



Morning Report

18 November 2022

Market Stats

| Indices | Close | Chg. | 1M Chg. | 3M Chg. | YTD Chg. | 1Y Chg. |
|-----------|--------|-------|------------|------------|-------------|------------|
| ADX | 10,389 | -0.6% | 7% | 2% | 23% | 25% |
| DFM | 3,334 | -0.3% | -1% | -4% | 4% | 2% |
| TASI | 11,142 | -0.1% | -4% | -12% | -1% | -6% |
| QSI | 12,213 | -0.6% | -3% | -13% | 5% | 2% |
| BKM | 5,694 | 0.2% | 9% | -2% | -3% | -7% |
| MSX | 4,486 | 1.0% | -1% | -3% | 9% | 11% |
| BHSEASI | 1,865 | 0.1% | 0% | -2% | 4% | 4% |
| EGX | 12,516 | 1.4% | 23% | 24% | 5% | 9% |
| DJI | 33,546 | 0.0% | 11% | -1% | -8% | -7% |
| S&P 500 | 3,947 | -0.3% | 7% | -8% | -17% | -16% |
| Nasdaq | 11,145 | -0.4% | 4% | -14% | -29% | -30% |
| FTSE | 7,347 | -0.1% | 6% | -2% | -1% | 1% |
| DAX | 14,266 | 0.2% | 13% | 5% | -10% | -12% |
| CAC40 | 6,576 | -0.5% | 9% | 1% | -8% | -8% |
| Nikkei225 | 27,931 | -0.3% | 4% | -4% | -3% | -6% |
| HIS | 18,323 | 1.5% | 9% | -9% | -23% | -30% |
| MSCI EM | 942 | -1.3% | 9% | -7% | -24% | -27% |
| MSCI | 152 | -0.7% | 11% | -6% | -21% | -24% |
| US Fut. | 3,960 | 0.1% | 7% | -6% | -17% | -16% |
| EU Fut. | 3,900 | 0.7% | 11% | 4% | -10% | -11% |

Notes: TASI (KSA), QSI (Qatar), BKM (Kuwait), MSX(Oman), BHSEASI (Bahrain), EGX (Egypt), HSI (Hong Kong).

UAE Trading Summary

| AEDm | Buy | Sell | Net |
|---------------|--------------|--------------|----------|
| ADX | 1,979 | 1,979 | - |
| Local | 78% | 77% | 1% |
| Foreign | 22% | 23% | -1% |
| Institutional | 67% | 57% | 11% |
| Retail | 33% | 43% | - |
| DFM | 471 | 471 | - |
| Local | 57% | 52% | 5% |
| Foreign | 43% | 48% | -5% |
| Institutional | 47% | 70% | - |
| Retail | 53% | 30% | 23% |
| Total | 2,450 | 2,450 | - |
| Local | 74% | 72% | 2% |
| Foreign | 26% | 28% | -2% |

Last Trading Day's Top Short Positions

| Company | Short Interest (Short shares/Out. shares) | Close (AED) | Change (%) | High – Low 52WH 52WL |
|---------|--|----------------|---------------|----------------------------|
| Eshraq | 0.130% | 0.50 | 2.2 | 0.88 0.43 |
| RAKCEC | 0.075% | 2.79 | (2.1) | 3.38 2.68 |
| Waha | 0.059% | 1.37 | 0.7 | 1.81 1.24 |

Upcoming Corporates Actions & Events

| Date | Company | Event |
|--------|-----------------|---------------------------|
| 18-Nov | EIBANK | BoD/General |
| 18-Nov | Ajman Bank | BoD/General |
| 21-Nov | Yahsat | BoD/General |
| 21-Nov | NBQ | BoD/General |
| 21-Nov | DEYAAR | General Assembly |
| 21-Nov | RPM | General Assembly/Dividend |
| 23-Nov | DANA | BoD/General |
| 23-Nov | ASNIC | BoD/General |
| 24-Nov | DEWA | BoD/General |
| 06-Dec | Fidelity United | General Assembly |

