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## Two Banks

### 1. Today's Trading Playbook

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**KEY THEMES**

As we approach the deadline for reporting Q1 2022 results, we highlight today two Islamic banks performance for the quarter.

First, Faisal Islamic Bank of Egypt [**FAIT**] announced their full standalone financials. FAIT's bottom line leaped 120% y/y reaching EGP1.2bn. Net income was mainly boosted by the skyrocketing FX gains of EGP743mn. While net interest income (NII) increased to EGP1.3bn, on the back of a 7% increase in debt securities to EGP60bn and a 4.6% increase in loans to EGP12.4bn. The bank managed to grow its pool of deposits by 5.4% to EGP116bn, and its total assets by 4.8% to EGP137bn. FAIT is currently traded at TTM P/E and P/B of 2.4x and 0.5x respectively. We have and Overweight rating on FAIT, with our 12MPT of EGP19.7/share (ETR+48%). FAIT is one of the 15 stocks we had picked in our [STANDPoint 2022 strategy outlook published on 30 January 2022](#).

Second, Al Baraka Bank Egypt [**SAUD**] has reported its Q1 2022 standalone results, achieving bottom line growth of 37.5% y/y to EGP369mn. Bottom line growth came because of (1) 14% y/y growth in net interest income of EGP719mn, (2) 26% y/y growth in net fees and commission income, (3) notably lower credit provisions of EGP69mn (-39% y/y). We note that SAUD has witnessed a notable improvement in effective tax rate, which declined to 30% as opposed to 36% a year earlier. On the balance sheet side. SAUD total assets were flat ytd, down to EGP82.2bn (-0.1% ytd). However, despite the muted asset growth, the bank made some reshuffles in its portfolio, where Treasury exposure grew by 45% ytd, while inter-bank assets slipped considerably by 42% during the same period. Net lending growth was at 11% ytd to EGP23.3bn, yet as SAUD deposits retreated in the first quarter to EGP71.2bn (-2% ytd), utilization improved. The slight drop in deposits could be hinting to the impact of the 18% p.a. high yield CDs on bank's ability to attract affordable funds. SAUD is currently traded at TTM P/E and P/B of 2.8x and 0.5x respectively. We have and Overweight rating on SAUD, with our 12MPT of EGP25.6/share (ETR+66%).

*Now, on to the top news and analysis for the day.*

## 2. TOP NEWS & ANALYSIS

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### MACRO NEWS

**The government has so far paid EGP8.5bn for around 1.85mn tons of local wheat since the start of the harvest season,** about 23% less than previously expected. ([Enterprise](#))

**The government could issue green and sustainable development bonds worth around USD500mn.** ([Enterprise](#))

**The government has cut its 2022/23 GDP growth forecast to 4.5% from 5.5%.** ([Enterprise](#))

**Egypt and Sweden are discussing the cooperation in the fields of healthcare and hospital management.** ([Mubasher](#))

### CORPORATE NEWS

**Qalaa Holdings' [CCAP] subsidiary, TAQA Arabia, has announced the acquisition of Rosetta Energy's LNG arm to expand its business portfolio in Egypt, Africa and the Middle East.** Rosetta is an international energy developer and operator focused on developing the full LNG value chain to supply industrial, commercial, and residential customers off the grid. ([Company disclosure](#))

**Ezz Steel [ESRS] cut the ex-factory price for flat products by EGP4,500/ton to EGP20,500/ton, including VAT.** ([Al-Mal](#))

**Esewedy Electric [SWDY] opened a busway electricity distribution system factory which is the first of its kind in Africa.** ([Mubasher](#))

**Edita Food Industries' [EFID] BoD approved the establishment of two companies, one of which is a holding company and the other a microfinance company.** ([Company disclosure](#))

**Fawry [FWRY] announced that its capital increase was fully subscribed.** ([Al-Mal](#))

**Arab Drug Co.'s [ADCI] BoD approved 2022/2023 budget, expecting a net profit of EGP112mn.** Meanwhile, revenues are expected to be EGP698mn. ([Company disclosure](#))

