

SHUAA Securities Morning Report

11 November 2020

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,768	0.5%	5.7%	9.5%	-6.4%
DFM	2,265	2.1%	2.3%	8.2%	-14.8%
TASI	8,405	0.5%	-0.1%	11.5%	6.7%
BHSEASI	1,451	0.4%	-0.5%	11.7%	-4.4%
EGX	11,077	2.2%	-2.2%	1.3%	-25.1%
Dow Jones	29,421	0.9%	2.9%	5.9%	6.3%
S&P 500	3,546	-0.1%	2.0%	5.5%	14.6%
Nasdaq	11,554	-1.4%	-0.2%	5.3%	36.3%
FTSE 100	6,297	1.8%	4.7%	4.1%	-14.4%
DAX	13,163	0.5%	0.9%	3.7%	-0.5%
CAC40	5,419	1.5%	9.5%	10.4%	-8.0%
Nikkei225	24,906	0.3%	5.4%	11.5%	6.5%
HIS	26,293	1.1%	9.0%	7.9%	-4.9%
US Futures	3,552	0.3%	2.3%	6.7%	15.1%
Europe Futures	3,437	-0.4%	4.8%	2.7%	-7.0%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	456	456	-
Local	40%	54%	-13%
Foreign	60%	46%	13%
Institutional	80%	78%	2%
Retail	20%	22%	-2%
DFM	511	511	-
Local	35%	65%	-30%
Foreign	65%	35%	30%
Institutional	56%	31%	25%
Retail	44%	69%	-25%
Total	967	967	-
Local	37%	60%	-22%
Foreign	63%	40%	22%

Yesterday's Short Sell Positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
ADCB	(75,000)	1.0%	7.3	44.4
DANA Gas	(407,385)	2.3%	18.1	12.1
Etisalat	(11,140)	1.0%	1.2	19.7
FAB	(4,492)	0.1%	7.6	90.1

Upcoming Corporate Actions & Events

Date	Company	Event
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
11-Nov	DAMAC	BoD/Results
12-Nov	DANA	BoD/Results
12-Nov	GFH	BoD/Results
12-Nov	ITHMAAR	BoD/Results
12-Nov	SALAMA	BoD/Results

KEY STORIES

Emaar Malls posted nine-month net profit AED 586mln vs AED 1.73bln year ago. Nine-month revenue AED 2.49bln vs AED 3.41bln year ago

Adnoc Distribution posted Q3 profit AED 670.9mln vs AED 548.5mln year ago. Q3 revenue AED 4.03bln vs AED 5.64bln year ago

Air Arabia posted Q3 attributable loss AED 44.1mln vs profit of AED 471.3mln year ago. Q3 revenue AED 293.5mln vs AED 1.44bln year ago

United Arab Bank posted Q3 net loss AED 156mln versus loss of AED 98.7mln year ago. Q3 interest income AED 137.9mln versus AED 223.1mln year ago

Arabtec has laid off more than 5,000 employees over two weeks, mostly labourers, two sources familiar with the move told Reuters

Oman Insurance Company posted Q3 profit attributable AED 49.8mln vs AED 38mln year ago. Q3 gross premiums AED 816.8mln vs AED 793.4mln year ago

Dubai Refreshment posted Q3 profit AED 25.2mln vs AED 25.1mln year ago. Q3 revenue AED 161.3mln vs AED 189.7mln year ago

Ras Al Khaimah Cement posted Q3 loss AED 14.6mln vs loss of AED 7.9mln year ago. Q3 sales AED 33.2mln vs AED 40.7mln year ago

Umm Al Qaiwain General Investment posted Q3 net profit AED 7.2mln vs AED 1mln year ago. Q3 total revenue AED 9mln vs AED 1.7mln year ago

Gulf Marine Services confirms appointments of Rashad Saif Al Jarwan, Mansour Al Alami and Saeed Mer Abdulla Khoory to board

Softbank's Vision Fund unit considers move to Abu Dhabi from UK

Adnoc and ADQ launch Ta'ziz Joint Venture to drive growth in UAE chemicals sector. Potential investment projects selected for a first phase will amount to more than USD 5bln (AED 18bln) at Ruwais Derivatives Park

ICE says plans to launch ICE Futures Abu Dhabi and trading in Murban futures contracts on March 29, 2021, subject to regulatory approvals

Group 42 has announced to acquire Khazna Data Center and Injazat Data Systems from Mubadala Investment. Mubadala has announced to acquire a minority stake in Group42

UAE on November 10 announced 1,096 new COVID-19 cases and 742 recoveries. The tally takes total cases in UAE to 144,385 with 139,701 recoveries and 518 deaths

Fitch revises Saudi Aramco's outlook to negative; affirms IDR at 'A'. Fitch says revised Saudi Aramco outlook to negative from stable

