

Time to Catch Up

TODAY'S TOP NEWS & ANALYSIS

Time to Catch Up; Updating our fundamental outlook

Egypt obtains funding to accelerate decarbonization

More funding on the way

ADIB posts Q3 2022 preliminary results

Palm Hills Developments reports Q3 2022 results

Canal Shipping Agencies releases Q1 2022/23 results

Cairo Poultry announces Q3 2022 results

EMPC posts 9M 2022 indicators

AIH posts 9M 2022 results

Contact Financial closes EGP1.1bn securitized bond issuance

Elsewedy Industrial Development signs MoU with BASF

NEW RESEARCH

Time to Catch Up; Updating our fundamental outlook

It is often helpful to go back to the drawing board to see how old strategies have performed: what went right, what went wrong, and — more importantly — why? In this note, we would like to refer back to [our STANDPoint note published on Sunday, 30 January 2022](#), titled Egypt Valuation Repertoire, where we laid out our strategy for 2022 in a 5 x 5 canvas. Then we update our outlook for the coming period along with our updated top stock picks.

Our top stock picks are: **ETEL, TALM, ORWE, ECAP, EKHOA, MFPC, MICH, ABUK, FAIT, BINV, NHPS**, and **COMI**.

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

MACRO

Egypt obtains funding to accelerate decarbonization

The U.S., Germany, and other European countries have pledged to provide more than USD550mn to help Egypt decarbonize its power infrastructure and install new renewable energy capacity, within the context of COP27. ([Enterprise](#))

More funding on the way

Egypt expects to see more FDIs and more funding inflows from GCC countries, among other sources, after reaching a staff-level agreement with the IMF. ([Enterprise](#))

CORPORATE

ADIB posts Q3 2022 preliminary results

Abu Dhabi Islamic Bank- Egypt [ADIB] reported its standalone Q3 2022 preliminary results, maintaining the good performance of the year. As per the disclosed figures so far, these are our main takeaways:

- For the quarter, net income showed a 4% q/q increase to EGP570mn (+58% y/y), although net interest income (NII) for the quarter increased 12% q/q to EGP1.3bn (+40% y/y).
- The strong NII performance was fueled by the 7% q/q growth in ADIB's loan book to EGP55bn, derived from a 4% increase in deposits to EGP86bn.
- As for 9M 2022 figures, net income skyrocketed by 54% y/y to EGP1.5bn on the back of a 31% y/y leap in NII to EGP3.4bn. (Company disclosure)

Palm Hills Developments reports Q3 2022 results

Palm Hills Developments [PHDC] reported Q3 2022 consolidated net profits of EGP359mn (+127% y/y) on higher revenues of EGP2.6bn (+39% y/y). However, GPM and EBITDA margin came in at 33% (-2pp y/y) and 17% (-2pp y/y), respectively. ([Company disclosure](#))

Canal Shipping Agencies releases Q1 2022/23 results

Canal Shipping Agencies' [CSAG] Q1 2022/23 results showed a net income of EGP66.4mn (+72% y/y) on revenues of EGP16mn (-20% y/y). The increase in bottom line profits is attributable higher investment income. ([Company disclosure](#))

Cairo Poultry announces Q3 2022 results

Cairo Poultry [POUL] reported Q3 2022 consolidated net losses of EGP18mn compared to a net profit of EGP43mn last year, despite the 33% y/y increase in revenues to EGP1.6bn. ([Company disclosure](#))

EMPC posts 9M 2022 indicators

Egyptian Media Production City's (EMPC) [MPRC] 9M 2022 KPIs showed a net income of EGP158mn (+66% y/y) on a higher top line of EGP465mn (+16% y/y), as well as a higher GPM of 55.5% vs. 46.7% a year earlier. ([Company disclosure](#))

AIH posts 9M 2022 results

Arabia Investment's [AIH] 9M 2022 results showed a drop in net earnings by 22% y/y to EGP44mn. This was on the back of a decrease in operating revenues by 25%y/y to EGP900mn. Meanwhile, AIH's GPM and NPM came at 22.9% and 4.9%, respectively. ([Company disclosure](#))

Contact Financial closes EGP1.1bn securitized bond issuance

Contact Financial Holding [CNFN] has closed an EGP1.1bn securitization bond issuance for its affiliates **Contact Creditech** and **Contact Credit**. The securitization issuance is a part of an EGP10bn securitization program. ([Company disclosure](#))

