

Putting Bread on the Table

TODAY'S TOP NEWS & ANALYSIS

Arabian Food Industries (Domty) – Core Coverage Report

CBE acting governor has appointed two advisors

Hyundai Rotem signed a contract to locally produce trains for metro in Cairo

Alexandria Containers' FY2022 earnings jump; Qatar looking to invest

B Investments' right to acquire a stake in TotalEnergies Marketing Egypt extended

PACHIN appoints Al-Ahly Pharos as its advisor for the acquisition offers

Elsewedy Electric writes off 13.4mn treasury stocks

South Valley Cement incurs a huge EGP85.8mn loss in Q2 2022

Beltone Financial turns to losses in Q2 2022

NEW RESEARCH

Arabian Food Industries (Domty) – Core Coverage Report

Putting Bread on the Table: A diversification story underway; initiate at OW/M

- **A cheese producer looking for diversification:** Arabian Food Industries (Domty) [DOMT] is one of the two biggest cheese producers, with a market share above 40%. However, the hopes to acquire a larger market share opened the door to dive into the juice and milk as well as the bakery markets. DOMT tapped the bakery market in Q3 2018 then managed to almost double its utilization rate to 72% in 2021. However, we expect the utilization rate to settle at 58% by 2026 in view of additional capacity coming on line. By end of 2026, we believe DOMT's revenue mix will stabilize at 64% cheese, 27% bakery, and 9% juice and milk.
- **OW/M, 12MPT EGP8.7/share (+79%):** Our DCF-based FV is EGP7.3/share. Meanwhile, our 12MPT of EGP8.7/share offers an upside potential of 79%, and hence our Overweight / Medium Risk (OW/M) rating. DOMT is currently trading at 2022e P/E of 6.4x and EV/EBITDA of 4.8x.

For the full research report, please [click here](#).

MACRO

CBE acting governor has appointed two advisors

The new CBE acting governor Hassan Abdallah has appointed Hisham Ezz Al Arab and Mohammed Naguib as his advisors. ([Al-Mal](#))

Hyundai Rotem signed a contract to locally produce trains for metro in Cairo

Hyundai Rotem signed an USD656mn contract with the Ministry of Transportation to manufacture metro trains and carriages with at least 30% local components, with plans to reach to 75% local component by six years. Hyundai will also provide maintenance services for eight years. ([Ministry of Transportation](#))

CORPORATE

Alexandria Containers' FY2022 earnings jump; Qatar looking to invest

Alexandria Container & Cargo Handling Co.'s [**ALCN**] Q4 2021/22 net profits came in at EGP1.93bn (+37% y/y) on higher revenues of EGP2.7bn (+15% y/y). Higher top line came from handling c.840,000 containers throughout the year with an average revenue/container of EGP3,300 (-0.6% y/y). GPM came in at 68.5% (+3.9pp y/y), the highest in the last four fiscal years. ALCN currently trades at a 2021/22 P/E of 7.5x. On a separate note, the Qatari sovereign fund is reportedly looking to acquire a stake in ALCN, following in the footsteps of the Emirati ADQ and the Saudi PIF funds. ([Company disclosure](#), Al-Mal)

B Investments' right to acquire a stake in TotalEnergies Marketing Egypt extended

B Investments Holding [**BINV**] received a letter from **Total Energies Marketing Afrique SAS**, extending the window provided for it and other related parties to execute their right of first by acquiring 34.62% of **TotalEnergies Marketing Egypt LLC**. The deadline, which was due to a filing error, is now extended to 15 September with the same conditions of the offer made by **ADNOC Distribution**. ([Company Disclosure](#))

PACHIN appoints Al-Ahly Pharos as its advisor for the acquisition offers

Paints & Chemical Industries' (PACHIN) [**PACH**] BoD decided to appoint **Al-Ahly Pharos** investment bank as its advisor to negotiate and choose the best offer on the table. To recap, PACH has two acquisition offers for a majority stake in the company from **Saybad Industrial Investment** at an average price of EGP17.625/share and another from **SIPES** at an average price of EGP18/share. ([Company disclosure](#))

Elsowedy Electric writes off 13.4mn treasury stocks

Elsowedy Electric's [**SWDY**] BoD decided to write off 13.4mn treasury stocks (0.6% of total shares) and consequently decrease its paid-in capital from EGP2.184bn to EGP2.17bn. ([Company disclosure](#))

