



Morning Report

24 May 2023

Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	9,490	-0.4%	-1%	-4%	-7%	-2%
DFM	3,533	-0.5%	2%	4%	6%	7%
TASI	11,276	-0.5%	1%	11%	8%	-8%
QSI	10,608	-0.3%	7%	1%	-1%	-18%
BKM	5,396	-0.2%	-3%	-2%	-4%	-10%
MSX	4,686	-0.4%	-1%	1%	-4%	13%
BHSEASI	1,961	0.6%	4%	1%	3%	4%
EGX	16,788	0.0%	-4%	-1%	15%	60%
DJI	33,056	-0.7%	-2%	0%	0%	4%
S&P 500	4,146	-1.1%	1%	5%	9%	7%
Nasdaq	12,560	-1.3%	4%	8%	20%	9%
FTSE	7,763	-0.1%	-2%	-2%	4%	3%
DAX	16,153	-0.4%	2%	4%	16%	14%
CAC40	7,379	-1.3%	-3%	1%	14%	16%
Nikkei225	30,958	-0.4%	8%	14%	19%	15%
HIS	19,258	-0.9%	-3%	-5%	-2%	-5%
MSCI EM	979	-0.5%	0%	-1%	2%	-5%
MSCI	162	-0.5%	1%	1%	4%	-2%
US Fut.	4,163	0.1%	0%	4%	8%	6%
EU Fut.	4,327	-0.5%	0%	2%	15%	0%

UAE Trading Summary

AEDm	Buy	Sell	Net
ADX	1,073	1,073	-
Local	71%	51%	19%
Foreign	29%	49%	-19%
Institutional	80%	78%	2%
Retail	20%	22%	-2%
DFM	336	336	-
Local	55%	58%	-3%
Foreign	45%	42%	3%
Institutional	42%	53%	-
Retail	58%	47%	11%
Total	1,409	1,409	-
Local	67%	53%	14%
Foreign	33%	47%	-14%

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

Last Trading Day's Top Short Positions

Company	Short Interest (Short shares/Out. shares)	Close (AED)	Change (%)	High - Low 52WH	High - Low 52WL
Dana	0.066%	0.82	0.7	1.13	0.75
RAKPROP	0.032%	0.72	(1.9)	0.81	0.55
Qholding	0.017%	2.25	-	4.54	2.15

Upcoming Corporates Actions & Events

Date	Company	Event
24-May	Presight	BoD/General
24-May	EKTTIAB	General Assembly
24-May	NIH	General Assembly
24-May	United Foods	BoD/General
24-May	DFM	BoD/General
25-May	GulfNav	BoD/General
25-May	Fujairah Cement	General Assembly
29-May	NIND	Last Div. Entitlement date
30-May	IFA	General Assembly
30-May	Agility	General Assembly
01-Jun	MSCI Rebalancing	Effective Date
13-Jun	Ajman Bank	General Assembly
14-Jun	RAKBANK	General Assembly
14-Jun	DRC	General Assembly
19-Jun	FTSE Rebalancing	Effective Date

KEY STORIES

ADNOC and TAQA announced today the award of a strategic investment project estimated at up to USD 2.4bn (AED 8.8bn) to provide sustainable water supply for ADNOC's onshore operations

NMDC has doubled its cornerstone investment in the IPO of ADNOC Logistics & Services (L&S) to USD 60mn, the company said on Tuesday

DEWA receives the lowest water levelized tariff of 0.38923 USD per cubic meter for its 120MIGD Hassyan Sea Water Reverse Osmosis IWP

FAB is expanding its value-added trade product and channel capabilities in the region with the launch of its Supply Chain Finance (SCF) programme in the Kingdom of Saudi Arabia

Air Arabia announced the launch of its fifth new Russian route, Samara. The new flights between Sharjah International Airport and Kurumoch International Airport in Russia will operate three flights weekly, starting from 1st October, 2023

Yahsat Thuraya, and eSAT Global announced that they have successfully completed an over-the-air demonstration of low-latency, direct-to-satellite IoT texting system

Majid Al Futtaim (MAF) emirati retail conglomerate launched a USD500mn 10-year green sukuk at 140 basis points (bps) over Treasuries

Fitch Ratings has affirmed Ras Al Khaimah's (RAK) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A' with a Positive Outlook.

