

SHUAA Securities Morning Report

15 November 2020

# Market Stats						# UAE Trading Summary			
Indices	Close	Change	1M Change	3M Change	1Y Change	AEDm	BUY	SELL	Net
ADX	4,856	0.5%	7.1%	11.4%	-4.3%	ADX	2,180	2,180	-
DFM	2,263	-0.9%	1.3%	7.0%	-15.0%	Local	88%	91%	-3%
TASI	8,435	-0.2%	-1.3%	10.3%	5.7%	Foreign	12%	9%	3%
BHSEASI	1,449	0.0%	-2.0%	10.2%	-4.0%	Institutional	97%	16%	81%
EGX	11,017	0.2%	-3.3%	0.9%	-24.9%	Retail	3%	84%	-81%
Dow Jones	29,480	1.4%	2.8%	5.7%	6.1%	DFM	269	269	-
S&P 500	3,585	1.4%	2.1%	6.3%	15.9%	Local	55%	55%	0%
Nasdaq	11,829	1.0%	-0.3%	7.1%	39.5%	Foreign	45%	45%	0%
FTSE 100	6,316	-0.4%	5.8%	2.1%	-14.1%	Institutional	32%	27%	6%
DAX	13,077	0.2%	0.4%	0.6%	-1.2%	Retail	68%	73%	-6%
CAC40	5,380	0.3%	8.7%	6.7%	-8.9%	Total	2449	2449	-
Nikkei225	25,386	-0.5%	7.6%	9.2%	8.9%	Local	84%	87%	-3%
HIS	26,157	0.0%	6.1%	3.7%	-1.6%	Foreign	16%	13%	3%

Last Trading Day's Short Sell Positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
Manazel	(184,942)	6.7%	2.7	0.9
-	-	-	-	-

Upcoming Corporate Actions & Events

Date	Company	Event
15-Nov	DANA GAS	BoD/General
29-Nov	AGTHIA	BoD/Merger
30-Nov	NBF	General Assembly
1-Dec	3Q20 MSCI Index	Review Effective Date

KEY STORIES

Dubai Islamic Bank sells USD 1bln in additional tier 1 sukuk at 4.625%. Bank gets over USD 5.5bln in orders for additional tier 1 sukuk

National Marine Dredging posted Q3 profit AED 39.2mln versus AED 49.3mln year ago. Q3 revenue from contracts with customers AED 845.9mln versus AED 776.5mln year ago

Salama posted Q3 net profit attributable AED 87.7mln versus AED 0.2mln year ago. Q3 gross written contributions AED 253.7mln versus AED 244.4mln year ago

Shuaa Capital disclosed that Jassim Alseddiqi, CEO of Shuaa Capital now directly holds 27.55% of Shuaa's share capital. Jassim Alseddiqi bought 537.4mln shares through special deal

GFH Financial Group posted Q3 net profit attributable USD 8.1mln vs USD 19.8mln year ago. Q3 total income USD 67.6mln vs USD 85.9mln year ago

Gulf Navigation posted Q3 attributable loss AED 11.5mln vs loss of AED 18.2mln year ago. Q3 operating income AED 43.4mln vs AED 44.6mln year ago

Drake and Scull International posted Q3 net loss of AED 70mln, mainly resulting from legal and bond provisions compared to net loss of AED 372mln for the same period in 2019. Q3 revenues AED 40.9mln versus AED 78.5mln year ago

AED 72.7mln year ago. Nine-month gross premium AED 841mln vs AED 914.7mln year ago

Methaq Takaful Insurance posted nine-month net profit AED 11.7mln vs AED 4.4mln year ago. Nine-month gross contribution written AED 194.3mln vs AED 233.3mln year ago

Al Buhaira National Insurance posted nine-month total net profit AED 42mln vs AED 33mln year ago. Nine-month written premium AED 693mln vs AED 644mln year ago

Arkan Building Materials posted nine-month net loss AED 3.7mln vs profit of AED 36.1mln year ago. Nine-month total revenue AED 581mln vs AED 675.5mln year ago

Sharjah Insurance posted nine-month net profit AED 3mln vs AED 3.5mln year ago. Nine-month insurance premium revenue AED 9.5mln vs AED 12.7mln year ago

Al Fujairah National Insurance Company posted Q3 profit AED 13mln versus AED 3.5mln year ago. Q3 insurance premium revenue AED 69mln versus AED 69.9mln year ago

Sudatel Telecom Group posted Q3 attributable net profit USD 2.4mln versus loss of USD 4.5mln year ago. Q3 operating revenue USD 70.5mln versus USD 64.7mln year ago

Fitch Ratings has affirmed Etihad Credit Insurance rating at 'AA-' (Very Strong), stable outlook

