



# Quarterly Report (January - March 2010)

# 1. Market Performance

## a. Market Indices Performance

The Egyptian market saw an outstanding performance during the first quarter of 2010 year, outperforming all emerging and developed markets in January 2010, according to Morgan Stanley.

The market continued its good performance during February and March, with EGX30 index breaking the 7,000 points threshold in mid February, recording 7062 points.

Despite the market's slump during the first half of March, it has rebounded again till the end of the first quarter of 2010, with EGX30 concluding the period at 6806 points, realizing 9.6% gains. Likewise, EGX 70 index surged by 11.2%, concluding the first quarter of 2010 at 715 points. Additionally, EGX 100 index recorded a 9.6% increase, closing the period at 1161 points.

Worth mentioning that the first quarter of 2010 witnessed several important events, with the launch of the S&P/EGX ESG Index coming on top. The index was launched by EGX in collaboration with the Egyptian Institute of Directors and Standard & Poor's. The Index is considered the first in the Middle East and the second to be launched among the emerging markets after India. The index recorded a 16% increase during the first quarter of 2010.

Additionally, Van Eck Global has launched the first ETF to track Egypt, traded in New York exchange under the name Market Vectors Egypt Index ETF. The index is considered the first of its kind worldwide concentrating on the Egyptian market, which asserts the foreign institutions' confidence in the Egyptian market.

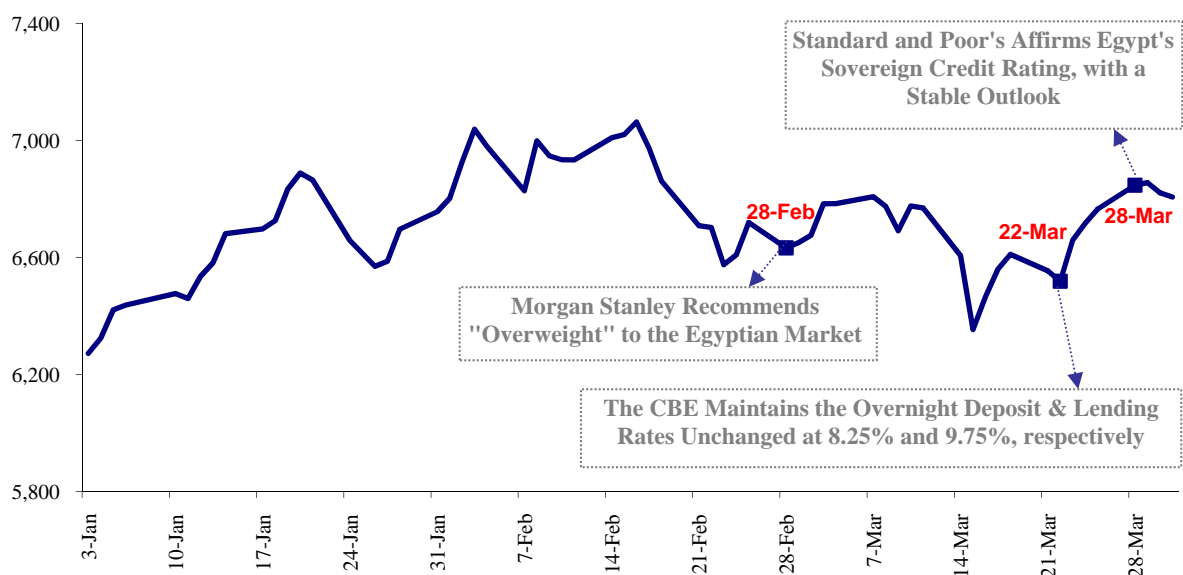
Another equally important event was the IMF announcement that the Egyptian economy showed its flexibility in weathering the crisis, due to the economic reform program undertaken by the government since 2004, which stimulated the investment climate in Egypt.