Central Bank of the UAE has removed the entire board of directors of an insurance company operating locally and replaced it with a temporary committee of experts for six months

UAE and Malaysia have agreed to start preliminary negotiations on a bilateral trade agreement targeting a broad expansion of economic ties, according to the state-run news agency WAM

Saudi Naam International Holding Group Company reported 1Q23 net profit after zakat and tax of SAR 2.3mn, down 39% YoY

Saudi Al Jouf Cement Company recorded 1Q23 sales of SAR 70.3mn, up 44.1%YoY. The company recorded 1Q23 net profit after tax and zakat of SAR 23.5mn, up 652.8% YoY

Saudi Red Sea International Company reported 1Q23 net loss after zakat and tax of SAR 19.5mn, up 2.1% YoY

Saudi Real Estate Company entered into a JV agreement with Al Tahaluf Real Estate to develop a residential villa scheme within Al-Akaria park masterplan

Egypt's United Arab Stevedoring company recorded 9MFY23 net loss after tax of EGP 10.9mn down 24% YoY. The company recorded 9MFY23 revenue of EGP 13.6mn, up 34.7% YoY

Egypt's Madinet Nasr for Housing and Development reported 1Q23 consol net profit after tax of EGP 304.4mn, up 153% YoY

Key Global Trends/ Market Clues

Asian stocks on Wednesday extended a global sell-off as U.S. debt ceiling negotiations dragged on without resolution, while the New Zealand dollar tumbled after the central bank caught markets off-guard by flagging that its tightening cycle is over. The U.S. dollar paradoxically remained elevated amid safe-haven demand, which was also a driver of Treasuries and pushed yields lower. Japan's Nikkei sank 1.1%, extending its retreat from a post-bubble-era peak to a second day. Hong Kong's Hang Seng declined 1.2%, and mainland blue chips slid 0.8%. U.S. equity futures stabilised slightly after sharp declines for

the main indexes S&P 500 and the Nasdaq overnight. Representatives of President Joe Biden and congressional Republicans ended another round of debt ceiling talks on Tuesday with no signs of progress, as the ostensible X-date of June 1 looms large.

Oil prices gained on Wednesday after U.S. inventories and fuel supplies tightened and as a warning from the Saudi energy minister to speculators raised the prospect of further OPEC+ output cuts. Brent crude futures last rose 68 cents, or 0.9%, to USD 77.52 a barrel, while the U.S. West Texas Intermediate crude (WTI) gained 75 cents, or 1%, to USD 73.66 a barrel. Fears of a supply squeeze mounted after Saudi Arabia's energy minister said he would keep short sellers those betting that prices will fall "ouching" and told them to "watch out". Some investors took that as a signal that the OPEC+, could consider further output cuts at a meeting on June 4.

Source: Reuters

UAE Stories

ADNOC and TAQA announced today the award of a strategic investment project estimated at up to USD 2.4bn (AED 8.8bn) to provide sustainable water supply for ADNOC's onshore operations, reinforcing ADNOC and TAQA's position as responsible energy leaders and underscoring their efforts to drive sustainable initiatives that deliver long-term value. ADNOC and TAQA will jointly hold a 51% majority stake (25.5% each) in the Project Company and the remaining 49% stake has been awarded to a consortium comprised of Orascom Construction and Metito (the "Consortium"). The Consortium will arrange the project financing for the construction phase and develop the project under a build, own, operate and transfer (BOOT) model, with the full project being returned to ADNOC after 30 years of operation. The project will develop a centralized world-class seawater treatment facility and transportation network for operations at the Bab and Bu Hasa fields in Abu Dhabi. This project will replace the current high-salinity, deep aquifer water systems at the fields, thereby reducing water injection related energy consumption by up to 30%. The project will be connected to the grid and will receive 100% of its power from clean energy sources.

