

SHUAA Securities Morning Report

09 June 2019

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,004	2.8%	-4.8%	-2.6%	8.7%
DFM	2,620	0.8%	-5.3%	-0.6%	-11.6%
TASI	8,516	1.2%	-8.5%	0.3%	4.4%
BHSEASI	1,435	0.0%	0.0%	1.6%	13.4%
EGX	13,788	0.7%	-7.3%	-6.9%	-16.0%
Dow Jones	25,984	1.0%	0.2%	2.1%	2.6%
S&P 500	2,873	1.0%	-0.3%	4.7%	3.4%
Nasdaq	7,742	1.7%	-2.2%	4.5%	1.3%
FTSE 100	7,332	1.0%	1.8%	3.2%	-4.5%
DAX	12,045	0.8%	-0.1%	5.1%	-5.6%
CAC40	5,364	1.6%	0.7%	2.5%	-1.6%
Nikkei225	20,885	0.5%	-2.2%	-0.7%	-8.0%
HIS	26,965	0.3%	-8.2%	-6.3%	-14.4%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	377	377	-
Local	23%	63%	-41%
Foreign	77%	37%	41%
Institution	87%	53%	34%
Retail	13%	47%	-34%
DFM	206	206	-
Local	47%	51%	-5%
Foreign	53%	49%	5%
Institution	59%	55%	5%
Retail	41%	45%	-5%
Total	583	583	-
Local	31%	59%	-28%
Foreign	69%	41%	28%

Upcoming Corporate Actions & Events

Date	Company	Event
09-Jun	DIB	BoD/ General
10-Jun	Salama	General Assembly
12-Jun	Depa	General Assembly
19-Jun	Emirates REIT	AGM & EGM
24-Jun	ENBD REIT	General Assembly
27-Jun	Sudatel	General Assembly
30-Jun	Julphar	General Assembly

KEY STORIES

DP World wants to operate ports along Russia's northern sea route

GEMS Education said it has acquired Saudi Arabia's Ma'arif Education Group in a joint venture with the Kingdom's Hassana Investment Company

Aster DM Healthcare plans network of laboratories in India

BP to sell oil assets in Egypt to Dubai's Dragon Oil

ADIA, Singapore's GIC invest in Indian renewable energy firm

The value of the total real estate transactions in Dubai surged 33pct YoY to more than Dh34 billion during the first five months of 2019 - DLD

UAE April CPI -2.09pct YoY while +0.17pct MoM

S&P sees Abu Dhabi GDP growth averaging 2.5% to 2022

The unemployment rate among Saudis has dropped to 12.5 percent during the first quarter of 2019 compared to 12.7 percent in the previous quarter

Saudi's Al Khodari says still considering suitable options to restructure company's capital in interest of shareholders

Saudi's Taleem REIT signs SAR 350mln shariah-compliant facility agreement with Banque Saudi Fransi to finance new acquisitions of income-generating education properties

Saudi's Al-Omran Industrial and Trading posted Q1 net profit after zakat and tax 0.695mln vs 1.7mln riyals year ago

Saudi's Al Samaani Factory Metal Industries posted Q1 net loss after tax and zakat 0.849mln riyals vs profit of 1.5mln riyals year ago

Britain's INEOS to invest \$2bln in Saudi petrochemical complex

Bahrain's GDP to grow at 2.4% over 3 years: S&P

Bahrain to allow foreign companies to take 100% stakes in oil, natural gas extraction projects -news agency

Bahrain to roll out much-delayed new wages scheme from September

Kuwait to introduce new controls on Residence Renewal visa

Oman to Impose 100% Tax on Tobacco, Alcohol Starting Next Week

Egypt's Heliopolis Company for Housing and Development sees FY 2019-2020 net profit EGP 1.13bln and revenue EGP 3.08bln

Egypt's Cleopatra Hospital posted Q1 consolidated net profit EGP 55.1mln vs EGP 57.2mln year ago

Egypt's Dice Sport and Casual Wear posted Q1 consolidated net profit EGP 31.1mln vs EGP 42.7mln year ago

