

U Capital Morning Brief

28 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	780.03	0.48	0.06%	-7.53%	7.03	0.74	7.9%	
U Capital GCC 50 Index	1,205.05	5.67	0.47%	-13.06%	19.32	1.99	4.3%	
U Capital MENA 200 Index	946.23	1.15	0.12%	-13.25%	14.66	1.68	5.0%	
MSCI GCC Countries Index	480.94	2.42	0.51%	-15.58%	15.89	1.62	4.3%	
Muscat Securities Market	3,557.14	0.18	0.01%	-10.65%	10.19	0.77	6.7%	
Saudi Stock Exchange	7,455.74	21.69	0.29%	-11.13%	23.26	1.82	3.5%	
Kuwait Stock Exchange	5,969.49	50.05	0.85%	-17.72%	14.73	1.14	4.0%	
Qatar Exchange	9,351.36	-24.04	-0.26%	-10.30%	15.18	1.42	4.3%	
Bahrain Stock Exchange	1,281.88	-1.72	-0.13%	-20.39%	9.71	0.79	5.5%	
Dubai Financial Market	2,074.77	13.45	0.65%	-24.96%	7.09	0.74	4.6%	
Abu Dhabi Exchange	4,333.10	2.35	0.05%	-14.63%	14.34	1.30	5.9%	
Beirut Stock Exchange	592.12	4.10	0.70%	-24.62%	7.35	0.37	0.0%	
Tunis Se Index	6,597.49	0.54	0.01%	-7.37%	18.34	2.18	0.8%	
EGX 30 Index	10,575.47	51.02	0.48%	-24.25%	10.50	1.41	3.3%	

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
			%	%	Currency	USD/1 Unit	Units/1 USD
Europe					Australian Dollar (AUD)	0.714	1.401
FTSE 100	UK	6,104.9	-0.31%	-19.06%	British Pound (GBP)	1.287	0.777
DAX	Germany	12,838.7	0.00%	-3.10%	Canadian Dollar (CAD)	0.748	1.337
CAC 40	France	4,939.6	-0.34%	-17.37%	Chinese Renminbi (CNH)	0.143	7.003
United States					Egyptian Pound (EGP)	0.063	15.980
DJIA	USA	26,584.8	0.43%	-6.85%	Euro (EUR)	1.174	0.852
S&P 500	USA	3,239.4	0.74%	0.27%	Indian Rupee (INR)	0.013	74.763
NASDAQ	USA	10,536.3	1.67%	17.43%	Japanese Yen (JPY)	0.009	105.540
Asia Pacific					New Zealand Dollar (NZD)	0.666	1.502
NIKKEI 225	Japan	22,650.8	-0.27%	-4.25%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	24,705.6	0.47%	-12.36%	Pakistani Rupee (PKR)	0.601	166.455
KSE 100 Index	Pakistan	38,643.7	1.12%	-5.13%	Russian Ruble (RUB)	0.014	71.610
NSE Nifty 50	India	11,191.9	0.54%	-8.03%	Singapore Dollar (SGD)	0.725	1.379
SHANGHAI COMPOSITE	China	3,215.2	0.31%	5.41%	Turkish Lira (TRY)	0.146	6.872
SHANGHAI SHENZHEN CSI 300	China	4,548.0	0.43%	11.02%			

Commodity Prices	Price	D/D		YTD	GCC 3m Interbank Rates			Current Rate %	YTD %
		USD	%		%	%	Maturity date		
Oil									
Brent Crude (per bbl)	43.4	0.05%	-30.51%		UAE	0.57	20/03/2027	-74.2%	
WTI Crude (per bbl)	41.5	-0.22%	-32.03%		Saudi Arabia	0.93	16/04/2030	-58.3%	
Oman Crude Oil (Last Closing)	43.6	-0.07%	-35.38%		Kuwait	1.56	22/10/2030	-43.2%	
OPEC (per bbl)	43.4	-2.78%	-36.17%		Oman	2.67	01/08/2029	-5.0%	
Precious Metals					Qatar	1.09	14/05/2030	-51.7%	
Gold100 OZ (per oz)	1,941.4	-0.04%	27.95%		Bahrain	2.30	16/04/2030	-13.8%	
Silver (per oz)	24.6	0.03%	37.79%						
Platinum (per oz)	936.7	-1.03%	-3.09%						
Other Metals									
Copper, MT	6,421	0.09%	3.99%						
Aluminium, MT	1,708	0.47%	-5.64%						
Lead, MT	1,851	1.79%	-3.97%						
Zinc, MT	2,237	0.86%	-1.54%						

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.38
UAE	16/04/2030	1.71
QATAR	16/04/2030	1.78
SAUDI ARABIA	22/10/2030	2.15
OMAN	01/08/2029	6.76
BAHRAIN	14/05/2030	5.39

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.86	0.2	1m	0.17	-90.2%
5 year	99.84	0.3	3m	0.25	-87.1%
10 year	100.02	0.6	6m	0.32	-83.3%
30 year	99.34	1.3	1 year	0.46	-77.0%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Omani firms advised to get geared for VAT

With the roll-out of Value Added Tax (VAT) set to become a reality sometime next year, Omani businesses are being urged to be suitably prepped for the implementation of this much-anticipated levy. According to a key Muscat-based tax expert, a Royal Decree promulgating the VAT Law is likely to be issued as early as towards the end of the third quarter of this year.

