

U Capital Morning Brief

11 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	798.54	0.47	0.06%	-5.34%	7.22	0.74	7.4%
U Capital GCC 50 Index	1,316.92	10.83	0.83%	-4.99%	21.06	2.27	4.1%
U Capital MENA 200 Index	1,032.46	9.07	0.89%	-5.34%	14.40	1.79	4.5%
MSCI GCC Countries Index	529.90	0.02	0.00%	-6.99%	18.97	1.81	3.2%
Muscat Securities Market	3,604.21	-3.91	-0.11%	-9.47%	10.71	0.73	6.8%
Saudi Stock Exchange	8,412.55	53.76	0.64%	0.28%	30.26	2.05	2.4%
Kuwait Stock Exchange	6,885.05	42.41	0.62%	-5.10%	30.75	1.44	3.4%
Qatar Exchange	10,032.13	99.70	1.00%	-3.77%	16.20	1.51	3.9%
Bahrain Stock Exchange	1,458.42	9.03	0.62%	-9.43%	13.58	0.91	4.6%
Dubai Financial Market	2,214.32	1.59	0.07%	-19.91%	8.37	0.78	4.4%
Abu Dhabi Exchange	4,512.51	17.98	0.40%	-11.10%	16.47	1.30	5.4%
Tunis Se Index	6,675.68	3.22	0.05%	-6.27%	20.01	2.20	0.6%
EGX 30 Index	11,326.98	180.80	1.62%	-18.87%	12.08	1.55	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,016.7	0.65%	-20.23%
DAX	Germany	13,051.2	0.07%	-1.49%
CAC 40	France	4,946.8	0.71%	-17.25%
United States				
DJIA	USA	28,586.9	0.57%	0.17%
S&P 500	USA	3,477.1	0.88%	7.63%
NASDAQ	USA	11,579.9	1.39%	29.06%
Asia Pacific				
NIKKEI 225	Japan	23,619.7	-0.12%	-0.16%
HANG SENG	Hongkong	24,119.1	-0.31%	-14.44%
KSE 100 Index	Pakistan	40,798.4	1.10%	0.16%
NSE Nifty 50	India	11,914.2	0.67%	-2.09%
SHANGHAI COMPOSITE	China	3,272.1	1.68%	7.28%
SHANGHAI SHENZHEN CSI 300	China	4,681.1	2.04%	14.27%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.724	1.381
British Pound (GBP)	1.304	0.767
Canadian Dollar (CAD)	0.763	1.312
Chinese Renminbi (CNH)	0.150	6.688
Egyptian Pound (EGP)	0.064	15.717
Euro (EUR)	1.183	0.846
Indian Rupee (INR)	0.014	73.133
Japanese Yen (JPY)	0.009	105.620
New Zealand Dollar (NZD)	0.667	1.500
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.611	163.819
Russian Ruble (RUB)	0.013	76.780
Singapore Dollar (SGD)	0.739	1.355
Turkish Lira (TRY)	0.127	7.875

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	42.9	-1.13%	-30.01%
WTI Crude (per bbl)	40.6	-1.43%	-33.51%
Oman Crude Oil (Last Closing)	42.2	-1.77%	-37.39%
OPEC (per bbl)	41.1	1.51%	-39.58%
Precious Metals			
Gold 100 OZ (per oz)	1,930.4	1.93%	27.23%
Silver (per oz)	25.2	5.52%	40.90%
Platinum (per oz)	892.8	2.95%	-7.63%
Other Metals			
Copper, MT	6,763	1.20%	9.54%
Aluminium, MT	1,842	2.05%	1.74%
Lead, MT	1,809	0.92%	-6.15%
Zinc, MT	2,434	2.92%	7.13%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.45	-79.6%
Saudi Arabia	0.86	-61.4%
Kuwait	1.56	-43.2%
Oman	2.67	-5.1%
Qatar	1.21	-46.4%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.30
UAE	16/04/2030	1.65
QATAR	16/04/2030	1.73
SAUDI ARABIA	22/10/2030	2.04
OMAN	01/08/2029	6.48
BAHRAIN	14/05/2030	5.57

