

U Capital Morning Brief

6 October 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	798.82	6.45	0.81%	-5.30%	7.20	0.74	7.4%
U Capital GCC 50 Index	1,290.84	6.98	0.54%	-6.87%	20.95	2.23	4.1%
U Capital MENA 200 Index	1,013.55	4.38	0.43%	-7.08%	13.99	1.75	4.6%
MSCI GCC Countries Index	520.31	2.89	0.56%	-8.67%	18.63	1.77	3.2%
Muscat Securities Market	3,592.69	-2.42	-0.07%	-9.76%	10.67	0.72	6.8%
Saudi Stock Exchange	8,257.67	79.91	0.98%	-1.57%	29.67	2.01	2.4%
Kuwait Stock Exchange	6,732.10	4.30	0.06%	-7.20%	30.07	1.41	3.5%
Qatar Exchange	9,956.66	3.15	0.03%	-4.50%	16.07	1.50	4.0%
Bahrain Stock Exchange	1,440.60	4.31	0.30%	-10.53%	13.41	0.90	4.7%
Dubai Financial Market	2,224.68	-19.95	-0.89%	-19.54%	8.41	0.79	4.3%
Abu Dhabi Exchange	4,487.74	-5.16	-0.11%	-11.58%	16.38	1.29	5.4%
Tunis Se Index	6,687.17	119.34	1.82%	-6.11%	19.96	2.21	0.7%
EGX 30 Index	11,007.69	-63.77	-0.58%	-21.16%	11.74	1.51	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,942.9	0.69%	-21.21%
DAX	Germany	12,828.3	1.10%	-3.18%
CAC 40	France	4,871.9	0.97%	-18.50%
United States				
DJIA	USA	28,148.6	1.68%	-1.37%
S&P 500	USA	3,408.6	1.80%	5.50%
NASDAQ	USA	11,332.5	2.32%	26.30%
Asia Pacific				
NIKKEI 225	Japan	23,414.3	0.45%	-1.02%
HANG SENG	Hongkong	23,943.9	0.72%	-15.06%
KSE 100 Index	Pakistan	38,655.5	-1.08%	-5.11%
NSE Nifty 50	India	11,603.4	0.87%	-4.64%
SHANGHAI COMPOSITE	China	3,218.1	-0.20%	5.51%
SHANGHAI SHENZHEN CSI 300	China	4,587.4	-0.10%	11.98%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.717	1.394
British Pound (GBP)	1.299	0.770
Canadian Dollar (CAD)	0.754	1.326
Chinese Renminbi (CNH)	0.149	6.728
Egyptian Pound (EGP)	0.064	15.736
Euro (EUR)	1.179	0.848
Indian Rupee (INR)	0.014	73.299
Japanese Yen (JPY)	0.009	105.650
New Zealand Dollar (NZD)	0.664	1.506
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.610	164.261
Russian Ruble (RUB)	0.013	78.104
Singapore Dollar (SGD)	0.735	1.360
Turkish Lira (TRY)	0.129	7.754

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	41.5	0.36%	-32.29%
WTI Crude (per bbl)	39.3	0.31%	-35.57%
Oman Crude Oil (Last Closing)	40.6	5.32%	-39.77%
OPEC (per bbl)	38.1	-4.63%	-43.95%
Precious Metals			
Gold 100 OZ (per oz)	1,910.8	-0.14%	25.93%
Silver (per oz)	24.3	-0.39%	36.03%
Platinum (per oz)	897.6	-0.29%	-7.14%
Other Metals			
Copper, MT	6,529	-0.37%	5.74%
Aluminium, MT	1,776	0.45%	-1.88%
Lead, MT	1,757	-0.85%	-8.85%
Zinc, MT	2,327	-0.02%	2.40%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.51	-76.8%
Saudi Arabia	0.87	-61.1%
Kuwait	1.56	-43.2%
Oman	2.67	-5.1%
Qatar	1.14	-49.3%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.38
UAE	16/04/2030	1.72
QATAR	16/04/2030	1.85
SAUDI ARABIA	22/10/2030	2.13
OMAN	01/08/2029	6.96
BAHRAIN	14/05/2030	5.88

Midswaps	Price	YTM %
3 year	99.85	0.2
5 year	99.66	0.3
10 year	98.69	0.8
30 year	95.16	1.6

USD Libor	Rate (%)	YTD
1m	0.14	-92.1%
3m	0.23	-87.8%
6m	0.24	-87.2%
1 year	0.36	-82.1%

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 signs deal with Swedish firm to tap Mafrag's heavy oil potential

Dr Mohammed bin Hamad al Rumhy, Minister of Energy and Minerals, signed a new Exploration and Production Sharing Agreement (EPSA) with Maha Energy (Oman) Limited, a wholly-owned subsidiary of Sweden's Maha Energy AB, covering the exploration and development of hydrocarbons in Block 70 in central Oman. Signing on behalf of the Swedish firm was Talal bin Saif al Subhi, representing Maha Energy (Oman) Limited.

