













# U Capital Morning Brief

17 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	884.48	5.84	0.66%	4.85%	8.15	0.85	6.9%
U Capital GCC 50 Index	1,279.70	-3.91	-0.30%	-7.68%	15.73	1.91	4.4%
U Capital MENA 200 Index	1,029.91	-3.94	-0.38%	-5.58%	16.98	1.87	4.3%
MSCI GCC Countries Index	533.82	-2.35	-0.44%	-6.30%	15.67	1.69	4.1%
Muscat Securities Market	 4,159.93	31.44	0.76%	4.49%	8.30	0.77	7.2%
Saudi Stock Exchange	 7,836.96	-37.45	-0.48%	-6.58%	21.47	1.73	3.4%
Kuwait Stock Exchange	 7,133.64	-41.36	-0.58%	-1.67%	15.19	1.42	3.5%
Qatar Exchange	 9,748.74	-98.19	-1.00%	-6.49%	14.37	1.41	4.4%
Bahrain Stock Exchange	 1,661.87	-0.70	-0.04%	3.21%	12.53	1.01	4.7%
Dubai Financial Market	 2,734.74	1.02	0.04%	-1.09%	9.89	0.97	4.3%
Abu Dhabi Exchange	 5,062.82	25.35	0.50%	-0.26%	14.93	1.39	4.9%
Beirut Stock Exchange	 618.72	-8.21	-1.31%	-21.24%	3.26	0.37	14.9%
Palestine Stock Exchange	 532.87	1.33	0.25%	1.31%	12.60	1.21	4.4%
Tunis Se Index	 7,115.50	5.24	0.07%	-0.09%	20.27	2.44	2.1%
EGX 30 Index	 13,737.40	-122.05	-0.88%	-1.61%	11.54	1.81	2.2%
Amman General Index	 1,867.89	-6.33	-0.34%	2.90%	11.63	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	23,484.1	-0.89%	-0.7%
HANG SENG	Hongkong	27,940.8	0.45%	-0.9%
KSE 100 Index	Pakistan	40,243.3	0.00%	-1.2%
NSE Nifty 50	India	12,105.2	-0.07%	-0.5%
SHANGHAI COMPOSITE	China	2,955.1	1.30%	-3.1%
SHANGHAI SHENZHEN CSI 300	China	4,036.4	1.22%	-1.5%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.672	1.487
British Pound (GBP)	1.305	0.767
Canadian Dollar (CAD)	0.755	1.324
Chinese Renminbi (CNH)	0.143	6.978
Egyptian Pound (EGP)	0.064	15.697
Euro (EUR)	1.084	0.923
Indian Rupee (INR)	0.014	63.563
Japanese Yen (JPY)	0.009	109.810
New Zealand Dollar (NZD)	0.643	1.555
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.649	154.315
Russian Ruble (RUB)	0.016	71.478
Singapore Dollar (SGD)	0.720	1.390
Turkish Lira (TRY)	0.165	6.052

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	57.2	-0.21%	-12.4%
WTI Crude (per bbl)	52.0	-0.04%	-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)	1,582.7	-0.08%	4.3%
Silver (per oz)	17.9	0.65%	0.0%
Platinum (per oz)	969.9	0.44%	0.3%
<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	1.88	-14.8%
Saudi Arabia	2.14	-3.9%
Kuwait	2.50	-9.1%
Oman	2.75	-2.3%
Qatar	2.34	4.1%
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

### **PDO signs agreement to strengthen Oman's engineering sector**

Petroleum Development Oman (PDO) provided a further boost to Omani engineering with the signing of a new contract with the Oman Engineering Procurement & Construction (OmEPC), a joint partnership between four Omani SMEs; Value Engineering Centre (VEC), Hamad Engineering Services (HES), Precision Engineering Consultancy (PEC) and Rock International.

Source: [Times of Oman](#)

### **Oman's first antimony, gold facility to reach full production this year**

Strategic & Precious Metals Processing (SPMP) Oman, the first antimony and gold doré exporter and the only gold processing facility in Oman, announced that it is on track towards reaching full production capacity this year. SPMP was established in Oman in 2014 as a joint venture between the Government of Oman through Oman Investment Fund (OIF) holding 40 per cent of the shares, Tri-Star Resources PLC from the UK (40 per cent) and Dutco Natural Resources from the UAE (20 per cent).

Source: [Times of Oman](#)

### **State Council group focuses on insurance**

The working group formed by the State Council to study 'loans and bank insurance' hosted several officials of Oman United Insurance Company and AXA Insurance to inform them of various aspects. The team discussed this during its second meeting for the first annual session of the seventh term. It was headed by Hon Dr Saeed bin Sultan al Busaidi and held in the presence of State Council members, and officials of the two companies.

