



Morning Report

11 June 2024

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	8,990	0.4%	-1%	-3%	-6%	-4%
DFM	3,974	-0.2%	-5%	-7%	-2%	7%
TASI	11,854	0.0%	-4%	-6%	-1%	4%
QSI	9,604	0.4%	0%	-6%	-11%	-6%
BKM	5,977	0.0%	0%	-2%	7%	11%
MSX	4,709	-0.6%	-1%	-1%	4%	1%
BHSEASI	2,040	0.3%	0%	1%	3%	4%
EGX	25,897	0.0%	0%	-21%	4%	48%
DJI	38,868	0.2%	-2%	0%	3%	15%
S&P 500	5,361	0.3%	3%	5%	12%	25%
Nasdaq	17,193	0.4%	5%	7%	15%	30%
FTSE	8,228	-0.2%	-2%	7%	6%	9%
DAX	18,495	-0.3%	-1%	4%	10%	16%
CAC40	7,894	-1.3%	-4%	-2%	5%	9%
Nikkei225	39,038	0.9%	2%	-2%	17%	21%
HIS	18,064	-1.7%	-3%	12%	8%	-5%
MSCI EM	1,070	-0.3%	0%	3%	5%	7%
MSCI	180	0.1%	2%	1%	6%	9%
US Fut.	5,364	-0.1%	2%	4%	11%	24%
EU Fut.	5,022	0.2%	-1%	1%	10%	16%

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

UAE Trading Summary

AEDmn	Buy	Sell	Net
ADX	979	979	-
Local	622	681	(60)
Foreign	357	298	60
Company	764	734	30
Individual	216	246	(30)
DFM	347	347	-
Local	187	184	4
Foreign	159	163	(4)
Company	133	141	(8)
Individual	213	205	8
Total	1,326	1,326	-
Local	809	865	(56)
Foreign	517	461	56

KEY STORIES

ADNOC Drilling and Alpha Dhabi Holding announced that their joint venture, Enersol, has agreed to acquire an additional 42.206% equity stake in Gordon Technologies for USD270mn

PureHealth could be in for a USD800mn windfall, if the plans of its US subsidiary to go for an IPO bear fruit

ADNOC fully redeems exchangeable bonds in ADNOC Distribution and will maintain stable shareholding in the company

Taqqa confirmed that the discussions on potential cooperation agreement with Criteria Caixa and possible acquisition of shares in Naturgy from CVC and GIP ended and the transaction will not take place

e& clarified that the European Commission's decision to open an investigation to assess e&'s acquisition of PPF Telecom assets under the Foreign Subsidies Regulation ('FSR') is a procedural step

E7 Group announced plans to invest AED182mn in ambitious organic growth initiatives across its security solutions business segment, E7 Security

Alpha Dhabi shareholders approved the sale of 49% stake in Alpha Dhabi Construction Holding to ADQ as well as the entire shareholding held by its subsidiaries in ADH Hospitality, Murban Holding and Hill View Resorts to NCTH in exchange for additional shares in NCTH

Emaar Properties has committed to investing in Nusatara, Indonesia's new capital city, as per the Indonesian president Joko 'Jokowi' Widodo, with a deal expected in a few weeks

Drake & Scull International has written off AED4.18bn in financial and commercial debts will now be able to resume its activities by entering into tenders and obtaining new projects

Takaful Emarat's Board has called for an AGM on 14th June 2024 to vote on an additional capital increase of AED60mn

Presight Board elected His Excellency Dr. Sultan Ahmed Al Jaber as the Board Chairman and His Excellency Mansoor Al Mansoori as the Vice Chairman

Saudi's Naqi Water announcing purchasing of machinery for their poultry sector at a total amount of SAR14.2mn

Saudi's Academy of Learning Company signs joint cooperation contract with Bunyan Training Company at a total contract value of SAR6mn

Oman's Voltamp Energy signs contract to supply high-voltage power transformers to a EPC company in USA at a total contract value of USD10.3mn

Bahrain's Seef Properties negotiating and assessing opportunities in Saudi Market

Qatar's Ezdan Holding Group's board approves presenting proposal for discussion for sale of some of its investment properties to enhance cash flows and partial debt payment

