













U Capital Morning Brief

28 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	860.83	0.83	0.10%	2.05%	8.17	0.80	7.5%
U Capital GCC 50 Index	1,344.75	-32.38	-2.35%	-2.98%	16.41	2.10	4.2%
U Capital MENA 200 Index	1,074.58	-27.81	-2.52%	-1.48%	18.55	1.93	4.6%
MSCI GCC Countries Index	557.22	-8.96	-1.58%	-2.19%	16.15	1.79	3.9%
Muscat Securities Market	 4,070.88	-10.73	-0.26%	2.25%	7.27	0.74	7.3%
Saudi Stock Exchange	 8,178.47	-148.50	-1.78%	-2.51%	22.20	1.82	3.3%
Kuwait Stock Exchange	 7,259.91	-58.23	-0.80%	0.07%	15.63	1.46	3.4%
Qatar Exchange	 10,489.17	-92.15	-0.87%	0.61%	15.21	1.54	4.1%
Bahrain Stock Exchange	 1,646.85	-2.22	-0.13%	2.28%	13.11	1.01	4.7%
Dubai Financial Market	 2,788.80	-32.66	-1.16%	0.87%	13.40	0.99	4.2%
Abu Dhabi Exchange	 5,167.24	-62.77	-1.20%	1.80%	16.08	1.44	4.8%
Beirut Stock Exchange	 706.29	6.02	0.86%	-10.09%	3.73	0.42	13.1%
Palestine Stock Exchange	 525.09	0.77	0.15%	-0.17%	12.42	1.20	4.5%
Tunis Se Index	 7,052.62	39.98	0.57%	-0.98%	19.71	2.46	2.1%
EGX 30 Index	 13,639.69	-81.76	-0.60%	-2.31%	11.58	1.81	2.5%
Amman General Index	 1,871.32	-8.65	-0.46%	3.09%	11.75	0.91	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,412.1	-2.29%	-1.7%
DAX	Germany	13,204.8	-2.74%	-0.3%
CAC 40	France	5,863.0	-2.68%	-1.9%
United States				
DJIA	USA	28,535.8	-1.57%	0.0%
S&P 500	USA	3,243.6	-1.57%	0.4%
NASDAQ	USA	9,139.3	-1.89%	1.9%
Asia Pacific				
NIKKEI 225	Japan	23,143.8	-0.86%	-2.2%
HANG SENG	Hongkong	27,949.6	0.15%	-0.9%
KSE 100 Index	Pakistan	42,418.7	-0.31%	4.1%
NSE Nifty 50	India	12,128.6	0.08%	-0.3%
SHANGHAI COMPOSITE	China	2,976.5	-2.75%	-2.4%
SHANGHAI SHENZHEN CSI 300	China	4,003.9	-3.10%	-2.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.676	1.479
British Pound (GBP)	1.306	0.766
Canadian Dollar (CAD)	0.758	1.319
Chinese Renminbi (CNH)	0.143	6.977
Egyptian Pound (EGP)	0.063	15.813
Euro (EUR)	1.102	0.907
Indian Rupee (INR)	0.014	62.979
Japanese Yen (JPY)	0.009	109.000
New Zealand Dollar (NZD)	0.655	1.528
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.647	154.600
Russian Ruble (RUB)	0.016	71.343
Singapore Dollar (SGD)	0.737	1.358
Turkish Lira (TRY)	0.168	5.945

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	59.1	-0.34%	-10.4%
WTI Crude (per bbl)	53.0	-0.21%	-13.2%
Oman Crude Oil (Last Closing)	59.8	-2.02%	-11.3%
OPEC (per bbl)	62.5	-1.17%	-8.0%
Precious Metals			
Gold100 OZ (per oz)	1,579.3	-0.17%	4.1%
Silver (per oz)	18.0	-0.26%	1.1%
Platinum (per oz)	989.4	0.34%	2.4%
Other Metals			
Copper, MT	5,743	-3.09%	-7.0%
Aluminium, MT	1,764	-0.95%	-2.5%
Lead, MT	1,892	-2.47%	-1.8%
Zinc, MT	2,240	-4.31%	-1.4%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.98	-10.4%
Saudi Arabia	2.20	-1.6%
Kuwait	2.75	0.0%
Oman	2.79	-0.8%
Qatar	2.28	1.5%
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	2.7
Oman	17/01/2028	5.1
Bahrain	12/10/2028	4.6

Midswaps	Price	YTM %
3 year	100.25	1.4
5 year	99.68	1.4
10 year	101.23	1.6
30 year	106.95	2.1

