



## Morning Report

10 January 2021

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,164	0.7%	2.4%	14.9%	2.1%
DFM	2,626	0.8%	5.8%	18.7%	-4.4%
TASI	8,737	0.8%	1.2%	4.5%	6.6%
BHSEASI	1,451	-0.3%	-2.9%	0.1%	-8.8%
EGX	10,952	1.1%	-0.7%	-1.7%	-17.1%
Dow Jones	31,097	0.2%	3.1%	9.4%	8.2%
S&P 500	3,825	0.5%	3.3%	11.0%	17.6%
Nasdaq	13,202	1.0%	4.9%	15.6%	44.6%
FTSE 100	6,873	0.2%	4.8%	15.0%	-9.3%
DAX	14,050	0.6%	5.8%	7.7%	5.5%
CAC40	5,707	0.7%	2.6%	16.2%	-5.4%
Nikkei225	28,139	2.4%	6.3%	19.0%	21.3%
HIS	27,878	1.2%	6.0%	15.2%	-0.7%

### # UAE Trading Summary

AEDm	Buy	Sell	Net
<b>ADX</b>	<b>427</b>	<b>427</b>	<b>-</b>
Local	57%	53%	4%
Foreign	43%	47%	-4%
Institutional	84%	84%	0%
Retail	16%	16%	0%
<b>DFM</b>	<b>404</b>	<b>404</b>	<b>-</b>
Local	60%	59%	2%
Foreign	40%	41%	-2%
Institutional	31%	22%	9%
Retail	69%	78%	-9%
<b>Total</b>	<b>831</b>	<b>831</b>	<b>-</b>
Local	59%	56%	3%
Foreign	41%	44%	-3%

### # Last trading day's short sell positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
RAK Prop.	(673,273)	2.4%	27.7	14.8
FAB	(44,245)	0.5%	9.4	125.5
Aldar	(15,673)	0.1%	28.4	91.1

### # Upcoming Corporate Actions & Events

Date	Company	Event
11-Jan	SHUAA	BoD/General
9-Feb	MSCI IQ2I Index Announcement Date	
11-Feb	lthmaar	BoD/Results
14-Feb	GFH	BoD/Results
1-Mar	MSCI IQ2I Index Effective Date	

## # Key Stories

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FAB sold sukuk worth USD 500mln on Thursday, the five-year paper offers investors a profit rate equivalent to 90 basis points over mid-swaps

Aramex disclosed that customer in Morocco files lawsuit claiming about USD 40mln in fire related compensation

Finance House announces retirement of Abdul Hamid Umer Taylor and appointment of Raman Tirunelveli Kuppaswamy as chief executive officer

Dubai airports received 17.9m passengers in 2020, 64.6pct drop on the 50.3mln passengers recorded in 2019

Aviation Authority announces re-opening of airspace between UAE and Qatar

The World Bank has revised slightly downward its economic growth forecast for the UAE to 2.4pct in 2022 from its earlier estimate of 2.5pct

ADQ expanding foundation for healthcare and pharma ecosystem in the UAE has agreed to acquire Pharmax Pharmaceuticals and invests in Biocon Biologics Limited

Dubai-headquartered shipping company United Arab Chemical Carriers has entered into a merger agreement to be acquired by United Overseas Group

UAE on January 09 announced 2,988 new COVID-19 cases and 2,264 recoveries. The tally takes total cases in UAE to 227,702 with 203,660 recoveries and 702 deaths

Saudi Arabia will lift a ban on international flights from Wednesday March 31, the state news agency SPA said on Friday

Saudi Arabia has decided to allow foreigners to run Saudi-owned companies

Qatar Airways will resume flights to Saudi Arabia, starting with the capital Riyadh on Monday, followed by Jeddah on Jan. 14, then Dammam on Jan. 16

Qatari banks' funding and liquidity profiles will benefit from Saudi Arabia's decision to lift its blockade on Qatar, Fitch Ratings says

