

U Capital Morning Brief

23 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	802.32	3.50	0.44%	-4.89%	7.25	0.74	7.4%
U Capital GCC 50 Index	1,285.90	-4.26	-0.33%	-7.23%	21.35	2.20	4.1%
U Capital MENA 200 Index	1,012.53	-1.66	-0.16%	-7.17%	14.16	1.75	4.6%
MSCI GCC Countries Index	520.78	-0.99	-0.19%	-8.59%	18.65	1.78	3.3%
Muscat Securities Market	3,626.77	0.50	0.01%	-8.90%	10.77	0.73	6.7%
Saudi Stock Exchange	8,244.82	-46.53	-0.56%	-1.72%	30.06	2.01	2.5%
Kuwait Stock Exchange	6,708.29	52.96	0.80%	-7.53%	29.94	1.41	3.5%
Qatar Exchange	9,841.32	76.93	0.79%	-5.60%	16.02	1.48	4.1%
Bahrain Stock Exchange	1,442.81	2.41	0.17%	-10.39%	13.44	0.90	4.8%
Dubai Financial Market	2,264.22	-5.83	-0.26%	-18.11%	8.56	0.80	4.3%
Abu Dhabi Exchange	4,498.23	6.04	0.13%	-11.38%	16.42	1.30	5.4%
Tunis Se Index	6,811.12	-36.23	-0.53%	-4.37%	20.22	2.26	0.7%
EGX 30 Index	10,963.01	52.64	0.48%	-21.48%	11.42	1.47	2.9%

World Markets	Country	Value	D/D	YTD
Europe				
FTSE 100	UK	5,829.5	0.43%	-22.71%
DAX	Germany	12,594.4	0.41%	-4.94%
CAC 40	France	4,772.8	-0.40%	-20.16%
United States				
DIJA	USA	27,288.2	0.52%	-4.38%
S&P 500	USA	3,315.6	1.05%	2.62%
NASDAQ	USA	10,963.6	1.71%	22.19%
Asia Pacific				
NIKKEI 225	Japan	23,280.2	-0.34%	-1.59%
HANG SENG	Hongkong	23,756.7	0.17%	-15.73%
KSE 100 Index	Pakistan	41,800.8	-0.05%	2.62%
NSE Nifty 50	India	11,230.3	0.69%	-7.71%
SHANGHAI COMPOSITE	China	3,279.0	0.14%	7.50%
SHANGHAI SHENZHEN CSI 300	China	4,649.3	0.29%	13.49%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.713	1.402
British Pound (GBP)	1.272	0.786
Canadian Dollar (CAD)	0.751	1.332
Chinese Renminbi (CNH)	0.147	6.796
Egyptian Pound (EGP)	0.064	15.741
Euro (EUR)	1.168	0.856
Indian Rupee (INR)	0.014	73.556
Japanese Yen (JPY)	0.010	105.110
New Zealand Dollar (NZD)	0.661	1.512
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.602	166.050
Russian Ruble (RUB)	0.013	76.098
Singapore Dollar (SGD)	0.732	1.366
Turkish Lira (TRY)	0.130	7.665

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	41.5	-0.60%	-32.70%
WTI Crude (per bbl)	39.5	-0.78%	-35.33%
Oman Crude Oil (Last Closing)	41.3	0.78%	-38.79%
OPEC (per bbl)	41.5	-3.47%	-38.95%
Precious Metals			
Gold 100 OZ (per oz)	1,887.0	-0.72%	24.37%
Silver (per oz)	23.6	-3.45%	32.16%
Platinum (per oz)	870.0	-0.05%	-9.99%
Other Metals			
Copper, MT	6,780	1.32%	9.82%
Aluminium, MT	1,777	-0.17%	-1.85%
Lead, MT	1,884	-0.24%	-2.23%
Zinc, MT	2,465	0.24%	8.47%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.52	-76.6%
Saudi Arabia	0.87	-60.9%
Kuwait	1.63	-40.9%
Oman	2.64	-6.2%
Qatar	1.03	-54.1%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.46
UAE	16/04/2030	1.73
QATAR	16/04/2030	1.94
SAUDI ARABIA	22/10/2030	2.34
OMAN	01/08/2029	6.92
BAHRAIN	14/05/2030	5.77

Midswaps	Price	YTM %
3 year	99.92	0.2
5 year	99.93	0.3
10 year	99.58	0.7
30 year	98.92	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.4%
3m	0.22	-88.3%
6m	0.27	-85.7%
1 year	0.38	-81.0%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Real estate deals dip 7.3% in August

The total value of property transactions in the Sultanate at the end of August 2020 fell 7.3 per cent to reach OMR1,527.6 million from OMR1,647.4 million for the same period of 2019, as indicated by the preliminary statistics issued by the National Centre for Statistics and Information (NCSI). The number of plots issued at the end of August 2020 was 107,192, which is a decline of 24 per cent compared to the end of August 2019, when 140,952 plots were issued.

