

## SHUAA Securities Morning Report

18 October 2020

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,554	-0.4%	1.0%	7.9%	-10.4%
DFM	2,195	-1.1%	-4.3%	7.1%	-22.3%
TASI	8,554	-0.4%	2.8%	15.3%	14.3%
BHSEASI	1,478	0.1%	5.5%	13.3%	-2.7%
EGX	11,323	-0.1%	2.7%	6.6%	-19.5%
Dow Jones	28,606	0.4%	2.0%	7.0%	5.9%
S&P 500	3,484	0.0%	2.9%	8.3%	16.5%
Nasdaq	11,672	-0.4%	5.6%	11.4%	43.7%
FTSE 100	5,920	1.5%	-2.6%	-5.3%	-17.4%
DAX	12,909	1.6%	-2.6%	0.3%	1.9%
CAC40	4,936	2.0%	-2.7%	-2.9%	-13.4%
Nikkei225	23,411	-0.4%	-0.3%	2.8%	4.2%
HIS	24,387	0.9%	-1.4%	-2.3%	-8.5%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>427</b>	<b>427</b>	<b>-</b>
Local	67%	43%	23%
Foreign	33%	57%	-23%
Institution	91%	84%	6%
Retail	9%	16%	-6%
<b>DFM</b>	<b>240</b>	<b>240</b>	<b>-</b>
Local	71%	59%	12%
Foreign	29%	41%	-12%
Institution	19%	61%	-42%
Retail	81%	39%	42%
<b>Total</b>	<b>666</b>	<b>666</b>	<b>-</b>
Local	68%	49%	19%
Foreign	32%	51%	-19%

### # Upcoming Corporate Actions & Events

Date	Company	Event
19-Oct	ENBD	BoD/Results
19-Oct	ARTC	BoD/Liquidation
19-Oct	SIB	BoD/General
20-Oct	FAB	General Assembly/Stake Acquisition
20-Oct	DIB	BoD/Results
21-Oct	ETISALAT	BoD/Results
25-Oct	DSI	General Assembly
12-Nov	GFH	BoD/Results
12-Nov	ITHMAAR	BoD/Results

## # KEY STORIES

---

UAE on October 17 reported 1,538 new cases of the Covid-19, along with 1,411 recoveries. Total cases in the country at 114,387 with 106,354 recoveries and 459 deaths

Arabtec Holding asked banks for a three-month standstill on debt repayments for its subsidiary Target

DFM disclosed direct deal implemented on the shares of Amanat Holdings at a total value of AED 76.32mln

Wizz Air Abu Dhabi has officially received its Air Operator Certificate, from the UAE General Civil Aviation Authority

First Abu Dhabi Bank has raised HKD 300mln (USD 38.7mln) in public offering of fixed rate notes due 2025. The offering is part of USD 15bln EMTN Programme

Agility unit won a nine-year, exclusive concession to provide passenger-handling services at Baghdad International Airport, estimated revenue of concession is USD 2mln per year

Gulf Marine Services says 29% shareholder Seafox International Ltd has opted to vote against the firm's proposed warrant issue. GMS is seeking shareholder approval to issue warrants to its lending banks by the end of 2020

Abu Dhabi Pension Fund and ADQ will invest USD 2.1bln into select ADNOC gas pipeline infrastructure assets

UAE, Israel working on double tax treaty to encourage investment

Mubadala took a 3.1% stake in the Spain-based gas system operator

Saudi September CPI +5.7% YoY and -0.2% MoM

Saudi BinDawood's retail IPO oversubscribed by 1,396%. A total of 324,046 individual investors subscribing to invest USD 816mn in the IPO

S&P says Oman downgraded to 'bb-' on higher external risks and indebtedness; outlook negative

Oman's Ominvest posted nine-month group profit attributable to shareholders OMR 28.7mln vs OMR 22.1mln year ago. Nine-month group total income OMR 205.8mln vs OMR 225.7mln year ago

Egypt's Amer Group Holding unit Delmar for Touristic Development signs EGP 450mln financing contract with Ahli United Bank to finance Porto Heliopolis Project

Egypt's Porto Group Holding concludes contract with Banque Misr for EGP 500mln long term financing for fast implementation of Porto October Project

