



## Morning Report

25 July 2021

### Market Stats

Indices	Close	Chg.	1M Chg.	3M Chg.	YTD Chg.	1Y Chg.
ADX	7,065	-0.1%	6%	15%	40%	65%
DFM	2,744	0.0%	-4%	4%	10%	34%
TASI	10,795	0.2%	0%	8%	24%	46%
BHSEASI	1,579	0.1%	1%	7%	6%	21%
EGX	10,647	0.8%	8%	3%	-2%	2%
DJI	35,062	0.7%	4%	3%	15%	32%
S&P 500	4,412	1.0%	4%	6%	17%	36%
Nasdaq	14,837	1.0%	4%	6%	15%	42%
FTSE	7,028	0.9%	-1%	1%	9%	13%
DAX	15,669	1.0%	1%	3%	14%	20%
CAC40	6,569	1.3%	0%	5%	18%	30%
Nikkei225	27,548	0.6%	-2%	-3%	0%	20%
HIS	27,322	-1.4%	-5%	-6%	0%	8%
MSCI EM	1,311	-1.1%	-4%	-3%	2%	22%
MSCI Asia	201	-0.9%	-3%	-3%	1%	20%

### UAE Trading Summary

AEDm	Buy	Sell	Net
<b>ADX</b>	<b>1,116</b>	<b>1,116</b>	<b>-</b>
Local	82%	80%	2%
Foreign	18%	20%	-2%
Institutional	82%	86%	-4%
Retail	18%	14%	4%
<b>DFM</b>	<b>64</b>	<b>64</b>	<b>-</b>
Local	54%	43%	11%
Foreign	46%	57%	-11%
Institutional	28%	39%	-10%
Retail	72%	61%	10%
<b>Total</b>	<b>1,181</b>	<b>1,181</b>	<b>-</b>
Local	81%	78%	3%
Foreign	19%	22%	-3%

### # 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)
ADCB	(86,208)	270.4%	0.0	0.2
Dana Gas	(20,000)	0.1%	16.4	13.5

### Upcoming Corporates Actions & Events

Date	Company	Event
26-Jul	DU	BoD/Results
26-Jul	SHUAA	BoD/General
27-Jul	FAB	BoD/Results
27-Jul	ENBD	BoD/Results
27-Jul	DIB	BoD/Results
29-Jul	CBI	BoD/Results
3-Aug	AD Aviation	BoD/Results
11-Aug	-	MSCI 3Q Index Review Announcement
12-Aug	GFH	BoD/Results

## # KEY STORIES

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ADCB posted Q2 net profit of AED 1.4bln, up 14%YoY and 25% QoQ. Q2 operating income AED 3.16bln, up 7% YoY. Confident that the provisions recorded for NMC are "sufficient and appropriate". Al Hilal Bank on track to launch new digital platform in 4Q

DIB to go ahead with claims against insurance companies in NMC dispute. The bank also affirmed its commitment to support restructuring of NMC business

Dana Gas wins arbitration on sale of Egypt assets. Tribunal ruled in Dana Gas' favour on all key points, concluding that Dana Gas' termination of the SPA was valid

NBF posted Q2 net profit of AED 34.2mln compared to loss of AED 10.3mln a year ago. Q2 operating income stood at AED 364.3mln compared to AED 338.1mln a year ago

Mashreq Bank to reduce the number of physical branches to 10 by the end of August 2021, down from 34 two years ago and increase the number of electronic banking service units

Mubadala's US based chipmaker GlobalFoundries committed to IPO plan in 2022 - CEO

Mubadala gets preferential status in bid for Renova's assets

DP World and Russia's Rosatom agreed to join efforts in developing pilot container shipping between Northwest Europe and East Asia through the Arctic

Al-Khaleej Sugar Co. to expand in Europe through \$590mln Spain beet factory

Founder of NMC Health has sued auditor EY, two former top executives of his companies and two banks in a U.S. court for an alleged multibillion-dollar fraud at his group

