

## SHUAA Securities Morning Report

17 November 2020

# Market Stats						# UAE Trading Summary			
Indices	Close	Change	1M Change	3M Change	1Y Change	AEDm	BUY	SELL	Net
ADX	4,952	1.6%	8.7%	12.2%	-3.6%	<b>ADX</b>	<b>460</b>	<b>460</b>	-
DFM	2,299	1.3%	4.8%	5.3%	-14.9%	Local	53%	55%	-1%
TASI	8,527	0.3%	-0.3%	9.9%	7.6%	Foreign	47%	45%	1%
BHSEASI	1,447	0.5%	-2.1%	8.9%	-3.9%	Institutional	81%	72%	9%
EGX	10,992	0.4%	-2.9%	-1.2%	-24.4%	Retail	19%	28%	-9%
Dow Jones	29,950	1.6%	4.7%	7.2%	6.9%	<b>DFM</b>	<b>280</b>	<b>280</b>	-
S&P 500	3,627	1.2%	4.1%	7.5%	16.2%	Local	42%	59%	-17%
Nasdaq	11,924	0.8%	2.2%	8.2%	39.6%	Foreign	58%	41%	17%
FTSE 100	6,421	1.7%	8.5%	5.4%	-12.1%	Institutional	52%	43%	9%
DAX	13,139	0.5%	1.8%	1.8%	-0.8%	Retail	48%	57%	-9%
CAC40	5,471	1.7%	10.9%	10.2%	-7.9%	<b>Total</b>	<b>741</b>	<b>741</b>	-
Nikkei225	25,907	2.1%	10.7%	11.2%	11.2%	Local	49%	56%	-7%
HIS	26,410	0.9%	8.2%	4.8%	0.2%	Foreign	51%	44%	7%
US Futures	3,609	-0.4%	4.2%	6.5%	15.6%				
Europe Futures	3,451	-0.6%	7.1%	5.9%	-6.1%				

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

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
Manazel	(64,437)	8.2%	0.8	0.2
FAB	(70,061)	1.0%	6.7	85.1
RAK Properties	(449,236)	3.6%	12.6	5.4
ALDAR	(59,387)	0.2%	32.6	88.4

### # Upcoming Corporate Actions & Events

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

## # KEY STORIES

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Arabtec Holding has invited shareholders to its general assembly to hear steps taken by the board in ongoing liquidation discussions, and approve, if necessary, a resolution to amend the timetable for discussions

Damac Properties disclosed that Damac Tower Nine Elms Project on track to be completed on schedule despite challenges caused by Covid-19 and construction work on the site is fully operational

CBUAE has announced the extension of the applicability period of the key components of its economic stimulus package, the Targeted Economic Support Scheme (TESS) until 30 June 2021

Emirates president Tim Clark has revealed that the airline is working on Covid-19 vaccine transport logistics with Pfizer and other global pharmaceutical companies

Emirates airline now flies to more than 100 destinations and expects to post profit in the next two years after it reported first loss in more than 30 years due to Covid-19

Etihad Airways to conduct daily flights to Tel Aviv starting March 2021

Dubai's inflation decreased by 3.41% in October 2020, when compared to the same month of 2019

UAE on November 16 announced 1,209 new COVID-19 cases and 680 recoveries. The tally takes total cases in UAE to 151,554 with 143,932 recoveries and 534 deaths

Saudi Aramco announces its intention to issue international bonds pursuant to its global medium term note programme

Saudi Electricity announces receiving approvals of the electricity sector's financial and regulatory reforms

Saudi Enaya Cooperative appoints BMG as financial advisor for proposed merger with Amana

Bahrain's Investcorp has entered into a definitive agreement to acquire a majority ownership position in Viz Branz Holdings Pte Ltd from the existing shareholder and CEO, Ben Chng

Egypt's central bank said on Monday that it sold USD 1.585bln in one-year dollar-denominated treasury bills. The average yield was 3.394%

Egypt registered a primary surplus of EGP 5.5bln in the first four months of its 2020-2021 financial year, down from EGP 12bln in the same period last year

Egypt expects an average interest rate of 13% on government debt instruments in the 2021-22 fiscal year starting next July

Egypt's Palm Hills Developments posted Q3 consolidated net profit EGP 238mln versus EGP 92.8mln year ago

## # Key Global Trends/ Market Clues

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Asian stocks cautiously pushed further into record territory on Tuesday, and oil edged higher after U.S. benchmarks were pepped up by news of another promising coronavirus vaccine. Investor sentiment was given a boost when Moderna Inc said its experimental COVID-19 vaccine was 94.5% effective in preventing infection based on interim late-state data. The Cambridge, Massachusetts-based firm became the second drugmaker, after Pfizer Inc, to announce promising trial data in the development of a vaccine to defeat the pandemic. Its shares gained 9.6% on the day. MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.11% on Tuesday morning, a day after hitting its highest level since launching in 1987. The MSCI World Index of global shares which also hit a record high on Monday, ticked higher still in Asia's morning trading. Hong Kong benchmark rose 0.1% and Australia's S&P/ASX 200 rose 0.23%, after Monday's trading had been severely curtailed by a software glitch. Japan's Nikkei 225 fell 0.2% after hitting a 29 year high the day before.

