













# U Capital Morning Brief

8 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	836.37	-2.64	-0.31%	-0.85%	-	-	-
U Capital GCC 50 Index	1,362.38	4.82	0.36%	-1.71%	-	-	-
U Capital MENA 200 Index	1,077.69	10.84	1.02%	-1.19%	-	-	-
MSCI GCC Countries Index	559.65	1.67	0.30%	-1.76%	16.02	1.81	3.9%
Muscat Securities Market	 3,948.38	-3.41	-0.09%	-0.82%	7.45	0.72	7.6%
Saudi Stock Exchange	 8,198.97	-7.16	-0.09%	-2.27%	22.02	1.82	3.3%
Kuwait Stock Exchange	 7,078.50	63.99	0.91%	-2.43%	15.09	1.43	3.5%
Qatar Exchange	 10,381.74	-26.42	-0.25%	-0.42%	15.08	1.54	4.1%
Bahrain Stock Exchange	 1,592.02	7.88	0.50%	-1.13%	12.67	0.98	4.9%
Dubai Financial Market	 2,746.77	53.60	1.99%	-0.65%	10.90	0.98	4.3%
Abu Dhabi Exchange	 5,056.75	49.06	0.98%	-0.37%	15.48	1.42	4.9%
Beirut Stock Exchange	 793.59	16.58	2.13%	1.02%	4.20	0.47	11.6%
Palestine Stock Exchange	 522.75	2.69	0.52%	-0.61%	12.31	1.19	4.5%
Tunis Se Index	 6,919.37	-46.72	-0.67%	-2.85%	19.62	2.44	2.1%
EGX 30 Index	 13,212.66	-71.00	-0.53%	-5.36%	11.22	1.75	2.6%
Amman General Index	 1,827.19	-1.33	-0.07%	0.66%	11.46	0.89	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,573.9	-0.02%	0.4%
DAX	Germany	13,226.8	0.76%	-0.2%
CAC 40	France	6,012.4	-0.02%	0.6%
<b>United States</b>				
DJIA	USA	28,583.7	-0.42%	0.2%
S&P 500	USA	3,237.2	-0.28%	0.2%
NASDAQ	USA	9,068.6	-0.03%	1.1%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,270.4	-1.29%	-1.6%
HANG SENG	Hongkong	28,105.5	-0.76%	-0.3%
KSE 100 Index	Pakistan	41,697.8	-0.49%	2.4%
NSE Nifty 50	India	12,013.6	-0.33%	-1.3%
SHANGHAI COMPOSITE	China	3,087.1	-0.57%	1.2%
SHANGHAI SHENZHEN CSI 300	China	4,140.2	-0.48%	1.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.687	1.456
British Pound (GBP)	1.312	0.762
Canadian Dollar (CAD)	0.770	1.298
Chinese Renminbi (CNH)	0.144	6.945
Egyptian Pound (EGP)	0.062	16.066
Euro (EUR)	1.115	0.897
Indian Rupee (INR)	0.014	61.822
Japanese Yen (JPY)	0.009	108.340
New Zealand Dollar (NZD)	0.664	1.505
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.645	155.095
Russian Ruble (RUB)	0.016	72.033
Singapore Dollar (SGD)	0.740	1.351
Turkish Lira (TRY)	0.168	5.969

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	69.2	1.36%	4.8%
WTI Crude (per bbl)	63.5	1.24%	4.0%
Oman Crude Oil (Last Closing)	68.9	-0.43%	2.2%
OPEC (per bbl)	70.9	2.16%	4.3%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,593.3	1.20%	5.0%
Silver (per oz)	18.6	0.85%	4.0%
Platinum (per oz)	973.4	0.18%	0.7%
<b>Other Metals</b>			
Copper, MT	6,149	0.17%	-0.4%
Aluminium, MT	1,816	-0.93%	0.3%
Lead, MT	1,906	-0.73%	-1.1%
Zinc, MT	2,346	0.92%	3.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.11	-4.4%
Saudi Arabia	2.23	0.0%
Kuwait	2.75	0.0%
Oman	2.78	-1.1%
Qatar	2.29	1.9%
Bahrain	2.67	0.0%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.4
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	5.2
Bahrain	12/10/2028	4.6

Midswaps	Price	YTM %
3 year	100.30	1.5
5 year	100.85	1.6
10 year	99.75	1.8
30 year	102.39	2.3

USD Libor	Rate (%)	YTD
1m	1.69	-4.0%
3m	1.87	-1.9%
6m	1.89	-0.9%
1 year	1.95	-2.1%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Tristar Group acquires logistics land in Port of Duqm

Oman has produced an expansionary budget despite various challenges. We believe the government has made its intentions very clear about 2020 that there will be across the board expansion with no stone unturned to boost sentiment. Not only has budgeted spending been set higher than last year but at the same time additional spending has been earmarked outside the budget in the various sectors. These announcements are very encouraging and reassuring for investors. The government has budgeted higher spending on basic services, increased subsidies and maintained spending on development projects and confirming support for developmental projects. With no mention made of VAT or any other tax in 2020, companies can maintain their cost structure.

