

On Solid Foundations

NEW RESEARCH

Orascom Construction [ORAS]: On Solid Foundations

An essential piece of Egypt's construction boom puzzle in the last decade, Orascom Construction [ORAS] enjoys a robust business model that benefits from the country's infrastructure spending and a stronger USD. This is apparent in ORAS's strong backlog and portfolio of projects that include Cairo's Monorail, the Grand Egyptian Museum, and more. Moreover, ORAS tries to diversify its portfolio in other countries, including the US, Saudi Arabia, and Europe (either directly through ORAS or indirectly through its 50%-owned BESIX). We believe ORAS is currently traded at unjustifiably cheap multiples (2022a/2023e P/Es of 3.3x/3.5x) despite its solid earnings quality and stable dividend stream. We value ORAS at USD6.1/share (equivalent to EGP189/share) with a 12MPT of USD6.9/share (equivalent to EGP215/share), all based on an FX rate of EGP30.9/USD.

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

TODAY'S TOP NEWS & ANALYSIS

Finance Ministry assures the continuation of the subsidized loan initiative

Financial inclusion reaches 64.8% of population in 2022

EAST raised Pall Mall and Viceroy selling prices

MICH intends to fully own land used in expansion

New USD110mn Indian polyethylene plant in Ain Sokhna

MACRO

Finance Ministry assures the continuation of the subsidized loan initiative

In a statement published yesterday, the **Ministry of Finance** assured the continuation of the 11% subsidized loan initiative for industrial and agricultural players despite the hike in interest rates. The statement also unveiled that the government will bear more than EGP13bn annually to cover the difference between market rates and the subsidized rate. ([Ministry of Finance](#))

Financial inclusion reaches 64.8% of population in 2022

The **Central Bank of Egypt** announced Financial Inclusion Indicators for 2022, where it reached 64.8% of financially included citizens (+5.6mn citizens in 2022), with a growth rate of 147% from 2016 to 2022. ([CBE](#))

CORPORATE

EAST raised Pall Mall and Viceroy selling prices

Eastern Co. [EAST] BoD approved raising the selling prices of **Pall mall** and **Viceroy** on Saturday 8 April 2023. The prices were raised by 6% to EGP35/pack. It is worth mentioning that EAST raised all of its product selling prices in March. ([Company disclosure](#))











MICH intends to fully own land used in expansion

Misr Chemical Industries Co. [MICH] is reportedly negotiating with M.O.T Investment & Development, the investment arm of the Egyptian National Railways Authority, to purchase 15,000 sqm of land intended for MICH's expansion. Previously, negotiations were centered on a right of use agreement for the land, set at a minimum of EGP50mn with a 10% annual increase over 25 year. ([Al-Mal](#))

New USD110mn Indian polyethylene plant in Ain Sokhna

India's Flex PET has started laying the foundations for its new polyethylene plant in Orascom Construction's [ORAS] Industrial Park located in the **Ain Sokhna** Industrial Zone. The facility will cover a total area of 250,000 sqm and have a 30,000 ton monthly production capacity. The first phase will commence in mid-2024, while the second phase will begin in mid-2025. ([Economy Plus](#))

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						Equity turnover (EGPmn): Last, ytd avg.			
1,072.2						1,077.1		2,042.6	
				daily chg.	ytd chg.			daily chg.	ytd chg.
	📉	EGX 30	16,674.87	(0.21%)	14.22%		📉	Gold	2,007.91 (0.63%) 9.27%
	📉	EGX 30 TR	6,894.16	(0.18%)	14.81%		📉	Silver	24.98 (0.01%) 3.33%
	📉	EGX 70 EWI	2,935.81	(0.33%)	4.78%		📉	Brent Oil	85.12 (0.19%) 0.24%
	📉	EGX 100 EWI	4,408.61	(0.26%)	6.35%		📉	WTI	80.70 (0.12%) 0.19%
	📉	DFMGI	3,410.51	(0.12%)	2.23%		📈	Natural Gas	2.01 0.55% (54.82%)
	📉	ADSMI	9,461.69	(0.10%)	(7.34%)	EGP	📉	USD/EGP	30.90 (0.42%) (20.09%)
	📈	TASI	10,965.78	0.55%	4.65%	€	📉	EUR/USD	1.09 (0.06%) 1.81%
	📉	QE Index	10,250.99	(0.88%)	(4.03%)	£	📉	GBP/USD	1.24 (0.09%) 2.68%
	📈	S&P 500	4,105.02	0.36%	6.92%	¥	📉	USD/JPY	132.16 (0.29%) (1.12%)
	📈	Dow 30	33,485.29	0.01%	1.02%		📈	6M TB yield	23.12 54 395
	📈	NASDAQ	12,087.96	0.76%	15.49%		📈	1Y TB yield	23.20 52 430
	📉	VIX	18.40	(3.56%)	(15.09%)		↔	10Y TB yield	14.68 0 0
	📈	STOXX 50	4,309.45	0.26%	13.60%		📈	2Y TB yield	3.98 20 (45)
EM	📈	MSCI Emerging	987.07	0.27%	3.21%		📈	10Y TB yield	3.39 8 (48)
FM	📉	MSCI Frontier	483.11	(0.01%)	2.28%		📈	30Y TB yield	3.61 4 (36)

