

## SHUAA Securities Morning Report

22 November 2020

# Market Stats						# UAE Trading Summary			
Indices	Close	Change	1M Change	3M Change	1Y Change	AEDm	BUY	SELL	Net
ADX	4,914	-0.8%	7.8%	9.2%	-3.4%	<b>ADX</b>	<b>550</b>	<b>550</b>	-
DFM	2,316	-0.3%	4.9%	3.1%	-14.3%	Local	59%	78%	-19%
TASI	8,578	-0.5%	0.4%	9.2%	6.6%	Foreign	41%	22%	19%
BHSEASI	1,452	0.5%	-0.6%	7.1%	-3.6%	Institutional	70%	76%	-5%
EGX	10,899	-0.8%	-2.4%	-2.3%	-23.9%	Retail	30%	24%	5%
Dow Jones	29,263	-0.8%	3.4%	5.5%	5.2%	<b>DFM</b>	<b>235</b>	<b>235</b>	-
S&P 500	3,558	-0.7%	3.3%	5.1%	14.4%	Local	59%	62%	-2%
Nasdaq	11,855	-0.4%	2.9%	5.2%	39.0%	Foreign	41%	38%	2%
FTSE 100	6,351	0.3%	7.8%	5.6%	-12.5%	Institutional	57%	27%	29%
DAX	13,137	0.4%	3.1%	2.4%	-0.2%	Retail	43%	73%	-29%
CAC40	5,496	0.4%	11.5%	11.9%	-6.8%	<b>Total</b>	<b>785</b>	<b>785</b>	-
Nikkei225	25,527	-0.4%	8.3%	11.6%	10.3%	Local	59%	73%	-14%
HIS	26,452	0.4%	7.7%	6.7%	-1.6%	Foreign	41%	27%	14%

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

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
ADIB	(140,800)	3.7%	3.8	17.5
DANA	(86,087)	1.2%	6.9	4.6
RAKPROP	(295,832)	9.3%	3.2	1.4
ADNOC	(100,619)	2.9%	3.5	11.9

### # 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
15-Dec	ETISALAT	BoD/General

## # KEY STORIES

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Aldar Properties announced that its latest residential community, Noya on Yas Island was sold out in four hours on the first day of the public launch, generating over AED 1bn in sales. Construction of Noya is due to begin in Q2 2021 and handovers to commence in Q2 2023.

Aman board agreed to disinvest certain old investments. Board agreed to amend articles of association to allow half yearly profit distribution.

Al Mal Capital REIT subscription period extended until 8th December 2020.

UAE September M3 money supply +7.49% YoY and bank lending +4.9% YoY. September bank deposits up 0.4% MoM - C. Bank.

DIFC has entered into an agreement with Bank Hapoalim to create a framework for both organisations to forge cooperation across financial services activities.

Dubai Aerospace Enterprise sold USD 750mln in sukuk with a tenor of five and a quarter years at 3.875%.

Etihad Airways and El Al Israel Airlines signed a deal to explore deeper cooperation such as joint codeshares between Abu Dhabi and Tel Aviv and other destinations.

UAE Central Bank's total assets up 2% QoQ to USD 886.23bln by end of Q3 2020.

UAE Energy Minister Suhail al-Mazrouei said that his country has always been a committed member of OPEC and that it has demonstrated this commitment through its compliance to the current OPEC+ oil supply reduction agreement.

UAE on November 21 announced 1,262 new COVID-19 cases and 771 recoveries. The tally takes total cases in UAE to 157,785 with 148,080 recoveries and 548 deaths.

Saudi Arabia's acting information minister on Thursday said the kingdom would review its VAT increase after the novel coronavirus pandemic ends.

Fitch rates Saudi Aramco's USD 8bln multi-tranche notes issuance a final senior unsecured rating of 'A'.

Saudi PIF raises ownership stake in ACWA power to 50% from 33.6%.

Western Union has acquired a 15% stake in the digital payment unit of Saudi Arabia's STC Group for USD 200mln.

Saudi's Sabic strikes a deal with Safco, through which Safco will acquire Sabic agri-nutrients company.

Kuwait International Bank sells USD 300mln tier 2 sukuk at 2.375%, orders top USD 2.4bln.

IMF had reached a staff-level agreement with Egypt after the first review of a USD 5.2bln financing.

Egypt's Misr Fertilizers Production posted nine-month consolidated net profit after tax EGP 1.68bln vs EGP 1.25bln year ago.

