

U Capital Morning Brief

20 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	804.12	0.54	0.07%	-4.68%	7.30	0.75	7.4%
U Capital GCC 50 Index	1,302.37	3.15	0.24%	-6.04%	21.38	2.22	4.1%
U Capital MENA 200 Index	1,020.50	5.97	0.59%	-6.44%	16.43	1.76	4.6%
MSCI GCC Countries Index	525.46	0.00	0.00%	-7.77%	18.80	1.79	3.3%
Muscat Securities Market	3,647.71	-14.80	-0.40%	-8.38%	10.83	0.74	6.7%
Saudi Stock Exchange	8,337.88	26.67	0.32%	-0.61%	30.37	2.03	2.5%
Kuwait Stock Exchange	6,551.20	62.93	0.97%	-9.70%	29.24	1.37	3.6%
Qatar Exchange	9,942.06	0.63	0.01%	-4.64%	16.18	1.49	4.0%
Bahrain Stock Exchange	1,435.25	17.42	1.23%	-10.86%	13.36	0.90	4.8%
Dubai Financial Market	2,320.87	19.74	0.86%	-16.06%	8.78	0.82	4.2%
Abu Dhabi Exchange	4,510.60	5.27	0.12%	-11.13%	16.46	1.30	5.4%
Tunis Se Index	6,881.57	27.89	0.41%	-3.38%	20.46	2.28	0.6%
EGX 30 Index	11,050.89	-37.31	-0.34%	-20.85%	11.52	1.48	2.9%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	6,007.1	-0.71%	-20.36%	Australian Dollar (AUD)	0.729	1.372
DAX	Germany	13,116.3	-0.70%	-1.00%	British Pound (GBP)	1.292	0.774
CAC 40	France	4,978.2	-1.22%	-16.73%	Canadian Dollar (CAD)	0.757	1.320
United States					Chinese Renminbi (CNH)	0.148	6.779
DJIA	USA	27,657.4	-0.88%	-3.09%	Egyptian Pound (EGP)	0.064	15.757
S&P 500	USA	3,319.5	-1.12%	2.75%	Euro (EUR)	1.184	0.845
NASDAQ	USA	10,793.3	-1.07%	20.29%	Indian Rupee (INR)	0.014	73.450
Asia Pacific					Japanese Yen (JPY)	0.010	104.570
NIKKEI 225	Japan	23,360.3	0.18%	-1.25%	New Zealand Dollar (NZD)	0.676	1.479
HANG SENG	Hongkong	24,455.4	0.47%	-13.25%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	42,504.8	0.40%	4.34%	Pakistani Rupee (PKR)	0.602	165.700
NSE Nifty 50	India	11,505.0	-0.10%	-5.45%	Russian Ruble (RUB)	0.013	75.730
SHANGHAI COMPOSITE	China	3,338.1	2.07%	9.44%	Singapore Dollar (SGD)	0.735	1.360
SHANGHAI SHENZHEN CSI 300	China	4,737.1	2.25%	15.64%	Turkish Lira (TRY)	0.132	7.563

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	0.44	-80.0%
Brent Crude (per bbl)	43.2	-0.35%	-29.97%	Saudi Arabia	0.88	-60.7%
WTI Crude (per bbl)	41.1	0.34%	-32.67%	Kuwait	1.63	-40.9%
Oman Crude Oil (Last Closing)	42.7	-1.02%	-36.67%	Oman	2.64	-6.1%
OPEC (per bbl)	42.1	1.89%	-38.10%	Qatar	0.88	-61.1%
Precious Metals				Bahrain	2.28	-14.4%
Gold100 OZ (per oz)	1,950.9	0.33%	28.58%			
Silver (per oz)	26.8	-0.93%	50.03%			
Platinum (per oz)	931.2	-0.90%	-3.66%			
Other Metals						
Copper, MT	6,813	0.47%	10.34%			
Aluminium, MT	1,793	0.65%	-0.97%			
Lead, MT	1,913	0.16%	-0.73%			
Zinc, MT	2,538	0.95%	11.71%			