Oil prices edged higher on Tuesday on expectations OPEC and its allies will extend oil production cuts for at least three months, while sentiment was bolstered by news of another promising coronavirus vaccine. Brent crude futures for January rose 16 cents, or 0.4%, to USD 43.98 a barrel by 0104 GMT and U.S. West Texas Intermediate crude for December added 13 cents, or 0.3%, to USD 41.47 a barrel.

OPEC+ compliance in October slipped to 96%, from 101%, when compensation cuts for past overproduction by some member countries were taken into account, an OPEC+ source told Reuters on Monday.

## # UAE Stories

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Arabtec Holding has invited shareholders to its general assembly to hear steps taken by the board in ongoing liquidation discussions, and approve, if necessary, a resolution to amend the timetable for discussions, said a statement to Dubai Financial Market. Shareholders voted to liquidate the company on September 30, and a two-month deadline was set for the board for discussions with main stakeholders before a liquidation application is submitted to competent courts. Shareholders can take part in the general assembly virtually on November 30.

Damac Properties disclosed that Damac Tower Nine Elms Project on track to be completed on schedule despite challenges caused by Covid-19 and construction work on the site is fully operational.

The Central Bank of the UAE, CBUAE, has announced the extension of the applicability period of the key components of its economic stimulus package, the Targeted Economic Support Scheme (TESS) until 30 June 2021. The TESS was launched by the CBUAE in March 2020 to support the UAE's economy during the COVID-19 pandemic, through a range of integrated relief measures to the banking sector related to funding, liquidity, lending and capital. Under this extension, the CBUAE will extend the duration of the Zero Cost Facility (ZCF) of AED 50bln, which benefits retail and corporate banking customers and facilitates liquidity management for banks through collateralised funding at zero cost, for an additional period of six months. Hence, starting from 1 January 2021, banks and finance companies participating in the TESS will be able to provide new loans and facilities to customers negatively affected by the pandemic within the applicable terms and conditions set by the TESS standards.

UAE flag carrier Emirates president Tim Clark has revealed that the airline is working on Covid-19 vaccine transport logistics with Pfizer and other global pharmaceutical companies.

Emirates airline now flies to more than 100 destinations and expects to post profit in the next two years after it reported first loss in more than 30 years due to Covid-19. Tim Clark, president of Emirates airline, projected that the carrier will return to profitability within the next 18 months or two years.

The UAE's flagship carrier Etihad Airways on Monday announced the launch of daily flights from the capital of Abu Dhabi to Israel's Tel Aviv starting from March 28, 2021.

Dubai's inflation decreased by 3.41% in October 2020, when compared to the same month of 2019, according to the latest statistics by the Dubai Statistics Centre. Lower inflation is driven by a decline in the prices of the housing, water, electricity, gas, and other fuels sector by 6.96%, transport by 6.29%, and recreation and culture by 12.22%. Meanwhile, the prices of the clothing and footwear and miscellaneous goods and services sectors retreated by 2.25% and 0.26%, respectively.

The UAE's flagship carrier Etihad Airways on Monday announced the launch of daily flights from the capital of Abu Dhabi to Israel's Tel Aviv starting from March 28, 2021. "The new service effective from 28 March 2021 will provide greater choice and convenience for point-to-point business and leisure travellers between the UAE and Israel. It will not only promote direct inbound tourism to Abu Dhabi, but will also give Emiratis and UAE residents the opportunity to discover Israel's historical sites, beaches, restaurants and nightlife," the airline said in an official statement published on its website. Departures will be scheduled to connect through the UAE capital to key stations across the airline's network, including China, India, Thailand and Australia, the statement read. On October 19, Etihad became the first airline of a Gulf country to operate a direct commercial passenger flight to and from Tel Aviv.

The United Arab Emirates on November 16 announced 1,209 new COVID-19 cases, bringing the total confirmed cases in the country to 151,554. At the same time, 680 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 143,932. UAE's Ministry of Health and Prevention said. It has reported 4 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 534.

