



Morning Report

27 September 2024

UAE news stories

Al Seer Marine Expands Fleet with Delivery of two new MR Tankers. M.T. Betelgeuse and M.T. Bellatrix are IMO II/III oil and chemical tankers, designed to carry six fully segregated grades of cargo, with a deadweight of 49,757 MT each. The six state-of-the-art MR tankers are built ready for alternative fuels such as Liquefied Natural Gas (LNG), ammonia, and methanol. These ships were contracted from K Shipbuilding in November 2022, when Al Seer Marine ordered four IMO II/III tankers, followed by an additional two in February 2023.

Salama notified regarding termination of partial acquisition agreement with AMAN. Dated 13 June 2023 Salama provided an update on the initially intended partial acquisition of the General and Group Life portfolio of Dubai Islamic Insurance and Reinsurance, AMAN, subject to regulatory approvals. The completion of the acquisition was subject to certain requirements towards safeguarding and enhancing the interests of both our Shareholders and Policyholders. As these requirements have not been satisfactorily met, the Board of Directors of Salama have decided not to proceed any further with the intended acquisition.

Yahsat shareholders approved the interim cash dividend of AED 204,940,703 (8.40 fils per share) for the first half of financial year 2024, which was distributed to shareholders based on a resolution adopted by the Board of Directors on 2 September 2024. Shareholders also approved the payment of 4,787,123 to the Board of Directors as remuneration for the period starting from the beginning of the current financial year 2024 until the date of this meeting.

Empower informed that BoDs will pass a resolution no later than 30th Sep 2024 regarding the refinancing of existing loan facility of AED2.75bn

Mashreq Bank disposes 149.6mn ordinary shares in DEPA with a Deal value of AED44.9mn

Al Salam Bank announced a substantial shareholder transaction on its shares, whereby Overseas Investment S.P.C sold 35.0mn shares with change in ownership to 4.65% against 5.92% previously

ADX welcomes listing of Chimera S&P Germany UCITS ETF. Through the new investment scheme, investors gain exposure to a diversified portfolio of leading corporations such as Siemens, Allianz, Lufthansa, Mercedes-Benz, Bayer, and others. Chimera S&P Germany UCITS ETF, provides investors with access to the German equity market, one of the world's largest and most stable economies. Launched by Lunate Capital, an Abu Dhabi-based investment management company, the new Chimera S&P Germany UCITS ETF tracks the performance of the S&P Germany BMI Liquid 35/20 Capped Index, which includes the top 30 most liquid companies listed in Germany.

ADQ has successfully priced its second bond issuance, a USD2bn bond issue that will be listed on the London Stock Exchange (LSE). It follows ADQ's debut debt capital market issuance in May last. The new issuance will diversify ADQ's funding sources and contribute to 'strategic growth initiatives within the group'. The other outcome will be to build out ADQ's 'long duration credit curve for investors'.

Ministry of Finance (MoF), in collaboration with the Central Bank of the UAE (CBUAE) as the issuance and payment agent, announced the results of the auction for Islamic Treasury Sukuk (T-Sukuk) denominated in UAE dirhams, amounting to AED1.1bn. This issuance is part of the Islamic Treasury Sukuk programme for the third quarter of 2024, as published on the Ministry's website. The auction saw strong demand from the eight primary bank dealers for the tranche maturing in May 2027 and the new five-year tranche maturing in September 2029. A total of AED5.07bn in bids were received, exceeding the subscription volume by 4.6

times. The success of the auction is reflected in the competitive market prices achieved, with a yield to maturity (YTM) of 3.67 percent for the tranche maturing in May 2027 and 3.65 percent for the tranche maturing in September 2029, with a spread of 13 to 15 basis points over US Treasury bonds of similar maturities at the time of issuance.

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

GCC news stories

Saudi Riyad Bank begins selling AT1 sukuk; IPTs at 6%. The size of the issuance will depend on market conditions. The perpetual non-call 5.5 year sustainable Mudaraba sukuk is being issued through a special purpose vehicle Riyad T1 Sukuk Limited under the bank's USD5bn Additional Tier 1 Capital Certificate Issuance Programme.

