



Morning Report

17 January 2021

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,267	-0.5%	2.2%	15.2%	1.9%
DFM	2,702	-0.7%	5.8%	21.8%	-3.6%
TASI	8,899	-0.2%	2.8%	3.6%	5.0%
BHSEASI	1,459	0.5%	-2.3%	-1.2%	-9.9%
EGX	11,453	0.6%	3.7%	1.1%	-16.7%
Dow Jones	30,814	-0.6%	2.0%	8.1%	6.1%
S&P 500	3,768	-0.7%	2.0%	8.2%	14.6%
Nasdaq	12,999	-0.9%	3.2%	11.0%	40.4%
FTSE 100	6,736	-1.0%	3.4%	15.5%	-11.9%
DAX	13,788	-1.4%	3.2%	8.5%	2.6%
CAC40	5,612	-1.2%	1.5%	16.0%	-7.0%
Nikkei225	28,519	-0.6%	6.9%	21.3%	19.2%
HIS	28,574	0.3%	9.0%	18.3%	-0.7%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	389	389	-
Local	58%	59%	-1%
Foreign	42%	41%	1%
Institutional	77%	79%	-2%
Retail	23%	21%	2%
DFM	230	230	-
Local	47%	60%	-14%
Foreign	53%	40%	14%
Institutional	35%	38%	-2%
Retail	65%	62%	2%
Total	619	619	-
Local	54%	59%	-6%
Foreign	46%	41%	6%

Last trading day's short sell positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
ADIB	(50,000)	3.5%	1.4	7.2
Eshraq	(24,013)	0.7%	3.7	1.2

Upcoming Corporate Actions & Events

Date	Company	Event
17-Jan	Tabreed	BoD/General
17-Jan	ADNOC Dis.	BoD/General
19-Jan	Agthia	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

Air Arabia announced resumption of direct flights between Sharjah and Doha, Qatar's capital, starting January 18

Salama disclosed that Fahim Al Shehhi appointed as new CEO, succeeding Parvaiz Siddiq, who recently stepped down as CEO

Wizz Air Abu Dhabi commences operations in Abu Dhabi

Oman and Emirates Investment Holding posted FY group net loss OMR 1.8mIn vs profit of OMR 0.3mIn year ago. FY group income OMR 0.6mIn vs OMR 4.3mIn year ago

DFM announces that the semi-annual periodic review of the DFMGI and DFMSI sample will be conducted based on the closing prices of January 14, 2021 and new weightings will be applicable as of trading session of January 17, 2021

Network International reported total revenues of USD 284mIn for 2020, a 15pct decrease from the previous year

ADIO opens eight global hubs to help investors unlock opportunities in Abu Dhabi

ADNOC signed agreements with Cosmo Oil and other Japanese companies to "explore the pricing of crude oil with reference" to its Murban crude

The UAE is on track to vaccinate 50pct of the population much before the targeted first quarter of 2021, a top official from the health sector said

Abu Dhabi tightens entry rules; COVID vaccine takers exempted

UAE on January 16 announced 3,432 new COVID-19 cases and 3,118 recoveries. The tally takes total cases in UAE to 249,808 with 222,106 recoveries and 740 deaths

Saudi Arabian inflation rose to 3.4% in 2020, lifted by the tripling of value-added tax last year

Saudi Arabia expects to re-open its embassy in Qatar in the coming days, Saudi's foreign minister said on Saturday

Saudi's Capital Market Authority approves Tamra Capital request to conduct managing investments and advising activities in the securities business.

Qatar Investment Authority made a gain of around USD 892mIn when it sold shares in Tiffany & Co as part of LVMH's USD 15.8bln acquisition of the U.S. jeweler

S&P says Kuwait 'AA-' ratings affirmed; outlook remains negative

Bahrain's Bank ABC completed its purchase of the Egyptian subsidiary of Lebanon's Blom Bank for USD 480mIn on Thursday, two banking sources said

National Bank of Oman posted FY net profit after tax OMR 18.1mIn vs OMR 51.4mIn year ago. FY total operating income OMR 116.9mIn vs OMR 128.3mIn year ago

Egypt signed a MoU with Germany's Siemens for construction of a USD 23bln high-speed train line linking Egypt's eastern and northern coasts

Egypt's overall budget deficit shrank to 3.6% from in the six months to end-December from the previous 4.1% - Finance Minister

