



## Morning Report

18 January 2022

### Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	8,413	-0.1%	-7%	9%	-1%	62%
DFM	3,179	-0.7%	-3%	13%	-1%	18%
TASI	12,166	0.5%	8%	3%	8%	37%
BHSEASI	1,815	0.0%	2%	6%	1%	25%
EGX	11,859	0.2%	2%	6%	-1%	4%
DJI	35,912	0.0%	2%	2%	-1%	17%
S&P 500	4,663	0.0%	1%	4%	-2%	24%
Nasdaq	14,894	0.0%	-2%	0%	-5%	15%
FTSE	7,611	0.9%	5%	5%	3%	13%
DAX	15,934	0.3%	3%	2%	0%	16%
CAC40	7,202	0.8%	4%	7%	1%	28%
Nikkei225	28,334	0.6%	-1%	-3%	-2%	-1%
HSI	24,322	0.6%	4%	-4%	4%	-15%
MSCI EM	1,254	-0.2%	3%	-2%	2%	-8%
MSCI Asia	195	0.4%	2%	-2%	1%	-7%
US Fut.	4,656	0.0%	0%	3%	-2%	24%
EU Fut.	4,295	0.1%	3%	3%	0%	20%

### UAE Trading Summary

AEDm	Buy	Sell	Net
<b>ADX</b>	<b>1,440</b>	<b>1,440</b>	<b>-</b>
Local	82%	85%	-3%
Foreign	18%	15%	3%
Institutional	67%	67%	0%
Retail	33%	33%	0%
<b>DFM</b>	<b>485</b>	<b>485</b>	<b>-</b>
Local	67%	61%	7%
Foreign	33%	39%	-7%
Institutional	17%	28%	-11%
Retail	83%	72%	11%
<b>Total</b>	<b>1,925</b>	<b>1,925</b>	<b>-</b>
Local	78%	79%	-1%
Foreign	22%	21%	1%

### Last Trading Day's Top Short Positions

Company	Short Interest (Short shares/Out. shares)	Close (AED)	Change (%)	52WH	High - Low 52WL
Aldar	0.085%	4.11	(1.0)	4.38	3.24
Yahsat	0.046%	2.66	(0.4)	3.10	2.46
Dana Gas	0.041%	1.02	(1.0)	1.27	0.67

### Upcoming Corporates Actions & Events

Date	Company	Event
20-Jan	CBI	BoD/Results
26-Jan	FAB	BoD/Results
31-Jan	Gulf Nav	GA
09-Feb	GFH	BoD/Results
09-Feb	MSCI 1Q21 Index Review Announcement	

## # KEY STORIES

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FAB board meeting is scheduled on 26th January 2022, with agenda including approval of audited financials for FY21 and proposal for appropriation of profits for FY21

Dubai's RTA sent a request to banks to pitch for top roles in the upcoming IPO of road-toll operator Salik

GFH's Infracorp aims to issue around USD 800mln in perpetual green sukuk in the first quarter. GFH in talks with strategic and financial investors to buy a stake in Infracorp, which would initially reduce its stake in the spun-out company to 40%, and eventually dilute GFH's share to 20% - CEO

Orascom Construction added USD 785mln of new awards to its backlog in Q4 2021, taking total new awards to USD 3.5bln in FY 2021, marking a 22% increase YoY

ADNOC works to ensure reliable supply after fuel depot incident in Musaffah

UAE aims to capture 25% of hydrogen market share - Minister

UAE on Jan 17 announced 2,989 new Covid-19 cases and 945 recoveries. The tally takes total cases in UAE to 808,237 with 761,213 recoveries and 2,195 deaths

Saudi's Al Rajhi Bank has completed the issuance of SAR 6.5bln perpetual Tier 1 sukuk bonds at a fixed return of 3.5pct per annum

Saudi's ACWA Power has appointed Mohammad Abdullah Abunayyan as chairman of the board of directors

Saudi's Spimaco announces signing of an agreement with the Swiss company, Vifor Pharma for localizing and transferring manufacturing technology for Ferinject® injection

Saudi's Mouwasat Medical Services board proposes FY cash dividend of SAR 2.75 per share

Kuwait's oil revenue reached KWD 11.5bln in the nine months to the end of December. The Gulf OPEC member recorded a budget deficit of OMR 682.4mln in the first nine months of its financial year, which ends in March 2022

