

## SHUAA Securities Morning Report

06 October 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,488	-0.1%	-0.8%	3.9%	-10.9%
DFM	2,225	-0.9%	-1.5%	6.6%	-20.0%
TASI	8,258	1.0%	2.9%	11.7%	3.7%
BHSEASI	1,441	0.3%	2.7%	12.8%	-4.7%
EGX	11,008	-0.6%	-0.6%	-0.7%	-22.6%
Dow Jones	28,149	1.7%	0.1%	7.1%	5.9%
S&P 500	3,409	1.8%	-0.5%	7.2%	15.5%
Nasdaq	11,332	2.3%	0.2%	8.6%	42.0%
FTSE 100	5,943	0.7%	2.5%	-5.5%	-16.9%
DAX	12,828	1.1%	-0.1%	0.7%	6.8%
CAC40	4,872	1.0%	-1.9%	-4.1%	-11.2%
Nikkei225	23,423	0.5%	0.9%	3.1%	9.4%
HIS	23,943	0.7%	-3.0%	-9.1%	-7.3%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>294</b>	<b>294</b>	-
Local	54%	45%	10%
Foreign	46%	55%	-10%
Institution	76%	78%	-2%
Retail	24%	22%	2%
<b>DFM</b>	<b>203</b>	<b>203</b>	-
Local	64%	52%	12%
Foreign	36%	48%	-12%
Institution	23%	35%	-12%
Retail	77%	65%	12%
<b>Total</b>	<b>496</b>	<b>496</b>	-
Local	58%	48%	11%
Foreign	42%	52%	-11%

### # Upcoming Corporate Actions & Events

Date	Company	Event
06-Oct	TABREED	General Assembly
06-Oct	DXBE	BoD/General
07-Oct	ARTC	BoD/Dissolution
14-Oct	SALAMA	General Assembly
14-Oct	SHUAA	General Assembly
20-Oct	FAB	General Assembly/Stake Acquisition
12-Nov	GFH	BoD/Results
12-Nov	ITHMAAR	BoD/Results

## # KEY STORIES

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UAE on October 05 reported 932 new cases of the Covid-19, along with 1,287 recoveries. Total cases in the country at 99,733 with 89,410 recoveries and 429 deaths

ADQ plans to set up a digital bank in the UAE, using a legacy banking licence of FAB. FAB, which plans to transfer its licence for First Gulf Bank to ADQ, said it intends to own a 10% stake in the digital bank and will have access to another 10% of the shares at the time of its IPO in the future. FAB shareholders will vote on the proposal on October 20

IHC Food Holding, a subsidiary of IHC, announced plans to develop and cultivate farmland in Sudan in a USD 225mln deal in partnership with DAL Group. Once fully developed, this will help generate about USD 1bln in export revenues for Sudan over the next 10 years

Arabtec disclosed at DFM that its General Assembly has adopted resolution for discontinuation of the Company. Authorised the Board to apply for an insolvent liquidation and appoint liquidator. The Board shall not do so until discussing the impact of this outcome with the stakeholders within a period not to exceed 2 months from the date of this meeting

Agthia gets offer from Senaat to combine Al Foah unit. The key terms of Senaat's offer are to transfer Al Foah (excluding its organic date farm in Al Ain) to Agthia on consideration for the issuance by Agthia to Senaat of a convertible instrument, converting into 120m shares in Agthia upon closing of the transaction. Post conversation, Senaat would own 59.17% of Agthia compared to earlier 51%. The fixed conversion price at which the convertible instrument will convert into shares in Agthia is AED3.75/ share.

Northacre, one of the group companies of SHUAA Capital, has topped out its latest mixed use development, The Broadway, in Westminster, London. This follows on from buoyant interest in the development throughout lockdown, with sales in the last six months totalling over GBP 40mln

ADCB disclosed that it ended all banking operations in Jersey on September 30 of this year  
International Financial Advisors Holding has transferred its non-listed foreign asset, Octal Ltd, to a foreign bank against due debt, valued at KWD 2.89mln (USD 9.44mln)

UAE resumes issuing employment permits for government, semi-government entities

Saudi's Fawaz Al Hokair said that it has signed an exclusive master franchise agreement with the British brand to open Public Desire stores dedicated fully to the Saudi market

