

SHUAA Securities Morning Report

05 October 2020

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,493	0.0%	-1.3%	4.2%	-10.6%
DFM	2,245	-0.9%	-1.7%	8.9%	-18.7%
TASI	8,178	-1.4%	1.6%	11.8%	3.2%
BHSEASI	1,436	0.3%	1.8%	12.7%	-5.0%
EGX	11,071	0.2%	-1.0%	2.9%	-22.1%
Dow Jones	27,683	-0.5%	-4.9%	7.2%	6.2%
S&P 500	3,348	-1.0%	-6.5%	7.0%	16.0%
Nasdaq	11,075	-2.2%	-8.1%	8.5%	42.3%
FTSE 100	5,902	0.4%	-0.7%	-5.4%	-17.1%
DAX	12,689	-0.3%	-4.2%	0.6%	6.4%
CAC40	4,825	0.0%	-4.1%	-4.4%	-11.0%
Nikkei225	23,030	-0.7%	-0.9%	4.0%	5.7%
HIS	23,459	0.0%	-6.6%	-6.6%	-9.9%
US Futures	3,358	0.6%	-1.7%	5.9%	13.8%
Europe Future	3,200	0.7%	-2.1%	-4.8%	-7.2%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	223	223	-
Local	70%	56%	14%
Foreign	30%	44%	-14%
Institution	78%	75%	3%
Retail	22%	25%	-3%
DFM	104	104	-
Local	69%	54%	15%
Foreign	31%	46%	-15%
Institution	11%	26%	-15%
Retail	89%	74%	15%
Total	327	327	-
Local	70%	55%	15%
Foreign	30%	45%	-15%

Upcoming Corporate Actions & Events

Date	Company	Event
06-Oct	TABREED	General Assembly
14-Oct	SALAMA	General Assembly
14-Oct	SHUAA	General Assembly
12-Nov	GFH	BoD/Results
12-Nov	ITHMAAR	BoD/Results

KEY STORIES

UAE on October 04 reported 1,041 new cases of the Covid-19, along with 1,001 recoveries. Total cases in the country at 98,801 with 88,123 recoveries and 426 deaths

IHS Markit UAE Purchasing Managers' Index rose to 51.0 in September from 49.4 in August. Saudi Arabia September composite Purchasing Managers' Index at 50.7 vs 48.8 in August. Egypt September composite Purchasing Managers' Index came in at 50.4, up from 49.4 in August

UAE August CPI -2.59% YoY and -0.14% MoM

ADNIC has obtained approval of the Securities and Commodities Authority to buy back up to 10% of its total shares of 570mln

Eshraq receives sharia compliant status for its shares listed on ADX

Depa said that it is awaiting clarity on the impact of Arabtec's shareholder vote to dissolve last week, it has confirmed a USD 22mln exposure to the construction company. Depa clarified that it is neither wholly owned by nor controlled by Arabtec. Arabtec is Depa's second-largest shareholder owning 24.18pct

Ektitab Holding has sold its 99% capital share of one of its subsidiaries 'Arabian Pen Educational Company' at a total value of KWD 0.45mln for a loss of around KWD 1.2mln

Mubasher has obtained an Investment Management license from the Securities and Commodities Authority

Saudi Arabia pegs budget to oil staying around USD 50/bbl until 2023

Saudi's Sipchem buys 2.5mln treasury shares at SAR 39mln

Saudi's Allied Cooperative Insurance Group announced receiving a no-objection letter from the SAMA to increase the company's capital via a rights issue valued at SAR 150mln

Kuwait August CPI +2.18% YoY and +0.43% MoM - Government Data

The Central Bank of Kuwait affirmed its commitment to the country's exchange-rate policy, responding to reports of an impending devaluation

Kuwait's National Bank and KFH sign syndicated credit facility of KWD 1bln with Kuwait Petroleum Corporation to finance general capital expenditure. NBK share of facility will be KWD 370mln