## # Key Global Trends/ Market Clues

---

Global shares bounced on Friday while safe havens such as the dollar were on the defensive as investors welcomed news that drugmaker Pfizer could have a coronavirus vaccine ready in the United States by the end of this year. But concerns that a teetering recovery in the world economy could be scuttled by a resurgence in the COVID-19 pandemic in Europe and the United States kept oil prices under pressure, and 10-year German bond yields near seven-month lows. Indeed, two of the three major U.S. stock indexes pared earlier gains by the end of Friday, with the S&P 500 little changed at 3,483.81, while the Dow Jones Industrial Average gained 112 points, or 0.4%, to close at 28,606.31. The Nasdaq Composite reversed into losses to end 42 points lower, down 0.4%, at 11,671.56. The pan-European STOXX 600 jumped 1.3%, while shares in London, Frankfurt and Paris all climbed between 1.5% and 2%. Asian shares also managed to notch modest gains on Friday, even though shares in China and Japan posted slim declines. The MSCI Asia-Pacific share index rose 0.3%, while Japan's Nikkei lost 0.4%. Chinese stocks edged down 0.2%, but the main stock index was up for the week for the third consecutive week.

Oil prices edged lower on Friday, dragged down by concerns that a spike in COVID-19 cases in the United States and Europe will continue to drag on demand in two of the world's biggest fuel-consuming regions. OPEC+, a grouping of the Organization of the Petroleum Exporting Countries and allied producers including Russia, fear a prolonged second wave of the pandemic and a jump in Libyan output could push the oil market into surplus next year, according to a confidential document seen by Reuters, a much gloomier outlook than just a month ago. Brent crude futures fell 23 cents to settle at USD 42.93 a barrel, and U.S. West Texas Intermediate (WTI) crude futures dropped 8 cents to settle at USD 40.88 a barrel.

OPEC and its allies fear a prolonged second wave of the COVID-19 pandemic and a jump in Libyan output could push the oil market into surplus next year, according to a confidential document seen by Reuters, a gloomier outlook than just a month ago. A panel of officials from OPEC+ producers, called the Joint Technical Committee, considered this worst-case scenario during a virtual monthly meeting on Thursday. In September, the panel had not seen a surplus under any scenarios it considered. Such a surplus could threaten plans by OPEC, Russia and allies, known as OPEC+, to taper record output cuts made this year by adding 2mln bpd of oil to the market in 2021. The document presented scenarios that included a base case that still showed a deficit in 2021 of 1.9mln barrels per day (bpd) on average, albeit less than the deficit of 2.7mln bpd forecast in the previous month's base case. But under its worst-case scenario, the document said the market could flip into a surplus of 200,000 bpd in 2021.

## # UAE Stories

---

The United Arab Emirates on October 17 announced 1,538 new COVID-19 cases, bringing the total confirmed cases in the country to 114,387. At the same time, 1,411 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 106,354, 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 459.

Arabtec Holding asked banks for a three-month standstill on debt repayments for its subsidiary Target, sources said, as the Dubai-listed builder that is facing liquidation seeks to save some of its business. Target specialises in oil and gas projects and marine work with operations in the United Arab Emirates, Qatar and Saudi Arabia, its website says. Shareholders, including Abu Dhabi state fund Mubadala voted last month to liquidate Arabtec after losses deepened due to the coronavirus crisis. Arabtec told banks that Target had been identified as a sustainable business and could be protected from the collapse of the wider group if creditors agreed to a standstill, said three sources with direct knowledge of the matter. The company did not tell lenders how much of their lending to Arabtec was allocated to Target, the sources said. Arabtec had total liabilities of about USD 2.75bln at the end of June, including almost USD 500mln in bank borrowing. Arabtec's seven lenders, including Mashreq Bank and Abu Dhabi Commercial Bank, were providing feedback to the request related to Target, the sources said. Mashreq Bank and ADCB declined to comment. Other lenders could not immediately be reached.

Amanat makes first venture capital investment an AED 18.4mln (USD 5 million) investment Edtech company Begin. As part of investment, Amanat becomes Begin's principal strategic partner in mena region

DFM disclosed direct deal implemented on the shares of Amanat Holdings at a total value of AED 76.32mln. The deal was executed on around 90mln shares at a price of AED 0.848 per share. Sheikh Theyab bin Zayed bin Sultan Al Nahyan acquired about 5.64% of the company's shares.