Egypt's Minapharm Pharmaceuticals posted Q1 consolidated net profit EGP 44mln vs EGP 82.6mln year ago

Egypt's El Saeed Contracting and Real Estate Investment posted Q1 consolidated net profit EGP 32.1mln vs EGP 13.5mln year ago

Marseilia Egyptian Gulf Real Estate Investment board approves to proceed with issued and paid-up capital increase to EGP 72mln from EGP 60mln

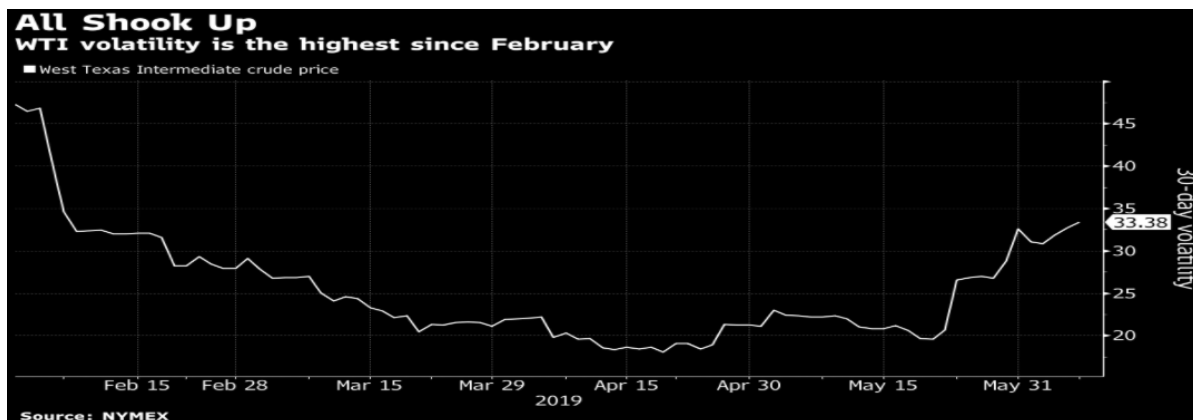
Key Global Trends/ Market Clues

Major world stock indexes jumped and U.S. Treasury yields tumbled on Friday after a slowdown in U.S. job growth fueled hopes of a U.S. interest rate cut, while Washington's move to delay tariffs on Chinese goods added to equity market optimism. On Wall Street, the benchmark S&P 500 index was more than 1% higher in afternoon trading and on track for its biggest weekly percentage gain since November 2018.

Oil prices rose nearly 3% on Friday, climbing further from five-month lows hit this week, after Saudi Arabia said OPEC was close to agreeing to extend an output production cut beyond June and as Wall Street rallied. Brent crude futures gained \$1.62, or 2.6%, to settle at \$63.29 a barrel.

OPEC is close to reaching an agreement to extend the production cut deal beyond its current expiry date at the end of June, said Khalid al-Falih, the energy minister of OPEC's largest producer and de facto leader, Saudi Arabia. "On the OPEC side, a rollover is almost in the bag. The question is to calibrate with non-OPEC," Al-Falih said at the St. Petersburg International Economic Forum in Russia.

OPEC May oil output falls 60,000 bpd from April to 30.17mln bpd, lowest since 2015. OPEC members subject to 2019 supply-cut deal achieve 96pct compliance (vs. 132pct in Apr). Iran, under US. sanctions, shows biggest production decline. Saudi Arabia posts biggest output rise; Libya, Iraq and Angola also pump more.



UAE Stories

DP World wants to run ports that Russia plans to build along the northern sea route in the Arctic to shorten shipping times between the east and west, its chief executive told Reuters. DP World CEO further says too early to talk about specific stakes in northern sea route projects.

GEMS Education said it has acquired Saudi Arabia's Ma'arif Education Group in a joint venture with the Kingdom's Hassana Investment Company. The value of the deal was not disclosed.

Aster DM Healthcare has announced expansion in the Indian healthcare sector, with plans to launch Aster Laboratories in Bangalore next year. A centralised pathology lab processing facility is to be set up in Bangalore, along with a satellite lab in the initial stages and by the end of 2020 the target is to have a reference lab, eight satellite labs and 13 patient experience centres – mainly in the states of Karnataka and Kerala.

