

SHUAA Securities Morning Report

10 June 2019

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,956	-0.9%	-1.9%	1.7%	5.6%
DFM	2,651	1.2%	-0.8%	2.8%	-13.2%
TASI	8,699	2.1%	-1.8%	2.8%	5.1%
BHSEASI	1,446	0.8%	0.7%	2.9%	13.5%
EGX	13,912	0.9%	-1.1%	-7.1%	-13.8%
Dow Jones	25,984	1.0%	0.2%	2.1%	2.6%
S&P 500	2,873	1.0%	-0.3%	4.7%	3.4%
Nasdaq	7,742	1.7%	-2.2%	4.5%	1.3%
FTSE 100	7,332	1.0%	1.8%	3.2%	-4.5%
DAX	12,045	0.8%	-0.1%	5.1%	-5.6%
CAC40	5,364	1.6%	0.7%	2.5%	-1.6%
Nikkei225	21,131	1.2%	-1.0%	0.5%	-6.9%
HIS	27,513	2.0%	-6.3%	-4.4%	-12.7%

UAE Trading Summary

AEDm	Buy	Sale	Net
ADX	103	103	-
Local	41%	29%	13%
Foreign	59%	71%	-13%
Institution	75%	73%	3%
Retail	25%	27%	-3%
DFM	188	188	-
Local	54%	63%	-9%
Foreign	46%	37%	9%
Institution	19%	33%	-14%
Retail	81%	67%	14%
Total	291	291	-
Local	50%	51%	-1%
Foreign	50%	49%	1%

Upcoming Corporate Actions & Events

Date	Company	Event
10-Jun	Salama	General Assembly
12-Jun	Depa	General Assembly
19-Jun	Emirates REIT	AGM & EGM
24-Jun	ENBD REIT	General Assembly
27-Jun	Sudatel	General Assembly
30-Jun	Julphar	General Assembly

KEY STORIES

Emirates NBD UAE Purchasing Managers' Index recorded its highest increase since October 2014, rising to 59.4 in May from 57.6 in April

Qatar imposes additional restrictions on FAB

Shuaa Capital disclosed that Mr. Jassim Alseddiqi has resigned from board of directors to be replaced by Mr. Fadhel Al Ali. Shuaa Capital further disclosed that its merger with ADFG is progressing through its final stages before regulatory and shareholders' approval will be granted. It is envisaged that Mr. Jassim Alseddiqi will hold the role of group CEO in the combined entity should the transaction conclude.

Network International listed on FSE 250 Index

Shanghai Electric Power expected to acquire K-Electric from Abraaj by October

Dubai plans to bring 100mph rail system to the Emirate

Dubai utility firm plans to construct floating solar power plants in region

Three UAE airlines suspend flights to Sudan

Saudi exchange says foreigners buy a net 17.62bln riyals of stocks in May-19

Emirates NBD Saudi Arabia PMI rises to 17-month high of 57.3 in May from 56.8 in April

Sipchem signs primary hydrogen supply agreement with Sasref to supply hydrogen gas required in Sasref's future production operations starting in 2020 for an initial term of 20 years

Bahrain TRA renews Batelco, Zain licences

Bahrain gears up to launch world's largest underwater park

The Emirates NBD Egypt Purchasing Managers' Index (PMI) weakened to 48.2 in May from 50.8 in April

Egypt's Global Telecom Holding board decides to postpone ordinary general assembly meeting related to rights issue from June 26 to August 27, 2019

Egyptians Abroad approves to buy 60% stake in Edge Development and Project Management Company for EGP 24mln and Board approves issued and paid-up capital increase to EGP 260mln from EGP 124.4mln

Key Global Trends/ Market Clues

Southeast Asian stock markets rose on Monday, with Indonesia leading the pack, as weak U.S. jobs data bolstered expectations of a Fed rate cut that could encourage policy easing by regional central banks. Broader Asia also saw an uptick with MSCI's index of Asia-Pacific shares outside Japan rising 0.7%.

Oil prices rose on Monday after Saudi Arabia said producer club OPEC and Russia were likely to keep withholding supplies, and in relief as the United States withdrew its threat to impose import tariffs on Mexico, removing one cloud over the global economy. Front-month Brent crude futures, the international benchmark for oil prices, were at \$63.52 at 0310 GMT, 23 cents, or 0.4%, above Friday's close.

