



Morning Report

20 October 2021

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	7,888	-0.1%	1%	12%	56%	73%
DFM	2,818	0.6%	-3%	3%	13%	28%
TASI	11,793	0.3%	3%	9%	36%	38%
BHSEASI	1,718	0.5%	2%	9%	15%	18%
EGX	11,195	-0.7%	3%	5%	3%	0%
DJI	35,457	0.6%	3%	4%	16%	26%
S&P 500	4,520	0.7%	2%	6%	20%	32%
Nasdaq	15,129	0.7%	1%	6%	17%	32%
FTSE	7,218	0.2%	4%	5%	12%	23%
DAX	15,516	0.3%	0%	3%	13%	21%
CAC40	6,670	0.0%	2%	6%	20%	35%
Nikkei225	29,216	0.7%	-4%	6%	6%	23%
HIS	26,097	1.5%	3%	-6%	-5%	5%
MSCI EM	1,295	0.9%	1%	-2%	0%	15%
MSCI Asia	200	0.9%	-2%	-1%	0%	14%
US Fut.	4,508	-0.1%	4%	4%	20%	31%
EU Fut.	4,154	-0.1%	4%	3%	17%	29%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	1,509	1,509	-
Local	79%	80%	-1%
Foreign	21%	20%	1%
Institutional	79%	80%	-2%
Retail	21%	20%	2%
DFM	195	195	-
Local	46%	57%	-10%
Foreign	54%	43%	10%
Institutional	50%	62%	-11%
Retail	50%	38%	11%
Total	1,704	1,704	-
Local	75%	77%	-2%
Foreign	25%	23%	2%

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)
Yahsat	(464,365)	7.8%	6.0	15.9
Eshraq	(123,350)	0.6%	21.7	6.9
ASM	(15,000)	0.8%	1.9	29.1

Upcoming Corporates Actions & Events

Date	Company	Event
20-Oct	DAMAC	AGM/Delisting
24-Oct	Alpha Dhabi	BoD/Results
24-Oct	ASM	BoD/Results
24-Oct	Zee Store	BoD/Results
25-Oct	Easy Lease	BoD/Results
27-Oct	FAB	BoD/Results
04-Nov	IHC	BoD/Results
11-Nov	GFH	BoD/Results

KEY STORIES

Etisalat Group and G42 signed an agreement to create the largest data centre provider in the UAE

Emirates NBD posted Q3 net profit of AED 2.5bln vs AED 1.6bln year ago. Q3 total income AED 5.8bln vs AED 5.6bln year ago

Dubai Investments inks deal with Marjan to open mixed use beachfront resort and residential development worth of AED 1bln on al Marjan Island

Aramex resumes deliveries to and from UAE and Doha

Sharjah Islamic Bank board approves to raise percentage of foreign ownership in bank's shares to 40%

DAMAC Group And Dataplex enter partnership to develop data centre facilities in Europe

Orascom Construction to evaluate acquisition of an equipment distribution and services business in Egypt

Dubai Aerospace Enterprise announces USD 780mln of new senior unsecured term financings with a weighted average maturity of 7.7 years in two transaction

Mubadala's GlobalFoundries is aiming for a valuation of about USD 25bln in its IPO in US. GlobalFoundries set a price range between USD 42 and USD 47 a share for the IPO

S&P says Dubai is set for a "modest" recovery this year on the back of a high vaccination rate in the UAE and limited COVID-19 restrictions, but weak international tourism will drag on the economy until late 2022

UAE on Oct 19 announced 122 new Covid-19 cases and 157 recoveries. The tally takes total cases in UAE to 738,812 with 732,595 recoveries and 2,122 deaths

Saudi Arabia issued SAR 8.5bln in domestic sukuk for the month of October

Saudi's ACWA Power is among bidders of 1,200 MW Saudi renewable energy projects, consisting of four independent generation projects