A New-York-based company contracted by the Lebanese government to conduct a forensic audit of the country's central bank has decided to pull out of the deal because it was not able to acquire requested information and documents

### # Key Global Trends/ Market Clues

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Stock prices and bond yields fell in relatively light trading on Friday as investors reacted to dwindling aid for the U.S. economy and rising coronavirus infection rates. The Dow Jones Industrial Average fell 219.75 points, or 0.75%, to 29,263.48, the S&P 500 lost 24.33 points, or 0.68%, to 3,557.54 and the Nasdaq Composite dropped 49.74 points, or 0.42%, to 11,854.97. The S&P 500 and the Dow posted marginal losses for the week, while the tech-laden Nasdaq settled a bit higher from last Friday's close. Benchmark 10-year Treasuries yields fell to an 11-day low of 0.818%, before bouncing back to 0.829%. The yields are down from an eight-month high of 0.975% last week, when supply and optimism over vaccines pushed the rates higher, and have now retraced almost all of that spike.

Oil prices rose about 1% higher on Friday and posted a third consecutive weekly rise, buoyed by successful COVID-19 vaccine trials, while renewed lockdowns in several countries to limit the spread of the coronavirus capped gains. Brent crude futures rose 76 cents, or 1.7%, to settle at USD 44.96 a barrel. The more active U.S. West Texas Intermediate (WTI) January crude contract gained 52 cents, or 1.2% to USD 42.42 a barrel. The WTI contract for December, which expired on Friday, rose 41 cents, or 1%, to settle at USD 42.15 a barrel. Both benchmarks gained about 5% last week.

G20 nations vowed to continue doing everything possible to contain the COVID-19 pandemic, warning in excerpts of a draft communique that the global economic recovery remains "uneven, highly uncertain, and subject to elevated downside risks." In the draft, the leaders noted that the coronavirus crisis had hit the most vulnerable in society the hardest, and said some countries may need debt relief beyond a temporary freeze in official debt payments that ends in June 2021.

### # UAE Stories

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Aldar Properties announced that its latest residential community, Noya on Yas Island was sold out in four hours on the first day of the public launch, generating over AED 1bln in sales, taking the year to date sales to over AED 3bln. The launch of the 510-unit development demonstrates the strong interest in the Abu Dhabi real estate market for premium products. Located in an investment zone, Noya was open to customers of all nationalities, where 60% of end-buyers were UAE nationals and 40% were non-UAE nationals. The master-planned residential development is the first affordable townhouse and villa community on Yas Island, with prices starting at AED 1.49mln. Construction of Noya is due to begin in Q2 2021 and handovers to commence in Q2 2023.

Aman board agreed to disinvest certain old investments. Board agreed to amend articles of association to allow half yearly profit distribution.

Dubai Investment disclosed that subscription period to Al Mal Capital newly founded entity, Al Mal Capital REIT, that started on Sunday, 8<sup>th</sup> November 2020, is now extended until 8<sup>th</sup> December 2020.

UAE September M3 money supply +7.49% YoY and bank lending +4.9% YoY. September bank deposits up 0.4%MoM - C. Bank

Dubai International Financial Centre, DIFC, has entered into an agreement with Bank Hapoalim, one of Israel's largest banks, to create a framework for both organisations to forge cooperation across financial services activities. Under the agreement, Bank Hapoalim will become part of DIFC's global network of banks, financial centres, regulators and companies that are disrupting the financial and technology sectors and embracing the highest legal, regulatory and operating standards. The alliance will enable Bank Hapoalim to access banking and innovation opportunities in the Middle East, Africa and South Asia through the DIFC platform.

Dubai Aerospace Enterprise (DAE), one of the world's biggest aircraft leasing companies, on Thursday sold USD 750mln in sukuk with a tenor of five and a quarter years at 3.875%, a document showed.

Etihad Airways and El Al Israel Airlines signed a deal to explore deeper cooperation such as joint codeshares between Abu Dhabi and Tel Aviv and other destinations.

UAE Central Bank's total assets up 2% QoQ to USD 886.23bn by end of Q3 2020. During the period between September 2019 and September 2020, the total assets of banks operating in the UAE increased by 7.6%.

