

U Capital Morning Brief

14 September 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	817.15	-1.17	-0.14%	-3.13%	7.41	0.75	7.3%
U Capital GCC 50 Index	1,279.01	13.14	1.04%	-7.73%	20.98	2.18	4.1%
U Capital MENA 200 Index	1,005.28	6.07	0.61%	-7.83%	16.19	1.74	4.6%
MSCI GCC Countries Index	517.39	3.15	0.61%	-9.18%	18.52	1.76	3.3%
Muscat Securities Market	3,691.91	5.62	0.15%	-7.27%	10.97	0.74	6.6%
Saudi Stock Exchange	8,203.57	68.41	0.84%	-2.21%	29.92	2.00	2.5%
Kuwait Stock Exchange	6,428.49	24.89	0.39%	-11.39%	28.81	1.34	3.7%
Qatar Exchange	9,878.13	114.35	1.17%	-5.25%	16.08	1.48	4.0%
Bahrain Stock Exchange	1,398.41	8.70	0.63%	-13.15%	13.02	0.87	5.0%
Dubai Financial Market	2,274.38	3.86	0.17%	-17.74%	8.60	0.80	4.2%
Abu Dhabi Exchange	4,510.07	-9.06	-0.20%	-11.15%	16.46	1.30	5.4%
Tunis Se Index	6,863.44	48.02	0.70%	-3.63%	18.75	2.27	0.7%
EGX 30 Index	11,091.67	20.83	0.19%	-20.56%	11.57	1.49	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,032.1	0.48%	-20.02%
DAX	Germany	13,202.8	-0.05%	-0.35%
CAC 40	France	5,034.1	0.20%	-15.79%
United States				
DJIA	USA	27,665.6	0.48%	-3.06%
S&P 500	USA	3,341.0	0.05%	3.41%
NASDAQ	USA	10,853.5	-0.60%	20.96%
Asia Pacific				
NIKKEI 225	Japan	23,563.5	0.67%	-0.39%
HANG SENG	Hongkong	24,666.7	0.67%	-12.50%
KSE 100 Index	Pakistan	42,549.3	0.02%	4.45%
NSE Nifty 50	India	11,535.0	0.61%	-5.21%
SHANGHAI COMPOSITE	China	3,278.7	0.56%	7.49%
SHANGHAI SHENZHEN CSI 300	China	4,653.4	0.57%	13.59%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.728	1.373
British Pound (GBP)	1.282	0.780
Canadian Dollar (CAD)	0.760	1.316
Chinese Renminbi (CNH)	0.146	6.829
Egyptian Pound (EGP)	0.064	15.766
Euro (EUR)	1.185	0.844
Indian Rupee (INR)	0.014	73.299
Japanese Yen (JPY)	0.009	106.020
New Zealand Dollar (NZD)	0.670	1.493
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.601	165.800
Russian Ruble (RUB)	0.013	75.040
Singapore Dollar (SGD)	0.732	1.366
Turkish Lira (TRY)	0.134	7.475

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	40.0	0.33%	-35.15%
WTI Crude (per bbl)	37.6	0.67%	-38.45%
Oman Crude Oil (Last Closing)	39.3	0.03%	-41.66%
OPEC (per bbl)	39.8	0.03%	-41.39%
Precious Metals			
Gold 100 OZ (per oz)	1,946.1	0.29%	28.26%
Silver (per oz)	26.8	0.26%	50.07%
Platinum (per oz)	939.3	0.92%	-2.82%
Other Metals			
Copper, MT	6,739	1.06%	9.15%
Aluminium, MT	1,775	-0.81%	-1.93%
Lead, MT	1,890	0.37%	-1.95%
Zinc, MT	2,471	2.26%	8.76%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.42	-81.1%
Saudi Arabia	0.89	-60.1%
Kuwait	1.63	-40.9%
Oman	2.65	-6.0%
Qatar	0.98	-56.6%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.35
UAE	16/04/2030	1.72
QATAR	16/04/2030	1.86
SAUDI ARABIA	22/10/2030	2.22
OMAN	01/08/2029	6.17
BAHRAIN	14/05/2030	5.38

Midswaps	Price	YTM %
3 year	99.92	0.2
5 year	99.98	0.3
10 year	99.61	0.7
30 year	99.03	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.4%
3m	0.25	-86.9%
6m	0.28	-85.3%
1 year	0.41	-79.3%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman plans sovereign sukuk offering

Oman's Ministry of Finance announced at the weekend its intention to launch the third issuance of a sovereign sukuk denominated in Omani riyals within the framework of its sovereign sukuk programme unveiled in 2019. The bond will be issued via a book-building subscription process and will include a segment for small investors. The third issue of the sovereign sukuk programme is expected to contribute to promoting the rapid growth of the Islamic financial sector in the Sultanate, and it is part of the government's strategy to deepen the capital market and expand its scope in order to enable it to play a greater role in local economic growth.

