

## SHUAA Securities Morning Report

06 August 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,306	-0.3%	0.0%	4.9%	-15.3%
DFM	2,079	0.0%	0.8%	7.6%	-25.7%
TASI	7,470	0.1%	1.1%	11.3%	-11.8%
BHSEASI	1,292	0.1%	1.2%	-0.5%	-16.3%
EGX	10,704	0.8%	-2.3%	5.1%	-21.3%
Dow Jones	27,202	1.4%	5.3%	13.9%	5.8%
S&P 500	3,328	0.6%	6.3%	16.0%	17.0%
Nasdaq	10,998	0.5%	7.7%	24.9%	42.4%
FTSE 100	6,105	1.1%	-0.9%	4.4%	-15.5%
DAX	12,660	0.5%	1.1%	18.0%	8.6%
CAC40	4,933	0.9%	-1.5%	10.0%	-5.9%
Nikkei225	22,515	-0.3%	0.9%	14.8%	8.7%
HIS	25,103	0.6%	-1.1%	5.2%	-4.0%
US Futures	3,315	-0.1%	4.5%	17.0%	15.2%
Europe Future	3,242	-0.6%	-1.5%	14.1%	-1.2%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>132</b>	<b>132</b>	<b>-</b>
Local	72%	43%	29%
Foreign	28%	57%	-29%
Institution	61%	68%	-7%
Retail	39%	32%	7%
<b>DFM</b>	<b>309</b>	<b>309</b>	<b>-</b>
Local	48%	47%	1%
Foreign	52%	53%	-1%
Institution	36%	16%	19%
Retail	64%	84%	-19%
<b>Total</b>	<b>441</b>	<b>441</b>	<b>-</b>
Local	55%	46%	9%
Foreign	45%	54%	-9%

### # Upcoming Corporate Actions & Events

Date	Company	Event
06-Aug	REEM	BoD/Results
08-Aug	RAK Properties	BoD/General
09-Aug	KHCB	BoD/Results
10-Aug	IHC	BoD/Results
10-Aug	AIR ARABIA	BoD/Results
10-Aug	AMANAT	BoD/Results
10-Aug	RAK CERAMICS	BoD/Results
11-Aug	ADNH	BoD/Results
12-Aug	SALAM BAH	BoD/Results
13-Aug	ITHMAAR	BoD/Results
13-Aug	GFH	BoD/Results
02-Sep	SALAMA	AGM

## # KEY STORIES

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National Bank Of Ras Al Khaimah posted Q2 attributable net profit AED 152.1mln vs AED 284.8mln year ago. Q2 net interest income AED 557.2mln vs AED 607.6mln year ago.

Aramex posted Q2 attributable net profit AED 94.4mln vs AED 123.2mln year ago. Q2 revenue AED 1.33bln vs AED 1.28bln year ago. Aramex said that they have been experiencing a particularly difficult operating environment in US, due to social unrest and resurgence in Covid-19 cases

Damac Properties said that Damac International Limited has ended its agreement with Oman's tourism Development Company for redevelopment of land around Port Sultan Qaboos Muscat

GFH Financial Group updates on KHCB and GFH announcement regarding issuance of sukuk worth USD 159mln by KHCB as first tranche to support capital base. GFH has fully underwritten issuance

Wahat Al Zaweya Holding posted H1 loss AED 86.1mln versus profit of AED 82.3mln year ago. H1 revenue AED 2.2mln versus AED 466.8mln year ago

Dubai Aerospace Enterprise posted H1 net profit AED 121.7mln vs AED 197.1mln year ago. H1 total revenue USD 672.6mln vs USD 735.2mln year ago

GP Global, an oil trader based in the UAE enmeshed in an employee fraud investigation, has appointed restructuring experts as part of its "ongoing restructuring exercise"

Tawazun Economic Council would set up assembly, integration and testing centre for satellites in Al Ain in partnership with the Airbus and the National Space Science and Technology Centre of the UAE University

Saudi IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 50 in July, a five-month high, from 47 in June

Saudi Stock Exchange disclosed that foreigners bought SAR 928.1mln of stocks on a net basis in July

Saudi's Samba Financial Group posted Q2 net profit SAR 955mln vs SAR 935mln year ago. Q2 total revenue for special commissions/investments SAR 1,816mln vs SAR 2,088mln year ago

