

## Banks All Over

### TODAY'S TOP NEWS & ANALYSIS

Egypt's BoP turns to deficit despite a narrower CAD

Egypt's NIR rose marginally in September 2022

CBE is to reportedly allow EGP NDFs

State-owned banks raise the bar for USD CDs

World Bank sees Egypt's economy growing at a 4.8% clip

Another capital increase for ADIB

A number of banks are reportedly imposing limits on foreign exchange use

CBE extends the compliance period for banks

Egytrans hired a legal advisor for an acquisition

Al-Babtain Group signed a contract with Elsewedy Electric T&D and Giza Cable Industries

IDH is enhancing its geographical spread by adding its sixth branch of Alborg Scan.

Raya Holding mulls listing Aman and Raya Trade

Fawry's consumer finance expected to launch in Q1 2023

### MACRO

#### Egypt's BoP turns to deficit despite a narrower CAD

The **Central Bank of Egypt (CBE)** published Egypt's balance of payments (BoP) for FY22 ending 30 June 2022. The overall balance was a deficit of USD10.5bn vs. a surplus of USD1.9bn a year before. This was despite a 10% y/y lower current account deficit (CAD) of USD16.6bn as the capital & financial account surplus almost halved to USD11.8bn.

- The trade balance deficit rose by 3% to USD43.4bn as the non-petroleum trade deficit rose 14% y/y to USD47.8bn despite recording a petroleum surplus of USD4.4bn vs. a deficit of USD6.7mn a year before, thanks to higher natural gas prices and volumes.
- Suez Canal revenues rose 18% y/y to USD7.0bn.
- Tourism revenues rose 121% y/y to USD10.7bn.

- Egyptians' remittances rose 1.6% y/y to USD31.9bn.
- Investment income deficit rose 27% to USD15.8bn due to income payments for earnings on FDIs in Egypt and interest and dividends of non-residents' investments in Egyptian bonds and stocks.
- Net foreign direct investments (FDIs) rose 71% y/y to USD8.9bn, driven mainly by non-oil sectors on sale proceeds of companies to non-residents.
- Foreign portfolio investments (FPIs) registered an outflow of USD21bn vs. an inflow of USD18.7bn a year before on withdrawal of investments against the backdrop of the Russia-Ukraine conflict and a more hawkish U.S. Fed. ([CBE](#))

### **Egypt's NIR rose marginally in September 2022**

The CBE said that Egypt's net international reserves rose marginally (+0.2% m/m) from USD33.14bn at end of August 2022 to USD33.20bn at end of September 2022 (-19% y/y and ytd). ([CBE](#))

### **CBE is to reportedly allow EGP NDFs**

The CBE is reportedly going to allow Non-Deliverable Forwards (NDFs) on the EGP in order to help foreign investors hedge FX rate fluctuation risk. ([Asharq Business](#))

### **State-owned banks raise the bar for USD CDs**

**National Bank of Egypt (NBE)** and **Banque Misr** have increased their USD CD yields up to 5.30% p.a. for 3 years, 5.15% p.a. for 5 years, and 5.05% p.a. for 7 years. This increase will apply to new issuances starting 9 October 2022. ([Al-Arabiya](#))

### **World Bank sees Egypt's economy growing at a 4.8% clip**

**The World Bank** expects **Egypt's** economy to grow at a 4.8% clip in FY23. This is considered a downward revision from its previous forecast of 5%. ([Enterprise](#))

## **CORPORATE**

### **Another capital increase for ADIB**

Abu Dhabi Islamic Bank's [**ADIB**] BoD held on 4 October 2022 approved increasing the bank's paid-in capital from EGP4bn to EGP5bn by EGP1bn in a cash capital increase distributed over 100mn shares at a par value of EGP10/share. However, the procedure is subject to registering the previous capital increase of EGP2bn. ([Company disclosure](#))

### **A number of banks are reportedly imposing limits on foreign exchange use**

According to news sources, a number of banks have placed withdrawal limits for debt and credit card used abroad. These banks include CIB [**COMI**], **HSBC Egypt**, **FAB Misr**, and **Banque Misr**. ([Enterprise](#))

