

# Multiples Insights

*Issue 10 · 8 July 2014*

## Multiples Insights on MENA region

This report is designed to give you a snapshot about the MENA region tackling multiple issues:

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### Economic Outlook

- The Egyptian General Petroleum Corporation has raised the price of petroleum products including gasoline, diesel, and kerosene in the domestic market. The first day of implementation provoked strong frustrations on Egypt's streets, prompting the cabinet to hold a press conference in response to the price hikes. They said that the increase in fuel prices will save an estimated 43 BN EGP in subsidies for petroleum products as Subsidies on petroleum products were reduced from 143 BN EGP to 100 BN EGP in the budget this fiscal year.
- Ministry of education of Saudi Arabia has applied high penalties on any private or international school which increases fees without the approval of the Ministry of Education. And if the violation is repeated, the school will be stopped from increasing fees for two academic years. In September 2013, a

total of 932 private schools across the Kingdom increased fee by up to 20 % after the ministry approved a request for the hike.

- The ministry of finance in Kuwait intends to grant cash subsidies directly to the citizens, instead of giving them indirect subsidies. This will be done by granting financial support to newly-hired national workers, as the government intends to maintain its effective and permanent role in monitoring public funds, developing real estate properties and increasing revenues. Furthermore, Kuwait general economic policies are facing several challenges, particularly in activating the role of the private sector to be pivotal in national development; as well as to become a major producer, provider of jobs to citizens and creator of an atmosphere conducive for direct foreign investments.
- Qatar's economy accelerated in the first quarter of 2014 with real GDP growth of 6.2%, driven by strong growth in construction, financial services and trade, restaurants and hotels. Rising project activity has also led to a rapid increase in the number of workers being employed in Qatar, pushing up population growth to 11.6% in the year to end-March 2014. In 2015-2016, The GDP growth rate is expected to continue growing owing to the ongoing implementation of major projects, with growth rising to an average of 7.7%.

## Political Events

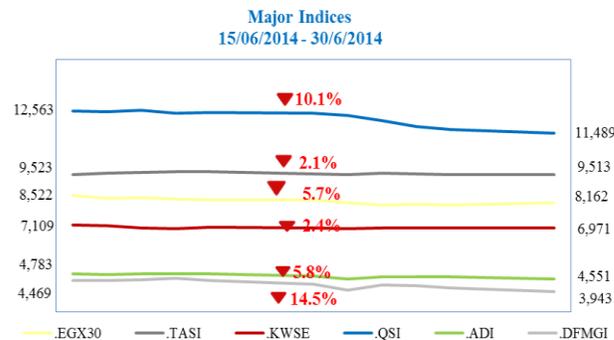
- The Dubai International Holy Quran Award has announced the Islamic personality of the Year 2014 is Ahmad Mohammad Al Tayyeb, the Grand Imam of Al Azhar religious institution in Egypt who is also president of Al Azhar University and once served as the Grand Mufti of Egypt. he was also named Islamic Personality in 2013 as well.
- After 17 years old Palestinian Mohamed Abu Khudeir was kidnapped and found dead in Jerusalem, Human Rights Watch said recent Israeli military operations in the West Bank included unlawful use of force, arbitrary arrests, and illegal home demolitions. The



kidnapping of Abu Khudeir comes two days after the bodies of three Israelis were found on Monday by the Israeli Defense Forces (IDF) near Hebron. The IDF has blamed Marwan Kawasme and Amer Abu Aysha, whom it describes as “ Hamas terrorists” for the kidnap and murders. Israel authorities are carrying out investigation into Abu Khudeir’s murder.

## Stock Markets

- Political unrest in the Middle East, the spread of Shia protests nearby Bahrain and unrest in Iraq, is affecting most of the stock markets negatively as they continue to decline.
- Moreover, declines in the real estate sector continue as recovery was over-valued 5 years after the global crisis. For instance, shares in the Emirates rose by more than 250% % since June 2012, led by property and construction companies.
- Arabtec Holding Co., the largest listed builder and most traded stock in Dubai, dropped with over 50% following the dismissal of its CEO and a couple of employees.



