

## SHUAA Securities Morning Report

10 September 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,509	-0.2%	4.1%	4.1%	-11.2%
DFM	2,274	-0.6%	8.6%	7.0%	-21.0%
TASI	8,080	-0.1%	7.3%	10.2%	0.3%
BHSEASI	1,395	-0.5%	7.9%	8.9%	-10.0%
EGX	10,930	-0.2%	-0.3%	-1.2%	-26.6%
Dow Jones	27,940	1.6%	1.8%	2.4%	4.1%
S&P 500	3,399	2.0%	1.4%	6.0%	14.1%
Nasdaq	11,142	2.7%	1.2%	11.9%	37.8%
FTSE 100	6,013	1.4%	-0.3%	-5.1%	-16.9%
DAX	13,237	2.1%	4.4%	4.9%	8.3%
CAC40	5,043	1.4%	3.1%	-1.0%	-9.8%
Nikkei225	23,033	-1.0%	3.1%	-0.3%	8.0%
HIS	24,469	-0.6%	-0.3%	-2.3%	-8.3%
US Futures	3,391	-0.3%	1.1%	6.4%	13.9%
Europe Future	3,326	-0.1%	0.1%	5.6%	-5.2%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>381</b>	<b>381</b>	<b>-</b>
Local	49%	66%	-17%
Foreign	51%	34%	17%
Institution	84%	86%	-2%
Retail	16%	14%	2%
<b>DFM</b>	<b>309</b>	<b>309</b>	<b>-</b>
Local	56%	62%	-6%
Foreign	44%	38%	6%
Institution	23%	27%	-4%
Retail	77%	73%	4%
<b>Total</b>	<b>690</b>	<b>690</b>	<b>-</b>
Local	52%	64%	-12%
Foreign	48%	36%	12%

### # Upcoming Corporate Actions & Events

Date	Company	Event
21-Sep		FTSE Rebalancing Effective Date
23-Sep	GFH	General Assembly
24-Sep	ARTC	General Assembly

## # KEY STORIES

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UAE July CPI -2.14% YoY and -0.57% MoM

Tabreed closes syndication of USD 692mln loan

United Arab Bank disclosed that as of end-June, accumulated losses stand at AED 208.9mln, with accumulated losses to capital ratio 10.1%

Network International accelerates vesting of a portion of final tranche of pre-IPO cash awards for group CEO and group CFO on condition that they acquire ordinary shares in company shares

Al Firdous Holdings posted Q1 net loss AED 0.7mln vs loss of AED 1.7mln year ago.

IHS Markit Dubai PMI fell to 50.9 in August from 51.7 in July, slightly above the mark that separates growth from contraction

Wizz Air Holdings said it will delay the Oct. 1 launch of its new airline in Abu Dhabi if a ban on foreign visitors isn't relaxed soon

Israel's largest lender Bank Hapoalim expects to start working with banks in the UAE once the two Middle East governments sign a normalisation agreement

ADNOC invests USD 245mln to upgrade main oil lines and Jebel Dhanna Terminal

Saudi Electricity disclosed its intention to commence holding calls with fixed income investors in preparation for potential issuance of international green sukuk

Saudi Arabia's finance minister said on Wednesday the kingdom will likely see an economic contraction this year, but less severe than International Monetary Fund forecasts

Saudi Central bank governor says outlook for Saudi economy is uncertain

Kuwait's Kamco Investment divest partial shareholding in some special purpose companies outside Kuwait for about USD 20mln

Kuwait's Osoul Investment board proposes capital decrease by cancelling 8.2mln treasury shares

Oman will tap local and international debt to fill coffers

Bahrain sold USD 2bln in a dual-tranche bond deal comprising seven-year sukuk and 12-year conventional bonds

Egypt sets up commodities exchange for wheat, oils, sugar and rice

Egypt's Cleopatra Hospital to invest in IVF and fertility centre and signs business transfer agreement to transfer assets and operations of Bedaya for Medical Services

Egypt's Mohandes Insurance board approves FY cash dividend of 50 qirsh per share

## # Key Global Trends/ Market Clues

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Asia's stock markets snapped their longest losing streak since February on Thursday and rose following a bounce on Wall Street, though subdued trade in currency, commodity and bond markets suggested investors remain cautious about the outlook. MSCI's broadest index of Asia-Pacific shares outside Japan gained half a percent, lifting away from a one-month low made on Wednesday. Japan's Nikkei rose 0.5% and markets in Shanghai and Hong Kong opened higher. But pressure returned to the oil price on worries about soft demand, a harbinger of weaker global growth. An overnight rally in riskier currencies also paused, as foreign exchange traders look for the European Central Bank's tone at its meeting later on Thursday to guide the next move for the euro, dollar and the broader market. S&P 500 futures and Nasdaq 100 futures each fell 0.4% in Asia.

