

U Capital Morning Brief

20 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	864.03	22.69	2.70%	2.43%	8.27	0.80	7.4%
U Capital GCC 50 Index	1,398.23	1.52	0.11%	0.88%	16.46	2.19	4.0%
U Capital MENA 200 Index	1,104.15	2.12	0.19%	1.23%	15.58	1.88	4.6%
MSCI GCC Countries Index	576.29	0.07	0.01%	1.16%	16.54	1.86	3.8%
Muscat Securities Market	4,073.51	12.96	0.32%	2.32%	7.26	0.75	7.3%
Saudi Stock Exchange	8,449.29	-10.51	-0.12%	0.72%	22.78	1.89	3.2%
Kuwait Stock Exchange	7,385.38	48.34	0.66%	1.80%	15.73	1.49	3.4%
Qatar Exchange	10,712.93	14.62	0.14%	2.76%	15.55	1.58	4.0%
Bahrain Stock Exchange	1,641.69	1.99	0.12%	1.96%	13.07	1.01	4.7%
Dubai Financial Market	2,863.09	34.81	1.23%	3.55%	11.36	1.03	4.1%
Abu Dhabi Exchange	5,174.00	-5.13	-0.10%	1.94%	15.84	1.45	4.8%
Beirut Stock Exchange	726.40	-2.00	-0.28%	-7.53%	3.84	0.43	12.7%
Palestine Stock Exchange	523.95	-2.68	-0.51%	-0.38%	12.35	1.19	4.5%
Tunis Se Index	6,903.63	-13.96	-0.20%	-3.07%	19.62	2.43	2.1%
EGX 30 Index	13,918.18	94.02	0.68%	-0.31%	11.82	1.84	2.5%
Amman General Index	1,873.10	7.51	0.40%	3.19%	11.77	0.91	5.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	7,674.6	0.85%	1.8%	Australian Dollar (AUD)	0.688	1.453
DAX	Germany	13,526.1	0.72%	2.1%	British Pound (GBP)	1.300	0.769
CAC 40	France	6,100.7	1.02%	2.1%	Canadian Dollar (CAD)	0.766	1.306
United States					Chinese Renminbi (CNH)	0.146	6.854
DJIA	USA	29,348.1	0.17%	2.8%	Egyptian Pound (EGP)	0.063	15.850
S&P 500	USA	3,329.6	0.39%	3.1%	Euro (EUR)	1.110	0.901
NASDAQ	USA	9,388.9	0.34%	4.6%	Indian Rupee (INR)	0.014	61.573
Asia Pacific					Japanese Yen (JPY)	0.009	110.190
NIKKEI 225	Japan	24,099.8	0.24%	1.9%	New Zealand Dollar (NZD)	0.662	1.510
HANG SENG	Hongkong	28,942.6	-0.39%	2.7%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	43,156.5	-0.03%	5.9%	Pakistani Rupee (PKR)	0.647	154.565
NSE Nifty 50	India	12,313.5	-0.31%	1.2%	Russian Ruble (RUB)	0.016	71.089
SHANGHAI COMPOSITE	China	3,088.6	0.43%	1.3%	Singapore Dollar (SGD)	0.742	1.347
SHANGHAI SHENZHEN CSI 300	China	4,176.5	0.52%	2.0%	Turkish Lira (TRY)	0.170	5.896

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	2.03	-8.0%
Brent Crude (per bbl)	65.6	1.20%	-0.5%	Saudi Arabia	2.21	-0.8%
WTI Crude (per bbl)	59.2	1.09%	-3.1%	Kuwait	2.75	0.0%
Oman Crude Oil (Last Closing)	65.3	-0.20%	-3.1%	Oman	2.82	0.1%
OPEC (per bbl)	65.6	0.46%	-3.4%	Qatar	2.29	1.7%
				Bahrain	2.67	0.0%

