



Integrated Securities Morning Report

14 March 2019

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	4,820	-0.9%	-4.3%	-0.9%	6.7%
DFM	2,600	0.1%	2.6%	0.0%	-17.9%
TASI	8,527	1.0%	-1.2%	7.7%	9.7%
BHSEASI	1,411	0.4%	2.9%	7.0%	3.7%
EGX	15,126	-0.1%	0.9%	16.4%	-10.4%
Dow Jones	25,703	0.6%	1.0%	6.6%	3.8%
S&P 500	2,811	0.7%	2.4%	8.1%	2.2%
Nasdaq	7,643	0.7%	2.9%	10.6%	2.0%
FTSE 100	7,159	0.1%	-0.5%	4.6%	0.4%
DAX	11,572	0.4%	4.4%	6.5%	-5.4%
CAC40	5,306	0.7%	4.8%	9.3%	1.4%
Nikkei225	21,336	0.2%	0.9%	-0.2%	-2.0%
HIS	28,800	0.0%	1.3%	10.4%	-8.4%

UAE Trading Summary

AEDm	Buy	Sale	Net
ADX	172	172	-
Local	38%	61%	-23%
Foreign	62%	39%	23%
Institution	159%	168%	-9%
Retail	-59%	-68%	9%
DFM	950	950	-
Local	15%	26%	-11%
Foreign	85%	74%	11%
Institution	50%	44%	5%
Retail	50%	56%	-5%
Total	1122	1122	-
Local	19%	31%	-13%
Foreign	81%	69%	13%

Upcoming Corporate Actions & Events

Date	Company	Event
14-Mar	Aman	Board Meeting
17-Mar	GFH	Board Meeting
17-Mar	RAK Properties	General Assembly
17-Mar	Air Arabia	General Assembly
17-Mar	DFM	General Assembly
19-Mar	ADNIC	General Assembly
19-Mar	UPP	Board Meeting
21-Mar	Gulfnav	Board Meeting
20-Mar	Etisalat	General Assembly
20-Mar	RakBank	General Assembly
20-Mar	Aldar	General Assembly
20-Mar	Taqa	General Assembly
21-Mar	ADCB	AGM/Merger
21-Mar	UNB	AGM/Merger



KEY STORIES

DP World posted FY profit attributable to owners after separately disclosed items USD1.30bln vs USD1.18bln year ago. FY total dividend per share increased by 4.9% to 43 US cents.

U.A.E. Bank Chief Warns of Need to Extend Property Loans

After major expansion, Aldar opens Al Jimi Mall

Mashreq to close 50 per cent of branches this year

DFM disclosed direct deal implemented on 147.3mln shares of Aramex for value of 602.6mln dirhams (AED4.09 per share). Australia Post Transaction Services has no stake in Aramex after direct deal.

Abu Dhabi waives new licence fees, cuts business setup charges at airports free zone

Emirates NBD targets USD 1bln with perpetual bond sale

Reem Investments board proposes dividend of 14 pct (0.14 fils per share) of company's paid-up capital for year 2018

International Holdings Company's board proposes not to distribute any dividend for year 2018

Al Buhaira National Insurance board proposes not to distribute dividend for year 2018

Gulf Pharmaceutical Industries says five members of company's board of directors resigned

Moody's says UAE real estate companies' credit quality is stable despite market weakness

DXB remains world's busiest airport in 2018, the airport handled 88.88 million international passengers last year, an increase of 1.3 per cent

Dubai Aerospace Enterprise completes delivery of six Boeing 787-9 Dreamliner aircraft to Gulf Air

Sobha Realty has announced its foray into China with the opening of its first sales office in Shanghai

UAE confident EU will lift it from list of non-cooperative tax jurisdictions

UAE inclusion in EU tax blacklist down to poor communication, UAE Banks Federation said

Moody's says Saudi banking system outlook is stable on increased government spending, stabilising asset quality

Saudi's CMA approves Taiba Holding's request to increase its capital from SAR 1.5bln to SAR 1.60bln by issuing 10.5mln ordinary shares

Saudi' Al Ahlia for Cooperative Insurance board proposes capital reduction to 123mln riyals from 160mln riyals to extinguish accumulated losses and support future growth