USD Libor	Rate (%)	YTD
1m	1.66	-5.8%
3m	1.80	-5.9%
6m	1.81	-5.6%
1 year	1.88	-5.8%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Slowdown in construction sector pressures Oman Cables' profit

Impacted by the slowdown in the construction sector, Oman Cables Industry (OCI) groups' net profit for the year ended December 31, 2019 declined 20.9 per cent to RO7.22mn compared with RO9.13mn reported a year ago, the company said in its audited annual results on the Muscat Securities Market (MSM). In its filing to the MSM, OCI revealed that the decline in profitability in the year under consideration is mainly due to the reduction in sales volume. The company however said that it tries to counter the fall in sales volume by improving efficiency and controlling cost.

Source: [Muscat Daily](#)

15 SMEs join Khazzan for SME Development Programme

In partnership with BP Oman, Sharakah has selected the final 15 local small and medium enterprises to benefit from Khazzan for SMEs Development Programme. The total number of applications received for this batch of the programme was 214 applications with 105 completed applications and 109 incomplete applications. Where 80 per cent of the completed applications were male applicants while only 20 per cent were females.

Source: [Oman Observer](#)

Omani-German joint venture to support hydrogen investments

An agreement was signed here on Monday for the establishment of a local Omani company that will support the development and commercialisation of hydrogen as a zero-emission energy source as well as feedstock for use in various industrial and petrochemical applications. Hydrogen Rise Oman LLC is a partnership of Hydrogen Rise AG, a prominent German firm specialising in hydrogen fuel technologies, and Oman Educational Services LLC, a local company that owns, among other educational institutions, the German University of Technology in Oman (GUtech).

Source: [Oman Observer](#)

Oman makes strides into global tax reforms

The advent of the new decade 2020s has brought in fresh opportunities and challenges to the global business community, especially to the multinational enterprises. Thanks to technology, free capital movement and gradual removal of trade barriers, the integration of national economies and markets is increasing. That trend is extending to global enterprises identifying lucrative tax heavens worldwide and structure their operations with an intention to reduce, if not avoid their tax burden.

Source: [Decypha](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Al Ahli REIT (1) appoints Alandalus Property to operate Al Andalus Mall: NCBC

NCB Capital (NCB) said that the board of directors of AlAhli REIT Fund (1) approved appointing Al-Andalus Property Co. as the operator of Al-Andalus Mall, instead of the current operator, Hamat Property Co., the fund manager said in a bourse statement. It is a related party deal since Al-Andalus Property owns more than 5% of the fund's units, in addition to being the real estate agent of the fund, the statement added. The step is not expected to have any additional financial impact on the fund.

Source: [Argaam](#)

Saudi Finance ministry closes January 2020 Issuance of SAR-denominated Sukuk

The Ministry of Finance closed the January 2020 issuance under the Saudi Arabian Government SAR-denominated Sukuk Program. The issuance size was set at SAR 6.720 billion divided into two tranches, the ministry said in a statement on Monday. The first tranche has a size of SAR 715 million and a total tranche size of SAR 715 billion, maturing in 2027, while the second tranche has a size of SAR 6.005 billion, and a total tranche size of SAR 7.842 billion, maturing in 2030.

Source: [Argaam](#)

Kuwait's economy remains resilient supported by its asset base and banking system

Large financial assets, low debt and a sound banking sector underpin the resilience of Kuwait's economy, however, the country must implement a new set of measures, including a value added tax, to offset the risks of lower oil prices and uncertain output, the International Monetary Fund said. Supported by government spending, employment and credit growth, Kuwait's non-oil gross domestic product could expand by 3 per cent this year and accelerate to 3.5 per cent over the medium term, the Washington-based lender said in a statement on Monday after concluding its Article IV consultations with Kuwait.

Source: [Decypha](#)

Higher impairment charges hit UAE banks Emirates NBD and ADCB

Dubai's biggest lender Emirates NBD reported a 15 percent drop in fourth-quarter earnings on Monday, below analysts' forecasts, on a jump in impairment charges, sending its shares down around 1 percent. The bank booked impairment charges of 2.06 billion dirhams (\$560.88 million) in the quarter, up more than three times from a year earlier due to higher bad debt charges as it consolidated results of newly acquired Turkish lender DenizBank.

