

## Profits & Losses

### TODAY'S TOP NEWS & ANALYSIS

Import limitations continue to weigh on Egypt's auto sector

Qalaa Holdings turns to profitability in Q2 2022

Eastern Company's 2021/22 bottom line weakens, proposes a 15.5% dividend yield

Speed Medical reports net losses in Q2 2022

ACAMD is looking to hire an engineering consultant

MICH shareholders approve cash dividends

EFG Hermes conducted a securitization issuance worth EGP2bn

Global Corp closes a securitization issuance worth EGP1.3bn

### MACRO

#### Import limitations continue to weigh on Egypt's auto sector

Auto sales more than halved in August 2022 y/y as import restrictions continue to plague the market. Sales of passenger cars fell by c.53% y/y last August to reach only 8,700 units. ([Enterprise](#))

### CORPORATE

#### Qalaa Holdings turns to profitability in Q2 2022

Qalaa Holdings' [CCAP] Q2 2022 EBITDA came in at EGP9.0bn vs. EGP750mn a year earlier. EBITDA improved notably in light of a 165% annual growth in top line to EGP26.9bn, alongside an EBITDA margin of 33.4% vs. 7.3% a year earlier. On the net earnings side, CCAP managed to register a net income after minority of EGP362mn vs. a net loss after minority of EGP402mn a year earlier.

**Egyptian Refining Company (ERC)** was responsible for most of the y/y improvement. If we exclude ERC, revenues would have grown by only 32% y/y. Nonetheless, other subsidiaries had a good quarter as well, including **TAQA Arabia** with EBITDA up 23% y/y. We note that ERC's GRM improved to USD5.4mn/day (+100% q/q), thanks to strong revenue growth as well as wide HSFO-LSFO spreads. However, we also note that Q2 2021 was a weak base, given that ERC faced operational difficulties that led to a 22-day stoppage. ERC volumes grew 35% y/y to 1,016 thousand tons, where diesel volumes showing the highest contribution. Management has expressed concerns that ERC's receivables from **EGPC** are starting an upward trajectory.

Thanks to the notable improvement on its EBITDA level, CCAP was able to absorb EGP90mn in FX losses compared to EGP55mn of FX gains a year earlier. With a continuously elevated oil prices in Q3 2022 as well as wide HSFO-LSFO spreads, the outlook should be positive. However, the current Hi-5 spreads are seriously shortening the payback period for fuel scrubber, thus suggesting over the long term that Hi-5 spread will normalize from its current elevated levels. ([Company disclosure](#))

### **Eastern Company's 2021/22 bottom line weakens, proposes a 15.5% dividend yield**

Eastern Company's [EAST] 2021/22 net income dropped to EGP4.0bn (-6% y/y) in spite of a 7% growth in the top line to EGP17bn. Furthermore, GPM improved to 46% vs. 42% a year earlier. We note that lower earnings were due to higher pension expenses and tax adjustments, which more than offset top-line growth and margin improvement. EAST is currently traded at TTM P/E of 6.4x. BoD has suggested a cash dividend distribution of EGP1.6/share, implying a 15.5% yield. We note that EAST's net cash and financial assets position represent around 65% of its current market cap. ([Company disclosure](#))

### **Speed Medical reports net losses in Q2 2022**

Speed Medical [SPMD] reported stand-alone net losses of EGP34mn in Q2 2022 vs. a net profit of EGP67mn a year earlier on the back of an 85% lower top line of EGP16.5mn in addition to achieving a GLM of 59% vs. a GPM of 53% a year earlier. ([Company disclosure](#))

### **ACAMD is looking to hire an engineering consultant**

Arab Company for Asset Management & Development's [ACAMD] BoD held on 28 September 2022 decided to hire an engineering consultant office to help finalize the paperwork required for both Zefta and Tanta land plots. ([Company disclosure](#))

### **MICH shareholders approve cash dividends**

Shareholders of Misr Chemical Industries [MICH] approved a DPS of EGP1.50/share for 2021/22, implying a 13% yield. ([Company disclosure](#))

### **EFG Hermes conducted a securitization issuance worth EGP2bn**

EFG Hermes Holding [HRHO] closed an EGP2bn securitization issuance distributed into three tranches: EGP260mn/13-month tenor, EGP890mn/36-month tenor, and EGPEGP850mn/72-month tenor. The securitization issuance was backed by a receivables portfolio worth EGP2.9bn. ([Company disclosure](#))

### **Global Corp closes a securitization issuance worth EGP1.3bn**

**Global Corp** closed the second securitization issuance worth EGP1.3bn, which is a part of a securitization program worth EGP5bn. ([Mubasher](#))

## MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.				
688.1					1,745.2    933.6				
			daily chg.	ytd chg.			daily chg.	ytd chg.	
	↗	EGX 30	9,827.46	1.29% (17.76%)		↗	Gold	1,660.61	0.00% (9.22%)
	↗	EGX 30 TR	3,976.69	1.37% (15.69%)		↗	Silver	19.03	1.11% (18.36%)
	↗	EGX 70 EWI	2,250.50	0.40% 2.21%		↘	Brent Oil	85.14	(2.34%) 16.07%
	↗	EGX 100 EWI	3,188.24	0.51% (2.06%)		↘	WTI	79.49	(2.14%) 12.94%
	↗	DFMGI	3,339.15	0.68% 4.48%		↘	Natural Gas	6.77	(1.57%) 81.39%
	↘	ADSMI	9,750.82	(0.67%) 14.87%	EGP	↘	USD/EGP	19.54	(0.02%) (19.59%)
	↗	TASI	11,405.32	2.11% 1.10%	€	↘	EUR/USD	0.98	(0.13%) (13.79%)
	↗	QE Index	12,695.27	1.15% 8.99%	£	↗	GBP/USD	1.12	0.48% (17.45%)
	↘	S&P 500	3,585.62	(1.51%) (24.77%)	¥	↘	USD/JPY	144.74	(0.19%) (20.49%)
	↘	Dow 30	28,725.51	(1.71%) (20.95%)		↗	6M TB yield	16.46	40 373
	↘	NASDAQ	10,575.62	(1.51%) (32.40%)		↗	1Y TB yield	17.33	40 456
	↘	VIX	31.62	(0.69%) 83.62%		↗	10Y TB yield	14.68	30 29
	↗	STOXX 50	3,318.20	1.19% (22.80%)		↗	2Y TB yield	4.28	14 415
EM	↗	MSCI Emerging	875.79	0.29% (28.91%)		↗	10Y TB yield	3.83	9 290
FM	↘	MSCI Frontier	479.16	(0.18%) (28.02%)		↗	30Y TB yield	3.78	8 212