|  | % Change           |                    |
|--|--------------------|--------------------|
|  | (Jan – March 2009) | (Jan – March 2010) |
| EGX 30 Index (in Local Currency Terms) | -8.76%             | 9.62%              |
| EGX 30 (in US\$ Terms)                 | -10.79%            | 9.22%              |
| EGX 70 Index                           | 8.80%              | 11.24%             |
| EGX 100 Index                          | 3.36%              | 9.58%              |
| DJ EGX Egypt Titans 20 Index           | -10.90%            | 9.79%              |
| S&P/EGX ESG Index                      | -3.62%             | 16.14%             |

|  | Open     | High     | Low      | Close    |
|--|----------|----------|----------|----------|
| EGX 30 Index (in Local Currency Terms) | 6,208.77 | 7,062.66 | 6,272.00 | 6,806.11 |
| EGX 30 (in US\$ Terms)                 | 3,841.57 | 4,373.36 | 3,883.17 | 4,195.79 |
| EGX 70 Index                           | 642.93   | 809.48   | 647.85   | 715.20   |
| EGX 100 Index                          | 1,059.33 | 1,257.53 | 1,056.09 | 1,160.82 |
| DJ EGX Egypt Titans 20 Index           | 1,314.33 | 1,491.82 | 1,325.38 | 1,442.97 |
| S&P/EGX ESG Index                      | 917.62   | 1,065.73 | 931.06   | 1,065.73 |

**EGX 30 Index (in Local Currency Terms)  
over the Period (January-March 2010)**



## b. Sector Indices Performance

EGX sectors have witnessed a good performance during the first quarter of 2010. The Chemicals sector topped the market, surging by 30.4% over the period.

The Banks sector and the Basic Resources stood as number two and three, soaring by 18.9% and 18.5%, respectively.

The fourth and the fifth places were booked by the Industrial Goods, Services & Automobiles sector and the Financial Services excluding Banks sector, rising up by 16.7% and 15.3%, respectively. Additionally, the Financial Services excluding Banks sector ranked second in terms of volume traded, locking in 759 million shares worth LE 11.1 billion.

The Travel & Leisure sector and the Real Estate sector surged by 14.7% and 12.1%, respectively. Moreover, the Travel & Leisure sector came in the fifth place in terms of volume traded, registering 687 million shares worth LE 2 billion. Meanwhile, the Real Estate sector ranked

first in terms of volume traded, recording 802 million shares worth LE 8.3 billion.

The Food and Beverage sector and the Construction and Materials sector ranked eighth and ninth, soaring by 11.2% and 7.7%, respectively.

Tenth in line came the Personal and Household Products sector, surging by 7.2%. Additionally, the sector ranked fourth in terms of volume traded, recording 697 million shares worth LE 3.4 billion.

Finally, the Healthcare & Pharmaceuticals sector and the Telecommunications sector realized the lowest increases of 5.3% and 1.5%, respectively. The Telecommunications sector, however, came in the third place in terms of volume traded, registering 709 million shares worth LE 7.9 billion.

