



**International
Securities**
an IHC company

Morning Report

10 July 2024

UAE news stories

IHC notified that the Voluntary Tender Offer (VTO) made by Two Point Zero Group LLC (an IHC Subsidiary) through its subsidiary, to acquire a minority stake of the issued shares of Elsewedy Electric SAE (a group based in Egypt and listed on the Egyptian Exchange 'EGX'), 427,711,646 shares, representing 19.98% of the issued shares of Elsewedy Electric SAE have been tendered in favor of the VTO. The share transfer execution on the EGX is expected to be completed by Wednesday July 10, 2024, with settlement anticipated by no later than Monday July 15, 2024. This is with Reference to the disclosure issued on May 31, 2024 regarding VTO made by Two Point Zero Group LLC (an IHC Subsidiary) through its subsidiary.

FAB has given initial price guidance for the sale of USD750mn Tier 2 Capital Securities, a document showed on Tuesday. It gave initial guidance of about 185 basis points over US Treasuries for a 10.5-year debt transaction, non-callable for 5.5 years, the document showed. The UAE's biggest lender has hired Deutsche Bank, Emirates NBD Capital, First Abu Dhabi Bank, J.P. Morgan and Standard Chartered Bank as joint lead managers and bookrunners for the debt sale, the document added.

RACKWCT shareholders resolved to enter into the implementation agreement between the company and UltraTech cement Middle East Investments limited (UltraTech) entered into on 29th May 2024 setting out the rights and obligations of the parties as they relate to the conditional cash offer of UltraTech to acquire 125,039,250 shares representing 25% of the issued and paid up ordinary shares capital of the company with a value of AED1.15 in cash for each share of the company (according to the terms and conditions set out in Ultratech offer document ("offer"))-97.51% have ratified, who have right to vote after excluding UltraTech voice.

IFA informed that the company has obtained the CMA approval for the Public offering prospectus of the International Financial Advisors Holding company's capital increase. The Ex-date is 2024/07/23.

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

GCC news stories

Saudi Abdullah Al-Othaim Markets Company signs contract with general organization for social insurance (gosi) to lease land in Dammam. The Contract value is SAR91.2mn

Saudi Aramco exercises Greenshoe option to sell 154.5mn shares- Merrill Lynch Saudi

Saudi United Electronics reported 2Q24 net profit of SAR106.5mn versus SAR61.67mn year ago. 2Q24 sales came in at SAR1,919.1mn versus SAR1,749.73mn year ago

Kuwait's non-oil sector GDP growth weakened in Q4 last year amid further falls in manufacturing and services activity. However, its oil GDP is likely to rise, alongside exports as oil prices held up despite concerns the Opec+ decision could lead to a supply glut, according to a report by National Bank of Kuwait. Non-oil indicators in Q2 2024 came in mixed but overall suggestive of a still-sluggish economy, which, according to recent GDP figures for 2023 is operating at subpar levels.

Kuwait's expatriate workforce up 21%, Stricter penalties proposed for residency trafficking. The Audit Bureau's report on the follow-up of recommendations to evaluate the efficiency and effectiveness of

government procedures highlighted the recommendations made by the National Committee for Regulating the Population Structure. These recommendations aim to address the imbalance in the population structure of Kuwait.

Qatar National Bank (QNB) proposes its first interim dividend in six decades, buoyed by strong retained earnings and ample regulatory reserves. The board intends to distribute a 33 per cent interim dividend, amounting to USD0.09 per share, to shareholders recorded as of the close of trading on July 17, 2024. This proposal is contingent upon approval from the Qatar Central Bank.

Oman's non-oil sector drives national growth to USD27bn, The data also indicated a decline in crude oil activities, which amounted to USD7.7bn. Oman's gross domestic product (GDP) rose by 0.8 per cent YoY to USD27.15bn in Q1 or the first quarter of this year, driven by increased non-oil activities.

