



Morning Report

07 January 2021

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,129	-0.3%	1.9%	14.4%	2.4%
DFM	2,606	-0.1%	5.0%	17.1%	-3.2%
TASI	8,671	-0.1%	1.0%	3.6%	5.7%
BHSEASI	1,455	0.0%	-2.5%	0.7%	-8.1%
EGX	10,952	1.1%	-0.7%	-1.7%	-17.1%
Dow Jones	30,829	1.4%	2.0%	11.0%	7.4%
S&P 500	3,748	0.6%	1.3%	11.5%	15.5%
Nasdaq	12,741	-0.6%	2.2%	14.2%	40.4%
FTSE 100	6,842	3.5%	4.5%	15.0%	-9.7%
DAX	13,892	1.8%	4.5%	7.6%	5.8%
CAC40	5,631	1.2%	0.4%	15.0%	-6.4%
Nikkei225	27,056	-0.4%	1.1%	15.5%	16.6%
HIS	27,572	0.2%	3.2%	15.5%	-1.9%
US Futures	3,763	0.6%	1.6%	9.5%	15.4%
Europe Futures	3,612	0.2%	2.3%	10.9%	-4.1%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	360	360	-
Local	42%	60%	-18%
Foreign	58%	40%	18%
Institutional	84%	84%	0%
Retail	16%	16%	0%
DFM	356	356	-
Local	54%	58%	-5%
Foreign	46%	42%	5%
Institutional	31%	20%	12%
Retail	69%	80%	-12%
Total	716	716	-
Local	48%	59%	-11%
Foreign	52%	41%	11%

Last trading day's short sell positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
RAK Prop.	(468,931)	3.3%	14.3	7.4
ADIB	(97,151)	4.7%	2.1	9.8
Aldar	(63,786)	0.2%	27.3	87.2
ADCB	(33,698)	0.7%	4.6	28.0
Etisalat	(15,308)	1.6%	1.0	16.8

Upcoming Corporate Actions & Events

Date	Company	Event
11-Jan	SHUAA	BoD/General
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

Mashreq Bank plans to move nearly half of its employees to more cost-friendly locations and allow others to work from home as part of a reorganisation

Emirates NBD disclosed that the bank issued a senior five-year bond for the amount of USD 750mln. This bond will settle on 13 January 2021 and mature on 13 January 2026.

Agthia Group announced the successful completion of its strategic combination with Al Foah

ADX says Foodco National Foodstuff shares will list in second market effective Jan 13

Mubadala Investment Company said it will bring six of its fully-owned UAE-based medical assets into an integrated network for specialised care, names Al Nowais CEO

Dubai has launched an economic stimulus package worth AED 315mln, raising business incentives introduced by the emirate's government to AED 7.1bln

UAE on January 06 announced 2,067 new COVID-19 cases and 2,199 recoveries. The tally takes total cases in UAE to 218,766 with 195,520 recoveries and 689 deaths

It will take two to three years for real, inflation-adjusted GDP in GCC sovereigns to return to pre-pandemic levels - Moody

Saudi Arabia keeps oil supply steady in December at just below 9mln bpd

Saudi Aramco raised its February official selling price for its Arab Light crude to Asia by USD 0.70 per barrel, setting it at plus USD 1 per barrel versus the Oman/Dubai average

Oman's stock market, the Muscat Securities Market, has been converted into a closed joint stock company and put under the ownership of the state-owned Oman Investment Authority

Bahrain's Investcorp's portfolio company Impero has acquired Netop from Denmark's Consolidated Holdings

Egypt's EFG Hermes announced today that it has successfully concluded an EGP 600mln Sukuk issuance for Cairo for Investment and Real Estate Development

Egypt's Canal Shipping Agencies declares FY dividend of EGP 1.38 per share

Key Global Trends/ Market Clues

Bonds nursed losses and stock markets rose on Thursday in anticipation of a big borrowing and big spending Democrat administration driving growth, following runoff elections that gave the party control of both houses of U.S. Congress. S&P 500 futures rose 0.6% and Nasdaq 100 futures rose 0.9% as markets seemed to shake off a late fade that pulled Wall Street indexes back from fresh record peaks when chaotic protests in Washington unnerved traders. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.8% to just shy of a record high, led by a 2.6% jump by South Korea's chipmaker-heavy Kospi and a 1.8% gain by Australia's miner-and-bank heavy ASX 200. Japan's Nikkei rose 2% to its highest since 1990. FTSE and European futures rose slightly.