Passenger entry from 16 destinations to the UAE remains suspended until further notice

UAE on Jul 24 announced 1,507 new Covid-19 cases and 1,455 recoveries. The tally takes total cases in UAE to 670,108 with 647,682 recoveries and 1,916 deaths

Saudi Arabia to ban unvaccinated people from public places starting August 1

Kuwait's finance ministry is working on a law to allow limited withdrawals from its Future Generations Reserve Fund

Bahrain's Batelco says that Batelco Financial Services has been granted a full operating license by the Central Bank of Bahrain

Bahrain limits cinemas, indoor events to vaccinated

Egypt has raised domestic fuel prices in a quarterly review

Egypt's Sodic receives Ministry of Housing letter regarding changes to New Zayed Area Plans

Egypt's Giza General Contracting received initial award letter for its consortium with a contracting company for infrastructure works in Sheikh Zayed City for EGP 500mln

Egypt's FRA says Tycoon Holding submits amended offer price to buy upto 90% stake in Alexandria National Company for amended offer price to EGP 6.25 per share

## # Key Global Trends/ Market Clues

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All three major U.S. stock indexes closed at record highs on Friday after a rocky week in which investors fretted over the Delta coronavirus variant and cheered an economic recovery, while U.S. Treasury yields

rose before a Federal Reserve meeting next week. Megacap tech stocks and positive corporate earnings helped drive main U.S. indexes up again. Yields on U.S. Treasuries were also up, as was the dollar, with investors eyeing next week's Federal Reserve meeting for hints on the U.S. economic recovery from the COVID-19 pandemic and when the central bank will pull back support for the economy. The Dow Jones Industrial Average rose 238.2 points, or 0.68%, to close the week at 35,061.55, while the S&P 500 gained 44.31 points, or 1.01%, to 4,411.79. The Nasdaq Composite added 152.39 points, or 1.04%, to close at 14,836.99.

Oil prices edged higher on Friday and for the week after a strong recovery from Monday's steep slide, underpinned by expectations that supply will remain tight through the year. The price of oil and other riskier assets tumbled at the start of the week on concern over the impact on the economy and crude demand from surging cases of the COVID-19 Delta variant in the United States, Britain, Japan and elsewhere. Brent crude ended the session up 31 cents, or 0.4%, at USD 74.10 a barrel after jumping 2.2% on Thursday. U.S. West Texas Intermediate crude settled up 16 cents, or 0.2%, at USD 72.07, after gaining 2.3% on Thursday. For the week, Brent gained 0.7% after declining for three consecutive weeks, while WTI rose 0.4% after falling for two weeks.

OPEC+ countries have agreed to raise oil production by 400,000 barrels per day per month starting in August and will seek to completely phase out current curbs on output by September 2022, OPEC said in a press release. A market assessment will be done in December 2021. In May 2022, the reference baseline for the reductions in oil production will be raised by a total of 1.63m bpd, including to 11.5m bpd from 11m bpd for Saudi Arabia and Russia; to 3.5m bpd from 3.2m bpd for the United Arab Emirates; to 4.8m bpd from 4.65m bpd for Iraq; and to 2.96m bpd from 2.8m bpd for Kuwait.

## # UAE Stories

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Abu Dhabi Commercial Bank posted Q2 net profit of AED 1.402bn, up 14%YoY and 25% QoQ. Q2 operating income AED 3.16bn, up 7% YoY. Q2 net interest income AED 2.32bn, down 1% YoY. Q2 non-interest income AED 840m, up 41% YoY. Q2 impairments AED 678m, up 1.5% YoY. Realized cost synergies of AED 661m in 1H; on track to exceed AED 1bn target for full year 2021. The bank further said that NMC health group is in the final stages of obtaining creditor agreement for a plan of reorganisation which, when approved, will be implemented during the second half of 2021. To date, the bank has recorded significant provisions and interest in suspense of AED 1.075bn on NMC Health. Bank is fully supportive of three-year business plan being executed by joint administrators of NMC that is building value at company's core assets. Al Hilal Bank on track to launch new digital platform in Q4'21 to become first fully digital sharia'ah-compliant retail bank in UAE.

