

# U Capital Morning Brief

19 July 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	761.86	-3.70	-0.48%	-9.69%	6.87	0.73	7.5%	
U Capital GCC 50 Index	1,196.58	-0.92	-0.08%	-13.67%	19.57	1.99	4.3%	
U Capital MENA 200 Index	944.16	-0.67	-0.07%	-13.44%	14.74	1.65	5.2%	
MSCI GCC Countries Index	480.61	0.00	0.00%	-15.64%	15.29	1.62	4.3%	
Muscat Securities Market	3,450.20	-11.16	-0.32%	-13.34%	9.89	0.75	6.9%	
Saudi Stock Exchange	7,426.76	8.72	0.12%	-11.47%	22.54	1.81	3.5%	
Kuwait Stock Exchange	6,056.78	-49.30	-0.81%	-16.51%	14.74	1.16	3.9%	
Qatar Exchange	9,310.66	-83.93	-0.89%	-10.69%	14.96	1.43	4.3%	
Bahrain Stock Exchange	1,302.48	-1.81	-0.14%	-19.11%	9.74	0.80	5.4%	
Dubai Financial Market	2,052.67	4.47	0.22%	-25.76%	6.19	0.73	4.7%	
Abu Dhabi Exchange	4,274.46	53.35	1.26%	-15.79%	14.12	1.28	6.0%	
Beirut Stock Exchange	620.50	-1.21	-0.19%	-21.01%	3.27	0.37	0.0%	
Tunis Se Index	6,550.59	-6.51	-0.10%	-8.02%	17.76	2.15	0.6%	
EGX 30 Index	10,441.20	-176.22	-1.66%	-25.21%	10.39	1.39	3.3%	

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
			%	%	Currency	USD/1 Unit	Units/1 USD
<b>Europe</b>					Australian Dollar (AUD)	0.700	1.430
FTSE 100	UK	6,290.3	0.63%	-16.60%	British Pound (GBP)	1.257	0.796
DAX	Germany	12,919.6	0.35%	-2.49%	Canadian Dollar (CAD)	0.736	1.358
CAC 40	France	5,069.4	-0.31%	-15.20%	Chinese Renminbi (CNH)	0.143	6.993
<b>United States</b>					Egyptian Pound (EGP)	0.063	15.959
DJIA	USA	26,672.0	-0.23%	-6.54%	Euro (EUR)	1.143	0.875
S&P 500	USA	3,224.7	0.28%	-0.19%	Indian Rupee (INR)	0.013	75.020
NASDAQ	USA	10,503.2	0.28%	17.06%	Japanese Yen (JPY)	0.009	107.020
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.656	1.525
NIKKEI 225	Japan	22,696.4	-0.32%	-4.06%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	25,089.2	0.47%	-11.00%	Pakistani Rupee (PKR)	0.598	167.291
KSE 100 Index	Pakistan	37,330.9	0.89%	-8.36%	Russian Ruble (RUB)	0.014	71.894
NSE Nifty 50	India	10,901.7	1.51%	-10.41%	Singapore Dollar (SGD)	0.719	1.390
SHANGHAI COMPOSITE	China	3,214.1	0.13%	5.38%	Turkish Lira (TRY)	0.146	6.864
SHANGHAI SHENZHEN CSI 300	China	4,544.7	0.63%	10.94%			

Commodity Prices	Price	USD	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
		%	%	%			
<b>Oil</b>					UAE	0.58	-74.0%
Brent Crude (per bbl)	43.1	-0.53%	-30.95%		Saudi Arabia	0.95	-57.2%
WTI Crude (per bbl)	40.6	-0.39%	-33.52%		Kuwait	1.56	-43.2%
Oman Crude Oil (Last Closing)	43.3	-1.21%	-35.81%		Oman	2.68	-4.9%
OPEC (per bbl)	43.8	-0.73%	-35.55%		Qatar	1.05	-53.3%
<b>Precious Metals</b>					Bahrain	2.30	-13.8%
Gold100 OZ (per oz)	1,810.4	0.74%	19.32%				
Silver (per oz)	19.3	0.89%	8.26%				
Platinum (per oz)	840.2	1.83%	-13.07%				
<b>Other Metals</b>							
Copper, MT	6,448	0.18%	4.44%				
Aluminium, MT	1,662	-0.54%	-8.20%				
Lead, MT	1,815	-1.81%	-5.81%				
Zinc, MT	2,183	-1.93%	-3.94%				

