



**Equity investment analysis
On the U.A.E. stock markets**

MAC CAPITAL ADVISORS
46 Micaud Street, Castries,
St. Lucia

OUR DUBAI AFFILIATE

SALES

Trading Manager
Samer M. Hammad
Email: samer@mac-sharaf.com
Tel: +971 4 409 7119

MAC Morning Muse

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Market Statistics

DFM top 5 traded by value on: 28-Jul-10

Stock	Value (min)	Close (AED)	Prior (AED)	Ch (%)	Mkt Cap (US\$ min)
EMAAR	32.3	3.25	3.21	1.25	5,390
ARTC	22.0	1.75	1.75	0.00	570
GFH	5.3	0.55	0.59	-6.84	277
DSI	4.8	0.85	0.84	1.19	504
DFM	3.1	1.47	1.46	0.68	3,202

ADX top 5 traded by value on: 28-Jul-10

Stock	Value (mln)	Close (AED)	Prior (AED)	Ch (%)	Mkt Cap (US\$ mln)
ALDAR	24.0	2.45	2.49	-1.61	1,720
ETISALAT	18.9	10.15	10.40	0.00	21,851
SOROUH	6.3	1.74	1.76	-1.14	1,244
DANA	4.1	0.78	0.78	0.00	1,402
NBAD	3.2	11.25	11.00	2.27	7,327

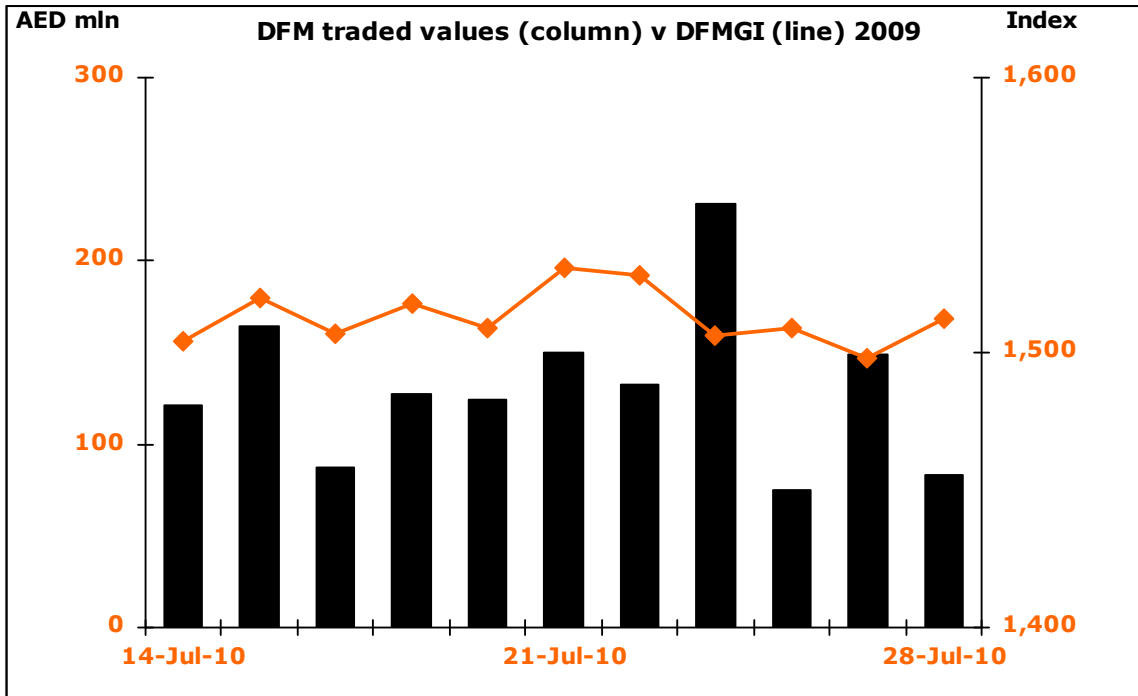
NASDAQ Dubai top traded by value on: 28-Jul-10

Stock	Value ('000)	Close (AED)	Prior (AED)	Ch (%)	Mkt Cap (US\$ mln)
DPW	6197.0	0.490	0.480	2.08	8,134

