

SHUAA Securities Morning Report

11 October 2020

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,513	0.4%	0.1%	5.1%	-10.7%
DFM	2,214	0.1%	-2.6%	6.3%	-21.2%
TASI	8,413	0.6%	4.1%	13.4%	9.0%
BHSEASI	1,458	0.6%	4.6%	13.4%	-3.9%
EGX	11,327	1.6%	3.4%	1.8%	-21.1%
Dow Jones	28,587	0.6%	3.3%	9.6%	6.6%
S&P 500	3,477	0.9%	4.1%	9.2%	17.1%
Nasdaq	11,580	1.4%	6.7%	9.1%	43.7%
FTSE 100	6,017	0.6%	-0.3%	-1.3%	-17.0%
DAX	13,051	0.1%	-1.1%	3.3%	4.3%
CAC40	4,947	0.7%	-1.7%	-0.5%	-12.7%
Nikkei225	23,620	-0.1%	0.9%	6.0%	8.4%
HIS	24,119	-0.3%	-1.6%	-6.3%	-8.3%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	322	322	-
Local	62%	44%	18%
Foreign	38%	56%	-18%
Institution	90%	83%	7%
Retail	10%	17%	-7%
DFM	114	114	-
Local	49%	38%	11%
Foreign	51%	62%	-11%
Institution	33%	47%	-14%
Retail	67%	53%	14%
Total	436	436	-
Local	59%	43%	16%
Foreign	41%	57%	-16%

Upcoming Corporate Actions & Events

Date	Company	Event
10-Oct	RAK Properties	BoD/General
12-Oct	AMANAT	BoD/Investment
12-Oct	DSI	BoD/General
14-Oct	SALAMA	General Assembly
14-Oct	SHUAA	General Assembly
20-Oct	FAB	General Assembly/Stake Acquisition
25-Oct	DSI	General Assembly
12-Nov	GFH	BoD/Results
12-Nov	ITHMAAR	BoD/Results

KEY STORIES

UAE on October 10 reported 1,129 new cases of the Covid-19, along with 1,070 recoveries. Total cases in the country at 105,133 with 95,973 recoveries and 443 deaths

Arabtec Holding board discussed all required resolutions and actions to proceed with liquidation plan

Gulf Marine Services board said that it had no option but to put plans for equity raise on hold. There is no reasonable prospect that equity raise can be completed prior to end of 2020. In absence of equity raise, and if warrants are not issued, company will be in default under its bank facilities. If lenders enforce their rights, company could be put into administration

Agility Public Warehousing subscribes 6.15mln in Hyliion through Colle Capital for deal value roughly KWD 12mln

The Abu Dhabi Securities Exchange and the Tel Aviv Stock Exchange are discussing regional cooperation and dual listings

The UAE's liquefied natural gas exports stood stable at 1.4mln tonnes in the second quarter of 2020, a growth of 7.6pct compared to the same period in 2019

DEWA, ACWA Power and GIC have completed project financing of USD 420.2mln for the construction and development of phase V of Mohammed bin Rashid Al Maktoum Solar Park

The investigation of NMC Healthcare has identified a number of financiers for potential collusion with the previous management that resulted in billions of dollars in losses to the company. The investigation is expected to be complete by March next year

Founder of NMC Healthcare and UAE Exchange Centre, wants Indian government agencies to join the investigation into the diversion of funds that took place at these companies

Saudi Al Hokair acquires exclusive franchise rights for Public Desire

Saudi's Dallah Healthcare announces non-objection of the general authority for competition for acquisition of shares in Makkah Medical Center

Saudi's Emaar The Economic City appoints Jamal Bin Majid Bin Theniyeh as chairman

Oman will re-introduce a night-time ban on movement and enforce the overnight closure of shops and public places between Oct. 11 and 24

