

# U Capital Morning Brief

16 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	878.64	7.64	0.88%	4.16%	8.10	0.84	6.9%
U Capital GCC 50 Index	1,283.61	-7.95	-0.62%	-7.39%	15.88	1.92	4.4%
U Capital MENA 200 Index	1,033.85	-2.54	-0.25%	-5.21%	17.91	1.88	4.3%
MSCI GCC Countries Index	536.17	-0.01	0.00%	-5.89%	15.73	1.70	4.1%
Muscat Securities Market	4,128.49	20.37	0.50%	3.70%	8.23	0.76	7.2%
Saudi Stock Exchange	7,874.41	-40.95	-0.52%	-6.14%	21.59	1.74	3.4%
Kuwait Stock Exchange	7,175.00	-7.51	-0.10%	-1.10%	15.34	1.43	3.5%
Qatar Exchange	9,846.93	-106.44	-1.07%	-5.55%	14.51	1.42	4.3%
Bahrain Stock Exchange	1,662.57	0.84	0.05%	3.25%	12.94	1.01	4.7%
Dubai Financial Market	2,733.72	3.80	0.14%	-1.13%	9.73	0.97	4.3%
Abu Dhabi Exchange	5,037.46	-28.23	-0.56%	-0.75%	14.91	1.38	5.0%
Beirut Stock Exchange	618.72	-8.21	-1.31%	-21.24%	3.26	0.37	14.9%
Palestine Stock Exchange	531.54	2.91	0.55%	1.06%	12.56	1.21	4.5%
Tunis Se Index	7,115.50	5.24	0.07%	-0.09%	20.27	2.44	2.1%
EGX 30 Index	13,859.45	14.29	0.10%	-0.73%	11.64	1.82	2.2%
Amman General Index	1,874.22	0.33	0.02%	3.25%	11.67	0.90	7.2%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,409.1	-0.58%	-1.8%
DAX	Germany	13,744.2	-0.01%	3.7%
CAC 40	France	6,069.4	-0.39%	1.5%
<b>United States</b>				
DJIA	USA	29,398.1	-0.09%	3.0%
S&P 500	USA	3,380.2	0.18%	4.6%
NASDAQ	USA	9,731.2	0.20%	8.5%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,687.6	-0.59%	0.1%
HANG SENG	Hongkong	27,815.6	0.31%	-1.3%
KSE 100 Index	Pakistan	40,243.3	-0.52%	-1.2%
NSE Nifty 50	India	12,113.5	-0.50%	-0.5%
SHANGHAI COMPOSITE	China	2,917.0	0.38%	-4.4%
SHANGHAI SHENZHEN CSI 300	China	3,987.7	0.70%	-2.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.671	1.489
British Pound (GBP)	1.305	0.767
Canadian Dollar (CAD)	0.755	1.325
Chinese Renminbi (CNH)	0.143	6.993
Egyptian Pound (EGP)	0.064	15.697
Euro (EUR)	1.083	0.923
Indian Rupee (INR)	0.014	63.554
Japanese Yen (JPY)	0.009	109.780
New Zealand Dollar (NZD)	0.644	1.554
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.649	154.315
Russian Ruble (RUB)	0.016	71.368
Singapore Dollar (SGD)	0.718	1.392
Turkish Lira (TRY)	0.165	6.059

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	57.3	1.74%	-12.2%
WTI Crude (per bbl)	52.1	1.23%	-14.8%
Oman Crude Oil (Last Closing)	56.5	1.62%	-16.2%
OPEC (per bbl)	55.9	0.58%	-17.8%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,584.1	0.51%	4.4%
Silver (per oz)	17.7	0.53%	-0.6%
Platinum (per oz)	965.7	-0.46%	-0.1%
<b>Other Metals</b>			
Copper, MT	5,760	-0.52%	-6.7%
Aluminium, MT	1,722	-1.49%	-4.9%
Lead, MT	1,873	-1.00%	-2.8%
Zinc, MT	2,149	-1.20%	-5.4%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.98	-10.4%
Saudi Arabia	2.14	-3.9%
Kuwait	2.56	-6.8%
Oman	2.75	-2.3%
Qatar	2.32	3.0%
Bahrain	2.58	-3.1%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.1
Abu Dhabi	11/10/2027	2.1
Qatar	02/06/2026	2.2
Saudi Arabia	04/03/2028	2.6
Oman	17/01/2028	4.9
Bahrain	12/10/2028	4.3