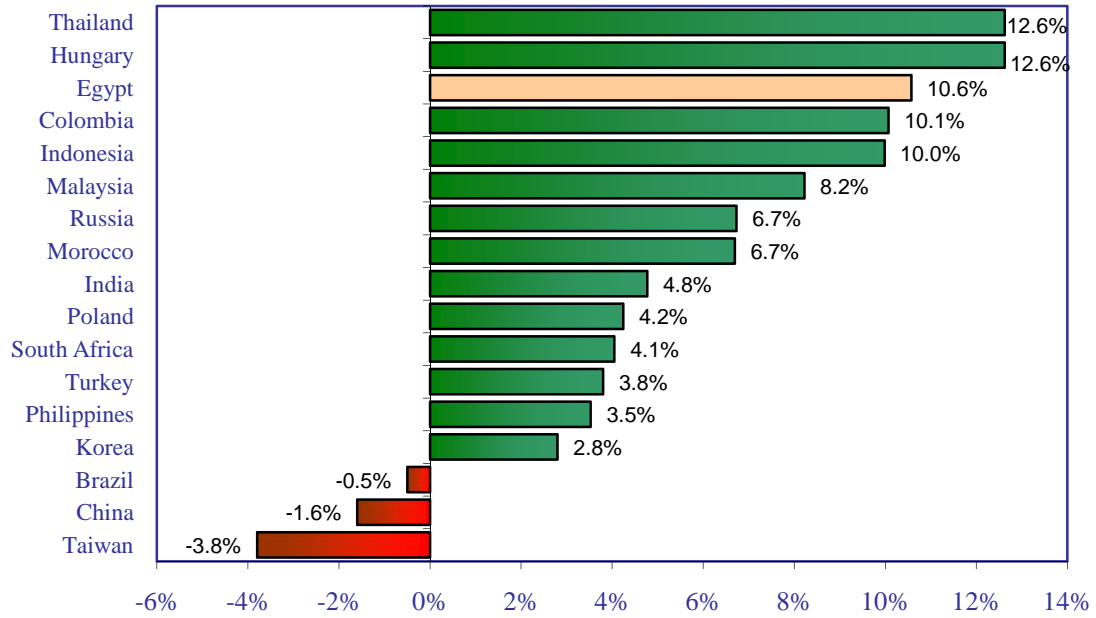
| Sector Name                              | % Change          |                    |
|--|-------------------|--------------------|
|  | (Jan– March 2009) | (Jan – March 2010) |
| Chemicals                                | -3.5%             | 30.4%              |
| Banks                                    | -8.5%             | 18.9%              |
| Basic Resources                          | -22.5%            | 18.5%              |
| Industrial Goods, Services & Automobiles | -21.8%            | 16.7%              |
| Financial Services excluding Banks       | -12.4%            | 15.3%              |
| Travel & Leisure                         | -10.1%            | 14.7%              |
| Real Estate                              | 11.0%             | 12.1%              |
| Food & Beverage                          | 9.3%              | 11.2%              |
| Construction & Materials                 | -3.7%             | 7.7%               |
| Personal & Household Products            | -9.4%             | 7.2%               |
| Healthcare & Pharmaceuticals             | -4.5%             | 5.3%               |
| Telecommunication                        | -9.5%             | 1.5%               |

### 5 Most Active Sectors in terms of Volume Traded

| Sector                             | Trading Volume (million shares) | Trading Value (LE million) | Average P/E Ratio 31/03/2010 | Average DY (%) 31/03/2010 |
|------------------------------------|---------------------------------|----------------------------|------------------------------|---------------------------|
| Real Estate                        | 802                             | 8,326                      | 15.82                        | 3.44                      |
| Financial Services excluding Banks | 759                             | 11,051                     | 19.63                        | 9.23                      |
| Telecommunications                 | 709                             | 7,852                      | 11.14                        | 3.50                      |
| Personal & Household Products      | 697                             | 3,433                      | 18.02                        | 3.53                      |
| Travel and Leisure                 | 687                             | 2,046                      | 13.85                        | 23.17                     |

