

As Expected

TODAY'S TOP NEWS & ANALYSIS

CBE maintains interest rates—as expected

UAE companies interested in Safi and Wataniya stakes

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MACRO

CBE maintains interest rates—as expected

In line with [our expectations at PRIMEResearch](#), the **Monetary Policy Committee (MPC)** at the **Central Bank of Egypt (CBE)** decided in its third meeting of the year to maintain the overnight deposit rate, the overnight lending rate, and the rate of the main operation at 18.25%, 19.25 %, and 18.75%, respectively. The discount rate was also maintained at 18.75%. The MPC cited that prices of international commodity prices and global inflationary pressures have eased. Moreover, forecasts for economic growth have broadly stabilized, while volatility in financial conditions of key advanced economies has eased compared to the previous MPC meeting. Domestically, Egypt's real GDP growth rate eased to 3.9% during Q4 2022 compared to 4.4% in Q3 2022, primarily driven by an improvement in tourism, agriculture, and trade. Meanwhile, broad money (M2) and its local currency components grew at a slower pace in March 2023. ([CBE](#))

UAE companies interested in Safi and Wataniya stakes

Agthia a subsidiary of **ADQ Holding**, is reportedly interested in buying a stake in **National Co. for Natural Water (Safi)**. Also, **Abu Dubai National Oil Co. (ADNOC)** is interested in buying a stake in **National Petroleum Co. (Wataniya)**. UAE-based companies are eying around 20-25% stakes. ([Asharq Bloomberg](#))

CORPORATE

EFIH Q1 2023: Up in the "Cloud"

E-Finance [EFIH] announced Q1 2023 results, where net profit grew by 41% y/y to EGP282mn. This was on the back of:

- Strong y/y growth in top line of 37% to EGP768mn. This growth was—in order—driven by:
 - (1) Strong y/y growth of 42% in **e-finance Digital Operations** revenues of EGP715mn on cloud hosting and transaction-based revenues.
 - (2) Significant increase in **eAswaaq**'s revenues to EGP6.2mn from EGP0.6mn in Q1 2022.
 - (3) A 22% y/y increase in **eKhales** revenues to EGP11mn. Which all offset the 29% decline in **eCards**' revenues to EGP25mn.
- A 39% y/y increase in net financing income to EGP96mn.

Earnings growth came despite:

- A 14% y/y increase in SG&A to EGP85mn.
- FX losses of EGP35.5mn on the back of the EGP devaluation.
- A 51% y/y decrease in investment income to EGP19mn on delayed profit distribution. ([Company disclosure](#))

FWRY Q1 2023: Profits more than quadrupled y/y

Fawry [FWRY] announced strong Q1 2023 results, where net income grew by 338% y/y to EGP123mn. Meanwhile, revenues grew by 40% y/y to EGP676mn on the back of strong growth in FWRY's banking services segment which contributed 50% to the y/y growth. This brought the GPM up to 62% from 57.7% in Q1 2022. Besides revenues, the following items contributed to earnings growth:

- A 130% y/y increase in credit interest to EGP88mn on yield from Treasury bills.
- A 39% y/y decline in financing cost to EGP8.9mn.
- FX gains of EGP12mn (+177% y/y) on the back of the EGP devaluation. ([Company disclosure](#))

CLHO successfully concludes its share buyback program

Cleopatra Hospitals Group [CLHO] successfully concluded its share buyback program after buying back as much as 9.9% of outstanding share capital. As a result, CLHO cancelled 154mn shares or 9.67% of its paid-in capital, resulting in an 11% accretion to its earnings per share (EPS). Going forward, CLHO's BoD may consider another share buyback program. ([Company disclosure](#))

MPRC preliminary Q1 2023: Strong profitability and wider margins

Egyptian Media Production City [MPRC] reported its consolidated Q1 2023 net profit of EGP166mn (+229% y/y) on higher revenues of EGP233mn (+64% y/y). Meanwhile, GPM expanded by 16pp y/y to 69%. ([Company disclosure](#))

SPMD preliminary 2022: Net loss on weaker revenues

Speed Medical [SPMD] reported a standalone 2022 net loss of EGP140mn compared to a net profit of EGP137mn in 2021 due to:

- Lower revenues of EGP117mn (-68% y/y) due to the gradual phase-out of COVID-19.
- A gross loss of EGP6mn vs. a gross profit of EGP213mn in 2021.
- Provisions and other operating expenses of EGP64.4mn. ([Company disclosure](#))

TAQA begins EGX listing procedures

TAQA Arabia, Qalaa Holding's [CCAP] subsidiary (a 55.3% stake), announced that it has started procedures to list the company on the EGX. The company is considering whether to float existing shares or issue new shares. (Al-Mal)

