PRIMETime

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Egypt / Daily Newsletter

PRIME

A Sale Tale … Again

Today's Top News & Analysis

Annual core inflation eases to 38.6% y/y in April 2023
Egypt's B3 credit rating placed under review by Moody's
Egypt's exports to the European Union increased by 79% in 2022
Cabinet approves exempting Egyptian expats from custom duties on gold
Egypt reconsiders a 10% sale of ETEL which just completed 2Africa subsea cables
FRA approves the horizontal spinoff of Amer Group

MACRO

Annual core inflation eases to 38.6% y/y in April 2023
Egypt's Annual **core inflation** eased to 38.6% y/y in April 2023 from 39.5% y/y in March 2023. Also, monthly core inflation eased to 1.7% in April vs. 2.5% in March. Our forecasts for the annual core inflation were at 39.2%. (Mubasher)

Egypt's B3 credit rating placed under review by Moody's
Moody's placed **Egypt**'s foreign and local currency issues at B3 under review for downgrade, attributing this to a slower-than-expected progress in the sale of Egyptian state-owned assets, which weakens Egypt's foreign exchange liquidity and threatens its financing plans. (Hapi Journal)

Egypt's exports to the European Union increased by 79% in 2022
Egypt's exports to the **European Union** countries witnessed a big boom in 2022, reaching EUR16.3bn (+79% y/y). (Mubasher)

Cabinet approves exempting Egyptian expats from custom duties on gold
The **Egyptian Cabinet** approved exempting **Egyptian** expats from customs tax and other fees except value-added tax on gold, for a period of six months. (Mubasher)

CORPORATE

Egypt reconsiders a 10% sale of ETEL which just completed 2Africa subsea cables

The **Egyptian government** is reportedly reconsidering the sale of a 10% stake in Telecom Egypt [**ETEL**] starting this month (May 2023). The initial price set for the offering is EGP22.25/share, implying a total of EGP3.8bn or the equivalent to USD123mn (c.4% below yesterday's closing price). On a separate note, ETEL announced completing the installments of **2Africa** in the **Egyptian** territory after landing its second 2Africa subsea cable located in Port Said. This comes five months after ETEL's launch of its first 2Africa subsea cable in Ras Ghareb. (Asharq Bloomberg, Company disclosure)

FRA approves the horizontal spinoff of Amer Group

The **Financial Regulatory Authority (FRA)** approved the horizontal spin-off of Amer Group Holding Co. [**AMER**] into AMER and **A-Capital Holding**, and for both companies to start trading on the EGX. The spinoff aims to increase the operational growth opportunities for both companies, where ...

- AMER will specialize in real estate development, managing clubs and restaurants through the holding company and 16 other subsidiaries.
- A-Capital Holding will specialize in investments in real estate projects and companies through the main companies and five subsidiaries.

AMER will have a par value of EGP0.70/share, while A-Capital Holding will have a par value of EGP0.30/share. AMER's stock price increased in yesterday's trading by 4.9%, closing at EGP0.71/share. (Company disclosure)

Markets Performance

Current equity market cap (EGPbn)	1,136.3	Equity turnover (EGPmn): Last, ytd avg.	2,849.2	2,030.2

		daily chg.	ytd chg.			daily chg.	ytd chg.
EGX 30	17,494.73	0.97%	19.84%	Gold	2,030.09	(0.22%)	11.30%
EGX 30 TR	7,291.64	1.17%	21.43%	Silver	25.40	(0.78%)	5.58%
EGX 70 EWI	3,049.38	0.65%	8.83%	Brent Oil	76.41	0.84%	(8.49%)
EGX 100 EWI	4,640.18	0.92%	11.93%	WTI	72.56	0.80%	(8.80%)
DFMGI	3,572.99	0.05%	7.10%	Natural Gas	2.19	(0.55%)	(51.31%)
ADSMI	9,723.99	0.36%	(4.77%)	EGP USD/EGP	30.90	(0.00%)	(20.05%)
TASI	11,293.18	(0.11%)	7.78%	€ EUR/USD	1.10	(0.06%)	2.52%
QE Index	10,728.97	(0.17%)	0.45%	£ GBP/USD	1.26	(0.06%)	4.43%
S&P 500	4,137.64	0.45%	7.77%	¥ USD/JPY	134.34	0.66%	(2.33%)
Dow 30	33,531.33	(0.09%)	1.16%	6M TB yield	23.65	13	448
NASDAQ	12,306.44	1.04%	17.58%	1Y TB yield	23.58	6	468
VIX	16.94	(4.35%)	(21.83%)	10Y TB yield	14.68	0	0
STOXX 50	4,306.76	(0.38%)	13.53%	2Y TB yield	3.91	(11)	(52)
EM MSCI Emerging	979.64	(0.26%)	2.43%	10Y TB yield	3.44	(8)	(43)
FM MSCI Frontier	478.09	0.29%	1.22%	30Y TB yield	3.80	(4)	(17)

* 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-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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