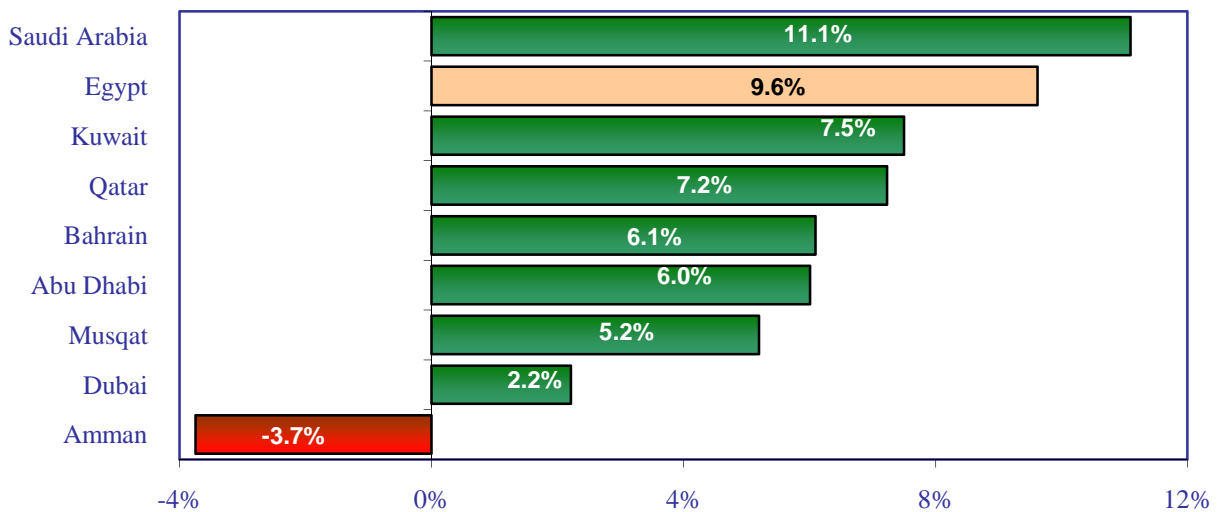
## 2. Egypt vs. Emerging Markets

Percentage Change in MSCI Egypt vs. Other Emerging Markets over the Period (January-March 2010)



## 3. Egypt vs. Arab Markets

Percentage Change in Arab Markets' Indices over the Period (January-March 2010)



## 4. Trading Aggregates

### a. Total Market

| Indicators   | 2009         | Jan-March 09 | Jan-March 10 |
|--|--------------|--------------|--------------|
| <b>1. Trading Aggregates</b>   |              |              |              |
| <b>Total Volume Traded (billion)</b>                                   | <b>36.6</b>  | <b>7.2</b>   | <b>7.7</b>   |
| Volume Traded (Listed Securities)                                      | 28.6         | 5.5          | 6.0          |
| Volume Traded (Unlisted Securities)                                    | 8.0          | 1.7          | 1.7          |
| <b>Total Value Traded (LE billion)</b>                                 | <b>448.2</b> | <b>60.8</b>  | <b>82.3</b>  |
| Value Traded (Listed Securities)                                       | 333.5        | 48.1         | 72.7         |
| Value Traded (Unlisted Securities)                                     | 114.7        | 12.7         | 9.6          |
| <b>Total Number of Transactions (million)</b>                          | <b>14.6</b>  | <b>3.1</b>   | <b>3.1</b>   |
| Number of Transactions (Listed Securities)                             | 13.5         | 2.8          | 2.9          |
| Number of Transactions (Unlisted Securities)                           | 1.1          | 0.3          | 0.2          |
| <b>Average Daily Value Traded (LE billion)</b>                         | <b>1,822</b> | <b>997</b>   | <b>1,327</b> |
| Average Daily Value Traded (Listed Securities)                         | 1,356        | 789          | 1,173        |
| Average Daily Value Traded (Unlisted Securities)                       | 466          | 208          | 154          |
| <b>Turnover Ratio (%)**</b>  | <b>49.9*</b> | <b>9.9</b>   | <b>13.0</b>  |
| <b>Foreign Participation as % of Total Value Traded</b>                | <b>12.7*</b> | <b>15</b>    | <b>15</b>    |
| <b>Arab Participation as % of Total Value Traded</b>                   | <b>6.3*</b>  | <b>5</b>     | <b>7</b>     |
| <b>Number of Trading Days</b>  | <b>249</b>   | <b>61</b>    | <b>62</b>    |
| <b>2. Listed Companies</b>   |              |              |              |
| <b>Number of Listed Companies</b>                                      | <b>306</b>   | <b>351</b>   | <b>219</b>   |
| <b>Average Company Size (LE million)***</b>                            | <b>1633</b>  | <b>1,123</b> | <b>2,103</b> |
| <b>Number of Traded Companies</b>                                      | <b>289</b>   | <b>228</b>   | <b>195</b>   |
| <b>Number of Traded Companies as a % of Number of Listed Companies</b> | <b>94</b>    | <b>65</b>    | <b>89</b>    |
| <b>Market Capitalization End of Year (LE billion)****</b>              | <b>500</b>   | <b>394</b>   | <b>461</b>   |
| <b>Market Capitalization as % of GDP</b>                               | <b>48</b>    | <b>44</b>    | <b>44</b>    |

