

Money Talks

TODAY'S TOP NEWS & ANALYSIS

CBE issues a new circular on recent exchange rate fluctuations

NBE and Banque Misr will soon cancel their high-yield CDs; BdC launches its own

House Budget & Planning Committee eyes a fund for Egyptian expats

Egyptian government to offer low-priced bread

GASC launches its first corn tender

Exports of building materials climbed 7% y/y in 11M 2022

Elsewedy Electric T&D to build a solar power station in Saudi Arabia

TSFE and Etisalat Misr tap microfinance in Egypt

MACRO

CBE issues a new circular on recent exchange rate fluctuations

The **Central Bank of Egypt (CBE)** issued a circular yesterday, discussing major updates regarding the situation on the FX market, here are our main takeaways:

- The CBE explained that the marginal strength in EGP after hitting an all-time low last Wednesday at EGP32.2/USD was on the back of foreign interest in Egyptian assets worth some USD925mn.
- Inflows from remittances and tourism recovery further supported the FX rate to settle near EGP29.6/USD.
- The interbank market reflected the aforementioned foreign interest, with daily volumes registering 20x the average volume in recent days.
- The banking sector covered more than USD2bn worth of importers' requests over the prior three days.
- Banks are marketing for FX financial derivatives for their clients to hedge their FX risk.
- **Net International Reserves (NIRs)** upped USD470mn in December 2022 to USD34bn in spite of the payment of several external commitments. NIRs are at their best level since May 2022, covering 5.4 months of imports—well above international standards. ([CBE](#))

NBE and Banque Misr will soon cancel their high-yield CDs; BdC launches its own

Having pulled liquidity out of the market and guided it away from dollarization, state-owned **National Bank of Egypt (NBE)** and **Banque Misr (BM)** are considering canceling their high-yield CDs (25% p.a. in 12 months and 22.5% p.a. monthly) within days. Proceeds from those CDs

launched on 4 January 2023 reached some EGP300bn (NBE: EGP200bn, BM: EGP104bn). Meanwhile, Banque du Caire [**BQDC**] launched its own high-yield CDs with 25% p.a. in 12 months and 22.5% p.a. monthly. ([Hapi Journal](#), [Al-Borsa](#))

House Budget & Planning Committee eyes a fund for Egyptian expats

The House of Representatives' Budget & Planning Committee is studying the proposal to establish a fund that targets attracting the savings of Egyptians living abroad with a target value of EGP20bn as a possible substitute for foreign investors' hot money. ([Al-Mal](#))

Egyptian government to offer low-priced bread

In an attempt to address high inflation, the **Egyptian government** will sell low-priced bread outside the subsidy program. To be applied on a trial basis starting Wednesday, 90-gram loaves will be priced at less than EGP1.0/loaf. ([Reuters](#))

GASC launches its first corn tender

The General Authority for Supply Commodities (GASC) will launch a tender on 19 January for corn to be used for poultry feed. Financed by the **International Islamic Trade Finance Corporation**, shipping is set for 10-25 February. ([GASC](#))

Exports of building materials climbed 7% y/y in 11M 2022

The **Export Council for Building Materials, Refractories and Metallurgical Industries (ECBM)** said that exports of building materials, refractories, and metallurgical industries rose by 7% in 11M 2022 to USD6.37bn. Copper and cement were the main contributors for the gain, where copper exports grew 17% to USD410mn, and cement exports grew 37% to USD602mn. Aluminum and steel exports, on the other hand, declined, where aluminum shrank by 12% to USD630mn, and steel and cast iron decreased 20% to USD1.3bn. ([Zawya](#), Al-Mal: [1](#), [2](#))

CORPORATE













































Elsewedy Electric T&D to build a solar power station in Saudi Arabia

Elsewedy Electric T&D, a subsidiary of Elsewedy Electric [**SWDY**], signed a contract to build a 300MW solar power station in **Saudi Arabia** for **Al-Ghazala Energy Co.** This USD176.1mn contract will be executed over 16.5 months in addition to 29 months for operations and maintenance. ([Company disclosure](#))

TSFE and Etisalat Misr tap microfinance in Egypt

The Sovereign Fund of Egypt (TSFE) and **Etisalat Misr** established **Erada Microfinance** to finance micro and small businesses, aiming to provide "innovative financial products" for the expansion of small businesses. ([SFE](#))