* As of market close, except for commodities and currencies at 8.15am CLT. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
10-Apr-23	SWDY	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
10-Apr-23	SWDY	EGM	Amending Articles No. 4 & 55 of the company's bylaws.
10-Apr-23	EGCH	OGM	Approving the estimated budget of FY 2023/2024.
10-Apr-23	EGSA	Cash dividend	Deadline for eligibility for a dividend of USD0.45/share.
10-Apr-23	EGAS	Cash dividend	Deadline for eligibility for a dividend of EGP1.250/share.
11-Apr-23	EGAS	Cash dividend	Ex-dividend date for EGP1.250/share.
11-Apr-23	EGSA	Cash dividend	Ex-dividend date for USD0.45/share.
11-Apr-23	EFIH	Cash dividend	Deadline for eligibility for a dividend of EGP0.225/share.
11-Apr-23	ATLC	Cash dividend	Deadline for eligibility for a dividend of EGP0.42/Share.
11-Apr-23	EKHO	Cash dividend	Deadline for eligibility for a dividend of USD0.11/share.
12-Apr-23	EKHO	Cash dividend	Ex-dividend date for USD0.11/share.
12-Apr-23	ATLC	Cash dividend	Ex-dividend date for EGP0.42/Share.
12-Apr-23	EFIH	Cash dividend	Ex-dividend date for EGP0.225/share.
12-Apr-23	CICH	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
12-Apr-23	IRON	OGM	Approving financial statements.
12-Apr-23	FWRV	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
12-Apr-23	EFIC	Cash dividend	Deadline for eligibility for a dividend of EGP5.00/share.
13-Apr-23	FWRV	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
13-Apr-23	EGAL	OGM	Approving the estimated budget of FY 2023/2024.
13-Apr-23	CLHO	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
13-Apr-23	NCCW	OGM	Approving financial statements ending 31 Dec. 2022.
13-Apr-23	NCCW	EGM	Discussing stock split and amending articles No. 6 & 7 of the company's bylaws.
13-Apr-23	HDBK	Cash dividend	Deadline for eligibility for a dividend of EGP1/Share.
13-Apr-23	ETEL	Cash dividend	Deadline for eligibility for a dividend of EGP1.25/Share.
13-Apr-23	ECAP	Cash dividend	Deadline for eligibility for a dividend of EGP0.9/Share.
13-Apr-23	MCRO	Cash dividend	Deadline for eligibility for a dividend of EGP0.106/Share.
14-Apr-23	ECAP	Cash dividend	Ex-dividend date for EGP0.9/Share.
14-Apr-23	ETEL	Cash dividend	Ex-dividend date for EGP1.25/Share.
14-Apr-23	HDBK	Cash dividend	Ex-dividend date for EGP1/Share.
15-Apr-23	MFPC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
15-Apr-23	MFPC	EGM	Amending Articles No. 3 & 5 of the company's bylaws.
15-Apr-23	MPCO	OGM	Approving financial statements ending 31 Dec. 2022.
16-Apr-23	ISMQ	OGM	Approving the estimated budget of FY 2023/2024.
16-Apr-23	ELEC	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.