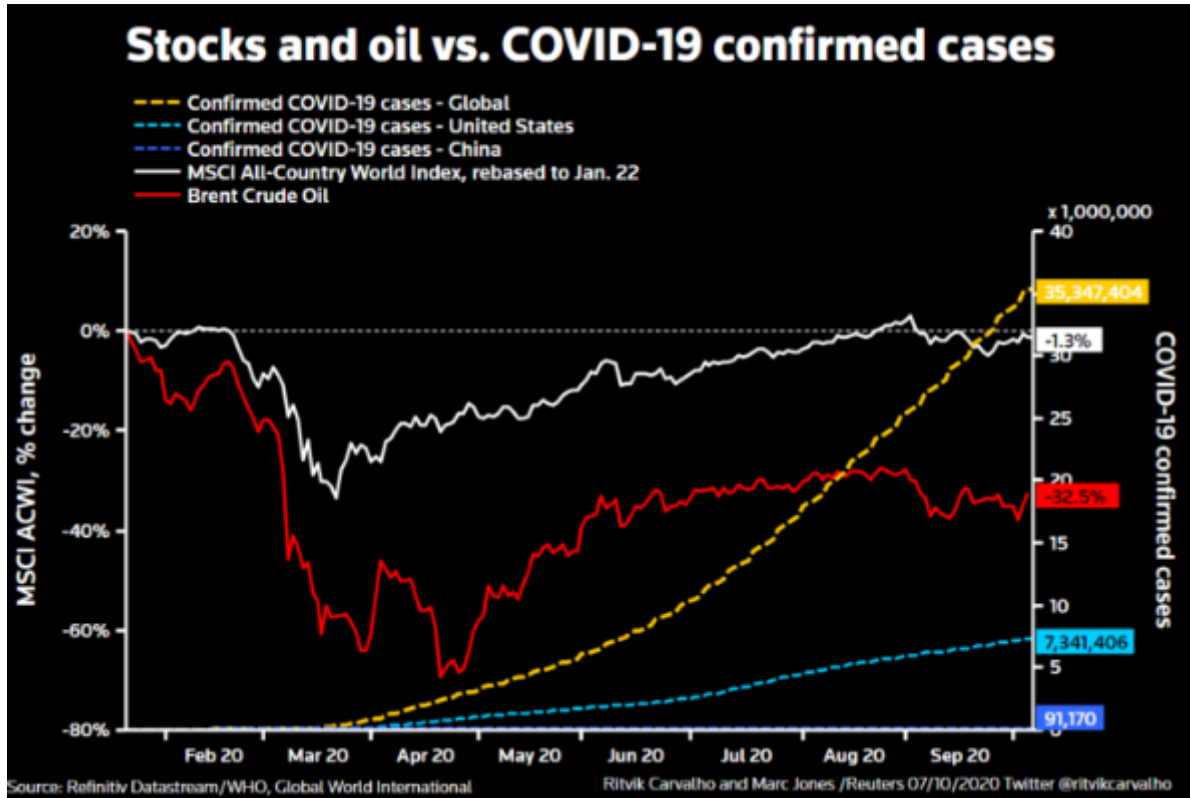
Egypt's annual urban consumer price inflation increased to 3.7% in September from 3.4% in August - CAPMAS

Key Global Trends/ Market Clues

International stocks rose on Friday, with all three major Wall Street indexes posting weekly gains as investors grew more hopeful the U.S. government would provide additional economic stimulus. Gold jumped and the dollar dropped as investors focused on the probability of forthcoming U.S. coronavirus relief. Wrangling in Washington over pandemic aid has dominated global markets the week, and although U.S. House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin failed to hammer out a deal, talks will continue despite Republican doubts. Trump said in an interview on Friday that he wants to see a bigger stimulus package than either Democrats or Republicans were offering, a reversal from his threats at the beginning of the week that he would halt negotiations. The Dow Jones Industrial Average rose 161.39 points, or 0.57%, to 28,586.9, the

S&P 500 gained 30.3 points, or 0.88%, to 3,477.13 and the Nasdaq Composite added 158.96 points, or 1.39%, to 11,579.94. European stocks posted a second straight week of gains on upbeat earnings forecasts, while investors paid close attention to fiscal aid talks in the United States. The pan-European STOXX 600 index rose 0.55% and MSCI's gauge of stocks across the globe gained 0.84%.

Oil prices slipped more than 1% on Friday after an oil worker strike in Norway ended, which should boost crude output even as Hurricane Delta forced U.S. energy firms to cut production. Brent futures fell 49 cents, or 1.1%, to settle at USD 42.85 a barrel, while U.S. West Texas Intermediate (WTI) crude fell 59 cents, or 1.4%, to settle at USD 40.60. Despite Friday's price slide, both benchmarks gained about 9% this week, their first increase in three weeks and the biggest weekly rise for Brent since June.