Key Global Trends/ Market Clues

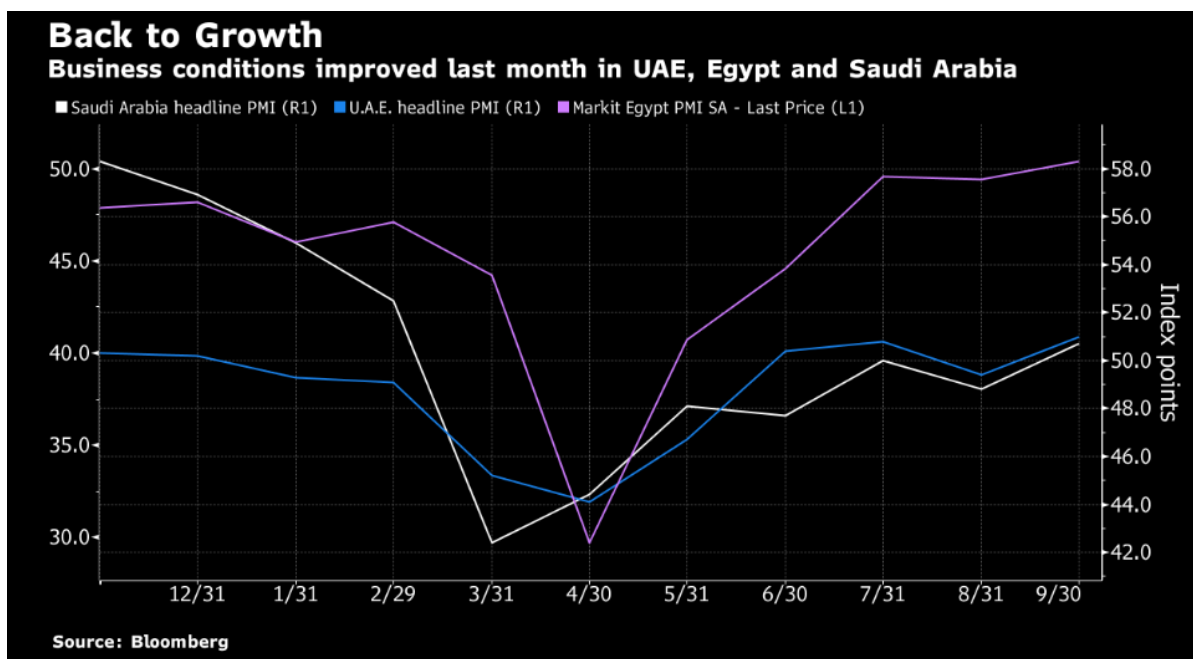
Stock markets rose on Monday on hopes that President Donald Trump could be discharged from hospital later in the day, easing some of the political uncertainty that shook global bourses in the previous session. Trump, 74, was flown to hospital for treatment for the coronavirus on Friday, but his doctors say he has responded well and could return to the White House on Monday. That helped U.S. S&P 500 e-mini futures rise 0.6% in Asian trading, while Nasdaq futures gained 1.11%. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.63%. Australian stocks jumped 2.37% for the biggest daily gain in almost two weeks. Japan's Nikkei rose 1.39%. China's financial markets are closed for a public holiday.

Oil prices rose about 2% on Monday, lifted by comments from doctors for U.S. President Donald Trump suggesting he could be discharged from hospital as soon as Monday, just a few days after his positive test for COVID-19 sparked widespread alarm. Trump's health update eased political uncertainty in global markets, pushing Brent up to USD 39.96 a barrel by 0232 GMT, gaining 69 cents or 1.8%. U.S. West Texas Intermediate (WTI) crude was at USD 37.81 a barrel, up 76 cents, or 2.1%. Prices had slumped more than 4% on Friday amid uncertainty surrounding Trump's health, adding to concern that rising coronavirus case numbers that could dampen global economic recovery.

UAE Stories

The United Arab Emirates on October 04 announced 1,041 new COVID-19 cases, bringing the total confirmed cases in the country to 98,801. At the same time, 1,001 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 88,123, UAE's Ministry of Health and Prevention said. It has reported no death from COVID-19 during the past 24 hours. The nationwide death toll stands at 426.

