

U Capital Morning Brief

20 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	891.59	7.23	0.82%	5.69%	8.22	0.85	6.8%
U Capital GCC 50 Index	1,291.03	12.97	1.01%	-6.86%	16.01	1.94	4.3%
U Capital MENA 200 Index	1,040.42	8.29	0.80%	-4.61%	17.12	1.87	4.2%
MSCI GCC Countries Index	540.04	5.21	0.97%	-5.21%	15.86	1.71	4.0%
Muscat Securities Market	4,174.77	25.70	0.62%	4.86%	8.33	0.77	7.2%
Saudi Stock Exchange	7,967.60	108.67	1.38%	-5.03%	21.89	1.75	3.4%
Kuwait Stock Exchange	7,067.20	-27.36	-0.39%	-2.59%	15.53	1.40	3.5%
Qatar Exchange	9,878.34	102.59	1.05%	-5.25%	14.46	1.42	4.3%
Bahrain Stock Exchange	1,664.18	4.19	0.25%	3.35%	12.45	1.00	4.3%
Dubai Financial Market	2,728.05	-21.19	-0.77%	-1.33%	9.86	0.96	4.3%
Abu Dhabi Exchange	5,073.82	18.09	0.36%	-0.04%	14.96	1.39	4.9%
Beirut Stock Exchange	619.16	1.06	0.17%	-21.18%	3.26	0.37	14.9%
Palestine Stock Exchange	536.94	1.45	0.27%	2.09%	12.68	1.22	4.4%
Tunis Se Index	7,160.96	11.18	0.16%	0.55%	20.40	2.45	2.1%
EGX 30 Index	13,694.99	58.06	0.43%	-1.91%	11.47	1.79	2.2%
Amman General Index	1,853.34	-8.31	-0.45%	2.10%	11.71	0.89	7.3%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,457.0	1.02%	-1.1%
DAX	Germany	13,789.0	0.79%	4.1%
CAC 40	France	6,111.2	0.90%	2.2%
United States				
DJIA	USA	29,348.0	0.40%	2.8%
S&P 500	USA	3,386.2	0.47%	4.8%
NASDAQ	USA	9,817.2	0.87%	9.4%
Asia Pacific				
NIKKEI 225	Japan	23,495.6	0.42%	-0.7%
HANG SENG	Hongkong	27,455.9	-0.73%	-2.6%
KSE 100 Index	Pakistan	40,502.0	-0.18%	-0.6%
NSE Nifty 50	India	12,124.9	-0.01%	-0.4%
SHANGHAI COMPOSITE	China	2,996.4	0.71%	-1.8%
SHANGHAI SHENZHEN CSI 300	China	4,098.5	1.16%	0.0%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.665	1.503
British Pound (GBP)	1.291	0.774
Canadian Dollar (CAD)	0.756	1.323
Chinese Renminbi (CNH)	0.142	7.031
Egyptian Pound (EGP)	0.064	15.611
Euro (EUR)	1.080	0.926
Indian Rupee (INR)	0.014	63.583
Japanese Yen (JPY)	0.009	111.370
New Zealand Dollar (NZD)	0.636	1.572
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.648	154.285
Russian Ruble (RUB)	0.016	71.653
Singapore Dollar (SGD)	0.714	1.400
Turkish Lira (TRY)	0.164	6.088

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	59.3	0.27%	-9.2%
WTI Crude (per bbl)	53.5	0.47%	-12.3%
Oman Crude Oil (Last Closing)	57.8	1.83%	-14.3%
OPEC (per bbl)	56.7	-0.98%	-16.6%
Precious Metals			
Gold100 OZ (per oz)	1,609.4	-0.15%	6.1%
Silver (per oz)	18.4	-0.15%	3.1%
Platinum (per oz)	997.8	-0.98%	3.2%
Other Metals			
Copper, MT	5,770	-0.05%	-6.5%
Aluminium, MT	1,720	0.00%	-5.0%
Lead, MT	1,883	-0.79%	-2.3%
Zinc, MT	2,128	-0.79%	-6.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.92	-13.3%
Saudi Arabia	2.14	-4.3%
Kuwait	2.50	-9.1%
Oman	2.72	-3.3%
Qatar	2.30	2.2%
Bahrain	2.57	-3.8%

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	2.5
Oman	17/01/2028	4.8
Bahrain	12/10/2028	4.3

Midswaps	Price	YTM %
3 year	99.98	1.4
5 year	99.90	1.4
10 year	99.50	1.6
30 year	99.92	2.0

