

## SHUAA Securities Morning Report

27 July 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,285	0.6%	0.0%	2.5%	-20.5%
DFM	2,059	0.3%	-1.3%	5.2%	-27.8%
TASI	7,434	0.1%	2.8%	8.7%	-15.7%
BHSEASI	1,284	-0.1%	0.3%	-1.4%	-15.7%
EGX	10,524	0.6%	-3.4%	1.4%	-22.1%
Dow Jones	26,470	-0.7%	4.0%	11.3%	-2.9%
S&P 500	3,216	-0.6%	5.4%	13.4%	6.5%
Nasdaq	10,363	-0.9%	4.6%	20.0%	24.5%
FTSE 100	6,124	-1.4%	0.0%	6.5%	-18.4%
DAX	12,838	-2.0%	6.2%	24.2%	2.5%
CAC40	4,956	-1.5%	1.7%	12.8%	-11.6%
Nikkei225	22,752	-0.6%	1.4%	18.9%	6.2%
HIS	24,705	-2.2%	-0.3%	3.7%	-13.4%
US Futures	3,219	0.5%	7.1%	12.2%	6.4%
Europe Future	3,314	0.4%	3.8%	16.1%	-6.2%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>82</b>	<b>82</b>	<b>-</b>
Local	76%	69%	7%
Foreign	24%	31%	-7%
Institution	45%	34%	11%
Retail	55%	66%	-11%
<b>DFM</b>	<b>218</b>	<b>218</b>	<b>-</b>
Local	50%	63%	-13%
Foreign	50%	37%	13%
Institution	12%	16%	-3%
Retail	88%	84%	3%
<b>Total</b>	<b>300</b>	<b>300</b>	<b>-</b>
Local	57%	65%	-7%
Foreign	43%	35%	7%

### # Upcoming Corporate Actions & Events

Date	Company	Event
27-Jul	DFM	BoD/Results
27-Jul	UAB	BoD/Results
27-Jul	BOS	BoD/Results
28-Jul	FAB	BoD/Results
28-Jul	AJMAN BANK	BoD/Results
28-Jul	AGTHIA	BoD/Results
29-Jul	ADCB	BoD/Results
29-Jul	DIC	BoD/Results
05-Aug	BOS	AGM
06-Aug	KHCB	BoD/Results
11-Aug	ADNH	BoD/Results
12-Aug	SALAM BAH	BoD/Results
13-Aug	ITHMAAR	BoD/Results
13-Aug	GFH	BoD/Results
26-Aug	SALAMA	AGM

## # KEY STORIES

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UAE reported 351 new cases of COVID-19 on July 26, 2020, pushing the total cases in the country up to 58,913. One death was also reported taking total deaths from Covid-19 to 344. The health ministry has also revealed recovery of 554 patients, taking to 52,182 the total number of recovered patients

Commercial Bank of Dubai posted Q2 net profit AED 215.1mln vs AED 361.1mln year ago. Q2 total operating income AED 655.3mln vs AED 736.2mln year ago

Tabreed may announce acquisitions in near future - CEO

Damac Properties disclosed that Port Investment Limited which transferred its shares to Omran Group is owned by Damac International Limited. Damac Properties is a minority 20% shareholder in Damac International Limited. Given Damac Properties share and fact that the project was not launched yet, the transfer has no effect on Damac Properties

Consortium comprising Taqa, Masdar, EDF and JinkoPower sign agreement for development of the world's largest solar power plant – 2 GW Al Dhafra Solar PV Project. The project's financial closure is expected to occur in Q3 2020. Initial power generation in H1 2022 and full generation by H2 2022. Once fully operational, the plant will increase Abu Dhabi's solar power capacity to approximately 3.2 GW

Dar Al Takaful disclosed that share transfer of Noor Takaful General and Noor Takaful Family to Dar Al Takaful is now complete

Wahat Al Zaweya says Khaldoun Ismail Dekadek resigns as CEO

Mubadala invested over USD 150mln as an anchor investor in the recapitalization of Enviva Holdings, the world's largest producer of industrial wood pellets

