

SHUAA Securities Morning Report

08 November 2020

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,718	0.6%	5.1%	9.6%	-8.5%
DFM	2,160	0.3%	-2.9%	3.9%	-19.6%
TASI	8,089	0.0%	-2.0%	8.3%	3.9%
BHSEASI	1,442	0.0%	0.1%	11.6%	-5.0%
EGX	10,629	0.7%	-3.4%	-0.7%	-28.1%
Dow Jones	28,323	-0.2%	2.0%	3.4%	3.0%
S&P 500	3,509	0.0%	4.4%	4.8%	14.1%
Nasdaq	11,895	0.0%	6.6%	7.1%	41.4%
FTSE 100	5,910	0.1%	-0.7%	-1.9%	-20.1%
DAX	12,480	-0.7%	-3.3%	-0.9%	-5.3%
CAC40	4,961	-0.5%	1.3%	1.6%	-15.4%
Nikkei225	24,325	0.9%	3.8%	8.5%	4.4%
HIS	25,713	0.1%	7.2%	3.1%	-7.1%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	447	447	-
Local	62%	57%	5%
Foreign	38%	43%	-5%
DFM	144	144	-
Local	33%	35%	-3%
Foreign	67%	65%	3%
Total	591	591	-
Local	55%	52%	3%
Foreign	45%	48%	-3%

Upcoming Corporate Actions & Events

Date	Company	Event
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	SHUAA	BoD/General
10-Nov	ADNOC	BoD/Results
10-Nov	UAB	BoD/Results
10-Nov	AIR ARABIA	BoD/Results
10-Nov	3Q20 MSCI Index Review Announcement Date	
11-Nov	SHUAA	BoD/Results
12-Nov	DANA	BoD/Results

KEY STORIES

UAE on November 07 reported 1,141 new cases of the Covid-19, along with 672 recoveries. Total cases in the country at 141,032 with 137,608 recoveries and 514 deaths

UAE September CPI -2.36% YoY and -0.50% MoM

RAK Properties posted Q3 profit AED 14.2mi versus AED 18mln year ago. Q3 revenue AED 57.5mln versus AED 56.7mln year ago

Deyaar Development reports 9M20 net profit of AED 13.1mln vs AED 53.0mln a year ago. 9M20 revenues of AED 288.1mln vs AED 483mln a year ago.

DXBE is set to launch new thrill rides and open more than 1,000 hotel rooms as it prepares to resume full operations

Legal action has been initiated against Ernst & Young, the auditor at NMC Health when more than USD 4bln plus was taken out as bank loans and never entered into the books. A "preliminary notice of potential claim" has been issued against the auditor, the administrators of NMC Health - Alvarez & Marsal - state in an update

Dubai Aerospace Enterprise expects air traffic to start rebounding by the middle of next year and is looking for more deals with airlines to buy and lease back their jets.

Air France KLM Group has formally inaugurated its new regional headquarters at Dubai Airport Freezone

IATA says global air passenger traffic fell 72.8pct in September, reflecting a slight improvement from 75.2pct in August as the pandemic impact continued to weigh on the aviation industry

CBUAE said its stimulus package (TESS), had directly impacted to date more than 321,000 beneficiaries including 310,000 distressed residents, 1,500 companies and 10,000 SMES

Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), has bought a 2.04% stake in Reliance Retail Ventures Limited for about USD 1.3bln, PIF said on Thursday

Saudi's Banque Saudi Fransi posted quarterly net profit SAR 333mln, down 62.2%YoY. Quarterly total revenue for special commissions/investments SAR 1,569mln

Saudi Mouwasat Medical Services Company posted quarterly net profit after zakat and tax SAR 161.1mln, up 73.2% YoY. Quarterly sales SAR 549.06mln, up 23.9% YoY

Kuwait's State Audit Bureau said the government has no choice but to borrow to plug a growing deficit, but that it must do so alongside implementing economic reforms

Oman's Omantel posted Q3 group profit attributable OMR 22.4mln versus OMR 19.5mln year ago. Q3 group revenue OMR 617.1mln versus OMR 634.5mln year ago

S&P says Egypt 'B/B' ratings affirmed; outlook stable. S&P says Covid-19 pandemic has disrupted Egypt's economic and fiscal trajectories, and elevated external risks

Egypt's central bank would auction EUR 690mln in one-year euro-denominated treasury bills on November 9. The action will be settled on November 10

Egypt's Abu Qir Fertilizers and Chemical Industries posted Q1 net profit after tax EGP 686.6mIn vs profit of EGP 751.6mIn year ago. Q1 revenue EGP 1.75bIn vs EGP 1.99bIn year ago

Key Global Trends/ Market Clues

Joe Biden has won the US presidency over Donald Trump, TV networks projected Saturday - a victory sealed after the Democrat claimed several key battleground states won by the Republican incumbent in 2016.

