

# U Capital Morning Brief

24 August 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	814.74	8.90	1.10%	-3.42%	7.31	0.74	7.8%
U Capital GCC 50 Index	1,258.19	2.03	0.16%	-9.23%	20.00	2.10	4.2%
MSCI GCC Countries Index	510.84	1.33	0.26%	-10.33%	18.03	1.72	4.1%
Muscat Securities Market	3,628.90	21.22	0.59%	-8.85%	10.78	0.73	6.8%
Saudi Stock Exchange	7,901.93	59.09	0.75%	-5.81%	25.54	1.91	3.4%
Kuwait Stock Exchange	6,170.95	-98.31	-1.57%	-14.94%	27.69	1.26	3.8%
Qatar Exchange	9,809.05	41.87	0.43%	-5.91%	15.96	1.47	4.1%
Bahrain Stock Exchange	1,354.99	-0.32	-0.02%	-15.85%	12.62	0.84	5.3%
Dubai Financial Market	2,235.58	-11.20	-0.50%	-19.14%	8.45	0.79	4.3%
Abu Dhabi Exchange	4,542.96	42.30	0.94%	-10.50%	16.58	1.31	5.4%
Beirut Stock Exchange	605.66	8.33	1.39%	-22.90%	NA	0.40	0.0%
Tunis Se Index	6,702.55	19.21	0.29%	-5.89%	18.00	2.23	0.8%
EGX 30 Index	11,391.08	231.03	2.07%	-18.41%	11.58	1.53	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	6,001.9	-0.19%	-20.43%
DAX	Germany	12,764.8	-0.51%	-3.65%
CAC 40	France	4,896.3	-0.30%	-18.10%
<b>United States</b>				
DJIA	USA	27,930.3	0.69%	-2.13%
S&P 500	USA	3,397.2	0.34%	5.15%
NASDAQ	USA	11,311.8	0.42%	26.07%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	22,975.3	0.23%	-2.88%
HANG SENG	Hongkong	25,454.0	1.33%	-9.70%
KSE 100 Index	Pakistan	39,718.7	0.23%	-2.50%
NSE Nifty 50	India	11,435.1	0.56%	-6.03%
SHANGHAI COMPOSITE	China	3,386.4	0.17%	11.02%
SHANGHAI SHENZHEN CSI 300	China	4,756.6	0.80%	16.11%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.717	1.395
British Pound (GBP)	1.309	0.764
Canadian Dollar (CAD)	0.759	1.317
Chinese Renminbi (CNH)	0.145	6.914
Egyptian Pound (EGP)	0.063	15.935
Euro (EUR)	1.180	0.848
Indian Rupee (INR)	0.013	74.854
Japanese Yen (JPY)	0.009	105.880
New Zealand Dollar (NZD)	0.653	1.531
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.594	168.144
Russian Ruble (RUB)	0.013	74.793
Singapore Dollar (SGD)	0.730	1.371
Turkish Lira (TRY)	0.136	7.331

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	44.3	-0.14%	-28.60%
WTI Crude (per bbl)	42.2	-0.24%	-30.82%
Oman Crude Oil (Last Closing)	43.7	-1.93%	-35.26%
OPEC (per bbl)	45.2	-0.66%	-33.51%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,934.3	-0.35%	27.49%
Silver (per oz)	26.5	-1.11%	48.56%
Platinum (per oz)	919.3	-0.35%	-4.89%
<b>Other Metals</b>			
Copper, MT	6,490	-1.69%	5.12%
Aluminium, MT	1,765	-1.37%	-2.49%
Lead, MT	1,973	-1.13%	2.36%
Zinc, MT	2,456	-1.33%	8.10%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.56	-74.5%
Saudi Arabia	0.90	-59.7%
Kuwait	1.56	-43.2%
Oman	2.64	-6.1%
Qatar	1.05	-53.4%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.31
UAE	16/04/2030	1.67
QATAR	16/04/2030	1.78
SAUDI ARABIA	22/10/2030	2.22
OMAN	01/08/2029	6.35
BAHRAIN	14/05/2030	5.16

Midswaps	Price	YTM %
3 year	99.89	0.2
5 year	99.92	0.3
10 year	99.97	0.6
30 year	101.09	1.3

USD Libor	Rate (%)	YTD
1m	0.18	-90.1%
3m	0.25	-86.9%
6m	0.31	-83.6%
1 year	0.44	-77.9%

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: Financial sector takes MSM higher

Uthmaniyah Capital would like to extend heartiest felicitations for the New Hijri Year to His Majesty Sultan Haitham bin Tareq bin Taimur, and the people of Oman. The MSM30 Index ended the week up by 1.79% and its main sub-indices were all up as well, led by Financial Index which was up by 2.53%. The Industrial index and Services Index were also higher by 0.29% and 0.48%, respectively. Traded value during the week was higher on w-o-w basis by 5.18%.

