



## Morning Report

12 October 2021

### Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	7,783	0.7%	-1%	11%	54%	73%
DFM	2,770	-0.1%	-5%	0%	11%	25%
TASI	11,512	-0.5%	1%	8%	32%	35%
BHSEASI	1,699	-0.1%	2%	8%	14%	15%
EGX	10,715	0.5%	-3%	6%	-1%	-6%
DJI	34,496	-0.7%	0%	-1%	13%	21%
S&P 500	4,361	-0.7%	-2%	0%	16%	25%
Nasdaq	14,486	-0.6%	-4%	-1%	12%	25%
FTSE	7,147	0.7%	2%	0%	11%	19%
DAX	15,199	0.0%	-3%	-3%	11%	16%
CAC40	6,571	0.2%	-1%	1%	18%	33%
Nikkei225	28,498	1.6%	-6%	2%	4%	21%
HIS	25,119	2.0%	-3%	-7%	-7%	5%
MSCI EM	1,266	0.7%	-3%	-4%	-2%	13%
MSCI Asia	196	0.7%	-5%	-3%	-2%	12%
US Fut.	4,331	-0.5%	-3%	-1%	16%	23%
EU Fut.	4,024	-0.8%	-3%	-1%	14%	23%

### UAE Trading Summary

AEDm	Buy	Sell	Net
<b>ADX</b>	<b>1,797</b>	<b>1,797</b>	<b>-</b>
Local	73%	74%	-1%
Foreign	27%	26%	1%
Institutional	82%	78%	4%
Retail	18%	22%	-4%
<b>DFM</b>	<b>130</b>	<b>130</b>	<b>-</b>
Local	44%	45%	-2%
Foreign	56%	55%	2%
Institutional	45%	61%	-17%
Retail	55%	39%	17%
<b>Total</b>	<b>1,927</b>	<b>1,927</b>	<b>-</b>
Local	71%	72%	-1%
Foreign	29%	28%	1%

### Last Trading Day's Top Short Sell Positions

Company	Short Volume (Shrs.)	Short Volume (% of total volume)	Total Stock Volume (mShrs.)	Total Stock Turnover (AEDm)
ADNOC Drill	(255,825)	0.3%	93.0	282.9
Aldar	(220,000)	0.3%	64.3	263.5
Dana	(187,520)	1.9%	9.9	10.5

### Upcoming Corporates Actions & Events

Date	Company	Event
13-Oct	ADNOC Dis.	BoD/General
14-Oct	ESG	BoD/Results
14-Oct	SIB	BoD/Results
14-Oct	ADNOC Drill	BoD/General
14-Oct	GFH	AGM
20-Oct	DAMAC	AGM/Delisting
27-Oct	FAB	BoD/Results
4-Nov	IHC	BoD/Results

## # KEY STORIES

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UAE August CPI +0.55% YoY and +0.43% MoM - official data

IHC has agreed to acquire 51% of Bin Suhail Group through a subsidiary to form a beauty industry JV. IHC subsidiary Multiply Group will merge with Bin Suhail Group to form JV, in which IHC will own a controlling 51% stake

Emaar Properties' shareholders have approved the merger of the company with Emaar Malls and increase Emaar Properties' share capital to AED 8.17bln

Marka Group has been declared bankrupt by a local court and all of its assets brought into liquidation. The court order applies to all the Marka subsidiaries as well, and also requires board members to pay up AED 448mln to creditors

UAE average aviation activity rose from 1,238 flights at the end of 2020 to 1,538 flights in September 2021, an increase of some 24.5pct. - GCAA

UAE on Oct 11 announced 124 new Covid-19 cases and 182 recoveries. The tally takes total cases in UAE to 737,890 with 731,295 recoveries and 2,114 deaths

Saudi Aramco has asked banks to arrange a loan expected to be in the USD 12bln-14bln range that it plans to offer to buyers of its gas pipeline network, sources said

Saudi's ACWA Power will invest the capital raised from its stock market debut in renewable energy, water desalination, and green hydrogen projects - Chairman

Saudi's Etihad Atheeb Telecommunication is set to reduce its capital by 60.6pct, to write off accumulated losses of SAR 138mln

State-owned Qatar Energy has no plans to sell assets to raise funds, a minister said on Monday as the company announced it had changed its name from Qatar Petroleum

Egyptian payments firm E-finance raises institutional share offering to 23.5% of total eventual capital after strong demand - offering manager

