

SHUAA Securities Morning Report

09 November 2020

# Market Stats						# UAE Trading Summary			
Indices	Close	Change	1M Change	3M Change	1Y Change	AEDm	BUY	SELL	Net
ADX	4,706	-0.3%	4.3%	7.9%	-8.3%	ADX	323	323	-
DFM	2,182	1.0%	-1.5%	3.5%	-19.2%	Local	54%	66%	-12%
TASI	8,160	0.9%	-3.0%	8.8%	4.6%	Foreign	46%	34%	12%
BHSEASI	1,441	0.0%	-1.2%	11.8%	-5.1%	Institutional	76%	77%	-1%
EGX	10,680	0.5%	-5.7%	-1.3%	-27.8%	Retail	24%	23%	1%
Dow Jones	28,323	-0.2%	2.0%	3.4%	3.0%	DFM	96	96	-
S&P 500	3,509	0.0%	4.4%	4.8%	14.1%	Local	50%	49%	1%
Nasdaq	11,895	0.0%	6.6%	7.1%	41.4%	Foreign	50%	51%	-1%
FTSE 100	5,910	0.1%	-0.7%	-1.9%	-20.1%	Institutional	32%	34%	-2%
DAX	12,480	-0.7%	-3.3%	-0.9%	-5.3%	Retail	68%	66%	2%
CAC40	4,961	-0.5%	1.3%	1.6%	-15.4%	Total	419	419	-
Nikkei225	24,325	0.9%	3.8%	8.5%	4.4%	Local	53%	62%	-9%
HIS	26,130	0.1%	7.2%	3.1%	-7.1%	Foreign	47%	38%	9%
US Futures	3,560	1.7%	2.5%	6.2%	15.2%				
Europe Futures	3,256	1.8%	-2.0%	-1.7%	-13.1%				

Short Sell Positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
Aldar Properties	(141,182)	0.6%	22.6	59.8
	-	-	-	-

Upcoming Corporate Actions & Events

Date	Company	Event
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	ALDAR	BoD/Results
11-Nov	SHUAA	BoD/Results
11-Nov	NMDC	Bod/Merger
11-Nov	TABREED	BoD/General
11-Nov	WAHA	BoD/Results
12-Nov	DANA	BoD/Results

KEY STORIES

Dubai business conditions sour, reversing third-quarter gains. Dubai's IHS Markit Purchasing Managers' Index dipped to 49.9 last month from 51.5 in September

Amanat Holdings posted Q3 net loss attributable AED 12.5mln vs loss of AED 1.7mln year ago. Q3 revenue AED 6.3mln vs AED 11.7mln year ago

Arabtec subsidiary Target Engineering has been awarded a 14-month sub-contract worth SAR 145mln (USD 35.67mln) for offshore Marine works in Saudi Arabia

Arabtec has brought in Matthew Holland, a senior advisor with state investor Mubadala, as its interim chief financial officer to help with liquidation plans, two sources said

National General Insurance posted Q3 profit AED 26mln vs AED 7.5mln year ago. Q3 gross written premiums AED 126mln vs AED 114.8mln year ago

Mashreq Bank and DMCC ink strategic partnership to support SMEs & start-ups in UAE

Etihad Airways makes changes to organisational structure. Airline continuing its transformation into a mid-sized, full-service carrier concentrating on its fleet of wide-body aircraft. Several senior executives to depart

E-commerce transactions will account for 28.2pct of total card payments in the UAE this year as Covid-19 changes shopping habits, vs previous pre Covid-19 estimate of 21.9pct share

Schlumberger joins Adnoc and G42 joint venture to develop AI for oil market

ADIA culls Japan team, seeking new growth focus

UAE on November 08 reported 1,111 new cases of the Covid-19, along with 683 recoveries. Total cases in the country at 142,143 with 138,291 recoveries and 514 deaths

Saudi's Arab National Bank posted quarterly net profit SAR 668.6mln, down 19.9% YoY

Saudi's Methanol Chemicals board amends proposal related to capital decrease. Amended to decrease to SAR 674.5mln from SAR 1.21bln

Commercial Bank of Kuwait posted Q3 net profit attributable KWD 15.9mln vs KWD 6.8mln year ago. Q3 total operating revenue KWD 34.3mln vs KWD 38.3mln year ago

Kuwait Financial Centre obtains CMA approval to issue up to KWD 35mln bonds through private placement

