

## SHUAA Securities Morning Report

19 November 2020

# Market Stats						# UAE Trading Summary			
Indices	Close	Change	1M Change	3M Change	1Y Change	AEDm	BUY	SELL	Net
ADX	4,952	-0.2%	8.9%	11.4%	-1.9%	<b>ADX</b>	<b>531</b>	<b>531</b>	-
DFM	2,324	0.3%	6.5%	4.5%	-13.4%	Local	72%	63%	9%
TASI	8,621	0.6%	0.7%	9.8%	7.8%	Foreign	28%	37%	-9%
BHSEASI	1,445	-0.2%	-2.2%	7.1%	-3.8%	Institutional	71%	61%	10%
EGX	10,990	-0.7%	-1.7%	-0.8%	-23.6%	Retail	29%	39%	-10%
Dow Jones	29,438	-1.2%	2.9%	6.0%	5.0%	<b>DFM</b>	<b>323</b>	<b>323</b>	-
S&P 500	3,568	-1.2%	2.4%	5.3%	14.3%	Local	42%	62%	-20%
Nasdaq	11,802	-0.8%	1.1%	5.3%	38.0%	Foreign	58%	38%	20%
FTSE 100	6,385	0.3%	7.9%	5.1%	-12.6%	Institutional	47%	30%	17%
DAX	13,202	0.5%	2.3%	2.5%	0.0%	Retail	53%	70%	-17%
CAC40	5,511	0.5%	11.7%	11.6%	-7.1%	<b>Total</b>	<b>854</b>	<b>854</b>	-
Nikkei225	25,728	-1.1%	9.9%	11.6%	9.9%	Local	60%	62%	-2%
HIS	26,394	0.5%	8.8%	4.6%	-0.5%	Foreign	40%	38%	2%
US Futures	3,562	-0.1%	3.8%	5.4%	14.6%				
Europe Futures	3,448	-0.9%	8.0%	6.5%	-5.5%				

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

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
ADIB	(61,522)	0.9%	7.2	33.1
ALDAR	(249,808)	0.5%	52.7	151.0
FAB	(22,060)	0.3%	7.1	91.0
RAKPROP	(94,086)	2.2%	4.3	1.8
ADCB	(5,000)	0.1%	8.2	50.6

### # Upcoming Corporate Actions & Events

Date	Company	Event
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	
6-Dec	ERC	General Assembly

## # KEY STORIES

---

SHUAA Capital announced its new partnership with Arton Capital to encourage foreign direct investment in high growth markets

GFH Financial Group has invested in a portfolio of pre-IPO stage, high-growth companies that specialise in next generation technologies. Investment portfolio is held through collective vehicle to provide diversification. Overall size of collective investment vehicle is c.USD 270mln and with GFH holding a minority stake

Emirates Refreshments to approve shareholding percentage of non-citizens of UAE of no more than 49% in company's capital. Approve the transfer of the trademark JeTo approve change of the company's name to Emirates Reem Investment Company. To approve to determine company's authorized capital to be AED 600mln in order to allow company to further raise if required the issued paid up capital in future, and increase issued and paid up capital by AED 270mln from AED 30mln to AED 300mln for a share issuance price of AED 1.00 per share. The new shares will be offered through the issuance of tradeable subscription rights (9 rights per share)

Amlak Finance appointed Ahmad Omar Said Salameh as chief financial officer

ADQ is in talks with banks for a loan of about USD 1bln that would back its acquisition of a 45% stake in commodities trader Louis Dreyfus, three sources said

S&P says next year may be more challenging for banks in the UAE, as their asset quality and profitability are forecast to weaken on the back of continued slowdown in the economy and real estate sector

UAE's compliance with the OPEC+ agreement was 126% in October - UAE energy ministry

Abu Dhabi Investment Authority, Ontario Teachers' Pension Plan Board and the Equis Pte Ltd, have agreed to invest USD 1.25bln in Equis Development Pte Ltd

The UAE has decreased its investments in the US Treasury bonds by 9.5% MoM to USD 33.1bln in September, compared to USD 36.6bln in August

UAE on November 18 announced 1,292 new COVID-19 cases and 890 recoveries. The tally takes total cases in UAE to 154,101 with 145,537 recoveries and 542 deaths

Saudi Arabia's total oil exports, including crude and oil products, rose to 7.09mln bpd in September from 6.99mln bpd in August

Saudi Aramco awards major long-term agreements to eight companies for its oil and gas brownfield projects for a six-year base period and extendable for an additional six years