Source: [Times of Oman](#)

### Population of expats at 4-year low in December

The expatriate population in Oman fell by four per cent to reach 1,721,035 in December 2019 compared to the corresponding period in 2018. According to the latest figures from the National Centre of Statistics and Information (NCSI), 66,412 or four per cent of the total expatriates left the Sultanate during the period. This is the lowest drop since July 2015, when expatriates made up 43.6 per cent of the total population in Oman. In 2017 and 2016, the percentage of expatriates stood at 45.9 per cent and 45.1 per cent, respectively.

Source: [Oman Observer](#)

### Oman targets 3,050 MW of renewables by 2025

A renewable energy development plan unveiled recently by the Oman Power and Water Procurement Company (OPWP) — the sole buyer of electricity in the Sultanate — envisions the procurement of 3,050 megawatts (MW) of renewables-based capacity by 2025, representing 16 per cent of total electricity output by this timeframe. This compares with a minimum 10 per cent share for renewables set by the Omani government by the 2025 milestone. Indeed, by 2030, renewable energy projects may account for roughly 30 per cent of generation capacity in the Sultanate, according to Brian Wood, Senior Adviser at OPWP, a Member of Nama Group.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Aramco says no price stabilization executed as of Jan. 7

Saudi Arabian Oil Co. (Saudi Aramco) said no price stabilization transactions have been executed as of January 7, 2020. The state-owned firm announced receiving an addendum notification from Goldman Sachs Saudi Arabia, the stabilizing manager, regarding the initial public offering (IPO) of the issuer's shares. Goldman Sachs announced that it may stabilize the offer of the following securities, in accordance with the price stabilization mechanism in IPOs.

Source: [Argaam](#)

### National Learning discloses use of IPO proceeds

The National Company for Learning & Education (NCLE) announced the use of its initial public offering (IPO) proceeds until the end of November 2019, according to a bourse filing on Tuesday. The gross proceeds of the IPO recorded SAR 247 million, while net proceeds stood at SAR 232 million after deducting IPO related expenses and fees of around SAR 16.01 million.

Source: [Argaam](#)

### Saudi Arabia fastest growing country for start-up funding deals in MENA

Saudi Arabia has seen the fastest year-on-year growth in venture funding deals in the region in 2019, which was a record year for MENA-based start-ups in investment deals. The region saw a record 564 start-up investments in 2019, an increase of 31 percent from 2018, with a total amount of funding of \$704 million, a recent report by start-up platform MAGNiTT showed. In terms of the number of funding deals, Saudi posted the fastest growth in the region last year, with its share of total deals growing by 4 percent compared to the previous year. The Kingdom accounted for 12 percent of the number of MENA funding deals in 2019.

Source: [Zawya](#)

### Saudi Arabia licenses Bank of China's first branch

The Saudi Cabinet has approved granting a banking license for Bank of China Ltd. to open a branch in the Kingdom, state-run Saudi Press Agency (SPA) reported. Moreover, the Cabinet meeting that was chaired by King Salman bin Abdulaziz has delegated the Minister of Finance, Mohammed Al Jadaan, to look into any similar requests by the bank in the future to open other branches across Saudi Arabia.

Source: [Mubasher](#)

### **UAE's inflation rate down for 11th month in row in November**

The inflation rate in the UAE fell to 1.4% in November 2019 when compared to 1.9% in October 2019, marking a low performance for the eleventh consecutive month, according to a recent report issued by the Federal Competitiveness and Statistics Authority (FCSA). In November, the food and beverages segment slid by 1.13% when compared to the same month in 2018, while the textiles, clothing, and footwear group shed by 7.07%, data showed.

Source: [Mubasher](#)

### **UAE's ambitions soar with aviation**

Ever since the opening up of its skies in 1937, Dubai has achieved a quantum leap and is now a force to reckon with in aviation. The vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai, has resulted in an indelible economic transformation. The aviation industry will contribute 45 per cent of Dubai's GDP by 2030, according to Oxford Economics.

Source: [Khaleej Times](#)

### **Qatar seals 15-year LNG deal with Kuwait**

The long-term SPA was signed by Kuwaiti Minister of Oil and KPC chairman Dr Khaled A Al-Fadhel and Qatar Minister of State for Energy Affairs and QP president and chief executive Saad Sherida Al-Kaabi. LNG will be offloaded at Kuwait's new LNG receiving terminal at Al-Zour Port, which is expected to be commissioned in 2020 with a regas terminal, eight 225,000-m3 storage tanks and two marine jetties.

