

Banque Misr Mutual Fund in Dollars with a daily cumulative return (Day by Day Dollar)

Monthly Factsheet March 2024

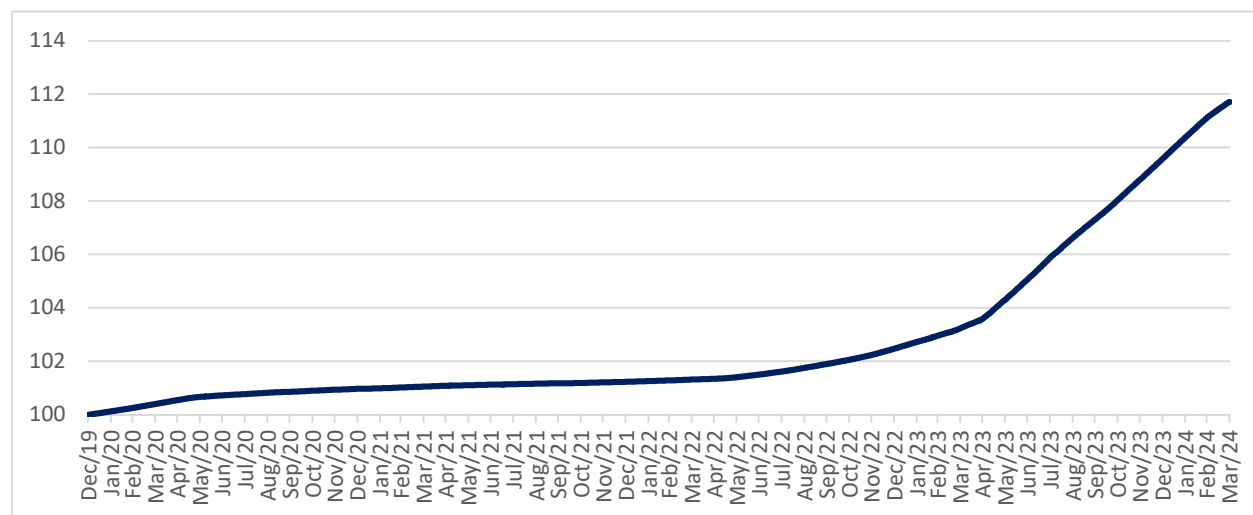
Investment Objective

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 USD denominated securities.

Fund Information

IC Price (31-03-2024)	USD 13.23944
Managed By	CI Asset Management
Fund Manager	Nayer Ezz Eldin
Asset Class	Money Market
Inception Date	2007
Subscription/ Redemption	Daily before 1PM from any of BM branches with the same day price.
Investment Guidelines	<p>Treasury Bills USD: Max allocation 100%</p> <p>Sovereign Bonds:40% of NAV</p> <p>Corp. Bonds and commercial papers: 30% of NAV (20% max. for each).</p> <p>Cash & Deposits: Max allocation 100% of NAV.</p>
Fund Auditors	Baker Tilly

Performance- Growth of 100:



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Historical Returns

1 Month Annualized Return*		6.33%			
Fund Return					
Period	Year-to-Date	6 Months	9 Months	12 Months	
Simple Return	1.95%	4.11%	6.33%	8.21%	
Annualized Return	7.81%	8.19%	8.40%	8.21%	
Calendar Prices					
Year	Dec-20	Dec-21	Dec-22	Dec-23	Mar-24
IC Price (USD)	11.96636	11.99730	12.14421	12.98662	13.23944