BP has agreed to sell its interests in Gulf of Suez oil concessions in Egypt to Dragon Oil, the Dubai-based oil and gas company. Under the terms of the agreement, Dragon Oil will purchase producing and exploration

concessions, including BP's interest in the Gulf of Suez Petroleum Company (GUPCO). Dragon Oil is a wholly-owned subsidiary of the Emirates National Oil Company (Enoc).

The Abu Dhabi Investment Authority (ADIA) has inked an investment deal with India's largest green energy company, Greenko, to make additional equity investment in the company. The move comes soon after ADIA stepped up investments in Indian renewable energy company ReNew Power. Greenko announced the signing of agreements with ADIA and Singapore-based sovereign wealth fund GIC to raise \$495 million in equity investments in the company.

The value of the total real estate transactions in Dubai surged to more than Dh34 billion during the first five months of 2019, up 33 per cent from Dh24 billion last year, according to Dubai Land Department (DLD). The value of residential and commercial apartments' deals topped Dh17 billion, while land purchasing transactions amounted to Dh14 billion and villas deals stood at Dh3 billion.

UAE April CPI -2.09pct YoY while +0.17pct MoM.

Abu Dhabi's economic growth will average 2.5 percent in the four years through 2022 as it benefits from higher oil production and prices, S&P Global Ratings estimated.

GCC/ MENA

The unemployment rate among Saudis has dropped to 12.5 percent during the first quarter of 2019 compared to 12.7 percent in the previous quarter, according to General Authority for Statistics (GaStat).

Saudi's Al Khodari says still considering suitable options to restructure company's capital in interest of shareholders.

Saudi's Taleem REIT Fund signs SAR 350mln shariah-compliant facility agreement with Banque Saudi Fransi. Facility's tenor is seven years where the full amount of the facility will be paid upon maturity. Facility will be used to finance REIT Fund new acquisitions of income-generating education properties. Profit rate on the facility will be paid on quarterly basis.

Saudi's Al-Omran Industrial and Trading posted Q1 net profit after zakat and tax 0.695mln vs 1.7mln riyals year ago. Q1 sales 23.6mln riyals vs 22.6mln riyals year ago.

Saudi's Al Samaani Factory Metal Industries posted Q1 net loss after tax and zakat 0.849mln riyals vs profit of 1.5mln riyals year ago. Q1 sales 7.8mln riyals vs 11.9mln riyals year ago.

Britain's INEOS said it would invest \$2 billion to build three plants that would form part of petrochemical complex being developed in Saudi Arabia by state-owned Saudi Aramco and France's Total. INEOS' plants would be part of a \$5 billion complex called Project Amiral that aimed to supply more than \$4 billion of derivatives and specialty chemicals, the company said.

Bahrain's average real GDP growth over 2019-2022 is expected to be 2.4 per cent, said S&P Global Ratings.

Bahrain is to allow foreign companies to own 100 percent of oil and natural gas extraction projects in the Gulf state, under an order issued by Prime Minister Sheikh Khalifa bin Salman al Khalifa. To be eligible, the foreign parent company must have signed, or be in the final stages of signing, an exploration and production agreement with the government.

The Wage Protection System (WPS) was launched last year but its implementation was delayed to give retail banks and providers more time to prepare for the management of the scheme. "We are now in the administrative phase and expect the WPS to be rolled out by the end of summer," Ausamah Al Absi, chief executive of the Labour Market Regulatory Authority (LMRA), was quoted as saying.

Kuwait's Public Authority for Manpower is in the process of establishing new controls for work permits, renewal of residence and transfer of family visas to work in the private sector.

Oman will introduce 100% tax on tobacco, alcohol and pork meat from June 15, as the sultanate follows other Gulf governments in trying to pare its reliance on oil revenue. Energy drinks will also be subject to a 100% levy and there will be a 50% tax on carbonated drinks, according to the Secretariat General for Taxation

website. The new taxes could generate about 100 million Omani rial (\$260 million) annually, Saleh bin Said Masan, head of the economic and financial committee at the Shura Council, said in November.

