



Morning Report

14 October 2021

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	7,786	0.0%	0%	10%	54%	71%
DFM	2,789	0.1%	-3%	1%	12%	25%
TASI	11,625	0.7%	2%	8%	34%	35%
BHSEASI	1,703	0.1%	2%	8%	14%	15%
EGX	10,881	0.9%	-2%	4%	0%	-4%
DJI	34,378	0.0%	-1%	-1%	12%	20%
S&P 500	4,364	0.3%	-2%	0%	16%	24%
Nasdaq	14,572	0.7%	-4%	-1%	13%	23%
FTSE	7,142	0.2%	1%	0%	11%	20%
DAX	15,249	0.7%	-3%	-3%	11%	17%
CAC40	6,597	0.8%	-1%	1%	19%	33%
Nikkei225	28,140	1.0%	-8%	-2%	3%	19%
HIS	24,963	0.0%	-3%	-11%	-8%	1%
MSCI EM	1,260	0.5%	-3%	-6%	-2%	11%
MSCI Asia	195	0.3%	-5%	-5%	-3%	10%
US Fut.	4,367	0.3%	-2%	0%	17%	25%
EU Fut.	4,089	0.4%	-3%	1%	15%	25%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	1,547	1,547	-
Local	77%	75%	2%
Foreign	23%	25%	-2%
Institutional	82%	82%	0%
Retail	18%	18%	0%
DFM	113	113	-
Local	49%	64%	-15%
Foreign	51%	36%	15%
Institutional	41%	42%	-1%
Retail	59%	58%	1%
Total	1,661	1,661	-
Local	76%	74%	1%
Foreign	24%	26%	-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)
ADCB	(370,000)	4.0%	9.3	72.0
Eshraq	(285,396)	1.2%	23.8	7.8
Etisalat	(98,858)	5.2%	1.9	47.8

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
17-Oct	RPM	BoD/Results
18-Oct	DU	BoD/Results
20-Oct	DAMAC	AGM/Delisting
24-Oct	Alpha Dhabi	BoD/Results
27-Oct	FAB	BoD/Results
4-Nov	IHC	BoD/Results
11-Nov	GFH	BoD/Results

KEY STORIES

Mashreqbank seeks shareholders' approval on increase of share capital of the bank by issuance of bonus shares to shareholders and splitting of the face value of share from AED 10 per share to AED 1 per share

The UAE will be in the market next year for more dollar bond issuances and is working on plans to issue local currency debt, a finance ministry official said

DP World says long time until shipping supply chain disruptions end

Etihad Airways has raised USD 1.2bln with a loan linked to ESG targets in global aviation

ADQ and TPG's Rise Climate Fund have agreed to make a USD 1bln investment into an electric vehicle division of India's Tata Motors, at a valuation of USD 9.1bln

The United Arab Emirates said that non-oil foreign trade rose by 27% in the first half of 2021 to AED 900bln – WAM

The United Arab Emirates has approved a federal budget of AED 58.9bln for 2022, the Ministry of Finance said

UAE on Oct 13 announced 126 new Covid-19 cases and 163 recoveries. The tally takes total cases in UAE to 738,152 with 731,632 recoveries and 2,116 deaths

Saudi Arabia mulls free zones for cloud computing, manufacturing

Fitch says Coronavirus impact on Saudi banks has been contained, pressures on operating environment eased, economic activity is recovering

Saudi's Fawaz Abdulaziz Alhokair Group is looking to divest a majority stake in its leisure and entertainment business Billy Beez

Saudi's Al Maather REIT Fund disclosed signing of a non-binding memorandum of understanding for purpose of acquiring the Burjeel Hospital Building

Saudi's CMA approves public offering of Saudi Fransi Capital Fixed Income Fund

Qatar September CPI +2.71% YoY and +0.03% MoM - Govt data

Kuwait's Warba Bank obtains CMA approval to issue tier 1 sukuk in amount of USD 250mon or equivalent

Oman's Bank Muscat posted nine-month net profit OMR 140.2mln versus OMR 113.2mln year ago

Egypt is targeting a primary surplus of 1.5% of its GDP and a budget deficit of 6.7% of GDP in the 2021-22 financial year – Cabinet

Egypt's Suez Canal revenue rose 12.4% YoY to USD 4.862bln from Jan. 1-Oct. 12 - Chairman