NMDC has doubled its cornerstone investment in the IPO of ADNOC Logistics & Services (L&S) to USD 60mn, the ADX-listed company said on Tuesday. The company said investment falls within its framework of implementing a long-term strategy to diversify its business and investments inside and outside the UAE. ADNOC L&S on Monday raised the size of its stake sale to 19% of total issued share capital from the previously announced 15% citing significant investor demand.

DEWA today received two 2 bids (from ACWA Power and Abu Dhabi National Energy Company PJSC). ACWA Power submitted the lowest water levelized tariff of 0.389 USD per cubic meter for the Base Proposal of 120mn Gallons per Day (MIGD) and 0.365 USD per cubic meter for the Alternative Proposal of 180 MIGD for the Hassyan Sea Water Reverse Osmosis (SWRO) Plant. The project is DEWA's first Independent Water Producer model (IWP) project. DEWA has adopted the IWP procurement model for the Hassyan desalination plant following the success of the Independent Power Producer (IPP) model at the Mohammed bin Rashid Al Maktoum Solar Park projects.

FAB is expanding its value-added trade product and channel capabilities in the region with the launch of its Supply Chain Finance (SCF) programme in the Kingdom of Saudi Arabia. Alfanar has become the first local client in Kingdom to benefit from FAB's on-ground SCF capabilities.

Air Arabia announced the launch of its fifth new Russian route, Samara. The new flights between Sharjah International Airport and Kurumoch International Airport in Russia will operate three flights weekly, starting from 1st October, 2023.

Yahsat Thuraya, and eSAT Global announced that they have successfully completed an over-the-air demonstration of low-latency, direct-to-satellite IoT texting system by transmitting low-power IoT (Internet of Things) messages over Thuraya's satellite network (Thuraya-2 Satellite 'T2'). This milestone is the first

of several milestones that Yahsat expects to achieve via its investment in eSAT Global and Thuraya's agreement with the company to develop a next-generation IoT platform.

Majid Al Futtaim (MAF) emirati retail conglomerate launched a USD500mn 10-year green sukuk at 140 basis points (bps) over Treasuries. MAF and Banque Saudi Fransi plan to price Islamic bonds, or sukuk, on Tuesday, as investor demand and favourable conditions drive issues from the Gulf region. Emirati retail conglomerate MAF launched a USD 500mn 10-year green sukuk at 140 basis points (bps) over Treasuries, capital markets publication IFR reported, tighter than earlier guidance, after order books hit more than USD 3bn.

Fitch Ratings has affirmed Ras Al Khaimah's (RAK) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A' with a Positive Outlook.

Central Bank of the UAE has removed the entire board of directors of an insurance company operating locally and replaced it with a temporary committee of experts for six months. This administrative sanction is imposed in accordance with Article 41 of the Federal Law No. (6) of 2007 on the Regulation of Insurance Operations, the central bank said in a statement on Tuesday, without disclosing either the name of the company or the reasons for the sanctions

UAE and Malaysia have agreed to start preliminary negotiations on a bilateral trade agreement targeting a broad expansion of economic ties, according to the state-run news agency WAM. The agreement to launch Comprehensive Economic Partnership Agreement (CEPA) talks between the two countries was signed on the sidelines of the official visit of Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, to Malaysia.

GCC/MENA

Saudi Naam International Holding Group Company reported 1Q23 net profit after zakat and tax of SAR 2.3mn, down 39% YoY. The company recorded 1Q23 sales of SAR 12.1mn, up 278% YoY. The quarter saw higher financing cost.

