



Morning Report

02 October 2024

## UAE news stories

**Abu Dhabi's** economy grew by an annualised 4.1% in the second quarter of this year, as robust growth in the non-oil sector continued to support economic momentum in the emirate. The value of Abu Dhabi's economic output for the three months ending June 30 reached a record AED297bn, reflecting the success of the emirate's economic diversification efforts, the Statistics Centre – Abu Dhabi said on Tuesday. For the first six months of this year, Abu Dhabi's economy recorded a 3.7% jump on an annual basis. Growth was driven by Abu Dhabi's non-oil sector, which expanded by 6.6% in the second quarter of 2024, reaching a record AED164.2bn. The non-oil sector's share of the emirate's economy rose to more than 55.2 %, its highest since late 2014. For the first six months of the year, the non-oil sector grew by 5.7% YoY.

**ADNOC** sealed an investment deal with Covestro after launching a cash takeover offer of EUR62 per share to all its shareholders. Covestro separately confirmed it had accepted a takeover bid that values one of the world's leading chemical players at USD13.3bn. Subject to successful completion of the transaction, this acquisition will support ADNOC's goal to become a top five global chemicals player. Covestro's specialty chemicals business complements ADNOC's chemicals growth strategy. Covestro would become the foundational platform for ADNOC's performance materials and specialty chemicals business and will further drive diversification of ADNOC's chemical portfolio.

**Lulu Group** is expected to opt for a single listing on the Abu Dhabi Exchange having previously pursued a dual listing with Saudi Arabia's Tadawul. Bankers involved with the deal said the shift was no reflection of markets or investor demand and simply a product of difficulties coordinating with two regulators. One banker said the Tadawul listing is still seen as desirable and could be pursued at a later date. The deal is on course to be one of the largest in the UAE this year with expectations of an around USD1.5bn-equivalent offer.

**Tecom Group** is buying a multi-let commercial property in Dubai Internet City for AED720mn, as the entity embarks on a massive investment program. The 'Office Park' is a multi-let commercial asset with five interconnected blocks and a gross leasable area of 370,761 square feet. It already has 'leading international' entities as tenants, including Coca-Cola, Uber, Red Hat, and Ticketmaster.

**RAK Properties** has announced that it has expanded the partnership with Thai hospitality group Minor Hotels to introduce the Anantara Branded Residences on the island destination of Mina Al Arab in Ras Al Khaimah.

**Maqta Gateway, part of AD Ports Group's** Digital Cluster, announced a partnering agreement with Presight AI Technologies to jointly deliver cutting-edge AI-powered digitalised solutions for trade and logistics.

**AD Ports' Kezad** to be utilized by Azizi developments to set up 12 factories at a cost of AED1bn in a deal with a duration of 50 years. The project will encompass the establishment of a reinforcement steel cut and bend facility, timber joinery and duct fabrication workshops, a modular factory, an aluminum and glass fabrication unit, as well as an aluminium extrusion factory

**Space42** ticker made its debut on ADX on 1st October, following the merger of two ADX listed entities, Yahsat and Bayanat.

**Manazel** announced that it is in discussion for new investment opportunities with Ministry of Housing and Urban planning in Muscat

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

## GCC news stories

**Saudi Ministry of Finance** announced on Monday its Pre-Budget Statement for the fiscal year 2025, estimating total expenditures at SR1.29tn and total revenues at SR1.19tn trillion. This projection results in a budget deficit of SR101bn, which accounts for 2.3% of the Kingdom's GDP.

**Saudi's SAPTCO** announces contract sign-off with Al-Ahsa Municipality for operating public bus transport network in the province at a total contract value of SAR93mn

**Saudi's Liva Insurance** announced contract sign off with Ceer National Automobile for construction all risks and third-party liability insurance at a total contract value exceeding 5% of FY2023 insurance revenues

**Oman's SMN Power Holding** unit SMN Barka Power Company achieved financial close for refinancing of its existing long term loan facility

**Kuwait's Arkan Al Kuwait** Real Estate signs agreement to design, construct commercial land in Sabah Al Ahmad sea city at an agreement value of KWD10mn

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

## Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,406	-0.2%	1%	-2%	-4%
DFM	4,477	-0.6%	4%	10%	8%
TASI (Saudi)	12,254	0.2%	1%	2%	11%
QSI (Qatar)	10,630	0.1%	4%	-2%	4%
BKM (Kuwait)	6,318	0.7%	4%	13%	10%
MSX (Oman)	4,696	-0.3%	-1%	4%	0%
BHSEASI (Bahrain)	2,009	-0.2%	3%	2%	4%
EGX (Egypt)	31,866	0.0%	3%	28%	59%

Source: Reuters, IS Research.

