

Equity Weekly

Weekly Report | 26 August 2024

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Global Equities

Global equities continued their momentum from the previous week as the Fed Chair Jerome Powell confirmed the pivot at his Jackson Hole speech by saying “will do everything we can to support a strong labor market”. Overall, the MSCI World index added +0.9% 5d on the back of continued strength in developed markets. The MSCI G7 index added +0.8% 5d even as the MSCI EM index dropped -0.3% 5d.

It is likely that more than the economic data, the focus of investors this week would be on Nvidia earnings. More so given that it has been a rather disappointing earnings season for major technology companies. Investors are also likely to keep an eye on consumer related economic data from the US towards the second half of the week.

Chart of the Week

Emerging market equities (i.e., MSCI EM index) are trading at the steepest discount of 45% relative to US equities (S&P 500 index) since the pandemic. It appears that weakness in the currency coupled with potential trade tariffs post elections in the US are weighing on investor sentiment.

The MSCI EM index has added +7.5% ytd relative to the 16.8% ytd gain in the S&P 500 index. The MSCI EM index is trading at 12.1x 12m forward PE multiple versus the S&P 500 index which is trading at 22.2x 12m forward PE multiple.

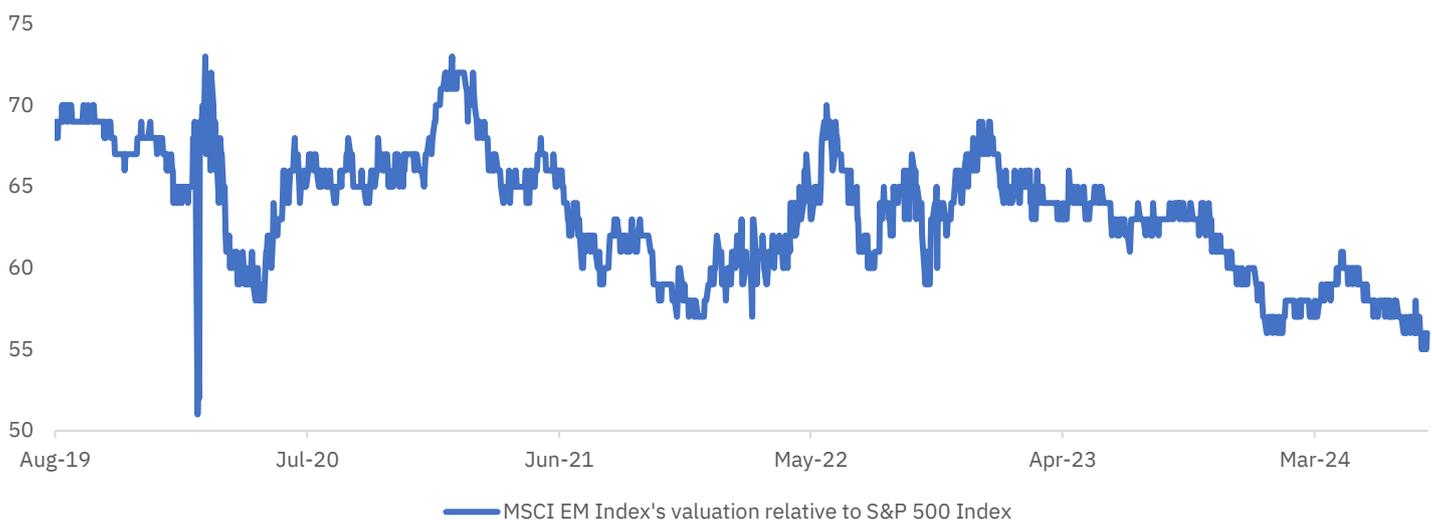
MENA Equities

Regional equities followed the global trend and closed higher. The S&P Pan Arab Composite index added +2.0% 5d. The Bahrain Bourse index was a notable exception with a drop of -0.7% 5d.

Saudi Telecom (+12.2% 5d) was among the best performers for the week after the Company announced plans to boost quarterly payments to SAR 0.55 per share for the next three years starting in Q4 2024 and also said that it may consider special dividends.