Saudi's Alinma Bank posted Q2 net profit SAR 572mln vs SAR 676mln year ago. Q2 total revenue for special commissions/investments SAR 1,338mln vs SAR 1,365mln year ago

Saudi Ground Services posted quarterly net loss after zakat and tax SAR 197.9mln vs profit SAR 123.9mln year ago. Quarterly sales SAR 115.1mln vs SAR 648mln year ago

Oman will on Saturday lift a domestic ban on travel between governorates, imposed on Jul. 25 to prevent the spread of the new coronavirus during the Muslim Eid al-Adha holiday

Egypt IHS Markit's Purchasing Managers' Index (PMI) came in at 49.6, up from 44.6 in June and only a sliver below the 50.0 threshold that separates growth from contraction

## # Key Global Trends/ Market Clues

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The dollar languished and just about everything else rose on Thursday, as markets took patchy U.S. economic data as a harbinger of ever more stimulus and brinkmanship on Capitol Hill as a sign that a deal on a new U.S. stimulus package is close. Following Wall Street's lead, MSCI's broadest index of Asia-Pacific shares outside Japan extended the week's rally by 0.3% to a fresh six-and-a-half-month high. Japan's Nikkei index was steady and Asian currencies were on the march, with the Australian dollar gaining to around 72 U.S. cents, and the Korean won and Malaysian ringgit touching their strongest since March. S&P 500 futures firmed, gold inched back toward a record high hit overnight.

Oil prices were unchanged on Thursday, struggling to hold onto five-month highs reached in the previous session, as fuel demand worries caused by a second wave of coronavirus infections outweighed declines in the U.S. dollar. U.S. West Texas Intermediate crude futures were down 3 cents, or 0.1%, at USD 42.16 a barrel at 0148 GMT, while Brent crude futures rose 6 cents to USD 45.23. The two benchmark contracts rose more than 1% on Wednesday to their highest since March 6, completing a four-day rally, after the Energy Information Administration reported a much bigger than expected drop in U.S. crude stockpiles.

## # UAE Stories

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Aramex posted Q2 attributable net profit AED 94.4mln vs AED 123.2mln year ago. Q2 revenue AED 1.33bln vs AED 1.28bln year ago. Aramex said that the have been experiencing a particularly difficult operating environment in US, due to social unrest and resurgence in Covid-19 cases. Currently undergoing review those business models to ensure operations remain working at optimal and cost-efficient levels.

Damac Properties said that Damac International Limited has ended its agreement with Oman's tourism Development Company for redevelopment of land around Port Sultan Qaboos Muscat.

GFH Financial Group updates on KHCB and GFH announcement regarding issuance of sukuk worth USD 159mln by KHCB as first tranche to support capital base. GFH has fully underwritten issuance.

Wahat Al Zaweya Holding posted H1 loss AED 86.1mln versus profit of AED 82.3mln year ago. H1 revenue AED 2.2mln versus AED 466.8mln year ago.

Dubai Aerospace Enterprise posted H1 net profit AED 121.7mln vs AED 197.1mln year ago. H1 total revenue USD 672.6mln vs USD 735.2mln year ago. As of June 30, granted deferral requests to 29 customers; aggregate rent deferred for customers represents 12.9% of annual revenue. Currently evaluating rent deferral requests from 28 customers; aggregate rent deferral requests from customers total 6% of annual revenue. As of June 30, 2020, we had USD 2.8bln of cash and available liquidity.

GP Global, an oil trader based in the UAE enmeshed in an employee fraud investigation, has appointed restructuring experts as part of its "ongoing restructuring exercise", the company said in a statement on Wednesday. GP Global said it hired FTI Consulting's Rod Sutton as its chief restructuring officer and hired UK-based financial restructuring specialist firm Quantuma.

Tawazun Economic Council on Wednesday announced that it would set up assembly, integration and testing (AIT) centre for satellites in Al Ain in partnership with the European aircraft manufacturer Airbus and the National Space Science and Technology Centre (NSSTC) of the UAE University.

## # GCC/ MENA

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Saudi Stock Exchange disclosed that foreigners bought SAR 928.1mln of stocks on a net basis in July.