Wizz Air Abu Dhabi has officially received its Air Operator Certificate, AOC, from the UAE General Civil Aviation Authority, GCAA. Receiving the AOC completes the last step in the regulatory processes for starting the airline and is the confirmation from the GCAA that Wizz Air Abu Dhabi is in compliance with all applicable requirements and is fully capable of fulfilling its responsibilities and conducting a safe and efficient operation. The AOC processes have been completed over the course of eight months, during a period of unprecedented crisis in the airline industry due to COVID-19, travel restrictions and lockdowns of countries. Despite this, both the GCAA and Wizz Air Abu Dhabi representatives managed to obtain the necessary requirements to acquire the operator certificate.

First Abu Dhabi Bank has raised HKD 300mln (USD 38.7mln) in public offering of fixed rate notes due 2025. The offering is part of USD 15bln EMTN Programme. The notes will carry a coupon rate of 1.5% per annum, payable on October 15 of each year, commencing on October 15, 2021 and will mature on October 15, 2025.

Agility unit won a nine-year, exclusive concession to provide passenger-handling services at Baghdad International Airport, estimated revenue of concession is USD 2mln per year.

Gulf Marine Services says 29% shareholder Seafox International Ltd has opted to vote against the firm's proposed warrant issue. GMS is seeking shareholder approval to issue warrants to its lending banks by the end of 2020. Therefore, is urging all other shareholders to vote in favour of the warrant issue at the upcoming general meeting. Gulf Marine has previously accused Seafox of a "sustained campaign" to disrupt its governance and management.

Abu Dhabi Pension Fund and ADQ will invest USD 2.1bln into select ADNOC gas pipeline infrastructure assets. Under terms of agreement, ADNOC will divest 20% in ADNOC Gas Pipelines Holdco.

Mubadala took a 3.1% stake in the Spain-based gas system operator Enagas, according to a filing to the Madrid stock market regulator released on Wednesday. Mubadala, which has already invested in other Spanish assets in the oil and technology industries, joins Inditex's owner Amancio Ortega, who owns 5% of Enagas and Spanish state-owned investment arm SEPI, which also owns 5%. Mubadala holds 3.1% of voting rights in Enagas, the filing said. Enagas owns stakes in firms in the Mediterranean region, Latin America and the United States.

The United Arab Emirates and Israel have reached a preliminary agreement on avoiding double taxation, as part of moves to encourage investments between the two countries, the UAE finance ministry said on Thursday. Israel and the UAE signed a normalisation deal on Sept. 15, forging formal diplomatic ties. Israel ratified the deal in a cabinet vote on Monday and a parliamentary vote on Thursday. "There is a preliminary agreement between both countries to start negotiations with Israel on Double Taxation Avoidance Agreement soon," the UAE finance ministry said in a statement, citing undersecretary Younis Haji Al Khoori.

## # GCC/ MENA

---

Saudi September CPI +5.7% YoY and -0.2% MoM.

Saudi's Bindawood successfully completed the retail offering in relation to its Initial Public Offering (IPO) of shares. Its retail offering was oversubscribed by 1,396%, according to NCB Capital, the lead manager of the offering, with Goldman Sachs Saudi Arabia and J.P. Morgan Saudi Arabia Company, as joint-financial advisors. Following the completion of the institutional book-building process, the retail offering took place from Oct. 8 to 12, 2020. A total of 324,046 individual investors subscribing to invest SAR 3.06bln at the IPO price of SAR 96 per share, making it oversubscribed by 1,395.91%. Retail investors started on Oct. 8 subscribing to around 2.29mln shares of BinDawood at SAR 96 each, after completing the institutional book-building process. The institutional offering was 4,870% oversubscribed. The company allocated a minimum of 7 shares to each retail subscriber included in the subscription request. The remaining shares have been allocated on a pro rata basis at around 0.05964%, based on the size of each subscriber's request compared to the total remaining subscribed shares. Final allocations and refunds (if any) will be processed no later than Oct. 20, 2020. The retail offering followed the completion of the institutional book-building process. The book-building process generated an order book of SAR 106.9bln.

