

Equity Weekly

Weekly Report | 23 October 2023

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Global Equities

Global equities closed sharply lower as geopolitical tensions took center stage. Rising yields remain a pain point for equities with the 10y US treasuries yield flirting with the 5.0% handle all through last week before closing at 4.92%. Overall, the MSCI World index dropped -2.5% on the back of weakness across all sub-indices with the MSCI EM index losing -2.7% 5d. In terms of volatility, the VIX index moved into positive territory for the year with a jump of +12.4% 5d.

Notwithstanding key economic data releases and central bank meetings, investors' attention will continue to remain on how geopolitical tensions evolve. In terms of economic data, the US Q3 GDP and the PCE data, UK labor market data, and inflation data in Tokyo and Australia will be keenly watched. The European Central Bank meeting will also be on the radar of investors wherein they are expected to keep rates on hold.

Chart of the Week

The after-effect of rising yields in the US can be seen on emerging market yields. The average rate (YTW) on the Bloomberg EM Sovereign Total Return Index (which includes 71 developing nations) ended last week at 9.32%, levels last seen in May 2020.

MENA Equities

Regional equities remained weak for a third consecutive week with the S&P Pan Arab Composite Index losing -0.4% 5d.

The best-performing GCC equity market i.e., the DFM index had its worst week since November 2021 as it lost -5.4% 5d. It appears that margin calls exacerbated the losses following sharp drop in major stocks for a second week running. The best performing stocks continued to remain under pressure with Emaar Properties losing -12.0% 5d and Emirates NBD declining -5.9% 5d.

The trend was the same across other regional markets as well even though the scale of losses was smaller. The Tadawul lost -0.5% 5d and the ADX index dropped -1.9%. Savola ended the week flat as the gains in the first half of the week on reports of potential stake sale in Almarai were wiped out by losses in the second half as the company clarified that no final decision has been taken yet.

Egyptian equities continued their positive run with the EGX 30 index adding +8.8% 5d to take their year-to-date gains to +51.6%.

Chart of the Week – Emerging Market yields surge to levels last seen in 2020 (YTW, %)



Source: Bloomberg

Key News & Earnings

- Saudi Tadawul reported a net profit of SAR 102.3mn (+15% y/y) for Q3 2023 on the back of an increase in data & technology revenue and an increase in investment income.
- Warba Bank reported Q3 2023 net income of KWD 4.07mn (+8.2% y/y), missing consensus estimates by 34%.
- Etihad Etisalat reported a net profit of SAR 524mn (+40% y/y), beating consensus estimates by 19%.
- PIF plans to buy Zain KSA's remaining 20% stake in Golden Lattice Investment Co. for SAR 726mn. Zain KSA sees a financial impact of SAR 121mn.
- Riyadh Bank reported Q3 2023 net income of SAR 2.09bn, beating consensus estimates of SAR 1.98bn. Impairments for the bank rose +14% y/y.
- Arab National Bank reported Q3 2023 net income of SAR 1.08bn, beating consensus estimates by 12.5%. Impairments rose +41% y/y.
- National Marine Dredging reported Q3 2023 net income of AED 631.7mn, more than double from Q3 2022 (AED 300mn).
- Dubai Islamic Bank affirmed at A by Fitch.
- First Abu Dhabi Bank reported Q3 2023 net profit of AED 4.3bn (+48% y/y), beating consensus estimates of AED 3.57bn by 20%. Impairments for the bank declined -13% y/y.
- Advanced Petrochem reported a net profit of SAR 45mn (+67% y/y) on account of a decline in propane and propylene purchase prices and a decline in freight expenses.
- Qatar Fuel reported a net income of QAR 711.6mn for 9M 2023 (-6.7% y/y).
- Qatar Navigation reported 9M 2023 net income of QAR 870mn (+2.2% y/y). The company reported a steep decline in container shipping market rates.
- Sipchem reported Q3 2023 net income of SAR 233.1mn (-70% y/y). The company cited a decline in selling prices and the share of profits from investment in a joint venture.
- Barwa RE reported a net income of QAR 778.9mn for 9M 2023 (+4.9% y/y).
- Commercial Bank of Qatar reported net income of QAR 2.37bn (+7.5% y/y).
- According to reports, Saudi Arabia water treatment company Miahona is considering an IPO as soon as next year.
- Savola has hired advisors to consider a stake sale in Almarai. The company said that no decision has been made at this stage.
- National Bank of Kuwait reported a Q3 2023 net income of KWD 155.8mn (+14% y/y), beating consensus estimates of KWD 140mn by 11%. Impairments for the bank declined -10% y/y.