Egypt's Ezz Steel reported 1Q consolidated net profit attributable of EGP910.3mn versus loss of EGP1.666bn year ago. 1Q consolidated net sales came in at EGP50.16bn versus EGP27.85bn year ago. 1Q forex losses were EGP255mn

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

Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,136	0.0%	2%	-5%	-5%
DFM	4,078	-0.1%	2%	0%	3%
TASI (Saudi)	11,780	0.5%	-1%	-2%	1%
QSI (Qatar)	10,166	0.1%	6%	-6%	-1%
BKM (Kuwait)	5,899	-0.4%	-1%	6%	7%
MSX (Oman)	4,691	0.1%	-1%	4%	-2%
BHSEASI (Bahrain)	2,000	-0.3%	-2%	1%	2%
EGX (Egypt)	28,466	0.0%	11%	14%	72%

Source: Reuters, IS Research.

UAE trading summary (AED mn)

	Buy	Sell	Net
ADX	884	884	0
Local	642	595	47
Foreign	242	289	-47
Company	718	703	16
Individual	166	182	-16
DFM	275	275	0
Local	171	151	20
Foreign	104	124	-20
Company	159	150	9
Individual	116	125	-9
Total	1,159	1,159	0
Local	813	746	67
Foreign	346	414	-67

Source: ADX and DFM

Global markets and commodities trends

Asian stocks hovered near two-year highs on Wednesday on growing bets of imminent U.S. rate cuts, while the New Zealand dollar slid after its central bank signalled greater confidence that inflation was coming to heel. The Reserve Bank of New Zealand (RBNZ) held its cash rate steady at 5.5% on Wednesday as expected but noted that inflation was expected to return to its target range of 1% to 3% in the second half of the year. Traders were also quick to ramp up bets of rate cuts from the RBNZ later this year, with swaps now implying about 30 basis points worth of easing in October, as compared to 16 bps prior to the outcome.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.09% and remained close to the more than two-year high hit at the start of the week. Japan's Nikkei rose 0.13%, while Hong Kong's Hang Seng Index climbed about 1%. Chinese blue chips 300 ticked 0.19% higher. Stocks have rallied globally on the back of growing expectations of a Fed easing cycle likely to commence in September, with Powell saying on Tuesday that the U.S. is 'no longer an overheated economy'.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	39,292	-0.1%	1%	4%	16%
S&P 500	5,577	0.1%	4%	17%	27%
Nasdaq	18,429	0.0%	8%	23%	35%
FTSE	8,140	-0.7%	-1%	5%	12%
DAX	18,236	-1.3%	-2%	9%	17%
CAC40	7,509	-1.6%	-6%	0%	6%
Nikkei225	41,580	2.0%	7%	24%	28%
HIS	17,571	0.3%	-5%	3%	-5%
MSCI EM	1,112	0.4%	4%	9%	13%
MSCI Asia	185	0.5%	3%	9%	14%
US Futures	5,635	0.1%	5%	17%	26%
Europe Futures	4,942	0.2%	-2%	9%	14%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	4.63%	0.01%	-0.07%	0.27%	-0.11%
US 10yr Bond	4.30%	0.01%	-0.05%	0.28%	0.45%
US 30yr Bond	4.49%	0.01%	-0.03%	0.29%	0.55%
EUR 2yr Bond	2.89%	-0.04%	-0.03%	0.24%	-0.34%
EUR 10yr Bond	2.56%	-0.02%	-0.03%	0.34%	0.02%
EUR 30yr Bond	2.72%	-0.02%	-0.02%	0.30%	0.13%
JPY 2yr Bond	0.34%	-0.01%	-0.01%	0.32%	0.39%
JPY 10yr Bond	1.09%	0.01%	-0.01%	0.51%	0.62%
JPY 30yr Bond	2.23%	0.02%	-0.04%	0.65%	0.90%

Source: Bloomberg, IS Research

U.S. crude and fuel stockpiles fell last week, indicating steady demand, and the outlook for interest rate cuts improved. Brent futures rose to USD84.87 a barrel, after falling 1.3% in the previous session. U.S. West Texas Intermediate crude rose 26 cents to USD81.67 a barrel, after falling 1.1% in the previous session. WTI has dropped 3% in the previous three sessions amid concerns about flagging global oil demand and as signs

appeared that the Texas energy industry came off relatively unscathed from Hurricane Beryl after it hit the region on Monday. Brent is down 3.2% over the same period.

The API figures showed crude stocks were down by 1.923mn barrels in the week ended July 5, the sources said. Gasoline inventories fell by 2.954mn barrels. However, distillate supply rose by 2.342mn barrels. Prices were also supported by comments from U.S. Federal Reserve Chair Jerome Powell that suggested the case for interest rate cuts is becoming stronger. Lower interest rates should spur more economic growth and therefore more oil consumption.