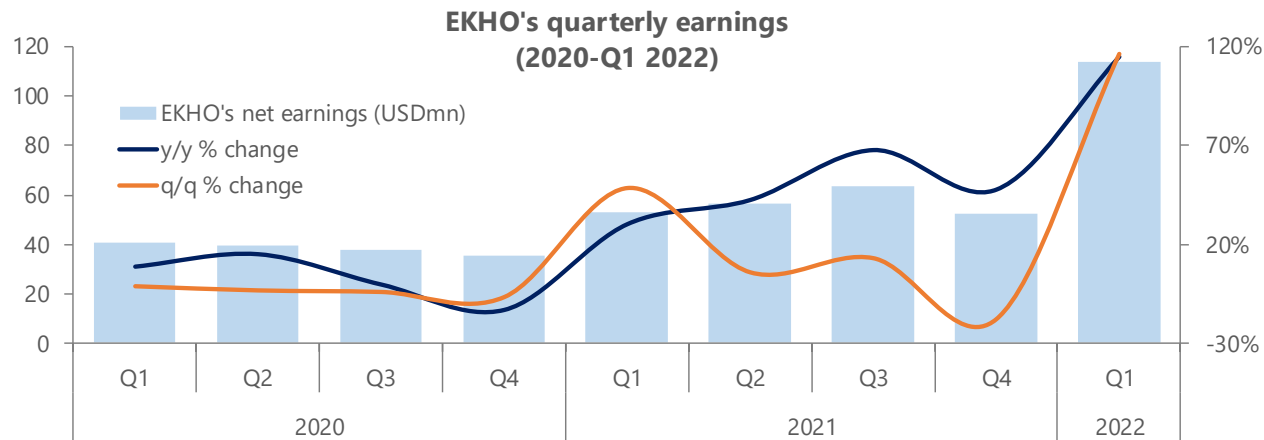
**El Nile Co. for Pharmaceuticals & Chemical Industries [NIPH] announced its 9M 2021/2022 results, reporting an increase in net profit to EGP69mn (+14.8% y/y).** Meanwhile, operating revenues reached EGP677mn (+9.0% y/y). ([Company disclosure](#))

### 3. CHART OF THE DAY

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Source: Company Report.

EK Holding's [EKHO] Q1 2022 before minority net earnings grew 115% q/q to USD114mn, implying a 42% net margin. Such earnings growth resulted from higher revenues (+52% y/y) and higher margin, thanks to higher global commodity prices.

### 4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						689.1							
						daily chg.		ytd chg.					
		EGX 30	10,461.88	(0.69%)	(12.45%)			Gold	1,824.14	0.68%	(0.09%)		
		EGX 30 TR	4,222.67	(0.66%)	(10.47%)				Silver	21.62	2.40%	(7.14%)	
		EGX 70 EWI	1,821.85	(0.18%)	(17.26%)					Brent Oil	114.24	(0.01%)	49.54%
		EGX 100 EWI	2,758.37	(0.30%)	(15.26%)					WTI	114.20	(0.17%)	55.39%
		DFMGI	3,418.57	2.77%	6.97%						Natural Gas	7.96	1.41%
		ADSMI	9,493.42	0.00%	11.84%		EGP				USD/EGP	18.28	0.29%
		TASI	12,914.89	(1.78%)	14.48%	€		EUR/USD		1.04	0.21%	(8.04%)	
			QE Index	12,675.92	(1.56%)		9.03%	£		GBP/USD	1.23	0.33%	(8.66%)
			S&P 500	4,008.01	(0.39%)	(15.91%)	¥			USD/JPY	129.16	0.05%	(10.97%)
		Dow 30	32,223.42	0.08%	(11.32%)				6M TB yield	13.68	1	95	
		NASDAQ	11,662.79	(1.20%)	(25.45%)				1Y TB yield	13.62	(7)	85	
		VIX	27.47	(4.85%)	59.52%					10Y TB yield	14.71	(0)	32
		STOXX 50	3,685.34	(0.49%)	(14.26%)						2Y TB yield	2.62	3
	EM		MSCI Emerging	1,007.50	0.30%	(18.22%)					10Y TB yield	2.92	(1)
FM		MSCI Frontier	544.66	(0.64%)	(18.17%)			30Y TB yield			3.13	14	147

\* As of market close, except for commodities and currencies at 8.3am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

## 5. LATEST EGX VALUATION MULTIPLES

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[Find out](#) how your favorite stocks compare to the rest of the market.

