

SHUAA Securities Morning Report

23 May 2019

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,750	-0.7%	-12.1%	-6.8%	3.6%
DFM	2,584	1.8%	-8.1%	-1.9%	-12.3%
TASI	8,656	0.5%	-6.2%	1.3%	7.7%
BHSEASI	1,411	0.1%	-1.9%	0.4%	11.3%
EGX	13,664	0.4%	-6.7%	-9.8%	-18.0%
Dow Jones	25,777	-0.4%	-3.3%	-1.0%	3.6%
S&P 500	2,856	-0.3%	-2.6%	2.3%	4.5%
Nasdaq	7,751	-0.4%	-4.6%	3.0%	4.4%
FTSE 100	7,334	0.1%	-2.5%	2.2%	-5.8%
DAX	12,169	0.2%	-0.5%	6.2%	-6.2%
CAC40	5,379	-0.1%	-3.8%	3.1%	-3.4%
Nikkei225	21,141	-0.7%	-5.0%	-1.3%	-6.8%
HIS	27,347	-1.3%	-8.7%	-5.1%	-10.8%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	160	160	-
Local	33%	10%	23%
Foreign	67%	90%	-23%
Institution	76%	90%	-14%
Retail	24%	10%	14%
DFM	170	170	-
Local	48%	66%	-17%
Foreign	52%	34%	17%
Institution	50%	37%	13%
Retail	50%	63%	-13%
Total	330	330	-
Local	41%	39%	2%
Foreign	59%	61%	-2%

Upcoming Corporate Actions & Events

Date	Company	Event
25-May	ERC	Board Meeting
26-May	Manazel	General Assembly
28-May	ARIG	General Assembly
12-Jun	Depa	General Assembly
27-Jun	Sudatel	General Assembly
30-Jun	Salama	General Assembly

KEY STORIES

UAE bank lending up 4.4% YoY in April

Mashreqbank has raised \$175 million via a "tap" of a \$500 million bond the bank issued in February which is due in 2024

International Financial Advisors' board to recommend general assembly to write off accumulated losses of KD 57.3mln by using share premium in addition to partial reduction of share capital

Rak Ceramics disclosed that Dar Al Sharia has confirm that Rak Ceramics business activities are compliant with the principles of Islamic Sharia and financial ratios are in acceptable limits as set out under AAOIFI Sharia Standards

Orascom Construction posted Q1 consolidated net income attributable to shareholders \$30.2mln vs \$31.9mln year ago. Q1

UAE property portal (Bayut) launches Saudi ops amid MENA expansion plan

Saudi wealth fund to plan IPO of traffic monitoring firm

Saudi property firm Raza eyes IPO or stake sale as part of growth strategy

Saudi Arabia inks deal with Softbank-backed firm to build 4,000 homes

Saudi court accepts AHAB's bankruptcy filing, rejects liquidation

Bahrain Car Parks shareholders approve deal of 99 years usufruct right in car park building

Bahrain Car Parks shareholders approve of grant of a 99 years usufruct right in a car park building owned by Edamah with settlement of proposed transaction by issuing new shares in favor of Edamah

Telecom Egypt Company comments on launching a real estate company, says the subject is still a proposal under study, no decision taken yet

Egypt's Cairo for Oil and Soap posted Q1 net loss EGP 12.8mln vs loss of EGP 11.9mln year ago

Egypt's Cairo for Oil and Soap shareholders approve continuity of company's activities

Egypt's Upper Egypt Flour Mills posted nine-month consolidated total revenue EGP 887.1mln vs EGP 1.11bln year ago

Egypt's Shorouk for Modern Printing and Packaging posted Q1 consolidated net profit after tax EGP 2.8mln vs EGP 20mln year ago

ASEC Company for Mining shareholders approve issued capital increase to EGP 550mln from EGP 470mln

Key Global Trends/ Market Clues

Asian shares broke support and caved to a four-month low on Thursday, as concerns grew that the Sino-U.S. trade conflict was fast morphing into a prolonged technology cold war between the world's two largest economies. Late Wednesday, the U.S. administration was considering Huawei-like sanctions on Chinese video surveillance firm Hikvision over the country's treatment of its Uighur Muslim minority, according to a person briefed on the matter. After the United States placed Huawei Technologies on a trade blacklist last week, British chip designer ARM has halted relations with Huawei in order to comply with the blockade. MSCI's broadest index of Asia-Pacific shares outside Japan touched its lowest in four months and was last down 0.7%.

