



## Morning Report

14 January 2021

### # Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,291	0.6%	2.9%	16.4%	3.5%
DFM	2,721	0.7%	6.9%	21.6%	-2.0%
TASI	8,914	0.3%	3.1%	3.6%	5.6%
BHSEASI	1,452	-0.4%	-2.7%	-2.0%	-9.3%
EGX	11,389	0.4%	3.5%	0.9%	-16.9%
Dow Jones	31,061	-0.2%	3.4%	8.3%	7.4%
S&P 500	3,810	0.2%	4.0%	8.5%	15.9%
Nasdaq	13,129	0.4%	6.1%	10.7%	41.6%
FTSE 100	6,746	-0.1%	3.0%	13.0%	-11.4%
DAX	13,940	0.1%	6.3%	7.1%	3.6%
CAC40	5,663	0.2%	2.8%	14.5%	-6.2%
Nikkei225	28,457	1.0%	6.8%	20.6%	19.3%
HIS	28,375	-0.1%	6.5%	14.5%	-2.5%
US Futures	3,813	0.2%	4.6%	9.5%	16.0%
Europe Futures	3,617	0.3%	2.3%	13.3%	-4.0%

### # UAE Trading Summary

AEDm	Buy	Sell	Net
<b>ADX</b>	<b>415</b>	<b>415</b>	<b>-</b>
Local	57%	62%	-5%
Foreign	43%	38%	5%
Institutional	71%	71%	0%
Retail	29%	29%	0%
<b>DFM</b>	<b>316</b>	<b>316</b>	<b>-</b>
Local	43%	56%	-12%
Foreign	57%	44%	12%
Institutional	45%	48%	-3%
Retail	55%	52%	3%
<b>Total</b>	<b>731</b>	<b>731</b>	<b>-</b>
Local	51%	60%	-8%
Foreign	49%	40%	8%

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

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
ADCB	(86,600)	2.0%	4.4	27.0
ADIB	(26,000)	0.8%	3.4	17.2
Etisalat	(4,240)	0.3%	1.7	29.2

### # Upcoming Corporate Actions & Events

Date	Company	Event
14-Jan	ADIB	BoD/General
14-Jan	Air Arabia	BoD/General
17-Jan	Tabreed	BoD/General
17-Jan	ADNOC Dis.	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

---

Tabreed's unit Tabreed Energy Services established a strategic partnership with the Abu Dhabi Commercial Properties to increase energy efficiency across a number of their buildings

Foodco National Foodstuff, a subsidiary of Foodco Holding, has listed its shares on the second market of the ADX under the trading symbol FNF

Ithmaar Holding has reached an agreement with Naseej to establish a BHD 40mln residential project in the northern governorate area of Barbar, Bahrain

International Financial Advisors has announced a precautionary seizure by one of the local banks on the company due to an owed amount of KWD 8.8mln (USD 29mln). The debt amount is subject to a dispute and the seizure is only precautionary and not executive

Dubai loan standoff is said to pit state company against lenders

Dubai Aviation Enterprise has raised USD 1.25bln through the sale of four and seven year unsecured dollar bonds. It sold USD 500mln in four-year bonds for 2.625% and USD 750mln worth of seven year bonds at 3.375%

ICE plans to launch IFAD (ICE futures Abu Dhabi) and trading in ICE Murban crude oil futures on March 29 subject to regulatory approvals

Oil product inventories at Fujairah in the UAE dropped for a fourth consecutive week. Total stockpiles on Jan. 11 stood at 22.122mln barrels, down 5.3% from a week earlier

Emirates President says the airline to return to profitability in year ending march 31, 2023. Expects entire fleet to be flying by end of year

UAE on January 13 announced 3,362 new COVID-19 cases and 2,588 recoveries. The tally takes total cases in UAE to 239,587 with 213,149 recoveries and 723 deaths

Saudi NEOM JV working with Lazard on USD 5bln hydrogen project

Saudi's Emaar The Economic City appointed Ahmed Yousef Boshnak as MD effective January 12 for a period of 6 months that can be extended for a similar period

Oman's Bank Muscat posted FY net profit OMR 163.4mln vs OMR 185.6mln year ago

Bahrain's Investcorp portfolio company Calligo acquires UK MSP Network Integrity Systems