Key Global Trends/ Market Clues

Asian stock markets rose, the dollar eased and longer-dated bonds rallied on Thursday as investors reckoned on inflation bringing forward rate hikes around the world. MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.4%. Japan's Nikkei climbed 1%. The Shanghai Composite was marginally softer while Hong Kong markets were closed for a holiday. Overnight figures showed another solid increase in U.S. consumer prices, while minutes from last month's Federal Reserve meeting showed policymakers' growing concern about inflation and a general agreement to start tapering asset purchases soon. Overnight on Wall Street the S&P 500 rose 0.3% and in early Asia trade S&P 500 futures were also up 0.3%. Wednesday's data showed U.S. consumer prices up 5.4% on a YoY basis last month and that increases in rent seemed to be picking up steam - which along with soaring energy costs raises the risk of persistent price pressure.

Oil prices rose on Thursday, reversing previous losses, on expectations that high natural gas prices as winter approaches may drive a switch to oil to meet heating demand needs. Brent crude futures gained 28 cents, or 0.3%, to USD 83.46 a barrel at 0107 GMT after falling 0.3% on Wednesday. U.S. West Texas Intermediate crude futures climbed 22 cents, or 0.3%, to USD 80.66 a barrel, after dropping 0.3% the previous day. Prices were also supported by concerns about supply tightness after the U.S. Energy Information Administration (EIA) said on Wednesday that crude oil output in the United States, the world's biggest producer, is going to decline in 2021 more than previously forecast thought it will bounce back in 2022.

Russian President Vladimir Putin said on Wednesday electric power shortages were behind the gas price rise in Europe, and that Moscow was ready to discuss additional action, saying that there needed to be agreement on how to balance energy markets. Putin said the gas market was neither balanced nor predictable, particularly in Europe, but said that Russia was meeting its contractual obligations to supply gas there.

UAE Stories

Mashreqbank seeks shareholders' approval on increase of share capital of the bank by issuance of bonus shares to shareholders and splitting of the face value of share from AED 10 per share to AED 1 per share.

The UAE will be in the market next year for more dollar bond issuances and is working on plans to issue local currency debt, a finance ministry official said on Wednesday. Local currency bonds will be issued "in due time" and there is not yet a specific date for the next dollar issuance, said Younis Al Khoori, the Ministry of Finance's undersecretary. The UAE made its debt capital markets debut a week ago to raise USD 4bln.

There is no end in sight to the shortage of shipping containers, port congestion and sky rocketing freight rates that have rattled global trade, the chairman of Dubai ports giant DP World said on Wednesday. The bottlenecks have been caused by a combination of COVID-19 lockdowns and an unexpectedly rapid recovery in demand as economies emerge from the pandemic.

Etihaad Airways has raised USD 1.2bln with a loan linked to environmental, social and governance (ESG) targets in global aviation.

ADQ and TPG's Rise Climate Fund have agreed to make a USD 1bln investment into an electric vehicle division of India's Tata Motors, at a valuation of USD 9.1bln. Through the investment, TPG and ADQ will hold between an 11% and 15% stake in the EV unit, which will be newly incorporated. The new company will focus on dedicated battery electric vehicle platforms, advanced automotive technologies, the development of charging infrastructure and battery technologies, and more. After the new funding was announced, Tata Motors said it plans to invest USD 2bln in the division and release 10 EV models over the next five years—in an effort to reach the Indian government's goal of having electric vehicles represent 30% of car sales in the country by 2030.

The United Arab Emirates said that non-oil foreign trade rose by 27% in the first half of 2021 to AED 900bln, state news agency WAM reported on Wednesday. National non-oil exports rose 44% YoY during the first half of the year, with gold exports up 48% YoY to more than AED 70bln dirhams.

The United Arab Emirates has approved a federal budget of AED 58.9bln for 2022, the Ministry of Finance said on Wednesday. The budget allocates AED 24.2bln dirhams for social development and benefits, AED 21.5bln dirhams for general government affairs and AED 980.5mln dirhams for federal projects.

UAE on Oct 13 announced 126 new Covid-19 cases, bringing the total confirmed cases in the country to 738,152. At the same time, 163 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 731,632, 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 2,116.