UAE Energy Minister Suhail al-Mazrouei said that his country has always been a committed member of OPEC and that it has demonstrated this commitment through its compliance to the current OPEC+ oil supply reduction agreement. "As a reliable and longstanding member of OPEC, we have always been open and transparent in all our decisions and strategies in support of OPEC," Mazrouei said in a statement to Reuters. The minister's comments were in response to media reports that the UAE has been questioning the benefits of being in OPEC and even considering whether to leave the oil producing group.

The United Arab Emirates on November 21 announced 1,262 new COVID-19 cases, bringing the total confirmed cases in the country to 157,785. At the same time, 771 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 148,080. UAE's Ministry of Health and Prevention said. It has reported 1 death from COVID-19 during the past 24 hours. The nationwide death toll stands at 548.

## # GCC/ MENA

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Saudi Arabia's acting information minister on Thursday said the kingdom would review its VAT increase after the novel coronavirus pandemic ends. The decision to triple VAT earlier this year was a "painful" one, Majid bin Abdullah al-Qasabi told reporters in a news conference.

Fitch rates Saudi Aramco's USD 8bn multi-tranche notes issuance a final senior unsecured rating of 'A'.

A Saudi sovereign fund has increased its stake in ACWA Power to 50% from 33.6% as part of a move to support the renewable energy sector in Saudi Arabia. The move by the Public Investment Fund came ahead of a planned initial public offering by ACWA Power, which is also leading a consortium that will build a major power project at Saudi Arabia's flagship Red Sea tourism project.

Western Union, the world's largest money transfer firm, has acquired a 15% stake in the digital payment unit of Saudi Arabia's STC Group for USD 200mln. The acquisition of STC pay, which values the company at SAR 5bn, will finance its capital and support long-term expansion plans, Saudi Arabia's largest telecoms operator said in a statement on Saturday.

Saudi's Sabic strikes a deal with Safco, through which Safco will acquire Sabic agri-nutrients company.

Kuwait International Bank sells USD 300mln tier 2 sukuk at 2.375%, orders top USD 2.4bn.

The International Monetary Fund (IMF) said on Thursday it had reached a staff-level agreement with Egypt after the first review of a USD 5.2bn financing. Upon the approval of the executive board, a USD 1.6bn tranche will be disbursed, the statement said. "The Egyptian economy performed better than expected despite the pandemic," the IMF statement said.

Egypt's Misr Fertilizers Production posted nine-month consolidated net profit after tax EGP 1.68bn vs EGP 1.25bn year ago. Nine-month consolidated sales EGP 5.47bn vs EGP 6.21bn year ago.

A New-York-based company contracted by the Lebanese government to conduct a forensic audit of the country's central bank has decided to pull out of the deal because it was not able to acquire requested information and documents, Lebanon's outgoing finance minister said Friday. The announcement by Alvarez & Marsal deals a major blow to those hoping for accountability in a country mired in corruption and a crippling economic and financial crisis. It comes after Lebanon's central bank refused to provide the company with the needed documents, using the country's decades-old banking secrecy laws as a pretext. A forensic audit has been a key demand by the International Monetary Fund and international donors who have said that they will not give money to Lebanon before major reforms are implemented to fight corruption and widespread waste in state institutions.

