

SHUAA Securities Morning Report

09 September 2019

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,105	-0.2%	0.2%	2.0%	3.8%
DFM	2,872	-0.7%	1.2%	9.6%	1.6%
TASI	8,051	0.0%	-5.8%	-5.5%	4.7%
BHSEASI	1,549	-0.1%	0.3%	8.0%	15.6%
EGX	14,931	0.0%	5.3%	8.3%	-5.5%
Dow Jones	26,797	0.3%	3.0%	4.2%	3.1%
S&P 500	2,979	0.1%	3.4%	4.8%	3.5%
Nasdaq	8,103	-0.2%	3.4%	6.4%	2.3%
FTSE 100	7,282	0.2%	1.5%	0.3%	-0.5%
DAX	12,192	0.5%	5.4%	2.0%	2.0%
CAC40	5,604	0.2%	7.1%	6.2%	6.9%
Nikkei225	21,200	0.5%	3.0%	2.0%	-5.7%
HIS	26,691	0.7%	2.8%	-1.0%	-1.1%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	81	81	-
Local	62%	60%	1%
Foreign	38%	40%	-1%
Institution	54%	75%	-21%
Retail	46%	25%	21%
DFM	185	184	-
Local	52%	69%	-17%
Foreign	48%	31%	17%
Institution	55%	50%	5%
Retail	45%	50%	-5%
Total	265	265	-
Local	55%	66%	-11%
Foreign	45%	34%	11%

Upcoming Corporate Actions & Events

Date	Company	Event
11-Sep	SHUAA	General Assembly
18-Sep		FED Policy Meeting
11-Sep	IHC	BoD/Buisness Matters
18-Sep	AWTAD	General Assembly
23-Sep		FTSE 3Q19 Rebalancing Effective Date

KEY STORIES

Aldar Properties today launched its first residential community in the heart of Saadiyat Island – Saadiyat Reserve. The AED722mln community features 306 infrastructure enabled land plots open to buyers of all nationalities

Shuaa Capital is selling its securities brokerage and market-making businesses to International Holdings Company in all cash deal, as the Dubai-listed investment bank exits non-core assets. The sale is subject to regulatory approval

ENBD is close to appointing Citigroup Inc. and Morgan Stanley to manage a rights share offering of as much as USD2bln

Gulf Pharmaceutical Industries board approves continuation of company in accordance with authority granted to board by General Assembly on July 1, 2019

MAG Development unveils USD2.2bn residential projects

Allied Investment Partners (AIP) is planning to expand its existing service offering over the next four years and invest more than AED5bln (USD1.36bln) under different investment themes.

Saudi Aramco likely to give IPO roles to Citi, Goldman, HSBC and Samba

JP Morgan close to winning lead advisory role for Saudi Aramco IPO

Saudi's Neom says awards construction develop 3 residential areas for 30,000 residents villa where contracts were awarded to Al-Tamimi Group, SATCO to build, finance and operate construction village for 10 years

Saudi's Batic Investments and Logistics unit signs two contracts with government to build and operate multi-storey smart bus stands for 25 years with total lease value about SAR1.24bln

Kuwait's Capital Markets Authority to launch public offering of its 50% stake in Boursa Kuwait on Oct 1st

Kuwait Foundry board proposes HY dividend of 40 fils/share

Kuwait's Sultan Center updates on unit's sale of stake in Al Khorayef United Holding and GC-16 JV for deal total value USD35mln

Oman's Ominvest update on Jabreen Capital acquisition of stake in Eastbridge Partners Singapore. Jabreen Capital received necessary regulatory approvals in Singapore and completed all required deliverables for acquisition

Bahrain M2 money supply +9.5% YoY while private sector credit +6.2%YoY in July

Vodafone to enter Omani market as sultanate's third mobile operator

Egyptian Exchange disclosed The European Bank for Reconstruction and Development sells 11.4mln shares in Ibsina Pharma for transaction gross value EGPI 10.8mln reducing stake to 8.71% from 10.10%

Egypt's Fawry says to conclude deal with one of largest UAE banks by year-end to use its payment technology and hopes to enter Saudi and Kuwaiti market in 2020

Egypt's Cleopatra Hospital posted Q2 consolidated net profit attributable EGP43.7mln vs EGP71.3mln year ago. Q2 consolidated operating revenue EGP409.1mln vs EGP326.6mln year ago

Key Global Trends/ Market Clues

Asian stocks tip-toed higher on Monday amid a cautious market mood as investors hoped for stimulus to support growth in the world's major economies. MSCI's broadest index of Asia-Pacific shares outside Japan added 0.1%. The Shanghai Composite Index was up 0.4%. Australian stocks edged up 0.1%, South Korea's KOSPI rose 0.7% and Japan's Nikkei was up 0.4%. The Dow rose 0.25% and the S&P 500 edged up 0.1% on Friday.

