

U Capital Morning Brief

16 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	841.34	4.51	0.54%	-0.26%			
U Capital GCC 50 Index	1,390.74	-4.40	-0.32%	0.34%			
U Capital MENA 200 Index	1,098.36	-0.70	-0.06%	0.70%			
MSCI GCC Countries Index	574.66	-1.15	-0.20%	0.87%			
Muscat Securities Market	4,039.37	62.21	1.56%	1.46%	6.69	0.73	7.4%
Saudi Stock Exchange	8,432.56	-42.25	-0.50%	0.52%	22.71	1.88	3.2%
Kuwait Stock Exchange	7,337.54	24.15	0.33%	1.14%	15.64	1.48	3.4%
Qatar Exchange	10,635.02	-1.68	-0.02%	2.01%	15.31	1.58	4.0%
Bahrain Stock Exchange	1,636.21	15.85	0.98%	1.62%	13.03	1.01	4.8%
Dubai Financial Market	2,817.99	15.09	0.54%	1.92%	11.19	1.01	4.1%
Abu Dhabi Exchange	5,174.05	5.43	0.11%	1.94%	15.84	1.45	4.8%
Beirut Stock Exchange	722.65	1.98	0.28%	-8.01%	3.82	0.43	12.8%
Palestine Stock Exchange	525.91	1.53	0.29%	-0.01%	12.40	1.20	4.5%
Tunis Se Index	6,902.30	19.89	0.29%	-3.09%	19.58	2.43	2.1%
EGX 30 Index	13,769.64	13.00	0.09%	-1.37%	11.69	1.82	
Amman General Index	1,853.11	23.43	1.28%	2.09%	11.65	0.90	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,642.8	0.27%	1.3%
DAX	Germany	13,432.3	-0.18%	1.4%
CAC 40	France	6,032.6	-0.14%	0.9%
United States				
DJIA	USA	29,030.2	0.31%	1.7%
S&P 500	USA	3,289.3	0.19%	1.8%
NASDAQ	USA	9,258.7	0.08%	3.2%
Asia Pacific				
NIKKEI 225	Japan	23,920.2	0.02%	1.1%
HANG SENG	Hongkong	28,773.9	0.01%	2.1%
KSE 100 Index	Pakistan	42,877.4	-0.27%	5.3%
NSE Nifty 50	India	12,341.5	-0.01%	1.4%
SHANGHAI COMPOSITE	China	3,079.6	-0.34%	1.0%
SHANGHAI SHENZHEN CSI 300	China	4,152.7	-0.34%	1.4%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.691	1.448
British Pound (GBP)	1.305	0.766
Canadian Dollar (CAD)	0.767	1.305
Chinese Renminbi (CNH)	0.145	6.888
Egyptian Pound (EGP)	0.063	15.868
Euro (EUR)	1.115	0.897
Indian Rupee (INR)	0.014	61.436
Japanese Yen (JPY)	0.009	109.940
New Zealand Dollar (NZD)	0.663	1.508
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.646	154.760
Russian Ruble (RUB)	0.016	70.865
Singapore Dollar (SGD)	0.743	1.346
Turkish Lira (TRY)	0.170	5.878

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	64.5	0.75%	-2.3%
WTI Crude (per bbl)	58.3	0.76%	-4.6%
Oman Crude Oil (Last Closing)	64.9	-0.86%	-3.7%
OPEC (per bbl)	65.6	-0.67%	-3.4%
Precious Metals			
Gold100 OZ (per oz)	1,553.7	-0.18%	2.4%
Silver (per oz)	17.9	-0.61%	0.2%
Platinum (per oz)	1,015.9	-0.64%	5.1%
Other Metals			
Copper, MT	6,287	-0.24%	1.8%
Aluminium, MT	1,801	-0.44%	-0.5%
Lead, MT	1,999	2.62%	3.7%
Zinc, MT	2,385	0.48%	5.0%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.02	-8.5%
Saudi Arabia	2.22	-0.4%
Kuwait	2.75	0.0%
Oman	2.81	-0.1%
Qatar	2.30	2.2%
Bahrain	2.67	0.0%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.3
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	5.1
Bahrain	12/10/2028	4.5

Midswaps	Price	YTM %
3 year	99.81	1.6
5 year	100.70	1.6
10 year	99.64	1.8
30 year	102.75	2.2

