



Morning Report

24 July 2024

UAE news stories

Dubai Islamic Bank reported 2Q24 net attributable profit of AED1.68bn versus AED1.57bn year ago. Dubai Islamic Bank 2Q24 total income came in at AED5.68bn versus AED4.88bn year ago. Dubai Islamic Bank 2Q24 net impairment charges came in at AED353.7mn

Sukoon Takaful reported 2Q24, accumulated losses at AED45.9mn with an accumulated losses to capital ratio at 29.8%.

Sukoon Insurance reported 2Q24 profit attributable of AED44.5mn versus AED53.4mn year ago. 2Q24 insurance revenue came in at AED1.32bn versus AED1.13bn year ago

Borouge Plc announced an acceleration of its growth plans in its core Asia market, through a strategic consortium, aimed at developing a speciality polyolefins complex in China. The consortium, comprising Borouge, ADNOC and Borealis, has signed a Project Collaboration Agreement (PCA) with China's Wanhua Chemical and Wanrong New Materials (Fujian), a subsidiary controlled by Wanhua Chemical. Borouge, in a consortium with ADNOC and Borealis, has initiated a joint feasibility study for a proposed greenfield project in collaboration with Wanhua Chemical. Proposed complex in China set to produce 1.6 MTPA of speciality polyolefins, supporting Borouge's ambitions to reinforce its market position in Asia. Project to capitalise on Borealis' state-of-the-art proprietary Borstar technology and Borouge's extensive sales network. Parties intend to utilise 100% zero-carbon electricity for the planned complex, underscoring their commitment to sustainability and reducing emissions.

Abu Dhabi Commercial Bank is expanding its strategic presence in Central Asia – a USD1.751tr economy by establishing a hub in Kazakhstan for its sophisticated Shari'ah compliant corporate banking services. By deploying its expertise and extensive network, ADCB will support the growth ambitions of companies participating in Central Asia's rapid economic development- a region propelled by large-scale infrastructure projects, increasing domestic and foreign investment, abundant natural resources, and a youthful, skilled workforce.

RAK Properties is marking significant milestones in its ongoing real estate development projects in Mina Al Arab. The latest construction updates include: Bay Residences, Bay Views, Cape Hayat and Marbella Villas.

Parkin informed that the Company's BoDs will pass resolutions by circulation no later than July 26, 2024, in relation to a contract for the provision of IT development services, the value of which amounts to approx. AED7.5mn, which is more than 5% of the Company's share capital.

Shuaa informed that with reference to successive increase in the share price of SHUAA Capital psc, the company does not possess any undisclosed material information. Further the company highlighted that they will update the shareholders on material developments in this regards as they occur

Dubai's economy grew by 3.2 per cent in the 1Q24, raising the emirate's GDP to AED115bn and maintaining its steady trajectory of economic performance and growth. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Deputy Prime Minister and Minister of Defence of the UAE and

Chairman of the Executive Council, announced the emirate's economic numbers for Q1 2024 on his official X account.

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

GCC news stories

Saudi Telecom Company (STC) reported a net profit of SAR3.3bn (USD879.74mn) in the 2Q24, rising 10% from SAR3bn a year ago. The telecom operator's topline grew 5% YoY to SAR19.15bn during the second quarter as operating costs, zakat, and income expenses fell. The company's profit for the first half of 2024 grew 7.7% YoY to SAR6.59bn. Revenue rose 4.8% YoY to SAR38.25bn during the first six months.

Saudi Arabia's ASG Plastic Factory Co. which intends to float 10.64% of its shares, has set the price range for the initial public offering (IPO) between SAR40 (USD10.66) and SAR44 per share. Yaqeen Capital Company, in its capacity as the financial advisor and lead manager on the potential offering, said in a statement on the Saudi Tadawul bourse on Tuesday that the book-building period for qualified investors will run from 28 July to 5 August 2024. In March, Saudi's Capital Market Authority (CMA) approved the company's application to float its shares on Riyadh's parallel stock market, Nomu.

Saudi Aramco unit invests USD15mn in South Korean AI chipmaker's funding round. Rebellions will deploy the funds to expand its business into Saudi Arabia and accelerate AI chip development. The funds will be used to expand the startup's business in Saudi Arabia, along with accelerating its plans in AI chip development. Rebellions said it aims to establish a subsidiary in Saudi and launch new business operations.

Saudi First Milling reported 2Q24 net profit of SAR45.5mn versus SAR34.9mn year ago. 2Q24 sales came in at SAR242.3mn versus SAR214mn year ago.

Saudi Al Jouf Cement reschedules facilities with Alinma Bank. The Financing value is SAR374mn . The facility is rescheduled for seven years ending in 2031

Oman establishes an emergency fund aimed at assisting small and medium enterprises (SMEs) following the impact of a tropical cyclone last October. The loan fund is designed to support SMEs in maintaining sustainable operations and to help them recover from emergency situations, according to Oman News Agency.

