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Down but Not Out

1. Today's Trading Playbook

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KEY THEMES

Egypt's net international reserves (NIR) slipped during May 2022 by USD1.6bn or 4.3% m/m to USD35.5bn vs. USD37.1bn in April 2022. The CBE attributed the lower international reserves to payments related to Egypt's external debt amounting to USD2bn during the previous month. Such an amount was partially related to coupon payments for Eurobonds issued by the Ministry of Finance, coupled with another obligations due to the IMF. Ytd, Egypt's NIR is down 13% so far, a reflection of capital flight within the EM universe. Regardless, the CBE reiterated that the current level of NIR is sufficient to cover five months of imports.

Elsewhere, European stocks are expected to start the day with declines, reflecting fears of possible monetary tightening coming from the ECB. This took place after Australia's central bank raised interest rates earlier Tuesday by 50bps, the most in 22 years. Elsewhere, Brent oil prices inched higher on Tuesday, hovering around the USD120/bbl level on an expected demand recovery in China as the country relaxes tough COVID-19 curbs.

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

2. TOP NEWS & ANALYSIS

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MACRO NEWS

The Prime Minister has directed the Ministry of Finance to update its plan of the state privatization program. ([Enterprise](#))

Egypt's foreign reserves fell by USD1.63bn or 4.4% m/m to USD35.495bn due to paying off scheduled foreign outstanding dues amounting to USD2bn. According to the Central Bank of Egypt, this amount included the payment of Egyptian Eurobond coupons, principal and interest payments to the IMF, and other external debt obligations. ([CBE](#))

CORPORATE NEWS

The IPO prospectus of Ghazl El-Mahalla Football Co. (GMFC) was published today with an IPO price of EGP1.02/share (including issuance fees). GMFC is the first football company to be listed on the Egyptian Exchange. Subscription in GMFC's EGP98mn IPO will run from Sunday, 12 June through 1 July 2022. According to the prospectus, revenues are expected to grow at a 7-year CAGR of 13% between 2023 and 2030. Net profit, meanwhile, is expected to grow by a 7-year CAGR of 22% over the same period. (Al-Borsa)

EFG Hermes Holding's [HRHO] subsidiary ValU agreed to acquire 35% of FAS Finance, the consumer finance arm of Saudi Arabia's (KSA) FAS Labs. The agreement allows ValU to expand geographically and enter the Saudi market, where FAS LAB operates over 1,000 stores, as well as the Vogacloset and the monobrand websites, 14 of which are located in Saudi Arabia. ([Enterprise](#))

Orascom Financial Holding [OFH] said that WM Consultancy's offer to acquire 51-90% of Beltone Financial Holding [BTFH] will likely take 60 days to complete post the FRA approval. ([Company disclosure](#))

Egyptian Resorts Co.'s [EGTS] Q1 2022 consolidated net losses widened to EGP59.5mn vs. EGP6.5mn in Q1 2021, despite higher revenues of EGP24.4mn (+36% y/y) compared to EGP17.9mn in the same period last year. ([Mubasher](#))

GB Auto's [AUTO] EGM agreed to write off of the 8.5mn treasury shares purchased through November and December, thus decreasing AUTO's capital to 1.09bn shares. AUTO's EGM also agreed to participate in the establishment of **GB Auto Kenya Limited** in Kenya and **GB Automotive for Auto Trade & Industry.** ([Company disclosure](#))

Gadwa for Industrial Development's [GDWA] net earnings reached EGP158mn since establishment in September 2021 up until March 2022. Meanwhile, the top line reached EGP2.9bn during the same period. ([Mubasher](#))

Raya Contact Center's [RACC] BoD has approved the establishment of a new limited liability company in Dubai under the name of Raya Gulf Customer Experience. RACC's stake in the new company will be 100%. ([Company disclosure](#))

Ajwa Group for Food Industries' [AJWA] Q1 2022 consolidated results showed an increase in net profits to EGP43mn (+187% y/y) on higher revenues of EGP472mn (+7.5% y/y) and a lower SG&A-to-revenues ratio of 2.6%. ([Company disclosure](#))

Global Corp. signed a leasing contract with Mountain view, where the issuance is worth EGP450mn. (Al-Mal)