Oil futures fell in early trade on Thursday, paring overnight gains, on worries about fuel demand after data showed U.S. crude stockpiles rose last week, rather than dropping as expected, and COVID-19 cases continued to rise around the world. U.S. West Texas Intermediate (WTI) crude futures fell 20 cents, or 0.5%, to USD 37.85 a barrel at 0056 GMT, after climbing 3.5% on Wednesday. Brent crude futures dropped 14 cents, or 0.3% to USD 40.65 a barrel, after rising 2.5% on Wednesday.

Iraq's federal government has requested that the Kurdistan Regional Government (KRG) cut its oil production by 120,000 barrels per day (bpd), Iraq's state news agency INA quoted a KRG minister as saying on Wednesday. The semi-autonomous Kurdistan Region of Iraq's domestic oil consumption is at 30,000 bpd, INA quoted Khaled al-Shawani, the KRG minister responsible for dealing with Baghdad, as saying. Baghdad and the Kurds are discussing several scenarios for an agreement over production cuts, al-Shawani said. Iraqi Oil Minister Ihsan Abdul Jabbar had said last week that the KRG is still exporting oil without consulting the federal government. The Organization of the Petroleum Exporting Countries and allies, a grouping known as OPEC+, are currently cutting output by 7.7mln bpd to support prices as the coronavirus crisis hammers demand. Iraq relies almost entirely on oil for its state revenue.

## # UAE Stories

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UAE July CPI -2.14% YoY and -0.57% MoM.

Tabreed closes syndication of USD 692mln loan. The loan has a tenor of 5 years (until March 2025) and it was structured as a multi-tranche syndicated facility with Islamic and conventional tranches. Facility will also support development of a new state-of-art district cooling plant in downtown Dubai. Facility is as part of company's acquisition funding of a 80% stake in Emaar Properties' Downtown Dubai District Cooling business.

United Arab Bank disclosed that as of end-June, accumulated losses stand at AED 208.9mln, with accumulated losses to capital ratio 10.1%.

Network International accelerates vesting of a portion of final tranche of pre-IPO cash awards for group CEO and group CFO on condition that they acquire ordinary shares in company shares. Considering the recent acquisition of DPO Group and the terms of the non-pre-emptive equity placing, the remuneration committee determines that the share price at which the equity was raised through an accelerated book building process at GBP 4.10 was a fair and appropriate price for the acquisition of shares for both shareholders and management.

Al Firdous Holdings posted Q1 net loss AED 0.7mln vs loss of AED 1.7mln year ago.

Dubai's non-oil private sector expanded marginally in August, its second straight month of growth, though at a slower pace than in July, while weak demand led to a sixth month of job cuts, a survey showed on Wednesday. The seasonally adjusted IHS Markit Dubai Purchasing Managers' Index (PMI) fell to 50.9 in August from 51.7 in July, slightly above the mark that separates growth from contraction.

Wizz Air Holdings said it will delay the Oct. 1 launch of its new airline in Abu Dhabi if a ban on foreign visitors isn't relaxed soon. The deadline for a go-decision is fast approaching, and it's likely that flights will be pushed back by a few weeks because of the health-related restrictions, Wizz Chief Executive Officer Jozsef Varadi said in an interview.

Israel's largest lender Bank Hapoalim expects to start working with banks in the United Arab Emirates once the two Middle East governments sign a normalisation agreement, its chief executive said on Wednesday.

Adnoc invests USD 245mln to upgrade main oil lines and Jebel Dhanna terminal in the emirate of Abu Dhabi. Adnoc onshore announces award of two EPC contracts to upgrade two main oil lines and crude receiving facilities at Jebel Dhanna terminal. EPC contracts were awarded to China Petroleum Pipeline Engineering and Target Engineering Construction.

## # GCC/ MENA

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Saudi Electricity disclosed its intention to commence holding calls with fixed income investors in preparation for potential issuance of international green sukuk. Issuance amount is subject to market conditions and SEC's requirements. Issuance type USD fixed rate REGS senior unsecured international green sukuk. Purpose of issuance to finance certain eligible green capital projects.