GCC/MENA

Saudi Arabia plans to create special economic zones offering incentives to invest in sectors including health care, manufacturing and cloud computing. More details about the zones and the incentives they'll offer will be announced once they receive final approval later this year or early next, the kingdom's investment minister, Khalid Al-Falih, said at an event in Riyadh. Officials are also willing to review taxes and fees and grant limited exemptions to boost the country's competitiveness, he said. Investment in the kingdom has been "less than hoped for," Al-Falih said. "We want to import capital -- and bring back Saudi capital that didn't find opportunities inside our kingdom."

Fitch says Coronavirus impact on Saudi banks has been contained, pressures on operating environment eased, economic activity is recovering. Says delayed recognition of impairments remains a key risk.

Saudi's Fawaz Abdulaziz Alhokair Group is looking to divest a majority stake in its leisure and entertainment business Billy Beez. The company has just signed a non-binding letter of intent with Newco Corporation for the "potential sale" of 66.67pct of Billy Beez USA, Alhokair told the Saudi Stock Exchange (Tadawul). The proposed acquisition will be paid in cash and include the repayment of outstanding debt incurred by Billy Beez. Alhokair did not disclose the value of the potential transaction. Billy Beez operates indoor entertainment centres for kids in 13 locations in the US and at least three more in Saudi Arabia. It is 100 percent owned by Alhokair's wholly owned subsidiary Retail Group of America.

Saudi's Al Maather REIT Fund disclosed signing of a non-binding memorandum of understanding for purpose of acquiring the Burjeel Hospital Building. Purchase will be fully financed by previous banking facilities in the fund. Purchase value AED 100mln.

Saudi's CMA approves public offering of Saudi Fransi Capital Fixed Income Fund.

Qatar September CPI +2.71% YoY and +0.03% MoM - Govt data

Kuwait's Warba Bank obtains CMA approval to issue tier 1 sukuk in amount of USD 250mon or equivalent.

Oman's Bank Muscat posted nine-month net profit OMR 140.2mln versus OMR 113.2mln year ago. Nine-month total net interest income and income from islamic financing OMR 252.5mln versus OMR 240.1mln year ago.

Egypt is targeting a primary surplus of 1.5% of its gross domestic product and a budget deficit of 6.7% of GDP in the 2021-22 financial year, the cabinet said in a statement on Wednesday citing the finance minister.

Egypt's Suez Canal revenue rose 12.4% YoY to USD 4.862bln from Jan. 1-Oct. 12, the canal's authority chairman, Osama Rabie, told state TV on Wednesday.