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.40
UAE	16/04/2030	1.70
QATAR	16/04/2030	1.89
SAUDI ARABIA	22/10/2030	2.25
OMAN	01/08/2029	6.47
BAHRAIN	14/05/2030	5.56

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.89	0.2	1m	0.16	-91.2%
5 year	99.84	0.3	3m	0.23	-88.2%
10 year	99.34	0.7	6m	0.28	-85.6%
30 year	98.11	1.5	1 year	0.37	-81.3%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Financial sector sell-off pulls down MSM

MSM30 ended the week down by 1.05 per cent, led by Financial Index which was down by 1.29 per cent. Other sub-indices were higher w-o-w. The Industrial index and Services Index were higher by 0.08 per cent and 0.10 per cent, respectively. Traded value during the week was higher on w-o-w basis by 2.2 per cent. Last week MSM announced the revised list of Shariah Compliant Companies. Twenty companies are Shariah compliant and the changes were: Included — Oman Education & Training, Oman Packaging, and Gulf Mushroom; Excluded — Oman Cables, Shell Oman and Salalah Port Services.

Source: [Oman Observer](#)

Investments in Raysut Industrial City soar to RO 438m

Dr Rahma bint Ibrahim al Mahrouqiyah, Minister of Higher Education, Scientific Research and Innovation, visited recently Raysut Industrial City, which falls under the umbrella of the Public Establishment for Industrial Estates (Madayn). The minister was introduced to the industries based at Raysut Industrial City and discussed topics related to scientific research, innovation, and technical and vocational training.

Source: [Oman Observer](#)

SalamAir hit hard by virus lockdown: CEO

SalamAir, the sultanate's low-cost carrier, like other companies in the global airline industry, has been gravely affected by the COVID-19 pandemic and lockdown, according to the chief executive officer Mohammed Ahmed. However, since SalamAir is a small airline, it has been easier for the company to manage the coronavirus crisis compared to the major airlines in the region, Ahmed said in a statement to Oman News Agency.

Source: [Muscat Daily](#)

Oman to venture into oxo chemicals production

The Sultanate's longstanding ambitions to add oxo chemicals — intermediate chemicals used in the manufacture of a wide array of products of everyday use — to its domestic production capabilities are set to become a reality. It follows a decision by OQ (formerly Oman Oil & Orpic Group), the wholly Omani government-owned integrated energy flagship of the Sultanate, to licence the domestic production of oxo chemicals for the first time in Oman.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

SGS signs SAR 1.5 bln credit facilities with Bank Albilad, NCB

Saudi Ground Services Co. (SGS) signed two credit facility agreements worth SAR 1.5 billion with Bank Albilad and National Commercial Bank (NCB), the firm said in separate bourse statements on Thursday, Sept. 17. Both agreements provide SGS a reserve source of liquidity, as the ground services handling firm will be able to draw down cash upon request at a maximum limit of SAR 750 million with Bank Albilad and SAR 750 million with NCB.

Source: [Argaam](#)

Zain KSA shareholders to vote on 23% capital reduction on Oct. 8

Shareholders of Mobile Telecommunication Company Saudi Arabia (Zain KSA) will vote on a 23% capital cut to SAR 4.487 billion from SAR 5.837 billion in the extraordinary general meeting (EGM) to be held on Oct. 8, the company said in a statement to Tadawul on Thursday. The capital will be reduced through writing off 135 million shares, in order to offset accumulated losses.

Source: [Argaam](#)

Details for privatization of 38 Saudi govt authorities in 24 months set

The amended rules and regulations for the work bylaws of the supervisory committees for the sectors targeted for privatization have revealed that 38 government authorities will be prepared within two years (24 months) for their privatization, in addition to the education universities and specialist hospitals, according to Okaz, which went through these amended rules.

