



Morning Report

13 October 2021

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	7,787	0.1%	0%	11%	54%	72%
DFM	2,788	0.6%	-4%	1%	12%	25%
TASI	11,543	0.3%	2%	8%	33%	35%
BHSEASI	1,701	0.2%	2%	8%	14%	15%
EGX	10,784	0.6%	-2%	5%	-1%	-5%
DJI	34,378	-0.3%	-1%	-2%	12%	19%
S&P 500	4,351	-0.2%	-2%	-1%	16%	23%
Nasdaq	14,466	-0.1%	-4%	-2%	12%	22%
FTSE	7,130	-0.2%	1%	0%	10%	19%
DAX	15,147	-0.3%	-3%	-4%	10%	15%
CAC40	6,548	-0.3%	-2%	0%	18%	32%
Nikkei225	28,231	-0.2%	-7%	-1%	3%	20%
HIS	24,963	-1.4%	-5%	-9%	-8%	1%
MSCI EM	1,254	-1.0%	-4%	-6%	-3%	10%
MSCI Asia	194	-1.0%	-6%	-5%	-3%	10%
US Fut.	4,335	-0.1%	-3%	-1%	16%	24%
EU Fut.	4,039	-0.1%	-3%	-1%	14%	24%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	1,589	1,589	-
Local	71%	78%	-7%
Foreign	29%	22%	7%
Institutional	79%	82%	-3%
Retail	21%	18%	3%
DFM	147	147	-
Local	45%	55%	-11%
Foreign	55%	45%	11%
Institutional	54%	65%	-11%
Retail	46%	35%	11%
Total	1,736	1,736	-
Local	69%	77%	-8%
Foreign	31%	23%	8%

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)
Etisalat	(110,889)	4.5%	2.5	61.5
Yahsat	(50,000)	4.2%	1.2	3.2

Upcoming Corporates Actions & Events

Date	Company	Event
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
11-Nov	GFH	BoD/Results

KEY STORIES

UAE August M3 money supply -0.91% YoY and bank lending -1.66% YoY. UAE August bank deposits up 0.7% MoM - C. Bank

Fertiglobe has announced price range for IPO, between AED 2.45 to AED 2.65 per share, implying an equity value of USD 5.5bln to USD 6bln. Fertiglobe increased dividend guidance from at least USD 150mln to at least USD 200mln for H2 2021 and also increased dividend guidance from at least USD 315mln to at least USD 400mln for FY 2022

Abu Dhabi launched an AED 5bln IPO fund to strengthen the ADX as a leading stock market. The IPO fund will invest in five to 10 private companies per year, with a focus on SMEs. It will have a target ticket size of between 10% and 40% of the float

Shuaa Capital managed Goldilocks Fund achieves 35% return in nine months and 158% return since inception

Orascom Construction adds USD 960mln to its backlog in Q3 2021, up 42% YoY - bringing total new awards in 9M21 to USD 2.8bln

ENOC Group has opened a new service station in Dubai South, taking the total number of ENOC service stations to 156 across the UAE

DP World and Britain's CDC Group plan to jointly invest up to USD 1.72bln in logistics infrastructure in Africa over the next several years, starting with modernising three ports

UAE has adopted a five-year, AED 290bln federal budget. The UAE budget for the year 2022 was also set, with AED 58.9bln expenditures

Dubai real estate prices have rebounded strongly from a record low at the end of 2020, but demand is uneven and oversupply of residential properties will pressure prices in the long run, making the recovery fragile - S&P

UAE on Oct 12 announced 136 new Covid-19 cases and 174 recoveries. The tally takes total cases in UAE to 738,026 with 731,469 recoveries and 2,115 deaths

IMF expects the Saudi economy to grow by 2.8pct in 2021 and 4.8pct in 2022

Saudi Arabia to ask foreign energy companies to up domestic input to 70% - Sources

Saudi's Jarir Marketing posted quarterly net profit SAR 272.5mln versus SAR 255.2mln year ago. Quarterly sales SAR 2,224.5mln versus SAR 2,037.9mln year ago

Saudi's Nayifat Finance, a Shariah-compliant lender, will proceed with its plans to launch an IPO and list its shares on the Tadawul

Saudi's SEDCO Capital has launched two new global passive equity funds in partnership with asset manager Amundi

Kuwait's Zain board has approved a semi-annual cash dividend of 10 fils per share, distributing a total of USD 150mln, for the first half of its current fiscal year

Egypt's tax revenues grew by 18.8% to EGP 109.8bln during the two-month period between July and August of the fiscal year (FY) 2021/2022 - Finance Ministry

Egypt's balance of trade deficit narrowed by 14.6% to USD 2.88bln in July, compared to USD 3.37bln in the same month a year earlier - CAPMAS