Source: [Muscat Daily](#)

### **Eni begins drilling Oman's first deepwater offshore well**

In a move that bodes well for efforts to harness Oman's untapped offshore hydrocarbon potential, the local subsidiary of global energy major Eni has commenced drilling of what is billed as the first deep-water well in the Sultanate's history. A drillship chartered by Eni Oman commenced drilling activities in Block 52, a vast deepwater concession that extends off the Sultanate's southern and south-eastern seaboard, a high-level executive said.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **BinDawood Group owns 70 stores in Saudi Arabia, says CEO**

The BinDawood Group owns one of the largest private retail chains in Saudi Arabia and operates 70 hypermarkets and supermarkets in major Saudi cities, Ahmad Bin Dawood, CEO of Danube and BinDawood supermarkets, told Argaam in an exclusive interview. He added, on the sidelines of the Retail Leaders Circle Summit MENA Region (RLC MENA) in Riyadh, that the group employs 10,000 staff members. The company posted a remarkable rise in sales, backed by new store additions in 2019

Source: [Argaam](#)

### **UAE food safe from coronavirus, says F&B firms**

Food consumed in the UAE and the GCC is safe from coronavirus as local companies source their products mainly from Europe, the USA, Brazil, and the Subcontinent rather than China, say industry executives. Speaking on the first-day of the Gulf Food 2020, they assured that despite the fact that this region relies on foreign food, local and regional companies source products from reliable and internationally-renowned companies.

Source: [Khaleej Times](#)

### **Dubai's Shuaa CEO Sees Another Wave of M&A for Banks, Developers**

Banks and real estate firms in the Gulf region may go through another wave of consolidation as a "challenging environment" force entities to merge, according to the head of Dubai-based Shuaa Capital PSC. "The financial services sector still has a lot of room for consolidation," Shuaa Chief Executive Officer Jassim Alseddiqi said in an interview. The real estate sector may witness similar activity, he said. Shuaa was created from a reverse merger with Abu Dhabi Financial Group. More than a dozen regional financial institutions with assets exceeding \$1 trillion have held talks to combine. In the U.A.E., real estate has also suffered after home prices dropped more than 27% since 2014 and property firms posted the slowest annual growth in years. Abu Dhabi's Aldar Properties PJSC acquired Sorouh Real Estate Co. in 2013.

Source: [Bloomberg](#)

### **Al Sorayai's remaining rights issue shares 858.1% oversubscribed**

Al Sorayai Trading And Industrial Group Company said its remaining rights issue were 858.1% oversubscribed, with a total value of SAR 28.60 million from 1.93 million shares at SAR 14.79 a share, the company said in a bourse filing on Sunday. The

net proceeds from the rights issue and fractional shares is SAR 9.25 million, it added, emphasizing the new shares will be added into shareholders accounts on Feb. 26. On Feb. 9, 2020, Al Sorayai said that investors subscribed to 9.3 million out of 11.27 million right shares at a total value of SAR 93.32 million. The offering was 82.83% subscribed.

Source: [Argaam](#)

#### **S&P downgrades Sharjah to 'BBB', with stable outlook**

S&P Global Ratings lowered Sharjah's rating, citing increasing debt and interest burdens. The ratings agency lowered the emirate's long-term foreign and local currency sovereign credit ratings to "BBB" from "BBB+" and kept the outlook stable. Weak economic conditions in Sharjah since 2019 have led to lower revenues from government-related entities and land sales. These, combined with increased government grants and land compensation payments, as well as accelerated payments to contractors, have resulted in a wider-than-anticipated deficit, the ratings agency noted.

Source: [Zawya](#)

#### **Kuwait's Kamco Invest acquires California property at \$286mln**

Kuwait's Kamco Invest has acquired ServiceNow's world headquarters, a 328,867 square foot Class A office campus located in Silicon Valley, USA for an estimated value of \$286 million. Kamco Invest, an active asset management and investment banking firm, is ranked as the fifth-largest asset manager in the GCC region, with a portfolio of assets under management (AUM) of around \$13.7 billion, with various asset classes and jurisdictions.

Source: [Zawya](#)

#### **Saudi Arabia plans to export gas and petrochemicals soon**

Saudi Arabia, the world's biggest crude exporter, plans to add gas and petrochemicals to its slate of exports and will soon make a major announcement on the topic, the Kingdom's energy minister said on Sunday. "Soon you will hear about the ability of the Kingdom to be a gas exporter and a petrochemical exporter," Prince Abdulaziz Bin Salman said in a televised speech at the inauguration of SABIC 2020 Conference in Jubail Al-Sinaia (Industrial City). The circular carbon economy is a system where carbon emissions are reduced, reused, recycled and removed (4R). Such a closed-loop system, inspired by how nature works, may help restore the balance of the carbon cycle.

Source: [Saudi Gazette](#)

#### **Saudi Arabia to introduce new franchising laws**

New franchise regulations designed to increase transparency and encourage entrepreneurs to invest are expected to be implemented in Saudi Arabia within a few weeks, according to the chairman of the Franchise Committee. The franchisor will be required under the new law to disclose all relevant information, including employee numbers, profits and losses, and the number of its outlets that have closed. The regulations will increase entrepreneurs' awareness of their rights and may encourage them to acquire a franchise, committee chairman Muhammad Ibrahim Al-Mojel said.