Saudi's Samba Financial Group posted Q2 net profit SAR 955mln vs SAR 935mln year ago. Q2 total revenue for special commissions/investments SAR 1,816mln vs SAR 2,088mln year ago. As of end-June, customer deposits stand at SAR 187.26bln, up 11.3% YoY. Loan and advances stand at SAR 148.09bln, up 28.7% YoY.

Saudi's Alinma Bank posted Q2 net profit SAR 572mln vs SAR 676mln year ago. Q2 total revenue for special commissions/investments SAR 1,338mln vs SAR 1,365mln year ago. As of end-June, customer deposits stand at SAR 107.42bln, up 15.7%YoY.

Saudi Ground Services posted quarterly net loss after zakat and tax SAR 197.9mln vs profit SAR 123.9mln year ago. Quarterly sales SAR 115.1mln vs SAR 648mln year ago. Quarterly loss due to suspension of majority of flights as a result of precautionary measures against Covid 19.

Oman will on Saturday lift a domestic ban on travel between governorates, imposed on Jul. 25 to prevent the spread of the new coronavirus during the Muslim Eid al-Adha holiday, the state news agency ONA said on Wednesday. From Saturday it will also reduce its curfew for a week to the period between 9 p.m. and 5 a.m., instead of 7 p.m. to 6 a.m. A full lockdown of the Dhofar governorate in the south will be maintained until further notice.

Egypt IHS Markit's Purchasing Managers' Index (PMI) came in at 49.6, up from 44.6 in June and only a sliver below the 50.0 threshold that separates growth from contraction.

