

## Taming Inflation

### TODAY'S TOP NEWS & ANALYSIS

Egypt's inflation rose slightly in March 2023, yet lower than Prime Research estimates

QNBA Q1 2023: Higher net interest income and huge FX gains boost net income

MCRO to decrease its paid-in capital by 1.25% by canceling treasury shares

RMDA's 50.7% stock dividend approved

RACC will not distribute dividends for 2022

PACHIN bidding at a new high of EGP39.8/share

### MACRO

#### Egypt's inflation rose slightly in March 2023, yet lower than Prime Research estimates

Egypt's inflation figures were released yesterday, where:

- **Annual headline inflation** rose slightly from 31.9% in February 2023 to 32.7% in March 2023 (lower than Prime Research expectations of 35.4%). Monthly inflation slowed down from 6.5% in February 2023 to 2.7% in March 2023.
- **Annual core inflation** fell from 40.3% in February 2023 to 39.5% in March 2023 (slightly lower than Prime Research expectations of 41.7%). Monthly inflation slowed down from 8.1% in February 2023 to 2.5% in March 2023. ([CBE](#))

### CORPORATE

#### QNBA Q1 2023: Higher net interest income and huge FX gains boost net income

QNB Al Ahli [QNBA] announced Q1 2023 standalone results. Here are our main takeaways:

- Net income grew by 120% y/y to EGP4.5bn, mainly on the back of higher net interest income (+57% y/y to EGP6.5bn due to interest rate hikes) and other operating income (+219% y/y to EGP1.1bn due to huge FX gains).
- NIM inched higher by 0.24pp q/q to 5.9%.
- QNBA is finally lowering its guards with a 0.64pp q/q lower CoR of -1.5%, booking 22% q/q (-10% y/y) lower provisions of EGP909mn.
- Gross loans grew reasonably at 7% ytd to EGP248bn, with a lower NPL ratio of 4.6% and a coverage ratio of 127%.
- Deposits grew by 9% ytd to EGP443bn, implying a stable GLDR at 56%.

- Annualized ROAE moved up from 20% in 2022 to a solid 33.7% in Q1 2023.
- QNBA is currently traded at an annualized P/E of 2.9x and a P/BV of 0.7x. (Bank disclosure)

### MCRO to decrease its paid-in capital by 1.25% by canceling treasury shares

Macro Group Pharmaceuticals' [MCRO] EGM approved to decrease its paid-in capital by 1.25% to EGP114mn, decreasing its outstanding shares to 570,206,456 by canceling 7,152,044 treasury shares worth EGP1.4mn. ([Company disclosure](#))

### RMDA's 50.7% stock dividend approved

Rameda's [RMDA] OGM approved the BoD's proposal to distribute a 50.7% stock dividend worth EGP128mn, thus raising RMDA's paid-in capital to EGP380mn. ([Company disclosure](#))










































### RACC will not distribute dividends for 2022

Raya Contact Center's [RACC] OGM decided not to distribute any dividends to its shareholders and employees for 2022 net profits. ([Company disclosure](#))

### PACHIN bidding at a new high of EGP39.8/share

National Paints Holding (NPH) has raised its offer to buy Paints & Chemical Industries (PACHIN) [PACH] to EGP39.8/share, a 5.4% increase from its last offer. ([Company disclosure](#))

## MARKETS PERFORMANCE

Current equity market cap (EGPbn)						1,078.6	Equity turnover (EGPmn): Last, ytd avg.						1,575.9	2,035.7							
						daily chg.	ytd chg.							daily chg.	ytd chg.						
		EGX 30	16,774.64	0.60%	14.91%												Gold	1,991.48	(0.82%)	9.61%	
		EGX 30 TR	6,932.35	0.55%	15.45%												Silver	24.87	(0.42%)	4.26%	
		EGX 70 EWI	2,948.99	0.45%	5.25%												Brent Oil	84.18	0.75%	0.06%	
		EGX 100 EWI	4,436.50	0.63%	7.02%												WTI	79.74	0.85%	(0.04%)	
		DFMGI	3,411.80	0.04%	2.27%												Natural Gas	2.17	0.41%	(51.26%)	
		ADSMI	9,499.20	0.40%	(6.97%)											EGP		USD/EGP	31.07	(0.56%)	(20.04%)
		TASI	10,905.48	(0.55%)	4.08%										€		EUR/USD	1.09	0.34%	1.78%	
		QE Index	10,228.84	(0.22%)	(4.23%)										£		GBP/USD	1.24	0.27%	2.76%	
		S&P 500	4,109.11	0.10%	7.02%										¥		USD/JPY	133.61	(1.09%)	(1.66%)	
		Dow 30	33,586.52	0.30%	1.33%												6M TB yield	23.12	54	395	
		NASDAQ	12,084.36	(0.03%)	15.46%												1Y TB yield	23.20	52	430	
		VIX	18.97	3.10%	(12.46%)											10Y TB yield	14.68	0	0		
		STOXX 50	4,309.45	0.26%	13.60%												2Y TB yield	4.01	3	(42)	
	EM		MSCI Emerging	988.68	0.16%	3.38%											10Y TB yield	3.42	3	(46)	
	FM		MSCI Frontier	481.26	(0.38%)	1.89%											30Y TB yield	3.63	2	(33)	

\* 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
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**

