

More investments, More results

TODAY'S TOP NEWS & ANALYSIS

Egypt to hold three international oil and gas tenders

Seven 5-star hotels to be offered to investors

Egypt starts EGX roadshow in UAE and KSA today

GALDP to offer 238 acres near Arqeen port

Al Sharif Holdings invests EGP500mn in Shepherd Hotel

Qatari Diar invests EGP1.75bn in City Gate's new phase

Core banking profitability leads CIB's 2022 profits to a new high

FX gains save the day for AMOC's H1 2022/23 net income

Credit Agricole's preliminary net income shows strong growth for 2022

ADIB's 2022 preliminary results come in line with expectations

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MACRO

Egypt to hold three international oil and gas tenders

The **Minister of Petroleum & Mineral Resources** announced that **Egypt** will launch three international tenders for the exploration and extraction of oil and gas during 2023. This is part of the country's ambitious plan to drill in 300 exploratory wells until 2025. He expects Egypt's international petroleum partners to invest USD1.5bn throughout FY2023-24. Furthermore, Egypt's petroleum exports grew 41% in 2022 to reach USD18.2bn. ([Asharq Business](#), [Al-Borsa](#))

Seven 5-star hotels to be offered to investors

According to sources, **the Holding Company for Tourism & Hotels (HOTAC)** will transfer seven 5-star hotels to a new holding company to be offered to private investors, offering up to 30% stakes in the hotels. It's also reported that Cairo Marriott Hotel in Zamalek and Marriott Mena House could be on this list. ([Hapi](#))

Egypt starts EGX roadshow in UAE and KSA today

It has been reported that representatives of the bourse, the **Financial Regulatory Authority (FRA)** and **the Central Bank of Egypt (CBE)** are visiting UAE and Saudi Arabia to spur interest in the upcoming potential IPOs. ([Al-Mal](#))

GALDP to offer 238 acres near Arqeen port

The **General Authority for Land & Dry Ports (GALDP)** intends to offer 238 acres near the port of Arqeen on the Sudanese border, to establish a logistics area next month. This area is to be managed and operated by the private sector, with investments estimated at USD500mn. (Economy Plus)

Al Sharif Holdings invests EGP500mn in Shepherd Hotel

The KSA-based **Al Sharif Hospitality & Real Estate (ASH)**, a subsidiary of **Al Sharif Group Holding (ASG)** signed a contract with **Industrial Construction & Engineering Company (SIAC)** to renovate Shepherd Hotel by EGP500mn. ASG is planning to invest a total of EGP1.4bn in the hotel. (Asharq Business)

Qatari Diar invests EGP1.75bn in City Gate's new phase

Through its subsidiary **Invest Gate**, **Qatari Diar** signed a contract with **Consolidated Contractor Company (CCC)** to establish the new phase of City Gate with a total investment of EGP1.75bn. (Al-Borsa)

CORPORATE

Core banking profitability leads CIB's 2022 profits to a new high

Commercial International Bank - Egypt [**COMI**] announced the financial results of 2022, where:

- The year was exceptional in terms of core banking activities, COMI managed to record net interest income (NII) of EGP30.8bn (+24% y/y), as the NII in Q4 2022 alone broke Q3's quarterly record and reached EGP9.1bn.
- This transferred through to net income which grew by 20% y/y to EGP16bn, reaching an all-time high on the back of high interest rates. However Q4 showed 10% q/q decrease in net profit to EGP3.9bn on the back of booking much higher provisions in the last quarter.
- Although the bank booked provisions by EGP1.6bn, it's still 6% lower than last year.
- Effective tax rate of the bank increased from 29% last year to 33% in 2022.
- The bank was also able to decrease its cost-to-income ratio to 20.7% down from 22.4%, reflecting COMI's high efficiency.
- Due to devaluation, COMI's CAR decreased to 22.7% down from 30%, however still well above CBE's threshold of 12.5%.
- The balance sheet showed significant growth, as COMI's loan book grew by 35% ytd reaching EGP195.5bn, with NPL ratio down to 4.8% and coverage ratio inching up to 229%.
- While deposits increased to EGP530bn (+31% y/y), the GLDR ratio increased to 41.8%.
- Translating the significant increase in NII, COMI's NIM increased to 6.1% up from 5.7% a year earlier, while ROAE increased to 25% up from 21.9%.
- COMI is now traded at a P/E of 10.5x and a P/BV of 2.5x. ([Bank disclosure](#))

