

U Capital Morning Brief

7 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	797.98	-0.84	-0.11%	-5.40%	7.21	0.74	7.4%
U Capital GCC 50 Index	1,304.97	14.13	1.09%	-5.85%	20.98	2.26	4.1%
U Capital MENA 200 Index	1,022.39	8.84	0.87%	-6.26%	14.19	1.77	4.5%
MSCI GCC Countries Index	525.88	5.57	1.07%	-7.69%	18.84	1.79	3.2%
Muscat Securities Market	3,603.07	10.38	0.29%	-9.50%	10.70	0.73	6.8%
Saudi Stock Exchange	8,369.33	111.66	1.35%	-0.24%	30.11	2.04	2.4%
Kuwait Stock Exchange	6,789.79	57.69	0.86%	-6.41%	30.32	1.42	3.4%
Qatar Exchange	10,016.28	59.62	0.60%	-3.93%	16.17	1.51	3.9%
Bahrain Stock Exchange	1,445.28	4.69	0.33%	-10.24%	13.46	0.90	4.7%
Dubai Financial Market	2,225.52	0.84	0.04%	-19.51%	8.41	0.79	4.3%
Abu Dhabi Exchange	4,482.78	-4.97	-0.11%	-11.68%	16.36	1.29	5.5%
Tunis Se Index	6,743.14	55.97	0.84%	-5.32%	20.21	2.23	0.6%
EGX 30 Index	11,146.18	138.49	1.26%	-20.17%	11.89	1.53	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,949.9	0.12%	-21.11%
DAX	Germany	12,906.0	0.61%	-2.59%
CAC 40	France	4,895.5	0.48%	-18.11%
United States				
DJIA	USA	27,772.8	-1.34%	-2.68%
S&P 500	USA	3,361.0	-1.40%	4.03%
NASDAQ	USA	11,154.6	-1.57%	24.32%
Asia Pacific				
NIKKEI 225	Japan	23,400.4	-0.14%	-1.08%
HANG SENG	Hongkong	24,216.5	0.95%	-14.09%
KSE 100 Index	Pakistan	39,292.1	0.43%	-3.54%
NSE Nifty 50	India	11,718.0	0.48%	-3.70%
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)	0.713	1.403
British Pound (GBP)	1.290	0.775
Canadian Dollar (CAD)	0.751	1.331
Chinese Renminbi (CNH)	0.148	6.736
Egyptian Pound (EGP)	0.064	15.725
Euro (EUR)	1.174	0.852
Indian Rupee (INR)	0.014	73.435
Japanese Yen (JPY)	0.009	105.750
New Zealand Dollar (NZD)	0.660	1.516
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.610	164.015
Russian Ruble (RUB)	0.013	78.436
Singapore Dollar (SGD)	0.735	1.361
Turkish Lira (TRY)	0.128	7.793

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	42.1	-1.20%	-31.17%
WTI Crude (per bbl)	40.1	-1.50%	-34.41%
Oman Crude Oil (Last Closing)	42.1	3.69%	-37.54%
OPEC (per bbl)	39.1	2.60%	-42.50%
Precious Metals			
Gold100 OZ (per oz)	1,886.0	0.40%	24.30%
Silver (per oz)	23.6	2.16%	32.07%
Platinum (per oz)	868.1	1.39%	-10.18%
Other Metals			
Copper, MT	6,530	0.02%	5.77%
Aluminium, MT	1,765	-0.62%	-2.49%
Lead, MT	1,781	1.37%	-7.60%
Zinc, MT	2,363	1.57%	4.01%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.39	-82.5%
Saudi Arabia	0.87	-61.2%
Kuwait	1.56	-43.2%
Oman	2.67	-5.2%
Qatar	1.20	-46.6%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.40
UAE	16/04/2030	1.75
QATAR	16/04/2030	1.85
SAUDI ARABIA	22/10/2030	2.17
OMAN	01/08/2029	6.87
BAHRAIN	14/05/2030	5.82

Midswaps	Price	YTM %
3 year	99.81	0.2
5 year	99.65	0.3
10 year	98.80	0.8
30 year	95.84	1.6

USD Libor	Rate (%)	YTD
1m	0.14	-91.9%
3m	0.22	-88.5%
6m	0.23	-87.8%
1 year	0.35	-82.5%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Cautionary Notice on the Use of Cryptocurrencies

Central Bank of Oman, is once again cautioning Citizens and Residents from the use, holding and trading of Crypto Currencies (such as Dagcoin), and the potential financial, operational, legal, customer protection and security related risks that are associated with such schemes. The Central Bank of Oman advises that it has not given any licence / authorization to any entity / company to operate such schemes or deal with Crypto currency or any similar Virtual Currencies. The creation, trading or usage of Crypto Currencies are neither guaranteed by the Central Bank of Oman nor protected by the Banking Law 114/2000 as a legal tender money.