Egypt's EFG Hermes fulfills conditions precedent related to completion of acquisition of 76% of AIB

Egypt's Domty posted Q3 net profit after tax EGP 51mln vs EGP 41.3mln year ago. Q3 sales EGP 956.2mln vs EGP 724.1mln year ago

Egypt's Orascom Investment Holding completes sale of assets in Brazil for ~USD 77.6mln

Lebanon resumes talks with IMF for bailout package

## # Key Global Trends/ Market Clues

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Asian shares dropped and the safe-haven dollar held firm on Tuesday, as a global energy crunch fuelled inflation fears, clouding investor sentiment before the U.S. corporate earnings season. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.9% in early trade, after U.S. stocks ended the previous session with mild losses. U.S. stock futures, the S&P 500 e-minis, fell 0.53%. Australian shares slipped 0.29%. China's blue-chip CSI300 index was 0.75% lower, while the Hong Kong's Hang Seng index opened down 1.35%. Wall Street's main indexes ended a choppy session lower on Monday as investors grew nervous ahead of third-quarter earnings reporting season. After U.S. data last week showed weaker jobs growth than expected in September, the focus now shifts to inflation and retail sales numbers this week. Investors also expect the Federal Reserve to begin tightening policy by announcing a tapering of its

massive bond-buying next month. The prospect of accelerating inflation and tighter monetary policy lifted bond yields. The yield on benchmark 10-year yield touched 1.6136% after a strong rise on Monday. The two-year yield rose to 0.3517%, up from its U.S. close of 0.318%.

Oil prices fell for the first time in four days on Tuesday, taking a breather, analysts said, after weeks of gains fuelled by a rebound in global demand that is contributing to energy shortages in economies from Europe to Asia. Brent crude was down 26 cents, or 0.3%, at USD 83.39 a barrel at 0211 GMT, after touching three-year highs on Monday on the way to a 1.5% advance. U.S. oil fell 33 cents, or 0.4%, to USD 80.19 a barrel, having also gained 1.5% in the previous session, in which it reached the highest in around seven years.

The White House stands by its calls for oil-producing countries to "do more" to support the global economic recovery, an official said on Monday, as crude prices hit multi-year peaks.

## # UAE Stories

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UAE August CPI +0.55% YoY and +0.43% MoM - official data

International Holding Company (IHC) has agreed to acquire 51% of Bin Suhail Group through a subsidiary to form a beauty industry joint venture, it said on Monday. IHC subsidiary Multiply Group, owner of beauty brands such as Bedashing, will merge with Bin Suhail Group, which owns the 35-location beauty and spa brand Tips & Toes. The joint venture will operate under newly-established Omorfia Group, in which IHC will own a controlling 51% stake. The deal's value was not disclosed. "The fully integrated holding company, Omorfia Group, owns and controls 100% shares of the company's leading consumer and B2B brands, including beauty giants Tips & Toes, Bedashing, Jazz Lounge Spa and Ben Suhail Distribution," IHC said in a statement. Each brand will retain its identity and continue operations as usual.

Emaar Properties' shareholders have approved the merger of the company with Emaar Malls. Shareholders also approved the proposal to increase Emaar Properties' share capital to AED 8.17bln. The merger, announced earlier this year, had already obtained final approval from the Securities & Commodities Authority (SCA) last September. As part of the transaction, shareholders of Emaar Malls will receive 0.51 new Emaar Properties share for every Emaar Malls share.

Marka Group has been declared bankrupt by a local court and all of its assets brought into liquidation. The court order applies to all the Marka subsidiaries as well, and also requires board members to pay up AED 448mln to creditors. According to a ruling by a Dubai court, the company's managers and directors were stripped of all rights to manage the company or its subsidiaries. They cannot manage or dispose of the company's funds, pay out any claims or borrow any sums under its name. In addition, they will have to hand over to the court-appointed bankruptcy trustee all funds and documents of the company within five days of the date of the ruling.

The General Civil Aviation Authority (GCAA) has announced that the average aviation activity in the country rose from 1,238 flights at the end of 2020 to 1,538 flights in September 2021, an increase of some 24.5pct.

UAE on Oct 11 announced 124 new Covid-19 cases, bringing the total confirmed cases in the country to 737,890. At the same time, 182 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 731,295, UAE's Ministry of Health and Prevention said. It has reported 1 death from Covid-19 during the past 24 hours. The nationwide death toll stands at 2,114.