## # GCC/ MENA

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Saudi Aramco announces its intention to issue international bonds pursuant to its global medium term note programme. Bonds will be senior, USD denominated, unsecured by assets. Amount is subject to market conditions. Net proceeds from each issue of bonds will be used by Aramco for general corporate purposes or for any other purpose specified in final terms for a series of bonds. Aramco has mandated J.P. Morgan and Morgan Stanley as arrangers and dealers. Arrangers and dealers will organize a series of fixed income investor meetings. Offering of the bonds will be limited to qualified investors in the jurisdictions in which the offering will be made.

Saudi Electricity announces receiving approvals of the electricity sector's financial and regulatory reforms. Reforms including the reclassification of its financial government liabilities. To re-reclassify SEC's net government liabilities in the amount of SAR 167.92bln into a subordinated perpetual financial equity-like instrument. Subordinated perpetual financial equity-like instrument with redemption option and a profit rate of 4.5% per annum. Profit rate is payable once SEC distributes dividends to ordinary shares. This financial instrument is shariah compliant and classified under shareholders' equity and considered non-dilutive to existing shareholders' stakes. Financial instrument represents about 33.4% of SEC's total asset as at end of Q3 2020, and includes government loans and net government payables and accruals after offsetting for outstanding amounts owed to sec by government, in accordance to SEC's financial statements at end of fiscal year 2019. In addition, it includes an amount of SAR 3.35bln total dividends owed to Saudi Aramco since sec's inception until 2017, book value of which was previously transferred to ministry of finance. SEC will be seeking general assembly approval to recognize dividends owed to Saudi Aramco as being part of financial instrument. Total disputed amounts between SEC and ministry of finance are SAR 10.3bln.

Saudi Enaya Cooperative appoints BMG as financial advisor for proposed merger with Amana.

Bahrain's Investcorp announced that it has entered into a definitive agreement to acquire a majority ownership position in Viz Branz Holdings Pte Ltd from the existing shareholder and CEO, Ben Chng. The deal was concluded in partnership with the Asia Food Growth Fund I. Established in 1988, Viz Branz is a leading, family-owned manufacturer and distributor of market leading instant cereal and beverage brands across China and Southeast Asia, including the popular Gold Roast, Calsome, Royal Myanmar Tea and Cafe 21 brands.

Egypt's central bank said on Monday that it sold USD 1.585bln in one-year dollar-denominated treasury bills. The average yield was 3.394%.

Egypt registered a primary surplus of EGP 5.5bln in the first four months of its 2020-2021 financial year, down from EGP 12bln in the same period last year, finance minister Mohamed Maiit told a news conference on Monday. The country's budget deficit in July-October 2020 registered 2.6% down from 3.1% in the same months a year prior, Maiit added.

Egypt expects an average interest rate of 13% on government debt instruments in the 2021-22 fiscal year starting next July, a government document showed on Monday. The country will also target a budget deficit equivalent to 6.5% of GDP next fiscal year, the draft of the budget dated Oct. 2020 said.

Egypt's Palm Hills Developments posted Q3 consolidated net profit EGP 238mln versus EGP 92.8mln year ago. Q3 consolidated revenue EGP 1.54bln versus EGP 1.10bln year ago. In 9M, new sales (residential and commercial) stood at EGP 7.3bln, translating into 1,040 units sold, a growth of 21% YoY. By end of 9M, PHD had ready to move inventory worth EGP 3.2bln (267 units) across several projects. Continue to work on reducing our net debt, which reached EGP 1.4bln in 9M 2020, a decrease of EGP 0.7bln from 1Q 2020. Hope to close year with a net debt of less than EGP 1bln. Receivables stood at EGP 21.3bln, covering net debt 15 times in 9M 2020.

