

U Capital Morning Brief

29 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	799.76	0.63	0.08%	-5.19%	7.23	0.74	7.4%
U Capital GCC 50 Index	1,293.34	8.52	0.66%	-6.69%	21.32	2.23	4.1%
U Capital MENA 200 Index	1,011.93	1.77	0.18%	-7.22%	14.15	1.75	4.5%
MSCI GCC Countries Index	521.61	1.80	0.35%	-8.44%	18.67	1.78	3.3%
Muscat Securities Market	3,621.41	0.41	0.01%	-9.04%	10.76	0.73	6.8%
Saudi Stock Exchange	8,334.65	41.03	0.49%	-0.65%	30.41	2.03	2.5%
Kuwait Stock Exchange	6,694.99	-21.29	-0.32%	-7.72%	29.92	1.40	3.5%
Qatar Exchange	9,883.90	68.43	0.70%	-5.20%	16.08	1.48	4.0%
Bahrain Stock Exchange	1,449.16	-1.97	-0.14%	-10.00%	13.49	0.90	4.8%
Dubai Financial Market	2,261.49	16.56	0.74%	-18.21%	8.55	0.80	4.3%
Abu Dhabi Exchange	4,492.18	6.34	0.14%	-11.50%	16.39	1.30	5.4%
Tunis Se Index	6,774.35	-35.43	-0.52%	-4.88%	20.34	2.24	0.7%
EGX 30 Index	10,969.94	67.72	0.62%	-21.43%	11.43	1.47	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,927.9	1.46%	-21.41%
DAX	Germany	12,870.9	3.22%	-2.85%
CAC 40	France	4,843.3	2.40%	-18.98%
United States				
DJIA	USA	27,584.1	1.51%	-3.34%
S&P 500	USA	3,351.6	1.61%	3.74%
NASDAQ	USA	11,117.5	1.87%	23.91%
Asia Pacific				
NIKKEI 225	Japan	23,613.8	0.44%	-0.18%
HANG SENG	Hongkong	23,457.5	-0.09%	-16.79%
KSE 100 Index	Pakistan	40,917.0	0.43%	0.45%
NSE Nifty 50	India	11,250.2	0.20%	-7.55%
SHANGHAI COMPOSITE	China	3,237.8	0.63%	6.15%
SHANGHAI SHENZHEN CSI 300	China	4,610.2	0.62%	12.54%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.708	1.412
British Pound (GBP)	1.285	0.778
Canadian Dollar (CAD)	0.747	1.338
Chinese Renminbi (CNH)	0.147	6.827
Egyptian Pound (EGP)	0.063	15.755
Euro (EUR)	1.167	0.857
Indian Rupee (INR)	0.014	73.823
Japanese Yen (JPY)	0.009	105.570
New Zealand Dollar (NZD)	0.656	1.523
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.603	165.850
Russian Ruble (RUB)	0.013	79.066
Singapore Dollar (SGD)	0.729	1.372
Turkish Lira (TRY)	0.128	7.811

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	42.3	-0.40%	-31.42%
WTI Crude (per bbl)	40.4	-0.59%	-33.88%
Oman Crude Oil (Last Closing)	41.9	-0.95%	-37.93%
OPEC (per bbl)	41.9	1.72%	-38.30%
Precious Metals			
Gold 100 OZ (per oz)	1,878.2	-0.17%	23.79%
Silver (per oz)	23.5	-0.80%	31.58%
Platinum (per oz)	878.5	-0.45%	-9.12%
Other Metals			
Copper, MT	6,572	0.41%	6.45%
Aluminium, MT	1,775	1.52%	-1.93%
Lead, MT	1,834	-0.03%	-4.83%
Zinc, MT	2,432	2.66%	7.04%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.43	-80.4%
Saudi Arabia	0.87	-61.0%
Kuwait	1.56	-43.2%
Oman	2.66	-5.5%
Qatar	0.95	-57.9%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.49
UAE	16/04/2030	1.78
QATAR	16/04/2030	1.93
SAUDI ARABIA	22/10/2030	2.35
OMAN	01/08/2029	7.22
BAHRAIN	14/05/2030	5.98

Midswaps	Price	YTM %
3 year	99.94	0.1
5 year	99.94	0.3
10 year	99.67	0.7
30 year	98.88	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

Bank Muscat signs agreement to onboard Haya Water on B2B Platform

Bank Muscat, the leading financial services provider in the Sultanate, and Haya Water (Oman Wastewater Services Company), has signed an agreement to on-board the utility's operations to Bank Muscat's B2B platform. The new system will help the Government of Oman owned wastewater services utility digitise its payments by completely on-boarding the authority to the B2B platform with access to live support.