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	84.4	-0.3%	-3.3%	9.9%	5.4%
WTI (USD/bbl)	81.3	-0.2%	-3.1%	13.9%	7.3%
Nat. Gas (USD/MMBtu)	2.3	-0.1%	-3.2%	-23.0%	-11.1%
Gold (USD/oz)	2,367.3	0.1%	0.5%	16.9%	20.9%
Silver	30.8	-0.1%	0.9%	34.4%	27.6%
Copper (USD/lb)	458.1	0.1%	0.9%	21.1%	19.2%
Steel (USD/T)	675.0	0.7%	0.9%	-37.4%	-24.7%
Weat (USD/bu)	572.3	3.2%	3.2%	-6.3%	-7.9%
Corn (USD/bu)	408.8	2.1%	1.3%	-11.0%	-25.6%
Polyethylene (CNY/MT)	8,365.0	0.0%	-2.3%	5.7%	3.9%
Bitcoin (USD)	59,037.1	1.9%	-0.8%	28.5%	94.5%

Source: Bloomberg, IS Research

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

Company	MCAP	Price	Day (%)	Valuation	Div
	(AEDm)	(AED)		TTM P/E	YLD (%)^
IHC	907,467	413.70	0.2%	30.59	-
TAQA	323,811	2.88	0.0%	45.28	1.4%
ADNOC GAS	228,719	2.98	0.0%	13.42	5.2%
EAND	139,497	16.04	0.4%	13.35	5.0%
FAB	138,095	12.50	0.2%	8.69	5.7%
Alpha Dhabi	115,200	11.52	-2.7%	15.59	-
DEWA	115,000	2.30	-0.9%	15.12	5.4%
ENBD	105,803	16.75	0.6%	4.88	7.2%
Emaar Pro.	71,329	8.07	1.1%	6.29	6.2%
Borouge	70,034	2.33	0.4%	17.9	6.8%
ADNOC Drill.	68,320	4.27	-2.1%	17.08	3.9%
ADCB	59,218	8.09	0.7%	7.40	6.9%
Aldar	50,399	6.41	-1.2%	11.56	2.7%
Pure Health	47,000	4.23	-0.5%	41.44	-
Qholding	46,426	2.84	-1.4%	42.59	-
ADIB	43,221	11.90	1.7%	8.71	6.0%
ADNOC Dist.	42,500	3.40	0.9%	16.26	6.1%
DIB	42,069	5.81	-0.3%	6.47	7.7%
Emaar Dev.	31,880	7.97	0.0%	4.64	6.5%
ADNOCLS	30,556	4.13	-0.7%	12.44	3.1%

Salik	26,400	3.52	-0.3%	24.00	4.2%
Americana	26,366	3.13	-0.6%	31.28	2.5%
DU	26,246	5.79	0.7%	13.81	5.9%
AD Ports	26,061	5.12	3.2%	24.70	-
Multiply	23,072	2.06	-1.0%	-	-
NMDC	21,813	26.44	-2.9%	8.76	2.8%
Fertiglobe	19,508	2.35	1.7%	16.12	8.9%
Empower	15,700	1.57	1.3%	16.54	5.4%
Burjeel	14,314	2.75	-1.4%	29.97	1.1%
Presight	14,134	2.52	5.4%	21.83	-
Air Arabia	11,247	2.41	-0.4%	7.77	8.3%
DFM	10,080	1.26	-1.6%	26.28	2.8%
Phoenix	10,041	1.66	-2.9%	10.98	-

Source: Reuters, IS Research.

Upcoming corporate actions and events

Date	Company	Event
10-Jul	Apex Investments	BoD/General
10-Jul	NCTH	General Assembly
11-Jul	BILDICO	BoD/General
11-Jul	ADNIC	BoD/General
16-Jul	RAPCO	BoD/Results
22-Jul	Salama	General Assembly
24-Jul	DSI	General Assembly
24-Jul	Al Firdous	General Assembly
11-Aug	Al Salam Bank	BoD/Result
12-Aug	GFH	BoD/Result

Source: ADX and DFM

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