













U Capital Morning Brief

15 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	0.00	0.00%	-0.80%			
U Capital GCC 50 Index	1,395.14	45.70	3.39%	0.65%			
U Capital MENA 200 Index	1,099.06	34.84	3.27%	0.76%			
MSCI GCC Countries Index	575.81	4.40	0.77%	1.07%			
Muscat Securities Market	 4,017.25	40.09	1.01%	0.91%	7.57	0.73	7.4%
Saudi Stock Exchange	 8,474.81	33.67	0.40%	1.02%	22.82	1.89	3.2%
Kuwait Stock Exchange	 7,329.75	16.36	0.22%	1.03%	15.62	1.48	3.4%
Qatar Exchange	 10,636.70	69.09	0.65%	2.03%	15.51	1.57	4.0%
Bahrain Stock Exchange	 1,620.36	18.75	1.17%	0.63%	12.90	1.00	4.8%
Dubai Financial Market	 2,812.17	9.27	0.33%	1.71%	11.16	1.01	4.2%
Abu Dhabi Exchange	 5,167.11	-1.51	-0.03%	1.80%	15.82	1.45	4.8%
Beirut Stock Exchange	 720.67	-3.74	-0.52%	-8.26%	3.81	0.43	12.8%
Palestine Stock Exchange	 524.38	0.66	0.13%	-0.30%	12.37	1.20	4.5%
Tunis Se Index	 6,882.41	12.78	0.19%	-3.37%	19.52	2.42	2.1%
EGX 30 Index	 13,756.64	58.00	0.42%	-1.47%	11.68	1.82	
Amman General Index	 1,829.68	4.32	0.24%	0.80%	11.50	0.89	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,622.4	0.06%	1.1%
DAX	Germany	13,456.5	0.04%	1.6%
CAC 40	France	6,040.9	0.08%	1.1%
United States				
DJIA	USA	28,939.7	0.11%	1.4%
S&P 500	USA	3,283.2	-0.15%	1.6%
NASDAQ	USA	9,251.3	-0.24%	3.1%
Asia Pacific				
NIKKEI 225	Japan	23,916.6	-0.45%	1.1%
HANG SENG	Hongkong	28,706.0	-0.63%	1.8%
KSE 100 Index	Pakistan	43,018.4	-0.43%	5.6%
NSE Nifty 50	India	12,304.2	-0.47%	1.1%
SHANGHAI COMPOSITE	China	3,091.3	-0.50%	1.3%
SHANGHAI SHENZHEN CSI 300	China	4,165.8	-0.57%	1.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Currency		
Australian Dollar (AUD)	0.690	1.449
British Pound (GBP)	1.304	0.767
Canadian Dollar (CAD)	0.766	1.306
Chinese Renminbi (CNH)	0.145	6.892
Egyptian Pound (EGP)	0.063	15.897
Euro (EUR)	1.113	0.898
Indian Rupee (INR)	0.014	61.445
Japanese Yen (JPY)	0.009	109.930
New Zealand Dollar (NZD)	0.662	1.511
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.646	154.830
Russian Ruble (RUB)	0.016	70.885
Singapore Dollar (SGD)	0.742	1.347
Turkish Lira (TRY)	0.170	5.886

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	64.4	-0.19%	-2.5%
WTI Crude (per bbl)	58.1	-0.21%	-4.8%
Oman Crude Oil (Last Closing)	65.5	0.29%	-2.9%
OPEC (per bbl)	66.1	-1.42%	-2.8%
Precious Metals			
Gold100 OZ (per oz)	1,551.9	0.38%	2.3%
Silver (per oz)	17.8	0.28%	0.0%
Platinum (per oz)	992.1	0.80%	2.6%
Other Metals			
Copper, MT	6,302	0.19%	2.1%
Aluminium, MT	1,809	0.61%	-0.1%
Lead, MT	1,948	1.67%	1.1%
Zinc, MT	2,374	-0.19%	4.5%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.02	-8.7%
Saudi Arabia	2.22	-0.4%
Kuwait	2.75	0.0%
Oman	2.79	-0.8%
Qatar	2.30	2.2%
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	5.1
Bahrain	12/10/2028	4.6

