

U Capital Morning Brief

23 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	856.73	-1.78	-0.21%	1.56%	8.15	0.80	7.5%
U Capital GCC 50 Index	1,391.09	-2.70	-0.19%	0.36%	16.47	2.17	4.1%
U Capital MENA 200 Index	1,103.76	1.55	0.14%	1.20%	15.65	1.91	4.5%
MSCI GCC Countries Index	573.38	-0.95	-0.17%	0.65%	16.48	1.84	3.8%
Muscat Securities Market	4,056.42	-3.55	-0.09%	1.89%	7.24	0.74	7.4%
Saudi Stock Exchange	8,428.21	-17.12	-0.20%	0.46%	22.81	1.88	3.2%
Kuwait Stock Exchange	7,348.10	-14.21	-0.19%	1.29%	15.64	1.48	3.4%
Qatar Exchange	10,680.64	-13.72	-0.13%	2.45%	15.49	1.57	4.0%
Bahrain Stock Exchange	1,651.48	7.89	0.48%	2.56%	13.15	1.02	4.7%
Dubai Financial Market	2,848.94	-5.98	-0.21%	3.04%	11.31	1.02	4.1%
Abu Dhabi Exchange	5,234.02	49.49	0.95%	3.12%	16.02	1.47	4.8%
Beirut Stock Exchange	706.66	-8.20	-1.15%	-10.04%	3.74	0.42	13.1%
Palestine Stock Exchange	524.38	0.35	0.07%	-0.30%	12.40	1.20	4.5%
Tunis Se Index	6,977.33	20.53	0.30%	-2.03%	19.78	2.48	2.1%
EGX 30 Index	13,752.11	112.39	0.82%	-1.50%	11.68	1.82	2.5%
Amman General Index	1,882.12	-2.08	-0.11%	3.69%	11.82	0.92	5.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	7,571.9	-0.51%	0.4%	Australian Dollar (AUD)	0.687	1.457
DAX	Germany	13,515.8	-0.30%	2.0%	British Pound (GBP)	1.313	0.762
CAC 40	France	6,011.0	-0.58%	0.6%	Canadian Dollar (CAD)	0.760	1.317
United States					Chinese Renminbi (CNH)	0.145	6.922
DJIA	USA	29,186.3	-0.03%	2.3%	Egyptian Pound (EGP)	0.063	15.813
S&P 500	USA	3,321.8	0.03%	2.8%	Euro (EUR)	1.109	0.902
NASDAQ	USA	9,383.8	0.14%	4.6%	Indian Rupee (INR)	0.014	61.846
Asia Pacific					Japanese Yen (JPY)	0.009	109.620
NIKKEI 225	Japan	23,832.1	-0.83%	0.7%	New Zealand Dollar (NZD)	0.659	1.518
HANG SENG	Hongkong	27,872.8	-1.65%	-1.1%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	42,692.1	0.31%	4.8%	Pakistani Rupee (PKR)	0.647	154.550
NSE Nifty 50	India	12,159.2	0.43%	-0.1%	Russian Ruble (RUB)	0.016	71.188
SHANGHAI COMPOSITE	China	3,016.2	-1.46%	-1.1%	Singapore Dollar (SGD)	0.741	1.349
SHANGHAI SHENZHEN CSI 300	China	4,058.3	-1.78%	-0.9%	Turkish Lira (TRY)	0.169	5.926

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	1.98	-10.4%
Brent Crude (per bbl)	62.3	-1.38%	-5.5%	Saudi Arabia	2.20	-1.2%
WTI Crude (per bbl)	55.8	-1.60%	-8.6%	Kuwait	2.75	0.0%
Oman Crude Oil (Last Closing)	63.8	-1.82%	-5.4%	Oman	2.81	-0.3%
OPEC (per bbl)	65.3	-1.29%	-4.0%	Qatar	2.32	3.3%
Precious Metals				Bahrain	2.67	0.0%
Gold100 OZ (per oz)	1,559.1	0.02%	2.8%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	17.8	-0.32%	-0.4%		Maturity date	YTM, %
Platinum (per oz)	1,012.9	-0.23%	4.8%	Kuwait	20/03/2027	2.3
Other Metals				Abu Dhabi	11/10/2027	2.3
Copper, MT	6,106	-0.88%	-1.1%	Qatar	02/06/2026	2.4
Aluminium, MT	1,811	-0.74%	0.1%	Saudi Arabia	04/03/2028	2.7
Lead, MT	1,986	1.27%	3.1%	Oman	17/01/2028	5.1
Zinc, MT	2,396	-2.38%	5.5%	Bahrain	12/10/2028	4.5
Midswaps				USD Libor		
	Price		YTM %		Rate (%)	YTD
3 year	99.97		1.5	1m	1.66	-5.8%
5 year	100.91		1.6	3m	1.81	-5.4%
10 year	100.02		1.7	6m	1.83	-4.1%
30 year	103.81		2.2	1 year	1.92	-3.9%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Alizz-OAB merger to provide customers with better services

The upcoming proposed merger between Alizz Islamic Bank and Oman Arab Bank (OAB) will provide customers with better services and more outlets across the country, leading to better convenience. "They will now have a stronger fully licensed Sharia-compliant bank handling their every financial need," said Salaam Al Shaksy, the CEO of Alizz Islamic Bank. "Customers will benefit from better-customised product and service offerings and better digital services as well. As per the merger, Al Yusr Islamic Banking – Oman Arab Bank's Islamic window with all its branches and staff will become part of Alizz Islamic which will remain as a fully licensed Islamic bank.

