

SHUAA Securities Morning Report

18 April 2019

Market Stats

| Indices | Close | Change | 1M Change | 3M Change | 1Y Change |
|-----------|--------|--------|-----------|-----------|-----------|
| ADX | 5,237 | 0.4% | 3.4% | 5.1% | 11.9% |
| DFM | 2,813 | 0.8% | 7.4% | 11.8% | -8.9% |
| TASI | 9,238 | 1.1% | 6.8% | 9.4% | 13.4% |
| BHSEASI | 1,445 | 0.1% | 2.2% | 7.7% | 11.0% |
| EGX | 14,864 | -0.7% | -0.3% | 10.2% | -16.1% |
| Dow Jones | 26,450 | 0.0% | 2.1% | 7.1% | 6.9% |
| S&P 500 | 2,900 | -0.2% | 2.4% | 8.6% | 7.1% |
| Nasdaq | 7,996 | -0.1% | 3.7% | 11.7% | 9.6% |
| FTSE 100 | 7,471 | 0.0% | 2.4% | 7.2% | 2.1% |
| DAX | 12,153 | 0.4% | 4.3% | 8.5% | -3.5% |
| CAC40 | 5,563 | 0.6% | 2.8% | 14.1% | 3.4% |
| Nikkei225 | 22,139 | -0.6% | 2.6% | 7.1% | -0.1% |
| HIS | 29,943 | -0.6% | 1.8% | 10.5% | -1.1% |

UAE Trading Summary

| AEDm | BUY | SELL | Net |
|---------------|------------|------------|----------|
| ADX | 146 | 146 | - |
| Local | 38% | 63% | -25% |
| Foreign | 62% | 37% | 25% |
| Institutional | 61% | 38% | 23% |
| Retail | 39% | 62% | -23% |
| DFM | 319 | 319 | - |
| Local | 53% | 64% | -10% |
| Foreign | 47% | 36% | 10% |
| Institutional | 28% | 26% | 2% |
| Retail | 72% | 74% | -2% |
| Total | 465 | 465 | - |
| Local | 49% | 64% | -15% |
| Foreign | 51% | 36% | 15% |

Upcoming Corporate Actions & Events

| Date | Company | Event |
|--------|-------------|------------------|
| 18-Apr | Aman | General Assembly |
| 18-Apr | Salama | General Assembly |
| 18-Apr | UPP | General Assembly |
| 18-Apr | Julphar | General Assembly |
| 18-Apr | Marka | BoD/General |
| 21-Apr | CBI | BoD/Results |
| 21-Apr | Gulfnav | BoD/General |
| 22-Apr | Emaar | General Assembly |
| 22-Apr | Mashreq | BoD/Results |
| 22-Apr | ADIB | BoD/Results |
| 23-Apr | Emaar Dev | General Assembly |
| 23-Apr | Emaar Malls | General Assembly |
| 23-Apr | Arabtec | General Assembly |
| 23-Apr | Eshraq | General Assembly |
| 24-Apr | DXBE | General Assembly |
| 29-Apr | Damac | General Assembly |

KEY STORIES

President His Highness Shaikh Khalifa Bin Zayed Al Nahyan issues law amending real estate regulations, property ownership in Abu Dhabi

Dana Gas shareholders approve share buyback not exceeding 10pct of company's capital with objective of resale.

Aldar generates Dh400m in sales from latest project - Lea

Commercial Bank of Dubai posted Q1 net profit 340.1mln dirhams vs 279.7mln dirhams year ago

Mubadala Real Estate and Infrastructure is looking to monetise UAE assets through partial sales or launching a real estate investment trust (Reit) after it finishes a portfolio valuation process this year, a senior company executive said

Invest Bank increases capital through issuing 1.59bln shares to government of Sharjah as strategic partner and after capital increase bank's paid-up capital to be 3.18bln dirhams

Imkan to complete five projects this year

Etihad-backed Jet Airways suspends all operations

Unemployment for Q4 2018 among Saudis declined slightly to 12.7 percent by the end of 2018 from 12.8 percent in 2017, Total youth unemployment (20-24 years old) has declined notably, from 42.7 percent in 2017 to 36.6 percent in 2018 – GaStat

