

## SHUAA Securities Morning Report

13 September 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,519	0.2%	3.8%	4.3%	-11.3%
DFM	2,271	-0.1%	8.4%	6.8%	-21.5%
TASI	8,135	0.7%	8.0%	11.0%	2.1%
BHSEASI	1,390	-0.3%	6.9%	8.4%	-10.3%
EGX	11,071	1.3%	1.2%	1.3%	-26.0%
Dow Jones	27,666	0.5%	-0.1%	10.1%	1.9%
S&P 500	3,341	0.1%	0.2%	11.3%	11.3%
Nasdaq	10,854	-0.6%	0.7%	14.3%	32.9%
FTSE 100	6,032	0.5%	-2.0%	-0.7%	-17.8%
DAX	13,203	0.0%	2.0%	10.3%	6.8%
CAC40	5,034	0.2%	0.1%	4.5%	-10.4%
Nikkei225	23,406	0.7%	2.9%	4.2%	8.4%
HIS	24,503	0.8%	-1.6%	0.1%	-9.8%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>364</b>	<b>364</b>	-
Local	61%	73%	-11%
Foreign	39%	27%	11%
Institution	87%	83%	4%
Retail	13%	17%	-4%
<b>DFM</b>	<b>284</b>	<b>284</b>	-
Local	56%	51%	6%
Foreign	44%	49%	-6%
Institution	27%	30%	-3%
Retail	73%	70%	3%
<b>Total</b>	<b>648</b>	<b>648</b>	-
Local	59%	63%	-4%
Foreign	41%	37%	4%

### # Upcoming Corporate Actions & Events

Date	Company	Event
16-Sep	AMAN	BoD/General
21-Sep		FTSE Rebalancing Effective Date
23-Sep	GFH	General Assembly
24-Sep	ARTC	General Assembly
28-Sep	IHC	General Assembly

## # KEY STORIES

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UAE on September 12 reported 1,007 new cases of the Covid-19, along with 521 recoveries. Total cases in the country at 78,849 with 68,983 recoveries and 399 deaths

Arabtec' subsidiary Target Engineering awarded contract worth around USD 110mn for EPC crude receiving facilities at Jebel Dhanna Terminal by ADNOC ONSHORE

Brooge Petroleum and Gas Investment Company, a subsidiary of Brooge Energy, issued USD 200mln in senior secured bonds in the Nordic bond market

Wizz Air has delayed the launch date of its new Abu Dhabi operation by two weeks, citing ongoing Covid-19-related travel restrictions

Search for missing Gulf Navigation ship called off as no more survivors found

Al-Futtaim Group will open 100 stores of health and beauty retailer Watson and will recruit hundreds of employees for this new franchise across the UAE, Saudi Arabia, Oman, Kuwait and Bahrain, with most of them coming up in the UAE and Saudi Arabia

UAE Civil Aviation Authority is committed to ensuring a safe return to service for the Boeing B737 MAX in the UAE

Middle East sovereign wealth funds, including ADIA and PIF are holding talks to acquire stakes in Reliance Retail, a subsidiary Reliance Industries. Mubadala may also buy a stake in the company

UAE Central Bank Governor says Central banks need to act in "a careful and phased manner" to avoid a sharp deterioration of credit

Saudi Arabia's PIF is weighing a potential investment in the initial public offering of Chinese financial technology firm Ant Group, two sources familiar with the matter said

Saudi's Electricity Company has completed the offering of senior unsecured international green sukuk 2.413% bonds due 2030, for gross proceeds of USD 650mln

Capital Market Authority approves Mobile Telecommunication Company's request to reduce its capital and subsequently increasing it by way of rights issue

Saudi's Capital Market Authority grants financial technology experimental permit to Maysan Financial Technology to experiment social trading technology

Kuwait International Bank obtains central bank approval for up to USD 2bln sukuk program

Bahrain has become the second GCC to establish full diplomatic relations with Israel

Vodafone may reconsider the planned sale price of its Egyptian unit to Saudi Telecom in the light of changing economic realities, according to sources familiar with the deal

Egypt's core inflation at 0.8% in August from 0.7% in July - C. Bank

Egypt's annual urban consumer price inflation decreased to 3.4% in Aug from 4.2% in July - CAPMAS