Egypt's Heliopolis Company for Housing and Development sees FY 2019-2020 net profit EGP 1.13bn and revenue EGP 3.08bn.

Egypt's Cleopatra Hospital posted Q1 consolidated net profit EGP 55.1m vs EGP 57.2m year ago. Q1 consolidated revenue EGP 416m vs EGP 347.2m year ago.

Egypt's Dice Sport and Casual Wear posted Q1 consolidated net profit EGP 31.1m vs EGP 42.7m year ago. Q1 consolidated net sales EGP 338.4m vs EGP 314.2m year ago.

Egypt's Minapharm Pharmaceuticals posted Q1 consolidated net profit EGP 44m vs EGP 82.6m year ago. Q1 consolidated revenue EGP 522.2m vs EGP 493.2m year ago.

Egypt's El Saeed Contracting and Real Estate Investment posted Q1 consolidated net profit EGP 32.1m vs EGP 13.5m year ago. Q1 consolidated revenue EGP 221.5m vs EGP 215.1m year ago.

Marseilia Egyptian Gulf Real Estate Investment board approves to proceed with issued and paid-up capital increase to EGP 72m from EGP 60m.

(Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian Business)

UAE FOCUS LIST - COMPANY DATA

Company	MCAP	PRICE	HIGH - LOW		VALUATION		DIV	HISTORICAL RETURN			
	(AEDm)	(AED)	52WH	52WL	TTM P/E	TTM P/B	YLD (%)^	1M%	3M%	6M%	12M%
ADCB	62,477	8.98	10.26	7.00	10.19	1.67	5.1%	3.8%	-3.9%	10.5%	21.8%
ADIB	16,235	4.47	4.95	3.46	7.50	1.30	6.1%	-2.0%	-1.8%	11.8%	22.0%
ADNIC	1,275	3.40	4.00	3.32	9.97	0.62	8.8%	-5.6%	-8.1%	-11.7%	-11.7%
Agthia	2,160	3.60	5.00	3.25	10.61	1.16	4.2%	4.3%	-3.5%	-8.9%	-24.2%
Air Arabia	4,807	1.03	1.14	0.90	NA	0.98	NA	0.0%	10.8%	3.8%	-8.8%
Ajman Bank	1,903	0.91	1.03	0.82	9.37	0.78	0.0%	3.0%	0.2%	4.1%	-10.3%
Al Waha Capital	1,865	0.96	2.02	0.89	NA	0.58	7.8%	-10.4%	-32.9%	-44.6%	-46.4%
Aldar Properties	14,310	1.82	2.14	1.43	8.22	0.61	7.7%	8.3%	1.7%	15.2%	-13.3%
Amanat Holdings	2,450	0.98	1.35	0.92	49.60	0.97	1.5%	-3.9%	-1.5%	-10.9%	-27.4%
Amlak Finance	407	0.27	0.86	0.25	NA	0.34	0.0%	-15.3%	-23.0%	-21.9%	-68.1%
Arabtec	2,310	1.54	2.41	1.37	10.88	1.41	3.2%	-21.0%	-28.0%	-17.2%	-30.0%
Aramex	6,266	4.28	5.01	3.80	12.58	2.53	3.9%	-7.0%	-1.6%	1.9%	5.7%
Bank of Sharjah	1,945	0.93	1.14	0.92	5.54	0.48	0.0%	0.0%	-5.6%	-11.8%	-15.0%
DAMAC Properties	5,203	0.86	2.50	0.84	7.18	0.37	NA	-19.6%	-38.1%	-48.8%	-64.6%
Dana Gas	6,925	0.99	1.21	0.73	NA	0.73	1.4%	2.6%	14.3%	6.5%	-9.2%
Deyaar Development	1,791	0.31	0.48	0.29	15.05	0.40	0.0%	-9.9%	-12.4%	-13.2%	-35.3%
