



Morning Report

26 September 2024

UAE news stories

Fertiglobe notified that the Board of Directors of the Company will pass a written resolution by circulation on Monday 30 September 2024 at 6pm (UAE time), to consider and approve the Company's interim cash dividends distribution to the shareholders for the first half of the current financial year 2024.

Aldar Introduces Iconic Hotel brands to Abu Dhabi for the first time. Aldar's hotel portfolio will undergo an AED1.5bn transformation to capitalise on growth of the UAE's tourism sector and tap into the global luxury travel market. The Eastern Mangroves hotel will become a Waldorf Astoria branded luxury resort with premium rooms and suites, as well as promenade and marina enhancements, a new retail mix, and enhancements to the residences. The Yas Plaza Hotels concept will be reimagined under the IHG brand, turning the six-hotel complex into the largest Vignette Collection resort in the world. Aldar's hotel in Al Dhafra region, formerly known as Tilal Liwa, is being reimagined as a luxury desert escape and will also become a Vignette Collection resort. At Nurai Island, Aldar is undertaking a major refurbishment and expansion to further elevate the resort as Abu Dhabi's ultra-luxury island destination. The company's flagship hotels in Ras Al Khaimah, the Rixos Bab Al Bahr and DoubleTree by Hilton Resort & Spa Marjan Island are also set to be elevated.

Gulf Navigation Holding announced decisions made by its Board of Directors regarding the acquisition of companies and assets owned by Brooge Energy Limited ("Brooge"), a Leading crude oil, fuel oil and refined fuel products storage company Listed on NASDAQ. The Board has approved key strategic terms related to the acquisition and capital increase, which will be presented to the Company's shareholders at the General Assembly after obtaining the approval of the Securities and Commodities Authority. In addition, the Board approved a capital increase of approximately AED448.5mn, which represents the number of shares to be issued in favor of Brooge as part of the acquisition settlement and will be covered through three sources: cash consideration, new shares amounting to approximately AED448.5mn, and Mandatory Convertible Bonds to be issued in favor of Brooge. Lastly, the Board approved calling for the General Assembly meeting to obtain the approval of the shareholders for these decisions, subject to the approval of the Securities and Commodities Authority.

Dubai developer Union Properties announced Wednesday it plans to launch three new development projects with a total value of AED6bn. The first project, Takaya, will be announced in the coming weeks, while Al Khaleej has reported that the other two projects will be unveiled within the next 18 months. Moreover, after strengthening its financial solvency and improving its asset management efficiency, the developer said it had reduced its debts by 50 per cent, from AED1.5bn to AED750mn.

The National Investor (TNI) informed that Mr. Madhav Vithal Nayak has submitted his resignation from his position as a Board Member of the Company and that the Board has accepted his resignation and agreed to appointing Mr. Subhro Raha Sukomal Raha as his replacement effective 25 September 2024.

CBUAE revises upwards its GDP growth projection for 2024 to 4%; 6% for 2025. Non-hydrocarbon GDP growth is expected to remain strong at 5.2 percent in 2024 and 5.3 percent in 2025. According to the Quarterly Economic Review issued by the apex bank on Wednesday, growth forecasts continue to be driven by tourism, transportation, financial and insurance services, construction and real estate, and communications sectors; while the current levels of oil production during 2024 partially moderate the overall growth.

UAE airports see 14.2% passenger traffic surge in H1. Increase in passenger traffic not only solidifies the UAE's status as a global aviation hub but also significantly contributes to the national economy. In the first half of 2024, UAE's airports experienced a 14.2 percent increase in passenger traffic, handling over 71.7mn travellers compared to 62.8mn in the same period last year, latest data issued by the Central Bank of the UAE (CBUAE) showed.

UAE Central Bank announces M-Bills auction with four treasury bond issues. CBUAE announces 26 M-Bill tenders during the current year. According to CBUAE data, the first issue for 28 days will be up to AED3,600mn, the second for 70 days will be up to AED1,500mn, the third for 98 days will be up to AED2,500mn, and the fourth for 266 days will be up to AED6,500mn. The issue date will be on 2nd October 2024, with the maturity date for the first issue due on 30th October 2024, the second issue on 11th December 2024, the third issue on 8th January 2025, and the fourth issue on 25th June 2025.

Microsoft Corp. is setting up an engineering center in Abu Dhabi to focus on AI innovations, cloud technologies and advanced cybersecurity solutions, months after announcing a strategic investment of \$1.5 billion in the UAE government-backed AI firm G42.

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

GCC news stories

Saudi Arabia secures USD144bn (AED528bn) in foreign investments as part of its Vision 2030 initiative, according to minister of industry and mineral resources Bandar Al Khorayef, according to a report by Saudi financial news portal Argam.com. Saudi Arabia plans to further enhance this growth by increasing industrial exports to USD150bn by 2030.

Saudi Arabia's non-oil exports jump 19% in July, Non-oil exports, excluding re-exports rose 6.5 percent. Non-oil exports in Saudi Arabia recorded an increase of 19% reaching SAR25.4bn in July this year, compared to SAR21.3bn in the same month in 2023. Non-oil exports, excluding re-exports rose 6.5 percent, while the value of re-exported goods rose 78.4 percent in the same month.