Source: [CBO](#)

CBO issues treasury bills worth OMR47mn

Oman's central bank raised OMR47 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from October 7, 2020 until January 6, 2021. The average accepted price reached 99.807 for every OMR100, and the minimum accepted price arrived at 99.800 per OMR100. Whereas the average discount rate and the average yield reached 0.77404 per cent and 0.77553 per cent, respectively. 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 one per cent.

Source: [Times of Oman](#)

Major upgrade under way of Oman's payment system

The Sultanate's payment system architecture — billed as the digital backbone of the country's financial system — is being progressively upgraded to position it among the most modern in the Arabian Gulf. According to Tahir Salim al Amri, Executive President of the Central Bank of Oman (CBO), the technological enhancements will, among other benefits, modernise the wholesale payment system, boost efficiencies in mobile payments, enable the entry of new payment service providers, and facilitate person-to-person payments.

Source: [Oman Observer](#)

Sezad presents investment opportunities in real estate sector

The Special Economic Zone at Duqm (Sezad) welcomed a delegation of real estate development and construction committee from the Oman Chamber of Commerce and Industry. During the meeting, Sezad reviewed the success achieved in the real estate and construction sector in the zone. It also touched on the investment opportunities, establishment of commercial and real estate businesses and the role of local and international investors in the zone. The significant role of Sezad in supporting real estate sector was highlighted too.

Source: [Times of Oman](#)

IRU lauds first TIR shipment between Oman and Saudi Arabia

The International Road Transport Union (IRU) has commended the efforts of Oman — represented by the Directorate General of Customs of Royal Oman Police — in handling the first TIR shipment following the country's accession to TIR. The landmark operation between Oman and Saudi Arabia, completed with the support of IRU members in Oman, Asyad Group and TIR issuing and guaranteeing association Sinyar, reduced the journey time by 72 per cent.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Cabinet allows National Development Fund to lend to affiliates, borrow funds

The Saudi Cabinet approved that the National Development Fund can lend and provide other forms of financing to its affiliates and borrow in all its forms, Saudi Press Agency reported. The Cabinet decision came during a meeting, chaired by King Salman, held on Tuesday, Oct. 6. The move aims to allow the National Development Fund to achieve its goals and the targets of its development funds and banks. Last week, the Cabinet allowed the National Development Fund to form companies or establishments with special purposes or other legal entities inside and outside the Kingdom.

Source: [Argaam](#)

GCC banks to focus on consolidation as economies reel from COVID-19, low oil prices

Banks in the Gulf Cooperation Council (GCC) will increase merger and acquisitions as growth is constrained by the difficult economic climate, shifting focus to cost discipline and consolidation, said Moody's. The dual impact of the low oil price and the global pandemic are affecting the profitability of GCC banks, meaning merger deals will be motivated purely by financial considerations, the ratings agency said. "The banks now face larger cost adjustments as low oil prices and the coronavirus

fallout constrain growth opportunities and severely dent their profitability," said Badis Shubailat, analyst at Moody's. "This is prompting a new wave of mergers as banks seek ways to combat revenue pressure."

Source: [Zawya](#)

Abu Dhabi Investment Authority to invest over \$750 million in Reliance Retail

Abu Dhabi Investment Authority (ADIA) will invest 55.13 billion rupees (\$751.13 million) in Reliance Industries' RELI.NS retail arm, giving the unit a pre-money equity value of 4.29 trillion rupees, the Indian conglomerate said on Tuesday. ADIA's investment will translate into a 1.20% equity stake in Reliance Retail on a fully diluted basis.

Source: [Reuters](#)

Dubai repays \$750mln bonds due in October

The government of Dubai has repaid \$750 million in bonds that reached maturity on Oct. 5, the department of finance said in a statement on Tuesday. "Upon maturity, all the notes were redeemed in full," it said. Dubai sold \$2 billion in dual-tranche bonds last month, its first sale in public debt markets in six years, as it seeks to boost finances hit by the coronavirus crisis.

Source: [Zawya](#)

GCC e-commerce sector to reach \$50bn by 2025

The GCC e-commerce sector is forecasted to reach a value of \$50 billion by 2025, according to a new report by Kearney Middle East, a leading management consulting firm. The report titled 'GCC e-commerce unleashed: a path to retail revival or a fleeting mirage?' predicts that e-commerce will become the main source of growth in the retail sector over the next five years.