Other major telecom companies i.e., Etisalat and du have traded mixed with losses of -10.2% ytd and +19.5% ytd respectively. Etisalat and du are trading at a 2024E dividend yield of 4.7% and 6.5% respectively.

Chart of the Week – Emerging market equities relative valuation falls to their lowest level since the pandemic



MENA Equity Indices

Index	Last Price	wtd % chg	ytd % chg	T.Value 5d avg (USDmn)	BEst P/E	BEst P/B	Div Yield
DFM	4,293	1.2%	5.7%	79.0	8.3	1.2	5.6
ADX	9,374	0.9%	-2.1%	269.0	15.3	1.9	2.1
Tadawul	12,263	0.6%	2.5%	2,240.5	18.1	2.4	3.6
ISE 100	9,668	0.0%	29.4%	2,514.8	4.5	0.9	2.6
EGX 30	30,074	-0.2%	20.8%	56.1	6.7	2.3	2.3
Kuwait Premier	7,764	-0.5%	3.8%	83.2	12.1	1.0	2.8
Bahrain	1,930	-0.5%	-2.1%	0.4	6.6	0.5	8.9
MSM	4,688	0.3%	3.8%	3.8	9.1	0.6	5.3
Qatar Exchange	10,105	-0.2%	-6.7%	62.4	11.2	1.4	4.3

Developed Market Indices

Dow Jones	41,175	1.3%	9.2%	13,264.6	20.7	5.0	1.8
S&P 500	5,635	1.4%	18.1%	67,312.1	23.6	4.7	1.4
Nasdaq	17,878	1.4%	19.1%	54,599.5	33.8	-	0.7
FTSE 100	8,328	0.2%	7.7%	2,903.1	12.3	1.9	3.8
Dax	18,633	1.7%	11.2%	2,172.4	13.7	1.6	3.1
Cac 40	7,577	1.7%	0.4%	2,155.1	13.9	1.8	3.3
Swiss	12,347	1.3%	10.9%	1,955.0	19.0	3.8	3.0
Nikkei	38,364	0.8%	14.6%	19,108.5	21.1	2.0	1.8
Australia	8,024	0.7%	5.7%	3,797.1	19.1	2.0	3.6
Stoxx 600	518	1.3%	8.2%	16,339.6	14.5	2.0	3.4

