













U Capital Morning Brief

9 January 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	836.83	0.46	0.05%	-0.80%			
U Capital GCC 50 Index	1,349.44	-12.94	-0.95%	-2.64%			
U Capital MENA 200 Index	1,064.22	-13.47	-1.25%	-2.43%			
MSCI GCC Countries Index	555.84	-3.81	-0.68%	-2.43%			
Muscat Securities Market	 3,944.48	-3.90	-0.10%	-0.92%	7.45	0.72	7.6%
Saudi Stock Exchange	 8,124.11	-74.86	-0.91%	-3.16%	21.81	1.81	3.3%
Kuwait Stock Exchange	 7,069.13	-9.37	-0.13%	-2.56%	15.07	1.43	3.5%
Qatar Exchange	 10,337.32	-44.42	-0.43%	-0.85%	15.02	1.53	4.1%
Bahrain Stock Exchange	 1,585.32	-6.69	-0.42%	-1.54%	12.62	0.98	4.9%
Dubai Financial Market	 2,713.48	-33.29	-1.21%	-1.86%	10.77	0.97	4.3%
Abu Dhabi Exchange	 5,019.36	-37.39	-0.74%	-1.11%	15.36	1.41	5.0%
Beirut Stock Exchange	 801.75	8.16	1.03%	2.06%	4.25	0.48	11.5%
Palestine Stock Exchange	 521.99	-0.76	-0.15%	-0.75%	12.29	1.19	4.5%
Tunis Se Index	 6,889.97	-29.40	-0.42%	-3.26%	19.54	2.43	2.1%
EGX 30 Index	 13,542.48	329.82	2.50%	-3.00%	11.50	1.79	2.5%
Amman General Index	 1,817.48	-9.71	-0.53%	0.13%	11.40	0.89	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,574.9	0.01%	0.4%
DAX	Germany	13,320.2	0.71%	0.5%
CAC 40	France	6,031.0	0.31%	0.9%
United States				
DJIA	USA	28,745.1	0.56%	0.7%
S&P 500	USA	3,253.1	0.49%	0.7%
NASDAQ	USA	9,129.2	0.67%	1.7%
Asia Pacific				
NIKKEI 225	Japan	23,690.2	2.13%	0.1%
HANG SENG	Hongkong	28,385.3	1.06%	0.7%
KSE 100 Index	Pakistan	42,167.1	1.83%	3.5%
NSE Nifty 50	India	12,147.4	1.01%	-0.2%
SHANGHAI COMPOSITE	China	3,081.4	0.47%	1.0%
SHANGHAI SHENZHEN CSI 300	China	4,145.7	0.81%	1.2%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.687	1.456
British Pound (GBP)	1.311	0.763
Canadian Dollar (CAD)	0.767	1.304
Chinese Renminbi (CNH)	0.144	6.926
Egyptian Pound (EGP)	0.062	16.066
Euro (EUR)	1.112	0.900
Indian Rupee (INR)	0.014	61.237
Japanese Yen (JPY)	0.009	109.220
New Zealand Dollar (NZD)	0.665	1.505
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.646	154.875
Russian Ruble (RUB)	0.016	71.448
Singapore Dollar (SGD)	0.741	1.350
Turkish Lira (TRY)	0.169	5.921

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	65.9	0.75%	-0.1%
WTI Crude (per bbl)	60.1	0.87%	-1.5%
Oman Crude Oil (Last Closing)	66.0	-4.17%	-2.1%
OPEC (per bbl)	69.6	-1.79%	2.4%
Precious Metals			
Gold100 OZ (per oz)	1,558.7	0.13%	2.7%
Silver (per oz)	18.1	-0.02%	1.4%
Platinum (per oz)	956.9	0.28%	-1.0%
Other Metals			
Copper, MT	6,178	0.47%	0.1%
Aluminium, MT	1,801	-0.85%	-0.5%
Lead, MT	1,901	-0.26%	-1.3%
Zinc, MT	2,403	2.43%	5.8%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.15	-2.4%
Saudi Arabia	2.23	0.0%
Kuwait	2.75	0.0%
Oman	2.81	-0.2%
Qatar	2.32	3.2%
Bahrain	2.67	0.0%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.4
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	5.2
Bahrain	12/10/2028	4.5

