

## SHUAA Securities Morning Report

15 September 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,515	0.1%	2.9%	5.6%	-11.4%
DFM	2,282	0.4%	5.9%	9.1%	-21.0%
TASI	8,256	0.6%	7.2%	13.2%	5.4%
BHSEASI	1,402	0.2%	6.9%	10.0%	-9.4%
EGX	11,034	-0.5%	0.8%	2.8%	-27.0%
Dow Jones	27,993	1.2%	0.2%	9.3%	2.8%
S&P 500	3,384	1.3%	0.3%	11.3%	12.5%
Nasdaq	11,057	1.9%	0.3%	15.3%	35.2%
FTSE 100	6,026	-0.1%	-1.0%	-1.3%	-18.2%
DAX	13,194	-0.1%	2.3%	10.4%	5.8%
CAC40	5,052	0.4%	1.8%	4.4%	-10.7%
Nikkei225	23,559	0.7%	1.2%	5.6%	7.1%
HIS	24,640	0.6%	-2.2%	1.4%	-9.9%
US Futures	3,390	0.2%	0.8%	8.3%	13.0%
Europe Future	3,308	-0.3%	0.5%	2.5%	-5.9%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>4,048</b>	<b>4,048</b>	-
Local	97%	95%	2%
Foreign	3%	5%	-2%
Institution	97%	98%	-1%
Retail	3%	2%	1%
<b>DFM</b>	<b>299</b>	<b>299</b>	-
Local	43%	49%	-5%
Foreign	57%	51%	5%
Institution	43%	44%	-1%
Retail	57%	56%	1%
<b>Total</b>	<b>4347</b>	<b>4347</b>	-
Local	94%	92%	2%
Foreign	6%	8%	-2%

### # 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
29-Sep	NCTH	BoD/General

## # KEY STORIES

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UAE on September 14 reported 777 new cases of the Covid-19, along with 530 recoveries. Total cases in the country at 80,266 with 69,981 recoveries and 399 deaths

Adnoc completes USD 1bn institutional placement of Adnoc Distribution shares, placement constitutes a sale of 1.25bn shares priced at AED 2.95, which represents 10% of Adnoc Distribution's total share capital. Adnoc retains an 80% strategic stake in Adnoc Distribution and continues to see strong growth potential in company

Ithmaar Holding sign MOU on potential acquisition by BBK of Ithmaar Bank's Bahrain operations along with potential acquisition by BBK of specific assets of IB Capital

DXB Entertainment confirms reopening of Motiorgate Dubai and Lapita Hotel on September 23

Emirates NBD has signed a cooperation agreement (MOU) with Israel's Bank Hapoalim

Air Arabia Abu Dhabi is adding a daily service to Cairo from September 24. The latest service represents the fifth route for Air Arabia Abu Dhabi since the launch on July 14

Russia's largest lender Sberbank has received approval in principle to open an office in the UAE to facilitate investment between Russian and Middle Eastern investors

ADQ has established Silal, a new company that will diversify food sources and increase locally grown, raised and produced food

UAE approves Covid-19 vaccine by G42 and China's Sinopharm

Saudi Arabia not seeking to lift oil prices with additional voluntary cuts – source

Saudi Bindawood IPO books are covered on full deal size throughout price range. Indicated demand exceeds deal size

Kuwait's Qurain Petrochemical Industries finalized an off-market transaction to purchase an additional 8.83% stake in Napesco at KWD 10.6mln

Oman June year to date state budget deficit OMR 855.8mln

Bahrain's cabinet directed the central bank to encourage banks to postpone loan repayments by citizens affected by the coronavirus pandemic until the end of the year

Egypt's Orascom Investment Holding posted Q2 consolidated net loss attributable EGP 57.5mln vs loss of EGP 68.5mln year ago. Q2 consolidated operating revenue EGP 232.6mln vs EGP 273.8mln year ago

Egypt's Speed Medical board approves acquisition of all shares of Misr Laboratories