### UAE trading summary (AED mn)

	Buy	Sell	Net
<b>ADX</b>	<b>1,741</b>	<b>1,741</b>	<b>0</b>
Local	1,163	1,189	-26
Foreign	577	551	26
Company	931	885	45
Individual	810	855	-45
<b>DFM</b>	<b>296</b>	<b>296</b>	<b>0</b>
Local	175	143	32
Foreign	122	154	-32
Company	117	150	-33
Individual	179	146	33
<b>Total</b>	<b>2,037</b>	<b>2,037</b>	<b>0</b>

Local	1,338	1,332	6
Foreign	699	705	-6

Source: ADX and DFM

## Global markets and commodities trends

**MSCI's global equities** index fell with Treasury yields on Tuesday as investors shied away from riskier assets while oil futures rallied on concerns about supply after Iran launched missiles at Israel. However Wall Street stocks ended above their session lows and Treasuries yields also pared declines on hopes that further escalation of the Middle East conflict was not imminent. On top of geopolitical worries, U.S. investors worried about the aftermath of Hurricane Helene and the halt of about half of U.S. ocean shipping due to a strike by dockworkers on the East and Gulf Coasts after a midnight deadline passed with no sign of a new contract deal with port owners.

**On Wall Street** the Dow Jones Industrial Average fell 173.18 points, or 0.41%, to 42,156.97, the S&P 500 fell 53.73 points, or 0.93%, to 5,708.75 and the Nasdaq Composite fell 278.81 points, or 1.53%, to 17,910.36. MSCI's gauge of stocks across the globe fell 6.09 points, or 0.71%, to 845.69. Earlier, Europe's STOXX 600 index ended the day down 0.38%. As investors looked to the safety of U.S. Treasuries, the yield on benchmark U.S. 10-year notes fell 6.3bps to 3.739%, from 3.802% late on Monday. The 2-year note yield, which typically moves in step with interest rate expectations, fell 4.3bps to 3.6084%, from 3.651% late on Monday. Precious metals, also seen as a safe haven asset in uncertain times, were in demand on Tuesday. Spot gold rose 0.91% to USD2,658.39 an ounce. U.S. gold futures rose 0.95% to USD2,661.10 an ounce.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	42,157	-0.4%	1%	12%	26%
S&P 500	5,709	-0.9%	1%	20%	33%
Nasdaq	17,910	0.6%	1%	19%	35%
FTSE	8,277	0.5%	-1%	7%	9%
DAX	19,213	-0.6%	2%	15%	25%
CAC40	7,574	-0.8%	-1%	0%	6%
Nikkei225	38,652	1.9%	0%	16%	21%
HIS	22,550	6.7%	17%	24%	19%
MSCI EM	1,173	0.1%	7%	15%	23%
MSCI Asia	196	0.4%	5%	16%	24%
US Futures	5,760	0.0%	2%	19%	35%
Europe Futures	5,001	0.5%	0%	10%	21%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	3.61%	0.01%	0.05%	-1.08%	-1.44%
US 10yr Bond	3.74%	0.01%	-0.05%	-0.61%	-0.99%
US 30yr Bond	4.08%	0.01%	-0.06%	-0.41%	-0.78%
EUR 2yr Bond	2.02%	0.00%	-0.10%	-0.82%	-1.16%
EUR 10yr Bond	2.04%	0.00%	-0.14%	-0.36%	-0.88%
EUR 30yr Bond	2.36%	0.00%	-0.13%	-0.22%	-0.77%
JPY 2yr Bond	0.37%	-0.01%	0.03%	0.18%	0.31%
JPY 10yr Bond	0.83%	-0.01%	0.03%	0.09%	0.03%

