



## Morning Report

13 January 2022

### Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	8,371	-0.2%	-7%	9%	-1%	62%
DFM	3,208	0.0%	-1%	15%	0%	19%
TASI	11,957	1.0%	9%	4%	6%	35%
BHSEASI	1,793	-0.1%	0%	5%	0%	23%
EGX	12,060	0.5%	3%	12%	1%	6%
DJI	36,290	0.1%	1%	6%	0%	17%
S&P 500	4,726	0.3%	0%	9%	-1%	24%
Nasdaq	15,188	0.2%	-3%	5%	-3%	16%
FTSE	7,552	0.8%	4%	6%	2%	12%
DAX	16,010	0.4%	2%	6%	1%	15%
CAC40	7,237	0.7%	4%	11%	1%	28%
Nikkei225	28,490	-1.0%	1%	2%	0%	2%
HSI	24,421	0.1%	2%	-2%	4%	-14%
MSCI EM	1,267	2.0%	2%	1%	3%	-6%
MSCI Asia	197	0.1%	1%	1%	2%	-5%
US Fut.	4,707	-0.2%	2%	6%	-1%	24%
EU Fut.	4,296	-0.2%	4%	4%	0%	19%

### UAE Trading Summary

AEDm	Buy	Sell	Net
<b>ADX</b>	<b>1,552</b>	<b>1,552</b>	<b>-</b>
Local	69%	79%	-10%
Foreign	31%	21%	10%
Institutional	93%	91%	2%
Retail	7%	9%	-2%
<b>DFM</b>	<b>252</b>	<b>252</b>	<b>-</b>
Local	50%	62%	-12%
Foreign	50%	38%	12%
Institutional	52%	57%	-5%
Retail	48%	43%	5%
<b>Total</b>	<b>1,805</b>	<b>1,805</b>	<b>-</b>
Local	67%	77%	-10%
Foreign	33%	23%	10%

### Last Trading Day's Top Short Positions

Company	Short Interest (Short shares/Out. shares)	Close (AED)	Change (%)	52WH	High - Low 52WL
Yahsat	0.033%	2.68	-	3.10	2.46
Eshraq	0.028%	0.35	1.5	0.48	0.29
Easy Lease	0.017%	29.70	(0.9)	66.85	19.00

### Upcoming Corporates Actions & Events

Date	Company	Event
17-Jan	Fertiglobe	BoD/General
31-Jan	Gulf Nav	GA
09-Feb	GFH	BoD/Results
09-Feb	MSCI 1Q21 Index Review	Announcement

## # KEY STORIES

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Palms Sports posted FY net profit AED 91.8mln versus AED 83mln year ago. FY revenue at AED 270.3mln compared to AED 291.2mln a year ago

Dana Gas & Crescent Petroleum achieve 50% gas production growth in KRI over past 3 years to 452mmsscfd

Al Seer Marine announced the launch of its additive manufacturing business unit

AM Best has affirmed the rating of Insurance House, with stable outlook

Emirates Hospitals Group secured a new money financing of AED 150mln from Fidera

World Bank forecasts faster GDP growth for UAE in 2022, higher than Central Bank's projection. World Bank forecasts growth of 4.6pct in 2022 against 2.6pct in 2021

UAE on Jan 12 announced 2,616 new Covid-19 cases and 982 recoveries. The tally takes total cases in UAE to 793,314 with 755,670 recoveries and 2,181 deaths

World Bank says economic growth in the MENA strongly recovered in the second half of 2021 and is poised to step up in 2022

S&P said that banks in the GCC are set to benefit from a regional economic recovery this year amid higher oil prices, supportive government spending, and normalizing non-oil activity

Saudi's PIF is planning to plow deeper into public markets this year by investing about USD 10bln more into listed stocks, according to people familiar with the matter

Saudi Aramco will acquire stakes in the refinery, wholesale and jet fuel marketing ventures of Poland's PKN Orlen

Saudi's Kingdom Holding had concluded selling half of its shares in Four Seasons hotels and collected cash proceeds of SAR 8.29bln from the sale

Saudi National Bank sold USD 750mln in debut "sustainable" sukuk after demand topped USD 3.2bln, at 85 bps over UST