Dubai Islamic Bank said it intends to make legal claims on insurance companies to make payments of insurance receivables assigned to it under its finance facilities to NMC. ADGM court has ruled that the DIB is "the overall winner" in this phase of litigation and referred to dispute between DIB and NMC to arbitration between both parties. In its filing to DFM, DIB said: "Notwithstanding the arbitration proceedings, our proceedings against the insurance companies will continue and DIB is confident in its prospects in these proceedings. The bank also affirmed commitment to support restructuring of NMC business to ensure successful emergence from administration.

Dana Gas wins arbitration on sale of Egypt assets. The company has received an award in its favour dated 19 July 2021 from the London Court of Arbitration. Tribunal rejected IPR Wastani's claim in its entirety. Tribunal ruled in Dana Gas' favour on all key points, concluding that Dana Gas' termination of the SPA was valid.

National Bank of Fujairah posted Q2 net profit of AED 34.2m compared to loss of AED 10.3m a year ago. Q2 operating income stood at AED 364.3m compared to AED 338.1m a year ago.

Mashreq said it will reduce the number of its branches in response to changing customer behaviour amid a wider push towards digital banking. The bank has decided to reduce the number of physical branches to 10 by the end of August 2021, down from 34 two years ago. It will, however, increase the number of electronic banking service units as customers "embrace automated and online banking offerings", Mashreq said.

The US-based GlobalFoundries, a chipmaker owned by Mubadala Investment Company, is committed to its plan for an initial public offering (IPO) in 2022, the company's CEO said. CEO has denied the reports

claiming that Intel Corp intends to buy GlobalFoundries, referring that the company is preparing for a share sale.

Mubadala Investment Company won the right to match any other higher bid for some assets of bankrupt Renova Energia SA. Mubadala has made a USD 211mln binding offer for Renova's 51% stake in Brasil PCH SA unit, which has 13 small hydroelectric plants.

DP World and Russian state nuclear energy firm Rosatom agreed to join efforts in developing pilot container shipping between Northwest Europe and East Asia through the Arctic, the companies said.

Al Khaleej Sugar Company has won approval to build a factory in Spain, extending its reach beyond the MENA region, Bloomberg reported. The company plans to start construction of the plant in Merida next year, said Managing Director Jamal Al-Ghurair. The new factory will require an investment of about USD 590mln and will produce as much as 900,000 metric tons of sugar a year, Al-Ghurair said. Operations are expected to begin in 2024, he said.

Founder of NMC Health, B.R. Shetty has sued auditor EY, two former top executives of his companies and two banks in a U.S. court, seeking USD 8bln in damages for an alleged multibillion-dollar fraud at his group.

Passenger entry from 16 destinations – including India, Pakistan, South Africa and Indonesia to the UAE remains suspended until further notice. Eight categories of travellers are allowed to fly to the UAE from countries where passenger entry is suspended. The latest addition to the exempted categories is Expo 2020 Dubai participants.

The United Arab Emirates on Jul 24 announced 1,507 new Covid-19 cases, bringing the total confirmed cases in the country to 670,108. At the same time, 1,455 more patients have recovered from the virus, taking the tally of recoveries in the UAE to 647,682. UAE's Ministry of Health and Prevention said. It has reported 3 deaths from Covid-19 during the past 24 hours. The nationwide death toll stands at 1,916.

## # GCC/MENA

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Saudi Arabia to ban unvaccinated people from public places starting August 1. Access to government and private educational facilities will also be restricted.

Kuwait's finance ministry is working on a law to allow limited withdrawals from its Future Generations Reserve Fund, Al Anba newspaper reported, citing a document from the Kuwait Investment Authority (KIA). The proposed legislation which would allow the government to tap the fund in times of need is one of a number of plans under consideration that include the sale of sovereign bonds.