Qatar International Islamic Bank (QIIB) trimmed the yield on its USD300mn USD-denominated perpetual non-call additional tier 1 (AT1) sukuk by around 67 basis points on the back of robust demand from investors. The subscription to QIIB sukuk came from 115 investors around the world, with the total subscription requests exceeding amount of USD2.5bn. The issue was priced at a profit margin of 187 basis points over the 5.5 year US Treasury, with a final return of 5.45%, the bank said on Wednesday.

Qatar's sukuk and bond issuance has posted double-digit growth over the last several months. From January to June this year, sukuk issuance surged by 122% YoY to USD500mn, while bond issuance rose by 59% to USD12.4bn, according to Fitch Ratings. The Qatar Central Bank regularly issues treasury bills and sukuk, which provides domestic Islamic lenders a venue to invest their excess liquidity.

Egypt aims to achieve foreign direct investments exceeding USD20bn and an export volume of more than USD140bn by 2030, Prime Minister Mostafa Madbouly announced during a press conference on September 25th. The Prime Minister emphasized that the government is fully committed to enhancing Egypt's investment environment, creating opportunities for global firms to contribute to the country's growth. "Our focus is on making Egypt a centre for international business, particularly in sectors like manufacturing and production.

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

Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,516	0.6%	2%	-1%	-3%
DFM	4,489	0.6%	5%	11%	7%

TASI (Saudi)	12,344	0.6%	1%	3%	13%
QSI (Qatar)	10,543	0.5%	4%	-3%	3%
BKM (Kuwait)	6,284	0.0%	4%	13%	10%
MSX (Oman)	4,727	0.2%	1%	5%	1%
BHSEASI (Bahrain)	2,019	-0.3%	5%	2%	4%
EGX (Egypt)	31,251	0.0%	4%	26%	54%

Source: Reuters, IS Research.

UAE trading summary (AED mn)

	Buy	Sell	Net
ADX	1,880	1,880	0
Local	1,298	1,363	-65
Foreign	582	517	65
Company	959	895	65
Individual	921	985	-65
DFM	353	353	0
Local	164	184	-20
Foreign	189	169	20
Company	196	148	48
Individual	158	205	-48
Total	2,233	2,233	0
Local	1,462	1,547	-85
Foreign	771	686	85

Source: ADX and DFM

Global markets and commodities trends

Asian stocks bucked the global trend to extend a rally on Thursday, fuelled by persistent optimism over China's aggressive stimulus package, although there were signs some of that enthusiasm was starting to ebb. The sea of green across equities in Asia came even as Wall Street closed lower overnight with global stock indexes giving up their gains from earlier in the week.

MSCI's broadest index of Asia-Pacific shares outside Japan rose more than 1% to an over two-year high on Thursday. Japan's Nikkei surged 2.4%. Hong Kong's Hang Seng Index similarly advanced 1.5%, while the mainland CSI300 blue-chip index reversed early losses to last trade 0.3% higher. Also aiding sentiment, Bloomberg News reported on Thursday that China is considering injecting up to 1 trillion yuan (USD142.39bn) of capital into its biggest state banks to increase their capacity to support the struggling economy. In the broader market, investors turned their attention to a raft of speeches from Federal Reserve policymakers later in the day, including remarks from Chair Jerome Powell, which could provide further clues on the U.S. rate outlook. Markets are now pricing in a roughly 62% chance of a 50bp cut at the Fed's November policy meeting.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	41,915	-0.7%	2%	11%	23%
S&P 500	5,722	-0.2%	2%	20%	32%
Nasdaq	18,082	0.0%	1%	20%	36%

FTSE	8,269	-0.2%	-1%	7%	8%
DAX	18,919	-0.4%	2%	13%	23%
CAC40	7,566	-0.5%	0%	0%	6%
Nikkei225	37,870	-0.2%	-1%	13%	16%
HIS	19,572	2.3%	9%	12%	8%
MSCI EM	1,137	0.4%	3%	11%	19%
MSCI Asia	190	0.0%	2%	12%	19%
US Futures	5,807	0.5%	3%	20%	35%
Europe Futures	4,973	0.6%	1%	9%	19%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	3.56%	0.00%	-0.02%	-1.06%	-1.50%
US 10yr Bond	3.78%	0.00%	0.07%	-0.42%	-0.79%
US 30yr Bond	4.13%	-0.01%	0.08%	-0.21%	-0.57%
EUR 2yr Bond	2.26%	0.14%	0.04%	-0.58%	-1.02%
EUR 10yr Bond	2.19%	0.02%	-0.01%	-0.11%	-0.74%
EUR 30yr Bond	2.46%	-0.04%	-0.04%	0.00%	-0.63%
JPY 2yr Bond	0.35%	0.01%	-0.03%	0.16%	0.32%
JPY 10yr Bond	0.83%	0.02%	-0.01%	0.12%	0.07%
JPY 30yr Bond	2.07%	0.03%	0.02%	0.30%	0.35%

