



Morning Report

01 October 2024

UAE news stories

Fertiglobe announced that the Board of Directors have approved an interim cash dividend of AED0.066/share for 1H24. The last entitlement date for the dividend will be on 8th October 2024.

ADNOC Drilling Company announced the creation of the Turnwell joint venture with SLB and Patterson-UTI and the acceleration of its 144 unconventional oil and gas well program, following the successful and efficient delivery of the first wells in the campaign. The Company through its wholly owned subsidiary, ADH RSC LTD, has signed definitive agreements for the creation of the Turnwell joint venture (JV) with SLB and Patterson-UTI. Focused on the UAE's world-class unconventional energy resources, post completion of the JV, ADNOC Drilling through its wholly owned subsidiary will hold a 55% majority equity stake, SLB a 30% equity stake and Patterson-UTI the remaining 15% equity stake. Turnwell was established to be the unconventional drilling arm of ADNOC Drilling and execute a USD1.7bn contract, awarded to ADNOC Drilling, to provide drilling and associated services to deliver 144 unconventional oil and gas wells. Following Turnwell's efficient and successful start-up and operational delivery, ADNOC has accelerated the campaign's completion timeline. The economic impact of the acceleration will benefit ADNOC Drilling's 2025 earnings as well as its long-term growth through the potential acceleration of phase two with thousands of wells.

Alpha Dhabi Holding (ADH) announced the successful completion of its divestment of 49% of its subsidiary Alpha Dhabi Construction Holding (ADCH) to ADQ. ADH will retain a 51% shareholding in ADCH, continuing its commitment to the construction sector in strategic partnership with ADQ. Led by ADH subsidiary Trojan Construction, ADCH is recognized for its commitment to national development. Its track record includes work on iconic UAE projects, including the Zayed National Museum and the Guggenheim Museum, and supporting critical infrastructure such as the national railway network. ADCH also successfully executes large-scale residential community projects for locally based real estate developers, including Aldar, Modon Properties, and Emaar.

Masdar, in which TAQA holds a 43% shareholding, has completed the acquisition of 50% stake in Terra-Gen Power Holdings II, one of the largest independent renewable energy power producers in the United States, from Energy Capital Partners. Masdar now holds a 50% stake in the Company, while Igneo Infrastructure Partners, will retain their existing 50% stake. Terra-Gen's gross operating portfolio currently comprises 3.8GW of wind, solar, and battery storage projects, including 5.1GWh of energy storage facilities across renewable power sites throughout the U.S., predominantly in California and Texas. Terra-Gen is currently developing a pipeline of 12 GW + of wind, solar and battery storage projects in the U.S.

PureHealth is close to acquiring Hellenic Healthcare Group, the biggest hospital operator in Greece and Cyprus, according to news reports. If the deal closes, it would mean Purehealth has bought out the stake held by the investment firm CVC in Hellenic. The latter operates 10 hospitals and takes care of more than 1.3mn patients annually.

Emirates Development Bank and Abu Dhabi Islamic Bank have signed a partnership to support small and medium enterprises (SMEs) in the UAE through a joint finance guarantee scheme. This collaboration aims to enhance financial inclusion for SMEs, providing them with much-needed access to financing. EDB will guarantee up to 50% of the financing extended to SMEs by ADIB with a focus on supporting projects within

EDB's five priority sectors: Manufacturing, Food Security, Advanced Technology, Healthcare and Renewables.

National Bank of Fujairah announced that Mr. Vince Cook will be stepping down from the CEO position with Mr. Adnan Anwar as a replacement, effective from 1st October 2024.

Dubai Airports has revised its 2024 passenger forecast to 93mn, exceeding the earlier estimate of 91.8mn. The record of 93mn was earlier forecasted for the end of 2025, as per the CEO Paul Griffiths. In August, Dubai Airports announced passenger traffic of 44.9mn during the first half of the year, up 8% YoY.

GCC retail industry is projected to boom at a CAGR of 4.6% to USD396.9bn in 2028 from USD309.6bn in 2023, according to the GCC Retail Industry report by Alpen Capital.

Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian business

GCC news stories

Saudi's Miahona signs MoU with Ministry of Investment, Industry and Trade of Uzbekistan, and Uzsvtaminot joint stock company. The agreement outlines collaboration for development of water and sewage treatment plants

Bahrain's M2 Money supply for August increased by 2.38% YoY while private sector credit increased by 1.97% YoY

Kuwait's Boubyan Petrochemical plans to exit from Warba Capital by selling its 50.264% stake

Egypt's Alexandria Flour Mills and Bakeries announced FY cash dividend of EGP0.75/share.

