PRIMETime

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Egypt / Daily Newsletter

PRIME

Between the Hammer & the Anvil

Today's Top News & Analysis

A possible household electricity price hike in July

Banque Misr seeks an USD217mn loan from IFC

EGBE Q1 2023: Improved profitability

TMGH Q1 2023: Strong sales growth

ALCN 9M 2022/23: 153% higher bottom line

EGAL 9M 2022/23: 132% higher net profits

TALM completes acquisition of a university in New Cairo

MACRO

A possible household electricity price hike in July

The **Egyptian government** will reportedly effectuate the planned increase in household electricity prices this July. Unnamed sources added that the increase could be in correlation with recent FX fluctuations and that no final decision has been made yet. (Asharq Business)

Banque Misr seeks an USD217mn loan from IFC

State-owned **Banque Misr** is seeking a USD217mn 5-year loan from **International Finance Corporation (IFC)**. The loan is intended for financing local SMEs and women-owned enterprises. The loan is still pending approval and will be reviewed on 30 June. (IFC)

CORPORATE

EGBE Q1 2023: Improved profitability

Egyptian Gulf Bank [**EGBE**] announced its full results for Q1 2023. The bank managed to grow its net income by 60% y/y to EGP316mn, on the back of:

- A 37% y/y increase in net interest income to EGP923mn.
- A 532% y/y increase in net trading income to EGP200mn.
- A 64% y/y in net fees and commissions to EGP106mn.
- A lower effective tax rate of 42%, down from 47% a year ago.

This comes despite an increase of 217% y/y in booked provisions of EGP122mn and a 54% y/y increase in administrative expenses to EGP538mn. Also, other operating expenses increased by 406% y/y to EGP31mn on contingent provisions.

Meanwhile, the bank's deposits grew by 11% ytd to EGP80bn with a GLDR of 39%. On the other hand, loans grew by 9% ytd to EGP29bn with an NPL of 4.7% and a coverage ratio to 120%.

EGBE's annualized ROE is now up to 22%, and the stock is currently traded at an annualized P/E of 5x and a P/BV of 1.1x. (Bank disclosure)

TMGH Q1 2023: Strong sales growth

Talaat Moustafa Group Holding's [**TMGH**] Q1 2023 net income came at EGP747.5mn (+32% y/y) compared to EGP565.7mn a year before on revenues of EGP4.4bn (+47% y/y). Revenues can be broken down into:

- Revenues from real-estate recorded EGP2.9bn (+38% y/y), with a GPM of 29% (-4.2pp y/y).
- Revenues from hotel management recorded EGP799.2mn (+106% y/y), with a GPM of 56% (+12.8pp y/y).
- Revenues from recurring income operations recorded EGP770.6mn (+39% y/y), with a GPM of 38% (-4.2pp y/y). (Company disclosure)

ALCN 9M 2022/23: 153% higher bottom line

Alexandria Containers Handling Co.'s [**ALCN**] 9M 2022/23 net profits came in at a strong EGP3.2bn (+153% y/y), in line with Prime Research's expectations (PRe), on higher revenues of EGP3.4bn (+85% y/y, -4.6% vs. PRe). (Company disclosure)

EGAL 9M 2022/23: 132% higher net profits

Egypt Aluminum's [**EGAL**] consolidated results for 9M 2022/23 showed its bottom line rising by 132% y/y to EGP3.9bn compared to EGP1.7bn a year before. Earnings growth came on the back of 37% higher revenues of EGP14.8bn and a 9pp y/y higher GPM of 31.6% (excluding marketing expenses). (Company disclosure)

TALM completes acquisition of a university in New Cairo

Taaleem Management Services [**TALM**] completed the acquisition of an under-construction university in New Cairo. TALM has a 32% stake in the university through a capital increase of EGP300mn in the company that owns the targeted university. Meanwhile, it was mentioned in November 2022 that TALM may increase its stake from 32% to 51% after a year of student enrollment. (Company disclosure)