Midswaps	Price	YTM %
3 year	99.78	0.2
5 year	99.57	0.3
10 year	98.59	0.8
30 year	95.33	1.6

USD Libor	Rate (%)	YTD
1m	0.15	-91.8%
3m	0.22	-88.3%
6m	0.25	-87.1%
1 year	0.35	-82.6%

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 marginally lower

The MSM30 Index ended the week marginally lower by 0.29 per cent. Financial Index was down 0.58 per cent while Industrial Index was higher by 2.41 per cent. Services Index remained unchanged. Traded values were also higher than last week as the earlier week had less trading days. Muscat Gases EGM decides to sell United Industrial Gases to Mohsin Darwish Investment for RO 2.05 million. As of 2Q-2020, the value of investment in United Industrial Gases of Muscat Gas stands at RO 1.757 million, hence the transaction to result in a profit of RO 0.293 million i.e. a per share gain of 10 baisa. The proceeds could also be utilised to reduce the debt of the company which currently stands at RO 1.32 million, resulting in lowering of financial charges.

Source: [Oman Observer](#)

New shipping line to link Omani ports with Iraq

Asyad Group has announced the launch of the first shipping line between Oman ports and Iraq's Umm Qasr Port. This notable move bolsters the Group's efforts to expand the maritime transport network between Oman and the world, facilitate cross-regional trade, boost direct export and import and provide logistics solutions to its customers. This direct line will start operating a weekly trip connecting Oman ports (Salalah, Duqm and Suhar) with Iraq's Umm Qasr Port. The service affirms Oman's well-established position as a logistics hub and seeks to shore up direct export and import of goods from their countries of origin.

Source: [Oman Observer](#)

US imposes fines on aluminium coil products coming from 18 countries

The United States imposed new fees of \$2 billion on aluminium coil products coming from 18 countries, including India, Turkey, Germany and Italy, and the list did not include Russia, China or Canada. This came according to what US Commerce Secretary Wilbur Ross said, on Friday, during an interview with "Fox News." The list of countries that will be subject to the fees includes Germany, Bahrain, Oman, Brazil, Croatia, Egypt, Greece, India, Indonesia, Italy, Romania, Serbia, Slovenia, South Africa and South Korea, Spain, Taiwan and Turkey.

Source: [Times of Oman](#)

Madayn woos foreign investors to Oman

The Public Establishment for Industrial Estates – Madayn, in cooperation with the Asian-Arab Chamber of Commerce in India, organised a virtual seminar entitled 'Investment Incentives in Madayn'. More than 80 investors and businessmen took part in the seminar which comes in line with the efforts made by Madayn to attract more foreign investments to the Sultanate and strengthen partnerships with the private sector, particularly in the industrial sector.

Source: [Times of Oman](#)

Major strategy to fuel growth of fintech industry in Oman

The Central Bank of Oman (CBO) is formulating a robust and comprehensive strategy to support the growth and adoption of financial technology (fintech) services in the Sultanate — a move designed to launch Oman into a burgeoning global industry projected to hit a market value of \$300 billion by 2025. Oman's fintech strategy, according to the Central Bank's Executive President, has the potential to fuel, among other things, the roll-out of innovative banking and financial products, promote venture capitalism, drive entrepreneurship and employment generation, and spur economic development in general.

Source: [Oman Observer](#)

New Age Banking Summit calls for digital acceleration

H E Tahir Salim al Amri, executive president of the Central Bank of Oman, has emphasized on the CBO's role in facilitating the growth of financial technologies (Fintech), encourage electronic payments, risk management controls and customer protection in the banking sector. The CBO's executive president was the chief guest at the New Age Banking Summit Oman 2020, which was held on Tuesday at Sheraton Oman hotel.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Qatar index leads major Gulf markets higher

Major stock markets in the Gulf ended higher on Thursday, with Qatar outperforming the region as most of the stocks on the index were in positive territory. In Qatar, the index .QSI closed up 1%, led by a 3.4% jump in Industries Qatar IQCD.QA and a 1.2% rise in Qatar National Bank QNBK.QA. Saudi Arabia's benchmark index .TASI rose 0.6%, with petrochemical firm Saudi Basic Industries 2010.SE climbing 3.5% and top lender National Commercial Bank 1180.SE increasing 1.3%.