S&P says Oman downgraded to 'bb-' on higher external risks and indebtedness; outlook negative. S&P says sharp drop in oil prices in 2020 will intensify Oman's fiscal and external pressures. Negative outlook reflects risk that despite government's fiscal consolidation plans, implementation could be insufficient to stem debt rise.

Oman's Ominvest posted nine-month group profit attributable to shareholders OMR 28.7mln vs OMR 22.1mln year ago. Nine-month group total income OMR 205.8mln vs OMR 225.7mln year ago.

Egypt's Amer Group Holding unit Delmar for Touristic Development signs EGP 450mln financing contract with Ahli United Bank to finance Porto Heliopolis Project.

Egypt's Porto Group Holding concludes contract with Banque Misr for EGP 500mln long term financing for fast implementation of Porto October Project.

*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	41,118	5.91	8.15	3.82	11.17	0.78	6.4%	7.1	18.7	31.0	(16.7)
ADIB	15,545	4.28	5.85	3.19	9.36	0.84	6.4%	1.2	16.3	23.0	(13.3)
ADNIC	2,138	3.75	4.00	2.70	6.02	0.98	8.0%	(2.6)	19.0	11.9	21.0
ADNOC Dist	41,875	3.35	3.57	2.40	21.42	12.16	5.7%	1.5	13.9	23.3	36.8
Agthia	2,700	4.50	4.60	2.50	28.35	1.42	3.3%	40.6	50.5	55.3	28.0
Air Arabia	5,180	1.11	1.61	0.87	10.32	1.26	8.1%	(4.3)	(5.9)	7.8	(11.8)
Ajman Bank	1,449	0.69	0.94	0.50	39.20	0.58	0.0%	(1.6)	17.9	21.1	(24.6)
Al Waha Capital	1,983	1.02	1.05	0.62	NA	0.67	NA	7.9	39.7	35.8	1.0
Aldar Properties	16,197	2.06	2.37	1.35	9.29	0.66	7.0%	(0.0)	20.5	37.3	2.0
Amanat Holdings	2,020	0.81	0.92	0.56	79.14	0.81	2.7%	(2.8)	(9.8)	8.0	(6.7)
Amlak Finance	438	0.29	0.60	0.20	NA	0.68	0.0%	(12.3)	(10.4)	(5.8)	(47.9)
Aramex	6,369	4.35	4.45	2.00	14.88	2.54	3.8%	15.1	27.9	71.8	14.2
Bank of Sharjah	1,113	0.53	0.83	0.53	NA	0.36	0.0%	NA	(4.8)	(14.5)	(35.8)
DAMAC Properties	5,506	0.91	0.98	0.36	NA	0.40	NA	(3.4)	12.1	50.2	(0.1)
Dana Gas	4,960	0.71	0.98	0.53	NA	0.54	7.8%	(3.0)	5.0	21.5	(18.0)
Deyaar Development	1,641	0.28	0.41	0.18	31.07	0.36	0.0%	(4.4)	1.1	18.3	(23.5)
Dubai Financial Market	6,480	0.81	1.00	0.50	48.19	0.85	3.1%	(4.5)	1.8	21.3	(4.8)
Dubai Investment	4,762	1.12	1.39	0.98	9.35	0.41	NA	(6.7)	(2.6)	7.9	(5.6)
Dubai Islamic Bank	30,049	4.15	5.86	3.04	7.26	0.82	8.4%	(3.7)	7.0	20.6	(14.2)
DXB Entertainments	944	0.12	0.22	0.09	NA	0.46	0.0%	(11.3)	(2.5)	(10.6)	(44.6)
Emaar Dev	8,960	2.24	4.11	1.79	3.81	0.84	0.0%	(2.2)	7.7	9.8	(45.4)
Emaar Malls	18,741	1.44	1.96	0.98	12.48	1.00	0.0%	(2.7)	2.1	29.7	(24.6)
Emaar Properties	18,830	2.63	4.55	1.90	3.69	0.34	0.0%	(10.2)	1.5	6.9	(40.6)
Emirates Integrated Tele	24,478	5.40	6.35	4.33	17.63	2.96	6.3%	1.7	7.7	(0.8)	1.1
Emirates NBD	63,482	10.05	13.90	6.33	5.58	0.78	4.0%	(7.4)	18.2	19.8	(13.1)
Eshraq Investments	709	0.31	0.46	0.16	NA	0.51	NA	(24.7)	27.6	28.2	(20.8)
Etisalat	146,975	16.90	17.00	11.02	16.67	3.24	4.7%	2.3	2.5	15.1	8.0
First Abu Dhabi Bank	122,522	11.22	15.92	7.78	11.67	1.25	6.6%	(0.7)	5.8	(4.1)	(22.6)
GFH	2,042	0.57	0.93	0.45	0.33	0.60	6.0%	(8.8)	2.3	6.3	(30.5)
Gulf Navigation Holding	413	0.41	0.72	0.28	NA	0.76	0.0%	(15.6)	(16.3)	21.6	(43.0)
IHC	71,291	39.14	40.90	5.00	NM	15.20	NA	4.1	26.7	82.0	682.8
Julphar	1,721	1.49	1.54	0.54	NA	1.59	0.0%	17.3	20.2	162.9	39.1
Mashreqbank	11,140	62.75	86.80	62.00	8.08	0.52	6.4%	(6.2)	(6.2)	(3.5)	(16.3)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	6,110	2.25	2.39	1.67	12.27	1.27	4.7%	3.2	20.3	10.3	23.6
RAK Bank	5,950	3.55	5.00	3.33	7.04	0.80	8.5%	(0.8)	(1.4)	(5.3)	(15.8)
RAK Properties	760	0.38	0.47	0.33	6.81	0.20	10.5%	(3.8)	7.6	9.5	(8.0)
RAK Ceramics	1,342	1.35	1.81	1.24	15.19	0.60	10.6%	(1.5)	0.7	(2.9)	1.2
SALAMA	984	0.81	0.88	0.30	14.49	1.27	NA	4.2	50.3	102.2	48.8
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.18	0.48	4.0%	(0.0)	5.4	10.3	6.5
SHUAA Capital	1,570	0.62	1.03	0.40	22.06	1.19	NA	(12.2)	18.4	31.7	(33.8)
Takaful Emarat Insurance	215	1.43	1.46	0.97	NA	1.78	5.8%	(0.7)	6.7	1.4	19.2
TAQA	160,781	1.43	1.65	0.40	NA	5.08	0.0%	5.9	43.0	116.7	123.4
Union Properties	1,231	0.29	0.39	0.15	4.27	0.40	0.0%	(6.2)	1.1	6.7	(9.2)
United Arab Bank	1,844	0.89	1.13	0.81	NA	NA	0.0%	NA	NA	(0.2)	(18.7)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