Securities include stocks, bonds and mutual funds

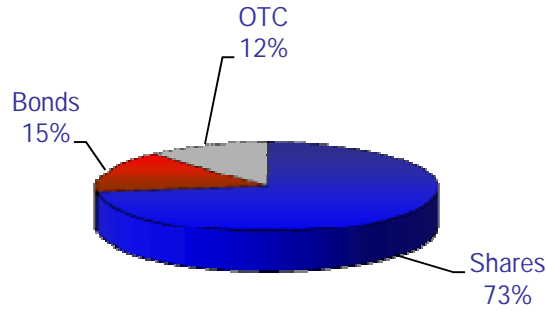
\* After excluding deals

\*\* Turnover Ratio (%) = value traded of listed shares / market capitalization

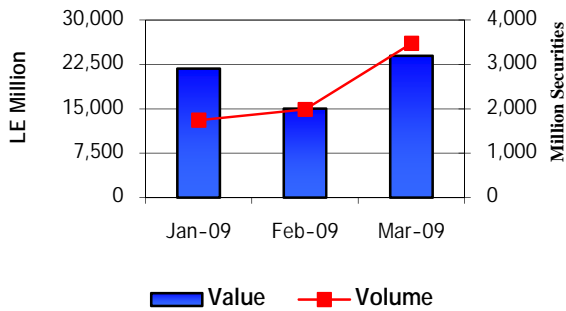
\*\*\* Average Company Size = market capitalization end of year / no. of listed companies

\*\*\*\* Market Capitalization = no. of listed shares x market price end of year

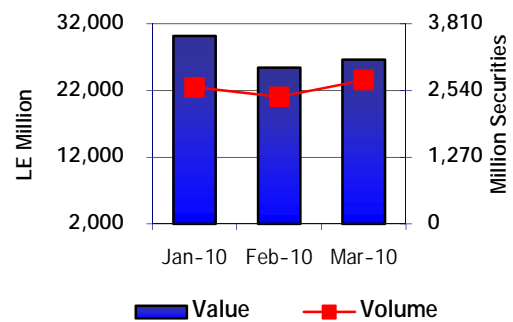
### Trading Value over the Period (January-March 2010)



#### Monthly Trading Value & Volume over the Period (Jan-March 09)



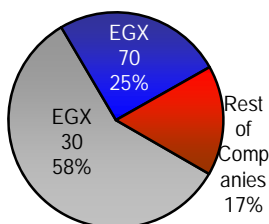
#### Monthly Trading Value & Volume over the Period (Jan-March 10)



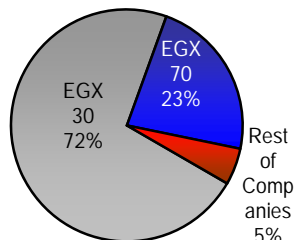
|         | Trading Value (LE million) | Trading Volume (million) | # of Trades (thousand) |
|---------|----------------------------|--------------------------|------------------------|
| EGX 30  | 34,941                     | 4,338                    | 1,273                  |
| EGX 70  | 15,209                     | 1,362                    | 1,329                  |
| EGX 100 | 50,150                     | 5,701                    | 2,602                  |

### EGX Indices' Constituents as % of Total Listed Stocks' Trading Aggregates

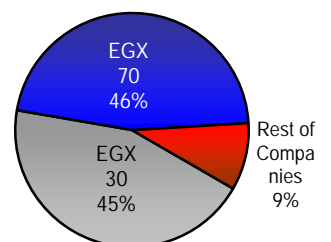
#### Value Traded



#### Volume Traded



#### Number of Trades



### c. Companies Traded within 20% Price Limits

|  | Trading Value<br>(LE million) | Trading Volume<br>(million) | # of Trades<br>(thousand) |
|--|-------------------------------|-----------------------------|---------------------------|
| Companies Traded within 20% Price Limits | 54,649                        | 5,941                       | 2,811                     |
| % of Total Listed Stocks                 | 91.0%                         | 98.9%                       | 98.0%                     |

\* Worth mentioning that the companies traded within 20% limit accounted for 96% of the total value traded after excluding deals