Saudi Aramco plans to buy Royal Dutch Shell's 50 percent stake in Saudi refining complex SASREF, a joint venture between the firms

Zain Saudi posted Q1 net profit after zakat and tax 129mln riyals vs loss of 77mln riyals year ago. Q1 revenue 2.09bln riyals vs 1.69bln riyals year ago

Saudi's Riyadh Reit acquired a 40% stake in leasehold interest (99-year ground lease) of a Trophy Office Building in Washington, D.C., USA for Saudi riyal 102million

Saudi Aldrees Petroleum and Transport Services posted Q1 net profit after zakat and tax 29.9mln riyals vs 22.1mln riyals year ago

Saudi's Filing and Packing Materials Manufacturing posted Q1 net loss after zakat and tax 2.5mln riyals vs profit of 1.1mln riyals year ago

Prince Khaled bin Alwaleed eyes IPO of KBW Investments as early as 2022

Qatar Islamic Bank posted Q1 net profit attributable to the shareholders 685.2mln riyals vs 625.2mln riyals year ago

Moody's upgrades Egypt's ratings to B2, stable outlook

Egyptian alliance of Efg Hermes, Talaat Mostafa Group, GB Capital launches real estate finance company

Egypt's Qalaa Holdings says ongoing events in Sudan impacted cement plant operations for 1 day

Egypt's Alexandria Flour Mills and Bakeries posted nine-month net profit after tax EGP 23.8mln vs EGP 37mln year ago

Key Global Trends/ Market Clues

Asian shares slipped on Thursday after losses on Wall Street but trade was subdued as investors awaited business surveys in Europe and largely stayed on the sidelines ahead of the long Easter weekend holiday. MSCI's broadest index of Asia-Pacific shares outside Japan lost 0.2 percent, reversing course after brushing its highest since late July 2018 early in the trading session.

Oil prices dropped on Thursday as the impact of plentiful U.S. production offset a surprise decline in U.S. inventories, leaving international benchmark Brent retreating from a five-month high touched in the previous session. Brent crude futures were at \$71.42 a barrel at 0235 GMT, down 20 cents, or 0.3 percent, from their last close.

Foreign Minister Mevlut Cavusoglu said on Wednesday Turkey is looking into establishing new trade mechanisms with Iran, like the INSTEX system set up by European countries to avoid U.S. sanctions reimposed last year on exports of Iranian oil.

UAE Stories

President His Highness Shaikh Khalifa Bin Zayed Al Nahyan has issued a law amending some provision of Law No.19 of 2005, which regulates the real estate sector and property ownership in the emirate. Under the new amendments, non-Emiratis and companies owned by foreigners are allowed to own and acquire all the rights of properties within their investment areas. They are also allowed to make any action on such properties. Citizens and their equivalents, whether natural and legal persons as well as public shareholding companies, in which non-nationals own no more than 49 per cent, also have the right to own properties.

Dana Gas shareholders approve share buyback not exceeding 10pct of company's capital with objective of resale. The shareholder also approved capital increase to 6.995bln dirhams from 6.977bln dirhams in order to issue employees incentive shares.

Aldar Properties sold out its latest residential project, Lea, generating more than Dh400 million in sales. The Lea scheme is on the northern coast of Yas Island, home to Abu Dhabi's Formula One racetrack, the Yas Marina, theme parks and neighbourhoods including Yas Acres. Lea is the second project Aldar has launched with land plots for sale in its response to demand among budget-conscious buyers for land on which to build their own home. Lea offers land plots starting at Dh990,000, with sizes ranging from 405 to 1,800 square metres.

Commercial Bank of Dubai posted Q1 net profit 340.1mln dirhams vs 279.7mln dirhams year ago. Q1 net interest income and net income from islamic financing 493mln dirhams vs 457.8mln dirhams year ago.