## # UAE FOCUS LIST - COMPANY DATA

Company	MCAP (AEDm)	PRICE (AED)	HIGH - LOW		VALUATION		DIV YLD (%) <sup>^</sup>	HISTORICAL RETURN			
			52WH	52WL	TTM P/E	TTM P/B		1M%	3M%	6M%	12M%
ADCB	35,065	5.04	9.00	3.82	9.52	0.66	7.5%	0.6	22.3	(31.0)	(37.0)
ADIB	13,547	3.73	5.85	3.19	6.89	0.75	7.3%	(0.5)	9.4	(29.1)	(19.1)
ADNIC	1,796	3.15	3.70	2.60	5.06	0.88	9.5%	NA	1.6	5.0	14.5
ADNOC Dist	38,750	3.10	3.20	2.40	19.00	13.53	6.2%	4.7	11.5	3.4	21.7
Agthia	1,644	2.74	3.70	2.50	17.26	0.86	5.5%	(5.5)	(10.7)	(14.4)	(17.8)
Air Arabia	5,320	1.14	1.61	0.87	5.65	1.27	7.9%	(5.8)	6.5	(16.1)	7.0
Ajman Bank	1,226	0.58	0.98	0.50	33.18	0.49	0.0%	0.7	(5.0)	(33.6)	(37.9)
Al Waha Capital	1,789	0.92	1.08	0.62	NA	0.61	NA	24.7	23.0	1.1	(8.0)
Aldar Properties	13,445	1.71	2.37	1.35	7.77	0.56	8.5%	(5.0)	(0.6)	(16.5)	(18.3)
Amanat Holdings	2,145	0.86	0.97	0.56	35.74	0.84	2.6%	(5.3)	18.2	12.4	(8.2)
Amlak Finance	506	0.34	0.64	0.20	NA	0.71	0.0%	24.4	(0.6)	(23.8)	2.4
Arabtec	1,710	1.14	2.05	0.44	NA	2.17	0.0%	93.2	66.9	27.2	(32.9)
Aramex	4,817	3.27	4.31	2.00	10.54	1.80	5.0%	(0.6)	19.6	(5.3)	(18.3)
Bank of Sharjah	1,113	0.53	0.90	0.53	NA	0.36	0.0%	(13.8)	(13.1)	(34.3)	(35.4)
DAMAC Properties	5,233	0.87	0.98	0.36	NA	0.38	NA	14.1	49.1	26.5	(9.9)
Dana Gas	4,967	0.71	1.06	0.53	8.59	0.51	7.7%	9.9	5.2	(15.2)	(25.9)
Deyaar Development	1,641	0.28	0.43	0.18	23.34	0.36	0.0%	2.9	6.0	(18.6)	(13.9)
Dubai FiNAcial Market	6,560	0.82	1.00	0.50	48.78	0.86	3.0%	0.2	17.3	(9.3)	(9.5)
Dubai Investment	4,890	1.15	1.39	0.98	9.60	0.42	NA	-	8.9	(4.5)	(8.1)
Dubai Islamic Bank	27,370	3.78	5.86	3.04	6.62	0.75	9.3%	(2.1)	7.7	(27.4)	(21.1)
DXB Entertainments	1,008	0.13	0.24	0.09	NA	0.35	0.0%	5.0	(13.1)	(30.8)	(43.5)
Emaar Dev	8,480	2.12	4.50	1.79	3.14	0.88	0.0%	2.4	1.0	(44.1)	(51.9)
Emaar Malls	17,439	1.34	2.03	0.98	7.63	0.95	0.0%	(5.0)	12.6	(23.9)	(32.0)
Emaar Properties	18,830	2.63	5.43	1.90	3.04	0.35	0.0%	(2.2)	2.7	(33.8)	(49.4)
Emirates Integrated Tele	23,118	5.10	6.35	4.33	16.65	2.80	6.7%	3.4	0.6	(12.8)	(3.3)
Emirates NBD	58,113	9.20	13.93	6.33	5.11	0.71	4.3%	4.4	11.0	(28.4)	(13.6)
Eshraq Investments	760	0.33	0.43	0.16	NA	0.54	NA	48.0	23.9	5.8	(22.1)
Etisalat	142,975	16.44	17.14	11.02	16.22	3.15	4.9%	0.2	10.9	8.2	5.6
First Abu Dhabi Bank	119,683	10.96	15.92	7.78	11.40	1.22	6.8%	(2.3)	(3.0)	(22.9)	(23.6)
GFH	2,069	0.57	0.93	0.45	6.57	0.52	5.9%	2.0	1.8	(32.4)	(33.4)
Gulf Navigation Holding	480	0.47	0.84	0.28	NA	0.81	0.0%	(3.9)	27.3	(1.7)	(41.4)
IHC	61,929	34.00	34.60	2.06	NM	15.87	NA	15.6	25.9	160.7	1,260.0
Julphar	1,236	1.07	1.54	0.54	NA	2.18	0.0%	(2.7)	64.2	26.2	(16.2)
Mashreqbank	12,072	68.00	86.80	62.00	8.76	0.57	5.9%	1.6	6.2	(3.4)	(15.0)
National Bank of Fujairah	9,536	4.98	4.98	3.75	NA	NA	1.9%	NA	NA	3.3	7.8
Tabreed	5,377	1.98	2.22	1.58	10.80	1.11	5.3%	1.5	(5.7)	(5.3)	13.1
RAK Bank	5,800	3.46	5.00	3.33	5.93	0.82	8.7%	(7.0)	(2.8)	(21.4)	(19.7)
RAK Properties	760	0.38	0.48	0.33	6.99	0.20	10.5%	8.9	8.6	(8.2)	(9.0)
RAK Ceramics	1,292	1.30	1.81	1.24	8.02	0.57	11.0%	(5.1)	(12.2)	(9.6)	(9.0)
SALAMA	727	0.60	0.70	0.30	11.78	0.91	NA	18.3	17.9	19.2	(5.5)
Sharjah Islamic Bank	3,482	1.13	1.29	0.95	6.88	0.46	4.2%	2.7	7.6	(3.6)	5.5
SHUAA Capital	1,433	0.57	1.04	0.40	941.67	0.98	NA	11.7	(4.9)	(31.0)	(41.4)
Takaful Emarat Insurance	216	1.44	1.46	0.97	NA	1.80	5.7%	5.1	0.7	5.1	1.4
TAQA	149,538	1.33	1.52	0.40	NA	4.36	0.0%	50.5	99.7	83.2	77.3
Union Properties	1,428	0.33	0.39	0.15	NA	0.53	0.0%	11.0	16.4	67.3	(2.9)
United Arab Bank	1,844	0.89	1.13	0.81	NA	1.04	0.0%	-	-	10.1	(12.4)

(Source: Bloomberg)

<sup>^</sup> current dividend yield based on last year dividend declaration

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