### **CBE extends the compliance period for banks**

The CBE extended the deadline previously set for banks to comply with the new minimum capital requirements by an additional year to September 2023. This extension follows the New Banking Law No.194 for 2020, where the CBE increased the minimum capital requirements for banks to EGP5bn. We note that **ADIB**, **EXPA**, **SAUD**, **EGBE**, and **HDBK** are still going through capital increases to comply with these requirements. In addition, **CANA** and **SAIB** are yet to comply. ([Al-Arabiya](#))

### **Egytrans hired a legal advisor for an acquisition**

Egytrans' [**ETRS**] BoD decided to hire **Zaki Hashem & Partners Law Firm** as their legal advisor for the acquisition of a majority stake in **National Transport & Overseas Services Co. (NOSCO)**. ([Mubasher](#))

### **Al-Babtain Group signed a contract with Elsewedy Electric T&D and Giza Cable Industries**

A subsidiary of **Al-Babtain Group** signed a USD52mn contract with **Elsewedy Electric T&D**, a subsidiary of Elsewedy Electric [**SWDY**], and **Giza Cable Industries** to supply 400KV galvanized steel towers for an electricity transmission project in **Morocco**. SWDY's share of the contract amounts to USD24mn. ([Mubasher](#))

### **IDH is enhancing its geographical spread by adding its sixth branch of Alborg Scan.**

Integrated Diagnostics Holdings (IDH) [**IDHC**] opened its sixth branch of **Alborg Scan Center for Diagnostic Radiology**, located in Maadi area in Cairo. This branch is the second to be opened during 2022. ([Company disclosure](#))
























### **Raya Holding mulls listing Aman and Raya Trade**






















A number of Raya Holding's [**RAYA**] directors have met with the chairman of the **Egyptian Exchange (EGX)** to discuss the potential IPOs of **Aman** and **Raya Trade** (both subsidiaries of RAYA) on the EGX. We note that Aman's lines of business span consumer finance, microfinance, electronic payment, and securitization. ([Al-Mal](#))

### **Fawry's consumer finance expected to launch in Q1 2023**

Fawry [**FWRY**] is planning to launch its consumer finance business in Q1 2023. Fawry has set aside EGP400mn from the proceeds of a recent EGP800mn capital increase to tap the consumer finance market. ([Enterprise](#))

## MARKETS PERFORMANCE

Current equity market cap (EGPbn)					694.2		Equity turnover (EGPmn): Last, ytd avg.					952.4		933.4			
					daily chg.		ytd chg.							daily chg.		ytd chg.	
		EGX 30	10,010.78	0.88%	(16.22%)												
		EGX 30 TR	4,048.31	0.87%	(14.17%)												
		EGX 70 EWI	2,215.49	(0.61%)	0.62%												
		EGX 100 EWI	3,156.68	(0.35%)	(3.03%)												
		DFMGI	3,372.95	0.65%	5.54%												
		ADSMI	9,905.37	0.14%	16.69%												
		TASI	11,757.79	(0.11%)	4.22%												
		QE Index	13,028.70	0.20%	12.07%												
		S&P 500	3,639.66	(2.80%)	(23.64%)												
		Dow 30	29,296.79	(2.11%)	(19.38%)												
		NASDAQ	10,652.40	(3.80%)	(31.91%)												
		VIX	31.36	2.75%	82.11%												
		STOXX 50	3,375.46	(1.69%)	(21.47%)												
		MSCI Emerging	897.74	(1.41%)	(27.13%)												
		MSCI Frontier	471.36	(1.06%)	(29.19%)												

		Gold	1,694.82	(1.03%)	(7.35%)					
		Silver	20.13	(2.45%)	(13.63%)					
		Brent Oil	97.92	3.71%	33.50%					
		WTI	92.64	4.74%	31.63%					
		Natural Gas	6.75	(3.21%)	80.91%					
EGP		USD/EGP	19.66	(0.01%)	(20.23%)					
€		EUR/USD	0.97	(0.48%)	(14.30%)					
£		GBP/USD	1.11	(0.68%)	(18.08%)					
¥		USD/JPY	145.25	(0.08%)	(20.77%)					
		6M TB yield	16.41	(5)	368					
		1Y TB yield	17.32	(1)	455					
		10Y TB yield	14.68	30	29					
		2Y TB yield	4.31	22	418					
		10Y TB yield	3.89	26	296					
		30Y TB yield	3.85	15	219					