## # 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	42,440	6.10	8.15	3.82	11.72	0.77	6.2%	5.2	13.0	43.2	(12.9)
ADIB	16,671	4.59	5.85	3.19	10.59	0.88	6.0%	8.0	15.3	43.0	(3.4)
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	43,125	3.45	3.57	2.40	20.76	15.52	5.5%	2.7	11.4	27.4	38.2
Agthia	2,640	4.40	4.60	2.50	89.01	1.41	3.4%	(0.5)	45.2	60.0	29.0
Air Arabia	5,413	1.16	1.61	0.87	NA	1.33	7.8%	4.5	0.9	14.9	(11.7)
Ajman Bank	1,445	0.69	0.93	0.50	52.36	0.57	0.0%	1.2	1.2	25.1	(25.2)
Al Waha Capital	2,042	1.05	1.16	0.62	NA	0.67	NA	1.0	10.9	47.9	7.4
Aldar Properties	22,644	2.88	2.92	1.35	12.67	0.91	5.0%	33.3	44.0	64.6	43.3
Amanat Holdings	2,005	0.80	0.92	0.56	136.39	0.80	2.7%	(0.0)	(7.2)	1.5	(5.7)
Amlak Finance	390	0.26	0.54	0.20	NA	0.79	0.0%	(4.4)	(24.6)	(22.8)	(40.9)
Aramex	5,856	4.00	4.45	2.00	16.24	2.29	4.1%	(5.9)	5.5	33.8	18.0
Bank of Sharjah	1,344	0.64	0.83	0.50	NA	0.41	0.0%	20.8	20.8	8.8	(20.0)
DAMAC Properties	6,716	1.11	1.21	0.36	NA	0.51	NA	15.7	32.8	79.0	46.6
Dana Gas	4,652	0.67	0.98	0.53	NA	0.59	8.3%	(5.9)	(6.3)	3.1	(20.6)
Deyaar Development	1,618	0.28	0.39	0.18	44.16	0.36	0.0%	(1.1)	(3.8)	6.1	(21.1)
Dubai Financial Market	6,784	0.85	1.00	0.50	46.72	0.88	2.9%	3.4	(0.0)	19.9	6.3
Dubai Investment	5,017	1.18	1.39	0.98	8.14	0.42	NA	3.5	(0.0)	11.7	1.9
Dubai Islamic Bank	30,846	4.26	5.86	3.04	8.14	0.83	8.2%	2.2	3.6	25.7	(11.9)
DXB Entertainments	928	0.12	0.22	0.09	NA	0.81	0.0%	(0.9)	(4.9)	(12.8)	(42.0)
Emaar Dev	9,880	2.47	3.97	1.79	4.97	0.90	0.0%	8.8	11.8	29.3	(29.6)
Emaar Malls	23,296	1.79	1.94	0.98	20.43	1.23	0.0%	24.3	25.2	47.9	(6.3)
Emaar Properties	21,837	3.05	4.28	1.90	5.21	0.39	0.0%	14.7	4.1	26.0	(25.8)
Emirates Integrated Tele	25,158	5.55	6.35	4.33	13.74	2.96	6.1%	0.9	8.8	11.6	7.9
Emirates NBD	65,061	10.30	13.90	6.33	8.76	0.79	3.9%	2.5	(4.2)	15.6	(9.9)
Eshraq Investments	772	0.33	0.46	0.16	NA	0.54	NA	8.5	(22.6)	38.9	(5.4)
Etisalat	147,497	16.96	17.30	11.02	16.50	3.15	4.7%	0.5	(0.1)	11.3	8.3
First Abu Dhabi Bank	138,247	12.66	15.92	7.78	13.93	1.37	5.8%	12.6	11.8	14.7	(12.0)
GFH	2,042	0.57	0.93	0.45	16.20	0.58	6.0%	(0.5)	(5.6)	3.6	(27.4)
Gulf Navigation Holding	412	0.40	0.66	0.28	NA	0.78	0.0%	(1.5)	(18.7)	10.1	(38.1)
IHC	72,493	39.80	41.00	5.65	NM	12.77	NA	1.8	9.0	56.1	604.4
Julphar	1,640	1.42	1.54	0.54	NA	1.49	0.0%	(4.7)	17.4	107.1	45.9
Mashreqbank	11,460	64.55	86.80	62.00	17.37	0.55	6.2%	(5.1)	(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	7,006	2.58	2.75	1.67	13.62	1.41	4.1%	12.2	22.9	29.0	43.3
RAK Bank	5,950	3.55	5.00	3.33	8.60	0.78	8.5%	1.4	0.9	1.7	(15.8)
RAK Properties	860	0.43	0.47	0.33	7.91	0.22	9.3%	12.3	10.3	21.8	7.9
RAK Ceramics	1,361	1.37	1.81	1.24	16.55	0.59	10.4%	1.5	7.9	(5.5)	5.5
SALAMA	950	0.79	0.88	0.30	6.09	1.09	NA	5.8	27.6	64.9	65.1
Sharjah Islamic Bank	3,636	1.18	1.29	0.95	7.52	0.48	4.0%	1.7	1.7	15.7	5.6
SHUAA Capital	1,630	0.64	1.03	0.40	15.31	1.15	NA	5.4	2.1	10.5	(34.0)
Takaful Emarat Insurance	240	1.60	1.60	0.97	NA	1.99	5.2%	11.9	9.6	11.9	35.6
TAQA	169,776	1.51	1.78	0.40	56.13	2.73	0.0%	5.6	(4.4)	121.1	160.8
Union Properties	1,124	0.26	0.39	0.15	3.90	0.37	0.0%	(9.7)	(17.6)	(12.1)	(13.5)
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

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