Bahrain's Batelco says that Batelco Financial Services has been granted a full operating license by the Central Bank of Bahrain. First telecom company in the GCC to have received licenses for open banking as well as payment service provider and card processor, to enter the Fintech arena. Successful launch and licensing of subsidiary will reflect positively on company and potentially its income.

Bahrain limits cinemas, indoor events to vaccinated. As part of the new rules, cinemas, indoor events and conferences, and attendance of indoor sports events will be opened to those who are vaccinated and have completed 14 days after the second dose of a vaccine and those who have recovered from Covid-19 by presenting their green shields on the "BeAware" app.

Egypt has raised domestic fuel prices in a quarterly review that links energy prices to international markets, the petroleum ministry said on Friday. The prices of 80-octane, 92-octane and 95-octane petrol were raised to EGP 6.75 per litre, EGP 8 per litre and EGP 9 per litre respectively.

Egypt's SODIC receives letter from the Ministry of Housing, Utilities & Urban Communities regarding the 500 acre land plot in New Zayed. Letter refers to some changes to New Zayed area plans at large including development of new projects adjacent to aforementioned land plot. Accordingly location of 500 acre plot is being adjusted in a way that preserves nature and all components of project and maximizes benefit. New location will be presented to NUCA's board of directors.

Egypt's Giza General Contracting received initial award letter for its consortium with a contracting company for infrastructure works in Sheikh Zayed City for EGP 500mln.

Egypt's Financial Regulatory Authority says Tycoon Holding for Financial Investments submits amended offer price to buy upto 90% stake in Alexandria National Company for Financial Investment for amended offer price to EGP 6.25 per share instead of EGP 5.60 per share.