Kuwait central bank forms higher committee of shariah supervision

Bahrain has temporarily suspended travel to destinations which can adversely affect national efforts to curb the spread of the novel coronavirus (Covid-19), a senior official said

Lebanon September PMI at 42.1 versus 40.1 in August

## # Key Global Trends/ Market Clues

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Asia's stock markets edged higher on Tuesday, cautiously adding to gains made with an improvement in both U.S. President Donald Trump's health and prospects for a U.S. stimulus package, while bonds and the dollar nursed losses. Trump returned to the White House on Monday after a three-night hospital stay for treatment for COVID-19 and said he felt "real good". Meanwhile U.S. House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin spoke by phone for about an hour and were preparing to talk again Tuesday, continuing their work towards a deal on coronavirus relief spending. S&P 500 futures traded steady early in the Asian session, after the best daily gain on the S&P 500 index in a month overnight. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.2% to a two-week high. Japan's Nikkei rose 0.4%. South Korea's Kospi rose 0.6% and futures point to a positive open in Hong Kong. Australia's ASX 200 dipped 0.2% in early trade. China's markets remain closed for a holiday. Wall Street rallied sharply overnight with, energy, tech and healthcare stocks leading. The Dow rose 1.7%, the S&P 500 1.8% and the Nasdaq 2.3%.

Oil jumped more than 5% overnight and held there in Asia, supported by optimism surrounding Trump's health and a supply squeeze owing to a strike at Norwegian oilfields. U.S. crude was last steady at USD 39.25. Brent crude rose 0.2% to USD 41.36. Gold was steady at USD 1,912 an ounce.

## # UAE Stories

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The United Arab Emirates on October 05 announced 932 new COVID-19 cases, bringing the total confirmed cases in the country to 99,733. At the same time, 1,287 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 89,410, UAE's Ministry of Health and Prevention said. It has reported 3 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 429.

ADQ plans to set up a digital bank in the United Arab Emirates (UAE), using a legacy banking licence of the country's biggest lender, First Abu Dhabi Bank (FAB), the UAE lender said on Monday. FAB, which plans to transfer its licence for First Gulf Bank to ADQ, said it intends to own a 10% stake in the digital bank and will have access to another 10% of the shares at the time of its initial public offering in the future. FAB shareholders will vote on the proposal on October 20.

IHC Food Holding, a subsidiary of International Holding Company (IHC), on Monday announced plans to develop and cultivate farmland in Sudan in a USD 225mln deal. The partnership with DAL Group, which is the largest private sector conglomerate in Sudan, will focus on farmland in Abu Hamad, River Nile State, Sudan. The joint agreement will see a five-year investment plan put into the transformation and development of over 100,000 acres. The farm is expected to reach a maximum annual output of over 400,000 metric tons of agricultural crops for consumption and export purposes. Once fully developed, this will help generate about USD 1bln in export revenues for Sudan over the next 10 years. It is also expected to create new employment for more than 5,000 people in Sudan, including on the farm as well as part of the ancillary services to support the farm.

Arabtec disclosed at DFM that its General Assembly has adopted for discontinuation of the Company and to authorise the Board to apply to the competent courts for an insolvent liquidation and appoint Alix Partners and Matthew Wilde or any other person or persons as the board considers fit as liquidator, however, the Board shall not do so until discussing the impact of this outcome with the stakeholders within a period not to exceed 2 months from the date of this meeting.

Agthia gets offer from Senaat to combine Al Foah unit. The key terms of Senaat's offer are to transfer Al Foah (excluding its organic date farm in Al Ain) to Agthia on consideration for the issuance by Agthia to Senaat of a convertible instrument, converting into 120m shares in Agthia upon closing of the transaction. Post conversation, Senaat would own 59.17% of Agthia compared to earlier 51%. The fixed conversion price at which the convertible instrument will convert into shares in Agthia is AED3.75/ share.

Northacre, one of the group companies of SHUAA Capital, has topped out its latest mixed use development, The Broadway, in Westminster, London. This follows on from buoyant interest in the development throughout lockdown, with sales in the last six months totalling over GBP 40mln.

