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Morning Report

28 October 2024

## UAE news stories

**NMDC Group posted 3Q24 net profit of AED730.9mn versus AED631.7mn in 3Q23.** The company reported 9M24 earnings of AED2.2bn versus AED1.5bn in the same period last year. The BoD also approved the distribution of interim special dividends of AED2bn (AED2.37 per share) with October 31 being the last entitlement date.

**Ghitha Holding posted 3Q24 net profit of AED42.5mn versus AED195mn in 3Q23.** The company reported 9M24 earnings of AED2.8bn versus AED91mn in the same period last year.

**Emirates Driving Company posted 3Q24 net profit of AED87.5mn versus AED68.8mn in 3Q23.** The company reported 9M24 earnings of AED206.8mn versus AED193mn in the same period last year.

**Ras Al Khaimah Co. for White Cement and Construction Materials posted 3Q24 net profit of AED9.1mn versus AED5.2mn in 3Q23.** The company reported 9M24 earnings of AED28.6mn versus AED10.4mn in the same period last year.

**Union Properties posted 3Q24 net profit of AED18.4mn versus AED19.7mn in 3Q23.** The company reported 9M24 earnings of AED53.2mn versus AED37.4mn in the same period last year. This achievement reflects the company's effective strategic planning and efficient cost management, aligning with its long-term goal of sustained profitability.

**Lulu Retail IPO opens today, allowing residents to diversify investments.** Subscription of Lulu Retail's initial public offering (IPO) opens today (Monday) in the UAE with a minimum subscription of AED5,000 for retail investors. Running from October 28 to November 5, Lulu Group will offload a 25 percent stake by selling over 2.582 billion (2,582,226,338) shares through a three-tranche IPO and list on the Abu Dhabi Securities Exchange. The listing is expected on November 14, 2024. Lulu IPO Price Range Set at AED 1.94-2.04 Per Share

**UAE's ADNOC begins takeover of Covestro AG.** Abu Dhabi's ADNOC on Friday issued a takeover offer to the shareholders of German chemicals maker Covestro AG for the acquisition of all outstanding shares of Covestro, following approval by the German Federal Financial Supervisory Authority. On 1 October, the Abu Dhabi energy company struck a deal to buy Covestro for EUR14.7bn (USD16.3bn), including debt. Covestro shareholders can accept the takeover offer by tendering their shares at an offer price of EUR 62 in cash per Covestro share, which represents a premium of about 54% to the unaffected closing share price of Covestro on 19 June 2023, "the day prior to first market rumours regarding a potential transaction", ADNOC International Germany Holding AG, a subsidiary, said. The offer ends on 27 November 2024. The takeover offer is subject to a minimum acceptance threshold of 50% plus one share of the company's issued share capital, and other regulatory conditions being met. ADNOC would also buy 1.17 billion euros worth of new Covestro shares from a 10% capital increase to improve funding. Covestro is the former plastics-making business of pharmaceutical giant Bayer, which took it public in 2015. Its main products include foam chemicals used in mattresses, car seats and insulation for buildings.

**UAE named most economically stable country in the world.** UAE has been recognised as the most economically stable country globally, topping a list of 89 nations in the latest rankings by US News & World Report. The UAE's success is attributed to its low manufacturing costs, favorable tax environment, minimal bureaucracy, absence of corruption, and transparency in government practices, allowing it to outpace long-time economic leaders.

**Air Arabia to launch direct flights from Ras Al Khaimah to Moscow.** Air Arabia has announced the launch of direct flights connecting Ras Al Khaimah International Airport with Moscow Domodedovo Airport, starting on December 27, 2024. The new route will operate three times a week, providing a direct link between the two cities.

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

## GCC news stories

**Saudi Arabia new methodology doubles 2023 FDI.** The country aims to attract USD100 billion in annual FDI by 2030. Saudi Arabia has revised its foreign direct investment (FDI) figures this week, doubling the 2023 inflow estimate to USD25.5bn based on a new government methodology. The country aims to attract USD100bn in annual FDI by 2030

**Middle East economic confidence rebounds sharply in Q3 2024.** Economic confidence across the Middle East recorded a sharp improvement in Q3 2024, signalling optimism despite global economic uncertainty and regional challenges. The latest Global Economic Conditions Survey (GECS) from the Association of Chartered Certified Accountants (ACCA) and the Institute of Management Accountants (IMA) shows reports notable improvements in the region's capital expenditure and employment indices, both of which have risen well above their historical averages.

**Saudi-UAE trade soars 25% to USD30bn amid strengthened economic ties.** Saudi Arabia's trade with the UAE has experienced a 25 percent increase, highlighting a significant boost in economic collaboration between the two nations. Saudi Arabia's trade with the UAE has experienced a 25 percent increase, highlighting a significant boost in economic collaboration between the two nations. By the end of 2023, the trade volume reached SAR113bn, up from SAR90 billion in 2019.

