













U Capital Morning Brief

29 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	864.50	3.67	0.43%	2.48%	8.21	0.81	7.5%
U Capital GCC 50 Index	1,343.77	-0.98	-0.07%	-3.05%	16.40	2.07	4.3%
U Capital MENA 200 Index	1,074.31	-0.27	-0.03%	-1.50%	18.48	1.92	4.6%
MSCI GCC Countries Index	556.27	-0.95	-0.17%	-2.36%	16.11	1.78	3.9%
Muscat Securities Market	 4,087.58	16.70	0.41%	2.67%	7.30	0.74	7.3%
Saudi Stock Exchange	 8,166.08	-12.39	-0.15%	-2.66%	22.16	1.82	3.3%
Kuwait Stock Exchange	 7,298.07	38.16	0.53%	0.60%	15.71	1.46	3.4%
Qatar Exchange	 10,422.99	-66.18	-0.63%	-0.02%	15.11	1.53	4.1%
Bahrain Stock Exchange	 1,645.99	-0.86	-0.05%	2.22%	13.11	1.01	4.7%
Dubai Financial Market	 2,792.56	3.76	0.13%	1.00%	13.41	0.99	4.2%
Abu Dhabi Exchange	 5,178.26	11.01	0.21%	2.02%	16.05	1.43	4.8%
Beirut Stock Exchange	 699.10	-7.18	-1.02%	-11.01%	3.70	0.42	13.2%
Palestine Stock Exchange	 523.75	-1.34	-0.26%	-0.42%	12.38	1.19	4.5%
Tunis Se Index	 7,061.63	9.01	0.13%	-0.85%	20.10	2.43	2.1%
EGX 30 Index	 13,620.58	-19.11	-0.14%	-2.44%	11.56	1.80	2.5%
Amman General Index	 1,868.36	-2.96	-0.16%	2.93%	11.73	0.91	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,480.7	0.93%	-0.8%
DAX	Germany	13,323.7	0.90%	0.6%
CAC 40	France	5,925.8	1.07%	-0.9%
United States				
DJIA	USA	28,722.9	0.66%	0.6%
S&P 500	USA	3,276.2	1.01%	1.4%
NASDAQ	USA	9,269.7	1.43%	3.3%
Asia Pacific				
NIKKEI 225	Japan	23,352.4	0.59%	-1.3%
HANG SENG	Hongkong	27,289.6	-2.36%	-3.2%
KSE 100 Index	Pakistan	42,299.2	0.00%	3.8%
NSE Nifty 50	India	12,148.8	0.77%	-0.2%
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)	0.677	1.477
British Pound (GBP)	1.302	0.768
Canadian Dollar (CAD)	0.760	1.316
Chinese Renminbi (CNH)	0.144	6.956
Egyptian Pound (EGP)	0.063	15.807
Euro (EUR)	1.101	0.908
Indian Rupee (INR)	0.014	62.278
Japanese Yen (JPY)	0.009	109.190
New Zealand Dollar (NZD)	0.653	1.531
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.647	154.595
Russian Ruble (RUB)	0.016	71.201
Singapore Dollar (SGD)	0.736	1.358
Turkish Lira (TRY)	0.168	5.942

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	60.3	1.34%	-8.6%
WTI Crude (per bbl)	54.2	1.31%	-11.3%
Oman Crude Oil (Last Closing)	62.0	3.73%	-8.0%
OPEC (per bbl)	62.0	-0.86%	-8.8%
Precious Metals			
Gold100 OZ (per oz)	1,565.7	-0.09%	3.2%
Silver (per oz)	17.5	-0.10%	-2.2%
Platinum (per oz)	990.7	0.24%	2.5%
Other Metals			
Copper, MT	5,703	-0.70%	-7.6%
Aluminium, MT	1,752	-0.68%	-3.2%
Lead, MT	1,890	-0.11%	-1.9%
Zinc, MT	2,230	-0.45%	-1.8%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.03	-7.9%
Saudi Arabia	2.19	-2.0%
Kuwait	2.75	0.0%
Oman	2.78	-1.2%
Qatar	2.29	1.7%
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	2.3
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	100.14	1.5
5 year	99.52	1.5
10 year	100.86	1.7
30 year	105.84	2.1

USD Libor	Rate (%)	YTD
1m	1.65	-6.4%
3m	1.77	-7.0%
6m	1.78	-6.7%
1 year	1.84	-8.0%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman in prime position to become regional logistics hub: Asyad CEO

A slew of measures planned by authorities will help Oman in projecting itself as the regional logistics hub over the next decade, according to the CEO of Asyad Group. In an interview to Oxford Business Group, which is posted on Asyad's website, Abdulrahman al Hatmi, said, "Creating efficiencies, offering economies-of-scale and providing integrated solutions across the logistics value chain will be key differentiators for Oman over the next decade."

