

U Capital Morning Brief

27 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	801.42	3.85	0.48%	-5.00%	7.26	0.74	7.4%
U Capital GCC 50 Index	1,282.16	-5.09	-0.40%	-7.50%	21.37	2.21	4.1%
U Capital MENA 200 Index	1,007.73	-4.82	-0.48%	-7.61%	14.09	1.73	4.6%
MSCI GCC Countries Index	518.92	-0.01	0.00%	-8.91%	18.58	1.77	3.3%
Muscat Securities Market	3,627.00	5.34	0.15%	-8.90%	10.77	0.73	6.7%
Saudi Stock Exchange	8,236.17	-8.65	-0.10%	-1.82%	30.04	2.01	2.5%
Kuwait Stock Exchange	6,745.63	-18.73	-0.28%	-7.02%	30.10	1.41	3.5%
Qatar Exchange	9,788.29	1.02	0.01%	-6.11%	15.93	1.47	4.1%
Bahrain Stock Exchange	1,450.39	-0.52	-0.04%	-9.92%	13.51	0.91	4.8%
Dubai Financial Market	2,252.25	-33.21	-1.45%	-18.54%	8.52	0.80	4.3%
Abu Dhabi Exchange	4,466.82	-23.41	-0.52%	-12.00%	16.30	1.29	5.5%
Tunis Se Index	6,809.78	12.52	0.18%	-4.39%	20.44	2.25	0.7%
EGX 30 Index	10,911.44	-68.00	-0.62%	-21.85%	11.37	1.46	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,842.7	0.34%	-22.54%
DAX	Germany	12,469.2	-1.09%	-5.89%
CAC 40	France	4,729.7	-0.69%	-20.88%
United States				
DJIA	USA	27,174.0	1.34%	-4.78%
S&P 500	USA	3,298.5	1.60%	2.09%
NASDAQ	USA	10,913.6	2.26%	21.63%
Asia Pacific				
NIKKEI 225	Japan	23,204.6	0.51%	-1.91%
HANG SENG	Hongkong	23,235.4	-0.32%	-17.57%
KSE 100 Index	Pakistan	41,701.2	-0.25%	2.37%
NSE Nifty 50	India	11,050.3	2.26%	-9.19%
SHANGHAI COMPOSITE	China	3,219.4	-0.12%	5.55%
SHANGHAI SHENZHEN CSI 300	China	4,570.0	0.15%	11.56%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.703	1.423
British Pound (GBP)	1.275	0.785
Canadian Dollar (CAD)	0.747	1.339
Chinese Renminbi (CNH)	0.147	6.828
Egyptian Pound (EGP)	0.063	15.741
Euro (EUR)	1.163	0.860
Indian Rupee (INR)	0.014	73.613
Japanese Yen (JPY)	0.009	105.580
New Zealand Dollar (NZD)	0.655	1.528
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.604	165.746
Russian Ruble (RUB)	0.013	78.190
Singapore Dollar (SGD)	0.726	1.378
Turkish Lira (TRY)	0.131	7.664

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	41.9	-0.05%	-31.97%
WTI Crude (per bbl)	40.3	-0.15%	-34.08%
Oman Crude Oil (Last Closing)	42.3	0.96%	-37.33%
OPEC (per bbl)	41.2	-0.43%	-39.35%
Precious Metals			
Gold 100 OZ (per oz)	1,861.6	-0.35%	22.69%
Silver (per oz)	22.9	-1.12%	28.21%
Platinum (per oz)	849.4	-0.22%	-12.12%
Other Metals			
Copper, MT	6,545	0.33%	6.01%
Aluminium, MT	1,749	0.49%	-3.40%
Lead, MT	1,835	-1.16%	-4.80%
Zinc, MT	2,369	-0.04%	4.27%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.46	-79.0%
Saudi Arabia	0.87	-60.9%
Kuwait	1.63	-40.9%
Oman	2.65	-5.8%
Qatar	0.95	-57.9%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.52
UAE	16/04/2030	1.78
QATAR	16/04/2030	1.95
SAUDI ARABIA	22/10/2030	2.34
OMAN	01/08/2029	7.24
BAHRAIN	14/05/2030	5.98

Midswaps	Price	YTM %
3 year	99.93	0.2
5 year	99.91	0.3
10 year	99.72	0.7
30 year	99.38	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.7%
3m	0.22	-88.6%
6m	0.27	-85.8%
1 year	0.37	-81.5%

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: MSM ends in red led by decline in all sub-indices and net foreign outflows

MSM30 ended the week down by 0.57%. All sub-indices ended lower w-o-w. Financial Index was down 0.84% while Industrial and Services Index were lower by 0.40% and 0.78%, respectively. Traded value during the week was higher on w-o-w basis by 46%. Alizz Islamic Bank announced the successful completion of the merger process with Oman Arab Bank's (OAB) Islamic banking window. Alizz Islamic Bank said it has successfully completed all the processes related to the integration of Al Yusr Islamic Banking within Alizz Islamic Bank.

