

SHUAA Securities Morning Report

05 November 2020

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,690	0.9%	4.4%	8.6%	-8.2%
DFM	2,153	0.6%	-4.1%	3.6%	-20.4%
TASI	8,089	1.1%	-1.1%	8.4%	5.7%
BHSEASI	1,441	0.3%	0.3%	11.7%	-5.2%
EGX	10,557	0.4%	-4.6%	-0.6%	-27.8%
Dow Jones	27,848	1.3%	0.6%	3.8%	1.4%
S&P 500	3,443	2.2%	2.8%	4.1%	11.9%
Nasdaq	11,591	3.9%	4.7%	5.9%	37.4%
FTSE 100	5,883	1.7%	-0.3%	-2.5%	-20.2%
DAX	12,324	1.9%	-2.9%	-2.2%	-6.2%
CAC40	4,923	2.4%	2.0%	0.7%	-15.5%
Nikkei225	23,695	1.7%	2.9%	5.0%	3.7%
HIS	25,562	-0.2%	6.1%	-0.2%	-9.7%
US Futures	3,462	0.8%	3.2%	3.5%	12.6%
Europe Futures	3,154	0.0%	-2.3%	-2.6%	-14.3%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	407	407	-
Local	55%	47%	8%
Foreign	45%	53%	-8%
DFM	81	81	-
Local	57%	42%	15%
Foreign	43%	58%	-15%
Total	488	488	-
Local	55%	46%	9%
Foreign	45%	54%	-9%

Upcoming Corporate Actions & Events

Date	Company	Event
7-Nov	RAK PROPERTIES	BoD/Results
8-Nov	NMDC	BoD/Results
8-Nov	AMANAT	BoD/Results
8-Nov	AGTHIA	BoD/General
9-Nov	TAQA	BoD/Results & FOL
9-Nov	MASQ	BoD/Results
9-Nov	AL SALAM BANK	BoD/Results
9-Nov	AMLAK	BoD/Results
9-Nov	SHUAA	BoD/General
10-Nov	UAB	BoD/Results
10-Nov	AIR ARABIA	BoD/Results
10-Nov	3Q20 MSCI Index Review Announcement Date	
12-Nov	GFH	BoD/Results
12-Nov	ITHMAAR	BoD/Results
1-Dec	3Q20 MSCI Index Review Effective Date	

KEY STORIES

UAE on November 04 reported 1,161 new cases of the Covid-19, along with 1,493 recoveries. Total cases in the country at 137,310 with 134,983 recoveries and 505 deaths

Taqqa board is scheduled to meet on 9th November 2020 to discuss and resolve on Q3 results approval and permitting non-UAE nationals to own shares in the company

Aramex posted Q3 attributable profit AED 46.2mln versus profit of AED 113.8mln year ago. Q3 revenue AED 1.51bln versus AED 1.27bln year ago

Abu Dhabi National Insurance posted Q3 profit AED 93.2mln vs AED 75.8mln year ago. Q3 gross premiums written AED 603.9mln vs AED 634.4mln year ago

DXB Entertainments posted Q3 loss AED 238mln versus loss of AED 268.2mln year ago. As of Sept 30, 2020, accumulated losses stand at AED 6.2bln

Abu Dhabi Commercial Bank has closed its representative offices in London and Singapore. Exiting these operations will have no impact on the bank's profitability

Ajman Bank posted Q3 profit AED 12.9mln vs AED 22.3mln year ago. Q3 net operating income AED 145.3mln vs AED 176.4mln year ago

Abu Dhabi National Hotels posted Q3 net loss AED 33.7mln vs loss AED 6.6mln year ago. Q3 operating revenue AED 179.8mln vs AED 277.2mln year ago

Ras Al Khaimah for White Cement posted Q3 net profit attributable AED 4.6mln vs AED 5.2mln year ago. Q3 total operating revenue AED 51.4mln vs AED 52mln year ago

Flydubai announced the start of flights between Dubai and Tel Aviv from 26 November 2020

Dubai Aerospace Enterprise profit for nine months of 2020 at USD 167.3mln compared to USD 260.5mln for nine months of 2019

Dubai's Emirates airline is asking some pilots to take a year of unpaid leave as it seeks to cut costs due to the impact of the coronavirus pandemic

UAE federal entities post budget surplus of AED 3.48bln in Q3 2020, posted revenues of AED 40.163bln while spending at AED 36.686bln

Saudi Arabia announced new plans to ease foreign workers' contractual restrictions, abolishing a controversial seven-decade-old sponsorship system known as kafala

