

SHUAA Securities Morning Report

12 June 2019

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,966	-0.6%	-2.6%	2.1%	4.9%
DFM	2,675	0.0%	1.7%	3.0%	-13.1%
TASI	8,990	1.6%	3.6%	6.4%	8.7%
BHSEASI	1,450	-0.1%	1.6%	3.2%	12.6%
EGX	14,206	0.4%	0.6%	-6.2%	-10.9%
Dow Jones	26,049	-0.1%	0.4%	1.9%	2.9%
S&P 500	2,886	0.0%	0.1%	3.4%	3.5%
Nasdaq	7,823	0.0%	-1.2%	3.1%	1.5%
FTSE 100	7,398	0.3%	2.7%	3.5%	-4.0%
DAX	12,156	0.9%	0.8%	5.5%	-5.3%
CAC40	5,408	0.5%	1.5%	2.6%	-0.8%
Nikkei225	21,187	-0.1%	-0.7%	-1.5%	-7.4%
HIS	27,349	-1.6%	-4.2%	-5.4%	-12.1%

UAE Trading Summary

AEDm	BUY	SELL	Net
ADX	125	125	-
Local	35%	29%	6%
Foreign	65%	71%	-6%
Institution	81%	77%	4%
Retail	19%	23%	-4%
DFM	204	204	-
Local	64%	66%	-2%
Foreign	36%	34%	2%
Institution	39%	53%	-14%
Retail	61%	47%	14%
Total	329	329	-
Local	53%	52%	1%
Foreign	47%	48%	-1%

Upcoming Corporate Actions & Events

Date	Company	Event
12-Jun	Depa	General Assembly
13-Jun	NBF	BoD/General
16-Jun	Salama	BoD/General
16-Jun	DSI	BoD/General
19-Jun	Emirates REIT	AGM & EGM
24-Jun	ENBD REIT	General Assembly
27-Jun	Sudatel	General Assembly
30-Jun	Julphar	General Assembly

KEY STORIES

DSI's board to meet to elect new chair

Salama says Chairman Sheikh Khalid Al Nahyan resigns from board

Non-oil trade in Dubai rose by 7 per cent year-on-year in the first quarter of 2019 to reach Dh339 billion - Dubai Customs

UAE takes steps to ease VAT recovery for tourists

Abu Dhabi Fund Is Said to Buy Vornado Stake in 330 Madison Ave.

Dubai International Financial Centre enacts new insolvency law

Palm Hills Developments board approves to close and deregister Palm Hills Developments' Dubai branch

British Petroleum has raised estimates for Saudi Arabia's crude oil reserves by 12% to 297.7 billion barrels at the end of 2018 from 266.2 billion a year earlier

MSCI upgrade for Saudi Arabia is credit positive for kingdom's asset managers – Moody

Saudi's Al Maather REIT board decides not to proceed with completion of transaction with Osool and Bakheet Company for purchase deal of about 552mln riyals real estate assets

Saudi's Abdullah Saad Mohammed Abo Moati Stationeries posted FY net profit after zakat and tax 18.2mln riyals vs 18.1mln riyals year ago

Saudi's Zahrat Al Waha for Trading renews Islamic credit facility agreement of 67.4mln riyals with Alinma Bank

Bahrain's Nass Corporation unit Nass Contracting Company signs a sub-contract agreement for execution of civil works for Bapco modernization program of Bahrain Refinery for value of \$59mln

Kuwait's KIPCO obtained CMA approval on public offering prospectus pertaining to issuing new shares limited only to its shareholders

Petrofac secures contract with Petroleum Development Oman

Egypt's Palm Hills Developments posted Q1 consolidated net profit after tax & minority interest EGP 141mln vs EGP 224mln year ago

Egypt's Orascom Investment Holding posted Q1 standalone net loss EGP 129.6mln vs loss of EGP 34mln year ago

Egyptian Resorts' unit launches new project with expected construction work start during 2020. The company expects the project will be completed during 2023 with a cost of EGP 52mln with expected realize revenue exceeding EGP 100mln

Egypt's Rubex for Plastic Manufacturing board to meet on June 12 to discuss issued and paid-up capital increase to EGP 100mln from EGP 95.6mln

Key Global Trends/ Market Clues

Most Southeast Asian stock markets fell on Wednesday, with Malaysia leading declines, as escalating tensions on the U.S.-China trade front and concerns of slowing growth in China curbed risk sentiment. Broader Asian markets were also tepid with investor sentiment soured by deepening dents in the Sino-U.S. trade negotiations and China growth worries. MSCI's broadest index of Asia-Pacific shares outside Japan was off 0.38% after two days of gains.