Source: [Reuters](#)

Saudi Arabia licenses 98 new plants with SAR 8.7 bln capital in September

Saudi Arabia's Ministry of Industry and Mineral Resources licensed 98 new factories with almost SAR 8.7 billion capital in September. The number of existing and under construction industrial facilities reached 9,445 by the end of September 2020, compared to 9,357 a year earlier, according to the ministry's data. The number of Saudis employed in the industrial sector hit 1,735 in September, while expatriate employees decreased to 633 in the same month.

Source: [Argaam](#)

Saudi domestic sukuk issuance program gets (P)A1/Aaa.sa rating by Moody's

Moody's Investors Service assigned a provisional (P)A1 senior unsecured MTN global scale rating (GSR) and Aaa.sa senior unsecured national scale rating (NSR) to the Saudi government's domestic SAR-denominated sukuk issuance program. Moody's also assigned a A1/Aaa.sa senior unsecured GSR/NSR to the most recent sukuk instrument issued under that program. The government of Saudi Arabia's A1 GSR is underpinned by its robust, albeit deteriorating, balance sheet and supported by substantial external liquidity buffers.

Source: [Argaam](#)

New initiative launched in UAE to improve health insurance claims process

UAE's Ministry of Health and Prevention, MoHAP, launched the 'post office' initiative as part of the National Unified Medical Records program - Riyati to connect hospitals, clinics and health care providers on a centralised database system. The post office initiative will help provide a seamless workflow of all claims between healthcare facilities and insurance companies. It will improve treatment services and reduce healthcare costs in the UAE through its smart integrated health system aimed at reducing the misuse of financial resources.

Source: [Khaleej Times](#)

Egypt's September inflation of 3.7% could trigger IMF consultation

Egypt's headline inflation came in at under 4 percent in September, potentially triggering consultations with the International Monetary Fund (IMF) that could lead to lower interest rates. Under a one-year, \$5.2 billion loan agreement signed in June, Egypt committed to consult an IMF technical team if year-on-year inflation fell below 6 percent by the end of September and the IMF board itself if it fell below 4 percent.

Source: [Al Arabiya](#)

Dubai business conditions improve amid COVID-19 spike

Business conditions in Dubai improved for the third straight month in September even as a renewed spike in coronavirus cases poses a threat to the city's recovery. Non-oil private sector activity in the Middle East's business hub fared better amid a rise in activity and new business, according to IHS Markit. Its Purchasing Managers' Index rose to 51.5 last month from 50.9 in August, remaining above the 50 mark that separates contraction from growth.

Source: [Al Arabiya](#)

Arabtec shareholders at a crossroads over liquidation

Nothing would left for the shareholders of construction firm Arabtec after it announced liquidation as its net asset value (NAV) is negative. Total assets of Arabtec stand at Dh7.379 billion while total liabilities are Dh10.137 billion. "For all practical purposes, the NAV of Arabtec seems negative and shareholders are likely to see their shares expire worthless," said Devesh Mamtani, chief market strategist at Century Financial. He said Arabtec shareholders are not likely to get much from its assets as their market value will be much lower in case of a bulk sale.

Source: [Khaleej Times](#)

Kuwait's Markaz exits US industrial property, nets 17.4pc returns

Kuwait Financial Centre (Markaz) said it has successfully exited a commercial real estate investment in the US after achieving a net internal rate of return (IRR) of 17.44 % for its investors, exceeding initial estimates. The sale of the industrial project in Phoenix, Arizona, was completed through its US real estate arm, Mar Gulf Management.