Saudi's CMA Chairman says IPO pipeline looks 'quite busy'. There are currently 15 applications for new listings in the Saudi stock market, the region's largest bourse

Saudi's Banque Saudi Fransi announces the completion of issuing additional tier 1 sukuk denominated in Saudi Arabian riyals of amount SAR 5bln at 4.5% per annum

Saudi's Jarir Marketing Company posted quarterly net profit after zakat and tax SAR 255.2mln, down 16.3% YoY. Quarterly sales SAR 2,037.9mln, down 9.5% YoY

Saudi Arabian Mining Company posted quarterly net profit after zakat and tax SAR 6.5mln versus loss of SAR 92mln year ago. Quarterly sales SAR 4.66bln, up 8.4% YoY

Kuwait's Zain's CEO has resigned and will leave the company within 11 days. Zain's posted Q3 profit of KWD 54.35mln for Q3 2020, down from KWD 63.84mln a year ago

Oman's Duqm petrochemical complex project has been postponed for the time being, the company said in a statement

Bahrain September M2 money supply +9.03% YoY and private sector credit +4.18% YoY

Egypt's cabinet approved a new law on Wednesday to issue sovereign sukuk and will send it to parliament for a vote, the finance minister Mohamed Maait said

Egyptian Gulf Bank posted nine-month consolidated net profit after tax from continuous operations EGP 455.3mln vs EGP 459.7mln year ago

Egypt's Fawry for Banking Technology and Electronic Payment board approves authorised capital increase to EGP 1bln from EGP 500mln

Key Global Trends/ Market Clues

Asian shares climbed on Thursday and bonds extended their blistering rally as investors wagered the likely prospect of U.S. policy gridlock would greatly favour some industries while putting a restraining hand on government borrowing. The risk of a prolonged contested election remained, though the count was progressing in an orderly fashion with Democratic challenger Joe Biden narrowly ahead in key states. MSCI's broadest index of Asia-Pacific shares outside Japan climbed 1.3% to reach its highest since February, 2018. Japan's Nikkei rose 1.1% to a nine-month top and South Korea put on 1.5%. Chinese blue chips gained 0.8%, aided by talk a Biden White House might ease back on trade war tariffs. E-Mini futures for the S&P 500 edged up 0.1%, after sharp gains overnight, while EUROSTOXX 50 futures eased 0.3%.

U.S. oil prices dropped on Thursday as the dollar strengthened on growing expectations Democrat Joe Biden would win the U.S. presidential election but the Republicans would retain Senate control, holding back any huge COVID-19 relief package. U.S. West Texas Intermediate (WTI) crude futures fell 40 cents, or 1%, to USD 38.75 a barrel at 0141 GMT, while Brent crude futures dropped 41 cents, or 1%, to USD 40.82 a barrel. Both contracts had jumped around 4% on Wednesday.

OPEC oil revenues to slide 46%, weakest in 18 years. The pandemic-induced low oil demand, price crash and record production cuts are set to slash the net oil export revenues of OPEC members by USD 272 billion, a 45.7pct drop this year compared to 2019. Combined, all 15 members of the Organization of Petroleum Exporting Countries are estimated to earn about USD 323bln in net oil export revenues this year, the lowest level in 18 years, according to the US Energy Information Administration (EIA). The EIA's estimate is at par with the forecast by that International Monetary Fund in July that oil exporters in the Middle East and North Africa were set to see their total oil revenues to plunge USD 270bln in 2020.

UAE Stories

The United Arab Emirates on November 04 announced 1,161 new COVID-19 cases, bringing the total confirmed cases in the country to 137,310. At the same time, 1,493 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 134,983, UAE's Ministry of Health and Prevention said. It has reported 2 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 505.

Taqva board is scheduled to meet on 9th November 2020 to discuss and resolve on Q3 results approval and permitting non-UAE nationals to own shares in the company.

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Flydubai announced the start of flights between Dubai and Tel Aviv from 26 November 2020. Will operate 14 flights a week offering a double daily service between Dubai International and Tel Aviv Ben Gurion.

Dubai Aerospace Enterprise profit for nine months of 2020 at USD 167.3mln compared to USD 260.5mln for nine months of 2019.

Dubai's Emirates airline is asking some pilots to take a year of unpaid leave as it seeks to cut costs due to the impact of the coronavirus pandemic. The aviation industry is enduring its worst crisis after the pandemic crippled most flights, forcing airlines around the world to lay off employees. "We can confirm that we've offered some of our pilot's unpaid leave for 12 months, with the possibility of an early recall back to duty depending on how quickly demand rebounds and our operational requirements," an Emirates spokeswoman said on Wednesday.

