

## SHUAA Securities Morning Report

16 November 2020

# Market Stats						# UAE Trading Summary			
Indices	Close	Change	1M Change	3M Change	1Y Change	AEDm	BUY	SELL	Net
ADX	4,872	0.3%	7.0%	11.1%	-5.2%	<b>ADX</b>	<b>329</b>	<b>329</b>	-
DFM	2,269	0.3%	3.4%	5.3%	-16.0%	Local	57%	62%	-5%
TASI	8,502	0.8%	-0.6%	10.3%	7.3%	Foreign	43%	38%	5%
BHSEASI	1,440	-0.6%	-2.6%	9.8%	-4.3%	Institutional	71%	62%	9%
EGX	10,953	-0.6%	-3.3%	0.1%	-24.7%	Retail	29%	38%	-9%
Dow Jones	29,480	1.4%	2.8%	5.7%	6.1%	<b>DFM</b>	<b>115</b>	<b>115</b>	-
S&P 500	3,585	1.4%	2.1%	6.3%	15.9%	Local	52%	68%	-16%
Nasdaq	11,829	1.0%	-0.3%	7.1%	39.5%	Foreign	48%	32%	16%
FTSE 100	6,316	-0.4%	5.8%	2.1%	-14.1%	Institutional	39%	30%	10%
DAX	13,077	0.2%	0.4%	0.6%	-1.2%	Retail	61%	70%	-10%
CAC40	5,380	0.3%	8.7%	6.7%	-8.9%	<b>Total</b>	<b>444</b>	<b>444</b>	-
Nikkei225	25,386	-0.5%	7.6%	9.2%	8.9%	Local	56%	63%	-8%
HIS	26,263	0.0%	6.1%	3.7%	-1.6%	Foreign	44%	37%	8%
US Futures	3,609	0.8%	4.2%	6.8%	15.7%				
Europe Futures	3,464	0.8%	6.0%	4.9%	-6.9%				

### # Last Trading Day's Short Sell Positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
Manazel	(39,437)	1.6%	2.5	0.8
FAB	(733)	0.0%	4.7	60.1
ADIB	(66,225)	3.5%	1.9	8.7

### # Upcoming Corporate Actions & Events

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

## # KEY STORIES

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Bank of Sharjah posted Q3 net profit attributable AED 110.4mln versus AED 20.3mln year ago. Q3 net interest income AED 92.4mln versus AED 108.1mln year ago

Abu Dhabi National Takaful posted Q3 profit AED 17.6mln versus AED 13.9mln year ago. Q3 gross contribution written AED 115.8mln versus AED 131.4mln year ago

Al Khaleej Investment Company posted Q3 net profit AED 6.8mln versus loss of AED 2.6mln year ago. Q3 revenue from property rentals AED 4.7mln versus AED 5.2mln year ago

Julphar is set to boost its product pipeline after posting higher sales and narrowing losses for the third quarter of the year

Auditors cast doubts on Dubai-listed Gulf Navigation's USD 53.8mln insurance claim

Abu Dhabi has introduced new "freelancer" licences to allow foreign nationals to conduct 48 types of business activities in the emirate

UAE approves "golden" visa allowing 10-year residency for certain professions - Dubai ruler on twitter

UAE on November 15 announced 1,210 new COVID-19 cases and 691 recoveries. The tally takes total cases in UAE to 150,345 with 143,252 recoveries and 530 deaths

Saudi October CPI +5.8% YoY and +0.1% MoM - Govt Data

Saudi's Electrical Industries Company announced signing optional supply agreements with Saudi Electricity Company

Kuwait's Ahli United Bank posted Q3 attributable net profit KWD 5.4mln versus KWD 14.5mln year ago. Q3 total operating revenue KWD 19.9mln versus KWD 24mln year ago

Kuwait's Burgan Bank posted Q3 attributable net profit KWD 9.8mln versus KWD 22.7mln year ago. Q3 total operating revenue KWD 57mln versus KWD 61.9mln year ago

Bahrain's Investcorp Holdings invests in Freshtohome as a part of a USD 121mln funding round alongside other investors

Oman October CPI -1.51% YoY and -0.11% MoM

Egypt's unemployment rate dropped to 7.3% in July-September, down 0.5% from the same period in 2019, state statistics agency CAPMAS said