Saudi's NCB posted Q2 net profit SAR 2,088mln vs SAR 2,686mln year ago. Q2 total revenue for special commissions/investments SAR 4,628mln vs SAR 5,024mln year ago

Banque Saudi Fransi posted Q2 net profit SAR 437mln vs SAR 804mln year ago. Q2 total revenue for special commissions/investments SAR 1,592mln vs SAR 1,869mln year ago

Saudi's Bank Albilad posted quarterly net profit after zakat and tax SAR 318.1mln vs SAR 304.9mln year ago. Quarterly total revenue from special commissions/financing & investments SAR 917mln vs SAR 845.2mln year ago

Saudi's Yamama Cement posted quarterly net profit after zakat and tax SAR 47.9mln vs SAR 53.2mln year ago. Quarterly sales SAR 161.7mln vs SAR 165.3mln year ago

Saudi's Theeb Rent-a-Car hired Saudi Fransi Capital to advice on a potential initial public offering, according to people with knowledge of the matter

Bahrain's Alba posted Q2 loss BHD 16.4mln vs loss of BHD 3.3mln year ago. Q2 revenue BHD 244mln vs BHD 245.1mln year ago

Egypt's Abu Qir Fertilizers and Chemical Industries posted FY net profit after tax EGP 2.69bln vs EGP 3.16bln year ago. FY revenue EGP 7.88bln vs EGP 8.58bln year ago

## # Key Global Trends/ Market Clues

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Gold hit an all-time high on Monday as tit-for-tat consulate closures in China and the United States rattled investors, boosting the allure of safe haven assets, although sentiment was mixed with tech gains supporting some Asian stocks. MSCI's ex-Japan Asia-Pacific index rose 1.3% as Taiwan's TSMC, Asia's third-largest company by market capitalisation, rose almost 10%. The chipmaker's gains boosted other tech stocks in the region and came after rival Intel signalled it may give up manufacturing its own components due to delays in new 7 nanometer chip technology. Also soothing sentiment, Chinese shares eked out gains after big falls late last week, with CSI300 index rising 0.5%. S&P500 futures were last up 0.4% in choppy trade while Japan's Nikkei fell 0.5%, resuming trade after a long weekend and catching up with falls in global shares late last week.

Oil prices edged lower on Monday as rising coronavirus cases and tensions between the United States and China pushed investors toward safe-haven assets. Brent crude dipped 14 cents, or 0.3%, to USD 43.20 a barrel by 0242 GMT, while U.S. West Texas Intermediate (WTI) crude dropped to USD 41.19 a barrel, down 10 cents, or 0.2%.

## # UAE Stories

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EWEC announces partners to develop the world's largest solar power plant. Consortium comprising Taqa, Masdar, EDF and JinkoPower sign power purchase agreement with EWEC, for a 2 GW solar power plant. Competitive bid process results in record-low tariff for solar power, set at AED 4.97 fils/kwh (USD 1.35 cents/kwh). Upon full commercial operation, plant is expected to reduce Abu Dhabi's co2 emissions by more than 2.4mln metric tonnes per year. Through this project, 60% will be owned by a consortium comprising Taqa and Masdar, while the remaining 40% will be owned by EDF and JinkoPower. The project's financial closure is expected to occur in Q3 2020. Al Dhafra Solar PV Project is expected to provide approximately 160,000 households across the UAE with electricity. Initial power generation in H1 2022 and full generation by H2 2022. Once fully operational, the plant will increase Abu Dhabi's solar power capacity to approximately 3.2 GW.

Dar Al Takaful disclosed that share transfer of Noor Takaful General and Noor Takaful Family to Dar Al Takaful is now complete. Rajesh Sethi is formally appointed new CEO of Dar Al Takaful.

Wahat Al Zaweya says Khaldoun Ismail Dekadek resigns as CEO.