Source: **Muscat Daily**

### Vision 2040 sets ambitious goals for Sultanate

Oman's Vision 2040, the gateway to become a developed country under His Majesty Haitham bin Tarik, aims at promoting the country's position in different sectors over the next two decades. One of the ambitious goals in Vision 2040 is developing a favourable environment to attract talents in the labour market. For this purpose, it outlines, "a national system that empowers human capabilities in the educational sector and nurtures scientific research, innovation, and creativity to build a knowledge-based economy and society".

Source: **Oman Observer**

### Oman's fisheries output more than doubles in five years

Fresh and frozen fish landings at numerous locations along the Sultanate's lengthy coastline totaled 580,240 tons in 2019, up from 279,160 tons in 2016 – representing an increase of 107 percent over the intervening five years. The dramatic growth in fisheries output is a reflection of the increasing importance of the sector to Oman's economic development and GDP growth, as well as the result of ongoing investments in new and upgraded fishery harbors, modern coastal fishing fleets, cold chain logistics and infrastructure, state-of-the-art wholesale auction platforms, retail souks, and the growth of overseas markets for fresh Omani fish.

Source: **Oman Observer**

### Duqm Port sees positive uptake of land in industrial, logistics zones

Growing numbers of local and international companies are setting up operations in specially created zones earmarked for industrial and logistics activities within the concession area of Port of Duqm on Oman's Al Wusta coast. According to a top official of the maritime gateway, which anchors the sprawling Special Economic Zone (SEZ) at Duqm, investments have picked up pace in the 1,000-hectare Logistics Zone as well as the 3,000-hectare Industrial Zone that form part of the port's sizable concession.

Source: **Oman Observer**

### Al Hassan wins RO7.7mn contract from PDO

Al Hassan Engineering Co has been awarded a contract worth RO7.7mn by Petroleum Development Oman (PDO) for the construction of a power station at QarnAlam. 'The company has signed the letter of award with PDO for the construction works of the QarnAlamCogeneration Power Project for approximately RO7.7mn. The execution period will be 22 months starting from September 2020,' Al Hassan Engineering Co said in a disclosure filed to the Muscat Securities Market. The company said that it expects reasonable profit from this project.

Source: **Muscat Daily**

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi Aramco sets up corporate development organization

Saudi Aramco announced today, Aug. 23 the establishment of an integrated corporate development organization to optimize the company's portfolio. The new organization aims to create value, assess existing assets and secure greater access to growth markets and technologies through portfolio optimization and strategic alignment, the major oil producer said in a statement.

Source: **Argaam**

### Saudi's domestic tourism gets a filip as virus retreats

An unprecedented boom is being witnessed in the Kingdom's domestic tourism sector and several other associated economic sectors with a steady decline in the number of coronavirus cases. The resumption of domestic tourism activities coincided with the gradual return of normal life after a decline in cases of the pandemic following a three-month lockdown and the beginning of the annual summer season.

Source: **Zawya**

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### **Aldar makes strong progress on sustainability agenda; launches ambitious new commitments**

Aldar Properties today published its second annual sustainability report, demonstrating strong progress in 2019 and charting an ambitious roadmap for the future through a number of key commitments. Formulated in close alignment with key global indices and standards including the Global Reporting Initiative (GRI) Standards, the report formally enshrines Aldar's approach to responsible corporate citizenship, going beyond financial considerations to rigorously chart the company's wider ESG performance.

Source: [Zawya](#)

### **BCI, Nasser Al Hajri ink final contract for chlorine project**

Basic Chemical Industries Co. (BCI) signed a final contract with Nasser Saeed Al Hajri & Partners Contracting Co. for the construction of its chlorine derivatives plant in Jubail Industrial City, BCI said in a bourse statement on Sunday. "All equipment was delivered, and the project will be completed by the end of June 2021," the statement added, noting there is a change in the project implementation costs to be valued at SAR 685 million instead of SAR 520 million.

Source: [Argaam](#)

### **Sumou Real Estate signs SAR 300 mln property development deal with National Housing**

Sumou Real Estate Co. signed a SAR 300 million real estate agreement with National Housing Co. (NHC) to develop District 2 of the Khiala Real Estate project, located in the Al Hamdaniyah neighborhood in Jeddah. The agreement includes building 404 villas on the land allocated by the Ministry of Housing to the company, spanning 105,000 square meters, the company said in a bourse statement.

Source: [Argaam](#)

### **Difficult 2 years ahead for Dubai real estate, DAMAC CEO**

In an interview with CNN's Zain Asher, Hussain Sajwani, the founder and Chairman of DAMAC properties, explained how the Covid-19 pandemic has impacted Dubai's property market. Speaking as part of the network's Dubai Business segment on Quest Means Business, Sajwani stated that the pandemic has helped one problem in the form of oversupply, but Dubai will see a change in the type of buildings being constructed going forward.

Source: [UAE News](#)

### **Saudi exchange Tadawul weighs next steps in global and regional plans**

Some people see a stock exchange merely as a financial marketplace where business is done on a daily and, hopefully, profitable basis. Others regard them as centers of economic and financial power that can become a standard-bearer for a country's urban development ambitions. There is no doubt that the great stock markets of the world — in New York, London and Tokyo, for example — are regarded as national assets and key economic pillars.