Oil prices fell more than 1% on Wednesday, weighed down by a weaker oil demand outlook and a rise in U.S. crude inventories despite growing expectations of ongoing OPEC-led supply cuts. Brent crude futures, the international benchmark for oil prices, were down 87 cents, or 1.4%, at \$61.42 a barrel by 0231 GMT.

Members of the Organization of the Petroleum Exporting Countries are close to reaching an agreement on extending production cuts, the energy minister of the United Arab Emirates said on Tuesday.

UAE Stories

Drake and Scull International (DSI) said on Tuesday its board will meet on June 16 to discuss the election of a new chairman. On May 7, former chairman Obaid Bin Touq submitted his resignation. The board will also appoint a new member to the audit committee to replace the resigned member. The board will also review the work of the committees.

Salama says Chairman Sheikh Khalid Al Nahyan resigns from board. Mr. Jassim Alseddiqi was elected as a member of the Board of Directors of the vacant seat in the Board as a non-executive independent member.

Non-oil trade in Dubai rose by 7 per cent year-on-year in the first quarter of 2019 to reach Dh339 billion, according to figures from Dubai Customs. Exports registered the most growth, rising 30 per cent to reach Dh42 billion while the value of re-exports increased by 7 per cent to Dh106 billion. The value of imports went up by 4 per cent to reach Dh190 billion.

The UAE's Federal Tax Authority (FTA) has set a variety of self-service to allow tourists to recover value-added tax (VAT) when leaving the country. "The kiosks were placed at all exit ports included in the Tax Refund Scheme for Tourists, where tourists can submit the tax invoices on their purchases, along with their passport and credit card, to recover the VAT," FTA's director general Khalid Ali Al Bustani said.

Abu Dhabi Investment Authority, one of the world's largest sovereign wealth funds, plans to buy out Vornado Realty Trust's 25% stake in the midtown Manhattan office tower at 330 Madison Ave., according to a person familiar with the matter. The deal would give the Abu Dhabi fund, already the building's majority holder, full ownership. Vornado on Monday said it agreed to sell its interest in the property as part of a "buy/sell process initiated by its 75% partner at a \$900 million valuation." The New York company anticipates about \$100 million of net proceeds after deducting an existing \$500 million mortgage, and expects the transaction to close in the third quarter.

Ruler of Dubai, His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE, enacted a new DIFC Insolvency Law, Law No. 1 of 2019, the Dubai International Financial Centre (DIFC), the leading international financial hub in the Middle East, Africa and South Asia (MEASA) region, has announced. The new Insolvency Law and Regulations, which will come into effect on August 28, 2019, introduces a "new debtor in possession" bankruptcy regime in line with best practice globally. The law also provides for a new administration process where there is evidence of mismanagement or misconduct. The law also enhances the rules governing winding up procedures; and incorporates the UNCITRAL Model Law on cross border insolvency proceedings with certain modifications for application in the Centre.

Palm Hills Developments board approves to close and deregister Palm Hills Developments' Dubai branch.

GCC/ MENA

British Petroleum has raised estimates for Saudi Arabia's crude oil reserves by 12%, marking the first major change to the country's estimated reserves since 1989. In its benchmark 2019 Statistical Review of World Energy, BP recalibrated some Saudi gas reserves as oil, allowing Riyadh to close in on Venezuela's top spot as the world's largest reserves holder. BP said Saudi Arabia's proved oil reserves were revised to 297.7 billion barrels at the end of 2018 from 266.2 billion a year earlier, only slightly behind 303 billion in Venezuela.

Saudi Arabia's May 28 inclusion in the MSCI Emerging Market Index is expected to bring in \$30 to \$40 billion (Dh147bn) of investment flows to the kingdom's equities market and will be credit positive for the asset managers in the country. "The inclusion will deepen the liquidity and trading volume of the stocks in the index and likely attract a growing number of foreign investors, a credit positive for Saudi asset managers," Moody's Investors Service said.

Saudi's Al Maather REIT board decides not to proceed with completion of transaction with Osool and Bakheet Company for purchase deal of about 552mln riyals worth of real estate assets.