**Saudi Arabia opens NEOM's first project to guests, Sindalah luxury island.** In an effort to position itself as the Red Sea's top destination for luxury travel, Saudi Arabia has unveiled Sindalah, a luxury island and the first stop on the USD500 billion NEOM megaproject. Sindalah, which took two years to develop, is an important milestone in the Kingdom's Vision 2030 and falls in line with Saudi Arabia's aims for economic diversification and international tourist appeal.

**Egypt launches first USD30Mn Deloitte Innovation Hub for global digital services export.** Minister of Communications and Information Technology, Amr Talaat, inaugurated the Deloitte Innovation Hub, backed by a USD30 million investment over three years, as announced by the Ministry of Communications and Information Technology (MCIT). This marks Deloitte's first center for exporting innovative digital services from Egypt.

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

## Regional markets trading performance

Indices	Close	Change			
		1D	1M	YTD	1Y
ADX	9,204	0.1%	-3%	-4%	-1%
DFM	4,479	0.3%	0%	10%	17%
TASI (Saudi)	12,069	1.5%	-2%	1%	16%
QSI (Qatar)	10,560	1.5%	0%	-2%	13%
BKM (Kuwait)	6,468	0.3%	3%	16%	18%
MSX (Oman)	4,811	-0.3%	2%	7%	6%
BHSEASI (Bahrain)	2,001	-	-1%	1%	3%
EGX (Egypt)	30,812	0.0%	-1%	24%	32%

Source: Reuters, IS Research.

### UAE trading summary (AED mn)

	Buy	Sell	Net
<b>ADX</b>	<b>927</b>	<b>927</b>	<b>0</b>
Local	630	654	-24
Foreign	296	272	24
Company	681	622	60
Individual	246	305	-60
<b>DFM</b>	<b>216</b>	<b>216</b>	<b>0</b>
Local	115	108	7
Foreign	101	108	-7
Company	87	101	-15
Individual	130	115	15
<b>Total</b>	<b>1,143</b>	<b>1,143</b>	<b>0</b>
Local	745	763	-17
Foreign	397	380	17

Source: ADX and DFM

## Global markets and commodities trends

**Global stocks slipped on Friday, finishing the week lower amid U.S. election jitters, Republican former President Donald Trump and Democratic Vice President Kamala Harris** are polling neck-and-neck in crucial swing states ahead of the Nov. 5 election. Investors are anxious about a contested result roiling world markets and unleashing fresh geopolitical uncertainty. The benchmark S&P 500 ended slightly lower and closed the week down nearly 1%, driven by losses in utilities and financials as well as gains in technology and communication-services stocks. Nasdaq finished the week higher. The Dow Jones Industrial Average fell 0.61% to 42,114.40, the S&P 500 eased 0.03% to 5,808.12 and the Nasdaq Composite rose 0.56% to 18,518.61. The European shares index ended down 0.03% after giving up gains in choppy trading and finished 1.2% lower for the week.

**Overnight in Asia, MSCI's broadest index of Asia-Pacific shares outside Japan closed lower by 0.02% but dropped nearly 2% for the week.** U.S. Treasury yields edged higher as investors wait on key employment data next week for fresh clues on the likely path of Federal Reserve interest-rate cuts. Traders are pricing in near-95% odds of a 25-basis-point cut at the Fed's November meeting, according to the CME Group's FedWatch Tool. The yield on benchmark U.S. 10-year notes rose 3.8 basis points to 4.24%. The dollar advanced and was set for a fourth weekly gain against Japan's yen, as an uncertain backdrop for markets sent the yen near three-month lows ahead of an election in Japan over the weekend.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	42,114	-0.6%	0%	12%	27%
S&P 500	5,808	0.0%	0.015	22%	39%
Nasdaq	18,519	0.6%	2%	23%	44%
FTSE	8,249	-0.3%	0%	7%	11%
DAX	19,464	0.1%	3%	16%	31%

CAC40	7,498	-0.1%	-1%	-1%	8%
Nikkei225	37,914	-0.6%	0%	13%	21%
HIS	20,614	0.1%	8%	21%	21%
MSCI EM	1,135	0.0%	0%	11%	23%
MSCI Asia	187	-0.2%	-2%	10%	23%
US Futures	5,874	0.5%	1%	22%	42%
Europe Futures	4,973	0.4%	-3%	9%	23%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	4.12%	0.02%	0.09%	-0.87%	-0.93%
US 10yr Bond	4.27%	0.03%	0.08%	-0.39%	-0.62%
US 30yr Bond	4.53%	0.03%	0.03%	-0.24%	-0.52%
EUR 2yr Bond	2.12%	0.04%	0.01%	-0.90%	-0.92%
EUR 10yr Bond	2.29%	0.02%	0.11%	-0.34%	-0.54%
EUR 30yr Bond	2.60%	0.01%	0.10%	-0.16%	-0.53%
JPY 2yr Bond	0.45%	0.00%	0.02%	0.16%	0.35%
JPY 10yr Bond	0.96%	0.02%	0.01%	0.08%	0.08%
JPY 30yr Bond	2.21%	0.04%	0.05%	0.28%	0.36%