Global stock markets edged higher and the dollar sank to a two-month low on Friday. Treasury yields rose on better-than-expected October employment data, while oil prices slid below USD 40 a barrel as new lockdowns in Europe to halt the surging COVID-19 pandemic dimmed the demand outlook. MSCI's all-country world stock index rose 0.25% to 592.84, adding to a week-long rally in which the benchmark for global equity performance advanced almost 8% to post its best week in nearly seven months. The index also topped highs last seen in September. In Europe, the broad pan-regional FTS Eurofirst 300 index closed down 0.12% to 1,418.13, while emerging market stocks rose 0.96%. Stocks on Wall Street rebounded from early profit-taking from the week's big gains to close little changed as a Biden presidency appeared inevitable. The Dow Jones Industrial Average fell 0.24%, the S&P 500 lost 0.03% and the Nasdaq Composite added 0.04%. For the week the Dow rose 6.87%, the S&P 500 7.33% and the Nasdaq 9.02%. All three posted their best weekly percentage gains since April. But a surge in coronavirus cases, both in Europe and the United States, put a damper on the recovery outlook and investor enthusiasm that had embraced a scenario of Republicans retaining control of the Senate during a Biden administration.

Oil settled below USD 40 a barrel on Friday as rising global coronavirus cases stoked fears about lackluster demand. France reported record cases, intensifying concerns that additional lockdowns in Europe could weigh on demand. Brent crude settled down USD 1.48, or 3.62%, at USD 39.45 a barrel. U.S. West Texas Intermediate (WTI) dropped USD 1.65, or 4.25% to USD 37.14 a barrel.

UAE Stories

The United Arab Emirates on November 07 announced 1,141 new COVID-19 cases, bringing the total confirmed cases in the country to 141,032. At the same time, 672 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 137,608, UAE's Ministry of Health and Prevention said. It has reported 4 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 514.

UAE September CPI -2.36% YoY and -0.50% MoM

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DXB Entertainments is set to launch new thrill rides and open more than 1,000 hotel rooms as it prepares to resume full operations and recover from the slump caused by the coronavirus lockdown in March. In September, DXB partially re-opened for the first time in months the Dubai Parks and Resorts to the public.

Legal action has been initiated against Ernst & Young, the auditor at NMC Health when more than USD 4bIn plus was taken out as bank loans and never entered into the books. A "preliminary notice of potential claim" has been issued against the auditor, the administrators of NMC Health - Alvarez & Marsal - state in an update. A regulatory entity in the UK had earlier initiated an investigation into how E&Y failed to account for the missing billions. As and when it happens, the formal claim against E&Y will be filed in London. "Those investigations and formulation of claims identified are ongoing," Alvarez & Marsal said in the update. "Strategies are in the process of being developed to prioritise such claims in order to recover assets for the benefit of creditors." Incidentally, E&Y was also the auditor at UAE Exchange Centre, which too went into turmoil as debts never showed on its books.

Dubai Aerospace Enterprise (DAE), one of the world's biggest aircraft leasing companies, expects air traffic to start rebounding by the middle of next year and is looking for more deals with airlines to buy and lease back their jets.

Air France KLM Group has formally inaugurated its new regional headquarters at Dubai Airport Freezone. The ceremony was held under the patronage and in the presence of H.H. Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Dubai Airport Freezone Authority, DAFZA, Dr. Mohammad Al Zarooni, Director General of DAFZA; Mr. Henri de Peyrelongue, Executive Vice President Commercial Sales Air France-KLM; and Mr. Welmer Blom Senior Vice President, Middle East, Gulf and India Air France KLM.

The Central Bank of the UAE said on Thursday its wide-ranging stimulus package, the Targeted Economic Support Scheme (TESS), had directly impacted to date more than 321,000 beneficiaries including 310,000 distressed residents, 1,500 companies and 10,000 small and medium enterprises. TESS, the AED 100bn stimulus package announced on March 15, is a part of the UAE government's overarching efforts to mitigate the impacts of the pandemic. It includes AED 50bn of zero-interest, collateralised loans for UAE-based banks and also AED 50bn funds freed up from banks' capital buffers.

Global air passenger traffic fell 72.8pct in September, reflecting a slight improvement from 75.2pct in August as the pandemic impact continued to weigh on the aviation industry, latest data shows.

GCC/ MENA

Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), has bought a 2.04% stake in Reliance Retail Ventures Limited for about USD 1.3bn, PIF said on Thursday. "This investment will further strengthen PIF's presence in India's dynamic economy and promising retail market segment. The investment in RRVL follows an earlier acquisition of a 2.32% stake in Jio Platforms, the digital services subsidiary of Reliance Industries," PIF said in a statement.