16-Apr-23	ELEC	EGM	Discussing capital reduction & amending Articles No. 6 & 7 of the company's bylaws.
18-Apr-23	RAYA	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
18-Apr-23	EFIH	Cash dividend	Payment date for a dividend of EGP0.225/share.
18-Apr-23	MNHD	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
18-Apr-23	ATLC	Cash dividend	Payment date for a dividend of EGP0.42/share.
18-Apr-23	EKHO	Cash dividend	Payment date for a dividend of USD0.11/share.
19-Apr-23	OFH	OGM	Approving financial statements ending 31 Dec. 2022 and netting contracts.
19-Apr-23	OFH	EGM	Amending Articles No. 3, 4, 6 & 7 of the company's bylaws.
19-Apr-23	EFIC	Cash dividend	Payment date for a dividend of EGP2.00/share (1st installment).
20-Apr-23	ETEL	Cash dividend	Payment date for a dividend of EGP1.25/share.
20-Apr-23	HDBK	Cash dividend	Payment date for a dividend of EGP1/Share.
20-Apr-23	ECAP	Cash dividend	Payment date for a dividend of EGP0.9/share.
20-Apr-23	MCRO	Cash dividend	Payment date for a dividend of EGP0.01/share (1st installment).

LATEST RESEARCH

DATE	PUBLISHED REPORT
9-Apr-23	<u>Orascom Construction [ORAS] – On Solid Foundations</u>
21-Mar-23	<u>STANDPoint Portfolio Update – Adding ALCN, ECAP, HRHO, and RACC</u>
16-Mar-23	<u>Al Ezz Ceramics & Porcelain (GEMMA) [ECAP] – A Hidden “GEMMA”</u>
8-Feb-23	<u>Alexandria Containers Handling [ALCN] – Breaking Higher Waves</u>
29-Jan-23	<u>STANDPoint – The Year of Adjustment; Our fundamental outlook for 2023</u>
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>

Prime Securities

Shawkat El Maraghy

Managing Director

T +20233005622

SElmaraghy@egy.primegroup.org

Sales

Mohamed Ezzat

Head of Sales & Branches

T +20233005784

MEzzat@egy.primegroup.org

Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

MAshmawy@egy.primegroup.org

Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

AAlaa@egy.primegroup.org

Mohamed ElMetwaly

Manager

T +20233005610

MElmetwaly@egy.primegroup.org

Emad El Safoury

Manager

T +20233005624

EElsafoury@egy.primegroup.org

Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

SRaslan@egy.primegroup.org

Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

NAbuelatta@egy.primegroup.org

Research

Amr Hussein Elalfy CFA

Head of Research

T +20233005724

AElalfy@egy.primegroup.org

Head Office

Prime Securities S.A.E.

Regulated by FRA License No. 179.
Member of the Egyptian Exchange.

2 Wadi El Nil St, Liberty Tower, 7th Fl.
Mohandessin, Giza, Egypt

T +20233005700/770/650/649

F +20237607543

Branches

Heliopolis

7 Elheqaz Square
Heliopolis, Cairo, Egypt

T +20227770600

F +20227770604

Alexandria

7 Albert Al Awa St.
Smouha, Alexandria, Egypt

T +20233008170

F +20233054622

Website

www.primeholdingco.com

Disclaimer

Information included in this report has no regard to specific investment objectives, financial situation, advices or particular needs of the report users whether they received them directly or through any research pool and other specialized websites. The report is published for information purposes only and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Unless specifically stated otherwise, all price information is only considered as indicator. No express or implied representation or guarantee is provided with respect to completeness, accuracy or reliability of information included in this report. Past performance is not necessarily an indication of future results. Fluctuation of foreign currency rates of exchange may adversely affect the value, price, or income of any products mentioned in this report. Information included in this report should not be regarded by report users as a substitute for the exercise of their own due diligence and analysis based on own assessment and judgment criteria. Any opinions given are subject to change without notice and may significantly differ or be contrary to opinions expressed by other Prime business areas as a result of using different assumptions and criteria. Prime Group is under no obligation responsible to update or keep current the information contained herein. Prime Group, its directors, officers, employees or clients may have or have had interests or long or short positions in the securities and/or currencies referred to herein, and may at any time make purchases and/or sales in them as principal or agent. Prime Group, its related entities, directors, employees, and agents accept no liability whatsoever for any loss or damage of any kind arising from the use of all or part of these information included in this report whether it is received directly or through research pools and other specialized websites. Certain laws and regulations impose liabilities which cannot be disclaimed. This disclaimer shall, in no way, constitute a waiver or limitation of any rights a person may have under such laws and/or regulations. Furthermore, Prime Group or any of the group companies may have or have had a relationship with or may provide or have provided other services, within its objectives to the relevant companies.

Copyrights © 2023, Prime Group, ALL RIGHTS RESERVED. You are hereby notified that distribution and copying of this document is strictly prohibited without the prior approval of Prime Group.