Saudi's Etihad Etisalat posted quarterly net profit after zakat and tax SAR 281mln versus SAR 222mln year ago. Quarterly sales SAR 3,606mln versus SAR 3,355mln year ago

Saudi's Yamama Cement posted quarterly net profit after zakat and tax SAR 40mln versus SAR 95.3mln year ago. Quarterly sales SAR 170.7mln versus SAR 249.6mln year ago

Bahrain's Investcorp has sold its long leasehold interest in an office campus in the commercial area of Stuttgart, Germany

Egypt has started work on the third phase of its plan to enhance the efficiency of internet services in the country with up to USD 2bln investment – Minister

Egypt's Centamin Q3 gold production at 103,546 ounces, up 3% QoQ. Q3 revenue USD 182.9mln from gold sales of 103,514 oz at average realised gold price of USD 1,764/oz sold

Egypt's Societe Arabe International De Banque to exit Cairo National Company For Brokerage And Securities

Key Global Trends/ Market Clues

Asian shares advanced and U.S. long-dated bond yields edged up to a five-month high on Wednesday on rising optimism about the global economy and corporate earnings while the yen slipped to a four-year low on the dollar. Japan's Nikkei rose 0.8% while MSCI's broadest index of Asia-Pacific shares outside Japan added 0.3%, led by 0.9% gains in Australia. In New York, the benchmark S&P 500 index gained 0.74% to finish just 0.4% below its early September record close while the CBOE market volatility index fell 0.6 point after earlier hitting 15.57, its lowest level since mid-August.

Oil futures rose on Tuesday and were near multi-year highs as an energy supply crunch continued across the globe, while falling temperatures in China revived concerns over whether the world's biggest energy consumer can meet domestic heating needs. The Brent crude benchmark rose 75 cents to settle at USD 85.08 a barrel. U.S. West Texas Intermediate futures rose 52 cents to settle at USD 82.96 a barrel. Prices have been climbing the last two months. Since the start of September, Brent has risen by about 19%, while WTI has gained around 21%.

The International Monetary Fund has predicted a 5.3pct rise in the oil activity of crude exporters of the Middle East and Central Asia in 2021. In its latest regional economic outlook for the two regions, the Fund said oil output is likely to grow by 4.4pct in 2022. The growth will be driven by Libya's soaring oil output and OPEC+ recovering production after August 2021, the report said. The IMF said strong vaccination campaigns and rising oil prices will boost confidence in the non-oil sector of these countries. Non-oil output is expected to rise by 3.9pct in 2021. Outlook for 2022 is also favourable as the sector is projected to grow by 3.4pct.

UAE Stories

Etisalat signed an agreement to create largest data centre provider in UAE. Signed a binding agreement with Group42 (G42) to combine their data centres in the United Arab Emirates. A joint venture (JV) would be created with 40% ownership by Etisalat Group and 60% ownership by G42. Total of twelve data centres will be combined in a new joint venture business operating under Khazna Data Centers. With plans underway to provide over 300MW of capacity to turbocharge UAE's digital economy. Deconsolidation of the data centers will have immaterial impact on Etisalat group's consolidated revenues. Accounting treatment for the JV will be based on the equity method by consolidating Etisalat group's share of new JV's net profit.

Emirates NBD posted Q3 net profit of AED 2.5bln vs AED 1.6bln year ago. Q3 total income AED 5.8bln vs AED 5.6bln year ago. Nine-month net profit AED 7.3bln vs AED 5.6bln year ago. Nine-month total income AED 17.3bln vs AED 18.3bln year ago. Nine-month impairment allowances AED 3.7bln vs AED 6.4bln year ago.

Emirates Islamic Bank posted Q3 net profit AED 235.5mln versus loss AED 323.1mln year ago. Q3 total operating income AED 618mln versus AED 433.5mln year ago.

Dubai Investments inks deal with Marjan to open mixed use beachfront resort and residential development worth of AED 1bln on al Marjan Island. Signs an agreement with Marjan to acquire land to develop a dynamic mixed-use beachfront residential, beach resort and lifestyle destination on Al Marjan Island.

