International Securities
an IHC company

Morning Report

26 January 2021

Market Stats

Indices	Close	Change	1M Change	3M Change	1Y Change
ADX	5,618	0.1%	9.6%	23.0%	7.1%
DFM	2,723	0.3%	7.7%	25.1%	-4.0%
TASI	8,847	0.2%	1.7%	8.5%	5.5%
BHSEASI	1,462	0.6%	-2.0%	1.9%	-11.6%
EGX	11,510	-0.1%	7.7%	8.6%	-16.2%
Dow Jones	30,960	-0.1%	2.5%	9.3%	6.8%
S&P 500	3,855	0.4%	4.1%	11.3%	17.0%
Nasdaq	13,636	0.7%	6.5%	18.1%	46.4%
FTSE 100	6,639	-0.8%	2.1%	13.3%	-12.5%
DAX	13,644	-1.7%	0.4%	7.9%	0.5%
CAC40	5,472	-1.6%	-0.9%	11.5%	-9.2%
Nikkei225	28,822	0.7%	8.1%	22.6%	21.0%
HIS	29,434	2.4%	14.3%	21.0%	7.9%
US Futures	3,833	-0.4%	3.7%	13.3%	18.3%
Europe Futures	3,542	0.1%	0.4%	15.4%	-3.6%

UAE Trading Summary

AEDm	Buy	Sell	Ne
ADX	**506**	**506**	**-**
Local	53%	62%	-9%
Foreign	47%	38%	9%
Institutional	79%	72%	8%
Retail	21%	28%	-8%
DFM	**253**	**253**	**-**
Local	43%	53%	-10%
Foreign	57%	47%	10%
Institutional	48%	41%	8%
Retail	52%	59%	-8%
Total	**759**	**759**	**-**
Local	50%	59%	-9%
Foreign	50%	41%	9%

Last trading day's short sell positions

Company	Short Volume (shrs.)	Short Volume (%)	Volume (m)	Turnover (AEDm)
RAK Pro.	(299,725)	4.2%	7.1	4.2
ADCB	(112,108)	2.4%	4.7	30.9
Dana	(104,141)	1.1%	9.4	6.5
Aldar	(84,400)	0.3%	26.7	93.7

Upcoming Corporate Actions & Events

Date	Company	Event
26-Jan	FAB	BoD/Results
26-Jan	ENBD	BoD/Results
26-Jan	EIB	BoD/Results
28-Jan	NBF	BoD/Results
28-Jan	Arkan	BoD/Results
9-Feb	MSCI 1Q21 Index Announcment Date	
11-Feb	Ithmaar	BoD/Results

Key Stories

Abu Dhabi Ports has inked a 50-year land lease agreement with Anchorage Investment, for the development of grain storage and processing plants at Khalifa Port

Emirates Group's airport services subsidiary Dnata has opened a new EUR 30mln cargo complex at Manchester Airport in the north of the UK

Flydubai announced that Catania and Naples in Italy, Salzburg in Austria and Malta will be joining its European network from May 2021

DP World signs 20-year concession agreement with Angola to operate multipurpose terminal at port of Luanda

Network International again tried to allay investor concerns over its move to buy rival DPO by publishing responses to questions on the deal

New UAE residency policy: Foreign students can sponsor families

UAE on January 25 announced 3,591 new COVID-19 cases and 3,820 recoveries. The tally takes total cases in UAE to 281,546 with 255,304 recoveries and 798 deaths

Saudi's APICORP has mandated banks to arrange investor calls ahead of a potential international bond issue

Saudi's Hail Cement posted FY net profit after zakat and tax SAR 107.5mln, up 82% YoY. FY sales SAR 336.3mln, up 22.6% YoY

Qatar National Bank acquires an additional stake in Housing Bank for Trade and Finance, increasing stake to 38.57% from 34.48% for USD 83.8mln

Kuwait's finance ministry has proposed a draft KWD 23.05bln (USD 76.2bln) budget for the fiscal year starting on April 1

Kuwait cabinet delays second phase of resuming commercial flights until further notice, reduces incoming flights to minimum - KUNA

