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UAE fertiliser company Fertiglobe its IPO books was covered hours after the price range was set.

Fertiglobe plans to float 18.7% of the share capital at Dh2.45-2.65 per share. The offering consists only of secondary shares and has a size of Dh2.8bn-3.04bn (\$764m-827m), implying a market capitalisation of up to \$6bn.

Three cornerstone investors including the Abu Dhabi Pension Fund and Inclusive Capital have agreed to buy \$231m worth of shares.

Morgan Stanley, Citigroup, FAB Capital and HSBC are global coordinators. EFG Hermes, Goldman Sachs and International Securities are bookrunners.

Fertiglobe is the world's largest exporter of nitrogen fertiliser. It has a production capacity of 6.5m tons of urea and ammonia, base ingredients for fertilisers. A banker on the deal said he was not surprised by the level of investor interest.

"The price range is sensible, it's a high quality asset and food fertilizer is thematically interesting," said an equity capital markets banker on the IPO. "If you look at shortages around the world, this is the right kind of place for that to be growing."

While European issuers are left to deal with mixed aftermarket performances, slow book builds and a flurry of deal cancellations, the Middle East IPO market has been thriving.

"Recent transactions have seen a lot of domestic and regional demand, that will be prevalent here as well," said a second banker on the Fertiglobe IPO. "But we have seen good international appetite and that has affected the order flow as well."

Fertiglobe is a joint venture of the Abu Dhabi National Oil Company (Adnoc) and OCI, originally the Egyptian group Orascom Construction Industries founded and led by members of the Sawiris family.

Several large listings of government-owned companies signal the opening of equity capital markets as the region gets ready for a future after fossil fuels.

In late September, Adnoc floated its drilling division in a \$1.1bn IPO, the largest ever in the UAE. The stock is currently up 29%.

Shares in Saudi power and water company Acwa Power are up 16% since the first day of trading on Monday, following its \$1.2bn IPO on the Tadawul.

On Tuesday, Nayifat, the consumer-focused Saudi Islamic finance company, announced its intention to float on the Tadawul.

HSBC is adviser to Nayifat on its IPO.