MENA Equity Indices

Index	Last Price	wtd % chg	ytd % chg	T.Value 5d avg (USDmn)	BEst P/E	BEst P/B	Div Yield
DFM	3,752	-5.4%	12.5%	118.7	7.9	1.1	4.9
ADX	9,307	-1.9%	-8.9%	240.4	17.5	2.3	1.7
Tadawul	10,496	-1.5%	0.2%	1,332.5	17.0	2.2	3.5
ISE 100	7,511	0.0%	36.3%	3,753.9	5.5	1.8	2.0
EGX 30	22,128	2.4%	51.6%	99.2	8.2	2.4	2.0
Kuwait Premier	7,334	-0.6%	-9.6%	128.9	12.9	0.9	2.9
Bahrain	1,944	0.0%	2.6%	0.7	-	-	8.6
MSM	4,640	-0.9%	-4.5%	5.1	7.6	0.7	4.8
Qatar Exchange	9,718	-0.9%	-9.0%	100.1	11.6	1.3	5.0

Developed Market Indices

Dow Jones	33,127	-1.6%	-0.1%	12,549.0	19.2	4.2	2.2
S&P 500	4,224	-2.4%	10.0%	69,632.1	19.5	3.8	1.7
Nasdaq	12,984	-3.2%	24.1%	51,398.0	33.8	2.5	0.9
FTSE 100	7,402	-2.6%	-0.7%	3,456.2	10.4	1.6	4.2
Dax	14,798	-2.6%	6.3%	2,952.9	10.8	1.3	3.7
Cac 40	6,816	-2.7%	5.3%	3,058.2	11.6	1.7	3.5
Swiss	10,349	-5.1%	-3.5%	2,662.2	16.6	3.2	3.5
Nikkei	31,259	-3.3%	19.8%	15,491.9	20.6	1.7	2.0
Australia	6,901	-2.1%	-2.0%	3,164.4	15.4	1.9	4.4
Stoxx 600	434	-3.4%	2.1%	21,735.2	12.2	1.7	3.8