Amwaj for Real Estate & Tourism Investment buys 10.53% stake in Egypt's Odin Investments for EGP 49.3mln

## # Key Global Trends/ Market Clues

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Global equities treaded water and U.S. government bonds edged higher on Friday as investors weighed better-than-expected corporate earnings and increased M&A activity in Europe against political concerns ranging from the U.S. elections to Brexit. Growing fears over a messy no-deal Brexit dragged sterling to 5-1/2-month lows after the European Union told Britain it should urgently scrap a plan to break their divorce pact. MSCI's gauge of stocks across the globe gained 0.10% following modest gains in Europe and Asia. Japan's Nikkei rose after Tokyo dropped its coronavirus alert by one notch from the highest level as COVID-19 cases trend down. European indexes were bolstered after telecoms and cable group Altice Europe said its founder had offered to take the company private, sending its shares up more than 24%. On Wall Street, the Dow Jones Industrial Average rose 131.06 points, or 0.48%, to 27,665.64, the S&P 500 gained 1.78 points, or 0.05%, to 3,340.97 and the Nasdaq Composite dropped 66.05 points, or 0.6%, to 10,853.55.

Oil prices were little changed on Friday, but posted their second straight weekly loss as stockpiles rise around the world and fuel demand struggles to rebound to pre-coronavirus levels. Both Brent and U.S. crude lost about 6% on the week after a series of signals that showed markets still have an abundance of supply. Saudi Arabia and Kuwait cut official selling prices to Asia, U.S. stockpiles rose and traders are booking vessels for storage. Brent ended the session down 23 cents, or 0.6%, at USD 39.83 a barrel while U.S. crude settled up 3 cents at USD 37.33 a barrel.

Moody's Investor Services downgraded Turkey's credit rating deeper into non-investment grade territory, citing its worsening external vulnerabilities, eroding fiscal buffers and institutional challenges. The agency downgraded Turkey's sovereign issuer and senior unsecured debt ratings to B2 from B1, five notches below investment grade, and maintained a negative outlook on the country. The rate cut puts Turkey on par with Tanzania, Rwanda and Jamaica.

## # UAE Stories

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The UAE Ministry of Health and Prevention on Saturday, September 12, reported 1,007 new cases of the Covid-19 coronavirus, along with 521 recoveries. It also announced a death due to complications caused by the virus. The new cases were identified after conducting additional 95,287 tests. This is the first time that daily Covid-19 infections have crossed the 1,000 mark, making Saturday's cases the highest recorded in the country. Total cases in the country at 78,849 with 68,983 recoveries and 399 deaths.

Arabtec' subsidiary Target Engineering awarded contract worth around USD 110mn for EPC crude receiving facilities at Jebel Dhanna Terminal by ADNOC ONSHORE.

Brooge Petroleum and Gas Investment Company, a subsidiary of Brooge Energy, issued USD 200mln in senior secured bonds with a borrowing limit of USD 250mln in the Nordic bond market, the firm said in a statement on Friday. The debut bond issuance has a five-year maturity and will be used, among other things, to repay existing bank debt as the company expands its oil storage business, the company said.

Wizz Air has delayed the launch date of its new Abu Dhabi operation by two weeks, citing ongoing Covid-19-related travel restrictions.

The search for survivors of the Gulf Livestock 1 tragedy has been called off, a week after the ship is believed to have sunk during Typhoon Maysak.

Al-Futtaim Group will open 100 stores of health and beauty retailer Watson and will recruit hundreds of employees for this new franchise. The new outlets will be opened in the UAE, Saudi Arabia, Oman, Kuwait and Bahrain, with most of them coming up in the UAE and Saudi Arabia, the family-owned group said in a statement, adding that it "will be hiring new employees in the hundreds".

The United Arab Emirates civil aviation authority said on Thursday it was committed to ensuring a safe return to service for the Boeing BA.N B737 MAX in the UAE. The authority said it continued to work with the U.S. Federal Aviation Administration on the return to service of the globally grounded 737 MAX. Emirati carrier flydubai is one of the largest customers of the 737 MAX jet.

