

U Capital Morning Brief

22 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	858.51	-5.66	-0.65%	1.77%		8.20	0.80	7.5%
U Capital GCC 50 Index	1,393.79	-6.07	-0.43%	0.56%		16.52	2.18	4.1%
U Capital MENA 200 Index	1,102.21	-3.24	-0.29%	1.05%		15.53	1.88	4.6%
MSCI GCC Countries Index	574.33	-2.16	-0.38%	0.81%		16.48	1.85	3.8%
Muscat Securities Market	4,059.97	-15.86	-0.39%	1.98%		7.25	0.74	7.4%
Saudi Stock Exchange	8,445.33	-24.38	-0.29%	0.67%		22.76	1.89	3.2%
Kuwait Stock Exchange	7,362.31	-10.15	-0.14%	1.48%		15.68	1.48	3.4%
Qatar Exchange	10,694.36	4.70	0.04%	2.58%		15.51	1.57	4.0%
Bahrain Stock Exchange	1,643.59	0.94	0.06%	2.07%		13.09	1.01	4.7%
Dubai Financial Market	2,854.92	3.97	0.14%	3.26%		11.33	1.02	4.1%
Abu Dhabi Exchange	5,184.53	-28.72	-0.55%	2.14%		15.87	1.45	4.8%
Beirut Stock Exchange	714.86	-4.48	-0.62%	-9.00%		3.78	0.43	12.9%
Palestine Stock Exchange	524.03	-0.11	-0.02%	-0.37%		12.39	1.19	4.5%
Tunis Se Index	6,956.80	16.15	0.23%	-2.32%		19.81	2.47	2.1%
EGX 30 Index	13,639.72	-134.01	-0.97%	-2.31%		11.58	1.81	2.5%
Amman General Index	1,884.20	-0.02	0.00%	3.80%		11.84	0.92	5.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
			%	%	Currency	USD/1 Unit	Units/1 USD
Europe					Australian Dollar (AUD)	0.684	1.463
FTSE 100	UK	7,610.7	-0.53%	0.9%	British Pound (GBP)	1.304	0.767
DAX	Germany	13,555.9	0.05%	2.3%	Canadian Dollar (CAD)	0.764	1.309
CAC 40	France	6,046.0	-0.54%	1.1%	Chinese Renminbi (CNH)	0.145	6.904
United States					Egyptian Pound (EGP)	0.063	15.813
DJIA	USA	29,196.0	-0.52%	2.3%	Euro (EUR)	1.108	0.902
S&P 500	USA	3,320.8	-0.27%	2.8%	Indian Rupee (INR)	0.014	61.890
NASDAQ	USA	9,370.8	-0.19%	4.4%	Japanese Yen (JPY)	0.009	110.000
Asia Pacific					New Zealand Dollar (NZD)	0.659	1.518
NIKKEI 225	Japan	24,005.7	0.59%	1.5%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	28,210.9	0.81%	0.1%	Pakistani Rupee (PKR)	0.647	154.560
KSE 100 Index	Pakistan	42,516.4	-0.22%	4.4%	Russian Ruble (RUB)	0.016	71.191
NSE Nifty 50	India	12,176.1	0.05%	0.1%	Singapore Dollar (SGD)	0.741	1.350
SHANGHAI COMPOSITE	China	3,045.0	-0.23%	-0.2%	Turkish Lira (TRY)	0.168	5.936
SHANGHAI SHENZHEN CSI 300	China	4,110.7	-0.09%	0.3%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	64.3	-0.42%	-2.5%	UAE	1.98	-10.2%
WTI Crude (per bbl)	58.1	-0.50%	-4.8%	Saudi Arabia	2.21	-1.1%
Oman Crude Oil (Last Closing)	65.0	-1.11%	-3.7%	Kuwait	2.75	0.0%
OPEC (per bbl)	66.1	0.81%	-2.7%	Oman	2.80	-0.4%
Precious Metals				Qatar	2.32	3.3%
Gold100 OZ (per oz)	1,553.0	-0.34%	2.4%	Bahrain	2.67	0.0%
Silver (per oz)	17.8	-0.18%	-0.5%			
Platinum (per oz)	1,001.2	0.03%	3.6%			
Other Metals						
Copper, MT	6,160	-1.58%	-0.2%	GCC Latest 10-Yr Government Bond Yields		
Aluminium, MT	1,825	0.69%	0.8%		Maturity date	YTM, %
Lead, MT	1,961	0.00%	1.8%	Kuwait	20/03/2027	2.3
Zinc, MT	2,455	0.43%	8.0%	Abu Dhabi	11/10/2027	2.4
				Qatar	02/06/2026	2.3
				Saudi Arabia	04/03/2028	2.8
				Oman	17/01/2028	5.0
				Bahrain	12/10/2028	4.5