Precious Metals	Price	D/D	YTD	GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Gold100 OZ (per oz)	1,559.4	0.14%	2.8%	Kuwait	20/03/2027	2.3
Silver (per oz)	18.1	0.11%	1.2%	Abu Dhabi	11/10/2027	2.4
Platinum (per oz)	1,027.2	0.44%	6.3%	Qatar	02/06/2026	2.4
Other Metals				Saudi Arabia	04/03/2028	2.8
Copper, MT	6,273	-0.07%	1.6%	Oman	17/01/2028	5.0
Aluminium, MT	1,805	-0.39%	-0.3%	Bahrain	12/10/2028	4.5
Lead, MT	1,976	-1.30%	2.5%			
Zinc, MT	2,430	0.31%	6.9%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.80	1.6	1m	1.65	-6.1%
5 year	100.62	1.6	3m	1.82	-4.7%
10 year	99.36	1.8	6m	1.84	-3.5%
30 year	102.03	2.3	1 year	1.92	-3.7%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Revenues of luxury hotels in Oman jump by over 7%

The total revenues of Omani hotels in the three-to-five-star category rose by 7.3 per cent to OMR202.2 million till the end of November 2019 compared to OMR188.4 million for the same period of the previous year. However, hotel occupancy rates fell by 5.4 per cent to reach 53.9 per cent at the end of November 2019 against 57 per cent for the same period of 2018, according to the latest monthly statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

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](#)

Oman Shell launches its renewable energy arm Qabas

Shell Development Oman has unveiled its renewable energy arm under the brand name 'Qabas' in the Sultanate. Qabas' maiden initiative is a 25 MW solar photovoltaic plant planned for development in Sohar Port, the output of which will be utilised by a major ferrochrome project in operation at the adjoining free zone. "In a major step forward to a brighter future, we have launched our renewable energy arm, 'Qabas' at Sohar Port and Freezone with the aim to develop renewable energy projects for Omani industrial users," said Shell Development Oman in a recent tweet.

Source: [Oman Observer](#)

On-demand fuel delivery app launches in Oman

CAFU, the MENA region's first on-demand fuel delivery app, announced on Sunday that it has entered into a fuel supply partnership with Al Maha Petroleum to deliver its popular services to customers in the Sultanate. Developed entirely in the UAE, CAFU is a fast, safe and easy-to-use on-demand fuel delivery service app allowing customers to order car fuel at their own convenience. CAFU has delivered over 1 million fills of quality petrol in both Super 98 and Special 95, which are supplied by over 100 custom-built vehicles straight to consumers' homes, offices or anywhere their car might be parked – users need to only provide their car location and schedule time of their fuel delivery through the app.

Source: [Oman Observer](#)

Oman Arab Bank's gets nod from Alizz board to proceed with merger

The board of Al Izz Islamic Bank, a Muscat listed Sharia-compliant lender, approved a share swap ratio for its merger with the Oman Arab Bank, paving the way for the latest banking merger deal in the Gulf. The board recommended the swap ratio that gives OAB about 81 per cent control of the merged entity to its shareholders, the lender said in a bourse filing to the Muscat Securities Market. Ominvest, an investment holding firm which controls unlisted OAB, said the actual swap ratio will be based on the net asset value as per the audited financial statements for the year ended December 31, 2019.

Source: [The National](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia: Positive Week For 90% of Listed Companies

The shares of 173 companies listed in the Saudi stock market ended their transactions of the past week on the upside with market index achieving positive gains amounting to 114 points, amid positive performance of most of the listed sectors. Results also showed that shares of only 20 companies declined, and the shares of two companies settled at the same level for the previous week. The Saudi companies listed in the local stock market are currently within the period to announce their financial results for the last quarter of 2019.

Source: [Aawsat](#)

New law to boost capabilities and continuity of UAE family businesses

The UAE Cabinet has approved a draft law amending provisions within the nation's Federal Law No. 18 of 1981, otherwise known as the 'Agency Law' that regulates commercial agency and distribution agreements within the country. According to a statement released on Saturday by the UAE Cabinet General Secretariat, the amendments come within the framework to enhance the country's trade and investment development to boost the UAE's competitive business climate in line with international standards and regulations.