Source: [Oman Observer](#)

Crude oil production falls 7.5 per cent at end of August 2020 in the Sultanate

The Sultanate's oil production, including condensates, stood at 233.57 million barrels until the end of August 2020, according to the latest data released by the National Centre for Statistics and Information (NCSI). Of the total production, crude oil production fell by 7.5% at 190.91 million barrels while condensates production rose by 45.2% to touch 42.66 million barrels. Oman recorded a daily average crude oil production of 957,300 barrels at the end of August 2020, against 970,500 barrels over the same period of 2019, the NCSI report added.

Source: [Times of Oman](#)

Omantel inaugurates Oman's first international data centre

Taking yet another major technological stride that will further revolutionise the future of telecommunications in Oman and the Middle East region, Omantel has announced the opening of MC1, an international data centre built in collaboration with Equinix – the world's digital infrastructure company. The facility is the first world-class, carrier-neutral hub in Oman where carriers, content providers and cloud providers can colocate their critical IT infrastructure.

Source: [Times of Oman](#)

Oman's be'ah weighs waste-to-energy options to support PDO's EOR operations

Oman Environmental Services Holding Company (be'ah) — the Sultanate's solid waste management flagship — says it has finalised a feasibility study into Waste-to-Energy (WTE) options aimed at generating high pressure steam for the Enhanced Oil Recovery (EOR) operations of Petroleum Development Oman (PDO). The study envisions multiple scenarios for utilising power and steam recovered from incinerating an estimated 960,000 tonnes of waste per annum, wholly government-run be'ah stated in its 2019 Annual Report.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

UAE non-oil economy: Corporates are optimistic; recovery remains on-track

The UAE's non-oil private sector economy saw a renewed improvement in September with its headline Purchasing Managers' Index (PMI) reading back in expansionary territory. The IHS Markit UAE PMI posted its reading at 51 in September, the highest for 11 months, strengthened by a faster increase in output levels and an additional rise in new work. "This marks another data point which signals that the recovery remains on-track, notwithstanding a recent resurgence of the virus," Ehsan Khoman, Head of MENA Research and Strategy at MUFG told Zawya.

Source: [Zawya](#)

Kuwait central bank forms Higher Committee of Shariah Supervision

The Central Bank of Kuwait (CBK) has approved the establishment of a Higher Committee of Shariah Supervision to underpin the governance of Shariah supervision and compliance in Islamic finance and banking institutions based on international best practices. The committee will play a key role in making suggestions and proposals to CBK based on Shariah compliance of its financial transactions with Islamic banks and financial institutions, a statement from the CBK said.

Source: [Zawya](#)

UAE Central Bank partners with Dubai Department of Finance to facilitate user payments

The Central Bank of the UAE joined forces with Dubai's Department of Finance to help Dubai government entities to digitise fee payments owed by the consumers of Dubai government entities. As part of the agreement, government entities in Dubai and their customers can now access the central bank's direct debit service to facilitate customers' payments through different banks in the UAE. This agreement will "advance the UAE's digital transformation strategy for public services", the central bank said in a statement on Monday.

Source: [The National](#)

IFC to grow investments in Middle East and Africa amid Covid-19 and low oil prices

The International Finance Corporation (IFC) is planning to increase its investments in the Middle East and Africa region during its 2021 fiscal year to support private sector projects amid a weaker economic environment resulting from the Covid-19 pandemic and lower oil prices. The corporation, a part of the World Bank Group, invested more than \$5.6 billion in the region during its 2020 financial year, which ended on June 30. Vice president Sérgio Pimenta did not give a figure for 2021 but said it would be higher than last year.

Source: [The National](#)

Abu Dhabi's IHC and Dal Group to invest \$225m in farmland in Sudan

Abu Dhabi-based International Holdings Company is entering into a partnership to develop and cultivate over 100,000 acres of farmland in Sudan, with a total investment of \$225 million. The agreement between its subsidiary IHC Food Holding and Sudan's Dal Group will lead to 5,000 new jobs being created and generate \$1 billion in export revenues for the North African state over the next 10 years, the two companies said in a statement on Monday.

Source: [The National](#)

Mawani starts operation, development of container terminals at King Abdulaziz Port

Saudi Ports Authority (Mawani) announced the actual execution of the largest BOT agreement in Saudi Arabia to operate and develop the container terminals at King Abdulaziz Port in Dammam. The agreement, which was signed last April with Saudi Global Ports Company (SGP), is the largest investment in marine ports by a single operator, under public-private partnership (PPP) in the Kingdom, Mawani added in a statement.

Source: [Argaam](#)

CMA green lights SAFCO's capital hike to acquire SABIC Agri-Nutrients

The Capital Market Authority (CMA) approved a request from Saudi Arabian Fertilizer Co. (SAFCO) to increase its capital from SAR 4.17 billion to SAR 4.76 billion through issuing 59.4 million ordinary shares to acquire SABIC Agri-Nutrients Investment Co. (SANIC), the market regulator said in a statement. The shareholder circular related to SAFCO's capital increase will be published within sufficient time before the extraordinary general meeting.