Mubadala Real Estate and Infrastructure, the property investment arm of Abu Dhabi's strategic firm Mubadala Investment Company, is looking to monetise UAE assets through partial sales or launching a real estate investment trust (Reit) after it finishes a portfolio valuation process this year, a senior company executive said.

Invest Bank increases capital through issuing 1.59bln shares to government of Sharjah as strategic partner and after capital increase bank's paid-up capital to be 3.18bln dirhams.

Imkan will deliver five projects in 2019, of which three will be in its home market and the other two in Egypt and Morocco. The company did not disclose the total investment in the five projects, but said they have a portfolio of Dh100 billion and a land bank of more than 30 million square metres.

Etihad backed Jet Airways halted all of its operations Wednesday after failing to secure emergency funding from lenders, leaving it teetering on the edge of bankruptcy.

GCC/ MENA

Unemployment among Saudis declined slightly to 12.7 percent by the end of 2018 from 12.8 percent in 2017, according to the latest General Authority for Statistics (GaStat) labor market release for Q4 2018. Total youth unemployment (20-24 years old) has declined notably, from 42.7 percent in 2017 to 36.6 percent in

2018. Female labor force participation continued to rise, reaching 20.2 percent in 2018, up from 19.4 percent in 2017.

Saudi Aramco plans to buy Royal Dutch Shell's 50 percent stake in Saudi refining complex SASREF, a joint venture between the firms, two sources said on Wednesday.

Zain Saudi posted Q1 net profit after zakat and tax 129mln riyals vs loss of 77mln riyals year ago. Q1 revenue 2.09bln riyals vs 1.69bln riyals year ago

Saudi's Riyad Reit acquired a 40% stake in leasehold interest (99-year ground lease) of a Trophy Office Building in Washington, D.C., United States of America for Saudi riyal 102million. Investment is expected to generate a net yield of 8%+ to Riyad Reit unitholders and the yield is net of all expenses, fees, and projected taxes. Property is 100% occupied and predominantly leased for 13 years by one of the largest international law firms.

Saudi Aldrees Petroleum and Transport Services posted Q1 net profit after zakat and tax 29.9mln riyals vs 22.1mln riyals year ago. Q1 sales 1.30bln riyals vs 1.29bln riyals year ago.

Saudi's Filing and Packing Materials Manufacturing posted Q1 net loss after zakat and tax 2.5mln riyals vs profit of 1.1mln riyals year ago. Q1 sales 36.7mln riyals vs 35.8mln riyals year ago.

Prince Khaled bin Alwaleed's private equity and venture capital company KBW Investments may go public as soon as 2022, its chairman said.

Qatar Islamic Bank posted Q1 net profit attributable to the shareholders 685.2mln riyals vs 625.2mln riyals year ago. Q1 total income 1.85bln riyals vs 1.64bln riyals year ago.

Moody's upgrades Egypt's ratings to B2, stable outlook. Moody's expects ongoing fiscal and economic reforms will support gradual but steady improvement in Egypt's fiscal metrics, raise real GDP growth. The agency upgraded the long-term foreign and local currency issuer ratings of the government of Egypt to B2 from B3. Moody's says Egypt's rating upgrade reflects resilience to external refinancing shocks despite large gross borrowing requirements.

An alliance between Egyptian firms EFG Hermes, Talaat Mostafa Group and GB Capital has launched a real estate finance company, they said in a statement.

Egypt's Qalaa Holdings says ongoing events in Sudan impacted cement plant operations for 1 day.

Egypt's Alexandria Flour Mills and Bakeries posted nine-month net profit after tax EGP 23.8mln vs EGP 37mln year ago. Nine-month revenue EGP 160.7mln vs EGP 282.5mln year ago.