Saudi's Al Ahli Takaful announced the effectiveness of its merger deal with Arabian Shield Cooperative Insurance after no objections were raised by creditors within the set deadline

Qatar Q3 GDP +4% QoQ and +2.6% YoY - Govt Data

Oman's Bank Muscat posted FY net profit OMR 189.6mln. FY total net interest income and income from Islamic financing OMR 335.5mln

Egypt's Suez Canal aims to have a 15% share of global energy trade by 2040, up from 8% in 2019, the canal authority said

Egypt's Elsewedy Electric for Trading has signed an EGP 443.4mln contract for a five-month project in the New Administrative Capital

Egypt's Suez Canal Company posted Q1 standalone net profit EGP 532mln versus EGP 460.1mln year ago. Q1 standalone revenue EGP 538.7mln versus EGP 462.3mln year ago

Egypt's Qatar National Bank board proposes EGP 1.3 per share cash dividend

Egypt's Orascom Construction approved to distribute cash dividends worth EGP 3.649 per share to shareholders for 2020

Egypt's EGX approves listing of Macro Group Pharmaceutical shares with issued capital of EGP 115.5mln

## # Key Global Trends/ Market Clues

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Asian shares were mixed on Thursday, while the dollar slipped as global investors assessed that strong U.S. inflation data was not worrying enough to change the Federal Reserve's already hawkish rates outlook. While the U.S. consumer price index rose 7% in the 12 months through December, the biggest annual increase in nearly 40 years, investors were reassured by the fact that the jump was not a surprise, as the Fed looks set to raise rates as soon as March. MSCI's broadest index of Asia-Pacific shares outside Japan was 0.1% higher, after recording its biggest daily gain in a month on Wednesday. Japan's Nikkei lost 0.87% after surging nearly 2% a day earlier. Australian shares climbed 0.42% while Chinese blue-chips slipped 0.28%. The uneven performance in Asia followed small gains on Wall Street overnight, with the S&P 500 rising 0.28% and the Nasdaq Composite up 0.23%. The Dow Jones Industrial Average rose 0.11%. The People's Bank of China is set to unveil more easing steps to support slowing growth, though it is likely to avoid aggressive cuts to interest rates, policy insiders and economists.

Oil prices slipped on Thursday, trimming big gains from the previous two sessions, amid uncertainty over near-term demand as cases of the highly contagious Omicron variant of the coronavirus surge around the globe. U.S. West Texas Intermediate crude futures slipped 7 cents, or 0.1%, to USD 82.57 a barrel at 0221 GMT, after climbing 1.7% in the previous session. Brent crude futures shed 6 cents, or 0.1%, to USD 84.61 a barrel, after rising 1.3% on Wednesday. Data from the U.S. Energy Information Administration on Wednesday showed fuel demand has taken a hit from Omicron, with gasoline stockpiles increasing by 8mln barrels in the week to Jan. 7, compared with analyst expectations for 2.4mln-barrel rise.

## # UAE Stories

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Palms Sports posted FY net profit AED 91.8mln versus AED 83mln year ago. FY revenue at AED 270.3mln compared to AED 291.2mln a year ago.

Dana Gas & Crescent Petroleum achieve 50% gas production growth in KRI over past 3 years. Gas production from Khor Mor field reaches record 452mmscf/d, a 50% increase in production since 2018. Expansion project underway to achieve an additional 55% increase to 700mmscf/d by next year. Major works for the USD 630mln KM250 expansion project resumed in April 2021 after a delay of one year due to the Covid pandemic. Project is now on track for the new target start date of April 2023. As part of the expansion works, the company is also preparing to drill up to five development wells, which are scheduled to commence production in March 2022. After completion of KM250 project, partners also plan a further KM500 train that would raise production to almost 1bln cubic feet per day to meet rising demand for cleaner burning natural gas and electricity generation in the Kurdistan Region and all of Iraq.

Al Seer Marine, a subsidiary of International Holding Company (IHC), today announced the launch of its additive manufacturing business unit. Commonly referred to as 3D printing, additive manufacturing uses computer aided design (CAD) software or 3D object scanners to produce lighter, stronger parts and systems.

AM Best has affirmed the financial strength rating of Insurance House at B+ (Good) and the Long-Term Issuer Credit Rating of "bbb-" (Good) with stable outlook.