*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	47,171	6.78	7.57	4.96	9.99	0.85	4.0%	(1.7)	8.5	14.2	42.2
ADIB	19,469	5.36	5.68	3.58	11.74	0.98	3.8%	(4.3)	8.9	18.8	51.4
ADNIC	2,839	4.98	5.93	3.19	7.43	1.15	7.0%	(9.3)	3.7	4.7	69.5
ADNOC Dist.	53,878	4.31	5.01	3.01	22.15	15.50	4.8%	(1.8)	(3.1)	17.7	45.7
Agthia	4,861	6.14	7.32	2.70	74.95	1.84	2.7%	(6.8)	(4.8)	48.1	114.1
Air Arabia	6,254	1.34	1.42	1.07	NA	1.28	0.0%	(3.6)	3.9	4.7	15.5
Ajman Bank	1,546	0.74	0.83	0.58	19.59	0.62	0.0%	(3.9)	3.7	(5.6)	25.0
Waha	2,761	1.42	1.53	0.74	4.10	0.86	4.2%	-	22.4	24.5	84.4
Aldar	30,194	3.84	3.90	1.68	15.63	1.18	3.8%	1.1	5.5	26.7	132.0
Alpha Dhabi	246,213	24.62	24.80	15.00	NA	NA	NA	NA	NA	NA	NA
Amanat	2,413	0.97	1.01	0.75	67.15	0.95	2.3%	0.9	12.2	17.7	8.8
Aramex	5,593	3.82	4.49	3.23	25.64	2.05	3.4%	(2.6)	(3.5)	(9.9)	17.1
BOS	1,199	0.55	0.73	0.48	NA	0.35	0.0%	2.5	(1.6)	(9.4)	2.9
Damac	7,563	1.25	1.75	0.80	NA	0.58	NA	(2.3)	(0.8)	(3.8)	49.0
Dana Gas	5,799	0.83	0.85	0.64	40.24	0.73	6.6%	2.0	5.9	24.3	30.0
Deyaar	1,693	0.29	0.33	0.25	NA	0.39	0.0%	(0.7)	6.2	4.3	5.4
DFM	8,720	1.09	1.29	0.75	68.86	1.12	0.0%	(8.4)	-	17.2	41.7
DIC	7,186	1.69	1.76	1.11	15.03	0.60	NA	(2.3)	8.3	22.5	54.5
DIB	34,468	4.76	5.15	3.75	13.92	0.95	4.2%	(3.6)	5.1	7.8	28.4
DU	30,281	6.68	7.22	5.00	22.51	3.72	4.2%	(1.0)	(1.0)	18.6	34.8
Easy Lease	751	25.02	27.00	10.00	30.54	15.80	NA	-	8.9	42.2	-
Emaar Dev.	14,521	3.63	3.94	2.06	8.11	1.21	0.0%	(6.2)	32.0	32.0	72.9
Emaar Malls	25,379	1.95	2.14	1.28	39.44	1.31	0.0%	(3.5)	3.2	6.6	39.3
Emaar Pro.	28,211	3.94	4.29	2.54	11.45	0.51	2.5%	(4.1)	2.4	14.5	54.3
ENBD	82,752	13.10	14.00	8.62	12.64	1.00	3.1%	(6.4)	12.0	31.8	54.2
ESG	928	3.71	8.00	3.01	46.87	2.81	NA	6.6	NA	NA	NA
Eshraq	802	0.35	0.46	0.25	NA	0.60	NA	2.1	6.2	8.5	32.2
Etisalat	193,949	22.30	22.66	16.40	21.28	4.34	5.4%	0.5	1.7	37.0	39.3
FAB	178,006	16.30	17.14	10.36	16.76	1.65	4.5%	(1.6)	12.7	32.9	60.0
GFH	2,926	0.76	0.81	0.53	12.87	0.79	2.2%	10.9	22.6	31.8	44.4
Gulf Nav.	300	0.29	0.55	0.28	NA	0.76	0.0%	(5.2)	(3.3)	(29.2)	(37.4)
IHC	233,338	128.10	133.00	30.50	46.81	24.24	NA	33.0	42.0	205.0	313.2
Julphar	2,080	1.80	1.92	1.07	NA	2.37	0.0%	16.1	18.4	35.3	57.9
Mashreq	10,688	60.20	71.00	60.00	NA	0.55	6.6%	(10.1)	(7.4)	(11.3)	(10.0)
NBF	9,536	4.98	NA	NA	NA	NA	1.9%	NA	NA	NA	NA
Palms Sports	1,857	12.38	20.00	4.30	22.37	7.89	NA	3.0	(11.6)	(6.2)	NA
RAK Bank	6,621	3.95	4.24	3.36	14.27	0.84	3.8%	(2.9)	(1.2)	1.3	9.7
RAK Pro.	1,256	0.63	0.66	0.35	7.58	0.32	6.4%	(3.2)	19.2	30.8	77.9
RAK Cer.	2,266	2.28	2.45	1.24	NA	1.06	3.3%	(2.6)	34.1	58.9	77.9
Salama	980	0.81	0.97	0.51	6.12	1.12	10.2%	(3.7)	(4.3)	5.4	72.0
SIB	4,653	1.51	1.51	1.11	11.18	0.62	5.3%	2.7	12.7	21.2	42.9
Shuaa	1,798	0.71	0.77	0.52	4.23	1.18	4.2%	14.9	13.8	9.3	39.4
Tabreed	7,801	2.81	3.15	1.86	14.37	1.51	2.0%	(1.1)	(3.4)	10.6	54.2
TAQA	152,919	1.36	1.78	0.99	33.69	2.43	1.8%	(3.5)	(1.1)	(4.5)	39.0
Union Pro.	1,034	0.24	0.36	0.23	3.15	0.36	0.0%	(10.4)	(8.7)	(13.9)	(13.3)
UAB	1,541	0.75	0.89	0.59	NA	1.07	0.0%	NA	(10.0)	(12.0)	(16.4)
Zee Store	950	9.50	15.00	7.95	NM	5.89	NA	5.6	(6.1)	(9.5)	NA

(Source Bloomberg) ^ current dividend yield based on latest dividend declaration

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