

U Capital Morning Brief

27 July 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	779.55	-2.85	-0.36%	-7.59%	7.04	0.74	7.9%
U Capital GCC 50 Index	1,199.38	0.46	0.04%	-13.47%	19.21	1.99	4.3%
U Capital MENA 200 Index	945.08	-0.23	-0.02%	-13.35%	14.59	1.66	5.0%
MSCI GCC Countries Index	478.52	0.40	0.08%	-16.00%	15.67	1.61	4.3%
Muscat Securities Market	3,557.99	-5.89	-0.17%	-10.63%	10.19	0.77	6.7%
Saudi Stock Exchange	7,434.05	7.27	0.10%	-11.39%	22.75	1.81	3.5%
Kuwait Stock Exchange	5,841.61	-15.04	-0.26%	-19.48%	14.35	1.12	4.1%
Qatar Exchange	9,375.40	7.11	0.08%	-10.07%	15.22	1.42	4.3%
Bahrain Stock Exchange	1,283.60	-1.04	-0.08%	-20.28%	9.60	0.79	5.5%
Dubai Financial Market	2,059.08	6.43	0.31%	-25.53%	7.03	0.73	4.7%
Abu Dhabi Exchange	4,285.30	24.24	0.57%	-15.57%	14.18	1.28	6.0%
Beirut Stock Exchange	588.02	-13.84	-2.30%	-25.15%	7.29	0.36	0.0%
Tunis Se Index	6,596.95	31.71	0.48%	-7.37%	18.33	2.18	0.8%
EGX 30 Index	10,524.45	64.53	0.62%	-24.62%	10.45	1.40	3.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Australian Dollar (AUD)	0.713	1.403
FTSE 100	UK	6,123.8	-1.41%	-18.81%	British Pound (GBP)	1.283	0.780
DAX	Germany	12,838.1	-2.02%	-3.10%	Canadian Dollar (CAD)	0.747	1.339
CAC 40	France	4,956.4	-1.54%	-17.09%	Chinese Renminbi (CNH)	0.143	7.002
United States					Egyptian Pound (EGP)	0.063	15.980
DJIA	USA	26,469.9	-0.68%	-7.25%	Euro (EUR)	1.170	0.855
S&P 500	USA	3,215.6	-0.62%	-0.47%	Indian Rupee (INR)	0.013	74.755
NASDAQ	USA	10,363.2	-0.94%	15.50%	Japanese Yen (JPY)	0.009	105.630
Asia Pacific					New Zealand Dollar (NZD)	0.667	1.499
NIKKEI 225	Japan	22,707.6	-0.19%	-4.01%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	24,632.8	-0.30%	-12.62%	Pakistani Rupee (PKR)	0.598	167.000
KSE 100 Index	Pakistan	37,917.3	0.82%	-6.92%	Russian Ruble (RUB)	0.014	71.735
NSE Nifty 50	India	11,138.2	-0.50%	-8.47%	Singapore Dollar (SGD)	0.725	1.380
SHANGHAI COMPOSITE	China	3,197.5	0.02%	4.83%	Turkish Lira (TRY)	0.146	6.845
SHANGHAI SHENZHEN CSI 300	China	4,521.8	0.36%	10.38%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	43.3	-0.05%	-30.67%	UAE	0.61	-72.4%
WTI Crude (per bbl)	41.3	0.00%	-32.38%	Saudi Arabia	0.93	-58.3%
Oman Crude Oil (Last Closing)	43.6	0.37%	-35.33%	Kuwait	1.56	-43.2%
OPEC (per bbl)	44.6	0.86%	-34.34%	Oman	2.64	-6.3%
Precious Metals						
Gold100 OZ (per oz)	1,934.8	1.72%	27.52%	Qatar	0.98	-56.6%
Silver (per oz)	24.2	6.27%	35.52%	Bahrain	2.30	-13.8%
Platinum (per oz)	940.4	2.35%	-2.71%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,415	-1.98%	3.90%		Maturity date	YTM, %
Aluminium, MT	1,700	-0.06%	-6.08%	KUWAIT	20/03/2027	1.44
Lead, MT	1,818	-0.44%	-5.66%	UAE	16/04/2030	1.72
Zinc, MT	2,218	-0.96%	-2.38%	QATAR	16/04/2030	1.80
				SAUDI ARABIA	22/10/2030	2.17
				OMAN	01/08/2029	6.88
				BAHRAIN	14/05/2030	5.41