Mubadala invested over USD 150mln as an anchor investor in the recapitalization of Enviva Holdings, the world's largest producer of industrial wood pellets, the sovereign wealth fund said in a tweet on Sunday. Last week, Enviva said it completed a series of transactions that recapitalized the company with more than USD 1bln of new equity contributions and incremental equity commitments from affiliates of private equity firm Riverstone Holdings LLC.

## # GCC/ MENA

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Banque Saudi Fransi posted Q2 net profit SAR 437mln vs SAR 804mln year ago. Q2 total revenue for special commissions/investments SAR 1,592mln vs SAR 1,869mln year ago. Impairment charge for credit losses for the three months period ended 30 June 2020 was SAR 634mln and for the six months period ended 30 June 2020 was SAR 1,032mln. As of end-June, customer deposits stand at SAR 138.05bln, down 2.94% YoY while loan and advances stand at SAR 135.75bln, up 9.27% YoY.

Saudi's Bank Albilad posted quarterly net profit after zakat and tax SAR 318.1mln vs SAR 304.9mln year ago. Quarterly total revenue from special commissions/financing & investments SAR 917mln vs SAR 845.2mln year ago. Net impairment charge for expected credit losses for the three months period ended 30 June 2020 is SAR 151mln.

Saudi's Yamama Cement posted quarterly net profit after zakat and tax SAR 47.9mln vs SAR 53.2mln year ago. Quarterly sales SAR 161.7mln vs SAR 165.3mln year ago.

Saudi's Theeb Rent-a-Car hired Saudi Fransi Capital to advise on a potential initial public offering, according to people with knowledge of the matter.

