

# U Capital Morning Brief

30 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	864.71	0.21	0.02%	2.51%	8.19	0.81	7.2%
U Capital GCC 50 Index	1,341.16	-2.61	-0.19%	-3.24%	16.46	2.06	4.3%
U Capital MENA 200 Index	1,075.18	0.87	0.08%	-1.42%	18.56	1.92	4.5%
MSCI GCC Countries Index	557.61	1.34	0.24%	-2.12%	16.06	1.78	3.9%
Muscat Securities Market	4,079.39	-8.19	-0.20%	2.47%	7.28	0.74	7.3%
Saudi Stock Exchange	8,185.51	19.43	0.24%	-2.43%	21.85	1.82	3.3%
Kuwait Stock Exchange	7,331.47	33.40	0.46%	1.06%	15.79	1.47	3.4%
Qatar Exchange	10,440.73	17.74	0.17%	0.15%	15.09	1.53	4.1%
Bahrain Stock Exchange	1,659.07	13.08	0.79%	3.04%	13.17	1.02	4.7%
Dubai Financial Market	2,805.53	12.97	0.46%	1.47%	13.47	1.00	4.2%
Abu Dhabi Exchange	5,165.06	-13.20	-0.25%	1.76%	16.01	1.42	4.8%
Beirut Stock Exchange	693.70	-5.40	-0.77%	-11.69%	3.67	0.41	13.3%
Palestine Stock Exchange	523.23	-0.52	-0.10%	-0.52%	12.37	1.19	4.5%
Tunis Se Index	7,051.05	-10.58	-0.15%	-1.00%	20.08	2.41	2.1%
EGX 30 Index	13,762.84	142.26	1.04%	-1.42%	11.68	1.82	2.5%
Amman General Index	1,868.00	-0.36	-0.02%	2.91%	11.56	0.91	5.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
<b>Europe</b>			%	%	<b>Currency</b>		
FTSE 100	UK	7,483.6	0.04%	-0.8%	Australian Dollar (AUD)	0.674	1.485
DAX	Germany	13,345.0	0.16%	0.7%	British Pound (GBP)	1.301	0.768
CAC 40	France	5,954.9	0.49%	-0.4%	Canadian Dollar (CAD)	0.757	1.320
<b>United States</b>					Chinese Renminbi (CNH)	0.143	6.987
DJIA	USA	28,734.5	0.04%	0.7%	Egyptian Pound (EGP)	0.063	15.807
S&P 500	USA	3,273.4	-0.09%	1.3%	Euro (EUR)	1.102	0.908
NASDAQ	USA	9,275.2	0.06%	3.4%	Indian Rupee (INR)	0.014	62.548
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	108.890
NIKKEI 225	Japan	22,949.5	-1.85%	-3.0%	New Zealand Dollar (NZD)	0.651	1.536
HANG SENG	Hongkong	26,687.9	-1.73%	-5.3%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	41,673.5	-0.54%	2.3%	Pakistani Rupee (PKR)	0.647	154.560
NSE Nifty 50	India	12,059.7	-0.58%	-0.9%	Russian Ruble (RUB)	0.016	71.453
SHANGHAI COMPOSITE	China	2,976.5	-2.75%	-2.4%	Singapore Dollar (SGD)	0.734	1.363
SHANGHAI SHENZHEN CSI 300	China	4,003.9	-3.10%	-2.3%	Turkish Lira (TRY)	0.168	5.965

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>				UAE	2.04	-7.7%
Brent Crude (per bbl)	59.3	-0.89%	-10.2%	Saudi Arabia	2.18	-2.2%
WTI Crude (per bbl)	52.8	-0.99%	-13.5%	Kuwait	2.75	0.0%
Oman Crude Oil (Last Closing)	62.0	-0.05%	-8.1%	Oman	2.78	-1.2%
OPEC (per bbl)	60.7	-2.11%	-10.7%	Qatar	2.31	2.6%
				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)	1,579.5	0.17%	4.1%	Kuwait	20/03/2027	2.3
Silver (per oz)	17.6	0.38%	-1.3%	Abu Dhabi	11/10/2027	2.3
Platinum (per oz)	970.4	-0.71%	0.4%	Qatar	02/06/2026	2.3
<b>Other Metals</b>				Saudi Arabia	04/03/2028	2.6
Copper, MT	5,641	-1.09%	-8.6%	Oman	17/01/2028	5.1
Aluminium, MT	1,737	-0.86%	-4.0%	Bahrain	12/10/2028	4.5
Lead, MT	1,834	-2.96%	-4.8%			
Zinc, MT	2,211	-0.85%	-2.7%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.37	1.4	1m	1.65	-6.4%
5 year	99.95	1.4	3m	1.77	-7.3%
10 year	101.69	1.6	6m	1.77	-7.4%
30 year	107.84	2.0	1 year	1.83	-8.3%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### 100 per cent foreign ownership now possible in most Omani businesses

With the exception of a small number of trades and services, 100 per cent foreign ownership of Omani companies is now a reality under the new Foreign Capital Investment Law that came into force in the Sultanate on January 7, 2020. Prohibited for 100 per cent foreign ownership are 37 types of commercial activities encompassing, among other areas, translation and photocopying services, tailoring, laundry, vehicle and automotive repairs, transportation and sale of drinking water, manpower and recruitment services, hairdressing and salon services, taxi operation, fishing, and rehabilitation homes for the elderly, disabled and orphans.