JPY 30yr Bond 2.07% 0.00% 0.03% 0.22% 0.25%

Source: Bloomberg, IS Research

**Oil prices** jumped by over a dollar on Wednesday due to rising concerns Middle East tensions could escalate, potentially disrupting crude output from the region. Brent futures leapt USD1 or 1.36% to USD74.56 a barrel, while U.S. West Texas Intermediate crude spiked USD1.07 or 1.53% to USD70.9. During trading on Tuesday, both crude benchmarks surged more than 5%. The United Nations Security Council scheduled a meeting about the Middle East for Wednesday, and the European Union called for an immediate ceasefire. A panel of ministers from the Organization of the Petroleum Exporting Countries and allies, together called OPEC+, meets later on Wednesday to review the market, with no policy changes expected. From December, OPEC+, which includes Russia, is set to raise output by 180,000 barrels per day (bpd) monthly

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	74.6	1.5%	1.6%	-16.1%	-13.0%
WTI (USD/bbl)	71.0	1.6%	1.8%	-16.7%	-15.7%
Nat. Gas (USD/MMBtu)	2.9	0.4%	10.2%	56.1%	-1.9%
Gold (USD/oz)	2,654.5	-0.3%	-0.1%	16.4%	45.7%
Silver	31.2	-0.8%	-1.9%	19.4%	48.5%
Copper (USD/lb)	460.3	0.3%	3.9%	13.1%	28.2%
Steel (USD/T)	703.0	-3.3%	-3.2%	-20.0%	1.7%
Weat (USD/bu)	598.8	0.0%	1.6%	9.8%	6.9%
Corn (USD/bu)	429.8	0.2%	3.5%	0.8%	-11.6%
Polyethylene (CNY/MT)	8,137.0	0.0%	1.1%	-0.8%	-1.5%
Bitcoin (USD)	61,463.5	1.1%	-3.2%	-6.5%	122.2%

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	890,577	406.00	-0.2%	32.85	-
TAQA	326,059	2.90	-9.4%	43.16	1.4%
ADNOCGAS	240,999	3.14	-1.3%	13.85	5.0%
EAND	160,368	18.44	-0.3%	14.85	4.3%
FAB	152,236	13.78	0.3%	9.67	5.2%
ENBD	127,595	20.20	-0.5%	5.86	5.9%
DEWA	125,000	2.50	-2.0%	16.99	5.0%
Alpha Dhabi	116,800	11.68	1.6%	19.75	-
Emaar Pro.	76,102	8.61	-1.3%	6.40	5.8%
ADNOC Drill.	76,000	4.75	0.4%	18.46	3.5%
Borouge	74,543	2.48	0.0%	17.6	6.4%
Qholding	63,263	3.87	2.1%	5.05	-
ADCB	61,561	8.41	-0.1%	7.60	6.7%
Aldar	59,284	7.54	0.3%	12.87	2.3%
ADIB	46,562	12.82	0.8%	8.94	5.6%
DIB	45,834	6.33	0.5%	6.99	7.1%
ADNOC Dist.	45,250	3.62	0.3%	17.64	5.7%
ADNOCLS	40,026	5.41	1.1%	15.32	2.4%

Pure Health	39,222	3.53	-1.9%	65.00	-
Emaar Dev.	34,320	8.58	-1.7%	5.06	6.1%
DU	31,504	6.95	-0.4%	14.90	4.9%
Salik	30,675	4.09	-1.0%	28.70	3.6%
Multiply	27,664	2.47	4.7%	NULL	-
AD Ports	25,857	5.08	-0.6%	23.74	-
Americana	21,986	2.61	-1.5%	30.38	3.0%
NMDC	21,633	25.62	-0.4%	7.75	2.9%
Fertiglobe	21,583	2.60	-0.4%	22.21	8.1%
Empower	17,000	1.70	-1.7%	18.51	5.0%
Presight	13,966	2.49	0.4%	21.32	-
Air Arabia	12,833	2.75	0.4%	9.38	7.3%
Burjeel	12,648	2.43	0.0%	28.46	1.2%
DFM	10,640	1.33	1.5%	26.08	2.6%

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
4-Oct	Eshraq	BoD/General
4-Oct	DTC	BoD/General
8-Oct	Fertiglobe	Div. last entitlement date
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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