

## SHUAA Securities Morning Report

11 September 2019

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,096	0.4%	0.0%	2.0%	2.2%
DFM	2,892	0.4%	1.9%	8.1%	1.5%
TASI	7,965	-1.1%	-6.8%	-10.0%	3.4%
BHSEASI	1,549	-0.1%	0.3%	8.0%	15.6%
EGX	14,956	0.5%	5.5%	5.7%	-4.3%
Dow Jones	26,909	0.3%	2.4%	3.2%	4.1%
S&P 500	2,979	0.0%	2.1%	3.2%	3.6%
Nasdaq	8,084	0.0%	1.6%	3.3%	2.0%
FTSE 100	7,268	0.4%	0.2%	-1.5%	-0.2%
DAX	12,269	0.3%	4.9%	1.9%	2.4%
CAC40	5,593	0.1%	5.0%	3.9%	6.1%
Nikkei225	21,392	0.3%	3.4%	1.2%	-4.4%
HIS	26,684	0.0%	2.9%	-3.2%	0.3%

### # UAE Trading Summary

AEDm	BUY	SELL	Net
<b>ADX</b>	<b>158</b>	<b>158</b>	<b>-</b>
Local	48%	40%	8%
Foreign	52%	60%	-8%
Institution	69%	76%	-7%
Retail	31%	24%	7%
<b>DFM</b>	<b>266</b>	<b>266</b>	<b>-</b>
Local	41%	65%	-25%
Foreign	59%	35%	25%
Institution	54%	42%	11%
Retail	46%	58%	-11%
<b>Total</b>	<b>424</b>	<b>424</b>	<b>-</b>
Local	44%	56%	-12%
Foreign	56%	44%	12%

### # Upcoming Corporate Actions & Events

Date	Company	Event
11-Sep	SHUAA	General Assembly
18-Sep		FED Policy Meeting
18-Sep	IHC	BoD/Buisness Matters
18-Sep	AWTAD	General Assembly
23-Sep		FTSE 3Q19 Rebalancing Effective Date
29-Sep	ADNOC	BoD/Dividend Approval

## # KEY STORIES

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ADCB will sell the majority of its banking portfolio in India to DCB Bank, after which it will exit the country. ADCB said that the decision is driven by the “Group’s strategy to focus on its home market, the United Arab Emirates,” adding that the sale of the India banking portfolio will have no impact on the bank’s profitability. The banking portfolio sold to DCB Bank comprises of AED355mln in assets and AED691mln in liabilities and the sale will be made at par

Emaar Properties is set to raise USD500mln from the sale of Islamic bonds, or sukuk. The transaction has received orders of nearly USD2.5bln. The deal is offering investors a profit rate equivalent to 235 basis points over mid-swaps

GEMS Education withdraws from Fujairah school due to dispute

Masdar announced on Tuesday it has invested GBP70mln (USD86.3million) in a new fund to grow green technologies in the United Kingdom

UAE health minister orders price cuts on hundreds of medicines

Aramco-Adnoc project in India could cost more than USD44bln, says petroleum minister

Construction starts on USD272mln new schools in Abu Dhabi

Saudi Aramco prepared for foreign float alongside main domestic listing

Saudi Aramco picks banks including Goldman, JPMorgan for IPO roles

Saudi Arabia's real non-oil growth is expected to strengthen to 2.9pct in 2019 as government spending and confidence increase, but real GDP growth is projected to slow to 1.9pct as real oil growth slows to 0.7pct with the implementation of the OPEC+ agreement – IMF

Saudi Arabia saw a jump in M&A volume and value with 14 deals worth USD72.6bln during 1H 2019, due to the blockbuster USD70bln Sabic deal announced in 1Q 2019

Saudi's CMA licenses Natixis Saudi Arabia Investment Company to conduct dealing as underwriter, arranging and advising activities in securities business

Saudi's Capital Market Authority licenses Rekaz National Capital to conduct managing private non-real-estate investment funds

Kuwait Finance House said CMA has granted KFH an approval for subscription agent license valid for three renewable years from date of issuance

Kuwait's Warba Bank hires banks including BNP and Standard Chartered ahead of 5-year dollar sukuk

Egypt's annual urban consumer price inflation rate decreased to 7.5% in August from 8.7% in July - CAMPAS