Vodafone Egypt will finance the purchase of 40 megahertz of wireless bandwidth in Egypt using internal resources. Vodafone Egypt has agreed to pay NTRA USD 540mln for bandwidth in the 2.6 gigahertz spectrum

Egypt's Cairo for Investment and Real Estate Development posted FY consolidated net profit EGP 254.8mln versus EGP 188.3mln year ago. FY consolidated revenue EGP 1.09bln versus EGP 704.7mln year ago

Key Global Trends/ Market Clues

Joe Biden has won the US presidency over Donald Trump, TV networks projected - a victory sealed after the Democrat claimed several key battleground states won by the Republican incumbent in 2016. Shares surged, oil prices jumped and the dollar stayed weak on Monday as expectations of fewer regulatory changes and more monetary stimulus under U.S. president-elect Joe Biden supported risk appetite. The Democratic candidate's victory at the U.S. Presidential election was largely priced-in by markets, which had been trading with the view of a Biden presidency and a Republican-controlled U.S. Senate since last week. E-mini futures for the S&P 500 jumped more than 1.5% on Monday while Nasdaq futures rallied over 2%, signalling a positive start for U.S. markets. MSCI's broadest index of Asia Pacific shares outside of Japan jumped 1.3% to 613.95 points, the highest since January 2018. It had climbed 6.2% last week to clock its best weekly performance since early June. Chinese shares started higher with the blue-chip CSI300 index up 1% on hopes of better Sino-U.S. trade relations under Biden. Japan rose 2% while the main indexes of Australia, Hong Kong and South Korea gained 1.7% each.

Oil prices gained more than 2% on Monday, with Brent futures rising above USD 40 a barrel, after Joe Biden clinched the U.S. presidency and buoyed risk appetite, offsetting worries about impact on fuel demand from the worsening coronavirus pandemic. Brent crude futures for January climbed 82 cents, or 2.1%, to USD 40.27 a barrel by 0101 GMT, while U.S. West Texas Intermediate crude for December was at USD 37.98 a barrel, up 84 cents, or 2.3%. Prices recovered from a 4% decline on Friday, rising along with other financial markets after Biden emerged as the winner in the U.S. presidential race on Sunday.

UAE Stories

Dubai business conditions sour, reversing third-quarter gains. Business conditions in Dubai dropped to the lowest levels since May amid a spike in coronavirus cases that threatens the city's economic recovery. Non-oil private sector activity in the Middle East's business hub slowed from levels seen during the third quarter of the year, according to IHS Markit. Its Purchasing Managers' Index dipped to 49.9 last month from 51.5 in September, falling below the 50 mark that separates contraction from growth. Business conditions in Dubai dropped to the lowest levels since May amid a spike in coronavirus cases that threatens the city's economic recovery. Non-oil private sector activity in the Middle East's business hub slowed from levels seen during the third quarter of the year, according to IHS Markit. Its Purchasing Managers' Index dipped to 49.9 last month from 51.5 in September, falling below the 50 mark that separates contraction from growth.

Amanat Holdings posted Q3 net loss attributable AED 12.5m vs loss of AED 1.7m year ago. Q3 revenue AED 6.3m vs AED 11.7m year ago.

Arabtec subsidiary Target Engineering has been awarded a 14-month sub-contract worth SAR 145m (USD 35.67m) for offshore Marine works in Saudi Arabia. The sub-contract, announced by Arabtec to Dubai Financial Market on Sunday was awarded by Shandong Teijun Electric Power Engineering Company Ltd for the JUBAIL 3A Independent Water Project, off Jubail in Eastern Saudi Arabia.

Arabtec has brought in Matthew Holland, a senior advisor with state investor Mubadala, as its interim chief financial officer to help with liquidation plans, two sources familiar with the matter said. Mubadala owns a 34% stake in loss-making Arabtec, whose shareholders voted in September to liquidate the company after losses deepened due to the impact of the coronavirus crisis.

National General Insurance posted Q3 profit AED 26m vs AED 7.5m year ago. Q3 gross written premiums AED 126m vs AED 114.8m year ago.

Mashreq Bank and DMCC ink strategic partnership to support SMEs & start-ups in UAE.