Saudi Arabia's finance minister said on Wednesday the kingdom will likely see an economic contraction this year, but less severe than International Monetary Fund forecasts. "I hope, and I'm challenging Kristalina (Georgieva), we'll come quite below what they're expecting in terms of the 2020 negative growth," Mohammed al-Jadaan said, speaking to a virtual forum after IMF chief Kristalina Georgieva. The IMF has previously said Saudi Arabia's economy could contract by 6.8% this year.

The outlook for Saudi Arabia's economy this year is uncertain, the kingdom's central bank governor said on Wednesday, as the oil exporter navigates the effects of low oil prices and the coronavirus pandemic. Ahmed al-Kholifey, governor of the Saudi Arabian Monetary Authority (SAMA), speaking to a virtual Euromoney event, also reaffirmed the bank's commitment to the local currency peg to the U.S. dollar.

Kuwait's Kamco Investment divest partial shareholding in some special purpose companies outside Kuwait for about USD 20mln.

Kuwait's Osoul Investment board proposes capital decrease by cancelling 8.2mln treasury shares.

Oman will tap local and international debt markets to fill state coffers badly hit by low oil prices and the economic downturn caused by the coronavirus crisis, its state news agency said on Wednesday citing the finance ministry. A relatively small crude producer burdened by high levels of debt, Oman is more vulnerable to oil price swings than most of its wealthier Gulf neighbours. The finance ministry hired Bank Muscat and its Islamic unit Meethaq to arrange an issuance of local sukuk, Oman News Agency said.

Bahrain sold USD 2bln in a dual-tranche bond deal comprising seven-year sukuk and 12-year conventional bonds on Wednesday, its second international debt sale this year, a document showed. Bahrain sold USD 1bln in sukuk at 3.95% and USD 1bln in 12-year bonds at 5.45% and received more than USD 7.6bln in combined orders for them, the document from one of the banks arranging the deal showed.

Egypt sets up commodities exchange for wheat, oils, sugar and rice.

Egypt's Cleopatra Hospital to invest in IVF and fertility centre and signs business transfer agreement to transfer assets and operations of Bedaya for Medical Services. Bedaya for Medical Services assets transfer to a JV held for 60% by Cleopatra Hospitals and for 40% by Dr. Aboul Foutouh. Payment consideration for centre's medical equipment, working capital and associated real estate assets will be of EGP 105mln.

Egypt's Mohandes Insurance board approves FY cash dividend of 50 qirsh per share.