Oman Electricity Transmission Company has hired banks to arrange a U.S.-dollar denominated issuance of seven-year or 10-year bonds, a document showed

Bahrain will likely need further financial support from its Gulf neighbors despite reform measures, Fitch Ratings

Key Global Trends/ Market Clues

Asian stocks dipped on Tuesday, retreating from record highs as lingering concerns about potential roadblocks to the Biden administration's USD 1.9trn stimulus weighed on sentiment, dragging U.S. Treasury yields to three-week lows. The lower risk appetite lent some support to the dollar against a basket of currencies, while oil prices edged down. In a sea of red seen across Asian markets, South Korea and Hong Kong topped losers and fell 1.7% each, Japan slipped 0.6% and Chinese stocks shed 1.5%. All have touched milestone highs this month. MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.7% to 722.7 but was not far off from a record high struck on Monday and is still up 9% so far this year. E-mini futures for the S&P 500 slipped 0.4%.

Oil prices eased on Tuesday, giving up some of the previous session's gains, as hopes for rapid approval of new U.S. economic stimulus faded while new coronavirus infections around the world mount up. Brent crude was down 15 cents at USD 55.73 by 0135 GMT, having risen nearly 1% on Monday. U.S. crude was also lower, dropping 5 cents to USD 52.72, after declining 1% in the previous session. Have recently hit 11-month highs, oil is caught between lingering doubts over any recovery in demand as the pandemic continues to rage, offset by optimism for more stimulus from the newly installed Biden administration in the United States to support economic growth as vaccines are rolled out.

OPEC oil supply in January is expected to decrease by approximately 400,000 barrels per day, driven by lower supply from African members, tanker tracker Petro-Logistics said on Monday.

UAE Stories

Abu Dhabi Ports has inked a 50-year land lease agreement with Anchorage Investment, for the development of grain storage and processing plants at Khalifa Port, to be managed by National Feed, one of the largest Agro commodity processors in Abu Dhabi. Set to be developed on a 100,000-sqm plot, and with an initial design capacity of 300,000 metric tonnes, the facility will introduce grain storage and processing capabilities to the multi-purpose port for the production of key food and animal feed ingredients.

Emirates Group's airport services subsidiary Dnata has opened a new EUR 30mln cargo complex at Manchester Airport in the north of the UK. The Dnata City North complex can handle 150,000 tons of cargo per year, including pharmaceuticals, perishables, dangerous goods, aircraft engines and vehicles.

Flydubai announced that Catania and Naples in Italy, Salzburg in Austria and Malta will be joining its European network from May 2021. Carrier has grown its network to more than 65 destinations as countries continue to gradually lift travel restrictions.

DP World signs 20-year concession agreement with Angola to operate multipurpose terminal at port of Luanda. USD 190mln to be invested by DP World over period of concession. Facility is first seaport terminal located on western coast of Southern Africa to be operated and managed by DP World. Annual throughput of terminal to be expanded to approximately 700,000 teus per year.

Payments firm Network International on Monday again tried to allay investor concerns over its move to buy rival DPO by publishing responses to questions in its website on the deal and the African company's links to collapsed firm Wirecard. "The Board is satisfied there is no evidence of wrongdoing by the DPO Group," said NI Chairman Ron Kalifa, while admitting that there were "limited associations" between DPO and some individuals that are "regrettable". The doubts relate to DPO's unit AconaOnline (AO), which was bought from a former Wirecard executive Dietmar Knoechelmann. In response, Dubai-based NI clarified that Knoechelmann was a director of AO before it was purchased by DPO in 2013.

Foreign students in the UAE can sponsor their families, according to a new Cabinet decision approved by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. The students' families will be able to live with them in the Emirates, provided that they have sufficient income to support the move. The decision, many universities said, will give a boost to student enrollment in the UAE universities.

The United Arab Emirates on January 25 announced 3,591 new COVID-19 cases, bringing the total confirmed cases in the country to 281,546. At the same time, 3,820 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 255,304. 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 798.

GCC/MENA

Saudi's APICORP has mandated banks to arrange investor calls ahead of a potential international bond issue, a document issued by one of the banks and seen by Reuters showed on Monday.

