

Bold Moves

TODAY'S TOP NEWS & ANALYSIS

CBE hikes rates by 200bps, moves towards a "durably flexible" exchange rate regime

Egypt announces a series of social protection measures

Egypt's food exports decline in 8M 2022

SODIC posts 9M 2022 results

SUGR announced its preliminary 9M 2022 results

Elsewedy Electric is looking to expand on the UAE

Beltone Financial settles a dispute against one of its U.S. companies

Maha Capital to participate in developing West Port Said Terminal

MACRO

CBE hikes rates by 200bps, moves towards a "durably flexible" exchange rate regime

The **Monetary Policy Committee (MPC)** has decided in a special meeting today to raise the overnight deposit rate, the overnight lending rate, and the rate of the main operation by 200 basis points to 13.25%, 14.25 %, and 13.75%, respectively. The discount rate was also raised by 200 basis points to 13.75%. The MPC cited that the elevated global and domestic prices are expected to keep headline inflation above the MPC's target of 7% \pm 2 percentage points on average in Q4 2022. The objective of raising policy rates is to anchor inflation expectations and contain demand-side pressures, higher broad money growth, and second-round effects of supply shocks. In addition, the CBE said it will move towards a "durably flexible" exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies. (CBE)

Egypt announces a series of social protection measures

The **Government of Egypt** is pushing ahead with a raft of fresh social protection measures that are set to cost the state some EGP67bn, according to **Prime Minister**. The social protection measures include:

- (1) A continued freeze on household electricity prices through mid-2023.
- (2) A hike to the public-sector minimum wage from EGP2,700 to EGP3,000 per month.
- (3) A bonus of EGP300 will be distributed next month to employees within the public sector to counter rising inflation.
- (4) The increase in ration cards allowance will continue to take place until June 2023. ([Enterprise](#))



Egypt's food exports decline in 8M 2022

Egypt's food exports have reportedly decreased in 8M 2022 to USD2.3bn (-14.8% y/y), the same level when COVID-19 hit the world. ([Economy Plus](#))

CORPORATE

SODIC posts 9M 2022 results

SODIC [**OCDI**] reported 9M 2022 results, where net earnings grew to EGP434mn (+27% y/y) in view of a 40% y/y growth in top line to EGP4.6bn. GPM remained stable y/y at 32%. ([Company disclosure](#))

SUGR announced its preliminary 9M 2022 results

Delta Sugar [**SUGR**] recorded 9M 2022 net profits of EGP735mn (+79% y/y) with revenues growing to EGP3.1bn (+24% y/y) as a result of higher prices. Moreover, gross profit margin reached 33.6% (+12.7 pp y/y). ([Company disclosure](#))

Elsewedy Electric is looking to expand in the UAE

Elsewedy Electric [**SWDY**] is currently studying several projects in the UAE to invest in and expand its operations. ([Mubasher](#))

Beltone Financial settles a dispute against one of its U.S. companies

Beltone Financial Holding [**BTFH**] has agreed to pay USD0.7mn in settlement to end a court dispute against one of its companies in the United States. ([Al-Mal](#))

Maha Capital to participate in developing West Port Said Terminal

The **Ministry of Transport** agreed with **Maha Capital**, a subsidiary of **Qatar Investment Authority (QIA)**, to participate in the future operations, marketing, and development of West Port Said Port Terminal with the help of **Port Said Container Handling Co.** ([Al-Mal](#))



MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.					
720.4						1,792.0 942.3					
		daily chg.		ytd chg.				daily chg.		ytd chg.	
	↗	EGX 30	10,553.20	0.75%	(11.68%)		↗	Gold	1,664.57	0.69%	(8.90%)
	↗	EGX 30 TR	4,307.64	0.76%	(8.67%)		↗	Silver	19.58	1.21%	(16.05%)
	↗	EGX 70 EWI	2,225.80	0.75%	1.09%		↗	Brent Oil	95.69	0.22%	30.74%
	↗	EGX 100 EWI	3,196.04	0.82%	(1.82%)		↗	WTI	87.91	0.23%	26.18%
	↘	DFMGI	3,345.97	(0.90%)	4.70%		↗	Natural Gas	5.61	0.87%	51.61%
	↗	ADSMI	10,088.37	0.28%	18.85%	EGP	↘	USD/EGP	19.71	(0.03%)	(20.32%)
	↘	TASI	11,798.77	(1.46%)	4.58%	€	↘	EUR/USD	1.01	(0.04%)	(11.37%)
	↘	QE Index	12,207.61	(1.64%)	5.00%	£	↘	GBP/USD	1.16	(0.04%)	(14.13%)
	↘	S&P 500	3,830.60	(0.74%)	(19.63%)	¥	↗	USD/JPY	146.37	1.07%	(20.78%)
	↗	Dow 30	31,839.11	0.01%	(12.38%)		↗	6M TB yield	16.91	21	418
	↘	NASDAQ	10,970.99	(2.04%)	(29.88%)		↗	1Y TB yield	17.98	27	521
	↘	VIX	27.28	(4.15%)	58.42%		↗	10Y TB yield	14.68	30	29
	↗	STOXX 50	3,605.31	0.55%	(16.12%)		↘	2Y TB yield	4.42	(4)	429
EM	↗	MSCI Emerging	851.81	0.86%	(30.86%)		↘	10Y TB yield	4.01	(7)	308
FM	↗	MSCI Frontier	456.99	0.27%	(31.35%)		↘	30Y TB yield	4.15	(7)	249

* 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
27-Oct-22	HDBK	Stock dividend	Date for distributing a 2.5-for-1 stock dividend.
27-Oct-22	MICH	Cash dividend	Payment date for a dividend of EGP0.75/share (1st installment).
30-Oct-22	IRON	OGM	Discussing the financial position.
31-Oct-22	ZMID	Cash dividend	Payment date for a dividend of EGP0.15/share (2nd installment).
31-Oct-22	JUFO	Cash dividend	Deadline for eligibility for a dividend of EGP0.350/share.
31-Oct-22	TALM	Conference Call	Discussing Q4 2022 financial results.
1-Nov-22	JUFO	Cash dividend	Ex-dividend date for EGP0.350/share.
1-2 Nov-2022		FOMC	Determining policy rate & monetary stance.
3-Nov-22	JUFO	Cash dividend	Payment date for a dividend of EGP0.350/share
3-Nov-22		MPC Meeting	Determining the CBE's policy rate.
6-Nov-22	PHDC	OGM	Discussing netting contracts.
6-Nov-22	PHDC	EGM	Discussing capital reduction.
6-Nov-22	EGCH	OGM	Approving financial statements ending 30 Jun. 2022.
6-Nov-22	EGCH	EGM	Discussing land selling.
7-Nov-22	SCEM	OGM	Discussing netting contracts.
7-Nov-22	ZMID	OGM	A board reshuffle.
9-Nov-22	KABO	OGM	Approving financial statements ending 30 Jun. 2022.
9-Nov-22	KABO	EGM	Considering approval some articles of the law.
10-Nov-22		MSCI	MSCI's November 2022 Semi-Annual Index Review Announcement.



10-Nov-22	DOMT	OGM	Board election.
10-Nov-22	DOMT	EGM	Considering approval some articles of the law.
13-Nov-22	AMES	OGM	A board reshuffle.
14-Nov-22	CANA	EGM	Amending Article No. 4 of the bank's bylaws.

LATEST RESEARCH

DATE	PUBLISHED REPORT
19-Oct-22	<u>Lecico Egypt [LCSW] – A Fragile Tile?</u>
27-Sep-22	<u>Commercial International Bank [COMI]: Commander-in-Chief</u>
24-Sep-22	<u>TAKEStock: The Egyptian Banking Industry - The RRR Effect</u>
21-Sep-22	<u>EGYPTBanks – The Causal Sequence</u>
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 [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](#)
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- 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 [TAKESstock – Separating the Wheat from the Chaff](#)

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