Markets Performance

Current equity market cap (EGPbn)	1,115.1	Equity turnover (EGPmn): Last, ytd avg.	2,107.1	2,007.2

		daily chg.	ytd chg.			daily chg.	ytd chg.
EGX 30	17,131.45	0.52%	17.35%	Gold	1,946.46	0.26%	6.66%
EGX 30 TR	7,163.36	0.50%	19.29%	Silver	23.30	2.46%	(2.91%)
EGX 70 EWI	3,199.59	3.15%	14.19%	Brent Oil	76.95	0.81%	(7.87%)
EGX 100 EWI	4,788.42	2.63%	15.51%	WTI	72.67	0.98%	(8.08%)
DFMGI	3,541.41	0.44%	6.16%	Natural Gas	2.18	(5.46%)	(51.26%)
ADSMI	9,453.42	0.56%	(7.42%)	EGP USD/EGP	30.90	(0.05%)	(20.00%)
TASI	11,138.05	(0.42%)	6.29%	€ EUR/USD	1.07	0.09%	0.26%
QE Index	10,426.32	(0.28%)	(2.39%)	£ GBP/USD	1.23	0.05%	2.21%
S&P 500	4,205.45	1.30%	9.53%	¥ USD/JPY	140.60	(0.38%)	(6.74%)
Dow 30	33,093.34	1.00%	(0.16%)	6M TB yield	23.84	7	467
NASDAQ	12,975.69	2.19%	23.97%	1Y TB yield	23.80	2	490
VIX	17.95	(6.22%)	(17.17%)	10Y TB yield	14.68	0	0
STOXX 50	4,337.50	1.59%	14.34%	2Y TB yield	4.56	18	14
EM MSCI Emerging	972.86	0.92%	1.72%	10Y TB yield	3.80	6	(8)
FM MSCI Frontier	473.89	0.09%	0.33%	30Y TB yield	3.96	(3)	(0)

* 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
29-May-23	**BINV**	**Cash dividend**	**Ex-dividend date for USD0.129/Share.**
30-May-23	IDHC	OGM	Approving financial statements ending 31 Dec. 2022.
30-May-23	ETEL	Financial results Announcement	Q1 2023 financial results' announcement.
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.
31-May-23	BINV	Cash dividend	Payment date for a dividend of USD0.129/Share.
31-May-23	MNHD	Cash dividend	Payment date for a dividend of EGP0.075/share (1st installment).
1-Jun-23	BTFH	Capital increase	Last day for eligibility to the capital increase.
1-Jun-23	SPMD	Right Issue	Last day of trading the rights issue.
1-Jun-23		MSCI	MSCI's May 2023 Semi-Annual Index Review Effective Date.
4-Jun-23	HELI	OGM	Approving financial statements.
5-Jun-23	JUFO	Cash dividend	Deadline for eligibility for a dividend of EGP0.15/Share.
6-Jun-23	BTFH	Capital increase	Capital increase subscription starting date.
6-Jun-23	JUFO	Cash dividend	Ex-dividend date for EGP0.15/Share.
6-Jun-23	CSAG	OGM	Approving the estimated budget of FY 2023/2024.
6-Jun-23	CSAG	EGM	Amending Article No. 3 of the company's bylaws.
7-Jun-23	ATQA	EGM	To renew the company's license for 25 years starting from the end of the previous license (30 May 2023).
8-Jun-23	JUFO	Cash dividend	Payment date for a dividend of EGP0.15/Share.
8-Jun-23	BTFH	OGM	Approving financial statements ending 31 Dec. 2022.
8-Jun-23	BTFH	EGM	Amending Article No. 29 of the company's bylaws.
15-Jun-23	ZMID	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
17-Jun-23	MICH	EGM	Amending Article No. 6 of the company's bylaws for increasing the authorized capital from EGP400mn to EGP1bn.
18-Jun-23	MOIL	OGM	Approving financial statements ending 31 Dec. 2022 and the proposed dividends.
18-Jun-23	MOIL	EGM	Discussing the continuation of the company.

Latest Research

DATE	PUBLISHED REPORT
14-May-23	Commercial International Bank [COMI] – Coping Mechanisms
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

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