IHS Markit UAE Purchasing Managers' Index rose to 51.0 in September from 49.4 in August, going above the 50.0 mark that separates growth from contraction for the third time in four months. Saudi Arabia September composite Purchasing Managers' Index at 50.7 vs 48.8 in August. Egypt September composite Purchasing Managers' Index came in at 50.4, up from 49.4 in August. The non-oil private sectors in the Arab world's three largest economies returned to growth in September, with Egypt seeing its first expansion in 14 months. Business conditions improved despite continuing job losses as companies adjusted to the economic challenges of the global pandemic while governments eased restrictions to stop the coronavirus. A measure of non-oil private sector activity in Saudi Arabia, Egypt and the United Arab Emirates rose last month above the threshold of 50 that separates growth from contraction, according to Purchasing Managers' Index surveys compiled by IHS Markit.



UAE August CPI -2.59% YoY and -0.14% MoM.

Abu Dhabi National Insurance Company (ADNIC) has obtained approval of the Securities and Commodities Authority to buy back up to 10% of its total shares of 570mln.

Eshraq receives sharia compliant status for its shares listed on ADX.

Depa said that it is awaiting clarity on the impact of Arabtec's shareholder vote to dissolve last week, although it has confirmed a USD 22mln exposure to the construction company. In a statement to Nasdaq on Sunday,

Depa PLC said it would not know the impact of Arabtec’s decision on its own operations until discussions are complete or a liquidation application is made to the courts. However, it said it is undertaking a company-wide restructuring and non-core asset disposal. Depa clarified that it is “neither wholly owned by nor controlled by Arabtec”. “While Arabtec is Depa’s second-largest shareholder (owning 24.18pct), the majority of Depa’s shares are held by individuals, funds and institutions not connected with Arabtec,” it said. “Arabtec has a minority representation on the board of directors of Depa,” it added.

Ektitab Holding has sold its 99% capital share of one of its subsidiaries 'Arabian Pen Educational Company' at a total value of KWD 0.45mln to one of the subsidiaries of Al Madina for Finance and Investment. The transaction will affect the income statement with a loss of around KWD 1.2mln.

Mubasher has obtained an Investment Management license from the Securities and Commodities Authority.

GCC/ MENA

Saudi Arabia pegs budget to oil staying around USD 50/bbl until 2023. While oil at USD 50 would represent a 25% rise from current prices, it would still be far below the pre-pandemic level of around USD 65 and less than Saudi Arabia needs to balance its budget.

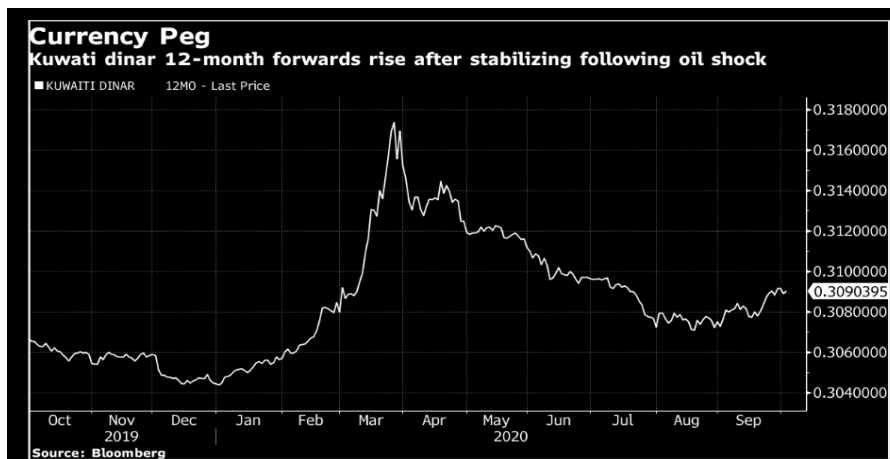
Saudi’s Almarai Company posted quarterly net profit after zakat and tax SAR 621.5mln, up 6.9% YoY. Quarterly sales SAR 3,863.1mln.