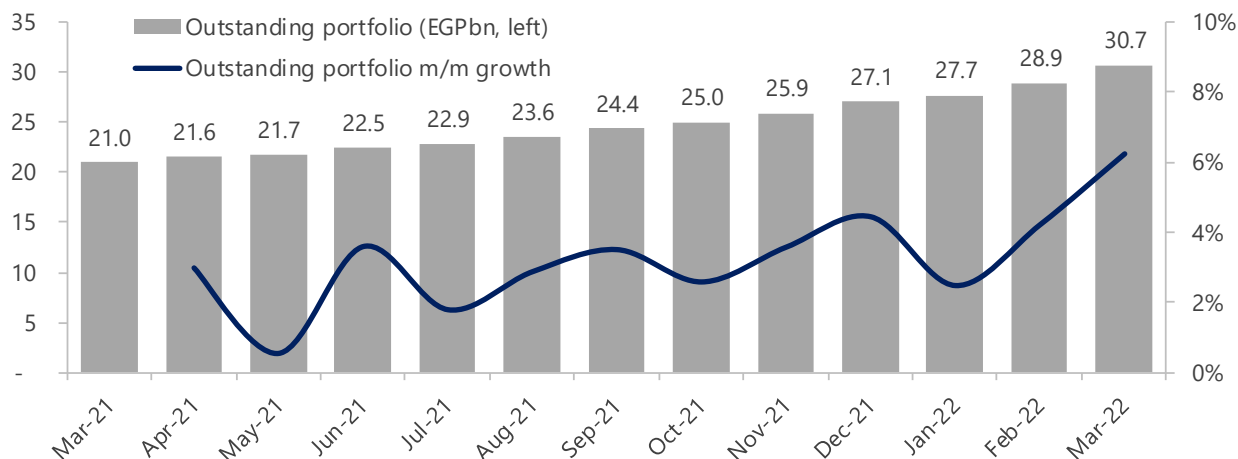
3. CHART OF THE DAY

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Evolution of Microfinance in Egypt












































Source: FRA reports.

In March 2022, outstanding microfinance portfolio jumped 146% y/y to EGP31bn vs. EGP21bn in March 2021. The significant jump is the culmination of consistent monthly growth averaging 3.2%.

4. MARKETS PERFORMANCE

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Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
659.8						486.6 837.8					
daily chg. ytd chg.						daily chg. ytd chg.					
		EGX 30	9,984.92	(0.01%)	(16.44%)			Gold	1,841.43	(0.53%)	0.60%
		EGX 30 TR	4,035.08	0.08%	(14.45%)			Silver	22.07	0.67%	(5.95%)
		EGX 70 EWI	1,762.26	0.49%	(19.96%)			Brent Oil	119.51	0.50%	59.47%
		EGX 100 EWI	2,639.79	0.40%	(18.91%)			WTI	118.50	0.52%	63.67%
		DFMGI	3,388.93	0.06%	6.04%			Natural Gas	9.32	0.48%	151.13%
		ADSMI	9,768.98	(0.69%)	15.09%		EGP		USD/EGP	18.65	(0.17%)
		TASI	12,821.96	1.31%	13.65%	€		EUR/USD	1.07	(0.20%)	(6.11%)
		QE Index	12,977.92	1.34%	11.63%	£		GBP/USD	1.25	(0.72%)	(8.05%)
		S&P 500	4,121.43	0.31%	(13.53%)	¥		USD/JPY	131.88	(0.76%)	(13.45%)
		Dow 30	32,915.78	0.05%	(9.42%)			6M TB yield	14.97	81	224
		NASDAQ	12,061.37	0.40%	(22.91%)			1Y TB yield	13.80	(4)	103
		VIX	25.07	1.13%	45.59%		10Y TB yield	14.68	30	29	
		STOXX 50	3,838.42	1.45%	(10.70%)			2Y TB yield	2.75	7	262
		MSCI Emerging	1,071.33	1.00%	(13.04%)			10Y TB yield	3.05	11	212
		MSCI Frontier	547.80	0.16%	(17.70%)			30Y TB yield	3.19	10	153