Source: [Oman Observer](#)

Oman picks FAB and Bank Muscat to arrange \$2 billion loan – sources

The government of Oman has picked First Abu Dhabi Bank and Bank Muscat to coordinate a \$2 billion bridge loan it is seeking to borrow from international and regional banks, according to two sources familiar with the matter. Oman is taking out the one-year loan - which would subsequently be repaid with money raised from an international bond - to bolster state coffers hit by low oil prices and the economic downturn caused by the coronavirus crisis.

Source: [Nasdaq](#)

7.7pc fall in imports during Jan-March 2020 period

Oman's exports declined 7.7 per cent in value terms to RO 3.53 billion during the first three months of this year (January – March), down from RO3.82 billion for the same period of 2019, according to the National Centre for Statistics and Information (NCSI). Oil and gas exports recorded a fall of 5.5 per cent to reach RO 2.34 billion this year, largely on account of a drop in oil prices. While RO 1.72 billion came from oil exports, liquefied natural gas (LNG) exports accounted for RO 415.1 million.

Source: [Oman Observer](#)

Oman's trade surplus touches OMR1.53bn by end of March 2020

Oman's trade surplus stood at OMR1.53 billion at the end of March 2020 compared to OMR1.57 billion in the same period of 2019, according to the latest data released by National Centre for Statistics and Information (NCSI). Total imports of over OMR1.99 billion arrived through ports at end of March 2020.

Source: [Times of Oman](#)

Oman's share index ends marginally lower

The MSM index closed at 3,556.96 points, down 0.03 per cent from the previous close. The Sharia Index ended down by 0.15 per cent at 521.37. Oman Education, up 3.19 per cent, was the top gainer while Muscat Finance Shares, down 2.08 per cent, was the top loser. Gulf Investment was the most active in terms of the number of shares traded and Al Anwar Ceramic was the most active in terms of turnover.

Source: [Times of Oman](#)

Oman's power sector regulator strengthens consumer protections

The Authority for Electricity Regulation (AER) Oman has issued an executive decision that seeks to reinforce the interests and legitimate rights of electricity consumers versus utilities licensed to supply electricity and potable water in the Sultanate. Executive Decision 4/2020 sets out, among other things, clearly defined guidelines for the handling and disposal of customer complaints, particularly related to electricity consumers.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Kuwait leads most of Gulf higher; Qatar retreats

Most Gulf stock markets ended higher on Monday with Kuwait leading the gains on the back of a broad increase in shares in its index, while Qatar's was hit by first-half losses from Qatar Insurance Company. Saudi Arabia's benchmark index added 0.3%, bolstered by a 0.6% gain in Saudi Aramco and a 1% rise in Saudi Basic Industries. In Kuwait, the index advanced 1.7%, buoyed by a 3.5% jump in National Bank of Kuwait. The Qatar index slipped 0.3%, hit by a 4.2% slide in Qatar Insurance after the company reported a net loss of 207.8 million riyals (\$57.06 million) in the first half.

Source: [Zawya](#)

DP World reports volumes down 3.9% in H1

DP World said that it handled 33.9 million TEU (twenty-foot equivalent units) across its global portfolio of container terminals in the first half of 2020, with gross container volumes decreasing by 5.3% year-on-year on a reported basis and down 3.9% on a like-for-like basis.

Source: [Trade Arabia](#)

Saudi Arabia raises groundbreaking \$266mln green ECA financing

Saudi Arabia's Ministry of Finance (MoF), represented by the National Debt Management Center (NDMC), raised approximately a 1 billion Saudi riyals (\$266.65 million) green Export Credit Agency (ECA) financing. Raising a green loan with export credit agencies is the first of its kind in Saudi Arabia. MoF said in a statement that the financing will cover the procurement of 842 German-made buses for King Abdulaziz Public Transport Project (Riyadh Buses) in Saudi Arabia.

