



Morning Report

18 September 2024

UAE news stories

Taqa Water Solutions, a leader in sustainable water solutions, has announced a groundbreaking AED150mn transformative wastewater management project that is set to redefine infrastructure standards in the Al Bahia and Al Sadr regions of the UAE capital. The project has been awarded to Gulf Contractors Company, in a move that reinforces Taqa's commitment to supporting Abu Dhabi's urban development strategies and socio-economic growth. The project will see the development of a 9.5 km deep gravity-driven line along with the decommissioning of a number of pumping stations, as a result, minimising energy consumption and reducing carbon emissions in line with the UAE's sustainability goals.

Palms Sports has renewed a government Jiu-Jitsu training contract for a further two years for AED240mn. The partnership between the two companies was launched in 2015, with Palms Sports now the world's largest provider of Jiu-Jitsu training. The company said that it will continue to avail 350 Jiu-Jitsu and tactical defence specialists to enhance the physical readiness of those taking part in the programme.

ADNOC Distribution board of directors will be meeting on 20th September 2024 to consider and approve the payment of an interim cash dividend for 1H24

GFH Financial Group and FII Institute, a global non-profit foundation, have extended their strategic partnership by three years. The tie-up aims at fostering global innovation and sustainable development ahead of the highly anticipated 8th Edition of the Future Investment Initiative Conference (FII8) scheduled for October 29 to 31 in Riyadh.

GFH Financial Group announced that Capital Intelligence Ratings (CI) has affirmed its outlook as 'Stable' - in addition to reaffirming its Long and Short-term Foreign Currency Rating as "BB-B".

G42 and Microsoft Corp. are establishing two artificial intelligence centers in Abu Dhabi, months after they inked a USD1.5bn deal to accelerate AI development and global expansion. One center will help develop best practices and industry standards for the responsible use of AI. The US firm will also open its first 'AI for Good Research Lab' in the region to support social goals, including advancing food security and strengthening climate resilience.

Etihad Airways carried 1.7mn passengers in the busy summer month of August, achieving a passenger load of 89%. Year-to-date, the airline has carried 12mn passengers, a 36% increase compared to the previous year, said Antonoaldo Neves, CEO of Etihad Airways. Year-to-date passenger loads now stand at 86%.

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

GCC news stories

Saudi Basic Industries Corporation signed agreement with Ma'aden for sale of its 20.62% Alba shareholding with proceeds expected to be within the range of SAR3.6bn and SAR3.97bn

Saudi's Red Sea International unit signs construction contract with Modern Building Leaders Company to execute MEP and infrastructure works at a total contract value of SAR1.52bn

Saudi Dairy and Foodstuff's board recommends to buy back 2.7mn of its shares to retain them as treasury shares

Qatar's real gross domestic product (GDP) is projected to increase by 1.8% in 2024, according to global research and analytical platform Fitch Solutions. This represents a slight decrease from the 4.2% growth in 2022 and 1.2% in 2023.

Qatar's Commercial Bank shareholders approve 5% of net profits to be distributed to shareholders

Kuwait's National Petroleum Services Company awards tender worth KWD12mn to supply drilling and workover wells equipment where profit margin is expected to be 7% of the contract size

Egypt's Mohandes Insurance Company posted FY consolidated net profit of EGP310.5mn versus EGP191.3mn a year ago

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

Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,428	0.4%	2%	-2%	-5%
DFM	4,395	0.0%	4%	8%	9%
TASI (Saudi)	11,886	0.2%	0%	-1%	7%
QSI (Qatar)	10,405	-0.4%	3%	-4%	1%
BKM (Kuwait)	6,107	-1.3%	1%	10%	6%
MSX (Oman)	4,713	-0.4%	0%	4%	0%
BHSEASI (Bahrain)	2,018	3.8%	4%	2%	5%
EGX (Egypt)	30,159	0.0%	2%	21%	53%

Source: Reuters, IS Research.

