

U Capital Morning Brief

16 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	787.23	-1.17	-0.15%	-6.68%	7.10	0.73	7.9%
U Capital GCC 50 Index	1,229.57	7.21	0.59%	-11.29%	19.65	2.08	4.2%
MSCI GCC Countries Index	497.47	0.02	0.00%	-12.68%	17.39	1.67	4.2%
Muscat Securities Market	3,562.32	-2.89	-0.08%	-10.52%	5.13	0.37	13.9%
Saudi Stock Exchange	7,704.25	58.70	0.77%	-8.16%	25.34	1.86	3.4%
Kuwait Stock Exchange	6,178.15	13.66	0.22%	-14.84%	17.50	1.22	3.9%
Qatar Exchange	9,602.49	49.39	0.52%	-7.89%	15.63	1.44	4.2%
Bahrain Stock Exchange	1,311.30	3.83	0.29%	-18.56%	12.21	0.82	5.5%
Dubai Financial Market	2,168.06	12.66	0.59%	-21.59%	7.69	0.77	4.4%
Abu Dhabi Exchange	4,401.70	15.03	0.34%	-13.28%	15.97	1.27	5.5%
Beirut Stock Exchange	601.09	-1.72	-0.29%	-23.48%	7.46	0.37	0.0%
Tunis Se Index	6,755.65	-2.95	-0.04%	-5.15%	18.14	2.25	0.7%
EGX 30 Index	10,944.18	21.85	0.20%	-21.61%	11.04	1.47	2.9%

World Markets	Country	Value	D/D	YTD
Europe				
FTSE 100	UK	6,090.0	-1.55%	-19.26%
DAX	Germany	12,901.3	-0.71%	-2.62%
CAC 40	France	4,962.9	-1.58%	-16.98%
United States				
DJIA	USA	27,931.0	0.12%	-2.13%
S&P 500	USA	3,372.9	-0.02%	4.40%
NASDAQ	USA	11,019.3	-0.21%	22.81%
Asia Pacific				
NIKKEI 225	Japan	23,289.4	0.17%	-1.55%
HANG SENG	Hongkong	25,183.0	-0.19%	-10.67%
KSE 100 Index	Pakistan	40,290.7	-0.45%	-1.09%
NSE Nifty 50	India	11,178.4	-1.08%	-8.14%
SHANGHAI COMPOSITE	China	3,360.1	1.19%	10.16%
SHANGHAI SHENZHEN CSI 300	China	4,704.6	1.49%	14.84%

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)	0.754	1.327
Chinese Renminbi (CNH)	0.144	6.944
Egyptian Pound (EGP)	0.063	15.940
Euro (EUR)	1.184	0.844
Indian Rupee (INR)	0.013	74.904
Japanese Yen (JPY)	0.009	106.600
New Zealand Dollar (NZD)	0.654	1.529
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.594	167.766
Russian Ruble (RUB)	0.014	72.865
Singapore Dollar (SGD)	0.730	1.371
Turkish Lira (TRY)	0.136	7.370

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	44.8	-0.36%	-27.78%
WTI Crude (per bbl)	42.0	-0.54%	-31.20%
Oman Crude Oil (Last Closing)	43.9	-0.68%	-34.96%
OPEC (per bbl)	45.3	0.58%	-33.28%
Precious Metals			
Gold100 OZ (per oz)	1,945.1	-0.44%	28.20%
Silver (per oz)	26.4	-3.85%	48.14%
Platinum (per oz)	944.4	-1.64%	-2.29%
Other Metals			
Copper, MT	6,367	1.77%	3.12%
Aluminium, MT	1,746	-0.99%	-3.54%
Lead, MT	1,951	0.36%	1.22%
Zinc, MT	2,368	-0.32%	4.20%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.46	-79.2%
Saudi Arabia	0.92	-58.8%
Kuwait	1.56	-43.2%
Oman	2.68	-4.6%
Qatar	0.97	-57.0%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.30
UAE	16/04/2030	1.71
QATAR	16/04/2030	1.74
SAUDI ARABIA	22/10/2030	2.21
OMAN	01/08/2029	6.28
BAHRAIN	14/05/2030	5.10