Key Global Trends/ Market Clues

Asian shares were on edge on Wednesday as worries about soaring power prices fuelling inflation weighed on sentiment and drove expectations the United States would taper its emergency bond buying programme, holding the dollar at a one-year high. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.1% in early trading, steadying after falling over 1% a day earlier, in what was its worst daily performance in three weeks. Moves were muted in most markets. Chinese blue chips were flat, Australia eeked out a 0.06% gain, while Japan's Nikkei shed 0.2%. Also contributing to the uneasy mood, investors are waiting for a raft of data releases due to be published Wednesday, including Chinese trade figures, U.S. consumer price inflation data, and minutes of the U.S. Federal Reserve's September policy meeting. Overnight, the Dow Jones Industrial Average fell 0.34%, the S&P 500 lost 0.24%, and the Nasdaq Composite dropped 0.14%.

Oil prices dropped on Wednesday, after a mixed finish in the previous session, amid worries that soaring coal and natural gas prices in China, India and Europe will stoke inflation and slow global growth, reducing oil demand. U.S. West Texas Intermediate (WTI) crude futures fell 71 cents, or 0.9%, to USD 79.93 a barrel at 0247 GMT after gaining 12 cents on Tuesday. Brent crude futures fell 70 cents, or 0.8%, to USD 82.72 a barrel, extending a 23 cent loss on Tuesday.

UAE Stories

UAE August M3 money supply -0.91% YoY and bank lending -1.66% YoY. UAE August bank deposits up 0.7% MoM - C. Bank

Fertiglobe announces offer price range and opening of subscription period for IPO. Price range has been set between AED 2.45 to AED 2.65 per share, implying an equity value of USD 5.5bln to USD 6bln. Final offer price is expected to be announced on Wednesday 20 October 2021. Admission of the shares to trading on the ADX is expected on Wednesday 27 October 2021. Considering strong market environment, Fertiglobe increases dividend guidance from at least USD 150mln to at least USD 200mln for H2 2021 payable in April 2022 and also increases dividend guidance from at least USD 315mln to at least USD 400mln for FY 2022. Selling shareholders expect to sell 1,145,582,011 shares representing 13.8% of company's issued share capital. Opening of the subscription period for the IPO commences 13 October 2021 and will continue until 18 October 2021 for the first tranche and 19 October 2021 for the second tranche. In addition, Fertiglobe announces intention to appoint Jeffrey Ubben as an independent member of board and that the company has entered into cornerstone investment agreements with (i) a fund managed by Inclusive Capital Partners L.P., (ii) Abu Dhabi Pension Fund, and (iii) GIC Private Limited, Singapore's sovereign wealth fund.

Abu Dhabi's Supreme Council for Financial and Economic Affairs on Tuesday launched an AED 5bln IPO fund to strengthen the Abu Dhabi Securities Exchange (ADX) as a leading stock market, the emirate's media office said in a tweet. The IPO fund will invest in five to 10 private companies per year, with a focus on small and medium enterprises (SMEs). It will have a target ticket size of between 10% and 40% of the float, the media office added.

Shuaa Capital managed Goldilocks Fund achieves 35% return in nine months and 158% return since inception.

Orascom Construction adds USD 960mln to its backlog in Q3 2021, up 42% YoY - bringing total new awards in 9M21 to USD 2.8bln. Projects in Egypt comprised 65% of new awards during Q3. Estimated consolidated backlog stood at USD 6.1bln as of 30 September 2021. New awards in U.S. accounted for 35% of total during quarter, mainly led by large projects in student housing sector.

ENOC Group has opened a new service station in Dubai South, an urban master development focused on the aviation and logistics ecosystem, in close proximity to the Expo 2020 site. This takes the total number of ENOC service stations to 156 across the United Arab Emirates.

DP World and Britain's development finance agency CDC Group plan to jointly invest up to USD 1.72bln in logistics infrastructure in Africa over the next several years, starting with modernising three ports. The investments will initially focus on expanding ports operated by DP World in Egypt's Ain Sokhna, Senegal's Dakar and Berbera in Somalia's breakaway region of Somaliland, CDC said.

Sheikh Mohammed bin Rashid, Prime Minister and Ruler of Dubai, has adopted a five-year, AED 290bn federal budget during a Cabinet meeting at UAE pavilion at Expo 2020 Dubai. The UAE budget for the year 2022 was also set, with AED 58.931bn expenditures. The largest share of the 2022 budget was allocated to the development and social benefits sector at 41.2pct, from which 16.3pct is for education, 6pct for social development, 8.4pct for health, 8.2pct for pensions and 2.6pct for other services. Some 3.8pct of the budget was allocated to the infrastructure and financial resources sector.