Saudi's Abdullah Saad Mohammed Abo Moati Stationeries posted FY net profit after zakat and tax 18.2mln riyals vs 18.1mln riyals year ago. FY sales 316.9mln riyals vs 302.9mln riyals year ago.

Saudi's Zahrat Al Waha for Trading renews islamic credit facility agreement of 67.4mln riyals with Alinma Bank.

Bahrain's Nass Corporation unit Nass Contracting Company signs a sub-contract agreement for execution of civil works for Bapco modernization program of Bahrain Refinery for value of \$59mln.

Kuwait's KIPCO obtained CMA approval on public offering prospectus pertaining to issuing new shares limited only to its shareholders.

Petrofac has secured its third project under a 10-year Framework Agreement with Petroleum Development Oman, PDO, with the award of a procurement services project for the Mabrouk North East Line Pipe Procurement Project in Oman. The contract, valued at approximately US\$75 million, is the latest to be awarded under the agreement signed in 2017 to provide Engineering, Procurement and Construction Management, EPCM, Support Services for PDO's major oil and gas projects.

Egypt's Palm Hills Developments posted Q1 consolidated net profit after tax & minority interest EGP 141 mln vs EGP 224mln year ago. Q1 consolidated revenue EGP 958mln vs EGP 1.47bln year ago. The company achieved new sales of EGP 2.2 billion in Q1 2019, a growth of 5% YoY. Q1 revenue declined by 35% YoY to EGP 958 million, largely driven by lower handed over residential units. The company maintains FY 2019 guidance with new sales target of EGP 14 billion. FY 2019 guidance of revenue in range of EGP 7.5bln, net profit in the range of EGP 1 billion. The company expects a minor impact of c.5% on the cost of construction from the hike in electricity; the impact also includes foreseen increase in fuel prices associated with subsidy cuts.

Egypt's Orascom Investment Holding posted Q1 standalone net loss EGP 129.6mln vs loss of EGP 34mln year ago.

Egyptian Resorts' unit Sahl Hasheesh for Touristic Investment launches new project Bay Condos. Construction work for Bay Condos project will start during 2020 with bookings starting in June 2019. The company expects the project will be completed during 2023 with a cost of EGP 52mln with expected realize revenue exceeding EGP 100mln.

