

Morning Report

09 August 2022

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	10,103	1.9%	10%	0%	19%	35%
DFM	3,349	0.9%	8%	-9%	5%	19%
TASI	12,297	0.7%	8%	-11%	9%	10%
QSI	13,563	1.4%	12%	0%	17%	24%
BKM	5,884	0.1%	4%	-8%	0%	9%
MSX	4,661	0.2%	13%	12%	13%	16%
BHSEASI	1,900	0.0%	1%	-8%	6%	18%
EGX	10,048	-0.8%	15%	-10%	-16%	-6%
DJI	32,833	0.1%	5%	0%	-10%	-7%
S&P 500	4,140	-0.1%	6%	0%	-13%	-7%
Nasdaq	12,644	-0.1%	9%	4%	-19%	-15%
FTSE	7,482	0.6%	4%	1%	1%	5%
DAX	13,688	0.8%	5%	0%	-14%	-13%
CAC40	6,524	0.8%	8%	4%	-9%	-4%
Nikkei225	28,249	0.3%	7%	5%	-2%	2%
HSI	20,024	-0.8%	-8%	0%	-14%	-23%
MSCI EM	1,002	-0.1%	0%	-3%	-19%	-22%
MSCI Asia	161	0.0%	1%	-2%	-17%	-20%
US Fut.	4,141	0.0%	6%	4%	-13%	-6%
EU Fut.	3,743	-0.3%	7%	6%	-12%	-10%

Notes: TASI (KSA), QSI (Qatar), BKM (Kuwait), MSX(Oman), BHSEASI (Bahrain), EGX (Egypt), HIS (Hong Kong).

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	1,545	1,545	-
Local	74%	80%	-6%
Foreign	26%	20%	6%
Institutional	74%	82%	-8%
Retail	26%	18%	8%
DFM	252	252	-
Local	55%	62%	-6%
Foreign	45%	38%	6%
Institutional	58%	45%	13%
Retail	42%	55%	-13%
Total	1,797	1,797	-
Local	71%	77%	-6%
Foreign	29%	23%	6%

Last Trading Day's Top Short Positions

Company	Short Interest (Short shares/Out. shares)	Close (AED)	Change (%)	52WH	High - Low 52WL
RAK Properties	0.058%	0.68	(0.3)	0.97	0.56
Aldar	0.032%	4.88	1.5	5.79	3.92
RAK Ceramics	0.024%	2.98	(0.7)	3.38	2.66

Upcoming Corporates Actions & Events

Date	Company	Event
09-Aug	Invictus	BoD/Result
09-Aug	TAQA	BoD/Result
09-Aug	ADNIC	BoD/Result
10-Aug	GFH	BoD/Result
10-Aug	Air Arabia	BoD/Result
10-Aug	Aramex	BoD/Result
11-Aug	DIC	BoD/Result
11-Aug	Julphar	BoD/Result
11-Aug	Emirates Insurance	BoD/Result
11-Aug	MSCI EM Index Review	Announcement Date
12-Aug	AD Ports	BoD/Result
29-Aug	ADCB	AGM

KEY STORIES

UAE government's net operating surplus more than doubled in 1Q22 to AED 36.4bln as surging oil prices boosted public revenues

IHC posted 1H22 revenue of AED 21.9bln, up 121% YoY, while net profit rose 137% to AED 10.4bln

ADNOC Drilling reported 1H22 net profit of USD 379mln, up 34% YoY, and announced 5% increase in interim dividend to USD 341mln

Yahsat reported 1H22 revenues of AED 755mln, up 8.1% YoY, and net income of AED 167mln, up 50.7% YoY, on higher margins

Dubai road-toll operator Salik to seek about USD 1 bln in IPO

Sudatel Telecom reported 1H22 net income USD 32.8mln vs loss of USD 8.6mln a year ago

Al Wathba National Insurance reported 1H22 net profit of AED 30.6mln compared to AED 106mln in 1H21

Union Insurance reported 1H22 net profit of AED 16.3mln vs. AED 23.8mln a year ago on gross insurance premium of AED 443.7mln vs. AED 500.9mln a year ago

Wizz Air will resume flights from Abu Dhabi to Moscow from October, more than five months after the carrier suspended all services to Russia

UAE on Aug 08 announced 923 new Covid-19 cases and 895 recoveries. The tally takes total cases in UAE to 999,637 with 978,503 recoveries and 2,337 deaths