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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	40,631	5.84	8.15	3.82	11.22	0.74	6.5%	5.2	15.9	41.7	(20.3)
ADIB	16,271	4.48	5.85	3.19	10.33	0.86	6.1%	7.2	20.1	31.4	(9.0)
ADNIC	2,280	4.00	4.00	2.70	6.42	1.04	7.5%	10.8	27.0	29.0	40.4
ADNOC Dist	41,125	3.29	3.57	2.40	21.03	11.94	5.8%	(2.9)	9.3	21.9	33.8
Agthia	2,610	4.35	4.60	2.50	88.00	1.40	3.4%	17.3	58.8	41.7	34.7
Air Arabia	5,040	1.08	1.61	0.87	10.04	1.23	8.3%	(1.8)	(5.3)	0.9	(20.0)
Ajman Bank	1,489	0.71	0.93	0.50	40.28	0.60	0.0%	3.7	21.4	15.3	(23.2)
Al Waha Capital	2,178	1.12	1.14	0.62	NA	0.74	NA	12.0	21.7	49.7	10.9
Aldar Properties	20,521	2.61	2.92	1.35	11.77	0.84	5.6%	30.5	52.6	51.7	23.6
Amanat Holdings	1,900	0.76	0.92	0.56	74.44	0.76	2.9%	(4.5)	(11.4)	4.7	(12.3)
Amlak Finance	390	0.26	0.54	0.20	NA	0.60	0.0%	(13.3)	(22.8)	(23.3)	(50.0)
Aramex	5,930	4.05	4.45	2.00	13.85	2.36	4.1%	(7.1)	23.9	47.2	13.7
Bank of Sharjah	1,061	0.51	0.83	0.50	NA	0.33	0.0%	(4.7)	(4.7)	(17.2)	(37.7)
DAMAC Properties	6,353	1.05	1.21	0.36	NA	0.47	NA	15.0	21.4	81.0	25.6
Dana Gas	4,484	0.64	0.98	0.53	NA	0.49	8.6%	(10.7)	(9.7)	(5.0)	(23.1)
Deyaar Development	1,560	0.27	0.39	0.18	29.54	0.34	0.0%	(2.9)	(4.9)	0.7	(24.4)
Dubai Financial Market	6,480	0.81	1.00	0.50	44.63	0.84	3.1%	(1.8)	(1.2)	15.9	(2.9)
Dubai Investment	4,847	1.14	1.39	0.98	7.86	0.41	NA	2.7	(0.9)	7.9	(3.1)
Dubai Islamic Bank	29,542	4.08	5.86	3.04	7.79	0.79	8.6%	(3.1)	7.9	16.2	(15.8)
DXB Entertainments	912	0.11	0.22	0.09	NA	0.45	0.0%	(5.0)	(9.5)	(21.4)	(43.8)
Emaar Dev	8,920	2.23	3.97	1.79	3.79	0.84	0.0%	(4.3)	5.2	6.2	(42.5)
Emaar Malls	18,480	1.42	1.95	0.98	12.31	0.99	0.0%	0.7	6.0	19.3	(26.8)
Emaar Properties	18,401	2.57	4.28	1.90	3.61	0.33	0.0%	(5.5)	(2.3)	0.4	(38.5)
Emirates Integrated Tele	24,614	5.43	6.35	4.33	13.44	2.90	6.3%	3.4	6.5	7.1	6.7
Emirates NBD	60,766	9.62	13.90	6.33	8.18	0.73	4.2%	(7.5)	4.6	16.0	(11.4)
Eshraq Investments	728	0.31	0.46	0.16	NA	0.51	NA	2.6	(4.3)	18.6	(12.3)
Etisalat	147,671	16.98	17.10	11.02	16.52	3.15	4.7%	1.7	3.3	14.5	7.9
First Abu Dhabi Bank	128,201	11.74	15.92	7.78	12.92	1.27	6.3%	5.6	7.1	3.9	(19.6)
GFH	1,961	0.55	0.93	0.45	0.32	0.58	6.2%	(4.7)	(4.0)	(2.3)	(33.2)
Gulf Navigation Holding	421	0.41	0.69	0.28	NA	0.78	0.0%	(3.5)	(12.3)	11.6	(40.1)
IHC	73,731	40.48	41.00	5.00	NM	12.99	NA	5.3	19.1	49.9	706.4
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	13.7	39.3	128.7	38.0
Mashreqbank	12,072	68.00	86.80	62.00	8.76	0.57	5.9%	8.4	(0.0)	6.2	(15.0)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	6,979	2.57	2.75	1.67	14.02	1.45	4.1%	15.8	29.8	22.4	39.7
RAK Bank	5,950	3.55	5.00	3.33	8.60	0.78	8.5%	-	2.6	(0.3)	(20.2)
RAK Properties	786	0.39	0.47	0.33	7.04	0.21	10.2%	3.1	3.4	12.3	(3.1)
RAK Ceramics	1,391	1.40	1.81	1.24	16.91	0.61	10.2%	4.5	7.7	(5.4)	1.1
SALAMA	881	0.73	0.88	0.30	12.97	1.13	NA	(11.4)	26.0	48.5	37.6
Sharjah Islamic Bank	3,575	1.16	1.29	0.95	7.39	0.47	4.1%	(1.7)	2.7	10.5	4.7
SHUAA Capital	1,572	0.62	1.03	0.40	22.10	1.20	NA	(1.6)	9.7	4.4	(31.9)
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	0.0	(0.7)	0.0	20.2
TAQA	184,392	1.64	1.65	0.40	NA	5.83	0.0%	17.1	23.3	146.2	145.5
Union Properties	1,115	0.26	0.39	0.15	3.87	0.37	0.0%	(5.1)	(21.9)	(9.1)	(15.6)
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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