

SHUAA Securities Morning Report

29 July 2020

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,324	-0.1%	0.5%	2.5%	-19.1%
DFM	2,065	0.2%	-0.9%	3.4%	-27.4%
TASI	7,459	0.0%	2.3%	8.3%	-15.8%
BHSEASI	1,289	0.6%	0.9%	-1.4%	-15.6%
EGX	10,569	-0.1%	-2.6%	1.5%	-21.5%
Dow Jones	26,379	-0.8%	5.5%	9.5%	-3.0%
S&P 500	3,218	-0.6%	7.0%	12.4%	6.4%
Nasdaq	10,402	-1.3%	6.6%	20.8%	24.9%
FTSE 100	6,129	0.4%	-0.5%	2.9%	-18.8%
DAX	12,835	0.0%	6.2%	18.9%	3.3%
CAC40	4,929	-0.2%	0.4%	7.9%	-12.1%
Nikkei225	22,657	-0.3%	0.6%	14.6%	4.6%
HIS	24,773	0.7%	0.9%	0.8%	-12.8%
US Futures	3,210	-0.1%	5.3%	9.1%	6.6%
Europe Future	3,284	-0.5%	2.5%	11.4%	-4.6%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	156	156	-
Local	83%	68%	15%
Foreign	17%	32%	-15%
Institution	27%	25%	2%
Retail	73%	75%	-2%
DFM	420	420	-
Local	65%	63%	2%
Foreign	35%	37%	-2%
Institution	38%	19%	19%
Retail	62%	81%	-19%
Total	576	576	-
Local	70%	64%	6%
Foreign	30%	36%	-6%

Upcoming Corporate Actions & Events

Date	Company	Event
29-Jul	ADCB	BoD/Results
29-Jul	DIC	BoD/Results
03-Aug	WAHA	BoD/Results
05-Aug	BOS	AGM
05-Aug	ADNIC	BoD/Results
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

UAE reported 369 new cases of COVID-19 on July 28, 2020, pushing the total cases in the country up to 59,546. 2 deaths was also reported taking total deaths from Covid-19 to 347. The health ministry has also revealed recovery of 395 patients, taking to 52,905 the total number of recovered patients

First Abu Dhabi Bank posted 2Q 2020 group net profit of AED 2.4bln, compared to AED 3.2bln in 2Q 2019. 2Q 2020 net interest income at AED 3.26bln compared to AED 3.30bln in 2Q 2019. 2Q 2020 impairment charges more than doubled to AED 1,060mln compared to AED 467mln a year ago. First half 2020 group net profit at AED 4.8bln, compared to AED 6.3bln in the first half of 2019. As of end-June, customer deposits grew 12% YoY and 4% sequentially to AED 519bln. As of end-June, loans and advances (net) at AED 385bln were up 5% YoY

Abu Dhabi Commercial Bank to lay off 400 employees – sources

Salama received all necessary regulatory and internal approvals to increase foreign ownership limit from 25% to 49%

Agthia posted Q2 profit AED 15.6mln vs AED 44.1mln year ago. Q2 revenue AED 518.8mln vs AED 554.7mln year ago. H1 profit AED 42.3mln vs AED 84.1mln year ago

Ajman Bank posted Q2 profit AED 38.4mln vs AED 45.1mln year ago. H1 profit AED 43mln vs AED 87.9mln year ago. Q2 net operating income AED 118.6mln vs AED 157.4mln year ago

National Bank of Fujairah posted net profit of AED 65.1mln for 1H 2020, down 81.8% compared to AED 357.1mln

Oman Insurance completes 100% acquisition of Dubai Starr Sigorta by obtaining additional 49% of issued and outstanding share capital

Ras Al Khaimah National Insurance posted H1 net profit AED 5.9mln vs AED 4.6mln year ago. H1 gross written premium AED 271mln vs AED 332mln year ago

Dubai Refreshments posted Q2 net profit AED 3.1mln vs AED 18.7mln year ago. Q2 revenue AED 119.9mln vs AED 162.7mln year ago

Nakheel has approached banks to refinance outstanding debt, sources said, amid an economic downturn which is exacerbating property oversupply problems

Network International Holdings has proposed acquisition of DPO Group for a total consideration of approximately USD 288mln

Saudi Arabia posted a deficit of AED 109.2bln (USD 29.12bln) in the second quarter this year as low oil prices impacted state coffers

Saudi Electricity posted Q2 net loss after zakat and tax SAR 869mln vs profit of SAR 789mln year ago. Q2 revenue SAR 16,668mln vs SAR 16,520mln year ago

Kuwait's NBK posted H1 attributable net profit KWD 111.1mln vs KWD 209.1mln year ago. Q2 attributable net profit KWD 33.4mln vs KWD 101.4mln year ago

