



Morning Report

03 August 2022

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	9,895	1.2%	6%	-2%	17%	34%
DFM	3,348	-0.9%	5%	-10%	5%	20%
TASI	12,311	-0.2%	7%	-10%	9%	10%
QSI	13,302	-1.2%	9%	-2%	14%	23%
BKM	5,852	-0.8%	3%	-8%	-1%	8%
MSX	4,646	1.2%	13%	12%	13%	16%
BHSEASI	1,900	-0.3%	3%	-8%	6%	19%
EGX	9,442	0.2%	2%	-15%	-21%	-13%
DJI	32,396	-1.2%	4%	-2%	-11%	-7%
S&P 500	4,091	-0.7%	7%	-2%	-14%	-7%
Nasdaq	12,349	-0.2%	11%	-1%	-21%	-16%
FTSE	7,409	-0.1%	3%	-2%	0%	5%
DAX	13,449	-0.2%	5%	-4%	-15%	-14%
CAC40	6,410	-0.4%	8%	0%	-10%	-4%
Nikkei225	27,595	-1.4%	6%	3%	-4%	-1%
HSI	19,696	-2.4%	-10%	-7%	-16%	-25%
MSCI EM	984	-1.1%	-1%	-8%	-20%	-24%
MSCI Asia	160	-1.3%	2%	-5%	-17%	-20%
US Fut.	4,100	0.2%	7%	-5%	-14%	-7%
EU Fut.	3,673	-0.3%	7%	0%	-14%	-10%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	1,436	1,436	-
Local	69%	84%	-15%
Foreign	31%	16%	15%
Institutional	81%	77%	4%
Retail	19%	23%	-4%
DFM	227	227	-
Local	51%	45%	6%
Foreign	49%	55%	-6%
Institutional	47%	43%	4%
Retail	53%	57%	-4%
Total	1,663	1,663	-
Local	67%	78%	-12%
Foreign	33%	22%	12%

Last Trading Day's Top Short Positions

Company	Short Interest (Short shares/Out. shares)	Close (AED)	Change (%)	52WH	High - Low 52WL
Eshraq	0.084%	0.34	1.8	0.55	0.29
Palms	0.073%	10.60	3.9	21.48	9.36
Manazel	0.068%	0.41	1.7	0.64	0.36

Upcoming Corporates Actions & Events

Date	Company	Event
03-Aug	Amanat	BoD/Result
04-Aug	Agthia	BoD/Result
05-Aug	ADNOC Dist.	BoD/Result
05-Aug	ADC	BoD/Result
08-Aug	IHC	BoD/Result
08-Aug	Ithmaar	BoD/Result
09-Aug	ADNIC	BoD/Result
10-Aug	GFH	BoD/Result
11-Aug	MSCI EM Index Review Announcement Date	

KEY STORIES

UAE non-oil private sector PMI jumps to 55.4, from 54.8 in June, however slightly lower compared to 55.6 reported for the month of May

ADNOC Distribution partner with TotalEnergies in fuel distribution business in Egypt

AD Ports Group and Hutchison Ports Ink MoU to form Strategic Partnership to identify joint investment and business opportunities related to logistics, feedering and port activities across the GCC, Africa and Asia

Tecom Group reported 2Q22 net profit of AED 237.3mln vs AED 153.9mln a year ago and revenues of AED 504.3mln vs AED 425.6mln a year ago

Emirates Steel Arkan net profit jumped 184% to AED 207mln in 2Q22 compared to a pre-merger loss of AED 24mln for the same period last year

RAK Ceramics reported net profits of AED 102.2mln, up 7.7% YoY, on total revenues of AED 927.0mln, board declares an interim dividend of 10 fils per share for 1H22

National Bank of Fujairah appointed Brian Martin Mulholland as the CFO

DEWA creates new software for 'Smart Design for Electricity Distribution Networks'

UAE on Aug 02 announced 1,032 new Covid-19 cases and 965 recoveries. The tally takes total cases in UAE to 993,684 with 972,722 recoveries and 2,335 deaths

Saudi Aramco announced a USD 2.65bln agreement to acquire Valvoline's global products business

Saudi Najran Cement net profits plummeted by 60.90% during the 1H22 to SAR 36.54mln, compared to SAR 93.5mln in 1H21

National Bank of Bahrain reports 34% jump in Q2 net profit to BHD 20mln compared to BHD 14.9mln in the same period of 2021

Bahrain's Seef Properties reported 2Q22 net profit of BHD 1.6mln vs BHD 1mln a year ago and total revenues of BHD 3.4mln vs BHD 3.0mln a year ago

Egypt's non-oil private sector activity shrank again in July, the PMI strengthened slightly to 46.4 from June's 45.2