Etihad Airways makes changes to organisational structure. Restructuring sees airline continuing its transformation into a mid-sized, full-service carrier concentrating on its fleet of wide-body aircraft. New operational model will result in a number of changes to executive leadership team to streamline the organisational structure. Robin Kamark, chief commercial officer, has decided to leave the business. Following Robin departure, business units within commercial will be separated. Business units within commercial will be transferred under leadership of Mohammad Al Bulooki, Chief Operating Officer, Adam Boukadida, Chief Financial Officer, and Terry Daly, who will assume the role of executive director guest experience, brand &

marketing. Duncan Bureau, SVP sales & distribution, will also be leaving Etihad. Martin Drew will take on Duncan's portfolio alongside his current responsibilities as managing director for cargo & logistics. Following departure of Akram Alami, chief transformation officer, the procurement and supply chain department and transformation office will move under the leadership of Adam Boukadida.

E-commerce transactions will account for 28.2pct of total card payments in the UAE this year as Covid-19 changes shopping habits, a joint study by Dubai Economy and payments giant Visa showed. According to The UAE eCommerce Landscape 2020 report, the latest forecast is higher than the 21.9pct share the e-commerce sector was predicted to have prior to the pandemic.

Schlumberger is joining artificial intelligence firm Group 42 and AIQ to develop and sell AI products for the global exploration and production market. AIQ is a joint venture between G42 and Adnoc to develop and commercialise AI products and applications for the oil and gas industry.

The Abu Dhabi Investment Authority has reconfigured the way it invests in Japanese stocks, part of a wider shift by the world's third-largest sovereign wealth fund to focus on areas with more growth potential. The fund, known as ADIA, closed a small team that focused on Japanese equities and three portfolio managers left, according to people familiar with the matter who declined to be identified because the information is confidential. It will continue to invest in Japanese equities but only through its external managers and as part of a passive portfolio, the people said. An ADIA spokesperson confirmed the fund had changed its approach to investing in Japanese equities but declined to comment further.

The United Arab Emirates on November 08 announced 1,111 new COVID-19 cases, bringing the total confirmed cases in the country to 142,143. At the same time, 683 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 138,291, 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 514.

GCC/ MENA

Saudi's Arab National Bank posted quarterly net profit SAR 668.6mln, down 19.9% YoY. Quarterly total revenue for special commissions/investments SAR 1,405.7mln. Net impairment charge for expected credit losses reached to SAR 747.5mln.

Saudi's Methanol Chemicals board amends proposal related to capital decrease. Amended to decrease to SAR 674.5mln from SAR 1.21 bln. Capital decrease to write off the accumulated losses amounting to SAR 531.5mln.

Commercial Bank of Kuwait posted Q3 net profit attributable KWD 15.9mln vs KWD 6.8mln year ago. Q3 total operating revenue KWD 34.3mln vs KWD 38.3mln year ago.

Kuwait Financial Centre obtains CMA approval to issue up to KWD 35mln bonds through private placement.

Vodafone Egypt will finance the purchase of 40 megahertz of wireless bandwidth in Egypt using internal resources, chief operating officer Mohamed Abdallah said on Sunday. Vodafone Egypt, Egypt's biggest telecoms operator, announced last week it had agreed to pay Egypt's National Telecommunications Regulatory Authority USD 540mln for bandwidth in the 2.6 gigahertz spectrum. It said it would pay USD 270mln upon receipt of the spectrum and two further payments of USD 135mln in each of 2021 and 2022.

Saudi Arabia's largest telecoms operator, Saudi Telecom Co (STC) 7010.SE, has been negotiating to buy a 55% stake in Vodafone Egypt from its UK-based parent Vodafone Group VOD.L for \$2.4 billion, but has not yet reached agreement, it said in September. (Full Story)

Egypt's Cairo for Investment and Real Estate Development posted FY consolidated net profit EGP 254.8mln versus EGP 188.3mln year ago. FY consolidated revenue EGP 1.09bln versus EGP 704.7mln year ago.