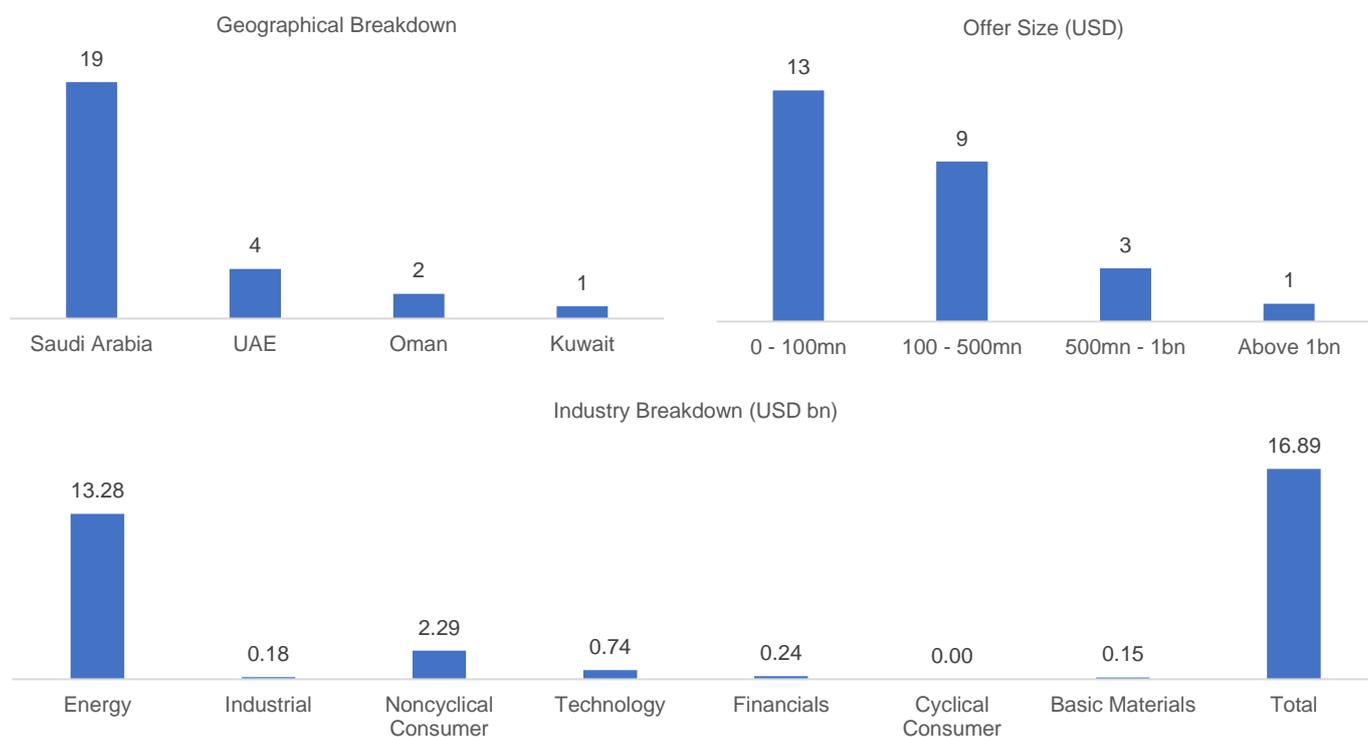
Emerging Market Indices

Hong Kong	17,612	1.0%	3.3%	5,706.9	8.6	1.0	4.4
Shanghai	2,854	-0.9%	-4.1%	30,813.2	11.2	1.1	3.0
Korea	2,702	0.2%	1.7%	6,536.1	10.4	1.0	2.0
Sensex	81,086	0.8%	12.2%	93.2	23.1	3.6	1.2
Nifty	24,823	1.1%	14.2%	2,989.6	22.7	3.5	1.2
Karachi	78,815	0.8%	26.3%	25.5	4.0	0.9	8.0
Taiwan	22,158	-0.9%	23.6%	9,622.4	18.4	2.7	2.5
Bovespa	135,608	1.2%	1.1%	2,793.7	8.8	1.4	6.3
Jo'burg	84,352	1.8%	9.7%	987.7	12.0	1.5	3.9
Vietnam	1,285	2.6%	13.8%	638.5	12.1	1.8	1.6
Jakarta	7,544	1.5%	3.7%	663.2	14.3	2.0	3.2

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 (%)
9-Jul	Jabal Real Estate Investment	JREF OM	Muscat	OMR	0.10	0.10	-2.0%
25-Jun	Leaf Global Environmental Se	LEAF AB	Saudi Arabia	SAR	50.00	65.00	33.2%
10-Jun	Beyout Investment Group Hold	BEYOUT KK	Kuwait	KWd	500.00	486.00	-1.6%
7-Jun	Saudi Arabian Oil Co	ARAMCO AB	Saudi Arabia	SAR	27.25	27.85	3.9%
5-Jun	Neft Alsharq Co For Chemical	NEFTALSH AB	Saudi Arabia	SAR	3.60	4.40	31.4%
2-Jun	Al Ashghal Al Moysra Co	ALASHGHA AB	Saudi Arabia	SAR	10.00	51.80	423.0%
28-May	Alef Education Holding Plc	ALEFEDT UH	Abu Dhabi	AED	1.35	1.24	-8.9%
28-May	Yaqeen Capital Co	YAQEEN AB	Saudi Arabia	SAR	40.00	25.00	-38.2%
27-May	Al Taiseer Group Talco Indus	TALCO AB	Saudi Arabia	SAR	43.00	61.70	40.5%