Source: **Oman Observer**

Pact signed to boost cooperation in education, scientific research

A cooperation programme has been signed between Ministry of Higher Education, Research and Innovation and Public Establishment for Industrial Estates (Madayn) to boost cooperation in various fields that serve education, scientific research and innovation. The agreement, which comes in line with the significance of establishing robust partnership and integration between various bodies, was signed by Dr Rahma bint Ibrahim Al Mahrouqiyah, Minister of Higher Education, Research and Innovation, and Hilal bin Hamad Al Hasani, Chief Executive Officer of Madayn.

Source: **Times of Oman**

Major expansion of Nizwa Industrial City on anvil

Dr Rahma bint Ibrahim al Mahrouqiyah, Minister of Higher Education, Scientific Research and Innovation, visited Nizwa Industrial City, which forms part of the Public Establishment for Industrial Estates (Madayn). She was joined by Dr Muna bint Salim al Jardaniyah, Under-Secretary for Vocational Training, Dr Bakhait bin Ahmed al Mahri, Under-Secretary for Higher Education, Dr Saif bin Abdullah al Haddabi, Under-Secretary for Research and Innovation, and Hilal bin Hamad al Hasani, CEO of Madayn. The series of visits to Madayn's various industrial cities aim at exploring cooperation opportunities in scientific research, innovation, and technical and vocational training in the industrial cities.

Source: **Oman Observer**

Lummus receives tech contract from Duqm Refinery

The US-based Lummus Technology announced that it has been awarded a contract for technology licensing, process design package, training and advisory services, and proprietary catalyst and equipment supply by Duqm Refinery and Petrochemical Industries Company (DRPIC). "Our customers benefit from our comprehensive technology portfolio, as we provide them with multiple technologies for one project, combining and integrating these technologies, proprietary equipment, catalyst and services," Leon de Bruyn, president and CEO of Lummus Technology said in a press statement.

Source: **Muscat Daily**

Over 10,000 residential plots allotted by end of August

A total of 10,564 residential properties across the country were allotted by the end of August 2020, compared to 17,833 plots in the same period of 2019, according to the Ministry of Housing and Urban Planning. This is a decrease of 40.8 per cent, statistics released by the National Centre for Statistics and Information (NCSI), show. The Governorate of North Al Sharqiyah was allotted 1,992 residential lands till the end of August 2020, which is the highest among governorates.

Source: **Oman Observer**

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Zain KSA achieves significant improvement, capital restructuring helps dividend payment: CEO

Mobile Telecommunication Company Saudi Arabia (Zain KSA) witnessed an uptick in its operational performance since 2017, with revenues growing by over SAR 1 billion in two years, CEO Sultan Al Deghather told Argaam in an exclusive. Zain KSA reported a profit margin of more than 70%, backed by the development of its services and products, which target more diversified clients. The telecom operator gained a higher market share in the wholesale market, driven by its high-quality 5G services.

Source: **Argaam**

BinDawood listing delayed pending related-party deal disclosures: report

Saudi Arabia's BinDawood Holding Co. will delay its initial public offering (IPO), as the company discovered undisclosed transactions with related parties, Bloomberg reported, citing sources with knowledge of the matter. The offering is expected to be postponed for one week from its initial timeline. The Saudi retailer's institutional offering was oversubscribed by over 50 times. Accordingly, the retail offering's delay is unlikely to have a major impact on the final offering price, the sources added.

Source: **AlBiladDaily**

Bahri says AlJazi carrier joins dry-bulk fleet

The National Shipping Co. of Saudi Arabia (Bahri) boosted its dry-bulk fleet with the addition of AlJazi carrier. The new vessel increases the company's fleet to 88 units, including eight dry-bulkers, Bahri said in a tweet account on Thursday. Last May, the Saudi shipping firm took delivery of the new dry-bulk carrier Sara, ahead of receiving the newbuild Alanood on Sept. 3, Argaam reported.