Qatar's United Development Company's shareholders approve selling 40% its stake in Qatar District Cooling Company

Kuwait's HEISCO receives tender award from Kuwait Oil Company worth KWD15.8mn for safety & security enhancement and SCADA system for jurassic wells at north Kuwait

Egypt's core inflation decreases to 27.1% YoY in May from 31.8% in April

Key Global Trends/ Market Clues

Asian stocks traded in a narrow range on Tuesday, as investors pondered fresh political uncertainty in European markets after right-wing gains in elections and a snap poll in France revived concerns about the cohesion of the bloc. Moves were modest, with MSCI's broadest index of Asia-Pacific shares outside Japan dipping 0.4% in thin trade, with Chinese blue chips off 0.7%. Going the other way, Japan's Nikkei firmed 0.3% and South Korea stocks rose 0.5%. EUROSTOXX 50 futures also edged up 0.2%, steadying after Monday's retreat, while FTSE futures rose 0.1%. The euro, French stocks and government debt had been shaken after investors assessed whether the right wing can repeat their success in French elections and how much sway far-right parties can have on the new European Union executive. Bond yields rose across Europe, with the spread between French and German debt widening notably, after an opinion poll suggested the far-right National Rally could win the snap election, albeit without a clear majority.

S&P 500 futures and Nasdaq futures both eased 0.1% in Asian trading, after edging higher on Monday. The Fed is considered certain to hold steady at its policy meeting on Wednesday, with the focus on whether it keeps three rate cuts in its "dot plot" projections for this year. The consumer price index (CPI) is forecast to rise a slim 0.1% in May, but with the core up 0.3%.

Oil prices traded lower on Tuesday, as investors waited for key U.S. inflation data and the outcome of the Federal Reserve's policy meeting to glean a clearer picture of where inflation is heading, and how that will affect fuel demand. Brent crude futures fell USD0.11 or 0.13% to USD81.52 per barrel and U.S. West Texas Intermediate crude futures slipped USD0.03 or 0.04% to USD77.71. Prices had climbed about 3% to a one-week high on Monday, buoyed by expectations that the Northern Hemisphere summer

vacation season will boost fuel demand this summer. The release of U.S. consumer price index data for May and the conclusion of the Fed's two-day policy meeting are both scheduled for Wednesday. Higher refinery margins were helping to support oil prices, as was the potential that the United States could boost crude purchases for its petroleum reserve.

UAE Stories

ADNOC Drilling and Alpha Dhabi Holding announced that their joint venture, Enersol, has agreed to acquire an additional 42.206% equity stake in Gordon Technologies for USD270mn, making Enersol the majority equity holder. The consideration is based on a valuation in line with the one underpinning the initial 25% stake purchase announced in January 2024. Approximately 80% of the consideration for the 42.206% additional stake acquired by Enersol will be funded upon closing. The remaining part of the consideration is expected to be paid in the next two years, subject to certain performance conditions.

PureHealth could be in for a USD800mn windfall, if the plans of its US subsidiary to go for an IPO bear fruit. PureHealth has a 26.05% stake in Ardent Health Services, which it had bought late in 2022 for USD500mn. Ardent Health Services itself is preparing for an IPO and a listing in the US. The aim, according to market analysts, is to raise around USD400mn, and with an anticipated market valuation of about USD5bn, which would put Pure Health's stake at an estimated USD1.3bn.

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e& clarified that the European Commission's decision to open an investigation to assess e&'s acquisition of PPF Telecom assets under the Foreign Subsidies Regulation ('FSR') is a procedural step, which does not prejudice the outcome of the investigation. e& remains fully committed to the transaction with a view to closing it before year-end.

E7 Group announced plans to invest AED182mn in ambitious organic growth initiatives across its security solutions business segment, E7 Security. E7's planned investments will bolster its passport manufacturing capacity and enable its entry into the digital tax stamps segment. E7 Group will also invest in increasing its passport production capacity fivefold, with the planned capacity expansion to come online in 2026 as it continues to secure new contracts and broaden its market reach.