Aramex resumes deliveries to and from UAE and Doha.

Sharjah Islamic Bank board approves to raise percentage of foreign ownership in bank's shares to 40%.

Damac Group enters a partnership with Dataplex Group Limited, a data centre colocation, engineering and construction solutions company headquartered in Dublin, Ireland. Partnership will focus on brownfield projects involving retrofitting existing structures and larger greenfield projects, with specific focus on hyperscale and wholesale colocation customers. Damac Group has also invested in Dataplex, which will result in a shareholding of up to 45% of company over time. Dataplex's primary shareholders Damac Group and Chirisa have acquired a land parcel in Abbotstown for a greenfield 70 mw+ data centre and industrial campus development in Dublin, Ireland.

Orascom Construction to evaluate acquisition of an equipment distribution and services business in Egypt. Management's proposal to evaluate potential acquisition, through company's subsidiaries, of a shareholding percentage of up to 100% of capital of Orascom Trading Company (S.A.E), national equipment company

(S.A.E) and Orascom Free Zone - Onsi Sawiris and Partners. Acquisition would allow Orascom Construction to expand its footprint in services sector.

Dubai Aerospace Enterprise announces USD 780mln of new senior unsecured term financings with a weighted average maturity of 7.7 years in two transaction. Announces USD 800mln of 24-month revolving credit facility maturity extensions from 2023 to 2025.

Mubadala's GlobalFoundries is aiming for a valuation of about USD 25bln in its initial public offering in the United States. GlobalFoundries set a price range between USD 42 and USD 47 a share for the IPO. At the upper end of the range, the company is expected to raise about USD 2.6bln. Including the "greenshoe option", which allows companies to sell additional shares during an IPO, GlobalFoundries could be valued at about USD 26bln. Funds associated with BlackRock Inc, Fidelity Management & Research Company LLC, some affiliates of Koch Strategic Platforms LLC, Columbia Management Investment Advisers LLC and Qualcomm Inc have committed to invest about USD 1.05bln in the IPO. Funds associated with Silver Lake Technology Management LLC have also committed to separately invest USD 75mln as part of a so-called concurrent private placement. Mubadala, which is selling 22mln shares in the IPO, will hold an 89.4% stake in GlobalFoundries and control 89.4% of the voting power, following the listing and the private placement, according to the latest filing.

S&P says Dubai is set for a "modest" recovery this year on the back of a high vaccination rate in the UAE and limited COVID-19 restrictions, but weak international tourism will drag on the economy until late 2022, S&P Global Ratings said. The economy of the Middle East trade, finance, and tourism hub shrank 10.9% last year, with the coronavirus-driven decline in tourism contributing to 56% of the overall decline, the ratings agency said in a report on Tuesday. S&P expects Dubai's real gross domestic product growth to average about 2% between 2022 and 2024.

UAE on Oct 19 announced 122 new Covid-19 cases, bringing the total confirmed cases in the country to 738,812. At the same time, 157 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 732,595, UAE's Ministry of Health and Prevention said. It has reported 2 deaths from Covid-19 during the past 24 hours. The nationwide death toll stands at 2,122.

GCC/MENA

Saudi Arabia issued SAR 8.5bln in domestic sukuk for the month of October, the kingdom's National Debt Management Center said on Tuesday. The Islamic bonds were split into two tranches: a SAR 3.905bln one due in 2029, and another of SAR 4.595bln due in 2033.

Saudi's ACWA Power is among bidders of 1,200 MW Saudi renewable energy projects, consisting of four independent generation projects (IPP), according to the Ministry of Energy. French Total Solar and ACWA Power are both candidates for the Wadi Al-Dawasir project with a capacity of 120 MW, while ACWA Power and AlFanan Energy Company are candidates for the Laila project with a capacity of 80 MW, under Category A. ACWA Power and China's JinkoSolar are the candidates for the Al Rass project, which as a capacity of 700 MW, while JinkoSolar and the Abu Dhabi Future Energy Company (Masdar) are candidates for the 300 MW Saad project, under Category B.