Source: [Argaam](#)

Saudi Arabia Plans to Resume Tourist Visas by Early 2021: Minister

Saudi Arabia plans to resume tourist visas by early 2021 after months of suspension amid strict government measures to prevent the spread of coronavirus, the kingdom's tourism minister told Reuters. Tourism is a key pillar of Saudi Crown Prince Mohammed bin Salman's ambitious reform strategy to reduce the economy's dependence on oil. The kingdom, which opened its doors to foreign tourists in September 2019 by launching a new visa regime for 49 countries, wants the sector to contribute 10% of gross domestic product by 2030.

Source: [US News](#)

UAE Banks Federation addresses sector dynamics

Members of the CEOs Advisory Council of UAE Banks Federation (UBF) held its third quarterly meeting of the year online, which was presided over by Abdulaziz Al Ghurair, chairman of UAE Banks Federation. The meeting discussed the changing dynamics in the UAE banking sector and the challenges faced, with a focus on joint efforts with the Central Bank of the UAE, as well as the nation-wide campaign of fraud awareness that it launched together with the Central Bank and Abu Dhabi and Dubai Police.

Source: [Khaleej Times](#)

Kuwait's economy will recover in 2022 | Kuwait to recover from financial crisis in 2022: S&P report

Kuwait is forecast to recover from the current financial crisis in 2022. The assessment is based on a report by Standard & Poor's, an international credit rating agency. This is because the economy is completely dependent on petroleum. According to the report, petroleum accounts for 90 per cent of the country's exports. The Kuwaiti economy has been hit hard by a major crisis in the petroleum market caused by the Kovid epidemic. Apart from this, there was a major slowdown in travel. The petroleum crisis has had a direct impact on Kuwait's economy. The report says the situation is similar in many other countries this year.

Source: [MBS](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China's industrial profits grow for fourth straight month

Profits at China's industrial firms grew for the fourth straight month in August, buoyed in part by a rebound in commodities prices and equipment manufacturing, the statistics bureau said on Sunday. China's recovery has been gaining momentum as pent-up demand, government stimulus and surprisingly resilient exports propel a rebound. Industrial firm profits grew 19.1% year-on-year in August to 612.81 billion yuan (\$89.8 billion), the statistics bureau said.

Source: [Reuters](#)

U.S. tightens exports to China's chipmaker SMIC, citing risk of military use

The United States has imposed restrictions on exports to China's biggest chip maker SMIC after concluding there is an "unacceptable risk" equipment supplied to it could be used for military purposes. Suppliers of certain equipment to Semiconductor Manufacturing International Corporation 0981.HK will now have to apply for individual export licenses, according to a letter from the Commerce Department dated Friday and seen by Reuters.

Source: [Reuters](#)

Market volatility expected to continue in the week ahead with Presidential debate and jobs report

The September jobs report will be the final employment report before the election when it is released Friday. Some strategists say the presidential debate has the potential to be a factor for markets if it shows one candidate or the other as a clear winner. Market volatility is expected to continue in what is being viewed now as a typical September sell-off.

Source: [CNBC](#)

Cloud gaming battle heats up as Amazon enters the ring to take on Microsoft and Google

As Microsoft battles it out with Sony in this year's edition of the console wars, it's now got another rival to worry about. Amazon announced Thursday that it would launch its own cloud gaming service, a kind of "Netflix for games" that forgoes

the need for consoles or dedicated hardware to play video games. Called Luna, the platform comes with a library of 100 titles and users can play with a special Luna controller.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices down for the week on new coronavirus concerns

Oil fell this week amid growing concerns that another wave of the coronavirus pandemic will spark tighter lockdown measures and further stifle crude demand. New York futures edged lower Friday and fell 2.1% on the week. The number of U.S. coronavirus cases rose above 7 million, according to data from Johns Hopkins University. Meanwhile, a second governor tested positive for Covid-19 as cases surge around the country.

Source: [WorldOil](#)

Gold and silver have worst weeks since March on rising dollar

Gold and silver posted their biggest weekly losses since March, when the global onset of the coronavirus pandemic panicked markets. The dollar gained as concern over the outlook for global economic growth bolstered the appeal of the currency as a haven, sapping demand for gold. Fears are mounting that rising coronavirus cases, particularly in Europe, may lead to more national lockdowns, denting the outlook for recovery. Gold fell 4.6% this week, while silver slumped 15%.

Source: [ET](#)

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