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GCC/MENA

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

Last Trading Day's Top Short Positions

Company	Short Interest (Short shares/Out. shares)	Close (AED)	Change (%)	High – Low	
				52WH	52WL
Eshraq	0.225%	0.32	(0.9)	0.60	0.27
Manazel	0.161%	0.38	(2.6)	0.57	0.28
ICAP	0.064%	2.05	-	2.40	1.91

Upcoming Corporate Actions & Events

Date	Company	Event
12-June	Dana	BoD/General
12-June	Naeem Holding	BoD/General
12-June	RAKNIC	BoD/General
13-June	RAKBANK	General Assembly
13-June	Al Salam Bank	BoD/General
14-June	Takaful Emarat	General Assembly
20-June	IHC	General Assembly
24-June	ADNOCDrill	General Assembly
26-June	ADSB	General Assembly
26-June	NBF	General Assembly
28-June	Shuaa	General Assembly
04-July	Bildco	General Assembly
08-July	Al Seer Marine	General Assembly
08-Jul	ASM	General Assembly
15-Jul	Salama	General Assembly

UAE Focus List

Company	MCAP (AEDm)	PRICE (AED)	HIGH-LOW		VALUATION		Div. (%)^	PRICE RETURNS			
			52WH	52WL	PE	PB		1M%	3M%	YTD%	12M%
IHC	908,126	414.00	416.50	375.00	30.61	7.35	-	3.6	3.6	3.6	4.8
TAQA	297,951	2.65	3.66	2.51	41.67	3.13	1.5%	(10.5)	(14.0)	(24.3)	(12.5)
ADNOCGAS	228,719	2.98	3.71	2.93	13.42	2.85	5.2%	(1.7)	(6.3)	(3.6)	(2.0)
EAND	140,540	16.16	22.64	14.90	13.5	3.23	5.0%	(3.7)	(10.2)	(17.7)	(27.4)
FAB	130,583	11.82	15.74	11.52	8.21	1.09	6.0%	(4.7)	(11.9)	(15.3)	(8.5)
DEWA	112,500	2.25	2.74	2.25	14.79	1.29	5.5%	(4.7)	(7.4)	(8.5)	(13.1)
Alpha Dhabi	110,400	11.04	21.90	10.44	10.44	2.52	-	(21.7)	(31.0)	(41.3)	(39.2)
ENBD	101,381	16.05	19.50	14.10	4.68	0.94	7.5%	(4.2)	(5.9)	(7.2)	13.4
Borouge	71,537	2.38	2.92	2.33	18.31	4.68	6.7%	(3.6)	(2.9)	(3.6)	(8.8)
Emaar Pro.	66,910	7.57	8.64	6.05	5.90	0.84	6.6%	(5.7)	(7.3)	(4.4)	25.1
ADNOC Drill.	65,760	4.11	4.60	3.45	16.44	5.63	4.0%	4.6	5.1	8.7	13.5
ADCB	56,949	7.78	9.31	7.61	7.11	0.83	7.2%	(7.8)	(10.0)	(15.3)	(3.4)
Qholding	48,060	2.94	3.90	2.28	44.08	1.46	-	(1.3)	(2.6)	(6.1)	20.5
Aldar	45,839	5.83	6.15	4.76	10.52	1.41	2.9%	2.3	4.9	9.0	15.0
Pure Health	44,444	4.00	6.05	3.26	39.18	2.46	-	2.3	(2.0)	(29.8)	NULL
ADNOC Dist.	43,000	3.44	4.15	3.24	16.45	15.93	6.0%	1.5	(3.9)	(7.0)	(16.3)
DIB	40,114	5.54	6.55	5.20	6.17	0.94	8.1%	(1.9)	(4.2)	(3.1)	3.0
ADIB	39,661	10.92	12.18	9.80	8.00	1.71	6.5%	(9.2)	3.0	7.9	6.2
ADNOCLS	30,852	4.17	4.48	2.99	12.56	1.50	3.1%	6.4	7.2	8.9	39.0