Source: [Argaam](#)

Lebanon's PMI increased in September, but business conditions remain poor

Business conditions in Lebanon as indicated by the seasonally adjusted IHS Markit Purchasing Managers' Index (PMI) continued to plunge in September, but at a slower pace than in August. September's PMI reading of 42.1 was an improvement over August's 40.1, but it nevertheless marked a continued deterioration in Lebanon's private-sector business conditions. The latest downturn was partially driven by a further decline in output at the end of the third quarter.

Source: [Zawya](#)

Saudi Arabia to localize communications, IT jobs in private sector: HR Minister

Saudi Arabia's Minister of Human Resource and Social Development Ahmed bin Sulaiman Al-Rajhi issued a decision to localize the professions of communications and information technology in private sector entities. The decision applies to all establishments with five or more workers, with jobs in communications, information technology engineering, application development, programming and analysis, technical support and telecommunications technical, the ministry said in a statement.

Source: [Argaam](#)

With GCC projects worth \$2.7bln, SP International eyes regional expansion

The Shapoorji Pallonji Group, a business conglomerate with interests in construction, real estate, energy, engineered goods, shipping and biotechnology, is fast expanding its operations in the Gulf region, including in Saudi Arabia. Shapoorji Pallonji International (SP International), the international construction arm of Shapoorji Pallonji and Company Private Limited (SPCPL), has cumulative project orders worth \$2.7 billion in the GCC countries alone. Mohan Dass Saini, CEO and managing director of SP International, said SPCPL's total order backlog globally stands at \$15 billion as of September 2020.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

European markets head for slightly higher open after Trump returns to the White House

President Donald Trump left Walter Reed National Military Medical Center on Monday to return to the White House, where he will continue to be treated for the coronavirus even as he looks to restart his reelection campaign. Trump, dressed in a dark suit and blue tie and wearing what appeared to be a surgical face mask, tapped a handrail as he descended the steps on

his own outside the hospital. He took no questions from the gaggle of reporters waiting for him, but said “thank you very much” as he walked by. He then stepped into a black SUV, which drove him to his helicopter, Marine One.

Source: [CNBC](#)

U.S. commercial bankruptcies up 33% year to date

U.S. commercial bankruptcy filings are up 33% so far this year with new cases in September surging by 78% from a year earlier as the recession triggered by the COVID-19 pandemic hits small businesses, data released on Monday showed. Filings by individuals, however, are lower so far this year courtesy of government relief efforts. Chapter 11 bankruptcy filings totaled 747 last month, up from 420 a year earlier and from 525 in August, legal services firm Epiq said in a monthly report. Year-to-date filings total 5,529, a third higher than in the first three quarters of 2019.

Source: [Reuters](#)

Asian stocks at two-week high as Trump leaves hospital

Asian stock markets advanced to a more than two-week high on Tuesday after U.S. President Donald Trump was discharged from hospital following treatment for COVID-19, and as prospects for a fresh U.S. stimulus package appeared to brighten. European equities looked set to follow, with Euro Stoxx 50 futures rising 0.25%, German DAX futures up 0.2%, and FTSE futures edging up 0.06%. Wall Street had earlier rallied on Trump’s improving health, and futures indicated that European stocks were set to follow suit.

Source: [Reuters](#)

Dollar dips as risk sentiment lifted by stimulus hopes

The safe-haven U.S. dollar dipped on Monday and riskier currencies outperformed on optimism that U.S. lawmakers will agree on new stimulus to blunt the economic impact of the coronavirus, while investors awaited updates on the severity of President Donald Trump’s COVID-19 symptoms. Stocks rallied on Monday on the stimulus hopes and as Trump said he would be discharged from the hospital where he in his fourth day of treatment for the virus.

Source: [CNBC](#)

Pelosi, Mnuchin talk coronavirus aid as presidential illness complicates picture

U.S. House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin spoke by phone for about an hour on Monday on coronavirus economic relief and were preparing to talk again Tuesday, continuing their recent flurry of activity working towards a deal on legislation. “The two discussed the justifications for various numbers and plan to exchange paper today in preparation for another phone call tomorrow,” Pelosi’s spokesman Drew Hammill wrote on Twitter.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices edge up after Trump's return to White House

Oil prices rose on Tuesday following U.S. President Donald Trump’s return to the White House from hospital after being treated for COVID-19 last Friday, while another storm brewing in the U.S. Gulf of Mexico posed a threat to refineries. Prices fell sharply last Friday when Trump went into hospital, then climbed more than 5% on Monday after he said he would return to the White House and as hopes grew that a deal could be agreed for a U.S. economic stimulus package to counter the impact of the coronavirus pandemic.

Source: [Reuters](#)

Gold eases after Trump’s discharge, weaker dollar cushions decline

Gold prices dipped on Tuesday, as equities gained following U.S. President Donald Trump’s discharge from hospital after treatment for a coronavirus infection, though a softer dollar limited losses. Spot gold fell 0.1% to \$1,910.68 per ounce by 0512 GMT. It had hit \$1,918.36 on Monday, its highest since September 22.

Source: [CNBC](#)



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