South Valley Cement incurs a huge EGP85.8mn loss in Q2 2022

South Valley Cement's [SVCE] net losses widened to EGP85.8mn in Q2 2022 on higher gross losses. Revenues reached EGP119.8mn vs. EGP44.3mn a year earlier. The company sold c.158,000 tons of cement during the quarter at an average price of EGP760/ton. ([Company disclosure](#))

Beltone Financial turns to losses in Q2 2022

Beltone Financial Holding [BTFH] achieved net losses in Q2 2022 of EGP109mn vs. net income of EGP5mn a year earlier. This took place on a substantially lower top line of EGP3mn vs. EGP96mn a year earlier. Lower top line was caused by higher expected credit losses. ([Company disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
682.4					1,330.1 875.3				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	10,105.24	(0.32%)	(15.43%)		Gold	1,751.19	0.17%	(3.75%)
	EGX 30 TR	4,087.29	(0.41%)	(13.34%)		Silver	19.11	(0.02%)	(17.00%)
	EGX 70 EWI	2,163.43	(1.13%)	(1.74%)		Brent Oil	101.22	0.39%	36.74%
	EGX 100 EWI	3,102.33	(0.90%)	(4.70%)		WTI	94.89	0.25%	34.04%
	DFMGI	3,421.69	0.85%	7.06%		Natural Gas	9.33	(1.00%)	147.64%
	ADSMI	10,002.05	(0.17%)	17.83%	EGP	USD/EGP	19.20	(0.14%)	(18.00%)
	TASI	12,443.77	0.19%	10.30%	€	EUR/USD	1.00	0.60%	(11.81%)
	QE Index	13,650.32	0.42%	17.41%	£	GBP/USD	1.18	0.50%	(12.37%)
	S&P 500	4,140.77	0.29%	(13.12%)	¥	USD/JPY	137.12	(0.26%)	(15.70%)
	Dow 30	32,969.23	0.18%	(9.27%)		6M TB yield	16.37	17	364
	NASDAQ	12,431.53	0.41%	(20.54%)		1Y TB yield	16.60	13	383
	VIX	22.82	(5.35%)	32.52%		10Y TB yield	14.68	30	29
	STOXX 50	3,667.46	0.41%	(14.68%)		2Y TB yield	3.39	9	326
	MSCI Emerging	985.13	(0.45%)	(20.04%)		10Y TB yield	3.11	7	218
	MSCI Frontier	532.61	0.16%	(19.99%)		30Y TB yield	3.32	7	166

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

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
25-Aug-22	CSAG	BoD meeting	Discussing financial results 2021/22.
29-Aug-22	DSCW	Earnings Announcement	Announcing Q2 2022 financial results.
30-Aug-22	PHDC	Cash dividend	Payment date for a dividend of EGP0.05/share (2nd installment).
30-Aug-22	MNHD / NRPD	Lawsuit	Postponed from 22 August 2022, a lawsuit filed by National Real Estate Bank for Development [NRPD] against Madinet Nasr Housing & Development [MNHD], demanding EGP42mn in relation to a project in the Sixth of October City.
31-Aug-22	MICH	BoD meeting	Follow up on production, sales and exports.

31-Aug-22	BTFH	OGM	Electing board members.
31-Aug-22	ORAS	Financial results Announcement	Q2 2022 financial results' announcement
1-Sep-22		MSCI	MSCI's August 2022 Quarterly Index Review Effective Date.
12-Sep-22	EGBE	OGM	Approving financial statements.
12-Sep-22	EGBE	EGM	Discussing applying a reward system for the bank & amending Articles No. 6 & 7 of the bank's bylaws.
12-Sep-22	AMER	OGM	Approving financial statements and the proposed dividends.