IMF raised its growth forecast for Egypt's economy this financial year to 2.8%, matching the lower end of the government's own estimate

Lebanon's central bank governor told Reuters the country's currency would not be floated unless an agreement with the IMF was reached

## # Key Global Trends/ Market Clues

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A global equities rally pushed Japan's Nikkei to a more than three-decade high and U.S. stock benchmarks to new records on Friday, while safe havens such as Treasuries and gold sold off as investors looked past U.S. political unrest and focused on further stimulus to mend the economic damage of the coronavirus pandemic. The surge came despite data from the Labor Department that showed the U.S. economy shed 140,000 jobs in December, the first time that payrolls decreased in eight months. Yet investors expect that President-elect Joe Biden's incoming administration will pass bigger fiscal stimulus and infrastructure spending plans. MSCI's gauge of stocks across the globe gained 0.84%% following broad gains in Asia and Europe, lifting it to new records. The Nikkei hit its highest level since September, 1990. On Wall Street, the Dow Jones Industrial Average rose 56.84 points, or 0.18%, to 31,097.97, the S&P 500 gained 20.89 points, or 0.55%, to 3,824.68 and the Nasdaq Composite added 134.50 points, or 1.03%, to 13,201.98.

Oil prices hit their highest level in nearly a year on Friday, gaining 8% on the week, supported by Saudi Arabia's pledge to cut output and strong gains in major equity markets. Brent crude settled at USD 55.99 a barrel, climbing USD 1.61, or 3%, on the day and 8.1% on the week. West Texas

Intermediate crude futures (WTI) closed at USD 52.24 a barrel, gaining USD 1.41, or 2.8%, also it's highest since late February. WTI posted a weekly gain of 7.7%.

## # UAE Stories

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FAB sold sukuk worth USD 500mln on Thursday, the five-year paper offers investors a profit rate equivalent to 90 basis points over mid-swaps.

Aramex update market about fire outbreak that occurred late September 2020 at warehouse facility of company's subsidiary in Casablanca, Morocco. One of Aramex's customers in Morocco has recently filed a lawsuit at the Moroccan courts against Aramex claiming a total of approximately us USD 40mln. As a result, Aramex Morocco has appointed external lawyers to represent it and defend case before Moroccan court. USD 40mln as compensation for the loss of goods and moral damages in relation to the fire incident.

Finance House announces retirement of Abdul Hamid Umer Taylor and appointment of Raman Tirunelveli Kuppuswamy as chief executive officer.

The number of passengers travelling through Dubai Airports fell last year as the Covid-19 pandemic triggered travel restrictions that hit the global aviation and tourism industry. The number of passengers travelling through Dubai airports last year reached 17.9mln passengers, the General Directorate of Residency and Foreigners Affairs said in a statement on Saturday. That is a 64.6pct drop on the 50.3mln passengers recorded in 2019, according to its data.

The General Civil Aviation Authority (GCAA) has announced reopening of airspace and resuming of air traffic between the UAE and the State of Qatar as of Saturday, January 9th, following the signing of the Al-Ula Declaration, which includes an agreement for permanent solidarity.

The World Bank has revised slightly downward its economic growth forecast for the UAE to 2.4pct in 2022, hinting the recovery would be subdued after a contraction of 6.3pct in 2020 and a 1.0pct surge projected for this year. In its October, 2020 forecast, the Washington-based institution predicted that the UAE, Arab world's second largest economy would record a gross domestic product (GDP) rebound of 2.5pct in 2022.

ADQ expanding foundation for healthcare and pharma ecosystem in the UAE has agreed to acquire Pharmax Pharmaceuticals and invests in Biocon Biologics Limited.

Dubai-headquartered shipping company United Arab Chemical Carriers has entered into a merger agreement to be acquired by United Overseas Group, the two companies said on Thursday. The transaction will be structured as a reverse triangular merger and expected to close in the first quarter, they said in a joint statement.