Abu Dhabi Commercial Bank disclosed that it ended all banking operations in Jersey on September 30 of this year. All active bank accounts of the bank's clients in Jersey were transferred to Abu Dhabi Commercial Bank in the United Arab Emirates on October 1, 2020.

International Financial Advisors Holding has transferred its non-listed foreign asset, Octal Ltd, to a foreign bank against due debt. In a statement to Dubai Financial Market (DFM), the company said the transfer of Octal Ltd, valued at KWD 2.89mIn (USD 9.44mIn) had been made as payment in kind against debt to the bank, which was not named. "The company is currently negotiating the restructuring of the remaining debt balance and accordingly the financial impact will be reflected in the current year 2020," the statement said.

The UAE government has resumed granting entry permits for domestic workers as well as employment permits for government and semi-governmental entities and vital facilities in the country. The move was announced by the Federal Authority for Identity and Citizenship in coordination with National Emergency Crisis and Disaster Management Authority.

## # GCC/ MENA

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Saudi's Fawaz Al Hokair Company said on Monday that it has signed an exclusive master franchise agreement with the British brand to open Public Desire stores dedicated fully to the Saudi market.

The Central Bank of Kuwait (CBK) has approved the establishment of a Higher Committee of Shariah Supervision to underpin the governance of Shariah supervision and compliance in Islamic finance and banking institutions based on international best practices. The committee will play a key role in making suggestions and proposals to CBK based on Shariah compliance of its financial transactions with Islamic banks and financial institutions, a statement from the CBK said.

Bahrain has temporarily suspended travel to destinations which can adversely affect national efforts to curb the spread of the novel coronavirus (Covid-19), a senior official said. Undersecretary for Civil Aviation Affairs at the Ministry of Telecommunications Mohammed Thamer Al-Kaabi said the temporary suspension had been recommended by the National Taskforce for Combating Covid-19 to protect citizens and residents' health and safety, said a Bahrain News Agency report. The report did not mention the names of the destinations affected.

Business conditions in Lebanon as indicated by the seasonally adjusted IHS Markit Purchasing Managers' Index (PMI) continued to plunge in September, but at a slower pace than in August. September's PMI reading of 42.1 was an improvement over August's 40.1, but it nevertheless marked a continued deterioration in Lebanon's private-sector business conditions. The latest downturn was partially driven by a further decline in output at the end of the third quarter.