Emirates Hospitals Group (EHG), a member of the KBBO Group of companies (KBBO), secured a new money financing of AED 150mln from Fidera. Fidera, a significant financial creditor of EHG, is an independent investment fund specialized in process-intensive situations. On 27-July-2021, KBBO filed for Chapter 4 protections under the Decree Law No 9 of 2016 on Bankruptcy for the purpose of restructuring its debt. The new money financing was sanctioned by the Abu Dhabi Court to allow the EHG group of companies to trade and operate as going concerns.

World Bank forecasts faster GDP growth for UAE in 2022, higher than Central Bank's projection. The UAE's economic growth will accelerate this year compared to 2021, growing at 4.6pct in 2022 against 2.6pct in 2021. The UAE will benefit from higher oil prices and a strong rebound in the non-oil sector, World Bank said. The World Bank growth forecast is higher than the UAE Central Bank's projection of 4.2pct growth for 2022. Earlier, the International Monetary Fund had projected that the UAE's economy would grow more than three per cent this year and hover around the same levels into 2026.

UAE on Jan 12 announced 2,616 new Covid-19 cases, bringing the total confirmed cases in the country to 793,314. At the same time, 982 more patients have recovered from the virus, taking the tally of recoveries

in the UAE to 755,670, UAE's Ministry of Health and Prevention said. It has reported 4 deaths from Covid-19 during the past 24 hours. The nationwide death toll stands at 2,181.

## # GCC/MENA

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Economic growth in the Middle East North Africa (MENA) strongly recovered in the second half of 2021 and is poised to step up in 2022, as disruptions caused by the COVID-19 pandemic and oil production cuts wane, the World Bank said. Output in some economies is now back to pre-pandemic levels and the overall growth in the region will accelerate to 4.4pct this year, higher than the estimated 3.1pct in 2021, before moderating to 3.4pct in 2023, the bank said in its Global Economic Prospects report. The regional forecast is also in contrast to World Bank's estimations for global growth, which is expected to decelerate sharply from 5.5pct in 2021 to 4.1pct in 2022 amid fresh threats from COVID-19 variants, and as pent-up demand and monetary support dissipate. The World Bank noted that economic performance across the region continues to be uneven due to the differences in the severity and effects of the pandemic.

S&P said that banks in the Gulf Cooperation Council (GCC) banks are set to benefit from a regional economic recovery this year amid higher oil prices, supportive government spending, and normalizing non-oil activity. Bahrain and the UAE are the only two countries where nominal GDP at year-end 2022 will remain slightly lower than 2019, due to the weight of the hospitality and real estate sectors in their economies. However, lending growth in UAE while sluggish, is expected to pick up as economic sentiment improves. The ratings agency expects Brent oil price to average at USD 65 per barrel in 2022. Meanwhile non-performing loan ratio will rise in the next 12-24 months without exceeding 5pct, compared with 3.7pct on September 30, 2021.

Saudi Arabia's sovereign wealth fund is planning to plow deeper into public markets this year by investing about USD 10bln more into listed stocks, according to people familiar with the matter, as it pursues the goal of more than doubling its assets by 2025. Chaired by Crown Prince Mohammed bin Salman, the Public Investment Fund is looking to buy global stocks based on a thematic strategy that focuses on areas including e-commerce and renewables, the people said, asking not to be identified as the information is private.

Saudi Aramco will acquire stakes in the refinery, wholesale and jet fuel marketing ventures of Poland's PKN Orlen. Aramco will acquire 30pct of the 210,000 barrels per day refinery in Gdansk, 100pct of an associated wholesale business, and 50pct of a jet fuel marketing joint venture with BP. The acquisitions will take place following its proposed merger with Grupa Lotos, another Polish oil company based in Gdansk, Aramco said in a press release today (Wednesday). The transaction is subject to regulatory approvals, including from the European Commission.

Saudi's Kingdom Holding had concluded selling half of its shares in Four Seasons hotels and collected cash proceeds of SAR 8.29bln from the sale, according to a bourse filing. The company said the expected gain of SAR 5.9bln will be recognized in the first quarter of 2022. The company will retain a 23.8pct stake in Four Seasons Holding Inc. by one of its affiliate Kingdom Investment Company.