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

## KEY DATES

DATE	TICKER	TYPE	EVENT
2-Oct-22	EFIH	OGM	Discussing appointing two new members BOD & discussing netting contracts.
2-Oct-22	CIRA	OGM	Discussing the dividend distribution of EGP0.21/share
3-Oct-22	EFID	Buying treasury shares	Ending date to buy back shares.
4-Oct-22	ADIB	OGM	Approving increasing the issued capital.
4-Oct-22	ADIB	EGM	Amending Articles No. 6 & 7 of the bank's bylaws.
5-Oct-22	EHDR	EGM	Discussing merger contract.
17-Oct-22	DAPH	OGM	A board reshuffle.
17-Oct-22	EGAL	OGM	Approving financial statements 2021/22.
17-Oct-22	AMOC	Cash dividend	Deadline for eligibility for a dividend of EGP0.55/share.
17-Oct-22	ABUK	Cash dividend	Deadline for eligibility for a dividend of EGP3.00/share.
19-Oct-22	ISMQ	OGM	Approving financial statements 2021/22.
20-Oct-22	AMOC	Cash dividend	Payment date for a dividend of EGP0.30/share (1st installment).
20-Oct-22	ABUK	Cash dividend	Payment date for a dividend of EGP1/share (1st installment).
22-Oct-22	PRCL	OGM	Approving financial statements.
22-Oct-22	PRCL	EGM	Discussing the going concern of the company.
25-Oct-22	EXPA	OGM	Approving increasing the issued capital.
25-Oct-22	EXPA	EGM	Amending Article No. 5 of the bank's bylaws.
25-Oct-22	MNHD / NRPD	Lawsuit	Postponed from 22 August 2022, a lawsuit filed by National Real Estate Bank for Development [NRPD] against Madinet Nasr Housing

31-Oct-22	ZMID	Cash dividend	& Development [MNHD], demanding EGP42mn in relation to a project in the Sixth of October City. Payment date for a dividend of EGP0.15/share (2nd installment).
-----------	------	---------------	---

**LATEST RESEARCH**

DATE	PUBLISHED REPORT
27-Sep-22	<b><u>Commercial International Bank [COMI]: Commander-in-Chief</u></b>
24-Sep-22	<u>TAKEStock: The Egyptian Banking Industry - The RRR Effect</u>
21-Sep-22	<b><u>EGYPTBanks – The Causal Sequence</u></b>
24-Aug-22	<b><u>Arabian Food Industries (Domty) – Core Coverage Report</u></b>
22-Aug-22	<b><u>Credit Agricole Egypt [CIEB] – Core Coverage Update</u></b>
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	<b><u>Cairo for Investment &amp; Real Estate Development [CIRA] – Head of the Class</u></b>
19-May-22	<u>MACROView – A New Game Plan</u>
17-May-22	<u>MACROView – All Uphill from Here</u>
15-May-22	<b><u>EGYPTBanks – Harness the Hike</u></b>
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 &amp; Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth</u>

- 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](#)

## Prime Securities

### Shawkat El Maraghy

Managing Director

T +20233005622

[SElmaraghy@egy.primegroup.org](mailto:SElmaraghy@egy.primegroup.org)

## Sales

### Mohamed Ezzat

Head of Sales & Branches

T +20233005784

[MEzzat@egy.primegroup.org](mailto:MEzzat@egy.primegroup.org)

### Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

[MAshmawy@egy.primegroup.org](mailto:MAshmawy@egy.primegroup.org)

### Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

[AAlaa@egy.primegroup.org](mailto:AAlaa@egy.primegroup.org)

### Mohamed ElMetwaly

Manager

T +20233005610

[MElmetwaly@egy.primegroup.org](mailto:MElmetwaly@egy.primegroup.org)

### Emad El Safoury

Manager

T +20233005624

[EElsafoury@egy.primegroup.org](mailto:EElsafoury@egy.primegroup.org)

### Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

[SRaslan@egy.primegroup.org](mailto:SRaslan@egy.primegroup.org)

### Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

[NAbuelatta@egy.primegroup.org](mailto:NAbuelatta@egy.primegroup.org)

## Research

### Amr Hussein Elalfy CFA

Head of Research

T +20233005724

[AElalfy@egy.primegroup.org](mailto:AElalfy@egy.primegroup.org)

## Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.  
Member of the Egyptian Exchange.

2 Wadi El Nil St., Liberty Tower, 7<sup>th</sup> Fl.  
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

## Branches

### Heliopolis

7 Elheqaz Square  
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

### Alexandria

7 Albert Al Awa St.  
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

## Website

[www.primeholdingco.com](http://www.primeholdingco.com)

## Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2022, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.