Egypt will get funding of USD 1.1bln from the International Islamic Trade Finance Corporation (ITFC) to finance imports of petroleum and staple products in 2021

Egypt's Raya Holding for Financial Investment board approves to split share nominal value to 50 qirsh from EGP 5

## # Key Global Trends/ Market Clues

---

Bonds slipped, Japanese stocks jumped to a three-decade high and other Asian equities loitered near record peaks on Thursday as investors focused on U.S. stimulus prospects and extended bets on global recovery and growth. Japan's Nikkei rose 1.4% to its highest point since August 1990. It is up more than 8% in three weeks. MSCI's broadest index of Asia-Pacific shares outside Japan was steady and just a whisker short of Monday's all-time high. S&P 500 futures rose 0.2% and EuroSTOXX 50 futures rose 0.3%.

Oil prices eased for a second day on Thursday as mounting coronavirus cases globally raised demand concerns, although a drawdown in U.S. crude stocks for a fifth straight week capped losses.

Brent crude oil futures dipped 5 cents, or 0.1%, to USD 56.01 a barrel by 0124 GMT, while U.S. West Texas Intermediate (WTI) fell by 1 cent to USD 52.90 a barrel.

Saudi Arabia's voluntary oil production cut is set to help the oil market navigate through seasonally low oil demand during the first quarter, OPEC's secretary general told an industry event on Wednesday. Saudi Arabia, the defacto leader of the Organization of the Petroleum Exporting Countries (OPEC), surprised the market earlier this month when it pledged to cut production by a further 1mln barrels per day in February and March. Mohammad Barkindo, who spoke to the Gulf Intelligence online forum, said oil inventories globally - in both OECD and non-OECD countries- are "very high".

## # UAE Stories

---

Tabreed's unit Tabreed Energy Services established a strategic partnership with the Abu Dhabi Commercial Properties to increase energy efficiency across a number of their buildings. Under the terms of the partnership, Tabreed Energy Services will provide its expertise in energy efficiency and sustainable cooling operations.

Foodco National Foodstuff, a subsidiary of Foodco Holding, has listed its shares on the second market of the ADX under the trading symbol FNF. Foodco National Foodstuff is the first company to be listed on ADX in 2021, bringing the total number of securities on the exchange to 89. Foodco, importing and distributing food and consumer staples, listed 280mln shares with a nominal value of AED 1 per share, giving the company a share capital of AED 280mln.

Ithmaar Holding has reached an agreement with Naseej to establish a BHD 40mln residential project in the northern governorate area of Barbar, Bahrain. Spanning over around 150,000 square metres, the project will include 100 residential plots and 300 villas, according to a press release on Wednesday.

International Financial Advisors has announced a precautionary seizure by one of the local banks on the company due to an owed amount of KWD 8.8mln (USD 29mln). The debt amount is subject to a dispute between the company and the local bank, according to the company. The company confirmed that the seizure is only precautionary and not executive, and it will take all necessary procedures to challenge it. In the recent period, IFA has settled and rescheduled 86% of its total debt related to bank loans. However, a single debt with one of the local banks has not been reached or scheduled. The company referred that the precautionary seizure will not have a financial impact.

A unit of the main conglomerate controlled by Dubai's ruler is facing off against creditors including Mashreqbank after telling them it won't fully repay a loan that was restructured in 2013, according to people familiar with the matter. The USD 1.2bln syndicated facility is linked to Dubai Holding Investments Group's acquisition in 2007 of a 10% stake in U.S. hedge fund Och-Ziff Capital Management Group, since renamed Sculptor Capital Management, the people said, asking not be named because of the sensitivity of the matter. DHIG extended the maturity by seven years in 2013 as part of a restructuring after it was unable to service the loan in the immediate aftermath of the global financial crisis and its fallout in Dubai. The company is part of Dubai Holding, the conglomerate owned by the emirate's ruler, which controls assets from leisure developer Meraas to luxury hotel chain Jumeirah Group. Mashreq, the emirate's third-biggest bank, has asked Dubai Holding to bail out its subsidiary by repaying the loan in full, the people said. It wasn't clear which lenders were also holding out.