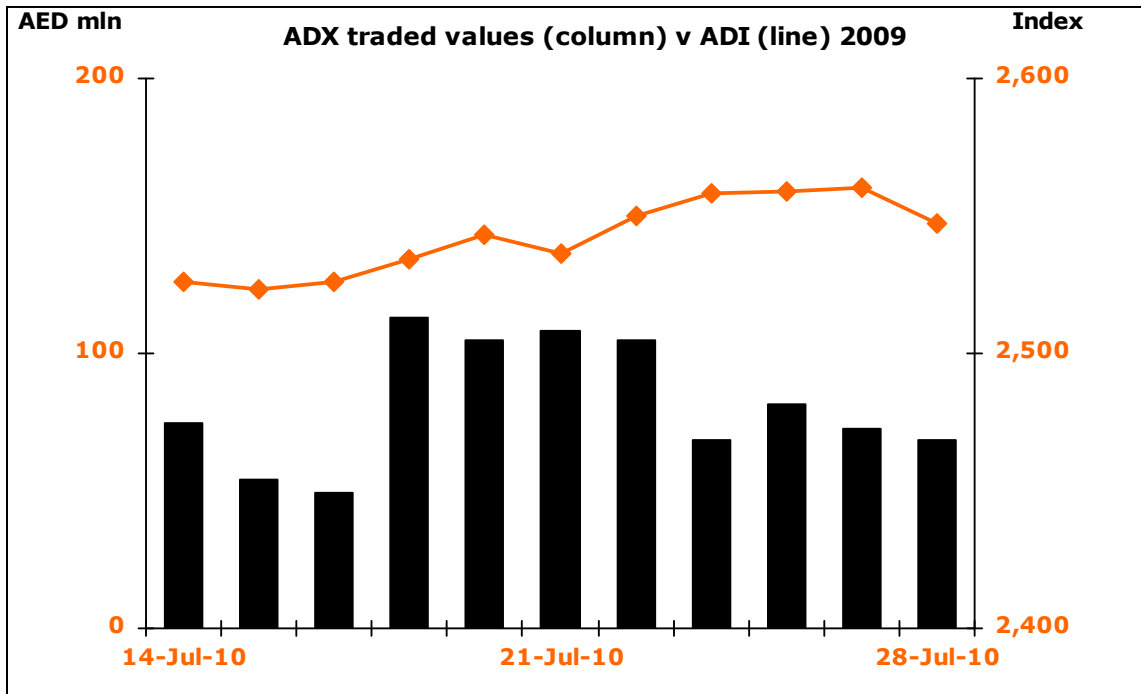
Source: DFM, ADX and Bloomberg

UAE Market Update

The DFMGI gained 14 points to close at 1,512. The total traded value decreased 43.9% to AED 83m.



The ADI declined 13 points to close at 2,547. The total traded value decreased 5.5% to AED 68m.



Total value traded on the NASDAQ Dubai exchange was US\$ 6.58m. DP World is the largest company on the NASDAQ Dubai and comprises the majority of volumes traded.

Directors' Dealings

There are many reasons why a director will sell shares (e.g. to buy a new car, a new house, etc.). However, a director who buys shares is doing so because he believes in the company and that the share price is cheap

Directors' dealings:

DFM directors' dealings yesterday

There were no directors' dealings on DFM yesterday

ADX directors' dealings yesterday

There were no directors' dealings on ADX yesterday

NASDAQ Dubai directors' dealings yesterday

There were no directors' dealings on NASDAQ Dubai yesterday

Company Share buy-backs:

DFM Company Share buy-backs yesterday

There were no share buy-backs on DFM yesterday

ADX Company Share buy-backs yesterday

There were no share buy-backs on ADX yesterday

NASDAQ Dubai Company Share buy-backs yesterday

There were no share buy-backs on NASDAQ Dubai yesterday

Outstanding Company Share buy-backs:

DFM outstanding Company Share buy-backs

Aramex (ARMX)

Drake and Scull International (DSI)

Gulf Navigation Holdings (GULFNAV)

ADX outstanding Company Share buy-backs

First Gulf Bank (FGB)

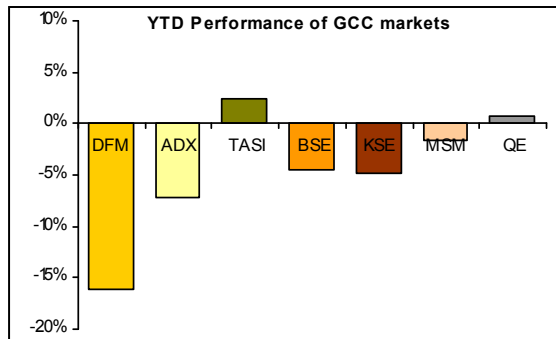
AD National Energy (TAQA)