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	40,701	5.85	8.15	3.82	11.24	0.74	6.5%	4.5	14.5	44.8	(19.6)
ADIB	16,344	4.50	5.85	3.19	10.38	0.86	6.1%	8.2	20.3	33.1	(4.1)
ADNIC	2,326	4.08	4.08	2.70	6.55	1.06	7.4%	13.0	23.3	31.6	43.2
ADNOC Dist	41,250	3.30	3.57	2.40	21.10	11.98	5.8%	(2.7)	7.9	21.9	32.7
Agthia	2,580	4.30	4.60	2.50	86.99	1.38	3.5%	(1.1)	59.3	45.3	29.3
Air Arabia	5,087	1.09	1.61	0.87	10.13	1.24	8.3%	-	(4.4)	4.8	(16.4)
Ajman Bank	1,424	0.68	0.93	0.50	51.60	0.57	0.0%	(0.4)	13.0	13.6	(23.8)
Al Waha Capital	2,178	1.12	1.16	0.62	NA	0.74	NA	9.8	22.4	53.2	10.9
Aldar Properties	20,993	2.67	2.92	1.35	12.04	0.86	5.4%	32.2	51.7	58.9	27.0
Amanat Holdings	1,973	0.79	0.92	0.56	77.28	0.79	2.8%	0.3	(9.3)	(1.4)	(8.9)
Amlak Finance	399	0.27	0.54	0.20	NA	0.62	0.0%	(11.6)	(21.3)	(19.6)	(45.3)
Aramex	5,856	4.00	4.45	2.00	16.24	2.29	4.1%	(4.3)	18.3	38.7	13.9
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	6,474	1.07	1.21	0.36	NA	0.47	NA	21.3	23.8	88.7	28.5
Dana Gas	4,547	0.65	0.98	0.53	NA	0.50	8.5%	(8.2)	(9.6)	(1.4)	(18.4)
Deyaar Development	1,554	0.27	0.39	0.18	29.43	0.34	0.0%	(2.9)	(7.2)	2.3	(22.9)
Dubai Financial Market	6,560	0.82	1.00	0.50	45.18	0.85	3.0%	1.4	(0.6)	19.7	(0.3)
Dubai Investment	4,890	1.15	1.39	0.98	7.93	0.41	NA	2.7	0.0	10.8	(0.7)
Dubai Islamic Bank	29,759	4.11	5.86	3.04	7.85	0.80	8.5%	(2.8)	7.0	18.1	(14.7)
DXB Entertainments	928	0.12	0.22	0.09	NA	0.81	0.0%	(3.3)	(7.9)	(16.5)	(43.1)
Emaar Dev	9,200	2.30	3.97	1.79	3.91	0.87	0.0%	0.4	7.5	13.3	(36.1)
Emaar Malls	18,871	1.45	1.95	0.98	12.57	1.01	0.0%	0.7	5.8	26.1	(24.9)
Emaar Properties	19,045	2.66	4.28	1.90	3.74	0.34	0.0%	0.4	(1.1)	8.1	(35.6)
Emirates Integrated Tele	24,886	5.49	6.35	4.33	13.59	2.93	6.2%	3.4	7.6	10.4	8.3
Emirates NBD	60,639	9.60	13.90	6.33	8.17	0.73	4.2%	(8.6)	2.7	10.9	(9.6)
Eshraq Investments	723	0.31	0.46	0.16	NA	0.51	NA	4.7	(9.3)	16.0	(10.9)
Etisalat	147,845	17.00	17.10	11.02	16.54	3.16	4.7%	0.6	1.9	18.1	8.0
First Abu Dhabi Bank	126,672	11.60	15.92	7.78	12.77	1.25	6.4%	3.9	4.3	2.3	(20.0)
GFH	1,974	0.55	0.93	0.45	0.32	0.58	6.2%	(2.3)	(6.0)	1.7	(32.2)
Gulf Navigation Holding	408	0.40	0.69	0.28	NA	0.76	0.0%	(0.2)	(14.0)	8.1	(42.0)
IHC	72,493	39.80	41.00	5.00	NM	12.77	NA	2.8	17.5	51.7	696.0
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	13.7	31.9	125.6	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	7,196	2.65	2.75	1.67	14.46	1.49	4.0%	19.4	33.2	31.8	48.0
RAK Bank	5,950	3.55	5.00	3.33	8.60	0.78	8.5%	-	2.6	1.4	(20.2)
RAK Properties	774	0.39	0.47	0.33	6.94	0.20	10.3%	0.3	2.1	12.8	(4.2)
RAK Ceramics	1,391	1.40	1.81	1.24	16.91	0.61	10.2%	3.7	5.3	(3.4)	1.7
SALAMA	892	0.74	0.88	0.30	13.13	1.15	NA	(6.1)	16.1	53.2	41.2
Sharjah Islamic Bank	3,575	1.16	1.29	0.95	7.39	0.47	4.1%	(0.0)	2.7	11.5	4.7
SHUAA Capital	1,547	0.61	1.03	0.40	21.74	1.18	NA	5.2	5.2	3.9	(33.7)
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	0.0	(0.7)	0.0	7.5
TAQA	187,765	1.67	1.78	0.40	NA	5.93	0.0%	17.6	25.6	153.4	159.7
Union Properties	1,120	0.26	0.39	0.15	3.88	0.37	0.0%	0.4	(21.9)	(7.8)	(15.5)
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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