Midswaps	Price	YTM %
3 year	99.94	1.4
5 year	99.80	1.4
10 year	99.22	1.6
30 year	99.13	2.0

USD Libor	Rate (%)	YTD
1m	1.66	-5.9%
3m	1.69	-11.4%
6m	1.71	-10.6%
1 year	1.80	-9.9%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Marginal decline in the market on the back of exit of foreign investors

Alike previous weeks of 2020, foreigners continued to remain net sellers with net foreign outflow of OMR 1.1mn (USD 2.95mn). YTD foreign outflows amount to USD 22bn. Local investors absorbed the foreign selling pressure last week. The MSM30 Index closed the week down only marginally by 0.01%. Sector wise, Industrial Index closed down by 0.49% w-o-w, followed by the Financial Index down by 0.17% w-o-w. Services Index was higher by 0.16% w-o-w. The MSM Shariah Index remained flat w-o-w.

Source: **Oman Observer**

### Salalah Port to receive \$67million in Cyclone Mekunu damage claims

Port of Salalah says it has reached a settlement with its insurer for a sum of \$67.75 million as damages arising out the destruction and disruption caused by Cyclone Mekunu when it struck the southern part of the Sultanate during May 2018. Shaikh Braik Musallam al Amri, Deputy Chairman of Board of Directors, Salalah Port Services SAOG, stated in the Directors Report for 2019 that roughly half the amount of the settlement was received by the company in 2018, with the balance amount due to be settled this year.

Source: **Oman Observer**

### China remains top market for Omani crude in January

China was the top destination for Omani crude exports in January 2020, lifting 85.96 per cent of total exports averaging 756,586 barrels per day (bpd) during the month, the Ministry of Oil & Gas stated in its monthly review of crude production. Volumes to China climbed 3.20 per cent in comparison with December 2019 shipments, the report said. The other leading markets for Omani crude were the UAE (eight per cent), India (4 per cent) and Japan (2 per cent).

Source: **Oman Observer**

### Total deposits held with ODCs reach OMR23.7 billion

Total deposits held with other depository corporations (ODCs) registered a growth of 1.7 per cent and stood at OMR23.7 billion at the end of December 2019, according to the bulletin issued by the Central Bank of Oman (CBO). Private sector deposits increased by 6.2 per cent to OMR15.2 billion. Sector-wise, the share of households was 49.1 per cent in the total private sector deposit, followed by non-financial corporations at 31.5 per cent, financial corporations at 17.1 per cent and the other sectors at 2.3 per cent.

Source: **Times of Oman**

### Oman's inflation rises marginally in January

The inflation rate in the Sultanate, measured by movement in the average Consumer Price Index (CPI), increased by 0.43 per cent in January 2020 compared to the same month of 2019, according to the latest data released by the National Centre for Statistics and information (NCSI) on consumer prices' index. According to the report, the inflation rate in the month of January rose by 0.16 per cent compared to December 2019. The food and non-alcoholic beverages group witnessed a price rise by 1.93 per cent; furnishings, household equipment, and routine household maintenance by 0.52 per cent; health by 0.99 per cent; transport by 0.60 per cent, education by 2.18 per cent and restaurants and hotels by 1.03 per cent.

Source: **Times of Oman**

### AIBB weighs funding support for Oman's first solar PV project

The Asian Infrastructure Investment Bank (AIIB), a multilateral development bank with a mandate to support infrastructure development in the Asia-Pacific region, has revealed that it is studying a request for around \$60 million in funding support from the developers of Oman's first utility-scale solar PV project. Shams Ad-Dhahira Generating Company SAOC, a consortium led by International Company for Water and Power Projects (ACWA Power), has been awarded a license to finance, develop and operate a 500 MW greenfield solar photovoltaic power plant in Ibri in Al Dhahirah Governorate in the west of the country.

Source: **Oman Observer**

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi Aramco to update gasoline prices on monthly basis as of Feb

State-owned Saudi Aramco announced the updated gasoline prices in Saudi Arabia starting from Feb. 16. Gasoline 91 will be sold at SAR 1.55 per liter, while gasoline 95 will be priced at SAR 2.11 per liter. Starting from February 2020, domestic gasoline prices will be monthly updated on the 10th day of every month. The new prices will come into effect on the following day.

