













U Capital Morning Brief

3 February 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	870.57	6.62	0.77%	3.20%	8.22	0.81	7.1%
U Capital GCC 50 Index	1,334.89	-14.32	-1.06%	-3.69%	16.33	2.05	4.3%
U Capital MENA 200 Index	1,067.82	-9.19	-0.85%	-2.10%	18.70	1.92	4.5%
MSCI GCC Countries Index	554.71	-5.50	-0.98%	-2.63%	16.12	1.77	3.9%
Muscat Securities Market	 4,092.72	13.43	0.33%	2.80%	7.25	0.74	7.3%
Saudi Stock Exchange	 8,157.51	-89.08	-1.08%	-2.76%	22.07	1.82	3.3%
Kuwait Stock Exchange	 7,264.24	-44.46	-0.61%	0.13%	15.68	1.46	3.4%
Qatar Exchange	 10,362.04	-79.97	-0.77%	-0.61%	14.93	1.52	4.1%
Bahrain Stock Exchange	 1,659.66	2.03	0.12%	3.07%	13.18	1.02	4.7%
Dubai Financial Market	 2,766.39	-24.03	-0.86%	0.06%	13.28	0.98	4.2%
Abu Dhabi Exchange	 5,115.92	-40.27	-0.78%	0.79%	15.85	1.41	4.9%
Beirut Stock Exchange	 704.29	7.66	1.10%	-10.35%	3.72	0.42	13.1%
Palestine Stock Exchange	 524.09	1.80	0.34%	-0.36%	12.38	1.19	4.5%
Tunis Se Index	 7,080.15	25.77	0.37%	-0.59%	20.17	2.42	2.1%
EGX 30 Index	 13,888.89	-29.95	-0.22%	-0.52%	11.79	1.84	2.5%
Amman General Index	 1,871.19	3.29	0.18%	3.08%	11.65	0.90	7.2%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,286.0	-1.30%	-3.4%
DAX	Germany	12,982.0	-1.33%	-2.0%
CAC 40	France	5,806.3	-1.11%	-2.9%
United States				
DJIA	USA	28,256.0	-2.09%	-1.0%
S&P 500	USA	3,225.5	-1.77%	-0.2%
NASDAQ	USA	9,150.9	-1.59%	2.0%
Asia Pacific				
NIKKEI 225	Japan	22,952.3	-1.09%	-3.0%
HANG SENG	Hongkong	26,347.4	0.13%	-6.5%
KSE 100 Index	Pakistan	41,105.6	-1.27%	0.9%
NSE Nifty 50	India	11,736.7	0.64%	-3.5%
SHANGHAI COMPOSITE	China	2,737.0	-8.05%	-10.3%
SHANGHAI SHENZHEN CSI 300	China	3,681.9	-8.04%	-10.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.670	1.492
British Pound (GBP)	1.317	0.760
Canadian Dollar (CAD)	0.755	1.324
Chinese Renminbi (CNH)	0.143	7.013
Egyptian Pound (EGP)	0.063	15.804
Euro (EUR)	1.108	0.902
Indian Rupee (INR)	0.014	64.000
Japanese Yen (JPY)	0.009	108.510
New Zealand Dollar (NZD)	0.647	1.545
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.647	154.515
Russian Ruble (RUB)	0.016	71.548
Singapore Dollar (SGD)	0.731	1.368
Turkish Lira (TRY)	0.167	5.982

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	56.3	-0.64%	-13.8%
WTI Crude (per bbl)	51.5	-0.06%	-15.6%
Oman Crude Oil (Last Closing)	56.6	-1.75%	-16.1%
OPEC (per bbl)	58.8	-3.67%	-13.5%
Precious Metals			
Gold100 OZ (per oz)	1,580.1	-0.57%	4.1%
Silver (per oz)	17.8	-1.19%	-0.1%
Platinum (per oz)	959.5	-0.18%	-0.7%
Other Metals			
Copper, MT	5,567	-0.37%	-9.8%
Aluminium, MT	1,722	-0.52%	-4.9%
Lead, MT	1,879	2.96%	-2.5%
Zinc, MT	2,200	0.55%	-3.2%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.95	-11.9%
Saudi Arabia	2.17	-2.8%
Kuwait	2.75	0.0%
Oman	2.74	-2.8%
Qatar	2.30	2.2%
Bahrain	2.67	0.0%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.1
Abu Dhabi	11/10/2027	2.2
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.6
Oman	17/01/2028	5.1
Bahrain	12/10/2028	4.4

Midswaps	Price	YTM %
3 year	100.54	1.3
5 year	100.19	1.3
10 year	102.03	1.5
30 year	107.97	2.0

USD Libor	Rate (%)	YTD
1m	1.66	-5.7%
3m	1.75	-8.2%
6m	1.75	-8.7%
1 year	1.81	-9.5%

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's GDP falls 2.6% by end of September 2019

The Sultanate's Gross Domestic Product (GDP) fell by 2.6 per cent, reaching OMR21.64 billion at current market prices by the end of September 2019, according to the data released by the National Centre for Statistics and Information (NCSI). There was a fall in oil activities by 2.9 per cent at the end of September 2019, registering OMR7.68 billion compared to OMR7.91 billion at the end of September 2018.

Source: [Times of Oman](#)

RO 640 million worth of investments to fuel growth of Oman's fisheries sector

Buoyed by private sector-led investments estimated at RO 640 million (\$1.6 billion), Oman's fisheries sector is poised for the next phase of growth, according to a report by a consultancy firm that had played a key role in the formulation of a new blueprint for unlocking the immense growth potential of the industry.