Midswaps	Price	YTM %
3 year	99.79	1.6
5 year	100.64	1.6
10 year	99.52	1.8
30 year	102.47	2.3

USD Libor	Rate (%)	YTD
1m	1.68	-4.9%
3m	1.83	-4.0%
6m	1.87	-2.1%
1 year	1.96	-1.7%

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: Regional geopolitical tensions weigh on MSM benchmark

The MSM 30 Index declined last week on the weakening of local and foreign investor sentiment due to escalation in regional geopolitical tensions. The market saw few Omanis and foreigners exit, whereas GCC and Arab investors remained net buyers of RO 1.05m worth of securities during the week. The MSM30 Index closed the week down by 0.70 per cent w-o-w. All sub-indices closed down, led by the Financial Index which closed down by 0.70 per cent w-o-w, followed by the Services & Industrial Index, both of which closed down by 0.38 per cent w-o-w respectively. The MSM Shariah Index also closed down by 0.37 per cent w-o-w.

Source: [Oman Observer](#)

U Capital: Health insurance, REITs, ETFs to buoy MSM in 2020

The planned roll-out of a number of key initiatives, notably in the form of Mandatory Health Insurance, Real Estate Investment Trusts (REITs) and Exchange-Traded Funds (ETFs), is expected to have a positive impact on the performance of the Muscat Securities Market (MSM) during 2020, according to local Omani investment services firm Uthmaniyah Capital SAOC (U-Capital). The Muscat-based company listed a number of events and developments – international, regional and local – that, it said, would likely influence the performance – upward or downward – of Oman’s only bourse in the New Year.

Source: [Oman Observer](#)

Oman, Japan discuss cooperation areas

Oman and Japan held official talks at the Council of Ministers headquarters on Tuesday. The Omani side was headed by H H Sayyid Fahd bin Mahmoud al Said, Deputy Prime Minister for the Council of Ministers, while the Japanese side was led by Shinzo Abe, Prime Minister of Japan. Welcoming the guest and his accompanying delegation, Sayyid Fahd hoped that relations between the two countries will continue to grow and prosper.

Source: [Muscat Daily](#)

Saudi firm sets up logistics hub in Port of Duqm

Saudi-based Rezayat Logistics Group has signed an agreement for the establishment of a logistics hub at the Port of Duqm with an initial investment of \$15 million. Under the agreement, the company has leased four hectares of prime land within the port’s Logistics Zone to set up Rezayat Logistics Oman (Duqm Branch). A shipment of modern and premium brand mobile cranes that was recently discharged at the port will be used to serve ongoing projects in Duqm.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Foreign investors buy SAR 91.2 bln worth of stocks on Tadawul in 2019

Qualified foreign investors (QFIs) were net purchasers of SAR 91.2 billion worth of stocks on the Saudi Stock Exchange (Tadawul) in 2019, compared to net buys of 2.83 billion in 2018, according to data issued by the Saudi bourse. Foreign investors bought SAR 239 billion worth of shares and sold shares at a total value of SAR 148 billion in 2019. Foreign investors recorded the highest purchases in May and June 2019 at SAR 17.6 billion and SAR 16.2 billion, respectively.

Source: [Argaam](#)

Sheikh Mohammed launches Dubai Future District: Dubai aims to be new global economic capital

His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, and Ruler of Dubai announced Dubai’s economic aims after the second Dubai Council session held on Tuesday. In a series of tweets, Sheikh Mohammed said: "Today, at the second Dubai Council session, we launched the Dubai Future District, a new space dedicated to the development of the future economy, as well as a Dh1 billion fund to support new economy companies who can power Dubai’s future growth."