Jordan-based Capital Bank has commenced due diligence to buy Lebanon-based Bank Audi's businesses in Jordan and Iraq

## # Key Global Trends/ Market Clues

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Asian equities extended gains on Tuesday and the dollar slipped, with investor sentiment supported by Chinese data and optimism about COVID-19 vaccines. Chinese blue chips added 0.4%, buoyed by data showing China's industrial output rose 5.6% in August from a year ago, expanding for a fifth straight month. MSCI's broadest index of Asia-Pacific shares outside Japan advanced 0.3%, for a fourth straight day of gains. Japan's Nikkei shed 0.8%, while South Korean shares rose 0.3% and Australia's S&P/ASX 200 index added 0.1%.

Oil prices inched lower on Tuesday as a bleaker outlook for global fuel demand prompted fresh selling, but short-covering ahead of a meeting later this week of OPEC and its allies, known as OPEC+, limited losses. Brent crude was down 3 cents, or 0.1%, at USD 39.58 a barrel by 0102 GMT, reversing earlier gains. U.S. West Texas Intermediate (WTI) crude futures were down 2 cents, or 0.1%, at USD 37.24 a barrel. Both contracts ended slightly lower the previous day.

OPEC sees 2020 world oil demand falling by 9.46mln bpd vs previous forecast 9.06mbpd drop. OPEC sees 2021 oil demand rising by 6.62mln bpd vs previous forecast 7.0mbpd rise. OPEC says coronavirus impact remains challenging and requires coordinated policy action from all market participants including OPEC+. OPEC says its August oil output rose by 760,000 bpd to 24.05mln bpd as OPEC+ eased supply cut; compliance rises to 103%. OPEC and allies such as Russia are unlikely to announce further curbs to oil output this week despite a price drop, sources told Reuters, and will extend the period for countries like Iraq and Nigeria to compensate for earlier overproduction.

## # UAE Stories

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The United Arab Emirates (UAE) on Monday announced 777 new COVID-19 cases, bringing the total confirmed cases in the country to 80,266. At the same time, 530 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 69,981, UAE's Ministry of Health and Prevention said. It has reported no deaths from COVID-19 during the past 24 hours. The nationwide death toll stands at 399.

Adnoc completes USD 1bln institutional placement of Adnoc Distribution shares, placement constitutes a sale of 1.25bln shares priced at AED 2.95, which represents 10% of Adnoc Distribution's total share capital. Adnoc retains an 80% strategic stake in Adnoc Distribution and continues to see strong growth potential in company. Transaction represents largest block placement of publicly listed GCC firm and leverages significant investor demand for Adnoc Distribution shares.

Ithmaar Holding sign MOU on potential acquisition by BBK of Ithmaar Bank's Bahrain operations along with potential acquisition by BBK of specific assets of IB Capital.

DXB Entertainment confirms reopening of Motiongate Dubai and Lapita Hotel on September 23.

Emirates NBD has signed a cooperation agreement (MOU) with Israel's Bank Hapoalim.

Air Arabia Abu Dhabi, the newly launched low-cost carrier, is adding a daily service to Cairo from September 24. Cairo joins Air Arabia Abu Dhabi growing network in Egypt, with current flights connecting Abu Dhabi to Alexandria and Sohag. The latest service represents the fifth route for Air Arabia Abu Dhabi since the launch on July 14.

Russia's largest lender Sberbank has received approval in principle to open an office in the United Arab Emirates to facilitate investment between Russian and Middle Eastern investors, the bank said on Monday. The state-owned bank said Sberinvest Middle East would engage in trade finance of Russian exports to the Middle East and that the company's launch would create a link between Russian businesses and investors from the region.

ADQ has established Silal, a new company that will diversify food sources and increase locally grown, raised and produced food, the Abu Dhabi media office said in a tweet. ADQ has been acquiring businesses in the commodities and agriculture sectors. Its portfolio includes the General Holding Corp PJSC (Senaat), which has subsidiaries trading in agri-food and industrial assets. It also owns Al Dahra Holding, an Abu Dhabi-based multinational animal feed and essential food commodities specialist.