## # GCC/MENA

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Saudi Aramco has asked banks to arrange a loan expected to be in the USD 12bln-14bln range that it plans to offer to buyers of its gas pipeline network, sources said, as the oil giant advances plans to raise funds from asset sales. Aramco could raise at least USD 17bln from the sale of a significant minority stake in its gas pipelines, sources have previously told Reuters. The stake would be offered with a loan financing package already in place, worth about 80% of the price.

Saudi's ACWA Power will invest the capital raised from its stock market debut in renewable energy, water desalination, and green hydrogen projects, company chairman Mohammad Abunayyan has said. The company saw its shares jump by 30pct when trading opened on the Saudi stocks exchange (Tadawul) on Monday.

Saudi's Etihad Atheeb Telecommunication is set to reduce its capital by 60.6pct, to write off accumulated losses of SAR 138mln. The telecoms company announced its board's decision, which will see its capital reduced to SAR 89.999mln from SAR 228.529mln under company restructuring. The number of shares will also be reduced to 8.9999mln from 22.8529mln. The capital reduction is subject to approval from relevant authorities.

State-owned Qatar Energy has no plans to sell assets to raise funds, a minister said on Monday as the company announced it had changed its name from Qatar Petroleum to reflect a broader energy strategy.

Egyptian payments firm e-finance for Digital and Financial Investments has raised its institutional share offering to 23.5% of the company's total eventual capital after strong demand, one of the managers of the offering said on Monday. Financial Regulatory Authority issues no objection for increasing offering size of E-finance to 26.1%.

Egypt's EFG Hermes announced fulfillment of CPS related to AIB acquisition. Upon completion of such procedures, AIB issued and paid in capital will be EGP 5bln. EFG Hermes will own a stake of 51%. TSFE Financial Services and Fintech sub fund will own 25%. National Investment Bank will own remaining 24% of bank's capital.

Egypt's Domty posted Q3 net profit after tax EGP 51mln vs EGP 41.3mln year ago. Q3 sales EGP 956.2mln vs EGP 724.1mln year ago.

Egypt's Orascom Investment Holding completes sale of floors in Victor Malzoni building owned by its subsidiaries in Brazil for ~USD 77.6mln.

Lebanon resumed talks with the International Monetary Fund that had stalled for a year and a half because of political differences in the country after it approached the lender for a \$10-billion programme. The government "expressed its willingness to progress towards reaching an agreement on an appropriate recovery programme that could be supported by the institution and harness broad support from the international financial community", the Finance Ministry said on Monday.

