

SHUAA Securities Morning Report

24 March 2020

# Market Stats					
Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	3,442	-3.1%	-31.7%	-32.7%	-32.9%
DFM	1,714	-3.8%	-36.9%	-38.4%	-34.8%
TASI	5,990	-2.9%	-25.0%	-28.8%	-31.2%
BHSEASI	1,389	-0.4%	-16.7%	-13.1%	-2.6%
EGX	10,047	3.0%	-26.6%	-27.7%	-32.0%
Dow Jones	18,592	-3.0%	-35.9%	-34.9%	-27.1%
S&P 500	2,237	-2.9%	-33.0%	-30.6%	-20.1%
Nasdaq	6,861	-0.3%	-28.4%	-23.3%	-10.2%
FTSE 100	4,994	-3.8%	-32.6%	-34.5%	-30.7%
DAX	8,741	-2.1%	-35.6%	-34.3%	-23.1%
CAC40	3,914	-3.3%	-35.1%	-35.1%	-25.7%
Nikkei225	16,888	2.0%	-27.8%	-29.1%	-21.9%
HIS	21,696	-4.9%	-20.6%	-22.3%	-25.5%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	168	168	-
Local	52%	29%	23%
Foreign	48%	71%	-23%
Institution	78%	72%	6%
Retail	22%	28%	-6%
DFM	217	217	-
Local	66%	31%	34%
Foreign	34%	69%	-34%
Institution	39%	62%	-23%
Retail	61%	38%	23%
Total	386	386	-
Local	60%	30%	30%
Foreign	40%	70%	-30%

Upcoming Corporate Actions & Events

Date	Company	Event
24-Mar	ADCB	BoD/General
24-Mar	ETISALAT	BoD/General
24-Mar	ETISALAT	AGM
24-Mar	DXBE	AGM
24-Mar	UPP	BoD/General
25-Mar	AIR ARABIA	BoD/General
25-Mar	ESHRAQ	BoD/General
25-Mar	SALAMA	BoD/Dividend
25-Mar	KHCB	AGM/EGM
25-Mar	DFM	AGM
26-Mar	DAMAC	BoD/General
26-Mar	ESHRAQ	AGM
29-Mar	ADIB	AGM
30-Mar	CBI	AGM
30-Mar	REEM	AGM
30-Mar	RAKBANK	AGM
30-Mar	CBI	AGM
31-Mar	ADNOC	AGM

KEY STORIES

Abu Dhabi National Hotels has decided to temporarily close (partially and in some instances fully) some of its hotels in light of ongoing situation relating to Covid-19

Fitch revises Dubai Aerospace Enterprise's rating outlook to negative; 'BBB-' rating affirmed. Fitch previously revised the global aircraft leasing sector outlook to negative from stable on March 16, 2020

DP World independent directors consider terms of offer from PFZW to be fair and reasonable

Amlak Finance updates regarding negotiation of restructuring terms with Amlak's financiers and obtains approval of all financiers on new terms

Fitch Ratings has affirmed Tabreed long-term Issuer Default Rating (IDR) at 'BBB', with a stable outlook

Damac Properties' CFO Adil Taqi resigns from board

Adx decides to de-list ADNIC converted shares and merge them with shares of ADNIC as of trading session on March 26

Etihad Airways to suspend flights to and from Abu Dhabi International Airport at 23:59 (UAE local time) 25 March for an initial 14 days, subject to further directives by authorities

BlackRock has dropped out of the race to become an investor in Adnoc natural gas pipeline assets – Sources

The UAE on Monday announced 45 new cases of the Covid-19 coronavirus, taking the total number of registered cases in the country to 198 till date

Fitch Ratings says oil price fall weakens GCC buffers and for 2020 GCC will see deficits widen to between 5% of GDP in Qatar and nearly 15% of GDP in Kuwait

Saudi Central Bank to provide financing for small and medium enterprises amounting to SAR 13.3bn

Saudi Stock Exchange said Dr. Sulaiman Al Habib Medical Services Group will be included to Tadawul All Share Index

Saudi's Takween Advanced Industries posted FY net loss after zakat and tax SAR 96.7mln vs loss of SAR 39.7mln year ago

Saudi's Al Ahlia for Cooperative Insurance posted FY net loss before zakat SAR 44.2mln vs profit of SAR 15.8mln year ago

Kuwait's Jazeera Airways extend suspension of flight operations until travel restrictions are lifted and recommends to cancel FY cash distribution, as a precautionary measure to support operation

Moody's says a stimulus package announced by Oman's central bank will soften the coronavirus outbreak's economic impact but weaken banks' credit profiles