Saudi’s Sipchem buys 2.5mln treasury shares at SAR 39mln.

Saudi’s Allied Cooperative Insurance Group announced receiving a no-objection letter from the Saudi Arabian Monetary Authority (SAMA) to increase the company's capital via a rights issue valued at SAR 150mln.

Kuwait August CPI +2.18% YoY and +0.43% MoM - Government Data.

The Central Bank of Kuwait, which pegs the dinar to a basket of currencies dominated by the U.S. dollar, affirmed its commitment to the country’s exchange-rate policy, responding to reports of an impending devaluation. “In light of recent online reports falsely speculating on the intent to devalue the national currency, the Central Bank of Kuwait reiterates its commitment to maintaining the Kuwaiti dinar exchange rate at a level that protects its purchasing power,” it said in a statement on Sunday. “CBK will continue its adherence to policies that aim to bolster the local currency and maintain monetary and financial stability.” The speculation started swirling after Sheikh Nawaf Al-Ahmed Al-Sabah was sworn in as the country’s new ruler last week, following the death of his predecessor. Kuwait is facing the highest budget deficit in its history, brought on by the drop in oil prices and the coronavirus pandemic. A potential solution to its liquidity crisis has been blocked by parliamentary opposition to a law that would allow the government to borrow. Twelve-month forward contracts on the Kuwaiti dinar rose almost 60 points to 270 in the offshore market at the end of September, signaling traders’ concerns over the risk of a devaluation in the currency peg. Kuwait is the only country in the six-member Gulf Cooperation Council that links its currency to a basket dominated by the U.S. dollar, while the others are linked solely to the greenback.





Kuwait's National Bank and KFH sign syndicated credit facility of KWD 1bln with Kuwait Petroleum Corporation to finance general capital expenditure. NBK share of facility will be KWD 370mln.