(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 | 48,811 | 9.39 | 9.79 | 6.67 | 10.41 | 1.69 | 4.9% | -1.2% | 11.3% | 23.6% | 30.8% |
| ADIB | 17,760 | 4.89 | 4.95 | 3.46 | 7.73 | 1.37 | 5.6% | 7.9% | 15.9% | 37.7% | 34.8% |
| ADNIC | 1,313 | 3.50 | 4.00 | 3.32 | 8.32 | 0.62 | 8.6% | -5.4% | -10.3% | 0.0% | -2.8% |
| Agthia | 2,340 | 3.90 | 5.00 | 3.42 | 11.10 | 1.22 | 3.8% | 2.6% | 1.3% | -2.0% | -10.8% |
| Air Arabia | 4,807 | 1.03 | 1.22 | 0.90 | NA | 1.07 | NA | 14.1% | 0.0% | 8.0% | -14.2% |
| Ajman Bank | 1,901 | 0.91 | 1.03 | 0.82 | 9.36 | 0.78 | 0.0% | 7.6% | 6.5% | -1.1% | -9.5% |
| Al Waha Capital | 2,295 | 1.18 | 2.02 | 1.08 | 15.46 | 0.61 | 6.4% | -7.8% | -34.8% | -36.6% | -33.7% |
| Aldar Properties | 14,231 | 1.81 | 2.15 | 1.43 | 7.65 | 0.59 | 7.7% | -6.7% | 17.5% | 4.6% | -14.2% |
| Amanat Holdings | 2,600 | 1.04 | 1.40 | 0.93 | 60.27 | 1.02 | 1.4% | 5.1% | -5.5% | -8.8% | -23.0% |
| Amlak Finance | 552 | 0.37 | 0.86 | 0.31 | NA | 0.47 | 0.0% | 11.5% | 0.5% | -35.0% | -55.1% |
| Arabtec | 3,285 | 2.19 | 2.41 | 1.58 | 13.64 | 1.98 | 2.3% | 0.5% | 7.4% | 18.4% | 0.5% |
| Aramex | 7,101 | 4.85 | 5.01 | 3.72 | 14.42 | 2.95 | 3.4% | 2.5% | 19.5% | 21.3% | 18.6% |
| Bank of Sharjah | 1,945 | 0.93 | 1.15 | 0.92 | 5.54 | 0.48 | 0.0% | 0.2% | -7.3% | -14.3% | -15.8% |
| DAMAC Properties | 7,986 | 1.32 | 3.03 | 1.10 | 6.96 | 0.57 | NA | -6.4% | 4.8% | -34.7% | -55.9% |
| Dana Gas | 7,395 | 1.06 | 1.21 | 0.73 | NA | 0.78 | 1.3% | 19.9% | 12.8% | -7.8% | 10.4% |
| Deyaar Development | 2,178 | 0.38 | 0.49 | 0.32 | 15.51 | 0.49 | 0.0% | 9.6% | 1.9% | -16.8% | -19.3% |
| Dubai Financial Market | 6,544 | 0.82 | 1.12 | 0.70 | 52.02 | 0.84 | 0.0% | 6.8% | -1.4% | -6.0% | -17.8% |
| Dubai Investment | 6,803 | 1.60 | 2.20 | 1.04 | 10.47 | 0.57 | 6.3% | 11.1% | 24.0% | -1.2% | -22.3% |
| Dubai Islamic Bank | 33,739 | 5.12 | 5.41 | 4.66 | 7.08 | 1.40 | 6.8% | 4.3% | 0.4% | -2.5% | 3.6% |
| DXB Entertainments | 2,000 | 0.25 | 0.45 | 0.23 | NA | 0.52 | 0.0% | 2.5% | -1.2% | -32.4% | -43.6% |
| Emaar Dev | 15,120 | 3.78 | 5.34 | 3.26 | 3.89 | 1.90 | 0.0% | -3.1% | -5.5% | -24.4% | -26.4% |
| Emaar Malls | 21,734 | 1.67 | 2.24 | 1.43 | 10.10 | 1.26 | 6.0% | -8.2% | 0.0% | -9.2% | -20.9% |
| Emaar Properties | 35,584 | 4.97 | 5.90 | 3.85 | 6.06 | 0.73 | 2.8% | 5.3% | 24.3% | 0.0% | -11.9% |