World oil demand will plateau in the late 2030s and could by then have begun to decline, OPEC said on Thursday, in a major shift for the producer group that reflects the lasting impact of the coronavirus crisis on the economy and consumer habits. Oil use will rise to 107.2mln barrels per day (bpd) in 2030 from 90.7mln bpd in 2020, OPEC said, 1.1mln bpd below its 2030 forecast last year and over 10mln bpd below its 2007 prediction of 2030 demand.

UAE Stories

The United Arab Emirates on October 10 announced 1,129 new COVID-19 cases, bringing the total confirmed cases in the country to 105,133. At the same time, 1,070 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 95,973, UAE's Ministry of Health and Prevention said. It has reported 1 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 443.

Arabtec Holding board discussed all required resolutions and actions to proceed with liquidation plan.

Gulf Marine Services board concluded on 21 September 2020 that it had no option but to put plans for equity raise on hold. Board has sought clarity from Seafox's (former) representatives on board as to Seafox's position on equity raise. Also sought clarity in writing from chairman of Mazrui International and Chairman of Horizon Group. Currently impracticable to proceed with equity raise. There is no reasonable prospect that equity raise can be completed prior to end of 2020. In absence of equity raise, and if warrants are not issued, company

will be in default under its bank facilities. If lenders enforce their rights, company could be put into administration.

Agility Public Warehousing subscribes 6.15mln in Hyliion through Colle Capital for deal value roughly KWD 12mln.

The Abu Dhabi Securities Exchange and the Tel Aviv Stock Exchange are discussing regional cooperation in various fields following the normalisation of relations between the UAE and Israel. The Israeli bourse said in a statement that it has started discussions with Abu Dhabi for entering into a memorandum of understanding for the structuring of an agreed framework designed at examining possible regional cooperation in various fields of activities. Bloomberg reported that the two bourses are studying dual listings and encouraging investors to invest in the two exchanges as well as develop new products. However, the Israeli bourse said talks are at a preliminary stage.

The UAE's liquefied natural gas exports stood stable at 1.4mln tonnes in the second quarter of 2020, a growth of 7.6pct compared to the same period in 2019, according to recent reports by the Organisation of Arab Petroleum Exporting Countries, OPAEC. The UAE has become a key player in the global gas market after recently announcing major discoveries, which will strengthen its future leadership in this sector, according to many specialist international organisations.

Dubai Electricity & Water Authority (DEWA), ACWA Power and Gulf Investment Corporation (GIC), have completed project financing of USD 420.2mln for the construction and development of phase V of Mohammed bin Rashid Al Maktoum Solar Park in Dubai, UAE. The total installed capacity of the power plant will be 900 MW. The total cost of the power plant is expected to be USD 564mln. The financing group to the project included Abu Dhabi Islamic Bank, Arab Petroleum Investment Corporation, Industrial and Commercial Bank of China, Emirates NBD Bank, Natixis, SAMBA Financial Group, Standard Chartered Bank and Warba Bank. Additionally, a project recourse mezzanine tranche was provided by Commercial Bank International and equity bridge facilities provided by Commercial Bank of Dubai, Emirates NBD Bank and Mashreq bank.

The investigation of NMC Healthcare has identified a number of financiers for potential collusion with the previous management that resulted in billions of dollars in losses to the company. According to an update by the administrators on the troubled group, the investigation has found a prima facie evidence of collusion and detailed reports have been compiled of evidence against those financiers. The investigations will also try to trace stolen property. In September, administrators were appointed to the UAE operations of NMC, which will allow the firm to raise funds and pay the salaries of its employees. Richard Fleming and Ben Cairns of Alvarez & Marsal were named as joint administrators to a group of 36 firms after a hearing by Abu Dhabi Global Markets Courts. The Administrators' investigation team is working with legal advisors Quinn Emanuel to develop legal strategy to recover losses and obtain compensation for the damage done to NMC as a result of the fraud. The investigation is expected to be complete by March next year and claims will be launched against the perpetrators. The administrators' investigation team has compiled evidence which showed that published financial statements were misstated dating back to at least December 31, 2012. "Money and property was misappropriated from NMC, the perpetrators sought to make NMC liable for debt of which it never received the benefit, or sufficient benefit, and NMC's losses are likely to be in the region of billions of dollars," the administrators said. However, administrators said NMC could be fully recapitalised with USD 203mln of secured debt and between USD 325mln and USD 650mln of Exit Facility depending on what Administration Funding Facility (AFF) lenders decide to do for their refinancing.