Saudi Arabian oil producer Saudi Aramco is considering the establishment of manufacturing facilities for industrial components and advanced materials in partnership with a state-owned Chinese company. The Saudi-listed firm and China National Building Material Group (CNBM) have entered into a five-year agreement aimed at potential collaboration, which includes setting up manufacturing plants in Saudi Arabia to produce wind turbine blades, hydrogen storage tanks, lower-carbon building materials, and energy storage solutions.

Saudi's Riyadh municipality signs five contracts totalling USD1.6bn to enhance road quality in Riyadh, covering an area of 83mn square metres over the next five years. The aim is to improve road standards across Riyadh, ensuring safer commuting throughout the city.

Oman-Saudi trade exceeds USD2.6bn in the first half of 2024. Omani exports to Saudi Arabia were primarily driven by metal products, which totalled USD418mn, as reported by the Oman News Agency, citing the National Centre for Statistics and Information. Following metal products, mineral and related exports reached USD246mn while machinery, digital devices, and electrical equipment accounted for USD88mn

Egypt's Alexandria Spinning & Weaving reported FY net profit after tax of EGP115.2mn versus EGP89.9mn year ago. Alexandria spinning & weaving FY revenue EGP667.5mn versus EGP299.3mn year ago

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

Regional markets trading performance

| Indices | Close | Change | | | |
|-------------------|--------|--------|----|-----|-----|
| | | 1D | 1M | YTD | 1Y |
| ADX | 9,514 | 0.0% | 2% | -1% | -3% |
| DFM | 4,527 | 0.8% | 5% | 11% | 9% |
| TASI (Saudi) | 12,374 | 0.2% | 1% | 3% | 13% |
| QSI (Qatar) | 10,582 | 0.4% | 4% | -2% | 2% |
| BKM (Kuwait) | 6,272 | -0.2% | 3% | 13% | 10% |
| MSX (Oman) | 4,702 | -0.5% | 0% | 4% | 1% |
| BHSEASI (Bahrain) | 2,014 | -0.3% | 4% | 2% | 4% |
| EGX (Egypt) | 31,277 | 0.1% | 4% | 26% | 54% |

Source: Reuters, IS Research.

UAE trading summary (AED mn)

| | Buy | Sell | Net |
|-----|-------|-------|-----|
| ADX | 1,869 | 1,869 | 0 |

| | | | |
|--------------|--------------|--------------|----------|
| Local | 1,250 | 1,327 | -77 |
| Foreign | 619 | 542 | 77 |
| Company | 961 | 957 | 5 |
| Individual | 908 | 912 | -5 |
| DFM | 485 | 485 | 0 |
| Local | 253 | 283 | -30 |
| Foreign | 232 | 202 | 30 |
| Company | 230 | 190 | 40 |
| Individual | 255 | 295 | -40 |
| Total | 2,354 | 2,354 | 0 |
| Local | 1,503 | 1,610 | -107 |
| Foreign | 851 | 744 | 107 |

Source: ADX and DFM

Global markets and commodities trends

Chinese stocks are headed for the best week since 2008 as Beijing rolled out a huge stimulus package to revive the economy, lifting Asian shares to 2-1/2-year highs, while a sharp fall in oil prices bodes well for disinflation globally. The yen retreated to three-week lows ahead of a leadership contest of Japan's ruling Liberal Democratic Party on Friday, as investors looked to gauge what it could mean for the country's rate hike path.