Source: [Oman Observer](#)

Port of Duqm facilitates refinery's heavy lift cargo arrival

Port of Duqm is facilitating Duqm Refinery's cargo for the discharge of nine massive LPG storage tanks (bullets), under the agency of Khimji Ramdas Shipping, according to a press statement. These nine bullets will be loaded on a barge and transported in three different shipments to Port of Duqm. They are fabricated and loaded at Larsen & Toubro LLC (Oman) facility in Sohar and towed on barge to Port of Duqm.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

More IPOs likely in GCC this year, but will not surpass value

Led by Saudi Arabia and the UAE, initial public offering (IPO) activity in the Gulf is expected to pick up in 2020, with around 16 companies likely to go public as compared to nine firms last year, analysts say. Though the number of IPOs are expected to surpass last year's, the value is highly unlikely to cross 2019's figures in the foreseeable future due to Saudi Aramco's record fund-raising in the last quarter of 2019.

Source: [Zawya](#)

Growth in Gulf countries set to recover in 2020

Growth in the Gulf Cooperation Council (GCC) region is set to recover in 2020, following a subdued performance in the previous year. According to Emirates NBD's Global Outlook 2020, growth in the Gulf states' real gross domestic product (GDP), an indicator of the health of an economy, is forecast to rise by 1.47 percent in 2020, up from an estimated 0.5 percent for 2019.

Source: [Zawya](#)

Qiddiya awards Saudi company 12-month contract to build resort core, city center

The Qiddiya Investment Company (QIC) awarded Saudi Arabia's Abdul Ali Al Ajmi Co. a construction contract to build the Resort Core & the City Centre, according to a press release on Sunday. The project, which is expected to take 12 months, spans 4 million square meters.

Source: [Argaam](#)

Tihama announces prospectus for SAR 100 mln capital hike

Tihama Advertising and Public Relations Co. on Sunday announced the publication of the priority rights issue prospectus, it said in bourse statement. Last month, the Capital Market Authority (CMA) approved Tihama's request to raise its capital to SAR 175 million from SAR 75 million through SAR 100 million rights issue to boost the company's expansions.

Source: [Argaam](#)

Dubai property: Government initiatives to boost demand in 2020

Major steps by the government and an increased number of pro-growth initiatives over the past year are expected to boost sentiment and drive demand in the UAE's real estate market in 2020, according to the latest report from consultancy JLL. The firm's annual review of the UAE real estate market found that although residential rents and sale prices continued to decline, it expects a flattening of both over the next 12 months.

Source: [The National](#)

DP World and Dubai South ink MoU to ensure smooth trade flow

Trade enabler and ports operator DP World and UAE's Dubai South have inked a memorandum of understanding (MoU) to enable its flagship Free Zone, Jebel Ali Free Zone (Jafza), to facilitate the entry and exit of goods between them and provide enhanced services to their customers.

Source: [CW](#)

Key to Aramco's calm January lies in hands of Saudi stock owners

January delivered a hefty slice of volatility for oil and global energy stocks as the spreading coronavirus shocked investors. But in Riyadh, shares in Saudi Aramco followed a different narrative in their first full month of trading. The stock weathered the month — marked by the US killing of an Iranian general and then the spread of the coronavirus — much better than oil-major peers, ending well above the price set at its record initial public offering.

Source: [Gulf News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Shanghai stocks hit by \$370 billion wipeout as virus fears pound Chinese markets

Chinese stock and commodity markets fell heavily at the open on Monday, in the first trading session after an extended Lunar New Year break, as investors dumped risky assets in response to rising fears about the spread of a new virus across China. The plunge wiped almost \$370 billion in market capitalisation from the benchmark Shanghai Composite index, which opened nearly 9% lower. The yuan opened at its weakest level this year and slid 1%, past the symbolic 7-per-dollar level in onshore trade.

Source: [NASDAQ](#)

Yuan, Aussie on back foot as China markets stumble on virus scare

The yuan and its proxy, the Australian dollar, were on the defensive on Monday as China's share market reopened with big losses after the Lunar New Year break and anxiety over a virus outbreak in the country kept investors on guard. Chinese shares tumbled after the 10-day break was extended to help stem the epidemic though falls were in line with what had been indicated by Chinese share futures and ETFs (Exchange Traded Funds) traded outside China.

Source: [Reuters](#)

China central bank's reverse repo rate cut to alleviate economy shock: adviser

China's cut to its reverse repo rate should alleviate the shock to the real economy from a virus outbreak and is a good move to stabilize expectations and restore financial market confidence, a central bank adviser said on Monday. Ma Jun's comments followed an unexpected decision by the central bank for a cut of 10 basis points in the interest rate on reverse repurchase agreements. They were published in Financial News, which is owned by the People's Bank of China (PBOC).

Source: [Reuters](#)

UK formally leaves the European Union and begins Brexit transition period

The U.K. has finally left the EU, marking one of the biggest political and economic shifts in modern Europe. Brexit brings about the end of a tumultuous three-and-a-half year departure process. Brexit has caused turmoil in the U.K.'s political establishment, economic uncertainty and societal divisions.

Source: [CNBC](#)

COMMODITIES NEWS

Oil extends decline on concerns about virus' impact on China demand

Brent crude was at \$55.83 a barrel by 0047 GMT, down 79 cents, or 1.4%, after losing nearly 12% in January, the steepest monthly decline since November 2018. U.S. West Texas Intermediate (WTI) crude fell 50 cents to \$51.06 a barrel, after earlier hitting a session low of \$50.42. The front-month WTI price fell 15.6% in January, the biggest monthly drop since May.

Source: [CNBC](#)

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