Dr. B.R. Shetty, founder of NMC Healthcare and UAE Exchange Centre, wants Indian government agencies to join the investigation into the diversion of funds that took place at these companies.

GCC/ MENA

Saudi's Fawaz Al Hokair Company, a leading company in the Saudi retail sector has signed an exclusive master franchise agreement with Public Desire, a global online women's footwear brand, to open Public Desire stores dedicated fully to the Saudi market. The new agreement sets a new milestone on Al Hokair's journey of growth & expansion. The new deal is a sign that Al Hokair is moving towards becoming a lifestyle company that integrates offline with online, providing its customers with an Omni channel experience.

Saudi's Dallah Healthcare announces non-objection of the general authority for competition for acquisition of shares in Makkah Medical Center.

Saudi's Emaar The Economic City appoints Jamal Bin Majid Bin Theniyeh as chairman.

Oman will re-introduce a night-time ban on movement and enforce the overnight closure of shops and public places between Oct. 11 and 24, to help contain the coronavirus, state media reported. The restrictions will apply from 8 pm to 5 am. The Gulf state's beaches will also be closed until further notice, state media said, reporting a decision from the supreme council in charge of coronavirus policy.

Egypt's annual urban consumer price inflation increased to 3.7% in September from 3.4% in August, the country's statistics agency CAPMAS said on Saturday.