The International Monetary Fund head called on countries to resolve trade tensions to reduce risks to the global economy, which could shave off 0.5 per cent in growth or about \$445 billion (Dh1.63 trillion) in 2020. "The principal threat stems from continuing trade tensions," IMF managing director Christine Lagarde said at the end of the G20 meeting of finance ministers and central bank governors in Japan on Sunday.

UAE Stories

The UAE Purchasing Managers' Index recorded its third successive monthly increase in May to hit its highest since October 2014. The PMI rose to 59.4 in May from 57.6 in April. Companies responded to the expansions in business activity and near record-high new orders by increasing purchasing activity sharply, but employment was left broadly unchanged, Emirates NBD said in its report.

Qatar has placed further restrictions on First Abu Dhabi Bank, as it continues a probe into alleged currency manipulation begun after the UAE and other Arab states launched a boycott against Qatar in mid-2017. The Regulatory Authority of Qatar Financial Center (QFC) said on Sunday it was prohibiting First Abu Dhabi Bank (FAB) from undertaking any new business for customers of its Doha branch. It has barred FAB from providing services for new customers since March but had allowed the bank to continue working with existing customers. QFC said in March that FAB had failed to produce documents relevant to the currency manipulation investigation. In a statement on Sunday, QFC said the new bar was "because FAB continues to fail to satisfy the Regulatory Authority of its fitness and propriety in respect of its conduct in the QFC".

Shuaa Capital disclosed that Mr. Jassim Alseddiqi has resigned from board of directors of Shuaa Capital. Mr. Fadhel Al Ali – a board member of ADFG will replace Mr. Jassim Alseddiqi on board of directors. Shuaa Capital further disclosed that its merger with ADFG is progressing through its final stages before regulatory and shareholders' approval will be granted. It is envisaged that Mr. Jassim Alseddiqi will hold the role of group CEO in the combined entity should the transaction conclude.

Network International has become the largest payments company on the FTSE 250 Index. The Dubai-based outfit, which enables digital commerce in the Middle East and Africa, has been included in the prominent index after its hugely successful initial public offering (IPO) in April this year. Network International raised 1.1 billion pounds (\$1.4 billion), making it the biggest listing in Europe this year.

China's Shanghai Electric Power (SEP) will acquire K-Electronic from embattled private equity firm Abraaj Group in the second half of 2019. The deal – which was signed in October 2016 at \$1.77 billion – is now likely to be implemented after Pakistan's National Electric Power Regulatory Authority (NEPRA) revised the power tariff upward.

A futuristic elevated rail system could become the next addition to Dubai's transport network. A memorandum of understanding (MoU) has been signed between Dubai's Roads and Transport Authority (RTA) and Skytran, which specializes in the development of suspended transport systems.

Dubai Electricity and Water Authority (DEWA) has issued a request for proposal (RFP) to appoint consultants with the aim to study, develop, and construct floating solar photovoltaic plants in the Arabian Gulf. The new initiative will use solar power that aids the objectives of the Dubai Clean Energy Strategy 2050 (DCES 2050) in diversifying the energy mix in Dubai, according to a press release on Sunday.

Etihaad Airways has suspended until further notice flights between Abu Dhabi and Khartoum, due to security concerns in the city. Flydubai and Emirates Airlines had also suspended flights to Sudan earlier, following the situation on the ground.

GCC/ MENA

Saudi stock exchange disclosed that in the month ended May 30, foreigners bought 17.62bln riyals of stocks on a net basis. Foreigners bought 51.24bln riyals of stocks while sold 33.62bln riyals of stocks. Saudi institutions sold 11.45bln riyals of stocks on a net basis. Saudi institutions bought 10.07bln riyals of stocks and sold 21.51bln riyals of stocks.

Emirates NBD Saudi Arabia PMI rises to 17-month high of 57.3 in May from 56.8 in April.