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

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	38,753	5.57	8.15	3.82	10.53	0.73	6.8%	0.4	10.3	33.3	(22.5)
ADIB	15,218	4.19	5.85	3.19	9.16	0.82	6.5%	2.9	11.4	17.8	(12.0)
ADNIC	2,081	3.65	4.00	2.70	5.86	0.95	8.2%	(5.2)	15.9	(1.4)	21.7
ADNOC Dist	43,875	3.51	3.57	2.40	22.44	12.74	5.4%	16.6	18.2	28.3	37.8
Agthia	2,250	3.75	3.75	2.50	23.63	1.18	4.0%	19.0	31.6	47.3	9.6
Air Arabia	5,227	1.12	1.61	0.87	10.41	1.28	8.0%	(3.4)	(6.7)	28.7	(2.4)
Ajman Bank	1,460	0.70	0.94	0.50	39.49	0.59	0.0%	(3.3)	19.6	33.1	(24.1)
Al Waha Capital	1,919	0.99	1.03	0.62	NA	0.65	NA	2.5	47.3	23.4	(3.2)
Aldar Properties	15,883	2.02	2.37	1.35	9.11	0.65	7.2%	(3.8)	11.6	34.7	9.0
Amanat Holdings	2,000	0.80	0.92	0.56	78.35	0.80	2.8%	(6.9)	(9.9)	30.5	(9.7)
Amlak Finance	453	0.30	0.64	0.20	NA	0.70	0.0%	(5.9)	7.5	25.8	(31.8)
Aramex	6,296	4.30	4.45	2.00	14.71	2.51	3.8%	19.8	31.1	93.8	11.5
Bank of Sharjah	1,113	0.53	0.83	0.53	NA	0.36	0.0%	NA	(13.8)	(19.7)	(35.4)
DAMAC Properties	5,596	0.93	0.98	0.36	NA	0.41	NA	5.1	28.8	94.7	0.4
Dana Gas	5,086	0.73	0.98	0.53	NA	0.55	7.6%	(2.9)	14.3	37.3	(17.3)
Deyaar Development	1,641	0.28	0.43	0.18	31.07	0.36	0.0%	(7.2)	2.5	32.1	(20.0)
Dubai Financial Market	6,640	0.83	1.00	0.50	49.38	0.87	3.0%	(3.7)	3.5	51.5	(1.4)
Dubai Investment	4,805	1.13	1.39	0.98	9.44	0.41	NA	(6.6)	(1.7)	11.9	(4.0)
Dubai Islamic Bank	30,628	4.23	5.86	3.04	7.40	0.84	8.3%	(1.2)	9.0	26.3	(11.8)
DXB Entertainments	984	0.12	0.23	0.09	NA	0.48	0.0%	(12.8)	0.0	4.2	(40.9)
Emaar Dev	9,480	2.37	4.16	1.79	4.03	0.89	0.0%	4.4	14.5	20.3	(42.1)
Emaar Malls	18,741	1.44	1.96	0.98	12.48	1.00	0.0%	0.7	2.9	26.3	(24.2)
Emaar Properties	19,832	2.77	4.70	1.90	3.89	0.36	0.0%	(7.4)	3.4	27.1	(38.6)
Emirates Integrated Tele	23,798	5.25	6.35	4.33	17.14	2.88	6.5%	(0.9)	5.6	6.5	(0.1)
Emirates NBD	66,324	10.50	13.90	6.33	5.83	0.81	3.8%	(2.8)	18.0	52.2	(12.0)
Eshraq Investments	732	0.32	0.46	0.16	NA	0.53	NA	(19.2)	45.2	53.7	(17.5)
Etisalat	144,714	16.64	17.00	11.02	16.42	3.19	4.8%	(0.5)	0.1	21.2	7.8
First Abu Dhabi Bank	121,649	11.14	15.92	7.78	11.59	1.25	6.6%	(3.6)	(0.5)	11.5	(22.4)
GFH	2,096	0.59	0.93	0.45	0.34	0.61	5.8%	(6.4)	4.8	13.5	(29.2)
Gulf Navigation Holding	426	0.42	0.73	0.28	NA	0.79	0.0%	(15.6)	(16.9)	42.2	(40.4)
IHC	69,469	38.14	40.90	5.00	NM	14.81	NA	3.1	29.6	161.2	662.8
Julphar	1,513	1.31	1.54	0.54	NA	1.40	0.0%	(0.8)	14.9	95.9	17.4
Mashreqbank	11,140	62.75	86.80	62.00	8.08	0.52	6.4%	(6.2)	(6.2)	(12.8)	(4.9)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	5,974	2.20	2.34	1.67	12.00	1.24	4.8%	3.3	12.2	5.8	22.2
RAK Bank	5,950	3.55	5.00	3.33	7.04	0.80	8.5%	1.4	(4.6)	(4.2)	(15.8)
RAK Properties	766	0.38	0.48	0.33	6.87	0.20	10.4%	(3.0)	9.4	6.7	(5.4)
RAK Ceramics	1,332	1.34	1.81	1.24	15.08	0.59	10.7%	(5.6)	2.3	1.5	0.5
SALAMA	1,033	0.85	0.88	0.30	15.22	1.33	NA	20.1	67.8	132.6	42.0
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.18	0.48	4.0%	(1.7)	7.3	18.0	7.4
SHUAA Capital	1,598	0.63	1.03	0.40	22.45	1.21	NA	(10.0)	25.0	47.2	(33.6)
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	(2.1)	6.7	2.1	2.9
TAQA	163,030	1.45	1.65	0.40	NA	5.15	0.0%	(2.0)	88.6	142.1	116.4
Union Properties	1,235	0.29	0.39	0.15	NA	0.48	0.0%	(4.6)	(3.7)	36.5	(6.5)
United Arab Bank	1,844	0.89	1.13	0.81	NA	NA	0.0%	NA	-	(0.2)	(18.7)

(Source: Bloomberg)

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

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