Egypt's Orascom Construction adds USD 1.8bln to its backlog in 2Q22 through new contracts

ADIB Egypt yesterday opened subscription in the remaining shares of the issued capital

Egypt's Delta Sugar reported 1H22 net profit after tax of EGP 544mln vs EGP 343.9mln a year ago and revenues of EGP 2.51bln vs EGP 1.14bln a year ago

Key Global Trends/ Market Clues

Asia-Pacific bond yields followed U.S. Treasury yields higher on Wednesday and the dollar continued its climb after Federal Reserve officials signalled they are nowhere near done raising interest rates. Yields were also helped as demand for the safest assets retreated following U.S. House Speaker Nancy Pelosi's safe arrival in Taiwan, despite threats of action from China, which views the island as a breakaway province. The safe-haven yen continued its slide. That lifted stocks in Asia, despite the slide on Wall Street overnight. Japan's Nikkei gained 0.5%, rebounding from Tuesday's two-week closing low, while Chinese blue chips jumped 0.86% and Hong Kong's Hang Seng gained 0.76%.

Oil prices fell about 1% in early trade on Wednesday, reversing gains from the previous session ahead of a meeting OPEC+ producers on fears of a slowdown in global growth hitting fuel demand and a firmer dollar. Brent crude futures fell 94 cents, or 0.9%, to \$99.60 a barrel at 0020 GMT, wiping out the previous session's gain. WTI crude futures were down 68 cents, or 0.7%, at \$93.74 a barrel, after climbing 53 cents on Tuesday. The OPEC+ meet on Wednesday, analysts are expecting no change due to a weak outlook

for demand as recession fears grow and said top producer Saudi Arabia may be reluctant to beef up output at the expense of OPEC+ partner Russia, hit by sanctions due to the Ukraine conflict.

UAE Stories

UAE non-oil private sector PMI jumps to 55.4, from 54.8 in June, however slightly lower compared to 55.6 reported for the month of May. The output subindex rose to 62.5 from June's 60.7, the joint-highest for the year and above the series average of 57.5. The employment subindex dipped to 51.0 in July from 51.2 in June, remaining below the series average of 51.3. The subindex has expanded for 14 straight months with the exception of April.

ADNOC Distribution partner with TotalEnergies in fuel distribution business in Egypt. The partnership between TotalEnergies and ADNOC has been further strengthened following the signing by ADNOC Distribution of an agreement to acquire a 50% stake in TotalEnergies Marketing Egypt LLC for a consideration of approximately USD 200mln. This new transaction follows the signing of the strategic partnership agreement signed by TotalEnergies and ADNOC on the occasion of the state visit in Paris of His Highness Sheikh, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates.

AD Ports Group has signed a deal with port investor and developer Hutchison Ports to identify joint investment and business opportunities related to logistics, feeder and port activities across the GCC, Africa and Asia. Under the MoU, the two companies will also work together to explore opportunities that will further enhance the capabilities and competitiveness of port operations in Tanzania, including the Dar Es Salaam Port. Among the potential areas the partnership will focus on include improving servicing to several of the East African state's landlocked remote areas and neighbouring countries, cultivating more cargo sources and the enhancement of existing supporting logistics and cargo processing facilities.

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Emirates Steel Arkan net profit jumped 184% to AED 207mln in 2Q22 compared to a pre-merger loss of AED 24mln for the same period last year. Profits were driven by higher sales volumes and prices, enhanced operational efficiencies, and a supportive commodity market environment. Revenues rose to AED 2.57bln in Q2 compared to AED 195mln in the corresponding quarter last year. Steel continued to contribute 90% of the Group's revenues and building materials 10%.

RAK Ceramics reported net profits of AED 102.2mln, up 7.7% YoY, on total revenues of AED 927.0mln, board declares an interim dividend of 10 fils per share for 1H22. The gross profit margins reached to all-time high to 38.4%, up 0.3% YoY.

National Bank of Fujairah appointed Brian Martin Mulholland as the CFO

DEWA creates new software for 'Smart Design for Electricity Distribution Networks' and obtained Intellectual Property (IP) protection from the UAE Ministry of Economy. The innovation is based on merging databases and electric network designs (11kV) through developed solutions to enable the Network Design Engineers to design a more effective and smoother network. All information is collected through advanced software from several data sources such as peak load, SAP system and other databases. It includes several features such as automated calculations and archiving them electronically.

UAE on Aug 02 announced 1,032 new Covid-19 cases, bringing the total confirmed cases in the country to 993,684. At the same time, 965 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 972,722, UAE's Ministry of Health and Prevention said. It has reported no deaths from Covid-19 during the past 24 hours. The nationwide death toll stands at 2,335.