USD Libor	Rate (%)	YTD
1m	1.65	-6.6%
3m	1.69	-11.2%
6m	1.71	-10.3%
1 year	1.77	-11.2%

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 Announces Auction Results of 63rd GDB Issue

Central Bank of Oman on Wednesday, February 19, 2020 announced the results of its 63rd Government Development Bonds (GDB) issue. In line with the previous records, the 63rd Issue also received impressive response from the investors. As against the total value of RO 150 Million, the Issue received applications in excess of over RO 68.04 million at RO 218.0477 million. According to a media release issued by CBO's Monetary Operations Department, the average yield was 5.10 percent at an equivalent price of RO 100.875, while the highest yield was 5.19 percent at an equivalent price of RO 100.350 and the lowest was at 4.75 percent at an equivalent price of RO 102.950. The 7-year Bond will be issued on Thursday, 20th February 2020, and will mature on 20th February 2027, carrying a coupon rate of 5.25 % p.a.

Source: [CBO](#)

Opal and TOGY sign collaboration agreement

TOGY International Ltd and the Oman Society for Petroleum Services (Opal) signed a collaboration agreement for the production of TOGY's eighth consecutive report on the Sultanate, The Energy Year Oman 2020. Formerly known as The Oil & Gas Year exclusive series, The Energy Year Oman 2020 will be the first-of-its-kind to offer a holistic overview of the country's energy industry at large and showcase the most dynamic companies, projects and undertakings across the entire energy value chain.

Source: [Times of Oman](#)

Total and PTTEP JV to invest \$100 million in new Oman gas block

Oman has signed an Exploration and Production Sharing Agreement (EPSA) with the partnership of French energy major Total and Thai state-owned energy conglomerate PTTEP covering the exploration of gas in Block 12 in central Oman. Dr Mohammed bin Hamad al Rumhy, Minister of Oil and Gas, signed the pact on behalf of the Omani government. Total, with 80 per cent interest, is the operator of the 9,545 sq kilometre concession. PTTEP owns the remaining 20 per cent interest. The license grants the joint venture the right to explore for non-associated gas in the block.

Source: [Oman Observer](#)

PAM to Unveil First Bidding Announcement for Pre-Approved Mining Blocks Sunday

The Public Authority for Mining (PAM) will organize this Sunday a press conference at its headquarter to unveil the first bidding announcement for pre-approved mining blocks. The event will be attended by Eng. Hilal bin Mohammed Al Busaidi, CEO of PAM and the mining blocks project team. The press conference will unveil the "Mining Blocks" project along with the mechanisms of floating, bidding processes, and competing criteria. In addition to the economic importance of the project.

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Abu Dhabi plans to issue AED 10bn infrastructure project tenders

Abu Dhabi government announced its plan to offer tenders for infrastructure projects at a value of AED 10 billion in 2020, aiming to strengthen public-private partnership, according to the Emirates News Agency (WAM). These projects are part of 'Ghadan 21' initiative which aims to boost businesses, investment, community development, knowledge and innovation, and lifestyle in the UAE.

Source: [Decypha](#)

UAE Central Bank cracks down on misuse of home loans

The United Arab Emirates is cracking down on the misuse of home loans to prevent risky borrowing as an ongoing property slump weighs on banks. The central bank issued a notice to lenders "to stop certain unacceptable practices" involving mortgages, which enabled some borrowers to use home loans for purposes other than "constructing, purchasing or renovating a house for owner occupier or investment purposes." "Any form of personal loans granted by banks or finance companies using property as collateral" shouldn't be classified as mortgages, the regulator said in a statement.

Source: [Arabian Business](#)

KSA raises holdings of US Treasuries to \$180bn in December 2019

Saudi Arabia raised its holdings of US Treasuries by \$7.6 billion or 4.41% year-on-year during December 2019, according to data released by the US Department of the Treasury on Wednesday. Total Saudi investments in US debt instruments climbed to \$179.8 billion at the end of last December, compared to \$172.2 billion at the end of 2018, data showed. Month-on-month, the kingdom's holdings of US Treasuries edged up by \$100 million or 0.05% from \$179.7 billion at the end of November 2019.

Source: [Decypha](#)

Dr. Sulaiman Al Habib Group completed IPO's book-building

Dr. Sulaiman Al Habib Medical Group (HMG) completed the book-building process for its initial public offering (IPO) on Feb. 19. The book-building process kicked off on Feb. 10. The final offering price will be announced today Feb. 20, and the retail offering will run from Feb. 26 through March 3. The medical group had earlier set the price range for its IPO between SAR 43 and SAR 50 per share, Argaam reported.

