

Welcome to Another 4-Day Work Week

TODAY'S TOP NEWS & ANALYSIS

Egypt's renewable energy makes significant gains

State-owned petrochemical industries and refineries to receive greater support

The 3% CBE mortgage initiative is put on hold

FAIT's 2022 preliminary results

Safwan Thabet, founder of Juhayna, and his son released

BINV eyes investments in the healthcare and food sectors in 2023

GB Auto finalized the agreement to sell a stake in GB Lease

Valu targets EGP4.5bn of securitization in 2023

Qalaa Holding replaces their ESOP

A shareholder sells a stake in Dice

A shareholder lowers his stake in Misr Cement Qena

Damietta Container Handling Co. handled 1.22mn containers during 2022

HCCD to reportedly offer second phase of Helio Park to GCC investors

Egypt's profit share from Sukari Gold Mine reduced by 39% y/y in 2022

MACRO

Egypt's renewable energy makes significant gains

The New & Renewable Energy Authority (NREA) released its Q2 2022 figures for the renewable energy sector. **Hydroelectricity** recorded a 19% y/y rise to 3,237 GWh. **Wind power** reached 1,311 GWh in Q2 (+16% y/y). **Solar energy** production created 952 GWh (+4% y/y). Overall, the renewable energy sector replaced the equivalent of 1.022mn tons of oil in Q2. ([Al-Mal](#))

State-owned petrochemical industries and refineries to receive greater support

The Minister of Petroleum & Mineral Resources pledged to improve state-owned refineries and petrochemical plants. Improvements will come in the shape of equipment enhancements, energy efficiency, and increased budgetary allocations. The aim is to fully secure the supply of petroleum-derived products in the Egyptian market. ([Al-Borsa](#))

The 3% CBE mortgage initiative is put on hold

Egyptian Mortgage Refinance Co. (EMRC), a subsidiary of the **Central Bank of Egypt (CBE)**, reportedly notified mortgage finance companies to put the 3% CBE mortgage initiative on hold, subject to be resumed later once there is visibility. ([Shorouk News](#))

CORPORATE

FAIT's 2022 preliminary results

Faisal Islamic Bank of Egypt's [**FAIT**] 2022 preliminary results showed a significant leap in net income by 67% y/y to EGP4.5bn. This comes despite the fact that net interest income (NII) decreased 19% y/y to EGP4.4bn on the back of higher cost of funds. However, extraordinary gains from FX revaluation and other investment income saved the bank's earnings. We also note a drop in FAIT's effective tax rate to 27% against 38% in 2021 which further supported the bank's bottom line. These exceptional results take FAIT's ROE high up to 20.4% from 15.7% a year earlier. The bank is currently traded at a P/E of 3.6x and a P/BV of 0.7x. ([Company disclosure](#))

Safwan Thabet, founder of Juhayna, and his son released

Safwan Thabet, founder of Juhayna Food Industries [**JUFO**], and his son **Seif El-Din Thabet**, who were both arrested for terrorism offences, were reportedly released. ([Nabd](#))

BINV eyes investments in the healthcare and food sectors in 2023

B Investments Holdings' [**BINV**] chairman announced that the company plans to invest EGP2bn in acquisitions in the healthcare and food & beverage sectors in 2023. He also added that these acquisitions will be financed from the proceeds of exiting **Total Energies Egypt** and **Giza Systems**. ([Asharq Business](#))

GB Auto finalized the agreement to sell a stake in GB Lease

GB Auto [**AUTO**] has finalized the agreement to sell its indirect stake of 45% in **GB Lease** to UAE-based **Chimera Investments** for EGP855mn. Currently, AUTO has a 55% indirect ownership in GB Lease following the transaction. ([Company disclosure](#))

Valu targets EGP4.5bn of securitization in 2023

CEO of **Valu**, the consumer finance arm of EFG Hermes Holding [**HRHO**], said the company targets issuing securitization bonds of EGP4.5bn in 2023, EGP1.1bn of which will be during Q1 2023. ([Shorouk News](#))

Qalaa Holding replaces their ESOP

Qalaa Holding's [**CCAP**] BoD abandoned the draft employee stock ownership plan (ESOP) previously presented to the EGM on 10 December 2018. CCAP will instead adopt a new system for rewarding and compensating employees. Details are yet to be disclosed, and the new ESOP is awaiting **FRA** approval. ([Company disclosure](#))