Saudi Sahara International Petrochemical announces signing primary hydrogen supply agreement with Saudi Aramco Shell Refinery. Agreement is to supply hydrogen gas required in Sasref's future production operations starting in 2020 for an initial term of 20 years. Agreement will have a positive impact on the company's financial position starting from 2020

Bahrain's Telecommunications Regulatory Authority (TRA) said it has welcomed a request from two mobile network operators - Batelco and Zain - to renew mobile frequency licences that were granted to them in conjunction with the promulgation of the Telecommunications Law and the liberalization of the Mobile Market in 2002.

Residents and visitors to Bahrain are in for a treat this summer as the world's largest underwater diving park is set to welcome guests this August. Details of the much-anticipated project will be unveiled at a press conference in Diyar Al Muharraq on June 10, said Zayed bin Rashid Al Zayani, minister of Industry, Commerce and Tourism.

The Emirates NBD Egypt Purchasing Managers' Index (PMI) weakened to 48.2 in May from 50.8 in April. A reading below 50 separates growth from contraction.

Egypt's Global Telecom Holding board decides to postpone ordinary general assembly meeting related to rights issue from June 26 to August 27, 2019. Postponing OGM will provide more time for mandatory tender offer submitted by Veon for all outstanding shares by Veon to FRA. Postponing OGM will also provide more time to FRA authority to be examined and to have a decision on mandatory tender offer by Veon.

Egyptians Abroad for Investment and Development board approves to buy 60% stake in Edge Development and Project Management Company for EGP 24mln. Board approves authorised capital increase to EGP 1bln from EGP 750mln and approves issued and paid-up capital increase to EGP 260mln from EGP 124.4mln.

