



Integrated Securities Morning Report

12 February 2019

Market Stats

Indices	Close	Change	1M	3M	1Y
			Change	Change	Change
ADX	5,046	-0.7%	1.7%	1.9%	9.5%
DFM	2,496	-1.3%	-1.9%	-10.9%	-24.7%
TASI	8,543	-0.3%	4.1%	9.9%	15.1%
BHSEASI	1,399	-0.8%	4.2%	6.9%	3.8%
EGX	14,785	0.1%	10.6%	8.1%	-0.7%
Dow Jones	25,053	-0.2%	4.4%	-1.3%	1.8%
S&P 500	2,710	0.1%	4.4%	-0.6%	2.0%
Nasdaq	7,308	0.1%	4.8%	1.5%	4.7%
FTSE 100	7,129	0.8%	3.0%	1.1%	-0.7%
DAX	11,015	1.0%	1.2%	-2.7%	-10.3%
CAC40	5,014	1.1%	4.9%	-0.9%	-2.4%
Nikkei225	20,861	2.6%	2.5%	-6.2%	-2.4%
HIS	28,188	0.2%	5.7%	10.0%	-4.3%

UAE Trading Summary

AEDm	Buy	Sale	Net
ADX	168	168	-
Local	52%	40%	12%
Foreign	48%	60%	-12%
Institution	79%	77%	2%
Retail	21%	23%	-2%
DFM	212	212	-
Local	36%	37%	-1%
Foreign	64%	63%	1%
Institution	54%	61%	-7%
Retail	46%	39%	7%
Total	379	379	-
Local	43%	38%	5%
Foreign	57%	62%	-5%

Upcoming Corporate Actions & Events

Date	Company	Event
12-Feb	Arabtec	B. Meeting/ Results
12-Feb	AJMAN BANK	B. Meeting/ Results
12-Feb	UNB	B. Meeting/ Results
12-Feb	GULFA	B. Meeting/ Results
12-Feb	RAK Ceramics	B. Meeting/ Results
13-Feb	ADNOC	B. Meeting/ Results
13-Feb	Aldar	B. Meeting/ Results
13-Feb	Air Arabia	B. Meeting/ Results
13-Feb	Amanat	B. Meeting/ Results
13-Feb	CBI	B. Meeting/ Results
13-Feb	DAMAC	B. Meeting/ Results
13-Feb	ADNIC	B. Meeting/ Results
13-Feb	ITHMR	B. Meeting/ Results
13-Feb	DFM	B. Meeting/ Results



KEY STORIES

ADNOC seeks to expand downstream investment in Asia

Franklin Templeton, Actera eyeing Abraaj's Turkey funds

Arkan Building Materials sold Emirates Cement assets sum of AED 50mln (inclusive of VAT)

GFH Financial Group reported consolidated net profit of USD114.08 million in 2018 as compared with USD104.18 million in 2017. Consolidated net profit for the fourth quarter of 2018 was USD10.64 million compared with USD16.95.15 million in the fourth quarter of 2017. Board recommends FY cash dividend of USD30 million and bonus shares of USD55 million. Recommends extinguishing 7 percent treasury shares.

New licences up 20%YoY in Jan as Dubai non-oil growth rebounds

National General Insurance posted FY profit 31.4mln dirhams vs 37mln dirhams year ago. Board recommends 15pct cash dividend for 2018

Al Ain Ahlia Insurance posted FY net profit 48.5mln dirhams vs 50.1mln dirhams year ago. Board proposes cash dividend of 1.5 dirham per share for year 2018

Abu Dhabi Aviation posted FY net profit attributable to shareholders 231.4mln dirhams vs 243.6mln dirhams year ago. Board proposes FY cash dividend of 20pct of capital

AXA Green Crescent posted FY loss 5mln dirhams vs loss of 18.9mln dirhams year ago

National Bank of Fujairah posted FY net profit 615.3mln dirhams vs 471.9mln dirhams year ago. Board proposes FY cash dividend of 7.5pct, bonus shares of 12.5pct of paid-up capital

UK approaches Gulf countries on post-Brexit trade pact - UAE minister

Middle East aircraft services market to reach \$745bn by 2037 (growing 4.8% annually), Boeing says