GCC/MENA

Saudi Aramco announced a USD 2.65bln agreement to acquire Valvoline's global products business, which includes motor oils, transmission fluids, coolants and other automotive maintenance products. Valvoline said the transaction will separate its global products from its retail services businesses, transforming it into a purely automotive service provider.

Saudi Najran Cement net profits plummeted by 60.90% during the 1H22 to SAR 36.54mln, compared to SAR 93.5mln in 1H21. Revenues plunged by 21.5% YoY to SAR 247.9mln in 1H22, compared to SAR 316mln. EPS stood at SAR 0.19 during the first six months of 2022, lower than SAR 0.55 in the year-ago period.

Bahrain National Bank of Bahrain reports 34% jump in Q2 net profit to BHD 20mln compared to BHD 14.9mln in the same period of 2021. The increase in net profit is mainly due to strong business fundamentals reflected through higher net interest income attributable to higher loan volumes across all the group's key segments and higher other income from the treasury and capital markets activities, NBB said. The 2022 results have also benefitted from lower provisioning requirements than in the previous period. Basic and diluted earnings per share increased to 10 fils for the second quarter of 2022 compared with 7 fils in the same period of 2021.

Bahrain's Seef Properties reported 2Q22 net profit of BHD 1.6mln vs BHD 1mln a year ago and total revenues of BHD 3.4mln vs BHD 3.0mln a year ago.

Egypt's non-oil private sector activity shrank again in July, the PMI strengthened slightly to 46.4 from June's 45.2, but remaining below the 50.0 line that denotes growth. The demand remains weakened by inflation and shortages continue to put pressure on supply.

Egypt's Orascom Construction adds USD 1.8bln to its backlog in 2Q22 through new contracts. Projects in Egypt comprised 70% of new awards during 2Q22 and projects in the US accounted for 30%, which were mainly comprised of sizable data centre and commercial projects. Its estimated consolidated backlog stood at USD 6.4bln as of 30 June 2022

ADIB Egypt yesterday opened subscription in the remaining shares of the issued capital. The bank publishing an invitation to the old shareholders to subscribe for the remaining 8,134,742 shares, with a nominal value of EGP 10 per share, with a total of EGP 8.13mln, and issuance expenses of 5.23 piasters per share without being restricted. With the percentage of the original contribution and the same underwriting conditions mentioned in the previous announcement, the percentage of subscription coverage in the first stage in the issued capital increase shares was 95.933 %.

Egypt's Delta Sugar reported 1H22 net profit after tax of EGP 544mln vs EGP 343.9mln a year ago and revenues of EGP 2.51bln vs EGP 1.14bln a year ago.

