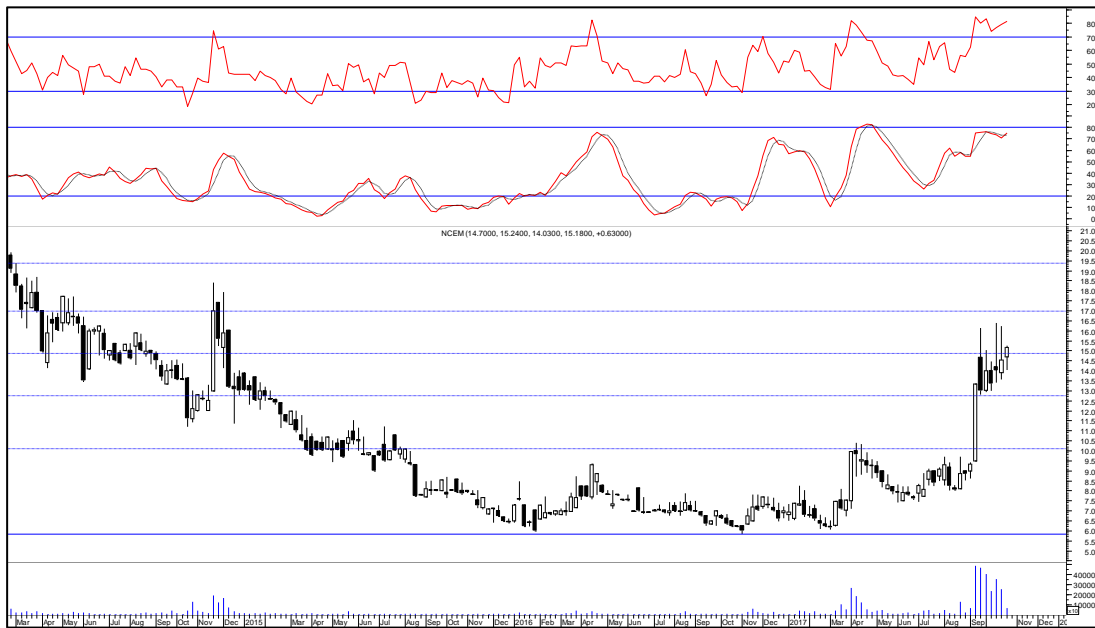
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- **Subsidiaries**
 - El Nahda Cement Co (30.00%)
 - Suez Cement (2.168%)
- **NCEM's** losses deepen in FY-16/17 to reach **(EGP 971.3mn)** vs losses of **(EGP 119.9mn)** for FY-15/16 as a result for higher COGS/Sales 145.3% vs 128.9%, FX losses EGP 52mn and higher interest expense EGP 81.7mn vs. EGP 40.2mn.
- **NCEM's** AGM in 2-10-2017 didn't approve to evacuate of board's members as a result for such losses and authorized AGM's president to sell NCEM's stake in its subsidiaries including Suez Cement (SUCE) and El Nahda Cement Co after preparing a fair value by independent financial advisor.
- **NCEM's** EGM in 2-10-2017 approved to continue in business although accumulated losses exceeded 50% of its paid in capital
- **NCEM** free float is below 5% and government represented in Chemical Industries Holding Co is subject to exceed free float to above 10% to meet listing requirements.
- **Appetite for governmental stocks:** Although of accumulated losses that reached almost **(EGP 1.4bn)** Retail sentiment that **NCEM** would benefit from government intention to reform and effectively run public sector companies for bringing revenues and that restructure plan may include inflating **NCEM's** share prices to float at a high price.

Technical View:

Prices are in a bullish mode, buyers were able to clear the resistance level 14.80 suggesting the buying appetite. Our indicators are confirming the positive potential targeting 17.00 which acts also as important resistance.

Resistance Levels	17.00	17.75	19.40
Support Levels	14.80	12.70	11.20



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