Saudi Arabia would need oil at \$80-\$85 a barrel to balance budget: IMF official

Saudi's Fawaz Abdulaziz Alhokair posted Q3 net profit after zakat and tax 26.5mln riyals vs 48.6mln riyals year ago

Tihama Advertising and Public Relations and Marketing Holding posted Q3 net profit after zakat and tax 1.5mln riyals vs 0.8mln riyals year ago

Al Yamamah Steel Industries Company posted Q1 net loss after zakat and tax 30.2mln riyals vs profit of 6.7mln riyals year ago

Saudi's Al Andalus Property announces Aljawharah Alkubra Project

Bahrain's Mumtalakat has mandated banks to arrange meetings with fixed income investors ahead of possible 5-yr dollar sukuk

Bahrain's Investcorp Bank acquires controlling stake in Revature

Bahrain's Arab Banking Corporation posted FY profit attributable to shareholders \$202mln vs \$193mln year ago



Egypt aims for 3 bln cubic feet of gas per day at Zohr by end-2019

Egypt sold \$1.014 billion one-year dollar-denominated treasury bills at yield of 3.797 pct

Egypt's FRA says Summu Consulting in consortium with Partners submits mandatory purchase offer for Electro Cable Shares of upto 295mln shares for EGP 1.35 per share

Egypt's sugar beet production this year will rise to 1.4mln ton from 1.2mln ton last year - Delta Sugar co chairman

Misr fertilizers posted FY standalone net profit EGP 1.48bln vs EGP 1.03bln year ago

Egyptian Transport posted FY net profit after tax EGP 35.3mln vs EGP 72.6mln year ago

Sidi Kerir Petrochemicals receives basic technical and engineering designs for propylene plant project from UOP

Key Global Trends/ Market Clues

Asian shares edged up on Tuesday as investors hoped a new round of U.S.-China trade talks would help to resolve a dispute that's dented global growth and some corporate earnings. Improving market sentiment was news that U.S. lawmakers reached a tentative deal on border security funding that would avert another partial government shutdown due to start on Saturday. MSCI's broadest index of Asia-Pacific shares outside Japan added 0.3 percent.

Oil prices rose on Tuesday amid OPEC-led supply cuts and U.S. sanctions against Iran and Venezuela, although surging U.S. production and concerns over economic growth kept markets in check. International Brent crude futures were up 18 cents, or 0.3 percent, at \$61.69 per barrel.

Scared by looming U.S. anti-cartel legislation for the oil industry, the Organization for the Petroleum Exporting Countries and its allies such as Russia have decided against creating a formal body, at least on paper. A draft of a document - setting up a new alliance and dated January 2019 - and seen by Reuters carefully avoids any mention of sensitive issues such as oil prices, market share and production cuts. OPEC and Russia have been cutting production together to support prices since 2017, after clinching a deal in December 2016, in moves that have provoked criticism from U.S. President Donald Trump.

The oil market should reach a balance between supply and demand in the first quarter of this year, United Arab Emirates' Oil Minister Suhail Al Mazrouei told Al-Arabiya television on Monday.

UAE Stories

Abu Dhabi National Oil Company is seeking to invest in more downstream assets, mainly in refining and petrochemicals, in strategic locations like India to find a stable outlet for its oil, said its chief executive officer.

U.S. fund manager Franklin Templeton and Turkish private equity firm Actera are among the bidders in talks to take control of Abraaj's Turkish assets after negotiations with other buyers faltered, two sources familiar with the deal said.

Arkan Building Materials Company updates on sale of Emirates Cement Factory assets. Tender has been awarded to highest bidder for sum of AED 50mln including VAT. The amount recognized as other income in 2018 is AED 21.9mln.

GFH Financial Group reported consolidated net profit of USD114.08 million in 2018 as compared with USD104.18 million in 2017. Consolidated net profit for the fourth quarter of 2018 was USD10.64 million compared with USD16.95.15 million in the fourth quarter of 2017. Board recommends FY cash dividend of USD30 million and bonus shares of USD55 million. Recommends to extinguish 7 percent treasury shares.