### d. Intra-day Trading

**5 Most active companies in terms of volume traded according to the Intra-day Trading System**

| Company Name  | Trading Volume<br>(million) | Trading Value<br>(LE million) | # of Trades    |
|---|-----------------------------|-------------------------------|----------------|
| Orascom Telecom Holding (OT)                                  | 139                         | 1,119                         | 39,507         |
| Egyptian for Tourism Resorts                                  | 126                         | 262                           | 11,825         |
| TMG Holding   | 99                          | 744                           | 16,765         |
| Upper Egypt Contracting                                       | 68                          | 115                           | 10,831         |
| Egyptian Electrical Cables                                    | 56                          | 70                            | 6,999          |
| <b>Total Trades Executed Through Intra day Trading System</b> | <b>905</b>                  | <b>5,890</b>                  | <b>302,694</b> |
| % of Total Listed Stocks                                      | 15%                         | 10%                           | 11%            |

### e. Brokerage Firms Eligible for Online Trading



## f. Investors' Activity

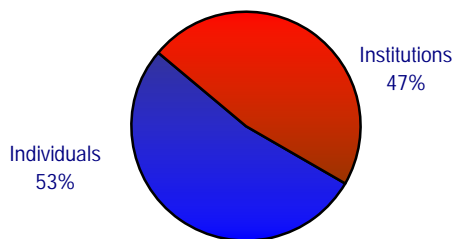
### Individuals vs. Institutions

During the 1<sup>st</sup> quarter of 2010, the institutions accounted for 47% of the value traded, while the remaining 53% were for the individuals (after excluding deals), as shown in the figure below.

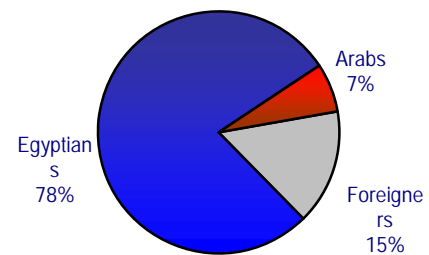
### Egyptians vs. Foreigners

The Egyptians controlled 78% of the value traded during the 1<sup>st</sup> quarter of 2010. Non-Arab foreign investors accounted for 15%, while Arab investors captured 7%. Non-Arab foreign investors were net buyers, with a net equity inflow of LE 2.9 billion. Meanwhile, Arab investors were net sellers, with a net equity outflow of LE 713 million (after excluding deals).