Midswaps	Price	YTM %
3 year	99.84	0.2
5 year	99.78	0.3
10 year	99.19	0.7
30 year	98.25	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.4%
3m	0.27	-85.8%
6m	0.33	-82.6%
1 year	0.46	-76.9%

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: Modest decline in MSM weekly performance

The MSM30 Index ended the week down by 0.08 per cent and its main sub-indices have posted mixed performance. The Industrial index was the only gainer up by 0.47 per cent while both the Financial Index and the Service Index closed down by 0.31 per cent and 0.06 per cent respectively. A project for implementing the XBRL disclosure platform for the reporting of financial and non-financial information by all issuers listed on the Muscat Security Market (MSM) and other companies operating under any license from the Capital Market Authority (CMA) has been commissioned.

Source: [Oman Observer](#)

Masirah Oil targets second well in Oman Block 50 early next year

Seeking to build on its recent success in bringing Oman's first offshore oilfield off the east coast into commercial production, Masirah Oil Limited (MOL) says it plans to drill a second production well targeting the newly operational Yumna field in Block 50 early next year. The announcement was made by Singapore-based oil firm Rex International Holding Limited, which holds a majority stake in Masirah Oil through its indirect wholly-owned subsidiary, Rex Oman Ltd.

Source: [Oman Observer](#)

Oman's crude oil production falls 4.6% in June

The Sultanate's oil production, including condensates, stood at 177.30 million barrels at the end of June 2020, according to the latest data released by the National Centre for Statistics and Information (NCSI). Of the total production, crude oil production was down by 4.6 per cent at 147.76 million barrels while condensates production rose by 41.8 per cent to touch 29.54 million barrels.

Source: [Times of Oman](#)

Oman's domestic production, import of natural gas reduces by 2.1%

The total domestic production and import of natural gas in the Sultanate have reduced by 2.1 per cent by the end of June 2020. A statement issued online by Oman News Agency (ONA) said, "There is a decrease in Oman's total domestic production and import of natural gas by the end of June 2020, by 2.1 %, to reach 22.46 billion cubic meters.

Source: [Times of Oman](#)

Al Mazunah Free Zone launches e-payment service

Al Mazunah Free Zone, administered by the Public Establishment for Industrial Estates (Madayn), has announced the activation of an electronic payment service using the Eddah System (bailment) for companies and bodies operating at the free zone. Said bin Abdullah al Balushi, Director General of Al Mazunah Free Zone, said tenants and service providers can use the service to finalise all of the transactions related to remote logistics services.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Bahrain's outlook stable says Fitch

Credit rating agency Fitch said it has downgraded Bahrain's long-term foreign-currency issuer default rating to 'B+' from 'BB-', with the cut reflecting the combined impact of lower oil prices and the coronavirus outbreak on the country. Bahrain's outlook is stable, Fitch Ratings said in a statement yesterday. The pandemic and the lower oil prices have marked increases in the budget deficit and government debt, and caused a sharp gross domestic product contraction for Bahrain, Fitch said.

Source: [Zawya](#)

UAE lenders banking on gradual recovery

Profitability at UAE banks will remain under strain in the second half of 2020, with recovery largely to be gradual and dependent on the rebound in economic activity amidst low interest rates, an increase in non-performing loans (NPLs) and impairment charges following the outbreak of coronavirus, say analysts.

Source: [Khaleej Times](#)

Agility posts \$2.5bn revenue, H1 net profit down 61pc

Agility, a leading global logistics provider, has reported a revenue of KD765.1 million (\$2.49 billion) for the first six months, down 1.3 per cent over last year's figures of KD775 million (\$2.52 billion), mainly hit by poor aviation and airport operations amid Covid. Announcing the results for the six-month period ending June 30, Agility said its profit plunged 61.3 per cent to KD16.2 million over the same period last year.

Source: [Trade Arabia](#)

Adnoc eyes India's lubricant market

Adnoc Distribution on Saturday said it is assessing potential opportunities in the Indian lubricant market as it is on track to expand its global footprint. The UAE's largest fuel retailer said it aims to grow in Saudi Arabia organically and is in advanced discussions with partners in the kingdom, which is underdeveloped in terms of customer offerings. Its first-half net profit slipped 22.4 per cent to Dh910 million due to a decline in UAE fuel sales during the lockdown. Its revenues fell 22.6 per cent from Dh10.2 billion to Dh7.9 billion.

