



**International
Securities**
an IHC company

Morning Report

25 October 2024

UAE news stories

Multiply Group has reorganized its investment in Abu Dhabi National Energy Company (TAQA), by transferring shares from both Norm Commercial Investment and Spranza Commercial Investment to Multiply Group International Limited, which is reflected in the block trade of TAQA shares that occurred on October 24, 2024. These transfers do not impact Multiply Group's ownership in TAQA.

Alpha Dhabi's BoD has unanimously resolved the endorsement of proposed cash dividend payment of 20 fils per share.

Commercial Bank International posted 3Q24 net profit of AED149mn versus AED61mn in 3Q23. The bank reported 9M24 earnings of AED230mn versus AED140mn in the same period last year.

Apex Investments posted 3Q24 net profit of AED28mn versus AED186mn in 3Q23. The company reported 9M24 earnings of AED51.1mn versus loss of AED12.5mn in the same period last year.

Sukoon Insurance posted 3Q24 net profit of AED47mn versus AED63mn in 3Q23. The company reported 9M24 earnings of AED173mn versus AED185mn in the same period last year.

Sukoon Takaful posted 3Q24 net profit of AED4.4mn versus loss of AED9.5mn in 3Q23. The company reported 9M24 profit of AED10.163mn versus loss of AED32.8mn in the same period last year.

Mira Aerospace Ltd, a subsidiary of Space42, announced the development of two advanced payloads in Earth Observation and Telecommunications. The payloads were explicitly designed for deployment on Mira's High Altitude Platform Station (HAPS) aircrafts and engineered to operate in the stratospheric environment. The EO payload offers unparalleled day and night high-resolution imaging, and video compared to any currently available solutions. This next-generation capability can be applied across various situations, including environmental monitoring and disaster management to urban planning and agriculture.

GFH Financial Group announced that pricing of a USD500mn 5-year Sukuk is achieved successfully, marking the extension of its international Sukuk programme. The final orderbook closed at more than USD2bn, representing an oversubscription of more than 4x. This transaction was priced at c. 240bps tighter than GFH's previous issuance in 2020 (relative to the US Treasury benchmark). The issuance was met with strong demand from international investors who were allocated more than 50% of the issuance with the remaining allocated to regional and local investors.

EAND successfully completes majority stake acquisition of PPF Telecom. Emirates Telecommunications Group Company announced the successful acquisition of controlling stake (50% +1 economic share) in PPF Telecom's assets in Bulgaria, Hungary, Serbia and Slovakia. The holding company for these assets will be named "e& PPF Telecom". The transaction value is EUR2.15bn in addition to an adjustment of EUR200mn to account for lower debt position and better working capital of e& PPF Telecom. The transaction is also subject to up to EUR350mn in earn-out payments to PPF Group if e& PPF Telecom exceeds certain financial targets within the three-year period after closing and is subject to a claw back of up to EUR75mn if such financial targets are not achieved. In addition, PPF Group has a put option, exercisable 5 years after closing for its remaining shares of e& PPF Telecom, while e& also holds a reciprocal call option for the same shares. The transaction was financed through debt and is not associated with any related parties. e& PPF Telecom's financials will be consolidated under the e& international vertical effective November 2024.

Aldar announces completion of Al Hamra Mall revamp. The project enhances the mall's status as a central hub for retail and dining in the emirate and is part of Aldar's USD272mn investment plan.

Bait Al-Amar al-Khaleeji, the real estate arm and subsidiary of Gulf Investment House Company, has purchased an investment real estate property in a commercial area in the State of Kuwait, through an auction by the Execution Department of the Ministry of Justice, for an amount of KWD1,950,000 Kuwaiti Dinars (excluding the government fees). The remaining procedures are being finalized and will be completed within the coming few days.

MBME Pay Payment Services Provider, one of MBME Group companies, have signed an Agreement with the National Bank of Fujairah, The aim of the agreement is to benefit from the digital solutions and omni channels provided by MBME Pay to enable them to reach a larger segment of customers in addition to improving the level of service.

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

GCC news stories

Saudi raises over USD2bn from multi-tranche sukuk. Saudi Arabia has raised nearly SAR 8 billion from its latest multi-tranche sukuk, which is denominated in the local currency. The National Debt Management Centre has just announced the closure of the October 2024 offering under the Saudi Arabian Government SAR-denominated Sukuk Program, with the total amount allocated reaching SAR 7.8 billion (USD2.08bn), a statement said.

Saudi Aramco Q3 net profit seen 20% lower YoY. Saudi Aramco is expected to see a drop in net profit year-on-year (YoY) in Q3 2024 on "weaker upstream realisations, lower refining margins and expected inventory losses", according to research from Citigroup Global Markets Inc. Net profit is seen 20% lower YoY at USD26.3bn, Citi Research said, revising lower by 11% their previous estimate.

Saudi's ICD gives USD16mn to Turkey's solar plant project. Saudi Arabia's Islamic Corporation for the Development of the Private Sector (ICD) signs a USD16.2mn financing agreement with Turkish manufacturer of commercial vehicle part, Sampa, to facilitate the development and construction of a solar power plant in Turkey. This proposed solar facility will generate 21 megawatts (MW) of energy, helping Sampa lower its energy expenses and decrease emissions.