Oman's stock exchange is seeking to upgrade its status from 'frontier market' to 'emerging market' – Chairman

Egypt is considering issuing bonds in Japan for the first time - Finance Ministry

Egypt's Suez Canal revenues are expected to hit USD 7bln in 2022, compared with USD 6.3bln in 2021 – Chairman

Egypt's Macro Group Pharmaceutical to be listed on the country's stock exchange by the end of January

## # Key Global Trends/ Market Clues

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Asia's share markets were mostly higher on Tuesday even as global investor attention remains fixed on the prospect of U.S interest rate hikes in the next few months, after two years of unprecedented pandemic-induced policy easing. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.4%, after the U.S market was closed overnight for the Martin Luther King Jr. holiday. The index is up 1.1% so far this month. Australian shares were up 0.29%, while in China the blue chip CSI300 Index rose 0.33% in early trading. Hong Kong's Hang Seng Index was up by 0.61%. Japan's Nikkei stock index was trading 0.63% higher ahead of the Bank of Japan's decision due between 0230-0500 GMT. The U.S. Federal Reserve is due to meet Jan. 25-26 and while it is not expected to shift rates then, a growing number of investors think March will be the start of a tightening cycle.

Oil prices rose more than USD 1 on Tuesday to a more than seven-year high on worries about possible supply disruptions after Yemen's Houthi group attacked the United Arab Emirates. Brent crude futures rose USD 1.01, or 1.2%, to USD 87.48 a barrel by 0316 GMT, after earlier hitting a peak of USD 87.55, their highest since Oct. 29, 2014. U.S. West Texas Intermediate (WTI) crude futures jumped USD 1.32, or 1.6%, from Friday's settlement to a three-month high of USD 85.14 a barrel. Trade on Monday was subdued as it was a U.S. public holiday.

## # UAE Stories

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First Abu Dhabi Bank (FAB) board meeting is scheduled on 26<sup>th</sup> January 2022, with agenda including approval of audited financials for FY21 and proposal for appropriation of profits for FY21.

Dubai's Road and Transport Authority (RTA) sent a request to banks to pitch for top roles in the upcoming initial public offering of road-toll operator Salik, two sources told Reuters.

Infracorp, an infrastructure fund spun out of asset manager GFH Financial Group, aims to issue around USD 800mln in perpetual green sukuk - Islamic bonds - in the first quarter, GFH's chief executive said on Monday. Infracorp's roughly USD 1bln in capital will come from the sukuk as well as USD 200mln in equity. The fund has USD 3bln in assets under management and was spun off to allow Infracorp to focus on infrastructure assets while GFH mainly looks at financial instruments. Proceeds from the sukuk sale will be eligible to finance environment, social and governance (ESG) goals, a focus in the Gulf and around the world as governments and investors acknowledge the need to curb emissions and improve corporate governance. Alrayes said GFH was in talks with strategic and financial investors to buy a stake in Infracorp, which would initially reduce its stake in the spun-out company to 40%, and eventually dilute GFH's share to 20%. Eventually, he said this would "bring down our ownership and hence de-consolidate it from our book and (Infracorp) becomes one of our associates". GFH could issue between USD 100mln and USD 150mln in AT1 sukuk this year, should it need and if market conditions are right, he added.

Orascom Construction added USD 785mln of new awards to its backlog in Q4 2021, taking total new awards to USD 3.5bln in FY 2021, marking a 22% increase YoY. Projects in Middle East comprised 55% of new awards during Q4 2021, which included transportation and power projects in Egypt, and water projects in Egypt and Tunisia. New awards in U.S. accounted for 45% of total during quarter, mainly led by projects in commercial sector. Estimated consolidated backlog stood at USD 6.1bln as of 31 December 2021, reflecting a slight increase over the record backlog level achieved as of 30 September 2021.

ADNOC has activated business continuity plans to ensure reliable, uninterrupted supply of products to local and international customers after an incident at its Mussafah fuel depot in Abu Dhabi, the firm said.

UAE Energy Minister Suhail al-Mazrouei said on Monday that the Gulf country is aiming to capture around a quarter of the global hydrogen market with hydrogen produced both by electrolysis and from natural gas. Mazrouei added that as part of the country's hydrogen roadmap, it is currently implementing seven projects and looks forward to export hydrogen.