Source: Bloomberg, IS Research

### Oil prices tumbled more than USD3 a barrel on Monday on easing geopolitical tensions in the Middle East.

Both Brent and U.S. West Texas Intermediate crude futures hit their lowest levels since Oct. 1 at the open. By Brent was at USD72.70 a barrel, down USD3.35, or 4.4%, while WTI slipped USD3.27, or 4.6%, to USD68.5 a barrel. The benchmarks gained 4% last week in volatile trade as markets priced in uncertainty around the extent of middle east tensions and the U.S. election next month.. In October, the Organization of the Petroleum Exporting Countries and their allies, a group known as OPEC+, kept their oil output policy unchanged including a plan to start raising output from December. The group will meet on Dec. 1 ahead of a full meeting of OPEC+.

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	72.7	-4.5%	-2.2%	-18.8%	-16.9%
WTI (USD/bbl)	68.5	-4.6%	-2.9%	-18.3%	-16.8%
Nat. Gas (USD/MMBtu)	2.5	-3.5%	6.8%	53.0%	-26.3%
Gold (USD/oz)	2,733.3	-0.5%	0.5%	16.9%	36.9%
Silver	33.3	-1.1%	-1.3%	22.5%	42.8%
Copper (USD/lb)	434.4	-0.6%	-0.4%	-4.8%	18.7%
Steel (USD/T)	703.0	-0.1%	-0.3%	-14.4%	-19.3%
Weat (USD/bu)	564.3	-0.8%	-1.4%	-6.5%	-0.3%
Corn (USD/bu)	413.3	-0.5%	0.9%	-6.1%	-13.6%
Polyethylene (CNY/MT)	8,277.0	0.1%	1.7%	-1.4%	0.2%
Bitcoin (USD)	67,653.4	1.3%	-0.1%	5.8%	96.4%

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	881,755	402.00	0.0%	32.16	-
TAQA	320,420	2.85	-1.7%	43.01	1.4%
ADNOCGAS	254,033	3.31	-0.3%	14.28	4.7%
EAND	149,402	17.18	0.9%	13.47	4.7%
FAB	145,158	13.14	0.2%	8.99	5.4%
DEWA	122,493	2.45	0.4%	16.26	5.1%
ENBD	120,640	19.10	0.3%	5.36	6.3%
Alpha Dhabi	111,994	11.20	0.0%	18.59	-
ADNOC Drill.	76,796	4.80	-0.8%	18.09	3.4%
Emaar Pro.	75,391	8.53	0.6%	6.27	5.9%
Borouge	75,140	2.50	0.8%	18.0	6.3%
ADCB	63,314	8.65	1.1%	7.26	6.5%
Aldar	57,394	7.30	0.3%	12.05	2.3%
Modon	57,212	3.50	0.9%	5.07	-
ADNOC Dist.	44,998	3.60	0.3%	16.76	5.7%
ADIB	44,453	12.24	0.7%	8.43	5.8%
DIB	44,166	6.10	-0.3%	6.69	7.4%
ADNOCLS	39,580	5.35	-0.7%	15.09	2.4%
Pure Health	38,442	3.46	1.2%	62.30	-
Emaar Dev.	34,958	8.74	0.0%	5.03	5.9%
Salik	34,048	4.54	1.1%	31.10	3.2%
DU	32,544	7.18	-0.6%	15.62	4.7%
AD Ports	25,703	5.05	-1.4%	23.32	-
Multiply	25,199	2.25	-0.9%	NULL	-
Fertiglobe	22,661	2.73	0.0%	23.32	7.7%
NMDC	21,395	25.34	-0.5%	7.65	3.0%
Americana	19,963	2.37	-0.4%	27.91	3.3%
Empower	16,999	1.70	0.6%	18.19	5.0%
Presight	12,787	2.28	0.4%	19.60	-
Air Arabia	12,786	2.74	-0.4%	9.28	7.3%
Burjeel	11,451	2.20	0.0%	25.77	1.4%
DFM	9,919	1.24	-0.8%	24.88	2.8%

Source: Reuters, IS Research.

## Upcoming corporate actions and events

Date	Company	Event
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
29-Oct	ADNOC Drilling	BoD/Result
30-Oct	ADNOC Distribution	BoD/Result
30-Oct	EAND	BoD/Result
30-Oct	Alef Education	BoD/Result
30-Oct	Ooredoo	BoD/Result
30-Oct	ADIB	BoD/Result
30-Oct	ABNIC	BoD/Result
30-Oct	PureHealth	BoD/Result
30-Oct	Emirates Driving Co	BoD/General
30-Oct	Al Buhaira	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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