

# U Capital Morning Brief

25 June 2020

Market Indices	Current Close		Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%	
U Capital Oman 20 Index	772.20	-1.09	-0.14%	-8.46%	7.00	0.72	7.5%	
U Capital GCC 50 Index	1,200.75	-5.59	-0.46%	-13.37%	19.23	1.95	4.5%	
U Capital MENA 200 Index	941.76	-3.75	-0.40%	-13.66%	14.12	1.58	5.2%	
MSCI GCC Countries Index	480.43	-2.02	-0.42%	-15.67%	15.15	1.63	4.3%	
Muscat Securities Market	3,524.55	-0.05	0.00%	-11.47%	9.84	0.76	6.8%	
Saudi Stock Exchange	7,213.36	-51.72	-0.71%	-14.02%	21.64	1.75	3.6%	
Kuwait Stock Exchange	6,200.83	70.13	1.14%	-14.53%	15.07	1.19	3.7%	
Qatar Exchange	9,225.92	-35.37	-0.38%	-11.51%	14.54	1.43	4.3%	
Bahrain Stock Exchange	1,280.83	0.50	0.04%	-20.45%	9.28	0.78	5.5%	
Dubai Financial Market	2,099.21	-21.45	-1.01%	-24.08%	6.30	0.75	4.5%	
Abu Dhabi Exchange	4,329.72	10.19	0.24%	-14.70%	13.42	1.29	5.9%	
Beirut Stock Exchange	614.08	-4.89	-0.79%	-21.83%	3.24	0.37	0.3%	
Tunis Se Index	6,697.47	-31.14	-0.46%	-5.96%	17.61	2.19	1.8%	
EGX 30 Index	11,039.54	274.72	2.55%	-20.93%	10.68	1.54	3.2%	

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
			%	%	Currency	USD/1 Unit	Units/1 USD
<b>Europe</b>					Australian Dollar (AUD)	0.687	1.457
FTSE 100	UK	6,123.7	-3.11%	-18.81%	British Pound (GBP)	1.242	0.806
DAX	Germany	12,093.9	-3.43%	-8.72%	Canadian Dollar (CAD)	0.733	1.364
CAC 40	France	4,871.4	-2.92%	-18.51%	Chinese Renminbi (CNY)	0.141	7.083
<b>United States</b>					Egyptian Pound (EGP)	0.062	16.172
DJIA	USA	25,445.9	-2.72%	-10.84%	Euro (EUR)	1.125	0.889
S&P 500	USA	3,050.3	-2.59%	-5.59%	Indian Rupee (INR)	0.013	75.726
NASDAQ	USA	9,909.2	-2.19%	10.44%	Japanese Yen (JPY)	0.009	107.150
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.642	1.558
NIKKEI 225	Japan	22,248.8	-1.26%	-5.95%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	24,781.6	-0.50%	-12.09%	Pakistani Rupee (PKR)	0.596	167.350
KSE 100 Index	Pakistan	34,034.7	0.00%	-16.45%	Russian Ruble (RUB)	0.014	68.854
NSE Nifty 50	India	10,262.5	-0.42%	-15.66%	Singapore Dollar (SGD)	0.718	1.392
SHANGHAI COMPOSITE	China	2,979.6	0.30%	-2.31%	Turkish Lira (TRY)	0.146	6.855
SHANGHAI SHENZHEN CSI 300	China	4,139.0	0.42%	1.04%			