Source: [Khaleej Times](#)

Al-Motaqadimah Schools set to go public by year-end: Chairman

Al-Motaqadimah Schools Co. (MSC) is planning to float a stake in the Saudi market by the end of 2020, chairman Abdelrahman Al-Haqbani told Argaam in an exclusive interview, adding that the company was among the first educational firms invited to go public. Established 24 years ago, MSC emerged with a small school. In 2009, it fulfilled its target through acquiring leased school buildings. In 2015, the company shifted to buying schools; it currently owns 24 educational complexes and operates and manages 5 other schools.

Source: [Argaam](#)

Farm Superstores renews SAR 200 mln Islamic facility with Al Rajhi Bank

Saudi Marketing Co. (Farm Superstores) renewed today its SAR 200 million Shariah-compliant facility agreement with Al Rajhi Bank, the company said in a bourse statement. The loan tenure starts from Dec. 30, 2019 to Nov. 30, 2020. The credit facility, which is guaranteed by a promissory note, will be used to finance working capital needs, the statement said. The deal has no related parties, it added.

Source: [Argaam](#)

Foreign direct investment to Saudi up at \$3.50bln in Jan-Sept 2019

Foreign direct investment to Saudi Arabia rose to \$3.50 billion in the first nine months of 2019 from \$3.18 billion a year ago, Invest Saudi said on Sunday, citing figures from the Saudi Arabian Monetary Authority. A total of 1,130 of foreign companies were created in 2019, a 54% increase from a year ago, said Invest Saudi, a state body in charge of promoting foreign investments, adding that this was the biggest rise in 10 years. The government has made attracting greater foreign investment a cornerstone of its Vision 2030 plan to diversify the economy of the world's top oil exporter away from a reliance on crude revenues.

Source: [NASDAQ](#)

Expo 2020 Dubai to address global challenges

Expo 2020 Dubai will address the world's most pressing challenges, including climate change, poverty, inequality and environmental degradation through events that aim to bring the world together in a spirit of optimism for the future. With hundreds of participants and millions of visitors, Expo 2020 will be The World's Greatest Showcase of human brilliance and achievement, and wants to inspire ordinary people – especially the region's large youth population – to believe in our ability to solve these major issues, said Reem Al Hashimy, Minister of State for International Cooperation, Director General of Expo 2020 Dubai Bureau and Chair of the UAE National Committee on Sustainable Development Goals, at the fifth annual Sustainable Development Goals in Action Forum, recently held in Abu Dhabi, UAE.

Source: [Trade Arabia](#)

Dubai rents may be bottoming out as 'green shoots' appear

Confidence may be returning to Dubai property despite a bloated market for off-plan homes, according to a report from Chestertons, the real estate broker. Although apartment and villa sales prices were down 2 percent and 3 percent respectively in the fourth quarter of 2019 compared to the previous quarter, rental rates are stabilizing. But supply issues continue to represent the biggest challenge facing the market, with 45,000 new units completed in 2019 and that expected to double this year.

Source: [Arab News](#)

Qatar to build solar power plant with Total and Marubeni

Qatar has signed an agreement with France's Total and Japan's Marubeni to build a solar power project with capacity of about 800 megawatts (MW), Qatar's energy minister said on Sunday. The cost of the project is about 1.7 billion riyals (\$467 million), Saad al-Kaabi, who is also chief executive of Qatar Petroleum (QP), told a news conference in Doha. Qatar's Siraj Energy, a joint venture owned by QP and Qatar Electricity and Water Company (QEWC), will hold a 60% stake in the solar plant. The remaining 40% will be owned by both Marubeni and Total.

Source: [Zawya](#)

Mideast Stocks: Saudi index slips, weighed down by banks and Aramco

Saudi Arabian stocks closed lower on Sunday, pulled down by losses at banking and energy firms, while the indexes in Qatar and Dubai extended their gains to a straight seventh day. Saudi Arabia's index was down 0.1%. Saudi Aramco weighted the index most with a 0.7% fall, extending losses to a third day running. On Sunday, Al Rajhi Capital Research rated the Aramco stock "neutral" in line with most other brokerages and set a target price of 37.5 riyals (\$10.00) per share.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China keeps lending benchmark rate steady for second straight month

China kept its lending benchmark rate steady for the second month in a row on Monday, after the central bank left borrowing costs of medium-term loans unchanged earlier this month. The one-year loan prime rate (LPR) was unchanged at 4.15% from the previous monthly fixing. The five-year LPR also remained the same at 4.80%. A Reuters snap survey last week showed that China's financial markets were nearly evenly divided over whether the benchmark lending rate would be lowered this month in a further bid to support the sluggish economy or kept steady.