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

UAE Focus List

Company	MCAP (AEDm)	PRICE (AED)	HIGH-LOW		VALUATION		Div. (%)^	TOTAL RETURN **			
			52WH	52WL	PE	PB		1M%	3M%	YTD%	12M%
ADCB	62,616	9.00	11.30	7.10	11.95	1.17	4.1%	1.7	(11.6)	9.3	29.6
ADIB	33,051	9.10	10.46	5.40	13.71	1.62	3.4%	19.7	3.6	37.0	68.1
ADNIC	3,511	6.16	7.63	4.92	9.95	1.29	6.5%	(1.6)	(12.4)	(2.9)	22.8
ADNOC Dist.	53,500	4.28	4.63	3.80	23.34	20.42	4.8%	1.4	3.6	2.7	2.6
ADNOC Drill.*	59,360	3.71	3.92	2.77	24.18	5.44	4.0%	10.4	3.3	11.4	-
AD Ports	27,639	5.43	5.85	3.22	32.70	1.56	-	(0.7)	3.4	-	-
Agthia	4,195	5.30	7.07	4.20	NM	1.48	3.1%	(0.2)	24.1	4.8	(13.1)
Air Arabia	10,500	2.25	2.36	1.31	10.75	1.67	3.8%	9.2	4.7	63.5	74.3
Ajman Bank	1,575	0.75	0.91	0.64	12.19	0.62	-	7.4	(6.5)	(9.0)	(0.0)
Aldar	38,841	4.94	5.79	3.92	14.26	1.34	3.0%	11.0	(12.6)	27.4	25.2
Alpha Dhabi	249,000	24.90	30.20	23.78	NA	NA	-	(6.0)	(8.1)	(8.8)	(14.0)
Amanat	2,345	0.94	1.27	0.89	8.33	0.88	6.4%	(2.3)	(10.7)	(14.0)	(7.6)
Aramex	5,534	3.78	4.80	3.50	29.89	2.07	3.4%	1.1	(7.4)	(4.9)	8.6
ASM	9,700	9.70	16.94	9.65	NM	1.43	-	(7.6)	(26.5)	(30.2)	(35.3)
Borouge*	88,971	2.96	3.27	2.78	15.9	4.88	5.4%	0.7	(1.3)	-	-
BOS	1,166	0.53	0.76	0.49	-	-	-	-	-	(14.5)	0.2
Dana Gas	6,981	1.00	1.27	0.88	5.51	0.81	8.0%	(2.2)	(15.4)	(2.3)	18.9
DEWA*	127,000	2.54	3.05	2.48	20.74	1.37	4.9%	(0.4)	(10.2)	-	-
Deyaar	2,192	0.50	0.73	0.37	21.05	0.50	-	6.6	(20.6)	(21.8)	30.8
DFM	13,840	1.73	3.05	0.98	NM	1.76	1.7%	4.2	(35.2)	(38.3)	62.2
DIC	9,865	2.32	2.64	1.63	14.13	0.80	5.2%	5.9	(7.6)	25.9	36.5
DIB	42,576	5.88	6.63	4.90	8.89	1.08	4.3%	4.3	(8.8)	13.8	23.9
DU	27,651	6.10	7.28	5.67	22.71	3.20	3.4%	6.0	(5.8)	(4.6)	(4.4)
Easy Lease	1,110	37.00	66.85	24.00	25.66	10.63	-	(2.9)	(32.3)	27.6	36.8
Emaar Dev.	17,440	4.36	5.32	3.69	4.96	1.12	-	1.9	(15.8)	(0.2)	16.3
Emaar Pro.	44,907	5.49	6.47	3.91	7.40	0.71	2.7%	5.6	(13.9)	14.9	40.1
ENBD	88,117	13.95	15.50	11.80	9.46	1.03	3.6%	9.0	(8.5)	6.4	7.6
ESG	1,513	6.05	11.80	3.65	NM	2.53	-	(13.6)	(29.6)	(24.4)	61.8
Etisalat	243,510	28.00	39.06	22.34	26.01	5.17	2.9%	8.5	(20.0)	(10.7)	19.4
FAB	218,301	19.76	24.06	16.33	14.69	1.96	2.5%	5.0	(11.9)	8.5	20.9
Fertiglobe*	44,246	5.33	5.95	2.92	12.37	5.45	7.5%	11.0	(4.3)	57.3	NA
GFH	4,237	1.09	1.34	0.69	11.50	1.02	4.1%	9.7	(10.7)	(3.6)	51.6
Ghitha	20,536	85.00	123.00	9.14	NA	10.62	-	11.1	(19.0)	209.1	785.4
IHC	575,800	316.20	319.00	131.00	75.72	20.07	-	10.1	44.8	108.0	141.2
Julphar	1,502	1.30	2.32	1.20	23.54	1.58	-	(4.4)	(5.8)	(29.3)	(27.8)
Mashreq	16,049	80.00	81.00	53.98	6.93	0.79	1.3%	(0.0)	6.7	0.6	50.7
Multiply	20,496	1.83	2.35	1.51	NA	1.95	-	1.1	(3.2)	(0.5)	NA
NMDC	23,760	28.80	34.96	10.30	20.23	4.12	-	12.8	(0.8)	120.9	176.9
Palms	1,590	10.60	21.48	9.36	15.19	4.23	-	(1.5)	(20.4)	(13.3)	(6.2)
RAK Bank	7,877	4.70	5.40	3.85	8.01	0.95	4.8%	4.4	(10.5)	4.4	21.1
RAK Pro.	1,370	0.69	0.97	0.56	12.78	0.33	-	3.8	(11.6)	(11.2)	(0.4)
RAK Cer.	2,912	2.93	3.38	2.32	NM	1.32	6.8%	5.4	5.0	6.4	32.0
RPM	1,560	7.80	20.00	7.05	21.33	5.90	-	(1.0)	(27.2)	(19.2)	NA
Salama	710	0.59	0.87	0.55	25.13	0.91	-	0.3	(13.7)	(20.6)	(26.1)
SIB	5,547	1.80	2.12	1.57	9.46	0.73	4.4%	6.5	(7.7)	(4.0)	17.8
Shuaa	1,288	0.51	0.83	0.47	-	0.89	-	(0.8)	(20.3)	(25.8)	(34.0)
Tabreed	7,597	2.67	2.92	2.27	14.17	1.26	2.2%	(2.9)	8.5	10.7	0.1
TAQA	138,294	1.23	1.53	1.13	21.29	2.13	3.9%	(1.6)	(11.1)	(4.0)	0.7
Waha	2,703	1.39	1.91	1.37	6.13	0.79	5.4%	(2.8)	(9.2)	(12.6)	3.0
Yahsat *	6,343	2.60	2.91	2.46	23.35	1.92	6.1%	1.2	(2.3)	(2.4)	(1.3)

(Source Bloomberg) ^ Current dividend yield based on latest dividend declaration. * Expected dividend. ** Including dividend

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