



Marketing & Corporate Communication Department

Press Release

The First Exchange to Provide the Service in the Region

Abu Dhabi Securities Exchange (ADX) Grants SHUAA's Integrated Securities License to Provide Technical Short Selling Service

Abu Dhabi, Wednesday 25 April: ADX today celebrated the joining of SHUAA Capital's brokerage subsidiary 'Integrated Securities' to the list of companies providing the Technical Short Selling (TSS) service at the exchange. This makes Integrated Securities the third company to provide such service on the ADX. The ceremony included ringing of the opening bell on the ADX trading floor. Representatives and the executive management of both parties attended the ceremony, including representatives from SHUAA Capital, the new owner of Integrated Securities.

On October 2017, ADX launched the TSS service, to be the first market in the region to provide such service, targeting the enhancement of investment liquidity, pricing control with their fair value and promoting the investment culture in line with global exchanges.

On this occasion, **Mr. Rashed Al Blooshi, ADX Chief Executive**, stated: "We are pleased to have one of the UAE's top brokerage firms Integrated Securities added to the list of companies that provide the Technical Short Selling service at ADX. The launch of the TSS service is part of the Exchange's strategy to increase market cap and products in order to attract and leverage a wider range of investors through diversification of investment tools, which in turn will help in raising the levels of liquidity to match global Exchanges."

He added that ADX is continually developing the services it provides to investors and stakeholders alike, and continues its efforts to develop and launch strategic initiatives. This is done in order to enhance the UAE's investment structure and support its sustainable economic development, as part of ADX's mission to contribute to Abu Dhabi Economic Vision 2030.

The TSS service that ADX offers comes with clear laws, rights and obligations governing transactions for brokers and investors alike. In line with ADX's commitment towards transparency and disclosure, information regarding all transactions under the service are published on a daily basis via the ADX website. This helps give investors the confidence to invest their savings in the new service, knowing it sits within an advanced legal framework characterized by trust, fairness and open disclosure.

Brokerage companies will benefit from this service on behalf of their customers, the Market Maker, as well as any side that ADX finds fit for this service. It was empowered in a gradual application system".

Al Blooshi continued, "The mechanism of TSS would diversify the investment and hedge mechanisms and raise the level of investment liquidity in order to attract new investors, especially that ADX is the first exchange to provide such service in the Gulf region, which confirms ADX's interest to adopt integrated legislative regulations that ensure a safe investment environment."

Following the recent acquisition of Integrated Securities by SHUAA Capital, **Fawad Tariq-Khan, Chief Executive Officer of SHUAA Capital** and now **Board member at Integrated Securities**, took the opportunity to comment on the occasion, "We are pleased to now be able to offer our client base the ability to take short positions on ADX listed stocks. With the introduction of short selling investors are now able to benefit from both upside and downside market moves. This is Integrated Securities' first activity officially as a wholly owned subsidiary of SHUAA Capital, and the addition of this valuable offering to our brokerage suite is in line with the overall Group's commitment to establish the premier regional brokerage house operating out of the UAE."

As part of ADX's efforts to strengthen its legal, economic and legislative environment, the Exchange has implemented measures to regulate the short sell service including, trade suspensions for a 5% drop in the reference price of a given stock or if short sold securities reach 10% of the total capital issued.

The Exchange has also implemented a clear framework under which trades should take place, which specifies the obligation of the broker to disclose short dated trades, this comes in addition to the existing approval frameworks utilized by both the lending and borrowing agent.

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About Abu Dhabi Securities Exchange (ADX)

Abu Dhabi Securities Exchange (ADX) was established on November 15 of the year 2000 by Local Law No. (3) Of 2000, the provisions of which vest the market with a legal entity of autonomous status, independent finance and management. The Law also provides ADX with the necessary supervisory and executive powers to exercise its functions.

These functions are:

1. Provide opportunities to invest savings and funds in securities in order to benefit national economy.
2. Ensure the soundness and accuracy of transactions and to ensure the interaction between demand and supply in order to determine prices.
3. Protect investors through establishing fair and proper dealing principles between various investors.
4. Impose stringent controls over securities transactions to ensure sound and conduct procedure.
5. Develop investment awareness by conduction studies and issuing recommendations in order to ensure that savings are invested in productive sectors.
6. Ensure financial and economic stability and develop trading methods in order to ensure liquidity and stability of prices of Securities listed on the market.

ADX is a market for trading securities; including shares issued by public joint stock companies, bonds issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the UAE Securities and Commodities Authority (SCA).

At the end of 2017, ADX had 72 listed securities with a market capitalization of AED 485 billion (USD 132 billion). Those securities include 63 domestic public joint stock companies, 3 foreign public joint listed companies, 3 private joint stock companies, 1 Exchange Traded Fund (ETF), 1 Abu Dhabi Government bond, and 1 convertible bond. ADX listed companies are allocated in nine sectors; Banking, Real Estate, Consumer Staples, Investment and Financial Services, Industrial, Telecommunication, Services, Energy, and the Insurance sector.

ADX allows for investors to trade through any of the registered brokerages at the exchange through advanced electronic automated services. ADX has also signed a number of agreements with major financial institutions to provide for custody services, including renowned international corporations; namely the National Bank of Abu Dhabi (NBAD), HSBC, Standard Chartered, Deutsche Bank and Citi Banking Group.

ADX goals are in line with Abu Dhabi Government Economic Vision 2030. The 2030 economic plan plays a vital role in ADX strategy since it places the financial market in the context of economic and social development. The development would be through diverting savings towards investment in the various economic sectors and developing the financial infrastructure of Abu Dhabi to transform the emirate into one of the leading finance and services center in the region.

In 2014, ADX was upgraded to 'Emerging Market' status by both MSCI index (Morgan Stanley Capital International) and S&P Dow Jones, thus greatly increasing the likelihood of inward global investment flows. ADX was already classified as an Emerging Market by FTSE in 2009 and in 2011 by S&P and Russell Investments.

In 2015, ADX won the Most Innovative Exchange GCC 2015 Award. The award, given by Capital Finance International, celebrates achievement, innovation from an international perspective, recognizing organizations with innovative technology products backed by strong management, excellent service standards and sound business models. Capital Finance International is a leading print journal and online resource reporting on business, economics, and finance.

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