Dubai real estate prices have rebounded strongly from a record low at the end of 2020, but demand is uneven and oversupply of residential properties will pressure prices in the long run, making the recovery fragile, S&P Global Ratings said. "The rebound in demand for residential real estate has largely benefited premium developers with a surge in pre-sales and price improvements," S&P said. Real estate prices are at a low point in the cycle, S&P said, expecting a rebound in 2021-2022 supported by demand driven by improved consumer sentiment, increased oil and gas prices, high vaccination rates in Dubai, and the city's hosting of the World Expo, delayed by a year due to the pandemic.

UAE on Oct 12 announced 136 new Covid-19 cases, bringing the total confirmed cases in the country to 738,026. At the same time, 174 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 731,469, 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 2,115.

GCC/MENA

IMF expects the Saudi economy to grow by 2.8pct in 2021 and 4.8pct in 2022, it said today in its annual World Economic Outlook. The new 2021 growth forecast for the Kingdom upgrades on the 2.4 percent growth prediction from the previous report, issued in July.

Saudi Arabia will require foreign firms working in the energy sector, including petrochemicals and water desalination, to boost local input to at least 70% in order to secure government contracts, three sources familiar with the matter said. Energy Minister Prince Abdulaziz bin Salman discussed the plan to increase domestic input with local and international energy executives at a gathering in the Eastern city of Dammam last week, they said, confirming a video recording of his comments seen by Reuters.

Saudi's Jarir Marketing Company posted quarterly net profit after zakat and tax SAR 272.5mln versus SAR 255.2mln year ago. Quarterly sales SAR 2,224.5mln versus SAR 2,037.9mln year ago.

Saudi's Nayifat Finance, a Shariah-compliant lender, will proceed with its plans to launch an initial public offering (IPO) and list its shares on the Saudi Stock Exchange (Tadawul). The company will issue 35mln ordinary shares, representing 35pct of its share capital, as part of the IPO, Nayifat said in a bourse statement on Tuesday. The price for the offered shares will be determined after the book-building period.

Saudi's SEDCO Capital, a global Shariah-compliant firm with over USD 5bn in assets under management has launched two new global passive equity funds in partnership with asset manager Amundi. The USD 69mln SC Global Listed Infrastructure Equity Fund will broadly replicate the performance of the FTSE Custom Global Core Infrastructure 50/50 Islamic Net Return Index. The SC Global Low Volatility Equity Fund, with USD 91mln, will broadly replicate the performance of Dow Jones Islamic Market World Low Volatility 300 Net Total Return Index. Both funds will be Shariah compliant and adhere to responsible investment principles, the firms said in a statement on Tuesday.

Kuwait's Zain board has approved a semi-annual cash dividend of 10 fils per share, distributing a total of USD 150mln, for the first half of its current fiscal year. The dividends are part of the company's earlier commitment to distribute annual dividends of a minimum 33 fils per share, the company said in a statement.

Egypt's tax revenues grew by 18.8% to EGP 109.8bln during the two-month period between July and August of the fiscal year (FY) 2021/2022 - Finance Ministry

Egypt's balance of trade deficit narrowed by 14.6% to USD 2.88bln in July, compared to USD 3.37bln in the same month a year earlier, data by the Central Agency for Public Mobilization and Statistics (CAPMAS) showed on Tuesday.