Source: [Trade Arabia](#)

Emirates Islamic lists \$500mln Sukuk on Nasdaq Dubai

Hesham Abdulla Al Qassim, Chairman of Emirates Islamic and Vice Chairman and Managing Director of Emirates NBD Group, rang the market-opening bell today to celebrate the listing by Emirates Islamic of a US\$500 million Sukuk on Nasdaq Dubai. The Bank achieved a profit rate of 1.827%, the lowest for a Sukuk issued by a UAE bank for 10 years, with subscription of 2.4 times. The issuance was rated A+ by Fitch Ratings and was placed 41% in the Middle East and North Africa, 28% in Asia, 17% to US offshore investors and 14% in Europe.

Source: [Zawya](#)

Senaat in bid to form giant F&B unit with Agthia

Abu Dhabi's General Holding Corporation (Senaat), part of ADQ, has submitted a non-binding offer to the Agthia Group, a leading F&B company, to transfer the majority of Al Foah Company, a global leader in date processing, into Agthia. The proposed transaction would combine two leaders in their complementary food and beverage product categories to create one of the top 10 consumer F&B players in the Mena region.

Source: [Trade Arabia](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Coronavirus aid hopes evaporate as Trump ends talks with U.S. Democrats

Prospects for more aid for Americans struggling through the COVID-19 pandemic and U.S. airlines seeking to avert a wave of layoffs crumbled on Tuesday when President Donald Trump ended negotiations with Congress over a large coronavirus bill. "I have instructed my representatives to stop negotiating until after the election when, immediately after I win, we will pass a major Stimulus Bill that focuses on hardworking Americans and Small Business," Trump wrote on Twitter a day after emerging from a hospital stay for COVID-19 treatment.

Source: [Reuters](#)

European markets head for lower open after Trump halts stimulus talks

European stocks are expected to open lower Wednesday as markets around the world react to President Trump's decision to halt stimulus talks until after the November election. London's FTSE is expected to open 14 points lower at 5,930, Germany's DAX down 62 points at 12,851, France's CAC 40 down 24 points at 4,871 and Italy's FTSE MIB 76 points lower at 19,270, according to IG.

Source: [CNBC](#)

Global central bankers say fiscal aid crucial in new phase of pandemic battle

Top U.S. and European central bankers on Tuesday called for renewed government spending to support families and businesses as the battle against the coronavirus-triggered recession enters a newly critical phase. Hopes for new fiscal support in the United States, however, were dealt a serious blow when President Donald Trump abruptly canceled ongoing negotiations with Democrats in the U.S. House of Representatives.

Source: [Reuters](#)

HHS threatens to withhold federal funding from hospitals that fail to report coronavirus data

The Department of Health and Human Services is threatening to withhold U.S. funding from hospitals that fail to comply with federal requirements on reporting data about Covid-19 and influenza patients, Centers for Medicare and Medicaid Services Administrator Seema Verma announced Tuesday.

Source: [CNBC](#)

Asian stocks inch up, defy U.S. stimulus gloom

Asian stock markets edged higher on Wednesday, brushing off Wall Street's weaker finish, which came after U.S. President Donald Trump abruptly broke off economic stimulus negotiations with lawmakers. Trump cancelled talks with Democrats in a Tweet saying that negotiations will stop until after the election, when he promises a major stimulus bill.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices fall as Trump cancels aid talks, U.S. crude stockpiles rise

Oil prices fell on Wednesday after U.S. President Donald Trump dashed hopes for a fourth stimulus package to boost the coronavirus-hit economy and on a larger-than-expected build-up in U.S. crude stocks. U.S. West Texas Intermediate crude oil futures fell 81 cents, or 2%, to \$39.86 a barrel by 0411 GMT while Brent crude futures fell by 70 cents, or 1.6%, to \$41.95 a barrel.

Source: [CNBC](#)

Gold claws back as economic uncertainty lifts appeal

Gold prices edged up on Wednesday, after hitting a one-week low in early trade, lifted by renewed fears over economic recovery and uncertainty around the U.S. presidential election after President Donald Trump's Covid-19 diagnosis. Earlier in the day, spot gold hit its lowest since September 28 at \$1,872.66 per ounce. Bullion prices climbed 0.3% to \$1,882.12 by 0345 GMT. U.S. gold futures were down 1.2% at \$1,886.30.

Source: [CNBC](#)