Source: [Oman Observer](#)

Private investor to develop 3 Oman Post sites

Oman Post, the wholly government-owned postal and logistics services provider, has roped in a private Omani investor to construct post office complexes as part of mixed-use commercial developments at three locations in Muscat Governorate. Bayan Investment House, a leading investment vehicle for real estate developments, announced over the weekend that it has signed an agreement with Oman Post for the establishment of modern post offices at Al Khuwair, Qurum and Al Khoudh. Signing on behalf of Bayan was its Chief Executive Fahd al Khalili, while Oman Post was represented by its CEO, Abdulmalik al Balushi.

Source: [Oman Observer](#)

New regulations to strengthen investments in industrial cities

The Decision 169/2020 issued by the Public Establishment for Industrial Estates (Madayn) in May this year effectively empowers the Authority to enhance the investment appeal of industrial cities established across the Sultanate. The amendments introduced via the Decision will undoubtedly contribute to attracting more local and foreign investments in the various industrial cities, according to Hasan bin Marhoon al Marhoon, Director General of Planning and Business Development at Madayn.

Source: [Oman Observer](#)

Omani exporters invited for session to promote their products in US

The Oman American Business Centre (OABC) will host a free informational session for Omani exporters interested in promoting their products in the United States. The session will discuss how to attend ASD Market Week, one of the oldest and largest consumer trade shows in the US, now available for online attendance. Though the show was unable to happen in-person, many are anxious to get back to business, which is why the organisers announced plans to launch the Virtual Product Sourcing Platform, from October 2 to March 2021.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC nationals, visa holders to leave, enter Saudi Arabia as of Sept. 15

The Saudi Ministry of Interior said that the GCC citizens and non-Saudis, who hold valid exit and re-entry, work, residence or visit visas will be allowed to leave and re-enter the Kingdom starting from Tuesday, Sept. 15. The GCC citizens and non-Saudis will be allowed to leave and re-enter the Kingdom, on condition of adhering to the coronavirus-related health precautions.

Source: [Argaam](#)

Saudi Arabia to allow citizens to exit, re-enter Kingdom from Jan. 1, 2021

Saudi Arabia will lift all bans on the arrivals and departures of its citizens, and reopen its land, sea and air ports for the transit of all means of transport starting from January 1, 2021. The Kingdom will announce the date of lifting suspension 30 days before Jan. 1, 2021. The Ministry of Health is authorized to require certain health and preventive measures for passengers.

Source: [Argaam](#)

Saudi Arabia starts final phase of its mills privatization

Saudi Arabia's state grain buyer SAGO said on Sunday the second and final stage of the bidding process for its mills had started. The kingdom is selling its entire flour milling business, in a long-awaited privatisation that marks one of the first sales of the country's state-owned assets. The sales are part of broader plans to overhaul the economy. The first part of the milling sector privatisation was completed in July with the sale of two milling firms to Saudi and Gulf investors.

Source: [TBS](#)

Why the Ministry of Industry will supervise petrochemical sector

King Salman has issued a royal order authorizing the Ministry of Industry and Mineral Resources to supervise the petrochemical sector. This comes a year after the establishment of the Ministry of Industry and Mineral Resources, which was separated from the Ministry of Energy. Since the launch of Vision 2030 in April 2016, some ministries and government agencies have been restructured to meet the objectives of promoting non-oil income and the petrochemical sector as a primary part of Saudi industry. To this end, the oil, gas, petrochemical, energy, electricity, industry and mineral resources sectors were placed under a single portfolio in Saudi Arabia.