KEY STORIES

AD Ports announced acquisition of Noatum, a global integrated logistics platform for total purchase consideration of AED 2.5bln

Mashreq bank sold USD 500mln in Tier 2 bonds at 7.95%

Dubai Islamic Bank and Al Ramz Corporation announced a strategic partnership to leverage capital markets services

SHUAA Capital, Ellington Properties and Sol Properties partner to develop prime waterfront property on Palm Jumeirah

ADNOC Logistics & Services closes Zakher Marine International acquisition

Fitch affirmed BBB+ rating for RAKBANK with stable outlook. This indicates that the expectations of default risk are currently low

UAE and Jordan have signed a MoU meant to enhance cooperation in the field of renewable energy

UAE on Nov 16 announced 237 new Covid-19 cases and 214 recoveries. The tally takes total cases in UAE to 1,041,874 with 1,020,976 recoveries and 2,348 deaths

Saudi Aramco affiliate S-Oil to build one of world's largest petrochemical crackers in South Korea worth USD 7bln

Saudia Group and Avialease sign leasing agreement for 20 new aircrafts

Saudi Alkhorayef Water and Power Technologies announces sign off contracts worth SAR 228mln for operation and maintenance of water networks

Saudi's Molan Steel Company IPO price range set at SAR 18 – SAR 24 per share -Reuters

Saudi Al-Baha Investment & Development subsidiary has purchased a land. The transaction value SAR 24mln

Kuwait's Commercial bank of Kuwait reported 3Q22 net loss attributable of KWD 2.5mln versus profit of KWD 21.7mln in the same period last year

Kuwait's Educational Holding Group reported 4Q22 net profit attributable of KWD 1.2mln versus KWD 815,457 in the same period last year

Egypt's remittances from Egyptian workers abroad were USD 2.2bln in August, down from USD 2.4 billion in July – Central Bank

Egypt's Elsewedy Electric generated consolidated net profits of EGP 3.33bln in the 9M22, up by 32.66% YoY from EGP 2.51bln

Egypt's Arabian Cement reported 9M22 standalone profit after tax of EGP 244.7mln versus loss of EGP 24.5mln in the same period last year

Key Global Trends/ Market Clues

The dollar rose and equity markets slid after hawkish remarks from Federal Reserve officials reminded investors a less aggressive monetary policy is unlikely with U.S. employment data still showing a tight labor market. Nagging recession and higher interest rate worries also rattled European markets, and the pound tumbled as Britain hoped to put its disastrous recent fiscal experiment behind it with a more austere-looking budget. Market expectations for the Fed's peak terminal rate in May and June edged above 5%. But by the end of 2023 the market is pricing in a terminal rate that declines to 4.555% on expectations growth will slow with inflation. MSCI's gauge of stocks across the globe shed 0.65% while the pan-European STOXX 600 index lost 0.42% but was up 3.9% for the month due to better-than-feared earnings despite worries of a recession in

the euro zone. On Wall Street, the Dow Jones Industrial Average fell 0.02%, the S&P 500 lost 0.31% and the Nasdaq Composite dropped 0.35%, spurred by fears the Fed would over tighten. U.S. data showed unemployment benefits claims fell last week, indicating the labor market is still tight. Expectations of higher rates strengthened the dollar, which plunged 3.7% last week.