The United Arab Emirates announced a significant development in the fight against COVID-19 on Monday. The government has “approved vaccine for emergency use following successful phase III trials,” Director of Strategic Communications for the UAE’s Ministry of Foreign Affairs Hend al-Otaiba tweeted.

## # GCC/ MENA

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Saudi Arabia not seeking to lift oil prices with additional voluntary cuts – source

Saudi Bindawood IPO books are covered on full deal size throughout price range. Indicated demand exceeds deal size.

Kuwait’s Qurain Petrochemical Industries finalized an off-market transaction to purchase an additional 8.83% stake in Napesco at KWD 10.6mln.

Oman June year to date state budget deficit OMR 855.8mln.

Bahrain's cabinet on Monday directed the central bank to encourage banks to postpone loan repayments by citizens affected by the coronavirus pandemic until the end of the year, state news agency BNA said. It should be done in a way that "does not affect banks' liquidity and financial solvency," BNA said, reporting the result of a weekly cabinet session.

Egypt's Orascom Investment Holding posted H1 consolidated net profit EGP 1.7mln vs loss of EGP 153.5mln year ago. Q2 consolidated net loss attributable EGP 57.5mln vs loss of EGP 68.5mln year ago. Q2 consolidated operating revenue EGP 232.6mln vs EGP 273.8mln year ago.

Egypt's Speed Medical board approves acquisition of all shares of Misr Laboratories.

Jordan-based Capital Bank has commenced due diligence to buy Lebanon-based Bank Audi's businesses in Jordan and Iraq.