Saudi's Hail Cement posted FY net profit after zakat and tax SAR 107.5mln, up 82% YoY. FY sales SAR 336.3mln, up 22.6% YoY.

Qatar National Bank acquires an additional stake in Housing Bank for Trade and Finance, increasing stake to 38.57% from 34.48% for USD 83.8mln. Additional purchase of stake was funded through existing resources.

Kuwait's finance ministry has proposed a draft KWD 23.05bln (USD 76.2bln) budget for the fiscal year starting on April 1, it said in a statement on Monday. The budget forecasts government revenues of KWD 10.9bln in fiscal 2021/2022, meaning it expects a fiscal deficit of KWD 12.1bln - 13.8% narrower than the deficit budgeted for the fiscal year ending on March 31.

Kuwait's government has delayed the second phase of its plan for resuming commercial flights until further notice, the state news agency said on Monday, citing a cabinet decision, keeping the airport's capacity at 30% of pre-pandemic levels. The cabinet also ordered Kuwait's Directorate General of Civil Aviation to reduce the number of flights arriving in the country. Kuwait began the first phase of resuming flights in August last year at the reduced capacity, which it had said would last for six months, after which a maximum capacity of 60% was to be allowed. Kuwait on Sunday reduced the number of daily overseas airline passenger arrivals by 80% to 1,000 to manage the spread of a new coronavirus variant, a source told Reuters.

Oman Electricity Transmission Company has hired banks to arrange a U.S.-dollar denominated issuance of seven-year or 10-year bonds, a document showed on Monday.

Bahrain will likely need further financial support from its Gulf neighbours despite reform measures, Fitch Ratings said on Monday. Bahrain was likely to need the support from 2023 onwards and cited Fitch's oil price assumption.

