



Morning Report

06 January 2021

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,144	0.5%	3.6%	14.6%	2.3%
DFM	2,609	1.2%	7.8%	17.3%	-2.8%
TASI	8,682	0.2%	0.1%	5.1%	6.0%
BHSEASI	1,456	-1.8%	-2.7%	1.1%	-7.6%
EGX	10,830	0.1%	-1.7%	-1.6%	-18.5%
Dow Jones	30,392	0.6%	0.6%	8.0%	6.1%
S&P 500	3,727	0.7%	0.7%	9.3%	15.2%
Nasdaq	12,819	0.9%	2.8%	13.1%	42.1%
FTSE 100	6,612	0.6%	0.9%	11.3%	-13.3%
DAX	13,651	-0.6%	2.6%	6.4%	3.3%
CAC40	5,565	-0.4%	-0.8%	14.2%	-7.9%
Nikkei225	27,159	-0.4%	1.5%	16.5%	14.8%
HIS	27,411	0.6%	3.0%	16.3%	-2.8%
US Futures	3,691	-0.8%	0.0%	8.3%	14.1%
Europe Futures	3,531	0.1%	0.0%	9.4%	-5.9%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	145	145	-
Local	50%	64%	-14%
Foreign	50%	36%	14%
Institutional	85%	78%	7%
Retail	15%	22%	-7%
DFM	439	439	-
Local	55%	60%	-5%
Foreign	45%	40%	5%
Institutional	47%	27%	20%
Retail	53%	73%	-20%
Total	584	584	-
Local	54%	61%	-7%
Foreign	46%	39%	7%

Last trading day's short sell positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
Aldar Properties	(247,360)	0.7%	34.1	109.5
RAK Prop.	(178,931)	1.0%	17.2	8.6
ADIB	(161,852)	4.8%	3.4	15.9
ADNOC Dist.	(161,017)	1.9%	8.7	34.2
ADCB	(93,698)	1.6%	5.7	35.0

Upcoming Corporate Actions & Events

Date	Company	Event
6-Jan	ARTC	BoD
9-Feb	MSCI IQ2I Index	Announcement Date
11-Feb	Ithmaar	BoD/Results
14-Feb	GFH	BoD/Results
1-Mar	MSCI IQ2I Index	Effective Date

Key Stories

Emaar Properties disclosed that it has disposed 100% stake in unit ASV Group Limited (owner of Sky View Hotel and its operations) for AED 750mln. Hotel management agreement is with Emaar (Address) and Emaar will continue to retain the ownership of the Sky Bridge Restaurant

Tabreed and Miral sign an agreement with Miral to provide district cooling services to Seaworld Abu Dhabi

Shuaa Capital invests in Anghami - MENA's leading technology streaming service

Gulfa General Investment's board approves increase of issued capital of by no more than AED 120mln through issuance of new shares with a nominal value of AED 1 per share

Oman's Sohar International Bank has exposure of OMR 6.5mln to Drake & Scull's JV in Oman and bank has already made 100% provision for this exposure

Network International Holdings disclosed that Nandan Mer to succeed Simon Haslam as group CEO

UAE announces mandatory PCR testing every 14 days for government employees

COVID vaccine UAE: Plan to vaccinate 50% population in first quarter

UAE on January 05 announced 1,967 new COVID-19 cases and 1,866 recoveries. The tally takes total cases in UAE to 216,699 with 193,321 recoveries and 685 deaths

Saudi Arabia, the UAE, Egypt and Bahrain have agreed to restore full ties with Qatar at a summit in the kingdom on Tuesday

Saudi's Apicorp extends to Acwa Power a USD 125mln 5-year term murabaha facility for funding investments in renewable projects

Saudia Dairy and Foodstuff board proposes SAR 3 per share HY dividend

Bahrain's real gross domestic product declined by 6.9% YoY while growing 1.4% QoQ in the third quarter of 2020

Telecoms giant Vodafone wins licence to become third Oman operator. Vodafone will compete with Omantel and Ooredoo in the sultanate

Egypt's net foreign reserves rose to USD 40.063bln in December from USD 39.222bln in November, the central bank said