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.88	1.5	1m	1.65	-6.2%
5 year	100.76	1.6	3m	1.80	-5.6%
10 year	99.69	1.8	6m	1.83	-4.3%
30 year	102.88	2.2	1 year	1.92	-3.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

CBO issues treasury bills worth OMR65 million

Oman's central bank raised OMR65 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from Wednesday until April 22, 2020. The average accepted price reached 99.544 for every OMR100 while the minimum accepted price arrived at 99.540 per OMR100. The average discount rate and the average yield reached 1.82809 per cent and 1.83646 per cent respectively.

Source: [Times of Oman](#)

Omani-Spanish JV wins RO82 million-water project

Construction work has commenced on one of Oman's biggest water transmission projects — a strategically vital initiative of the government designed to secure the efficient transmission and supply of potable water across the populous North and South Al Batinah governorates of the Sultanate. A joint venture of Spanish infrastructure and technology giant Elecnor and Omani construction firm Target LLC is undertaking the construction of a new water transmission system from Barka in South Al Batinah all the way to Suhar in North Al Batinah.

Source: [Oman Observer](#)

Duqm SEZ Oman's next economic growth engine

The man handpicked by the Omani government to crystallise and spearhead the initial development of a Special Economic Zone (SEZ) at Duqm says the mega hub has the potential to unlock transformational economic growth for the Sultanate over the long term. Singaporean national Lee Chee Khian (pictured) describes his remit as the outgoing CEO of the SEZ Authority at Duqm (SEZAD) as "daunting yet momentous": daunting because of the breath-taking scope of the government's vision to create an uber-scale industrial, maritime and urban development in a remote, windswept corner of Oman; and momentous because the essential underpinnings of that grandiose economic vision are now essentially in place.

Source: [Oman Observer](#)

Omantel's mobile network to serve Sharqiyah Expressway

Omantel, in cooperation with the Ministry of Transport, Telecom Regulatory Authority and other telecom partners, has proactively sought to cover the new Sharqiyah Expressway with mobile services to ensure that road users are always connected. Also to meet the safety and security requirements inside tunnels that are used for the first time in the Sultanate.

Source: [Oman Observer](#)

16.21mn travel through Oman's four airports

The total number of passengers travelling through airports in the sultanate (Muscat, Salalah, Sohar and Duqm) until the end of November 2019 reached 16.21mn. The number of flights landing and departing from Muscat, Salalah and Sohar International airports by the end of November 2019 reached 104,830, according the National Centre for Statistics and information (NCSI).

Source: [Muscat Daily](#)

Oman opens new 191-km expressway

Oman has officially opened the new Al Sharqiya Expressway for traffic. The 191-km expressway starts from the Wilayat of Bidbid and ends in the Wilayat Al Kamil wa Al Wafi. The expressway will be under a test period of three months and only light vehicles are allowed to use during this period. After the three-month period, heavy vehicles will be allowed to use the expressway, except those loaded with petrochemicals and dangerous materials, said an Oman News Agency report.

Source: [Zawya](#)

Oman set to introduce VAT early next year

Oman will introduce VAT "some time during the beginning of the year 2021", the country's Minister of Commerce and Industry, Ali Al Sunaidy. The introduction is "something that people don't like, but this is something that we have been lobbying for", he said in an interview with Bloomberg Television on the sidelines of the World Economic Forum in Davos on Monday.

Source: [The National](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi German Hospitals to deliver better performance in 2020, says President

Middle East Healthcare Co. (Saudi German Hospital) is forecast to report better financial results in 2020 compared to 2019, President Makarem Sobhi Batterjee told Argaam. Batterjee attributed the company's low profitability to the economic slowdown and lower receivables from the Ministry of Health, one of the company's main clients. He also indicated that the

health services provider is trying to address the impact of the higher cost of salaries and depreciation expenses on the company's profitability.

Source: [Argaam](#)

Dubai welcomes record 16.73mln tourists in 2019

Dubai received record 16.73 million overnight visitors in 2019 - an all-time high, growing by 5.1 per cent and surpassing growth forecast of the United Nations World Tourism Organisation by over one per cent, official data showed on Tuesday. Dubai's top six source markets - India, Saudi Arabia, UK, Oman, China and Russia - delivered over seven million visitors in 2019, with 9 of the top 10 countries crossing half a million visitors each for the first time. The number of visitors from India reached two million, 1.6 million from Saudi Arabia, 1.2 million from UK and over 1 million from Oman.

