













U Capital Morning Brief

12 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	875.92	7.64	0.88%	3.83%	8.24	0.83	7.0%
U Capital GCC 50 Index	1,291.38	-13.82	-1.06%	-6.83%	16.05	1.95	4.4%
U Capital MENA 200 Index	1,040.76	-6.73	-0.64%	-4.58%	18.31	1.87	4.2%
MSCI GCC Countries Index	539.74	-3.95	-0.73%	-5.26%	15.81	1.71	4.0%
Muscat Securities Market	 4,105.66	-6.13	-0.15%	3.13%	7.43	0.76	7.3%
Saudi Stock Exchange	 7,895.64	-76.29	-0.96%	-5.88%	21.54	1.74	3.4%
Kuwait Stock Exchange	 7,190.71	14.41	0.20%	-0.88%	15.46	1.43	3.4%
Qatar Exchange	 10,097.18	-51.85	-0.51%	-3.15%	14.88	1.46	4.2%
Bahrain Stock Exchange	 1,662.92	2.91	0.18%	3.28%	13.50	1.02	4.7%
Dubai Financial Market	 2,742.35	-23.02	-0.83%	-0.81%	9.51	0.97	4.3%
Abu Dhabi Exchange	 5,073.38	-20.00	-0.39%	-0.05%	15.58	1.40	4.9%
Beirut Stock Exchange	 625.92	6.60	1.07%	-20.32%	3.30	0.37	14.8%
Palestine Stock Exchange	 526.70	-0.36	-0.07%	0.14%	12.44	1.20	4.5%
Tunis Se Index	 7,085.31	-4.33	-0.06%	-0.52%	20.19	2.43	2.1%
EGX 30 Index	 14,009.32	29.96	0.21%	0.34%	11.82	1.85	2.2%
Amman General Index	 1,871.54	-6.41	-0.34%	3.10%	11.65	0.90	7.2%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,499.4	0.71%	-0.6%
DAX	Germany	13,627.8	0.99%	2.9%
CAC 40	France	6,054.8	0.65%	1.3%
United States				
DJIA	USA	29,276.3	0.00%	2.6%
S&P 500	USA	3,357.8	0.17%	3.9%
NASDAQ	USA	9,638.9	0.11%	7.4%
Asia Pacific				
NIKKEI 225	Japan	23,805.6	0.51%	0.6%
HANG SENG	Hongkong	27,774.1	0.69%	-1.5%
KSE 100 Index	Pakistan	40,059.1	0.87%	-1.7%
NSE Nifty 50	India	12,221.4	0.94%	0.4%
SHANGHAI COMPOSITE	China	2,907.8	0.21%	-4.7%
SHANGHAI SHENZHEN CSI 300	China	3,963.1	0.27%	-3.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.673	1.486
British Pound (GBP)	1.296	0.772
Canadian Dollar (CAD)	0.753	1.328
Chinese Renminbi (CNH)	0.144	6.963
Egyptian Pound (EGP)	0.064	15.722
Euro (EUR)	1.091	0.916
Indian Rupee (INR)	0.014	63.378
Japanese Yen (JPY)	0.009	109.840
New Zealand Dollar (NZD)	0.646	1.549
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.648	154.370
Russian Ruble (RUB)	0.016	71.225
Singapore Dollar (SGD)	0.722	1.385
Turkish Lira (TRY)	0.166	6.023

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	55.0	1.74%	-15.8%
WTI Crude (per bbl)	50.6	1.32%	-17.1%
Oman Crude Oil (Last Closing)	53.4	1.64%	-20.9%
OPEC (per bbl)	54.2	-1.67%	-20.3%
Precious Metals			
Gold100 OZ (per oz)	1,566.7	-0.08%	3.3%
Silver (per oz)	17.6	-0.23%	-1.4%
Platinum (per oz)	971.0	-0.10%	0.5%
Other Metals			
Copper, MT	5,745	1.38%	-6.9%
Aluminium, MT	1,734	1.88%	-4.2%
Lead, MT	1,850	3.01%	-4.0%
Zinc, MT	2,148	0.66%	-5.5%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.96	-11.0%
Saudi Arabia	2.15	-3.8%
Kuwait	2.63	-4.5%
Oman	2.75	-2.3%
Qatar	2.34	3.9%
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	2.2
Qatar	02/06/2026	2.1
Saudi Arabia	04/03/2028	2.6
Oman	17/01/2028	5.0
Bahrain	12/10/2028	4.4

Midswaps	Price	YTM %
3 year	100.24	1.4
5 year	99.71	1.4
10 year	101.19	1.6
30 year	106.48	2.1

USD Libor	Rate (%)	YTD
1m	1.66	-5.9%
3m	1.71	-10.2%
6m	1.72	-10.0%
1 year	1.80	-9.8%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

CBO issues treasury bills worth OMR36 million

Oman's central bank raised OMR36 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from Wednesday until March 11, 2020. The average accepted price reached 99.871 for every OMR100, and the minimum accepted price arrived at 99.870 per OMR100. Whereas the average discount rate and the average yield reached 1.68559 per cent and 1.68777 per cent, respectively.