In the United States, the core personal consumption expenditures (PCE) price index- the Fed's preferred measure of inflation is due later in the day. Forecasts are centred around a small monthly rise of 0.2%, as markets are split on the size of an expected Federal Reserve rate cut in November. China's blue chips jumped another 2.9%, bringing the weekly rise to 14%, the most since November 2008. Hong Kong's Hang Seng index also surged 2.7% and was up 12% for the week, its best performance since 2009.

| Indices | Close | Change | | | |
|----------------|--------|--------|-----|-----|-----|
| | | 1D | 1M | YTD | 1Y |
| DJI | 42,175 | 0.6% | 2% | 12% | 25% |
| S&P 500 | 5,745 | 0.4% | 2% | 20% | 34% |
| Nasdaq | 18,190 | 0.6% | 3% | 21% | 39% |
| FTSE | 8,285 | 0.2% | -1% | 7% | 9% |
| DAX | 19,238 | 1.7% | 3% | 15% | 26% |
| CAC40 | 7,742 | 2.3% | 2% | 3% | 9% |
| Nikkei225 | 38,926 | 2.8% | 2% | 16% | 20% |
| HIS | 20,589 | 3.3% | 12% | 17% | 14% |
| MSCI EM | 1,163 | 2.3% | 5% | 14% | 23% |
| MSCI Asia | 194 | 2.4% | 4% | 15% | 23% |
| US Futures | 5,808 | 0.1% | 4% | 20% | 34% |
| Europe Futures | 5,071 | 0.3% | 3% | 11% | 21% |

Source: Reuters, IS Research.

| Rates | Current | Change | | | |
|-------|---------|--------|----|----|----|
| | | 1D | 1W | 6M | 1Y |

| | | | | | |
|---------------|-------|--------|--------|--------|--------|
| US 2yr Bond | 3.64% | 0.01% | 0.05% | -0.98% | -1.41% |
| US 10yr Bond | 3.80% | 0.00% | 0.05% | -0.40% | -0.77% |
| US 30yr Bond | 4.13% | 0.00% | 0.04% | -0.22% | -0.57% |
| EUR 2yr Bond | 2.26% | 0.13% | 0.03% | -0.58% | -0.94% |
| EUR 10yr Bond | 2.19% | 0.01% | -0.02% | -0.11% | -0.65% |
| EUR 30yr Bond | 2.46% | -0.05% | -0.05% | 0.00% | -0.58% |
| JPY 2yr Bond | 0.31% | -0.03% | -0.06% | 0.13% | 0.27% |
| JPY 10yr Bond | 0.80% | -0.02% | -0.04% | 0.10% | 0.04% |
| JPY 30yr Bond | 2.07% | 0.00% | 0.01% | 0.30% | 0.34% |

Source: Bloomberg, IS Research

Oil prices eased for a third day on Friday and were on track to fall for the week as investors focused on expectations of increased output from Libya and the broader OPEC+ group, although fresh stimulus from top importer China limited losses. Brent crude futures fell to USD71.5 per barrel, while U.S. West Texas Intermediate futures were down to USD67.6. Though investors across asset classes cheered after Chinese authorities finally released bolder stimulus, oil markets seem fixated on Libya and OPEC this week. China's central bank on Friday lowered interest rates and injected liquidity into the banking system as Beijing ramps up stimulus to pull economic growth back towards this year's roughly 5% target and fight deflationary pressures.

| Commodities/ Bitcoin | Current | Price Change | | | |
|-----------------------|----------|--------------|-------|--------|--------|
| | | 1D | 1W | 6M | 1Y |
| Brent (USD/bbl) | 71.5 | -0.1% | -4.0% | -18.2% | -25.0% |
| WTI (USD/bbl) | 67.6 | -0.1% | -6.0% | -18.7% | -25.5% |
| Nat. Gas (USD/MMBtu) | 2.7 | 5.5% | 12.0% | 54.7% | -6.9% |
| Gold (USD/oz) | 2,668.0 | -0.2% | 1.8% | 19.7% | 44.3% |
| Silver | 31.9 | -0.4% | 2.3% | 27.7% | 43.8% |
| Copper (USD/lb) | 465.6 | 1.6% | 8.7% | 16.2% | 24.6% |
| Steel (USD/T) | 703.0 | -4.4% | -0.1% | -18.3% | -0.1% |
| Weat (USD/bu) | 580.8 | -0.6% | 2.2% | 3.7% | 7.2% |
| Corn (USD/bu) | 412.0 | -0.3% | 2.6% | -6.8% | -13.6% |
| Polyethylene (CNY/MT) | 8,036.0 | 0.0% | -0.3% | -1.6% | -2.7% |
| Bitcoin (USD) | 65,235.9 | 0.9% | 3.8% | -7.7% | 142.5% |