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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	60,042	8.63	10.26	7.00	9.79	1.61	5.3%	-0.2%	-5.6%	6.5%	13.0%
ADIB	16,453	4.53	4.95	3.46	7.60	1.32	6.0%	2.5%	0.0%	14.7%	23.6%
ADNIC	1,275	3.40	4.00	3.32	9.97	0.62	8.8%	-5.6%	-8.1%	-11.7%	-11.7%
Agthia	2,154	3.59	5.00	3.25	10.58	1.15	4.2%	1.1%	-7.0%	-8.4%	-27.3%
Air Arabia	5,040	1.08	1.13	0.90	NA	1.03	NA	5.9%	17.0%	8.0%	-4.4%
Ajman Bank	1,974	0.94	1.02	0.82	9.72	0.81	0.0%	6.8%	3.3%	5.9%	-6.0%
Al Waha Capital	1,941	1.00	2.02	0.89	NA	0.60	7.5%	1.8%	-28.2%	-42.6%	-45.2%
Aldar Properties	14,703	1.87	2.14	1.43	8.44	0.63	7.5%	11.3%	-1.1%	22.2%	-11.8%
Amanat Holdings	2,500	1.00	1.35	0.92	50.61	0.99	1.5%	-2.0%	4.0%	-8.3%	-25.4%
Amlak Finance	423	0.28	0.84	0.25	NA	0.36	0.0%	-6.3%	-20.6%	-25.4%	-66.0%
Arabtec	2,400	1.60	2.41	1.37	11.31	1.46	3.1%	-15.8%	-25.9%	-19.2%	-30.1%
Aramex	6,281	4.29	5.01	3.80	12.61	2.54	3.8%	-6.5%	-2.1%	2.6%	8.6%
Bank of Sharjah	1,945	0.93	1.14	0.92	5.54	0.48	0.0%	0.0%	-0.3%	-10.1%	-14.3%
DAMAC Properties	5,687	0.94	2.48	0.84	7.85	0.40	NA	-10.5%	-32.9%	-44.4%	-61.9%
Dana Gas	6,758	0.97	1.21	0.73	NA	0.71	1.4%	5.8%	12.7%	17.7%	-9.7%
Deyaar Development	1,872	0.32	0.48	0.29	15.73	0.42	0.0%	-3.3%	-7.7%	-9.0%	-32.1%
Dubai Financial Market	5,760	0.72	1.09	0.65	52.46	0.74	0.0%	-0.1%	-7.5%	-5.3%	-33.9%
Dubai Investment	5,570	1.31	2.20	1.04	11.61	0.47	7.6%	2.3%	0.0%	1.6%	-39.6%
Dubai Islamic Bank	33,409	5.07	5.41	4.66	7.00	1.46	6.9%	-0.8%	0.2%	-2.1%	-2.1%
DXB Entertainments	1,648	0.21	0.41	0.17	NA	0.46	0.0%	2.0%	-14.9%	-17.6%	-48.8%
Emaar Dev	15,720	3.93	5.28	3.26	4.09	1.81	0.0%	8.6%	3.4%	-12.5%	-24.0%
Emaar Malls	25,508	1.96	2.20	1.43	11.51	1.48	5.1%	21.0%	9.5%	14.0%	-8.4%
Emaar Properties	32,792	4.58	5.90	3.85	5.39	0.66	3.1%	3.6%	-3.8%	5.3%	-20.3%
Emirates Integrated Tele	23,269	5.09	5.40	4.86	13.52	2.90	4.3%	-0.2%	0.2%	3.0%	3.5%
Emirates NBD	63,359	11.40	12.10	8.25	6.43	1.15	3.5%	2.7%	21.3%	28.1%	14.0%
Eshraq Properties	951	0.41	0.73	0.36	NA	0.66	NA	-3.5%	-6.0%	-20.3%	-43.2%
Etisalat	139,670	16.06	17.40	15.20	15.62	3.19	5.0%	-0.4%	-3.9%	-5.0%	-4.7%
First Abu Dhabi Bank	161,398	14.78	16.96	11.80	13.77	1.85	4.7%	-7.0%	8.7%	5.6%	16.4%
GFH	3,398	0.92	1.50	0.73	9.15	0.88	3.5%	-3.4%	-4.5%	-18.3%	-38.1%
Gulf Navigation Holding	740	0.81	1.17	0.72	NA	0.91	0.0%	-3.6%	3.2%	-19.4%	-19.1%
Gulf Pharmaceutical	1,830	1.58	2.30	1.44	NA	1.52	6.3%	0.0%	-1.3%	-24.8%	-26.9%
Marka	138	0.28	0.28	0.28	NA	NA	NA	0.0%	0.0%	0.0%	0.0%
Mashreqbank	13,235	74.55	80.00	68.05	6.33	0.66	5.4%	-6.8%	-6.8%	3.5%	0.7%
National Bank of Fujairah	7,974	4.31	4.78	2.31	13.35	1.71	1.5%	-9.8%	1.0%	24.0%	86.5%
National Central Cooling Co	4,481	1.65	1.88	1.44	10.32	0.98	5.8%	9.3%	-2.9%	3.1%	-6.8%
RAK Bank	7,962	4.75	4.75	4.00	8.25	1.16	6.3%	0.0%	10.2%	17.0%	9.7%
RAK Properties	874	0.44	0.68	0.39	6.70	0.23	0.0%	7.6%	-4.6%	-10.8%	-33.8%
Ras Al Khaimah	1,448	1.53	2.36	1.53	9.47	0.63	NA	-8.9%	-21.3%	-15.4%	-31.6%
SALAMA	724	0.60	0.76	0.38	420.83	0.98	0.0%	21.8%	29.7%	12.8%	35.6%
Sharjah Islamic Bank	3,258	1.11	1.28	1.05	6.22	0.61	0.0%	0.9%	1.8%	-1.8%	-11.2%
Takaful Emarat Insurance	240	1.60	2.70	1.28	19.69	1.54	5.2%	4.6%	-1.2%	-9.1%	-23.1%
TAQA	5,090	0.84	1.26	0.71	17.28	1.16	0.0%	1.1%	-12.6%	-9.8%	-28.3%
Union Properties	1,484	0.35	0.81	0.28	NA	0.48	0.0%	1.8%	-6.5%	-14.6%	-56.8%
United Arab Bank	2,558	1.24	1.30	1.00	45.21	1.00	0.0%	21.6%	7.8%	-0.8%	0.0%

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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