## 6. KEY DATES

DATE	TICKER	TYPE	EVENT
17-May-22	EFID	Conference Call	Discussing Q1 2022 results.
17-May-22	ECAP	Cash dividend	Ex-dividend date for EGP0.550/share.
19-May-22	ISPH	BoD meeting	Discussing financial results.
19-May-22	CICH	Cash dividend	Payment date for a dividend of EGP0.125/share (1st installment).
19-May-22	ECAP	Cash dividend	Date for paying out a dividend of EGP0.550/share.
19-May-22	DSCW	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
19-May-22	DSCW	EGM	Amending Article No. 5 of the company's bylaws.
19-May-22	ORAS	OGM	Approving financial statements and other agenda items.
19-May-22	AREH	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
19-May-22	TALM	EGM	Amending Article No. 3 of the company's bylaws.
19-May-22		MPC Meeting	Determining the CBE's policy rate.
21-May-22	AIFI	OGM	Approving financial statements ending 31 Dec. 2021 and other agenda items.
21-May-22	EGTS	Lawsuit	A court session discussing legal disputes relevant to the company.
22-May-22	DAPH	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
24-May-22	SIPC	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
24-May-22	SIPC	EGM	Amending Articles No. 4 & 32 of the company's bylaws.
25-May-22	PHDC	Cash dividend	Deadline for eligibility for a dividend of EGP0.10/share.
25-May-22	IRAX	Cash dividend	Deadline for eligibility for a dividend of EGP60/share.
26-May-22	IRAX	Cash dividend	Ex-dividend date for EGP60/share.
26-May-22	EAST	OGM	Approving on Eastern Company's contribution to the capital of the United Tobacco Company, (UTC total capital EGP 100 million), through acquisition.
26-May-22	EAST	EGM	Amending Articles No. 7 & 21 of the company's bylaws.
26-May-22	ZMID	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
26-May-22	FWRY	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
30-May-22	IRAX	Cash dividend	Date for paying out a dividend of EGP60/share.
30-May-22	PHDC	Cash dividend	Payment date for a dividend of EGP0.05/share (1st installment).

## 7. LATEST RESEARCH

DATE	PUBLISHED REPORT
15-May-22	<a href="#"><u>EGYPTBanks – Harness the Hike</u></a>
15-May-22	<a href="#"><u>TAKEStock – Hidden "valu"</u></a>