The US-China trade war is the prime reason behind the slump in oil prices, UAE Minister of Energy and Industry Suhail Al Mazrouei said in Abu Dhabi on Sunday. The minister's remarks come as the Opec+ Joint Ministerial Monitoring Committee (JMMC) prepares to meet in the capital on Thursday.

Oil rose on Monday after a Saudi official said there would be no change in Saudi Arabia's OPEC policy as Prince Abdulaziz bin Salman was made the new energy minister for the world's biggest crude exporter over the weekend. Prices were heading for a fourth day of gains and were also supported by comments from United Arab Emirates energy minister saying OPEC and its allies are committed to balancing the crude market. Global benchmark Brent was up 7 cents at USD61.61 a barrel by 0106 GMT.

UAE Stories

Aldar Properties today launched its first residential community in the heart of Saadiyat Island – Saadiyat Reserve. The AED722mln community features 306 infrastructure enabled land plots open to buyers of all nationalities. This is the first land plot development to be launched on Saadiyat Island since the introduction of new laws enabling foreign buyers to own freehold land in investment zones in Abu Dhabi in April 2019.

Shuaa Capital is selling its securities brokerage and market-making businesses to Abu Dhabi-based International Holdings Company, as the Dubai-listed investment bank exits non-core assets. Shuaa has signed an agreement for the sale with IHC RSC, a subsidiary of International Holdings. The sale is subject to regulatory approval. Under the terms of the all-cash deal, IHC, an Abu Dhabi-listed investment holding company, will acquire the operations of both businesses, which currently function as standalone entities within Shuaa's portfolio, the company said without giving the value of the deal. "This sale is part of the strategy of the combined entity to exit non-core businesses and focus on asset management and investment banking," Shuaa said in the bourse filing.

ENBD is close to appointing Citigroup Inc. and Morgan Stanley to manage a rights share offering of as much as USD2bln.

Gulf Pharmaceutical Industries board approves continuation of company in accordance with authority granted to board by General Assembly on July 1, 2019.

MAG Development, the real estate development arm of MAG Holding Group, on Sunday announced the launch of its massive AED8.0bln (USD2.2bln) residential projects - MAG City, Meydan, Al Furjan Villas and MPL Tower in Jumeirah Lakes Towers. A comprehensive programme of AED120 (USD33) per day payment option to own a property in Dubai, a move that will boost the company's presence in the emirate's real estate sector.

Allied Investment Partners (AIP) is planning to expand its existing service offering over the next four years and invest more than AED5bln (USD1.36bln) under different investment themes.

GCC/ MENA

Saudi Aramco is likely to give roles to Citi, Goldman Sachs, HSBC and Samba Financial Bank for its planned initial public offering (IPO). The four banks would likely get these roles in addition to Morgan Stanley and JP Morgan Chase & Co. who were chosen to play a leading role in the transaction before the process was halted

last year, the source said. Aramco is preparing to sell up to a 5% stake by 2020-2021, in what could be the world's biggest IPO. It is expected to appoint the advisers on its share sale in the coming days.

JPMorgan Chase & Co is close to winning the lead advisory role for Saudi Aramco's initial public offering.

Saudi's Neom says awards construction develop 3 residential areas for 30,000 residents villa where contracts were awarded to Al-Tamimi Group, SATCO to build, finance and operate construction village for 10 years.

Saudi's Batic Investments and Logistics unit signs two contracts with government to build and operate multi-storey smart bus stands for 25 years with total lease value about SAR1.24bln.

Kuwait's Capital Markets Authority to launch public offering of its 50% stake in Boursa Kuwait on Oct 1st.

Kuwait Foundry board proposes HY dividend of 40 fils/share.

Kuwait's Sultan Center updates on unit's sale of stake in Al Khorayef United Holding and GC-16 JV for deal total value USD35mln.

Vodafone is expected to begin operators as Oman's third mobile network operator in 2020. Vodafone's operations in the sultanate will begin next year, following a 15-year partnership signed with Oman Future Telecommunication, an Oman 70 Holding company.