Dubai Financial Market	5,688	0.71	1.09	0.65	51.80	0.73	0.0%	-5.3%	-9.8%	-5.2%	-34.8%
Dubai Investment	5,443	1.28	2.20	1.04	11.34	0.46	7.8%	-3.0%	0.0%	6.7%	-39.9%
Dubai Islamic Bank	33,212	5.04	5.41	4.66	6.96	1.45	6.9%	-1.8%	-2.5%	-1.8%	-0.6%
DXB Entertainments	1,600	0.20	0.41	0.17	NA	0.45	0.0%	-7.0%	-17.7%	-23.1%	-49.6%
Emaar Dev	15,680	3.92	5.28	3.26	4.08	1.80	0.0%	9.8%	3.4%	-18.0%	-23.6%
Emaar Malls	25,248	1.94	2.20	1.43	11.39	1.46	5.2%	20.5%	15.5%	12.8%	-9.8%
Emaar Properties	32,004	4.47	5.90	3.85	5.26	0.64	3.1%	-0.7%	-5.7%	7.2%	-19.3%
Emirates Integrated Tele	22,949	5.02	5.40	4.86	13.33	2.86	4.4%	-1.6%	-1.4%	1.6%	2.9%
Emirates NBD	61,691	11.10	12.10	8.25	6.26	1.12	3.6%	-3.5%	20.0%	24.7%	9.9%
Eshraq Properties	918	0.40	0.73	0.36	NA	0.63	NA	-10.2%	-8.1%	-20.8%	-45.1%
Etisalat	141,757	16.30	17.40	15.20	15.85	3.24	4.9%	2.8%	-3.0%	-2.9%	-3.0%
First Abu Dhabi Bank	162,271	14.86	16.96	11.80	13.85	1.86	4.7%	-4.7%	6.9%	6.8%	20.8%
GFH	3,372	0.92	1.51	0.73	9.08	0.88	3.5%	-8.2%	-4.4%	-18.2%	-37.3%
Gulf Navigation Holding	722	0.79	1.17	0.72	NA	0.88	0.0%	-7.6%	-0.1%	-23.0%	-21.5%
Gulf Pharmaceutical	1,830	1.58	2.30	1.44	NA	1.02	6.1%	0.0%	-1.3%	-24.8%	-25.1%
Marka	138	0.28	0.28	0.28	NA	NA	NA	0.0%	0.0%	0.0%	0.0%
Mashreqbank	13,235	74.55	80.00	68.05	6.33	0.66	5.4%	-6.8%	-6.8%	0.7%	0.7%
National Bank of Fujairah	8,843	4.78	4.78	2.31	14.81	1.89	1.4%	0.0%	12.0%	37.5%	115.1%
National Central Cooling Co	4,263	1.57	1.88	1.44	9.82	0.93	6.1%	3.3%	-6.5%	4.0%	-10.3%
RAK Bank	7,962	4.75	4.75	4.00	8.25	1.16	6.3%	0.0%	10.5%	15.9%	10.5%
RAK Properties	860	0.43	0.68	0.39	6.60	0.23	0.0%	-2.3%	-7.3%	-14.5%	-34.8%
Ras Al Khaimah	1,467	1.55	2.36	1.54	9.60	0.63	NA	-7.7%	-19.8%	-14.3%	-31.3%
SALAMA	638	0.53	0.76	0.38	370.87	0.86	0.0%	-1.7%	13.6%	14.3%	19.5%
Sharjah Islamic Bank	3,228	1.10	1.28	1.05	6.17	0.60	0.0%	-2.7%	-0.9%	-3.5%	-10.6%
Takaful Emarat Insurance	231	1.54	2.70	1.28	18.95	1.48	5.4%	0.7%	-1.3%	-7.2%	-16.8%
TAQA	4,853	0.80	1.26	0.71	16.47	1.10	0.0%	-5.9%	-8.0%	-14.0%	-36.0%
Union Properties	1,407	0.33	0.82	0.28	NA	0.45	0.0%	-8.1%	-12.3%	-30.2%	-59.3%
United Arab Bank	2,558	1.24	1.30	1.00	45.21	1.00	0.0%	21.6%	7.8%	-0.8%	-9.5%

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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