Source: [Gulf News](#)

Over 20,000 Saudi women working in tourism sector

The number of Saudi women who work in the Kingdom’s tourism sector reached 20,732 during the year 2018, according to a survey carried out by the General Authority for Statistics (GaStat). It was revealed in the survey, titled "Survey of Tourism Establishments for 2018," that there are 552,556 people employed in the Saudi tourism sector, of which Saudis made up 22.3 percent. There had been an increase of 3.1 percent in the number of people working in the tourism firms in 2018 compared to the previous year.

Source: [SG](#)

Saudi CMA licenses Muqassa to provide clearing services

The Capital Market Authority (CMA) approved authorizing the Securities Clearing Center Co. (Muqassa) to provide securities clearing services in the Kingdom. Muqassa will be also classified as a qualified central counterparty, the Saudi market regulator said in a statement.

Source: [Argaam](#)

Aslak recommends 20% capital cut due to surplus

United Wire Factories Co.'s (Aslak) board of directors recommended a 20% capital cut to SAR 351 million from SAR 438.75 million due to a capital surplus, the company said in a statement on Tadawul. The process will take place through writing off 20% of the shares and compensating shareholders in return. The capital cut will be financed from the company's cash surplus. The step is expected to have a positive impact on the company through improving performance indices, the statement said.

Source: [Argaam](#)

Dubai's Azizi Developments eyes Saudi, UK markets; bets big on business diversification – CEO

Azizi Developments, one of the leading private developers in the UAE, is training its sights on Saudi Arabia and the United Kingdom for further expansion as well as looking into diversifying its business into facility management and brokerage services, CEO Farhad Azizi told Zawya in an interview. However, Azizi noted that the company doesn't yet have a pipeline of projects in these countries: "While we are also researching opportunities for projects in these markets (other emirates, neighbouring high-growth markets such as Saudi, and more mature markets such as London), with no specific projects in the pipeline yet, we are looking into launching presences and sales activities in other emirates, the KSA, London and Nigeria."

Source: [Zawya](#)

2020 to set direction for Dubai property prices, rentals

Residential property supply is set to hit an all-time high in Dubai in 2020, keeping prices and rentals under pressure this year as well and attracting more cost-conscious buyers due to higher affordability, say analysts. Real estate research firms predict around 50,000 units will hit Dubai this year with most of it attributed to spillover of expected handovers from last year. It is believed that the decline in prices and rentals will slow down this year as 2020 will be a pivotal year for Dubai's economy and the real estate market.

Source: [Zawya](#)

KSA's TAQA, Al Mansoori Petroleum to cooperate in hydraulic fracturing

Saudi Arabia's Industrialization and Energy Services Company (TAQA) announced the signing of an agreement with Al Mansoori Petroleum Services (AMPS) on the sidelines of the International Petroleum Technology Conference (IPTC). The agreement establishes an alliance between TAQA and the UAE-based Al Mansoori Petroleum Services to provide high-end fully-integrated fracturing and stimulation solutions, through combination of both companies' respective expertise and capabilities in geoscience and engineering, well-site management, well testing and flowback, fracturing, stimulation, slickline, coiled tubing and perforation services and equipment, according to a statement.

Source: [Mubasher](#)

London court orders Djibouti to restore DP World's rights over Doraleh port – WAM

A London arbitration court has ordered Djibouti to restore DP World's <DPW.DI> right to operate the Doraleh Container Terminal as detailed under a 2006 concession deal within two months or pay damages, the state news agency WAM reported on Tuesday.

Source: [Yahoo](#)

First Abu Dhabi Bank sells \$500 mln sukuk

First Abu Dhabi Bank (FAB), the largest lender in the United Arab Emirates, is selling sukuk, or Islamic bonds, worth \$500 million dollars, a document by one of the banks leading the deal showed. The bank is marketing the paper with a profit rate equivalent to 90 basis points over mid-swaps, according to the document. (Reporting by Davide Barbuscia, editing by Louise Heavens)

Source: [Reuters](#)

Bahrain's Mumtalakat raises \$500 mln in Islamic bonds

Bahrain's sovereign wealth fund Mumtalakat raised \$500 million in sukuk, or Islamic bonds, on Tuesday, a document by one of the banks leading the deal showed. The seven-year sukuk offer a profit rate of 4.25%, according to the document. Citi, Gulf International Bank GLFBK.UL, HSBC, KFH Capital, National Bank of Bahrain NATB.BH and Standard Chartered STANB.UL arranged the deal.