Saudi's Emaar The Economic City posted quarterly net loss after zakat and tax SAR 187mln versus loss of SAR 213mln year ago. Quarterly sales SAR 133mln, down 16.9% YoY

Saudi's Dar Al Arkan posted quarterly loss after zakat and tax SAR 18.59mln versus profit of SAR 134.9mln year ago. Quarterly sales 391.4mln, down 56.5% YoY

MSCI to implement upgrade of Kuwait stocks to EM status at 0.58% weight

Kuwait September bank lending to private sector +5.13% YoY - C. Bank

Kuwait's Burgan Bank says CMA approves to issue up to USD 500mln subordinated tier II capital securities

Oman September conventional bank lending +1.30% YoY- C. bank

Bahrain's Investcorp sells eight US multifamily real estate assets for over USD 900mln

Egypt's core inflation accelerated to 3.9 % in October from 3.3% in September

Egypt's Misr Fertilizers posted nine-month standalone net profit EGP 725.1mln versus EGP 561.6mln year ago. Nine-month standalone sales EGP 1.68bln versus EGP 1.81bln year ago

Egypt's CI Capital Holding posted Q3 consolidated net profit attributable EGP 108.6mln versus profit EGP 129.9mln year ago

Key Global Trends/ Market Clues

Stock markets gained on Wednesday, as news of a working COVID-19 vaccine seemed to inoculate investors against worry about surging infections in Europe and the United States, while the kiwi rose as traders thought the central bank sounded upbeat. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.4% and Japan's Nikkei rose 1%, although most of the action was switching between sectors within markets, as investors shift from coronavirus winners into some of the hardest hit sectors. S&P 500 futures wobbled either side of flat and Nasdaq 100 futures rose 0.3% after another session of Wall Street selling of hitherto soaring big tech firms.

Oil futures rose on Wednesday after an industry report showed that U.S. crude inventories fell by more than expected as prices continued to be supported by news of successful trials of a vaccine for coronavirus. Brent crude was up 31 cents, or 0.7%, at USD 43.92 a barrel by 0213 GMT, while U.S. oil gained 36 cents, or 0.9%, to USD 41.72 a barrel. Crude stockpiles fell by 5.1mln barrels last week to about 482mln barrels, industry group data showed on Tuesday, compared with analysts' expectations in a Reuters poll for a reduction of 913,000 barrels.

Saudi Arabia and Iraq agreed on Tuesday on coordinating positions in the oil sector within the scope of work of OPEC and OPEC+ and to fully commit to all decisions that have been agreed upon in a manner that guarantees reaching fair and appropriate oil prices for exporters and consumers, Saudi state news agency said, citing a joint statement. The statement came after a virtual meeting between Saudi Crown Prince Mohammed bin Salman and Prime Minister Mustafa al-Kadhimi.

UAE Stories

Emaar Malls posted nine-month net profit AED 586mln vs AED 1.73bln year ago. Nine-month revenue AED 2.49bln vs AED 3.41bln year ago. Emaar Malls remain optimistic about the immediate future of the retail industry in Dubai during the remainder of 2020 and look forward to seeing tourists and visitors slowly return to the high numbers we're accustomed to. The company remains confident that the company will see growth in 2021 again.

Adnoc Distribution posted Q3 profit AED 670.9mln vs AED 548.5mln year ago. Q3 revenue AED 4.03bln vs AED 5.64bln year ago.

Air Arabia posted Q3 attributable loss AED 44.1mln vs profit of AED 471.3mln year ago. Q3 revenue AED 293.5mln vs AED 1.44bln year ago. Loss a direct result of the continued impact of the Covid-19 pandemic on airline operation. A total of 665,456 passengers were served from all five hubs in Q3.

United Arab Bank posted Q3 net loss AED 156mln versus loss of AED 98.7mln year ago. Q3 interest income AED 137.9mln versus AED 223.1mln year ago.

Arabtec has terminated thousands of workers again in recent weeks, sources said, as the construction firm prepares for liquidation after the coronavirus pandemic deepened its financial woes. Arabtec has laid off more than 5,000 employees over two weeks, mostly labourers, two sources familiar with the move told Reuters. Arabtec had a 40,000 strong workforce at the end of last year. In June, before the liquidation decision, Reuters reported 3,000 manual workers and 300 other staff had been laid off in the previous two months.

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Gulf Marine Services confirms appointments of Rashad Saif Al Jarwan, Mansour Al Alami and Saeed Mer Abdulla Khoory to board. At general meeting requisitioned by Seafox International, resolutions put to shareholders were duly passed on a poll. Tim Summers, executive chairman, chairman of nomination committee and chief executive officer stepped down from board. Stephen Kersley, chief financial officer, will leave company following a period of notice.

