

## SHUAA Securities Morning Report

25 March 2020

# Market Stats					
Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	3,651	6.1%	-26.0%	-28.2%	-28.3%
DFM	1,713	-0.1%	-36.5%	-38.3%	-34.6%
TASI	6,194	3.4%	-20.1%	-26.4%	-28.4%
BHSEASI	1,360	-2.1%	-18.1%	-15.0%	-4.4%
EGX	9,770	-2.8%	-27.3%	-29.2%	-34.2%
Dow Jones	20,705	11.4%	-26.0%	-27.4%	-18.8%
S&P 500	2,447	9.4%	-24.1%	-24.1%	-12.6%
Nasdaq	7,418	8.1%	-19.6%	-17.1%	-2.9%
FTSE 100	5,446	9.1%	-23.9%	-28.6%	-24.4%
DAX	9,701	11.0%	-25.6%	-27.1%	-14.6%
CAC40	4,243	8.4%	-26.7%	-29.6%	-19.5%
Nikkei225	18,092	7.1%	-22.6%	-24.1%	-16.3%
HIS	22,663	4.5%	-15.5%	-18.7%	-22.2%

## # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>174</b>	<b>174</b>	<b>-</b>
Local	58%	23%	36%
Foreign	42%	77%	-36%
Institution	65%	79%	-14%
Retail	35%	21%	14%
<b>DFM</b>	<b>147</b>	<b>147</b>	<b>-</b>
Local	53%	37%	16%
Foreign	47%	63%	-16%
Institution	44%	47%	-3%
Retail	56%	53%	3%
<b>Total</b>	<b>321</b>	<b>321</b>	<b>-</b>
Local	56%	29%	27%
Foreign	44%	71%	-27%

## # Upcoming Corporate Actions & Events

Date	Company	Event
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
30-Mar	GFH	AGM
31-Mar	ADNOC	AGM
07-Apr	ARMX	AGM
09-Apr	JULPHAR	AGM
13-Apr	UAB	AGM
13-Apr	AMANAT	AGM

## # KEY STORIES

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The UAE announced 50 new cases of the novel coronavirus taking the total number of confirmed cases in the UAE to 248

First Abu Dhabi Bank announces that Fadel Al Ali is appointed as Deputy CEO and group head of corporate & investment banking Hana Al Rostamani appointed Deputy CEO in addition to current role as group head of personal banking

Etisalat shareholders approved board's recommendation of cash dividend of 40 fils per share for 2H19, taking FY19 dividends to 80 fils per share

RakBank outlines measures including loan payment deferrals, reducing SME lending rates and waiving different fees to support stakeholders amid coronavirus

NMC Health said its debt pile now stood at USD 6.6bln, much higher than earlier estimates, and that it has appointed a former PwC partner as chief restructuring officer to tackle the problem

ADX has been converted into a public joint shares company owned by the state holding company ADQ. The company will have AED 500mln in capital funds divided into 500mln shares, as well as AED 100mln in export capital divided into 100mln shares

Fitch says UAE banks' credit profiles could deteriorate due to the coronavirus and lower oil prices, and consequently face a wave of mergers and acquisitions if the crisis persists

ADNOC has notified contractors and suppliers that it will review existing deals to find ways to cut costs due to the steep slide in oil prices – Sources

Sharjah National Oil Company CEO says start of production from Mahani I Gas Field developed by ENI will be slightly delayed, expected by end of year due to Covid-19 impact

Saudi Arabia reported its first death from the new coronavirus as the total number of infections spiked to 767, up by 205, according to the health ministry

Bahrain's will execute a BD 4.3bln (USD 11.41bln) package as soon as possible at the highest priority to support economy

Saudi Public Transport posted FY net profit after zakat and tax SAR 33.9mln vs SAR 22.9mln year ago. FY sales SAR 1.71bln vs SAR 1.46bln year ago

Moody's says lower oil prices to weaken credit profiles of oil-exporting sovereigns. Most vulnerable sovereigns to lower oil prices are Oman, Bahrain, Iraq and Angola