Midswaps	Price	YTM %
3 year	99.71	1.6
5 year	100.46	1.7
10 year	99.03	1.9
30 year	100.83	2.3

USD Libor	Rate (%)	YTD
1m	1.70	-3.6%
3m	1.88	-1.6%
6m	1.88	-1.7%
1 year	1.95	-2.1%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Port of Salalah joins block chain-enabled digital shipping platform

As part of its digital initiative to enhance customer experience, Port of Salalah recently joined TradeLens, the blockchain-enabled digital shipping platform. TradeLens, which is one of the leading open and neutral supply chain platforms has been developed in a collaboration between Maersk and IBM. The TradeLens ecosystem presently comprises of over 100 diverse organisations including carriers, ports, terminal operators, 3PLs, and freight forwarders. Currently, the platform handles 10 million events and more than 100,000 documents every week.

Source: [Times of Oman](#)

Draft law on combating hidden trade taking shape

Plans are underway to create Oman's first hidden trade law that aims to cut down on businesses that are owned by Omanis in name only, but actually have expat workers running and operating them. The final draft of this hidden trade law is currently with the Majlis Al Shura's Economic and Financial Committee, which has held discussions on changes that needed to be made to this draft sent to them by Oman's Council of Ministers.

Source: [Times of Oman](#)

First green service station opens in Muscat

The first green service station, an environment-friendly initiative, was launched in Rusayl on Wednesday. The innovative facility, which supports the national plans of alternative energy and sustainable development initiatives, is the latest in a long list of environmental preservation practices adopted by the Oman Oil Marketing Company (OOMCO).

Source: [Oman Observer](#)

MSM Disclosure: Oman Cables announced acquisition of entire capital of subsidiary company

Oman Cables announced, with reference to its disclosure on 5th Dec 2019, regarding the acquisition of entire share capital of the subsidiary company Oman Aluminium Processing Industries LLC (OAPIL), that it has finalized the process on 8th Jan 2020. The subsidiary is now 100% owned by Oman Cables.

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia's new visa policies boost tourist numbers

Saudi Arabia's decision to allow US, UK or Schengen visa holders to obtain a visa on arrival in the Kingdom will help to boost the tourism sector and the country's economy, according to business insiders. However, visitors wishing to access the facility need to have used their UK, US or Schengen visas before entering the Kingdom and the visas should be valid until their departure from Saudi Arabia.

Source: [Arab News](#)

Saudi Arabia's new sugary drinks tax will not impact businesses, investments in long term

The imposition of 50% excise tax on Sugar Sweetened Beverages (SSBs) is one of the most far-reaching expansions of excise taxes to date in Saudi Arabia. However, it will only have a short-term impact on the FMCG supply chain including manufacturers, wholesalers, retailers and the hospitality industry, according to a KPMG executive. A sweetened beverage has been classified as "any product containing any type of sugar or other sweeteners produced for the purposes of drinking as a beverage whether ready for drinking, or as concentrate powders, gel extracts or any form that can be converted into a drink"

Source: [AME Info](#)

DAFZA contributes 12% of Dubai's foreign trade in first nine months of 2019

Dubai Airport Freezone Authority (DAFZA) contributed 12 percent of Dubai's 1.02 trillion UAE dirhams (\$277.7 billion) foreign trade in the first nine months of 2019, it said in a statement. DAFZA's total value of foreign trade reached 120 billion UAE dirhams during the period, charting a 11.2 percent growth. Its re-exports grew 11.8 percent to 68 billion UAE dirhams and accounted for 21.7 percent of Dubai's re-exports. DAFZA's operations during the first nine months of 2019 helped achieve a large trade surplus of 16.2 billion UAE dirhams, the statement said.

Source: [Zawya](#)

World Bank slashes UAE, GCC, and Mena growth forecast

The World Bank, on Wednesday, slashed the growth forecast for the UAE, GCC, and Middle East and North Africa (Mena) region for 2020 and 2021, due to geopolitical tensions and lower oil demand amidst a weakened global growth. It slashed the UAE's growth estimates for 2019, 2020, and 2021 by 0.8 per cent, 0.4 per cent, and 0.2 per cent respectively, from its June 2019 forecast. In its January 2020 Global Economic Prospects report, released late on Wednesday, the World Bank predicted

the UAE's growth at 1.8 per cent for 2019, but said that it will pick up over the next three years and expand at 2.6 per cent in 2020 and 3.0 per cent for 2021 and 2022.