Saudi Al Jouf Cement Company recorded 1Q23 sales of SAR 70.3mn, up 44.1% YoY. The company recorded 1Q23 net profit after tax and zakat of SAR 23.5mn, up 652.8% YoY. The quarter saw decrease in the cost of sales and increase in the quantity and value of sales

Saudi Red Sea International Company reported 1Q23 net loss after zakat and tax of SAR 19.5mn, up 2.1% YoY. The company recorded 1Q23 sales of SAR 118.2mn, up 1% YoY. The quarter saw decline in the cost of sales. As of end-march, total accumulated losses were 63.2% of share capital

Saudi Real Estate Company entered into a JV agreement with Al Tahaluf Real Estate to develop a residential villa scheme within Al-Akaria park masterplan

Egypt's United Arab Stevedoring company recorded 9MFY23 net loss after tax of EGP 10.9mn down 24% YoY. The company recorded 9MFY23 revenue of EGP 13.6mn, up 34.7% YoY

Egypt's Madinet Nasr for Housing and Development reported 1Q23 consol net profit after tax of EGP 304.4mn, up 153% YoY. The company recorded 1Q23 consol revenue of EGP 1.05bn, up 25% YoY

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

UAE Focus List

Company	MCAP (AEDm)	PRICE (AED)	HIGH-LOW		VALUATION		Div. (%)^	PRICE RETURNS			
			52WH	52WL	PE	PB		1M%	3M%	YTD%	12M%
IHC	866,519	395.00	410.10	272.20	55.00	11.96	-	(0.6)	0.0	(3.7)	41.1
TAQA	349,698	3.11	4.17	1.19	20.11	4.43	1.6%	(2.0)	(7.4)	(9.3)	153.4
ADNOCGAS*	242,554	3.16	3.51	2.77	15.83	3.23	4.9%	3.3	-	-	-
Etisalat	199,869	22.98	30.40	22.00	20.63	4.46	3.5%	(1.7)	(8.8)	0.5	(17.7)
Alpha Dhabi	192,016	19.20	30.50	18.52	16.06	4.81	-	(12.5)	(12.7)	(29.1)	(23.9)
FAB	146,061	13.22	21.66	12.80	12.45	1.30	3.9%	(0.9)	(2.8)	(22.7)	(26.6)
DEWA	124,510	2.49	2.56	2.24	16.10	1.39	8.0%	4.6	9.3	8.8	8.0
ENBD	86,860	13.75	14.20	11.80	5.19	0.91	4.4%	4.2	7.7	5.8	12.8
Borouge	79,359	2.64	3.27	2.45	36.9	4.91	4.5%	0.4	7.6	4.3	(8.0)
ADNOC Drill.	60,805	3.80	4.33	2.90	19.57	5.26	4.1%	(2.6)	15.1	27.5	29.5
ADCB	59,882	8.18	9.68	7.63	9.01	0.97	6.7%	(6.2)	1.1	(4.4)	(6.0)
ADNOC Dist.	51,504	4.12	4.88	3.92	19.69	19.11	5.0%	(4.4)	(0.7)	(6.6)	8.0
Emaar Pro.	51,446	5.82	6.60	4.87	6.13	0.72	4.3%	1.1	12.4	(0.7)	9.9
Aldar	40,260	5.12	5.54	4.12	13.41	1.37	3.1%	(3.9)	17.8	15.6	9.3
ADIB	38,866	10.70	11.90	7.03	10.60	1.82	4.6%	(1.7)	11.0	17.5	48.1
DIB	38,089	5.26	6.20	5.10	7.32	0.94	5.7%	(1.1)	(1.4)	(7.7)	(4.3)
Multiply	36,403	3.25	5.08	1.72	2.01	1.28	-	2.2	(16.2)	(30.0)	79.6