22-May	Adnoc Drilling Co Pjsc	ADNOCDRI UH	Abu Dhabi	AED	3.90	4.50	17.7%
22-May	Rasan Information Technology	RASAN AB	Saudi Arabia	SAR	37.00	56.80	52.7%
19-May	Saudi Manpower Solutions Co	SMASCO AB	Saudi Arabia	SAR	7.50	9.43	24.0%
19-May	Epicure Vision Gcc Growth Fund	EVGF OM	Muscat	OMR	1.02	1.00	-2.0%
14-May	Dr. Soliman Abdul Kader Fake	FAKEEHCA AB	Saudi Arabia	SAR	57.50	59.00	4.5%
12-May	Mohammed Hadi Al Rasheed And	ALRASHEE AB	Saudi Arabia	SAR	28.00	75.00	162.5%
9-May	Miahona	MIAHONA AB	Saudi Arabia	SAR	11.50	33.85	209.6%
1-May	Spinneys 1961 Holding Plc	SPINNEYS UH	DFM	AED	1.53	1.51	-2.0%
18-Apr	Qomel Co	QOMEL AB	Saudi Arabia	SAR	80.00	105.00	36.3%
28-Mar	Taqat Mineral Trading Co	TAQAT AB	Saudi Arabia	SAR	18.00	12.50	-29.0%
14-Mar	Parkin Co Pjsc	PARKIN UH	DFM	AED	2.10	3.65	67.6%
28-Feb	Modern Mills Co	MODERNMI AB	Saudi Arabia	SAR	48.00	50.40	1.3%
18-Feb	Quara Finance Co	QUARA AB	Saudi Arabia	SAR	15.00	15.44	12.5%
8-Feb	Al-Modawat Specialized Medic	ALMODAWA AB	Saudi Arabia	SAR	111.00	16.00	-86.5%
5-Feb	Wsm For Information Technolo	WSM AB	Saudi Arabia	SAR	49.00	48.85	0.6%
4-Feb	Pan Gulf Marketing Co	PANGULF AB	Saudi Arabia	SAR	51.00	25.50	-46.1%
24-Jan	Middle East Pharmaceutical	AVALONPH AB	Saudi Arabia	SAR	82.00	134.00	56.1%

Source: Bloomberg
Data as of 9 August 2024

Economic & Earnings Calendar

Economic			
Date	Country	Data	Consensus
26-Aug	Germany	IFO Expectations	85.8
	US	Durable Goods Orders	4.9%
	US	Dallas Fed Manufacturing Activity	-16.0
27-Aug	Germany	GDP y/y	-0.1%
	US	Conf. Board Consumer Confidence	100.6
28-Aug	Germany	GfK Consumer Confidence	-18.0
	France	Consumer Confidence	92.0
29-Aug	Eurozone	Consumer Confidence	
	Germany	CPI y/y	2.1%
	US	GDP q/q annualized	2.8%
	US	Personal Consumption	2.2%
	US	Core PCE Price Index q/q	2.9%
	US	Initial Jobless Claims	230k
	US	Pending Home Sales m/m	0.7%
30-Aug	Japan	Jobless Rate	2.5%
	Japan	Industrial Production y/y	2.7%
	France	CPI y/y	1.8%
	Eurozone	Unemployment Rate	6.5%
	Eurozone	CPI m/m	0.2%
	Italy	Consumer Confidence	99.1
	Canada	GDP y/y	1.4%
	US	Personal Income / Spending	0.2% / 0.5%
	US	U of Michigan Sentiment	68.0

GCC Earnings				
Date	Period	Stock	Ticker	Estimate
27-Aug	Q2 24	Banader Hotels Co BSC	BANADER BI	-
28-Aug	Q2 24	Saudi Industrial Export Co	SIECO AB	-
28-Aug	Q2 24	United Gulf Holding Co BSC	UGH BI	-
28-Aug	Q1 25	Tihama Advertising & Public Re	TAPRCO AB	-
28-Aug	Q2 24	Nayifat Finance Co	NAYIFAT AB	-
28-Aug	Q2 24	Ahli United Bank BSC	AUB BI	-

Source: Bloomberg

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