Source: [Times of Oman](#)

Ministry signs agreement to support Oman's honey industry

An agreement was inked between Oman's Ministry of Agriculture, Fisheries and Water Resources (MAFWR) and Oman India Fertiliser Company (OIFC) to support the honey industries in the Sultanate. The pact was signed in cooperation with the Office of the Food and Agriculture Organisation of the United Nations (FAO) and the Small and Medium Enterprises Development Authority (SMEDA).

Source: [Times of Oman](#)

CBO issues treasury bills worth OMR10 million

Central Bank of Oman raised OMR10 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from September 23 until December 23, 2020. The average accepted price reached 99.804 for every OMR100 while the minimum accepted price arrived at 99.800 per OMR100. The average discount rate and the average yield reached 0.78816 per cent and 0.78971 per cent, respectively. Note that the interest rate on the Repo operations with CBO is 0.5 per cent while the discount rate on the Treasury Bills Discounting Facility with CBO is 1 per cent.

Source: [Times of Oman](#)

Sultanate succeeds in issuing RO 200m sovereign bonds

The Ministry of Finance has reaffirmed that the Sultanate concluded with success the issuance of local sovereign bonds to the tune of RO 200 million within the context of the Government's plan to fund the State's general budget for 2020. The Ministry said in a statement today that the bonds were listed on Muscat Securities Market (MSM) and that they are available for trading, carrying an annual profit rate of 5.25% for a period of 6 years.

Source: [Oman Observer](#)

Alizz Islamic Bank completes merger process with Al Yusr

Alizz Islamic Bank on Tuesday announced the successful completion of the merger process with Oman Arab Bank's (OAB) Islamic banking window. In a press statement, Alizz Islamic Bank said it has successfully completed all the processes related to the integration of Al Yusr Islamic Banking within Alizz Islamic Bank. This includes the integration and transferring of customers, services, employees, assets, and liabilities from the Al Yusr Islamic Banking window to Alizz Islamic Bank's operating system.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia to allow phased Umrah as of Oct. 4

Saudi Arabia said on Tuesday it would start allowing pilgrims to perform Umrah in gradual stages, while taking the necessary precautions. The Ministry of Interior said the decision was made after assessing the developments of the coronavirus and in response to the desire of Muslims around the world to perform the ritual.

Source: [Arab News](#)

Saudi Arabia witnesses slowdown in FDI on coronavirus pandemic, says Al-Falih

Saudi Arabia has experienced a slowdown in foreign direct investment (FDI) this year due to the global disruption caused by the coronavirus pandemic, Khalid Al-Falih, Minister of Investment, said after the conclusion of the Trade and Investment Ministers meeting. "Saudi Arabia is not isolated from the global community, so we have experienced a slowdown," Al-Falih explained.

Source: [Argaam](#)

Zain KSA issues prospectus for SAR 4.5 bln rights issue

Mobile Telecommunication Company Saudi Arabia (Zain KSA) issued prospectus for its SAR 4.5 billion rights issue, the company said in a bourse filing on Tuesday. Zain KSA set the offering price at SAR 10 a share, to increase capital from SAR 4.48 billion to SAR 8.98 billion, through floating 450 million shares. The rights issue proceeds net of offering fees and costs

will be used for the partial repayment of Murabaha facilities and partial capitalization of the amounts owed by the Saudi operator to Kuwait-based Zain Group.

Source: [Argaam](#)

Insurance stocks are ruling on UAE indices, with Salama leading the pack

Insurance stocks are ruling on UAE indices, with Salama leading the pack UAE investors widely share the view that insurance sector shares have performed outstandingly this year. An analysis of the sector will however throw some interesting findings. Among insurance companies with a market capitalization higher than Dh300 million and a Trailing Twelve Month (TTM) revenue greater than Dh200 million and net profit margin higher than 10 per cent, only two companies delivered 30 per cent plus price gains in the year-to-date (YTD). Or to be precise, a majority did not even give a positive YTD performance.