UAE federal entities post budget surplus of AED 3.48bln in Q3 2020, posted revenues of AED 40.163bln while spending at AED 36.686bln.

GCC/ MENA

Saudi Arabia on Wednesday announced new plans to ease foreign workers' contractual restrictions, abolishing a controversial seven-decade-old sponsorship system known as kafala. The plans, to take effect in March 2021, aim to make the Saudi labour market more attractive, the deputy minister for human resources said, by granting foreign workers the right to change jobs and leave the country without employers' permission. Saudi Arabia, which chairs the Group of 20 major economies (G20) this year, is seeking to boost its private sector, part of an ambitious plan to diversify its oil-dependent economy. The move will help attract high-skilled workers and help create more jobs for Saudi nationals, Sattam Alharbi, deputy minister for development of the work environment, told Reuters in a phone interview, adding that hiring would be based on workers' efficiency. The ministry aims to certify the contracts of all foreign workers by the end of the first quarter of 2021.

Since Aramco's record listing last year, Saudi Arabia has seen a big increase in the number of companies looking to make their stock market debut in the kingdom, according to the head of the Capital Market Authority (CMA). There are currently 15 applications for new listings in the Saudi stock market, the region's largest bourse, CMA chairman Mohammed bin Abdullah Elkuwaiz said.

Saudi's Banque Saudi Fransi announces the completion of issuing additional tier 1 sukuk denominated in Saudi Arabian riyals of amount SAR 5bln at 4.5% per annum.

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Kuwait's Zain's CEO has resigned and will leave the company within 11 days, the company said while announcing its Q3 results. The statement showed a profit of KWD 54.35mln for Q3 2020, down from KWD

63.84mln posted during the same time in 2019. Profits for the first nine months of 2020 were at KWD 149.88mln, down from KWD 177.92mln during the same period in 2019.

Oman's Duqm petrochemical complex project has been postponed for the time being, the company said in a statement on Twitter on Wednesday without giving a reason. The Duqm Refinery and Petrochemicals Industries Company (DRPIC) said construction on the Duqm refinery is proceeding according to schedule with expected completion in the first quarter of 2022.

Bahrain September M2 money supply +9.03% YoY and private sector credit +4.18% YoY.

Egypt's cabinet approved a new law on Wednesday to issue sovereign sukuk and will send it to parliament for a vote, the finance minister Mohamed Maait said. Once parliament and the president approve the law, the country will issue its first sovereign sukuk, the ministry said.

Egyptian Gulf Bank posted nine-month consolidated net profit after tax from continuous operations EGP 455.3mln vs EGP 459.7mln year ago. Nine-month consolidated interest income EGP 5.60bln vs EGP 5.53bln year ago.

Egypt's Fawry for Banking Technology and Electronic Payment board approves authorised capital increase to EGP 1bln from EGP 500mln. Issued capital increase to EGP 453.7mln from EGP 353.7mln through bonus shares issuance. Board approves issued capital increase to EGP 853.7mln from EGP 453.7mln through rights issue.