Saudi Electricity Company board proposes FY cash dividend of 70 halala per share



Saudi Basic Industries Corporation announces its intention to merge Saudi Petrochemical Company in Arabian Petrochemical Company

Saudi Tourism Enterprises reaches settlement with GAZT on zakat claims for 1996 to 2010. Zakat claims now stand at 3.6mln riyals out of total claims of about 8mln riyals

Moody's says Kuwait's banking system outlook is stable into 2020

Kuwait M2 money supply +5.2 percent YoY in January. Kuwait bank lending to private sector +4.75 percent in January

Qatar to offer new areas of real estate for foreign ownership

Egypt's International Company for Investment and Development posted FY consolidated net profit EGP 1mln vs EGP 1.7mln year ago

Egypt's Raya Contact Center posted FY consolidated net profit EGP 180.5mln vs EGP 158.5mln year ago

Key Global Trends/ Market Clues

Asian shares paused on Thursday as investors awaited data from China for clues about the health of the world's second largest economy while the pound shot up to near nine-month highs as the risk of a no-deal Brexit receded following a late-night vote. MSCI's broadest index of Asia-Pacific shares outside Japan was barely changed at 522.38 points. Japan's Nikkei jumped 0.6 percent while Australian and New Zealand shares each added 0.2 percent.

Brent crude oil prices on Thursday hit their highest so far this year, pushed up by ongoing supply cuts led by OPEC and by U.S. sanctions against Venezuela and Iran. An unexpected dip in U.S. crude oil inventories and production also lifted prices, traders said. International Brent crude oil futures marked a 2019-peak of \$67.80 per barrel in Asian morning hours. That was also the strongest level since November 2018.

The United States aims to cut Iran's crude exports by about 20 percent to below 1 million barrels per day (bpd) from May by requiring importing countries to reduce purchases to avoid U.S. sanctions, two sources familiar with the matter told Reuters.

Growth in China's industrial output fell to a 17-year low in the first two months of the year, pointing to further weakness in the world's second-biggest economy. But investment picked up speed as the government fast-tracked more road and rail projects, offering some relief for policymakers as they work to avert a sharper slowdown, data showed on Thursday. China is ramping up support for the economy this year as growth looks set to plumb 29-year lows. Premier Li Keqiang last week announced hundreds of billions of dollars in additional tax cuts and infrastructure spending, even as officials vowed they would not resort to massive stimulus like in the past.



UAE Stories

DP World posted FY profit attributable to owners after separately disclosed items USD1.30bln vs USD1.18bln year ago. FY profit attributable to owners before separately disclosed items USD1.27bln vs USD1.21bln year ago. FY revenue USD5.65bln vs USD4.72bln year ago. FY total dividend per share increased by 4.9% to 43 US cents. Capital expenditure of USD908 million invested across the portfolio during the year and expect capital expenditure in 2019 to be up to USD1.4 billion. DP World says global trade continued to grow despite trade dispute and geopolitical challenges and looking ahead into 2019, expects to continue to deliver growth and see increased contributions from our new investments. It is expected to deliver growth of between 3-4% in 2019 which illustrates resilient nature of global trade. The company further says near-term outlook remains uncertain with the trade war and geopolitical headwinds.

Lenders in the United Arab Emirates will need to extend the maturity of property loans, according to the head of the country's banking body, as the real estate market shows no sign of recovery. Banks are seeing "some stress" in the property industry, Abdul Aziz Al Ghurair, chairman of the U.A.E. Banks Federation and chief executive officer of Mashreqbank PSC, said in Dubai. They need to "proactively" give clients more time to repay to protect the economy and the banking system, because the environment has softened, he said. While economic growth in the U.A.E., the second-biggest Arab economy, is expected to accelerate to 3.1 percent this year, softer oil prices and job losses are putting pressure on real-estate. Property prices in Dubai, the region's trade and tourist hub, have fallen about 22 percent since the end of 2014, according to data from the Bank of International Settlements.

Aldar Properties on Wednesday announced the official opening of Al Jimi Mall, after a major expansion, which gives the Abu Dhabi-based developer a Dh1 billion asset in Al Ain. More than 100 new brands and F&B outlets have been added, bringing the total store count at the mall to over 200 shops.