28-Apr-22	<a href="#"><u>MACROView – Din of Battle Getting Louder</u></a>
17-Apr-22	<a href="#"><u>MACROView – Before the Grand Storm</u></a>
14-Apr-22	<a href="#"><u>EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB's Bid</u></a>
12-Apr-22	<a href="#"><u>MACROView – Mounting External Vulnerabilities</u></a>
10-Apr-22	<a href="#"><u>MACROView – Much Higher Inflation ... and Longer</u></a>
24-Mar-22	<a href="#"><u>EFG Hermes Holding [HRHO] – The Best Is Yet to Come</u></a>
23-Mar-22	<a href="#"><u>CI Capital Holding [CICH] – A Year to Remember</u></a>
22-Mar-22	<a href="#"><u>Orascom Construction [ORAS] – A Clear Devaluation Winner</u></a>
10-Mar-22	<a href="#"><u>MACROView – The Dizzying Speed</u></a>
6-Mar-22	<a href="#"><u>MACROView – On the Back Foot</u></a>
2-Mar-22	<a href="#"><u>MACROView – Calculating the Ferocity</u></a>
1-Mar-22	<a href="#"><u>Housing &amp; Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth</u></a>
27-Feb-22	<a href="#"><u>Export Development Bank of Egypt [EXPA] – A Year to Forget</u></a>
22-Feb-22	<a href="#"><u>Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale</u></a>
21-Feb-22	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day</u></a>
20-Feb-22	<a href="#"><u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability</u></a>
17-Feb-22	<a href="#"><u>Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk</u></a>
16-Feb-22	<a href="#"><u>MACROView – A Soothing Message From the CBE ... and Our Takeaways</u></a>
14-Feb-22	<a href="#"><u>Abu Qir Fertilizers [ABUK] – Another Record-High Quarter</u></a>
13-Feb-22	<a href="#"><u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u></a>
10-Feb-22	<a href="#"><u>MACROView – Ebb and Flow</u></a>
10-Feb-22	<a href="#"><u>MACROView – The Cloudy Year Has Just Begun</u></a>
9-Feb-22	<a href="#"><u>Elsewedy Electric [SWDY] – Ending 2021 on a Good Note</u></a>
8-Feb-22	<a href="#"><u>MACROView – A Fall in Disguise</u></a>
7-Feb-22	<a href="#"><u>Macro Group Pharmaceuticals [MCRO] – Not the Usual Pharma Stock</u></a>
1-Feb-22	<a href="#"><u>MACROView – The Ripple Effect</u></a>
31-Jan-22	<a href="#"><u>Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story</u></a>
<b>30-Jan-22</b>	<b><a href="#"><u>STANDPoint – Egypt Valuation Repertoire — 2022 Outlook</u></a></b>
12-Jan-22	<a href="#"><u>QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth</u></a>
10-Jan-22	<a href="#"><u>MACROView – The Last Reading Ahead of a Cloudy Year</u></a>
<b>30-Dec-21</b>	<b><a href="#"><u>EGYPTCeramics – From Dusk to Dawn</u></a></b>
<b>26-Dec-21</b>	<b><a href="#"><u>Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery</u></a></b>



22-Dec-21	<a href="#"><u>MACROView – The Return of the 'Vigilante'</u></a>
14-Dec-21	<a href="#"><u>MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation</u></a>
9-Dec-21	<a href="#"><u>MACROView – Another Retreat ... Until Further Notice</u></a>
8-Dec-21	<a href="#"><u>MACROView – For Stormy Days, Eyes on the Ball</u></a>
<b>7-Dec-21</b>	<b><a href="#"><u>EGYPTBanks – Takeoff Time</u></a></b>
5-Dec-21	<a href="#"><u>MACROView – Searching for Lost Momentum</u></a>
21-Nov-21	<a href="#"><u>TAKEStock – Nitrogen Fertilizers Local Price Hike</u></a>
17-Nov-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</u></a>
17-Nov-21	<a href="#"><u>Orascom Construction [ORAS] – BESIX – Back on Track Again</u></a>
15-Nov-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board – Take 2</u></a>
15-Nov-21	<a href="#"><u>Elsewedy Electric [SWDY] – A Quarter to Forget?</u></a>
14-Nov-21	<a href="#"><u>Misr Chemical Industries [MICH] – A Healthy Kick-off to a Promising Year</u></a>
14-Nov-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u></a>
14-Nov-21	<a href="#"><u>Commercial International Bank [COMI] – Elegant Earnings Growth on All Fronts</u></a>
10-Nov-21	<a href="#"><u>MACROView – The Calm Before the Storm, or Maybe Not</u></a>
10-Nov-21	<a href="#"><u>CI Capital Holding [CICH] – Record-Breaking Quarter</u></a>
7-Nov-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Earnings Recover on Lower Provisions</u></a>
4-Nov-21	<a href="#"><u>MACROView – Underlying Strength, but Gathering Headwinds</u></a>
3-Nov-21	<a href="#"><u>MACROView – Gathering Clouds</u></a>
1-Nov-21	<a href="#"><u>TAKEStock – Separating the Wheat from the Chaff</u></a>
31-Oct-21	<a href="#"><u>TAKEStock – Natural Gas Price Hike</u></a>
19-Oct-21	<a href="#"><u>MACROView – The Storm Is Gone but the Headwinds Persist</u></a>
13-Oct-21	<a href="#"><u>e-finance [EFIH] – An Eye-Opening IPO</u></a>
10-Oct-21	<a href="#"><u>MACROView – Walking a Tightrope</u></a>
6-Oct-21	<a href="#"><u>MACROView – On “Risk Control” Mode</u></a>
6-Oct-21	<a href="#"><u>MACROView – The Tortuous Path to Recovery</u></a>
19-Sep-21	<a href="#"><u>TAKEStock – Consumer Staples (Food &amp; Beverage) – All You Can Eat Festival</u></a>
15-Sep-21	<a href="#"><u>MACROView – Deciphering the Din of Battle</u></a>
14-Sep-21	<a href="#"><u>TAKEStock – Orascom Investment Holding [OIH] — Monetization at Play</u></a>
9-Sep-21	<a href="#"><u>MACROView – Hot Summer Winds</u></a>
7-Sep-21	<a href="#"><u>MACROView – The Global Blessing Windfall</u></a>
6-Sep-21	<a href="#"><u>MACROView – Tempered, But Cautious, Optimism</u></a>