Total equity attributable to shareholders in 2018 was USD1.06 billion as compared to USD1.15 billion in 2017, a decrease of 7.9% due to share buyback by the Group. For the full year 2018, the Group's total consolidated revenue was USD246.21 million compared with USD204.36 million in 2017. For the fourth quarter 2018, the Group's total consolidated revenue was USD61.6 million compared with USD41.2 million in 2017. Board recommends FY cash dividend of USD30 million and bonus shares of USD55 million.

The issue of new business licences in Dubai jumped 20 per cent to 2,046 during January 2019 compared to the same 2018 period, according to data released by Department of Economic Development and Emirates NBD.

National General Insurance posted FY profit 31.4mln dirhams vs 37mln dirhams year ago. FY revenue 551.4mln dirhams vs 571.7mln dirhams year ago. Board recommends 15pct cash dividend for 2018.

Al Ain Ahlia Insurance posted FY net profit 48.5mln dirhams vs 50.1mln dirhams year ago. FY gross written premium 1.51bln dirhams vs 1.39bln dirhams year ago. Board proposes cash dividend of 1.5 dirham per share for year 2018.

Abu Dhabi Aviation posted FY net profit attributable to shareholders 231.4mln dirhams vs 243.6mln dirhams year ago. FY revenue 1.81bln dirhams vs 1.61bln dirhams year ago. Board proposes FY cash dividend of 20pct of capital.

AXA Green Crescent posted FY loss 5mln dirhams vs loss of 18.9mln dirhams year ago. FY gross premiums written 39.8mln dirhams vs 40mln dirhams year ago.

National Bank of Fujairah posted FY net profit 615.3mln dirhams vs 471.9mln dirhams year ago. FY operating income 1.57bln dirhams vs 1.38bln dirhams year ago. Board proposes FY cash dividend of 7.5pct, bonus shares of 12.5pct of paid-up capital.

GCC/ MENA

Britain has approached the United Arab Emirates and other Gulf countries on a possible trade pact after Britain leaves the European Union, the UAE economy minister said on Monday.

Boeing, the world's largest plane maker, expects the Middle East market for aircraft services to grow faster than the global rate over the next 20 years as the region's widebody fleet starts to age. The US company forecasts that the Middle East demand for jet maintenance and engineering services will comprise 4.8 per cent of commercial aviation services over 20 years compared to 4 per cent globally, according to its Services Market Outlook.

Saudi Arabia would need oil priced at \$80-\$85 a barrel to balance its budget this year, an International Monetary Fund official said. Riyadh's breakeven oil price depends on several factors, including the level of oil production, how much of Saudi oil revenues are transferred to the budget, and how non-oil revenues perform this year. "But if you take the (2019) budget as presented with everything remaining equal, a breakeven point would be around \$80-\$85 dollars," IMF's Director.

Saudi's Fawaz Abdulaziz Alhokair posted Q3 net profit after zakat and tax 26.5mln riyals vs 48.6mln riyals year ago. Q3 revenue 1.23bln riyals vs 1.35bln riyals year ago.

Tihama Advertising and Public Relations and Marketing Holding posted Q3 net profit after zakat and tax 1.5mln riyals vs 0.8mln riyals year ago. Q3 sales 38.8mln riyals vs 28.8mln riyals year ago.

Al Yamamah Steel Industries Company posted Q1 net loss after zakat and tax 30.2mln riyals vs profit of 6.7mln riyals year ago. Al Yamamah Steel Industries company posted Q1 sales 198.8mln riyals vs 252.2mln riyals year ago.

11-feb-2019 09:06:16 - al yamamah steel - q1 loss due to continuing decline in demand due to prevailing economic conditions, slow project implementation, severe competition



Saudi Al Andalus property announces of Aljawharah Alkubra project with total estimated cost of project, including land value, will be around SAR 873million. The project will be financed mainly by bank loans to be obtained by project company, and partly by self-financial resources of project partners with expected completion of project construction works by Q4, 2021. The project is expected to be operational in quarter I, 2022. The company owns a 25pct undivided stake in plot of land acquired to establish a mall in partnership with other co-owners.

Bahrain's Mumtalakat has mandated banks to arrange meetings with fixed income investors ahead of possible 5-yr dollar sukuk.