UAE trading summary (AED mn)			
	Buy	Sell	Net
ADX	1,332	1,332	0
Local	861	927	-67
Foreign	472	405	67
Company	856	783	73
Individual	476	550	-73
DFM	266	266	0
Local	145	155	-9
Foreign	120	111	9
Company	120	123	-4
Individual	146	142	4
Total	1,598	1,598	0
Local	1,006	1,082	-76
Foreign	592	516	76

Source: ADX and DFM

Global markets and commodities trends

The dollar ceded some of its overnight gains on Wednesday while Asian stocks put in a mixed display as traders weighed the odds of a super-sized Federal Reserve interest rate cut later in the day. The U.S. currency dropped back sharply against the yen, handing back a third of its rally from Tuesday, when unexpectedly robust U.S. retail sales data was taken as weakening the case for aggressive Fed easing. The euro also advanced, clawing back almost all of the previous day's decline. The chances of the Fed kicking off its easing cycle with a super-sized cut of 50bps oscillated in Asia, retreating to 63% early in the day from 67% around the same time on Tuesday.

Japanese shares were alone in posting strong gains in the region, with the Nikkei stock average climbing 0.72%, erased Tuesday's 1% slide, as the benchmark index continued to be influenced by the dollar-yen exchange rate. Mainland Chinese blue chips opened flat after coming back online following a holiday-extended weekend, and Taiwan also returned from a day off to trade 0.35% weaker. Australia's benchmark was little changed. MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.05%. Hong Kong and South Korea were among major markets closed for holidays. Wall Street finished nearly unchanged on Tuesday, failing to sustain early momentum that pushed the S&P 500 and Dow to record intraday highs. S&P 500 futures pointed 0.08% higher on Wednesday.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	41,606	0.0%	2%	10%	20%
S&P 500	5,635	0.0%	1%	18%	27%
Nasdaq	17,628	1.0%	0%	17%	29%
FTSE	8,310	0.4%	0%	7%	8%
DAX	18,726	0.5%	2%	12%	18%
CAC40	7,487	0.5%	1%	-1%	1%
Nikkei225	36,203	-1.0%	-5%	8%	8%
HIS	17,660	1.4%	1%	4%	-3%
MSCI EM	1,091	0.4%	0%	7%	11%
MSCI Asia	183	-0.3%	0%	8%	12%
US Futures	5,643	0.1%	0%	17%	26%
Europe Futures	4,863	0.0%	-1%	7%	14%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	3.59%	-0.01%	-0.05%	-1.01%	-1.59%
US 10yr Bond	3.64%	-0.01%	-0.01%	-0.63%	-0.77%
US 30yr Bond	3.95%	-0.01%	-0.01%	-0.50%	-0.49%
EUR 2yr Bond	2.23%	0.00%	0.07%	-0.70%	-1.03%
EUR 10yr Bond	2.14%	0.00%	0.03%	-0.29%	-0.56%
EUR 30yr Bond	2.40%	0.00%	0.00%	-0.19%	-0.44%
JPY 2yr Bond	0.37%	-0.01%	-0.01%	0.20%	0.36%
JPY 10yr Bond	0.82%	0.00%	-0.03%	0.09%	0.10%
JPY 30yr Bond	1.97%	-0.01%	-0.08%	0.17%	0.27%

Source: Bloomberg, IS Research

Oil prices steadied on Wednesday, after rising in the previous two sessions, as investors await the U.S. Federal Reserve's anticipated interest rate cut, with the potential for more violence in the Middle East supporting the market. Brent crude futures for November dropped USD0.03 to USD73.67 a barrel at U.S. crude futures for October slid USD0.11 or 0.2% to USD71.08 a barrel. Both contracts gained by about USD1

a barrel on Tuesday on lingering supply disruptions in the U.S., the world's biggest oil producer, after Hurricane Francine and as traders bet that demand may increase following what would be the Fed's first interest rate cuts in four years. The market also found support from the expectation of U.S. oil purchases for the Strategic Petroleum Reserve (SPR).

