



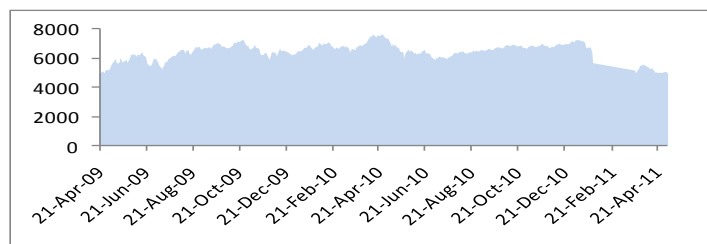
FINANCIAL SERVICES CENTER

1-7 May 2011

EGYPT WEEKLY MARKET REVIEW

Market Performance

EGX30 Index 05-05-2011



| EGX 30 Index | |
|--------------|----------|
| Close* | 4937.06 |
| Open | 4977.78 |
| High | 4977.93 |
| Low | 4935.32 |
| Prev. Close | 5003.65 |
| %Chg | -1.33 |
| Yr. H | 7,693.46 |
| Yr. L | 4,794.88 |

Egypt Business Headlines

Egypt's Arafa net jumps 68 pct in year ended January

Arafa Holding, Egypt's biggest garment exporter consolidated net profit for the 12 months to Jan. 31 jumped by 68 percent from a year earlier. The firm, which specializes in men's wear and exports 75 percent of its goods, mainly to Europe, said revenue had been reduced after it divested two of its units, SRG & Melka, during 2010. Net profit rose to \$17.1 million from \$10.2 million a year earlier, while revenue dropped 14.8 percent to \$283.3 million.

Misr Beni Suef gets approval for capital increase

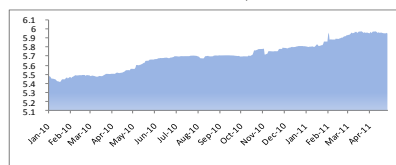
Shareholders of Egypt's Misr Beni Suef Cement approved a LE 5 cash dividend and a proposal to boost its capital by 25 percent, the firm said in a statement released by Egypt's bourse. Misr Beni Suef's board had proposed in March to increase the firm's capital by LE 100 million to support its capital base. The cement maker said in March that 2010 net profit fell 22 percent to LE 303.9 million. Shares of Misr Beni Suef jumped 5.5 percent on Monday, while Egypt's benchmark share index rose 1 percent.

Exchange Rates

Egyptian Pound (EGP) per:

| | |
|----------------|------|
| U.S Dollar | 5.94 |
| Euro | 8.80 |
| Pound Sterling | 9.79 |
| Japanese Yen | 7.43 |
| Swiss Franc | 6.91 |

USD/EGP 07-05-2011



Highlight of the Week

Hermes reiterates Buy rating on Mobinil

EFG-Hermes said that Mobinil results came below its estimates at all levels, especially at LINKdotNET. The quarter was impacted by events in Egypt (mobile services were cut in Egypt for one day, SMS for eight days, and data services (fixed and mobile) for five days) and is a one-off bad quarter. Hermes said it maintained its forecasts and fair value for now given that 1Q2011 was likely a one-off quarter and as we await another quarter of stable operations to have more visibility on the company's FY2011 outlook. Their current FV offers 16% upside potential over the market price, hence they reiterate their Buy rating.

GDR/EDR Weekly Trading

| GDRs on LSE | Price US\$ | %Chg |
|---------------------|------------|-------|
| CIB (1:1) | 4.8 | -0.2 |
| EFG-Hermes (1:2) | 6.6 | 10.9 |
| Lecico (1:1) | 4.10 | 0.00 |
| Palm Hills (1:5) | 5.30 | 0.00 |
| OCI (1:2) | 40.81 | 1.3 |
| OT (1:5) | 3.29 | -4.6 |
| Suez Cement (1:1) | 7.50 | 0.00 |
| Telecom Egypt (1:5) | 11.99 | 2.9 |
| EDR on CASE | Price EGP | % Chg |
| Orascom DH (10:1)* | 35.3 | -4.1 |

Money Market Statistics

| | Latest | Date |
|---------------------|--------|----------|
| 91 day T-Bill Y | 11.12 | 04/05/11 |
| 182 day T-Bill Y | 11.41 | 04/05/11 |
| 364 day T-Bill Y | 15.50 | 04/05/11 |
| Overnight Interbank | 8.77 | 02/05/11 |
| CBE Disc Rate | 8.87 | 02/08/09 |

Interest Rates

| | 1M | 3M | 6M | 12M |
|-------------|---------|--------|--------|--------|
| LIBOR (USD) | 0.2038 | 0.2670 | 0.4250 | 0.7490 |
| SAIBOR | 0.3562 | 0.7437 | 0.8437 | 1.0437 |
| AEIBOR | 1.40875 | 1.9775 | 2.1625 | 2.3875 |
| KIBOR | 0.5625 | 0.8125 | 1.0625 | 1.3125 |
| CAIBOR | 8.8456 | 8.9944 | 9.1857 | 9.3929 |