The United Arab Emirates on January 09 announced 2,998 new COVID-19 cases, bringing the total confirmed cases in the country to 227,702. At the same time, 2,264 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 203,660. UAE's Ministry of Health and Prevention said. It has reported 5 deaths from COVID-19 during the past 24 hours. The nationwide death toll stands at 702.

## # GCC/MENA

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Saudi Arabia will lift a ban on international flights from Wednesday March 31, the state news agency SPA said on Friday. The country will allow its citizens to travel abroad and then return from March 31, and will open all air, land and sea ports from the same date, the agency added.

Saudi Arabia has decided to allow foreigners to run Saudi-owned companies. Okaz/Saudi Gazette has learned that the Ministry of Commerce has taken a decision in this regard. The Ministry of Justice has revoked the second paragraph of the ministerial decision issued in the Hijri year 1426, which states that it is not permissible for a foreigner to manage a Saudi company or grant him any powers through a judicial order to delegate a Saudi citizen's authorization to a foreigner in this regard.

Qatar Airways will resume flights to Saudi Arabia, starting with the capital Riyadh on Monday, followed by Jeddah on Jan. 14, then Dammam on Jan. 16, the airline tweeted on Saturday. Last Monday, Saudi Arabia reopened its airspace to Qatar after a breakthrough in resolving a political dispute that had led Riyadh and its allies to impose a boycott on Qatar.

Qatari banks' funding and liquidity profiles will benefit from Saudi Arabia's decision to lift its blockade on Qatar, Fitch Ratings says. We expect Saudi clients, who withdrew deposits from Qatari banks due to the blockade, to start shifting some of their funds back. This will provide Qatari banks with an additional pool of liquidity, which will diversify their funding base, reduce their reliance on price-sensitive government-related entity and corporate deposits, and cut their funding costs.

IMF raised its growth forecast for Egypt's economy this financial year to 2.8%, matching the lower end of the government's own estimate and citing milder-than-expected contraction during the coronavirus pandemic. Egypt's economy had been boosted in the last three years by an upswing in tourism, strong remittances from Egyptian workers abroad and recently discovered natural gas fields coming on stream.

Lebanon's central bank governor told Reuters on Friday the country's currency would not be floated unless an agreement with the International Monetary Fund was reached.