National Bank of Kuwait sold USD 300mln in Tier 2 bonds with a 10-year maturity, non-callable for five years, at 2.5% on Tuesday, two sources said

Kuwait International Bank resolved to issue subordinated securities not exceeding USD 300mln to be included in tier 2 capital of bank

Oman is discussing a loan of at least USD 1bln with a group of banks, sources said, as the Gulf state seeks more funding ahead of heavy debt redemptions over the next two years

Egypt's EFG Hermes posted Q3 net profit is EGP 422mln, up 18% YoY. EFG Hermes 3Q combined revenues at EGP 1.4bln pounds, up 21% YoY

Egypt's Shorouk for Modern Printing and Packaging posted nine-month consolidated net profit after tax EGP 140.7mln vs EGP 33.9mln year ago. Nine-month consolidated sales EGP 1.22bln vs EGP 1.17bln year ago

## # Key Global Trends/ Market Clues

---

Asian shares drifted off all-time highs on Thursday as widening COVID-19 restrictions in the United States weighed on Wall Street, while bonds were underpinned by speculation the Federal Reserve would have to respond with yet more easing. Japan also reported record new cases as Tokyo raised its pandemic alert to the highest level, shoving the Nikkei down 0.8% and away from a 29-year closing top. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.6%, off their historic high. Chinese blue chips added 0.4% as President Xi Jinping vowed to cut tariffs and expand imports of high-quality goods and services. E-Mini futures for the S&P 500 steadied after Wall Street took a late dip on Wednesday. The Dow ended down 1.16%, while the S&P 500 lost 1.16% and the Nasdaq 0.82%.

Oil futures eased on Thursday, surrendering some gains from the previous day as the surge in coronavirus cases and tighter economic restrictions around the globe stoked fears over slower fuel demand, outweighing upbeat vaccine news. Brent crude futures shed 17 cents, or 0.4%, to USD 44.17 a barrel by 0345 GMT, after gaining 1.4% on the previous day. U.S. West Texas Intermediate crude declined 29 cents, or 0.7%, to USD 41.53 a barrel, having risen nearly 1% on Wednesday.

OPEC+ participating countries agreed at the Joint Ministerial Monitoring Committee (JMMC) meeting to continue studying the demand and supply situation on the market in the fourth quarter of 2020 and to consider further actions on the world oil market in 2021 at their next OPEC and non-OPEC ministerial meeting scheduled for December 1, the Russian government said in a press release. Alexander Novak, who attended previous OPEC+ meetings as Russia's energy minister, took part in Tuesday's meeting in his new position as deputy prime minister in charge of the fuel and energy sector.

## # UAE Stories

---

SHUAA Capital announced its new partnership with Arton Capital, the leading global expert advisory specializing in investment-based social impact programs, to encourage foreign direct investment through the establishment of real estate development funds focused on high growth markets.

GFH Financial Group has invested in a portfolio of pre-IPO stage, high-growth companies that specialise in next generation technologies. Investment portfolio is held through collective vehicle to provide diversification. Investment comprises minority stakes in Snowflake, Uipath, Doordash, Datarobot, Samsara, Byjus and Outreach, among others. Overall size of collective investment vehicle is c.USD 270mln and with GFH holding a minority stake. Investments are expected to generate high double digit returns for GFH and its investors.

Emirates Refreshments calls shareholders meeting on December 6 to approve shareholding percentage of non-citizens of UAE of no more than 49% in company's capital. To approve change of the company's name to Emirates Reem Investment Company. To approve to determine company's authorized capital to be AED 600mln in order to allow company to further raise if required the issued paid up capital in future, and increase issued and paid up capital by AED 270mln from AED 30mln to AED 300mln for a share issuance price of AED 1.00 per share. The new shares will be offered through the issuance of tradeable subscription rights (9 rights per share). The company intends to use the net proceeds raised from right issue for supporting growth through expanding its business segments by acquiring new companies that operate in different sectors and for support of its working capital.

Amlak Finance appointed Ahmad Omar Said Salameh as chief financial officer.

ADQ is in talks with banks for a loan of about USD 1bln that would back its acquisition of a 45% stake in commodities trader Louis Dreyfus Co (LDC), three sources said. ADQ said last week it had signed an

agreement to acquire an indirect 45% equity stake in LDC, in what would be the first outside investment in the family-owned commodity merchant's 169-year-old history. ADQ has been in talks with a group of lenders including Abu Dhabi and European banks for a loan of up to around USD 1bln to back the proposed acquisition, two of the sources said. Discussions have revolved around the structure of the financing, with the company initially looking to raise the loan on a non-recourse basis, said the two sources.