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

## # UAE Focus list

Company	MCAP (AEDm)	PRICE (AED)	HIGH-LOW		VALUATION		Div. (%)^	HISTORICAL RETURN			
			52WH	52WL	PE	PB		1M%	3M%	YTD%	12M%
ADCB	53,091	7.63	7.77	5.56	10.85	0.93	3.5%	(1.8)	13.4	28.5	39.8
ADIB	20,378	5.61	5.82	4.17	10.97	1.04	3.7%	(0.7)	2.0	24.4	39.2
ADNIC	2,993	5.25	5.93	3.75	6.96	1.14	6.7%	(1.3)	4.2	10.4	55.9
ADNOC Dist.	53,756	4.30	5.01	3.28	20.10	15.89	4.8%	(1.0)	1.5	20.3	33.1
ADNOC Drill.*	48,645	3.04	3.07	2.77	24.18	4.68	4.9%	NA	NA	NA	NA
Agthia	4,481	5.66	7.32	3.99	NM	1.67	2.9%	(7.1)	(9.1)	38.5	35.0
Air Arabia	6,254	1.34	1.45	1.07	NM	1.19	0.0%	(2.9)	(0.0)	4.7	18.6
Ajman Bank	1,428	0.68	0.83	0.64	20.09	0.55	0.0%	(4.9)	(12.3)	(12.8)	(2.9)
Aldar	32,319	4.11	4.26	2.02	14.61	1.26	3.5%	(1.9)	7.9	35.6	109.3
Alpha Dhabi	286,831	28.68	30.20	15.00	NA	NA	NA	1.6	27.5	NA	NA
Amanat	2,850	1.14	1.25	0.75	11.64	1.04	1.9%	(0.9)	16.9	39.0	42.5
Aramex	5,242	3.58	4.49	3.50	28.47	2.00	3.6%	(7.5)	(5.8)	(15.5)	(13.0)
ASM	15,122	15.12	16.94	13.00	NM	4.10	NA	(10.1)	NA	NA	NA
BOS	1,173	0.53	0.73	0.48	NA	0.34	0.0%	(4.8)	(4.8)	(11.4)	5.4
Dana Gas	7,486	1.07	1.15	0.64	13.31	0.93	5.1%	(0.9)	30.3	60.5	62.1
Deyaar	1,710	0.30	0.34	0.25	NA	0.39	0.0%	(10.8)	1.4	5.3	3.9
DFM	8,161	1.02	1.29	0.81	NM	1.04	0.0%	(8.1)	(6.4)	9.7	23.9
DIC	7,144	1.68	1.90	1.11	16.07	0.61	NA	(8.2)	(1.2)	21.8	54.9
DIB	35,628	4.92	5.19	4.00	14.91	0.96	4.1%	(3.1)	2.5	11.4	21.7
DU	29,784	6.57	7.22	5.34	21.75	3.55	4.3%	(0.5)	(0.2)	18.4	26.3
Easy Lease	1,331	44.36	66.85	10.00	42.50	21.70	NA	(17.9)	77.3	152.0	-
Emaar Dev.	15,242	3.81	4.08	2.19	7.14	1.19	0.0%	(5.7)	2.7	38.5	63.5
Emaar Malls	26,031	2.00	2.14	1.40	26.56	1.32	0.0%	(4.3)	2.0	9.3	36.1
Emaar Pro.	28,427	3.97	4.29	2.55	13.09	0.51	2.5%	(5.3)	(0.8)	15.4	51.5
ENBD	82,756	13.10	14.35	9.30	11.87	0.99	3.1%	(6.4)	-	31.8	29.9
ESG	2,265	9.06	9.29	3.01	NM	6.52	NA	20.2	141.0	NA	NA
Eshraq	732	0.32	0.37	0.29	NA	0.54	NA	(5.4)	(8.7)	(0.9)	0.6
Etisalat	214,833	24.70	25.80	16.64	23.33	4.56	4.9%	0.1	13.9	54.3	54.7
FAB	193,523	17.72	18.70	11.10	17.58	1.83	4.2%	(3.2)	8.8	44.5	66.2
GFH	2,857	0.74	0.81	0.53	10.13	0.76	2.3%	0.1	(3.4)	29.1	37.2
IHC	266,623	146.40	152.80	38.00	56.65	16.72	NA	0.2	15.9	248.6	277.3
Julphar	2,068	1.79	2.32	1.20	NA	2.17	NA	(6.3)	(1.1)	34.6	20.1
Mashreq	12,429	70.00	71.00	60.00	NA	0.64	0.0%	1.4	7.7	3.1	11.6
Palms Sports	2,124	14.16	21.48	4.30	26.33	7.87	NA	(8.1)	18.4	7.3	NA
RAK Bank	6,538	3.90	4.24	3.50	13.00	0.83	3.8%	(2.5)	(1.3)	0.0	9.9
RAK Pro.	1,400	0.70	0.76	0.38	6.78	0.35	5.7%	(3.0)	12.0	45.8	83.2
RAK Cer.	2,832	2.85	3.08	1.33	NM	1.27	2.6%	(1.0)	24.5	98.6	117.5
RPM	2,720	13.60	20.00	10.10	NA	NA	NA	NA	NA	NA	NA
Salama	900	0.74	0.97	0.70	6.06	1.15	11.1%	(9.7)	(8.7)	(3.2)	3.7
SIB	5,239	1.70	1.82	1.15	11.80	0.69	4.7%	(1.7)	14.9	36.5	52.7
Shuaa	1,694	0.67	0.80	0.59	8.40	1.11	4.5%	(4.8)	5.7	2.9	16.7
Tabreed	7,074	2.55	3.15	2.17	13.38	1.33	2.3%	(8.9)	(7.9)	0.3	18.2
TAQA	140,558	1.25	1.78	1.22	28.87	1.98	2.0%	(4.6)	(8.4)	(11.8)	(10.9)
Union Pro.	1,188	0.28	0.32	0.23	3.02	0.41	0.0%	(7.7)	9.9	(1.1)	(1.8)
Waha	3,345	1.72	1.96	0.98	6.05	0.99	3.5%	(7.5)	18.6	50.7	77.3
Yahsat *	6,539	2.68	3.10	2.46	26.01	1.97	5.9%	2.7	NA	NA	NA
Zee Store	3,370	33.70	53.00	7.95	NM	16.30	NA	(26.7)	244.6	221.0	NA

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

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