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	53,572	7.70	7.77	5.56	10.95	0.94	3.5%	(0.5)	13.1	29.7	37.9
ADIB	20,484	5.64	5.82	4.17	11.03	1.05	3.6%	0.4	3.3	25.0	39.6
ADNIC	2,998	5.26	5.93	3.75	6.97	1.15	6.7%	(0.8)	4.6	10.6	56.2
ADNOC Dist.	53,625	4.29	5.01	3.28	20.06	15.85	4.8%	(1.2)	0.3	20.0	33.1
ADNOC Drill.*	47,840	2.99	3.07	2.77	23.78	4.60	5.0%	NA	NA	NA	NA
Agthia	4,449	5.62	7.32	3.99	NM	1.65	2.9%	(6.8)	(7.9)	37.6	31.4
Air Arabia	6,300	1.35	1.45	1.07	NM	1.20	0.0%	(1.5)	1.5	5.5	21.6
Ajman Bank	1,428	0.68	0.83	0.64	20.09	0.55	0.0%	(4.9)	(9.9)	(12.8)	(0.7)
Aldar	32,080	4.08	4.26	2.02	14.51	1.26	3.6%	(2.9)	7.4	34.6	104.8
Alpha Dhabi	280,200	28.02	30.20	15.00	NA	NA	NA	0.8	22.5	NA	NA
Amanat	2,850	1.14	1.25	0.75	11.64	1.04	1.9%	(0.9)	16.9	39.0	43.0
Aramex	5,373	3.67	4.49	3.50	29.18	2.05	3.5%	(4.4)	(3.7)	(13.4)	(13.8)
ASM	15,060	15.06	16.94	13.00	NM	4.08	NA	(6.5)	NA	NA	NA
BOS	1,173	0.53	0.73	0.48	NA	0.34	0.0%	(4.8)	(3.1)	(11.4)	5.4
Dana Gas	7,415	1.06	1.15	0.64	13.18	0.93	5.2%	1.0	29.9	59.0	61.5
Deyaar	1,699	0.29	0.34	0.25	NA	0.39	0.0%	(10.9)	(0.3)	4.6	2.4
DFM	7,960	1.00	1.29	0.81	NM	1.02	0.0%	(10.4)	(7.9)	7.0	20.3
DIC	7,186	1.69	1.90	1.11	16.16	0.61	NA	(7.1)	(0.0)	22.5	58.6
DIB	35,842	4.95	5.19	4.00	15.00	0.97	4.0%	(1.8)	4.2	12.1	22.7
DU	30,098	6.64	7.22	5.34	21.98	3.59	3.8%	0.5	0.9	19.7	27.2
Easy Lease	1,329	44.30	66.85	10.00	42.44	21.66	NA	(20.8)	77.1	151.7	-
Emaar Dev.	15,120	3.78	4.08	2.19	7.08	1.18	0.0%	(4.3)	0.8	37.5	62.9
Emaar Malls	25,638	1.97	2.14	1.40	26.16	1.30	0.0%	(5.3)	0.5	7.7	34.9
Emaar Pro.	28,424	3.97	4.29	2.55	13.09	0.51	2.5%	(4.8)	(1.5)	15.4	52.0
ENBD	84,642	13.40	14.35	9.30	12.14	1.01	3.0%	(4.6)	2.3	34.8	32.9
ESG	2,600	10.40	10.40	3.01	NM	7.48	NA	38.7	171.5	NA	NA
Eshraq	751	0.32	0.37	0.29	NA	0.56	NA	(3.3)	(5.0)	1.6	4.9
Etisalat	217,245	24.98	25.80	16.64	23.59	4.61	4.8%	2.6	13.9	56.1	56.2
FAB	193,721	17.74	18.70	11.16	17.60	1.83	4.2%	(2.8)	8.6	44.7	66.4
GFH	2,843	0.74	0.81	0.53	10.08	0.76	2.3%	(0.4)	(3.4)	28.4	36.0
IHC	266,959	146.60	152.80	38.00	56.72	16.74	NA	0.3	16.1	249.0	275.9
Julphar	2,056	1.78	2.32	1.20	NA	2.16	NA	(7.8)	(3.3)	33.8	19.5
Mashreq	12,427	70.00	71.00	60.00	NA	0.64	0.0%	1.4	7.7	3.1	11.6
Palms Sports	2,130	14.20	21.48	4.30	26.40	7.89	NA	(0.7)	21.8	7.6	NA
RAK Bank	6,621	3.95	4.24	3.50	13.16	0.84	3.8%	(1.2)	0.0	1.3	11.3
RAK Pro.	1,388	0.69	0.76	0.38	6.72	0.35	5.8%	(3.6)	12.7	44.6	82.2
RAK Cer.	2,822	2.84	3.08	1.33	NM	1.27	2.6%	(0.4)	21.4	97.9	121.6
RPM	2,680	13.40	20.00	10.10	NA	NA	NA	NA	NA	NA	NA
Salama	903	0.75	0.97	0.70	6.07	1.15	11.1%	(8.8)	(8.2)	(2.9)	6.8
SIB	5,578	1.81	1.85	1.15	12.56	0.73	4.4%	3.4	22.3	45.3	65.3
Shuaa	1,674	0.66	0.80	0.59	8.30	1.09	4.5%	(6.4)	2.6	1.7	15.3
Tabreed	7,046	2.54	3.15	2.17	13.33	1.33	2.3%	(9.3)	(7.6)	(0.0)	10.8
TAQA	140,543	1.25	1.78	1.22	28.86	1.98	2.0%	(3.8)	(7.0)	(11.8)	(12.1)
Union Pro.	1,175	0.27	0.32	0.23	2.98	0.40	0.0%	(9.0)	7.5	(2.1)	(12.2)
Waha	3,364	1.73	1.96	0.98	6.09	1.00	3.5%	(6.0)	20.1	51.6	80.1
Yahsat *	6,514	2.67	3.10	2.46	25.91	1.96	5.9%	3.5	NA	NA	NA
Zee Store	3,400	34.00	53.00	7.95	NM	16.44	NA	(26.4)	257.9	223.8	NA

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

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