Source: **Argaam**

### **Saudi oil giant Aramco to report 2019 results on March 16**

Saudi Aramco will report 2019 full-year results on March 16, the oil giant said on its website on Friday, its first set of financial results after the company went public in December. Saudi Aramco's record-breaking initial public offering (IPO) has grown to \$29.4 billion since the company chose to exercise the so-called greenshoe option to sell an additional 450 million shares on Sunday, the company said in a statement on the Saudi Stock Market (Tadawul).

Source: [Al Arabiya](#)

### **Saudi Arabia's visitors forecast to reach 21 mln by 2024: report**

The number of visitors to Saudi Arabia is expected to increase by 38% to 21.3 million by 2024 from 15.5 million in 2019, Colliers International said in a recent report. The rise in tourists' number is driven by a flow of GCC residents planning for short city or mini-breaks, as well as business travelers who are extending their trips. "Saudi Arabia has an incredible landscape, with diverse regions and an array of tourism offerings for leisure travelers," said Danielle Curtis, Exhibition Director ME, Arabian Travel Market.

Source: [Argaam](#)

### **Sulaiman Al Habib Medical Group to add 815 clinics, 1,180 beds over coming years**

Sulaiman Al Habib Medical Group (HMG) plans to build three new hospitals and increase the current capacity by more than 60%, or 815 clinics and 1,180 beds over the coming years, capitalizing on its business model and track-record, according to the company's IPO prospectus. The three new medical entities will span 799,000 square meters.

Source: [Argaam](#)

### **DP World acquires majority stake in Ukrainian container terminal**

Global trade enabler DP World has acquired a 51% stake in TIS Container Terminal in Ukraine's Port of Yuzhny. The finalisation of the deal is pending the satisfaction of certain conditions, including regulatory approval, according to a company statement. "Our goal is to build the industry's leading data-driven supply chain solutions through our global portfolio, creating opportunities for our customers to realise game-changing value and accelerate their cargo deployments," DP World's group chairman and CEO Sultan Ahmed Bin Sulayem commented.

Source: [Decypha](#)

### **UAE, Saudi to lead pick-up in non-oil economic activity**

The UAE and Saudi Arabia will lead the gradual pick-up in GDP growth led by non-oil economic activity, according to Economics team at the Abu Dhabi Commercial Bank (ADCB). ADCB economists see aggregate real non-oil GDP growth strengthening to 2.6 per cent in 2020, up from an estimated 2.1 per cent in 2019 and 2 per cent in 2018. "We see Saudi Arabia and UAE as largely driving the acceleration in non-oil GDP growth in 2020, despite being at different stages in their economic cycles. Saudi Arabia should benefit from building momentum with its investment programme, whilst UAE is forecast to get a boost from hosting Expo 2020," said Monica Malik, chief economist of ADCB.

Source: [Gulf Business](#)

### **Abu Dhabi 2019 hotels revenue surges 6.8pc to \$1.6bn**

Hotel establishments across Abu Dhabi witnessed solid growth in 2019 registering a 6.8 per cent increase in its revenues which soared to Dh5.83 billion (\$1.6 billion) from Dh5.46 billion (\$1.48 billion) the previous year,, according to figures revealed by the Statistics Centre - Abu Dhabi (SCAD). The significant growth was driven by a considerable increase in tourist and guest arrivals on the back of multifaceted international business events and edutainment activities organised in the UAE capital in 2019, including Abu Dhabi International Book Fair, IDEX 2019, AFC Asian Cup UAE 2019, the Naval Defence & Maritime Security Exhibition, NAVDEX, and several others, stated SCAD report.

Source: [GDN Online](#)

### **UAE- Mandatory insurance spurs demand for specialised staff in health sector**

Healthcare providers in Dubai are hiring more specialised staff to deal with insurance-related issues since the mandatory medical insurance law came into effect and the number of health policyholders have multiplied, an expert has said. "With more than 5.1 million insurance policies having been adopted after it was made mandatory for all Dubai residents to have health insurance as compared to less than 600,000 policyholders in 2013, most of the big healthcare organisations are recruiting an army of insurance personnel to ensure a smooth experience for their patients," said Avivo Group CEO Dr Atul Aundhekar.