Source: [CNBC](#)

France is introducing new start-up friendly employee share ownership rules to take on Silicon Valley

French President Emmanuel Macron will announce plans to reform the country's rules on employee stock options. Such compensation schemes give employees the chance to acquire a slice of the company they work for. It comes after 500 European start-up founders warned of a "brain drain" of the best and brightest in Europe.

Source: [CNBC](#)

Billionaires have more wealth than 60% of the global population, Oxfam says

The world's billionaires have doubled in the past decade and are richer than 60% of the global population, the charity Oxfam said Monday. It said poor women and girls were at the bottom of the scale, putting in "12.5 billion hours of unpaid care work each and every day," estimated to be worth at least \$10.8 trillion a year. "Our broken economies are lining the pockets of billionaires and big business at the expense of ordinary men and women. No wonder people are starting to question whether billionaires should even exist," Oxfam's India head Amitabh Behar said.

Source: [TBN](#)

Dollar Holds Gains as Investors Cheer U.S. Economic Outlook

The dollar began the week on a firm note on Monday as economic data pointed to strength right across the U.S. economy, reducing the likelihood of interest rate cuts. The greenback held steady near a one-week high against the euro, at \$1.1096, and just below an eight-month peak on the Japanese yen, at 110.19 yen per dollar. "People are just searching out good news across the world," said Chris Weston, Head of Research at Melbourne brokerage Pepperstone.

Source: [US News](#)

China confident of stabilizing industrial growth in 2020

China is confident of maintaining steady industrial growth this year in spite of big pressures facing the sector, Minister of Industry and Information Technology Miao Wei said on Monday. The country's industrial output topped expectations in December by growing 6.9% from a year earlier, the strongest pace in nine months, bringing full-year 2019 expansion to 5.7%. Economic growth in the world's second largest-economy cooled to a near 30-year low of 6.1% in 2019 amid a bruising trade war with the United States, and more stimulus is expected this year as Beijing tries to boost sluggish domestic demand.

Source: [Reuters](#)

Majority say BOJ's negative rate policy has not boosted economy, prices: Reuters poll

The Bank of Japan's negative interest rate policy has had little positive impact on the economy and prices, over half of economists surveyed by Reuters said. The views underline the mounting challenges facing the central bank in trying to fire up inflation to its 2% target, as years of ultra-loose monetary policy and near-zero rates have had only modest success at the cost of eroding financial institutions' margins. That explains why a majority of the polled economists expect the next move by the BOJ would be to taper its massive stimulus, possibly sometime next year.

Source: [Reuters](#)

GLOBAL MARKETS-Asia shares camp on high ground, oil jumps on Libya shutdown

Asian shares neared a 20-month top on Monday as Wall Street extended its run of record peaks on solid U.S. economic data and lashes of liquidity from the Federal Reserve. Oil prices jumped as oilfields in southwest Libya began shutting down after forces loyal to Khalifa Haftar closed a pipeline, potentially reducing national output to a fraction of its normal level. Early turnover in Asian shares was light with U.S. stock and bond markets closed for the Martin Luther King Jr. holiday.

Source: [NASDAQ](#)

COMMODITIES NEWS

Oil Jumps After Unrest Hits Key OPEC Producers Iraq and Libya

Oil jumped as rising tension in the Middle East and North Africa halted output and exports from key OPEC producers Iraq and Libya. Futures in New York and London rose more than 1.5% following weekly declines. Iraq temporarily stopped output at an oil field on Sunday and supply from a second site is at risk as widespread unrest escalates in OPEC's second-biggest producer. In Libya, National Oil Corp. declared force majeure after Commander Khalifa Haftar blocked exports at ports under his control.

Source: **Bloomberg**

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