Source: [Times of Oman](#)

Oman's inflation drops 0.15% in December 2019

The inflation rate in the Sultanate, measured by movement in the average Consumer Price Index (CPI), fell by 0.15 per cent in December 2019 compared to the same month of 2018, according to the latest data released by the National Centre for Statistics and Information (NCSI) on consumer prices' index. According to the report, the inflation rate in December fell by 0.21 per cent compared to November 2019.

Source: [Times of Oman](#)

Tender floated for development, operation of Duqm Fishery Port

The Special Economic Zone Authority at Duqm (SEZAD) has invited local and international companies to bid for its contract to develop, manage and operate a new Fishery Port and related investment projects located at the SEZ in Duqm. The last date for purchasing tender documents is February 25, 2020, while a field visit for interested bidders is scheduled on February 11, the Authority said in a press statement.

Source: [Oman Observer](#)

Infrastructure in place to support tourist inflows in Duqm

Wilayat of Duqm holds much promises as a tourism destination. This is why stakeholders are vying to set up hotel establishments and tourism facilities here to strengthen the local economy. Duqm's natural and marine attractions are also drawing growing numbers of tourists to this interesting corner of Oman. Wilayat of Duqm, located in Al Wusta Governorate, is drawing visitors to its 18-kilometre-long shoreline. This vast strip can accommodate major tourism establishments and facilities for suitable areas have been designated all along the coast. A comprehensive tourism development plan allows for all kinds of tourism investment to be accommodated along this coastal strip.

Source: [Oman Observer](#)

Oman's NBFCs report sharp declines in 2019 profits

Oman's non-banking finance companies (NBFCs) faced a tough year in 2019 as all the five companies in the sector reported double digit declines in net profits, mainly due to softening of demand for vehicle financing, which accounts for bulk of their business. For the full-year 2019, the combined net profits reported by all NBFCs stood at RO18.36mn, more than 28 per cent lower compared to RO25.72mn reported in the previous year.

Source: [Muscat Daily](#)

Oman Aviation Group mulls privatisation options amid expansion plans

Oman Aviation Group CEO Mustafa Al Hinai has revealed privatisation is an option as the company embarks on an ambitious programme of expansion. "Privatisation will continue to be an option as long as it's in the benefit of the group and it's in the benefit of the country," he said in an interview with Bloomberg on the sidelines of the World Economic Forum in Davos. Al Hinai said Terminal One at Muscat International Airport can cater to 20 million passengers and has a cargo facility of around 350,000 tonnes.

Source: [Arabian Business](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Aramco still mulling international listing, says Al-Jadaan

State-owned Saudi Aramco is still considering listing its shares internationally, Finance Minister Mohammed Al-Jadaan told Bloomberg. "It's still on the cards, we made that very clear. We will consider it, but I don't think it's going to be anytime soon," Al-Jadaan added. The giant oil producer started trading on the Saudi Stock Exchange (Tadawul) on Dec. 11 with the symbol 2222, and a daily price fluctuation limit of 10%, Argam earlier reported.

Source: [Argam](#)

Bahrain's economy faces tricky balancing act

Manama backs away from strict budgetary targets in favour of a more growth-positive fiscal dynamic When Bahrain was handed a lifeline by its Gulf neighbours in October 2018, it committed to a consultation with the Arab Monetary Fund on a fiscal balance programme aimed at eliminating the country's fiscal deficit by 2022. However, the weakening of non-oil GDP growth to just 2.2 per cent in 2019, according to projections in the IMF's October 2019 regional economic outlook – down from 2.5 per cent in 2018 and 4.9 per cent in 2017 – has demonstrated the challenges of implementing fiscal austerity in the non-oil driven economy.

Source: [MEED](#)

Alinma Bank CEO calls for supporting private sector to increase non-oil revenue

Alinma Bank chief executive officer, Abdulmohsen Al-Fares, called for supporting the private sector to further enhance its contribution to the Saudi Gross Domestic Product (GDP), and boost non-oil revenue through taxes and Zakat among others. Speaking at the Riyadh Economic Forum, Al-Fares said that there is room for a paradigm shift within the fiscal reforms, stressing that the success of reforms is measured by the end beneficiaries; the public and private sectors.