Middle East sovereign wealth funds, including the Abu Dhabi Investment Authority (ADIA) and Saudi Arabia's Public Investment Fund (PIF) are holding talks to acquire stakes in Reliance Retail, a subsidiary

Reliance Industries, according to the Financial Times. Reliance Industries, an oil-to-telecoms conglomerate, is planning to raise USD 5.7bln by selling shares in Reliance Retail. ADIA is in talks about an investment of USD 750mln at a valuation of roughly USD 57bln, while the PIF would invest up to USD 1.5bln in Reliance Retail, sources referred. Abu Dhabi investment firm Mubadala may also buy a stake in the company.

UAE Central Bank Governor says Central banks need to act in "a careful and phased manner" to avoid a sharp deterioration of credit supply when their economies are in a position to recover from the COVID-19 crisis. His comments, made in a speech to a conference of central bankers from emerging markets, were published on Thursday by the central bank.

## # GCC/ MENA

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Saudi Arabia's sovereign fund PIF is weighing a potential investment in the initial public offering of Chinese financial technology firm Ant Group, two sources familiar with the matter said. The IPO by Ant is set to be the world's biggest ever, potentially raising up to USD 30bln. The Public Investment Fund (PIF) was approached by Ant through its advisors to consider investing in the deal, the sources said.

Saudi Electricity Company has completed the offering of senior unsecured international green sukuk 2.413% bonds due 2030, for gross proceeds of USD 650mln.

Capital Market Authority approves Mobile Telecommunication Company's request to reduce its capital and subsequently increasing it by way of rights issue.

Saudi's Capital Market Authority grants financial technology experimental permit to Maysan Financial Technology to experiment social trading technology.

Kuwait International Bank obtains central bank approval for up to USD 2bln sukuk program.

Bahrain has become the second Gulf nation to establish full diplomatic relations with Israel, joining the United Arab Emirates in normalizing ties with the Jewish state and reshaping politics in the Middle East.

Vodafone may reconsider the planned sale price of its Egyptian unit to Saudi Telecom in the light of changing economic realities, according to sources familiar with the deal. Bloomberg earlier reported that STC was negotiating with Vodafone International to reduce the non-binding offer of about USD 2.4bln to acquire 55pct of Vodafone Egypt.

Egypt's core inflation at 0.8% in August from 0.7% in July - C. Bank

Egypt's annual urban consumer price inflation decreased to 3.4% in Aug from 4.2% in July -CAPMAS