## # 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	38,613	5.55	8.15	3.82	10.54	0.82	6.8%	0.7%	9.7%	45.3%	-27.9%
ADIB	15,182	4.18	5.85	3.19	9.13	1.10	6.6%	4.0%	10.6%	19.4%	-18.8%
ADNIC	2,058	3.61	4.00	2.70	5.75	0.94	8.3%	-6.2%	14.6%	-2.4%	20.3%
ADNOC Dist	43,625	3.49	3.57	2.40	22.27	12.67	6.0%	9.1%	17.5%	16.3%	27.8%
Agthia	2,226	3.71	3.80	2.50	23.48	1.17	4.0%	17.8%	30.2%	17.8%	3.1%
Air Arabia	5,133	1.10	1.61	0.87	10.71	1.25	NA	-6.0%	-9.8%	23.6%	-12.0%
Ajman Bank	1,436	0.68	0.94	0.50	38.99	0.58	0.0%	-4.3%	14.0%	24.8%	-25.3%
Al Waha Capital	1,945	1.00	1.03	0.62	NA	0.66	0.0%	4.2%	39.3%	25.8%	-2.0%
Aldar Properties	15,725	2.00	2.37	1.35	9.03	0.64	7.3%	-2.4%	9.9%	36.1%	-1.0%
Amanat Holdings	1,990	0.80	0.92	0.56	80.11	0.80	2.8%	-6.1%	-11.6%	24.4%	-12.5%
Amlak Finance	450	0.30	0.64	0.20	NA	0.69	0.0%	-11.0%	7.9%	26.6%	-32.3%
Aramex	6,383	4.36	4.45	2.00	14.92	2.54	3.8%	21.1%	30.5%	68.3%	7.7%
Bank of Sharjah	1,113	0.53	0.83	0.53	NM	0.36	0.0%	0.0%	-13.8%	-18.5%	-35.4%
DAMAC Properties	5,524	0.91	0.98	0.36	NA	0.40	NA	4.7%	21.6%	91.0%	-0.9%
Dana Gas	5,023	0.72	0.98	0.53	8.89	0.52	7.7%	-1.9%	4.1%	23.8%	-24.0%
Deyaar Development	1,606	0.28	0.43	0.18	37.57	0.35	0.0%	-7.3%	-1.4%	30.5%	-21.7%
Dubai Financial Market	6,600	0.83	1.00	0.50	48.12	0.86	0.0%	-2.9%	0.6%	48.6%	-6.2%
Dubai Investment	4,720	1.11	1.39	0.98	NA	0.40	9.0%	-5.9%	-3.5%	1.8%	-12.6%
Dubai Islamic Bank	30,484	4.21	5.86	3.04	7.31	1.08	8.3%	-0.9%	7.7%	38.5%	-19.7%
DXB Entertainments	960	0.12	0.23	0.09	NA	0.47	0.0%	-18.4%	0.0%	0.0%	-42.3%
Emaar Dev	9,320	2.33	4.16	1.79	NA	0.88	0.0%	4.0%	8.9%	21.4%	-43.0%
Emaar Malls	18,350	1.41	1.96	0.98	NA	0.98	0.0%	0.7%	-4.1%	34.3%	-25.8%
Emaar Properties	19,474	2.72	4.70	1.90	3.80	0.35	0.0%	-7.2%	-1.1%	20.9%	-39.7%
Emirates Integrated Tele	23,798	5.25	6.35	4.33	17.14	2.88	6.5%	1.0%	2.5%	-1.9%	-6.2%
Emirates NBD	65,693	10.40	13.90	6.33	5.92	0.91	3.8%	-2.8%	17.4%	58.5%	-17.1%
Eshraq Investments	709	0.31	0.46	0.16	NA	0.51	0.0%	-21.2%	37.4%	42.5%	-20.2%
Etisalat	145,236	16.70	17.00	11.02	16.61	3.20	4.8%	0.6%	0.4%	19.3%	2.6%
First Abu Dhabi Bank	121,430	11.12	15.92	7.78	11.51	1.35	6.7%	-3.0%	-0.7%	11.2%	-26.6%
GFH	2,124	0.58	0.93	0.45	7.46	0.53	5.5%	-6.9%	1.2%	5.9%	-34.4%
Gulf Navigation Holding	436	0.43	0.73	0.28	NA	0.81	0.0%	-11.8%	-12.3%	47.6%	-38.9%
IHC	70,016	38.44	40.90	5.00	45.22	14.92	0.1%	3.9%	30.4%	163.3%	668.8%
Gulf Pharmaceutical	1,513	1.31	1.97	0.65	NA	1.40	0.0%	-0.8%	24.8%	10.8%	-33.6%
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	3.70	52.79	1.94	1.9%	0.0%	0.0%	0.0%	3.3%
Tabreed	6,028	2.22	2.34	1.67	12.14	1.25	4.7%	5.7%	16.2%	11.0%	23.3%
RAK Bank	5,951	3.55	5.00	3.33	7.06	0.80	8.5%	1.4%	-4.6%	-11.3%	-22.0%
RAK Properties	762	0.38	0.48	0.33	6.82	0.20	7.9%	-2.3%	6.4%	14.4%	-14.6%
RAK Ceramics	1,332	1.34	1.81	1.24	14.35	0.59	NA	-6.9%	-0.7%	5.5%	-8.6%
SALAMA	1,035	0.86	0.88	0.30	16.11	1.33	NA	22.1%	66.7%	119.2%	34.2%
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.36	0.64	4.0%	-0.8%	5.4%	19.2%	3.2%
SHUAA Capital	1,598	0.63	1.03	0.40	17.44	1.21	0.0%	-8.8%	19.5%	54.0%	-33.6%
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	0.0%	-2.1%	6.7%	7.5%	2.9%
TAQA	157,408	1.40	1.65	0.40	NA	4.98	0.0%	-4.1%	54.7%	133.7%	109.0%
Union Properties	1,175	0.27	0.39	0.15	NA	0.46	0.0%	-9.3%	-8.4%	24.5%	-11.0%
United Arab Bank	1,844	0.89	1.13	0.81	NA	1.04	0.0%	0.0%	0.0%	-0.2%	-18.7%

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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