

U Capital Morning Brief

28 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	799.13	-2.29	-0.29%	-5.27%	7.23	0.74	7.4%
U Capital GCC 50 Index	1,284.82	2.66	0.21%	-7.31%	21.33	2.22	4.1%
U Capital MENA 200 Index	1,010.16	2.43	0.24%	-7.39%	14.16	1.74	4.6%
MSCI GCC Countries Index	519.81	0.88	0.17%	-8.76%	18.61	1.77	3.3%
Muscat Securities Market	3,621.00	-6.00	-0.17%	-9.05%	10.76	0.73	6.8%
Saudi Stock Exchange	8,293.62	57.45	0.70%	-1.14%	30.24	2.02	2.5%
Kuwait Stock Exchange	6,716.28	-29.35	-0.44%	-7.42%	29.97	1.41	3.5%
Qatar Exchange	9,815.47	27.18	0.28%	-5.85%	15.97	1.47	4.1%
Bahrain Stock Exchange	1,451.14	0.75	0.05%	-9.88%	13.51	0.91	4.8%
Dubai Financial Market	2,244.93	-7.32	-0.33%	-18.80%	8.49	0.79	4.3%
Abu Dhabi Exchange	4,485.84	19.02	0.43%	-11.62%	16.37	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	10,902.22	-9.22	-0.08%	-21.91%	11.36	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	23,348.4	0.62%	-1.30%
HANG SENG	Hongkong	23,406.3	0.74%	-16.97%
KSE 100 Index	Pakistan	41,755.9	0.13%	2.51%
NSE Nifty 50	India	11,164.9	1.04%	-8.25%
SHANGHAI COMPOSITE	China	3,212.3	-0.22%	5.32%
SHANGHAI SHENZHEN CSI 300	China	4,573.5	0.07%	11.64%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.706	1.417
British Pound (GBP)	1.277	0.783
Canadian Dollar (CAD)	0.747	1.338
Chinese Renminbi (CNH)	0.146	6.830
Egyptian Pound (EGP)	0.063	15.741
Euro (EUR)	1.163	0.860
Indian Rupee (INR)	0.014	73.546
Japanese Yen (JPY)	0.009	105.310
New Zealand Dollar (NZD)	0.656	1.526
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.603	165.746
Russian Ruble (RUB)	0.013	78.190
Singapore Dollar (SGD)	0.727	1.375
Turkish Lira (TRY)	0.130	7.673

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	41.7	-0.57%	-32.36%
WTI Crude (per bbl)	40.0	-0.67%	-34.52%
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)	1,860.7	-0.05%	22.63%
Silver (per oz)	22.9	-0.07%	28.12%
Platinum (per oz)	854.8	0.59%	-11.57%
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	-79.2%
Saudi Arabia	0.87	-61.0%
Kuwait	1.56	-43.2%
Oman	2.66	-5.7%
Qatar	0.99	-56.1%
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	99.92	0.2
5 year	99.91	0.3
10 year	99.69	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

Oman banks now obliged to share customer data with Tax Authority

In what is billed as an effort to bolster the creation of a transparent tax environment in the Sultanate, the newly amended Income Tax Law makes it mandatory for licensed banks to share any financial information sought by the Tax Authority about specific customers — a requirement designed to ensure that Oman meets its commitments under various international tax-related agreements it has signed up to.

Source: [Oman Observer](#)

Omantel takes concrete steps to bolster cybersecurity

As businesses, organisations and individuals have begun to exceedingly depend on the Internet and telecommunications for business and services, the need for data security and cyber defence cannot be emphasised enough. Omantel, the Sultanate's pioneering and trusted telecommunications service provider, has remained steadfast in aligning its efforts with Oman's national information security strategy, which is based on international best practices, while understanding national and regional service demands.

Source: [Times of Oman](#)

Bank Nizwa signs strategic financing deal worth OMR10.4mn

Oman's leading and most trusted Islamic bank, Bank Nizwa, has signed a strategic financing deal worth OMR10.4 million, with the Nakheel Oman Development Company. The Musharaka financing from Bank Nizwa, is slated to be used for the development and construction of date processing industrial complex in the Wilayat of Nizwa.

Source: [Times of Oman](#)

Tanweer develops RO23mn worth of projects in SEZD

Rural Areas Electricity Company (Tanweer), a member of Nama Group, is making significant efforts to develop and upgrade the electrical network infrastructure in the Special Economic Zone at Duqm (SEZD) at a total cost of RO22.6mn. Tanweer's projects in SEZD include; transformer stations, electrical networks in the areas for heavy and light industries, fish industries and exhibition areas, according to a press statement issued by the company.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Assets of Saudi investment funds rise 4% to SAR 181.6 bln in Q2 2020

The total value of assets held by investment funds in Saudi Arabia grew by 4% quarter-on-quarter (QoQ) to SAR 181.58 billion during the second quarter of 2020, compared to SAR 174.74 billion in Q1 2020, data issued by the Saudi Arabian Monetary Authority (SAMA) showed. The increase was driven by a 9% QoQ rise in local assets to SAR 141.85 billion, while foreign assets declined 12% QoQ to SAR 39.73 billion by the end of Q2 2020.