Oman's Ominvest update on Jabreen Capital acquisition of stake in Eastbridge Partners Singapore. Jabreen Capital receives necessary regulatory approvals in Singapore and completed all required deliverables for acquisition.

Bahrain M2 money supply +9.5% YoY while private sector credit +6.2%YoY in July.

Egyptian Exchange disclosed The European Bank for Reconstruction and Development sells 11.4mln shares in Ibsina Pharma for transaction gross value EGP110.8mln reducing stake to 8.71% from 10.10%.

Egypt's Fawry says to conclude deal with one of largest UAE banks by year-end to use its payment technology and hopes to enter Saudi and Kuwaiti market in 2020.

Egypt's Cleopatra Hospital posted H1 consolidated net profit EGP97.7mln vs EGP133.4mln year ago. Q2 consolidated net profit attributable EGP43.7mln vs EGP71.3mln year ago. Q2 consolidated operating revenue EGP409.1mln vs EGP326.6mln year ago.

(Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian Business)

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	58,929	8.47	10.26	7.37	9.97	1.12	5.4%	0.5	(5.7)	(4.9)	10.7
ADIB	18,741	5.16	5.22	3.46	8.51	1.09	5.2%	4.2	15.4	20.4	30.7
ADNIC	1,031	2.75	4.00	2.75	8.01	0.50	10.9%	NA	(19.1)	(19.6)	(23.8)
Agthia	2,100	3.50	5.00	3.17	11.32	1.10	4.3%	(0.3)	(2.8)	(2.7)	(27.1)
Air Arabia	5,600	1.20	1.23	0.90	NA	1.11	NA	(0.0)	16.5	29.0	20.2
Ajman Bank	1,947	0.93	1.00	0.82	10.13	0.77	3.8%	(3.9)	2.3	6.6	(1.9)
Al Waha Capital	2,022	1.04	2.02	0.89	NA	0.60	7.2%	3.0	8.4	(22.6)	(42.9)
Aldar Properties	17,219	2.19	2.37	1.43	9.90	0.73	6.4%	(4.8)	20.3	31.8	15.3
Amanat Holdings	2,198	0.88	1.23	0.86	43.80	0.86	1.7%	(8.4)	(10.3)	(11.7)	(26.1)
Amlak FiNAce	480	0.32	0.67	0.25	NA	0.40	0.0%	(4.5)	18.1	(9.1)	(50.5)
Arabtec	2,385	1.59	2.41	1.37	11.86	1.46	3.1%	(4.8)	3.2	(23.9)	(16.3)
Aramex	6,120	4.18	5.01	3.89	12.31	2.47	3.9%	(0.0)	(2.3)	(0.6)	(1.6)
Bank of Sharjah	1,817	0.87	1.14	0.79	22.91	0.47	0.0%	(0.5)	(6.6)	(11.8)	(19.9)
DAMAC Properties	5,645	0.93	2.14	0.84	15.20	0.40	NA	(1.3)	8.5	(32.9)	(55.1)
Dana Gas	6,883	0.98	1.21	0.73	NA	0.71	5.6%	(5.4)	(0.6)	19.9	(14.4)
Deyaar Development	1,843	0.32	0.48	0.29	15.58	0.41	0.0%	(3.3)	2.9	(9.9)	(22.9)
Dubai FiNAcial Market	7,152	0.89	0.98	0.65	68.24	0.92	0.0%	(4.7)	25.7	13.5	(5.1)
Dubai Investment	5,655	1.33	1.98	1.04	11.51	0.47	7.5%	(0.7)	3.9	11.0	(32.8)
Dubai Islamic Bank	34,925	5.30	5.41	4.66	7.33	1.14	6.6%	1.9	5.2	10.1	3.5
DXB Entertainments	1,808	0.23	0.39	0.17	NA	0.54	0.0%	1.8	13.0	(7.0)	(36.0)
Emaar Dev	16,480	4.12	5.28	3.26	4.75	1.99	12.6%	(5.1)	5.1	16.3	(21.2)
Emaar Malls	24,337	1.87	2.17	1.43	10.74	1.35	5.3%	(4.6)	(3.6)	17.9	(4.6)
Emirates Integrated Tele	25,974	5.73	5.80	4.88	15.37	3.26	6.1%	2.3	14.1	17.3	11.0
Emirates NBD	74,474	13.40	14.45	8.25	6.28	1.06	3.0%	14.5	20.7	44.9	45.7
Eshraq Investments	942	0.41	0.64	0.36	NA	0.65	NA	(3.3)	2.5	(5.8)	(29.4)
Etisalat	145,236	16.70	17.80	15.20	16.17	3.32	4.8%	2.6	4.9	4.2	0.4
First Abu Dhabi Bank	163,800	15.00	16.96	13.50	13.91	1.62	4.9%	(0.7)	0.9	7.9	5.9
GFH	3,340	0.92	1.45	0.73	9.40	0.83	3.5%	2.5	0.2	(0.8)	(34.4)
Gulf Navigation Holding	836	0.82	1.17	0.72	NA	0.92	0.0%	2.6	4.5	4.3	(7.7)
Julphar	1,332	1.15	2.20	1.00	NA	1.31	0.0%	(19.6)	(27.2)	(28.1)	(43.1)
Mashreqbank	12,960	73.00	80.00	67.50	6.11	0.63	5.5%	(8.7)	(2.1)	(8.8)	7.3
National Bank of Fujairah	9,232	4.99	4.99	2.49	14.84	1.72	1.3%	4.4	4.4	17.0	89.7
Tabreed	4,644	1.71	1.84	1.44	10.79	1.02	5.6%	(2.3)	8.9	8.0	4.9
RAK Bank	7,543	4.50	4.75	4.00	7.27	1.05	6.7%	(3.2)	(5.3)	12.3	8.4
RAK Properties	900	0.45	0.62	0.39	6.93	0.24	0.0%	0.2	4.7	(3.0)	(26.4)
RAK Ceramics	1,495	1.58	2.28	1.42	9.61	0.65	9.0%	(4.2)	1.9	(11.6)	(27.2)
SALAMA	841	0.70	0.76	0.39	39.04	1.10	NA	3.6	31.9	49.8	28.5
Sharjah Islamic Bank	3,639	1.24	1.28	1.05	7.03	0.66	6.5%	6.0	12.7	11.7	1.6
SHUAA Capital	2,460	0.97	1.11	0.60	NA	1.32	NA	2.1	7.8	42.6	(4.9)
Takaful Emarat Insurance	206	1.37	1.85	1.28	16.68	1.32	5.1%	(3.5)	(11.0)	(12.2)	(21.7)
TAQA	4,853	0.80	1.20	0.68	16.51	1.10	0.0%	7.7	(0.0)	(8.0)	(29.2)
Union Properties	1,424	0.33	0.74	0.28	NA	0.46	0.0%	(3.5)	1.2	(11.2)	(53.7)
United Arab Bank	2,060	1.00	1.30	0.95	50.84	0.79	0.0%	(2.1)	(19.4)	(13.1)	(16.8)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