Egypt's Alexandria Medical Services seeks shareholders' approval to increase authorised capital to EGP 450mln from EGP 200mln

Key Global Trends/ Market Clues

Global stock prices slipped and U.S. bond yields rose on Wednesday as investors braced for the prospect that Democrats could win both races in a U.S. Senate run-off election in Georgia, handing them control of the crucial chamber. Futures for the S&P 500 fell 0.43%, while Nasdaq futures shed 0.7% on fears Democrats could pursue tighter regulations on big tech firms. Other industries, such as banks, oil and gas and healthcare, could come under heavier scrutiny, while infrastructure and alternative energy sectors could benefit. Japan's Nikkei fell 0.4% while MSCI's index of Asian-Pacific excluding Japan erased earlier gains to stand almost flat.

Brent oil prices rose on Wednesday to the highest since February after Saudi Arabia agreed to make bigger cuts in output than expected during a meeting with allied producers, while industry data showed U.S. crude stockpiles fell last week. Brent crude rose as much as 0.6% to USD 53.94 a barrel, the highest since Feb. 26, 2020. It was at USD 53.79 a barrel at 0147 GMT and gained 4.9%

on Tuesday. U.S. West Texas Intermediate (WTI) futures gained 13 cents, or 0.26%, to USD 50.06 a barrel. The contract on Tuesday closed up 4.6% at USD 49.93, its highest since Feb. 24, 2020.

OPEC+ meeting concluded with a solution upon which all OPEC+ members agreed. Tuesday's meeting saw the groups agree to lift oil production by 75,000 barrels per day over January levels, according to OPEC's post-meeting press release. But Saudi Arabia's late announcement after the meeting sent oil prices soaring—that Saudi Arabia would voluntarily cut an additional 1mln barrels per day in February and March above its current quota, all while OPEC's allies get to ramp up production. The OPEC+ agreed not only for the production levels for February but for March as well. March's production level will see an additional increase of 120,000 barrels per day over February levels, or 195,000 bpd over January levels. With March's production quotas already set, the February meeting, therefore, will set production quotas for April. The previous meeting held in December adjusted the total production cuts to 7.2mln bpd for January, from 7.7mln bpd before. But with Saudi Arabia's additional voluntary cuts, February's total production cuts will be 8.125mln bpd, and March's will total 8.05mln bpd.

The global economy is projected to grow 4pct in 2021 if the Covid-19 vaccine is distributed more widely throughout the year, according to the World Bank. The projection is just 0.2pct points below its previous forecast last June following a resurgence in Covid-19 cases around the world.

UAE Stories

Emaar Properties disclosed that it has disposed 100% stake in unit ASV Group Limited (owner of Sky View Hotel and its operations) for AED 750mln. Hotel management agreement is with Emaar (Address) and Emaar will continue to retain the ownership of the Sky Bridge Restaurant.

Tabreed and Miral sign an agreement with Miral to provide district cooling services to Seaworld Abu Dhabi. Deal will see a new dedicated plant built by 2022 to service Seaworld Abu Dhabi and future Yas Island projects. Will connect new Seaworld Abu Dhabi development to its existing Yas Island District Cooling Scheme.

Shuaa Capital invests in Anghami - MENA's leading technology streaming service. Investment is part of Anghami's latest funding round and sees Shuaa's managed funds and co-investors investing in future growth of Anghami.

Gulfa General Investment's board approves increase of issued capital of by no more than AED 120mln through issuance of new shares with a nominal value of AED 1 per share.

Oman's Sohar International Bank has exposure to Drake & Scull International, an Omani joint venture, with outstanding amount of approximately OMR 6.50mln and bank has already made 100% provision for this exposure.

Network International Holdings disclosed that Nandan Mer to succeed Simon Haslam as group CEO. Simon Haslam, group Chief Executive Officer has decided to retire from company.

The UAE government has announced that employees of all ministries and federal entities will be required to undergo mandatory COVID-19 PCR testing every 14 days starting January 17th, 2021. Those who have taken the COVID-19 vaccine are exempt from the new regulations, the circular added.