Oil prices fell more than 3%, with demand squeezed by mounting COVID-19 cases in China and fears of more aggressive hikes in U.S. interest rates. Brent crude fell USD 3.08 to settle at USD 89.78 a barrel, down 3.3%. U.S. West Texas Intermediate WTI crude slid USD 3.95, or 4.6%, to settle at USD 81.64 per barrel. The dollar also rose as investors digested U.S. economic data. A stronger dollar makes dollar-denominated oil more expensive for holders of other currencies. China reported rising daily COVID-19 infections and Chinese refiners have asked to reduce Saudi crude volume in December, Reuters has reported, while also slowing Russian crude purchases. While China's COVID case load is smaller than that of other countries, the world's largest crude importer maintains stringent policies to quash early outbreaks, dampening fuel demand. Further, Poland and NATO on Wednesday said a missile that crashed inside the country was probably a stray fired by Ukraine's air defences and not a Russian strike, easing fears the Russia-Ukraine war could widen. Oil gained support from official figures showing U.S. crude stocks fell by a bigger than expected 5mln barrels in the latest week. Supply is also tightening in November as OPEC+, implement their latest output controls to support the market.

UAE Stories

AD Ports announced that it has acquired Noatum, a global integrated logistics platform with a presence in 26 countries and LTM revenue and EBITDA of AED 6.91bln (EUR 1.80bln) and AED 555mln (EUR 145mln), respectively. The total purchase consideration (Enterprise Value) for 100% ownership amounts to AED 2.5bln (EUR 660mln), implying an LTM EV/EBITDA of 4.6x. This value and earnings accretive acquisition, which significantly broadens AD Ports Group's global footprint and positions it among the leading logistics and freight forwarding companies in the world, will be fully funded through a new acquisition loan.

Mashreq bank sold USD 500mln in Tier 2 bonds, a bank document showed, after a Saudi lender brought the region back to the international debt markets the previous day. The bonds, which have a maturity of 10 years and are non-callable for 5 years, were sold at 7.95%, tightened from initial guidance of about 8.25% after drawing more than USD 1.4bln of demand.

Dubai Islamic Bank and Al Ramz Corporation announced today a strategic partnership to leverage capital markets services and expand financial offerings to customers. Considering this partnership, Dubai Islamic Bank will now provide brokerage and related services to its clients through Al Ramz Capital, a subsidiary of the Al Ramz Corporation, where the bank will also offer its banking services to their customers as part of this arrangement. The brokerage service was earlier provided through its subsidiary Dubai Islamic Financial Services (DIFS).

SHUAA Capital psc through its real estate development arm, Northacre, and Sol Properties, the real estate development arm of Bhatia Group, have signed an agreement with Ellington Properties, to develop a new residential project on the iconic Palm Jumeirah. The partnership is a strategic alliance that brings together leading players in the investment and real estate industries to work on an iconic project that will feature exquisitely designed spaces for luxury living.

ADNOC Logistics & Services closes Zakher Marine International acquisition. Zmi will continue operating as a standalone entity under ADNOC L&S.

Fitch affirmed BBB+ rating for RAKBANK with stable outlook. This indicates that the expectations of default risk are currently low. The capacity for payment of financial commitments considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

UAE and Jordan have signed a MoU meant to enhance cooperation in the field of renewable energy. The memo stipulates that both sides shall cooperate in the research of possible investment and development in wind energy projects with a production capacity of two gigawatts, enhance expertise exchange and technology transfer in the field of green energy, and boost cooperation to develop training programmes for young Jordanian experts and engineers on green energy projects.

UAE on Nov 16 announced 237 new Covid-19 cases, bringing the total confirmed cases in the country to 1,041,874. At the same time, 214 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 1,020,976, UAE's Ministry of Health and Prevention said. It has reported 0 death from Covid-19 during the past 24 hours. The nationwide death toll stands at 2,348.

GCC/MENA

Saudi Aramco affiliate S-Oil to build one of world's largest petrochemical crackers in South Korea. The USD 7bln Shaheen project aims to convert crude oil into petrochemical feedstock. The project will be first commercialization of Aramco and Lummus technology's TC2C thermal crude to chemicals technology. Located at S-Oil's existing site in Ulsan, new plant planned to have capacity to produce up to 3.2mln tons of petrochemicals annually. New plant includes a facility to produce high-value polymers. Saudi aramco- project is expected to start in 2023 and be completed by 2026. Steam cracker is expected to process by-products from crude processing, including naphtha and off-gas, to produce ethylene, plant is also expected to produce propylene, butadiene and other basic chemicals.