Commodity Prices	Price	D/D		YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
		USD	%				
<b>Oil</b>							
Brent Crude (per bbl)	39.9	-0.94%	-36.55%				
WTI Crude (per bbl)	37.7	-0.82%	-38.26%				
Oman Crude Oil (Last Closing)	41.1	-5.35%	-39.10%				
OPEC (per bbl)	39.9	2.28%	-41.36%				
<b>Precious Metals</b>							
Gold100 OZ (per oz)	1,762.3	0.06%	16.15%				
Silver (per oz)	17.6	0.38%	-1.60%				
Platinum (per oz)	807.3	0.34%	-16.48%				
<b>Other Metals</b>							
Copper, MT	5,865	-0.68%	-5.00%				
Aluminium, MT	1,576	-1.19%	-12.93%				
Lead, MT	1,762	0.86%	-8.56%				
Zinc, MT	2,037	-0.17%	-10.37%				
<b>GCC Latest 10-Yr Government Bond Yields</b>							
					Maturity date	YTM, %	
Kuwait					20/03/2027	1.7	
Abu Dhabi					11/10/2027	1.8	
Qatar					02/06/2026	1.7	
Saudi Arabia					04/03/2028	2.2	
Oman					17/01/2028	6.6	
Bahrain					12/10/2028	5.3	

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.13	0.2	1m	0.18	-89.5%
5 year	99.63	0.3	3m	0.30	-84.4%
10 year	99.58	0.7	6m	0.38	-80.0%
30 year	95.91	1.4	1 year	0.57	-71.7%

Source: Bloomberg

Note: All values are updated at 9:00 AM Muscat Time. Markets are closed on Saturday and Sunday

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## OMAN ECONOMIC & CORPORATE NEWS

### Modest fiscal surplus buoys outlook for Oman's public finances

A relatively small, but symbolically significant, fiscal surplus achieved by Oman for the first four months of this year – the outcome of austerity measures adopted by the government in response to weak oil prices and the pandemic – has lifted the outlook for the Sultanate's public finances for the remainder of the year. Figures published by the National Centre for Statistics and Information (NCSI) earlier this week indicate that Oman registered a surplus of RO 134.2 million for the January – April period of 2020. This compares with a deficit of RO 132.2 million for the corresponding period of 2019.

Source: [Oman Observer](#)

### Shura discusses law on combating hidden trade

Majlis Ash'shura on Tuesday held its ninth regular session of the first annual sitting (2019-2020) under the chairmanship of Khalid bin Hilal al Maawali. The council reviewed the report of the joint committee between Majlis Ash'shura and the State Council involving the points of disagreement between the two houses with regard to the draft Law on Combating Hidden Trade. The council also discussed the vision of the Services and Social Development Committee on the draft aerial services agreement between the Sultanate and Tunisia referred by the Council of Ministers.

Source: [Oman Observer](#)

### CMA discusses role of insurance in dealing with COVID-19

OQ (formerly Oman Oil and Orpic Group) – the Sultanate's integrated energy and petrochemicals powerhouse – has The Sultanate, represented by the Capital Market Authority (CMA) took part in the meeting of the Union of Arab Insurance Supervisors via video-conferencing. Ahmed bin Ali Al-Ma'amari, Vice President for Insurance Sector represented the CMA. The meeting discussed a range of issues related to the regulation and development of the insurance industry in the Arab countries, besides the developments in the markets and the role of insurance in dealing with the COVID-19 epidemic.

Source: [Times of Oman](#)

### Risk aversion and resilience critical during COVID-19 crisis

The companies need to focus on three essential aspects to mitigate risks associated with the COVID-19 crisis, all of which can be expedited given the unstable nature of the situation. The risk aversion aspects are catered to by scenario planning, business continuity planning and digital transformation, said Varghese Kallukaran, Senior Manager for Strategic Consulting at Crowe. The COVID-19 pandemic has added a new dimension to a volatile economy and those organisations who were getting by on 'just fine', are suddenly feeling the pinch of an abrupt crisis management requirement. If they are to survive these coming months they must first prepare for the consequences of the upcoming weeks or even days," said Varghese Kallukaran, Senior Manager for Strategic Consulting at Crowe.

Source: [Times of Oman](#)

### Government revenues stand at more than RO3 billion by April

Financial data of government monthly accounts until the end of April 2020 showed that government total revenues stood at RO3,829,000 (RO3.82 billion), less by RO47 million from the figures of the corresponding period in 2019. A statement issued by the Ministry of Finance indicated that the stability of government revenues during the first four months this year was due to crude sale prices, which averaged \$63.36 by the end of April 2020 (which is the average of trading prices from October 2019 to January 2020).