Source: [Zawya](#)

UAE's Shuaa Capital subsidiary inks deal for a new \$400mln investment portfolio

Dubai-listed Shuaa Capital announced that one of its offshore subsidiaries has reached an agreement to manage an investment portfolio of assets of around \$400 million. The transaction increases the assets under management of Shuaa Capital and its subsidiaries to \$13.4 billion, the firm said in a statement on Dubai Financial Market (DFM). The deal will also generate several fees to Shuaa Capital including annual management fees and other potential performance fees, it added.

Source: [Zawya](#)

Saudi German Hospital inks cooperation agreement with Mayo Clinic

Middle East Healthcare Co. (MEAHCO), which owns and runs Saudi German Hospitals (SGH), signed a cooperation agreement with Mayo Clinic Healthcare Network to improve patients' lives, according to the company's filing to the Saudi Stock Exchange (Tadawul) on Monday. The deal aims at providing high quality medical services to patients, in addition to reviewing and making research on critical cases with doctors from Mayo Clinic. "This agreement that was signed is in accordance with the 2030 vision of the Kingdom of Saudi Arabia to build strong cooperation with international standard organizations to improve the healthcare sector," the statement highlighted.

Source: [Argaam](#)

Emaar Properties partners with Xiaomi to develop smart homes

Dubai Financial Market-listed (DFM) Emaar Properties has partnered with Xiaomi to roll out Emaar Smart Home, a next-generation product for consumers to experience AI-powered smart home technology, in 2020. Through a memorandum of understanding (MoU) Emaar has become the first developer outside China to partner with Xiaomi for a smart home experience. The new product will be a set of digitally-enabled residential developments, powered by Xiaomi. It will feature a comprehensive set of pre-installed smart home and IoT products.

Source: [Construction Week](#)

Mideast Stocks: Egypt extends losses in subdued Gulf

Middle Eastern stock markets were largely subdued on Tuesday, mirroring global stocks, as mounting concerns about a new strain of coronavirus in China dampened risk appetite. The death toll from the coronavirus outbreak in China climbed to six On Tuesday as authorities reported a surge in new cases. The National Health Commission (NHC) put the number of confirmed cases at 291 by the end of Monday, but further information from individual provinces on Tuesday showed a widening geographic spread.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Yuan, Australian dollar struggle to wipe off coronavirus concerns

The yuan was steady after dipping earlier. It fell about 0.55% on Tuesday, its biggest decline in almost five months, in the onshore trade. It last stood at 6.9063 per dollar, almost flat on the day. The Australian dollar, often used as a proxy bet on the Chinese economy, fell to as low as \$0.6827, a trough last seen in mid-December, and last stood at \$0.6837, down 0.13%.

Source: [CNBC](#)

Boeing doesn't expect regulators to sign off on 737 Max until mid-2020

Boeing doesn't expect regulators to sign off on the 737 Max until June or July. That time frame is months later than the manufacturer previously expected. The delays pose another headache for carriers who have already missed one peak travel season without the planes.

Source: [CNBC](#)

Tesla crosses \$100 billion stock market valuation in extended trading

Tesla Inc became the first \$100 billion publicly listed U.S. carmaker in extended trading on Tuesday, in a sign of Wall Street's confidence in an all-electric future. The milestone comes less than a month after Tesla's stock crossed \$420, the infamous price at which Chief Executive Officer Elon Musk had tweeted he would take the electric car maker private.

Source: [Reuters](#)

Netflix forecasts tough start to 2020; Disney+ going global

Netflix Inc has entered a new year that will be far tougher than the one it left behind. International growth helped the streaming video service trounce expectations in the last quarter of 2019. But the company acknowledged competition had an impact in the United States, where growth missed Wall Street targets - and that competition will become more global as the Disney+ service launches across Europe in March.

Source: [Reuters](#)

COMMODITIES NEWS

Oil declines as market surplus forecast counters Libya worries

Oil prices eased on Wednesday, extending declines as the International Energy Agency (IEA) forecast a market surplus in the first half, helping ease concerns about disruptions that have slashed Libya's crude output. Brent crude LCOc1 was down 24 cents, or 0.4%, at \$64.35 a barrel at 0309 GMT, after dropping 0.3% on Tuesday. U.S. oil CLc1 fell 29 cents, or 0.5%, to \$58.09 a barrel, having declined 0.3% the day before.

Source: [Reuters](#)