Source: [Arab News](#)

Dubai consumer confidence dips slightly on job security fears

Consumers in Dubai see improved job prospects and personal finances ahead, according to the quarterly business survey of Dubai Economy. The survey conducted during the last quarter of 2019 showed 75 percent of consumers are confident of the employment situation improving during the next 12 months. The Consumer Confidence Index showed a slight decrease to 133 points from the previous quarter, but 77 percent of respondents said they were positive about their current personal finances and the percentage of those optimistic rose to 79 percent when asked about the next 12 months.

Source: [Arabian Business](#)

Kuwait may need KWD 55bn financing over 6 yrs – IMF

The International Monetary Fund (IMF) on Monday announced that Kuwait's consolidated fiscal balance is likely to turn from a surplus of 5.5% of gross domestic product (GDP) in 2019 to a deficit of a similar amount by 2025. Accordingly, the Kuwaiti government's average annual financing needs will rise to KWD 55 billion (\$180 billion) over the next six years, after mandatory transfers to the Future Generations Fund (FGF) and excluding investment income.

Source: [Mubasher](#)

Mideast Stocks: Saudi leads Gulf lower as China virus fears mount

Middle East stocks slipped, with Saudi Arabia hardest hit on Monday, mirroring drops in oil prices and global shares on concerns about the impact of the coronavirus outbreak in China. Saudi Arabia's energy minister said it is closely monitoring developments in global oil markets resulting from "gloomy expectations" regarding the possible impact on the Chinese and global economy, as well as on the oil market. The death toll in China has risen to 81 and the virus spread to more than 10 countries, including France, Japan and the United States.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Boeing secures more than \$12 billion in financing to help weather 737 Max crisis

Boeing had sought \$10 billion from banks as the 737 Max crisis wears on. The two 737 Max crashes killed 346 people and prompted Boeing to suspend production of the planes this month. Boeing reports earnings on Wednesday before the market opens.

Source: [CNBC](#)

Fed's first hurdle in 2020: Dispensing with 'QE Lite'

The Federal Reserve's bond portfolio is swelling again at a pace not seen since the "quantitative easing" heyday in the early 2010s. Prices for stocks and other risky assets are also rising at a fast clip - a state of affairs that a growing chorus of investors, economists and former Fed officials say is no coincidence, and potentially a problem.

Source: [Reuters](#)

GLOBAL MARKETS-Stocks crumble as China virus toll mounts, safe havens in demand

Asian stocks extended a global selloff on Tuesday as China took more drastic steps to combat a deadly new coronavirus, while bonds shone on expectations central banks would need to keep stimulus flowing to offset the likely economic drag.

Source: [NASDAQ](#)

Yuan wobbles, yen holds firm as traders count damage from China virus

The yuan was mired near its weakest level in a month in offshore trade on Tuesday as heightened anxiety about the economic impact of a deadly new coronavirus in China battered riskier assets. The Japanese yen, considered a safe-haven, traded near a three-week high versus the dollar as investors nervously watched the death toll from the virus climb to more than 100. Global stocks and oil prices have tumbled over recent sessions on fears the virus could do further damage to China's already weakened economy, an engine of global growth.

Source: [Yahoo Finance](#)

COMMODITIES NEWS

Saudi Arabia, UAE caution oil market against gloom over China virus

Saudi Arabia, the world's top oil exporter, on Monday urged caution against "gloomy expectations" regarding the possible impact of the spread of the coronavirus on the global economy and oil demand. The death toll from a coronavirus outbreak in China rose to 81 on Monday with more than 2,700 infected as health authorities around the world stepped up screening of passengers from China. Crude prices fell about 3% on Monday as the rising number of cases of the coronavirus and China's city lockdowns and extension of its Lunar New Year holiday deepened concerns over oil demand.

Source: [Zawya](#)

Gas discovered in Sharjah, first in 37 years

The Sharjah National Oil Corporation and its Italian partner ENI, have announced a successful new discovery of natural gas and condensate onshore at the Mahani field in Sharjah. The discovery at Mahani-1 exploration well, with flow rates of up to 50 million standard cubic feet per day, comes within the first year of the partnership and represents the first onshore discovery of gas in the Emirate since the early 1980's.

Source: [Zawya](#)

Oil falls for sixth day as China virus spreads

Oil futures slipped on Tuesday, extending losses into a sixth session as the spread of a new virus in China and other countries raised concerns about a hit to economic growth and slower oil demand. Brent crude was down 15 cents, or 0.3%, to \$59.17 at around 0114 GMT, after touching a three-month low on Monday at \$58.50. U.S. West Texas Intermediate was down 12 cents, or 0.2%, at \$53.02, after slipping to its lowest since early October in the previous session at \$52.13.

Source: [CNBC](#)