Oil prices dropped on Thursday, extending falls from the previous session amid surging U.S. crude inventories and weak demand from refineries. Brent crude futures, the international benchmark for oil prices, were at \$70.62 per barrel at 0109 GMT, down 37 cents, or 0.5 percent, from their last close.

U.S. crude oil production climbed by 100,000 barrels per day (bpd) to 12.2 million bpd, putting output near its record of 12.3 million bpd reached late last month.

U.S. oil production, storage & drilling levels

U.S. CRUDE OIL PRODUCTION

(million barrels per day)



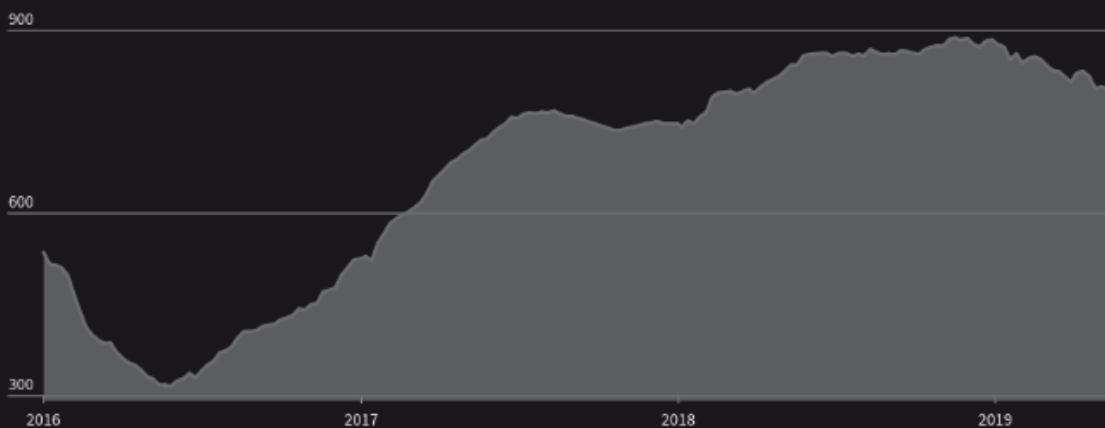
U.S. CRUDE OIL STORAGE LEVELS

(million barrels)



U.S. RIGS DRILLING FOR OIL

(number of rigs drilling)



Sources: EIA, Baker Hughes

UAE Stories

UAE bank lending up 4.4% YoY in April

Mashreqbank has raised \$175 million via a "tap" of a \$500 million bond the bank issued in February which is due in 2024. Under a bond tap, an existing transaction is reopened for subscription, using the same documentation as before. Mashreq hired Citi and Bank of America Merrill Lynch as joint bookrunners for the issue, which is \$175 million in size and offers a yield of 3.95 percent, according to the document.

International Financial Advisors' board approved to raise recommendation to general assembly to write off accumulated losses of KD 57.3mln by using share premium in addition to partial reduction of share capital.

Rak Ceramics disclosed that Dar Al Sharia has confirm that Rak Ceramics business activities are compliant with the principles of Islamic Sharia and financial ratios are in acceptable limits as set out under AAOIFI Sharia Standards.

Orascom Construction posted Q1 consolidated net income attributable to shareholders \$30.2mln vs \$31.9mln year ago. Q1 consolidated revenue \$705.6mln vs \$756.8mln year ago. Consolidated backlog excluding Besix stood at \$4.3bln as of 31 March 2019, in-line with levels at 31 March 2018 and 31 Dec 2018. Consolidated new awards increased 44.4% to \$480.7 million in Q1 2019. Including group's 50% share in Besix, pro forma backlog as of 31 March 2019 increased 9.8% YoY to \$7.0bln. Pro forma new awards totaled \$857.2million in Q1 2019. Besix's standalone backlog increased 41.2% YoY to EUR 4.7 billion as of 31 March 2019.

Bayut has announced its expansion into Saudi Arabia with the launch of Bayut.sa.

GCC/ MENA

Saudi Arabia's sovereign wealth fund is weighing an initial public offering of the kingdom's traffic-management firm, according to people familiar with the matter. Tahakom Comprehensive is working with Saudi Fransi Capital on the possible sale of a 30 per cent stake, the people said, asking not to be identified as the information is private. The company, which operates the traffic-monitoring system Saher, is ultimately owned by the Public Investment Fund.