Egypt's central bank has told commercial banks to cut interest on dollar deposits to 1% above the LIBOR instead of 1.5% above LIBOR

Fitch Ratings says coronavirus shock will affect Egypt's external finances, GDP growth and fiscal performance

Egypt's Sidi Kerir Petrochemicals board proposes FY dividend of EGP 0.10 per share

Lebanon will discontinue payments on all its foreign currency Eurobonds, as it seeks to devise a way out of the country's crippling financial crisis

Key Global Trends/ Market Clues

Asian stocks rebounded sharply on Tuesday as the U.S. Federal Reserve's promise of bottomless dollar funding eased painful strains in financial markets, even if it could not soften the immediate economic hit of the coronavirus. While Wall Street seemed unimpressed, investors in Asia were encouraged enough to lift E-Mini futures for the S&P 500 by 3% and Japan's Nikkei 6.2%. If sustained it would be the biggest daily rise for the Nikkei since late 2016. MSCI's broadest index of Asia-Pacific shares outside Japan jumped 4.2%, to more than halve Monday's drop. Shanghai blue chips gained 2.7%. Europe also looked a shade brighter as EUROSTOXXX 50 futures climbed 3.3% and FTSE futures 3.1%.

Oil prices rose on Tuesday on hopes that the United States will reach a deal soon on a USD 2trn coronavirus aid package which could blunt the economic impact of the outbreak and in turn support oil demand. Brent crude oil futures for May delivery rose by 62 cents, or 2.3%, to \$27.65 a barrel by 0346 GMT.

The US Federal Reserve said it was committed to using its "full range of tools to support households" as it announced an unprecedented open-ended asset purchase programme. The Fed said it would buy bonds and asset-backed securities "in the amounts needed to support smooth market functioning", citing a mandate from Congress to promote maximum employment and keep prices stable. It also pledged to buy a broad stream of assets from commercial paper held by large employers to asset-backed securities linked to student loans, car loans, credit card loans and small business loans in a bid to ensure credit flows through the whole economy.

The Trump administration will appoint Victoria Coates as a special energy representative to Saudi Arabia as Washington struggles to deal with a global oil price crash that drags on the economy and threatens U.S. energy producers, two sources with knowledge of the matter said.

Saudi Arabia has yet to boost crude shipments significantly, two industry sources who track the flows said, suggesting a lack of demand despite a deep slide in prices as major producer's battle for market share. "Saudi March exports are so far in the 7.3mln bpd region, not more," sources said.

UAE Stories

Abu Dhabi National Hotels has decided to temporarily close (partially and in some instances fully) some of its hotels in light of ongoing situation relating to Covid-19 and its impact on global hospitality industry.

Fitch revises Dubai Aerospace Enterprise's rating outlook to negative; 'BBB-' rating affirmed. The Rating Outlook revision reflects the unprecedented decline in global air traffic as a result of the coronavirus pandemic, which could lead to widespread lease deferrals/defaults, airline bankruptcies, aircraft repossessions and impairments absent abatement of the virus in the near- to intermediate-term and/or material sovereign intervention. Fitch previously revised the global aircraft leasing sector outlook to Negative from Stable on March 16, 2020.

DP World independent directors consider terms of offer to be fair and reasonable so far as scheme shareholders are concerned and unanimously recommend that scheme shareholders vote, or procure votes, in favour of scheme. No separate offer for the DP World convertible bonds will be made by PFZW. PFZW and DP World will contact holders convertible bonds regarding how to exercise pre-existing contractual rights.

Amlak Finance updates regarding negotiation of restructuring terms with Amlak's financiers and obtains approval of all financiers on new terms.

Fitch Ratings has affirmed Tabreed long-term Issuer Default Rating (IDR) at 'BBB', with a stable outlook. Tabreed's IDR is supported by a sustainable business model, characterised by clear visibility of future earnings

and cash flows, low capex requirements associated with a utility-like infrastructure business, and positive free cash flow (FCF) generation even in the current macro scenario with COVID-19 pandemic hit and lower oil price assumptions.

Damac Properties' CFO Adil Taqi resigns from board.

Adx decides to de-list ADNIC converted shares and merge them with shares of ADNIC as of trading session on March 26.

Etihad Airways to suspend flights to and from Abu Dhabi International Airport at 23:59 (UAE local time) on Wednesday 25 March for an initial 14 days, subject to further directives by the relevant authorities.

BlackRock has dropped out of the race to become an investor in Adnoc natural gas pipeline assets, two sources familiar with the matter said. That leaves Italian infrastructure firm Snam and Global Infrastructure Partners among at least six remaining bidders, they said. BlackRock, along with buyout firm KKR & Co, last year bought a 40% stake in Adnoc Oil Pipelines for USD 4bln.