Egypt has declared a curfew from 7 p.m. to 6 a.m. for two weeks starting on Wednesday to counter the spread of coronavirus

Egypt will extend a suspension of flights for two weeks from April 1

Egypt's Dice Sport and Casual Wear posted FY standalone net profit after tax EGP 81.4mln vs EGP 79.3mln year ago. FY standalone revenue EGP 1.35bln vs EGP 1.31bln year ago

## # Key Global Trends/ Market Clues

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Asian shares extended their rally on Wednesday in the wake of Wall Street's massive rebound as the U.S. Congress appeared closer to passing a USD 2trn stimulus package to mitigate the economic blow from the coronavirus pandemic. MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.7% with Australian shares jumping 3.4% and South Korean shares gaining 3.5%. Japan's Nikkei surged 4.8%. On Tuesday, MSCI's gauge of stocks across the globe rallied 8.39%, the largest single-day gain since the wild swings seen during the height of the global financial crisis in October 2008. It rose another 0.8% in Asia on Wednesday. On Wall Street, the Dow Jones Industrial Average soared 11.37%, its biggest one-day percentage gain since 1933.

Oil prices extended gains for a third session on Wednesday, rising alongside broader financial markets on hopes Washington will soon approve a massive aid package to stem the economic impact of the coronavirus pandemic. Brent crude was trading up 49 cents, or 1.8%, at USD 27.64 a barrel by 1243 GMT.

US Energy Secretary Dan Brouillette said the possibility of a joint US-Saudi oil alliance is one idea under consideration to stabilise prices after the worst crash in a generation.

IATA says revenue losses for airlines across the world could total USD 252bln this year as against the USD 113bln forecast earlier, as global travel falls victim to the COVID-19 outbreak.

## # UAE Stories

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The UAE announced 50 new cases of the novel coronavirus taking the total number of confirmed cases in the UAE to 248.

First Abu Dhabi Bank announces that Fadel Al Ali is appointed as Deputy CEO and group head of corporate & investment banking Hana Al Rostamani appointed Deputy CEO in addition to current role as group head of personal banking. Appointments will be effective 1 April subject to regulatory approval.

Etisalat shareholders approved board's recommendation of cash dividend of 40 fils per share for 2H19, taking FY19 dividends to 80 fils per share.

RakBank outlines measures to support all stakeholders amid coronavirus. The bank will provide payment deferrals of up to 3 months on auto, personal loans for individual customers. Reducing SME prime lending rate, offering payment relief to customers of business loans or asset backed loans up to a period of 6 months. Waiving off local transfer charges via digital banking app, ATMs, EDMs.

NMC Health said its debt pile now stood at USD 6.6bln, much higher than earlier estimates, and that it has appointed a former PwC partner as chief restructuring officer to tackle the problem.

NMC Health appointment of chief restructuring officer. Group's bilateral and syndicated debt obligations are comprised of over 75 debt facilities from over 80 financial institutions. NMC received another update on 23 March 2020 advising that group's debt position is currently estimated to be around USD 6.6bln, including USD 360mln convertible bond and USD 400mln sukuk. Work on verifying outstanding debt obligations is continuing. Following a period of extended leave for ill health, Prasanth Shenoy has resigned as chief financial officer with immediate effect.

The Abu Dhabi Securities Exchange (ADX) has been converted into a public joint shares company owned by the state holding company ADQ. The company will have AED 500mln in capital funds divided into 500mln shares, as well as AED 100mln in export capital divided into 100mln shares. ADQ is the new brand of the Abu Dhabi Developmental Holding Company, one of the region's largest holding companies.

Fitch says UAE banks' credit profiles could deteriorate due to the coronavirus pandemic and lower oil prices, and consequently face a wave of mergers and acquisitions if the crisis persists.

Abu Dhabi National Oil Company (ADNOC) has notified contractors and suppliers that it will review existing deals to find ways to cut costs due to the steep slide in oil prices, according to three industry sources.