Saudi's SAB Invest to float Hang Seng Hong Kong ETF on Tadawul. Saudi Arabia's SAB Invest is set to proceed with the public offering of its new exchange-traded fund (ETF) on the local bourse. Saudi Arabia's Capital Market Authority (CMA) has approved the investment firm's request to float the units of "SAB Invest Hang Seng Hong Kong ETF" on the Saudi Stock Exchange (Tadawul), a statement on Wednesday confirmed.

Kuwait to build USD3.3bn economic city. Kuwait is planning to build a giant economic city comprising more than 22,000 houses, hotels and other facilities at a cost of nearly one billion dinars (UD3.3bn).

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

Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,196	-0.1%	-3%	-4%	-1%
DFM	4,464	0.0%	0%	10%	19%
TASI (Saudi)	11,886	-0.1%	-3%	-1%	15%
QSI (Qatar)	10,401	-0.1%	-1%	-4%	9%
BKM (Kuwait)	6,446	1.0%	3%	16%	17%
MSX (Oman)	4,826	0.4%	2%	7%	4%
BHSEASI (Bahrain)	2,002	0.6%	-1%	2%	3%
EGX (Egypt)	30,553	0.5%	-1%	23%	37%

Source: Reuters, IS Research.

UAE trading summary (AED mn)

	Buy	Sell	Net
ADX	24,020	24,020	0
Local	842	23,473	-22,631
Foreign	23,177	547	22,631
Company	23,569	23,473	96
Individual	450	547	-96
DFM	333	333	0
Local	144	116	28
Foreign	189	217	-28
Company	194	205	-11
Individual	139	128	11
Total	24,353	24,353	0
Local	986	23,589	-22,602
Foreign	23,366	764	22,602

Source: ADX and DFM

Global markets and commodities trends

Asian stocks were mixed, with some markets tracking Wall Street gains from overnight, while Japan's Nikkei struggled after the yen rebounded strongly from a three-week trough to the dollar. Hong Kong's Hang Seng rose while mainland blue chips were flat. The dollar was on the defensive on Friday following its biggest drop in a month against major peers, as it tracked a retreat in U.S. yields from nearly three-month highs after depressed Treasury prices drew buyers. Surging bond yields have spooked stock investors, putting the MSCI world equities index on track for a 1.2% slide this week.

The Nikkei sank 1%, while the Hang Seng gained 0.5%. Mainland blue chips were flat. Taiwan's benchmark rose 0.5%. In Japan, an election on Sunday may see the ruling coalition lose its parliamentary majority, with the potential political instability adding another weight on the stock market there. A parade of potentially pivotal events begin next week with the monthly U.S. payrolls report on Friday. The U.S. presidential election follows on Nov. 5, with a Fed policy decision two days later.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	42,374	-0.3%	0%	12%	28%
S&P 500	5,810	0.2%	1%	22%	37%
Nasdaq	18,415	0.8%	2%	23%	40%
FTSE	8,269	0.1%	0%	7%	12%
DAX	19,443	0.3%	2%	16%	31%
CAC40	7,503	0.1%	-1%	-1%	9%
Nikkei225	38,143	0.1%	1%	14%	23%
HIS	20,721	1.1%	8%	20%	21%
MSCI EM	1,135	-0.6%	0%	11%	23%
MSCI Asia	187	-0.3%	-1%	10%	23%

US Futures	5,846	-0.1%	1%	21%	41%
Europe Futures	4,937	-0.3%	0%	9%	22%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	4.06%	-0.02%	0.11%	-0.94%	-0.94%
US 10yr Bond	4.19%	-0.02%	0.11%	-0.52%	-0.65%
US 30yr Bond	4.45%	-0.03%	0.06%	-0.36%	-0.57%
EUR 2yr Bond	2.08%	-0.03%	-0.07%	-0.90%	-1.00%
EUR 10yr Bond	2.27%	-0.04%	0.06%	-0.32%	-0.60%
EUR 30yr Bond	2.59%	-0.04%	0.06%	-0.15%	-0.54%
JPY 2yr Bond	0.45%	0.00%	0.02%	0.15%	0.36%
JPY 10yr Bond	0.94%	-0.01%	-0.02%	0.05%	0.07%
JPY 30yr Bond	2.18%	-0.02%	0.04%	0.23%	0.34%

Source: Bloomberg, IS Research

Oil prices nudged higher on Friday and are on track for a weekly gain of more than 1%, as tensions in the world's top oil-producing region, the Middle East, and a restart in Gaza ceasefire talks in the coming days kept traders on edge. Brent crude futures climbed to USD74.56 a barrel while U.S. West Texas Intermediate crude was at USD70.34 a barrel. Investors are also eyeing more clarity on Beijing's stimulus policies, although analysts do not expect such measures to provide a major boost to oil demand from China, the world's No. 2 consumer. Goldman Sachs on Thursday left its oil, natural gas, and coal price forecasts unchanged, estimating Chinese stimulus boosts to energy prices that are modest relative to bigger drivers such as oil supply from the Middle East and winter weather for natural gas. It forecasts Brent in the USD70 to USD85 range.