Source: Bloomberg, IS Research

Oil prices were little changed on Thursday after falling in the previous session, as signs of firmer fuel demand and falling inventories in the U.S., the world's top crude oil consumer, outweighed worries over global demand prospects. Brent crude futures were up to USD73.3 a barrel, while U.S. West Texas Intermediate crude rose to USD69.4 per barrel. Oil prices slumped over 2% on Wednesday as worries over supply disruptions in Libya eased and demand concerns continued despite China's latest stimulus plans. Oil prices initially rose following the stimulus announcement from the world's biggest oil importer. Still, gasoline demand on a weekly product supplied basis climbed to over 9mn barrels per day (bpd) last week, the EIA data showed, while distillate fuel supplied to the market rose to over 4mn bpd.

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	73.3	-0.2%	-2.1%	-16.2%	-23.1%
WTI (USD/bbl)	69.4	-0.4%	-3.5%	-16.5%	-24.3%
Nat. Gas (USD/MMBtu)	2.7	1.1%	13.6%	51.3%	-9.4%
Gold (USD/oz)	2,660.9	0.2%	2.9%	19.3%	42.7%
Silver	31.9	0.2%	3.6%	27.7%	40.9%
Copper (USD/lb)	435.9	-1.6%	1.7%	8.8%	17.5%
Steel (USD/T)	703.0	-3.2%	-0.3%	-18.3%	-1.7%
Weat (USD/bu)	592.5	0.6%	4.8%	5.8%	2.4%
Corn (USD/bu)	415.5	0.1%	2.4%	-6.0%	-14.9%
Polyethylene (CNY/MT)	8,048.0	0.0%	0.6%	-1.5%	-2.6%
Bitcoin (USD)	63,376.5	-0.2%	0.5%	-10.4%	134.0%

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	901,350	410.90	0.2%	32.87	-
TAQA	322,695	2.87	1.8%	43.31	1.4%
ADNOCGAS	244,844	3.19	1.9%	13.76	4.9%
EAND	165,243	19.00	0.5%	14.90	4.2%
FAB	153,566	13.90	1.9%	9.63	5.1%
ENBD	131,705	20.85	2.2%	5.85	5.8%
DEWA	126,003	2.52	0.8%	16.72	4.9%
Alpha Dhabi	118,603	11.86	0.7%	19.69	-
ADNOC Drill.	78,242	4.89	3.2%	18.43	3.4%
Emaar Pro.	76,988	8.71	0.5%	6.40	5.7%
Borouge	74,846	2.49	2.0%	17.9	6.4%
ADCB	63,319	8.65	0.3%	7.65	6.5%
Aldar	61,959	7.88	0.6%	13.01	2.2%
Qholding	55,091	3.37	2.7%	4.88	-
ADNOC Dist.	47,251	3.78	1.6%	17.60	5.4%
ADIB	46,927	12.92	-1.1%	8.90	5.5%
DIB	45,763	6.32	0.2%	6.93	7.1%
ADNOCLS	40,619	5.49	-0.2%	15.49	2.3%
Pure Health	39,890	3.59	0.0%	64.64	-
Emaar Dev.	35,561	8.89	1.5%	5.11	5.8%
Salik	31,051	4.14	0.5%	28.36	3.5%
DU	30,915	6.82	3.0%	14.83	5.0%
AD Ports	26,011	5.11	0.6%	23.60	-
Multiply	25,425	2.27	2.3%	NULL	-
Americana	21,818	2.59	-0.4%	30.50	3.0%
Fertiglobe	21,501	2.59	3.2%	22.13	8.1%
NMDC	21,127	25.02	0.1%	7.55	3.0%
Empower	17,400	1.74	1.2%	18.61	4.9%
Presight	13,461	2.40	3.4%	20.63	-
Burjeel	12,701	2.44	1.2%	28.58	1.2%
Air Arabia	12,647	2.71	0.0%	9.18	7.4%
DFM	10,160	1.27	0.0%	25.48	2.8%

Source: Reuters, IS Research.

Upcoming corporate actions and events

Date	Company	Event
26-Sep	Al Ansari	Div. Last Entitlement Date
26-Sep	ADNOCDIST	Div. Last Entitlement Date
26-Sep	ADAviation	BoD/General
26-Sep	Orient Takaful	BoD/General
26-Sep	Yahsat	General Assembly
26-Sep	Tecom	BoD/General
27-Sep	NGI	General Assembly
30-Sep	NBQ	BoD/General
30-Sep	Fertiglobe	BoD/General
30-Sep	FCI	BoD/General
30-Sep	Sharjah Insurance	BoD/General

02-Oct	GFH	General Assembly
09-Oct	Investcorp	General Assembly
16-Oct	Sharjah Islamic Bank	General Assembly
22-Oct	Emsteel	General Assembly
29-Oct	Alliance Insurance	General Assembly
07-Nov	GFH	BoD/Result
12-Nov	Al Salam Bank	BoD/Result

Source: ADX and DFM

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