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**The World Bank has downgraded its growth projections for the Egyptian economy in 2021-2022.** The bank sees GDP growing at a 2.3% during the state's current 2020-2021, compared to 2.7% in its January forecast, and expects 4.5% growth in 2021-2022, a downward revision compared to 5.8% previously. On the other hand, Finance Minister Mohamed Maait is sticking to its forecast that the economy will grow 2.8% in the fiscal year ending this month. We believe that if the World Bank is right, it would mean that we're waiting another year to return to pre-pandemic growth levels. It would be an exceptionally strong but uneven recovery.

01

**Tycoon Holding submitted a non-binding offer to buy up to 90% of brokerage house ANFI,** as the Alexandria National Company for Financial Investments is better known, at EGP 5.55 per share valuing the company at around EGP 29mn. It's worth mentioning that the highest bid so far was by a group of investors including Egyptian businessman Ahmed El Saba and Saudi Arabia's Mostafa El Humeidan offering to acquire 75-90% of the company for EGP 7.48 per share, and are currently doing due diligence.

02

**Competition intensifies to acquire Alexandria's largest hospital.**

Alexandria Medical Investments subsidiary TAT Medical Services has upped its bid for 100% of Alex Medical Services and is now willing to pay EGP 49.04 per share valuing the company at around EGP 700 mn.

03

**Remittances are looking up.**

Egyptian expats sent USD 23.4bn back home between January and March this year, up almost 9% from USD 21.5bn in Q3-2019/2020. On a monthly basis, remittances from foreign workers increased 11% y-o-y to USD 2.9bn, compared to USD 2.6bn in the same month last year. It worth noting that despite the spread of the Corona pandemic, remittances from Egyptians abroad remained at their levels and even increased by \$1.7 billion during the first half of fiscal year 2019-2020.

04

**Egypt is now part of the FTSE Russell's new bond index, which tracks local currency bonds issued in frontier markets.**

Out of the 588 bonds on the index, 80 local Egyptian bonds are featured, giving them a weighting of c. 13.6%. As of the end of March they carried an average yield of 14.86%. We believe this is definitely a great news for bond inflows as Egypt added to FTSE frontier bond index.

05

**Moving to Egypt Debt Talk: The Finance Ministry wants to go forward with a USD 2bn sukuk issuance at the beginning of the next fiscal year in July,** marking the first time ever that

Egypt has issued sharia-compliant sovereign debt. Good news also to share from Maait: Foreign holdings of Egyptian debt haven't changed much over the past three months: Holdings of bills and bonds stood at between USD 28-29bn at the end of May.

06

**Egyptian VC outfit 138 Pyramids will set up an SME-focused private equity company.**

The Pyramid Private Equity Company will be established with EGP 10mn in initial capital, and will invest in local SME manufacturers and exporters with annual revenues as low as EGP 50mn. Pyramid Private Equity wants to have deployed EGP 1bn by 2024, and wants to bring financial institutions into the fold to become partners and ramp up investments.

07

**Ghazl El Mahalla's IPO could go to market in the next two months** as the club finalizes

procedures with the Financial Regulatory Authority (FRA) ahead of the sale. The football club has priced its IPO at EGP 1 per share, and is looking to reel in EGP 135mn from the offering.

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