<b>DATE</b>	<b>PUBLISHED REPORT</b>
9-Apr-23	<a href="#"><u>Orascom Construction [ORAS] – On Solid Foundations</u></a>
<b>21-Mar-23</b>	<b><a href="#"><u>STANDPoint Portfolio Update – Adding ALCN, ECAP, HRHO, and RACC</u></a></b>
16-Mar-23	<a href="#"><u>Al Ezz Ceramics &amp; Porcelain (GEMMA) [ECAP] – A Hidden “GEMMA”</u></a>
8-Feb-23	<a href="#"><u>Alexandria Containers Handling [ALCN] – Breaking Higher Waves</u></a>
<b>29-Jan-23</b>	<b><a href="#"><u>STANDPoint – The Year of Adjustment; Our fundamental outlook for 2023</u></a></b>
18-Dec-22	<a href="#"><u>Elsewedy Electric [SWDY] – Turning Copper Into Gold</u></a>
5-Dec-22	<a href="#"><u>Commercial International Bank [COMI] – Still Spearheading</u></a>
28-Nov-22	<a href="#"><u>Abu Dhabi Islamic Bank - Egypt [ADIB] – Unmitigated Temerity</u></a>
<b>20-Nov-22</b>	<b><a href="#"><u>Alexandria Containers &amp; Cargo Handling Co. [ALCN] – Gateway of the North</u></a></b>
14-Nov-22	<a href="#"><u>Obour Land for Food Industries [OLFI] – Wise and Clever</u></a>
<b>13-Nov-22</b>	<b><a href="#"><u>STANDPoint – Time to Catch Up; Updating our fundamental outlook</u></a></b>
3-Nov-22	<a href="#"><u>TAKEStock – Telecom Egypt [ETEL] – Life Above 40</u></a>
19-Oct-22	<a href="#"><u>Lecico Egypt [LCSW] – A Fragile Tile?</u></a>
27-Sep-22	<a href="#"><u>Commercial International Bank [COMI]: Commander-in-Chief</u></a>
24-Sep-22	<a href="#"><u>TAKEStock: The Egyptian Banking Industry - The RRR Effect</u></a>
21-Sep-22	<a href="#"><u>EGYPTBanks – The Causal Sequence</u></a>
<b>24-Aug-22</b>	<b><a href="#"><u>Arabian Food Industries (Domty) – Core Coverage Report</u></a></b>
22-Aug-22	<a href="#"><u>Credit Agricole Egypt [CIEB] – Core Coverage Update</u></a>
31-Jul-22	<a href="#"><u>Ghazl El-Mahalla Football Co. [GMFC] - IPO Update</u></a>
14-Jun-22	<a href="#"><u>Ghazl El-Mahalla Football Co. [GMFC] - In a League of Its Own</u></a>
8-Jun-22	<a href="#"><u>TAKEStock – Delta Sugar [SUGR] - Sweet and Sour</u></a>
7-Jun-22	<a href="#"><u>TAKEStock – Orascom Financial Holding [OFH] - Triple-Digit Upside</u></a>
25-May-22	<a href="#"><u>TAKEStock – The Egyptian Cement Industry - Gauging the Impact</u></a>
<b>23-May-22</b>	<b><a href="#"><u>Cairo for Investment &amp; Real Estate Development [CIRA] – Head of the Class</u></a></b>
19-May-22	<a href="#"><u>MACROView – A New Game Plan</u></a>
17-May-22	<a href="#"><u>MACROView – All Uphill from Here</u></a>
<b>15-May-22</b>	<b><a href="#"><u>EGYPTBanks – Harness the Hike</u></a></b>
15-May-22	<a href="#"><u>TAKEStock – Hidden “valu”</u></a>
28-Apr-22	<a href="#"><u>MACROView – Din of Battle Getting Louder</u></a>
17-Apr-22	<a href="#"><u>MACROView – Before the Grand Storm</u></a>

## Prime Securities

### Shawkat El Maraghy

Managing Director

T +20233005622

[SElmaraghy@egy.primegroup.org](mailto:SElmaraghy@egy.primegroup.org)

## Sales

### Mohamed Ezzat

Head of Sales & Branches

T +20233005784

[MEzzat@egy.primegroup.org](mailto:MEzzat@egy.primegroup.org)

### Mohamed Ashmawy

Head of Institutional Sales

T +20233005612

[MAshmawy@egy.primegroup.org](mailto:MAshmawy@egy.primegroup.org)

### Amr Alaa CFTe

Team Head-Institutional Desk

T +20233005609

[AAlaa@egy.primegroup.org](mailto:AAlaa@egy.primegroup.org)

### Mohamed ElMetwaly

Manager

T +20233005610

[MElmetwaly@egy.primegroup.org](mailto:MElmetwaly@egy.primegroup.org)

### Emad El Safoury

Manager

T +20233005624

[EElsafoury@egy.primegroup.org](mailto:EElsafoury@egy.primegroup.org)

### Shawkat Raslan

Heliopolis Branch Manager

T +20233008130

[SRaslan@egy.primegroup.org](mailto:SRaslan@egy.primegroup.org)

### Nashwa Abuelatta

Alexandria Branch Manager

T +20233005173

[NAbuelatta@egy.primegroup.org](mailto:NAbuelatta@egy.primegroup.org)

## Research

### Amr Hussein Elalfy CFA

Head of Research

T +20233005724

[AElalfy@egy.primegroup.org](mailto: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, 7<sup>th</sup> 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](http://www.primeholdingco.com)

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