Source: [Muscat Daily](#)

ODB to finance women's projects with zero interest

The Oman Development Bank (ODB) organised an introductory seminar on its product 'Anamil' meant for financing of homemaker women's projects at the headquarters of the Omani Women's Association in Qurum. This is as part of the bank's efforts to motivate Omani women to opt for self-employment and to support the skills of Omani women in many productive and services sectors which can absorb national cadres and help in achieving self-sufficiency. Mona bint Mohsin bin Baqir Abdul Latif, Director of Women's Projects at the ODB, presented a paper on the facilities provided by the bank for Omani women.

Source: [Oman Observer](#)

Total, Trescorp to sign land-lease agreements with Sohar Port

French oil major Total is among a trio of investors that will shortly sign land-lease agreements with Sohar Port and Freezone for the development of their respective petroleum and industrial ventures on a piece of soon-to-be-reclaimed land planned just south of the industrial and maritime hub. According to Mark Geilenkirchen (pictured), CEO — Sohar Port and Freezone, also slated to sign sub-usufruct agreements (SUAs) are Singapore-headquartered Trescorp, which is investing in a major terminal for trading in crude oil and petroleum products, and Sohar Calciner, a project backed by MMEC Mannesmann and ACWA Power.

Source: [Oman Observer](#)

CMA receives Secretary-General of IOSCO

The Capital Market Authority (CMA) received Paul Andrews, Secretary-General of the International Organisation of Securities Commission (IOSCO) who is visiting the Sultanate to acquaint with the economic developments and the legislative infrastructure of the Omani capital market and to discuss the key issues related to the capital market and the role of the regulators.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi banks' aggregate profit jumps 7% in December

Saudi banks reported a rise of 7% year-on-year (YoY) in aggregate net profit before zakat and tax to SAR 4.05 billion in December 2019, data from the Saudi Arabian Monetary Authority (SAMA) showed. The sector's aggregate earnings grew by 5% YoY to SAR 50.5 billion in 2019. The data covers 11 listed banks and other foreign banks operating in Saudi Arabia.

Source: [Argaam](#)

Neom close to revealing latest grand plans for city project

Detailed construction plans are set to be revealed for Neom, the vast cross-border city in Tabuk in northwestern Saudi Arabia. CEO Nazmi Al-Nasr said plans for the construction phases of the project would be revealed in the next two months. In a statement to the Saudi Press Agency after attending Neom Academy's launching ceremony two days ago, Al-Nasr said: "2020 will be the start of the real impetus for Neom's visionary projects."

Source: [Arab News](#)

SAMA's assets drop to SAR 1.91 trln in December 2019

Assets held by the Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank, decreased by SAR 6.8 billion month-on-month (MoM) to SAR 1.912 trillion in December 2019, according to new data issued by the central bank. In 2019, SAMA's assets increased by SAR 12.9 billion year-on-year (YoY).

Source: [Argaam](#)

UAE's biggest private sector steel manufacturer Conares aims to double turnover to \$544mln

Conares, the biggest private sector steel manufacturer in the UAE, is aiming to double its turnover to 2 billion UAE dirhams (\$544.5 million) over the next two years by increasing capacity utilisation and growing exports with credit insurance, the company CEO said. The Dubai-based company's installed annual production capacity currently stands at one million tonnes

with the output mainly comprising steel pipes, rebars and pre-painted coils. Bharat Bhatia said the installed capacity of one million tonnes became functional from the start of 2020.

Source: [Zawya](#)

Vodafone in talks to sell Egypt unit to Saudi Telecom

Vodafone Group is in talks to sell its majority stake in its Egyptian unit to Saudi Telecom Company, a senior government official said, in a deal that could see the Saudi firm claiming a prize it had eyed years ago. STC officials in Saudi Arabia and spokespeople for Vodafone Group didn't respond to requests for comment, while Vodafone Egypt declined to comment. Egypt's cabinet, though, said in a text message that the Egyptian unit's chief executive officer was due to meet the prime minister on Tuesday. The Egyptian official asked not to be identified because the government had yet to become officially involved in the process.

Source: [Decypha](#)

Samsung signs \$1.85bn deal for Saudi Aramco gas project

Samsung Engineering, the engineering, procurement, construction and project management company, announced on Tuesday that it has signed a \$1.85 billion contract in Saudi Arabia. The Aramco HUGRS (Hawiyah Unayzah Gas Reservoir Storage) project is located 260km east of Saudi Arabia's capital Riyadh, and includes gas injection facility of 1,500 million standard cubic feet per day (MMSCFD) and a gas reprocessing facility of 2,000 MMSCFD.

