

Banks push equities up

Banks on Monday supported the Dubai and Abu Dhabi indices, which sustained the upward trend as investors remained cautious about second-quarter earnings. The Dubai Financial Market's General Index continued its upward movement and advanced for the third session in a row. The benchmark index rose 0.15 per cent to 1,555.59 points, a near two-week high. Emirates NBD surged 3.53 per cent to Dh4.4 and Dubai Islamic Bank rose 0.5 per cent to Dh2.06. Abu Dhabi's benchmark index rose 0.25 per cent to 2,715.06 points, the highest level since June 26. Four of the largest banks by market value closed higher and supported the benchmark index. First Gulf Bank climbed 0.8 per cent to Dh18.05, Abu Dhabi Commercial Bank gained one per cent to Dh3.16 while Union National Bank and Abu Dhabi Islamic Bank advanced 0.3 per cent each. In property sector, Aldar Properties PJSC gained a third day and rose 2.3 per cent to Dh1.31. Sorouh Real Estate closed at Dh1.3.

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UAE STOCK MARKETS

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DUBAI — Banks on Monday supported the Dubai and Abu Dhabi indices, which sustained the upward trend as investors remained cautious about second-quarter earnings.

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In sub-index, the insurance sector was the top gainer, increasing by 1.69 per cent, amid better confidence in the sector's potential growth after the Insurance Authority announced that the total volume of underwritten insurance premiums in the UAE reached Dh22 billion in 2010, a 10 per cent increase when compared with 2009, while the total invested funds in the sector rose to Dh27.6 billion.

According to a technical analysis by Mubasher, the DFMGI is expected to continue its rising trend towards the intraday resistance level of 1,580 points.

ADX hits one-week high
Abu Dhabi's benchmark index rose 0.25 per cent to 2,715.06 points, the highest level since June 26. Four of the largest banks by market value closed higher and supported the benchmark index. First Gulf Bank climbed 0.8 per cent to Dh18.05, Abu Dhabi Commercial Bank gained one per cent to Dh3.16 while Union National Bank and Abu Dhabi Islamic Bank advanced 0.3 per cent each.

"We expect them (banks in Abu Dhabi) to grow faster than Dubai's banks but whether or not there is any degree of acceleration is the question," Raj Madha, Rasmala senior banking analyst, told *Reuters*. "Our benchmark is for double-digit growth, but it is unlikely we will see that in this quarter. We may begin to see some public sector acceleration in second quarter results though," Madha said.

Trading activity on the exchange improved in comparison with a session earlier, where the total market turnover, traded volume, and number of trades increased by 21, 54 and 29 per cent, respectively. Rising foreign purchases spurred the market yesterday, where they amounted to Dh83.57 million, as opposed to Sunday's Dh73.14 million.

"We are anticipating good results for the second quarter, particularly in the banking sector, and we might see stability in the real estate earnings," Nabil Farhat, a partner at Abu Dhabi-based Al Fajer Securities, told *Bloomberg*. "Investors felt that the latest drop in equity prices was overdone."

In property sector, Aldar Properties PJSC gained a third day and rose 2.3 per cent to Dh1.31. Sorouh Real Estate closed at Dh1.3.

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