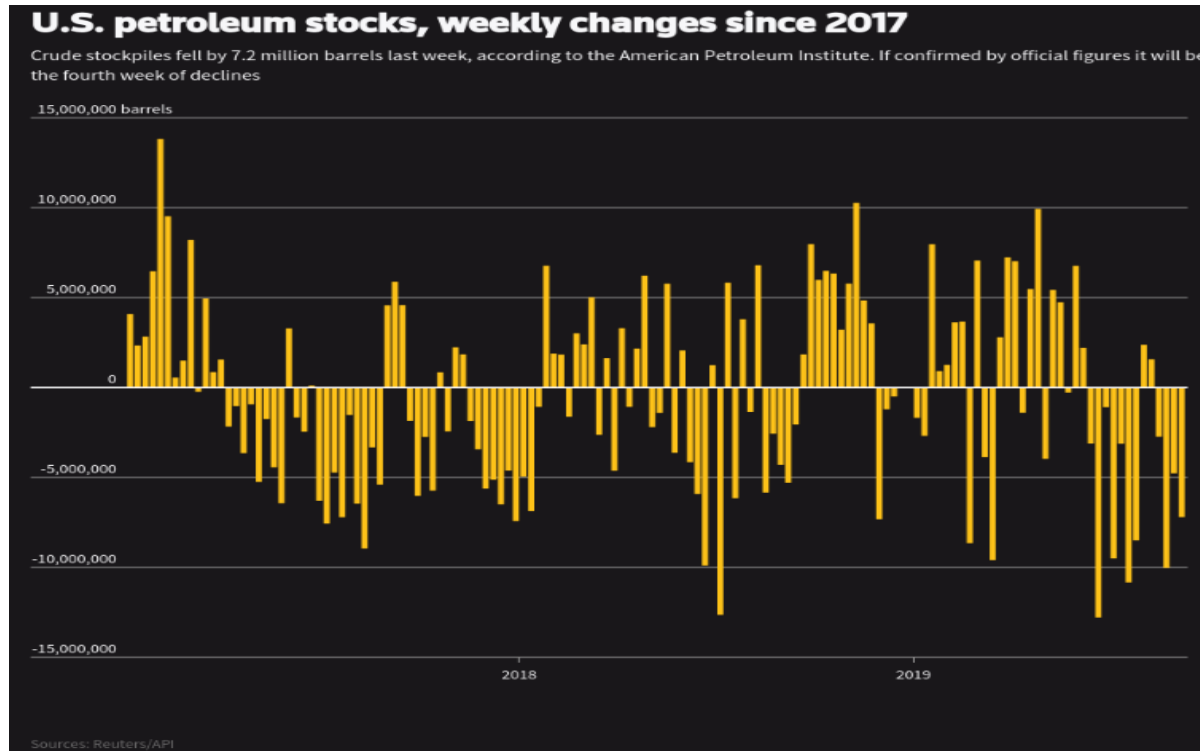
Egypt's Global Telecom paid the second instalment of the tax settlement amounting to USD82.3mln

Merc-Benz picks manufacturing partner for Egyptian assembly unit

## # Key Global Trends/ Market Clues

Asian stock markets held firm and bond yields rose on Wednesday as hopes of diminishing U.S.-China tensions and reduced risk of no-deal Brexit prompted investors to take profit in risk-off trade ahead of key central bank policy meetings. In early trade, MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.10% while Japan's Nikkei rose 0.32%.

Oil prices traded higher on Wednesday after an industry report said U.S. crude stockpiles fell last week by more than twice the amount that analysts in a Reuters poll had forecast. Brent crude futures rose 51 cents, or 0.6%, to \$62.89 a barrel by 0405 GMT.



Opec secretary general Mohammed Barkindo dismissed the risks posed to the global oil markets from the escalating trade war between the US and China saying the impact had been “exaggerated”. “There's a lot of hype there in the market. The export numbers from China, for example, for the month of August came down by 1pct but we have lost in the oil market ten times from the beginning of this trade dispute until now,” he told reporters in Abu Dhabi.

## # UAE Stories

Abu Dhabi Commercial Bank (ADCB) will sell the majority of its banking portfolio in India to DCB Bank, after which it will exit the country. ADCB said that the decision is driven by the “Group’s strategy to focus on its home market, the United Arab Emirates,” adding that the sale of the India banking portfolio will have no impact on the bank’s profitability. The banking portfolio sold to DCB Bank comprises of 355 million dirhams in assets and 691 million dirhams in liabilities and the sale will be made at par.

Emaar Properties is set to raise USD500m from the sale of Islamic bonds, or sukuk, a document issued by one of the banks leading the deal showed. The transaction has received orders of nearly USD2.5bn, including USD300m of interest from the banks arranging the deal, said the document. The deal, part of an USD2bn debt programme, is offering investors a profit rate equivalent to 235 basis points over mid-swaps.

Gems Education said on Tuesday it has been forced to withdraw from a school it operates in Fujairah due to an ongoing legal dispute. The education company said it was withdrawing “very reluctantly” from Our Own English High School in Fujairah amid a dispute with the landlord of the school premises.

Masdar announced on Tuesday it has invested GBP70mln (USD86.3million) in a new fund to grow green technologies in the United Kingdom.