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.44
UAE	16/04/2030	1.76
QATAR	16/04/2030	1.87
SAUDI ARABIA	22/10/2030	2.25
OMAN	01/08/2029	7.23
BAHRAIN	14/05/2030	5.75

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.85	0.2	1m	0.18	-89.8%
5 year	99.84	0.3	3m	0.27	-85.8%
10 year	99.98	0.6	6m	0.33	-82.6%
30 year	98.06	1.3	1 year	0.47	-76.5%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **U Capital: MSM ends down led by drop in all sub-indices**

The MSM30 closed the week lower by 1.25 per cent on the back of drop in all sub-indices led by financials. Shariah index was however up by 0.09 per cent. The turnover and volumes were higher than last week by 77 per cent and 35 per cent, respectively. Foreigners continued to remain net sellers last week as well.

Source: [Omsn Observer](#)

### **Omran acquires 100% stake in Muttrah waterfront project**

Muttrah Tourism Development Company (MTDC) which was established to redevelop Mina Sultan Qaboos Waterfront project into mixed-use tourism and residential community announced that the shareholders have agreed to restructure the ownership of the company. Under the restructure, Port Investment Limited (PIL) will transfer its 70 percent of its shares to Omran which currently owns the remaining 30 percent of shares.

Source: [Oman Observer](#)

### **Oman fulfils requirements of Trade Facilitation Agreement: WTO**

The World Trade Organisation (WTO) revealed that the Sultanate has fully achieved its commitments under the Trade Facilitation Agreement (TFA), according to WTO's news statement released on its website. The TFA fulfilment is proof of Oman adopting the best international standards and practices for developing the logistics sector and its strenuous efforts to create an attractive commercial climate for investment in diverse economic fields.

Source: [Times of Oman](#)

### **Oman's first oilfield off east coast gets nod for development**

A promising offshore oilfield – the first to be discovered off Oman's eastern seaboard – has been greenlighted for commercial development, a key stakeholder in the concession announced over the weekend. Singapore-based Rex International Holding Limited said Oman's Ministry of Oil and Gas recently approved the Field Development Plan (FDP) for the Yumna Field in Block 50, an offshore concession encompassing the waters around Masirah Island off the Sultanate's east coast.

Source: [Oman Observer](#)

### **Occidental Oman's exploration drive yields 16 discoveries in 2019**

Occidental of Oman Inc (Oxy), ranked only second to Petroleum Development Oman (PDO) as the largest producer of crude in the Sultanate, racked up 16 new hydrocarbon discoveries across its large portfolio of upstream assets in 2019. Production of oil, condensate and natural gas averaged 245K barrels of oil equivalent per day (BOEPD) in 2019, down from around 240K BOEPD a year earlier. The company, a wholly-owned subsidiary of US-based international energy firm Occidental, achieved peak output of 254K BOEPD in 2016.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **DIFC beats odds, attracts more firms despite COVID-19**

Dubai continues to be a magnet for financial and fintech firms even during the coronavirus pandemic as the number of companies at the Dubai International Financial Centre (DIFC) increased by 13 per cent to 2,584 at the end of the first half of 2020 compared to 2,289 in the same period last year. The region's largest financial free zone added 310 new companies during the January-June 2020 period, which included financial, fintech and other sectors, an increase of 25 per cent, it said in a statement on Saturday.

Source: [Zawya](#)

### **Egypt: A \$6.25bln COVID-19 stimulus will help, but more may be needed**

Almost four months into the global pandemic, the Egyptian government has rolled out more than half of its stimulus package, but some economic observers say there is more to be done. In a recent interview, Finance Minister Mohamed Maait said that nearly EGP 61 (\$3.8 billion) of the EGP 100 billion (\$6.25 billion) stimulus announced in March has already been allocated, including EGP 8 billion (\$500 million) to the healthcare system, EGP 3 billion (\$187.5 million) in emergency monthly stipend to irregular workers, EGP 3 billion to export-based industries and EGP 2 billion (\$125 million) to Egypt Air.

Source: [Zawya](#)

### **Not the right time to raise, introduce new taxes in GCC: IMF**

It is not the right time to increase taxes on consumption and introduce tax on sectors that will drive the recovery of GCC economies in the post-coronavirus era, a senior official of the International Monetary Fund (IMF) said.

Jihad Azour, the fund's chief economist for the Mena, said the tax system in the region can be improved by being more progressive and building some additional solidarity because income disparity in the region is still getting high. He also called to make the tax system more efficient.