Saudi National Bank sold USD 750mln in debut "sustainable" sukuk on Wednesday after demand topped USD 3.2bln, a bank document showed. The five-year Islamic bonds launched at 85 basis points (bps) over U.S. Treasuries (UST), tightened from initial price guidance of around 110 bps over UST, the document from one of the banks on the deal showed.

Proceeds from SNB's debt sale will be used for projects eligible under its Sustainable Finance Framework, such as funding renewable energy-generating facilities, including loans to develop such projects, as well as loans related to tree-planting.

Saudi's Al Ahli Takaful Company announced the effectiveness of its merger deal with Arabian Shield Cooperative Insurance Company after no objections were raised by creditors within the set deadline. The two companies had signed an agreement to merge last July 2021, and creditors were given until Tuesday, January 11, 2022, to make their objections known. "As a result of the merger, all of the shares of Al Ahli Takaful Company will be cancelled and Arabian Shield Cooperative Insurance Company will, by way of increasing its paid-up capital, issue 23,852,462 ordinary shares in favour of Al Ahli Takaful Company shareholders."

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Egypt's Suez Canal aims to have a 15% share of global energy trade by 2040, up from 8% in 2019, the canal authority said on Wednesday.

Egypt's Elsewedy Electric for Trading and Distribution, a 99.8% subsidiary of Elsewedy Electric Company, has signed an EGP 443.4mln contract for a five-month project in the New Administrative Capital. Under the contract, the company will implement the lighting of South Ben Zayed Road in the New Administrative Capital starting from Al-Fattah Al-Aleem Mosque until the Cathedral, according to a press release on Wednesday.

Egypt's Suez Canal Company posted Q1 standalone net profit EGP 532mln versus EGP 460.1mln year ago. Q1 standalone revenue EGP 538.7mln versus EGP 462.3mln year ago.

Egypt's Qatar National Bank board proposes EGP 1.3 per share cash dividend.

Egypt's Orascom Construction approved to distribute cash dividends worth EGP 3.649 per share to shareholders for 2020, according to a statement filed to the Egyptian Exchange (EGX). The dividends will be paid on January 31st, 2022, with the eligibility for shareholders of a record date on January 23rd 2022.

Egypt's EGX approves listing of Macro Group Pharmaceutical shares with issued capital of EGP 115.5mln.