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	73.4	-0.4%	4.0%	-14.6%	-21.5%
WTI (USD/bbl)	70.9	-0.4%	5.4%	-13.2%	-21.4%
Nat. Gas (USD/MMBtu)	2.3	-0.1%	2.2%	36.6%	-15.1%
Gold (USD/oz)	2,572.3	0.1%	2.4%	17.7%	33.3%
Silver	30.5	-0.7%	6.3%	19.1%	31.1%
Copper (USD/lb)	418.9	-0.6%	2.6%	3.7%	11.8%
Steel (USD/T)	700.0	0.0%	0.0%	-11.8%	-0.6%
Weat (USD/bu)	580.0	0.7%	2.9%	6.4%	-1.5%
Corn (USD/bu)	413.8	0.3%	8.7%	-5.8%	-14.2%
Polyethylene (CNY/MT)	7,946.0	0.0%	-2.7%	-4.5%	-6.0%
Bitcoin (USD)	60,500.0	0.6%	5.2%	-9.8%	123.3%

Source: Bloomberg, IS Research

UAE focus list ([Open full range data table](#))

Company	MCAP	Price	Day (%)	Valuation	Div
	(AEDm)	(AED)		TTM P/E	YLD (%)^
IHC	901,520	411.00	-0.2%	32.88	-
TAQA	310,310	2.76	2.2%	41.65	1.4%
ADNOCGAS	238,690	3.11	0.6%	13.42	5.0%
EAND	160,538	18.46	2.0%	14.48	4.3%
FAB	152,232	13.78	1.3%	9.55	5.2%
ENBD	124,749	19.75	0.0%	5.54	6.1%
DEWA	119,497	2.39	-0.4%	15.86	5.2%
Alpha Dhabi	118,797	11.88	0.8%	19.72	-
Emaar Pro.	76,188	8.62	0.1%	6.34	5.8%
Borouge	73,639	2.45	-0.4%	17.6	6.5%
ADNOC Drill.	73,598	4.60	0.4%	17.33	3.6%
ADCB	63,682	8.70	-0.2%	7.69	6.4%
Aldar	58,182	7.40	1.1%	12.21	2.3%
Qholding	52,309	3.20	1.6%	4.63	-
ADIB	47,069	12.96	0.2%	8.93	5.5%
ADNOC Dist.	44,999	3.60	0.0%	16.76	5.7%
DIB	44,891	6.20	0.0%	6.80	7.3%
Pure Health	39,999	3.60	1.1%	64.82	-
ADNOCLS	39,803	5.38	2.7%	15.18	2.4%
Emaar Dev.	35,079	8.77	-1.2%	5.05	5.9%
Salik	29,999	4.00	0.0%	27.40	3.7%
DU	29,508	6.51	1.2%	14.16	5.2%
AD Ports	25,958	5.10	0.0%	23.55	-
Multiply	24,191	2.16	0.9%	NULL	-
Americana	22,322	2.65	0.8%	31.21	2.9%

NMDC	21,024	24.90	0.0%	7.52	3.0%
Fertiglobe	20,836	2.51	1.2%	21.44	8.4%
Empower	17,000	1.70	1.2%	18.19	5.0%
Presight	12,900	2.30	0.9%	19.77	-
Air Arabia	12,693	2.72	1.5%	9.22	7.4%
Burjeel	11,763	2.26	-1.7%	26.47	1.3%
DFM	10,160	1.27	-0.8%	25.48	2.8%

Source: Reuters, IS Research.

Upcoming corporate actions and events

Date	Company	Event
18-Sep	Amanat	General Assembly
18-Sep	Unikai Foods	BoD/General
18-Sep	Amlak	BoD/General
19-Sep	CBI	BoD/General
19-Sep	CBD	BoD/General
19-Sep	Al Salam Bank	BoD/General
19-Sep	Al Ansari	BoD/General
20-Sep	Mashreq Bank	BoD/General
20-Sep	ADNOC Distribution	BoD/General
23-Sep	FTSE Rebalancing	Effective Date
25-Sep	The National Investor	BoD/General
26-Sep	Yahsat	General Assembly
02-Oct	GFH	General Assembly
09-Oct	Investcorp	General Assembly
22-Oct	Emsteel	General Assembly
29-Oct	Alliance Insurance	General Assembly
12-Nov	Al Salam Bank	BoD/Result

Source: ADX and DFM

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