Mashreq, a Dubai based financial institution plans to close 50 per cent of its branch network this year, said Abdul Aziz Al Ghurair, Chief Executive of Marshreq. Speaking to reporters, Al Ghurair said, the bank is reducing the number of its traditional branch network while some of these branches will be transformed into digital branches.

DFM disclosed direct deal implemented on 147.3mln shares of Aramex for value of 602.6mln dirhams (AED4.09 per share). Australia Post Transaction Services has no stake in Aramex after direct deal.



The Abu Dhabi Airports Free Zone (ADAFZ) has reduced the fees associated with setting up a business by more than 65 per cent. In a move that could ease the cost of doing business in the UAE, the authority said it is also waiving all licence fees for new companies. Aside from reducing setup costs and waiving fees, companies in the free zone will also benefit from tax exemptions.

Emirates NBD is planning to raise USD1 billion through the sale of bonds with a 6.125 percent yield, a document issued by one of the banks leading the deal showed. The deal, which has received 3.85 billion in orders, will be an Additional Tier 1 perpetual bond not callable for six years.

Reem Investments board proposes dividend of 14 pct (0.14 fils per share) of company's paid-up capital for year 2018

International Holdings Company's board proposes not to distribute any dividend for year 2018.

Al Buhaira National Insurance board proposes not to distribute dividend for year 2018.

Gulf Pharmaceutical Industries says five members of company's board of directors resigned.

Moody's says UAE real estate companies' credit quality is stable despite market weakness. UAE real estate companies' credit quality in coming 12-18 months will remain broadly stable despite relatively weak real estate market outlook.

Dubai International (DXB) has retained its top position in terms of international passenger traffic and third largest for total passenger traffic in 2018. According to Airports Council International (ACI) figures released on Wednesday, the emirate's airport handled 88.88 million international passengers last year, an increase of 1.3 per cent. Dubai is followed by airports in London (75.3 million), Hong Kong (74.36 million), Amsterdam (70.95 million) and Incheon (67.67 million).

Dubai Aerospace Enterprise completes delivery of six Boeing 787-9 Dreamliner aircraft to Gulf Air. Delivery based on aircraft lease agreement signed in November 2017 and were delivered between April 2018 and Feb 2019.

Sobha Realty has announced its foray into China with the opening of its first sales office in Shanghai. The expansion into China comes close on the heels of a record 200 percent increase in Chinese investments in the first two months of 2019 in its iconic Sobha Hartland project.

The UAE's Ministry of Finance disputed the European Union's decision to re-include it in its blacklist of non-co-operative tax jurisdictions, despite making commitments towards transparency in tax procedures. The ministry said, it was committed to all international agreements, standards and procedures concerning tax processes and is working towards compliance with all stakeholders, including the EU. "We are confident that the European Union will lift the United Arab Emirates' name from its list of non-co-operative jurisdictions for tax purposes, and we look forward to moving on to the next phase of cooperation with the relevant authorities in the European Union on other important issues related to tax cooperation between the two parties,".

The European Union's decision to include the United Arab Emirates on its blacklist of tax havens was due to "lack of communication" between the EU and the UAE government, the head of the UAE Banks Federation said on Wednesday. "We need to reach out, I understand the reasons, and I'm sure the UAE will want to play as a global citizen," the banking group's chairman Abdulaziz al-Ghurair told reporters. "And I'm sure in the near future this will be solved."

GCC/ MENA

Moody's says Saudi banking system outlook is stable on increased government spending, stabilising asset quality. Moody's says key driver of Saudi banking system's stable outlook is planned increase in government spending in 2019, which will buoy Saudi economy.



Saudi's CMA approves Taiba Holding's request to increase its capital from SAR 1.5bln to SAR 1.60bln by issuing 10.5mln ordinary shares. Capital increase by issuing ordinary shares to acquire all shares of minority shareholders in al Aqeeq Real Estate Development Company and 12.65% shares of Arab Resort Areas Company.

Saudi' Al Ahlia for Cooperative Insurance board proposes capital reduction to 123mln riyals from 160mln riyals. Reason for capital reduction is restructuring capital to extinguish accumulated losses and support future growth.

Saudi Electricity Company board proposes FY cash dividend of 70 halala per share.