Source: [Times of Oman](#)

Commerce ministry and PDO sign deal for public and private sectors

The Ministry of Commerce, Industry and Investment Promotion signed a memorandum of cooperation (MoC) with Petroleum Development Oman (PDO), as part of the ministry's endeavours to enhance cooperation between the public and private sectors. The MoC was signed at the ministry's headquarters by Dr Saleh bin Said Masan, Undersecretary of the Ministry of Commerce, Industry and Investment Promotion, and Abdul Amir bin Hussein al Ajmi, PDO's external affairs and value creation director.

Source: [Muscat Daily](#)

Oman registers 12.4pc decline in H1 revenues

Government revenues slumped 12.4 per cent to RO 4.830 billion during the first six months of 2020, resulting in a deficit of RO 827 million for the period, the National Centre for Statistics and Information (NCSI) revealed in its latest monthly bulletin. Contributing to the decline were lower oil and gas export revenues, as well as significant shortfalls in customs duties and corporate income tax, according to the report. Net oil revenue fell 16.3 per cent to RO 2.572 billion during the six months to June 30, 2020, down from RO 3.074 billion during the same period of 2019.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Tourism Development Fund signs \$43bn deal for tourism projects

Up to SR160 billion (\$42.66 billion) of tourism projects will be financed in Saudi Arabia after a deal between the Kingdom's Tourism Development Fund and local banks, the Saudi Press Agency reported. The agreement was signed by the fund's CEO Qusai Al-Fakhri, the CEO of Riyadh Bank Tareq Al-Sadhan, and the managing director and CEO of Banque Saudi Fransi, Rayan Fayez, in the presence of Saudi Minister of Tourism and chairman of the fund's board of directors, Ahmad Al-Khateeb.

Source: [Arab News](#)

Saudi banks' aggregate profit declines 7% to SAR 4.26 bln in August

Saudi-listed banks reported a 7% decrease year-on-year (YoY) in aggregate net profit before Zakat and tax to SAR 4.26 billion in August 2020, data from the Saudi Arabian Monetary Authority (SAMA) showed. The sector's aggregate earnings slumped 32% to SAR 23.2 billion year to date, compared to SAR 33.9 billion a year earlier. The data covers 11 listed banks and some foreign banks operating in Saudi Arabia.

Source: [Argaam](#)

Crédit Agricole sells remaining stake in Banque Saudi Fransi

Crédit Agricole's Corporate and Investment Bank sold its remaining 4 per cent stake in Banque Saudi Fransi to two government-related institutions for 1.45bn Saudi riyals (\$386.7m). The Paris-based lender did not name the buyers of its stake but said it intends to retain a presence in the kingdom.

Source: [The National](#)

SAMA's assets rise to SAR 1.83 trln in August 2020

Assets held by the Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank, grew by SAR 25.1 billion month-on-month (MoM) to SAR 1.836 trillion in August 2020, according to data released by the central bank. When compared to the same month last year, SAMA's assets dropped by SAR 104.7 billion.

Source: [Argaam](#)

Mining programs aim to boost sector's contribution to Saudi GDP to SAR 281 bln by 2035

The Geological Survey explained that a clear goal has been set for the mining sector to grow its contribution to GDP from about 64 billion riyals annually to about 281 billion riyals by 2035, and in this context the value of untapped minerals alone was estimated at about 5 trillion riyals, taking into account that More mineral resources may be discovered. Over the past three years, the authority has focused on developing and implementing the general program of the regional geological survey,

a multi-disciplinary initiative by launching the first phase of its projects on an area of more than 600 thousand square kilometers covering the entire area of the geological area known as the “Arab Shield”.

Source: [AKT](#)

ADGM Courts appoint legal guards on NMC in UAE

The Abu Dhabi Global Market, ADGM, Courts have appointed Richard Fleming and Ben Cairns of Alvarez & Marsal as administrators of the NMC Healthcare's group of operating companies and businesses. According to the courts' decision, the administrators would lead the financial restructuring of 36 NMC's entities and enable them to secure an additional US\$325 million financing facility whilst protecting the businesses from creditor action. The decision does not apply to businesses outside the UAE.

Source: [Zawya](#)

GCC bond market pipeline promising; Bahrain, Oman likely next to issue debt

The pipeline for bond issuances by GCC governments looks strong as Oman and Kuwait are expected to be the next countries to issue the debt instrument. James Swanston, economist for the Mena region at Capital Economics, said following Bahrain's successful \$1 billion dollar bond issuance this month, Oman is now reportedly set to follow suit with a \$3-\$4 billion issuance. Elsewhere, Kuwait's government is rumored to be considering passing a long-awaited debt law, which would allow them to issue debt locally and internationally, in an emergency decree if parliament continues to reject it.