Key Global Trends/ Market Clues

Stock and oil prices fell on Friday, pressured by intensifying lockdowns and weak U.S. retail sales data, while the dollar index posted its largest weekly gain in more than two months. U.S. bond yields and stocks have risen recently, partly on expectations about the rollout of coronavirus vaccines and on a massive stimulus plan by the incoming Democratic administration. President-elect Joe Biden on Thursday unveiled a USD 1.9trn economic aid plan. But vaccination campaigns have progressed more slowly than expected and the prospect of stricter lockdowns in France and Germany, as well as a resurgence of COVID-19 cases in China, weighed on market sentiment. The Dow Jones Industrial Average fell 177.26 points, or 0.57%, to 30,814.26, the S&P 500 lost 27.29 points, or 0.72%, to 3,768.25 and the Nasdaq Composite dropped 114.14 points, or 0.87%, to 12,998.50. The pan-European STOXX 600 index lost 1.01% and MSCI's gauge of stocks across the globe shed 0.86%. Emerging market stocks lost 0.93%. MSCI's broadest index of Asia-Pacific shares outside Japan closed 0.67% lower, while Nikkei futures lost 2.01%.

Oil prices fell more than 2% on Friday, with both contracts posting a loss on the week as concerns about Chinese cities in lockdown due to coronavirus outbreaks tempered a rally driven by strong import data from the world's biggest crude importer. Brent fell USD 1.32, or 2.3%, to settle at USD 55.10 a barrel. U.S. West Texas Intermediate crude settled down USD 1.21, or 2.3%, at USD 52.36 a barrel.

OPEC sees 2021 world oil demand rising by 5.90mln bpd, unchanged from previous forecast. OPEC says U.S. shale supply outlook is now slightly more optimistic with rising oil prices, sees output recovering more in 2H 2021. OPEC leaves 2021 overall non-OPEC supply forecast unchanged, but raises U.S. liquids supply growth forecast by 71,000 bpd from previous forecast to 370,000 bpd. OPEC says new virus variants, rising infections and slow start to vaccination programmes may cloud economic recovery at least for Q1 2021. OPEC output rose 280,000 bpd in December to 25.36mln bpd, driven by Libya, Iraq and UAE.

UAE Stories

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Wizz Air Abu Dhabi commences operations in Abu Dhabi. Wizz Air Abu Dhabi is a joint venture established between ADQ and Wizz Air Holdings plc, initially announced a route network that includes Athens, Thessaloniki, Alexandria, Kutaisi, Larnaca, Odesa and Yerevan. Further destinations will be launched over the coming months.

Oman and Emirates Investment Holding posted FY group net loss attributable OMR 1.8mln vs profit of OMR 0.3mln year ago. FY group income OMR 0.6mln vs OMR 4.3mln year ago.

The Dubai Financial Market announces that the semi-annual periodic review of the DFMGI and DFMSI sample will be conducted based on the closing prices of Thursday, January 14, 2021. The new weightages of the shares included in both indices will be applicable as of trading session of Sunday 17 of January, 2021.

Network International reported total revenues of USD 284mln for 2020, a 15pct decrease from the previous year. Its total revenues for the fourth quarter also posted a 19pct decline compared with the same period in 2019.

The Abu Dhabi Investment Office (ADIO) has established eight new offices in Tel Aviv, New York, San Francisco, Frankfurt, London, Paris, Beijing and Seoul, as part of a series of strategic initiatives it is undertaking to boost support for investors around the world. The global network of offices in collaboration with the Abu Dhabi Department of Economic Development (ADDED) expands ADIO's reach in key overseas markets where it is looking to attract innovative businesses to establish and grow in the emirate.

The Abu Dhabi National Oil Co. (ADNOC) signed agreements with Cosmo Oil and other Japanese companies to "explore the pricing of crude oil with reference" to its Murban crude.

The UAE is on track to vaccinate 50pct of the population much before the targeted first quarter of 2021, a top official from the health sector said.