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

UAE Focus list

	MCAP	PRICE	HIGH - LOW		VALUATION		DIV	HISTORICAL RETURN			
Company	(AEDm)	(AED)	52WH	52WL	TTM P/E	TTM P/B	YLD (%)^	1M%	3M%	6M%	12M%
ADCB	45,781	6.58	7.89	3.82	12.64	0.83	5.8%	5.4	13.4	29.0	(9.1)
ADIB	18,052	4.97	5.81	3.19	11.46	0.95	5.5%	4.2	18.3	36.9	(6.0)
ADNIC	2,867	5.03	5.17	2.95	7.69	1.21	6.0%	(1.4)	29.0	59.7	67.7
ADNOC Dist	49,001	3.92	3.96	2.40	23.59	17.64	4.9%	2.6	16.7	31.1	33.9
Agthia	3,658	5.08	5.59	2.50	102.77	1.63	3.0%	21.5	18.1	78.2	62.0
Air Arabia	6,020	1.29	1.61	0.87	NA	1.47	7.0%	3.2	16.2	15.2	(9.9)
Ajman Bank	1,638	0.78	0.90	0.50	59.36	0.65	0.0%	(0.0)	11.6	32.2	(12.4)
Al Waha Capital	2,139	1.10	1.20	0.62	NA	0.70	NA	(0.0)	11.1	32.5	22.2
Aldar Properties	27,441	3.49	3.82	1.35	15.36	1.10	4.2%	8.4	57.9	107.7	72.8
Amanat Holdings	2,030	0.81	0.92	0.56	138.10	0.81	2.7%	0.2	1.9	(6.1)	9.1
Amlak Finance	383	0.26	0.48	0.20	NA	0.78	0.0%	(0.4)	(5.6)	(20.3)	(44.3)
Aramex	6,354	4.34	4.49	2.00	17.63	2.48	3.8%	(2.3)	5.9	27.6	28.4
Bank of Sharjah	1,363	0.65	0.83	0.50	NA	0.42	0.0%	1.4	22.5	22.5	(20.4)
DAMAC Properties	8,289	1.37	1.75	0.36	NA	0.63	NA	(3.5)	25.7	67.1	99.1
Dana Gas	4,897	0.70	0.93	0.53	NA	0.62	7.9%	(0.6)	(0.7)	(1.5)	(16.5)
Deyaar Development	1,757	0.30	0.37	0.18	47.95	0.39	0.0%	8.2	8.6	11.4	(15.3)
Dubai Financial Market	10,080	1.26	1.29	0.50	69.42	1.30	2.0%	37.0	50.0	59.5	38.7
Dubai Investment	7,144	1.68	1.72	0.98	11.58	0.60	NA	16.7	50.0	46.1	37.4
Dubai Islamic Bank	36,494	5.04	5.79	3.04	9.63	0.98	6.9%	7.7	22.9	32.6	(3.1)
DXB Entertainments	656	0.08	0.20	0.08	NA	0.57	0.0%	(21.2)	(28.7)	(31.1)	(55.4)
Emaar Dev	12,200	3.05	3.97	1.79	6.13	1.11	0.0%	9.7	37.4	45.9	(19.9)
Emaar Malls	24,337	1.87	1.99	0.98	21.34	1.28	0.0%	0.0	30.8	33.6	2.2
Emaar Properties	28,210	3.94	4.22	1.90	6.73	0.50	0.0%	10.1	52.1	51.5	(3.2)
Emirates Integrated Tele	30,009	6.62	6.71	4.33	16.39	3.53	5.1%	15.5	21.5	32.3	21.6
Emirates NBD	74,222	11.75	13.85	6.33	10.00	0.90	3.4%	10.8	21.1	32.2	(8.9)
Eshraq Investments	756	0.33	0.46	0.16	NA	0.53	NA	3.8	10.2	15.7	4.5
Etisalat	171,157	19.68	20.98	11.02	19.14	3.65	4.1%	13.1	16.4	17.1	27.2
First Abu Dhabi Bank	162,931	14.92	15.84	7.78	16.42	1.61	5.0%	13.0	32.5	40.5	1.2
GFH	2,407	0.67	0.93	0.45	19.10	0.69	5.1%	13.4	19.0	17.8	(14.6)
Gulf Navigation Holding	411	0.40	0.55	0.28	NA	0.78	0.0%	(2.9)	(3.8)	(18.6)	(13.7)
IHC	82,367	45.22	47.96	10.50	37.40	14.51	NA	8.4	15.7	40.7	277.5
Julphar	1,617	1.40	1.54	0.54	NA	1.47	0.0%	1.4	(6.0)	16.7	60.5
Mashreqbank	11,975	67.45	72.05	62.00	18.15	0.57	5.9%	(0.7)	(0.8)	0.8	(4.2)
National Bank of Fujairah	9,536	4.98	4.98	4.98	NA	NA	1.9%	NA	NA	NA	3.3
Tabreed	7,712	2.84	2.95	1.67	15.00	1.55	3.7%	8.8	20.9	44.9	49.5
RAK Bank	6,754	4.03	5.00	3.33	9.76	0.88	7.4%	3.9	13.5	14.5	(11.3)
RAK Properties	1,200	0.60	0.64	0.33	11.04	0.31	6.7%	26.6	57.1	64.4	46.9
RAK Ceramics	1,679	1.69	1.81	1.24	20.41	0.73	8.5%	13.4	20.7	28.0	18.3
SALAMA	983	0.81	0.92	0.30	6.30	1.13	NA	(4.5)	8.3	62.1	66.9
Sharjah Islamic Bank	4,253	1.38	1.40	0.95	8.80	0.56	3.5%	5.3	20.0	23.2	15.9
SHUAA Capital	1,864	0.74	0.85	0.40	17.50	1.31	NA	7.8	20.5	35.9	(13.4)
Takaful Emarat Insurance	237	1.58	1.60	1.18	NA	1.90	5.2%	5.3	9.7	8.2	17.9
TAQA	166,407	1.48	1.78	0.42	55.02	2.68	0.0%	2.8	4.6	41.1	225.1
Union Properties	1,218	0.28	0.39	0.15	4.22	0.40	0.0%	1.8	1.1	0.7	37.2
United Arab Bank	1,665	0.81	0.90	0.81	NA	1.00	0.0%	(4.9)	(9.7)	(9.7)	(10.0)

(Source: Bloomberg)
^ current dividend yield based on last year dividend declaration

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