



CSDs: **MCS**D (Egypt)

Date: 22 Apr 2008

Countries: **Egypt**

Markets: **Egypt**

Securities Lending and Short Selling - Update

In an update to our previous newsflash, MCDR, the Egyptian CSD, announced that the short selling mechanism will commence on 24 April 2008. Investors who wish to lend their securities have been advised to apply via their custodian or broker.

Additional details of the short selling/lending scheme will be announced at a press conference tomorrow, 23 April 2008. Training will be given to brokers and custodians from 2 May 2008.

CSD Risk Impact

MCS

D (Egypt)

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = Positive

The introduction of short selling should allow the Egyptian market to commence the new arrangements prepared by MCDR for securities lending and borrowing. The arrangements include a comparatively lower deposit requirement for brokers who short sell, which will encourage more market players to participate. Moreover, as the number of securities eligible for short selling and securities lending increases, it will provide a more liquid lending market, hence enhancing the impact on liquidity risk.

Market Information Impact

Egypt

This information affects the data contained in the Stock Lending and Repos sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Egypt

Market Rating: A-

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = BBB

Flash Impact = Positive

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Related Flash: [Securities Lending and Short Selling, 01/04/2008 \(click to view\)](#)

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