

Arqaam Capital Upbeat on Egypt, Committed to Grow its Franchise

Dubai-Cairo 20 September 2017- Arqaam Capital, the specialist emerging markets investment bank, will continue to build its local capabilities in Egypt to provide a bridge for capital flows into the Egyptian economy by leveraging the bank's world class capabilities to service both Egyptian and international clients looking to do business in Egypt.

Speaking on the sidelines of Arqaam Capital's Fourth MENA Investor Conference which concluded yesterday in Dubai, Radi El-Helw, Managing Director, Arqaam Egypt said: "With the brave and bold economic and structural reform program that the Government of Egypt has embarked on, we are bullish with respect to the future prospects of the Egyptian market. We are witnessing first-hand the steady improvement in the country's key economic indicators, and we do believe that while significant challenges still remain, we see more opportunities than risks going forward."

"We are excited about the developments in Egypt's capital markets, which today represent one of the most vibrant markets for public and private investors across the Middle East and North Africa region. In spite of perceived economic and political challenges, the reality is that Egypt still represents one of the most active markets in terms new IPOs and number of M&A transactions executed, both of which reflect strong convictions by local, regional, and international financial and strategic investors in the future of the country." Mr. El Helw added

"For an investment bank like Arqaam Capital with a strong commitment to growing its business in the Middle East and African markets, Egypt will continue to provide for an exceptional value proposition to recruit and build a large on –the-ground presence to not only cover the Egyptian market, but to also cover neighboring markets in North and East Africa with Cairo serving as a natural hub.'

“In spite of the recent temporary hikes in inflation rates on the back of the economic reforms, Egypt still represents a very competitive location with respect to access to a very skilled labor pool at highly competitive costs relative to other regional markets covering the MENA region. At Arqaam today, many of our Cairo based staff are actively engaged on transactions across the GCC and North African markets,’ he said

“Confidence and visibility on the currency regime has gone a long way in allaying investor’s fears of volatile returns on their investments. The migration to a liberalized FX regime and strong commitment by the Central Bank of Egypt to create a liquid and transparent currency market without controls and restrictions, has been the single most impactful policy move when it comes to rebuilding trust with the global investment community. ” Mr. El Helw said

“This has been evident with the consistent increase in FX reserves at the CBE in addition to the impressive investor demand witnessed in the recent Eurobond issuances by the government. This was especially impressive with Egypt’s ability to place 20 and 30 year bonds at attractive yields, highlighting the growing confidence by the international investor community in Egypt’s long term potential and stability,” he explained

“Since the devaluation which took place in November 2016, we at Arqaam have witnessed a marked improvement in Egypt’s economic indicators, with the balance of payments netting almost USD 11 billion since the float, with net FDI flows and portfolio investments registering USD 6 bn and USD 17 billion respectively in the same period. Egypt’s current balance of international reserves, is at its highest levels ever of USD36.1 bn.” he added

“This represents to us a clear indication that the government’s economic reform program is indeed laying the proper foundations for a sustainable economic recovery based on strong fundamentals. Egypt’s economy is also highly diversified which provides international investors, who are looking at long term investment horizons, high levels of comfort that the

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Egyptian economy is able to withstand economic shocks in a highly resilient manner.” Mr. El-Helw concluded

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About Arqaam Capital (www.arqaamcapital.com)

Arqaam Capital is a specialist emerging markets investment bank, bringing regional and international product offerings to the emerging markets. Arqaam Capital combines international best practice with expertise in the markets in which we operate. Our primary role is to provide financial intermediation and create investment opportunities for emerging markets investors looking to invest in their own markets and abroad, as well as international investors seeking opportunities in target emerging markets. Arqaam Capital operates out of three hubs, namely the Dubai International Financial Centre (DIFC), Cairo and Johannesburg. Arqaam Capital has ten business lines - Corporate Finance, Asset Management, Cash Equity, Credit Trading, Equity Derivatives, Capital Markets Advisory, Infrastructure, Principal Finance, Treasury and Custody. In addition, Arqaam Capital provides in-depth research on 300 listed Middle East and Africa (MEA) companies across 27 countries and a wide-range of sectors, including the largest global coverage of MENA equities.

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