Regional Market Update

GCC - MARKET SNAPSHOT

Source: Bloomberg, Gulfbase

Index	Close	Daily	WTD	MTD	YTD
UAE (DFM)	1512.9	0.9%	3.5%	3.5%	-16.1%
UAE (ADX)	2547.3	-0.5%	1.3%	1.3%	-7.2%
SAUDI (TASI)	6266.8	-0.1%	2.8%	2.8%	2.4%
BAHRAIN (BSE)	1391.8	0.7%	-0.3%	-0.3%	-4.6%
KUWAIT (KSE)	6667.7	-0.3%	1.9%	1.9%	-4.8%
OMAN (MSM)	6262.5	0.9%	3.4%	3.4%	-1.7%
QATAR (QE)	7015.5	1.1%	1.7%	1.7%	0.8%



MAJOR GAINERS AND LOSERS

Kuwait Stock Exchange

Stock	Close (KWD)	Ch (%)	Stock	Close (KWD)	Ch (%)
BAYANINV	57.00	9.61	AIG	58.00	-7.93
MADAR	65.00	8.33	COAST	126.00	-7.35
MRC	140.00	7.69	NIH	51.00	-7.27
ARABREC	52.00	7.21	QCEM	54.00	-6.89
FOOD	1580.00	6.75	SALBOOKH	74.00	-6.32

Bahrain Stock Exchange

Stock	Close (BHD)	Ch (%)	Stock	Close (BHD)	Ch (%)
UGB	0.36	9.87	BATELCO	0.52	-0.96
GFH*	0.15	7.14			
AUB*	0.68	1.49			

* Prices in US\$

Muscat Securities Market

Stock	Close (QAR)	Ch (%)	Stock	Close (QAR)	Ch (%)
DIDI	0.48	5.55	UFCI	0.09	-5.05
BKDB	0.68	3.63	OEIO	0.19	-2.55
NAPI	0.54	2.66	OMVS	0.42	-2.32
SOMS	1.95	2.63			

Qatar Exchange

Stock	Close (QAR)	Ch (%)	Stock	Close (QAR)	Ch (%)
ERES	33.10	9.96	KHCD	15.10	-0.65
QIMD	45.50	5.32	QFLS	162.30	-0.42
MERS	55.30	2.59			
CBQK	69.50	2.20			
DHBK	45.00	2.04			

Saudi Stock Exchange

Stock	Close (SAR)	Ch (%)	Stock	Close (SAR)	Ch (%)
FIPCO	27.60	6.15	ZOUJAJ	25.30	-1.93
SRMG	21.40	5.15	ACE	36.00	-1.90
SOLIDARITY	11.10	3.73	NIC	28.00	-1.75
ALOTHAIM	77.00	3.70	TAWUNIYA	90.00	-1.63
GULFGENERAL	42.80	3.38	WALAA	19.00	-1.55

MAC Capital UAE Equity Matrix 29 July '10

Recommendations, target price and key financials

Industrials & Services	Air Arabia	DP World (USD)	Dana Gas*	Etisalat	Aramex	Gulf NAV*	China Security (USD)	DFM	DU*	AGTHIA*
Sector	Transport	Infrastructure	Oil & Gas	Teleco	Logistics	Shipping	Services	Financial	Teleco	Consumer
Exchange	DFM	Nasdaq Dubai	ADX	ADX	DFM	DFM	Nasdaq Dubai	DFM	DFM	ADX
Recommendation	Overweight	Overweight	Overweight	Overweight	Overweight	Overweight	Equalweight	Overweight	Overweight	Overweight
Last Price	0.854	0.49	0.78	10.15	1.73	0.50	4.54	1.47	2.04	1.99
Price Target	1.33	0.66	1.22	14.39	2.52	0.77	8.68	2.22	3.6	2.60
Expected return	55.7%	34.7%	56.4%	41.8%	45.7%	NR	91.2%	51.0%	NR	NR
Market Cap AEDm	3985.4	8134.0	4680.0	72952.1	2266.3	824.2	204.5	11680.3	8160.0	1194.0
P/E '09	8.5	26.1	39.0	8.3	12.4	35.6	3.8	36.8	34.0	11.7
P/E '10e	7.8	17.9	8.7	7.9	11.5	24.9	2.8	24.5	17.0	4.6
Price/BV FY09	0.8	1.1	0.6	1.9	1.5	1.0	0.7	1.0	3.2	1.4
10 Div Yield(PAID)	11.7%	2.7%	0.0%	5.9%	0.0%	0.6%	0.0%	2.7%	0.0%	0.0%
FY08 NPAT AEDm	509.7	620.8	120.0	8166.4	147.3	148.2	32.6	605.0	4.18	72.2
FY09 NPAT AEDm	452.20	334.30	88.00	8836.0	184.3	26.5	2.0	345.6	287.1	106.3
FY09 NPAT %	-11.3%	-46.1%	-26.7%	8.2%	25.1%	-82.1%	-42.9%	-42.9%	>100%	47%