Bahrain's Investcorp Bank acquires controlling stake in Revature. The terms of the transaction were not disclosed.

Bahrain's Arab Banking Corporation posted FY profit attributable to shareholders \$202mln vs \$193mln year ago.

Egypt hopes to reach a peak production level of 3 billion cubic feet per day of gas at its giant Mediterranean gas field Zohr by the end of 2019, Petroleum Minister Tarek El Molla said on Monday.

Egypt sold \$1.014 billion worth of one-year dollar-denominated treasury bills at an average yield of 3.797 percent, the central bank said on Monday.

Egypt's Financial Regulatory Authority says Summu Consulting in consortium with Partners submits mandatory purchase offer for Electro Cable Shares of upto 295 mln shares or 41.5 pct stake in electro cable at EGP 1.35 per share

Egypt's sugar beet production this year will rise to 1.4mln ton from 1.2mln ton last year - Delta Sugar co chairman

Misr fertilizers Production posted FY standalone net profit EGP 1.48bln vs EGP 1.03bln year ago. FY standalone net sales EGP 2.64bln vs EGP 2.44bln year ago.

Egyptian Transport and Commercial Services posted FY standalone net profit after tax EGP 35.3mln vs EGP 72.6mln year ago. FY standalone revenue EGP 242.6mln vs EGP 295.6mln year ago.

Sidi Kerir Petrochemicals receives basic technical and engineering designs for propylene plant project from UOP. Tender has been floated to choose general contractor for project and financial and technical offers from contractors will be received by end of April 2019. The plants will have designed capacity of 500,000 tons per year.