Saudia Group and Avilease sign leasing agreement for 20 new aircrafts. Agreement will see Avilease deliver 20 airbus A320NEO aircraft to be operated on long-term leases by Flydeal, Saudia group's low-cost carrier. The agreement will take Avilease's portfolio to 32 aircraft.

Saudi Alkhorayef Water and Power Technologies announces sign off contracts of operation and maintenance of water networks in Jeddah with National Water. The contract is valued at SAR 228mln. The contract is for operation and maintenance of a water sector for 60 months and the financial impact will start in 3Q22.

Saudi's Molan Steel Company IPO price range set at SAR 18 – SAR 24 per share -Reuters

Saudi Al-Baha Investment & Development subsidiary has purchased a land. The transaction value SAR 24mln. Subsidiary buys Industrial land in Riyadh, on which a building consisting of three administrative floors and a warehouse built expected impact of transaction on company and its operations rise in investment real estate with non-current assets.

Kuwait's Commercial bank of Kuwait reported 3Q22 net loss attributable of KWD 2.5mln versus profit of KWD 21.7mln in the same period last year. 3Q22 total operating revenue recorded KWD 36.8mln versus KWD 31.3mln in the same period last year.

Kuwait's Educational Holding Group reported 4Q22 net profit attributable of KWD 1.2mln versus KWD 815,457 in the same period last year. 4Q22 total operating revenue recorded KWD 2.2mln versus KWD 1.5mln in the same period last year.

Egypt's remittances from Egyptian workers abroad were USD 2.2bln in August, down from USD 2.4 billion in July – Central Bank

Egypt's Elsewedy Electric generated consolidated net profits of EGP 3.33bln in the 9M22, up by 32.66% YoY from EGP 2.51bln. The net profits attributable to the parent company's shareholders grew to EGP 3.09bln from EGP 2.29bln, while the net profits attributable to minority interests leaped to EGP 244.79mln from EGP 224.49mln. Likewise, the revenues went up to EGP 62.57bln in the 9M22 period, compared to EGP 40.88bln in the prior-year period.

Egypt's Arabian Cement reported 9M22 standalone profit after tax of EGP 244.7mln versus loss of EGP 24.5mln in the same period last year. 9M22 standalone sales revenue recorded EGP 3.33bln versus EGP 1.57bln in the same period last year.