Saudi MEPCO sees reported 1H22 net profit of SAR 192.21mln, up 216% YoY, compared to SAR 60.8mln in 1H21

Saudi East Pipes Integrated Company board recommends bonus share in the ratio of 1 share for every 2 held in the company by way of capitalizing SAR 105mln from retained earnings

Bahrain Car Parks Company 2Q22 net slides 20% to BHD 136,000, largely due to an adverse operating climate

Egypt TMG Holding reported 1H22 consolidated net profit after tax and minority interest of EGP 1.1bln vs EGP 856.6mln a year ago

Egyptian Media Production City reported 1H22 consolidated net profit of EGP 104.3mln vs EGP 78.5mln a year ago, and 1H22 revenues of EGP 307mln vs. EGP 280.7mln a year ago

Egypt EL Shams Housing and Urbanization reported 1H22 net profit of EGP 85.5mln vs. EGP 53.7mln a year ago, and 1H22 sales of EGP 173.9mln vs EGP 132.4mln a year ago

Key Global Trends/ Market Clues

Asian shares were down on Tuesday as financial markets fretted about persistent global cost pressures, with investors turning their focus this week to U.S. inflation data and the prospects for further aggressive Federal Reserve rate hikes. The unexpectedly strong U.S. jobs data on Friday have raised the stakes for the July U.S. consumer prices report due on Wednesday, especially for the Fed's policy outlook. Early in the Asian trading day, MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.2%. The index is up 0.5% so far this month. U.S. stock futures rose 0.07%. Japan's Nikkei slid 0.81% while Australian shares were flat. China's blue-chip CSI300 index was down 0.31% in early trade. Hong Kong's Hang Seng index opened 0.12% lower.

Oil prices dipped in early trade on Tuesday on the latest progress in last-ditch talks to revive the 2015 Iran nuclear accord, which would clear the way to boost its crude exports in a tight market. Brent crude futures fell 27 cents, or 0.3%, to USD 96.38 a barrel at 0027 GMT, paring a 1.8% gain from the previous session. U.S. WTI crude futures declined 24 cents, or 0.3%, to USD 90.52 a barrel, after climbing 2% in the previous session.

UAE Stories

UAE government's net operating surplus more than doubled in 1Q22 to AED 36.4bln as surging oil prices boosted public revenues. High oil prices and increased production have been a boon for the UAE's economy this year, along with a continued recovery from the pandemic's impact. Government spending in the UAE rose to AED 87.4bln from AED 73.1bln in the first quarter of 2021, a nearly 20% rise. Revenue jumped 39% from a year earlier to AED 123.8bln in the first quarter, the data showed. The UAE's net operating surplus was up 128.7% from AED 15.9bln in the first quarter of last year. The UAE in October approved AED 58.9bln federal budget and in June proposed AED 1.23bln in additional spending. The federal budget is just a fraction of state spending as individual emirates, such as Abu Dhabi and Dubai, also have their own budgets.

IHC posted 1H22 revenue of AED 21.9bln, up 121% YoY, while net profit rose 137% to AED 10.4bln. The group's strategic acquisition of companies in 1H22 had a positive impact on its net worth, as total assets exceeded the company's liabilities, increasing to AED 163.7bln vs. AED 88.9bln at the end of 2021, recording a growth of 84%.

ADNOC Drilling reported 1H22 net profit of USD 379mln, up 34% YoY and announced 5% increase in interim dividend to USD 341mln. 2Q22 revenue grew 11% YoY to USD 669mln and net profits grew 19% YoY to USD 204mln. YoY growth was led by onshore segment and the company reported a fleet utilization rate of 98% for H122.

Yahsat reported 1H22 revenues of AED 755mln, up 8.1% YoY and net income of AED 167mln, up 50.7% YoY, on higher margins. Company reported adjusted EBITDA for 1H22 of AED 448mln, up 5.3% YoY and contractual future revenues of more than AED 7.7bln, equivalent to 5.2x of FY21 annual revenue. The company is also on track to grow FY22 dividend by at least 2% to 16.12 fils per share or AED 393mln split into two equal instalments.

Dubai road-toll operator Salik to seek about USD 1 bln in IPO

Sudatel Telecom reported 1H22 net income USD 32.8mln vs loss of USD 8.6mln a year ago. Total operating revenue of the group was USD 188.2mln vs USD 127.4mln year ago. The company has spent USD 27mln on capital expenditure for 1H22.

