

❖ Commodity prices, exchange rates and interest rates

Commodity prices, exchange, and interest rates	Price/interest	The change	Local and global financial market indices	Basis point	The change
Brent crude (\$/barrel)	66.733	0.10%	EGX30	33,206.76	0.62%
Gold (\$/oz)	3287.73	0.62%	SHARIAH	3,457.09	0.89%
The price of rebar is \$/ton	540.50	0.75%	EGX70 EWI	9,911.08	1.02%
Aluminum ore price in dollars/ton	2595.00	0.45%	EGX100 EWI	13,457.19	0.84%
Exchange rates (USD/Egyptian)	49.7447	--	TAMAYUZ	12,362.93	1.04%
Deposit	24%	--	S&P 500	6,249.00	0.41%
Lending	25%	--	NASDQ	22,873.00	0.55%
			Dow Jones	44,378.00	0.57%

Source: Central Bank of Egypt, Bloomberg, Egyptian Stock Exchange, London Metal Exchange, and Reuters

- ❖ Local and global economic news
- ❖ Sector news
- ❖ News of companies and institutions

- ✓ **Investors are pulling money out of long-term US bond funds at the fastest pace since early 2020.** Long-term government and corporate bond funds lost about USD 11 bn in the second quarter, a sharp reversal of their performance over the past three years, with quarterly inflows averaging USD 20 bn over this period. The recent outflows point to growing concerns about long-term Treasuries, especially amid supply inflation, perceived political dysfunction, and renewed inflation risks due to Trump's tariff agenda, which will further undermine confidence in long-term bonds. Inflation is also expected to pick up as the impact of the trade tariffs begins to kick in, further eroding confidence in long-term bonds as their yields diminish. **Enterprise**
- ✓ **The House of Representatives gave final approval yesterday to a government bill amending the Value Added Tax Act -** and the tax changes are expected to affect the price of cigarettes, alcoholic

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beverages, and crude petroleum. Here are the most notable changes to the VAT Act under the amendments approved by the House of Representatives: First, crude oil will be taxed at 10%, and second, construction and contracting services will be taxed at 10%: Construction and contracting services will also be subject to the general VAT rate of 14%. Third, the prices of locally produced cigarettes priced at EGP 38.88 or less will rise to EGP 48 for consumers, while cigarettes priced between EGP 38.88 and EGP 56.44 will rise to between EGP 48 and EGP 69. Fourth, alcoholic beverages will be taxed according to the percentage of alcohol, with the tax increasing by 15% annually for the next three years - after which the annual increase will be reduced to 12%. **Enterprise**

- ✓ **The CBE sold EGP 119.1 bn in EGP-denominated T-bills in an auction yesterday.** The CBE sold EGP 68.4 bn worth of six-month T-bills, nearly double its EGP 35 bn target, as well as EGP 50.7 bn worth of one-year T-bills. The CBE sold six-month T-bills at an average yield of 27.15%, down from 28.27% last week, and one-year T-bills at an average yield of 24.99%, down from 25.23% last week. **Enterprise**
- ✓ **House of Representatives gives final approval to EGP 85 bn in additional funding:** The House of Representatives gave final approval yesterday to an additional EGP 85 bn in the current fiscal year's budget, the House of Representatives gave final approval to an additional EGP 85 bn in additional funding for the current fiscal year. The additional funding aims to address the impact of the USD/EGP exchange rate rising to EGP 49.65, compared to the approved budget of EGP 45. It also takes into account higher-than-expected interest rates, which pushed the average cost of borrowing on government debt instruments above the planned 25%, resulting in additional interest expenses of EGP 57.1 bn. **Enterprise**
- ✓ **The value of pharmaceutical sales in Egypt surged 57% during the first quarter of the year to EGP 96 bn,** despite only a 6% increase in sales volumes, according to the head of the Medicines Authority, who attributed the jump in sales value despite slower growth in volumes sold to price increases ranging between 30% and 50%, as well as the introduction of new high-priced items such as oncology drugs. **Economy+**
- ✓ **Construction of a USD 658 mn phosphoric acid production complex in the New Valley Governorate will begin soon,** according to an agreement signed between a consortium of local state-owned companies and two Chinese state-owned contracting companies as part of the project's general contractor contract. The Egyptian consortium included Apotator Phosphoric Acid, Abu Qir Fertilizers (ABUK), Orient Gas, Misr Phosphate, Petrojet, Enppi, and the Mineral Resources Authority. The Chinese consortium consisted of China State Construction Engineering Corporation (CSCEC) and East China Engineering Science and Technology Corporation (ECEC). Phosphoric acid has many uses - including changing the taste of soft drinks, preserving foods, treating rust, adjusting the pH levels of cosmetics, and

more - but the biggest use of phosphoric acid, especially in Egypt, is mostly in the fertilizer industry.

Enterprise

- ✓ **Abu Qir Fertilizers (ABUK) and Misr Fertilizers Production Company (MFPC) have resumed operations**, with their factories gradually coming online following the return of natural gas supplies. **Enterprise**
- ✓ **ValU Fintech has completed its sixteenth securitized bond issuance worth EGP 858.9 mn.** This is the sixth issuance under Valu's EGP 16 bn securitization program. The bonds were issued with a 12-month tenor, a Prime 1(sf) credit rating, and a fixed interest rate. **Enterprise**
- ✓ **The EGX witnessed yesterday the execution of a transaction on 12% of Raya Holding's (RAYA) shares**, worth EGP 1.5 bn, as part of a transfer of ownership between major shareholders. **Economy+**
- ✓ **African investment fund in talks to acquire MenaPharm's family's stake in MIPH:** Parkville Pharma's Virunga Master Holding is in talks to acquire the Bardessi family's stake in MenaPharm through the purchase of shares of offshore subsidiary Tricora BV. Tricora BV is owned by Nihal El Bardessy, Wafiq El Bardessy, and Shaheer El Bardessy, and owns 79.59% of MenaPharm's 12.3 mn shares. The fund aims to acquire more than 51% of Tricora's shares, giving it controls of MenaPharm in a transaction that could bring the company's valuation to EGP 2.5 bn. **Al Borsa**