Softbank's Vision Fund unit considers move to Abu Dhabi from UK. Softbank has been holding internal discussions on whether to relocate unit that manages its USD 100bln vision fund from UK to Abu Dhabi – FT

Adnoc and ADQ launch Ta'ziz Joint Venture to drive growth in UAE chemicals sector. Potential investment projects selected for a first phase will amount to more than USD 5bln (AED 18bln) at Ruwais Derivatives Park. Chairman of the Ta'ziz board of directors is Mr. Khaled Salmeen (Adnoc), with Mr. Ahmed Jasim Al Zaabi (Adnoc), Mr. Omar Suwaina Al Suwaidi (Adnoc), Mr. Nabeel Qadir (ADQ), and Mr. Hamad Al Hammadi (ADQ) being appointed as board members. Khaleefa Yousef Al Mheiri (Adnoc) is appointed as acting chief executive officer. Following a detailed feasibility study, Ta'ziz will explore potential projects to manufacture a number of chemicals at a global scale, with opportunities for additional investors and partners to participate. Total investment in these projects could be in excess of USD 3bln (AED 11bln), with most of the chemicals produced in the UAE for the first time. An industrial ecosystem will be created by Adnoc and ADQ, including a new port, utilities, infrastructure, feedstock supply and shared services at a total cost of well over USD 2bln (AED 7bln). Contracts have been awarded for the first stages of development for the park site, and work is already underway. Several design and engineering contracts will be awarded early 2021 for the design of the chemical plants as well as the required ecosystem. Development of Ruwais Derivatives Park to commence in early 2021 with initial chemicals production expected in 2025.

ICE says plans to launch ICE Futures Abu Dhabi and trading in Murban futures contracts on March 29, 2021, subject to regulatory approvals. ICE Futures Abu Dhabi, Adnoc sign MOUs with Occidental Energy Marketing, Chevron and Trafigura to explore pricing US crude exports to Asia using ICE Murban futures.

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The United Arab Emirates on November 10 announced 1,096 new COVID-19 cases, bringing the total confirmed cases in the country to 144,385. At the same time, 742 more patients have recovered from the

virus, taking the tally of recoveries in the UAE to 139,701, 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 518.

GCC/ MENA

Fitch revises Saudi Aramco's outlook to negative; affirms IDR at 'A'. Fitch says revised Saudi Aramco outlook to negative from stable. Fitch says revision of outlook is driven by a similar action on sovereign. Fitch estimate Saudi Aramco's liquids production to fall by about 7% YoY in 2020 and then to rebound gradually in 2021-2022. Fitch says Saudi Aramco is more exposed to energy transition risk than oil majors, particularly in Europe.

Saudi's Emaar The Economic City posted quarterly net loss after zakat and tax SAR 187mln versus loss of SAR 213mln year ago. Quarterly sales SAR 133mln, down 16.9% YoY.

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MSCI, the world's largest index provider, on Tuesday implemented the reclassification of Kuwait stock indexes to emerging markets status from frontier, announcing that seven Kuwaiti stocks will be added to the main EM index with an aggregate weight of 0.58%. MSCI Kuwait indexes will be reclassified to the Emerging Market Index in one step effective after the close on Nov. 30, MSCI said.

Kuwait September bank lending to private sector +5.13% YoY - C. Bank

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Bahrain's Investcorp sells eight US multifamily real estate assets for over USD 900mln.

Egypt's core inflation accelerated to 3.9 % in October from 3.3% in September, the central bank said