Abdul Rahman bin Mohammed Al Owais, the UAE's Minister of Health, has issued a decree to reduce the price of 410 drugs. The move is in line with the government's directives to provide medicines at competitive prices and compatible with the lowest price in the Gulf region, a statement said. The price reduction will take effect from September 15, with the list of medicines including a wide range for the treatment of cardiovascular diseases, hypertension, lipid-lowering drugs and angina drugs, which are common chronic diseases in the region.

The planned greenfield refinery to be developed by Saudi Aramco and Abu Dhabi National Oil Company (Adnoc) on India's western coast could cost more than USD44bln (AED161.6bn), according to the country's petroleum minister. "Capacity would be 60mln metric tonnes and that would be in phases and would focus on petrochemicals. [The] cost of the project was USD44bln, now it will be more than that," Dharmendra Pradhan told reporters in Abu Dhabi, without specifying the new projected cost.

Abu Dhabi General Services Company (Musanada) on Tuesday revealed that it has begun the construction of six schools in the emirate worth more than AED1bln (USD272mln).

## # GCC/ MENA

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Saudi Aramco is primed to float on international markets to complement a planned primary listing at home, the Saudi Arabian oil giant's chief executive said on Tuesday. Aramco's initial public offering (IPO) would happen "very soon", Amin Nasser cited Saudi Arabia's new energy minister Prince Abdulaziz bin Salman as saying, adding that the final decision on the venue and timing rested with the government.

Saudi Aramco IPO has picked banks including Goldman Sachs Group Inc and JPMorgan Chase & Co for top roles on its planned initial public offering (IPO), Bloomberg reported. The Saudi Arabian state oil giant told banks of their selection on Tuesday and it plans to add more joint global coordinators to the deal.

Saudi Arabia's real non-oil growth is expected to strengthen to 2.9 per cent in 2019 as government spending and confidence increase, but real GDP growth is projected to slow to 1.9 per cent as real oil growth slows to 0.7 per cent with the implementation of the OPEC+ agreement, according to IMF.

Saudi Arabia saw a jump in M&A volume and value with 14 deals worth USD72.6bln during 1H 2019, due to the blockbuster USD70bln Sabic deal announced in Q1, the region's highest value deal on record and the second largest industrials and chemicals deal globally, a report said.

Saudi's CMA licenses Natixis Saudi Arabia Investment Company to conduct dealing as underwriter, arranging and advising activities in securities business.

Saudi's Capital Market Authority licenses Rekaz National Capital to conduct managing private non-real-estate investment funds, managing investor portfolios, arranging and advising activities in securities business.

Kuwait Finance House said CMA has granted KFH an approval for subscription agent license valid for three renewable years from date of issuance.

Kuwait's Warba Bank hires banks including BNP and Standard Chartered ahead of 5-year dollar sukuk.

Egypt's annual urban consumer price inflation rate decreased to 7.5% in August from 8.7% in July, the official statistics agency CAMPAS said on Tuesday. Egypt is approaching the end of an IMF-backed economic reform programme that during 2017 saw the annual inflation rate rise to 33%.

Egypt's Global Telecom paid the second instalment of the tax settlement amounting to USD82.3mln.

Mercedes-Benz Cars said its regional unit has signed up Egyptian German Automotive Company (EGA) as its new manufacturing partner for local assembly of its passenger cars in the country.