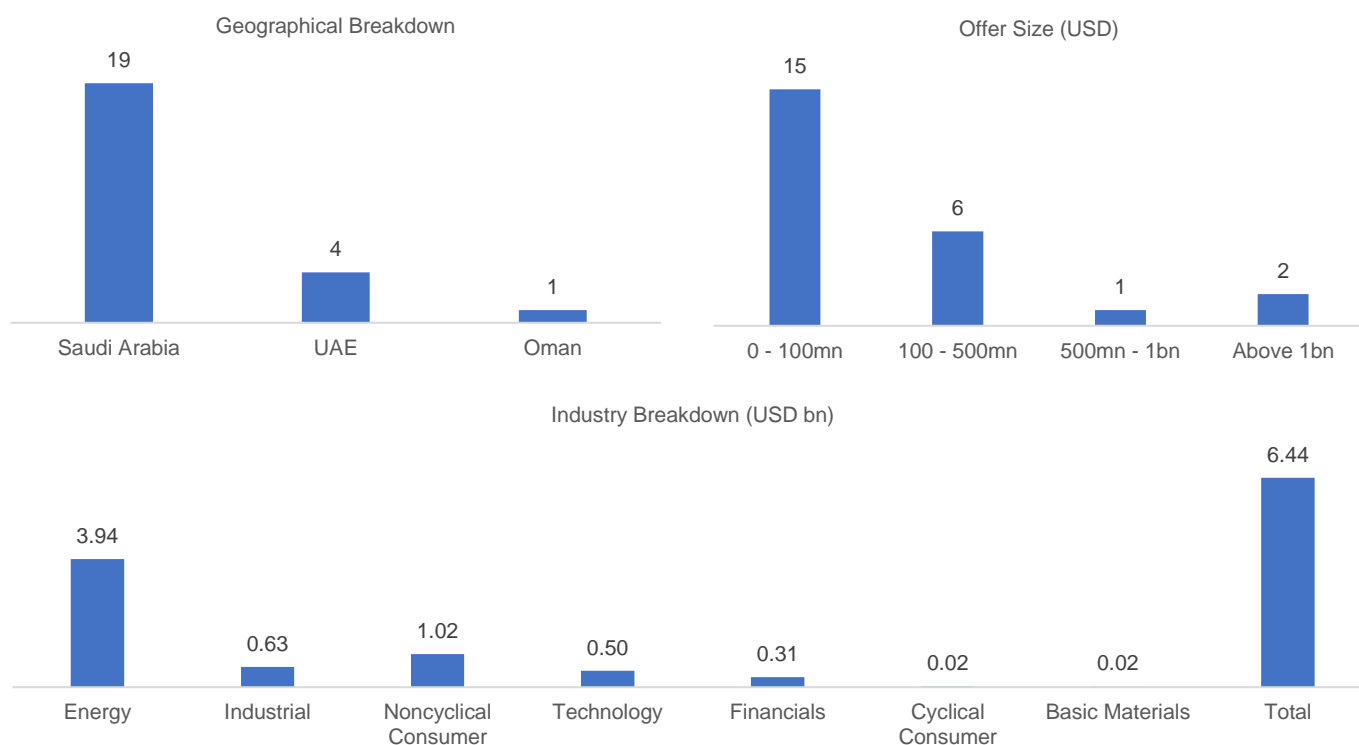
Emerging Market Indices

Hong Kong	17,172	-3.6%	-13.2%	4,976.4	8.7	1.0	4.1
Shanghai	2,983	-3.4%	-3.4%	41,515.1	10.9	1.2	2.9
Korea	2,375	-3.3%	6.2%	6,249.4	14.2	0.8	1.9
Sensex	65,398	-1.3%	7.5%	115.3	22.2	3.1	1.4
Nifty	19,543	-1.1%	7.9%	2,204.9	21.4	3.0	1.4
Karachi	50,675	2.3%	25.4%	33.5	4.1	#N/A N/A	10.0
Taiwan	16,441	-2.0%	16.3%	8,262.6	17.8	2.2	3.7
Bovespa	113,155	-2.2%	3.1%	3,499.1	8.2	1.3	5.5
Jo'burg	70,198	-3.7%	-3.9%	846.1	10.9	1.4	4.8
Vietnam	1,108	-4.0%	10.0%	580.1	11.5	1.6	1.7
Jakarta	6,849	-1.1%	0.0%	643.4	14.0	1.8	3.9

Source: Bloomberg, BEst – Bloomberg Estimate

Primary Market Performance

Summary (USD)



Deal breakdown (Year to Date)

Pricing Date	Name	Issuer Ticker	Primary Exchange	Currency	Offer Price	Last Price	IPO to date change (%)
14-Sept	ADES Holding Co	ADES AB	Saudi Arabia	SAR	13.50	17.34	28.4%
8-Sept	Lumi Rental Co	LUMI AB	Saudi Arabia	SAR	66.00	87.20	32.1%
4-Sept	Munawla Cargo Co	MUNAWLA AB	Saudi Arabia	SAR	110.00	189.20	72.0%
20-Aug	Dar Almarkabah For Renting Co.	DARALMAR AB	Saudi Arabia	SAR	40.00	45.50	13.8%
19-Jul	Professional Medical Expertise Co	PROMEDEX AB	Saudi Arabia	SAR	68.00	71.00	4.4%
12-Jun	Tam Development Co	TAMDEVEL AB	Saudi Arabia	SAR	130.00	147.80	13.7%
11-Jun	Al Razi Medical Co	ALRAZI AB	Saudi Arabia	SAR	28.00	61.10	118.2%
30-May	First Milling Co	FIRSTMIL AB	Saudi Arabia	SAR	60.00	67.70	12.8%
25-May	Adnoc Logistics & Services	ADNOCLS UH	Abu Dhabi	AED	2.01	3.47	72.6%