* 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
7-Jun-22	IDHC	OGM	Approving financial statements and the proposed dividends.
8-Jun-22	ISPH	Cash dividend	Date for paying out a dividend of EGP0.100/share.
12-Jun-22	DOMT	EGM	Discussing the cancelation of GDR.
12-Jun-22	ESRS	Cash dividend	Deadline for eligibility for a dividend of EGP0.800/share.
13-Jun-22	DSCW	Capital increase	Capital increase subscription starting date.
14-Jun-22	EGTS	OGM	Approving financial statements and other agenda items.
14-15 Jun-2022		FOMC	Determining policy rate & monetary stance.
15-Jun-22	ESRS	Cash dividend	Date for paying out a dividend of EGP0.800/share.
15-Jun-22	SAUD	Stock dividend	Last date for eligibility for a 0.20-for-1 stock dividend.
15-Jun-22	MBSC	Cash dividend	Deadline for eligibility for a dividend of EGP2.090/share.
16-Jun-22	MBSC	Cash dividend	Ex-dividend date for EGP2.090/share.
16-Jun-22	SAUD	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
16-Jun-22	HELI	Cash dividend	Payment date for a dividend of EGP0.08/share (2nd installment).
16-Jun-22	DSCW	EGM	Amending Article No. 5 of the company's bylaws.
16-Jun-22	ADIB	Right Issue	Deadline for eligibility for subscribing to the rights issue.
20-Jun-22	MBSC	Cash dividend	Date for paying out a dividend of EGP2.090/share.
20-Jun-22	SUGR	Cash dividend	Deadline for eligibility for a dividend of EGP0.500/share.
21-Jun-22	EMFD	OGM	Approval of participation in a residential, tourist, and commercial project in the North Coast region with Eagle Hills Egypt.
21-Jun-22	ADIB	Right Issue	Rights issue subscription starting date.
21-Jun-22	ADIB	Capital increase	Capital increase subscription starting date.
22-Jun-22	ORWE	OGM	Discussing the agenda of the BOD.
22-Jun-22	ORWE	EGM	Amending Articles No. 4 & 7 of the company's bylaws.
23-Jun-22	ALCN	OGM	Approving the 2022/23 budget.
23-Jun-22	ALCN	EGM	Considering approval some articles of the law.
23-Jun-22	CSAG	OGM	Approving the 2022/23 budget.
23-Jun-22		MPC Meeting	Determining the CBE's policy rate.
23-Jun-22	SUGR	Cash dividend	Date for paying out a dividend of EGP0.500/share.
26-Jun-22	RAYA	EGM	Discussing applying a reward system for the company.
26-Jun-22	ASCM	OGM	Approving financial statements and other agenda items.
26-Jun-22	CCAP	OGM	Approving financial statements and other agenda items.
26-Jun-22	CCAP	EGM	Discussing the continuation of the company.
29-Jun-22	JUFO	OGM	Approving financial statements ending 31 Dec. 2021 and the proposed dividends.
29-Jun-22	JUFO	EGM	Amending Articles No. 4, 25, 32, 44 & 47 of the company's bylaws.
6-Jul-22	TMGH	Cash dividend	Payment date for a dividend of EGP0.087/share (2nd installment).
20-Jul-22	DSCW	Capital increase	Capital increase subscription closing date.
21-Jul-22	ADIB	Capital increase	Capital increase subscription closing date.
21-Jul-22	ADIB	Right Issue	Rights issue subscription closing date.

26-27 Jul-2022	FOMC	Determining policy rate & monetary stance.
28-Jul-22	PHAR	Cash dividend
		Payment date for a dividend of EGP1.5/share (2nd installment).

7. LATEST RESEARCH

DATE	PUBLISHED REPORT
25-May-22	TAKESStock – The Egyptian Cement Industry - Gauging the Impact
23-May-22	Cairo for Investment & Real Estate Development [CIRA] – Head of the Class
19-May-22	MACROView – A New Game Plan
17-May-22	MACROView – All Uphill from Here
15-May-22	EGYPTBanks – Harness the Hike
15-May-22	TAKESStock – Hidden “valu”
28-Apr-22	MACROView – Din of Battle Getting Louder
17-Apr-22	MACROView – Before the Grand Storm
14-Apr-22	EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB’s Bid
12-Apr-22	MACROView – Mounting External Vulnerabilities
10-Apr-22	MACROView – Much Higher Inflation ... and Longer
24-Mar-22	EFG Hermes Holding [HRHO] – The Best Is Yet to Come
23-Mar-22	CI Capital Holding [CICH] – A Year to Remember
22-Mar-22	Orascom Construction [ORAS] – A Clear Devaluation Winner
10-Mar-22	MACROView – The Dizzying Speed
6-Mar-22	MACROView – On the Back Foot
2-Mar-22	MACROView – Calculating the Ferocity
1-Mar-22	Housing & Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth
27-Feb-22	Export Development Bank of Egypt [EXPA] – A Year to Forget
22-Feb-22	Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale
21-Feb-22	Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day
20-Feb-22	Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability
17-Feb-22	Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk
16-Feb-22	MACROView – A Soothing Message From the CBE ... and Our Takeaways
14-Feb-22	Abu Qir Fertilizers [ABUK] – Another Record-High Quarter
13-Feb-22	Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed
10-Feb-22	MACROView – Ebb and Flow

10-Feb-22	<u>MACROView – The Cloudy Year Has Just Begun</u>
9-Feb-22	<u>Elsewedy 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>Elsowedy 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 [TAKEStock – Telecom Egypt \[ETEL\] – Show Me the Dividends](#)
- 6-Jun-21 [MACROView – Further Enhancement](#)
- 3-Jun-21 [MACROView – Contraction Eased](#)

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