FX gains save the day for AMOC's H1 2022/23 net income

Alexandria Mineral Oils Co. [AMOC] released their H1 2022/23 consolidated financial statements, revealing the following:

- Net income for H1 2022/23 reached EGP983mn (+146% y/y), driven by higher worldwide prices of petroleum products and FX gains.
- FX gains in Q2 2022/23 recorded EGP237mn, this helped net income for Q2 to reach EGP585mn (+47% q/q).
- H1 results showed improved performance relative to H1 2021/22, revenues recorded EGP10.7bn (+51% y/y) while gross profit reached EGP1.1bn (+87% y/y).
- Meanwhile, Q2 2022/23 revenues took a big hit as they declined 20% q/q to EGP4.8bn, due to a decrease of 114mn in sales volume.
- However, GPM in Q2 improved 1pp q/q to 11% on the back of a stronger decline in COGS (-21% q/q) than the decline in revenues.
- We expect revenues to improve as the price of oil is expected to increase throughout the year. We also predict increased sales volumes as more consumers switch to HSFO instead of LSFO because of the economic woes that are plaguing the world. ([Company disclosure](#))

Credit Agricole's preliminary net income shows strong growth for 2022

Credit Agricole - Egypt [CIEB] announced strong preliminary financial results for 2022. CIEB's net income increased 52% y/y to EGP2.4bn (39% higher than our estimates) partially on the back of a 30% y/y increase in net interest income (NII) to EGP3.8bn on controlled cost of funds. The bank also managed to grow its deposits by 25.5% to EGP60bn, while growth in loans came in a bit weaker by 13% to EGP35bn. CIEB is currently traded at a P/E of 5.3x and a P/BV of 1.3x. ([Bank disclosure](#))

ADIB's 2022 preliminary results come in line with expectations

Abu Dhabi Islamic Bank – Egypt [ADIB] announced the preliminary results for 2022. Figures showed a 54% y/y increase in net income to EGP2.1bn on the back of a 38% increase in net interest income to EGP4.7bn. Both came exactly in line with our estimates of EGP2bn and EGP4.7bn, respectively. Also, ADIB's balance sheet saw strong growth, as loans increased by 25% to EGP56.8bn and deposits increased by 29% to EGP98bn. The bank is currently traded at a P/E of 5.1x and a P/BV of 1.2x. On a separate note, the bank announced that the second phase of the EGP1bn capital increase was subscribed 47x. (Bank disclosures: [1](#), [2](#))