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## # 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	38,126	5.48	8.53	3.82	10.36	0.72	6.9%	8.5	10.3	1.2	(29.3)
ADIB	15,218	4.19	5.85	3.19	9.16	0.82	6.5%	13.2	11.7	(2.1)	(10.4)
ADNIC	2,195	3.85	4.00	2.70	6.18	1.00	7.8%	10.0	25.8	4.1	48.1
ADNOC Dist	40,625	3.25	3.27	2.40	20.78	11.80	5.9%	3.2	10.2	16.7	31.4
Agthia	1,890	3.15	3.70	2.50	19.85	0.99	4.8%	12.9	13.7	10.5	(5.3)
Air Arabia	5,367	1.15	1.61	0.87	10.69	1.31	7.8%	1.8	(3.4)	2.7	2.7
Ajman Bank	1,470	0.70	0.94	0.50	39.77	0.59	0.0%	14.8	19.3	14.8	(24.7)
Al Waha Capital	1,830	0.94	1.04	0.62	NA	0.62	NA	(4.0)	44.8	14.8	(9.5)
Aldar Properties	16,197	2.06	2.37	1.35	9.29	0.66	7.0%	17.7	18.4	14.5	0.2
Amanat Holdings	2,090	0.84	0.95	0.56	81.88	0.83	2.6%	(5.9)	6.6	22.7	(4.0)
Amlak Finance	494	0.33	0.64	0.20	NA	0.76	0.0%	(1.5)	(0.3)	0.0	2.8
Arabtec	899	0.60	2.05	0.44	NA	6,655.6	0.0%	(41.8)	(2.9)	(4.5)	(65.0)
Aramex	5,490	3.75	4.15	2.00	12.83	2.19	4.4%	6.8	14.5	37.7	(4.6)
Bank of Sharjah	1,113	0.53	0.86	0.53	NA	0.36	0.0%	NA	(11.7)	(28.4)	(39.4)
DAMAC Properties	5,445	0.90	0.98	0.36	NA	0.40	NA	5.3	32.0	69.2	(4.4)
Dana Gas	5,114	0.73	0.98	0.53	NA	0.56	7.5%	1.8	10.8	10.6	(18.8)
Deyaar Development	1,687	0.29	0.43	0.18	31.95	0.37	0.0%	1.0	2.5	17.7	(10.2)
Dubai Financial Market	6,760	0.85	1.00	0.50	50.27	0.88	3.0%	2.3	4.8	26.2	(1.9)
Dubai Investment	5,060	1.19	1.39	0.98	9.94	0.43	NA	3.5	(2.7)	9.8	(2.0)
Dubai Islamic Bank	31,425	4.34	5.86	3.04	7.60	0.86	8.1%	13.6	11.9	(3.3)	(12.2)
DXB Entertainments	1,032	0.13	0.23	0.09	NA	0.51	0.0%	6.6	(15.7)	(3.0)	(42.7)
Emaar Dev	9,000	2.25	4.23	1.79	3.82	0.85	0.0%	5.6	(0.0)	(28.6)	(45.1)
Emaar Malls	18,220	1.40	1.96	0.98	12.14	0.97	0.0%	4.5	2.2	(1.4)	(27.8)
Emaar Properties	20,835	2.91	5.03	1.90	4.09	0.37	0.0%	9.0	0.0	0.3	(41.8)
Emirates Integrated Tele	23,752	5.24	6.35	4.33	17.11	2.87	6.5%	3.1	5.2	2.0	(1.9)
Emirates NBD	67,588	10.70	13.90	6.33	5.95	0.83	3.7%	16.3	16.9	17.3	(12.7)
Eshraq Investments	895	0.39	0.46	0.16	NA	0.65	NA	4.6	60.4	57.1	(6.3)
Etisalat	144,192	16.58	17.00	11.02	16.36	3.18	4.8%	(0.1)	2.8	26.5	6.7
First Abu Dhabi Bank	124,706	11.42	15.92	7.78	11.88	1.28	6.5%	3.4	(2.4)	(4.8)	(20.2)
GFH	2,218	0.62	0.93	0.45	0.36	0.65	5.5%	7.3	9.0	(8.7)	(27.9)
Gulf Navigation Holding	479	0.47	0.82	0.28	NA	0.89	0.0%	1.5	7.3	34.3	(40.5)
IHC	67,429	37.02	38.00	4.05	NM	14.37	NA	5.8	24.2	164.4	747.1
Julphar	1,467	1.27	1.54	0.54	NA	1.36	0.0%	17.6	1.6	67.4	21.6
Mashreqbank	11,877	66.90	86.80	62.00	8.61	0.56	6.0%	(1.6)	(0.0)	(7.1)	(9.6)
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	10.4	3.4	24.0
RAK Bank	5,883	3.51	5.00	3.33	6.96	0.79	8.5%	1.4	3.5	(17.9)	(15.8)
RAK Properties	786	0.39	0.48	0.33	7.04	0.21	10.2%	2.1	10.7	7.7	(4.4)
RAK Ceramics	1,381	1.39	1.81	1.24	15.64	0.62	10.3%	2.2	0.0	(9.8)	4.2
SALAMA	943	0.78	0.78	0.30	13.88	1.21	NA	25.6	52.7	85.5	22.3
Sharjah Islamic Bank	3,698	1.20	1.29	0.95	7.31	0.49	4.0%	5.3	9.1	8.1	9.2
SHUAA Capital	1,757	0.69	1.03	0.40	24.70	1.34	NA	7.8	15.9	(1.0)	(30.6)
Takaful Emarat Insurance	216	1.44	1.46	0.97	NA	1.79	5.7%	(0.0)	5.1	2.9	3.6
TAQA	156,284	1.39	1.65	0.40	NA	4.94	0.0%	(2.1)	109.0	162.3	88.9
Union Properties	1,283	0.30	0.39	0.15	NA	0.50	0.0%	(9.7)	(4.2)	70.9	(7.4)
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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