Source: [Arab News](#)

### **Kuwait's Kipco to delay sale of OSN stake to 2021 amid pandemic-driven slowdown**

Kuwait Projects Company, a conglomerate whose interests span financial services, media, manufacturing and real estate, is delaying the sale of a stake in pay TV operator OSN until 2021 as it awaits a recovery in markets that have been hit by the Covid-19 pandemic. Kipco, as the firm is known, will continue to prepare OSN to bring new investors on board and said that given the recent growth in subscribers to its streaming platform, it is confident it will "attract many partners", Kipco group's chief financial officer, Pinak Maitra, said.

Source: [The National](#)

### **Kuwait to transfer 2b dinars to General Reserve Fund**

Kuwait's Ministry of Finance is preparing to transfer 2.05 billion Kuwaiti dinar in liquid cash after the parliament approved a law limiting the transfer of state funds to the Future Generations Fund, Al Qabas reported. The cash will be pumped into the General Reserve Fund, which will enhance the liquidity of the fund until the government finds alternative means of enhancing liquidity, a source told Al Qabas.

Source: [Gulf News](#)

### **Bahrain's Ithmaar Holding mulls sale of non-core businesses as it swings to first half loss**

Ithmaar Holding swung to a net loss for the first half of 2020 amid the pandemic, increasing its accumulated losses and prompting the Bahrain-listed financial services company to consider either a sale or restructuring of its non-core assets. The company declared a net loss attributable to equity holders of the company for the six months to June 30 of \$1.29 million (Dh4.64m), compared to a net profit of \$8.37m in the same period last year, the company said in a statement on Sunday to the Bahrain Bourse, where its shares trade.

Source: [The National](#)

### **Industries Qatar acquires QPs 25% stake in QAFCO**

Industries Qatar (IQ), one of the region's industrial giants, announced today that the Company's Board of Directors, in its meeting held on August 23, 2020, has approved the proposed purchase of Qatar Petroleum's 25 percent stake in Qatar Fertiliser Company (QAFCO), and to convene an Extraordinary General Assembly (EGA) meeting to obtain the shareholders' approval of the transaction.

Source: [TPQ](#)

### **Egyptian Stocks Lead Gains in Mideast; Kuwait Falls: Inside EM**

Egyptian stocks rose the most in the Middle East on bets of a tourism sector recovery. Kuwait shares declined as investors focused on the prospect for oil prices amid signs of stumbling economic recovery from Europe to Asia. Egypt's EGX 30 gained 2.1% in Cairo, with Commercial International Bank and Egyptian Financial Group-Hermes Holding adding the most.

Source: [Yahoo Finance](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **The dollar may slide further, but analysts say its demise is 'greatly exaggerated'**

The greenback had benefited as investors flew to safety amid the pandemic, which drove it to a three-and-a-half year high in March. But strategists say the country's economic recovery is in question, given its weak coronavirus response. The dollar had also reacted to the country's surging deficit and the prospect of U.S. interest rates remaining lower for longer. Analysts argue, however, that recent fears that the dollar may lose its status as the world's reserve currency are overblown.

Source: [CNBC](#)

### **Global stocks jump as investors pin hopes on coronavirus treatment**

Asian shares advanced for a second straight session on Monday, underpinned by coronavirus hopes after the U.S. Food & Drug Administration (FDA) authorised the use of blood plasma from recovered patients as a treatment option. The announcement from the U.S. FDA of a so-called "emergency use authorization" came on the eve of the Republican National Convention, where Donald Trump will be nominated to lead his party for four more years.

Source: [Reuters](#)

### **Microsoft says Apple's move against 'Fortnite' creator would hurt its games**

Microsoft Corp (MSFT.O) on Sunday said in a court filing that Apple Inc's (AAPL.O) threat to cut off the creator of "Fortnite" from Apple's developer tools would hurt Microsoft's gaming business, as well as other game developers. The filing came in a dispute between Apple and Epic Games. Apple removed Epic's titles from its App Store after the game maker violated the iPhone maker's in-app payment rules.

Source: [Reuters](#)

### **Stock futures rise slightly in overnight trading as market looks to extend record-setting rally**

Stock futures climbed slightly higher in overnight trading on Sunday as Wall Street tries to build on a record-setting week. Futures on the Dow Jones Industrial Average rose about 50 points, indicating a 30-point gain at Monday's open. The S&P 500 futures and the Nasdaq 100 futures gained 0.1% each.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil prices steady as 'double trouble' storms bear down on Gulf of Mexico**

Crude oil prices remained steady on Monday as storms closed in on the Gulf of Mexico, shutting more than half the region's oil production, although prices were capped by ongoing concerns about fuel demand being sapped by coronavirus lockdowns. Brent futures LCOc1 slipped 2 cents, or 0.1%, to \$44.33 a barrel by 0316 GMT, while U.S. West Texas Intermediate crude CLc1 was down 2 cents, or 0.1%, to \$42.32 a barrel. Both benchmark contracts had risen early on Monday.

Source: [Reuters](#)



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