S&P says next year may be more challenging for banks in the UAE, as their asset quality and profitability are forecast to weaken on the back of continued slowdown in the economy and real estate sector. Low oil prices, coupled with ongoing mitigating measures, such as the postponement of debt payments, could also result in more bad debts piling up, S&P said in its latest analysis.

The United Arab Emirates' compliance with the OPEC+ agreement was 126% in October, according to a post by the UAE energy ministry on Wednesday.

Abu Dhabi Investment Authority, Ontario Teachers' Pension Plan Board and the Equis Pte Ltd, have agreed to invest USD 1.25bln in Equis Development Pte Ltd, a renewables company and waste infrastructure developer. EDL also plans to commit over USD 2bln into renewable energy and waste infrastructure assets across Australia, Japan and South Korea over the next two years and is rapidly expanding its management team of over 60 engineering, investment and development professionals to ensure its success.

The UAE has decreased its investments in the US Treasury bonds by 9.5% MoM to USD 33.1bln in September, compared to USD 36.6bln in August, according to the latest data by the US Department of the Treasury. On an annual basis, the UAE has lowered its investments in the US debt instruments by 11.3% or USD 4.2bln in September, compared to around USD 37.3bln in the same month of 2019. Globally, the UAE ranked 32nd among the holders of US Treasury bonds in September 2020.

The United Arab Emirates on November 18 announced 1,292 new COVID-19 cases, bringing the total confirmed cases in the country to 154,101. At the same time, 890 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 145,537. 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 542.

## # GCC/ MENA

---

Saudi Arabia's total oil exports, including crude and oil products, rose to 7.09mln barrels per day (bpd) in September from 6.99mln bpd in August, and official data showed on Wednesday.

Saudi Aramco awards major long-term agreements to eight companies for its oil and gas brownfield projects for a six-year base period and extendable for an additional six years. Scope of the contracts includes engineering, procurement, construction, start-up and pre-commissioning of each project.

National Bank of Kuwait sold USD 300mln in Tier 2 bonds with a 10-year maturity, non-callable for five years, at 2.5% on Tuesday, two sources said.

Kuwait International Bank resolved to issue subordinated securities not exceeding USD 300mln to be included in tier 2 capital of bank. Issuance will be through a special purpose company and will listed on London Stock Exchange.

Oman is discussing a loan of at least USD 1bln with a group of banks, sources said, as the oil-producing Gulf state seeks more funding ahead of heavy debt redemptions over the next two years. Rated below investment grade by all major credit agencies, Oman issued USD 2bln in bonds last month in a deal which saw lacklustre demand partly because of investor concerns over the country's worsening credit trajectory.

Egypt's EFG Hermes posted Q3 net profit is EGP 422mln, up 18% YoY. EFG Hermes 3Q combined revenues at EGP 1.4bln pounds, up 21% YoY.