Source: [Riviera](#)

### **Mohammed Bin Rashid: A plan of 50 goals for Dubai over the next five years**

A five-year plan stating 50 goals for Dubai has been approved, it was announced on Tuesday. The plan was approved by His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, as he chaired the first meeting of Dubai Council on Tuesday. A new system for governance of government and semi-government companies will be set under the supervision of Shaikh Maktoum Bin Mohammad Bin Rashid Al Maktoum, Deputy Ruler of Dubai.

Source: [Gulf News](#)

### **Bahrain's sovereign wealth fund Mumtalakat hires banks for dollar sukuk**

Bahrain's sovereign wealth fund Mumtalakat has hired banks to arrange fixed income investor meetings ahead of a potential issue of U.S. dollar-denominated sukuk, or Islamic bonds, a document by one of the banks leading the deal showed. The fund has picked Citi (C.N), Gulf International Bank, HSBC (HSBA.L), National Bank of Bahrain NATB.BH and Standard Chartered (STAN.L) for meetings in London, Asia and the Middle East, starting on Thursday.

Source: [Reuters](#)

### **Saudi Arabia and Kuwait hire consultant to assess Dorra gas field - Kuwaiti paper**

Saudi Arabia and Kuwait have asked an international consultant to study the development plan for the Dorra offshore gas field and assess the share of the gas for each country from the joint project, Kuwaiti al-Rai newspaper reported on Tuesday. Such a development would indicate that the two Gulf OPEC producers are moving forward with the project, which they shelved in 2013 after disagreeing over how to share the gas back on land. Both countries need the field to satisfy their growing gas consumption for power generation and boost exports.

Source: [Reuters](#)

### **Mideast Stocks: Financials boost UAE stocks; Saudis down on petchems**

Stocks in United Arab Emirates rose on Tuesday, boosted by financial-services shares, while petrochemical stocks sent the Saudi market down. On Sunday, Gulf stocks declined, with Kuwait falling the most in two years on their first day of trade following a U.S. attack in Iraq that killed Iranian military commander Qassem Soleimani, ramping up tensions in the region. With no immediate retaliation, some of the tension abated. That helped to push oil and gold prices lower on Tuesday as investors booked profits.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Musk presents first batch of made-in-China Teslas**

Tesla CEO Elon Musk presented the first batch of made-in-China cars to ordinary buyers on Tuesday in a milestone for the company's new Shanghai "giga-factory", but which comes as sales decelerate in the world's largest electric-vehicle market. The eccentric entrepreneur danced awkwardly, gave out high-fives, and mugged on a stage as sleek Model 3 sedans

— the company's mid-price, mass-market offer — were driven up one by one and presented to buyers who jumped into the back seats before being driven away at the plant.

Source: [Oman Observer](#)

### Asia markets fall as violence flares in Iraq

Asia Pacific markets retraced some losses on Wednesday after tumbling when reports said rockets were fired at an Iraqi airbase that hosts American troops. U.S. stock futures declined Tuesday night, with the Dow Jones Industrial Average futures down 92 points and indicated a loss of 114.68 points at Wednesday's open. Military officials in the U.S. told NBC News the Al Asad airbase, located in western Iraq, has come under attack, with multiple projectiles hitting it.

Source: [CNBC](#)

### Japan's real wages fall in November, posing a threat to demand

Japan's inflation-adjusted real wages declined at their fastest pace in four months in November, government data showed on Wednesday, clouding the outlook for an economy already under pressure from a nationwide tax increase.

Source: [Reuters](#)

### Plunging U.S. imports pushed trade deficit to three-year low in November

America's trade deficit continued to tumble in November, hitting its lowest level in three years as imports of crude oil, computers and industrial supplies fell off sharply, the government reported Tuesday. That put the United States on track for the first drop in the annual deficit in six years, likely reflecting the damage to international commerce from the U.S.-China trade conflict and a sluggish global economy.

Source: [JT](#)

## COMMODITIES NEWS

### Oil prices surge 4% at high following attacks on Iraq bases

Oil prices surged more than 4% at their high after Pentagon officials said that Iran launched more than a dozen ballistic missiles against multiple bases in Iraq housing U.S. troops. U.S. West Texas Intermediate crude futures hit \$65.65, its highest level since April, while international benchmark Brent crude reached \$71.75 per barrel, its highest level since September. "I think traders fully anticipated a retaliation, but not on U.S. troops, which leads traders to fear the next move by the U.S. might be a strike back within Iran, which could open a whole other can of worms," Tudor, Pickering, Holt & Co. managing director Michael Bradley said.

Source: [CNBC](#)