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	54,615	7.85	7.90	5.56	11.16	0.96	3.4%	2.1	15.8	32.2	37.8
ADIB	20,448	5.63	5.82	4.17	11.01	1.05	3.6%	0.4	2.6	24.8	39.7
ADNIC	3,021	5.30	5.93	3.75	7.03	1.15	6.6%	1.3	5.6	11.4	57.4
ADNOC Dist.	53,250	4.26	5.01	3.28	19.92	15.74	4.8%	(0.1)	(0.8)	19.2	32.6
ADNOC Drill.*	47,360	2.96	3.07	2.77	23.54	4.55	5.0%	NA	NA	NA	NA
Agthia	4,401	5.56	7.32	3.99	NM	1.64	3.0%	(6.0)	(9.0)	36.1	28.5
Air Arabia	6,253	1.34	1.45	1.07	NM	1.19	0.0%	(0.7)	(1.5)	4.7	21.8
Ajman Bank	1,428	0.68	0.83	0.64	20.09	0.55	0.0%	(3.8)	(8.7)	(12.8)	(0.7)
Aldar	32,001	4.07	4.26	2.02	14.47	1.25	3.6%	(2.6)	5.2	34.3	107.3
Alpha Dhabi	277,200	27.72	30.20	15.00	NA	NA	NA	2.6	22.8	NA	NA
Amanat	2,775	1.11	1.25	0.75	11.33	1.01	2.0%	(1.8)	14.9	35.4	39.8
Aramex	5,359	3.66	4.49	3.50	29.10	2.04	3.6%	(3.4)	(3.4)	(13.7)	(14.1)
ASM	14,820	14.82	16.94	13.00	NM	4.01	NA	(4.3)	NA	NA	NA
BOS	1,166	0.53	0.73	0.48	NA	0.34	0.0%	(5.4)	(1.9)	(11.9)	4.8
Dana Gas	7,345	1.05	1.15	0.64	13.06	0.92	5.2%	-	28.0	57.5	59.1
Deyaar	1,664	0.29	0.34	0.25	NA	0.38	0.0%	(10.6)	(2.0)	2.5	1.8
DFM	8,080	1.01	1.29	0.81	NM	1.03	0.0%	(8.2)	(7.3)	8.6	22.4
DIC	7,058	1.66	1.90	1.11	15.87	0.60	NA	(9.3)	(4.0)	20.4	53.1
DIB	35,769	4.94	5.19	4.00	14.97	0.97	4.0%	(1.8)	3.1	11.8	24.2
DU	29,917	6.60	7.22	5.34	21.85	3.57	3.8%	(0.2)	(0.8)	19.0	28.1
Easy Lease	1,406	46.88	66.85	10.00	44.91	22.93	NA	(7.1)	87.4	166.4	-
Emaar Dev.	15,440	3.86	4.08	2.19	7.23	1.21	0.0%	(2.5)	4.0	40.4	68.6
Emaar Malls	25,898	1.99	2.14	1.40	26.43	1.32	0.0%	(3.9)	0.5	8.7	37.2
Emaar Pro.	28,639	4.00	4.29	2.55	13.19	0.51	2.5%	(3.4)	0.0	16.3	53.7
ENBD	84,958	13.45	14.35	9.30	12.19	1.02	3.0%	(4.6)	3.1	35.3	34.6
ESG	2,725	10.90	11.80	3.01	NM	7.84	NA	51.4	193.8	NA	NA
Eshraq	756	0.33	0.37	0.29	NA	0.56	NA	1.2	(7.9)	2.2	7.6
Etisalat	217,071	24.96	25.80	16.64	23.57	4.61	4.8%	2.3	12.4	55.9	55.9
FAB	194,594	17.82	18.70	11.16	17.68	1.84	4.2%	(1.1)	8.8	45.3	64.8
GFH	2,843	0.75	0.81	0.53	10.08	0.76	2.3%	1.4	(2.6)	29.2	35.9
IHC	266,412	146.30	152.80	38.00	56.61	16.71	NA	(0.0)	15.7	248.3	275.1
Julphar	2,091	1.81	2.32	1.20	NA	2.20	NA	(3.7)	0.6	36.1	21.5
Mashreq	12,427	70.00	71.00	60.00	NA	0.64	0.0%	1.4	16.3	3.1	11.6
Palms Sports	2,337	15.58	21.48	4.30	28.97	8.66	NA	11.1	25.6	18.0	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.	1,378	0.69	0.76	0.38	6.67	0.34	5.8%	(3.0)	9.4	43.5	79.0
RAK Cer.	2,782	2.80	3.08	1.33	NM	1.25	2.7%	1.4	24.5	102.1	118.1
RPM	2,972	14.86	20.00	10.10	NA	NA	NA	NA	NA	NA	NA
Salama	897	0.74	0.97	0.70	6.03	1.14	11.1%	(8.5)	(8.7)	(3.6)	4.7
SIB	5,578	1.81	1.85	1.15	12.56	0.73	4.4%	4.6	22.3	45.3	65.3
Shuaa	1,676	0.66	0.80	0.59	8.32	1.10	4.5%	(6.2)	(3.5)	1.9	12.3
Tabreed	7,046	2.54	3.15	2.18	13.33	1.33	2.3%	(9.3)	(7.6)	(0.0)	15.7
TAQA	138,294	1.23	1.78	1.22	28.40	1.94	2.0%	(4.7)	(9.8)	(13.2)	(12.9)
Union Pro.	1,167	0.27	0.32	0.23	2.96	0.40	0.0%	(9.0)	7.5	(2.9)	(8.4)
Waha	3,383	1.74	1.96	0.98	6.12	1.00	3.4%	(4.9)	20.8	52.5	81.2
Yahsat *	6,514	2.67	3.10	2.46	25.91	1.96	5.9%	5.1	NA	NA	NA
Zee Store	3,910	39.10	53.00	7.95	NM	18.91	NA	(9.1)	311.6	272.4	NA

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

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