Source: [Oman Observer](#)

### Investcorp eyes Oman for private equity and infrastructure business

Investcorp, a leading global provider and manager of alternative investment products, yesterday held its board of directors meeting in Oman, which marks the second time the firm has convened its board in the sultanate in the last two years. Executive chairman Mohammed Alardhi said: "Oman has always been a key market for Investcorp, and we have maintained many longstanding relationships in the sultanate that date back to our firm's inception .

Source: [GDN](#)

### Duqm zone to generate 1,300 jobs for Omanis

Attracting foreign direct investment (FDI) to the Sultanate in general, and Special Economic Zone Authority in Duqm (SEZAD) in particular, is primarily due to the good diplomatic relations the Sultanate has with many countries, both bilaterally and multilaterally. This was stated by Yahya bin Said al Jabri, Chairman of the Special Economic Zone Authority in Duqm (SEZAD), in an interview with Shurufat Al Majlis magazine.

Source: [Oman Observer](#)

### Oman's newest steel mill set for launch in Suhar

A new steel complex is due to shortly come into operation at Sohar Industrial City in North Al Batinah Governorate, bolstering the nation's production capacity of strategically important commodities such as rebars for the construction industry. Moon Iron & Steel Company SAOC (MISCO) is preparing to bring its 1.2 million tons capacity steel plant into commercial production in the first quarter of this year, the company announcement on its website. The estimated \$300 million project is promoted by Oman Development Fund SAOC, Gulf Investment Corporation, and the Sultan's Special Forces Pension Fund, among other shareholders.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Moody's upgrades Dubai Aerospace Enterprise to investment grade, with stable outlook

Moody's Investors Service has upgraded the corporate family rating of Dubai Aerospace Enterprise, DAE, Ltd to Baa3 from Ba1, and the senior unsecured rating of subsidiary DAE Funding LLC to Baa3 from Ba2. This action concludes the review for upgrade initiated on 8th November, 2019, the credit ratings agency said, adding that the outlook is stable.

Source: [Zawya](#)

### GCC healthcare market 'on track to hit \$70bln'

The healthcare market in the GCC is estimated to be worth \$70 billion, and is expected to grow at a compound annual growth rate (CAGR) of 5 percent, said experts at a forum on the penultimate day of the four-day Arab Health 2020 in Dubai, UAE. Conversation at the inaugural Healthcare Investment Forum focused on the drivers of change in healthcare investing in the region and offered a platform for discussion on what the future holds for the healthcare investment landscape in the Middle East.

Source: [Zawya](#)

### Saudi Kayan to shut down production units for periodic maintenance on Feb. 1

Saudi Kayan Petrochemical Co. (Saudi Kayan) will shut down its ethylene glycol/ ethylene oxide plants for 21 days starting from February 1, 2020 due to planned maintenance. Kayan's other plants depending on ethylene glycol and ethylene oxide will also undergo periodic maintenance and improvements, the company said in a statement to Tadawul. The petrochemical producer expects a financial impact of SAR 117 million on Q1 2020 financials based on the current average selling prices of these products.

Source: [Argaam](#)

### **Saudi Paper reschedules SAR 160m loan with Riyadh Bank**

Saudi Paper Manufacturing (SPM) Company has signed a sharia-compliant credit facility agreement with Riyadh Bank. The agreement is aimed at rescheduling of a SAR 160 million loan to be suitable to SPM's financial conditions, according to a bourse statement released on Wednesday. The loan will be paid in monthly premiums over seven years, the Tadawul-company revealed.

Source: [Decypha](#)

### **SABIC chief highlights supply headwinds**

The CEO of petrochemicals giant SABIC said the industry was negatively impacted by rising supply in some key chemical products last year as the company reported annual profits of SR5.63 billion (\$1.5 billion). The Riyadh-headquartered company reported a rare loss of SR720 million (\$192 million) in the fourth-quarter according to a statement posted on the Tadawul stock exchange on Wednesday.