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	48,707	9.37	9.50	6.50	10.39	1.69	4.9%	12.2%	18.5%	33.1%	28.4%
ADIB	15,472	4.26	4.38	3.46	5.92	1.18	6.4%	2.4%	2.7%	16.2%	9.5%
ADNIC	1,350	3.60	4.00	3.40	7.56	0.64	NA	-7.7%	-6.7%	-6.5%	-6.5%
Agthia	2,340	3.90	5.00	3.42	11.10	1.25	3.8%	-2.5%	2.4%	-21.8%	-9.3%
Air Arabia	4,643	1.00	1.33	0.94	9.57	0.69	10.1%	-4.3%	-3.4%	-2.5%	-24.0%
Ajman Bank	1,764	0.84	1.10	0.82	8.69	0.72	0.0%	-6.5%	-10.6%	-12.4%	-23.6%
Al Waha Capital	2,897	1.49	2.20	1.47	19.54	0.86	10.1%	-18.1%	-22.8%	-17.2%	-30.7%
Aldar Properties	11,637	1.48	2.30	1.46	6.92	0.49	8.1%	-4.5%	-14.0%	-23.7%	-34.2%
Amanat Holdings	2,625	1.05	1.50	0.98	97.40	1.04	1.4%	0.0%	-6.3%	-12.5%	-29.5%
Amlak Finance	548	0.37	0.97	0.32	NA	0.40	0.0%	-8.8%	-35.4%	-46.4%	-60.9%
Arabtec	3,165	2.11	2.60	1.58	14.03	1.95	1.0%	0.5%	-6.6%	11.6%	-16.6%
Aramex	6,017	4.11	4.75	3.72	12.22	2.33	7.9%	1.2%	-3.3%	-7.4%	0.2%
Bank of Sharjah	2,006	0.96	1.20	0.96	6.50	0.49	0.0%	-3.5%	-12.4%	-10.7%	-17.7%
DAMAC Properties	7,442	1.23	3.50	1.10	4.82	0.53	12.2%	-18.0%	-40.3%	-43.1%	-61.9%
Dana Gas	6,000	0.86	1.21	0.71	19.51	0.57	1.5%	-9.5%	-25.2%	-23.9%	14.7%
Deyaar Development	2,051	0.36	0.55	0.32	14.61	0.46	0.0%	-5.3%	-18.4%	-7.6%	-34.3%
Dubai Financial Market	6,264	0.78	1.12	0.70	38.28	0.80	6.4%	-6.5%	-12.5%	-18.5%	-27.5%
Dubai Investment	4,677	1.10	2.35	1.08	7.20	0.39	10.9%	-17.3%	-31.7%	-44.4%	-52.2%
Dubai Islamic Bank	33,080	5.02	5.61	4.66	6.94	1.37	7.0%	-1.2%	-5.6%	0.0%	-9.2%
DXB Entertainments	1,968	0.25	0.59	0.23	NA	0.35	0.0%	-6.8%	-29.5%	-24.8%	-56.8%
Emaar Dev	13,400	3.35	5.47	3.26	4.30	1.77	0.0%	-18.9%	-30.8%	-32.9%	-38.3%
Emaar Malls	19,782	1.52	2.37	1.43	9.24	1.19	6.6%	-14.6%	-18.7%	-26.9%	-32.4%
Emaar Properties	28,138	3.93	6.46	3.85	5.17	0.60	3.6%	-3.2%	-21.7%	-25.0%	-38.9%
Emirates Integrated Tele	23,177	5.07	5.24	4.73	12.56	2.83	4.3%	1.4%	0.2%	-0.6%	0.0%
Emirates NBD	56,411	10.15	11.00	8.25	5.96	1.03	3.9%	11.5%	9.1%	3.3%	18.0%
Eshraq Properties	1,046	0.45	0.77	0.41	17.35	0.70	NA	-8.5%	-25.9%	-22.4%	-35.7%
Etisalat	146,975	16.90	18.00	15.70	17.03	3.37	4.7%	-0.7%	0.2%	0.0%	-2.6%
First Abu Dhabi Bank	163,463	15.00	15.60	10.75	14.11	1.79	4.7%	4.3%	5.6%	8.3%	30.4%
GFH	3,671	1.00	1.52	0.73	8.70	0.92	8.7%	6.2%	-22.1%	-29.3%	-28.3%
Gulf Navigation Holding	745	0.81	1.17	0.72	NA	0.89	0.0%	-2.4%	-26.4%	-15.1%	-21.4%
Gulf Pharmaceutical	2,190	1.89	2.38	1.89	NA	1.22	5.1%	-9.1%	-10.0%	-12.1%	-12.3%
Marka	138	0.28	0.60	0.26	NA	NA	NA	0.0%	0.0%	0.0%	-49.4%
Mashreqbank	13,315	75.00	80.00	68.05	6.46	0.66	5.3%	-3.8%	4.2%	0.0%	0.0%
National Bank of Fujairah	7,893	4.80	4.80	2.50	13.59	1.76	1.5%	0.0%	41.2%	71.4%	39.5%
National Central Cooling Co	4,562	1.68	1.88	1.45	10.51	0.98	5.7%	-3.4%	-0.6%	-7.2%	-6.7%
RAK Bank	6,873	4.10	4.85	4.00	7.62	0.99	7.3%	-2.4%	-1.2%	-2.4%	-14.6%
RAK Properties	920	0.46	0.84	0.45	7.47	0.24	10.9%	-4.0%	-19.9%	-27.0%	-43.2%
Ras Al Khaimah	1,722	1.91	3.10	1.75	9.82	0.70	12.5%	5.5%	-8.6%	-17.7%	-30.6%
SALAMA	572	0.47	0.76	0.38	7.29	0.76	0.0%	-6.7%	-35.1%	21.3%	-4.4%
Sharjah Islamic Bank	3,522	1.20	1.34	1.11	7.00	0.66	6.7%	0.0%	0.0%	-0.8%	-10.4%
Takaful Emarat Insurance	242	1.61	2.70	1.48	9.16	1.67	0.0%	3.2%	-8.5%	-17.9%	-12.5%
TAQA	5,642	0.93	1.45	0.57	14.26	1.26	0.0%	-9.7%	-12.3%	-18.4%	40.9%
Union National Bank	14,170	5.15	5.48	3.36	9.63	0.83	3.9%	4.3%	6.6%	38.1%	29.1%
Union Properties	1,549	0.36	0.93	0.36	12.51	0.55	0.0%	-14.5%	-42.7%	-48.4%	-60.3%
United Arab Bank	2,475	1.20	1.60	1.01	39.89	0.95	0.0%	0.0%	-4.0%	13.2%	-24.1%

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration



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