MARKETS PERFORMANCE

Current equity market cap (EGPbn)						1,092.2		
						daily chg.	ytd chg.	
	🔻	EGX 30	16,745.54	(0.58%)	14.71%			
	🔻	EGX 30 TR	7,004.01	(0.50%)	16.64%			
	🔻	EGX 70 EWI	2,962.04	(0.43%)	5.71%			
	🔻	EGX 100 EWI	4,497.03	(0.15%)	8.48%			
	🔻	DFMGI	3,544.53	(0.31%)	6.25%			
	🔻	ADSMI	9,478.69	(0.32%)	(7.17%)			
	🔼	TASI	11,344.40	0.59%	8.26%			
	🔻	QE Index	10,643.94	(0.35%)	(0.35%)			
	🔻	S&P 500	4,191.98	(0.14%)	9.18%			
	🔻	Dow 30	33,426.63	(0.33%)	0.84%			
	🔻	NASDAQ	12,657.90	(0.24%)	20.94%			
	🔼	VIX	16.81	4.74%	(22.43%)			
	🔼	STOXX 50	4,395.30	0.64%	15.86%			
EM	🔻	MSCI Emerging	977.24	(0.09%)	2.18%			
FM	🔻	MSCI Frontier	477.38	(0.08%)	1.07%			

Equity turnover (EGPmn): Last, ytd avg.						1,789.4		2,028.9	
						daily chg.	ytd chg.		
	🔼	Gold	1,977.81	1.03%	8.43%				
		🔼	Silver	23.85	1.53%	(0.43%)			
	🔻	Brent Oil	75.58	(0.37%)	(10.24%)				
	🔻	WTI	71.55	(0.43%)	(10.79%)				
	🔻	Natural Gas	2.59	(0.27%)	(42.23%)				
EGP	🔼	USD/EGP	30.90	0.01%	(19.95%)				
€	🔼	EUR/USD	1.08	0.32%	0.93%				
£	🔼	GBP/USD	1.24	0.29%	3.00%				
¥	🔼	USD/JPY	137.98	0.53%	(4.97%)				
	🔼	6M TB yield	23.77	4	460				
	🔼	1Y TB yield	23.78	9	488				
	↔️	10Y TB yield	14.68	0	0				
	🔼	2Y TB yield	4.27	12	(16)				
	🔼	10Y TB yield	3.67	11	(20)				
	🔼	30Y TB yield	3.93	8	(4)				

* As of market close. Change in Treasuries is in basis points.

Source: Bloomberg, CBE.

KEY DATES

DATE	TICKER	TYPE	EVENT
21-May-23	SWDY	<u>Cash dividend</u>	Payment date for a dividend of EGP0.40/share.
23-May-23	ISPH	Conference Call	Discussing Q1 2023 financial results.
24-May-23	HRHO	<u>EGM</u>	Approving increasing the issued capital & amending Articles No. 6 & 7 of the company's bylaws.
28-May-23	ASCM	<u>OGM</u>	Approving financial statements ending 31 Dec. 2022.
28-May-23	ASCM	<u>EGM</u>	Discussing the continuation of the company.
28-May-23	TMGH	<u>Cash dividend</u>	Deadline for eligibility for a dividend of EGP0.19/Share.
28-May-23	BINV	<u>Cash dividend</u>	Deadline for eligibility for a dividend of USD0.129/Share.
28-May-23	MNHD	<u>Cash dividend</u>	Deadline for eligibility for a dividend of EGP0.150/Share.
29-May-23	BINV	<u>Cash dividend</u>	Ex-dividend date for USD0.129/Share.
30-May-23	IDHC	<u>OGM</u>	Approving financial statements ending 31 Dec. 2022.
31-May-23	TMGH	<u>Cash dividend</u>	Payment date for a dividend of EGP0.096/share (1st installment).
31-May-23	ORAS	<u>OGM</u>	Approving financial statements ending 31 Dec. 2022.
31-May-23	BINV	<u>Cash dividend</u>	Payment date for a dividend of USD0.129/Share.
31-May-23	MNHD	<u>Cash dividend</u>	Payment date for a dividend of EGP0.075/share (1st installment).
1-Jun-23	SPMD	<u>Right Issue</u>	Last day of trading the rights issue.
1-Jun-23		<u>MSCI</u>	MSCI's May 2023 Semi-Annual Index Review Effective Date.
4-Jun-23	HELI	<u>OGM</u>	Approving financial statements.
6-Jun-23	CSAG	<u>OGM</u>	Approving the estimated budget of FY 2023/2024.
6-Jun-23	CSAG	<u>EGM</u>	Amending Article No. 3 of the company's bylaws.
7-Jun-23	ATQA	<u>EGM</u>	To renew the company's license for 25 years starting from the end of the previous license (30 May 2023).
8-Jun-23	BTFH	<u>OGM</u>	Approving financial statements ending 31 Dec. 2022.
8-Jun-23	BTFH	<u>EGM</u>	Amending Article No. 29 of the company's bylaws.

LATEST RESEARCH

DATE	PUBLISHED REPORT
14-May-23	<u>Commercial International Bank [COMI] – Coping Mechanisms</u>
30-Apr-23	<u>EGYPTFertilizers – Grass Is Green on Both Sides</u>
11-Apr-23	<u>Obour Land Food Industries [OLFI] – Resilience is Key</u>
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>

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