Country	Index Watchlist		15 Days% Change		YTD Chan
Egypt	.EGX30	▼	-5.7%	▲	20.4
	Construction & Materials	▲	0.4%	▲	29.0
	Telecommunication	▼	-8.3%	▲	9.5%
	Banking	▼	-4.6%	▲	8.2%
KSA	.TASI	▼	-2.1%	▲	11.5
	Petrochemicals	▼	-0.7%	▲	3.2%
	Banks & Financial Services	▼	-1.2%	▲	9.4%
	Telecommunication & Information	▲	27.7%	▲	3.9%
Kuwait	.KWSE	▼	-2.4%	▼	-7.7%
	Banking	▼	-2.4%	▲	7.1%
	Telecommunication	▼	-3.3%	▼	-1.2%
	Financial Services	▼	-2.7%	▲	1.1%
	Real Estate	▼	-1.9%	▼	-5.2%
	Industrials	▼	-2.3%	▲	3.9%
Qatar	.QSI	▼	-10.1%	▲	10.7%
	Banking & Financial Services	▼	-10.7%	▲	13.5%
	Industrials	▼	-5.6%	▲	14.8%
	Real Estate	▼	-12.1%	▲	17.8%
	Telecommunication	▼	-17.7%	▼	-1.8%
UAE, Abu Dhabi	.ADI	▼	-5.8%	▲	6.1%
	Banking	▼	-3.3%	▲	11.2%
	Telecommunication	▼	-3.0%	▼	-4.3%
	Real Estate	▼	-19.5%	▲	6.3%
UAE, Dubai	.DFMGI	▼	-14.5%	▲	17.0%
	Banking	▼	-4.2%	▲	26.1%
	Real Estate & Construction	▼	-20.2%	▲	29.7%
	Investments & Financial Services	▼	-14.8%	▲	21.7%
	Telecommunication	▼	-3.8%	▼	-19.1%

## Major Companies Transactions

- **Hermes Egypt: The fair value for the group is 30% higher than the value offered by sawiris-beltone**

EFG Hermes Holding group claimed that the fair value determined by HC for securities & Investments is 22.93 EGP (3.2 USD) per share which is up 30 % from the price of the purchase offer submitted by the businessman Naguib Sawiris and Beltone Financial group. Hermes appointed earlier this month HC for securities and investments as an independent financial consultant to determine the fair value per share for Hermes group and help the investors to assess the attractiveness of the purchase offer submitted to acquire 20% of its shares at 16 EGP Per share.

- **Abu Dhabi: Waha Capital companies established investment unit for the energy sector**

Waha Capital Company plans to establish a new investment unit for managing its future investments in the energy sector in the Middle East and North Africa, the managing director and CEO of Waha capital companies “Salem Rashed” mentioned that the energy sector is booming in the Middle East and North Africa leading to a rewarding investment opportunities for investors in private regional companies like Waha Capital. Based upon this, Waha Capital established an investment unit specialized in the energy sector investments with team of experts in the investments of this field.

- **Dubai: Standard and poor’s raised the credit rating for Dubai Investments PJSC**

Standard and poor’s raised the credit rating for “Dubai Investments PJSC” co. which is fully owned to Dubai Investments company to reach BB+ instead of BB, this is as a result of the Sukuk issued by Dubai investments for five Years’ worth 1.1 BN USD in February 2014, which lead to a significant increase of the company’s liquidity.

- **Jazeera Airways Kuwait received financial facilities worth 70.5 MM USD from the Ahli United Bank**

Jazeera Airways group Kuwait announced that it has received from the Ahli United Bank in Kuwait financial facilities worth 70.5 MM USD, The chairman of Jazeera Airways claimed that the company is going to use those financial facilities in re-financing its loans in a way which would be suitable with its future expansion plans

- **Citadel Capital and CPC Holding Saudi Arabia Conclude Signing of Sale and Purchase Agreement for 100% of Sphinx Glass**

Citadel Capital, an African private equity leader in infrastructure and industry, and Saudi Arabia's Construction Products Holding Company (CPC), through its subsidiary CPC Emirates, announced that they have signed a sale and purchase agreement for the sale to CPC of 100% of Sphinx Glass. The size of the transaction will create an enterprise value of around 180 MM USD (1,280 MM EGP), which translates into a cash consideration of 114.2 MM USD (815 MM EGP) for 100% of the shares after deducting debt and liabilities to be assumed by CPC. The transfer of cash and shares is expected to conclude in July.

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