Source: [Arab News](#)

#### **\$23bln investment opportunities in UAE Islamic economy**

Abdullah Al-Maeni, Director-General of Emirates Authority for Standardisation and Metrology, ESMA, announced that the Islamic spending on food and beverages has grown by 1.6 percent, and is expected to reach US\$9.1 trillion in the next three years, reflecting a very important opportunity for investment and creating global halal food brands. The volume of investment opportunities in the UAE Islamic economy is some AED85 billion, according to the Global Islamic Economy Indicator.

Source: [Zawya](#)

#### **Kuwait, Saudi Arabia start trial oil pumping from divided zone - Kuwait minister**

Minister of Oil Khaled Al-Fadhel said oil extraction in a trial phase was to begin at Wafra and Khafji oilfields yesterday, and the volume of the pumped crude will be gradually increased "to normal levels". Fadhel, in remarks to journalists on the sidelines of inaugurating a program for transitioning to electronic services at the ministry of oil, said oil production will be restored to regular levels by end of this year.

Source: [Kuwait Times](#)

#### **Mideast Stocks: Qatar leads most of Gulf lower, blue chips hurt Egypt**

Most major Gulf bourses closed lower on Sunday with Qatar leading the losses, dragged down by heavyweight Industries Qatar, while Egypt retreated on a sell-off of blue chips. The Qatari index dropped 1%, extending losses for a sixth straight session, as most stocks on the index declined. Industries Qatar slid 2.7%. On Wednesday, the heavyweight saw its biggest fall in six months as 2019 profits almost halved from a year earlier.

Source: [Zawya](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### China Stocks Climb With Yuan; Japan Sinks With GDP: Markets Wrap

Asia's markets saw a mixed start to the week, with China's stocks and the yuan taking encouragement from pledges to support the nation's economy, and Japanese equities declining after a deep contraction in GDP. China's CSI 300 Index recouped all of its losses since trading resumed after the Lunar New Year break, with the central bank lowering one of its interest rates and saying it would support firms that can restart production as soon as possible. U.S. futures also climbed, and the strong China open helped limit losses in Japan. Treasuries aren't trading due to a U.S. holiday. The yuan rose, as did the Aussie.

Source: [Bloomberg](#)

### Consumer sentiment rises in February even amid the coronavirus outbreak

The University of Michigan's consumer sentiment index came in at 100.9 for February. Economists polled by Dow Jones expected February consumer sentiment to come in at 99.5. Richard Curtin, chief economist for the Surveys of Consumers, noted the coronavirus outbreak is still not a major concern for consumers.

Source: [CNBC](#)

### Tesla ordered by German court to stop cutting down trees for Gigafactory

A German court on Sunday ordered Tesla Inc to stop clearing forest land near the capital Berlin to build its first European car and battery factory, a victory for local environmental activists. The U.S. electric carmaker announced plans last November to build a Gigafactory in Gruenheide in the eastern state of Brandenburg. The court ruling, by the higher administrative court of the states of Berlin and Brandenburg, comes after the state environmental office gave a green light to clear 92 hectares of forest for the plant.

Source: [Reuters](#)

### IMF may cut global growth forecast over coronavirus outbreak

Kristalina Georgieva, Managing Director – International Monetary Fund (IMF), has warned of serious effects on the world economy if the Wuhan coronavirus outbreak (COVID-19) is not contained soon. Georgieva, who is in Dubai to attend the Global Women's Forum Dubai 2020, said that it would affect global value chains and added that it was already adversely impacting tourism and travel.

Source: [Business Live ME](#)

## COMMODITIES NEWS

### Oil prices slip ahead of data pointers on impact of coronavirus on demand

Oil prices edged lower on Monday as investors brace for economic data in Asia due this week that should give a reading on how China's coronavirus epidemic has affected oil demand. Brent crude LCOc1 was at \$56.99 a barrel, down 33 cents by 0121 GMT after rising 5.2% last week, the biggest weekly gain since September 2019. U.S. West Texas Intermediate crude CLc1 fell 13 cents to \$51.92 a barrel, after a 3.4% gain last week.

Source: [Reuters](#)

### OPEC+ Dithering on Early Meeting Sees Oil Ease After Weekly Gain

Oil eased after the biggest weekly gain since September as hopes for an OPEC+ emergency meeting on the virus faded, while investors assessed Chinese stimulus measures to soften the outbreak's economic impact. While Saudi Arabia hasn't given up on its push for the gathering this month, OPEC and its allies are likely to stick with a scheduled meeting in March after Russia balked at the idea. China, Hong Kong and Singapore have pledged extra fiscal stimulus to counter the economic hit from the deadly coronavirus, with Beijing considering measures such as lowering corporate taxes.

Source: [Bloomberg](#)



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