Oil prices were steady on Thursday after supporters of President Donald Trump stormed the U.S. Capitol, with investors focusing on the likelihood of tighter supplies after Saudi Arabia unilaterally agreed to cut output. Brent crude was up 8 cents at USD 54.38 a barrel by 0125 GMT, after gaining 1.3% overnight. U.S. West Texas Intermediate gained 11 cents to USD 50.74, having slipped earlier in the Asian session. The contract rose 1.4% on Wednesday.

OPEC oil output rose for a sixth month in December, a Reuters survey found, buoyed by further recovery in Libyan production and smaller rises elsewhere in the group. The 13-member Organization of the Petroleum Exporting Countries pumped 25.59mln barrels per day (bpd) in December, the

survey found, up 280,000 bpd from November and a further increase from a three-decade low reached in June.

UAE Stories

Mashreq Bank plans to move nearly half of its employees to more cost-friendly locations and allow others to work from home as part of a dramatic reorganisation that will spare its Emirati staff, a Bloomberg report said on Wednesday. Referring to people familiar with the matter, the newswire report said the bank in the UAE notified employees this week that it will be shifting jobs to other locations including India, Egypt or Pakistan. The relocation plan is expected to be completed in three phases by October this year, according to the report. Mashreq and its subsidiaries employed almost 5,000 people as of September 2019. It also mentioned that Mashreq is planning to reduce salaries for an additional seven percent of its remaining UAE staff by turning those jobs into work-from-home positions. However, the changes will exclude Mashreq's Emirati employees, it said.

Emirates NBD disclosed that the bank issued a senior five-year bond for the amount of USD 750mln. This bond will settle on 13 January 2021 and mature on 13 January 2026.

Agthia Group announced the successful completion of its strategic combination with Al Foah, a date processing and packaging company based in Abu Dhabi. The transaction approval from Agthia's shareholders in November 2020 – saw Senaat transfer Al Foah's business, excluding its organic date farm in Al Ain, to Agthia in exchange for 120mln new shares through the issuance of a convertible instrument. As a result, Senaat, now owns 59.17pct of the entire issued share capital of Agthia, up from the 51pct it owned before the deal.

ADX says Foodco National Foodstuff shares will list in second market effective Jan 13.

Mubadala Investment Co. started an integrated health network with six of its wholly-owned medical assets. The USD 232bln wealth fund also appointed Hasan Jasem Al Nowais as the chief executive officer of Mubadala Health. The Mubadala Health facilities are: Abu Dhabi Telemedicine Centre, Amana Healthcare, Capital Health Screening Centre, Healthpoint, Imperial College London Diabetes Centre, and National Reference Laboratory. Cleveland Clinic Abu Dhabi will also remain part of the network.

Dubai has launched an economic stimulus package worth AED 315mln, raising business incentives introduced by the emirate's government to AED 7.1bln. The AED 315mln package extends the validity of some of the initiatives announced in the previous stimulus packages for another six months, starting from January 2021 until June 2021.

The United Arab Emirates on January 06 announced 2,067 new COVID-19 cases, bringing the total confirmed cases in the country to 218,766. At the same time, 2,199 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 195,520. UAE's Ministry of Health and Prevention said. It has reported 4 deaths from COVID-19 during the past 24 hours. The nationwide death toll stands at 689.

GCC/MENA

It will take two to three years for real, inflation-adjusted GDP in GCC sovereigns to return to pre-pandemic levels, Moody's Investors Service said in a report Wednesday. Even then recovery will take the longest in the more economically diversified sovereigns, where key sectors such as transportation and tourism will be slow to bounce back, the ratings agency said in its outlook for sovereign creditworthiness among GCC members. The report forecasts that GCC government debt burdens will rise on average by around 21pct points of GDP over 2019-21, compared with 14pct points on average for advanced economies. While borrowing costs will remain high for sovereigns with small or no liquid sovereign wealth fund (SWF) buffers like Oman and Bahrain, they will be low for Abu Dhabi, Kuwait, Qatar and Saudi Arabia.

Saudi Arabia keeps oil supply steady in December at just below 9mln bpd.