Source: [Decypha](#)

Riyadh property market swells as mortgages surge 250%

Riyadh recorded a 250 percent jump in mortgages last year as the value and number of property deals surged in the Saudi capital. The volume of real estate transactions rose by 53 percent in 2019 compared to a year earlier while the value of transactions was up 63 percent according to a report from broker CBRE. "The recent economic and social initiatives and legislation introduced by the Saudi Government have already had an extremely positive impact on the country's real estate sector," said Simon Townsend, head of strategic advisory at CBRE MENAT.

Source: [Arab News](#)

Mideast Stocks: Corporate earnings lift UAE; other major markets extend losses

Stock markets in the United Arab Emirates rose on Tuesday as positive corporate earnings outweighed pessimism about the coronavirus outbreak in China, while other major markets extended losses. The Abu Dhabi index ended 0.2% higher, supported by a 7.2% surge in International Holding Company before its board meeting on Wednesday to approve fiscal-year earnings. First Abu Dhabi Bank added 0.3% after posting a 5% increase in fourth-quarter profit. The United Arab Emirates' largest bank recorded a net profit of 3.08 billion dirhams (\$838.60 million) in the fourth quarter, compared with 2.93 billion year ago.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares turn red as Hong Kong tumbles on China virus

Asian shares erased earlier gains on Wednesday, swinging into negative territory as a spike in new Chinese virus cases sent Hong Kong stocks tumbling and fueled fears about the economic impact of the outbreak. MSCI's broadest index of Asia-Pacific shares outside Japan skidded 0.52%. Hong Kong shares fell 2.8% on their first session after a two-and-a-half trading day break for Lunar New Year, led by declines in financial services, real estate, and consumer goods companies.

Source: [Reuters](#)

BOJ releases decade-old inflation target debates as Fed, ECB work to avoid 'Japanification'

The danger of committing to an inflation target and difficulty of managing expectations were debated in earnest at the Bank of Japan a decade ago, showed transcripts released on Wednesday, as U.S. and European central bankers grapple with similar topics.

Source: [Reuters](#)

Market reactions to past virus scares show stocks may have more to lose

Looking back 20 years, previous epidemics from SARS in 2003 to the Ebola scare six years ago shaved 6% to 13% off the S&P 500 over different lengths of time, according to Citi. The equity benchmark was down about 2.6% through Monday's close since Jan. 21. Zika started in Nov. 2015 and was spread mostly by bites from infected mosquitoes. The market suffered a near 13% pullback in the span of 66 sessions.

Source: [CNBC](#)

Apple rises as earnings and iPhone sales smash expectations

Apple reported revenue and profit significantly higher than what Wall Street analysts expected. It's Apple's biggest quarter of the year and includes important holiday sales. "It was sort of a blockbuster quarter all the way around," Apple CEO Tim Cook told CNBC.

Source: [CNBC](#)

Risk currencies steady as investors assess virus fallout

Risk currencies steadied on Wednesday as investors took stock of the economic damage from the outbreak of the coronavirus originating in China, with focus on Hong Kong shares that will resume trading later in the day after the Lunar New Year break. As countries step up efforts to contain the spread of the deadly new virus, flight-to-quality bids in safe-haven currencies such as the yen and the Swiss franc subsided for now.

Source: [Yahoo](#)

COMMODITIES NEWS

Gold dips as stocks recover, dollar gains ahead of Fed meeting

Gold fell on Tuesday as equity markets rebounded following positive U.S. economic data while the dollar scaled a near two-month peak ahead of the U.S. Federal Reserve's policy meeting. Spot gold XAU= was down 0.9% at \$1,567.83 per ounce by 10:41 a.m. EST (1541 GMT), having touched its highest since Jan. 8 on Monday. U.S. gold futures GCcv1 fell 0.7% to \$1,567. U.S. stock indexes opened higher after the S&P 500 suffered its worst day in nearly four months in the previous session, while U.S. 10-year Treasury yields rebounded from a near four-month low. The dollar rose to its highest since Dec. 2. Source:

[NASDAQ](#)

Oil Prices Rise On Surprise Crude Draw

The American Petroleum Institute (API) estimated on Tuesday a surprise large crude oil inventory draw of 4.27 million barrels for the week ending January 24, compared to analyst expectations of a 482,000-barrel build in inventory. Last week saw a build in crude oil inventories of 1.57 million barrels, according to API data. The EIA's estimates, however, were of a draw of 400,000 barrels for that week.

Source: [Oil Price](#)