Dubai Aviation Enterprise has raised USD 1.25bln through the sale of four and seven year unsecured dollar bonds, according to a document seen by Reuters. It sold USD 500mln in four-year bonds for 2.625% and USD 750mln worth of seven year bonds were sold at a coupon rate of 3.375%, the document showed.

ICE plans to launch IFAD (ICE futures Abu Dhabi) and trading in ICE Murban crude oil futures on March 29 subject to regulatory approvals. ICE says approval granted from the bank of England for ICE clear, Europe to clear IFAD markets. ICE says IFAD receives regulatory approval from the Monetary Authority of Singapore.

Oil product inventories at Fujairah in the UAE dropped for a fourth consecutive week, the longest stretch since the record slide in October 2020. Total stockpiles on Jan. 11 stood at 22.122mln barrels, down 5.3% from a week earlier and the lowest since November. 30, according to Fujairah Oil Industry

Zone data provided exclusively to S&P Global Platts on January 13. Stocks are down 10% in the past four weeks.

Emirates President says airline will report a loss for full year ending March 31. Airline will also report a loss next year but will be cash positive. The airline to return to profitability in year ending March 31, 2023 and does not need further equity from the Dubai Government. Emirates President expects entire fleet to be flying by end of year.

The United Arab Emirates on January 13 announced 3,362 new COVID-19 cases, bringing the total confirmed cases in the country to 239,587. At the same time, 2,588 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 213,149. UAE's Ministry of Health and Prevention said. It has reported 6 deaths from COVID-19 during the past 24 hours. The nationwide death toll stands at 723.

## # GCC/MENA

---

A joint venture comprising Air Products, ACWA Power and NEOM has hired financial firm Lazard to advise it on a planned USD 5bn hydrogen project in the NEOM high-tech business zone in Saudi Arabia, sources said.

Saudi's Emaar The Economic City appointed Ahmed Yousef Boshnak as managing director effective January 12 for a period of 6 months that can be extended for a similar period.

Oman's Bank Muscat posted FY net profit OMR 163.4mln vs OMR 185.6mln year ago. FY total net interest income and income from Islamic financing 322.1mln vs OMR 317mln year ago.

Bahrain's Investcorp portfolio company Calligo acquires UK MSP Network Integrity Systems.

Egypt will get funding of USD 1.1bn from the International Islamic Trade Finance Corporation (ITFC) to finance imports of petroleum and staple products in 2021, Egypt's petroleum ministry said on Wednesday. The funds are part of a USD 3bn agreement between Egypt and ITFC signed in January 2018.

Egypt's Raya Holding for Financial Investment board approves to split share nominal value to 50 qirsh from EGP 5.