Source: [Times of Oman](#)

Sultanate ranks 14th in emerging markets logistics competitiveness

With its business-friendly conditions and improved logistics and transportation infrastructure, Oman has been ranked 14th globally on the Agility Emerging Markets Logistics Index. The index is a broad gauge of competitiveness based on logistics strength and business fundamentals. Gulf countries outperformed most other emerging market regions in the 11th annual Agility Emerging Markets Logistics Index which was released on Monday.

Source: [Muscat Daily](#)

Suhar oil factory unveils new products

Hanoon Oil Factory, a leading oil manufacturing company based in Suhar, extends its offering into cooking oil space with the launch of five new brands of cooking oils. Launched at a press conference held at Crowne Plaza Muscat on Monday, the five cooking oils from Hanoon aim to provide consumers with healthy cooking oil options fit for their active and modern lifestyle. Hanoon Oil Factory fulfils the requirements of being a healthy oil brand through its value-added offerings. For the venture, Hanoon Oil assembled a team of experienced professionals in the industry and brought in some of the most sophisticated technologies and machinery available in the world.

Source: [Oman Observer](#)

How Oman is growing its cruise tourism sector

Oman's Ministry of Tourism has revealed that the sultanate posted 43.6 percent growth in cruise ship tourists in 2019 to reach 283,488 passengers. The ministry attributed the surge to the government's initiatives, including infrastructural developments and the ongoing and reinforced tourism campaigns that focus on Oman's culture, heritage, diverse adventures, and popular attractions.

Source: [Arabian Business](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Sulaiman Al Habib Group sets IPO price range between SAR 43-50 per share

Dr. Sulaiman Al Habib Medical Group (HMG) set the price range for its upcoming initial public offering (IPO) between SAR 43 and SAR 50 per share. Last week, HMG issued a prospectus for its IPO on the Saudi Stock Exchange (Tadawul), Argaam reported. The medical group will float 52.50 million shares, or 15% of its capital in the planned offering.

Source: [Argaam](#)

Unified health file system for all UAE hospitals by 2022

A new unified medical file system that will link all hospitals in the UAE and allow them access to medical records of a patient has been introduced in the country, a UAE minister announced on Tuesday, February 11. Abdul Rahman bin Muhammad Al Owais, Minister of Health and Prevention, told the Federal National Council (FNC) that the ministry started implementing the unified electronic health file system at all government hospitals in the country this year and all the public hospitals will be fully connected to the new system by end of 2020.

Source: [Khaleej Times](#)

Saudi Arabia wary of costly slow response as virus knocks oil: sources

Saudi Arabia wants global oil producers to agree a quick oil supply cut as China's coronavirus knocks demand, aware that delays in the past led to costly price collapses, sources familiar with the kingdom's thinking have told Reuters. Riyadh has been working to convince OPEC producers and allies led by Russia, a group known as OPEC, that they need to act sooner rather than later.

Source: [Live Mint](#)

Du's 2019 revenues fall as mobile subscriber base drops 13.9%

Emirates Integrated Telecommunications Company (EITC), the parent company of du, reported a 1.3% fall in full-year net profit to AED 1.73b compared to AED 1.75b in 2018 due to falling mobile prepaid revenues and subscribers. The Dubai-listed telecom operator's revenues fell 6.2% to AED 12.59b in 2019 compared to AED 13.41b a year ago. The growth of fixed and

ICT revenues absorbed partially the pressure on mobile prepaid revenues adversely impacted by pricing, competition and the negative impact on the base of the SIM registration disconnections.

Source: [Tech Radar](#)

Qatar Airways, Aga Khan Decide to Liquidate Troubled Air Italy

Air Italy investors Qatar Airways and the Aga Khan decided to put the struggling carrier into liquidation, citing “persistent and structural conditions” in the market. Shareholders of the two-year-old airline acted unanimously and the Italian carrier will guarantee flights scheduled through Feb. 25 by other operators, Air Italy said Tuesday in a statement.

Source: [Bloomberg](#)

Bahrain awards \$525m project tenders in 2019

Tender Board, the independent regulator of Bahrain Government procurement activities, said a total of 182 tenders were awarded or launched in 2019 in implementation of the Government Action Plan for 2018-2019, including the GCC Development Programme. This comes in line with the directives of HRH Prime Minister Prince Khalifa bin Salman Al Khalifa to enhance infrastructure across the kingdom, stated Works, Municipalities Affairs and Urban Planning Minister, Essam Khalaf.

Source: [Zawya](#)

Three factors could hit GCC insurers in 2020: S&P

Intensifying competition, increasing asset risk, and more onerous and costly regulations are among the key risks that could affect GCC insurers' earnings and credit conditions in 2020, S&P Global Ratings said in a new report. "Despite these challenges, our ratings are still supported by insurers' robust capital positions," said S&P Global Ratings credit analyst Emir Mujkic, commenting on the "Competition, Asset Risk, And Regulation: The Three Factors That Could Hit GCC Insurers In 2020," report published on RatingsDirect.