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Egypt's CI Capital Holding posted Q3 consolidated net profit attributable EGP 108.6mln versus profit EGP 129.9mln year ago. Q3 consolidated total revenue EGP 567.3mln versus EGP 642.3mln 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	42,510	6.11	8.15	3.82	11.74	0.77	6.2%	9.1	21.0	49.0	(16.1)
ADIB	16,162	4.45	5.85	3.19	10.26	0.85	6.2%	7.0	20.3	32.4	(3.5)
ADNIC	2,326	4.08	4.08	2.70	6.24	0.98	7.4%	13.0	16.6	31.6	43.2
ADNOC Dist	41,875	3.35	3.57	2.40	21.42	12.16	5.7%	(1.2)	9.6	23.3	34.7
Agthia	2,592	4.32	4.60	2.50	87.40	1.39	3.5%	(0.7)	54.8	48.5	31.8
Air Arabia	5,413	1.16	1.61	0.87	10.79	1.32	7.8%	6.4	2.7	13.7	(12.3)
Ajman Bank	1,436	0.68	0.93	0.50	52.05	0.57	0.0%	0.4	12.1	14.6	(24.0)
Al Waha Capital	2,158	1.11	1.16	0.62	NA	0.73	NA	8.8	13.3	51.8	16.2
Aldar Properties	20,836	2.65	2.92	1.35	11.95	0.85	5.5%	31.2	51.4	54.1	27.2
Amanat Holdings	1,950	0.78	0.92	0.56	132.65	0.78	2.8%	(0.9)	(12.2)	(0.6)	(5.8)
Amlak Finance	401	0.27	0.54	0.20	NA	0.62	0.0%	(11.3)	(20.1)	(19.3)	(47.4)
Aramex	5,827	3.98	4.45	2.00	16.16	2.28	4.1%	(4.8)	13.4	38.0	16.1
Bank of Sharjah	1,071	0.51	0.83	0.50	NA	0.34	0.0%	(3.8)	(3.8)	(16.4)	(36.3)
DAMAC Properties	6,292	1.04	1.21	0.36	NA	0.46	NA	17.9	21.6	84.1	25.3
Dana Gas	4,687	0.67	0.98	0.53	NA	0.51	8.2%	(5.4)	(6.7)	2.4	(19.6)
Deyaar Development	1,601	0.28	0.39	0.18	30.31	0.35	0.0%	0.0	(4.2)	6.9	(22.8)
Dubai Financial Market	6,784	0.85	1.00	0.50	46.72	0.88	2.9%	4.8	2.7	24.7	3.0
Dubai Investment	4,932	1.16	1.39	0.98	8.00	0.41	NA	3.6	0.9	12.8	(0.6)
Dubai Islamic Bank	30,773	4.25	5.86	3.04	8.12	0.82	8.2%	0.5	11.3	24.3	(12.4)
DXB Entertainments	912	0.11	0.22	0.09	NA	0.80	0.0%	(5.0)	(5.8)	(16.8)	(43.8)
Emaar Dev	9,680	2.42	3.97	1.79	4.11	0.91	0.0%	5.7	13.6	22.2	(36.6)
Emaar Malls	21,734	1.67	1.95	0.98	14.48	1.16	0.0%	16.0	24.6	46.5	(13.9)
Emaar Properties	20,763	2.90	4.28	1.90	4.07	0.37	0.0%	9.4	8.6	18.9	(30.1)
Emirates Integrated Tele	24,704	5.45	6.35	4.33	13.49	2.91	6.2%	2.6	7.3	11.8	7.5
Emirates NBD	63,166	10.00	13.90	6.33	8.51	0.76	4.0%	(4.8)	8.7	16.7	(4.6)
Eshraq Investments	737	0.32	0.46	0.16	NA	0.52	NA	6.7	(13.9)	19.2	(10.7)
Etisalat	148,019	17.02	17.10	11.02	16.55	3.16	4.7%	0.7	2.5	16.2	8.1
First Abu Dhabi Bank	129,948	11.90	15.92	7.78	13.10	1.28	6.2%	6.6	7.8	2.6	(17.4)
GFH	2,042	0.57	0.93	0.45	0.33	0.60	6.0%	1.1	(0.9)	5.7	(29.8)
Gulf Navigation Holding	418	0.41	0.69	0.28	NA	0.77	0.0%	2.2	(11.4)	12.6	(40.5)
IHC	72,857	40.00	41.00	5.00	NM	12.83	NA	3.4	14.3	56.3	700.0
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	13.7	38.0	125.6	38.0
Mashreqbank	12,054	67.90	86.80	62.00	8.74	0.57	5.9%	8.2	(0.1)	4.5	(15.1)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	6,870	2.53	2.75	1.67	13.80	1.42	4.2%	14.0	29.1	27.8	41.3
RAK Bank	5,866	3.50	5.00	3.33	8.48	0.77	8.6%	(1.4)	1.2	(0.0)	(20.5)
RAK Properties	800	0.40	0.47	0.33	7.36	0.21	10.0%	3.6	3.9	13.3	(2.1)
RAK Ceramics	1,391	1.40	1.81	1.24	16.91	0.61	10.2%	3.7	2.9	(3.4)	1.7
SALAMA	904	0.75	0.88	0.30	13.31	1.16	NA	(4.8)	25.3	55.9	44.7
Sharjah Islamic Bank	3,667	1.19	1.29	0.95	7.58	0.48	4.0%	2.6	4.4	15.5	6.5
SHUAA Capital	1,521	0.60	1.03	0.40	21.38	1.16	NA	3.4	(6.7)	2.9	(36.5)
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	0.0	(0.7)	0.0	12.6
TAQA	183,268	1.63	1.78	0.40	NA	5.79	0.0%	14.8	14.8	147.3	155.5
Union Properties	1,171	0.27	0.39	0.15	4.06	0.38	0.0%	5.0	(17.5)	(0.7)	(9.0)
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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