Source: [Khaleej Times](#)

Emirati, Israeli companies sign R&D agreement to fight COVID-19

The Emirates company APEX National Investment has announced the signing of a strategic commercial agreement with the Israeli TeraGroup to develop research and studies on the novel coronavirus (COVID-19). The agreement was signed by Khalifa Yousef Khouri, Chairman of APEX National Investment, and Oren Sadiv, Chairman & CEO of TeraGroup at a press conference held at the headquarters of Al Qudra Holding in the Emirate of Abu Dhabi.

Source: [Wam](#)

PIF invests \$4.7 bln in three US exchange traded funds

The Public Investment Fund (PIF) invested nearly \$4.7 billion in three sector-specific exchange traded funds (ETFs), it said in a filing to the US Securities and Exchange Commission (SEC) on Friday. The Kingdom's sovereign wealth fund bought a stake in the Utilities Select Sector SPDR Fund at a total value of \$1.86 billion. It also acquired stakes worth \$1.59 billion and \$1.2 billion in the Real Estate Select Sector SPDR Fund and Materials Select Sector SPDR Fund, respectively.

Source: [Argaam](#)

PIF raises holdings in 3 US firms, exits 13 others

The Public Investment Fund (PIF) continued to acquire stakes in US companies, but exited other companies, it said in a filing to the US Securities and Exchange Commission (SEC). The PIF upped its stake in Automatic Data Processing Inc to 1.5 million shares, or \$220.6 million. It also raised its ownership in Live Nation to 12.6 million shares, or \$557 million. The fund's ownership in Suncor Energy Inc. was increased to 51 million shares, or \$859.4 million.

Source: [Argaam](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Trump orders ByteDance to divest from its U.S. TikTok business within 90 days

President Donald Trump issued an executive order Friday that will force China's ByteDance to sell or spin off its U.S. TikTok business within 90 days. "There is credible evidence that leads me to believe that ByteDance ... might take action that threatens to impair the national security of the United States," Trump said in his order.

Source: [CNBC](#)

UPS, FedEx warn they cannot carry ballots like U.S. Postal Service

United Parcel Service and FedEx on Friday shot down social media calls that they step in to deliver mail-in ballots from the U.S. Postal Service, which is warning states of potentially "significant" delays. "State ballots must be postmarked to be considered valid and only the USPS has lawful postmarking status. Therefore UPS, FedEx and other private parties cannot technically be involved in shipping ballots," UPS told Reuters in a statement.

Source: [Reuters](#)

Trump says looking at pressuring other Chinese companies after Bytedance

U.S. President Donald Trump said on Saturday he could exert pressure on more Chinese companies such as technology giant Alibaba (BABA.N) after he moved to ban TikTok. Asked at a news conference whether there were other particular China-owned companies he was considering a ban on, such as Alibaba, Trump replied: "Well, we're looking at other things, yes."

Source: [Reuters](#)

Berkshire slashes Wells Fargo, JPMorgan stakes; adds Barrick Gold

Warren Buffett's Berkshire Hathaway Inc (BRKa.N) said on Friday it has sold shares of some of the largest U.S. banks, slashing its stakes in Wells Fargo & Co (WFC.N) and JPMorgan Chase & Co (JPM.N) and exiting an investment in Goldman Sachs Group Inc (GS.N). In a regulatory filing detailing its U.S.-listed investments as of June 30, Berkshire also disclosed a new 20.9 million share investment worth \$563.6 million in Toronto-based Barrick Gold Corp (ABX.TO), one of the world's largest mining companies.

Source: [Reuters](#)

COMMODITIES NEWS

China ramps up U.S. oil purchases ahead of trade deal review – sources

U.S. crude oil shipments to China will rise sharply in coming weeks, U.S. traders and shipbrokers and Chinese importers said, as the world's top economies gear up to review a January deal after a prolonged trade war.

Source: [Reuters](#)

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