Source: [Trade Arabia](#)

Kuwait's Boubyan Bank to sell \$750 mln 5-yr sukuk

Kuwait's Boubyan Bank plans to sell \$750 million in five-year sukuk, or Islamic bonds, at 120 basis points (bps) over mid-swaps, a document showed on Tuesday. The debt sale, which is expected to close later on Tuesday, garnered over \$4.3 billion in orders, the document by one of the banks arranging the deal said.

Source: [Reuters](#)

SARCO says court rejects its lawsuit against Saudi Aramco

Saudi Arabia Refineries Co. (SARCO) said that the court has rejected its lawsuit filed against the Saudi Arabian Oil Company (Saudi Aramco). The company said in a bourse filing on Tuesday that the court has overturned the case one more time after reviewing legal documents and hearing the appeal. Earlier today, the Saudi Stock Exchange (Tadawul) suspended trading of SARCO on Tuesday for 1 session, as per the latter's request ahead of an event disclosure.

Source: [Argaam](#)

Mideast Stocks: Saudi, Dubai hit by weak corporate earnings; Egypt edges up

Most Gulf stocks ended lower on Tuesday, with Saudi and Dubai leading the losses on the back of poor corporate earnings, while Eastern Company aided Egypt's blue-chip index. Saudi Arabia's benchmark index declined 1%, as most of its banking stocks were in the red including Al Rajhi Bank, which tumbled 2.6%. The lender reported an annual profit of 10.16 billion riyals (\$2.71 billion), compared with 3.77 billion riyals a year ago. However, the figure was lower than analysts' average estimate of 10.64 billion riyals, according to Refinitiv data.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks surge to record highs on hopes virus is peaking, gold ebbs

Major U.S. and European stock indexes surged to fresh records on Tuesday after China's senior medical adviser suggested the deadly coronavirus may be over by April, an outlook that also helped crude prices gain on hopes of renewed Chinese demand. China's foremost medical adviser on the outbreak told Reuters the number of new cases were falling in parts and forecast the epidemic would peak this month.

Source: [Kitco](#)

Dollar hits highest since October as investors seek higher yields

The dollar retreated from a four-month high against the euro on Tuesday as risk appetite improved after a weeklong rally helped by a safe-haven bid fueled by fears over China's coronavirus outbreak. The S&P 500 and the Nasdaq indexes scaled new highs as investors took heart from remarks by a top Chinese health adviser that the outbreak may be peaking.

Source: [Journal Pioneer](#)

Fed Chair Powell says U.S. economy "resilient," but warns on coronavirus, productivity

Federal Reserve Chair Jerome Powell was fairly upbeat about the outlook for the U.S. economy in the first of his twice-a-year updates to Congress Tuesday, but cited a potential threat from the coronavirus in China and concerns about the economy's long-term health. The U.S. economic expansion, now in its 11th year, is the longest on record. Over the second half of 2019 "the economy appeared resilient to the global headwinds that had intensified last summer," Powell said in remarks to the House Financial Services Committee, as economic activity increased further and the labor market strengthened.

Source: [NASDAQ](#)

U.S. job openings hit two-year low, point to slowdown in job growth

U.S. job openings dropped for a second straight month in December to hit their lowest level in two years, while hiring increased marginally, suggesting a recent acceleration in job growth was unlikely to be sustained. The report from the Labor Department on Tuesday also showed a pick-up in layoffs at the end of the year. Though job openings remain relatively high, economists said the sharp declines at the end of 2019 were potentially warning signals for the longest economic expansion on record, now in its 11th year.

Source: [Reuters](#)

COMMODITIES NEWS

Some Asian Buyers Take Less Saudi Oil on Demand Hit From Virus

At least three Asian oil refiners will take delivery of less Saudi Arabian crude than planned in March as the virus dents demand for fuel and creates a glut of alternative supplies, according to people with knowledge of the companies' imports. The companies, which include two Chinese buyers, requested the lower volumes as part of their long-term supply contracts with Saudi Aramco, according to the people, who asked not to be identified due to company policy.

Source: [Bloomberg](#)

Oil prices rise as new virus cases slow, easing Chinese demand concerns

Oil prices rose for a second day on Wednesday amid preliminary signs that new coronavirus cases are slowing in China, easing concerns over the demand impact from the disease in the world's second-largest oil consumer. Brent crude LCOc1 was up 73 cents, or 1.3%, at \$54.75 per barrel at 0137 GMT. U.S. West Texas Intermediate (WTI) CLc1 rose 46 cents, or 0.9%, to \$50.39. According to data through Monday, the growth rate of new coronavirus cases in China has slowed to the lowest since Jan. 31.

Source: [Zawya](#)