Source: [Khaleej Times](#)

UAE business community lauds government for new five-year tourist visa

Stakeholders in the UAE's private sector were all praise for the government's decision to grant five-year multi-entry visas to foreigners looking to visit the country. Business owners, as well as top executives in the hospitality industry, said the new move will not only boost domestic tourism, it will also help local businesses as well, particularly in terms of increasing consumer spending and easing the recruitment process for employers who want to hire new talent from overseas.

Source: [Zawya](#)

Saudi cement sales grow 24% in December 2019

The aggregate sales of 17 Saudi cement firms rose 24% year-on-year (YoY) to 4.75 million tons in December 2019, according to recent data issued by Yamama Cement Company. All cement producers, except for Arabian Cement Co., reported higher sales, led by Eastern Cement Co with more than 175% surge year-on-year (YoY) by the end of December 2019. Najran Cement came second with a 48% rise. It was followed by Riyadh Cement and Umm Al-Qura Cement Co. (UACC), which saw their sales growing by 31% and 30%, respectively.

Source: [Argaam](#)

CMA approves securities central counterparty's regulations

Saudi Arabia's Capital Market Authority (CMA) approved on Wednesday the securities central counterparty's regulations and amended the glossary of terms used in the regulations, which will come into effect as of the date of publication. The newly approved regulations aim to regulate securities clearing activities in the Kingdom and specify the requirements for obtaining an authorisation to carry out such activities, according to CMA's statement on Wednesday. This will also guarantee the settlement and fulfilment of obligations of transactions parties, and strengthen and enhance the market's infrastructure, CMA said.

Source: [Argaam](#)

Mideast Stocks: Gulf stocks fall after Iranian missile strike

Gulf stock markets retreated on Wednesday after Iran fired missiles at U.S.-led forces in Iraq in retaliation for the killing of an Iranian military commander last week. Iranian state television said Iran had fired 15 missiles at U.S. targets. The U.S. military said at least two Iraqi facilities hosting U.S.-led coalition personnel were targeted. Iraq said 22 missiles were fired. Iranian Foreign Minister Jawad Zarif called the attack "proportionate measures in self-defence," adding that "we do not seek escalation or war."

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares erase losses as Mideast tensions ease, oil ticks up

Asian stocks rebounded on Thursday and oil edged up as the United States and Iran backed away from the brink of further conflict in the Middle East and investors unwound safety plays. U.S. President Donald Trump responded overnight to an Iranian attack on U.S. forces with sanctions, not violence. Iran offered no immediate signal it would retaliate further over a Jan. 3 U.S. strike that killed one of its senior military commanders.

Source: [Reuters](#)

China issues rules to clean up troubled \$577 billion financial leasing sector

China issued draft rules to tighten oversight of its financial leasing sector, which has total assets of more than 4 trillion yuan (\$577.16 billion), in its latest effort to curb financial risks. The country had 10,900 leasing firms as of the end of June last year, but 72% were shell companies or had halted their business, the China Banking and Insurance Regulatory Commission (CBIRC) said in a statement on its website on Wednesday.

Source: [Financial Post](#)

China's December factory-gate price deflation eases, CPI remains high

China's producer prices fell at a slower pace in December, in signs of a modest recovery in manufacturing activity and suggesting Beijing's stimulus measures might have helped to steady the economy. The producer price index (PPI), seen as a key indicator of corporate profitability, fell 0.5% from a year earlier, National Bureau of Statistics (NBS) data showed on Thursday. Analysts had expected factory-gate prices to fall 0.4% year-on-year, compared with a 1.4% drop in November.

Source: [NASDAQ](#)

COMMODITIES NEWS

Oil prices sink nearly 5% to under \$60 after Trump says Iran is standing down in Middle East fight

Oil sank after Trump said Iran “appears to be standing down” and that the U.S. would impose sanctions instead of another military strike as feared by some. U.S. West Texas Intermediate crude dropped 4.9% to \$59.61, its first time below \$60 a barrel since Dec. 16. “We were all wondering if there would be some off-ramp achieved or taken by the various sides,” said John Kilduff, Founding Partner at Again Capital. “The Iran fever has broken in a significant way.”

Source: [CNBC](#)

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