USD Libor	Rate (%)	YTD
1m	1.67	-5.3%
3m	1.84	-3.4%
6m	1.86	-2.5%
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

Banking sector credit rises 3pc during Jan-Nov '19

Outstanding credit extended by conventional and Islamic banks (other depository corporations) in the Sultanate rose 3 per cent to RO 25.8 billion as of end November 2019, compared to the corresponding figure for 2018, the Central Bank of Oman (CBO) in a review of the performance of the banking sector for the first nine months of last year. Credit to the private sector increased 2.6 per cent to RO 22.8 billion by end-November 2019, the apex bank stated. Of the total credit to the private sector, the share of the non-financial corporate sector was 46.1 per cent, followed by the household sector (mainly under personal loans) at 45.2 per cent, financial corporations at 5.4 per cent and other sectors the remaining 3.4 per cent.

Source: [Oman Observer](#)

MSM 30 Index jumps 1.54pc

The benchmark MSM 30 Index gained 62.22 points to reach 4,039.27 on Wednesday, the first day of trading at the end of three days of national mourning announced by the Omani government on the passing of His Majesty Sultan Qaboos last week. The 1.54 per cent surge — the sharpest in a long time on the Omani bourse — was primarily attributable to a combination of two key factors, according to a Muscat-based stock market specialist.

Source: [Oman Observer](#)

Oman crude oil price continues to hold steady around \$65 per barrel

The price of Oman crude oil continue to hover around \$65 per barrel, according to the Dubai Mercantile Exchange. According to a statement from DME, "The marker price on January 15 for March 2020's Oman crude oil futures contract (OQD) is \$65.23, with a change of \$0.05." The price of Oman crude had stayed around the same on January 14 as well, dropping from around \$66 per barrel on 13 January, and the end of last week. "The marker price on January 14 for March 2020's Oman crude oil futures contract was \$65.18, with a change of \$ -0.84," said DME.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

CMA approves Muqassa's clearing procedures

The Capital Market Authority (CMA) approved the Securities Clearing Center Co.'s (Muqassa) rules, clearing procedures and glossary of defined terms used in the exchange rules, the center said in a bourse statement. The Securities Clearing Center rules and procedures aim to enable Muqassa's role as a Central Counterparty (CCP) clearing house in the Saudi Capital Market, regulate the clearing members responsibilities, the statement added.

Source: [Argaam](#)

Dubai targets \$544bn non-oil trade by 2025

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, announced new Dh2 trillion (\$544 billion) target for Dubai's non-oil foreign trade by 2025. Presiding over the second meeting of Dubai Council, he said the trade target will be supported by establishing 50 offices around the world, each tasked with promoting Dubai's unrivalled trade, tourism and investment offerings through and intensifying and unifying of external marketing efforts, a Wam news agency report said.

Source: [Zawya](#)

UAE to save AED 11bn on adopting blockchain technology

The UAE is expected to save more than \$3 billion (AED 11 billion) through adopting blockchain technologies, according to a report produced by the Fourth Industrial Revolution UAE (C4IR UA) in collaboration with the World Economic Forum and Dubai Future Foundation. Moreover, the number of printed documents will be dropped by 398 million and working hours will be reduced by 77 million annually through implementing blockchain technologies to process daily transactions.

Source: [Decypha](#)

Abu Dhabi energy firm Masdar launches green REIT in UAE

Abu Dhabi Future Energy Company (Masdar) said on Wednesday it was launching a sustainable real estate investment trust (REIT) with an initial valuation of between 950 million UAE dirhams (\$259 million) and 1 billion dirhams. The "green" REIT portfolio will initially include four commercial properties at Abu Dhabi's Masdar city, the company, a subsidiary of Mubadala Investment Company, said in a statement.

Source: [Zawya](#)

Bahrain's Investcorp raises \$130m for projects in India

Bahrain-based alternative investment manager Investcorp has raised \$130 million in anchor commitments for projects in India. The commitments will provide last mile funding in India, a market currently going through a liquidity crunch, according to Investcorp. BAE Systems Pension Funds Investment Management Limited is the main investor for this initiative, focusing on projects in the affordable and mid-market housing segment in the top seven cities in India and subject to regulatory approvals and registrations.