Egypt's SODIC CEO said that the coronavirus pandemic had made it hard to achieve an EGP 8.4bln contracting target for 2020

ADIB Egypt posted Q3 consolidated attributable net profit EGP 313.2mln versus EGP 308.2mln year ago. Q3 consolidated net interest income EGP 755.2mln versus EGP 816.5mln year ago

Egypt's Emaar Misr for Development posted Q3 consolidated net profit EGP 440.4mln vs EGP 534.7mln year ago. Q3 consolidated revenue EGP 1.27bln vs EGP 882.9mln year ago

## # Key Global Trends/ Market Clues

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Asian stocks hit a record high on Monday as vaccine optimism and strong economic data from China and Japan outshone worries about rising coronavirus cases, lifting just about every sector. MSCI's broadest index of Asia-Pacific shares outside Japan gained 1% to hit its highest since its launch in 1987 with markets across the region making milestone peaks. Japan's Nikkei traded at 29-year highs, South Korea's Kospi at its highest since early 2018 and Australia's ASX 200 hit an eight-month peak in the morning, before a glitch halted trade. S&P 500 futures rose 0.8% following the index's record close on Friday, Nasdaq 100 futures leapt 1% and European futures were up strongly with EuroSTOXX 50 futures STXEcI up 0.8% and FTSE futures up half a percent. Japanese economic growth, which beat records and forecasts to pull the world's third-largest economy out of recession and better-than-expected industrial output in China added to the enthusiastic mood, as did a weekend trade deal. While light on detail, 15 Asia-Pacific economies, including China and Japan, but excluding the United States, agreed to reduce future tariffs at a time of rising protectionism elsewhere.

Oil prices climbed on Monday, recouping some losses from the previous session as hopes that OPEC+ will hold current output curbs offset concerns about weaker fuel demand due to rising COVID-19 cases and higher production from Libya. Figures showing a rebound in the world's second and third largest economies, China and Japan, also supported prices, along with data that Chinese refineries processed the most crude ever in October on a daily basis. Brent crude futures for January rose 44 cents, or 1%, to USD 43.22 a barrel by 0204 GMT, while U.S. West Texas Intermediate crude for December was at USD 40.67 a barrel, up 54 cents, or 1.4%.

## # UAE Stories

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Julphar is set to boost its product pipeline after posting higher sales and narrowing losses for the third quarter of the year. The firm reported to the Abu Dhabi Securities Exchange that its Q3 2020 sales reached AED 186.9mln, up by 10pct compared to the previous quarter. The uptick has been largely due to the company's re-entry into Saudi Arabia, Oman, Kuwait and Bahrain following the lifting of an export ban earlier imposed on the manufacturer. Julphar also reported that the company's equity has increased from AED 878mln to AED 1,267.1mln after the successful completion of a rights issue in July 2020, while its expenses reduced after cutting costs. Third-quarter loss attributable to equity holders of AED 15.6mln, substantially down from AED 201.3mln in the same period last year.

Gulf Navigation Holding seems to be facing uncertainty after including a multi-million-dollar insurance claim, the outcome of which is not certain, in its latest financial results. The shipping company had earlier seen the loss of its live animal transport vessel Gulf Livestock 1, which sunk off Japan with some cattle and dozens of crew during a typhoon in September. In its Q3 2020 results, the company mentioned that it has an insurance claim receivable worth AED 197.5mln related to the accident. However, a Deloitte report on the review of interim financial information, which was filed to the Dubai Financial Market (DFM) on Sunday, pointed out that if the claim had not been included as a receivable, the company's accumulated losses would have exceeded 50pct of the group's share capital, thus requiring a general meeting for shareholders to vote on dissolving or restructuring the company. "Based on information provided to us by management, management has recognised a receivable of AED 197.5mln in respect of an insurance claim, which is not virtually certain to be recoverable, that we believe should not be recognised to conform to International Financial Reporting Standards ("IFRSs")," the report said. "The timing and realisation of a number of key assumptions such as recoverability of insurance claim and sale of vessel within the forecasts are not wholly within management's control," the report noted, adding that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Results for the third quarter showed that the group incurred a loss of AED 63.2mln during the first nine months of 2020, compared with a loss of AED 46.3mln in 2019. In

a detailed analysis of losses, posted along with its results, Gulf Navigation said accumulated losses to the capital ratio were 49.8pct.