| Emirates Integrated Tele | 23,360 | 5.11 | 5.40 | 4.77 | 13.22 | 2.72 | 4.3% | 0.0% | 1.0% | 4.5% | 3.4% |
| Emirates NBD | 66,415 | 11.95 | 12.10 | 8.25 | 6.74 | 1.21 | 3.3% | 22.6% | 29.9% | 32.8% | 16.0% |
| Eshraq Properties | 1,218 | 0.52 | 0.75 | 0.40 | 417.53 | 0.84 | NA | 25.4% | 10.3% | -14.8% | -28.2% |
| Etisalat | 144,540 | 16.62 | 17.40 | 15.70 | 16.21 | 3.22 | 4.8% | -0.6% | -2.0% | -1.1% | -4.2% |
| First Abu Dhabi Bank | 173,489 | 15.92 | 16.00 | 11.30 | 14.97 | 1.91 | 4.4% | 7.4% | 9.0% | 7.9% | 28.4% |
| GFH | 4,013 | 1.09 | 1.52 | 0.73 | 9.35 | 0.96 | 2.9% | 12.4% | 21.1% | -16.2% | -16.2% |
| Gulf Navigation Holding | 818 | 0.89 | 1.17 | 0.72 | NA | 0.89 | 0.0% | 17.1% | 6.0% | -11.9% | -15.2% |
| Gulf Pharmaceutical | 1,830 | 1.58 | 2.38 | 1.44 | NA | 1.02 | 6.1% | -1.3% | -24.0% | -28.2% | -30.7% |
| Marka | 138 | 0.28 | 0.34 | 0.26 | NA | NA | NA | 0.0% | 0.0% | 0.0% | -13.8% |
| Mashreqbank | 13,492 | 76.00 | 80.00 | 68.05 | 6.55 | 0.67 | 5.3% | -5.0% | -2.6% | 11.7% | -2.6% |
| National Bank of Fujairah | 8,843 | 4.78 | 4.78 | 2.22 | 15.23 | 1.91 | 1.4% | 12.0% | 12.0% | 58.2% | 81.1% |
| National Central Cooling Co | 4,318 | 1.59 | 1.88 | 1.45 | 9.94 | 0.92 | 6.0% | 0.0% | -6.5% | -5.4% | -7.0% |
| RAK Bank | 7,124 | 4.25 | 4.50 | 4.00 | 7.94 | 1.00 | 7.1% | 1.2% | 1.2% | 5.5% | -3.4% |
| RAK Properties | 970 | 0.49 | 0.68 | 0.41 | 6.45 | 0.25 | 0.0% | 6.4% | 3.0% | -21.8% | -28.7% |
| Ras Al Khaimah | 1,618 | 1.71 | 2.48 | 1.65 | 9.06 | 0.65 | NA | -11.6% | -0.3% | -18.4% | -27.0% |
| SALAMA | 696 | 0.58 | 0.76 | 0.38 | 404.64 | 0.92 | 0.0% | 27.8% | 19.8% | -16.9% | 39.2% |
| Sharjah Islamic Bank | 3,346 | 1.14 | 1.28 | 1.08 | 6.39 | 0.63 | 0.0% | 3.6% | -6.6% | -0.9% | -8.8% |
| Takaful Emarat Insurance | 225 | 1.50 | 2.70 | 1.35 | 16.09 | 1.36 | 5.5% | -7.4% | -6.3% | -16.7% | -20.2% |
| TAQA | 5,278 | 0.87 | 1.45 | 0.77 | 13.27 | 1.22 | 0.0% | -7.3% | -13.0% | -23.7% | -24.3% |
| Union National Bank | 15,023 | 5.46 | 5.65 | 3.36 | 13.60 | 0.89 | 3.7% | -0.4% | 12.3% | 19.5% | 44.4% |
| Union Properties | 1,819 | 0.42 | 0.87 | 0.34 | 14.33 | 0.59 | 0.0% | 19.4% | 6.0% | -36.6% | -50.1% |
| United Arab Bank | 2,454 | 1.19 | 1.48 | 1.00 | 31.79 | 0.97 | 0.0% | -8.5% | -0.8% | -0.8% | 13.3% |

(Source: Bloomberg)

[^] current dividend yield based on last year dividend declaration

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