Egypt's Rameda announces strategic acquisition of a leading anti-diabetic product

Source: ADX, DFM, Bloomberg, Reuters, Gulf News, The National, Arabian business

Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,425	-0.5%	2%	-2%	-4%
DFM	4,503	-0.4%	4%	11%	8%
TASI (Saudi)	12,226	-0.4%	1%	2%	11%
QSI (Qatar)	10,614	0.3%	4%	-2%	4%
BKM (Kuwait)	6,277	0.7%	3%	13%	10%
MSX (Oman)	4,710	-0.5%	-1%	4%	1%
BHSEASI (Bahrain)	2,013	0.0%	3%	2%	4%
EGX (Egypt)	31,587	0.0%	3%	27%	57%

Source: Reuters, IS Research.

UAE trading summary (AED mn)

	Buy	Sell	Net
ADX	1,941	1,941	0
Local	1,061	1,204	-143
Foreign	880	737	143
Company	1,234	1,037	197

Individual	707	904	-197
DFM	458	458	0
Local	255	244	11
Foreign	203	214	-11
Company	208	219	-11
Individual	250	239	11
Total	2,399	2,399	0
Local	1,316	1,448	-132
Foreign	1,083	951	132

Source: ADX and DFM

Global markets and commodities trends

Asian stocks eased near two-and-half-year highs on Tuesday and the U.S. dollar firmed following hawkish comments from Federal Reserve Chair Jerome Powell that scuppered bets of big interest rate cuts, while Mid-East tension kept risk sentiment in check. Oil prices were steady and gold traded just below a record high touched last week as investors awaited U.S. labour data for more clarity on the pace of U.S. rate cuts.

MSCI's broadest index of Asia-Pacific shares outside Japan was 0.13% lower at 620.05 on Tuesday, just below the two-and-a-half-year high of 627.66 touched on Monday. The index is up 17% so far in the year. Japan's Nikkei rose 1.5% in early trading after shedding 4.8% on Monday as investors contended with perceived monetary policy hawk Shigeru Ishiba winning a contest to become the country's prime minister. With mainland China's financial markets closed for the rest of the week, the blistering rally that has buoyed Asian markets in the past week is set to take a breather. Hong Kong's Hang Seng is also closed on Tuesday. Fed Chair Powell indicated on Monday the U.S. central bank would likely stick to quarter-percentage-point cuts henceforth after new data boosted confidence in economic growth and consumer spending.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	42,330	0.0%	2%	12%	26%
S&P 500	5,762	0.4%	2%	21%	34%
Nasdaq	18,189	0.6%	3%	21%	38%
FTSE	8,237	-1.0%	-2%	7%	8%
DAX	19,325	-0.8%	2%	15%	26%
CAC40	7,636	-2.0%	0%	1%	7%
Nikkei225	37,920	-4.8%	-2%	13%	19%
HIS	21,134	2.4%	17%	24%	19%
MSCI EM	1,171	-0.3%	6%	14%	23%
MSCI Asia	195	-1.2%	5%	15%	24%
US Futures	5,816	0.0%	3%	21%	34%
Europe Futures	5,043	0.3%	1%	11%	21%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	3.63%	-0.01%	0.10%	-1.07%	-1.52%
US 10yr Bond	3.78%	0.00%	0.05%	-0.53%	-1.01%

US 30yr Bond	4.12%	0.00%	0.03%	-0.33%	-0.81%
EUR 2yr Bond	2.07%	0.00%	-0.03%	-0.78%	-1.14%
EUR 10yr Bond	2.12%	0.00%	-0.02%	-0.18%	-0.85%
EUR 30yr Bond	2.46%	0.00%	-0.02%	0.00%	-0.75%
JPY 2yr Bond	0.39%	0.00%	0.04%	0.20%	0.33%
JPY 10yr Bond	0.85%	0.00%	0.04%	0.12%	0.09%
JPY 30yr Bond	2.05%	-0.02%	-0.01%	0.23%	0.28%

Source: Bloomberg, IS Research

Oil prices were little changed on Tuesday as stronger supply prospects and tepid global demand growth outweighed worries that escalating tensions in the Middle East could impact output from the key exporting region. Brent crude futures for December delivery edged up USD0.07 or 0.1% to USD71.77 a barrel. U.S. West Texas intermediate crude futures for November delivery gained USD0.08 or 0.12% to USD68.25. China's manufacturing activity shrank sharply in September as new orders at home and abroad cooled, pulling down factory owners' confidence to near record lows, a private-sector survey showed on Monday. Alongside the demand concerns, OPEC+ is scheduled to raise output by 180,000 barrels per day in December.