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

UAE Focus List

| Company | MCAP (AEDm) | PRICE (AED) | HIGH-LOW | | VALUATION | | Div. (%)^ | TOTAL RETURN ** | | | |
|--------------|----------------|----------------|----------|--------|-----------|-------|--------------|-----------------|--------|--------|--------|
| | | | 52WH | 52WL | PE | PB | | 1M% | 3M% | YTD% | 12M% |
| ADCB | 65,956 | 9.48 | 11.30 | 8.10 | 12.58 | 1.24 | 3.9% | 5.1 | (4.1) | 15.1 | 20.0 |
| ADIB | 33,487 | 9.22 | 10.46 | 5.92 | 11.44 | 1.58 | 3.4% | 3.0 | (0.8) | 38.8 | 49.0 |
| ADNIC | 3,363 | 5.90 | 7.63 | 5.70 | 10.02 | 1.30 | 6.8% | (1.7) | (3.9) | (7.0) | 7.5 |
| ADNOC Dist. | 54,500 | 4.36 | 4.88 | 3.80 | 18.79 | 18.02 | 4.7% | 4.1 | (4.4) | 7.1 | 8.1 |
| ADNOC Drill* | 54,240 | 3.39 | 3.92 | 2.97 | 20.75 | 5.48 | 4.4% | (1.7) | (5.6) | 4.0 | - |
| AD Ports | 29,064 | 5.71 | 6.87 | 3.22 | 34.39 | 1.52 | - | 4.2 | 12.0 | - | - |
| Agthia | 3,538 | 4.47 | 5.71 | 4.20 | NM | 1.28 | 3.7% | (2.8) | (10.3) | (9.2) | (18.0) |
| Air Arabia | 9,800 | 2.10 | 2.36 | 1.36 | 7.35 | 1.44 | 4.0% | 4.0 | (7.9) | 52.6 | 43.7 |
| Ajman Bank | 1,594 | 0.76 | 0.91 | 0.66 | 11.50 | 0.64 | - | 5.9 | 5.3 | (6.7) | (3.9) |
| Aldar | 34,989 | 4.45 | 5.79 | 3.92 | 12.46 | 1.19 | 3.4% | 3.0 | (9.9) | 14.8 | 9.0 |
| Alpha Dhabi | 275,000 | 27.50 | 30.50 | 23.78 | NA | NA | - | 10.6 | 14.6 | 0.7 | 5.8 |
| Amanat | 2,113 | 0.85 | 1.22 | 0.82 | 18.82 | 0.78 | 7.1% | (7.3) | (11.2) | (22.6) | (23.3) |
| Aramex | 5,344 | 3.65 | 4.45 | 3.52 | 30.55 | 2.10 | 3.6% | (2.1) | (4.4) | (8.6) | (8.6) |
| ASM | 10,040 | 10.04 | 15.20 | 8.89 | NM | 1.48 | - | 1.4 | 3.1 | (27.8) | (33.2) |
| Borouge* | 81,156 | 2.70 | 3.27 | 2.63 | 14.5 | 4.45 | - | (1.1) | (10.5) | - | - |
| BOS | 1,100 | 0.50 | 0.64 | 0.45 | - | - | - | - | - | (19.4) | (16.7) |
| Dana Gas | 6,429 | 0.92 | 1.26 | 0.91 | 8.80 | 0.74 | 8.7% | (2.0) | (1.4) | (5.7) | (6.1) |
| DEWA* | 117,500 | 2.35 | 3.05 | 2.34 | 19.19 | 1.29 | 5.3% | (4.0) | (6.3) | - | - |
| Deyaar | 2,267 | 0.52 | 0.73 | 0.44 | 17.48 | 0.51 | - | 7.5 | (7.4) | (19.6) | (25.0) |
| DFM | 12,560 | 1.57 | 2.95 | 1.36 | NM | 1.59 | 1.9% | 9.0 | (15.2) | (44.7) | (43.1) |
| DIC | 9,610 | 2.26 | 2.64 | 1.80 | 5.81 | 0.76 | 5.3% | (0.0) | (5.7) | 26.4 | 23.2 |
| DIB | 41,852 | 5.78 | 6.63 | 5.02 | 8.44 | 1.03 | 4.3% | (3.2) | (3.8) | 12.2 | 9.0 |
| DU | 25,611 | 5.65 | 7.28 | 5.63 | 20.43 | 3.03 | 3.7% | (3.7) | (9.3) | (12.2) | (6.8) |
| Easy Lease | 1,110 | 37.00 | 61.90 | 24.00 | 25.09 | 9.73 | - | (0.3) | (4.6) | 27.6 | 4.9 |