Source: [Oman Observer](#)

### Tender Board awards more than RO315 million worth projects

The Tender Board on Wednesday held its fourth meeting for 2020 under the chairmanship Dr Rasheed bin Al Safi al Hraibi, Chairman of the Tender Board. The Board approved RO315,539,477 worth tenders and additional works for the following development projects:

- 1- Part 3 of Adam-Thumrait dual-carriageway for a length of 133 km at a cost of RO73,999,505.
- 2- Part 4 of Adam-Thumrait dual-carriageway for a length of 135 km at a cost of RO115,045,774.
- 3- Part 5 of Adam-Thumrait dual-carriageway for a length of 133 km at a cost of RO62,434,363.
- 4- Construction of protection dam at Wadi Adonab in the Wilayat of Salalah in the Governorate of Dhofar at a cost of RO23,903,015.

Source: [Oman Observer](#)

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## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **IMF sharply cuts Saudi forecast**

Saudi Arabia's GDP will shrink by 6.8 per cent this year as low crude prices and coronavirus batter Middle East economies, the IMF said Wednesday. The new projection for the Saudi economy, the largest in the region, is 4.5 percentage points lower than what the International Monetary Fund had projected two months ago. Growth in the Middle East and Central Asia region is expected to contract by 4.7 per cent this year, 1.9 percentage points below the previous projection in April, the global lender said in its World Economic Outlook update.

Source: [Gulf News](#)

### **Dubai's real estate sales improve as investors return to market**

Dubai's real estate market is starting to see some buyers jumping back into business following the lifting of restrictions the government had earlier imposed to curb the spread of coronavirus, Zawya reported on Wednesday. According to ValuStrat, which tracks real estate valuations across the emirate, the last few weeks have seen an improvement in the uptake of properties in Dubai, indicating the return of investors to the market.

Source: [Amwal](#)

### **'Saudi Summer' plan aims to kick-start Kingdom's tourism industry**

In an effort to kick-start tourist activity as the Kingdom begins to emerge from the coronavirus lockdown, the Saudi Ministry of Tourism is launching a "Saudi Summer" initiative with the slogan "tanaffas," which is Arabic for breathe. The plans for the initiative, which aims to promote domestic tourism, were discussed during a virtual press conference on Wednesday. They include the implementation of strict safety protocols to protect tourists.

Source: [Arab News](#)

### **Saudi Arabia's residential real estate likely to see persistent demand in long term: Amlak CEO**

Saudi Arabia's residential real estate is expected to see a persistent demand in the long-term, backed by the government housing support initiatives and youth increasing turnout, Abdullah Al Sudairy, CEO of Amlak International for Real Estate Finance Co. told Argaam. The commercial real estate will deliver a mixed performance over the coming period, as schools and hospitals will likely see growing demand over the coming period, compared to other commercial properties.

Source: [Argaam](#)

### **UAE- Jafza announces incentives to help companies get back to business**

As economic activities return to near-normalcy across Dubai and the UAE, Jebel Ali Free Zone (Jafza) has introduced a range of incentives to support its customers and new companies to resume their activities with renewed confidence in the post-Covid-19 environment. In line with the emerging market dynamics, Jafza now offers on-demand warehouses on short-term lease with multi-functional storage options, competitive rates, and no VAT or Customs duties. Companies can now take on lease Jafza warehouses from 300sqm to 15,000sqm in size, with free water and electricity as a bonus.

Source: [MenaFN](#)

### **Saudi Cable CEO expects better performance, operating profit in 18 months**

Saudi Cable Co. is expected to see a strong performance recovery and turn to operating profit over the next 18 months, CEO Meyasser Nowailati told Argaam in an exclusive on Wednesday. "The company entered a new phase in Q2 2020, after rescheduling its last debt. It also resumed solid production after ensuring required liquidity for purchasing raw materials," Nowailati said.

