

The Road to Fundamental Changes

TODAY'S TOP NEWS & ANALYSIS

Thirteen new faces in Madbouly's cabinet

CBE deputy governor doesn't see a significant devaluation in the meantime

Egypt mulls obtaining USD2.5bn of debt finance

Hutchison Port Holdings invests USD1.5bn in Egypt

Al Baraka Bank – Egypt Q2 2022 standalone results.

A.T. Lease releases its H1 2022 results.

Egytrans Q2 2022 net profits increased 170% y/y

QIA might step in the M&A party

Ghazl El-Mahalla Football Co.'s subscription extended for two more weeks

Speed Medical's BoD decided, among other decisions, to raise paid-in capital to EGP332.7mn.

Pachin ends its GDR program in the London stock exchange

MACRO

Thirteen new faces in Madbouly's cabinet

In a ministerial reshuffle, thirteen ministerial portfolios will see the appointment of a new minister. The ministerial portfolios, which have been subject to a reshuffle, are:

- (1) Ministry of Education and Technical Education,
- (2) Ministry of Irrigation and Water Resources,
- (3) Ministry of Health and Population,
- (4) Ministry of Higher Education,
- (5) Ministry of Emigration and Expatriates Affairs,
- (6) Ministry of Tourism,
- (7) Ministry of Trade and Industry,
- (8) Ministry of Civil Aviation,
- (9) Ministry of Manpower,
- (10) Ministry of Culture,
- (11) Ministry of Local Development,
- (12) Ministry of Public Enterprises,
- and (13) Ministry of Military Production. ([Ahram Online](#))

CBE deputy governor doesn't see a significant devaluation in the meantime

CBE deputy governor has denied the rumors related to the CBE governor stepping down. Furthermore, he reportedly dismissed the possibility of a significant devaluation to the local currency in the coming stage, in light of the current developments in the economic situation. ([Middle East News Agency](#))

Egypt mulls obtaining USD2.5bn of debt finance

According to Bloomberg, Egypt is considering raising a loan of about USD2.5bn from regional and international banks, as economic pressures mount. ([Bloomberg](#))

Hutchison Port Holdings invests USD1.5bn in Egypt

Hutchison Port Holdings has entered into a consortium with COSCO, CMA CMG, and MSC to build and operate two container handling terminals in Sokhna and Dekheila ports. We note that Hutchison has a history of operating container terminals in Alexandria (AICT) since 2005. ([Enterprise](#))

CORPORATE**Al Baraka Bank – Egypt Q2 2022 standalone results.**

Al Baraka Bank – Egypt [SAUD] announced its Q2 2022 full standalone results. Net income increased 12% q/q to EGP414mn although Net Interest Income (NII) surged 23% q/q to EGP884mn.

This increase in NII did not filter through to SAUD's bottom line due to many factors:

- (1) Notably higher provisions of EGP112mn (+63% q/q).
- (2) -45% q/q lower net trading income of EGP17mn.
- (3) Higher effective tax rate of 34% against 30% the previous quarter.

For the second consecutive quarter, SAUD reports flat growth in total assets reaching EGP83bn (+0.7% q/q, +0.5% ytd). However, despite the mute assets' growth, the bank made some reshuffles in its portfolio, where loans increased 8% q/q to EGP25bn and interbank assets decreased 11% q/q to EGP15bn. The bank managed to slightly recover its pool of deposits by 1% q/q to EGP72bn, which brings deposits' ytd decline to only -0.6%.

With an annualized ROE of 25% (vs. 23% in the previous quarter), SAUD is currently traded at an annualized P/E of 2x and a P/B of 0.5x. ([Company disclosure](#))

A.T. Lease releases its H1 2022 results.

A.T. Lease's [ATLC] net earnings grew by 20% y/y to EGP115.5mn in H1 2022. This is was due to the double-digit growth in the revenues by 30% y/y to EGP337mn, coupled with an increase in revenue of securitization operations by 37% y/y to EGP89mn. ATLC is currently traded at a P/BV of 0.78x. ([Company disclosure](#))

Egytrans Q2 2022 net profits increased 170% y/y

Egytrans [ETRS] announced its consolidated Q2 2022 results, where net profits came at EGP17mn (+170% y/y), despite the lower GPM of 21.5% (-4pp y/y). Moreover, revenues came at EGP92.84mn (+74.6% y/y). ([Company disclosure](#))

QIA might step in the M&A party

Qatar Investment Authority (QIA), Qatar's sovereign wealth fund, is reportedly in talks with the **Sovereign Fund of Egypt (SFE)** to acquire stakes in several Egyptian companies in the fintech and renewables sectors, including names like Fawry [FWRY] and e-Finance [EFIH]. ([Al-Borsa](#))

Ghazl El-Mahalla Football Co.'s subscription extended for two more weeks

The subscription period for Ghazl El-Mahalla Football Co.'s [GMFC] EGP98mn capital increase has been extended until 28 August 2022 vs. 14 August 2022 previously. GMFC is the first football company to be listed on a regional exchange at an IPO price of EGP1.02/share (including issuance fees). ([Amwal Al Ghad](#))

Speed Medical's BoD decided, among other decisions, to raise paid-in capital to EGP332.7mn.