Source: [Zawya](#)

Saudi CMA approves derivatives trading rules

The Saudi Stock Exchange (Tadawul) announced that the Board of the Capital Market Authority (CMA) has approved rules for derivatives exchange trading and membership rules and procedures. The derivatives exchange trading and membership rules and procedures aim to regulate derivatives exchange membership and trading activities on derivatives. The planned launch of a Derivatives Market in Saudi Arabia follows on recent significant market developments, including the commencement of the Central Counterparty Clearing House (CCP) to develop future clearing services, Tadawul said in a statement on Wednesday.

Source: [Decypha](#)

JPMorgan initiates coverage of Saudi Aramco with 'overweight' rating

JPMorgan is the first major brokerage to initiate coverage of Saudi Aramco with an "overweight", setting a price target of 37 riyals (\$9.86) per share and saying it sees scope for an increase in the energy giant's proposed \$75 billion base dividend. Goldman Sachs on Tuesday rated the company "neutral" with a price target of 41 riyals while HSBC on Wednesday initiated coverage of Aramco with a "hold" rating and a target of 36.80 riyals.

Source: [Zawya](#)

UAE energy minister says expects positive OPEC+ meeting in March

The United Arab Emirates' energy minister said on Wednesday he expects a positive meeting when OPEC+ meets next in March. OPEC and its allies, a group known as OPEC+, is capable of doing whatever is needed to achieve a balanced oil market, Suhail al-Mazrouei told reporters on the sidelines of an industry conference in Abu Dhabi.

Source: [Reuters](#)

QIB net profit surges 10.9% to QR3.05bn

Qatar Islamic Bank (QIB), the country's leading shariah-compliant banking services provider, achieved a net profit of QR3.05bn for the year 2019, up 10.9 percent compared to QR2.75bn reported in the previous year (2018). The basic earnings per share (EPS) of QIB stood at QR1.21 compared to QR1.08 in December 2018, QIB's Chairman Sheikh Jassim bin Hamad bin Jassim bin Jaber Al Thani, announced yesterday.

Source: [The Peninsula Qatar](#)

Wafrah appoints financial advisor for capital decrease

Wafrah for Industry and Development Company has announced the appointment of Wasatah Capital as the financial advisor for its capital decrease. The company will soon present its capital decrease request to the Saudi Capital Market Authority (CMA), according to a statement to the Saudi Stock Exchange (Tadawul) on Wednesday.

Source: [Decypha](#)

In UAE, reputation accounts for 73% of a company's market value

UAE executives attribute 73 percent of their company's market value to its overall reputation, the highest level in the EMEA region and higher than the global average of 63 percent, a study found. According to an online survey by global communications and marketing solutions firm Weber Shandwick, corporate reputation is an invaluable asset with appreciable impact on a company's bottom line.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Concerns linger after U.S. and China sign initial trade deal

China will boost purchases of U.S. goods and services by \$200 billion over two years in exchange for the rolling back of some tariffs under an initial trade deal signed by the world's two largest economies, defusing an 18-month row that has hit global growth.

Source: [Reuters](#)

World stocks pause at record peak as markets assess U.S.-China deal

World stocks inched ahead to a record high on Thursday after the United States and China signed an initial deal to defuse their 18-month trade war, though financial markets were wary as a number of thorny issues remained unresolved. MSCI's broadest index of world stocks firmed 0.03% in Asia after closing at record level on Wednesday while its index on Asia-Pacific shares outside Japan rose 0.13%, with India and Australia hitting record highs.

Source: [Reuters](#)

European stocks close mixed ahead of US-China trade deal signing

European stocks closed mixed on Wednesday as investors awaited the signing of the so-called "phase one" trade deal between the U.S. and China, with optimism slightly dented by comments from the U.S. Treasury. The pan-European Stoxx 600 closed provisionally barely moved, with autos falling 1.7% to lead losses while utilities stocks bucked the trend to gain 1.3%. A Chinese delegation is in Washington to ink the long-awaited interim agreement, but U.S. Treasury Secretary Steven Mnuchin said on Tuesday that the U.S. would maintain tariffs on Chinese goods until the completion of phase two.

Source: [CNBC](#)

COMMODITIES NEWS

Oil gains after U.S.-China trade deal, rise in inventories

Oil prices rose on Thursday after the signing of an initial Sino-U.S. trade deal that sets the stage for a surge in Chinese purchases of American energy products, while U.S. crude inventories fell more than expected. Under the so-called Phase 1 deal to call a truce in a trade war between the world's two biggest economies, China committed to buying over \$50 billion more of U.S. oil, liquefied natural gas and other energy products over two years.

Source: [Reuters](#)