*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

- CBE hikes rates by 600bps in a surprise meeting, allowing FX rate to move freely to close the official parallel-rate gap.
- IMF board approves increasing size of the Extended Fund Facility by USD5bn to USD8bn, allowing the drawal of USD820bn as it completes first and second review. Egypt will receive the first tranche of an expanded loan agreement with the IMF next week.
- EU plans to fast-track EUR1bn out of the EUR7.4bn pledged for Egypt over 4 years. The EU intends to fast-track some of the funds using an urgent funding procedure that bypasses parliamentary oversight and other safeguards, according to the president of the bloc's executive branch. Egypt will receive the first tranche of the EU pledged EUR5bn concessional loans before next summer.
- Egypt will receive the second batch of financial dues for the Ras El Hekma project, within the next few weeks. The second instalment is valued at USD14bn. Egypt had received USD10bn in the previous period from the USD35bn deal and took measures to convert USD11bn from UAE deposits at the Central Bank into local currency.
- The World Bank will provide Egypt with a USD6bn financing package over the next three years, of which USD3bn will be allocated to support the government's structural reforms, social protection programs, and its green economy transition. The other USD3bn will be in the form of equity and loans to the private sector, channeled through the IFC.
- FTSE Russell is keeping Egypt on its watchlist for a possible demotion in its equity indexes as it continues to monitor the market following an improvement in foreign investors' ability to repatriate returns from the country.
- S&P upgraded Egypt's long- and short-term foreign and local currency sovereign credit outlook to positive from stable. This comes on the back of the significant increase in FDI inflows, recent policy measures taken by the CBE that will help drive GDP growth and over time support the government's fiscal consolidation plan.
- Egypt's recent FX injections, currency devaluation, and interest rate hike are not quite enough for Fitch to adjust the country's credit rating, as the recent developments were "already sort of baked into the rating and its stable outlook". Moreover, they highlight that the country's debt trajectory is "quite severe" with the debt-to-GDP ratio close to 100% and the interest cost to government revenue nearing 50%.
- Moody's affirmed Egypt's long-term foreign debt rating at Caa1, outlook upgraded to positive from negative. The change reflects significant official and bilateral support announced and marked policy steps that, if maintained, support macroeconomic rebalancing.
- Annual urban inflation accelerates to 35.7% in Feb-24 from 29.8% in Jan-24, a large spike after fourth consecutive deceleration; up +11.4% MoM, the highest ever monthly reading vs. +1.6% MoM in Jan-24.
- Government pays 20% of arrears due to international oil firms operating in Egypt within a plan to repay all dues during the coming period. Total arrears are reportedly worth USD6.25bn. Also, The Emirati company, Dana Gas, revealed that it received USD58mn in dues from Egypt during 2023 distributed between USD26mn in 1H23 and USD32mn 2H23. The company added they still have arrears of USD75mn.
- The Egyptian government has agreed with producers and distributors to reduce commodity prices by up to 20% this week going up to 30% after Eid Al Fitr. These commodities include sugar, grains, rice, wheat, flour, pasta, tea, dairy, cheese, ghee, butter, meat, oils, as well as engineering goods and electronics, and major commercial chains, representing more than 70% of the market volume.
- The EDA is looking to raise the prices of c3k medicines following the currency devaluation, with producers asking for price increases ranging from 30 to 80%.
- Cement players are planning to increase their selling prices following the government's decision to partially liberalize energy prices. Mazut prices, which form up 30% of the energy used by some cement companies, have increased by EGP1,700/t to EGP7,500/t, which will likely require players to marginally add a maximum of EGP100/t to pass the cost inflation.
- Governmental companies in Egypt raised the selling price of sugar to the commercial sector by 33%, bringing the price of a ton to EGP32k, due to the rise in production costs and the floatation of the EGP.
- The Egyptian government raised prices of fuel across all segments on Thursday between 8-21%. Also, the Committee decided to move mazut prices for the brick and cement industries and other sectors by EGP1,500 per ton starting Friday, while keeping prices unchanged for electricity and food sectors.

EGX and Company related news:

- MTIE reported 4Q23 earnings of EGP213mn (+68% YoY, -19% QoQ), implying a NPM of 9.0% in 4Q23 (+2.0ppts YoY, +2.9ppts QoQ) mainly on higher GPM of 14.3% (+0.7ppts YoY, +3.1ppts QoQ) boosted by higher contribution from the automotive segment, and profit from associates of EGP24.4mn (+5.3x YoY, 3.0x QoQ), driven by B Pharma Holding's contribution.
- FWRY reported 4Q23 earnings of EGP229mn (+97.3% YoY, +12.4% QoQ), implying a NPM of 24% in 4Q23 (+6.2ppts YoY, +0.7ppts QoQ).
- ECAP reported 4Q23 earnings of EGP31.4mn in 4Q23 (-6.3% YoY, -55.7% QoQ), implying a NPM of 4.7% (-1.7ppts YoY, -6.0ppts QoQ).
- EFID recorded 4Q23 earnings of EGP351mn (+3.4% YoY, -24.5% QoQ) with a margin of 10.2% (-3.5ppts YoY, -4.6ppts QoQ), mainly weighed down by net interest expense of EGP55.6mn during the quarter, compared to interest expense of EGP6.4mn in 3Q23 and interest income of EGP4.6mn in 4Q22. Higher revenues (+33.6% YoY, +8.2% QoQ) were backed by YoY and QoQ rise in all segments.
- ETEL recorded 4Q23 earnings of EGP2.31bn in 4Q23 (-23.2% YoY, -5.8% QoQ), implying a NPM of 15.7% (-9.4ppts YoY, -2.1ppts QoQ).
- POUL recorded 4Q23 earnings of EGP31.5mn (-58.9% YoY, -91.3% QoQ) with a margin of 1% (-3.4ppts YoY, -11.2ppts QoQ), mainly weighed down by FX losses of EGP238mn (+17% QoQ) and EGP84mn of provisions (+18% QoQ).
- ISPH recorded 4Q23 earnings of EGP39.6mn (-26.9% YoY, -5.7% QoQ), implying NPM of 0.4% in 4Q23 (-0.4ppts YoY, -0.1ppts QoQ).
- RMDA recorded 4Q23 earnings of EGP52.6mn (+3.6% YoY, -31.0% QoQ), implying NPM of 10.5% (-3.4ppts YoY, -3.8ppts QoQ).
- CLHO reported 4Q23 earnings of EGP107mn in 4Q23 (+36.0% YoY, -19.0% QoQ), implying a NPM of 10.1% (-1.0ppts YoY, -3.9ppts QoQ).
- ORAS recorded 4Q23 earnings of USD 43.8mn (-1.5% YoY), mainly due to lower income from BESIX, bringing 2023 earnings to USD158.6mn (+39.7% YoY).
- SWDY reported 4Q23 earnings of EGP1.7bn (-12% YoY, 18.4% QoQ), mainly affected by higher borrowing costs where net interest expense came in at EGP1.2bn in 4Q23 (+174% YoY, +11% QoQ) and an FX loss of EGP425mn vs EGP141mn in 3Q23 and a gain of EGP1,545mn in 4Q22.
- ORHD recorded 4Q23 earnings of EGP1.0bn (+255.0% YoY, +10.5% QoQ), bringing FY23 earnings to EGP2.8bn (+69.2% YoY).
- HRHO recorded 4Q23 earnings of EGP814mn (+106% QoQ, +1% YoY), bringing FY23 net attributable profit to EGP 2,498mn (+39% YoY).
- HRHO reportedly plans to sell 20-25% of its BNPL unit, valU, through an IPO on the EGX in 2024.
- Negotiations between SKPC and Ethydco for a merger are resumed after receiving the approval of ADQ for a share swap. The merger is expected to be finalized in 3Q24.
- QIA has resumed negotiations to acquire ETEL's stake in VFE. QIA and ETEL are still in negotiations on the size of the stake and are expected to reach an agreement within few weeks.
- CCAP plans to list its printing subsidiary, the National Printing Company, on the EGX in the second quarter of this year.
- CIEB BoD decided to cut its proposed cash DPS for FY23 from EGP2.47 (payout of 60%) to EGP1.1456 (payout of 28% & yielding 4.85%). Moreover, two other listed banks revised their FY23 cash DPS proposal; QNBA cut its proposed cash DPS by c33% (from EGP1.5 to EGP1) while SAUD cancelled cash dividends.
- TALM receives cabinet approval for Memphis University file. Memphis University is Taaleem's third asset, with a total estimated capacity of 7.8k students, spanning 80k sqm in East Cairo, to be developed over two phases.
- PHAR, along with other shareholders ACDIMA and SCZone, are reportedly looking into investor offers to acquire a stake in their newly established joint subsidiary for the production of active pharma ingredients.



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