Source: [Khaleej Times](#)

More funds for Dubai-based SMEs

Small and medium enterprises in Dubai that are fully-owned and managed by Emiratis can now obtain financing of up to Dh1 million backed by a 100 per cent capital guarantee and financed by Dubai SME's financial arm, the Mohammed bin Rashid Fund. Dubai SME, the agency of Dubai Economy mandated to develop the SME sector, said on Sunday SMEs in Dubai, in which Emiratis have a 50 per cent ownership and management rights, can obtain financing of up to Dh420,000, backed by 50 per cent capital guarantee.

Source: [Zawya](#)

Saudi VAT hike: Real-estate demand affected; prices could surge

The recent tripling of value-added tax (VAT) to 15 percent in Saudi Arabia could hamper the recovery of property demand in the kingdom, according to a new analysis. Demand in the real-estate market has been low, with rental rates for office space in Jeddah alone dropping by 6 percent during the first half of 2020, according to a report released on Monday by CBRE, a real-estate services and investment firm. The trend is primarily due to slower business activity, prompting some developers to either delay or reduce the development of properties, particularly in the office segment.

Source: [Zawya](#)

Naseej recommends 43.4% capital cut, followed by SAR 150 mln rights issue

Naseej International Trading Co.'s board of directors recommended a 43.4% capital cut from SAR 178.16 million to SAR 100.76 million through writing off 7.74 million shares (1 share for every 2.302 share), during the extraordinary general meeting held today, Sept. 28. The capital reduction is intended to offset SAR 77.4 million in accumulated losses as of June 30, 2020 and restructure the company's capital, the company said in a bourse statement.

Source: [Argaam](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian markets push higher after U.S. bounce

Asian markets largely opened higher on Tuesday, building on newfound momentum after bargain hunters helped a recovery in U.S. markets in the wake of last week's selloff. Hong Kong's Hang Seng index was up 0.2% while Chinese shares opened higher with the blue-chip CSI 300 index up 0.41%.

Source: [Reuters](#)

5 charts show how much the U.S. and Chinese economies depend on each other

President Donald Trump has repeatedly raised the possibility of divorcing the U.S. and Chinese economies. But various data suggest that such a process may be challenging as the two economies have grown more connected over the years. The U.S. and China have been major trading partners for years, and they rely on each other's supply chain for input into goods and services consumed within their borders.

Source: [CNBC](#)

Pandemic to keep Asia's growth at lowest since 1967, warns World Bank

The coronavirus pandemic is expected to lead to the slowest growth in more than 50 years in East Asia and the Pacific as well as China, while up to 38 million people are set to be pushed back into poverty, the World Bank said in an economic update on Monday. The bank said the region this year is projected to grow by only 0.9%, the lowest rate since 1967. Growth in China was expected to come in at 2% this year, boosted by government spending, strong exports and a low rate of new coronavirus infections since March, but held back by slow domestic consumption.

Source: [Reuters](#)

Dollar steadies as markets await Trump-Biden debate

The dollar was steady against a basket of currencies on Tuesday as traders looked out to the first U.S. presidential debate and developments on the U.S. stimulus bill. The dollar index stood unchanged at 94.150 =USD, drifting away from a two-month high of 94.745 reached last week, as stock markets made solid gains partly on upbeat China data with Wall Street rebounding following last week's selloff.

Source: [NASDAQ](#)

U.S. stock futures rise slightly after Monday's rally

U.S. stock futures ticked slightly higher on Monday evening ahead of the first presidential debate on Tuesday. Futures for the Dow Jones Industrial Average rose about 80 points, or 0.3%. Contracts for the S&P 500 and the Nasdaq Composite also gained about 0.3%. The quiet move in futures follows a solid start to the week for stocks during Monday's session, with the Dow rising 410 points, or 1.5%. The S&P 500 and Nasdaq rose 1.6% and 1.9%, respectively.

Source: [CNBC](#)

COMMODITIES NEWS

Oil slips as demand worries offset hopes for stimulus

Oil prices fell on Tuesday as demand concerns driven by COVID-19 outweighed hopes that U.S. lawmakers and the White House were nearing an agreement on a new stimulus package to revive the world's biggest economy. U.S. West Texas Intermediate (WTI) crude futures slipped 17 cents, or 0.4%, to \$40.43 at 0120 GMT, while Brent crude futures also fell 17 cents, or 0.4%, to \$42.26 a barrel. Both benchmarks rose about 1% on Monday.

Source: [Reuters](#)