

Good Enough

TODAY'S TOP NEWS & ANALYSIS

Egypt's FY22 exhibits a primary surplus for the fifth year in a row

Misr Chemical Industries' earnings jump in 2021/22

Arab Cotton Ginning's potential BoD restructuring, 2021/22 standalone earnings slip

The Egyptian Multi-Purpose Terminal to start operations by October

Lafarge Egypt Cement to convert its trucks to run on natural gas

Alexandria Medical Services' MTO approved by FRA

MACRO

Egypt's FY22 exhibits a primary surplus for the fifth year in a row

Egypt's **Minister of Finance** revealed that the budget deficit reached 6.1% of GDP in FY22, which could have been only 4% if it were not for COVID-19. On a similar note, he said that Egypt generated a primary surplus for the fifth year in a row, reaching EGP100bn. Meanwhile, he denied any conditions being imposed by the **International Monetary Fund (IMF)** that may impact the current social protection programs. (Economy Plus)

CORPORATE

Misr Chemical Industries' earnings jump in 2021/22

Misr Chemical Industries' [**MICH**] 2021/22 results showed net income growing to EGP211mn or an EPS of EGP2.89 (+59% y/y), ahead of our expectations in view of:

- (1) a 15% y/y growth in top line to EGP550mn, thanks to higher average selling prices
- (2) a 10pp improvement in GPM to 56%.
- (3) an EGP10.5mn in FX gains booked during H2 2021/22.

MICH is currently traded at a 2021/22 P/E of only 3.9x. We have an Overweight rating on MICH, with a 12MPT of EGP13.9/share. ([Company disclosure](#))

Arab Cotton Ginning's potential BoD restructuring, 2021/22 standalone earnings slip

One of Arab Cotton Ginning's [ACGC] shareholders with a stake of 17.3% is requesting the restructuring of the company's board of directors (BoD). Meanwhile, ACGC's standalone KPIs for 2021/22 (not detailed financials published yet) showed net earnings slip to EGP34.2mn (-4% y/y) although revenues more than doubled to EGP68.8mn (+121% y/y) and GPM improved to 43% vs. 9% a year earlier. ([Company disclosure](#))

The Egyptian Multi-Purpose Terminal to start operations by October

The **Egyptian Multi-Purpose Terminal (EGMPT)** in Alexandria Port will start operations in October specializing in containers handling. The new terminal will be run by **CMA-CGM** and will compete with **Hutchison Ports** and Alexandria Container & Cargo Handling Co. [ALCN] in Alexandria Port. ([Al-Mal](#))

Lafarge Egypt Cement to convert its trucks to run on natural gas

Lafarge Egypt Cement is looking to convert its trucks to run on compressed natural gas to lower harmful emissions, in line with the company's initiatives for environmental sustainability. ([Arab Finance](#))

Alexandria Medical Services' MTO approved by FRA

The **Financial Regulatory Authority (FRA)** approved the MTO offered by **LimeVest Partners** and **Tawasol Holdings** to acquire a stake in AMES, as follows:

- The offer is targeting at least 51% and up to 74% of AMES, completing 100% of AMES's shares, for EGP47.68/share. If so, **Abu Dhabi Commercial Bank** could completely exit AMES. In addition, this suggests that AMES could be delisted.
- The offer runs from 30 August through 18 September 2022.
- Tawasol Holdings already has a c.26% stake in AMES which increase by 9.6% to 35.5%.
- LimeVest, a private equity firm focusing on investing in the healthcare sector, could end up with a 64.5% stake.
- The offer price implies a TTM P/E of 75.9x and c.18x if annualized and adjusted for provisions. ([FRA disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
688.7					1,601.6 886.3				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	EGX 30	10,122.32	(0.55%)	(15.29%)		Gold	1,737.09	(0.06%)	(5.22%)
	EGX 30 TR	4,087.23	(0.85%)	(13.35%)		Silver	18.76	(0.71%)	(19.71%)
	EGX 70 EWI	2,209.44	(0.66%)	0.35%		Brent Oil	105.09	(0.61%)	40.56%
	EGX 100 EWI	3,163.51	(0.62%)	(2.82%)		WTI	97.01	(0.16%)	36.47%
	DFMGI	3,436.43	(0.76%)	7.53%		Natural Gas	9.35	(1.79%)	146.27%
	ADSMI	9,964.01	(1.14%)	17.38%	EGP	USD/EGP	19.21	(0.06%)	(18.22%)
	TASI	12,530.66	0.04%	11.07%	€	EUR/USD	1.00	0.02%	(12.06%)
	QE Index	13,677.75	(0.06%)	17.65%	£	GBP/USD	1.17	0.02%	(13.46%)
	S&P 500	4,030.61	(0.67%)	(15.43%)	¥	USD/JPY	138.72	(0.78%)	(16.90%)
	Dow 30	32,098.99	(0.57%)	(11.67%)		6M TB yield	16.42	5	369
	NASDAQ	12,017.67	(1.02%)	(23.19%)		1Y TB yield	16.80	20	403
	VIX	26.21	2.54%	52.21%		10Y TB yield	14.68	30	29
	STOXX 50	3,570.51	(0.92%)	(16.93%)		2Y TB yield	3.40	2	327
EM	MSCI Emerging	991.65	(1.48%)	(19.51%)		10Y TB yield	3.07	2	214
FM	MSCI Frontier	527.98	(0.94%)	(20.68%)		30Y TB yield	3.21	1	155

* 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
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	AMER	OGM	Approving financial statements and the proposed dividends.
17-Sep-22	ALCN	OGM	A board reshuffle.
20-21 Sep-2022		FOMC	Determining the Fed's policy rate and monetary stance.
21-Sep-22	EGBE	OGM	Approving financial statements.
21-Sep-22	EGBE	EGM	Discussing applying a reward system for the bank & amending Articles No. 6 & 7 of the bank's bylaws.
22-Sep-22		MPC Meeting	Determining the CBE's policy rate.
24-Sep-22	AMOC	OGM	Approving financial statements and the proposed dividends.
24-Sep-22	ABUK	OGM	Approving financial statements and the proposed dividends.
24-Sep-22	ABUK	EGM	Amending Articles No. 7, 21, and 39 in its articles of incorporation, to reflect the new shareholder structure and board members and to

			allow for advanced communication tools to use when holding general meetings.
28-Sep-22	ELSH	Cash dividend	Payment date for a dividend of EGP0.075/share (2nd installment).
29-Sep-22	SAUD	EGM	Amending Articles No. 6, 7, 20 and 27 of the bank's bylaws.
29-Sep-22	CICH	Cash dividend	Payment date for a dividend of EGP0.125/share (2nd installment).
29-Sep-22	AUTO	Cash dividend	Payment date for a dividend of EGP0.25/share (2nd installment).

LATEST RESEARCH

DATE	PUBLISHED REPORT
24-Aug-22	<u>Arabian Food Industries (Domty) – Core Coverage Report</u>
22-Aug-22	<u>Credit Agricole Egypt [CIEB] – Core Coverage Update</u>
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 [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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