Source: [Trade Arabia](#)

Saudi economic reforms boost non-oil revenues, reduce oil dependence

The financial and economic reforms carried out by the Saudi government as part of Vision 2030 raised the Kingdom's non-oil revenues which are witnessing steady growth, a study by the Japan Institute of International Monetary Affairs (IIMA) showed. The Kingdom is moving towards reducing dependence on oil and increasing non-oil revenues to SAR 1 trillion by 2030, which will greatly boost its financial stability, the study added. When Crown Prince Mohammed bin Salman announced Vision 2030 in 2016, the Kingdom's non-oil revenues increased by 78.7% from SAR 186 billion to SAR 332.4 billion.

Source: [Argaam](#)

Oil recovering from ‘worst time in my generation,’ says Aramco’s Nasser

Amin Nasser, president and chief executive of Saudi Aramco, expects a continuing improvement in the global oil market after the most difficult time he has ever seen in the energy business. Nasser, speaking to Energy Intelligence ahead of a conference this week, said the events of the past six months — when oil demand was severely affected by worldwide economic lockdowns — were unlike any other cyclical downturn in crude markets.

Source: [Arab News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

HSBC calls start of a ‘great rebalancing’ as the global economy enters a flatter stage of the recovery

A “great rebalancing” of investor portfolios away from core government bonds and a “coupon clipping environment” for markets are coming into view in the fourth quarter, according to HSBC Global Asset Management. In its quarterly outlook report, HSBC characterizes the global economy as entering the second, flatter, phase of a two-stage “swoosh-shaped” recovery in which growth is set to moderate.

Source: [CNBC](#)

Trump's stimulus proposal draws opposition from congressional Democrats and Republicans

A new \$1.8 trillion economic stimulus proposal from the Trump administration drew criticism from congressional Democrats and Republicans on Saturday, diminishing hopes for a coronavirus relief deal before the Nov. 3 election. In a weekly letter to Democratic colleagues, Pelosi said the Trump administration’s proposal lacked a “strategic plan to crush the virus” and gave President Donald Trump too much discretion to decide how funds were allocated.

Source: [Reuters](#)

Trump backs revoking tariff exemption for some solar panel imports

U.S. President Donald Trump on Saturday signed a proclamation underscoring his support for revoking an exclusion from tariffs on some imported double-sided solar panels, and for raising the planned tariff rate to 18% for 2021 from 15%. U.S. President Donald Trump on Saturday signed a proclamation underscoring his support for revoking an exclusion from tariffs on some imported double-sided solar panels, and for raising the planned tariff rate to 18% for 2021 from 15%.

Source: [Reuters](#)

Earnings could be a positive force for stocks as Washington continues to wrangle over stimulus

Stock market optimism for a stimulus package has been rising, but the focus swings to earnings and that could be a positive for stocks in the week ahead. JPMorgan, Citigroup, Goldman Sachs, Bank of America and Morgan Stanley all release earnings in the first big wave of corporate reports. There is also some important data, including CPI inflation data Tuesday and retail sales for September on Friday.

Source: [CNBC](#)

UK urges businesses to prepare for end of Brexit transition

Britain’s government on Sunday urged businesses to prepare for the end of the Brexit transition period, saying that they need to take action whether or not a trade deal with the European Union is clinched. Prime Minister Boris Johnson has said Britain won’t extend the transition period, which ends on Dec 31, and that progress must be made to bridge significant gaps between the two sides in the coming days if a deal is to be struck.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices slip over 1% after Norway oil worker strike ends

Oil prices slipped more than 1% on Friday after an oil worker strike in Norway ended, which should boost crude output even as Hurricane Delta forced U.S. energy firms to cut production. Oil prices slipped more than 1% on Friday after an oil worker strike in Norway ended, which should boost crude output even as Hurricane Delta forced U.S. energy firms to cut production.

Source: [Reuters](#)



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