Abu Dhabi has introduced new "freelancer" licences to allow foreign nationals to conduct 48 types of business activities in the emirate, the state news agency reported on Sunday. The move is an attempt to create more flexibility in the jobs market and boost private businesses in the services sector, it reported. To date most foreign nationals have had to be employed by a company to win the right to work in Abu Dhabi. The freelancer licence covers sectors such as consultancy in computer hardware and software, real estate, legal consultancy, public relations, fine art and tourism.

The United Arab Emirates has approved granting "golden" visas allowing 10-year residency to certain professionals, specialised degree-holders and others, Dubai's ruler said on Sunday. All holders of doctorate degrees, medical doctors and also computer, electronics, programming, electrical and biotechnology engineers are eligible. Also eligible are those with specialised degrees in artificial intelligence, big data and epidemiology, as well as high school students living in the UAE who rank top in the country and university students with a GPA of 3.8 or higher.

The United Arab Emirates on November 15 announced 1,210 new COVID-19 cases, bringing the total confirmed cases in the country to 150,345. At the same time, 691 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 143,252. UAE's Ministry of Health and Prevention said. It has reported 2 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 530.

## # GCC/ MENA

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Saudi October CPI +5.8% YoY and +0.1% MoM - Govt Data

Saudi's Electrical Industries Company announced signing optional supply agreements with Saudi Electricity Company. Contract to supply electrical equipment of value approximately SAR 110mln. Agreements will be valid up to March 30, 2022. Expects the agreements will have a positive financial impact on its results for year 2021.

Kuwait's Ahli United Bank posted Q3 attributable net profit KWD 5.4mln versus KWD 14.5mln year ago. Q3 total operating revenue KWD 19.9mln versus KWD 24mln year ago.

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Egypt's unemployment rate dropped to 7.3% in July-September, down 0.5% from the same period in 2019, state statistics agency CAPMAS said on Sunday. Unemployment had risen to 9.6% in April-June this year due to the economic impact of the coronavirus, CAPMAS said.

Egypt's SODIC CEO said that the coronavirus pandemic had made it hard to achieve an EGP 8.4bln contracting target for 2020. CEO Maged Sherif said the pandemic had cut into sales and receivables and caused sales contract cancellations, but the situation had now returned to normal. Investments in the SODIC East project had reached EGP 17bln, with expected sales of EGP 44bln, Sherif said.

Abu Dhabi Islamic Bank Egypt posted Q3 consolidated attributable net profit EGP 313.2mln versus EGP 308.2mln year ago. Q3 consolidated net interest income EGP 755.2mln versus EGP 816.5mln year ago.

Egypt's Emaar Misr for Development posted Q3 consolidated net profit EGP 440.4mln vs EGP 534.7mln year ago. Q3 consolidated revenue EGP 1.27bln vs EGP 882.9mln year ago.

