PRIMETime

Wednesday, 10 May 2023 / 8:45 AM CLT
Egypt / Daily Newsletter

PRIME

The First of Many?

Today's Top News & Analysis

ADQ to buy 20-25% of ELAB

April urban CPI rises 30.6% y/y

Egypt to receive "special treatment" by MSCI in equity indexes

Egypt raises its financing needs in FY24 budget; targets EGP70bn more in asset sales

Israel agrees to expand natural gas pipeline network to boost exports to Egypt

Orascom Construction to buy Melinda Gates stake at an 8% discount to EGX-listed stock

MOIL's BoD approves Al Gihaz's final offer

MACRO

ADQ to buy 20-25% of ELAB

A sub-fund of **UAE**-based **ADQ Holding** is reportedly close to purchasing a 20-25% stake in the **Egyptian Linear Alkylbenzene Co. (ELAB)**. We had reported on 3 April 2023 that discussions were underway regarding the sale of ELAB to GCC strategic investors and/or listing it on the **EGX**. If completed before end of May, ELAB will be the first major deal off the government's IPO program. (Asharq Business)

April urban CPI rises 30.6% y/y

Urban CPI in April 2023 climbed 30.6% y/y (vs. +32.7% y/y the previous month). Urban CPI also rose 1.7% m/m (vs. +2.7% m/m in March), according to CAPMAS. Our forecasts for April's urban CPI was higher at 31.8% y/y. (Bloomberg)

Egypt to receive "special treatment" by MSCI in equity indexes

Equity index provider **MSCI** will apply a "special treatment" to **Egyptian securities** listed in its indexes. The decision is driven by investor fears pertaining to FX illiquidity in **Egypt**. (Reuters)

Egypt raises its financing needs in FY24 budget; targets EGP70bn more in asset sales

Egypt raised its financing needs by 27% y/y to EGP2.14tn in FY24 budget. The new budget will look to increase the issuance of Treasury bills to EGP1.2tn (vs. EGP476bn in FY23) and decrease the issuance of Treasury bonds to EGP815.6bn (vs. EGP1.2tn in FY23). Meanwhile, the FY24 budget is targeting to achieve an additional EGP70bn from government offerings. (Asharq Business: 1, 2)

Israel agrees to expand natural gas pipeline network to boost exports to Egypt

Israel will expand its natural gas pipeline network to increase natural gas exports to **Egypt**. The expansion will entail the construction of a USD248mn pipeline in southern Israel, extending 65km to the Egyptian border and transporting 6bn cubic meter of natural gas annually. Egypt had previously signed an agreement to increase its imports of Israeli natural gas to use in their under-utilized liquefaction stations. Egypt's two Mediterranean **liquefied natural gas (LNG)** plants are currently operating at a 63.5% utilization rate; the government is looking to reach full capacity by 2025 to meet Europe's demand. (Economy Plus, Asharq Business)

CORPORATE

Orascom Construction to buy Melinda Gates stake at an 8% discount to EGX-listed stock

Orascom Construction's [**ORAS**] shareholders agreed to buy back 6,517,444 shares or 5.58% of the company's total shares from **Ms. Melinda Gates** for USD3/share for a total value of USD19.6mn. While this implies an 11% premium to the Nasdaq Dubai-listed stock price of USD2.70/share, it implies an 8% discount to the EGX-listed stock price of EGP101.2/share. Also, this is 57% below our 12MPT of EGP215/share. We calculate that this share buyback should increase ORAS's EPS by c.6%, all else the same. (Company disclosure)

MOIL's BoD approves Al Gihaz's final offer

Maridive & Oil Services' [**MOIL**] board of directors (BoD) approved **KSA**-based **Al Gihaz Holding**'s final offer presented to MOIL's wholly-owned subsidiary **Valentine Maritime Ltd.** We had reported on 27 March 2023 that Al Gihaz and Valentine signed a preliminary MoU regarding the former's purchase of a few naval units and the latter's 60% stake in a Saudi subsidiary. The final offer is worth USD115.6mn and the details are as follows:

- USD71.8mn for the direct settlement of all outstanding bank debts pertaining to the naval units intended for purchase.
- USD28.5mn in cash for the settlement of outstanding obligations with suppliers pertaining to the naval units.
- USD300,000 in cash for Valentine's stake in its Saudi subsidiary.
- USD15mn in cash contingent on Al Gihaz's approval of settlement terms with other creditors. (Company disclosure)