Disclaimer

This report was prepared by SHUAA Securities ("SS") in and for the United Arab Emirates ("U.A.E."). SS is a securities brokerage company regulated by the Emirates Securities and Commodities Authority (and neither an investment nor a financial advisory firm). The information contained in this report is given in summary and does not purport to be complete. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. Content of this report is provided solely for informational purposes and private circulation and should not be construed as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or any other financial product or instrument, or adopting any hedging or investment strategy and does not take into account your particular investment objectives, financial situation, tax implications or any other needs. Before acting on any information you should consider and confirm the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek professional financial advice. While based on information believed to be reliable, we do not guarantee and make no express or implied representation as to the accuracy of this report or complete description of the securities markets or developments referred to in this report. The information, contained in this report are as of the date indicated and are subject to change at any time without prior notice. This report may provide the addresses of, or contain hyperlinks to, websites. SS has not reviewed any such site and takes no responsibility for the content of the same. Such address or hyperlink is provided solely for your convenience and information and the content of any such website does not in any way form part of this document. Accessing such website or following such link through this report or SS's website shall be at your own risk. The stated price of any securities mentioned in this report is as of the date indicated and is not a representation made by SS that any transaction can be effected at this price. This report is for UAE distribution and only under such circumstances as may be permitted by applicable law. The information contained in this report is not intended nor can it be construed as intended to be directed to any US persons (being any US Citizens, US Green Card Holders, or Resident Aliens subject to US income taxes for IRS purposes) unless stated otherwise. Neither SS nor its officers, directors or shareholders or other persons shall be liable for any direct, indirect, incidental or other damages including loss of profits arising in any way from the information contained in this report. This report is a mere update intended solely for the use by the intended recipients and the content of it may not be reproduced, redistributed or copied in whole or in part for any purpose without SS's prior express consent.