25-May	Jamjoom Pharmaceuticals Fact	JAMJOOMP AB	Saudi Arabia	SAR	60.00	102.80	71.3%
23-May	Almuneef Co For Trade Industries	ALMUNEEF AB	Saudi Arabia	SAR	70.00	61.90	-11.6%
22-May	Morabaha Marina Financing Co	MRNA AB	Saudi Arabia	SAR	14.60	10.66	-27.0%
22-May	Almawarid Manpower Co	ALMAWARI AB	Saudi Arabia	SAR	64.00	107.80	68.4%
27-Apr	Meyar Co	MEYAR AB	Saudi Arabia	SAR	59.00	86.70	46.9%
3-Apr	Al Ansari Financial Services	ALANSARI UH	DFM	AED	1.03	1.11	7.8%
29-Mar	Saudi Lime Industries Co	LIMEINDU AB	Saudi Arabia	SAR	17.00	12.84	-24.5%
21-Mar	Foods Gate Co	FOODSGAT AB	Saudi Arabia	SAR	56.00	68.20	21.8%
8-Mar	Presight Ai Holding Plc	PRESIGHT UH	Abu Dhabi	AED	1.34	2.38	77.6%
7-Mar	Abraj Energy Services	ABRJ OM	Muscat	OMR	0.25	0.30	18.5%
7-Mar	Ghida Alsultan For Fast Food	GHIDA AB	Saudi Arabia	SAR	84.00	64.00	-23.8%
7-Mar	Knowledge Net Co	KNOWLNET AB	Saudi Arabia	SAR	40.00	35.90	-10.3%
3-Mar	Adnoc Gas Plc	ADNOCGAS UH	Abu Dhabi	AED	2.37	3.17	33.8%
26-Feb	Bena Steel Industries Co	BENA AB	Saudi Arabia	SAR	52.00	43.00	-17.3%
7-Feb	Waja Co	WAJA AB	Saudi Arabia	SAR	4.50	6.14	36.4%

Source: Bloomberg
Data as of 22 October 2023

Economic & Earnings Calendar

Economic			
Date	Country	Data	Consensus
23-Oct	US	Chicago Fed National Activity Index	-0.14
	Eurozone	Consumer Confidence	-18.2
24-Oct	Japan	Jibun Bank Japan PMI Composite	
	UK	ILO Unemployment Rate 3 months	4.3%
	Germany	GfK Consumer Confidence	-26.8
	France	HCOB France Composite PMI	44.5
	Germany	HCOB Germany Composite PMI	46.7
	Eurozone	HCOB Eurozone Composite PMI	47.3
	US	S&P Global US Composite PMI	50.0
	US	Richmond Fed Mfg Index	3.0
25-Oct	Germany	IFO Expectations	83.5
	US	MBA Mortgage Applications	
	Canada	Bank of Canada Rate Decision	5.0%
	US	New Home Sales	682k
26-Oct	Eurozone	ECB Main Refinancing Rate	4.50%
	US	GDP Annualized q/q	4.3%
	US	Durable Goods Orders	1.5%
	US	Core PCE Price Index q/q	2.5%
	US	Initial Jobless Claims	208k
27-Oct	US	Personal Income / Spending	0.4% / 0.5%
	US	U of Michigan Sentiment	63.0