UAE on Jan 17 announced 2,989 new Covid-19 cases, bringing the total confirmed cases in the country to 808,237. At the same time, 945 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 761,213, 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 2,195.

## # GCC/MENA

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Saudi's Al Rajhi Bank has completed the issuance of SAR 6.5bln perpetual Tier 1 sukuk bonds denominated in Saudi Riyals through a private placement in the Kingdom. A fixed return of 3.5pct per annum is to be paid to eligible parties until the reset date – five years from the settlement date.

Saudi's ACWA Power has appointed Mohammad Abdullah Abunayyan as chairman of the board of directors. Executive member Suntharesan Padmanathan will serve as vice chairman of the board.

Saudi's Spimaco announces signing of an agreement with the Swiss company, Vifor Pharma for localizing and transferring manufacturing technology for Ferinject® injection. Value of the agreement is approximately SAR 240mln.

Saudi's Mouwasat Medical Services board proposes FY cash dividend of SAR 2.75 per share.

Kuwait's oil revenue reached KWD 11.5bln in the nine months to the end of December, the Ministry of Finance said in a report on Monday. The Gulf OPEC member recorded a budget deficit of OMR 682.4mln in the first nine months of its financial year, which ends in March 2022, the ministry's preliminary report said.

Oman's stock exchange is seeking to upgrade its status from 'frontier market' to 'emerging market', the state news agency reported on Monday, citing the bourse chairman. The chairman said a number of state-owned companies were planning to list on the stock market this year in a move aimed at supporting liquidity levels and making investments more attractive, according to the news agency.

Egypt is considering issuing bonds in Japan for the first time, the finance ministry said on Monday. The issue was discussed during talks between Egypt's finance and minister and the Japanese ambassador in Cairo. The ministry release added that the issuance was part of plans to issue "various medium and long-term government bonds, targeting new instruments such as sukuk, sustainable development bonds and green bonds".

Egypt's Suez Canal revenues are expected to hit USD 7bln in 2022, compared with USD 6.3bln in 2021, the chairman of the Suez Canal Authority (SCA) said in an interview with Saudi-owned Asharq television. SCA's chairman and managing director Osama Rabie said volumes will be higher in 2022, despite a 6pct increase in tolling charges from February.

Egypt's Macro Group Pharmaceutical to be listed on the country's stock exchange by the end of January.