The UAE on Monday announced 45 new cases of the Covid-19 coronavirus, taking the total number of registered cases in the country to 198 till date.

GCC/ MENA

Fitch Ratings says oil price fall weakens GCC buffers and for 2020 GCC will see deficits widen to between 5% of GDP in Qatar and nearly 15% of GDP in Kuwait. It expects GCC funding mix to shift in favour of drawdowns from fiscal reserves and expect GCC to issue around USD 42bln in foreign debt this year.

Saudi Central Bank to provide financing for small and medium enterprises amounting to SAR 13.3bln.

Saudi Stock Exchange said Dr. Sulaiman Al Habib Medical Services Group will be included to Tadawul All Share Index.

Saudi's Takween Advanced Industries posted FY net loss after zakat and tax SAR 96.7mln vs loss of SAR 39.7mln year ago. FY sales SAR 1.19bln vs SAR 1.34bln year ago.

Saudi's Al Ahlia for Cooperative Insurance posted FY net loss before zakat SAR 44.2mln vs profit of SAR 15.8mln year ago. FY gross written premiums SAR 192.2mln vs SAR 173mln year ago.

Kuwait's Jazeera Airways extend suspension of flight operations until travel restrictions are lifted and recommends to cancel FY cash distribution, as a precautionary measure to support operation.

Moody's says a stimulus package announced by Oman's central bank will soften the coronavirus outbreak's economic impact but weaken banks' credit profiles. "The central bank's reduction in (capital conservation buffers) is credit negative for Omani banks because it lowers their minimum regulatory solvency capital requirements during a difficult time," the ratings agency said in a report.

Egypt's central bank has told commercial banks to cut interest on dollar deposits to 1% above the London Interbank Offered Rate (Libor) instead of 1.5% above Libor, starting from Monday, six bankers told Reuters on Monday. "The aim of the measure is to control the exchange market and reduce the expected dollarization operations after cutting the interest rates".

Fitch Ratings says coronavirus shock will affect Egypt's external finances, GDP growth and fiscal performance. Coronavirus shock will probably lead to substantial portfolio investment outflows from local-currency debt market. Government's fiscal consolidation efforts to falter in near term, given weaker economic growth and revenue collection.

Egypt's Sidi Kerir Petrochemicals board proposes FY dividend of EGP 0.10 per share.

Lebanon will discontinue payments on all its foreign currency Eurobonds, the government said on Monday, as it seeks to devise a way out of the country's crippling financial crisis.