Saudi Arabia's state oil producer Aramco raised its February official selling price for its Arab Light crude to Asia by USD 0.70 per barrel, setting it at plus USD 1 per barrel versus the Oman/Dubai average, according to a document seen by Reuters on Wednesday. The company set the Arab Light OSP to Northwestern Europe at a discount of USD 1.90 a barrel against ICE Brent, down USD 0.50

from January and to the United States at plus USD 0.75 per barrel over ASCI (Argus Sour Crude Index), up USD 0.20 from the previous month.

Oman's stock market, the Muscat Securities Market, has been converted into a closed joint stock company and put under the ownership of the state-owned Oman Investment Authority, state media said on Wednesday. It will be called the Muscat Stock Exchange and all assets and employees of the Muscat Securities Market will be transferred to that new entity, Oman news Agency said.

Bahrain's Investcorp's portfolio company Impero has acquired Netop from Denmark's Consolidated Holdings. While Impero provides online student safety and classroom and network management softwares, Netop is an international software solutions supplier to the education and corporate sector.

Egypt's EFG Hermes announced today that it has successfully concluded an EGP 600mln Sukuk issuance for Cairo for Investment and Real Estate Development (CIRA), one of the largest private educational groups in Egypt. The Shariaa-compliant Sukuk will be tradeable on the EGX, subject to early redemption at the option of the borrower, and non-convertible to shares with a tenor of 7 years.

Egypt's Canal Shipping Agencies declares FY dividend of EGP 1.38 per share.

(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	42,440	6.10	8.15	3.82	11.72	0.77	6.2%	0.2	11.1	20.6	(16.2)
ADIB	17,325	4.77	5.85	3.19	11.00	0.91	5.7%	1.9	14.1	26.2	(2.8)
ADNIC	2,879	5.05	5.17	2.70	7.72	1.21	5.9%	(2.3)	39.9	60.3	87.0
ADNOC Dist	48,875	3.91	3.95	2.40	23.53	17.59	4.9%	9.8	15.1	35.6	42.2
Agthia	2,670	4.45	4.60	2.50	90.03	1.43	3.4%	4.2	11.3	56.1	37.8
Air Arabia	6,113	1.31	1.61	0.87	NA	1.50	6.9%	1.6	20.2	7.4	(8.0)
Ajman Bank	1,588	0.76	0.90	0.50	57.53	0.63	0.0%	3.6	10.5	26.0	(15.5)
Al Waha Capital	2,197	1.13	1.20	0.62	NA	0.72	NA	4.6	10.8	57.4	18.9
Aldar Properties	25,160	3.20	3.26	1.35	14.08	1.01	4.5%	(0.6)	60.0	75.8	66.8
Amanat Holdings	2,063	0.83	0.92	0.56	140.31	0.83	2.7%	(1.6)	4.0	(8.3)	10.5
Amlak Finance	387	0.26	0.50	0.20	NA	0.78	0.0%	(4.8)	(13.4)	(7.2)	(43.9)
Aramex	6,442	4.40	4.49	2.00	17.87	2.52	3.8%	7.8	3.0	31.7	33.2
Bank of Sharjah	1,319	0.63	0.83	0.50	NA	0.41	0.0%	(10.3)	18.5	2.1	(22.5)
DAMAC Properties	8,349	1.38	1.75	0.36	NA	0.64	NA	5.3	53.3	83.8	104.7
Dana Gas	4,911	0.70	0.94	0.53	NA	0.62	7.8%	0.3	(0.4)	1.7	(16.0)
Deyaar Development	1,647	0.29	0.38	0.18	44.95	0.36	0.0%	1.8	0.7	1.1	(16.9)
Dubai Financial Market	8,880	1.11	1.11	0.50	61.16	1.15	2.3%	21.0	36.7	35.4	29.2
Dubai Investment	6,846	1.61	1.65	0.98	11.10	0.57	NA	22.9	43.7	40.0	37.9
Dubai Islamic Bank	33,887	4.68	5.86	3.04	8.94	0.91	7.5%	2.2	11.4	19.7	(6.9)
DXB Entertainments	688	0.09	0.20	0.08	NA	0.60	0.0%	(30.1)	(26.5)	(28.3)	(49.1)
Emaar Dev	11,320	2.83	3.97	1.79	5.69	1.03	0.0%	(1.0)	19.4	32.2	(24.1)
Emaar Malls	24,467	1.88	1.94	0.98	21.46	1.29	0.0%	0.5	29.7	27.9	2.2
Emaar Properties	27,780	3.88	4.28	1.90	6.62	0.49	0.0%	12.8	44.2	41.1	(3.0)
Emirates Integrated Tele	26,019	5.74	6.35	4.33	14.21	3.06	5.9%	1.2	7.3	15.0	10.2
Emirates NBD	68,851	10.90	13.90	6.33	9.27	0.83	3.7%	1.9	3.8	23.0	(9.2)
Eshraq Investments	765	0.33	0.46	0.16	NA	0.54	NA	2.8	12.7	48.2	4.4
Etisalat	150,454	17.30	17.46	11.02	16.83	3.21	4.6%	0.2	3.6	4.9	11.8
First Abu Dhabi Bank	144,799	13.26	15.92	7.78	14.60	1.43	5.6%	2.8	19.5	18.4	(6.7)
GFH	2,285	0.63	0.93	0.45	18.13	0.65	5.4%	6.4	11.4	11.2	(16.2)
Gulf Navigation Holding	442	0.43	0.55	0.28	NA	0.84	0.0%	5.6	2.6	(11.1)	(5.7)
IHC	76,682	42.10	42.20	6.37	34.82	13.50	NA	5.0	9.4	42.8	560.9
Julphar	1,617	1.40	1.54	0.54	NA	1.47	0.0%	(3.4)	6.9	33.3	60.5
Mashreqbank	12,392	69.80	77.00	62.00	18.78	0.59	5.7%	2.8	11.2	4.3	(12.8)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	7,250	2.67	2.75	1.67	14.10	1.46	3.9%	(0.4)	20.3	39.8	44.3
RAK Bank	6,369	3.80	5.00	3.33	9.20	0.83	7.9%	4.4	7.0	2.2	(14.6)
RAK Properties	1,022	0.51	0.52	0.33	9.40	0.27	7.8%	11.1	34.5	42.7	30.9
RAK Ceramics	1,500	1.51	1.81	1.24	18.24	0.65	9.5%	4.1	11.9	11.9	11.1
SALAMA	1,031	0.85	0.92	0.30	6.61	1.19	NA	(0.6)	5.5	72.7	76.1
Sharjah Islamic Bank	4,129	1.34	1.36	0.95	8.54	0.54	3.6%	9.8	13.6	19.6	20.9
SHUAA Capital	1,750	0.69	0.89	0.40	16.42	1.23	NA	8.8	15.2	30.9	(15.9)
Takaful Emarat Insurance	237	1.58	1.60	1.07	NA	1.90	5.2%	0.6	10.5	17.9	36.2
TAQA	159,657	1.42	1.78	0.41	52.79	2.57	0.0%	(6.8)	1.8	58.5	219.6
Union Properties	1,244	0.29	0.39	0.15	4.31	0.41	0.0%	3.2	8.6	(3.0)	18.4
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