## # UAE FOCUS LIST - COMPANY DATA

Company	MCAP (AEDm)	PRICE (AED)	HIGH - LOW		VALUATION		DIV YLD (%)^	HISTORICAL RETURN			
			52WH	52WL	TTM P/E	TTM P/B		1M%	3M%	6M%	12M%
ADCB	38,544	5.54	8.46	3.82	10.47	0.73	6.9%	8.6	8.4	18.6	(29.9)
ADIB	15,073	4.15	5.85	3.19	9.07	0.81	6.6%	11.6	11.9	8.2	(11.8)
ADNIC	2,195	3.85	4.00	2.70	6.18	1.00	7.8%	11.6	28.3	4.1	30.5
ADNOC Dist	42,875	3.43	3.50	2.40	21.93	12.45	5.6%	7.9	16.7	31.4	37.7
Agthia	1,866	3.11	3.70	2.50	19.59	0.98	4.8%	12.3	15.2	11.0	(6.5)
Air Arabia	5,367	1.15	1.61	0.87	10.69	1.31	7.8%	(0.0)	0.0	11.8	2.7
Ajman Bank	1,510	0.72	0.94	0.50	40.85	0.61	0.0%	10.6	22.1	25.7	(23.5)
Al Waha Capital	1,838	0.95	1.04	0.62	NA	0.62	NA	(5.0)	37.0	5.0	(7.4)
Aldar Properties	16,197	2.06	2.37	1.35	9.29	0.66	7.0%	12.6	20.5	35.2	1.1
Amanat Holdings	2,093	0.84	0.95	0.56	81.98	0.83	2.6%	(5.8)	6.5	33.1	(3.5)
Amlak Finance	494	0.33	0.64	0.20	NA	0.76	0.0%	(1.2)	1.2	22.3	4.8
Arabtec	912	0.61	2.05	0.44	NA	NM	0.0%	(37.0)	1.0	13.2	(64.2)
Aramex	5,505	3.76	4.13	2.00	12.86	2.19	4.4%	0.3	16.2	48.5	(3.4)
Bank of Sharjah	1,113	0.53	0.85	0.53	NA	0.36	0.0%	NA	(13.8)	(28.4)	(38.0)
DAMAC Properties	5,838	0.97	0.98	0.36	NA	0.43	NA	16.1	38.1	111.6	3.5
Dana Gas	5,128	0.73	0.98	0.53	NA	0.56	7.5%	4.7	14.7	23.1	(19.1)
Deyaar Development	1,699	0.29	0.43	0.18	32.17	0.37	0.0%	3.2	(4.2)	42.0	(7.5)
Dubai Financial Market	6,800	0.85	1.00	0.50	50.57	0.89	2.9%	1.4	3.9	42.7	0.2
Dubai Investment	5,060	1.19	1.39	0.98	9.94	0.43	NA	2.6	(0.8)	13.7	(2.0)
Dubai Islamic Bank	31,208	4.31	5.86	3.04	7.54	0.85	8.1%	10.8	11.4	5.3	(12.7)
DXB Entertainments	1,048	0.13	0.23	0.09	NA	0.51	0.0%	8.3	(14.4)	11.0	(40.2)
Emaar Dev	9,000	2.25	4.23	1.79	3.82	0.85	0.0%	2.7	2.7	(21.9)	(46.3)
Emaar Malls	18,610	1.43	1.96	0.98	12.40	1.00	0.0%	2.1	7.5	14.4	(25.9)
Emaar Properties	20,835	2.91	4.95	1.90	4.09	0.37	0.0%	4.7	2.5	12.8	(41.1)
Emirates Integrated Tele	23,662	5.22	6.35	4.33	17.05	2.86	6.5%	1.6	5.0	9.7	(1.4)
Emirates NBD	68,535	10.85	13.90	6.33	6.03	0.84	3.7%	11.3	22.0	31.0	(11.8)
Eshraq Investments	888	0.38	0.46	0.16	NA	0.64	NA	(11.4)	58.5	77.7	(6.8)
Etisalat	143,670	16.52	17.00	11.02	16.30	3.17	4.8%	(0.6)	2.0	34.0	3.7
First Abu Dhabi Bank	124,270	11.38	15.92	7.78	11.84	1.27	6.5%	2.7	0.4	4.4	(21.5)
GFH	2,258	0.63	0.93	0.45	0.36	0.66	5.4%	6.5	10.8	3.8	(27.3)
Gulf Navigation Holding	484	0.48	0.82	0.28	NA	0.90	0.0%	(3.3)	14.5	19.0	(39.1)
IHC	67,429	37.02	38.00	4.05	NM	14.37	NA	2.3	27.6	173.8	814.1
Julphar	1,467	1.27	1.54	0.54	NA	1.36	0.0%	5.8	1.6	69.0	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	5,947	2.19	2.31	1.58	11.95	1.23	4.8%	10.1	14.1	16.5	25.9
RAK Bank	5,883	3.51	5.00	3.33	6.96	0.79	8.5%	(0.3)	2.9	(10.9)	(13.9)
RAK Properties	788	0.39	0.48	0.33	7.06	0.21	10.2%	2.1	11.6	16.7	(5.6)
RAK Ceramics	1,391	1.40	1.81	1.24	15.75	0.62	10.2%	12.0	2.9	(7.6)	3.0
SALAMA	932	0.77	0.82	0.30	13.72	1.20	NA	23.8	50.7	118.1	20.9
Sharjah Islamic Bank	3,667	1.19	1.29	0.95	7.25	0.49	4.0%	3.5	8.2	14.4	8.3
SHUAA Capital	1,770	0.70	1.03	0.40	24.88	1.35	NA	9.1	22.0	23.1	(28.6)
Takaful Emarat Insurance	216	1.44	1.46	0.97	NA	1.79	5.7%	(1.4)	5.1	11.6	3.6
TAQA	157,408	1.40	1.65	0.40	NA	4.98	0.0%	5.3	115.4	139.3	85.4
Union Properties	1,287	0.30	0.39	0.15	NA	0.51	0.0%	(9.1)	(21.1)	80.7	(5.7)
United Arab Bank	1,844	0.89	1.13	0.81	NA	NA	0.0%	NA	-	(0.2)	(10.6)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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