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	38,961	5.60	8.15	3.82	10.64	0.83	6.8%	2.2%	12.0%	36.3%	-26.3%
ADIB	15,109	4.16	5.85	3.19	9.09	1.10	6.6%	-0.7%	10.9%	24.9%	-20.8%
ADNIC	2,058	3.61	4.00	2.70	5.75	0.94	8.3%	-6.2%	14.6%	2.6%	16.5%
ADNOC Dist	42,375	3.39	3.57	2.40	21.63	12.31	6.2%	4.3%	13.0%	21.5%	27.4%
Agthia	2,610	4.35	4.35	2.50	27.54	1.37	3.4%	38.1%	51.0%	38.5%	18.5%
Air Arabia	5,087	1.09	1.61	0.87	10.62	1.24	NA	-5.2%	-6.0%	19.1%	-18.0%
Ajman Bank	1,430	0.68	0.94	0.50	38.82	0.57	0.0%	-2.7%	13.5%	15.4%	-26.8%
Al Waha Capital	1,983	1.02	1.03	0.62	NA	0.67	0.0%	8.4%	45.7%	28.3%	-1.0%
Aldar Properties	15,883	2.02	2.37	1.35	9.12	0.65	7.2%	-1.9%	11.6%	34.7%	-4.7%
Amanat Holdings	1,968	0.79	0.92	0.56	79.21	0.79	2.8%	-5.9%	-11.7%	25.3%	-13.5%
Amlak Finance	452	0.30	0.64	0.20	NA	0.70	0.0%	-8.5%	-2.3%	19.9%	-40.6%
Aramex	6,120	4.18	4.45	2.00	14.31	2.44	3.9%	11.5%	24.8%	50.4%	3.2%
Bank of Sharjah	1,113	0.53	0.83	0.53	NM	0.36	0.0%	0.0%	-13.8%	-13.8%	-36.1%
DAMAC Properties	5,336	0.88	0.98	0.36	NA	0.39	NA	-2.0%	16.1%	74.0%	-2.6%
Dana Gas	4,953	0.71	0.98	0.53	8.76	0.51	7.8%	-3.1%	8.8%	16.8%	-24.8%
Deyaar Development	1,601	0.28	0.43	0.18	37.43	0.35	0.0%	-5.1%	-0.4%	18.9%	-21.1%
Dubai Financial Market	6,472	0.81	1.00	0.50	47.19	0.84	0.0%	-4.3%	1.1%	26.4%	-8.5%
Dubai Investment	4,762	1.12	1.39	0.98	NA	0.41	8.9%	-5.9%	-3.4%	1.8%	-11.8%
Dubai Islamic Bank	30,628	4.23	5.86	3.04	7.34	1.08	8.3%	-2.5%	9.6%	32.6%	-20.6%
DXB Entertainments	960	0.12	0.23	0.09	NA	0.47	0.0%	-7.0%	-0.8%	-5.5%	-40.6%
Emaar Dev	9,160	2.29	4.11	1.79	NA	0.86	0.0%	1.8%	7.0%	10.1%	-43.5%
Emaar Malls	18,741	1.44	1.96	0.98	NA	1.00	0.0%	2.9%	-4.0%	32.1%	-23.0%
Emaar Properties	18,973	2.65	4.70	1.90	3.70	0.34	0.0%	-8.9%	-3.6%	11.8%	-41.8%
Emirates Integrated Tele	24,070	5.31	6.35	4.33	17.34	2.91	6.4%	1.3%	1.7%	-0.7%	-6.0%
Emirates NBD	66,324	10.50	13.90	6.33	5.98	0.92	3.8%	-1.9%	18.1%	25.0%	-16.9%
Eshraq Investments	691	0.30	0.46	0.16	NA	0.50	0.0%	-22.9%	33.2%	29.1%	-23.8%
Etisalat	146,975	16.90	17.00	11.02	16.80	3.24	4.7%	1.9%	1.1%	11.9%	2.4%
First Abu Dhabi Bank	121,867	11.16	15.92	7.78	11.55	1.36	6.6%	-2.3%	1.1%	-7.8%	-26.7%
GFH	2,080	0.57	0.93	0.45	7.31	0.52	5.7%	-8.6%	0.4%	3.7%	-35.4%
Gulf Navigation Holding	409	0.40	0.73	0.28	NA	0.76	0.0%	-14.7%	-16.3%	31.9%	-43.4%
IHC	70,489	38.70	40.90	5.00	45.52	15.02	0.1%	4.5%	30.7%	158.0%	674.0%
Gulf Pharmaceutical	1,513	1.31	1.91	0.65	NA	1.40	0.0%	3.1%	22.4%	24.3%	-33.6%
Mashreqbank	11,140	62.75	86.80	62.00	8.08	0.52	6.4%	-6.2%	-6.2%	-12.8%	-16.3%
National Bank of Fujairah	9,536	4.98	4.98	3.70	52.79	1.94	1.9%	0.0%	0.0%	0.0%	3.3%
Tabreed	6,028	2.22	2.34	1.67	12.14	1.25	4.7%	4.7%	13.3%	7.8%	22.0%
RAK Bank	5,951	3.55	5.00	3.33	7.06	0.80	8.5%	1.1%	-5.3%	-2.7%	-22.0%
RAK Properties	772	0.39	0.48	0.33	6.91	0.20	7.8%	-1.8%	9.7%	12.2%	-13.5%
RAK Ceramics	1,342	1.35	1.81	1.24	14.45	0.60	NA	-2.9%	0.7%	3.8%	-9.7%
SALAMA	987	0.82	0.88	0.30	15.37	1.27	NA	4.7%	63.9%	100.5%	27.5%
Sharjah Islamic Bank	3,575	1.16	1.29	0.95	7.24	0.63	4.1%	-3.3%	4.5%	14.9%	-0.2%
SHUAA Capital	1,471	0.58	1.03	0.40	16.06	1.12	0.0%	-16.3%	13.7%	32.7%	-38.0%
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	0.0%	-0.7%	6.7%	5.1%	15.3%
TAQA	159,657	1.42	1.65	0.40	NA	5.05	0.0%	2.2%	43.3%	119.8%	114.2%
Union Properties	1,115	0.26	0.39	0.15	NA	0.44	0.0%	-13.0%	-5.8%	8.3%	-16.1%
United Arab Bank	1,844	0.89	1.13	0.81	NA	1.04	0.0%	0.0%	0.0%	-0.2%	-18.7%

(Source: Bloomberg)

[^] current dividend yield based on last year dividend declaration

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