* Bloomberg consensus numbers, NR; not rated, ND; Not disclosed. All figures in AED unless specified.

Property	Aldar	Sorouh*	Arabtec	Emaar*	Union Prop*	RAK Prop*	Drake & Scull*	Tabreed
Sector	Development	Development	Construction	Development	Development	Development	Contractor	District Cooling
Exchange	ADX	ADX	DFM	DFM	DFM	ADX	DFM	DFM
Recommendation	Overweight	Underweight	Equalweight	Equalweight	Speculative	Speculative	Not-rated	Underweight
Last Price	2.45	1.74	1.75	3.25	0.387	0.4	0.85	0.376
Price Target	5.06	NR	3.03	NR	NR	NR	NR	0.56
Expected return	106.5%	NR	73.1%	NA	NR	NR	NR	224.5%
Market Cap AEDm	6315.8	4350.0	2093.0	19796.5	1182.6	800.0	1851.1	456.2
P/E '09	8.8	7.5	2.7	60.2	1.8	3.3	6.1	7.5
P/E '10e	7.0	4.2	4.7	5.2	3.2	4.2	7.3	6.3
Price/BV FY09	0.4	0.7	0.8	0.7	0.2	0.3	0.8	0.2
10 Div Yield(PAID)	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	NA	0.0%
FY08 NPAT AEDm	3446.7	1858.0	958.0	165.6	763.1	115.5	NA	73.0
FY09 NPAT AEDm	1693.1	495.0	779.3	327.1	-498.0	170.1	280	87.8
FY09 NPAT %	-50.9%	-73.4%	-18.7%	97.5%	-165.3%	47.3%	NA	20.3%

Banks	NBAD*	FGB	DIB*	UNB*	ADCB*
Exchange	ADX	ADX	DFM	ADX	ADX
Recommendation	Overweight	Overweight	Equalweight/Speculative	Overweight	Speculative
Last Price	11.25	14.45	1.98	2.99	1.67
Cap (AEDm)	24460.9	19868.8	7163.0	6166.9	8032.7
Net Interest Income AEDm 1H09	2162.4	1832.9	1704.9	773.4	1594.6
net Non-Interest Income AEDm 1H09	510.5	787.2	967	242.6	730.7
1H09 Provisions & Impairment AEDm	500	555.1	239	113.718	890.1
1H09 NPAT AEDm	1677	775.2	823.2	575.3	656.7
1H09 NPAT %	-11%	3%	-36%	-25%	-43%
P/E '08	8.4	6.6	4.1	5.1	5.6
P/E '09e	7.9	7.0	5.2	5.5	5.2
Price/BV 1H09	1.3	1.00	0.80	0.61	0.39
Gross Loans AEDm	124,000	97,081	72,045	49,529	132,315
Deposits AEDm	112,000	93,482	78,971	51,155	111,562
Loans/Deposits ratio %	112.6%	103.8%	91%	96.8%	118.6%
Cost to Income Ratio %	28.2%	22.0%	24.30%	29.7%	37.2%
NPL % of Gross Loans	1.20%	1.30%	ND	0.70%	1.40%
Coverage Ratio %	140	130	ND	183	162
Net Interest Margin %	2.5	3.4	3.3	2.5	2.4
Capital Adequacy Ratio %	17.9%	18.6%	12.2%	15.2%	19.3%

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Rating Ratio MAC IQ10

Rating breakdown	A	B	C
Overweight	87%	87%	7%
Equal weight	13%	13%	0%
Underweight	0%	0%	0%
Not Rated/Under Review/Accept Offer	0%	0%	93%
Total	100%	100%	100%

Source: MAC

A: % of all research recommendations

B: % of research recommendations for this sector

C: % of issuers to which Investment Banking Services are supplied

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