Source: [Khaleej Times](#)

#### **Saudi economy likely worse in second-quarter despite June improvement: central bank governor**

Saudi Arabia's economy likely deteriorated more in the second quarter than in the first three months of the year, the Saudi central bank governor said on Saturday. Speaking at the end of a virtual meeting of G20 finance officials, Ahmed al-Kholifey said he did not expect the Saudi economy to have improved in the second quarter despite a pickup in June.

Source: [Reuters](#)

#### **Saudi Arabia unveils 'insurance product' to protect foreign workers' rights**

Saudi Arabia's Cabinet has recently given its approval for the implementation of an insurance product to protect the rights and benefits of non-Saudi workers in the private sector. The decision includes that the state will bear the costs of applying the insurance product. Minister of Human Resources and Social Development Ahmed Al-Rajhi extended his thanks and appreciation to Custodian of the Two Holy Mosques King Salman and Crown Prince Muhammad Bin Salman for their approval.

Source: [Saudi Gazette](#)

#### **S&P revises Kuwait's outlook to negative as fiscal liquidity buffer shrinks**

S&P Global Ratings revised Kuwait's outlook to negative from stable, citing the risks posed by the depletion of the government's main fiscal liquidity buffer, the General Reserve Fund, or GRF. The rating agency said the shrinking of the GRF, the government's primary source of budget deficit funding, accelerated in the past months as lower oil prices and oil production cuts hurt revenues.

Source: [S&P Global](#)

#### **IMF urges GCC, Arab states to balance reopening economy, keeping Covid cases down**

The GCC and other Arab countries must have a right balance between opening up their economies and keeping coronavirus cases down over the next six months in order to ensure sustainable recovery, say economists and political analysts. While addressing a webinar on Thursday hosted by the International Monetary Fund, they stressed that the Arab governments will have to move away from job providers and shift this responsibility to the private sector and also do away with the patronage system.

Source: [Zawya](#)

#### **Overseas investor base in Abu Dhabi's ADX rises by 25% in H1 2020**

Abu Dhabi Securities Exchange (ADX) has seen an increase of 25 percent in its overseas investor base and has distributed cash dividends worth 22.5 billion dirhams (\$6.1 billion) in the first-half (H1) of 2020, highlighting the growth and robustness of the platform in the face of COVID-19, ADX said in its H1 performance report. The largest proportion of overseas investors were from the UK, who traded 5.2 billion dirhams of shares in the period, followed by those from the US (4.1 billion dirhams) and then Luxembourg (1.2 billion dirhams.)

Source: [Zawya](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **G20 officials pledge to keep cooperating to bolster global economy**

Finance officials from the Group of 20 major economies vowed on Saturday to continue using "all available policy tools" to fight the coronavirus pandemic and bolster the global economy, warning that the outlook remains highly uncertain. G20 finance ministers and central bankers, in a communique issued after a virtual meeting on Saturday, said the global economy would recover as economies gradually reopen, but said further actions were needed to ensure growth.

Source: [Reuters](#)

#### **EU extends summit to Sunday after deadlock over COVID recovery plan**

European Union leaders failed to agree on a massive stimulus fund to revive their coronavirus-hammered economies on Saturday after two days of fraught negotiations, but extended their summit for another day to try and overcome their differences. As the 27 leaders scurried back to their hotels after a late, inconclusive dinner, German Chancellor Angela Merkel and French President Emmanuel Macron stayed behind in the EU's headquarters in Brussels to haggle with the Dutch-led camp of thrifty countries demanding cuts to the 1.8-trillion-euro package.

Source: [Reuters](#)

### **Jamie Dimon's warning for the U.S. economy — nobody knows what comes next**

Attempting to forecast the path of the American economy right now is like peering into a dark well — nobody knows how deep the hole goes. Even Jamie Dimon, CEO of JPMorgan Chase and veteran prognosticator of all things financial, is flummoxed. As head of the financial system's bellwether, a bank with \$3.2 trillion in assets that serves almost half of U.S. households and a wide swath of its businesses, Dimon has a unique vantage on the world's largest economy.

Source: [CNBC](#)

### **COMMODITIES NEWS**

#### **Saudi energy minister sees potential extension to oil cuts until end of 2022**

Oil markets still have not existed from the 'Corona tunnel' and the OPEC+ production cut deal may extend to the end of 2022, Saudi Energy Minister Prince Abdulaziz Bin Salman said in an interview with Alarabiya. He said that a monthly meeting by the Joint Ministerial Monitoring Committee (JMMC) will be held every month until the oil market sees a full recovery from the pandemic.

Source: [Arab News](#)