With the number of Covid-19 cases in the country hitting a record high of 3,432 on Saturday, Abu Dhabi has once again tightened norms for entering the emirate. Taking precautionary measures, from Sunday, a person needs to enter the emirate of Abu Dhabi within 48 hours of receiving a negative PCR or DPI test result instead of 72 hours, which was in place from December 24. Also, a person needs to take mandatory PCR tests on day four of entry for those staying for four days or more, and on day eight of entry for those staying for eight days or more. The procedures apply to all citizens and residents except for those vaccinated as part of national vaccination programmes and volunteers of the Phase 3 Clinical Trials who have received status (letter 'E' or gold star) on their Al Hosn app.

The United Arab Emirates on January 16 announced 3,432 new COVID-19 cases, bringing the total confirmed cases in the country to 249,808. At the same time, 3,118 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 222,106. UAE's Ministry of Health and Prevention said. It has reported 7 deaths from COVID-19 during the past 24 hours. The nationwide death toll stands at 740.

GCC/MENA

Saudi Arabian inflation rose to 3.4% in 2020, lifted by the tripling of value-added tax last year as the kingdom sought to boost state revenues hit by the coronavirus crisis and lower oil prices, government data showed. The main drivers were prices of food and beverages, which increased by 9%, and transport, up by 3.8%, the General Authority for Statistics said on Thursday.

Saudi Arabia expects to re-open its embassy in Qatar in the coming days, Saudi's foreign minister said on Saturday.

Saudi's Capital Market Authority approves Tamra Capital request to conduct managing investments and advising activities in the securities business.

Qatar Investment Authority made a gain of around USD 892mln when it sold shares in Tiffany & Co as part of LVMH's USD 15.8bln acquisition of the U.S. jeweller, according to analyst estimates and filing data. The French luxury goods group concluded its acquisition of the retailer last week in which QIA had been a longstanding investor having initially acquired a 5.2% stake in late 2011.

S&P says Kuwait 'AA-' ratings affirmed; outlook remains negative.

Bahrain's Bank ABC completed its purchase of the Egyptian subsidiary of Lebanon's Blom Bank for USD 480mln on Thursday, two banking sources said. The transaction included all Blom Bank Egypt's physical and non-physical assets as well as customer accounts, the sources said.

National Bank of Oman posted FY net profit after tax OMR 18.1mln vs OMR 51.4mln year ago. FY total operating income OMR 116.9mln vs OMR 128.3mln year ago.

Egypt signed a memorandum of understanding with Germany's Siemens for construction of a USD 23bln high-speed train line linking Egypt's eastern and northern coasts, the cabinet said in a statement. The electric rail line would run from Ain Sokhna on the Red Sea to New Alamein on the Mediterranean coast, passing through a new capital under construction in the desert east of Cairo.

Egypt's overall budget deficit shrank to 3.6% from in the six months to end-December from the previous 4.1%, Finance Minister Mohamed Maait said in a cabinet statement on Thursday. The state budget had EGP 14bln primary surplus during the period, which represents the first half of the 2020/21 fiscal year.