Raza, the real estate management and development arm of Saudi Arabia's Public Pension Agency, may seek to go public or pursue a private stake sale as part of plans to become an independent entity in the medium term - subject to achieving minimum 5 per cent annual revenue growth in the years to 2024, its chief executive said.

Development Housing Initiative, part of Saudi Arabia's Ministry of Housing, signed an agreement with US-based contractor Katerra to build 4101 homes across the kingdom, as part of government plans to increase home ownership among citizens. Katerra is a Silicon Valley start-up backed by Japan's SoftBank, a multinational whose \$100 billion SoftBank Vision Fund is backed by Saudi Arabia's Public Investment Fund.

A Saudi commercial court has accepted a filing by conglomerate AHAB to have its decade-long dispute with creditors resolved under the kingdom's new bankruptcy law, and rejected a demand to liquidate the company filed by two of its creditors, sources familiar with the matter said. The bankruptcy filing was seen as a key test of Saudi Arabia's new law for handling insolvency disputes, which became effective last year as part of reforms aimed at making the country more investor friendly.

Bahrain Car Parks updates on grant of a 99 years usufruct right in a car park building owned by Edamah to Company. The company announces approval of proposed transaction by shareholders of the company and settlement of proposed transaction shall be effected by company by issuance of new shares in favor of Edamah.

Telecom Egypt Company comments on launching a real estate company, says the subject is still a proposal under study, no decision taken yet.

Egypt's Cairo for Oil and Soap posted Q1 net loss EGP 12.8mln vs loss of EGP 11.9mln year ago. Q1 net revenue EGP 21.6mln vs EGP 28mln year ago.

Egypt's Cairo for Oil and Soap shareholders approve continuity of company's activities.

Egypt's Upper Egypt Flour Mills posted nine-month consolidated total revenue EGP 887.1mln vs EGP 1.11bln year ago. Nine-month consolidated net profit EGP 118.8mln vs EGP 148.7mln year ago.

Egypt's Shorouk for Modern Printing and Packaging posted Q1 consolidated net profit after tax EGP 2.8mln vs EGP 20mln year ago. Q1 consolidated sales EGP 397.2mln vs EGP 401.5mln year ago.

ASEC Company for Mining shareholders approve issued capital increase to EGP 550mln from EGP 470mln.

Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian Business)