Boursa Kuwait disclosed that Shamal Az-Zour Al-Oula Power and Water submitted a request for its listing date on premier market to be on August 16, 2020

Bahrain June CPI -3.4% YoY and -0.6% MoM

Egypt's TMG Holding posted H1 consolidated net profit after tax and minority interest EGP 705.9mln vs EGP 812.3mln year ago. H1 consolidated revenue EGP 4.58bln vs EGP 4.94bln year ago

Key Global Trends/ Market Clues

The U.S. dollar hovered just above a two-year low on Wednesday, while stocks struggled, as growing worries about the U.S. economy had investors cautious and looking to Congress and the Federal Reserve for a boost. The Fed is expected to strike a dovish stance at its policy review later in the day and perhaps open the door to a higher tolerance for inflation - something dollar bears think could squash real yields and sink the currency even further. A USD 1trn U.S. fiscal rescue package is also at an impasse as a Friday deadline to extend unemployment benefits looms. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.1% as gains in China offset small losses elsewhere. Japan's Nikkei was down 0.8% on a rising yen and weak start to corporate earnings season. Gold steadied around USD 1,960 an ounce, pulling back from a USD 1,980 high on Tuesday but still having gained nearly USD 150 in eight sessions. GOL/ S&P 500 futures were flat.

Oil prices rose on Wednesday after an industry report showed that crude inventories in the United States fell against expectations, giving the market a boost amid record increases of coronavirus infections in the U.S. and elsewhere. Brent crude futures were up by 14 cents, or 0.3%, at USD 43.36 a barrel by 0326 GMT, after dropping 0.4% on Tuesday. U.S. West Texas Intermediate crude futures gained 2 cents, or 0.1%, to USD 41.06 a barrel, having dropped 1.4% in the previous session.

UAE Stories

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Abu Dhabi Commercial Bank is letting go hundreds of employees, sources said, the latest in a round of lay-offs by regional banks as pressure mounts to cut costs amid lower oil prices and the coronavirus crisis. The UAE's third-biggest lender is laying off 400 employees, two sources familiar with the matter said, after it had committed to not cutting staff because of the crisis.

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Nakheel has approached banks to refinance outstanding debt, sources said, amid an economic downturn which is exacerbating property oversupply problems and has raised concerns over Dubai's debt sustainability. State-owned Nakheel, developer of Dubai's palm-shaped islands, was forced into a massive debt restructuring in the aftermath of the emirate's 2009-2010 real estate crash, when the company was one of the hardest hit. It has recently approached banks to refinance multiple outstanding loans, said three sources familiar with the matter, without disclosing the amount of debt involved.

Network International Holdings has proposed acquisition of DPO Group for a total consideration of approximately USD 288mln. Consideration will be funded through proceeds from equity placing representing 10.0% of company's existing issued share capital.

GCC/ MENA

Saudi Arabia posted a deficit of AED 109.2bln (USD 29.12bln) in the second quarter this year as low oil prices impacted state coffers, according to a finance ministry quarterly budget performance report. The world's largest oil exporter saw oil revenues decline by 45% YoY in the second quarter to USD 25.5bln while total revenues dropped 49% to nearly USD 36bln. Total expenditures in Q2 dropped annually by 17% to around USD 65bln, the document showed.