Saudi Basic Industries Corporation announces its intention to merge Saudi Petrochemical Company in Arabian Petrochemical Company. Merger is part of Sabic's strategic transformation plan to increase efficiency and competitiveness of its global operations and it is expected that the merger will be completed during the second half of 2019.

Saudi Tourism Enterprises reaches settlement with settlement committee of General Authority of Zakat and Tax on zakat claims for years from 1996 to 2010. The company says zakat claims now stand at 3.6mln riyals out of total claims of about 8mln riyals after providing supporting documents. Difference amount of 4.4 mln riyals will have positive impact on company's Q1, 2019 financial statement.

Moody's says Kuwait's banking system outlook is stable into 2020. Key driver of stable outlook of Kuwait's banking system is anticipation that high levels of government spending will support steady economic growth. Kuwaiti banks will remain primarily deposit funded and liquidity buffers will stay robust.

Kuwait M2 money supply +5.2 percent YoY in January. Kuwait bank lending to private sector +4.75 percent in January.

Qatar's cabinet said on Wednesday it would identify several new areas where foreigners can own real estate, state news agency QNA said, part of a campaign to draw more investment to a sector that has been hit in recent years. Last year Qatar passed a law permitting greater foreign ownership of its real estate sector, but details on how or where it would apply have been unclear. Only a small number of areas are currently open to foreign buying.

Egypt's International Company for Investment and Development posted FY consolidated net profit EGP 1mln vs EGP 1.7mln year ago. FY consolidated total revenue EGP 6.1mln vs EGP 3.9mln year ago.