A shareholder sells a stake in Dice

The Egyptian Saudi Insurance House sold 13mn shares of its stake in Dice Sport & Casual Wear [**DSCW**] for a total of EGP7.1mn or the equivalent of EGP0.5472/share, decreasing its stake from 5.093% to 4.365%. ([Company disclosure](#))

A shareholder lowers his stake in Misr Cement Qena

Fahad bin Hamad Alhargan lowered his stake in Misr Cement Qena [**MCQE**] from 10.608% to 9.695% by selling 657,541 shares with an average price of EGP23.6/share for a total of EGP15.5mn. ([Company disclosure](#))

Damietta Container Handling Co. handled 1.22mn containers during 2022

Damietta Container Handling Co. [**DCCC**] handled 1.22mn containers during 2022 compared to 1.08mn during the previous year (+14% y/y). The handled containers can be broken down into 522,000 (+14% y/y) from imports, 583,000 from exports (+11% y/y) and 123,000 from transit (+29% y/y). ([Al-Mal](#))











































HCCD to reportedly offer second phase of Helio Park to GCC investors

The Holding Company for Construction & Development, a **Ministry of Public Enterprise** company, will reportedly offer the second phase of *Helio Park New Cairo* project owned by its subsidiary Heliopolis for Housing & Development [**HELI**] to GCC investors. ([Shorouk News](#))

Egypt's profit share from Sukari Gold Mine reduced by 39% y/y in 2022

Centamin PLC [**LSE: CEY**] released its 2022 annual report, where revenues from **Sukari Gold Mine** grew 7.5% y/y to USD788.4mn and production volume rose 6% y/y to 440,974 ounces. **Egypt's** share of the profits amounted to USD35.5mn (-39% y/y) vs. the USD75.2mn earned last year despite the rise in revenues. Egypt's royalty payments reached USD23.8mn in 2022 (+9.6% y/y) in spite of the reduced profit share. Centamin expects gold production from Sukari Gold Mine to range between 450,000-480,000 ounces during 2023. ([Economy Plus](#), [Al-Mal](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						1,052.9					
						daily chg.	ytd chg.				
		EGX 30	16,065.98	0.49%	10.05%			Gold	1,926.08	(0.32%)	5.60%
		EGX 30 TR	6,618.39	0.59%	10.22%			Silver	23.93	0.36%	(0.09%)
		EGX 70 EWI	2,997.81	0.77%	6.99%			Brent Oil	87.63	1.71%	2.00%
		EGX 100 EWI	4,459.75	0.70%	7.58%			WTI	81.64	1.28%	1.48%
		DFMGI	3,352.50	(0.02%)	0.49%			Natural Gas	3.17	(3.08%)	(29.07%)
		ADSMI	10,186.71	(0.05%)	(0.24%)	EGP		USD/EGP	29.84	0.00%	(17.04%)
		TASI	10,682.01	0.17%	1.94%	€		EUR/USD	1.09	0.21%	1.41%
		QE Index	10,810.57	2.12%	1.21%	£		GBP/USD	1.24	0.05%	2.60%
			S&P 500	3,972.61	1.89%	3.47%	¥		USD/JPY	129.60	(0.90%)
		Dow 30	33,375.49	1.00%	0.69%			6M TB yield	21.30	27	213
		NASDAQ	11,140.43	2.66%	6.44%			1Y TB yield	21.85	32	294
		VIX	19.85	(3.27%)	(8.40%)			10Y TB yield	14.68	0	0
			STOXX 50	4,119.90	0.63%	8.60%			2Y TB yield	4.17	9
EM		MSCI Emerging	1,036.24	0.81%	8.35%			10Y TB yield	3.48	11	(40)
FM		MSCI Frontier	493.67	0.06%	4.52%			30Y TB yield	3.65	11	(31)

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

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
22-Jan-23	EMFD	EGM	Amending article No. 3 of the company's bylaws.
22-Jan-23	PHDC	OGM	Discussing netting contracts.
24-Jan-23	ATLC	Capital increase	Capital increase subscription starting date.
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.
16-Feb-23	QNBA	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
16-Feb-23	QNBA	EGM	Amending articles No. 4, 23, 27, 29, 30, 39 & 45 of the bank's bylaws.
16-Feb-23	RTVC	EGM	Approving valuation & selling Stella Di Mare Sharm Elsheikh.
22-Feb-23	AMOC	Cash dividend	Payment date for a dividend of EGP0.25/share (2nd installment).

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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