## # 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	38,266	5.50	8.53	3.82	10.39	0.72	6.9%	8.5	8.9	9.7	(30.7)
ADIB	15,145	4.17	5.85	3.19	9.12	0.82	6.6%	12.7	11.2	0.7	(11.5)
ADNIC	2,195	3.85	4.00	2.60	6.18	1.00	7.8%	19.9	28.3	4.1	48.1
ADNOC Dist	39,625	3.17	3.27	2.40	20.27	11.51	6.0%	0.6	7.1	25.6	25.8
Agthia	1,890	3.15	3.70	2.50	19.85	0.99	4.8%	16.2	16.2	9.8	(5.0)
Air Arabia	5,367	1.15	1.61	0.87	10.69	1.31	7.8%	1.8	(3.4)	16.0	1.0
Ajman Bank	1,470	0.70	0.94	0.50	39.77	0.59	0.0%	14.9	14.9	16.7	(25.1)
Al Waha Capital	1,906	0.98	1.06	0.62	NA	0.65	NA	4.3	50.8	29.6	(5.8)
Aldar Properties	16,276	2.07	2.37	1.35	9.33	0.67	7.0%	19.7	18.3	31.1	1.1
Amanat Holdings	2,088	0.84	0.95	0.56	81.78	0.83	2.6%	(4.7)	9.2	34.3	(5.7)
Amlak Finance	495	0.33	0.64	0.20	NA	0.76	0.0%	(1.2)	2.2	5.8	4.1
Arabtec	923	0.62	2.05	0.44	NA	6,833.3	0.0%	(41.4)	0.8	5.7	(64.2)
Aramex	5,476	3.74	4.20	2.00	12.79	2.18	4.4%	7.8	14.5	57.8	(5.1)
Bank of Sharjah	1,113	0.53	0.87	0.53	NA	0.36	0.0%	NA	(11.7)	(28.4)	(39.4)
DAMAC Properties	5,336	0.88	0.98	0.36	NA	0.39	NA	2.0	28.6	75.0	(6.5)
Dana Gas	5,072	0.73	0.98	0.53	NA	0.55	7.6%	0.7	11.5	11.0	(19.4)
Deyaar Development	1,699	0.29	0.43	0.18	32.17	0.37	0.0%	1.0	6.1	21.5	(8.1)
Dubai Financial Market	6,760	0.85	1.00	0.50	50.27	0.88	3.0%	3.0	6.0	34.9	(2.2)
Dubai Investment	5,017	1.18	1.39	0.98	9.85	0.43	NA	3.5	(2.0)	19.0	(2.8)
Dubai Islamic Bank	31,642	4.37	5.86	3.04	7.65	0.87	8.0%	14.7	10.4	7.5	(10.8)
DXB Entertainments	1,032	0.13	0.23	0.09	NA	0.51	0.0%	3.2	(10.4)	(3.0)	(42.9)
Emaar Dev	8,920	2.23	4.23	1.79	3.79	0.84	0.0%	5.7	0.9	(24.7)	(46.1)
Emaar Malls	18,350	1.41	1.96	0.98	12.22	0.98	0.0%	4.4	2.2	7.6	(26.6)
Emaar Properties	20,978	2.93	5.04	1.90	4.12	0.38	0.0%	10.2	3.5	8.5	(41.4)
Emirates Integrated Tele	24,024	5.30	6.35	4.33	17.31	2.91	6.4%	4.3	6.6	7.5	(0.1)
Emirates NBD	67,588	10.70	13.90	6.33	5.95	0.83	3.7%	15.7	14.4	21.0	(13.0)
Eshraq Investments	872	0.38	0.46	0.16	NA	0.63	NA	4.2	55.6	74.4	(8.3)
Etisalat	143,496	16.50	17.00	11.02	16.28	3.16	4.8%	(0.6)	1.5	29.1	6.0
First Abu Dhabi Bank	124,270	11.38	15.92	7.78	11.84	1.27	6.5%	3.5	(2.2)	1.6	(20.3)
GFH	2,231	0.62	0.93	0.45	0.36	0.65	5.5%	6.7	9.9	(4.5)	(27.6)
Gulf Navigation Holding	479	0.47	0.82	0.28	NA	0.89	0.0%	0.9	16.3	42.9	(40.8)
IHC	67,502	37.06	38.00	3.70	NM	14.39	NA	9.5	25.6	174.5	788.7
Julphar	1,467	1.27	1.54	0.54	NA	1.36	0.0%	12.4	1.6	52.2	21.6
Mashreqbank	11,877	66.90	86.80	62.00	8.61	0.56	6.0%	(1.6)	(0.0)	(7.1)	(8.4)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	3.3	3.3
Tabreed	5,757	2.12	2.22	1.58	11.57	1.19	5.0%	8.2	9.8	11.6	24.7
RAK Bank	5,883	3.51	5.00	3.33	6.96	0.79	8.5%	1.4	(0.8)	(5.6)	(15.8)
RAK Properties	780	0.39	0.48	0.33	6.99	0.20	10.3%	2.6	11.4	11.0	(5.6)
RAK Ceramics	1,381	1.39	1.81	1.24	15.64	0.62	10.3%	1.5	(0.7)	(0.9)	2.2
SALAMA	903	0.75	0.78	0.30	13.29	1.16	NA	14.4	44.9	100.1	16.9
Sharjah Islamic Bank	3,667	1.19	1.29	0.95	7.25	0.49	4.0%	4.4	12.3	19.0	6.5
SHUAA Capital	1,712	0.68	1.04	0.40	24.06	1.30	NA	6.0	19.3	(3.7)	(32.2)
Takaful Emarat Insurance	209	1.39	1.46	0.97	NA	1.73	5.9%	(3.5)	1.5	9.4	(0.0)
TAQA	156,284	1.39	1.65	0.40	NA	4.94	0.0%	6.1	107.5	148.2	88.9
Union Properties	1,231	0.29	0.39	0.15	NA	0.48	0.0%	(13.6)	(4.3)	76.1	(12.0)
United Arab Bank	1,844	0.89	1.13	0.81	NA	NA	0.0%	NA	-	(0.2)	(10.6)

(Source: Bloomberg)

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

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