(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	32,073	4.61	10.26	4.33	6.39	0.58	10.0%	(39.3)	(41.6)	(42.5)	(51.8)
ADIB	13,184	3.63	5.85	3.60	5.74	0.69	7.4%	(35.9)	(33.5)	(28.0)	(18.4)
ADNIC	1,387	3.70	3.70	2.60	7.39	0.92	8.1%	-	32.1	32.1	-
ADNOC Dist	29,999	2.40	3.20	2.00	13.53	8.00	8.8%	(21.6)	(18.1)	(5.8)	9.6
Agthia	1,620	2.70	4.15	2.59	11.82	0.83	5.6%	(15.6)	(22.6)	(22.9)	(28.9)
Air Arabia	4,256	0.91	1.61	0.91	4.30	0.77	NA	(34.7)	(35.9)	(18.6)	-
Ajman Bank	1,081	0.52	0.98	0.50	13.21	0.43	6.8%	(39.1)	(42.8)	(44.2)	(38.0)
Al Waha Capital	1,556	0.80	1.30	0.72	NA	0.52	NA	(6.0)	(12.1)	(21.6)	(38.9)
Aldar Properties	11,872	1.51	2.37	1.35	5.98	0.48	9.3%	(31.4)	(30.4)	(30.1)	(19.7)
Amanat Holdings	1,470	0.59	1.06	0.57	24.49	0.57	2.6%	(26.5)	(32.5)	(36.8)	(38.9)
Amlak Finance	315	0.21	0.64	0.20	NA	0.27	0.0%	(52.8)	(56.3)	(31.4)	(34.4)
Arabtec	661	0.44	2.28	0.44	NA	0.56	11.3%	(45.9)	(66.8)	(73.8)	(79.3)
Aramex	2,943	2.01	4.85	2.01	5.92	1.12	8.2%	(42.4)	(44.0)	(50.7)	(58.0)
Bank of Sharjah	1,407	0.67	1.00	0.65	NA	0.37	0.0%	(16.1)	(18.3)	(19.9)	(29.0)
DAMAC Properties	2,480	0.41	1.41	0.36	12.94	0.17	NA	(38.0)	(46.1)	(55.4)	(70.9)
Dana Gas	3,791	0.54	1.10	0.54	6.56	0.39	10.1%	(39.9)	(41.2)	(42.3)	(39.6)
Deyaar Development	1,150	0.20	0.43	0.18	16.07	0.25	0.0%	(40.9)	(45.3)	(42.0)	(42.2)
Dubai Financial Market	4,008	0.50	1.00	0.50	33.20	0.51	0.0%	(43.1)	(46.6)	(42.4)	(33.6)
Dubai Investment	4,201	0.99	1.63	0.98	6.39	0.35	NA	(25.7)	(24.0)	(22.2)	(29.4)
Dubai Islamic Bank	28,890	3.99	5.86	3.92	5.77	0.82	8.8%	(29.8)	(27.5)	(24.0)	(18.1)
DXB Entertainments	816	0.10	0.27	0.09	NA	0.28	0.0%	(45.2)	(49.8)	(52.8)	(57.9)
Emaar Dev	8,560	2.14	4.91	2.07	2.46	0.95	24.3%	(45.5)	(44.1)	(47.9)	(45.4)
Emaar Malls	12,741	0.98	2.17	0.98	5.57	0.72	10.2%	(42.1)	(48.2)	(48.2)	(45.0)
Emaar Properties	14,534	2.03	5.53	1.90	2.34	0.28	7.4%	(47.7)	(49.9)	(58.0)	(56.8)
Emirates Integrated Tele	21,757	4.80	6.35	4.33	12.57	2.52	7.3%	(23.0)	(14.3)	(14.9)	(9.4)
Emirates NBD	42,383	6.71	13.93	6.71	2.75	0.52	6.0%	(44.1)	(45.6)	(44.8)	(30.4)
Eshraq Investments	398	0.17	0.55	0.17	NA	0.28	NA	(48.6)	(48.5)	(58.2)	(60.8)
Etisalat	107,837	12.40	17.80	11.02	12.41	2.31	6.5%	(23.4)	(25.3)	(24.9)	(26.6)
First Abu Dhabi Bank	95,001	8.70	16.96	7.78	7.94	0.88	8.5%	(37.8)	(40.4)	(38.9)	(42.7)
GFH	1,812	0.50	1.11	0.45	5.76	0.45	6.4%	(43.3)	(43.7)	(43.5)	(48.9)
Gulf Navigation Holding	377	0.37	1.00	0.30	NA	0.43	0.0%	(20.6)	(40.5)	(50.9)	(52.6)
IHC	24,589	13.50	14.00	0.87	NM	11.32	NA	0.4	125.0	153.8	1,250.0
Julphar	927	0.80	1.58	0.77	NA	1.33	0.0%	(14.4)	(5.9)	(33.3)	(49.4)
Mashreqbank	12,782	72.00	86.80	66.00	6.19	0.59	5.6%	-	(17.1)	(2.7)	(10.0)
National Bank of Fujairah	9,231	4.99	4.99	3.88	NA	NA	1.3%	NA	NA	NA	NA
Tabreed	5,024	1.85	2.14	1.44	10.62	1.02	5.1%	(9.8)	(5.1)	5.7	15.6
RAK Bank	6,453	3.85	5.00	3.75	5.89	0.83	7.8%	(19.3)	(18.1)	(17.9)	(10.5)
RAK Properties	754	0.38	0.50	0.35	7.49	0.19	0.0%	(16.4)	(12.3)	(15.3)	(14.9)
RAK Ceramics	1,292	1.30	1.81	1.30	7.48	0.51	11.0%	(19.3)	(6.2)	(5.0)	(19.7)
SALAMA	398	0.33	0.71	0.30	17.76	0.52	NA	(44.0)	(41.3)	(50.2)	(27.1)
Sharjah Islamic Bank	2,931	0.95	1.29	0.95	5.37	0.39	8.4%	(20.1)	(15.6)	(12.7)	(9.2)
SHUAA Capital	1,055	0.42	1.05	0.40	693.33	0.72	NA	(48.3)	(56.7)	(57.1)	(33.1)
Takaful Emarat Insurance	210	1.40	1.62	0.97	NA	1.77	5.0%	7.7	35.9	(2.1)	(11.9)
TAQA	3,640	0.60	0.94	0.40	15.56	0.87	0.0%	(14.4)	0.3	(17.8)	(36.1)
Union Properties	892	0.21	0.44	0.15	NA	0.30	0.0%	(3.3)	(26.8)	(34.6)	(40.6)
United Arab Bank	1,848	0.90	1.25	0.81	NA	0.86	0.0%	NA	0.3	(10.4)	(31.1)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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