## # 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	58,929	8.47	10.26	7.37	9.97	1.12	5.4%	0.5	(2.6)	(3.0)	7.9
ADIB	18,523	5.10	5.22	3.46	8.41	1.08	5.3%	3.0	12.1	19.0	32.7
ADNIC	1,031	2.75	4.00	2.75	8.01	0.50	10.9%	NA	(19.1)	(19.6)	(23.8)
Agthia	2,100	3.50	5.00	3.17	11.32	1.10	4.3%	(0.3)	(4.1)	(4.2)	(25.5)
Air Arabia	5,787	1.24	1.26	0.90	NA	1.15	NA	3.3	18.1	33.9	24.6
Ajman Bank	1,936	0.92	1.00	0.82	10.08	0.77	3.8%	(4.5)	0.2	7.3	(1.9)
Al Waha Capital	1,983	1.02	2.02	0.89	NA	0.58	7.4%	1.0	3.6	(24.6)	(44.3)
Aldar Properties	17,376	2.21	2.37	1.43	9.99	0.74	6.3%	(3.9)	20.8	34.5	13.9
Amanat Holdings	2,275	0.91	1.23	0.86	45.34	0.89	1.6%	(5.2)	(9.9)	(8.5)	(24.8)
Amlak FiNAce	482	0.32	0.66	0.25	NA	0.41	0.0%	(4.2)	11.5	(11.1)	(52.0)
Arabtec	2,655	1.77	2.41	1.37	13.20	1.62	2.8%	6.0	11.3	(15.3)	(7.3)
Aramex	6,149	4.20	5.01	3.89	12.37	2.49	3.9%	0.5	(2.3)	(0.1)	(1.2)
Bank of Sharjah	1,812	0.86	1.14	0.79	22.86	0.47	0.0%	(0.7)	(6.8)	(8.6)	(20.1)
DAMAC Properties	5,760	0.95	2.13	0.84	15.50	0.41	NA	0.7	2.4	(31.0)	(54.9)
Dana Gas	6,806	0.97	1.21	0.73	NA	0.71	5.7%	(6.4)	(0.7)	19.0	(16.1)
Deyaar Development	1,849	0.32	0.48	0.29	15.63	0.41	0.0%	(3.0)	(2.4)	(8.8)	(28.4)
Dubai FiNAcial Market	7,240	0.91	0.98	0.65	69.08	0.93	0.0%	(3.5)	24.8	16.8	(7.3)
Dubai Investment	5,570	1.31	1.98	1.04	11.33	0.47	7.6%	(2.2)	0.0	10.2	(33.8)
Dubai Islamic Bank	35,254	5.35	5.41	4.66	7.40	1.15	6.5%	2.9	4.5	12.0	2.1
DXB Entertainments	1,800	0.23	0.39	0.17	NA	0.54	0.0%	1.4	7.1	(7.4)	(38.9)
Emaar Dev	16,640	4.16	5.21	3.26	4.80	2.01	12.5%	(4.1)	6.1	17.4	(20.4)
Emaar Malls	24,857	1.91	2.17	1.43	10.97	1.38	5.2%	(2.6)	(2.6)	20.5	(2.1)
Emirates Integrated Tele	25,702	5.67	5.80	4.88	15.21	3.23	6.2%	1.3	12.3	17.5	9.5
Emirates NBD	74,474	13.40	14.45	8.25	6.28	1.06	3.0%	14.5	17.5	45.7	44.9
Eshraq Investments	951	0.41	0.64	0.36	NA	0.66	NA	(2.4)	(0.2)	(5.8)	(29.2)
Etisalat	143,670	16.52	17.80	15.20	16.00	3.28	4.8%	1.5	4.2	3.1	2.0
First Abu Dhabi Bank	164,018	15.02	16.96	13.50	13.93	1.63	4.9%	(0.5)	0.8	9.8	2.2
GFH	3,340	0.91	1.45	0.73	9.40	0.83	3.5%	1.6	(2.9)	(1.7)	(37.2)
Gulf Navigation Holding	833	0.82	1.17	0.72	NA	0.92	0.0%	2.3	1.0	4.1	(9.2)
Julphar	1,355	1.17	2.20	1.00	NA	1.33	0.0%	(18.2)	(25.9)	(26.9)	(41.5)
Mashreqbank	12,960	73.00	80.00	67.50	6.11	0.63	5.5%	(8.7)	(2.1)	(8.8)	7.3
National Bank of Fujairah	9,232	4.99	4.99	2.49	14.84	1.72	1.3%	4.4	15.8	17.0	89.7
Tabreed	4,725	1.74	1.84	1.44	10.98	1.03	5.5%	(0.6)	8.8	9.2	7.4
RAK Bank	7,543	4.50	4.75	4.00	7.27	1.05	6.7%	(3.2)	(5.3)	12.3	3.4
RAK Properties	910	0.46	0.62	0.39	7.00	0.24	0.0%	1.3	4.8	(1.9)	(25.8)
RAK Ceramics	1,486	1.57	2.28	1.42	9.55	0.64	9.1%	(4.8)	1.9	(11.7)	(23.7)
SALAMA	818	0.68	0.76	0.39	37.98	1.07	NA	0.7	13.6	46.6	6.8
Sharjah Islamic Bank	3,551	1.21	1.28	1.05	6.86	0.65	6.6%	3.4	10.0	10.0	0.8
SHUAA Capital	2,561	1.01	1.11	0.60	NA	1.37	NA	6.3	8.6	51.0	(1.0)
Takaful Emarat Insurance	212	1.41	1.82	1.28	17.16	1.35	5.0%	(0.7)	(11.9)	(9.6)	(20.3)
TAQA	4,489	0.74	1.19	0.68	15.27	1.02	0.0%	(0.4)	(19.6)	(22.9)	(34.5)
Union Properties	1,420	0.33	0.73	0.28	NA	0.46	0.0%	(3.8)	(4.9)	(10.5)	(53.5)
United Arab Bank	2,063	1.00	1.30	0.90	50.89	0.79	0.0%	(2.0)	(19.4)	(13.0)	(16.7)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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