(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	60,807	8.74	10.26	7.00	9.91	1.63	5.3%	1.0%	-4.6%	10.4%	16.8%
ADIB	16,635	4.58	4.95	3.46	7.69	1.33	6.0%	0.4%	0.7%	19.0%	25.0%
ADNIC	1,275	3.40	4.00	3.32	9.97	0.62	8.8%	-5.6%	-8.1%	-11.7%	-11.7%
Agthia	2,154	3.59	5.00	3.25	10.58	1.15	4.2%	4.1%	-5.3%	-5.8%	-25.1%
Air Arabia	4,807	1.03	1.14	0.90	NA	0.98	NA	0.0%	11.2%	5.1%	-8.8%
Ajman Bank	1,953	0.93	1.03	0.82	9.62	0.80	0.0%	5.7%	4.1%	11.1%	-7.9%
Al Waha Capital	1,906	0.98	2.02	0.89	NA	0.59	7.7%	-8.4%	-31.9%	-42.0%	-45.3%
Aldar Properties	13,995	1.78	2.14	1.43	8.03	0.60	7.9%	6.0%	0.6%	16.3%	-14.8%
Amanat Holdings	2,500	1.00	1.35	0.92	50.61	0.99	1.5%	-2.0%	0.5%	-8.3%	-25.9%
Amlak Finance	429	0.29	0.86	0.25	NA	0.36	0.0%	-10.6%	-20.8%	-16.4%	-66.5%
Arabtec	2,445	1.63	2.41	1.37	11.52	1.49	3.1%	-16.4%	-23.8%	-12.8%	-30.0%
Aramex	6,266	4.28	5.01	3.80	12.58	2.53	3.9%	-7.0%	-1.6%	2.9%	7.0%
Bank of Sharjah	1,945	0.93	1.14	0.92	5.54	0.48	0.0%	0.0%	-1.9%	-11.8%	-15.0%
DAMAC Properties	5,687	0.94	2.50	0.84	7.85	0.40	NA	-12.1%	-31.9%	-45.7%	-61.9%
Dana Gas	6,890	0.99	1.21	0.73	NA	0.72	1.4%	2.1%	14.1%	14.5%	-8.8%
Dar AL Takaful	87	0.58	0.93	0.41	15.00	0.70	0.0%	6.0%	3.2%	37.2%	-11.7%
Deyaar Development	1,855	0.32	0.48	0.29	15.58	0.41	0.0%	-6.7%	-8.5%	-2.7%	-33.1%
Dubai Financial Market	5,760	0.72	1.09	0.65	52.46	0.74	0.0%	-4.1%	-7.1%	-0.7%	-33.9%
Dubai Investment	5,570	1.31	2.20	1.04	11.61	0.47	7.6%	-0.8%	3.1%	12.0%	-38.8%
Dubai Islamic Bank	33,212	5.04	5.41	4.66	6.96	1.45	6.9%	-1.8%	-1.8%	-0.2%	-1.8%
DXB Entertainments	1,680	0.21	0.41	0.17	NA	0.47	0.0%	-2.3%	-13.6%	-14.6%	-48.1%
Emaar Dev	15,360	3.84	5.28	3.26	4.00	1.77	0.0%	7.6%	1.3%	-10.9%	-24.5%
Emaar Malls	24,467	1.88	2.20	1.43	11.04	1.42	5.3%	16.8%	11.9%	10.6%	-12.6%
Emaar Properties	32,219	4.50	5.90	3.85	5.29	0.64	3.1%	0.0%	-4.3%	13.1%	-19.2%
Emirates Integrated Tele	23,040	5.04	5.40	4.86	13.39	2.87	4.4%	-1.2%	0.2%	2.4%	2.9%
Emirates NBD	63,359	11.40	12.10	8.25	6.43	1.15	3.5%	-0.9%	23.9%	28.1%	14.0%
Eshraq Properties	932	0.40	0.73	0.36	NA	0.64	NA	-8.9%	-7.6%	-18.7%	-44.3%
Etisalat	140,540	16.16	17.40	15.20	15.71	3.21	5.0%	1.9%	-3.8%	-3.9%	-4.9%
First Abu Dhabi Bank	160,306	14.68	16.96	11.80	13.68	1.84	4.8%	-5.9%	7.3%	6.4%	18.4%
GFH	3,461	0.94	1.51	0.73	9.32	0.90	3.4%	-5.8%	-1.9%	-14.5%	-36.5%
Gulf Navigation Holding	735	0.80	1.17	0.72	NA	0.90	0.0%	-5.9%	1.9%	-20.0%	-20.0%
Gulf Pharmaceutical	1,830	1.58	2.30	1.44	NA	1.52	6.3%	0.0%	-1.3%	-24.8%	-26.9%
Marka	138	0.28	0.28	0.28	NA	NA	NA	0.0%	0.0%	0.0%	0.0%
Mashreqbank	13,235	74.55	80.00	68.05	6.33	0.66	5.4%	-6.8%	-6.8%	3.5%	0.7%
National Bank of Fujairah	8,843	4.78	4.78	2.31	14.81	1.89	1.4%	0.0%	12.0%	37.5%	88.0%
National Central Cooling Co	4,291	1.58	1.88	1.44	9.88	0.94	6.0%	3.9%	-6.5%	4.6%	-9.7%
RAK Bank	7,962	4.75	4.75	4.00	8.25	1.16	6.3%	0.0%	10.5%	17.0%	10.5%
RAK Properties	860	0.43	0.68	0.39	6.60	0.23	0.0%	-2.3%	-7.3%	-11.9%	-34.8%
Ras Al Khaimah	1,467	1.55	2.36	1.54	9.60	0.63	NA	-7.7%	-19.4%	-14.3%	-31.3%
SALAMA	733	0.61	0.76	0.38	426.46	0.99	0.0%	13.1%	31.5%	24.7%	38.7%
Sharjah Islamic Bank	3,228	1.10	1.28	1.05	6.17	0.60	0.0%	-2.7%	0.0%	-3.5%	-10.6%
SHUAA Capital	1,001	0.94	1.12	0.60	NA	1.23	0.0%	-4.8%	40.5%	10.6%	-15.3%
Takaful Emarat Insurance	231	1.54	2.70	1.28	18.95	1.48	5.4%	0.7%	-1.3%	-5.5%	-27.4%
TAQA	4,853	0.80	1.26	0.71	16.47	1.10	0.0%	-5.9%	-16.7%	-14.0%	-32.8%
Union Properties	1,467	0.34	0.82	0.28	NA	0.47	0.0%	-4.2%	-7.6%	-19.1%	-57.5%
United Arab Bank	2,558	1.24	1.30	1.00	45.21	1.00	0.0%	21.6%	7.8%	-0.8%	0.0%

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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