Source: [Saudi Gazette](#)

Bahrain banks' asset quality to dwindle but remain contained for now: S&P

Property prices in Bahrain will fall at an accelerated pace while banks will face pressure on profits towards the end of 2020 due to the coronavirus pandemic and low oil prices, according to a new analysis. However, such deterioration, including a

potential decline in asset quality indicators, will remain “broadly manageable” even under a base-case scenario, ratings agency S&P said on Thursday.

Source: [Zawya](#)

Deal signed to set-up first factory in Qatar to assemble electric vehicles

Qatar Free Zones Authority announced the signing of an agreement to establish the first factory to assemble electric vehicles in Ras Bufontas Free Zone, with “Gaussin Advance Mobility” Company. The 20 million euros joint venture between the French Gaussin Company and Al Attiya Motors and Trading Company, is set to assemble electric vehicles and accelerate the deployment of emission-free vehicles.

Source: [TPQ](#)

UAE’s hotels can do with some tax relief

In the UAE, staycations have been the main alternative to travel as the lockdown was eased. With a few remaining restrictions on mobility, one can get into a car and drive to a remote resort in the middle of the desert, or to a beach resort that may even boast of exclusive water villas. While this is the only travel alternative for those who are willing to take the risk of moving, with face masks and social distancing, it also is a way to partially make up for tourism-generated revenues. Aviation and tourism are after all responsible for more than 13 per cent of the UAE’s GDP, according to the International Air Transport Association (IATA).

Source: [Gulf News](#)

UAE consumer spending is back where cashless is king

While there are signs of recovery in hospitality, and the food and beverage (F&B) sectors, it’s really digital spending boosting those numbers 63% increase in consumer spending across the UAE for the third consecutive month in August. Spending on restaurants increased by 75% in August, while the apparel sector recorded a 78% rise in expenditure. 9 out of 10 consumers in the UAE (90%) have changed how they pay for purchases due to COVID-19.

Source: [AME Info](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

AstraZeneca says COVID-19 vaccine trial in U.S still on hold

AstraZeneca Plc AZN.L said on Saturday that its COVID-19 vaccine trial in the United States is still on hold. AstraZeneca on Saturday published a document bit.ly/2FNcqu7 describing details of how the COVID-19 vaccine trial was being carried out, which was first reported by the New York Times.

Source: [Reuters](#)

Trump agrees to deal in which TikTok will partner with Oracle and Walmart

Trump said he has given his blessing to a deal in which Oracle and Walmart would partner with TikTok in the U.S. Oracle will become TikTok’s cloud provider and a minority investor with a 12.5% stake. Walmart has tentatively agreed to a purchase 7.5% stake, and CEO Doug McMillon would serve as one of the five board members of the newly created company. TikTok’s Chinese parent company ByteDance will own the remaining 80% of TikTok, according to a person familiar with the matter.

Source: [CNBC](#)

Apple has quietly dropped 22% from its peak, giving up \$500 billion in market cap

The tech giant has plunged 22.6% from its intraday record high of \$137.98 from Sept. 2, losing around \$532 billion in market value. The Tim Cook-led giant on Tuesday announced a bunch of new hardware and some updated software, but did not introduce a new iPhone. Apple’s weakness in the past few weeks also came amid a broad sell-off in the tech sector as investors rotated out of the market-leading high-fliers.

Source: [CNBC](#)

COMMODITIES NEWS

The next wave of the global recovery could send commodity prices soaring

The next phase of the economic recovery is likely to be driven by commodity-intensive infrastructure investment, analysts have told CNBC. It comes at a time when market participants are closely monitoring the strength of the global economic recovery, as many countries grapple with an upsurge in the number of reported Covid-19 infections. “I’m watching things like iron ore very closely now because those sorts of industrial commodities are going to skyrocket if we do get this bounce-back driven by infrastructure and then that will filter into oil,” Andy Critchlow, head of news in EMEA at S&P Global Platts, told CNBC.

Source: [CNBC](#)



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