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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	34,926	5.02	9.07	3.82	9.45	0.72	7.6%	(0.2)	12.1	(30.6)	(40.1)
ADIB	13,293	3.66	5.85	3.19	6.76	0.73	7.5%	(2.4)	4.0	(31.2)	(20.3)
ADNIC	1,796	3.15	3.70	2.60	5.06	0.88	9.5%	NA	(1.9)	5.0	14.5
ADNOC Dist	39,250	3.14	3.20	2.40	19.25	13.71	6.1%	3.6	11.7	3.8	24.6
Agthia	1,698	2.83	3.70	2.50	13.72	0.86	5.3%	2.5	(5.7)	(10.0)	(14.9)
Air Arabia	5,273	1.13	1.61	0.87	5.60	1.26	8.0%	(8.9)	(1.7)	(20.1)	8.0
Ajman Bank	1,243	0.59	0.98	0.50	15.18	0.49	0.0%	(1.3)	(4.4)	(32.0)	(37.8)
Al Waha Capital	1,812	0.93	1.08	0.62	NA	0.61	NA	37.5	18.3	2.4	(11.2)
Aldar Properties	13,524	1.72	2.37	1.35	7.81	0.56	8.4%	(7.0)	(5.0)	(14.8)	(18.5)
Amanat Holdings	2,158	0.86	1.00	0.56	35.94	0.84	2.5%	1.5	23.2	15.9	(11.3)
Amlak Finance	489	0.33	0.64	0.20	NA	0.68	0.0%	4.8	(3.6)	(26.9)	(5.0)
Arabtec	1,995	1.33	2.05	0.44	NA	2.53	0.0%	118.4	106.2	27.9	(26.5)
Aramex	4,758	3.25	4.45	2.00	10.41	1.78	5.1%	(2.5)	16.5	(3.8)	(22.8)
Bank of Sharjah	1,113	0.53	0.98	0.53	NA	0.36	0.0%	(13.8)	(18.3)	(35.0)	(45.6)
DAMAC Properties	5,645	0.93	1.05	0.36	NA	0.40	NA	36.2	49.8	33.9	(9.4)
Dana Gas	5,044	0.72	1.06	0.53	8.72	0.52	7.6%	12.5	(1.4)	(14.9)	(25.5)
Deyaar Development	1,606	0.28	0.43	0.18	22.84	0.35	0.0%	(1.8)	(5.4)	(21.9)	(19.9)
Dubai FiNAcial Market	6,656	0.83	1.00	0.50	52.29	0.88	3.0%	0.2	14.4	(10.2)	(8.4)
Dubai Investment	4,890	1.15	1.43	0.98	7.44	0.41	NA	(0.9)	3.4	(6.7)	(12.0)
Dubai Islamic Bank	27,515	3.80	5.86	3.04	6.65	0.75	9.2%	(2.3)	5.0	(27.2)	(22.3)
DXB Entertainments	1,024	0.13	0.24	0.09	NA	0.35	0.0%	(3.8)	(19.5)	(31.2)	(44.1)
Emaar Dev	8,360	2.09	4.91	1.79	3.10	0.87	0.0%	(1.4)	(5.9)	(45.1)	(56.6)
Emaar Malls	17,699	1.36	2.17	0.98	7.74	0.96	0.0%	(3.5)	7.1	(25.7)	(36.4)
Emaar Properties	18,544	2.59	5.53	1.90	2.99	0.34	0.0%	(6.2)	(4.4)	(36.4)	(52.4)
Emirates Integrated Tele	23,344	5.15	6.35	4.33	16.82	2.82	6.6%	1.8	(3.7)	(8.4)	(1.6)
Emirates NBD	56,028	8.87	13.93	6.33	4.93	0.69	4.5%	(0.3)	8.6	(31.2)	(17.1)
Eshraq Investments	737	0.32	0.45	0.16	NA	0.52	NA	40.3	10.8	2.6	(27.5)
Etisalat	146,975	16.90	17.78	11.02	16.67	3.24	4.7%	1.2	10.1	8.5	3.2
First Abu Dhabi Bank	119,683	10.96	15.96	7.78	10.53	1.28	6.8%	(2.1)	(3.7)	(25.8)	(27.2)
GFH	2,096	0.58	0.97	0.45	6.66	0.52	5.8%	2.5	(3.2)	(26.4)	(35.6)
Gulf Navigation Holding	513	0.50	0.84	0.28	NA	0.87	0.0%	16.2	40.5	7.7	(37.1)
IHC	59,342	32.58	34.60	2.06	NM	15.20	NA	10.2	13.4	153.7	1,387.7
Julphar	1,259	1.09	1.54	0.54	NA	2.22	0.0%	(8.4)	92.3	28.5	(22.7)
Mashreqbank	11,877	66.90	86.80	62.00	8.61	0.56	6.0%	NA	(7.0)	(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	5,404	1.99	2.22	1.58	10.86	1.12	5.3%	4.7	(4.8)	(1.5)	10.6
RAK Bank	5,783	3.45	5.00	3.33	5.91	0.81	8.7%	(1.4)	(6.8)	(24.8)	(19.1)
RAK Properties	750	0.38	0.48	0.33	6.90	0.20	10.7%	4.7	1.4	(11.0)	(13.7)
RAK Ceramics	1,302	1.31	1.81	1.24	8.08	0.58	10.9%	(2.2)	(6.4)	(6.0)	(4.8)
SALAMA	714	0.59	0.71	0.30	11.57	0.90	NA	15.5	13.6	18.6	(10.8)
Sharjah Islamic Bank	3,451	1.12	1.29	0.95	6.82	0.46	4.3%	0.9	6.7	(5.2)	5.4
SHUAA Capital	1,428	0.56	1.04	0.40	938.33	0.97	NA	6.2	(0.4)	(29.6)	(45.9)
Takaful Emarat Insurance	213	1.42	1.46	0.97	NA	1.77	5.8%	13.6	(0.7)	6.0	(0.7)
TAQA	141,667	1.26	1.29	0.40	NA	4.13	0.0%	82.9	80.0	168.1	72.6
Union Properties	1,235	0.29	0.39	0.15	NA	0.46	0.0%	(5.0)	(8.3)	41.9	(22.8)
United Arab Bank	1,844	0.89	1.25	0.81	NA	0.85	0.0%	-	(0.2)	(0.3)	(20.2)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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