Elsowedy Electric T&D signed a contract to build electric cars charging stations

Elsowedy Electric T&D, a subsidiary of Elsowedy Electric [SWDY] signed a contract with Sha7en EV Solutions to build, operate and service electric vehicles charging stations in the upcoming 3 years. ([Al-Mal](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)					Equity turnover (EGPmn): Last, ytd avg.			
1,086.4					1,822.0 2,427.0			
			daily chg.	ytd chg.			daily chg.	ytd chg.
	EGX 30	17,287.09	(1.85%)	18.42%		Gold	1,865.57	0.20% 2.04%
	EGX 30 TR	7,116.62	(1.89%)	18.52%		Silver	22.00	0.12% (8.51%)
	EGX 70 EWI	2,900.12	0.71%	3.50%		Brent Oil	86.39	(0.93%) (0.07%)
	EGX 100 EWI	4,377.25	0.27%	5.59%		WTI	79.72	(1.02%) (1.91%)
	DFMGI	3,453.85	0.24%	3.53%		Natural Gas	2.51	0.32% (43.64%)
	ADSMI	10,023.05	0.12%	(1.84%)	EGP	USD/EGP	30.49	(0.09%) (18.94%)
	TASI	10,419.44	0.07%	(0.56%)	€	EUR/USD	1.07	(0.08%) (0.34%)
	QE Index	10,438.99	0.14%	(2.27%)	£	GBP/USD	1.21	(0.12%) (0.30%)
	S&P 500	4,090.46	0.22%	6.54%	¥	USD/JPY	131.36	0.18% (0.85%)
	Dow 30	33,869.27	0.50%	2.18%		6M TB yield	21.59	9 242
	NASDAQ	11,718.12	(0.61%)	11.96%		1Y TB yield	22.13	9 322
	VIX	20.53	(0.87%)	(5.26%)		10Y TB yield	14.68	0 0
	STOXX 50	4,197.94	(1.23%)	10.66%		2Y TB yield	4.52	10 9
EM	MSCI Emerging	1,013.67	(1.06%)	5.99%		10Y TB yield	3.73	12 (14)
FM	MSCI Frontier	493.13	(0.21%)	4.41%		30Y TB yield	3.82	15 (15)

* 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
13-Feb-23	ALCN	Cash dividend	Payment date for a dividend of EGP1.113/share.
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 El-Sheikh.
18-Feb-23	HELI	OGM	Cancelling the bidding for the development of "Heliopark Land" project and looking into BoD allowances.
18-Feb-23	PHAR	EGM	Discussing the capital increase & amending Articles No. 6 & 7 of the company's bylaws.
22-Feb-23	AMOC	Cash dividend	Payment date for a dividend of EGP0.25/share (2nd installment).
22-Feb-23	SKPC	Stock dividend	Last date for eligibility for a 0.20-for-1 stock dividend.
23-Feb-23	SKPC	Stock dividend	Date for distributing a 0.20-for-1 stock dividend.
25-Feb-23	OLFI	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
26-Feb-23	CANA	Stock dividend	Last date for eligibility for a 0.24-for-1 stock dividend.
27-Feb-23	CANA	Stock dividend	Date for distributing a 0.24-for-1 stock dividend.
28-Feb-23	BTFH	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
1-Mar-23	PHDC	EGM	Discussing decreasing paid in capital by EGP120mn.
1-Mar-23		MSCI	MSCI's February 2023 Quarterly Index Review Effective Date.

LATEST RESEARCH

DATE	PUBLISHED REPORT
8-Feb-23	Alexandria Containers Handling [ALCN] – Breaking Higher Waves
29-Jan-23	STANDPoint – The Year of Adjustment: Our fundamental outlook for 2023
18-Dec-22	Elsewedy Electric [SWDY] – Turning Copper Into Gold
5-Dec-22	Commercial International Bank [COMI] – Still Spearheading
28-Nov-22	Abu Dhabi Islamic Bank - Egypt [ADIB] – Unmitigated Temerity
20-Nov-22	Alexandria Containers & Cargo Handling Co. [ALCN] – Gateway of the North
14-Nov-22	Obour Land for Food Industries [OLFI] – Wise and Clever
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	TAKEStock – Hidden “valu”
28-Apr-22	MACROView – Din of Battle Getting Louder
17-Apr-22	MACROView – Before the Grand Storm
14-Apr-22	EFG Hermes Holding [HRHO] – Rating Cut on Withdrawal of FAB’s Bid
12-Apr-22	MACROView – Mounting External Vulnerabilities
10-Apr-22	MACROView – Much Higher Inflation ... and Longer
24-Mar-22	EFG Hermes Holding [HRHO] – The Best Is Yet to Come
23-Mar-22	CI Capital Holding [CICH] – A Year to Remember
22-Mar-22	Orascom Construction [ORAS] – A Clear Devaluation Winner
10-Mar-22	MACROView – The Dizzying Speed
6-Mar-22	MACROView – On the Back Foot
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](#)

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