Al Wathba National Insurance reported 1H22 net profit of AED 30.6mln compared to AED 106mln in 1H21.

Union Insurance reported 1H22 net profit of AED 16.3mln vs. AED 23.8mln a year ago on gross insurance premium of AED 443.7mln vs. AED 500.9mln a year ago

Wizz Air will resume flights from Abu Dhabi to Moscow from October, more than five months after the carrier suspended all services to Russia.

UAE on Aug 08 announced 923 new Covid-19 cases, bringing the total confirmed cases in the country to 999,637. At the same time, 980 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 978,503, 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 2,337.

GCC/MENA

Saudi MEPCO reported 1H22 net profit of SAR 192.2mln, up 216% YoY compared to SAR 60.8mln in 1H21. Revenues amounted to SAR 651.9mln for 1H22, up 44.6% YoY, compared to SAR 450.9mln a year ago. The earnings per share went up to SAR 3.84 in 1H22, vs. SAR 1.22 in 1H21. The

Saudi East Pipes Integrated Company board recommends bonus share in the ratio of 1 share for every 2 held in the company by way of capitalizing SAR 105mln from retained earnings.

Bahrain Car Parks Company Q2 net slides 20% to BHD 136,000, largely due to an adverse operating climate. However, its operating income jumped of 23% to BHD 546,000 compared to BHD 444,000 for the same period in 2021. Basic and diluted earnings per share were at 1.25 fils, compared to 1.55 fils for the same period in 2021.

Egypt TMG Holding reported 1H22 consolidated net profit after tax and minority interest of EGP 1.1bln vs EGP 856.6mln a year ago. 1H22 consolidated revenues were EGP 7.1bln vs EGP 5.5bln a year ago and 1H22 real estate sales were EGP 11.3bln

Egyptian Media Production City reported 1H22 consolidated net profit of EGP 104.3mln vs EGP 78.5mln a year ago, and 1H22 revenues of EGP 307mln vs. EGP 280.7mln a year ago