Emaar Dev.	29,240	7.31	8.69	5.30	4.26	1.21	7.1%	(12.5)	(14.0)	2.2	36.1
DU	26,291	5.80	6.05	4.98	13.84	2.96	5.9%	(0.3)	(1.4)	11.8	12.4
AD Ports	25,959	5.10	6.85	4.80	24.60	1.24	-	(7.3)	(9.9)	(20.1)	(19.7)
Americana	25,608	3.04	4.53	2.85	30.39	15.06	2.6%	(2.3)	(10.7)	(2.7)	(21.9)
Salik	24,900	3.32	3.83	2.83	22.64	26.49	4.4%	(4.6)	(3.5)	6.8	9.9
Multiply	22,400	2.00	4.13	1.82	NULL	0.91	-	(12.7)	(9.9)	(37.1)	(38.1)
Fertiglobe	20,255	2.44	3.76	2.39	16.74	3.54	8.6%	(10.6)	(6.2)	(17.8)	(25.4)
NMDC	19,157	23.22	34.30	17.92	7.69	2.26	3.2%	(12.1)	(21.6)	(22.1)	26.2
Empower	15,500	1.55	2.02	1.44	16.33	5.37	5.5%	(1.9)	(5.5)	(6.6)	(17.1)
Burjeel	14,626	2.81	3.55	2.18	30.62	9.08	1.1%	(4.4)	(2.4)	(9.6)	23.2
Presight	12,788	2.28	3.46	1.65	19.75	4.17	-	(11.6)	33.3	5.1	(29.8)
Phoenix	11,069	1.83	2.56	1.62	12.10	3.89	-	(12.9)	(12.9)	(18.3)	NULL
Air Arabia	10,873	2.33	3.03	2.31	7.52	1.58	8.6%	(13.1)	(21.8)	(17.4)	(2.5)
DFM	10,480	1.31	1.71	1.26	27.33	1.31	2.7%	(3.0)	(0.8)	(5.8)	(9.7)
Tabreed	8,820	3.10	3.93	2.81	28.71	1.47	5.0%	(8.6)	(8.6)	(13.4)	7.6
Ghiitha	7,881	32.62	48.72	32.38	259.84	2.88	-	(11.8)	(9.9)	(23.0)	(19.7)
Al Ansari	7,725	1.03	1.29	1.00	16.76	4.83	7.8%	(1.0)	(4.6)	(2.8)	(14.2)
Bayanat	6,403	2.49	4.60	2.35	31.65	5.92	-	(10.4)	(0.8)	(25.2)	(39.0)
Yahsat	5,319	2.18	2.85	2.09	10.63	1.62	7.6%	(5.2)	(7.2)	(16.5)	(14.2)
Agthia	4,796	5.77	5.93	4.10	16.53	1.66	3.1%	10.3	12.6	24.1	19.5
Dana Gas	4,484	0.64	1.00	0.60	8.25	0.51	-	(6.7)	(0.6)	(19.1)	(22.4)
GFH	4,237	1.08	1.20	0.82	9.93	1.19	1.7%	6.9	12.6	19.2	12.3
ASM	4,210	4.21	9.09	4.14	NA	0.71	-	(11.2)	(29.4)	(43.9)	(43.0)
Aramex	3,851	2.63	3.05	1.93	25.13	1.55	-	6.0	8.7	14.8	(8.0)
ADNIC	3,255	5.71	6.61	5.30	8.09	1.17	7.9%	(2.7)	(5.3)	(4.4)	(0.5)
ESG	2,498	9.99	15.84	4.31	3.50	1.22	-	(5.8)	(17.4)	12.2	124.5
RAK Cer.	2,464	2.48	2.97	2.37	8.96	1.13	4.0%	(6.8)	(8.1)	(7.1)	(6.4)
E7	2,456	1.17	1.62	1.05	NULL	1.42	-	(5.6)	6.4	5.0	(3.1)
Invictus	2,453	2.19	3.28	2.01	11.48	2.30	1.8%	(1.8)	(14.1)	(15.4)	(23.2)
Palms Sports	1,466	9.77	15.48	9.06	13.04	3.04	6.8%	(6.4)	(19.7)	(24.8)	1.6
Easy Lease	818	27.26	39.60	26.48	23.27	4.90	-	(10.3)	(18.1)	(12.9)	(16.1)
RPM	798	3.99	5.40	3.12	16.16	3.47	2.5%	(0.5)	(7.9)	(12.9)	3.4

Source: Bloomberg ^ Current dividend yield based on latest dividend declaration. * Expected dividend.

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