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	40,076	5.76	8.15	3.82	11.07	0.73	6.6%	3.4	14.7	38.8	(21.0)
ADIB	16,599	4.57	5.85	3.19	10.54	0.88	6.0%	9.1	23.5	32.5	(7.6)
ADNIC	2,280	4.00	4.00	2.70	6.42	1.04	7.5%	9.6	27.0	29.0	40.4
ADNOC Dist	41,501	3.32	3.57	2.40	21.23	12.05	5.8%	(2.5)	8.9	23.5	34.0
Agthia	2,628	4.38	4.60	2.50	88.61	1.41	3.4%	16.8	59.3	46.0	35.6
Air Arabia	5,087	1.09	1.61	0.87	10.13	1.24	8.3%	(2.7)	(4.4)	1.9	(17.6)
Ajman Bank	1,428	0.68	0.93	0.50	38.64	0.57	0.0%	(2.2)	17.0	13.3	(24.9)
Al Waha Capital	2,042	1.05	1.08	0.62	NA	0.69	NA	6.4	14.4	47.3	4.0
Aldar Properties	20,522	2.61	2.92	1.35	11.77	0.84	5.6%	29.2	50.9	55.4	23.6
Amanat Holdings	1,925	0.77	0.92	0.56	75.42	0.77	2.9%	(3.7)	(8.4)	5.5	(9.1)
Amlak Finance	395	0.26	0.54	0.20	NA	0.61	0.0%	(12.9)	(24.2)	(23.1)	(49.5)
Aramex	5,857	4.00	4.45	2.00	13.68	2.33	4.1%	(7.0)	21.6	46.9	12.9
Bank of Sharjah	1,050	0.50	0.83	0.50	NA	0.33	0.0%	(5.7)	(5.7)	(19.4)	(37.3)
DAMAC Properties	6,595	1.09	1.21	0.36	NA	0.48	NA	17.8	24.1	86.3	29.5
Dana Gas	4,617	0.66	0.98	0.53	NA	0.50	8.3%	(9.2)	(8.3)	(0.9)	(21.2)
Deyaar Development	1,560	0.27	0.39	0.18	29.54	0.34	0.0%	(4.9)	(6.3)	(0.0)	(24.2)
Dubai Financial Market	6,504	0.81	1.00	0.50	44.79	0.84	3.1%	(2.0)	(1.5)	17.0	(2.3)
Dubai Investment	4,847	1.14	1.39	0.98	7.86	0.41	NA	0.9	(1.7)	8.9	(2.3)
Dubai Islamic Bank	29,543	4.08	5.86	3.04	7.79	0.79	8.6%	(3.5)	7.7	15.3	(15.8)
DXB Entertainments	920	0.12	0.22	0.09	NA	0.45	0.0%	(6.5)	(8.7)	(20.1)	(43.3)
Emaar Dev	8,880	2.22	3.97	1.79	3.77	0.84	0.0%	(6.3)	5.7	5.2	(42.8)
Emaar Malls	18,351	1.41	1.95	0.98	12.22	0.98	0.0%	(2.1)	6.0	19.5	(27.3)
Emaar Properties	18,401	2.57	4.28	1.90	3.61	0.33	0.0%	(7.2)	(1.9)	1.6	(37.9)
Emirates Integrated Tele	24,569	5.42	6.35	4.33	13.42	2.89	6.3%	3.2	6.7	5.9	6.9
Emirates NBD	59,504	9.42	13.90	6.33	8.01	0.72	4.2%	(10.3)	3.3	14.9	(12.9)
Eshraq Investments	709	0.31	0.46	0.16	NA	0.50	NA	(3.2)	(11.3)	15.5	(13.4)
Etisalat	147,327	16.94	17.10	11.02	16.48	3.14	4.7%	1.8	2.4	14.4	7.1
First Abu Dhabi Bank	126,675	11.60	15.92	7.78	12.77	1.25	6.4%	4.1	5.1	5.8	(20.9)
GFH	1,988	0.56	0.93	0.45	0.32	0.58	6.1%	(5.3)	(3.3)	0.2	(33.0)
Gulf Navigation Holding	415	0.41	0.69	0.28	NA	0.77	0.0%	(2.6)	(17.3)	16.3	(41.0)
IHC	74,681	41.00	41.00	5.00	NM	13.15	NA	7.5	27.5	62.7	718.4
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	13.7	38.0	128.7	38.0
Mashreqbank	12,072	68.00	86.80	62.00	8.76	0.57	5.9%	8.4	(0.0)	4.6	(15.0)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	7,196	2.65	2.75	1.67	14.46	1.49	4.0%	20.5	32.5	31.8	44.0
RAK Bank	5,950	3.55	5.00	3.33	8.60	0.78	8.5%	-	2.6	(0.3)	(18.7)
RAK Properties	760	0.38	0.47	0.33	6.81	0.20	10.5%	(0.8)	(0.5)	6.7	(6.1)
RAK Ceramics	1,401	1.41	1.81	1.24	17.03	0.61	10.1%	5.2	5.2	(4.7)	0.5
SALAMA	899	0.74	0.88	0.30	13.24	1.16	NA	(9.5)	25.0	50.5	38.8
Sharjah Islamic Bank	3,606	1.17	1.29	0.95	7.46	0.47	4.1%	(0.8)	4.5	12.5	5.6
SHUAA Capital	1,547	0.61	1.03	0.40	21.74	1.18	NA	(3.2)	9.9	4.6	(32.9)
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	0.0	(0.7)	0.0	20.2
TAQA	160,785	1.43	1.65	0.40	NA	5.08	0.0%	(1.4)	2.9	104.3	113.4
Union Properties	1,137	0.27	0.39	0.15	3.94	0.37	0.0%	(8.0)	(22.5)	(6.4)	(14.5)
United Arab Bank	1,844	0.89	1.13	0.81	NA	NA	0.0%	NA	NA	-	(18.7)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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