*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	60,947	8.76	9.00	5.97	13.07	1.05	3.1%	0.6	13.8	2.7	48.0
ADIB	24,952	6.87	7.13	4.60	13.74	1.25	3.0%	(1.4)	21.8	(0.0)	42.0
ADNIC	3,956	6.94	7.00	4.63	9.38	1.46	5.0%	9.8	31.9	3.6	55.0
ADNOC Dist.	52,750	4.22	5.01	3.84	20.83	19.93	4.9%	(0.5)	(1.6)	(1.2)	13.5
ADNOC Drill.*	54,080	3.38	3.60	2.77	24.26	5.55	4.4%	(3.4)	13.0	(0.6)	NA
Agthia	3,720	4.70	7.32	4.65	NM	1.40	3.5%	(13.0)	(16.4)	(8.7)	(0.2)
Air Arabia	6,767	1.45	1.58	1.20	NM	1.22	-	(2.0)	7.4	-	6.6
Ajman Bank	1,720	0.82	0.91	0.64	19.90	0.66	-	(1.4)	20.4	(0.6)	1.2
Aldar	32,866	4.18	4.38	3.20	14.55	1.26	3.5%	1.7	2.5	4.8	34.1
Alpha Dhabi	249,600	24.96	30.20	15.00	NA	NA	-	(10.9)	(10.9)	(8.6)	NA
Amanat	2,875	1.15	1.27	0.78	9.72	1.03	1.9%	(1.7)	0.9	-	39.1
Aramex	5,856	4.00	4.80	3.50	34.60	2.11	3.3%	(3.6)	9.0	(2.4)	(4.8)
ASM	12,340	12.34	16.94	12.10	NM	3.34	-	(10.8)	(18.1)	(11.2)	NA
BOS	1,278	0.58	0.76	0.50	NA	0.34	-	(3.0)	9.0	(6.3)	(3.8)
Dana Gas	7,205	1.03	1.27	0.67	7.01	0.84	5.3%	(2.3)	0.4	(2.8)	60.8
Deyaar	2,924	0.51	0.55	0.25	NA	0.67	-	4.3	72.1	4.3	67.0
DFM	21,120	2.64	3.05	0.98	NM	2.70	-	(1.9)	165.3	(7.0)	123.7
DIC	8,504	2.00	2.08	1.42	22.08	0.71	-	4.7	18.3	3.6	23.7
DIB	39,824	5.50	5.62	4.44	14.67	1.04	3.6%	1.3	11.1	2.2	15.3
DU	29,736	6.56	7.28	5.72	35.89	3.62	3.8%	(6.6)	(1.2)	(0.9)	17.8
Easy Lease	891	29.70	66.85	19.00	28.45	12.73	-	9.7	(33.0)	2.4	44.9
Emaar Dev.	17,480	4.37	4.75	2.45	6.52	1.28	-	(2.9)	15.6	-	41.4
Emaar Pro.	40,735	4.98	5.33	3.40	12.92	0.62	2.0%	1.6	25.4	1.8	25.3
ENBD	83,063	13.15	14.35	10.75	10.41	0.97	3.0%	(5.1)	(1.9)	(3.0)	19.0
ESG	1,925	7.70	11.80	3.01	NM	5.29	-	1.9	(26.0)	(3.8)	NA
Eshraq	809	0.35	0.48	0.29	NA	0.59	-	(11.9)	7.7	(2.2)	5.8
Etisalat	260,904	30.00	37.00	17.46	28.27	5.66	4.0%	(16.2)	20.1	(5.4)	79.3
FAB	207,480	19.00	21.00	13.84	17.07	1.90	3.9%	(7.3)	7.1	0.8	42.2
Fertiglobe*	30,715	3.70	4.02	2.92	21.93	5.02	4.8%	6.9	23.3	5.1	NA
GFH	4,854	1.25	1.36	0.60	14.09	1.35	1.4%	0.8	68.9	5.0	99.4
IHC	277,156	152.20	165.00	41.90	47.13	13.51	-	0.7	3.8	0.1	260.7
Julphar	2,091	1.81	2.32	1.20	NA	2.10	-	(3.7)	1.7	(1.6)	34.1
Mashreq	15,246	76.00	79.50	53.10	NA	0.79	-	(4.4)	22.7	(4.4)	23.0
Multiply	18,928	1.69	2.35	1.60	NA	1.90	-	(16.7)	NA	(8.2)	NA
Palms Sports	1,791	11.94	21.48	10.50	22.10	6.25	-	2.6	(15.9)	(2.3)	(16.0)
RAK Bank	7,374	4.40	4.72	3.63	12.29	0.91	3.4%	0.2	11.4	(2.2)	11.1
RAK Pro.	1,610	0.81	0.81	0.50	5.95	0.39	-	3.3	16.0	4.4	41.2
RAK Cer.	2,902	2.92	3.08	1.56	NM	1.27	2.6%	1.4	6.5	2.5	82.8
RPM	1,780	8.90	20.00	8.10	44.34	7.94	-	(9.2)	(33.6)	(7.8)	NA
Salama	937	0.77	0.97	0.73	15.22	1.20	10.7%	(4.3)	3.8	1.7	0.8
SIB	6,132	1.99	1.99	1.30	12.01	0.80	4.0%	5.9	9.9	2.1	56.2
Shuaa	1,737	0.69	0.83	0.59	9.59	1.12	4.4%	(6.2)	3.8	-	(0.6)
Tabreed	7,073	2.55	3.15	2.39	14.84	1.29	2.3%	(5.6)	0.4	0.8	(0.4)
TAQA	140,543	1.25	1.59	1.15	24.10	2.17	2.0%	(11.3)	0.4	(5.3)	(12.0)
Waha	3,131	1.61	1.96	1.08	6.31	0.92	3.7%	(8.5)	(6.9)	(5.8)	49.8
Yahsat *	6,539	2.68	3.10	2.46	29.45	2.19	5.9%	(3.2)	0.4	(2.2)	NA
Zee Store	2,798	27.98	53.00	7.95	NM	13.53	-	(2.8)	(17.7)	1.7	154.4

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

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