UPCOMING EVENTS

TMT Finance & Investment Middle East

Date: May 9th-10th, 2011

Venue: Dubai



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Regional Indices

| | | | | | | | | | | | | | | | | | |
|---------|----------|-------|--------|--------|-------|------|--------|------|--------------|----------|-------|-------|----------|-------|-------|----------|-------|
| Bahrain | 1,393.17 | -0.83 | Kuwait | 626.82 | -1.51 | Oman | 6338.8 | 0.07 | Saudi Arabia | 6,577.74 | -1.49 | Dubai | 1,607.29 | -1.30 | Qatar | 8,452.38 | -1.03 |
|---------|----------|-------|--------|--------|-------|------|--------|------|--------------|----------|-------|-------|----------|-------|-------|----------|-------|

Commodities

| | Buy/Bid | Sell/Ask |
|-------------|---------|----------|
| Brent Crude | 114.57 | 114.59 |
| Gold | 1494.05 | 1494.05 |
| Silver | 35.60 | 35.65 |
| Platinum | 1781.75 | 1791.75 |
| Palladium | 713.88 | 720.88 |

Bullish

| Stock | Last | TP |
|-------------------|-------|-------|
| OXIGENE, Inc. | 3.56 | 7.00 |
| Sequenom, Inc | 7.75 | 7.85 |
| Zoltek Companies, | 10.80 | 13.33 |

Bearish

| Stock | Last | TP |
|------------------------------|-------|-------|
| Rio Tinto Plc | 67.49 | 98.27 |
| AK Steel Holding Corporation | 14.91 | 20.07 |
| Exelixis, Inc. | 10.95 | 11.20 |

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Regional Business Headlines

Kuwait Finance eyes asset growth

Kuwait Finance House, Malaysia's first foreign Islamic bank, expects its retail, consumer and commercial businesses to make up 50 per cent of its total assets by 2015. The group's total assets in 2009 stood at RM11.57 billion, of which corporate and investment banking accounted for RM3.13 billion, commercial banking RM3.59 billion and retail and consumer RM1.04 billion. "To achieve this, the bank will concentrate on expanding its personal finance business and produce more innovative Syariah-based products and services," KFHHB head of retail and commercial banking division, Mohamed Iqbal Mohamed Iqbal, said.

UAE says GDP fell in 2009 after 21 years of growth

UAE's economy shrank 1.6% in 2009, the first contraction since 1998, compared with a previous government estimate of 1.3% growth. The OPEC member's economic growth for the oil-boom year of 2008 was revised sharply downward to 3.3% from a previous 7.4%.

World Business Headlines

Republic of Ireland to get 'EU loan rate reduction

Ireland is to get an interest rate cut on the emergency loans it has acquired from EU bodies. Currently, Ireland pays an average rate of 5.8% on loans agreed with the IMF, fellow Eurozone countries and a special fund set up by the European Commission. It is unclear how much of a cut this will entail, but a 1% cut could be worth up to 400m euro. Sources say a special written procedure will be adopted ahead of the meeting of EU finance ministers on 17 May. This speeds up the implementation of a rate cut as it would bypass the need for a full vote by all 27 EU commissioners on the matter. Although Britain is not a member of the Eurozone, it would be involved in any agreement to change Ireland's bail out loans. That is because the UK pays into the European Financial Stabilization Mechanism as part of the EU Commission's budget affecting all 27 member states

AIG profits hit by loan repayment and natural disasters

Insurance giant AIG has seen profits fall sharply after repaying government support and incurring heavy losses from natural disasters. AIG's first quarter profit was \$269m after making \$1.8bn a year earlier. The company took a charge of \$3.3bn for repaying the Federal Reserve Bank of New York two years early. It also lost \$1.7bn from disasters including Japan's earthquake. Those came at its global insurance arm, Chartis, a property-casualty business. The losses also include those incurred from the New Zealand earthquake and massive flooding in Australia. AIG is 92%-owned by the US government, which intends to start returning the company to public ownership this month. AIG also set aside \$385m to pay the US Treasury for the costs related to selling its shares.

World Indices

| | | | | | | | | | | | | | | | | | |
|------|-----------|-------|--------|---------|-------|-------|--------|-------|-----|---------|-------|--------|---------|-------|----------|---------|-------|
| DJIA | 12,638.74 | -1.34 | Nasdaq | 2827.56 | -1.60 | S&P50 | 1340.2 | -1.72 | DAX | 7492.25 | -0.30 | CAC 40 | 4058.01 | -1.19 | FTSE 100 | 5976.77 | -1.53 |
|------|-----------|-------|--------|---------|-------|-------|--------|-------|-----|---------|-------|--------|---------|-------|----------|---------|-------|



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