MARKETS PERFORMANCE

| Current equity market cap (EGPbn) | | | | | | 1,043.6 | | Equity turnover (EGPmn): Last, ytd avg. | | | | 2,787.6 | | 2,695.0 | | | | | |
|---|---|---------------|-----------|---------|----------|---|---|---|-------------|---------|----------|---------|--|---------|--|------------|--|----------|--|
| | | | | | | daily chg. | | ytd chg. | | | | | | | | daily chg. | | ytd chg. | |
|  |  | EGX 30 | 15,837.91 | 1.78% | 8.49% | | | | | | | | | | | | | | |
| |  | EGX 30 TR | 6,517.90 | 1.78% | 8.55% | | | | | | | | | | | | | | |
| |  | EGX 70 EWI | 2,897.78 | 2.03% | 3.42% | | | | | | | | | | | | | | |
| |  | EGX 100 EWI | 4,356.33 | 1.91% | 5.09% | | | | | | | | | | | | | | |
|  |  | DFMGI | 3,333.94 | 0.30% | (0.06%) | | | | | | | | | | | | | | |
| |  | ADSMI | 10,263.97 | 0.52% | 0.52% | | | | | | | | | | | | | | |
|  |  | TASI | 10,728.45 | 0.01% | 2.39% | | | | | | | | | | | | | | |
|  |  | QE Index | 10,841.73 | (1.09%) | 1.50% | | | | | | | | | | | | | | |
|  |  | S&P 500 | 3,999.09 | 0.40% | 4.16% | | | | | | | | | | | | | | |
| |  | Dow 30 | 34,302.61 | 0.33% | 3.49% | | | | | | | | | | | | | | |
| |  | NASDAQ | 11,079.16 | 0.71% | 5.85% | | | | | | | | | | | | | | |
| |  | VIX | 19.49 | 6.21% | (10.06%) | | | | | | | | | | | | | | |
|  |  | STOXX 50 | 4,157.00 | 0.15% | 9.58% | | | | | | | | | | | | | | |
|  |  | MSCI Emerging | 1,030.91 | 0.10% | 7.79% | | | | | | | | | | | | | | |
|  |  | MSCI Frontier | 488.87 | (0.50%) | 3.50% | | | | | | | | | | | | | | |
| | | | | | |  |  | Gold | 1,916.02 | (0.22%) | 4.78% | | | | | | | | |
| | | | | | |  |  | Silver | 24.25 | (0.04%) | 0.78% | | | | | | | | |
| | | | | | |  |  | Brent Oil | 84.46 | 0.30% | (1.40%) | | | | | | | | |
| | | | | | | |  | WTI | 79.86 | (0.63%) | (1.12%) | | | | | | | | |
| | | | | | |  |  | Natural Gas | 3.42 | 9.13% | (16.63%) | | | | | | | | |
| | | | | | | EGP |  | USD/EGP | 29.65 | (0.19%) | (16.69%) | | | | | | | | |
| | | | | | | € |  | EUR/USD | 1.08 | 0.06% | 1.16% | | | | | | | | |
| | | | | | | £ |  | GBP/USD | 1.22 | 0.05% | 0.97% | | | | | | | | |
| | | | | | | ¥ |  | USD/JPY | 128.58 | (0.55%) | 1.93% | | | | | | | | |
| | | | | | |  |  | 6M TB yield | 21.03 | 44 | 186 | | | | | | | | |
| | | | | | | |  | 1Y TB yield | 21.52 | 63 | 261 | | | | | | | | |
| | | | | | | |  | 10Y TB yield | 14.68 | 0 | 0 | | | | | | | | |
| | | | | | | |  |  | 2Y TB yield | 4.23 | 1 | (19) | | | | | | | |
| | | | | | |  | | 10Y TB yield | 3.50 | (4) | (37) | | | | | | | | |
| | | | | | |  | | 30Y TB yield | 3.61 | (6) | (35) | | | | | | | | |

* 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 |
|-----------|--------|-------------|---|
| 17-Jan-23 | UASG | BoD Meeting | Discussing agenda items. |
| 17-Jan-23 | EHDR | OGM | Discussing netting contracts & board election. |
| 17-Jan-23 | EHDR | EGM | Discussing cancelling reward system. |
| 18-Jan-23 | CCAP | EGM | Discussing reward system for the Board members. |
| 22-Jan-23 | EMFD | EGM | Amending article No. 3 of the company's bylaws. |
| 22-Jan-23 | PHDC | OGM | Discussing netting contracts. |
| 25-Jan-23 | CLHO | EGM | Discussing capital reduction by cancelling treasury stocks & amending Articles No. 6 & 7 of the company's bylaws. |
| 2-Feb-23 | SPMD | EGM | Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws. |
| 4-Feb-23 | GGCC | OGM | Approving the sale, waiver, and financial leasing of Katamya land to Beltone Leasing Company. |
| 5-Feb-23 | EXPA | OGM | Ratifying 2023's budget. |
| 9-Feb-23 | | MSCI | MSCI's February 2023 Quarterly Index Review Announcement. |

LATEST RESEARCH

| DATE | PUBLISHED REPORT |
|------------------|---|
| 18-Dec-22 | <u>Elsewedy Electric [SWDY] – Turning Copper Into Gold</u> |
| 5-Dec-22 | <u>Commercial International Bank [COMI] – Still Spearheading</u> |
| 28-Nov-22 | <u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Unmitigated Temerity</u> |
| 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 [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**](#)

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