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	42,857	6.16	8.15	3.82	11.83	0.78	6.2%	(1.4)	3.5	23.2	(18.9)
ADIB	18,160	5.00	5.85	3.19	11.53	0.96	5.5%	3.3	19.0	34.0	(3.2)
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	48,375	3.87	3.95	2.40	23.29	17.41	4.9%	6.0	14.8	32.5	31.3
Agthia	3,722	5.17	5.34	2.50	104.59	1.66	2.9%	20.2	14.9	80.1	57.3
Air Arabia	6,347	1.36	1.61	0.87	NA	1.55	6.6%	7.1	23.6	16.2	(7.4)
Ajman Bank	1,661	0.79	0.90	0.50	60.20	0.66	0.0%	2.7	15.5	35.4	(10.5)
Al Waha Capital	2,139	1.10	1.20	0.62	NA	0.70	NA	(4.3)	8.9	57.1	17.0
Aldar Properties	25,239	3.21	3.32	1.35	14.12	1.01	4.5%	0.3	57.4	83.4	56.8
Amanat Holdings	2,070	0.83	0.92	0.56	140.82	0.83	2.7%	(2.0)	4.3	(9.1)	5.7
Amlak Finance	386	0.26	0.49	0.20	NA	0.78	0.0%	(5.9)	(13.5)	(23.1)	(45.9)
Aramex	6,354	4.34	4.49	2.00	17.63	2.48	3.8%	(0.7)	(1.4)	32.3	30.6
Bank of Sharjah	1,329	0.63	0.83	0.50	NA	0.41	0.0%	(10.8)	19.4	13.6	(22.7)
DAMAC Properties	8,530	1.41	1.75	0.36	NA	0.65	NA	(3.4)	55.3	71.1	94.2
Dana Gas	4,925	0.70	0.94	0.53	NA	0.62	7.8%	(5.1)	(0.4)	6.5	(18.0)
Deyaar Development	1,722	0.30	0.38	0.18	47.00	0.38	0.0%	1.4	5.3	7.2	(18.4)
Dubai Financial Market	9,200	1.15	1.24	0.50	63.36	1.19	2.2%	23.0	39.4	43.9	25.8
Dubai Investment	7,058	1.66	1.72	0.98	11.44	0.59	NA	15.3	45.6	44.3	35.7
Dubai Islamic Bank	35,986	4.97	5.86	3.04	9.49	0.96	7.0%	6.4	19.8	28.1	(5.4)
DXB Entertainments	664	0.08	0.20	0.08	NA	0.58	0.0%	(30.8)	(30.8)	(32.0)	(54.4)
Emaar Dev	12,240	3.06	3.97	1.79	6.15	1.12	0.0%	9.3	33.6	45.7	(21.3)
Emaar Malls	25,118	1.93	1.96	0.98	22.03	1.33	0.0%	4.9	33.1	34.0	3.2
Emaar Properties	28,782	4.02	4.28	1.90	6.86	0.51	0.0%	10.4	50.6	53.4	(3.6)
Emirates Integrated Tele	26,291	5.80	6.35	4.33	14.36	3.09	5.9%	0.5	8.6	16.4	9.9
Emirates NBD	72,325	11.45	13.90	6.33	9.74	0.87	3.5%	5.0	10.6	32.8	(11.2)
Eshraq Investments	763	0.33	0.46	0.16	NA	0.54	NA	(5.5)	8.6	41.4	4.5
Etisalat	152,715	17.56	17.68	11.02	17.08	3.26	4.6%	1.7	3.9	5.6	11.7
First Abu Dhabi Bank	152,880	14.00	15.92	7.78	15.41	1.51	5.3%	4.0	23.0	27.5	(5.2)
GFH	2,366	0.66	0.93	0.45	18.78	0.68	5.2%	5.6	13.5	17.4	(15.2)
Gulf Navigation Holding	447	0.44	0.55	0.28	NA	0.85	0.0%	2.8	3.5	(9.5)	(2.7)
IHC	76,864	42.20	42.20	6.76	34.90	13.54	NA	3.7	8.2	39.2	494.4
Julphar	1,617	1.40	1.54	0.54	NA	1.47	0.0%	(3.4)	(6.0)	7.7	60.5
Mashreqbank	12,392	69.80	75.10	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	7,278	2.68	2.75	1.67	14.15	1.46	3.9%	2.7	17.0	39.6	31.4
RAK Bank	6,637	3.96	5.00	3.33	9.59	0.87	7.6%	4.2	11.5	10.0	(11.0)
RAK Properties	1,116	0.56	0.59	0.33	10.26	0.29	7.2%	17.2	44.9	59.4	35.7
RAK Ceramics	1,669	1.68	1.81	1.24	20.29	0.73	8.5%	13.5	20.9	25.4	22.0
SALAMA	1,016	0.84	0.92	0.30	6.51	1.17	NA	0.7	7.9	70.3	59.9
Sharjah Islamic Bank	4,129	1.34	1.36	0.95	8.54	0.54	3.6%	4.7	15.5	18.6	15.2
SHUAA Capital	1,927	0.76	0.89	0.40	18.09	1.35	NA	11.4	23.2	46.7	(12.6)
Takaful Emarat Insurance	239	1.59	1.60	1.15	NA	1.91	5.2%	1.3	11.2	18.7	27.2
TAQA	160,781	1.43	1.78	0.42	53.16	2.59	0.0%	(3.7)	(0.4)	41.7	202.3
Union Properties	1,235	0.29	0.39	0.15	4.28	0.41	0.0%	(3.4)	(3.0)	1.1	23.6
United Arab Bank	1,751	0.85	0.92	0.81	NA	1.05	0.0%	NA	(5.0)	(5.0)	(7.7)

(Source: Bloomberg)

^ current dividend yield based on last year dividend declaration

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