

UAE Markets Rebound Sharply

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The UAE stock exchanges surged more than 600 points yesterday following the US Government's \$700 billion (Dh2.6bn) rescue of its faltering finance sector.

After global markets rallied on Friday, UAE equities followed suit, with the Dubai Financial Market surging 9.9 per cent to claim its largest one-day gain since January, while the Abu Dhabi Securities Exchange added 5.9 per cent.

"The DFM resurgence was spectacular and even eclipsed the [London] FTSE's rise on Friday," said Sanyalaksna Manibhandu, Emaar Saudi Financial Services head of research. "It shows that there is interest in local equities, but over the past two months people have become very risk averse. Yesterday's bounce-back indicates there's a lot of money to come back into the market."

Emaar led the way, closing up the maximum 15 per cent, its largest ever rise, while 10 other Dubai-listed firms made double-figure gains.

The DFM's turnover was Dh2.6bn, its highest for more than five months, as both local and foreign investors showed a voracious appetite for local stocks. Foreigners were net buyers of Dh216 million of DFM-listed shares yesterday, with much of this accumulation reportedly to cover outstanding short positions. Meanwhile, analysts are divided over how the DFM will perform today, with some warning it is likely to succumb to profit-taking, while others are more optimistic.

"I doubt Dubai will fall into the red today," said Mohamed Alami, Naeem Shares and Bonds international desk manager.

Source: Emirates Business 24|7