AD Ports	33,342	6.55	6.95	4.60	25.41	1.72	-	3.0	5.5	14.1	39.1
Americana	32,265	3.83	4.14	2.66	35.80	37.32	1.2%	0.0	7.6	29.0	37.4
Fertiglobe	26,732	3.22	6.11	3.11	7.08	3.30	19.9%	(15.9)	(10.5)	(23.9)	(23.9)
Mashreq	24,276	121.00	135.00	72.90	5.15	1.04	7.4%	0.8	(1.7)	24.1	69.6
DU	22,802	5.03	6.45	4.95	17.83	2.67	4.8%	0.6	(0.8)	(13.3)	(10.2)
Salik	22,427	2.99	3.10	2.19	16.92	25.51	4.7%	4.9	15.9	20.6	37.8
Emaar Dev.	20,682	5.17	6.04	4.02	5.42	1.07	10.1%	(3.7)	17.9	17.2	23.1
Presight	19,015	3.39	3.85	2.80	44.68	7.70	-	-	-	-	-
Empower	17,701	1.77	1.82	1.31	17.94	6.38	4.8%	5.4	20.1	24.6	33.4
NMDC	16,303	19.76	41.90	18.20	10.58	2.42	-	(10.6)	(49.5)	(19.3)	(22.5)
Burjeel	11,452	2.20	2.68	2.00	31.41	9.48	-	0.9	9.5	(3.1)	(4.8)
DFM	11,361	1.42	2.24	1.16	73.12	1.46	1.2%	(6.0)	0.6	(6.0)	(33.4)
Bayanat	11,289	4.39	6.24	3.17	55.80	10.44	-	9.5	17.1	(10.4)	7.1
Air Arabia	10,828	2.32	2.41	1.82	8.51	1.65	6.5%	7.9	9.5	7.9	33.0
Ghitha	10,129	41.92	96.00	33.80	34.48	4.01	-	3.1	(52.0)	(42.6)	(52.6)
DIC	9,355	2.20	2.60	2.04	5.44	0.71	9.1%	(3.3)	3.1	1.4	8.2
RAK Bank	8,717	5.20	5.34	4.19	6.22	0.93	6.5%	(0.0)	11.0	10.6	13.3
Tabreed	8,081	2.84	3.52	2.33	10.79	1.31	4.8%	0.4	1.5	(4.1)	23.9
ASM	7,581	7.58	12.40	7.00	8.01	1.09	-	(4.5)	1.1	(19.5)	(35.8)
SIB	6,407	1.98	2.15	1.57	9.19	0.86	4.8%	3.7	1.5	6.6	20.5
Yahsat	6,173	2.53	2.92	2.39	23.17	1.93	6.4%	(0.8)	0.3	1.2	3.8
Dana Gas	5,723	0.82	1.13	0.75	8.75	0.66	11.0%	0.3	12.7	(11.1)	(17.9)
Aramex	4,524	3.09	4.45	3.01	32.59	1.80	3.1%	(3.9)	(8.6)	(12.2)	(12.1)
Ajman Bank	4,021	1.85	1.97	0.64	22.68	1.56	-	13.3	68.0	62.3	155.6
GFH	3,800	0.98	1.18	0.87	9.67	0.96	5.9%	5.2	13.8	10.0	(4.5)
Agthia	3,539	4.47	5.48	3.87	14.07	1.23	3.7%	4.9	14.4	12.3	1.8
Invictus	3,248	2.90	6.50	2.80	8.64	2.90	5.4%	(5.8)	(1.8)	(24.1)	(24.5)
ADNIC	3,226	5.66	6.47	5.55	8.21	1.23	7.1%	(0.7)	(2.3)	(8.7)	4.1
RAK Cer.	2,624	2.64	3.03	2.50	8.21	1.24	7.6%	3.5	(5.7)	(6.7)	0.6
Amanat	2,525	1.01	1.07	0.81	20.57	0.91	4.0%	13.3	12.2	18.8	7.4
Palms Sports	1,482	9.88	13.00	8.47	12.17	3.13	-	0.8	5.1	0.8	(10.5)
ESG	1,170	4.68	8.70	4.28	7.89	1.71	-	(6.4)	(32.9)	(39.7)	(34.1)
Easy Lease	1,002	33.40	50.80	25.58	24.20	7.60	-	9.5	2.8	(4.0)	(25.8)
RPM	860	4.30	10.20	3.87	28.49	3.86	5.8%	(2.5)	(10.8)	(30.5)	(49.2)

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

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