

## Banque Misr Mutual Fund in Euro with a daily cumulative return (Day by Day Euro)

### Monthly Factsheet January 2024

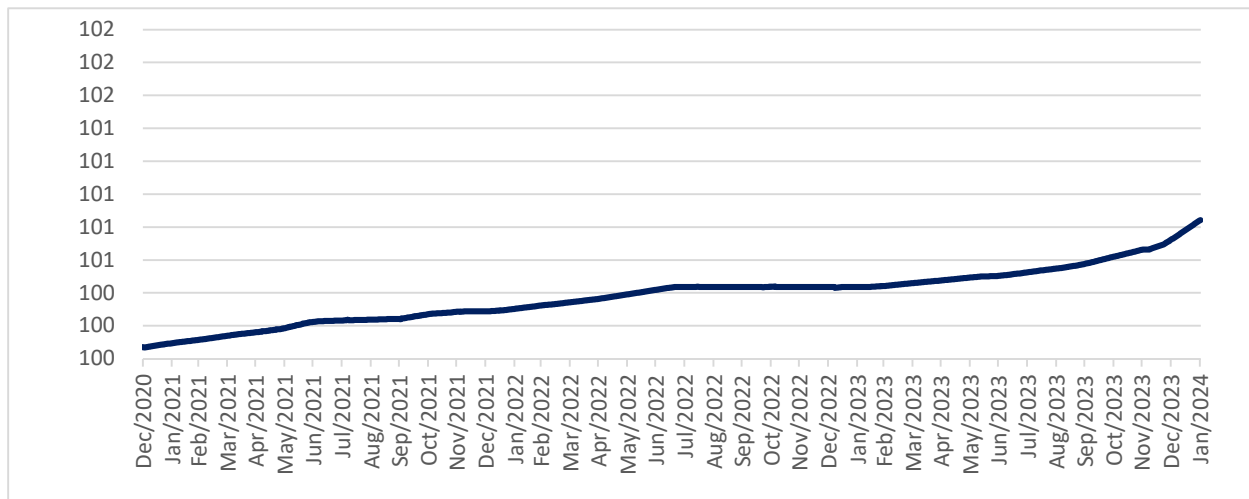
#### Investment Objective

The Fund's objective is to provide investors with daily liquidity while preserving capital and maximizing return. Its objectives are achieved through diversifying its investments in secure high-yielding short-term interest-bearing instruments. It invests in short- and medium-term investments such as sovereign bonds, Treasury Bills, notes, bonds and bank deposits, certificates of deposits, corporate bonds, and other Euro denominated securities.

#### Fund Information

IC Price (31-01-2024)	EUR 11.20529
<b>Managed By</b>	CI Asset Management
<b>Fund Manager</b>	Nayer Ezz Eldin
<b>Asset Class</b>	Money Market
<b>Inception Date</b>	2007
<b>Subscription/ Redemption</b>	Daily before 1PM from any of BM branches with the same day price.
<b>Investment Guidelines</b>	<p><b>Treasury Bills EURO:</b> Max allocation 100%</p> <p><b>Sovereign Bonds:</b>40% of NAV</p> <p><b>Corp. Bonds and Commercial papers:</b> 30% of NAV (20% max. for each).</p> <p><b>Cash &amp; Deposits:</b> Max allocation 100% of NAV.</p>
<b>Fund Auditors</b>	Baker Tilly

#### Performance: 3-Year Growth of 100:



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**Historical Returns**

1 Month Annualized Return*					2.56%
<b>Fund Return</b>					
Period	Year-to-Date	6 Months	9 Months	12 Months	
Simple Return	0.22%	1.15%	1.37%	1.47%	
Annualized Return	2.56%	2.28%	1.82%	1.47%	
<b>Calendar Prices</b>					
Year	Dec-20	Dec-21	Dec-22	Dec-23	Jan-24
IC Price (EUR)	11.01019	11.03166	11.04087	11.18100	11.20529

\*Annualized return is the expected return to be maintained by the end of the year based on the current asset allocation.

