

Gateway of the North

TODAY'S TOP NEWS & ANALYSIS

Alexandria Containers & Cargo Handling Co. — Core Coverage Report

CBE is no longer responsible for the subsidized loans initiatives

Maha Capital is looking to invest in Damietta Port

GB Auto to sell a 7.5% stake of MNT Investments to Chimera

Contact mulls entering the green finance market

EFG Hermes closes a securitization bond issuance

Cairo Educational Services to pay cash dividend

NEW RESEARCH

Alexandria Containers & Cargo Handling Co. — Core Coverage Report

Gateway of the North: A simple, yet effective business model; initiate at OW/M

- **A play on Egypt's trade recovery:** Alexandria Containers & Cargo Handling Co. [**ALCN**] is one of the five captains of Egypt's sea terminal companies operating on the north shore. ALCN operates in Egypt's largest gateway ports, Alexandria and El-Dekheila terminals, with a combined market share of 50.5% of total handled cargo in both ports. Strategically located within the European and American sea trade with easy road access to the Delta region and Cairo, ALCN is a play on the recovery of Egypt's trade which we expect to grow by a 5y CAGR of 8.5%. Also, ALCN enjoys some key strength points: (1) It operates as a free zone company, with no tax burden on its earnings. (2) Its revenues are linked to USD, while costs are mostly denominated in EGP. (3) It has exposure to a high-margin business with a five-year average gross profit margin (GPM) of 68%. (4) A stable dividend payer with a high dividend yield.
- **Overweight/Medium Risk, 12MPT EGP16.9/share (+30%):** We valued ALCN using a five-year discounted cash flow approach that produced a fair value of EGP14.4/share and a 12-month price target (12MPT) of EGP16.9/share, hence our Overweight rating. Our 12MPT offers an upside potential of 30%, implying a 2022/23e P/E of only 9.7x.

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

MACRO

CBE is no longer responsible for the subsidized loans initiatives

The Prime Minister has issued a decree in the Official Gazette stating that the **CBE** will no longer be responsible for the previously launched initiatives of subsidized loans. Instead, the responsibility of such initiatives will be transferred to **Ministry of Housing, Ministry of Finance, and Ministry of Tourism**. (Official Gazette)

Maha Capital is looking to invest in Damietta Port

Maha Capital, a subsidiary of **Qatar Investment Authority (QIA)**, is interested to invest in the new projects that are expected to take place in Damietta Port. ([Al-Mal](#))

CORPORATE

GB Auto to sell a 7.5% stake of MNT Investments to Chimera

GB Auto's [**AUTO**] BoD approved selling a 7.5% indirect stake of **MNT Investments** to the UAE based **Chimera Investments** for total proceeds of USD60mn, with an earnout component that could potentially lead to total proceeds of USD71.3mn. AUTO will keep a 49.5% indirect stake post the deal. We note that a fair value study conducted by Alpha Capital has indicated a valuation for MNT Investments at EGP17bn. ([Company disclosure](#))

Contact mulls entering the green finance market

Contact Financial Holding [**CNFN**] is reportedly looking to launch number of green financing products, with a targeted portfolio of EGP1.25bn in 2023. The products will focus on solar energy and modern irrigation systems. ([Arab finance](#))












































EFG Hermes closes a securitization bond issuance

EFG Hermes Holding [**HRHO**] has completed the third securitization bond issuance for Pioneers Properties [**PRDC**] with a value of EGP292.5mn. This issuance is a part of a program worth EGP3.0bn. ([Mubasher](#))

Cairo Educational Services to pay cash dividend

Cairo Educational Services [**CAED**] BoD approved the suggestion to distribute cash dividends of EGP1.15/share, implying a 6% in dividend yield. ([Company disclosure](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
823.9						1,442.5		987.1	
				daily chg.	ytd chg.			daily chg.	ytd chg.
		EGX 30	12,523.84	0.06%	4.81%			Gold	1,750.68 (0.55%) (4.56%)
		EGX 30 TR	5,117.31	0.10%	8.49%			Silver	20.94 (0.07%) (10.66%)
		EGX 70 EWI	2,408.41	0.84%	9.38%			Brent Oil	87.62 (0.51%) 19.61%
		EGX 100 EWI	3,502.23	0.56%	7.59%			WTI	80.08 (0.59%) 14.01%
		DFMGI	3,352.16	0.56%	4.89%			Natural Gas	6.30 (1.16%) 67.02%
		ADSMI	10,466.15	0.40%	23.30%	EGP		USD/EGP	24.52 0.06% (35.84%)
		TASI	11,053.16	(0.80%)	(2.03%)	€		EUR/USD	1.03 (0.46%) (9.60%)
		QE Index	12,110.92	(0.84%)	4.17%	£		GBP/USD	1.19 (0.53%) (12.60%)
		S&P 500	3,965.34	0.48%	(16.80%)	¥		USD/JPY	140.37 (0.12%) (18.22%)
		Dow 30	33,745.69	0.59%	(7.13%)			6M TB yield	18.39 31 566
		NASDAQ	11,146.06	0.01%	(28.76%)			1Y TB yield	18.33 28 556
		VIX	23.12	(3.38%)	34.26%			10Y TB yield	14.68 30 29
		STOXX 50	3,924.84	1.20%	(8.69%)			2Y TB yield	4.51 13 438
EM		MSCI Emerging	943.01	0.07%	(23.46%)			10Y TB yield	3.82 11 289
FM		MSCI Frontier	465.72	0.18%	(30.03%)			30Y TB yield	3.92 6 226

* As of market close, except for commodities and currencies at 8.35am CLT. Change in Treasuries is in basis points.
Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
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.
11-Dec-22	AMER	EGM	Approving the division of the company and amending Articles no. 6 & 7 of the company's bylaws.
12-Dec-22	GOCO	OGM	Approving financial statements and the proposed dividends.
13-Dec-22	CAED	OGM	Approving financial statements and the proposed dividends.
13-14 Dec-2022		FOMC	Determining policy rate & monetary stance.
15-Dec-22	ARCC	OGM	Approving financial statements and the proposed dividends.

LATEST RESEARCH

DATE	PUBLISHED REPORT
20-Nov-22	<u>Alexandria Containers & Cargo Handling Co. [ALCN] – Gateway of the North</u>
14-Nov-22	<u>Obour Land for Food Industries [OLFI] – Wise and Clever</u>
13-Nov-22	<u>STANDPoint – Time to Catch Up; Updating our fundamental outlook</u>
3-Nov-22	<u>TAKEStock – Telecom Egypt [ETEL] – Life Above 40</u>
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	<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 [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](#)

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