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	74.5	0.2%	2.0%	-16.3%	-17.7%
WTI (USD/bbl)	70.3	0.1%	1.5%	-15.9%	-17.8%
Nat. Gas (USD/MMBtu)	2.5	0.0%	11.7%	54.0%	-20.3%
Gold (USD/oz)	2,725.0	-0.4%	0.1%	16.8%	35.8%
Silver	33.4	-0.8%	-0.9%	21.9%	44.6%
Copper (USD/lb)	434.4	-0.2%	-0.9%	-3.8%	19.1%
Steel (USD/T)	703.0	-0.1%	-0.3%	-13.4%	-18.8%
Weat (USD/bu)	583.5	0.3%	1.9%	-3.1%	1.4%
Corn (USD/bu)	420.8	-0.2%	4.0%	-4.6%	-12.5%
Polyethylene (CNY/MT)	8,265.0	0.4%	1.6%	-0.9%	0.0%
Bitcoin (USD)	67,729.0	-0.6%	-1.0%	4.5%	100.2%

Source: Bloomberg, IS Research

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

Company	MCAP	Price	Valuation		Div
	(AEDm)	(AED)	Day (%)	TTM P/E	YLD (%)^
IHC	881,851	402.00	-0.5%	32.16	-
TAQA	326,077	2.90	-1.0%	43.77	1.4%
ADNOCGAS	254,829	3.32	0.0%	14.32	4.7%

EAND	148,027	17.02	-0.9%	13.35	4.7%
FAB	144,953	13.12	0.9%	8.98	5.4%
DEWA	122,007	2.44	-0.4%	16.19	5.1%
ENBD	120,338	19.05	-2.3%	5.34	6.3%
Alpha Dhabi	112,006	11.20	-0.4%	18.59	-
ADNOC Drill.	77,444	4.84	1.5%	18.24	3.4%
Emaar Pro.	74,957	8.48	0.6%	6.23	5.9%
Borouge	74,547	2.48	0.8%	17.8	6.4%
ADCB	62,662	8.56	2.5%	7.18	6.5%
Aldar	57,243	7.28	0.6%	12.02	2.3%
Modon	56,727	3.47	3.0%	5.02	-
ADNOC Dist.	44,877	3.59	0.3%	16.71	5.7%
DIB	44,316	6.12	-1.3%	6.71	7.4%
ADIB	44,168	12.16	-0.3%	8.38	5.9%
ADNOCLS	39,880	5.39	0.0%	15.20	2.4%
Pure Health	38,002	3.42	-1.2%	61.58	-
Emaar Dev.	34,962	8.74	-0.3%	5.03	5.9%
Salik	33,677	4.49	3.2%	30.76	3.3%
DU	32,729	7.22	0.3%	15.70	4.7%
AD Ports	26,062	5.12	1.4%	23.64	-
Multiply	25,425	2.27	4.6%	NULL	-
Fertiglobe	22,664	2.73	-0.4%	23.32	7.7%
NMDC	21,499	25.46	1.0%	7.69	2.9%
Americana	20,049	2.38	0.4%	28.03	3.3%
Empower	16,901	1.69	0.6%	18.08	5.0%
Air Arabia	12,834	2.75	0.7%	9.32	7.3%
Presight	12,732	2.27	-0.9%	19.52	-
Burjeel	11,452	2.20	-0.5%	25.77	1.4%
DFM	10,001	1.25	0.8%	25.08	2.8%

Source: Reuters, IS Research.

Upcoming corporate actions and events

Date	Company	Event
25-Oct	Union Properties	BoD/Result
25-Oct	Ghitha Holdings	BoD/Result
25-Oct	NMDC Group	BoD/Result
28-Oct	Phoenix	BoD/Result
28-Oct	NMDC Group	3Q24 analyst call
28-Oct	Bororuge	BoD/Result
28-Oct	Emirates Stallions	BoD/Result
28-Oct	Du	BoD/Result
28-Oct	Gulf Nav	BoD/General
28-Oct	SHUAA	BoD/General
28-Oct	EMSTEEL	BoD/General
29-Oct	Alliance Insurance	General Assembly
29-Oct	Aldar Properties	BoD/Result
29-Oct	NBF	BoD/Result
29-Oct	Multiply Group	BoD/Result
29-Oct	Mashreq Bank	BoD/Result

30-Oct	Ooredoo	BoD/Result
30-Oct	ADIB	BoD/Result
30-Oct	ABNIC	BoD/Result
30-Oct	Emirates Driving Co	BoD/General
01-Nov	Orient Takaful	BoD/Result
04-Nov	ADNH	BoD/Result
05-Nov	Taleem Holdings	General Assembly
06-Nov	Agthia	BoD/Result
07-Nov	GFH	BoD/Result
07-Nov	ADNH Catering	BoD/Result
12-Nov	Al Salam Bank	BoD/Result
18-Nov	Multiply Group	General Assembly

Source: ADX and DFM

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