Egypt's Alexandria Flour Mills and Bakeries reported FY net profit after tax of EGP55.8mn versus EGP41.5mn year ago. FY sales came in at EGP 304.8mn versus EGP 257.2mn 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	9,234	-0.5%	2%	-4%	-4%
DFM	4,216	0.9%	5%	4%	6%
TASI (Saudi)	12,106	-0.6%	3%	1%	3%
QSI (Qatar)	10,140	0.2%	4%	-6%	-3%
BKM (Kuwait)	6,017	0.2%	1%	8%	7%
MSX (Oman)	4,649	0.4%	0%	3%	-3%
BHSEASI (Bahrain)	1,980	0.0%	-3%	0%	0%
EGX (Egypt)	29,195	0.0%	8%	17%	66%

Source: Reuters, IS Research.

UAE trading summary (AED mn)

	Buy	Sell	Net
ADX	992	992	0
Local	638	655	-18
Foreign	355	337	18
Company	792	773	19
Individual	200	219	-19
DFM	596	596	0
Local	327	400	-72
Foreign	269	196	72
Company	292	239	53
Individual	304	357	-53
Total	1,588	1,588	0
Local	965	1,055	-90
Foreign	623	533	90

Source: ADX and DFM

Global markets and commodities trends

Asian stocks were subdued on Wednesday after lacklustre earnings from U.S. tech behemoths Tesla and Alphabet dented sentiment, while the yen hit a six-week high ahead of a central bank meeting next week where a rate hike remains on the table. The U.S. dollar was broadly firm, with traders watching out for an inflation reading on Friday and Federal Reserve meeting next week. The Bank of Japan is also due to meet next week, where a 10 basis point hike is priced at a 44% chance.

Japan's Nikkei fell 0.23% while Taiwan financial markets are closed due to a typhoon. Nasdaq futures fell 0.5%, while S&P 500 futures eased 0.36% after Tesla reported its smallest profit margin in more than five years. Shares of Google-parent Alphabet slipped in after-hours trade even after the firm beat revenue and profit targets. Chinese stocks were lower in choppy trading, with the Shanghai Composite index down 0.18%, while the blue-chip CSI300 index was 0.19% lower after recording its largest one-day decline since mid-January on Tuesday.

On the macro side, investors await the U.S. GDP data on Thursday and PCE data the Fed's favoured measure of inflation on Friday to gauge the expectations of interest rate cuts this year. Markets are pricing in 62 basis points of easing this year, with a cut in September priced in at 95%, the CME FedWatch tool showed.

Indices	Close	Change			
		1D	1M	YTD	1Y
DJI	40,358	-0.1%	3%	7%	15%
S&P 500	5,556	-0.2%	2%	16%	22%
Nasdaq	17,997	0.0%	2%	20%	28%
FTSE	8,167	-0.4%	-1%	6%	7%
DAX	18,558	0.8%	2%	11%	15%
CAC40	7,599	-0.3%	0%	1%	2%
Nikkei225	39,594	0.0%	3%	18%	23%
HIS	17,361	-0.6%	-3%	2%	-8%
MSCI EM	1,087	0.1%	0%	6%	7%

MSCI Asia	183	0.4%	2%	8%	10%
US Futures	5,564	-0.6%	1%	15%	21%
Europe Futures	4,912	-0.7%	-1%	9%	12%

Source: Reuters, IS Research.

Rates	Current	Change			
		1D	1W	6M	1Y
US 2yr Bond	4.46%	-0.03%	0.02%	0.08%	-0.39%
US 10yr Bond	4.25%	0.00%	0.09%	0.07%	0.38%
US 30yr Bond	4.48%	0.00%	0.10%	0.07%	0.55%
EUR 2yr Bond	2.77%	0.05%	-0.01%	0.06%	-0.37%
EUR 10yr Bond	2.43%	-0.01%	0.01%	0.09%	-0.05%
EUR 30yr Bond	2.62%	-0.01%	0.03%	0.10%	0.11%
JPY 2yr Bond	0.36%	0.02%	0.04%	0.30%	0.41%
JPY 10yr Bond	1.07%	0.01%	0.04%	0.36%	0.63%
JPY 30yr Bond	2.20%	0.03%	0.04%	0.42%	0.88%

Source: Bloomberg, IS Research

Oil prices rebounded on Wednesday, snapping three straight sessions of decline, as falling U.S. crude inventories and growing supply risks from wildfires in Canada boosted prices. Brent crude futures for September rose to USD81.2 a barrel. U.S. West Texas Intermediate crude for September increased to USD77.1 per barrel. WTI had lost 7% over the previous three sessions, while Brent shed nearly 5%.

U.S. crude oil, gasoline and distillate inventories fell for the fourth straight week in the previous week, according to market sources citing the American Petroleum Institute (API), reflecting steady demand in the world's largest consumer of oil. Wildfires in Canada were also supporting prices. The API figures showed crude stocks falling by 3.9mn barrels in the week ended July 19, the sources said, speaking on condition of anonymity. Gasoline inventories fell by 2.8mn barrels and distillates shed 1.5mn barrels.