Source: [Mubasher](#)

Mideast Stocks: Major Gulf indexes end mixed; Egypt snaps losing streak

Major Gulf markets ended mixed on Tuesday, with financial shares weighing on the Saudi index, while property shares boosted Qatar's benchmark. Saudi Arabia's benchmark index fell 0.6%, with Al Rajhi Bank 1120.SE losing 1% and oil giant Saudi Aramco down 0.8%. Dubai's main share index slipped 0.3%, hurt by a 2.3% fall in Emirates NBD Bank and a 0.4% drop in Mashreq Bank.

Source: [Zawya](#)

Creditors take action against Al Jaber in decade-long saga

Creditors have started to enforce claims against Abu Dhabi-based Al Jaber Group, in a dispute triggered by a construction downturn in the UAE more than a decade ago. Al Jaber, a contractor with interests across a range of sectors, has struggled since building up debt in the wake of a UAE real estate crisis and began talks with creditors in 2011.

Source: [Arab News](#)

Moody's downgrades Kuwait's credit rating to A1; changes outlook to stable

Moody's Investors Service, ("Moody's") has downgraded Kuwait's long-term foreign and local currency issuer rating to A1 from Aa2, and changed the outlook to stable, concluding the review for downgrade initiated on 30 March 2020. The decision to downgrade the ratings reflects both the increase in government liquidity risks and a weaker assessment of Kuwait's institutions and governance strength. In the continued absence of legal authorization to issue debt or draw on the sovereign wealth fund assets held in the Future Generations Fund (FGF), available liquid resources are nearing depletion, introducing liquidity risk despite Kuwait's extraordinary fiscal strength. And while the fractious relationship between parliament and the executive is a long-standing constraint on Moody's assessment of institutional strength, the deadlock over the government's medium-term funding strategy and the absence of any meaningful fiscal consolidation measures point to more significant deficiencies in Kuwait's legislative and executive institutions and policy effectiveness than previously assessed.

Source: [Moody's](#)

Suez hits back in takeover fight with promise of \$1.2bn shareholder windfall

French waste and water management firm Suez, subject of a hostile takeover bid from rival Veolia, on Tuesday said it would hand back more than 1 billion euros (\$1.17 billion) to its shareholders by the middle of next year. Veolia last month offered to pay 2.9 billion euros for a 29.9% stake in Suez owned by French conglomerate Engie, with a view to subsequently taking full control of Suez by buying up more shares.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China's online shopping growth stalls — a sign that economic recovery is slow

Online sales growth for consumer goods and services slowed in August. Concerns about employment and income are still an overhang on consumer sentiment, analysts said. As the e-commerce market in China is set to expand longer-term, new shopping platforms like short video and livestreaming app Kuaishou are growing.

Source: [CNBC](#)

Stock futures rise slightly after S&P 500 breaks 4-day losing streak

U.S. stock futures rose slightly in overnight trading on Tuesday after the S&P 500 experienced its first positive day in five. Dow futures rose 115 points. S&P 500 futures rose 0.05% and Nasdaq 100 futures dipped 0.25%. Better-than-expected earnings from Nike and KB Home lifted sentiment on Wall Street after the bell on Tuesday. Nike saw digital sales rise 82%, driving the stock up 6% after hours. Tesla's stock also rose in extended trading after Elon Musk said the electric car maker's deliveries are expected to increase 30% to 40% in 2020.

Source: [CNBC](#)

Asian suppliers' stocks slump on Tesla's aggressive plan to make cheaper batteries

Shares of Asian battery suppliers fell on Wednesday after Tesla Inc TSLA.O unveiled a plan to halve the cost of its electric vehicle batteries and bring more production of the key auto component in-house. The fortunes of battery makers in South Korea, Japan and China are linked to Tesla, the EV market leader, supplying its factories in Nevada and Shanghai.

Source: [Reuters](#)

COMMODITIES NEWS

Oil down after U.S. crude inventories rise against expectations

Oil prices fell on Wednesday after an industry group reported a surprise rise in U.S. crude, adding to worries about demand that led to a steep selloff earlier in the week. Brent crude was trading down 30 cents, or 0.7%, at \$41.42 a barrel by 0347 GMT, after gaining 28 cents on Tuesday, while U.S. crude dropped 34 cents, or 0.9%, to \$39.46. Both contracts fell more than 4% on Monday, the most in two weeks.

Source: [Reuters](#)



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