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.88	0.2	1m	0.17	-90.2%
5 year	99.91	0.3	3m	0.25	-87.1%
10 year	100.39	0.6	6m	0.32	-83.3%
30 year	100.55	1.2	1 year	0.46	-77.0%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Cost-reflective tariffs force large power customers to cut usage in Oman

A study commissioned by the Authority for Electricity Regulation (AER) Oman has found that the majority of Oman's large electricity consumers have cut their annual consumption in the wake of the introduction of subsidy-free Cost Reflective Tariffs (CRT).

Source: [Oman Observer](#)

CMA issues regulations for health insurance Third Party Administrators

Abdullah bin Salim al Salmi, Executive President of the Capital Market Authority (CMA), said the issuance of licensing requirements for third party administrators (TPAs) will further strengthen the regulation of the health insurance sector in Oman.

Source: [Oman Observer](#)

5% rise in financial sector deposits

Deposits at the financial sector rose by 5.7 per cent to OMR24.1 billion in the Sultanate by the end of May 2020, compared to May 2019. A recent report released by Central Bank of Oman showed that deposits of the private sector at the financial sector posted an increase of 9.3 per cent to OMR16.1 billion by the end of May 2020.

Source: [Times of Oman](#)

Credit granted by financial sector firms rises 3.3%

Data released by the Central Bank of Oman (CBO) show a 3.3 per cent rise, OMR26.5 billion, in the volume of credit offered by Omani financial sector firms by the end of May 2020. Credited offered to the private sector by the firms rose by 2.6 per cent to OMR23 billion by the end of May.

Source: [Times of Oman](#)

Oman's share index ends marginally lower

Oman's benchmark Muscat Securities Market 30 Index declined by 5.9 points or 0.165 per cent to close lower at 3,557.99 on Sunday. The total value of traded securities reached OMR1.298 million a decline of 15.7 per cent compared to the last trading session when the value recorded reached OMR1.540 million.

Source: [Times of Oman](#)

Exchange Value of Real Estate Activity Edges Bit Higher by June 2020

The value of real estate activity exchange by the end of June 2020 stood at RO1.05 billion, compared to RO1.24 billion by the end of June 2019, according to statistics released by the National Centre of Statistics and Information. The data shows that fees collected from all legal transactions dropped 33.1% to RO29,300,000 by the end of June 2020 as against June 2019.

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Major Gulf stocks gain; Aramco extends losses

United Arab Emirates stocks ended higher on Sunday, lifted by banks and property shares, while losses at oil giant Saudi Aramco limited Saudi Arabian gains. Dubai's main share index .DFMGI closed up 0.3%, led by a 6.1% surge in DAMAC Properties DAMAC.DU and a 0.5% gain in Emirates NBD Bank ENBD.DU. DAMAC Properties confirmed that Port Investment Limited which transferred its shares to Omran Group is owned by DAMAC International Limited, a joint venture company in which DAMAC has a 20% shareholding.

Source: [Nasdaq](#)

Bahrain-origin exports top \$1.4bn during Q2

The value of Bahrain's exports of national origin decreased by 9% to BD540 million (\$1.42 billion) during second quarter 2020 (Q2), compared to BD595 million for the same quarter of the previous year, said the Information & eGovernment Authority (iGA) in a new report.

Source: [Trade Arabia](#)

Preservation, not growth, focus for GCC firms: S&P

The key focus for rated GCC corporates will be on preservation rather than growth as key priorities for businesses include cost optimization, managing liquidity, and cash flow preservation, said S&P Global Ratings in a new report. Meanwhile, new

investments expected to take a back seat for most sectors, according to the report “Twin Shocks of Low Oil and COVID-19 Mean Double Trouble for GCC Corporates”.

Source: [Trade Arabia](#)

Tata Communications secures local telecom license in Saudi Arabia

Tata Communications, a digital ecosystem enabler, Sunday announced that it has secured a Type B telecom license in the Kingdom of Saudi Arabia (KSA). The license entitles Tata Communications to provide Internet Service Provider (ISP) and related telecom services to enterprises in a defined capacity, along with local currency billing for end-customers in KSA.