Disclaimer

This report was prepared by International Securities Company ("IS") in and for the United Arab Emirates ("U.A.E."). IS is a securities brokerage company regulated by the Emirates Securities and Commodities Authority. The information contained in this report is given in summary and does not purport to be complete. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. Content of this report is provided solely for informational purposes and private circulation and should not be construed as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or any other financial product or instrument, or adopting any hedging or investment strategy and does not take into account your particular investment objectives, financial situation, tax implications or any other needs. Before acting on any information you should consider and confirm the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek professional financial advice. While based on information believed to be reliable, we do not guarantee and make no express or implied representation as to the accuracy of this report or complete description of the securities markets or developments referred to in this report. The information, contained in this report are as of the date indicated and are subject to change at any time without prior notice. This report may provide the addresses of, or contain hyperlinks to, websites. IS has not reviewed any such site and takes no responsibility for the content of the same. Such address or hyperlink is provided solely for your convenience and information and the content of any such website does not in any way form part of this document. Accessing such website or following such link through this report or IS's website shall be at your own risk. The stated price of any securities mentioned in this report is as of the date indicated and is not a representation made by IS that any transaction can be effected at this price. This report is for UAE distribution and only under such circumstances as may be permitted by applicable law. The information contained in this report is not intended nor can it be construed as intended to be directed to any US persons (being any US Citizens, US Green Card Holders, or Resident Aliens subject to US income taxes for IRS purposes) unless stated otherwise. Neither IS nor its officers, directors or shareholders or other persons shall be liable for any direct, indirect, incidental or other damages including loss of profits arising in any way from the information contained in this report. This report is a mere update intended solely for the use by the intended recipients and the content of it may not be reproduced, redistributed or copied in whole or in part for any purpose without IS's prior express consent.