Saudi's Etihad Etisalat posted quarterly net profit after zakat and tax SAR 281mln versus SAR 222mln year ago. Quarterly sales SAR 3,606mln versus SAR 3,355mln year ago.

Saudi's Yamama Cement posted quarterly net profit after zakat and tax SAR 40mln versus SAR 95.3mln year ago. Quarterly sales SAR 170.7mln versus SAR 249.6mln year ago.

Bahrain's Investcorp has sold its long leasehold interest in an office campus in the commercial area of Stuttgart, Germany. The sale of Bürocampus Wangen ("the Campus") to Art-Invest Real Estate marks the company's first real estate exit since it entered the European market in 2017.

Egypt has started work on the third phase of its plan to enhance the efficiency of internet services in the country with up to USD 2bln investment, Amr Talaat, minister of communications and IT, told Asharq. The project includes delivery of fiber optic cables to around 4,500 villages in the next three years, he said. Talaat said once completed the project will benefit 58mln Egyptians with high-speed internet services.

Egypt's Centamin Q3 gold production at 103,546 ounces, a 3% improvement QoQ. Q3 revenue USD 182.9mln from gold sales of 103,514 oz at average realised gold price of USD 1,764/oz sold. FY gold production guidance maintained at 400,000 to 430,000 oz, targeting midpoint of 415,000 ounces.

Egypt's Societe Arabe International De Banque to exit Cairo National Company For Brokerage And Securities.