| Emaar Dev. | 17,760 | 4.44 | 5.32 | 4.02 | 4.80 | 1.02 | - | (2.0) | (2.6) | 1.6 | (3.9) |
| Emaar Pro. | 50,305 | 6.15 | 6.60 | 4.45 | 7.08 | 0.77 | 2.4% | 0.5 | 3.0 | 30.2 | 24.3 |
| ENBD | 83,063 | 13.15 | 15.50 | 11.80 | 7.85 | 0.94 | 3.8% | 0.4 | (5.8) | (0.1) | (4.7) |
| ESG | 1,603 | 6.41 | 9.46 | 5.30 | NM | 2.55 | - | 10.5 | 1.9 | (19.9) | (28.7) |
| Etisalat | 220,202 | 25.32 | 39.06 | 22.66 | 23.59 | 5.38 | 3.2% | 7.5 | (9.2) | (18.1) | (7.2) |
| FAB | 191,124 | 17.30 | 24.06 | 17.02 | 13.75 | 1.70 | 2.8% | - | (14.7) | (5.0) | (9.2) |
| Fertiglobe* | 37,771 | 4.55 | 6.11 | 3.40 | 7.12 | 5.52 | 8.8% | (14.8) | (15.8) | 42.3 | - |
| GFH | 3,730 | 0.99 | 1.34 | 0.88 | 10.06 | 0.97 | 4.4% | 10.1 | (10.9) | (12.5) | (15.3) |
| Ghitha | 17,093 | 70.75 | 123.00 | 24.00 | NA | 8.26 | - | (1.0) | (18.7) | 157.3 | 115.8 |
| IHC | 734,036 | 403.00 | 410.00 | 149.00 | 54.61 | 17.51 | - | 12.3 | 17.2 | 165.1 | 166.5 |
| Invictus | 4,637 | 4.14 | 6.50 | 3.50 | - | - | - | 15.6 | - | - | - |
| Julphar | 1,340 | 1.16 | 1.91 | 1.15 | - | 1.39 | - | (7.2) | (12.1) | (37.0) | (36.3) |
| Mashreq | 20,061 | 100.00 | 119.00 | 62.10 | 6.05 | 0.91 | 1.0% | (3.4) | 29.9 | 25.8 | 50.7 |
| Multiply | 54,320 | 4.85 | 4.94 | 1.51 | NA | 2.75 | - | 32.9 | 140.1 | 163.6 | NA |
| NMDC | 20,625 | 25.00 | 34.96 | 12.36 | 17.13 | 3.44 | - | 4.8 | (20.1) | 91.7 | 91.7 |
| Palms Sports | 1,569 | 10.46 | 14.94 | 8.64 | 12.79 | 3.84 | - | 3.6 | (2.2) | (14.4) | (13.4) |
| RAK Bank | 7,795 | 4.65 | 5.40 | 4.19 | 7.03 | 0.90 | 4.8% | (3.1) | (3.1) | 3.3 | (1.5) |
| RAK Pro. | 1,462 | 0.73 | 0.97 | 0.56 | 47.01 | 0.35 | - | (1.1) | 0.1 | (5.2) | (6.5) |
| RAK Cer. | 2,772 | 2.79 | 3.38 | 2.68 | NM | 1.31 | 7.2% | (4.1) | (7.0) | 4.8 | 4.4 |
| RPM | 1,168 | 5.84 | 12.68 | 5.69 | 15.97 | 4.42 | - | (8.2) | (26.7) | (39.5) | NA |
| SIB | 6,132 | 1.99 | 2.12 | 1.65 | 9.82 | 0.80 | 4.0% | 0.5 | 5.3 | 6.2 | 13.7 |
| Shuaa | 1,040 | 0.41 | 0.83 | 0.35 | - | 0.85 | - | 3.3 | (16.0) | (40.1) | (47.0) |
| Tabreed | 8,849 | 3.11 | 3.52 | 2.27 | 14.72 | 1.41 | 1.9% | (2.8) | 9.1 | 29.0 | 23.2 |
| TAQA | 427,250 | 3.80 | 4.17 | 1.13 | 54.24 | 6.19 | 1.3% | 55.7 | 205.4 | 198.0 | 212.1 |
| Waha | 2,664 | 1.37 | 1.81 | 1.24 | 10.19 | 0.77 | 5.5% | (0.7) | 3.0 | (13.9) | (16.3) |
| Yahsat * | 6,441 | 2.64 | 2.92 | 2.51 | 28.46 | 2.14 | 6.1% | 0.8 | 1.9 | 2.2 | (1.4) |

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

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