## Disclaimer

*This report was prepared by SHUAA Securities ("SS") in and for the United Arab Emirates ("U.A.E."). SS is a securities brokerage company regulated by the Emirates Securities and Commodities Authority (and neither an investment nor a financial advisory firm). The information contained in this report is given in summary and does not purport to be complete. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. Content of this report is provided solely for informational purposes and private circulation and should not be construed as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or any other financial product or instrument, or adopting any hedging or investment strategy and does not take into account your particular investment objectives, financial situation, tax implications or any other needs. Before acting on any information you should consider and confirm the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek professional financial advice. While based on information believed to be reliable, we do not guarantee and make no express or implied representation as to the accuracy of this report or complete description of the securities markets or developments referred to in this report. The information, contained in this report are as of the date indicated and are subject to change at any time without prior notice. This report may provide the addresses of, or contain hyperlinks to, websites. SS has not reviewed any such site and takes no responsibility for the content of the same. Such address or hyperlink is provided solely for your convenience and information and the content of any such website does not in any way form part of this document. Accessing such website or following such link through this report or SS's website shall be at your own risk. The stated price of any securities mentioned in this report is as of the date indicated and is not a representation made by SS that any transaction can be effected at this price. This report is for UAE distribution and only under such circumstances as may be permitted by applicable law. The information contained in this report is not intended nor can it be construed as intended to be directed to any US persons (being any US Citizens, US Green Card Holders, or Resident Aliens subject to US income taxes for IRS purposes) unless stated otherwise. Neither SS nor its officers, directors or shareholders or other persons shall be liable for any direct, indirect, incidental or other damages including loss of profits arising in any way from the information contained in this report. This report is a mere update intended solely for the use by the intended recipients and the content of it may not be reproduced, redistributed or copied in whole or in part for any purpose without SS's prior express consent.*