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	71.8	0.1%	-4.4%	-17.8%	-21.0%
WTI (USD/bbl)	68.3	0.2%	-4.6%	-18.4%	-23.5%
Nat. Gas (USD/MMBtu)	2.9	-0.6%	13.9%	58.1%	-1.5%
Gold (USD/oz)	2,639.3	0.2%	-0.7%	17.2%	44.8%
Silver	31.3	0.6%	-2.4%	24.9%	48.0%
Copper (USD/lb)	455.7	0.1%	2.9%	12.5%	25.8%
Steel (USD/T)	703.0	-4.4%	-0.1%	-18.5%	2.5%
Weat (USD/bu)	579.0	-0.9%	0.2%	3.9%	1.8%
Corn (USD/bu)	423.5	-0.3%	2.9%	-2.8%	-13.1%
Polyethylene (CNY/MT)	8,137.0	0.0%	2.0%	-0.8%	-1.5%
Bitcoin (USD)	63,765.8	0.0%	-0.7%	-8.6%	132.8%

Source: Bloomberg, IS Research

UAE focus list ([Open full range data table](#))

Company	MCAP	Price	Valuation		Div
	(AEDm)	(AED)	Day (%)	TTM P/E	YLD (%)^
IHC	892,771	407.00	-0.7%	32.85	-
TAQA	359,790	3.20	10.7%	43.16	1.2%
ADNOCGAS	244,070	3.18	0.3%	13.85	4.9%
EAND	160,890	18.50	-1.4%	14.85	4.3%
FAB	151,794	13.74	-0.4%	9.67	5.2%
ENBD	128,227	20.30	-2.2%	5.86	5.9%
DEWA	127,500	2.55	0.0%	16.99	4.9%
Alpha Dhabi	115,000	11.50	-0.9%	19.75	-
Emaar Pro.	77,074	8.72	0.2%	6.40	5.7%
ADNOC Drill.	75,680	4.73	-1.0%	18.46	3.5%
Borouge	74,543	2.48	0.0%	17.6	6.4%
Qholding	61,955	3.79	4.1%	5.05	-
ADCB	61,634	8.42	-1.2%	7.60	6.7%

Aldar	59,127	7.52	-2.0%	12.87	2.3%
ADIB	46,199	12.72	-2.0%	8.94	5.6%
DIB	45,617	6.30	-0.9%	6.99	7.1%
ADNOC Dist.	45,125	3.61	-1.6%	17.64	5.7%
Pure Health	40,000	3.60	0.6%	65.00	-
ADNOCLS	39,582	5.35	-0.4%	15.32	2.4%
Emaar Dev.	34,920	8.73	0.0%	5.06	6.0%
DU	31,640	6.98	0.3%	14.90	4.9%
Salik	30,975	4.13	-0.5%	28.70	3.5%
Multiply	26,432	2.36	1.7%	NULL	-
AD Ports	26,010	5.11	-1.0%	23.74	-
Americana	22,323	2.65	1.5%	30.38	2.9%
NMDC	21,717	25.72	-1.1%	7.75	2.9%
Fertiglobe	21,666	2.61	0.0%	22.21	8.0%
Empower	17,300	1.73	0.6%	18.51	4.9%
Presight	13,910	2.48	1.6%	21.32	-
Air Arabia	12,787	2.74	-0.7%	9.38	7.3%
Burjeel	12,648	2.43	1.3%	28.46	1.2%
DFM	10,480	1.31	-3.0%	26.08	2.7%

Source: Reuters, IS Research.

Upcoming corporate actions and events

Date	Company	Event
2-Oct	GFH	General Assembly
3-Oct	Taaleem	BoD/Result
3-Oct	Parkin	BoD/General
9-Oct	Investcorp	General Assembly
16-Oct	Sharjah Islamic Bank	General Assembly
22-Oct	Emsteel	General Assembly
29-Oct	Alliance Insurance	General Assembly
7-Nov	GFH	BoD/Result
12-Nov	Al Salam Bank	BoD/Result

Source: ADX and DFM

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