*(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	42,997	6.18	8.15	3.82	11.87	0.78	6.1%	(0.6)	6.0	22.4	(18.3)
ADIB	18,305	5.04	5.85	3.19	11.62	0.97	5.4%	6.1	19.7	34.8	(1.4)
ADNIC	2,736	4.80	5.17	2.95	7.34	1.15	6.3%	(6.8)	33.0	52.4	60.0
ADNOC Dist	48,750	3.90	3.95	2.40	23.47	17.55	4.9%	9.6	15.4	34.8	34.1
Agthia	3,528	4.90	5.00	2.50	99.13	1.57	3.1%	12.9	10.1	71.3	54.4
Air Arabia	6,347	1.36	1.61	0.87	NA	1.55	6.6%	5.4	22.5	17.2	(7.4)
Ajman Bank	1,699	0.81	0.90	0.50	61.57	0.68	0.0%	5.1	18.1	37.1	(8.5)
Al Waha Capital	2,197	1.13	1.20	0.62	NA	0.72	NA	(2.6)	11.9	58.3	20.9
Aldar Properties	25,475	3.24	3.32	1.35	14.26	1.02	4.5%	(0.3)	56.5	82.0	56.9
Amanat Holdings	2,068	0.83	0.92	0.56	140.65	0.83	2.7%	(2.7)	3.8	(7.1)	5.3
Amlak Finance	398	0.27	0.49	0.20	NA	0.81	0.0%	(5.4)	(11.7)	(19.9)	(45.1)
Aramex	6,354	4.34	4.49	2.00	17.63	2.48	3.8%	1.9	(1.4)	30.3	32.1
Bank of Sharjah	1,329	0.63	0.83	0.50	NA	0.41	0.0%	(10.8)	19.4	13.0	(22.8)
DAMAC Properties	8,833	1.46	1.75	0.36	NA	0.67	NA	(0.0)	59.0	81.1	99.5
Dana Gas	4,960	0.71	0.94	0.53	NA	0.63	7.8%	(3.3)	0.9	6.9	(17.2)
Deyaar Development	1,751	0.30	0.38	0.18	47.79	0.39	0.0%	2.7	5.6	9.0	(16.8)
Dubai Financial Market	9,440	1.18	1.24	0.50	65.01	1.22	2.1%	26.2	42.7	49.0	29.6
Dubai Investment	7,228	1.70	1.72	0.98	11.72	0.61	NA	20.6	51.8	49.1	41.1
Dubai Islamic Bank	36,059	4.98	5.86	3.04	9.51	0.96	7.0%	6.4	18.3	27.7	(4.6)
DXB Entertainments	656	0.08	0.20	0.08	NA	0.57	0.0%	(31.1)	(30.5)	(32.2)	(53.9)
Emaar Dev	12,360	3.09	3.97	1.79	6.21	1.13	0.0%	9.6	33.2	47.1	(20.6)
Emaar Malls	25,378	1.95	1.96	0.98	22.26	1.34	0.0%	4.3	33.6	32.7	3.7
Emaar Properties	29,212	4.08	4.28	1.90	6.96	0.52	0.0%	13.3	52.2	53.4	(3.5)
Emirates Integrated Tele	26,155	5.77	6.35	4.33	14.28	3.08	5.9%	0.0	6.7	14.9	10.2
Emirates NBD	72,325	11.45	13.90	6.33	9.74	0.87	3.5%	6.0	9.6	30.7	(9.6)
Eshraq Investments	765	0.33	0.46	0.16	NA	0.54	NA	(8.6)	6.8	44.3	5.4
Etisalat	153,585	17.66	17.66	11.02	17.18	3.28	4.5%	2.6	4.6	6.7	12.3
First Abu Dhabi Bank	153,535	14.06	15.92	7.78	15.48	1.52	5.3%	4.9	25.3	26.4	(4.4)
GFH	2,393	0.66	0.93	0.45	18.99	0.68	5.1%	7.5	15.2	17.6	(16.0)
Gulf Navigation Holding	458	0.45	0.55	0.28	NA	0.87	0.0%	0.9	8.7	(4.5)	(0.4)
IHC	76,864	42.20	42.20	6.76	34.90	13.54	NA	3.9	8.2	41.6	478.1
Julphar	1,560	1.35	1.54	0.54	NA	1.42	0.0%	(6.9)	(9.4)	3.8	54.8
Mashreqbank	12,392	69.80	77.00	62.00	18.78	0.59	5.7%	2.8	11.2	4.3	(9.4)
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%	1.9	11.7	39.1	34.2
RAK Bank	6,637	3.96	5.00	3.33	9.59	0.87	7.6%	5.0	11.5	10.0	(10.2)
RAK Properties	1,140	0.57	0.59	0.33	10.48	0.30	7.0%	20.0	49.6	62.9	38.0
RAK Ceramics	1,719	1.73	1.81	1.24	20.90	0.75	8.3%	18.5	29.1	29.1	24.9
SALAMA	1,022	0.85	0.92	0.30	6.55	1.18	NA	0.6	9.9	70.6	61.9
Sharjah Islamic Bank	4,160	1.35	1.36	0.95	8.60	0.54	3.5%	3.8	16.4	19.5	16.1
SHUAA Capital	1,831	0.72	0.89	0.40	17.19	1.29	NA	3.1	20.3	41.6	(18.9)
Takaful Emarat Insurance	239	1.59	1.60	1.15	NA	1.91	5.2%	1.3	11.2	18.7	15.2
TAQA	163,030	1.45	1.78	0.42	53.90	2.62	0.0%	(5.5)	0.3	43.6	205.9
Union Properties	1,278	0.30	0.39	0.15	4.43	0.42	0.0%	(2.3)	(4.5)	4.2	25.2
United Arab Bank	1,751	0.85	1.02	0.81	NA	1.05	0.0%	(0.1)	(5.0)	(5.0)	(16.8)

(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.