*(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%	0.5	10.1	20.9	(17.3)
ADIB	17,361	4.78	5.85	3.19	11.02	0.92	5.7%	2.8	15.2	24.8	(4.7)
ADNIC	2,879	5.05	5.17	2.95	7.72	1.21	5.9%	(2.3)	39.9	60.3	87.0
ADNOC Dist	48,375	3.87	3.95	2.40	23.29	17.41	4.9%	10.3	14.3	33.4	37.9
Agthia	3,161	4.39	4.60	2.50	88.81	1.41	3.4%	1.6	9.5	51.4	35.9
Air Arabia	6,160	1.32	1.61	0.87	NA	1.51	6.8%	3.1	23.4	9.1	(8.4)
Ajman Bank	1,625	0.77	0.90	0.50	58.90	0.65	0.0%	6.0	13.7	29.0	(13.8)
Al Waha Capital	2,197	1.13	1.20	0.62	NA	0.72	NA	2.7	13.0	54.8	20.2
Aldar Properties	25,239	3.21	3.26	1.35	14.12	1.01	4.5%	0.3	60.5	73.5	62.7
Amanat Holdings	2,068	0.83	0.92	0.56	140.65	0.83	2.7%	(0.4)	5.1	(8.5)	8.7
Amlak Finance	398	0.27	0.50	0.20	NA	0.81	0.0%	-	(12.3)	(16.9)	(44.9)
Aramex	6,486	4.43	4.49	2.00	17.99	2.54	3.7%	7.5	3.3	32.6	33.7
Bank of Sharjah	1,323	0.63	0.83	0.50	NA	0.41	0.0%	(11.3)	18.9	2.4	(22.2)
DAMAC Properties	8,410	1.39	1.75	0.36	NA	0.64	NA	10.3	57.1	86.1	98.6
Dana Gas	4,953	0.71	0.94	0.53	NA	0.63	7.8%	(0.1)	1.1	5.8	(15.8)
Deyaar Development	1,687	0.29	0.38	0.18	46.06	0.37	0.0%	3.9	5.4	2.1	(18.0)
Dubai Financial Market	9,440	1.18	1.19	0.50	65.01	1.22	2.1%	31.1	46.2	45.1	34.8
Dubai Investment	6,931	1.63	1.65	0.98	11.24	0.58	NA	26.4	46.8	41.7	37.5
Dubai Islamic Bank	33,959	4.69	5.86	3.04	8.96	0.91	7.5%	3.3	12.2	19.9	(7.9)
DXB Entertainments	672	0.08	0.20	0.08	NA	0.59	0.0%	(28.8)	(28.2)	(30.6)	(51.2)
Emaar Dev	11,400	2.85	3.97	1.79	5.73	1.04	0.0%	0.0	22.3	31.3	(26.5)
Emaar Malls	24,337	1.87	1.94	0.98	21.34	1.28	0.0%	(0.0)	32.6	26.4	(0.0)
Emaar Properties	28,066	3.92	4.28	1.90	6.69	0.50	0.0%	13.0	47.9	40.5	(3.4)
Emirates Integrated Tele	26,064	5.75	6.35	4.33	14.23	3.07	5.9%	1.1	7.5	13.4	10.6
Emirates NBD	69,483	11.00	13.90	6.33	9.36	0.84	3.6%	0.9	4.3	23.6	(9.4)
Eshraq Investments	765	0.33	0.46	0.16	NA	0.54	NA	2.2	11.9	43.0	4.1
Etisalat	150,454	17.30	17.46	11.02	16.83	3.21	4.6%	1.3	2.6	4.9	11.1
First Abu Dhabi Bank	147,420	13.50	15.92	7.78	14.86	1.46	5.5%	3.5	21.6	19.5	(6.3)
GFH	2,299	0.64	0.93	0.45	18.24	0.66	5.3%	4.4	13.3	11.2	(17.5)
Gulf Navigation Holding	448	0.44	0.55	0.28	NA	0.85	0.0%	8.6	5.3	(8.3)	(4.3)
IHC	76,755	42.14	42.20	6.37	34.85	13.52	NA	4.8	9.1	40.5	558.4
Julphar	1,617	1.40	1.54	0.54	NA	1.47	0.0%	(3.4)	6.9	37.3	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	7,278	2.68	2.75	1.67	14.15	1.46	3.9%	4.7	20.7	36.0	41.8
RAK Bank	6,369	3.80	5.00	3.33	9.20	0.83	7.9%	2.7	7.0	1.3	(14.6)
RAK Properties	1,082	0.54	0.56	0.33	9.95	0.28	7.4%	15.1	42.4	51.1	38.6
RAK Ceramics	1,510	1.52	1.81	1.24	18.36	0.66	9.4%	6.3	13.4	12.6	11.8
SALAMA	1,022	0.85	0.92	0.30	6.55	1.18	NA	0.5	7.6	72.3	67.8
Sharjah Islamic Bank	4,129	1.34	1.36	0.95	8.54	0.54	3.6%	8.1	14.5	19.6	19.0
SHUAA Capital	1,788	0.71	0.89	0.40	16.78	1.26	NA	10.7	20.7	36.1	(14.0)
Takaful Emarat Insurance	237	1.58	1.60	1.08	NA	1.90	5.2%	0.6	10.5	17.9	36.2
TAQA	160,781	1.43	1.78	0.42	53.16	2.59	0.0%	(4.9)	2.5	67.6	214.1
Union Properties	1,257	0.29	0.39	0.15	4.36	0.41	0.0%	5.0	11.0	(2.3)	19.6
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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