*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	61,225	8.80	9.00	5.97	13.13	1.05	3.1%	2.7	6.5	3.2	42.5
ADIB	24,916	6.86	7.13	4.60	13.72	1.25	3.0%	(0.3)	20.6	(0.1)	41.0
ADNIC	3,944	6.92	7.00	4.63	9.35	1.45	5.1%	3.3	30.1	3.3	54.6
ADNOC Dist.	52,375	4.19	5.01	3.85	20.68	19.79	4.9%	(1.6)	(0.5)	(1.9)	13.3
ADNOC Drill.*	53,760	3.36	3.60	2.77	24.11	5.52	4.4%	1.8	14.3	(1.2)	NA
Agthia	3,918	4.95	7.32	4.65	NM	1.47	3.3%	(6.1)	(13.9)	(3.9)	(5.2)
Air Arabia	6,813	1.46	1.58	1.20	NM	1.23	-	(2.7)	9.8	0.7	6.6
Ajman Bank	1,680	0.80	0.91	0.64	19.44	0.65	-	(4.1)	17.6	(2.9)	0.1
Aldar	32,315	4.11	4.38	3.24	14.31	1.24	3.5%	(0.2)	2.2	3.0	27.9
Alpha Dhabi	250,200	25.02	30.20	15.00	NA	NA	-	(2.6)	(10.6)	(8.4)	NA
Amanat	2,825	1.13	1.27	0.78	9.55	1.01	1.9%	(3.4)	2.7	(1.7)	37.8
Aramex	5,842	3.99	4.80	3.50	34.51	2.11	3.3%	(3.2)	9.0	(2.7)	(6.5)
ASM	12,400	12.40	16.94	11.30	NM	3.36	-	(7.0)	(14.6)	(10.8)	NA
BOS	1,254	0.57	0.76	0.50	NA	0.33	-	(6.6)	5.6	(8.1)	(4.6)
Dana Gas	7,135	1.02	1.27	0.67	6.94	0.84	5.4%	(1.9)	0.4	(3.8)	60.6
Deyaar	2,843	0.49	0.55	0.25	NA	0.65	-	1.2	69.1	1.4	67.3
DFM	20,720	2.59	3.05	0.98	NM	2.65	-	0.4	160.0	(8.8)	114.0
DIC	9,014	2.12	2.25	1.42	23.41	0.76	-	9.3	26.2	9.8	31.9
DIB	39,390	5.44	5.62	4.44	14.51	1.03	3.7%	(2.3)	8.4	1.1	13.6
DU	29,056	6.41	7.28	5.80	35.07	3.54	3.9%	(7.6)	(3.2)	(3.2)	13.8
Easy Lease	879	29.30	66.85	19.00	28.07	12.56	-	8.1	(38.3)	1.0	40.2
Emaar Dev.	17,360	4.34	4.75	2.45	6.47	1.27	-	(5.9)	13.6	(0.7)	43.7
Emaar Pro.	40,326	4.93	5.33	3.40	12.79	0.62	2.0%	(1.4)	25.8	0.8	24.6
ENBD	81,168	12.85	14.35	10.75	10.17	0.95	3.1%	(9.2)	(6.5)	(5.2)	15.3
ESG	1,963	7.85	11.80	3.01	NM	5.39	-	0.6	(22.4)	(1.9)	NA
Eshraq	774	0.33	0.48	0.29	NA	0.56	-	(14.0)	4.7	(6.5)	3.4
Etisalat	259,686	29.86	37.00	17.66	28.14	5.64	4.0%	(19.1)	19.4	(5.8)	74.2
FAB	212,940	19.50	21.00	14.10	17.52	1.95	3.8%	0.5	8.9	3.5	35.9
Fertiglobe*	31,379	3.78	4.02	2.92	22.41	5.13	4.7%	10.2	26.0	7.4	NA
GFH	4,923	1.29	1.36	0.60	14.29	1.37	1.4%	5.7	69.7	8.4	102.5
IHC	278,431	152.90	165.00	41.90	47.35	13.58	-	(1.2)	4.0	0.6	261.5
Julphar	2,022	1.75	2.32	1.20	NA	2.03	-	(4.9)	(4.4)	(4.9)	25.0
Mashreq	15,246	76.00	79.50	53.10	NA	0.79	-	(4.4)	18.5	(4.4)	21.0
Multiply	19,040	1.70	2.35	1.60	NA	1.91	-	(15.0)	NA	(7.6)	NA
Palms Sports	1,833	12.22	21.48	10.50	19.96	5.57	-	2.7	(18.2)	-	(13.9)
RAK Bank	7,877	4.70	4.72	3.63	13.13	0.97	3.2%	4.2	21.4	4.4	18.7
RAK Pro.	1,602	0.80	0.83	0.50	5.92	0.39	-	2.8	11.7	3.9	39.8
RAK Cer.	2,892	2.91	3.08	1.56	NM	1.27	2.6%	1.4	4.7	2.1	84.3
RPM	1,520	7.60	20.00	7.52	37.87	6.78	-	(22.4)	(47.1)	(21.2)	NA
Salama	920	0.76	0.97	0.73	14.94	1.18	10.9%	(4.3)	1.9	(0.1)	(0.6)
SIB	6,256	2.03	2.05	1.30	12.25	0.81	3.9%	7.4	8.6	4.1	60.5
Shuaa	1,699	0.67	0.83	0.59	9.38	1.09	4.5%	(6.2)	1.4	(2.2)	(5.8)
Tabreed	7,046	2.54	3.15	2.39	14.79	1.29	2.3%	(4.9)	(2.3)	0.4	(1.5)
TAQA	138,294	1.23	1.59	1.15	23.71	2.14	2.0%	(10.9)	0.4	(6.8)	(12.2)
Waha	3,072	1.58	1.96	1.08	6.19	0.90	3.8%	(12.2)	(8.7)	(7.6)	52.5
Yahsat *	6,490	2.66	3.10	2.46	29.23	2.17	5.9%	(2.2)	(0.7)	(2.9)	NA
Zee Store	2,740	27.40	53.00	7.95	NM	13.25	-	(11.3)	(32.3)	(0.4)	164.0

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

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