Individuals vs. Institutions\*



Egyptians vs. Foreigners\*



\* After excluding deals

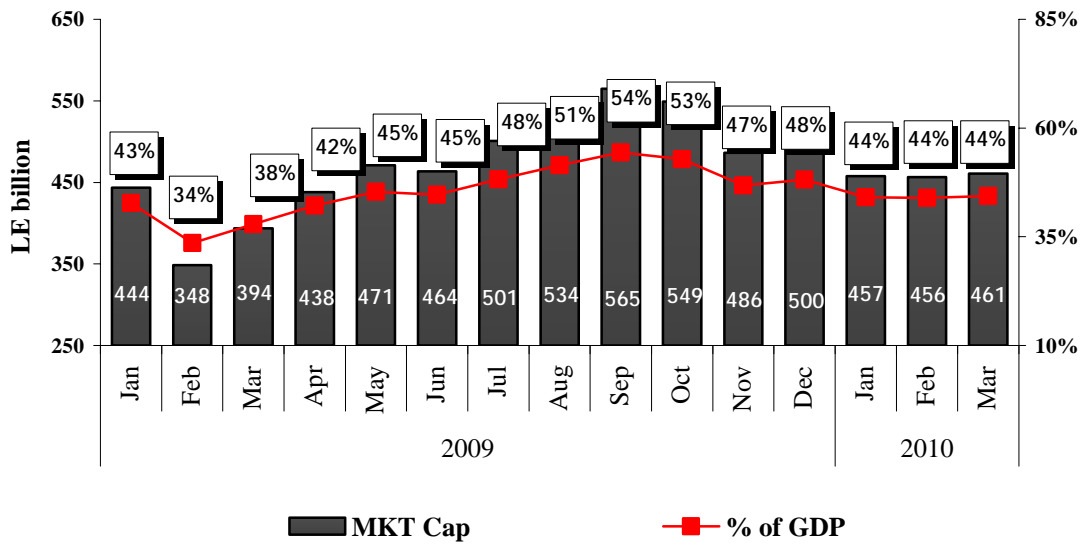
## 5. Market Capitalization

| In LE Billion                   | 31/03/2010 | 31/12/2009 | Change (%) |
|---------------------------------|------------|------------|------------|
| Total Market Cap.               | 460.7      | 500.0      | -7.9%      |
| EGX 30 Market Cap.              | 245.9      | 227.3      | 8.2%       |
| EGX 70 Market Cap.              | 55.3       | 47.9       | 15.6%      |
| EGX 100 Market Cap.             | 301.2      | 275.2      | 9.5%       |
| Total Market Cap. as a % of GDP | 44.4%      | 48.1%      |            |

GDP used is LE 1038.6 billion according to the Ministry of Finance

\* Worth mentioning that the decline in the market capitalization is mainly attributed to the delisting of a number of companies, at the beginning of 2010, that did not comply with the new listing rules after granting them a grace period ended on 31 December 2009.

Market Capitalization as a % of GDP



## 6. Bonds

|   | Trading Value<br>(LE million) | Trading Volume<br>(thousand) |
|---|-------------------------------|------------------------------|
| <b>Government Bonds</b>                                   | <b>12,582</b>                 | <b>12,205</b>                |
| Housing Bonds   | 0                             | 0                            |
| Government Bonds (According to<br>Primary Dealers System) | 12,582                        | 12,205                       |
| <b>Corporate Bonds</b>                                    | <b>77</b>                     | <b>732</b>                   |
| <b>Total</b>  | <b>12,659</b>                 | <b>12,937</b>                |

## 7. GDRs

|  | Conversion Ratio* | GDR Closing Price (US\$) on 31/03/2010 | GDR Closing Price (US\$) on 31/12/2009 | % Change |
|--|-------------------|--|--|----------|
| Commercial International Bank (CIB)      | 1.00              | 11.70                                  | 10.00                                  | 17.0%    |
| Pachin                                   | 3.00              | 2.80                                   | 2.80                                   | 0.0%     |
| Suez Cement                              | 1.00              | 8.25                                   | 7.55                                   | 9.3%     |
| El Ezz Steel ^                           | 0.33              | 32.50                                  | 32.50                                  | 0.0%     |
| LAKAH Group**                            | 0.33              | 0.44                                   | 0.44                                   | 0.0%     |
| Egyptian Financial Group Hermes Holding  | 0.50              | 11.52                                  | 9.20                                   | 25.2%    |
| Telecom Egypt                            | 0.20              | 15.01                                  | 16.00                                  | -6.2%    |
| Orascom Telecom (OT)                     | 0.20              | 5.42                                   | 4.59                                   | 18.2%    |
| Orascom Construction Industries (OCI)*** | 1.00              | 47.61                                  | 45.26                                  | 5.2%     |
| Lecico                                   | 1.00              | 3.47                                   | 4.00                                   | -13.3%   |
| Palm Hills Development                   | 0.20              | 6.00                                   | 4.86                                   | 23.5%    |
| Naeem Holding                            | 0.25              | 1.88                                   | 1.80                                   | 4.4%     |
| GB Auto                                  | 0.20              | 32.64                                  | 22.47                                  | 45.3%    |

\* Represents # of GDRs per local share

\*\* LAKAH group GDR price represents last trading price on 03/03/2005

\*\*\* The Conversion ratio has changed to be 1 share:1 GDR, effective 7 May 2009

\* Worth mentioning is that Orascom Telecom holding had a capital increase through rights issue during January 2010

^ The company's name has been changed from El Ezz Steel Rebars to Ezz Steel, effective 4 February 2010.

Source: Reuters

## 8. Listed Companies

**Number of Listed Companies**