Dr Farida Al Hosani, Official Spokesperson for the UAE Health Sector, noted that 826,301 Covid-19 vaccines have been administered, which is the equivalent of 47,000 doses per day, and 8pct of the country's total population. "We aim to reach more than 50pct of the country's population during the first quarter of this year," she said. "This will help us reduce cases in general, reduce critical cases in particular, and control the disease better in the next phase."

The United Arab Emirates on January 05 announced 1,967 new COVID-19 cases, bringing the total confirmed cases in the country to 216,699. At the same time, 1,866 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 193,321. UAE's Ministry of Health and Prevention said. It has reported 3 deaths from COVID-19 during the past 24 hours. The nationwide death toll stands at 685.

GCC/MENA

Saudi Arabia, the UAE, Egypt and Bahrain have agreed to restore full ties with Qatar at a summit in the kingdom on Tuesday. Saudi foreign minister Faisal bin Farhan al-Saud told a press conference after the gathering of Gulf Arab states, that there was political will and good faith to guarantee implementation of the agreement to restore diplomatic and other ties, including resumption of flights, Reuters reported. The news conference was followed by the Gulf Cooperation Council (GCC) states signing an agreement of solidarity and stability in Al Ula in Saudi Arabia.

Saudi's Apicorp extends to Acwa Power a USD 125mln 5-year term murabaha facility for funding investments in renewable projects in countries it operates in.

Saudia Dairy and Foodstuff board proposes SAR 3 per share HY dividend.

Bahrain's real gross domestic product declined by 6.9% YoY in the third quarter of 2020, the government said in a statement on Tuesday. The economy however grew 1.4% QoQ in the same period.

Telecoms giant Vodafone wins licence to become third Oman operator. Vodafone, which owns and operates networks in 22 countries, will compete with Omantel and Ooredoo in the sultanate.

Egypt's net foreign reserves rose to USD 40.063bln in December from USD 39.222bln in November, the central bank said on Tuesday. Foreign reserves had dropped since March from a high of more than USD 45bln, hit by the economic fallout from the coronavirus outbreak.

Egypt's Alexandria Medical Services seeks shareholders' approval to increase authorised capital to EGP 450mln from EGP 200mln. The company further seeks to shareholders' approval to increase issued capital to EGP 200mln from EGP 144.2mln.

(Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian Business)