Speed Medical's [SPMD] BoD approved raising the paid-in capital from EGP221.8mn to EGP332.7mn, an increase of EGP110.9mn, through issuing 554.6mn shares. The BoD also approved to sell Speed Hospital in Obour city, acquired by SPMD's 88.25% owned Speed Hospitals Co. Moreover, the BoD approved the sale of treasury shares amounting to 15.4mn shares, which were acquired back in September 2021. ([Company disclosure](#))

Pachin ends its GDR program in the London stock exchange

Paint & Chemical Industries - Pachin [PACH] BoD decided to end its GDR program, and selling the remaining GDRs (i.e. 0.1% of the company's capital) by 18 August 2022. ([Company disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
669.5					1,090.6 839.5				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	↗	EGX 30	9,988.84	0.23%	(16.41%)		↗	Gold	1,802.40 0.71% (1.47%)
	↗	EGX 30 TR	4,038.79	0.21%	(14.37%)		↗	Silver	20.82 2.52% (10.66%)
	↗	EGX 70 EWI	2,058.62	2.25%	(6.50%)		↘	Brent Oil	98.15 (1.46%) 32.08%
	↗	EGX 100 EWI	2,983.32	1.74%	(8.35%)		↘	WTI	92.09 (2.38%) 28.69%
	↗	DFMGI	3,395.01	0.28%	6.23%		↘	Natural Gas	8.77 (1.19%) 135.07%
	↘	ADSMI	10,245.78	(0.51%)	20.70%		↘	USD/EGP	19.15 (0.01%) (17.93%)
	↗	TASI	12,530.76	0.80%	11.07%	€	↘	EUR/USD	1.03 (0.59%) (9.77%)
	↗	QE Index	13,743.90	1.29%	18.22%	£	↘	GBP/USD	1.21 (0.55%) (10.30%)
	↗	S&P 500	4,280.15	1.73%	(10.20%)	¥	↘	USD/JPY	133.42 (0.30%) (13.75%)
	↗	Dow 30	33,761.05	1.27%	(7.09%)		↗	6M TB yield	16.00 37 327
	↗	NASDAQ	13,047.19	2.09%	(16.60%)		↗	1Y TB yield	16.38 9 361
	↘	VIX	19.53	(3.32%)	13.41%		↗	10Y TB yield	14.68 30 29
	↗	STOXX 50	3,776.81	0.53%	(12.13%)		↘	2Y TB yield	3.26 (1) 313
	↗	MSCI Emerging	1,016.83	0.25%	(17.47%)		↗	10Y TB yield	2.84 4 191
	↘	MSCI Frontier	536.24	(0.03%)	(19.44%)		↗	30Y TB yield	3.11 11 145

* As of market close. Change in Treasuries is in basis points.
Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
14-Aug-22	EKHO	BoD meeting	Discussing financial results.
16-Aug-22	MNHD	OGM	To discuss allowing OCDI to conduct due diligence.
17-Aug-22	ETRS	EGM	To discuss selling the company's branch headquarters in Alexandria.
17-Aug-22	ORAS	Cash dividend	Deadline for eligibility for a dividend of EGP4.39/share.
18-Aug-22	ORAS	Cash dividend	Ex-dividend date for EGP4.39/share.
18-Aug-22		MPC Meeting	Determining the CBE's policy rate.
22-Aug-22	AREH	OGM	Discussing netting contracts.
22-Aug-22	AREH	EGM	Approving increasing issued capital and amending article No. 6 of the company's bylaws.
23-Aug-22	SWDY	OGM	Approving the authorization of the Chairman or the Managing Director to participate in establishing companies and entering as a partner or shareholder in other new or existing companies.
23-Aug-22	SWDY	EGM	Discussing capital reduction by cancelling SWDY's treasury stocks & amending Articles No. 6 & 7 of the company's bylaws.
24-Aug-22	ORAS	Cash dividend	Payment date for a dividend of EGP4.39/share.
24-Aug-22	MOIL	OGM	Appointing Peter William as a member of the BoD representing EFG Capital Partners III.
30-Aug-22	PHDC	Cash dividend	Payment date for a dividend of EGP0.05/share (2nd installment).
31-Aug-22	BTFH	OGM	Electing board members.

LATEST RESEARCH

DATE	PUBLISHED REPORT
31-Jul-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - IPO Update</u>
14-Jun-22	<u>Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</u>
8-Jun-22	<u>TAKEStock – Delta Sugar [SUGR] - Sweet and Sour</u>
7-Jun-22	<u>TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside</u>
25-May-22	<u>TAKEStock – The Egyptian Cement Industry - Gauging the Impact</u>
23-May-22	<u>Cairo for Investment & Real Estate Development [CIRA] – Head of the Class</u>
19-May-22	<u>MACROView – A New Game Plan</u>
17-May-22	<u>MACROView – All Uphill from Here</u>
15-May-22	<u>EGYPTBanks – Harness the Hike</u>
15-May-22	<u>TAKEStock – Hidden “valu”</u>
28-Apr-22	<u>MACROView – Din of Battle Getting Louder</u>
17-Apr-22	<u>MACROView – Before the Grand Storm</u>
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>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>

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