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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	60,807	8.74	10.26	6.90	9.91	1.63	5.3%	-12.6%	-10.7%	6.2%	24.0%
ADIB	16,380	4.51	4.95	3.46	7.57	1.31	6.1%	-6.8%	0.9%	10.0%	26.3%
ADNIC	1,275	3.40	4.00	3.32	9.97	0.62	8.8%	-2.9%	-9.3%	-5.6%	-2.9%
Agthia	2,100	3.50	5.00	3.25	10.31	1.12	4.3%	-9.1%	-10.3%	-11.4%	-26.3%
Air Arabia	4,629	0.99	1.17	0.90	NA	0.94	NA	-3.7%	6.7%	-4.6%	-14.5%
Ajman Bank	1,898	0.90	1.03	0.82	9.35	0.77	0.0%	-0.6%	-0.9%	-5.7%	-9.6%
Al Waha Capital	1,789	0.92	2.02	0.89	NA	0.56	8.2%	-18.6%	-33.3%	-50.8%	-47.7%
Aldar Properties	13,366	1.70	2.14	1.43	7.67	0.57	8.2%	-9.6%	-5.0%	1.2%	-18.3%
Amanat Holdings	2,475	0.99	1.37	0.92	50.11	0.98	1.5%	-6.6%	3.0%	-10.8%	-25.6%
Amlak Finance	408	0.27	0.86	0.25	NA	0.35	0.0%	-24.2%	-26.1%	-46.7%	-66.8%
Arabtec	2,280	1.52	2.41	1.37	10.74	1.39	3.3%	-30.3%	-28.0%	-33.0%	-24.0%
Aramex	6,383	4.36	5.01	3.72	12.82	2.58	3.8%	-9.0%	1.4%	0.7%	13.2%
Bank of Sharjah	1,945	0.93	1.15	0.92	5.54	0.48	0.0%	0.0%	-4.5%	-14.3%	-18.1%
DAMAC Properties	5,336	0.88	2.52	0.85	7.36	0.38	NA	-31.6%	-32.7%	-57.6%	-62.8%
Dana Gas	6,443	0.92	1.21	0.73	NA	0.68	1.5%	-12.3%	10.3%	-10.6%	-14.7%
Deyaar Development	1,849	0.32	0.49	0.29	15.53	0.41	0.0%	-18.4%	-13.7%	-23.6%	-32.6%
Dubai Financial Market	5,552	0.69	1.12	0.65	50.56	0.71	0.0%	-13.0%	-15.8%	-21.1%	-34.5%
Dubai Investment	5,358	1.26	2.20	1.04	11.16	0.45	7.9%	-21.3%	3.3%	-12.5%	-37.9%
Dubai Islamic Bank	32,618	4.95	5.41	4.66	6.84	1.42	7.1%	-5.0%	-3.9%	-7.3%	4.0%
DXB Entertainments	1,488	0.19	0.44	0.17	NA	0.42	0.0%	-25.0%	-22.5%	-42.9%	-54.6%
Emaar Dev	15,040	3.76	5.28	3.26	3.91	1.73	0.0%	-3.6%	-5.8%	-23.3%	-26.7%
Emaar Malls	23,686	1.82	2.20	1.43	10.69	1.37	5.5%	3.4%	4.0%	-4.2%	-12.1%
Emaar Properties	31,073	4.34	5.90	3.85	5.10	0.62	3.2%	-11.6%	-6.9%	-9.0%	-16.5%
Emirates Integrated Tele	23,086	5.05	5.40	4.77	13.41	2.88	4.4%	-2.3%	-0.8%	0.2%	5.0%
Emirates NBD	61,691	11.10	12.10	8.25	6.26	1.12	3.6%	-5.5%	7.8%	22.0%	5.7%
Eshraq Properties	937	0.40	0.73	0.36	NA	0.65	NA	-19.1%	-7.4%	-31.1%	-44.8%
Etisalat	133,930	15.40	17.40	15.20	14.97	3.06	5.2%	-7.5%	-9.4%	-9.4%	-4.0%
First Abu Dhabi Bank	150,914	13.82	16.96	11.70	12.88	1.73	5.1%	-17.7%	-7.6%	-4.6%	12.8%
GFH	3,328	0.90	1.51	0.73	8.97	0.86	3.5%	-13.9%	-7.3%	-25.9%	-38.5%
Gulf Navigation Holding	735	0.80	1.17	0.72	NA	0.90	0.0%	-6.2%	0.8%	-26.6%	-20.8%
Gulf Pharmaceutical	1,830	1.58	2.30	1.44	NA	1.02	6.1%	0.0%	-0.6%	-24.8%	-25.8%
Marka	138	0.28	0.28	0.28	NA	NA	NA	0.0%	0.0%	0.0%	0.0%
Mashreqbank	13,563	76.40	80.00	68.05	6.49	0.68	5.2%	0.5%	6.1%	3.2%	4.7%
National Bank of Fujairah	8,843	4.78	4.78	2.22	14.81	1.89	1.4%	0.0%	12.0%	58.2%	102.9%
National Central Cooling Co	4,100	1.51	1.88	1.44	9.44	0.90	6.3%	-2.6%	-10.7%	-6.8%	-14.2%
RAK Bank	7,375	4.40	4.75	4.00	7.65	1.07	6.8%	2.3%	5.3%	5.8%	0.0%
RAK Properties	832	0.42	0.68	0.39	6.38	0.22	0.0%	-14.6%	-9.4%	-24.2%	-37.0%
Ras Al Khaimah	1,467	1.55	2.37	1.54	9.60	0.63	NA	-12.9%	-14.8%	-19.8%	-32.5%
SALAMA	599	0.50	0.76	0.38	348.35	0.81	0.0%	-12.4%	7.6%	-18.0%	10.7%
Sharjah Islamic Bank	3,199	1.09	1.28	1.05	6.11	0.60	0.0%	-3.5%	-8.4%	-6.8%	-12.1%
Takaful Emarat Insurance	230	1.53	2.70	1.28	18.83	1.47	5.4%	-1.3%	3.4%	-13.1%	-17.3%
TAQA	5,096	0.84	1.30	0.71	17.30	1.16	0.0%	-4.5%	-13.4%	-14.3%	-31.1%
Union Properties	1,364	0.32	0.84	0.28	NA	0.44	0.0%	-22.2%	-16.3%	-47.8%	-61.6%
United Arab Bank	2,558	1.24	1.45	1.00	45.21	1.00	0.0%	4.2%	3.3%	-0.8%	-14.5%

(Source: Bloomberg)

[^] current dividend yield based on last year dividend declaration

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