Source: [Arab News](#)

### **Bahrain Minister: Bapco oil refinery's expansion 40% complete**

Construction work on the multi-billion dollar expansion project at Bahrain Petroleum Company (Bapco)'s Sitra oil refinery has reached 40% completion and is set to be commissioned by 2022, the Minister of Oil tells CW in an exclusive interview. Bahrain's Minister of Oil, HE Sheikh Mohammed Bin Khalifa Al Khalifa, told CW that the expansion is being handled by a consortium led by Italy's TechnipFMC, South Korea's Samsung Engineering, and Spain's Tecnicas Reunidas, which he described as "three major construction companies."

Source: [CW](#)

### **UAE ranks first in Arab World on Global Labour Resilience Index**

The UAE has been ranked first in the Arab World and 21st globally on the Global Labour Resilience Index 2020, which was issued in Switzerland during a session held on the sidelines of the 50th summit of the World Economic Forum (WEF). The announcement was made in the presence of the UAE Minister of Economy, HE Eng Sultan Bin Saeed Al Mansoori, as well as officials and economic leaders from more than 30 countries.

Source: [Construction Week](#)

### **UAE and Kazakhstan plan \$11bn in joint venture projects**

The UAE and Kazakhstan have embarked on an ambitious project to implement joint venture projects worth \$11 billion mainly in the oil and gas, and petrochemical sectors, the president of the former Soviet Republic has said. Speaking during his keynote speech at the UAE-Kazakhstan business meeting in Abu Dhabi, Kassym-Jomart Tokayev said that the two countries have maintained exemplary relations and cooperation in many respects.

Source: [Construction News](#)

### **Mideast Stocks: Most Middle Eastern stocks rise; Egypt outperforms**

Most Middle Eastern stock markets rose on Wednesday, supported by gains in banking shares and recovering oil prices, while Egypt ended a four-day losing streak. Oil prices rose for a second day, recouping some losses after a five-day rout, on talk that OPEC would extend oil output cuts if a new coronavirus hurts demand and on data showing a decline in U.S. stockpiles.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Dollar at two-month high, Aussie weak as virus anxiety spreads**

The dollar held near a two-month high against a basket of major currencies while the Australian dollar and the yuan were under pressure on Thursday as investors tried to shield themselves from assets that could be hit by China's virus epidemic. The U.S. Federal Reserve, while keeping interest rates on hold as expected on Wednesday, also cited the virus as a source of uncertainty for the economic outlook. As the new pneumonia-like disease spread quickly in China, the dollar is emerging as an ultimate safe-haven destination.

Source: [NASDAQ](#)

### **Fed keeps rates steady, to tailor Treasury bill purchases later this year**

The Federal Reserve held interest rates steady on Wednesday at its first policy meeting of the year, with the head of the U.S. central bank pointing to continued moderate economic growth and a "strong" job market, and giving no sign of any imminent changes in borrowing costs.

Source: [Reuters](#)

### **Fed has a role in combating climate change risk, Powell says**

While the overall U.S. response to climate change is up to elected officials, Federal Reserve Chair Jerome Powell said on Wednesday, the Fed can play a part in keeping global warming from destabilizing U.S. banks and financial markets. "The public has every right to expect and will expect that we will ensure that the financial system is resilient and robust against the risks of climate change," Powell said at a news conference following the Fed's January meeting.

Source: [\*\*Reuters\*\*](#)

### **Wells Fargo files for up to \$66 billion mixed shelf offering**

Wells Fargo & Co (WFC.N) filed a mixed shelf offering of as much as \$66 billion with the U.S. Securities and Exchanges Commission on Wednesday, and said it would use part of the proceeds to repurchase shares and pay down debt. The lender has been grappling with rising costs related to its fake-account scandal that erupted more than three years ago. Earlier this month, new boss Charles Scharf set aside an additional \$1.5 billion for legal costs, and said the bank's cost structure is simply too high.

Source: [\*\*Reuters\*\*](#)

### **Microsoft cloud revenue regains momentum, sending profit above Street estimates**

Microsoft Corp (MSFT.O) on Wednesday reported quarterly sales and profit that beat Wall Street expectations, driven by the first acceleration of Azure cloud computing revenue growth in eight quarters amid a pitched battle with Amazon.com Inc's (AMZN.O) cloud unit.

Source: [\*\*Channel News\*\*](#)

## **COMMODITIES NEWS**

### **Oil falls as virus death toll climbs**

Oil prices fell on Thursday as the death toll from the new virus in China climbed to 170 and more airlines canceled flights to the country's major cities, while rising U.S. crude inventories added to the negative tone. Brent LCOc1 was down 35 cents, or 0.6%, at \$59.46 a barrel by 0225 GMT, having risen 0.5% on Wednesday. U.S. crude CLc1 was down 30 cents, or 0.6%, at \$53.03 a barrel, after dropping 0.3% in the previous session.

Source: [\*\*NASDAQ\*\*](#)