UAE Focus list

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	42,579	6.12	8.15	3.82	11.76	0.77	6.2%	0.7	10.3	22.2	(16.0)
ADIB	17,361	4.78	5.85	3.19	11.02	0.92	5.7%	1.7	14.4	27.5	(3.3)
ADNIC	2,907	5.10	5.17	2.70	7.80	1.22	5.9%	(1.4)	41.3	61.9	70.0
ADNOC Dist	49,375	3.95	3.95	2.40	23.77	17.77	4.8%	14.2	16.6	37.5	41.2
Agthia	2,640	4.40	4.60	2.50	89.01	1.41	3.4%	2.6	18.6	51.7	34.6
Air Arabia	6,253	1.34	1.61	0.87	NA	1.53	6.7%	8.1	21.8	10.7	(5.8)
Ajman Bank	1,613	0.77	0.90	0.50	58.45	0.64	0.0%	7.3	12.3	32.4	(12.5)
Al Waha Capital	2,217	1.14	1.20	0.62	NA	0.73	NA	8.6	14.0	54.5	25.3
Aldar Properties	25,318	3.22	3.26	1.35	14.17	1.02	4.5%	5.9	61.0	78.9	67.1
Amanat Holdings	2,050	0.82	0.92	0.56	139.46	0.82	2.7%	(1.1)	3.0	(9.5)	10.9
Amlak Finance	392	0.26	0.50	0.20	NA	0.79	0.0%	-	(13.0)	(3.7)	(44.9)
Aramex	6,501	4.44	4.49	2.00	18.03	2.54	3.7%	10.7	1.8	34.1	32.1
Bank of Sharjah	1,334	0.64	0.83	0.50	NA	0.41	0.0%	(6.6)	19.8	3.3	(21.6)
DAMAC Properties	8,349	1.38	1.75	0.36	NA	0.64	NA	16.9	51.2	82.1	100.0
Dana Gas	4,925	0.70	0.94	0.53	NA	0.62	7.8%	3.1	(1.9)	9.0	(15.8)
Deyaar Development	1,618	0.28	0.38	0.18	44.16	0.36	0.0%	2.9	0.7	1.4	(20.5)
Dubai Financial Market	7,864	0.98	0.99	0.50	54.16	1.02	2.5%	12.6	19.2	20.2	12.8
Dubai Investment	6,761	1.59	1.61	0.98	10.96	0.57	NA	27.2	43.2	38.3	34.1
Dubai Islamic Bank	34,031	4.70	5.86	3.04	8.98	0.91	7.4%	4.9	11.6	21.8	(6.7)
DXB Entertainments	720	0.09	0.20	0.08	NA	0.63	0.0%	(21.7)	(25.0)	(25.0)	(48.3)
Emaar Dev	11,440	2.86	3.97	1.79	5.75	1.04	0.0%	5.1	22.7	38.2	(24.3)
Emaar Malls	24,727	1.90	1.94	0.98	21.69	1.31	0.0%	3.8	34.8	34.8	2.7
Emaar Properties	27,780	3.88	4.28	1.90	6.62	0.49	0.0%	22.0	42.6	44.2	(4.2)
Emirates Integrated Tele	26,064	5.75	6.35	4.33	14.23	3.07	5.9%	1.8	9.5	16.5	9.4
Emirates NBD	69,483	11.00	13.90	6.33	9.36	0.84	3.6%	0.5	5.8	24.9	(10.4)
Eshraq Investments	744	0.32	0.46	0.16	NA	0.53	NA	1.3	4.9	44.8	0.6
Etisalat	150,976	17.36	17.46	11.02	16.89	3.22	4.6%	0.2	4.0	5.8	11.5
First Abu Dhabi Bank	145,236	13.30	15.92	7.78	14.64	1.44	5.6%	5.4	19.6	18.5	(7.4)
GFH	2,231	0.62	0.93	0.45	17.70	0.64	5.5%	8.2	7.5	10.3	(19.5)
Gulf Navigation Holding	443	0.44	0.55	0.28	NA	0.84	0.0%	7.4	1.6	(11.2)	(5.6)
IHC	76,536	42.02	42.04	6.37	34.76	13.48	NA	4.8	9.3	42.9	559.7
Julphar	1,617	1.40	1.54	0.54	NA	1.47	0.0%	(3.4)	6.9	27.3	60.5
Mashreqbank	12,054	67.90	80.00	62.00	18.27	0.57	5.9%	NA	8.2	1.5	(15.1)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	7,305	2.69	2.75	1.67	14.21	1.47	3.9%	3.5	21.2	37.9	45.4
RAK Bank	6,369	3.80	5.00	3.33	9.20	0.83	7.9%	5.6	7.0	2.2	(13.7)
RAK Properties	1,020	0.51	0.51	0.33	9.38	0.27	7.8%	17.5	33.9	46.1	29.8
RAK Ceramics	1,510	1.52	1.81	1.24	18.36	0.66	9.4%	10.1	13.4	10.9	10.4
SALAMA	1,018	0.84	0.92	0.30	6.52	1.17	NA	1.3	2.3	72.2	68.5
Sharjah Islamic Bank	4,129	1.34	1.36	0.95	8.54	0.54	3.6%	11.7	13.6	21.8	19.0
SHUAA Capital	1,732	0.68	0.89	0.40	16.26	1.22	NA	9.3	8.4	35.0	(18.4)
Takaful Emarat Insurance	237	1.58	1.60	1.07	NA	1.90	5.2%	0.6	10.5	15.3	33.9
TAQA	159,657	1.42	1.78	0.41	52.79	2.57	0.0%	(3.7)	2.5	62.3	218.8
Union Properties	1,205	0.28	0.39	0.15	4.18	0.40	0.0%	1.8	2.6	(6.3)	10.2
United Arab Bank	1,751	0.85	1.02	0.81	NA	1.05	0.0%	(5.0)	(5.0)	(5.0)	(24.9)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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