5-Sep-21	<a href="#"><u>Misr Chemical Industries [MICH] – Nice While It Lasted</u></a>
29-Aug-21	<a href="#"><u>Orascom Construction [ORAS] – Recovery on Track Although Below Estimates</u></a>
24-Aug-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – When the Stars Align</u></a>
18-Aug-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Solid Business, Strong Financial Growth</u></a>
17-Aug-21	<a href="#"><u>Elsewedy Electric [SWDY] – Impressive Set of Results</u></a>
17-Aug-21	<a href="#"><u>Commercial International Bank [COMI] – Adjustment Post Stock Dividend</u></a>
16-Aug-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board</u></a>
11-Aug-21	<a href="#"><u>Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Heals Earnings Growth</u></a>
10-Aug-21	<a href="#"><u>MACROView – July's Feverous Inflation</u></a>
9-Aug-21	<a href="#"><u>CI Capital Holding [CICH] – Robust Exit Saves the Day</u></a>
5-Aug-21	<a href="#"><u>MACROView – The Sky Is No Blue</u></a>
4-Aug-21	<a href="#"><u>MACROView – Constrained Recovery</u></a>
26-Jul-21	<a href="#"><u>EFG Hermes Holding [HRHO] – FV and 12MPT Adjustment to Bonus Share Action</u></a>
13-Jul-21	<a href="#"><u>Commercial International Bank [COMI] – Tamed Credit Provisions Spur Annual Growth</u></a>
8-Jul-21	<a href="#"><u>MACROView – Inflation Edged Up, As Expected</u></a>
8-Jul-21	<a href="#"><u>MACROView – External Buffers Still Powering Ahead</u></a>
6-Jul-21	<a href="#"><u>MACROView – A Steady and Slow Recovery in the Making</u></a>
<b>5-Jul-21</b>	<b><a href="#"><u>Abu Qir Fertilizers [ABUK] – Talking U</u></a></b>
16-Jun-21	<a href="#"><u>B Investments Holding [BINV] – Strong Financials, Growing Investments</u></a>
14-Jun-21	<a href="#"><u>Al-Shams Housing &amp; Development [ELSH] – Earnings Flattened by Factoring Cost</u></a>
10-Jun-21	<a href="#"><u>MACROView – Inflation Risk Rising, but Still Within Target</u></a>
8-Jun-21	<a href="#"><u>TAKEStock – Telecom Egypt [ETEL] – Show Me the Dividends</u></a>
6-Jun-21	<a href="#"><u>MACROView – Further Enhancement</u></a>
3-Jun-21	<a href="#"><u>MACROView – Contraction Eased</u></a>

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