Commodities/ Bitcoin	Current	Price Change			
		1D	1W	6M	1Y
Brent (USD/bbl)	81.2	0.2%	-4.6%	1.4%	-2.1%
WTI (USD/bbl)	77.1	0.2%	-6.9%	2.7%	-2.1%
Nat. Gas (USD/MMBtu)	2.1	-2.4%	4.9%	-19.2%	-19.9%
Gold (USD/oz)	2,415.1	0.2%	-1.8%	19.9%	22.5%
Silver	29.2	0.0%	-3.5%	29.0%	17.3%
Copper (USD/lb)	413.3	-0.3%	-6.0%	6.4%	6.2%
Steel (USD/T)	663.0	1.2%	0.6%	-38.8%	-20.6%
Weat (USD/bu)	539.5	-0.6%	0.0%	-11.7%	-25.1%
Corn (USD/bu)	400.3	-0.6%	0.6%	-11.5%	-25.9%
Polyethylene (CNY/MT)	8,255.0	-1.3%	-1.3%	0.9%	0.9%
Bitcoin (USD)	65,951.6	0.1%	2.2%	65.9%	122.9%

Source: Bloomberg, IS Research

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

Company	MCAP	Price	Valuation	Div	
	(AEDm)	(AED)			Day (%)
IHC	899,571	410.10	-1.1%	30.32	-
TAQA	309,194	2.75	0.0%	43.24	1.4%

ADNOCGAS	241,767	3.15	-1.6%	14.19	4.9%
EAND	145,758	16.76	1.6%	13.95	4.8%
FAB	139,642	12.64	0.2%	8.78	5.6%
DEWA	119,000	2.38	0.4%	15.65	5.2%
Alpha Dhabi	115,800	11.58	1.6%	15.67	-
ENBD	112,751	17.85	2.0%	5.01	6.7%
Emaar Pro.	74,599	8.44	1.4%	6.58	5.9%
Borouge	73,341	2.44	0.4%	18.8	6.5%
ADNOC Drill.	69,120	4.32	-1.1%	17.28	3.8%
ADCB	62,000	8.47	-0.9%	7.49	6.6%
Aldar	55,038	7.00	0.9%	12.63	2.4%
Qholding	47,733	2.92	-1.4%	43.78	-
Pure Health	45,333	4.08	-1.2%	39.97	-
ADIB	44,092	12.14	-1.0%	8.89	5.9%
DIB	43,734	6.04	1.7%	6.73	7.5%
ADNOC Dist.	43,375	3.47	-1.1%	16.59	5.9%
ADNOCLS	34,773	4.70	1.5%	14.15	2.7%
Emaar Dev.	33,200	8.30	0.5%	4.84	6.3%
DU	27,605	6.09	1.7%	13.25	5.6%
AD Ports	26,672	5.24	0.0%	25.27	-
Americana	26,534	3.15	0.6%	31.48	2.5%
Multiply	26,096	2.33	-0.4%	-	-
Salik	25,875	3.45	0.6%	23.52	4.2%
NMDC	22,275	27.00	-2.3%	8.94	2.8%
Fertiglobe	20,172	2.43	-0.8%	16.67	8.6%
Empower	16,500	1.65	1.9%	17.38	5.2%
Presight	14,190	2.53	-1.2%	21.92	-
Burjeel	13,898	2.67	0.0%	29.09	1.1%
Air Arabia	12,040	2.58	1.2%	8.32	7.8%
DFM	10,320	1.29	0.8%	26.91	2.7%
Phoenix	10,283	1.70	-1.2%	11.24	-

Source: Reuters, IS Research.

Upcoming corporate actions and events

Date	Company	Event
24-Jul	ADIB	BoD/Results
24-Jul	CBD	BoD/Results
24-Jul	DSI	General Assembly
24-Jul	Al Firdous	General Assembly
24-Jul	Easy Lease	BoD/Results
24-Jul	NMDC	BoD/Results
24-Jul	FAB	BoD/Results
24-Jul	Manazel	BoD/General
24-Jul	Gulf Navigation	BoD/General
25-Jul	Invictus	BoD/Results
25-Jul	Phoenix	BoD/Results
25-Jul	NBF	BoD/Results
25-Jul	Apex	BoD/Results
25-Jul	UAB	BoD/Results

25-Jul	ASM	BoD/Results
25-Jul	MASQ	BoD/Results
25-Jul	FBI	BoD/Results
25-Jul	DTC	BoD/Results
25-Jul	Salama	BoD/General
25-Jul	ESG	BoD/Results
26-Jul	Methaq Takaful	BoD/Results
26-Jul	DSI	BoD/Results
26-Jul	Ghitha	BoD/Results
26-Jul	BHM Capital	BoD/Results
29-Jul	Fujairah Cement	BoD/Results
29-Jul	Aldar Properties	BoD/Results
29-Jul	Multiply	BoD/Results
29-Jul	DFM	BoD/Results
30-Jul	DRC	BoD/Results
30-Jul	Ooredoo	BoD/Results
06-Aug	Agthia	BoD/Results
11-Aug	Al Salam Bank	BoD/Results
12-Aug	GFH	BoD/Results

Source: ADX and DFM

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