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## # 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	35,552	5.11	9.07	3.82	9.62	0.73	7.4%	1.8	11.6	(31.3)	(39.8)
ADIB	13,293	3.66	5.85	3.19	6.76	0.73	7.5%	(2.1)	6.4	(31.5)	(18.8)
ADNIC	1,796	3.15	3.70	2.60	5.06	0.88	9.5%	NA	(1.9)	5.0	14.5
ADNOC Dist	38,500	3.08	3.20	2.40	18.88	13.45	6.2%	3.4	12.0	1.1	21.4
Agthia	1,740	2.90	3.70	2.50	14.06	0.88	5.2%	5.1	(3.0)	(10.7)	(10.7)
Air Arabia	5,273	1.13	1.61	0.87	5.60	1.26	8.0%	(5.0)	0.0	(21.1)	10.9
Ajman Bank	1,275	0.61	0.98	0.50	15.56	0.51	0.0%	3.6	3.1	(29.4)	(36.1)
Al Waha Capital	1,750	0.90	1.08	0.62	NA	0.59	NA	32.7	15.4	(1.2)	(15.1)
Aldar Properties	13,524	1.72	2.37	1.35	7.81	0.56	8.4%	(6.0)	5.5	(15.6)	(19.2)
Amanat Holdings	2,175	0.87	1.00	0.56	36.23	0.85	2.5%	2.8	25.9	15.3	(10.6)
Amlak Finance	477	0.32	0.64	0.20	NA	0.67	0.0%	(0.6)	(6.5)	(29.5)	(5.4)
Arabtec	1,515	1.01	2.05	0.44	NA	1.92	0.0%	62.9	61.1	(10.6)	(43.3)
Aramex	4,919	3.36	4.47	2.00	10.77	1.84	4.9%	(0.6)	20.9	(3.0)	(20.7)
Bank of Sharjah	1,113	0.53	1.00	0.53	NA	0.36	0.0%	(13.8)	(11.7)	(35.0)	(45.9)
DAMAC Properties	5,264	0.87	1.05	0.36	NA	0.38	NA	27.6	40.3	23.4	(12.8)
Dana Gas	5,072	0.73	1.10	0.53	8.77	0.53	7.6%	12.6	3.3	(15.5)	(25.8)
Deyaar Development	1,577	0.27	0.43	0.18	22.43	0.35	0.0%	(5.2)	(6.2)	(25.6)	(19.0)
Dubai FiNAcial Market	6,432	0.80	1.00	0.50	50.53	0.85	3.1%	(2.7)	13.4	(11.8)	(1.2)
Dubai Investment	4,890	1.15	1.43	0.98	7.44	0.41	NA	(0.9)	6.1	(8.1)	(9.4)
Dubai Islamic Bank	27,370	3.78	5.86	3.04	6.62	0.75	9.3%	(2.6)	7.7	(28.6)	(21.7)
DXB Entertainments	968	0.12	0.24	0.09	NA	0.33	0.0%	(13.6)	(23.4)	(35.3)	(45.5)
Emaar Dev	8,320	2.08	4.91	1.79	3.08	0.87	0.0%	(2.8)	(5.9)	(46.1)	(54.8)
Emaar Malls	17,960	1.38	2.17	0.98	7.86	0.98	0.0%	(2.8)	11.3	(24.6)	(33.0)
Emaar Properties	18,615	2.60	5.53	1.90	3.00	0.34	0.0%	(6.5)	(0.0)	(36.7)	(49.6)
Emirates Integrated Tele	23,480	5.18	6.35	4.33	16.92	2.84	6.6%	3.2	(3.2)	(6.6)	(1.9)
Emirates NBD	56,407	8.93	13.93	6.33	4.96	0.69	4.5%	0.3	8.4	(31.5)	(16.2)
Eshraq Investments	663	0.29	0.45	0.16	NA	0.47	NA	24.5	7.5	(8.9)	(34.9)
Etisalat	146,975	16.90	17.78	11.02	16.67	3.24	4.7%	0.7	11.8	7.0	2.2
First Abu Dhabi Bank	116,626	10.68	16.00	7.78	10.33	1.24	6.9%	(3.3)	(7.9)	(28.6)	(29.1)
GFH	2,055	0.57	0.97	0.45	6.53	0.51	6.0%	0.5	3.6	(27.0)	(35.1)
Gulf Navigation Holding	530	0.52	0.84	0.28	NA	0.90	0.0%	18.2	47.3	11.3	(35.6)
IHC	59,925	32.90	34.60	2.06	NM	15.35	NA	11.0	31.7	193.8	1,382.0
Julphar	1,317	1.14	1.54	0.54	NA	2.33	0.0%	(8.8)	101.1	30.7	(19.2)
Mashreqbank	11,877	66.90	86.80	62.00	8.61	0.56	6.0%	NA	6.2	(5.0)	(10.8)
National Bank of Fujairah	9,536	4.98	4.98	3.75	NA	NA	1.9%	NA	NA	3.3	7.8
Tabreed	5,322	1.96	2.22	1.58	11.20	1.13	5.4%	2.6	(5.3)	3.2	8.9
RAK Bank	5,900	3.52	5.00	3.33	6.03	0.83	8.5%	(2.2)	(4.9)	(22.5)	(18.3)
RAK Properties	750	0.38	0.48	0.33	6.90	0.20	10.7%	5.9	5.0	(11.0)	(11.1)
RAK Ceramics	1,312	1.32	1.81	1.24	8.14	0.58	10.8%	(1.5)	(2.2)	(8.2)	(4.7)
SALAMA	667	0.55	0.71	0.30	10.80	0.84	NA	6.4	15.4	5.2	(15.2)
Sharjah Islamic Bank	3,513	1.14	1.29	0.95	6.94	0.47	4.2%	2.7	9.6	(5.7)	7.3
SHUAA Capital	1,445	0.57	1.05	0.40	950.00	0.99	NA	7.5	12.2	(33.6)	(43.6)
Takaful Emarat Insurance	210	1.40	1.46	0.97	NA	1.75	5.9%	6.9	(0.7)	(0.7)	(3.4)
TAQA	130,424	1.16	1.18	0.40	NA	3.80	0.0%	68.4	73.1	142.2	52.8
Union Properties	1,223	0.29	0.39	0.15	NA	0.45	0.0%	(7.8)	(7.8)	35.7	(21.9)
United Arab Bank	1,844	0.89	1.25	0.81	NA	0.85	0.0%	-	(0.2)	(0.3)	(27.9)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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