\* As of market close. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

## KEY DATES

DATE	TICKER	TYPE	EVENT
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.
24-Oct-22	EAST	OGM	Approving financial statements ending 30 June 2022.
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 & Development [MNHD], demanding EGP42mn in relation to a project in the Sixth of October City.
31-Oct-22	ZMID	Cash dividend	Payment date for a dividend of EGP0.15/share (2nd installment).

**LATEST RESEARCH**

DATE	PUBLISHED REPORT
<b>27-Sep-22</b>	<b><u><a href="#">Commercial International Bank [COMI]: Commander-in-Chief</a></u></b>
24-Sep-22	<u><a href="#">TAKESock: The Egyptian Banking Industry - The RRR Effect</a></u>
<b>21-Sep-22</b>	<b><u><a href="#">EGYPTBanks – The Causal Sequence</a></u></b>
<b>24-Aug-22</b>	<b><u><a href="#">Arabian Food Industries (Domty) – Core Coverage Report</a></u></b>
<b>22-Aug-22</b>	<b><u><a href="#">Credit Agricole Egypt [CIEB] – Core Coverage Update</a></u></b>
31-Jul-22	<u><a href="#">Ghazl El-Mahalla Football Co. [GMFC] - IPO Update</a></u>
14-Jun-22	<u><a href="#">Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</a></u>
8-Jun-22	<u><a href="#">TAKESock – Delta Sugar [SUGR] - Sweet and Sour</a></u>
7-Jun-22	<u><a href="#">TAKESock – Orascom Financial Holding [OFH] - Triple-Digit Upside</a></u>
25-May-22	<u><a href="#">TAKESock – The Egyptian Cement Industry - Gauging the Impact</a></u>
<b>23-May-22</b>	<b><u><a href="#">Cairo for Investment &amp; Real Estate Development [CIRA] – Head of the Class</a></u></b>
19-May-22	<u><a href="#">MACROView – A New Game Plan</a></u>
17-May-22	<u><a href="#">MACROView – All Uphill from Here</a></u>
<b>15-May-22</b>	<b><u><a href="#">EGYPTBanks – Harness the Hike</a></u></b>
15-May-22	<u><a href="#">TAKESock – Hidden “valu”</a></u>
28-Apr-22	<u><a href="#">MACROView – Din of Battle Getting Louder</a></u>
17-Apr-22	<u><a href="#">MACROView – Before the Grand Storm</a></u>
14-Apr-22	<u><a href="#">EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB’s Bid</a></u>
12-Apr-22	<u><a href="#">MACROView – Mounting External Vulnerabilities</a></u>
10-Apr-22	<u><a href="#">MACROView – Much Higher Inflation ... and Longer</a></u>
24-Mar-22	<u><a href="#">EFG Hermes Holding [HRHO] – The Best Is Yet to Come</a></u>
23-Mar-22	<u><a href="#">CI Capital Holding [CICH] – A Year to Remember</a></u>
22-Mar-22	<u><a href="#">Orascom Construction [ORAS] – A Clear Devaluation Winner</a></u>
10-Mar-22	<u><a href="#">MACROView – The Dizzying Speed</a></u>
6-Mar-22	<u><a href="#">MACROView – On the Back Foot</a></u>
2-Mar-22	<u><a href="#">MACROView – Calculating the Ferocity</a></u>
1-Mar-22	<u><a href="#">Housing &amp; Development Bank [HDBK] – Credit Provisions Flattened Earnings Growth</a></u>
27-Feb-22	<u><a href="#">Export Development Bank of Egypt [EXPA] – A Year to Forget</a></u>
22-Feb-22	<u><a href="#">Commercial International Bank (CIB) [COMI] – 2021, a Grand Finale</a></u>
21-Feb-22	<u><a href="#">Crédit Agricole Egypt (CAE) [CIEB] – Non-Interest Income Saves the Day</a></u>