Source: [Argaam](#)

### **Budget Saudi eyes larger market share, has sufficient provisions for COVID-19: CEO**

United International Transportation Co. (Budget Saudi) is seeking to gain more market share from its competitors, CEO Fawaz Danish told Argaam in an exclusive. "Several rivals have been hit by the COVID-19 pandemic and have become unable to maintain their operations in the market," Danish said. "Budget Saudi has increased provisions to SAR 8.9 million in Q1 2020, which are believed to be sufficient for the COVID-19 fallout," he added.

Source: [Argaam](#)

### **Remote working pushes up home internet spending in UAE**

More UAE consumers are spending money to improve their Internet connections at home as they shift to working remotely and turn online for entertainment, according to the latest research. The trend is expected to continue, with the majority (79 percent) of 500 adults surveyed in the country in May saying that they expect to work remotely more often even after lockdown restrictions are no longer enforced.

Source: [Zawya](#)

## MIDEAST STOCKS-Saudi index retreats on haj curbs; Egypt outperforms

Saudi Arabian shares ended lower on Wednesday, following the kingdom's decision to bar visitors from abroad from the annual haj pilgrimage due to the coronavirus, while the Egyptian bourse advanced with broad-based gains among its constituents. Saudi Arabia's benchmark index was down 0.7%, hurt by a 1.9% fall in Al Rajhi Bank and a 1.4% decline in Petrochemical firm Saudi Basic Industries. The kingdom is to limit the number of domestic haj pilgrims to around 1,000 to prevent the spread of the coronavirus, after barring Muslims abroad from the rite for the first year in modern times.

Source: [Reuters](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### Stocks sell-off as coronavirus surge knocks recovery hopes

Asia's stock markets slipped, bonds rose and the United States (US) dollar was firm on Thursday as surging US coronavirus cases, global trade tensions and an International Monetary Fund downgrade to economic projections knocked confidence in a recovery. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.7 per cent, Tokyo's Nikkei slumped 1.4 per cent and Australia's ASX 200 tumbled 1.8 per cent. US stock futures also declined 0.7 per cent following on from an overnight slide on Wall Street.

Source: [BL](#)

### Dollar buoyed on safety bids as US coronavirus numbers dim quick recovery hopes

The dollar held firm on Thursday as an increase in coronavirus cases in the United States undermined hopes for a quick turnaround in the pandemic-hit economy and prompted traders to cut bets on riskier currencies. The dollar's index against a basket of currencies strengthened to 97.21. The euro retreated to US\$1.1251 while the British pound also stepped back to US\$1.2423.

Source: [CNA](#)

### U.S.-China conflict makes markets 'tremble,' says UAE minister

"I would say that the UAE's concern over this hostile confrontation is a global concern. And we're not alone here," the UAE's Minister of State for Foreign Affairs, Anwar Gargash, told CNBC. Just on Monday, U.S. futures fell on the back of a Fox News report that quoted White House trade advisor Peter Navarro saying the China trade deal was "over." Navarro later denied making the statement. The UAE enjoys strong trade relations with both countries, and has a long-standing military alliance with the U.S.

Source: [CNBC](#)

### U.S. layoffs remain elevated as weak demand persists after businesses reopened

Weak demand is forcing U.S. employers to lay off workers, keeping new applications for unemployment benefits extraordinarily high, even as businesses have reopened, buttressing views the labor market could take years to recover from the COVID-19 pandemic.

Source: [Reuters](#)

## COMMODITIES NEWS

### Gold firms as fears of second pandemic wave boost safe-haven bids

Gold prices edged higher on Thursday, as concerns over rising coronavirus cases dented hopes of a swift economic recovery, driving investors towards the safe-haven metal. Spot gold was up 0.2% at \$1,764.20 per ounce as of 0059 GMT. On Wednesday, prices hit a near eight-year high of \$1,779.06. But they ended lower as investors booked profits, snapping a three day winning streak. US gold futures eased 0.1% to \$1,773.60.

Source: [ET](#)

**Ubhar Capital SAOC (U Capital)**

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: [research@u-capital.net](mailto:research@u-capital.net)

Website: [www.u-capital.net](http://www.u-capital.net)



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