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	57,051	8.20	8.36	5.56	11.66	1.00	3.3%	6.9	20.9	38.1	52.1
ADIB	20,666	5.69	5.82	4.17	11.13	1.06	3.6%	(1.6)	6.2	26.1	40.8
ADNIC	3,015	5.29	5.93	3.75	7.01	1.15	6.6%	1.3	6.2	11.2	51.2
ADNOC Dist.	52,375	4.19	5.01	3.28	19.59	15.48	4.9%	(2.0)	(0.4)	17.2	31.2
ADNOC Drill.*	46,560	2.91	3.07	2.77	23.15	4.48	5.1%	NA	NA	NA	NA
Agthia	4,385	5.54	7.32	3.99	NM	1.63	3.0%	(6.6)	(8.5)	35.6	32.5
Air Arabia	6,207	1.33	1.45	1.07	NM	1.18	0.0%	(2.9)	(0.7)	3.9	19.8
Ajman Bank	1,445	0.69	0.83	0.64	20.32	0.56	0.0%	(2.3)	(6.5)	(11.8)	1.2
Aldar	31,529	4.01	4.26	2.13	14.26	1.23	3.6%	(5.0)	4.4	32.3	93.8
Alpha Dhabi	281,600	28.16	30.20	15.00	NA	NA	NA	4.3	14.4	NA	NA
Amanat	2,800	1.12	1.25	0.75	11.43	1.02	2.0%	-	16.1	36.6	41.4
Aramex	5,593	3.82	4.49	3.50	30.38	2.13	3.4%	1.3	0.0	(9.9)	(5.3)
ASM	15,140	15.14	16.94	13.00	NM	4.10	NA	(5.3)	NA	NA	NA
BOS	1,199	0.55	0.73	0.48	NA	0.35	0.0%	(2.7)	(0.0)	(9.4)	7.7
Dana Gas	7,345	1.05	1.15	0.64	13.06	0.92	5.2%	(0.9)	26.7	57.5	59.7
Deyaar	1,670	0.29	0.34	0.25	NA	0.39	0.0%	(13.7)	(1.4)	2.8	2.1
DFM	8,080	1.01	1.29	0.81	NM	1.03	0.0%	(7.3)	(7.3)	8.6	23.8
DIC	7,356	1.73	1.90	1.11	16.54	0.63	NA	(3.9)	2.4	25.4	59.5
DIB	36,493	5.04	5.19	4.00	15.27	0.99	4.0%	0.2	5.9	14.1	28.3
DU	29,645	6.54	7.22	5.40	21.65	3.53	3.8%	(1.2)	(0.6)	17.9	23.2
Easy Lease	1,372	45.72	66.85	10.00	43.80	22.36	NA	(0.4)	82.7	159.8	-
Emaar Dev.	15,480	3.87	4.08	2.20	7.25	1.21	0.0%	(1.5)	6.6	40.7	72.8
Emaar Malls	25,768	1.98	2.14	1.40	26.29	1.31	0.0%	(5.3)	1.5	8.2	39.4
Emaar Pro.	28,353	3.96	4.29	2.55	13.06	0.51	2.5%	(5.7)	0.5	15.1	53.4
ENBD	86,537	13.70	14.35	9.30	12.41	1.04	2.9%	(4.5)	4.6	37.8	45.9
ESG	2,425	9.70	11.80	3.01	NM	6.98	NA	36.6	161.5	NA	NA
Eshraq	735	0.32	0.37	0.29	NA	0.54	NA	(0.6)	(8.4)	(0.6)	1.9
Etisalat	220,898	25.40	25.80	16.64	23.98	4.69	4.7%	3.5	15.8	58.7	58.3
FAB	198,089	18.14	18.70	11.16	18.00	1.87	4.1%	(0.5)	11.3	47.9	71.0
GFH	2,926	0.75	0.81	0.53	10.38	0.78	2.3%	2.5	(1.8)	29.4	39.0
IHC	266,594	146.40	152.80	38.00	56.64	16.72	NA	0.1	14.3	248.6	273.5
Julphar	2,299	1.99	2.32	1.20	NA	2.42	NA	5.9	10.6	49.6	33.6
Mashreq	12,871	72.50	72.50	60.00	NA	0.67	0.0%	5.1	20.4	6.8	6.6
Palms Sports	2,157	14.38	21.48	4.30	26.74	7.99	NA	6.5	16.2	8.9	NA
RAK Bank	6,537	3.90	4.24	3.50	13.00	0.83	3.8%	(2.5)	(1.3)	0.0	9.9
RAK Pro.	1,410	0.71	0.76	0.38	6.82	0.35	5.7%	0.4	12.3	46.9	85.0
RAK Cer.	2,723	2.74	3.08	1.33	NM	1.22	2.7%	(0.8)	24.5	97.8	108.9
RPM	2,780	13.90	20.00	10.10	NA	NA	NA	NA	NA	NA	NA
Salama	908	0.75	0.97	0.70	6.10	1.16	11.0%	(5.3)	(7.4)	(2.4)	13.0
SIB	5,639	1.83	1.89	1.15	11.05	0.73	4.4%	5.2	21.2	46.9	67.2
Shuaa	1,674	0.66	0.80	0.59	8.30	1.09	4.5%	(4.3)	(6.9)	1.7	13.6
Tabreed	7,184	2.59	3.15	2.18	13.59	1.36	2.2%	(5.8)	(7.8)	1.9	20.0
TAQA	140,543	1.25	1.78	1.22	28.86	1.98	2.0%	(2.3)	(7.7)	(11.8)	(10.9)
Union Pro.	1,154	0.27	0.32	0.23	2.93	0.39	0.0%	(10.6)	11.6	(3.9)	(3.9)
Waha	3,461	1.78	1.96	0.98	6.26	1.03	3.4%	1.7	25.4	56.0	80.0
Yahsat *	6,441	2.64	3.10	2.46	25.62	1.94	6.0%	2.7	NA	NA	NA
Zee Store	3,802	38.02	53.00	7.95	NM	18.39	NA	(2.5)	300.2	262.1	NA

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

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