GCC Earnings				
Date	Period	Stock	Ticker	Estimate
23-Oct	Q3 23	National Shipping Co of Saudi	NSCSA AB	
23-Oct	Q2 24	Saudia Dairy & Foodstuff Co	SADAFCO AB	
23-Oct	Q3 23	Saudi National Bank/The	SNB AB	0.75
23-Oct	Q3 23	National Agriculture Development	NADEC AB	
23-Oct	Q3 23	Al Rajhi Bank	RJHI AB	0.983
23-Oct	Q3 23	Dr Sulaiman Al Habib Medical	SULAIMAN AB	
23-Oct	Q3 23	Mesaieed Petrochemical Holding	MPHC QD	
24-Oct	Q3 23	Saudi Kayan Petrochemical Co	KAYAN AB	(0.21)
24-Oct	Q3 23	Bank Al-Jazira	BJAZ AB	
24-Oct	Q3 23	Eastern Province Cement Co	EACCO AB	
24-Oct	Q3 23	Arab National Bank	ARNB AB	0.60
24-Oct	Q3 23	Qatar International Islamic Bank	QIIK QD	0.23
24-Oct	Q3 23	Saudi Ceramic Co	SCERCO AB	
24-Oct	Q3 23	Industries Qatar QSC	IQCD QD	0.19
25-Oct	Q3 23	Mabaneer Co KPSC	MABANEE KK	
25-Oct	Q3 23	Bahrain Islamic Bank BSC	BISB BI	
25-Oct	Q3 23	Dubai Islamic Bank PJSC	DIB UH	0.19
25-Oct	Q3 23	Bank AlBilad	ALBI AB	
25-Oct	Q3 23	Alaseel Co	ALASEEL AB	
25-Oct	Q3 23	Alinma Bank	ALINMA AB	0.60
25-Oct	Q3 23	Al Jouf Cement Co	JOUF AB	
25-Oct	Q3 23	Doha Bank QPSC	DHBK QD	0.06
25-Oct	Q3 23	Commercial Bank of Dubai PSC	CBD UH	
26-Oct	Q3 23	Boursa Kuwait Securities Co KP	BOURSA KK	
26-Oct	Q3 23	Leejam Sports Co JSC	LEEJAM AB	

26-Oct	Q3 23	SABIC Agri-Nutrients Co	SAFCO AB	2.005
26-Oct	Q3 23	Yanbu Cement Co	YNCCO AB	
26-Oct	Q3 23	Herfy Food Services Co	HERFY AB	0.29
26-Oct	Q3 23	TECOM Group PJSC	TECOM UH	0.045
26-Oct	Q3 23	Arabian Internet & Communications	SOLUTION AB	2.935
26-Oct	Q3 23	Amlak International Finance Co	AMLAK AB	
26-Oct	Q2 24	Etihad Atheeb Telecommunications	EAT AB	
26-Oct	Q3 23	BBK BSC	BBK BI	
26-Oct	Q3 23	Yanbu National Petrochemical C	YANSAB AB	0.019
26-Oct	Q3 23	Masraf Al Rayan QSC	MARK QD	0.038
26-Oct	Q3 23	Ezdan Holding Group QSC	ERES QD	
26-Oct	Q3 23	Emirates NBD Bank PJSC	EMIRATES UH	0.79
26-Oct	Q3 23	Kuwait International Bank KSCP	KIB KK	
26-Oct	Q3 23	Burgan Bank SAK	BURG KK	
27-Oct	Q3 23	Dubai Financial Market PJSC	DFM UH	0.01
27-Oct	Q3 23	Ajman Bank PJSC	AJMANBAN UH	
27-Oct	Q3 23	Deyaar Development PJSC	DEYAAR UH	
29-Oct	Q3 23	Arabian Cement Co/Saudi Arabia	ARCCO AB	
29-Oct	Q3 23	Zahrat Al Waha For Trading Co	OASIS AB	
29-Oct	Q3 23	Gulf International Services QS	GISS QD	0.076
29-Oct	Q3 23	Baladna	BLDN QD	0.011
29-Oct	Q3 23	Dukhan Bank	DUBK QD	0.067

Source: Bloomberg

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