NMC's Shetty says he will return to UAE to help with fraud probe

Emirates Airline HY revenue down 75% to AED 11.7bln. HY loss of AED 12.6bln after a half-year profit of AED 862mln for the same period last year

UAE reopens land-border crossings closed due to COVID-19 - WAM

UAE on November 15 announced 1,174 new COVID-19 cases and 678 recoveries. The tally takes total cases in UAE to 149,135 with 142,561 recoveries and 528 deaths

Saudi's Crown Prince Mohammed bin Salman said that Public Investment Fund will inject SAR 150bln annually in the economy in 2021 and 2022

Saudi's CMA authorizes Arch Capital to conduct managing investments and operating funds, arranging, and advising activities in the securities business

Fitch Ratings said that profitability at Kuwaiti Islamic banks will continue to be affected by lower profit rates, lower business volumes and higher financing impairment charges

Egypt's CB cut its key interest rates by 50 basis points. The overnight lending rate was reduced to 9.25% from 9.75% while the overnight deposit rate dropped to 8.25% from 8.75%

Egypt's GB Auto posted Q3 net income EGP 375mln vs loss of EGP 8.3mln year ago. Q3 total sales revenues EGP 6.20bln vs EGP 6.77bln year

Key Global Trends/ Market Clues

Wall Street jumped on Friday as encouraging earnings stoked risk appetite and President-elect Joe Biden's COVID advisory team said it was not considering a nationwide shutdown, but oil prices slid as Libyan output rose and investors worried the resurgent pandemic could hurt global demand. The bellwether S&P 500 and the small cap Russell 2000 both reached record closing highs. Economically sensitive cyclicals and small cap stocks, which led the rally at the beginning of the week, once again outperformed. The Dow Jones Industrial Average rose 399.64 points, or 1.37%, to 29,479.81, the S&P 500 gained 48.14 points, or 1.36%, to 3,585.15 and the Nasdaq Composite added 119.70 points, or 1.02%, to 11,829.29. European stocks ended flat as rising fears of economic damage from the pandemic offset recent vaccine optimism. Still, the benchmark index notched its second straight week of gains.

Oil prices fell about 2% on Friday, pressured by swelling output from Libya and fears that rising coronavirus infections may slow the recovery in the global economy and fuel demand. Hopes for a vaccine kept crude futures on track for a second straight weekly gain. Brent crude fell 75 cents, or 1.7%, to settle at USD 42.78 a barrel. U.S. West Texas Intermediate (WTI) crude futures CLC1 fell 99 cents, or 2.4%, to end the session at USD 40.13 a barrel. For the week, both notched gains of more than 8%. Libyan oil production has risen to 1.2mln barrels per day (bpd), a Libyan oil source told Reuters, up from the 1.0mln bpd reported on Nov. 7 by the country's National Oil Corp.

Global oil demand is unlikely to get a significant boost from the roll-out of vaccines against COVID-19 until well into 2021, the International Energy Agency (IEA) said on Thursday, a view that is likely to dampen oil price gains since vaccine progress was announced earlier this week. "It is far too early to know how and when vaccines will allow normal life to resume. For now, our forecasts do not anticipate a significant impact in the first half of 2021," the IEA said in its monthly report. "The poor outlook for demand and rising production in some countries ... suggest that the current fundamentals are too weak to offer firm support to prices."

The compliance of OPEC+ with oil production cuts in October was seen at 101%, two OPEC+ sources told Reuters on Friday.

UAE Stories

Dubai Islamic Bank sells USD 1bln in additional tier 1 sukuk at 4.625%. Bank gets over USD 5.5bln in orders for additional tier 1 sukuk.

National Marine Dredging posted Q3 profit AED 39.2mln versus AED 49.3mln year ago. Q3 revenue from contracts with customers AED 845.9mln versus AED 776.5mln year ago. A total of AED 293mln was invested in property, plant and equipment during nine months. In Egypt three main projects progressing during Q3.

Salama posted Q3 net profit attributable AED 87.7mln versus AED 0.2mln year ago. Q3 gross written contributions AED 253.7mln versus AED 244.4mln year ago. Reduced accumulated losses significantly to AED 284.82mln owing to the strong performance. It is expected that performance of Algeria will improve in coming periods.

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Drake and Scull International posted Q3 net loss of AED 70mln, mainly resulting from legal and bond provisions compared to net loss of AED 372mln for the same period in 2019. Q3 revenues AED 40.9mln versus AED 78.5mln year ago. Order backlog remained stable at AED 570mln, which includes AED 157mln from joint-ventures, driven by on-going operations in the UAE, Algeria, Kuwait, Iraq and Germany. Organisational restructuring is progressing well especially after the sale of some of the loss-making entities, the continued focus on the MEP business and the successes of our subsidiary Passavant. We are making a continuous effort to acquire more projects, whether in UAE or overseas, in addition to on-going operations in Tunisia, Kuwait, Iraq, Algeria and Germany. Reached advanced stages in negotiations with key banks ahead of finalizing framework and details of restructuring plan.