Sharjah National Oil Company CEO says start of production from Mahani 1 Gas Field developed by ENI will be slightly delayed, expected by end of year due to Covid-19 impact.

## # GCC/ MENA

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Saudi Arabia reported its first death from the new coronavirus as the total number of infections spiked to 767, up by 205, according to the health ministry. An Afghan resident in the western city of Medina died from the virus, the ministry said.

Saudi Public Transport posted FY net profit after zakat and tax SAR 33.9mln vs SAR 22.9mln year ago. FY sales SAR 1.71bln vs SAR 1.46bln year ago.

Moody's says lower oil prices to weaken credit profiles of oil-exporting sovereigns. Moody's says estimates that fiscal revenue, exports will decline by over 10% of 2019 GDP in 2020 in Iraq, Kuwait compared with previous projections. Most vulnerable sovereigns to lower oil prices are Oman, Bahrain, Iraq and Angola.

Bahrain's will execute a BD 4.3bln (USD 11.41bln) package as soon as possible at the highest priority to support economy.

Egypt has declared a curfew from 7 p.m. to 6 a.m. for two weeks starting on Wednesday to counter the spread of coronavirus.

Egypt will extend a suspension of flights for two weeks from April 1, the minister for state information said on Tuesday. Flights at Egyptian airports were suspended on March 19, and the stoppage had been due to last until the end of the month.

Egypt's Dice Sport and Casual Wear posted FY standalone net profit after tax EGP 81.4mln vs EGP 79.3mln year ago. FY standalone revenue EGP 1.35bln vs EGP 1.31bln year ago.