Source: [The National](#)

### **MIDEAST STOCKS-Most major Gulf markets dampened by disappointing earnings**

Most major Gulf markets were subdued on Thursday, digesting disappointing earnings at major companies. The Dubai index slipped 0.2% with its largest listed developer Emaar Properties losing 1%, while its unit Emaar Malls was down 1.7%. Emaar

Properties posted a 1.7% fall in fourth-quarter profit to 1.76 billion dirhams on Wednesday, compared to 1.79 billion dirhams year ago. Dubai is expected to see the biggest number of new homes completed in more than a decade this year, adding to pressure on a once-booming but now struggling property sector, a Knight Frank report said.

Source: [Reuters](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### Investors are flocking to the largest US growth stocks as concerns rise over the global economy

The U.S. economy offers more stable growth and American securities promise more secure cash flows and yield than a globe beset by woes like the coronavirus. Among the winners is the Vanguard Mega-Cap Growth ETF, made up of large companies viewed as having the most reliable future growth and profitability in these uncertain times. But valuations and strange moves in speculative-growth stocks like Tesla could be raising some red flags.

Source: [CNBC](#)

### China taps blockchain technology to boost financing for businesses hit by virus

As Chinese language authorities rush to assist companies struggling to outlive the results of the brand new coronavirus, blockchain expertise is displaying its potential in an archaic financing system. For the reason that Lunar New Yr vacation, 87 China-based companies have obtained greater than \$200 million in loans by way of a cross-border, pilot blockchain finance platform, Xuan Changneng, vice director of the State Administration of Overseas Trade, disclosed at a press convention on Saturday. He didn't specify a date.

Source: [Post](#)

### Tesla aims to revitalize its solar energy and storage business this year after 2019 slump

Tesla notched a record fourth quarter for solar energy and storage systems, but a decline for the full year. According to a filing, Tesla is now making solar panels with Panasonic at its plant in Buffalo, New York. CEO Elon Musk is expected to stand trial in Delaware's Chancery Court in March, and defend Tesla's decision to acquire SolarCity for \$2.6 billion in 2016.

Source: [CNBC](#)

### Treat us like something between a telco and a newspaper, says Facebook's Zuckerberg

Online content should be regulated with a system somewhere between the existing rules used for the telecoms and media industries, Facebook (FB.O) CEO Mark Zuckerberg told global leaders and security chiefs on Saturday. Speaking at the Munich Security Conference in Germany, Zuckerberg said Facebook had improved its work countering online election interference, and expanded on his previous calls for regulation of social media firms.

Source: [Reuters](#)

### Dollar Defies Detractors With Its Strongest Start in Five Years

The U.S. currency is having its best start to a year since 2015, defying the expectations of many forecasters and potentially adding global growth headwinds. The Bloomberg dollar index has climbed 1.9% since the end of December, spurred in part by demand for havens as the global spread of the Wuhan coronavirus and other uncertainties dent investor appetite for riskier assets. The greenback, which is up against all of its Group-of-10 peers in 2020, has also benefited from stable U.S. economic data and bond yields that remain high relative to the rest of the world even as interest rates slide.

Source: [Bloomberg](#)

## COMMODITIES NEWS

### Gold poised for a weekly gain as virus fears lift safe-haven demand

Gold prices rose to the highest level in more than a week on Friday, on track for a weekly gain, as investors bet on the safe-haven metal to hedge against the economic impact of the coronavirus outbreak. Spot gold rose 0.5% to \$1,583.18 per ounce by 1:43 p.m. EST (1843 GMT), after touching \$1,583.76, its highest price since Feb. 3. For the week, bullion has so far gained about 0.8%. U.S. gold futures settled up 0.5% at \$1,586.40.

Source: [Reuters](#)

### IEA: Oil Demand To Fall For First Time In A Decade

The IEA slashed its demand forecast for the first quarter of 2020, predicting that global oil consumption will contract for the first time in over a decade. In its first publication on the oil market since the outbreak began, the International Energy Agency (IEA) dramatically revised its oil demand forecast, predicting consumption will actually contract by 435,000 bpd, the first

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outright decline year-on-year since the global financial crisis more than a decade ago. Previously, the agency expected consumption to increase by 800,000 bpd from a year earlier.

Source: **Oil Price**

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