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 | 900,862 | 410.70 | 0.0% | 32.85 | - |
| TAQA | 321,553 | 2.86 | -0.3% | 43.16 | 1.4% |
| ADNOCGAS | 246,365 | 3.21 | 0.6% | 13.85 | 4.8% |
| EAND | 164,712 | 18.94 | -0.3% | 14.85 | 4.2% |
| FAB | 154,220 | 13.96 | 0.4% | 9.67 | 5.1% |
| ENBD | 132,013 | 20.90 | 0.2% | 5.86 | 5.7% |
| DEWA | 127,997 | 2.56 | 1.6% | 16.99 | 4.8% |
| Alpha Dhabi | 118,997 | 11.90 | 0.3% | 19.75 | - |
| ADNOC Drill. | 78,398 | 4.90 | 0.2% | 18.46 | 3.4% |
| Emaar Pro. | 76,895 | 8.70 | -0.1% | 6.40 | 5.7% |
| Borouge | 73,639 | 2.45 | -1.6% | 17.6 | 6.5% |
| ADCB | 62,950 | 8.60 | -0.6% | 7.60 | 6.5% |

| | | | | | |
|-------------|--------|-------|-------|-------|------|
| Aldar | 61,327 | 7.80 | -1.0% | 12.87 | 2.2% |
| Qholding | 57,050 | 3.49 | 3.6% | 5.05 | - |
| ADNOC Dist. | 47,374 | 3.79 | 0.3% | 17.64 | 5.4% |
| ADIB | 47,142 | 12.98 | 0.5% | 8.94 | 5.5% |
| DIB | 46,195 | 6.38 | 0.9% | 6.99 | 7.1% |
| ADNOCLS | 40,173 | 5.43 | -1.1% | 15.32 | 2.4% |
| Pure Health | 40,110 | 3.61 | 0.6% | 65.00 | - |
| Emaar Dev. | 35,199 | 8.80 | -1.0% | 5.06 | 5.9% |
| Salik | 31,424 | 4.19 | 1.2% | 28.70 | 3.5% |
| DU | 31,050 | 6.85 | 0.4% | 14.90 | 5.0% |
| AD Ports | 26,162 | 5.14 | 0.6% | 23.74 | - |
| Multiply | 25,871 | 2.31 | 1.8% | NULL | - |
| Americana | 21,732 | 2.58 | -0.4% | 30.38 | 3.0% |
| NMDC | 21,683 | 25.68 | 2.6% | 7.75 | 2.9% |
| Fertiglobe | 21,583 | 2.60 | 0.4% | 22.21 | 8.1% |
| Empower | 17,300 | 1.73 | -0.6% | 18.51 | 4.9% |
| Presight | 13,909 | 2.48 | 3.3% | 21.32 | - |
| Air Arabia | 12,926 | 2.77 | 2.2% | 9.38 | 7.2% |
| Burjeel | 12,648 | 2.43 | -0.4% | 28.46 | 1.2% |
| DFM | 10,400 | 1.30 | 2.4% | 26.08 | 2.7% |

Source: Reuters, IS Research.

Upcoming corporate actions and events

| Date | Company | Event |
|--------|----------------------|------------------|
| 27-Sep | NGI | General Assembly |
| 30-Sep | NBQ | BoD/General |
| 30-Sep | Fertiglobe | BoD/General |
| 30-Sep | Sukoon Takaful | BoD/General |
| 30-Sep | Sukoon Insurance | 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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