Source: [NASDAQ](#)

Kuwait 2020/21 budget forecasts no rise in overall spending

Kuwait said on Tuesday it did not plan to raise total spending in its state budget for the year ending on March 31, 2021. Although overall spending would not change, figures issued by the Gulf Arab state showed capital spending increasing by 16% in the next financial year.

Source: [Zawya](#)

MIDEAST STOCKS-Middle Eastern stocks gain on financials, Kuwait leads

Gulf stock markets closed higher on Tuesday with Kuwait leading the gains, bolstered by banking shares amid rising oil prices, while Egypt was supported by top lender Commercial International Bank. Oil prices rose snapping four straight days of declines as the United States and China prepared to sign a preliminary trade deal. Brent crude gained 43 cents, or 0.67%, at \$64.63 per barrel by 1036 GMT. U.S. West Texas Intermediate crude futures rose 32 cents or 0.4% at \$58.40 a barrel. Saudi Arabia's index was up 0.4%. Al Rajhi Bank gained 0.8%, while petrochemical firm Saudi Basic Industries added 0.5%. State-owned oil giant Saudi Aramco closed up 0.3% at 34.9 riyals, offsetting earlier losses during the day.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

U.S., China set to sign massive purchases deal, easing trade war

The U.S.-China trade war is set to enter a new, quieter phase on Wednesday as U.S. President Donald Trump and Chinese Vice Premier sign an initial trade deal that aims to vastly increase Chinese purchases of U.S. manufactured products, agricultural goods, energy and services.

Source: [Reuters](#)

GLOBAL MARKETS-Stocks slip ahead of U.S.-China trade deal signing

Stocks slipped in Asian trade on Wednesday as investors awaited the signing of an initial U.S.-China trade deal, with sentiment somewhat dented by comments from the U.S. Treasury Secretary that tariffs would remain in place for now. MSCI's broadest index of Asia-Pacific shares outside Japan retreated 0.40%, Japan's benchmark Nikkei and South Korea's KOSPI shed 0.46% and 0.40%, respectively, while Australian stocks added 0.33%.

Source: [Reuters](#)

Yen holds firm while investors wait for trade deal signing

The safe-haven yen held firm and riskier Asian currencies softened a little on Wednesday, as currency investors awaited the signing of the U.S.-China trade deal with trepidation. The formal agreement is aimed at drawing a line underneath 18 months of tit-for-tat tariff hikes that have hurt global growth. But hopes that it may herald warmer relations between the world's top two economies were dented late Tuesday when U.S. Treasury Secretary Steven Mnuchin said that current tariffs on Chinese goods would stay, pending further talks.

Source: [NASDAQ](#)

COMMODITIES NEWS

Oil drops on concerns that U.S.-China trade deal may not stoke demand

Oil prices slipped on Wednesday on concerns that the pending Phase 1 trade deal between the United States and China, the world's biggest oil users, may not boost demand as the U.S. intends to keep tariffs on Chinese goods until a second phase. U.S. Treasury Secretary Steven Mnuchin said late on Tuesday that tariffs on Chinese goods will remain in place until the completion of a second phase of a U.S.-China trade agreement, even as both sides are expected to sign an interim deal later on Wednesday.

Source: [Reuters](#)

Gold inches up as US says China tariffs in place till Phase 2 deal

Gold edged up on Wednesday, after a top US official said tariffs on China would stay until a Phase 2 deal is completed, ahead of the signing of an interim trade deal between the two countries, while palladium scaled a record peak. Spot gold rose 0.1 per cent to \$1,547.23 per ounce by 0117 GMT; prices had touched their lowest since Jan. 3 at \$1,535.63 on Tuesday. US gold futures rose 0.2 per cent to \$1,547.80.

Source: [ET](#)

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