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#### Key Market Developments

- The FOMC maintained the target range for the federal funds rate at 5.25%-5.5%. The Fed also said that a March cut was not the base case as it still needs greater confidence that inflation is sustainably lower.
- The MPC decided to raise the CBE's overnight deposit, lending rate, and the rate of the main operation by 200bps to 21.25%, 22.25% and 21.75%, respectively. The discount rate was also raised by 200bps to 21.75%.
- The IMF will continue virtual discussions with the Egyptian government to determine the additional funding package. The IMF team ended its visit to Egypt and stated that they have agreed with the Egyptian authorities on the main policy elements of the program. Discussions required to reach a Staff Level Agreement for the combined first and second reviews of Egypt's economic reform program was completed successfully.
- Egypt will be excluded from JP Morgan bond index (GBI-EM index), effective 31 January, 2024. Egypt has been on the index watch since September, 2023 in response to FX convertibility issues. Egypt held a weight of 0.61%.
- Annual urban inflation decelerates to 33.7% in Dec-23 from 34.6% (up +1.4% MoM vs. +1.3% MoM in Nov-23), the third consecutive deceleration after six months of acceleration.
- World Bank downgrades FY23/24 growth forecast by 0.5ppts to 3.5% and FY24/25 by 0.8ppts to 3.9%.
- IMF downgrades growth forecasts for FY23/24 to 3.0% from 3.6% and FY24/25 to 4.7% from 5%.
- Moody's downgrades Egypt's outlook to 'Negative' from 'Stable' and keeps sovereign's credit rating at 'Caa1'.
- The Egyptian Exchange (EGX) announced results of its February 2024 Semi Annual Index Review. EGX announced that there will be a total of 3 exclusions from the EGX30 Index which are: CIEB (2.2% current weight), CIRA (0.8% current weight) and BINV (0.4% current weight). EGX announced that there will be a total of 3 inclusions which are: PHAR (0.6% proforma weight), ISPH (0.5% proforma weight) and SUGR (0.5% proforma weight).
- Suez Canal receipts fell 47% YoY to USD428mn in January as the number of ships passing through the waterway dropped almost 37% to 1.4k last month.
- Suez Canal to apply transit fees hikes of 5-15%. The hike is applicable to LNG and LPG vessels and vehicle carriers, while dry bulk vessels will bear a hike of 5%. Vessels from Northwestern Europe heading to the far east will receive an exemption from the hike.
- Egypt's NFAs deficit hit a new record high in December as it inched up to over USD27.2bn. Commercial banks dragged the figure down, with NFAs in commercial banks rising to a deficit of USD16.2bn in December, compared to USD15.8bn the month before. The CBE saw slight improvement, with its NFAs deficit reducing to negative USD11bn in December, from negative USD11.2bn in the previous month.
- Egypt's total budget deficit at 4.95% of GDP in 1HFY23/24 vs. 4% in 1HFY22/23.
- Public banks (Banque Misr and NBE) newly introduced high-yielding CDs of up to 27% for 12 months.
- Drug manufacturers will be meeting with the Egyptian Drug Authority (EDA) to discuss potential price hikes given ongoing FX and raw material shortages affecting the industry.
- Egypt's PMI recorded 48.1 in January, down from 48.5 in December. Both input costs inflation picked up to a 12-month high, driving a sharp and accelerated increase in output prices.
- The government has prepared a list of sites in 11 cities it plans to offer to investors to establish public freezones in a bid to attract foreign direct investments and boost exports.

