

## **Property, Banking Stocks Lead Rally**

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DUBAI - Property and banking stocks led the rally in UAE shares on Sunday as investors hunted for bargains coupled with the UAE's warning against short selling and the US government's plan to buy bad mortgage investments. But analysts are watching how efficient this bailout will be and saying the rally cannot be sustained.

The Dubai stock benchmark index shot up 9.9 per cent at 4,309.9 points, its biggest one-day surge since a 10.5- per cent jump on January 23, with the real-estate sector growing about 14 per cent to close at 8,362.27 points. Abu Dhabi's main index rose 5.9 per cent at 3,949.22.

Emaar Properties, the Middle East's biggest real-estate developer, topped the Dubai Financial Market General Index with a climb of 15 per cent to Dh8.05, its biggest one-day gain in three years.

The company that's building F1- themed parks, Union Properties, was up 12.3 per cent to Dh3.37 while Deyaar Development, Dubai's third-largest real-estate company by market value, added 10.9 per cent to Dh1.63.

The builder of the world's tallest tower in Dubai, Arabtec Holding, advanced 12.7 per cent to Dh13.30 while giant Islamic mortgage lenders Amlak Finance and Tamweel also jumped as investors hunted for bargains after last week's declines.

Amlak rose 14.6 per cent to Dh3.76 while Tamweel, whose deputy chief executive officer is being held by the Dubai authorities in connection with an ongoing corruption investigation, added about 10 per cent to Dh4.19.

Both companies reached their 52- week lows on September 15.

Real-estate stocks had been the hardest hit when foreign investors sold their shares following declines in global markets.

The United States government said it would buy Dh2.572 trillion (\$700 billion) in bad mortgage investments from financial companies to help banks with their bad debts. US stocks surged late last week as the Federal Reserve, the European Central Bank and the Bank of Japan and their counterparts in the UK, Switzerland and Canada agreed to inject cash into the financial system.

"It is the reason the markets have ended like this," said Vyas Jayabhanu, the head of Al Dhafra Financial Brokerage.

"What remains to be seen is whether the bailout is efficiently utilised."

He described as a “logical step” the warning against short-selling, a form of speculation allowing a trader to sell shares he does not own, made by the market regulator Emirates Securities and Commodities Authority.

“As the market is not ready to fully handle short-selling, it is a logical step, especially considering the current bearish sentiment in the Gulfmarkets,” he said.

Anne Marie Browne, of the Foreign Institutional Sales at Al Futtaim HC Securities, said local investors were the “driving force” in the markets’ rebound following news on the “banning of short-selling” coupled with the rescue package announced by the US.

“We expect this to continue tomorrow, with markets opening higher,” she added.”

“This may not be sustained, however, and we would expect to see a slight correction during the session as investors start booking profits.”

Abu Dhabi Commercial Bank surged 9.3 per cent to Dh3.19 on the Abu Dhabi Securities Exchange while the lender controlled by the emirate’s ruling family, First Gulf Bank, gained 9.6 per cent to Dh16, its strongest surge since May 2005.

The emirate’s biggest real-estate developer, Aldar Properties, increased 9.6 per cent to Dh7.79, its biggest one day advance in three years, while Sorouh Real Estate Co, the second-largest property developer in Abu Dhabi, surged 9.7 per cent to Dh6.12.

**Source: Khaleej Times**