Source: [Arab News](#)

GCC retailers see 500% spike in online sales due to COVID-19

The coronavirus pandemic has transformed the consumer behaviour across the globe and retailers in the Gulf Cooperation Council (GCC) who have been quick to innovate are now reaping the rewards, industry sources confirmed during a forum. At an Omnichannel e-forum by RetailME, some merchants said they've seen their sales go up after they made a shift to the digital space, and the increase in e-transactions has more than made up for the lost revenues at the physical stores.

Source: [Zawya](#)

Saudi Arabia to lift ban on international flights from January 1st

The Kingdom of Saudi Arabia will allow its citizens to exit and re-enter the Kingdom through all land, sea, and air ports after January 1, 2021, provided that all coronavirus-related precautionary measures are followed, the Saudi Press Agency reported on Sunday. An official source of the Saudi Ministry of Interior announced today that a royal approval has stated that lifting of complete restrictions, previously imposed due to the spread of coronavirus COVID-19, on the departure and return of citizens to and from the Kingdom and allowing the opening of air, sea and land outlets will take place after the first of January 2021.

Source: [WAM](#)

Saudi Arabia's BinDawood grocery retailer to raise as much as \$585m from IPO

Saudi Arabia's grocery retailer BinDawood Holding Company set a price range of 84 riyals to 96 riyals (Dh82.2-Dh94) per share for its initial public offering on the Saudi Stock Exchange. The kingdom's third-biggest grocery retailer, which announced its listing plans last month, may raise as much as \$585 million (Dh2.14 billion) from the share sale that starts on September 13, the company said in a statement. Its existing shareholders will sell 22.86 million shares, for about 20 per cent of the total.

Source: [TN](#)

Abu Dhabi \$5bln multi-tranche bonds listed on ADX

The Abu Dhabi Securities Exchange Sunday started listing of the Emirate of Abu Dhabi Global Medium Term Note Programme total amount of US\$5,000,000,000 in three tranches. The listing, announced on ADX's website today, is part of Abu Dhabi's strategy aimed to optimise the capital structure of the emirate, tapping into diverse funding sources while maintaining the current high credit ratings.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Retirees might want to rethink their reliance on Treasuries for income

The yield on 10-year Treasury bonds, and those with shorter durations, is below 1%. If inflation is above what you're earning in Treasuries, that part of your portfolio loses buying power. There could be a better way to allocate your portfolio to ensure the value of your assets isn't eroding.

Source: [CNBC](#)

'Mulan' brings in \$23.2 million during lackluster opening weekend in China

Disney had high hopes that "Mulan" would thrive in China, but the live-action remake of the beloved animated film didn't make quite the splash that was expected. Heading into the weekend, the film's perception with the public had been marred by calls for boycotts and a smattering of poor reviews. In the end, it tallied just over \$23 million during the three-day weekend, less than the \$30 million that Christopher Nolan's "Tenet" hauled in from China during its opening weekend a week ago.

Source: [CNBC](#)

Asian shares buoyed by coronavirus vaccine hopes

Asian shares firmed on Monday on renewed hopes for a coronavirus vaccine after AstraZeneca resumed its phase-3 trial though sentiment was still cautious ahead of a big week of central bank meetings in UK, Japan and the United States.

Source: [Reuters](#)

Dow Jones Futures Rise But Stock Market Rally Livin' On The Edge; Nvidia-Arm Deal, TikTok News In Focus

Dow Jones futures rose solidly Sunday night, along with S&P 500 futures and Nasdaq futures, amid several big merger deals and coronavirus vaccine news. The stock market rally is still in force, but it's livin' on the edge following a second week of violent selling. The Nasdaq composite ended last week below its 50-day moving average. Apple (AAPL) and Tesla stock, among the market rally's big winners, especially in the final weeks to the top, sold off hard. Shopify (SHOP), DocuSign (DOCU) and Microsoft (MSFT) are below their 50-day lines.

Source: [Investors](#)

COMMODITIES NEWS

Oil mixed as storm threatens U.S. gulf production

Oil prices were mixed on Monday with U.S. crude rising as a tropical storm in the Gulf of Mexico forced rigs to shut down, but the gains were kept in check by wider concerns about excess supply and falling demand for fuels. U.S. West Texas Intermediate (WTI) crude futures CLc1 were up 9 cents, or 0.2%, at \$37.42 a barrel by around 0050 GMT. Brent crude LCOc1 was down 3 cents at \$39.80 a barrel. Both contracts ended last week lower, a second consecutive week of declines.

Source: [Reuters](#)