Emirates Insurance posted nine-month net profit AED 87.6mln vs AED 72.7mln year ago. Nine-month gross premium AED 841mln vs AED 914.7mln year ago.

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Fitch Ratings has affirmed Etihad Credit Insurance PJSC's (ECI) Insurer Financial Strength (IFS) Rating 'AA-' (Very Strong). Fitch has also affirmed the group's Long-Term Issuer Default Rating (IDR) at 'AA-' (Very Strong). The Outlooks are Stable.

NMC Health founder BR Shetty said on Saturday he planned to return to the United Arab Emirates and denied reports he had fled the country after the hospital group's implosion under a mountain of previously undisclosed debt. NMC went into administration in April following months of turmoil over its finances and the discovery that it has USD 6.6bln in debt, well above earlier estimates.

Emirates Airline HY revenue down 75% to AED 11.7bln (USD 3.2bln). HY loss of AED 12.6bln (USD 3.4bln) after a half-year profit of AED 862mln (USD 235 million) for the same period last year.

United Arab Emirates has reopened its land-border crossings as it works to support the economy from the effects of the coronavirus pandemic, state news agency WAM reported on Friday. The statement said Omani citizens would not need authorisation to enter the country from Nov. 16 but would need a negative PCR coronavirus test. It gave no details on any changes for Saudi citizens.

The United Arab Emirates on November 14 announced 1,174 new COVID-19 cases, bringing the total confirmed cases in the country to 149,135. At the same time, 678 more patients have recovered from the

virus, taking the tally of recoveries in the UAE to 142,561. 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 528.

GCC/ MENA

Saudi Arabia's Crown Prince Mohammed bin Salman said that the kingdom's sovereign wealth fund, the Public Investment Fund (PIF) will inject SAR 150bn annually in the economy in 2021 and 2022, state news agency reported on Thursday. The de facto ruler added that the fund managed to create higher return of investments at a minimum of 7%, from 2% since its establishment, with some investments exceeding 70% and others making a return of more than 140%, adding that it became one of the "key growth drivers" for the Saudi economy.

Saudi's CMA authorizes Arch Capital to conduct managing investments and operating funds, arranging, and advising activities in the securities business.

Fitch Ratings said that profitability at Kuwaiti Islamic banks will continue to be affected by lower profit rates, lower business volumes and higher financing impairment charges. Asset quality will continue to weaken but the true impact will be masked by financing deferral programmes and regulatory flexibility in recognising impairments. If economic disruptions persist, weaker asset quality and profitability will put pressure on capital buffers. Liquidity is adequate and likely to continue to benefit from government support. We expect further sukuk issuance in 2021, including issuance of T2 sukuk. Regulation on Islamic banks continues to evolve.

Egypt's central bank cut its key interest rates by 50 basis points on Thursday, the bank said in a statement. The overnight lending rate was reduced to 9.25% from 9.75% while the overnight deposit rate dropped to 8.25% from 8.75%.

Egypt's GB Auto posted Q3 net income EGP 375mln vs loss of EGP 8.3mln year ago. Q3 total sales revenues EGP 6.20bn vs EGP 6.77bn year.