- The cabinet approved cutting back government spending in FY23/24. The decision will cut funds allocated for investment by 15% and push back any new projects until 30 June 2024. The decision would exempt any investment project specifically approved by cabinet. The government will prioritize “necessary investments” and projects that are over 70% complete.
- The cabinet approved regulations that would abolish many tax and fee exemptions for state-owned enterprises.
- Egypt nets USD667mn car-import remittances in three months from Oct 30-Jan 29.
- Government reportedly mulls to issue bonds in UAE and Indian currencies.
- Egypt’s LNG exports fell 51.8% YoY in 2023, dropping to 3.52mn tons.
- The Consumer Protection Agency has requested that cigarette manufacturers provide reports on production levels and distribution channels in light of the significant surge in selling prices. Following two months of price stability, retail prices have increased again, with the Cleopatra brand now selling at EGP50/pack compared to an official price of EGP27/pack.
- Tourist arrivals recorded 14.9mn tourists in 2023 (+c27% YoY).
- EGX and Company related news:
  - COMI issues 3-year CDs at fixed rates of 20-22% with monthly interest payment. The minimum deposit is EGP5mn for the 22% CDs, EGP1mn for the 21%, and EGP100k for the 20%.
  - COMI capped its FX limits for locally executed transactions at EGP7.75k and capped limits executed abroad at EGP75k, depending on the bank account type. ADIB trimmed its FX transactions executed locally to USD50 across the board, and capped limits executed abroad to USD2k.
  - EAST reported 2QFY23/24 KPIs where earnings recorded EGP1,773mn (-12.4% YoY, +57.8% QoQ) with a margin of 36.8% (-1.3ppts YoY, +0.8ppts QoQ). The annual drop was driven by a decline in sales (-9% YoY) and a contraction in GPM (-11ppts YoY), reflecting continued volume weakness (local volumes: -c35% YoY) on persisting imported raw material shortages. The sequential rise was driven by both prices and volumes (local volumes: +48% QoQ) supporting sales (+54% QoQ), alongside recovery in GPM (+5.8ppts QoQ).
  - ABUK reported 2QFY23/24 earnings of EGP1.997bn (-53% YoY, flat QoQ), bringing 1HFY23/24 earnings to EGP4.014bn (-43% YoY).
  - EGAL released 2QFY23/24 KPIs where earnings recorded EGP1.8bn (+69% YoY, +11% QoQ), bringing 1HFY23/24 earnings to EGP3.4bn (+101% YoY). This came in mainly on revenue increase (+51% YoY, +23% QoQ) due to EGP devaluation despite a 6% YoY drop in aluminum cash price that averaged USD2,199/ton in 2QFY23/24. GPM during 2QFY23/24 recorded 30.6% (+4.5ppts YoY, -2.5ppts QoQ).
  - ALCN released 2QFY23/24 KPIs where earnings recorded EGP1.2bn (+9.6% YoY, 26.5% QoQ), implying NPM of 89.8% (-9.4ppts YoY, flat QoQ). This came in mainly on higher revenues (+21.1% YoY, +25.2% QoQ), supported by an increase in number of containers handled (+17.5% YoY, +21.3% QoQ).
  - QNBA recorded 4Q23 earnings of EGP3.70bn (+22.7% YoY, -4% QoQ), the slight sequential decline was mainly caused by lower FX gains, growing OPEX, higher provisions and effective tax rate, despite robust margins and healthy fees and commissions income which boosted annual growth. This brings 4Q23 NIM to 6.69% (+96bps YoY, +27bps QoQ), and RoE to 22.0% (-2bps YoY, -2.4ppts QoQ). Moreover, this brings CoR to c303bps (+49bps YoY, +87bps QoQ).
  - PHDC achieved 4Q23 sales of EGP24.5bn (+2.9x YoY, +59.8% QoQ), bringing FY23 sales to an impressive EGP59.5bn (+128.8% YoY). This came with a significant beat to the full-year management guidance of EGP25bn. The company targets EGP15bn worth of investments in 2024.
  - MASR achieved 4Q23 sales of EGP20.1bn (+up 342.6% YoY, +110.2% QoQ), bringing FY23 sales to EGP35.0bn (+211.1% YoY).
  - TALM reports 1QFY24 earnings of EGP219mn (+104.4% YoY) and a NPM of 56% (+9ppts YoY), mainly on robust revenue growth (+c71% YoY) and a solid pick-up in enrollments where NUB’s student body reached 9.2k students in AY23/24 (+c33% YoY, 69% utilization). A favorable student body mix (+37%

YoY increase in medical faculty enrollments) more than offset the rising staff costs, where GPM recorded 82.2% (+6.5ppts YoY).

- EKHO appointed Jon Rukk as its new CEO to succeed Sherif El Zayat, starting from 1 February.
- CLHO plans to invest cEGP2bn in capex over the next 18 months for the completion of phases one and two of Sky Hospital project in East Cairo and the expansion of the Cleopatra October facilities in West Cairo.
- EGCH's BoD approved increasing the company's authorized capital to EG128bn and raising the issued and paid-in capital from EGP5.9bn to EGP9.9bn with an increase of EGP4bn distributed over 800mn shares at a par value of EGP5 per share in addition to 5 piasters as issuance fees per share. Capital increase proceeds will be used to finance the nitric acid and ammonium nitrate project.
- ORHD raises USD cap rate for new reservations and additional works in El Gouna to EGP53 from EGP47, effective 1 Feb-23.
- MTIE announced a strategic partnership with Tata Motors to act as the official distributor for its commercial vehicles in Egypt.
- RAYA plans to list three subsidiaries (Raya Trade, Raya Information Technology, and Aman Financial Services).
- ETEL intends to roll out 5G network by the end of the year and trial operations within the coming three months.
- HELI is in talks for revenue-sharing agreement over 600 feddan at New Heliopolis and plans to self-develop 100 feddans also at New Heliopolis .The company's CEO indicated that the expected revenue from the project stands at EGP150bn, with HELI's share set at EGP30bn.

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