

Morning Note

Egypt

Thursday January 14, 2010



Indices Summary

| | Index Points | Daily Change (%) | Month to Date (%) | Year to Date (%) | Value Traded USD mn |
|------------------------|--------------|------------------|-------------------|------------------|---------------------|
| DFM (Dubai) | 1,712.4 | -2.7 | -5.1 | -5.1 | 127.9 |
| ADX (Abu Dhabi) | 2,713.6 | -1.6 | -1.1 | -1.1 | 40.8 |
| Tadawul (Saudi Arabia) | 6,262.8 | -0.1 | 2.3 | 2.3 | 945.0 |
| MSM (Oman) | 6,577.3 | -0.5 | 3.3 | 3.3 | 7.1 |
| DSM (Qatar) | 6,834.2 | -1.1 | -1.8 | -1.8 | 62.9 |
| KSE (Kuwait) | 6,983.4 | -0.6 | -0.3 | -0.3 | 133.4 |
| BAX (Bahrain) | 1,475.3 | 0.0 | 1.2 | 1.2 | 1.6 |
| EGX 30 (Egypt) | 6,581.6 | 0.7 | 6.0 | 6.0 | 422.2 |

Source: Reuters

Market Commentary

The EGX30 index closed up 0.7% at 6,581.6 points led by Orascom Construction Industries. The market heavyweight gained 2.5% pushing the market upwards.

Telecom Egypt's losses partially offset these gains as it fell 1.7%. Orascom Telecom increased by 2.3%, having peaked with gains of 5.7% during the session. However, a court ruling blocking France Telecom's offer to buyout Mobinil at EGP 245 per share, led to a drop in the gain after the ruling. Mobinil's shares were also impacted by the court ruling and dropped 3.5%.

Companies' News

- An Egyptian court announced that it supports Orascom Telecom Holding's (OTH) (ORTE.CA) appeal against the Egyptian Financial Supervisory Authority's (EFSA) decision to approve France Telecom's (FT) offer to buy outstanding shares in the Egyptian Company for Mobile Services (Mobinil) (EMOB.CA). The decision comes one day before the end of the tender offer period for FT's subsidiary Orange Participations to buy all Mobinil's outstanding shares at EGP 245 each. The EFSA stated that due to the court ruling FT's offer will be halted. FT said in a statement that it regretted the decision and would seek to have the tender offer reinstated. The company also stated that the next hearing would be on February 13th, 2010. It is worth noting that during the purchase offer period of FT from December 15th to January 14th, 5% of Mobinil's shares were offered, the regulator stated that these selling offers will be cancelled. (Reuters, Al Alam Al Yom)

- Ghabbour Auto's (AUTO.CA) CEO stated that the company may spend EGP 400 million on acquisitions this year and could make its first purchase in the coming months using its proceeds from the EGP 1 billion bond issue. (Zawya)

Corporate Actions

- Egyptians Housing Development & Reconstruction (EHDR.CA) is planning to increase its issued capital from EGP 150 million to EGP 183.4 million. The EGP 33.4 million will be raised through the issuance of 16.7 million shares at a nominal value of EGP 2 per share, in order to acquire a stake of Arab World for Real Estate Development.

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Highest Traded Value

| Company | Close (EGP) | Value Traded in EGP mn |
|-----------------|-------------|------------------------|
| NILE CITY INV | 383.4 | 1,060 |
| ORASCOM TELECOM | 27.3 | 249 |
| ORASCOM CONSTR | 259.9 | 95 |
| EFG HERMES HOLD | 29.3 | 76 |
| TELECOM EGYPT | 18.5 | 59 |

Source: Reuters

Top Gainers

| Company | Close (EGP) | % Change |
|------------------|-------------|----------|
| NILE MATCH | 10.0 | 11.4 |
| GIZA CONTRACTING | 56.0 | 10.7 |
| EG DEV BLDG MTRL | 38.9 | 6.1 |
| 6TH OCT DEV INV | 87.1 | 4.8 |
| NATIONAL R-E BNK | 34.1 | 4.7 |

Source: Reuters

Top Losers

| Company | Close (EGP) | % Change |
|------------------|-------------|----------|
| EGYPT MEDIA PROD | 6.8 | -6.2 |
| RAKTA PAPER IND | 20.5 | -5.5 |
| NAMAA DEV&RL EST | 12.4 | -4.9 |
| RAYA TECH & COMM | 6.2 | -4.8 |
| KABO | 1.7 | -4.6 |

Source: Reuters

Trading Value

| Investor Type | % |
|---------------|------|
| Institutions | 63.8 |
| Retail | 36.2 |

| Investor Nationality | % |
|----------------------|------|
| Locals | 65.0 |
| Arabs | 4.4 |
| Foreigners | 30.6 |

Source: EGX

- Six of October Development and Investment Company (SODIC) (OCDI.CA) announced that existing shareholders can subscribe to the uncovered 12% portion of the shares offered in the rights issue. This amounts to 931 thousand shares of the original 7.9 million shares offered, at a nominal value of EGP 10 per share, in addition to an EGP 60 issuance premium per share. The reopening date of subscription to the rights issue is January 14th and ends on January 20th 2010. (EGX)
- Orascom Telecom Holding (OTH) (ORTE.CA) stated that the first offering of the new shares through the rights issue will start on January 31st, 2010 and end on March 1st, 2010. The second offering for the shares not covered in the first offering will take place between March 8th, 2010 and March 11th, 2010. The company stated that existing shareholders, who chose not to participate in the rights issue, will face the risk of diluting their stake in OTH. (Company Press Release)

Agenda

- January 31: Heliopolis Housing cash dividend of EGP 0.50.



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