20-Feb-22	<a href="#"><u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Wise Utilization Enhances Profitability</u></a>
17-Feb-22	<a href="#"><u>Al Baraka Bank Egypt [SAUD] – Earnings Pressured by Higher Cost of Risk</u></a>
16-Feb-22	<a href="#"><u>MACROView – A Soothing Message From the CBE ... and Our Takeaways</u></a>
14-Feb-22	<a href="#"><u>Abu Qir Fertilizers [ABUK] – Another Record-High Quarter</u></a>
13-Feb-22	<a href="#"><u>Misr Chemical Industries [MICH] – Annually Wild, Quarterly Tamed</u></a>
10-Feb-22	<a href="#"><u>MACROView – Ebb and Flow</u></a>
10-Feb-22	<a href="#"><u>MACROView – The Cloudy Year Has Just Begun</u></a>
9-Feb-22	<a href="#"><u>Elsewedy Electric [SWDY] – Ending 2021 on a Good Note</u></a>
8-Feb-22	<a href="#"><u>MACROView – A Fall in Disguise</u></a>
7-Feb-22	<a href="#"><u>Macro Group Pharmaceuticals [MCRO] – Not the Usual Pharma Stock</u></a>
1-Feb-22	<a href="#"><u>MACROView – The Ripple Effect</u></a>
31-Jan-22	<a href="#"><u>Obour Land For Food Industries [OLFI] – Double-Digit Growth Complements a Resilient Story</u></a>
<b>30-Jan-22</b>	<b><a href="#"><u>STANDPoint – Egypt Valuation Repertoire — 2022 Outlook</u></a></b>
12-Jan-22	<a href="#"><u>QNB Alahli [QNBA] – Slow Earnings Pace Despite Assets Growth</u></a>
10-Jan-22	<a href="#"><u>MACROView – The Last Reading Ahead of a Cloudy Year</u></a>
<b>30-Dec-21</b>	<b><a href="#"><u>EGYPTCeramics – From Dusk to Dawn</u></a></b>
<b>26-Dec-21</b>	<b><a href="#"><u>Obour Land For Food Industries [OLFI] – A Play on Consumption Recovery</u></a></b>
22-Dec-21	<a href="#"><u>MACROView – The Return of the ‘Vigilante’</u></a>
14-Dec-21	<a href="#"><u>MACROView – When “Bad” Inflation Clouds the Path of “Good” Inflation</u></a>
9-Dec-21	<a href="#"><u>MACROView – Another Retreat ... Until Further Notice</u></a>
8-Dec-21	<a href="#"><u>MACROView – For Stormy Days, Eyes on the Ball</u></a>
<b>7-Dec-21</b>	<b><a href="#"><u>EGYPTBanks – Takeoff Time</u></a></b>
5-Dec-21	<a href="#"><u>MACROView – Searching for Lost Momentum</u></a>
21-Nov-21	<a href="#"><u>TAKEStock – Nitrogen Fertilizers Local Price Hike</u></a>
17-Nov-21	<a href="#"><u>EFG Hermes Holding [HRHO] – Earnings Growth Skyrocketing ex-One-Offs</u></a>
17-Nov-21	<a href="#"><u>Orascom Construction [ORAS] – BESIX – Back on Track Again</u></a>
15-Nov-21	<a href="#"><u>B Investments Holding [BINV] – Growth Dented Across the Board – Take 2</u></a>
15-Nov-21	<a href="#"><u>Elsewedy Electric [SWDY] – A Quarter to Forget?</u></a>
14-Nov-21	<a href="#"><u>Misr Chemical Industries [MICH] – A Healthy Kick-off to a Promising Year</u></a>
14-Nov-21	<a href="#"><u>Abu Qir Fertilizers [ABUK] – A “One-of-a-Kind” Quarter</u></a>
14-Nov-21	<a href="#"><u>Commercial International Bank [COMI] – Elegant Earnings Growth on All Fronts</u></a>



- 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 [TAKESStock – Separating the Wheat from the Chaff](#)
- 31-Oct-21 [TAKESStock – 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](#)

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