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It's MPC Day!

1. Today's Trading Playbook

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U.S. equities ended Wednesday sharply lower in light of fears over widespread inflation and a potential global economic slowdown. This took place after Target Corporation [**NYSE:TGT**] fell more than 26% after reporting Q1 2022, with bottom line below consensus, cutting its guidance on margins, citing ongoing cost pressures. Right now, U.S. equity future indices are slightly lower, with declines hitting Asian equities.

Here at home, we await the MPC meeting result today. As we mentioned yesterday, which we expect the CBE to increase interest rates by 100-150bps. Through this, the CBE will be sending a strong signal to the market, underscoring its ability to (1) bring down inflation to pre-pandemic levels and (2) bring real interest rates back in the positive territory by next year to encourage investment back into the local debt market, thus boosting foreign reserves and supporting the Egyptian pound (EGP). Meanwhile, we expect a cumulative 400-450bps overall move in 2022.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

Negotiations between Egypt and the IMF for a fresh assistance program are focusing on a “limited” amount of funding, according to CBE governor. ([Enterprise](#))

The Ministry of Electricity will decide on electricity tariffs for 2022/23 within two weeks. ([Al-Borsa](#))

The Consumer Protection Agency will today decide whether to raise the price cap on cars by 5-10%. ([Enterprise](#))

Healthcare startup Doxx, raises a seed funding worth USD1.5mn to fund its digital healthcare platform. ([Company disclosure](#))

CORPORATE NEWS

Orascom Development Egypt [ORHD] has released its Q1 2022 consolidated results with a 5.7% y/y increase in net profit to EGP463.7mn (+360% q/q), while revenue increased 32.3% y/y(-10.3% q/q) to EGP1932mn. The strong growth in revenue and profit was driven by (1) the acceleration of construction activities, with real estate revenues reaching EGP1.4bn (+18.1% y/y). (2) Enhanced hotel (+173.7% y/y) and town management (+50.4% y/y) business performance. Meanwhile, ORHD reported an adjusted EBITDA margin of 37.3% (-3.2pp y/y) and is currently trading at TTM P/E of 3.7x. ([Company disclosure](#))

Cairo for Investment & Real Estate Development's [CIRA] could be the first to tap the future flow securitization market. ([Enterprise](#))

ValU, which is a subsidiary of EFG Hermes Holdings [HRHO] is targeting a lending portfolio worth EGP6bn by the end of 2022. Moreover, Majid Al Futtaim holds a partnership with ValU, to provide installment systems. ([Al-Mal](#))

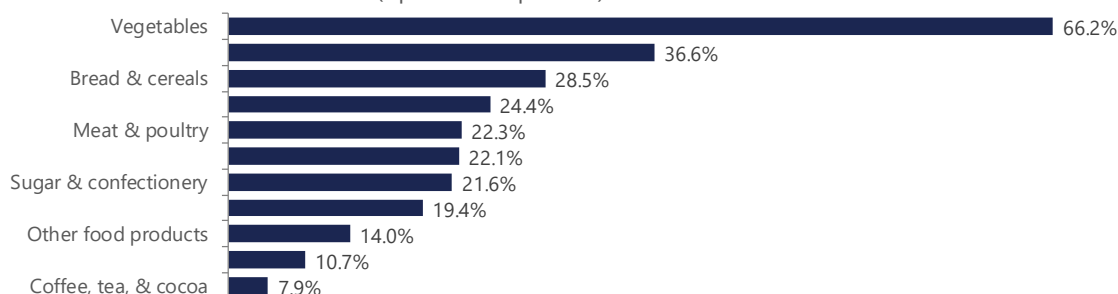
Banque Misr is not intending to issue a higher yield CD other than the 18% p.a. product launched last March. ([Arab Finance](#))

3. CHART OF THE DAY

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Egypt's Food Price Annual Increase
 (Apr 2021 - Apr 2022)



Source: Central Agency for Public Mobilization & Statistics, CBE.

In the 12-month period through April 2022, vegetables prices have risen the most (+66.2% y/y), while coffee and tea exhibited the lowest price increase (+7.9% y/y).

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
690.8						646.9 1,338.8					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	10,467.63	0.27%	(12.40%)			Gold	1,816.60	0.08%	(0.86%)
		EGX 30 TR	4,226.11	0.31%	(10.40%)			Silver	21.42	(0.98%)	(8.34%)
		EGX 70 EWI	1,844.43	0.76%	(16.23%)			Brent Oil	109.11	1.43%	44.87%
		EGX 100 EWI	2,783.94	0.55%	(14.48%)			WTI	109.59	0.72%	50.44%
		DFMGI	3,437.30	(0.94%)	7.55%			Natural Gas	8.37	(1.80%)	120.29%
		ADSMI	9,907.77	1.41%	16.72%		EGP		USD/EGP	18.26	0.10%
		TASI	12,713.38	0.19%	12.69%	€		EUR/USD	1.05	0.16%	(7.82%)
		QE Index	13,020.32	1.26%	11.99%	£		GBP/USD	1.23	0.05%	(8.76%)
		S&P 500	3,923.68	(4.04%)	(17.68%)	¥		USD/JPY	128.23	0.90%	(10.46%)
		Dow 30	31,490.07	(3.57%)	(13.34%)			6M TB yield	13.68	1	95
		NASDAQ	11,418.15	(4.73%)	(27.02%)			1Y TB yield	13.62	(7)	85
	VIX	30.96	18.62%	79.79%			10Y TB yield	14.37	(34)	(2)	
		STOXX 50	3,690.74	(1.36%)	(14.14%)			2Y TB yield	2.68	0	255
EM		MSCI Emerging	1,033.19	0.23%	(16.14%)			10Y TB yield	2.91	(6)	198
FM		MSCI Frontier	551.35	(0.28%)	(17.17%)			30Y TB yield	3.09	(8)	143

* 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
19-May-22	ZMID	BoD meeting	Discussing financial results.
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	FWRV	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).
31-May-22	ISPH	Stock dividend	Last date for eligibility for a 0.167-for-1 stock dividend.
1-Jun-22	ISPH	Stock dividend	Date for distributing a 0.167-for-1 stock dividend.

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
17-May-22	MACROView – All Uphill from Here
15-May-22	EGYPTBanks – Harness the Hike
15-May-22	TAKEStock – Hidden "valu"
28-Apr-22	MACROView – Din of Battle Getting Louder
17-Apr-22	MACROView – Before the Grand Storm

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

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



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

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