Egypt EL Shams Housing and Urbanization reported 1H22 net profit of EGP 85.5mln vs. EGP 53.7mln a year ago, and 1H22 sales of EGP 173.9mln vs EGP 132.4mln 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	61,430	8.83	11.30	7.28	11.72	1.15	4.2%	7.6	(14.1)	7.2	22.7
ADIB	32,396	8.92	10.46	5.40	13.44	1.59	3.5%	11.5	1.1	34.3	66.9
ADNIC	3,500	6.14	7.63	5.15	9.92	1.29	6.5%	(1.8)	(13.3)	(3.2)	19.2
ADNOC Dist.	54,997	4.40	4.63	3.80	23.99	20.99	4.7%	3.5	6.5	5.6	5.5
ADNOC Drill.*	57,277	3.58	3.92	2.77	23.33	5.25	4.2%	6.5	(1.6)	7.5	-
AD Ports	25,041	4.92	5.85	3.22	29.63	1.41	-	(3.0)	(9.2)	-	-
Agthia	3,958	5.00	7.07	4.20	NM	1.41	3.3%	(4.0)	13.6	(1.1)	(16.6)
Air Arabia	10,779	2.31	2.36	1.31	11.03	1.72	3.7%	16.1	7.9	67.8	73.8
Ajman Bank	1,491	0.71	0.91	0.64	11.54	0.59	-	1.6	(11.7)	(13.8)	(5.3)
Aldar	38,368	4.88	5.79	3.92	14.08	1.32	3.1%	11.9	(13.2)	25.9	19.9
Alpha Dhabi	240,787	24.08	30.20	23.78	NA	NA	-	(2.7)	(11.6)	(11.8)	(17.5)
Amanat	2,337	0.94	1.27	0.89	8.31	0.88	6.4%	2.4	(11.8)	(14.3)	(8.7)
Aramex	5,490	3.75	4.80	3.50	29.65	2.05	3.5%	3.6	(5.8)	(5.6)	4.6
ASM	9,959	9.96	16.94	9.56	NM	1.46	-	(3.3)	(24.7)	(28.3)	(33.6)
Borouge*	89,868	2.99	3.27	2.78	16.0	4.93	5.3%	3.5	(0.3)	-	-
BOS	1,166	0.53	0.76	0.49	-	-	-	-	-	(14.5)	1.0
Dana Gas	6,988	1.00	1.27	0.88	5.52	0.81	8.0%	(0.1)	(16.1)	(2.2)	20.4
DEWA*	126,993	2.54	3.05	2.48	20.74	1.37	4.9%	0.4	(9.6)	-	-
Deyaar	2,144	0.49	0.73	0.37	20.59	0.48	-	8.2	(22.5)	(23.5)	28.0
DFM	13,679	1.71	3.05	0.98	NM	1.74	1.8%	11.8	(35.7)	(39.0)	64.9
DIC	10,417	2.45	2.64	1.63	14.92	0.85	4.9%	12.9	(0.8)	33.0	45.0
DIB	42,718	5.90	6.63	4.90	8.92	1.09	4.2%	8.7	(8.5)	14.2	21.2
DU	27,513	6.07	7.28	5.67	22.60	3.18	3.5%	6.9	(6.4)	(5.1)	(5.0)
Easy Lease	1,122	37.40	66.85	24.00	25.94	10.75	-	(6.5)	(28.2)	29.0	26.8
Emaar Dev.	17,439	4.36	5.32	3.69	4.96	1.12	-	6.3	(15.5)	(0.2)	16.3
Emaar Pro.	44,659	5.46	6.47	3.91	7.36	0.70	2.7%	6.2	(13.6)	14.3	38.7
ENBD	86,848	13.75	15.50	11.80	9.33	1.02	3.6%	16.0	(8.6)	4.8	4.5
ESG	1,450	5.80	11.80	3.65	NM	2.43	-	(10.8)	(29.3)	(27.5)	56.8
Etisalat	249,237	28.66	39.06	22.34	26.62	5.29	2.8%	11.4	(16.4)	(8.6)	20.5
FAB	218,952	19.82	24.06	16.39	14.73	1.96	2.5%	8.1	(11.1)	8.8	21.3
Fertiglobe*	43,579	5.25	5.95	2.92	9.20	5.16	7.6%	15.6	(6.4)	54.9	NA
GFH	4,293	1.11	1.34	0.69	11.65	1.04	4.0%	9.9	(9.0)	(1.8)	54.0
Ghitha	20,197	83.60	123.00	10.26	NA	10.44	-	(0.1)	(18.3)	204.0	674.1
IHC	619,106	340.00	340.50	137.00	81.42	21.58	-	18.1	53.2	123.7	141.1
Julphar	1,559	1.35	2.32	1.20	24.44	1.64	-	3.8	(2.2)	(26.6)	(25.8)
Mashreq	16,951	84.50	84.50	53.98	7.32	0.84	1.2%	5.6	12.7	6.3	59.1
Multiply	22,735	2.03	2.35	1.51	NA	2.16	-	14.0	0.5	10.3	NA
NMDC	23,000	27.88	34.96	10.40	19.59	3.99	-	(3.9)	(4.2)	113.8	160.1
Palms	1,500	10.00	21.48	9.24	14.33	3.99	-	1.8	(25.1)	(18.2)	(9.1)
RAK Bank	8,044	4.80	5.40	3.85	8.18	0.97	4.7%	6.7	(8.6)	6.7	23.7
RAK Pro.	1,364	0.68	0.97	0.56	12.72	0.33	-	4.9	(12.3)	(11.5)	(3.8)
RAK Cer.	2,961	2.98	3.38	2.66	NM	1.37	6.7%	10.0	5.7	8.2	8.7
RPM	1,530	7.65	20.00	7.05	20.92	5.79	-	(3.8)	(29.2)	(20.7)	NA
Salama	609	0.50	0.87	0.50	21.53	0.78	-	(11.4)	(25.8)	(32.0)	(36.6)
SIB	5,731	1.86	2.12	1.64	9.77	0.75	4.3%	9.4	(4.6)	(0.8)	17.3
Shuaa	1,293	0.51	0.83	0.47	-	0.90	-	3.7	(19.0)	(25.5)	(33.6)
Tabreed	7,909	2.78	2.92	2.27	14.76	1.31	2.2%	(2.1)	13.5	15.3	2.4
TAQA	142,784	1.27	1.53	1.13	21.98	2.20	3.7%	5.0	(9.5)	(0.9)	4.7
Waha	2,590	1.30	1.91	1.24	11.40	0.75	5.8%	(6.5)	(13.3)	(18.3)	(18.3)
Yahsat *	6,465	2.65	2.91	2.46	23.80	1.96	6.0%	3.5	(1.5)	(0.5)	1.4

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

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