Source: [Zawya](#)

GCC cuts emissions despite high petchem output: GPCA

Chemical producers in the Arabian Gulf have cut waste generation by 29% in 2019 and emissions by over 35% in the last six-year period, despite a continuous increase in petrochemical production across the region, a report said. According to the 2019 Responsible Care Performance Metrics report "Our Commitment to Sustainability" released by the Gulf Petrochemicals and Chemicals Association (GPCA), the volume of waste generated by GPCA member companies decreased by a third from the year before, while production went up 2%.

Source: [Trade Arabia](#)

Saudi Arabia completes partial early redemption of outstanding bonds worth SAR 34.26 bln

Saudi Arabia, through the Ministry of Finance (the Issuer) completed an early redemption of a portion of the issuer's outstanding bonds maturing in August, September, November and December 2020 at a total value of SAR 34.26 billion. Saudi Arabia has, at the request of selling bondholders, issued new sukuk under its local sukuk program, the finance ministry said in a statement. The new sukuk issuances comprise four tranches at a total value of SAR 34.645 billion.

Source: [Argaam](#)

Investors rush to Saudi start-ups; funding up 102% despite COVID-19

Startups in Saudi Arabia, particularly in the tech and e-commerce space, continue to defy the odds and demonstrate their resilience during the coronavirus pandemic, with funding from various investors surging significantly in recent months. From January to June this year, the kingdom's start-ups raised a record high of \$95 million in funding, up by 102 percent compared with the same period last year.

Source: [Zawya](#)

UAE remittances business set for rebound

Remittances from the UAE, one of the world's leading source markets, is forecast to drop by 10 per cent this year, at a scale far lower than the worldwide average decline of 20 per cent, underscoring the resilience of the Arab world's second largest economy, forex experts said. The World Bank estimates the global slump will wipe 20 per cent - or \$110 billion - from the money sent home by around one billion workers overseas in 2020 due to the economic crisis triggered by the pandemic and shutdowns.

Source: [Khaleej Times](#)

Abu Dhabi business facilities told to increase workforce capacity to 60%

The Abu Dhabi Department of Economic Development, ADDED, has issued a new circular directing owners and managers of commercial and industrial facilities in Abu Dhabi to increase their on-site workforce to 60 per cent. The department has also reminded establishments on the importance of complying with the set of implemented precautionary measures issued by the Emergency Crisis and Disaster Management Committee in the emirate to prevent the spread of the coronavirus, COVID-19.

Source: [WAM](#)

Dubai Financial Market posts 21% rise in H1 profit; gets new CEO

The Dubai Financial Market (DFM) Company registered a 21 percent increase in its net profit at 78.9 million dirhams (\$21.5 million) for the first half of the year (H1) compared to 65.1 million dirhams (\$17.73 million) during the corresponding period of 2019. The net profit of the second quarter of 2020 reached 44.2 million dirhams, a 20 percent increase compared to same time last year, a statement from DFM Company, the operator of Dubai Financial Market, said.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Trump says states should reopen as U.S. coronavirus outbreak shows signs of slowing

President Donald Trump said Monday that states should begin reopening their businesses as the coronavirus outbreak in parts of the United States shows its first signs of slowing. "I really do believe a lot of the governors should be opening up

states that are not opening," Trump said during a coronavirus briefing from the Bioprocess Innovation Center at Fujifilm Diosynth Biotechnologies in Morrisville, North Carolina. "We'll see what happens with them."

Source: [CNBC](#)

Republicans unveil coronavirus plan, slash emergency unemployment benefit

Senate Republicans on Monday proposed a \$1 trillion coronavirus aid package hammered out with the White House, paving the way for talks with Democrats on how to help Americans as expanded unemployment benefits for millions of workers expire this week.

Source: [Reuters](#)

Dollar in the doldrums as focus turns to Fed, U.S. fiscal package

The dollar nursed losses on Tuesday, after slumping to a two-year low, as investors worry about the damage from the coronavirus to the U.S. economy and await the latest outlook from the Federal Reserve and the passage of a new fiscal rescue package.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices steady as demand concerns offset U.S. stimulus hopes

Oil prices were steady on Tuesday, erasing gains earlier in the session, as rising coronavirus cases dampened the outlook for demand and countered optimism over more U.S. stimulus. Efforts to stimulate the U.S. economy's recovery from the coronavirus crisis had raised hopes for stronger oil demand.

Source: [CNBC](#)

Gold rises 1% as softer dollar, stimulus bets fuel record run

Gold jumped more than 1% to a fresh record on Tuesday, as a weaker U.S. dollar and hopes of more stimulus measures to combat the economic blow from the pandemic drove investors towards the safe-haven metal. Spot gold was up 1.1% at \$1,963.91 per ounce by 0030 GMT after hitting a record high at \$1,966.76 in early Asian trade. U.S. gold futures climbed 1.4% to \$1,958.80.

Source: [CNBC](#)

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

Website: www.u-capital.net