*(Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian Business)*

## # 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	34,230	4.92	10.26	4.33	6.82	0.62	9.3%	(34.7)	(37.7)	(39.0)	(48.2)
ADIB	13,620	3.75	5.85	3.60	5.93	0.71	7.2%	(32.9)	(31.1)	(26.6)	(14.8)
ADNIC	1,388	3.70	3.70	2.60	7.39	0.92	8.1%	-	32.1	23.3	-
ADNOC Dist	30,500	2.44	3.20	2.00	13.75	8.14	8.6%	(19.7)	(17.6)	(4.6)	11.9
Agthia	1,542	2.57	4.15	2.57	11.25	0.79	5.8%	(19.4)	(26.4)	(26.6)	(30.7)
Air Arabia	4,083	0.88	1.61	0.87	4.12	0.73	NA	(35.6)	(37.7)	(21.9)	(5.4)
Ajman Bank	1,113	0.53	0.98	0.50	13.59	0.44	6.6%	(37.3)	(39.8)	(42.6)	(36.9)
Al Waha Capital	1,556	0.80	1.30	0.72	NA	0.52	NA	(8.6)	(12.6)	(20.8)	(39.4)
Aldar Properties	12,423	1.58	2.37	1.35	6.26	0.50	8.9%	(27.9)	(26.9)	(26.5)	(16.0)
Amanat Holdings	1,450	0.58	1.06	0.56	24.16	0.57	2.6%	(27.5)	(33.2)	(37.7)	(40.1)
Amlak Finance	339	0.23	0.64	0.20	NA	0.30	0.0%	(48.3)	(51.7)	(24.7)	(27.6)
Arabtec	702	0.47	2.28	0.44	NA	0.59	10.7%	(39.8)	(63.4)	(72.0)	(78.0)
Aramex	3,119	2.13	4.85	2.00	6.27	1.19	7.7%	(38.3)	(40.8)	(47.1)	(55.9)
Bank of Sharjah	1,407	0.67	1.00	0.65	NA	0.37	0.0%	(14.5)	(18.3)	(20.2)	(29.0)
DAMAC Properties	2,626	0.43	1.41	0.36	13.70	0.18	NA	(32.5)	(41.5)	(52.2)	(68.6)
Dana Gas	3,791	0.54	1.10	0.53	6.56	0.39	10.1%	(39.4)	(41.5)	(42.5)	(40.1)
Deyaar Development	1,179	0.20	0.43	0.18	16.48	0.26	0.0%	(38.2)	(43.2)	(39.6)	(40.9)
Dubai Financial Market	4,168	0.52	1.00	0.50	34.53	0.53	0.0%	(40.3)	(43.7)	(40.4)	(30.5)
Dubai Investment	4,295	1.01	1.63	0.98	6.53	0.36	NA	(23.5)	(22.3)	(19.8)	(27.3)
Dubai Islamic Bank	27,515	3.80	5.86	3.80	5.50	0.78	9.2%	(26.5)	(24.5)	(20.8)	(21.2)
DXB Entertainments	856	0.11	0.27	0.09	NA	0.29	0.0%	(41.2)	(47.0)	(50.2)	(55.4)
Emaar Dev	8,240	2.06	4.91	2.06	2.37	0.92	25.2%	(46.6)	(46.1)	(49.9)	(46.9)
Emaar Malls	12,754	0.98	2.17	0.98	5.58	0.72	10.2%	(40.6)	(48.1)	(47.9)	(44.3)
Emaar Properties	14,892	2.08	5.53	1.90	2.40	0.28	7.2%	(45.0)	(48.6)	(56.4)	(55.6)
Emirates Integrated Tele	21,803	4.81	6.35	4.33	12.60	2.52	7.3%	(22.8)	(14.1)	(14.7)	(9.6)
Emirates NBD	43,079	6.82	13.93	6.60	2.80	0.53	5.9%	(44.3)	(45.1)	(42.6)	(28.8)
Eshraq Investments	405	0.17	0.55	0.16	NA	0.29	NA	(45.3)	(47.3)	(57.6)	(60.3)
Etisalat	115,145	13.24	17.80	11.02	13.25	2.47	6.0%	(17.9)	(20.2)	(19.3)	(21.7)
First Abu Dhabi Bank	104,068	9.53	16.96	7.78	8.69	0.97	7.8%	(28.7)	(34.0)	(33.2)	(36.6)
GFH	1,853	0.52	1.11	0.45	5.88	0.46	6.2%	(40.8)	(41.7)	(41.5)	(47.4)
Gulf Navigation Holding	397	0.39	1.00	0.30	NA	0.46	0.0%	(14.3)	(37.0)	(47.3)	(48.8)
IHC	24,626	13.52	14.00	0.87	NM	11.34	NA	0.7	125.3	152.7	1,252.0
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%	-	(10.0)	8.0	(10.0)
National Bank of Fujairah	9,232	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%	(10.2)	(5.1)	5.7	15.6
RAK Bank	6,454	3.85	5.00	3.75	5.89	0.83	7.8%	(18.9)	(18.1)	(17.9)	(10.5)
RAK Properties	770	0.39	0.50	0.35	7.65	0.20	0.0%	(13.3)	(10.3)	(15.4)	(11.9)
RAK Ceramics	1,262	1.27	1.81	1.24	7.31	0.50	11.2%	(20.7)	(7.2)	(6.0)	(21.1)
SALAMA	410	0.34	0.71	0.30	18.30	0.54	NA	(40.1)	(37.5)	(48.4)	(23.5)
Sharjah Islamic Bank	3,072	1.00	1.29	0.95	5.63	0.41	8.0%	(16.3)	(10.8)	(9.3)	(4.8)
SHUAA Capital	1,085	0.43	1.05	0.40	713.33	0.74	NA	(45.3)	(55.9)	(55.4)	(40.1)
Takaful Emarat Insurance	210	1.40	1.62	0.97	NA	1.77	5.0%	7.7	30.8	(2.1)	(11.9)
TAQA	3,518	0.58	0.94	0.40	15.04	0.84	0.0%	(18.9)	(3.3)	(20.5)	(31.8)
Union Properties	892	0.21	0.44	0.15	NA	0.30	0.0%	1.5	(26.0)	(34.2)	(40.6)
United Arab Bank	1,848	0.90	1.25	0.81	NA	0.86	0.0%	-	0.3	(10.4)	(31.1)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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