Egypt's Raya Contact Center posted FY consolidated net profit EGP 180.5mln vs EGP 158.5mln year ago. FY consolidated revenue EGP 908.6mln vs EGP 759.1mln 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	47,720	9.18	9.79	6.50	10.18	1.66	5.0%	-2.0%	12.0%	16.6%	31.0%
ADIB	16,053	4.42	4.58	3.46	6.99	1.24	6.2%	3.0%	10.8%	16.3%	15.9%
ADNIC	1,388	3.70	4.00	3.40	8.79	0.66	8.1%	-1.3%	-3.9%	-1.3%	-2.6%
Agthia	2,298	3.83	5.00	3.42	10.90	1.20	3.9%	-0.8%	-3.0%	-19.0%	-16.7%
Air Arabia	4,321	0.93	1.33	0.90	NA	0.96	NA	-0.4%	-7.4%	-6.2%	-29.8%
Ajman Bank	1,869	0.89	1.10	0.82	9.21	0.76	0.0%	6.0%	-2.3%	-3.9%	-14.4%
Al Waha Capital	2,664	1.37	2.19	1.36	17.94	0.70	5.5%	-6.2%	-23.5%	-26.7%	-35.7%
Aldar Properties	15,175	1.93	2.30	1.43	8.16	0.63	7.3%	17.0%	19.9%	3.2%	-10.2%
Amanat Holdings	2,425	0.97	1.40	0.95	56.21	0.95	1.5%	-3.0%	-19.2%	-19.8%	-29.2%
Amlak Finance	521	0.35	0.90	0.32	NA	0.38	0.0%	-2.3%	-13.3%	-47.4%	-61.3%
Arabtec	3,165	2.11	2.41	1.58	13.14	1.91	2.4%	2.9%	6.6%	13.4%	-8.7%
Aramex	6,998	4.78	4.85	3.72	14.21	2.90	3.5%	13.8%	11.7%	12.5%	10.6%
Bank of Sharjah	1,953	0.93	1.18	0.93	5.56	0.48	0.0%	-2.2%	-8.8%	-13.1%	-20.5%
DAMAC Properties	8,289	1.37	3.16	1.10	7.22	0.59	NA	13.2%	-20.8%	-33.5%	-55.8%
Dana Gas	6,049	0.87	1.21	0.73	NA	0.57	1.5%	5.6%	-2.6%	-27.1%	14.1%
Deyaar Development	2,022	0.35	0.52	0.32	14.40	0.45	0.0%	-3.8%	-7.2%	-17.1%	-31.4%
Dubai Financial Market	6,312	0.79	1.12	0.70	50.17	0.81	0.0%	-1.3%	-1.0%	-18.4%	-26.3%
Dubai Investment	5,698	1.34	2.20	1.04	8.77	0.48	7.5%	16.5%	1.5%	-31.3%	-38.2%
Dubai Islamic Bank	33,277	5.05	5.41	4.66	6.98	1.38	6.9%	0.0%	-2.7%	-2.3%	4.8%
DXB Entertainments	1,904	0.24	0.56	0.23	NA	0.34	0.0%	-4.4%	-13.8%	-34.1%	-56.6%
Emaar Dev	15,440	3.86	5.34	3.26	3.98	2.04	0.0%	4.6%	-20.1%	-22.2%	-19.3%
Emaar Malls	23,165	1.78	2.24	1.43	10.76	1.39	5.6%	11.9%	1.7%	-5.8%	-16.4%
Emaar Properties	33,651	4.70	6.13	3.85	5.73	0.72	3.0%	14.6%	8.5%	-5.1%	-18.8%
Emirates Integrated Tele	23,131	5.06	5.24	4.73	13.09	2.69	4.3%	-0.4%	1.6%	-0.2%	0.2%
Emirates NBD	52,354	9.42	11.00	8.25	5.53	0.96	4.2%	-8.1%	5.8%	2.4%	-10.3%
Eshraq Properties	1,000	0.43	0.77	0.41	342.36	0.67	NA	0.0%	-15.4%	-25.0%	-40.3%
Etisalat	139,496	16.04	17.95	15.70	15.64	3.10	5.0%	-4.8%	-5.5%	0.6%	-10.6%
First Abu Dhabi Bank	148,425	13.62	15.60	10.85	12.81	1.63	5.1%	-8.6%	-2.4%	-5.8%	25.0%
GFH	3,538	0.96	1.52	0.73	8.25	0.85	3.3%	4.3%	-15.7%	-31.4%	-33.7%
Gulf Navigation Holding	717	0.78	1.17	0.72	NA	0.86	0.0%	-2.5%	-21.3%	-15.2%	-25.0%
Gulf Pharmaceutical	1,854	1.60	2.38	1.44	NA	1.03	6.1%	-5.9%	-23.8%	-20.4%	-21.5%
Marka	138	0.28	0.54	0.26	NA	NA	NA	0.0%	0.0%	0.0%	-48.1%
Mashreqbank	14,202	80.00	80.00	68.05	6.89	0.71	5.0%	6.7%	11.1%	17.6%	3.9%
National Bank of Fujairah	7,893	4.80	4.80	2.50	13.59	1.71	1.6%	0.0%	22.8%	62.2%	72.0%
National Central Cooling Co	4,616	1.70	1.88	1.45	10.63	0.99	5.6%	-0.6%	4.9%	7.6%	-2.3%
RAK Bank	7,208	4.30	4.85	4.00	8.03	1.01	7.0%	3.9%	7.0%	0.0%	-9.5%
RAK Properties	918	0.46	0.84	0.43	6.10	0.24	0.0%	0.9%	-8.0%	-24.4%	-45.4%
Ras Al Khaimah	1,839	2.04	2.60	1.75	10.30	0.74	NA	8.5%	9.1%	-7.3%	-20.6%
SALAMA	557	0.46	0.76	0.38	323.72	0.74	0.0%	-2.5%	-11.5%	-26.3%	2.7%
Sharjah Islamic Bank	3,228	1.10	1.28	1.08	6.17	0.60	0.0%	-7.6%	-3.5%	-7.6%	-11.3%
Takaful Emarat Insurance	243	1.62	2.70	1.35	17.37	1.47	5.1%	-0.6%	-7.4%	-11.0%	-16.9%
TAQA	5,824	0.96	1.45	0.68	14.72	1.30	0.0%	-1.0%	-1.0%	-15.0%	39.1%
Union National Bank	14,583	5.30	5.60	3.36	13.20	0.87	3.8%	2.5%	10.4%	4.7%	35.9%
Union Properties	1,566	0.37	0.91	0.35	12.34	0.56	0.0%	1.4%	-16.1%	-47.9%	-58.6%
United Arab Bank	2,145	1.04	1.60	1.01	27.79	0.85	0.0%	-13.3%	-16.8%	-13.3%	-35.0%

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration



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