Elsewedy Industrial Development signs MoU with BASF

Elsewedy Industrial Development, a subsidiary of Elsewedy Electric [SWDY], signed an MoU with the German chemical producer **BASF** to build a green logistics center in Al-Sokhna. ([Al-Mal](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
782.1						1,287.7		962.1	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	📉	EGX 30	11,756.56	(0.21%)	(1.61%)		📈	Gold	1,771.24 0.90% (3.17%)
	📉	EGX 30 TR	4,800.58	(0.32%)	1.78%		📈	Silver	21.70 0.11% (6.88%)
	📈	EGX 70 EWI	2,231.16	0.95%	1.33%		📈	Brent Oil	95.99 2.48% 31.71%
	📈	EGX 100 EWI	3,275.29	1.32%	0.62%		📈	WTI	88.96 2.88% 27.40%
	📈	DFMGI	3,407.31	0.68%	6.61%		📉	Natural Gas	5.88 (5.77%) 57.61%
	📈	ADSMI	10,629.75	0.10%	25.23%	EGP	📈	USD/EGP	24.38 0.01% (35.47%)
	📉	TASI	11,211.70	(1.71%)	(0.62%)	€	📈	EUR/USD	1.03 1.35% (9.00%)
	📉	QE Index	12,557.26	(0.84%)	8.01%	£	📈	GBP/USD	1.18 0.97% (12.58%)
	📈	S&P 500	3,992.93	0.92%	(16.22%)	¥	📈	USD/JPY	138.81 1.56% (17.10%)
	📈	Dow 30	33,747.86	0.10%	(7.13%)		📈	6M TB yield	18.07 40 534
	📈	NASDAQ	11,323.33	1.88%	(27.62%)		📉	1Y TB yield	18.05 (1) 528
	📉	VIX	22.52	(4.29%)	30.78%		📈	10Y TB yield	14.68 30 29
	📈	STOXX 50	3,868.50	0.57%	(10.00%)		📉	2Y TB yield	4.32 (27) 419
EM	📈	MSCI Emerging	935.73	5.19%	(24.05%)		📉	10Y TB yield	3.82 (26) 289
FM	📈	MSCI Frontier	454.76	1.23%	(31.68%)		📉	30Y TB yield	4.06 (20) 240

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

KEY DATES

DATE	TICKER	TYPE	EVENT
13-Nov-22	EKHO	BoD meeting	Discussing financial results.
13-Nov-22	AMES	OGM	A board reshuffle.
14-Nov-22	ETEL	Conference Call	Discussing Q3 2022 financial results.

14-Nov-22	CANA	EGM	Amending Article No. 4 of the bank's bylaws.
20-Nov-22	TALM	OGM	Approving financial statements ending 31 Aug. 2022 and the proposed dividends.
20-Nov-22	EAST	Cash dividend	Deadline for eligibility for a dividend of EGP1.60/share.
21-Nov-22	EAST	Cash dividend	Ex-dividend date for EGP1.60/share.
21-Nov-22	EGAL	Cash dividend	Deadline for eligibility for a dividend of EGP4.50/share.
22-Nov-22	EGAL	Cash dividend	Ex-dividend date for EGP4.50/share.
22-Nov-22	SKPC	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
23-Nov-22	EAST	Cash dividend	Payment date for a dividend of EGP1.60/share
24-Nov-22	EGAL	Cash dividend	Payment date for a dividend of EGP4.50/share
26-Nov-22	CSAG	OGM	Approving financial statements and the proposed dividends.
26-Nov-22	ALCN	OGM	Approving financial statements and the proposed dividends.
27-Nov-22	ACGC	OGM	Approving financial statements and the proposed dividends.
27-Nov-22	ACGC	EGM	Amending Article No. 21 of the company's bylaws.
30-Nov-22	ICLE	Cash dividend	Payment date for a dividend of EGP1.25/share (2nd installment).
1-Dec-22	ETRS	OGM	Approving financial statements and the proposed dividends.
1-Dec-22		MSCI	MSCI's November 2022 Semi-Annual Index Review Effective Date.
7-Dec-22	MOIN	OGM	Approving financial statements and the proposed dividends.

LATEST RESEARCH

DATE	PUBLISHED REPORT
13-Nov-22	STANDPoint – Time to Catch Up: Updating our fundamental outlook
3-Nov-22	TAKEStock – Telecom Egypt [ETEL] – Life Above 40
19-Oct-22	Lecico Egypt [LCSW] – A Fragile Tile?
27-Sep-22	Commercial International Bank [COMI]: Commander-in-Chief
24-Sep-22	TAKEStock: The Egyptian Banking Industry - The RRR Effect
21-Sep-22	EGYPTBanks – The Causal Sequence
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	<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** **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

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