

Talaat Moustafa shares drag down Egypt index

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The shares of Egyptian largest real estate firm by market value Talaat Moustafa Group plunged on Tuesday, pulling the market index .CASE30 down before the company's chairman was charged in a murder case

The shares, which have tumbled around 50 percent this year, plummeted 15.97 percent to 5.21 Egyptian pounds (\$0.97). Egypt's prosecutor charged chairman Hesham Talaat Moustafa with hiring a man to kill Lebanese singer Suzanne Tamim in Dubai, the prosecution said after the market closed.

"This will have a very serious negative effect on the company, the sector and the market," said Mohamed Fouad, managing director of Global Capital in Cairo. "He is not just anybody. He is the head of one of the biggest companies in Egypt, one which is highly dependent on his presence." The benchmark CASE 30 index retreated 2.35 percent to 8,239.92 points.

Talaat Moustafa Group, which sold shares in an initial public offering last year which was 41 times subscribed, said in August it would buy back about 100 million of its own shares.

Orascom Telecom ORTE.CA, the largest Arab mobile operator by subscribers, tumbled 8.42 percent to 49.90 pounds after its second-quarter results disappointed.

Orascom said net income in the quarter ending June 30 dropped 64 percent to \$80.8 million, compared with the first quarter of the year. Analysts' forecasts ranged between \$190 million and \$198.6 million.

"Operating margins were quite disappointing," said Mohamed Radwan, trader at Pharos Securities. "The drop in the stock price is a spontaneous reaction to what happened."

Shares of Ezz Steel ESRS.CA, Egypt's largest steel producer by sales, tumbled 7.03 percent to 23.40 pounds as investors sold to cover losses in other stocks.

Ezz shares are down 2.9 percent this year to Monday's close, compared to 20 percent for the market .CASE30.

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