Markets Performance

Current equity market cap (EGPbn)	1,128.3

Equity turnover (EGPmn): Last, ytd avg.	2,892.3	2,029.7

		daily chg.	ytd chg.
EGX 30	17,326.27	(1.80%)	18.69%
EGX 30 TR	7,207.40	(1.79%)	20.03%
EGX 70 EWI	3,029.61	(0.87%)	8.13%
EGX 100 EWI	4,597.73	(0.94%)	10.91%
DFMGI	3,571.09	(0.33%)	7.04%
ADSMI	9,689.36	(0.02%)	(5.11%)
TASI	11,305.28	0.43%	7.89%
QE Index	10,747.00	0.29%	0.62%
S&P 500	4,119.17	(0.46%)	7.28%
Dow 30	33,561.81	(0.17%)	1.25%
NASDAQ	12,179.55	(0.63%)	16.37%
VIX	17.71	4.30%	(18.27%)
STOXX 50	4,323.09	(0.59%)	13.96%
EM MSCI Emerging	982.24	(0.73%)	2.70%
FM MSCI Frontier	476.69	(0.72%)	0.93%

		daily chg.	ytd chg.
Gold	2,034.56	0.66%	11.37%
Silver	25.60	0.20%	6.81%
Brent Oil	77.44	(0.67%)	(8.65%)
WTI	73.71	(0.68%)	(8.72%)
Natural Gas	2.27	(1.28%)	(49.99%)
EGP USD/EGP	30.90	(0.01%)	(20.18%)
€ EUR/USD	1.10	0.09%	2.49%
£ GBP/USD	1.26	0.01%	4.46%
¥ USD/JPY	135.23	(0.10%)	(3.04%)
6M TB yield	23.65	13	448
1Y TB yield	23.58	6	468
10Y TB yield	14.68	0	0
2Y TB yield	4.02	2	(40)
10Y TB yield	3.52	1	(36)
30Y TB yield	3.84	2	(12)

* 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-May-23	**MFPC**	**Cash dividend**	**Ex-dividend date for EGP15.00/Share.**
10-May-23	**DOMT**	**Cash dividend**	**Ex-dividend date for EGP0.50/Share.**
10-May-23	**ACAMD**	**OGM**	**A board reshuffle.**
11-May-23	MOIL	EGM	Approving the acquisition offer from Al Gihaz Holding.
11-May-23	ASPI	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
11-May-23		MSCI	MSCI's May 2023 Semi-Annual Index Review Announcement.
13-May-23	HRHO	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
13-May-23	HRHO	EGM	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
13-May-23	AIH	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
14-May-23	MFPC	Cash dividend	Payment date for a dividend of EGP15.00/share.
14-May-23	DOMT	Cash dividend	Payment date for a dividend of EGP0.50/share.
14-May-23	ORWE	Cash dividend	Deadline for eligibility for a dividend of EGP0.60/Share.
14-May-23	SKPC	Cash dividend	Deadline for eligibility for a dividend of EGP0.90/Share.
14-May-23	EFID	Cash dividend	Deadline for eligibility for a dividend of EGP0.57/share.
14-May-23	EKHO	BoD meeting	Discussing financial results.
15-May-23	ORWE	Cash dividend	Ex-dividend date for EGP0.60/Share.
16-May-23	SWDY	Cash dividend	Deadline for eligibility for a dividend of EGP0.40/Share.
17-May-23	SWDY	Cash dividend	Ex-dividend date for EGP0.40/Share.
17-May-23	ORWE	Cash dividend	Payment date for a dividend of EGP0.60/share.
17-May-23	SKPC	Cash dividend	Payment date for a dividend of EGP0.50/share (1st installment).
17-May-23	EFID	Cash dividend	Payment date for a dividend of EGP0.57/share.
20-May-23	ESRS	OGM	Approving financial statements ending 31 Dec. 2022.
20-May-23	IRAX	OGM	Approving financial statements ending 31 Dec. 2022.
21-May-23	SWDY	Cash dividend	Payment date for a dividend of EGP0.40/share.
28-May-23	ASCM	OGM	Approving financial statements ending 31 Dec. 2022.
28-May-23	ASCM	EGM	Discussing the continuation of the company.
28-May-23	TMGH	Cash dividend	Deadline for eligibility for a dividend of EGP0.19/Share.
30-May-23	IDHC	OGM	Approving financial statements ending 31 Dec. 2022.
31-May-23	TMGH	Cash dividend	Payment date for a dividend of EGP0.096/share (1st installment).
31-May-23	ORAS	OGM	Approving financial statements ending 31 Dec. 2022.

Latest Research

DATE	PUBLISHED REPORT
30-Apr-23	**EGYPTFertilizers – Grass Is Green on Both Sides**
11-Apr-23	Obour Land Food Industries [OLFI] – Resilience is Key
9-Apr-23	Orascom Construction [ORAS] – On Solid Foundations
21-Mar-23	**STANDPoint Portfolio Update – Adding ALCN, ECAP, HRHO, and RACC**
16-Mar-23	Al Ezz Ceramics & Porcelain (GEMMA) [ECAP] – A Hidden "GEMMA"
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"

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