Egypt's Shorouk for Modern Printing and Packaging posted nine-month consolidated net profit after tax EGP 140.7mln vs EGP 33.9mln year ago. Nine-month consolidated sales EGP 1.22bln vs EGP 1.17bln 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	42,857	6.16	8.15	3.82	11.83	0.78	6.2%	5.7	18.9	51.0	(13.8)		
ADIB	16,744	4.61	5.85	3.19	10.63	0.88	5.9%	7.5	21.0	41.4	(3.7)		
ADNIC	2,622	4.60	4.60	2.70	7.04	1.10	6.5%	22.7	30.7	50.8	61.4		
ADNOC Dist	42,500	3.40	3.57	2.40	20.46	15.30	5.6%	1.5	11.6	23.8	37.8		
Agthia	2,640	4.40	4.60	2.50	89.01	1.41	3.4%	(0.9)	53.8	60.0	33.5		
Air Arabia	5,460	1.17	1.61	0.87	10.88	1.34	7.7%	6.4	0.9	15.8	(10.3)		
Ajman Bank	1,445	0.69	0.93	0.50	52.36	0.57	0.0%	1.2	0.7	23.5	(22.7)		
Al Waha Capital	2,100	1.08	1.16	0.62	NA	0.69	NA	6.9	10.2	52.1	10.4		
Aldar Properties	22,487	2.86	2.92	1.35	12.58	0.90	5.1%	36.2	48.2	64.4	40.4		
Amanat Holdings	1,995	0.80	0.92	0.56	135.71	0.80	2.8%	(0.5)	(8.6)	0.5	(7.8)		
Amlak Finance	383	0.26	0.54	0.20	NA	0.78	0.0%	(8.3)	(25.0)	(25.2)	(46.9)		
Aramex	5,842	3.99	4.45	2.00	16.20	2.28	4.1%	(6.6)	5.0	37.0	21.1		
Bank of Sharjah	1,342	0.64	0.83	0.50	NA	0.41	0.0%	20.6	20.6	8.7	(20.1)		
DAMAC Properties	6,837	1.13	1.21	0.36	NA	0.52	NA	23.0	35.7	82.8	46.8		
Dana Gas	4,617	0.66	0.98	0.53	NA	0.58	8.3%	(6.3)	(6.4)	0.6	(21.1)		
Deyaar Development	1,612	0.28	0.39	0.18	30.53	0.36	0.0%	-	(3.5)	7.3	(24.6)		
Dubai Financial Market	6,864	0.86	1.00	0.50	47.27	0.89	2.9%	5.9	2.3	17.9	7.4		
Dubai Investment	5,060	1.19	1.39	0.98	8.20	0.42	NA	7.2	0.8	12.7	1.9		
Dubai Islamic Bank	30,990	4.28	5.86	3.04	8.17	0.83	8.2%	4.4	5.2	25.9	(12.0)		
DXB Entertainments	1,492	0.12	0.22	0.09	NA	0.82	0.0%	(1.7)	(1.7)	(12.6)	(41.9)		
Emaar Dev	9,880	2.47	3.97	1.79	4.97	0.90	0.0%	12.3	10.3	28.6	(31.8)		
Emaar Malls	22,905	1.76	1.94	0.98	20.09	1.21	0.0%	23.9	22.2	47.9	(8.8)		
Emaar Properties	21,909	3.06	4.28	1.90	5.22	0.39	0.0%	17.2	6.2	27.5	(26.3)		
Emirates Integrated Tele	24,976	5.51	6.35	4.33	13.64	2.94	6.2%	1.1	7.4	10.8	6.5		
Emirates NBD	65,693	10.40	13.90	6.33	8.85	0.79	3.8%	3.5	(0.5)	18.6	(9.8)		
Eshraq Investments	784	0.34	0.46	0.16	NA	0.55	NA	8.7	(21.6)	41.6	(5.1)		
Etisalat	148,193	17.04	17.30	11.02	16.57	3.16	4.7%	1.1	0.9	13.1	8.0		
First Abu Dhabi Bank	140,650	12.88	15.92	7.78	14.18	1.39	5.7%	15.0	15.2	16.7	(11.4)		
GFH	2,015	0.57	0.93	0.45	15.99	0.58	6.0%	(0.5)	(4.2)	4.8	(27.4)		
Gulf Navigation Holding	408	0.40	0.67	0.28	NA	0.76	0.0%	(4.3)	(19.8)	12.0	(40.2)		
IHC	72,857	40.00	41.00	5.50	NM	12.83	NA	2.6	10.3	53.8	567.8		
Julphar	1,640	1.42	1.54	0.54	NA	1.49	0.0%	(4.7)	17.4	96.9	45.9		
Mashreqbank	11,460	64.55	86.80	62.00	17.37	0.55	6.2%	2.9	(5.1)	(5.0)	(19.3)		
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3		
Tabreed	6,952	2.56	2.75	1.67	13.52	1.40	4.1%	13.3	23.7	31.3	41.4		
RAK Bank	5,950	3.55	5.00	3.33	8.60	0.78	8.5%	1.4	0.9	2.9	(15.8)		
RAK Properties	852	0.43	0.47	0.33	7.84	0.22	9.4%	11.2	8.4	22.4	6.7		
RAK Ceramics	1,342	1.35	1.81	1.24	16.31	0.58	10.6%	0.0	3.8	(5.6)	1.2		
SALAMA	960	0.79	0.88	0.30	6.15	1.10	NA	5.3	31.5	67.0	66.1		
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.52	0.48	4.0%	1.7	1.7	15.7	4.8		
SHUAA Capital	1,646	0.65	1.03	0.40	15.45	1.16	NA	5.7	1.4	10.9	(31.5)		
Takaful Emarat Insurance	240	1.60	1.60	0.97	NA	1.99	5.2%	11.9	9.6	11.9	39.1		
TAQA	169,776	1.51	1.78	0.40	56.13	2.73	0.0%	4.9	(2.6)	121.1	160.3		
Union Properties	1,128	0.26	0.39	0.15	3.91	0.37	0.0%	(8.7)	(15.4)	(12.0)	(14.1)		
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

## 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.*