Source: [Saudi Gazette](#)

Abu Dhabi Aviation sees 66% lower net profits in H1-20

The financial results of Abu Dhabi Aviation Company showed AED 47.822 million net profits for the first half (H1) of 2020, down by 66% from AED 139.398 million in the year-ago period. The company's revenues decreased to AED 895.712 million in H1-20, compared to AED 974.064 million in the same half of 2020. The earnings per share (EPS) settled at AED 0.17 during the first six months of 2020, against AED 0.23 in the corresponding period of the earlier year.

Source: [Mubasher](#)

Saudi oil revenues down 40% in five months

Saudi oil revenues plunged by SAR 133.97 billion or 40.38% on a yearly basis during the first five months of 2020, driven by the COVID-19 pandemic and its effects on the global economy and the oil demand. The decline came also amid a collapse in prices due to tensions between OPEC and its partners regarding output cuts before a reduction agreement was reached.

Source: [Zawya](#)

Saudi's DIY chain SACO declares \$4.8mln payout for shareholders

Saudi Company for Hardware (SACO), a popular DIY chain that operates 32 retail outlets across the kingdom, has announced it will reward shareholders with cash dividends worth 18 million riyals (\$4.8 million) for the first half of 2020. A total of 36 million shares will be eligible for the funds, which will be apportioned at 0.5 riyals per share, the company said in a filing with the Saudi Stock Exchange (Tadawul) on Sunday.

Source: [Zawya](#)

CBD reports Dh530m in H1 net profit

Commercial Bank of Dubai (CBD) on Sunday reported a net profit of Dh530.43 million for the first half of 2020, down 24.35 per cent compared to Dh701.15 million recorded in the same 2019 period. In a consolidated interim statement, the bank reported a total operating income of Dh1.411 billion in H1, down from Dh1.51 billion reported in the same 2019 period. Total net income in the first half was Dh916.75 million as against Dh1.129 billion in the same period last year.

Source: [Khaleej Times](#)

Agility comments on listing unit on DFM

Agility Public Warehousing has confirmed that no measures have been taken to list its subsidiary, Dubai's logistics firm Tristar, on Dubai Financial Market (DFM). This announcement was made to comment on some circulated news about the plan of Tristar to be listed on DFM, according to the company's disclosure to Boursa Kuwait on Sunday. The company is considering different opportunities, including the public listing, to maximise shareholders' value and improve liquidity. It is noteworthy to mention that in 2019, the company achieved net profits of KWD 86.8 million, up 7% when compared to 2018.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dr. Fauci says coronavirus vaccine likely won't be 'widely' available until several months into 2021

White House coronavirus advisor Dr. Anthony Fauci said Friday that a coronavirus vaccine likely won't be “widely available” to the American public until “several months” into 2021. Public health officials and scientists expect to know whether at least one of the numerous potential Covid-19 vaccines in development is safe and effective by the end of December or early next year.

Source: [CNBC](#)

Fed meeting expected to leave U.S. bond-stock relationship out of whack

The Federal Reserve's whatever-it-takes approach to stave off economic calamity has kept interest rates near zero and helped drive U.S. stocks back to pre-pandemic record levels, while weakening the usual dynamic between safe-haven U.S. Treasuries and riskier equities.

Source: [Reuters](#)

Moderna gets further \$472 million U.S. award for coronavirus vaccine development

Moderna Inc said on Sunday it has received an additional \$472 million from the U.S. government's Biomedical Advanced Research and Development Authority (BARDA) to support development of its novel coronavirus vaccine.

Source: [Reuters](#)

COMMODITIES NEWS

Gold prices surge to record high amid coronavirus worries, U.S.-China tensions

Gold touched record prices as worries over issues such as the coronavirus pandemic as well as U.S.-China tensions weighed on investor sentiment. In the morning of Asian trading hours on Monday, spot gold traded at about \$1,931.11 per ounce after earlier trading as high as \$1,943.9275 per ounce. Those levels eclipsed the previous record high price set in September 2011.

Source: [CNBC](#)

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