LATEST RESEARCH

DATE	PUBLISHED REPORT
24-Aug-22	Arabian Food Industries (Domty) – Core Coverage Report
22-Aug-22	Credit Agricole Egypt [CIEB] – Core Coverage Update
31-Jul-22	Ghazl El-Mahalla Football Co. [GMFC] - IPO Update
14-Jun-22	Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own
8-Jun-22	TAKEStock – Delta Sugar [SUGR] - Sweet and Sour
7-Jun-22	TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside
25-May-22	TAKEStock – 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	TAKEStock – 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 [MACROView – The Cloudy Year Has Just Begun](#)
- 9-Feb-22 [Elsewedy Electric \[SWDY\] – Ending 2021 on a Good Note](#)
- 8-Feb-22 [MACROView – A Fall in Disguise](#)
- 7-Feb-22 [Macro Group Pharmaceuticals \[MCRO\] – Not the Usual Pharma Stock](#)
- 1-Feb-22 [MACROView – The Ripple Effect](#)
- 31-Jan-22 [Obour Land For Food Industries \[OLFI\] – Double-Digit Growth Complements a Resilient Story](#)
- 30-Jan-22** [**STANDPoint – Egypt Valuation Repertoire — 2022 Outlook**](#)
- 12-Jan-22 [QNB Alahli \[QNBA\] – Slow Earnings Pace Despite Assets Growth](#)
- 10-Jan-22 [MACROView – The Last Reading Ahead of a Cloudy Year](#)
- 30-Dec-21** [**EGYPTCeramics – From Dusk to Dawn**](#)
- 26-Dec-21** [**Obour Land For Food Industries \[OLFI\] – A Play on Consumption Recovery**](#)
- 22-Dec-21 [MACROView – The Return of the 'Vigilante'](#)
- 14-Dec-21 [MACROView – When "Bad" Inflation Clouds the Path of "Good" Inflation](#)
- 9-Dec-21 [MACROView – Another Retreat ... Until Further Notice](#)
- 8-Dec-21 [MACROView – For Stormy Days, Eyes on the Ball](#)
- 7-Dec-21** [**EGYPTBanks – Takeoff Time**](#)
- 5-Dec-21 [MACROView – Searching for Lost Momentum](#)
- 21-Nov-21 [TAKEStock – Nitrogen Fertilizers Local Price Hike](#)
- 17-Nov-21 [EFG Hermes Holding \[HRHO\] – Earnings Growth Skyrocketing ex-One-Offs](#)
- 17-Nov-21 [Orascom Construction \[ORAS\] – BESIX – Back on Track Again](#)
- 15-Nov-21 [B Investments Holding \[BINV\] – Growth Dented Across the Board – Take 2](#)
- 15-Nov-21 [Elsewedy Electric \[SWDY\] – A Quarter to Forget?](#)



- 14-Nov-21 [Misr Chemical Industries \[MICH\] – A Healthy Kick-off to a Promising Year](#)
- 14-Nov-21 [Abu Qir Fertilizers \[ABUK\] – A “One-of-a-Kind” Quarter](#)
- 14-Nov-21 [Commercial International Bank \[COMI\] – Elegant Earnings Growth on All Fronts](#)
- 10-Nov-21 [MACROView – The Calm Before the Storm, or Maybe Not](#)
- 10-Nov-21 [CI Capital Holding \[CICH\] – Record-Breaking Quarter](#)
- 7-Nov-21 [Crédit Agricole Egypt \(CAE\) \[CIEB\] – Earnings Recover on Lower Provisions](#)
- 4-Nov-21 [MACROView – Underlying Strength, but Gathering Headwinds](#)
- 3-Nov-21 [MACROView – Gathering Clouds](#)
- 1-Nov-21 [TAKEStock – Separating the Wheat from the Chaff](#)
- 31-Oct-21 [TAKEStock – Natural Gas Price Hike](#)
- 19-Oct-21 [MACROView – The Storm Is Gone but the Headwinds Persist](#)
- 13-Oct-21 [e-finance \[EFIH\] – An Eye-Opening IPO](#)
- 10-Oct-21 [MACROView – Walking a Tightrope](#)
- 6-Oct-21 [MACROView – On “Risk Control” Mode](#)
- 6-Oct-21 [MACROView – The Tortuous Path to Recovery](#)
- 19-Sep-21 [TAKEStock – Consumer Staples \(Food & Beverage\) – All You Can Eat Festival](#)
- 15-Sep-21 [MACROView – Deciphering the Din of Battle](#)
- 14-Sep-21 [TAKEStock – Orascom Investment Holding \[OIH\] — Monetization at Play](#)
- 9-Sep-21 [MACROView – Hot Summer Winds](#)
- 7-Sep-21 [MACROView – The Global Blessing Windfall](#)
- 6-Sep-21 [MACROView – Tempered, But Cautious, Optimism](#)
- 5-Sep-21 [Misr Chemical Industries \[MICH\] – Nice While It Lasted](#)

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