UAE FOCUS LIST - COMPANY DATA

Company	MCAP		PRICE		HIGH - LOW		VALUATION		DIV	HISTORICAL RETURN			
	(AEDm)	(AED)	52WH	52WL	TTM P/E	TTM P/B	YLD (%)^	1M%	3M%	6M%	12M%		
ADCB	42,718	6.14	8.15	3.82	11.80	0.78	6.2%	7.7	20.4	51.6	(13.8)		
ADIB	16,635	4.58	5.85	3.19	10.56	0.88	6.0%	9.0	22.5	38.4	(3.9)		
ADNIC	2,326	4.08	4.08	2.70	6.24	0.98	7.4%	13.0	20.7	31.6	43.2		
ADNOC Dist	42,125	3.37	3.57	2.40	20.28	15.16	5.7%	(0.6)	9.2	25.4	35.5		
Agthia	2,598	4.33	4.60	2.50	87.60	1.39	3.5%	(0.7)	56.3	51.9	30.2		
Air Arabia	5,320	1.14	1.61	0.87	10.88	1.30	7.9%	0.9	0.9	11.8	(11.3)		
Ajman Bank	1,483	0.71	0.93	0.50	53.73	0.59	0.0%	0.9	12.1	23.9	(22.0)		
Al Waha Capital	2,139	1.10	1.16	0.62	NA	0.73	NA	7.8	15.1	50.9	11.6		
Aldar Properties	21,072	2.68	2.92	1.35	11.79	0.85	5.4%	31.4	51.4	54.0	30.4		
Amanat Holdings	1,980	0.79	0.92	0.56	134.69	0.79	2.8%	(1.0)	(10.7)	2.1	(5.8)		
Amlak Finance	384	0.26	0.54	0.20	NA	0.78	0.0%	(16.3)	(22.9)	(22.2)	(44.8)		
Aramex	5,856	4.00	4.45	2.00	16.24	2.29	4.1%	(5.9)	13.6	36.4	18.7		
Bank of Sharjah	1,071	0.51	0.83	0.50	NA	0.34	0.0%	(3.8)	(3.8)	(13.6)	(36.3)		
DAMAC Properties	6,413	1.06	1.21	0.36	NA	0.47	NA	15.3	24.7	82.8	30.1		
Dana Gas	4,603	0.66	0.98	0.53	NA	0.50	8.4%	(6.9)	(4.9)	4.9	(19.6)		
Deyaar Development	1,566	0.27	0.39	0.18	29.65	0.35	0.0%	(4.9)	(6.2)	8.4	(24.9)		
Dubai Financial Market	6,648	0.83	1.00	0.50	45.79	0.86	3.0%	1.0	1.5	25.3	(0.1)		
Dubai Investment	4,975	1.17	1.39	0.98	8.07	0.42	NA	2.6	2.6	12.8	(2.1)		
Dubai Islamic Bank	30,701	4.24	5.86	3.04	8.10	0.82	8.3%	0.5	10.1	27.3	(13.8)		
DXB Entertainments	920	0.12	0.22	0.09	NA	0.80	0.0%	(4.2)	(5.0)	(17.9)	(45.2)		
Emaar Dev	9,600	2.40	3.97	1.79	4.08	0.90	0.0%	3.0	13.2	21.8	(36.3)		
Emaar Malls	21,734	1.67	1.95	0.98	19.06	1.15	0.0%	13.6	22.8	45.2	(14.4)		
Emaar Properties	20,477	2.86	4.28	1.90	4.02	0.37	0.0%	6.3	5.9	17.7	(30.9)		
Emirates Integrated Tele	24,704	5.45	6.35	4.33	13.49	2.91	6.2%	1.1	6.7	9.0	6.5		
Emirates NBD	63,482	10.05	13.90	6.33	8.55	0.77	4.0%	(3.8)	5.8	18.9	(9.4)		
Eshraq Investments	751	0.32	0.46	0.16	NA	0.53	NA	3.2	(21.2)	30.8	(7.4)		
Etisalat	149,410	17.18	17.20	11.02	16.71	3.19	4.7%	1.9	4.0	15.6	8.5		
First Abu Dhabi Bank	135,408	12.40	15.92	7.78	13.65	1.34	6.0%	10.5	12.9	6.7	(16.0)		
GFH	2,042	0.56	0.93	0.45	0.33	0.60	6.0%	(1.4)	(2.6)	7.4	(29.8)		
Gulf Navigation Holding	403	0.40	0.67	0.28	NA	0.75	0.0%	(3.7)	(18.6)	8.5	(40.2)		
IHC	72,821	39.98	41.00	5.25	NM	12.82	NA	3.0	10.3	50.0	661.5		
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	-	29.6	125.6	38.0		
Mashreqbank	12,054	67.90	86.80	62.00	18.27	0.57	5.9%	8.2	(0.1)	(0.1)	(15.1)		
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3		
Tabreed	7,033	2.59	2.75	1.67	14.13	1.46	4.1%	15.1	30.8	29.5	41.5		
RAK Bank	5,866	3.50	5.00	3.33	8.48	0.77	8.6%	(1.4)	(5.4)	(0.0)	(19.7)		
RAK Properties	808	0.40	0.47	0.33	7.43	0.21	9.9%	5.8	4.9	17.8	0.3		
RAK Ceramics	1,371	1.38	1.81	1.24	16.67	0.60	10.4%	0.7	11.3	(4.8)	0.9		
SALAMA	1,001	0.83	0.88	0.30	14.74	1.29	NA	4.8	35.2	70.3	63.0		
Sharjah Islamic Bank	3,605	1.17	1.29	0.95	7.46	0.47	4.1%	(0.8)	2.6	17.0	5.6		
SHUAA Capital	1,587	0.63	1.03	0.40	14.90	1.12	NA	4.3	(3.7)	7.9	(34.5)		
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	0.0	(2.1)	0.0	20.2		
TAQA	166,403	1.48	1.78	0.40	55.02	2.68	0.0%	2.8	5.7	126.0	145.4		
Union Properties	1,098	0.26	0.39	0.15	3.81	0.36	0.0%	(9.2)	(22.9)	(4.5)	(14.4)		
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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