*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 (%) <sup>^</sup>	HISTORICAL RETURN			
			52WH	52WL	TTM P/E	TTM P/B		1M%	3M%	6M%	12M%
ADCB	43,136	6.20	8.15	3.82	11.91	0.78	6.1%	4.9	20.2	53.5	(12.4)
ADIB	16,925	4.66	5.85	3.19	10.75	0.89	5.9%	8.9	24.3	42.9	(2.6)
ADNIC	2,622	4.60	4.60	2.70	7.04	1.10	6.5%	22.7	31.4	55.9	61.4
ADNOC Dist	42,750	3.42	3.57	2.40	20.58	15.39	5.6%	2.1	13.3	26.8	37.5
Agthia	2,616	4.36	4.60	2.50	88.21	1.40	3.4%	(3.1)	57.4	58.5	31.1
Air Arabia	5,460	1.17	1.61	0.87	10.88	1.34	7.7%	5.4	0.9	17.0	(7.7)
Ajman Bank	1,439	0.69	0.93	0.50	52.13	0.57	0.0%	(0.7)	2.2	22.1	(24.1)
Al Waha Capital	2,139	1.10	1.16	0.62	NA	0.70	NA	7.8	10.7	50.3	12.4
Aldar Properties	21,386	2.72	2.92	1.35	11.97	0.86	5.3%	32.0	47.0	57.2	35.3
Amanat Holdings	1,975	0.79	0.92	0.56	134.35	0.79	2.8%	(2.2)	(10.2)	2.7	(6.6)
Amlak Finance	387	0.26	0.54	0.20	NA	0.78	0.0%	(11.6)	(23.4)	(20.4)	(33.7)
Aramex	5,856	4.00	4.45	2.00	16.24	2.29	4.1%	(8.0)	5.3	35.1	23.9
Bank of Sharjah	1,136	0.54	0.83	0.50	NA	0.36	0.0%	2.1	2.1	(9.8)	(32.4)
DAMAC Properties	6,413	1.06	1.21	0.36	NA	0.49	NA	16.5	26.9	73.8	40.4
Dana Gas	4,645	0.66	0.98	0.53	NA	0.59	8.3%	(6.3)	(5.1)	5.4	(19.4)
Deyaar Development	1,589	0.28	0.39	0.18	30.09	0.35	0.0%	(3.2)	(5.2)	11.3	(19.8)
Dubai Financial Market	6,768	0.85	1.00	0.50	46.61	0.88	3.0%	4.4	0.8	27.6	7.0
Dubai Investment	4,975	1.17	1.39	0.98	8.07	0.42	NA	4.5	(0.8)	14.8	1.0
Dubai Islamic Bank	30,628	4.23	5.86	3.04	8.08	0.82	8.3%	1.9	7.1	24.4	(13.3)
DXB Entertainments	1,505	0.12	0.22	0.09	NA	0.83	0.0%	0.8	(1.7)	(12.5)	(41.1)
Emaar Dev	9,840	2.46	3.97	1.79	4.95	0.90	0.0%	9.8	11.3	28.8	(33.5)
Emaar Malls	22,385	1.72	1.94	0.98	19.63	1.18	0.0%	19.4	22.9	44.5	(10.4)
Emaar Properties	21,336	2.98	4.28	1.90	5.09	0.38	0.0%	13.3	6.4	25.2	(27.3)
Emirates Integrated Tele	24,930	5.50	6.35	4.33	13.62	2.93	6.2%	1.9	6.6	10.6	6.9
Emirates NBD	65,377	10.35	13.90	6.33	8.81	0.79	3.9%	3.0	3.0	21.8	(9.4)
Eshraq Investments	744	0.32	0.46	0.16	NA	0.53	NA	4.9	(23.3)	32.8	(8.3)
Etisalat	150,106	17.26	17.26	11.02	16.79	3.20	4.6%	2.1	3.4	13.7	11.1
First Abu Dhabi Bank	140,650	12.88	15.92	7.78	14.18	1.39	5.7%	14.8	15.0	16.2	(10.6)
GFH	2,015	0.56	0.93	0.45	0.32	0.59	6.0%	(1.1)	(3.9)	7.4	(25.6)
Gulf Navigation Holding	419	0.41	0.67	0.28	NA	0.78	0.0%	1.5	(18.8)	14.2	(36.7)
IHC	72,928	40.04	41.00	5.25	NM	12.84	NA	2.3	10.6	53.6	662.7
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	-	30.7	125.6	53.1
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	9,535	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	7,088	2.61	2.75	1.67	13.78	1.43	4.0%	16.0	31.2	33.8	45.0
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	858	0.43	0.47	0.33	7.89	0.22	9.3%	12.9	10.9	22.6	6.2
RAK Ceramics	1,351	1.36	1.81	1.24	16.43	0.59	10.5%	0.7	4.6	(8.7)	(0.6)
SALAMA	938	0.78	0.88	0.30	6.01	1.08	NA	(0.9)	29.2	65.9	71.1
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.52	0.48	4.0%	-	3.5	15.7	5.6
SHUAA Capital	1,623	0.64	1.03	0.40	15.23	1.14	NA	3.4	(0.8)	12.5	(32.2)
Takaful Emarat Insurance	226	1.51	1.58	0.97	NA	1.88	5.5%	5.6	3.4	5.6	26.9
TAQA	160,781	1.43	1.78	0.40	53.16	2.59	0.0%	-	6.7	109.4	136.4
Union Properties	1,111	0.26	0.39	0.15	3.85	0.37	0.0%	(9.8)	(20.8)	(7.5)	(15.1)
United Arab Bank	1,844	0.89	1.13	0.81	NA	NA	0.0%	NA	NA	-	(18.7)

(Source: Bloomberg)

<sup>^</sup> current dividend yield based on last year dividend declaration

## Disclaimer

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