Source: [Argaam](#)

S&P affirms Saudi Arabia's rating on asset strength and economic prospects

S&P Global Ratings affirmed Saudi Arabia's 'A-/A-2' sovereign credit rating with a stable outlook thanks to the country's strong net asset positions and its economic prospects over the next three years. The kingdom, the biggest Arab economy, is currently facing economic headwinds like other oil-producing countries due to the twin shocks of the pandemic and lower oil prices, the rating agency said in a report released on Sunday. However, from 2021 onward, the country's gross domestic product is expected to rebound as oil prices and the volume of its energy exports climb.

Source: [The National](#)

Najran Cement set to maintain semi-annual dividend payment: CEO

Najran Cement is set to maintain semi-annual dividend payment amid the current market conditions, Chief Executive Officer Abdulsalam Abdullah Aldraibi told Argaam. "Najran Cement managed to cut costs, restructure its financial position and increase cash flows," he added. The company reported improved performance over the last two years, which reflected positively on the profitability, as well as cash flows, Aldraibi said, adding that the cement producer has been working over the past 12 months on bolstering its financial position.

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](#)

Adnoc's logistics arm signs 25-year deal to service petroleum ports in Abu Dhabi

Adnoc Logistics and Services, the shipping and maritime logistics arm of the Abu Dhabi National Oil Company, said on Sunday it signed a new 25-year agreement to provide “critical marine services” across all petroleum ports in Abu Dhabi on behalf of the Petroleum Ports Authority (PPA). As part of the deal, Adnoc L&S will provide a range of specialist port services to PPA including pilotage, towage, line handling and other marine services at different petroleum ports in Abu Dhabi including Jebel Dhanna (Ruwais), Das Island, Zirku Island and Mubarraz petroleum ports.

Source: [The National](#)

Umrah pilgrimages may provide boost to Saudi economic recovery

Last week, authorities in Saudi Arabia announced that the suspension of umrah, which was implemented to curb the spread of COVID-19, will be lifted in phases. The new announcement has been welcomed as a necessary opportunity for boosting the kingdom's economic recovery, UK-based economic research firm Capital Economics noted. The kingdom is considering a three-stage plan for the gradual restoration of the pilgrimage. In the first stage, which starts on October 4, 6,000 Saudi citizens and residents will be permitted to perform the pilgrimage. In the second stage, which starts on October 18, this number will expand to 15,000.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Chinese electric car start-up Xpeng shows off new flying vehicle

Alibaba-backed Xpeng is putting money into flying car technology as part of the company's long-term strategy. The electric automaker revealed Saturday at the Beijing Auto Show the first in a series of electric flying vehicles the start-up said it is developing. With eight propellers and a capsule-like frame, the vehicle resembles a human-carrying drone more than a flying car. The prototype was developed by Xpeng Heitech, a technology unit majority-owned by Xpeng and CEO He Xiaopeng.

Source: [CNBC](#)

Sell the day and go away? U.S. stock returns come overnight

Mornings have been lacking in joy this month for investors seeking returns in U.S. stocks. So far in September, regular-hours trading has featured consistent selling, according to data from Bespoke Investment Group. On average, losses on the benchmark S&P 500 index have been steepest between 10 a.m. and 11 a.m. Eastern (1400-1500 GMT), and every hour

thereafter during the session has registered declines. Overall, the S&P 500 has registered losses for four straight weeks, its longest such streak in a year.

Source: [Reuters](#)

Dollar near 2-month high as investors look to more data, U.S. political developments

The dollar NSE 5.41 % hovered near a two-month peak against a basket of currencies on Monday as investors look to a barrage of upcoming economic data and political developments in the United States before making any fresh bets on the U.S. currency. While a rebound in U.S. stocks on Friday has helped to curb the ascent of the dollar, deemed as a safe-haven, signs of slowdown in the nascent economic recovery and political uncertainties have kept investors on guard.

Source: [ET](#)

Chinese stocks underpin Asia; markets wary of virus spike, U.S. presidential debate

Chinese stocks drove Asian markets higher on Monday, though sentiment was still cautious ahead of a U.S. Presidential debate and as a spike in new coronavirus cases undermined global economic recovery hopes. MSCI's broadest index of Asia-Pacific shares outside Japan advanced 0.5% to 550.47, but still within striking distance of a two-month low of 543.66 hit last week.

Source: [Investing](#)

COMMODITIES NEWS

Gold holds steady as dollar rally halts; eyes on Trump-Biden debate

Gold steadied on Monday as the dollar rally took a pause, while traders were on side-lines as political uncertainty built ahead of the first presidential election debate between U.S. President Donald Trump and his Democratic rival Joe Biden this week. Spot gold was little changed at \$1,860.19 per ounce by 0107 GMT. U.S. gold futures were down 0.1% at \$1,864.50. The dollar index was down 0.1% against rivals.

Source: [ET](#)

Oil edges lower as rising virus cases cloud demand recovery outlook

Oil prices dipped again on Monday as rising coronavirus cases upset hopes for a smooth recovery in fuel demand, with crude on track for its first monthly fall in many months after slipping last week. Brent crude edged down 8 cents, or 0.2%, to \$41.84 a barrel by 0003 GMT after dropping 2.9% last week. U.S. West Texas Intermediate was at \$40.12 a barrel, down 13 cents or 0.3%, following a 2.1% decline last week.

Source: [TEM](#)