Source: [Argaam](#)

Dubai property achieves supply-demand balance, prices hit lowest mark: developers

Dubai's top private developers believe that a demand-supply balance has been achieved to some extent, and that prices are at rock-bottom and unlikely to go down any further. Hussain Sajwani, chairman of Damac Properties, said that the market turned the corner in 2018 when new launches started to decline. "We launched only one project each in 2018 and 2019, as compared to 10-12 in 2015. Our new project launches are 90 per cent less now, as we're focused on deliveries. In 2019, we delivered over 6,000 units and plan to handover 8,500 this year and 9,000 next year. I believe that if the supply is stopped for a couple of years, the balance will be achieved between supply and demand," Sajwani said.

Source: [Zawya](#)

Dubai launches World Logistics Passport at Davos

His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, on Wednesday tweeted that the UAE had launched a global logistics passport at the World Economic Forum in Davos, Switzerland. "A year ago, we launched the 'Dubai Silk Road' as part of the 50-year Charter. Today we launched the global logistics passport at Davos, the world's largest economic gathering, a move that confirms our progress in achieving our strategic project to ensure a promising future for our economy, with solutions that reiterates Dubai's position as a link supporting global trade," Sheikh Mohammed tweeted.

Source: [Gulf News](#)

Saudi issues \$5bn of bonds as regional tensions ease

Saudi Arabia sold its first Eurobond of the year on Tuesday as tension in the Middle East eases over the U.S. assassination of a top Iranian general. The kingdom issued \$5bn of debt, taking advantage of low borrowing costs globally. It's seeking to plug part of its growing budget deficit by selling about \$32bn of local currency and international debt over the course of the year.

Source: [Gulf Business](#)

Mideast Stocks: Banks hold back most of Gulf; lender FAB boosts Abu Dhabi

Most major Gulf stock markets weakened on Wednesday, largely pulled down by losses in banks, but Abu Dhabi bucked the trend on the back of top lender First Abu Dhabi Bank (FAB). Saudi Arabia's benchmark index retreated 0.2%, offsetting earlier gains in the day. Samba Financial Group1090.SE declined 1.6%, while Saudi British Bank was down 1.7%. State-owned oil giant Saudi Aramco slipped 0.3% to 34.5 riyals. EFG Hermes on Wednesday initiated Aramco's coverage with a "neutral" rating, in line with most other brokerages, and set a target price of 34 riyals (\$9.06) per share.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China central bank to lower funding costs, prevent debt and inflation risks: adviser

China's central bank will continue to lower financing costs for the economy, but it must prevent leverage ratios from rising and should also consider inflation pressure, a central bank adviser said on Thursday. Ma Jun, a member of the central bank's monetary committee, told the official Financial News that it would take some time for a recent cut in banks' reserve requirement ratios to affect the loan prime rate (LPR), the benchmark lending rate.

Source: [Reuters](#)

China c.bank surprises by keeping interest rate on TMLF unchanged

China's central bank surprised financial markets on Thursday by keeping the interest rate on its targeted medium-term lending facility (TMLF). The People's Bank of China (PBOC) said on its website that it was keeping the rate on one-year TMLF loans at 3.15%, as it partially replaced loans maturing the same day. It did not follow a reduction in the medium term liquidity tool (MLF) in November, as traders had expected.

Source: [NASDAQ](#)

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

The safe-haven Japanese yen was firm and the Chinese yuan fragile on Thursday as traders kept a wary eye on the spread of a virus in China, while the ailing Australian dollar NSE 1.83 % jumped after a surprise drop in unemployment. Deaths from the flu-like coronavirus, rose to 17 on Wednesday. A total of 571 cases have now been confirmed and Chinese state media reported overnight that transport to and from the city of Wuhan in central China, where the outbreak originated,

Source: [Economic Times](#)

Asian shares wilt, oil tumbles as China virus spreads

Asian shares and U.S. stocks fell on Thursday as investors remained anxious about the spread of a new flu-like virus in China just as millions prepared to travel for the Lunar New Year. Oil futures tumbled to seven-week lows as the contagion was expected to hit airline travel, while the International Energy Agency's warning of an oil surplus and a larger-than-expected increase in U.S. crude inventories re-kindled fears of excess supply.

Source: [Reuters](#)

COMMODITIES NEWS

Oil Falls for Third Day Amid Growing Concern Over China Virus

OIL prices fell to their lowest in seven weeks on Thursday on concerns that the spread of a newly identified respiratory virus from China may lower fuel demand at the same time a report showed oil inventories in the United States rose last week. The so-called novel coronavirus has killed 17 people because of respiratory illness since it emerged late last year in the Chinese city of Wuhan. The potential for a pandemic has stirred memories of the Sudden Acute Respiratory Syndrome (SARS) epidemic in 2002-2003, which also started in China, and dented economic growth and led to a slump in travel.

Source: [US News](#)