## # 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%	3.9	20.4	52.0	(13.5)		
ADIB	16,671	4.59	5.85	3.19	10.59	0.88	6.0%	7.2	23.4	40.8	(4.5)		
ADNIC	2,622	4.60	4.60	2.70	7.04	1.10	6.5%	22.7	33.3	55.9	61.4		
ADNOC Dist	42,875	3.43	3.57	2.40	20.64	15.43	5.6%	2.4	11.1	27.1	37.9		
Agthia	2,610	4.35	4.60	2.50	88.00	1.40	3.4%	(3.3)	57.0	58.2	32.7		
Air Arabia	5,413	1.16	1.61	0.87	10.88	1.33	7.8%	4.5	0.9	16.0	(7.8)		
Ajman Bank	1,439	0.69	0.93	0.50	52.13	0.57	0.0%	(0.7)	5.4	22.1	(23.3)		
Al Waha Capital	2,042	1.05	1.16	0.62	NA	0.67	NA	2.9	5.5	43.4	7.1		
Aldar Properties	21,308	2.71	2.92	1.35	11.92	0.86	5.4%	31.6	48.1	56.6	35.4		
Amanat Holdings	1,993	0.80	0.92	0.56	135.54	0.80	2.8%	(1.4)	(10.3)	3.6	(5.7)		
Amlak Finance	381	0.25	0.54	0.20	NA	0.77	0.0%	(13.0)	(23.7)	(21.6)	(40.8)		
Aramex	5,856	4.00	4.45	2.00	16.24	2.29	4.1%	(8.0)	6.7	35.1	21.8		
Bank of Sharjah	1,071	0.51	0.83	0.50	NA	0.34	0.0%	(3.8)	(3.8)	(15.0)	(36.3)		
DAMAC Properties	6,292	1.04	1.21	0.36	NA	0.48	NA	14.3	25.2	70.5	31.1		
Dana Gas	4,617	0.66	0.98	0.53	NA	0.58	8.3%	(6.9)	(5.7)	4.8	(20.3)		
Deyaar Development	1,549	0.27	0.39	0.18	29.32	0.34	0.0%	(5.6)	(6.0)	8.5	(24.5)		
Dubai Financial Market	6,720	0.84	1.00	0.50	46.28	0.87	3.0%	3.7	0.2	26.7	3.2		
Dubai Investment	4,932	1.16	1.39	0.98	8.00	0.41	NA	3.6	(0.0)	13.8	(0.6)		
Dubai Islamic Bank	30,701	4.24	5.86	3.04	8.10	0.82	8.3%	2.2	9.0	24.7	(13.1)		
DXB Entertainments	920	0.12	0.22	0.09	NA	0.80	0.0%	(2.5)	(5.0)	(15.4)	(42.5)		
Emaar Dev	9,600	2.40	3.97	1.79	4.83	0.88	0.0%	7.1	9.6	25.7	(35.1)		
Emaar Malls	21,604	1.66	1.94	0.98	18.95	1.14	0.0%	15.3	18.6	39.5	(13.5)		
Emaar Properties	20,548	2.87	4.28	1.90	4.90	0.36	0.0%	9.1	3.2	20.6	(30.3)		
Emirates Integrated Tele	24,659	5.44	6.35	4.33	13.47	2.90	6.3%	0.7	5.8	9.4	6.3		
Emirates NBD	64,429	10.20	13.90	6.33	8.68	0.78	3.9%	1.5	4.6	20.0	(12.2)		
Eshraq Investments	739	0.32	0.46	0.16	NA	0.52	NA	4.3	(26.2)	32.0	(7.8)		
Etisalat	149,410	17.18	17.22	11.02	16.71	3.19	4.7%	1.7	3.4	13.2	9.8		
First Abu Dhabi Bank	136,063	12.46	15.92	7.78	13.71	1.34	5.9%	11.1	12.5	12.5	(13.5)		
GFH	2,001	0.56	0.93	0.45	0.32	0.59	6.1%	(1.8)	(4.6)	6.7	(28.7)		
Gulf Navigation Holding	413	0.41	0.67	0.28	NA	0.76	0.0%	(0.0)	(17.5)	12.5	(38.6)		
IHC	72,857	40.00	41.00	5.25	NM	12.83	NA	2.2	10.5	53.5	661.9		
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	-	24.2	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	6,979	2.57	2.75	1.67	13.57	1.40	4.1%	14.2	29.1	31.8	44.4		
RAK Bank	5,866	3.50	5.00	3.33	8.48	0.77	8.6%	(1.4)	(0.6)	2.9	(19.7)		
RAK Properties	830	0.42	0.47	0.33	7.63	0.22	9.6%	9.2	7.5	18.6	3.9		
RAK Ceramics	1,361	1.37	1.81	1.24	16.55	0.59	10.4%	1.5	9.6	(8.1)	(1.1)		
SALAMA	951	0.79	0.88	0.30	14.01	1.23	NA	0.6	31.4	68.2	65.6		
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.52	0.48	4.0%	-	2.6	15.7	6.5		
SHUAA Capital	1,630	0.64	1.03	0.40	15.31	1.15	NA	3.9	0.5	13.0	(32.3)		
Takaful Emarat Insurance	237	1.58	1.58	0.97	NA	1.97	5.2%	10.5	8.2	10.5	32.8		
TAQA	158,532	1.41	1.78	0.40	52.42	2.55	0.0%	(1.4)	6.0	106.4	135.0		
Union Properties	1,120	0.26	0.39	0.15	3.88	0.37	0.0%	(9.1)	(20.9)	(6.8)	(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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