Source: [Argaam](#)

Abu Dhabi to issue \$2.7bn tenders for infrastructure projects in PPP push

The Abu Dhabi Government announced on Wednesday its intention to procure approximately AED10 billion (\$2.7 billion) of infrastructure projects this year under its public-private partnership (PPP) model in a range of sectors. The tenders are part of a initiative dedicated to PPPs by the Ghadan 21 accelerator programme, which focuses on economy, knowledge and community development across Abu Dhabi, state news agency WAM reported.

Source: [Arabian Business](#)

Fuel loading begins at UAE's first nuclear power plant

Nawah Energy Company (Nawah), the subsidiary of the Emirates Nuclear Energy Corporation (ENEC) responsible for operating and maintaining the Barakah Nuclear Energy Plant, has started loading the first nuclear fuel assemblies. Following the receipt of the operating licence for Unit 1 from the Federal Authority for Nuclear Regulation (FANR) earlier this week, the fuel loading is the initial step in the process towards commencing operations and subsequent generation of clean electricity. The licence authorises Nawah to operate Unit 1 of the Barakah Plant for a duration of 60 years.

Source: [Arabian Business](#)

Kuwait parliament approves bill to establish sharia board –KUNA

Kuwait's parliament approved on Wednesday a draft law to establish a sharia board to oversee banking and Islamic finance, state news agency KUNA reported. The central bank will take over the supervision of the banking sector and ensure it abides by Islamic law. The bank will form the new board and dictate its operations, it added.

Source: [Zawya](#)

Kuwait posts 2.3 bln dinars deficit in period April 2019-Jan 2020

Kuwait posted a deficit of 2.3 billion Kuwaiti dinars (\$7.52 billion) in the period from April 1 to the end of January, after depositing 10% of revenue to its sovereign wealth fund, official data showed on Wednesday. Kuwait previously said it expected a total deficit of 7.7 billion dinars in the 2019-2020 fiscal year, which ends in March. The Finance Ministry said the data was incomplete because of delays in the disclosure of spending by several government agencies.

Source: [Reuters](#)

Saudi Dar Al Arkan sells \$400mn seven-year Sukuk

Saudi Arabian real estate developer Dar Al Arkan 4300.SEsold \$400 million in seven-year Sukuk at 7%, a document from one of the banks leading the deal showed on Wednesday. Dar Al Arkan, which began marketing the Islamic bonds at 7.375-7.5% on Wednesday, hired AlKhair Capital, Citi, Deutsche Bank, Dubai Islamic Bank, Emirates NBD Capital, Mashreqbank, Nomura, Standard Chartered Bank and Warba Bank to lead the deal. The issuer received more than \$1.1 billion in orders for the deal, the document said.

Source: [Nasdaq](#)

Qatar Airways ups stake in British Airways-owner IAG to 25.1%

Qatar Airways has increased their stake in British Airways-owner International Airlines Group (IAG) to 25.1% ahead of a change in IAG management. In an endorsement of the Anglo-Spanish group just weeks before its founder Willie Walsh steps down, Qatar said on Wednesday the move showed its support for IAG and its strategy. Qatar previously held 21.4% of IAG, which also owns Spanish carriers Iberia and Vueling and Ireland's Aer Lingus.

Source: [TPQ](#)

Bill on MEW privatization postponed in Kuwait

Minister of Oil and Minister of Electricity and Water Dr Khalid Al-Fadhel affirmed that the draft law for establishing Electricity and Water Corporation, which is aimed at privatization of the electricity sector, will not be ready in the current Cabinet, and therefore will not be presented to the current Parliament as well, reports Al-Anba daily. In a press statement, Dr Al-Fadhel said the issue needs a comprehensive and thorough study in all aspects, including rights of the states and citizens, and the mechanism for implementing the sector's privatization program, as well as study the extent of the desired benefits from it.

Source: [Arab Times](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Chinese stocks rise as the country cuts its loan prime rate

Shares in Asia were mixed in Thursday afternoon trade, with China cutting its loan prime rate (LPR) as the country grapples with the economic impact of an ongoing coronavirus outbreak. Mainland Chinese stocks rose by the afternoon, with the Shanghai composite up about 0.5%. The Shenzhen composite also gained 1.031% while the Shenzhen component advanced 1.26%.

Source: [CNBC](#)

Stocks Trade Mixed on Virus Jitters, Dollar Rises

Stocks came under pressure in Asia and U.S. equity futures retreated after Japan reported two deaths from the coronavirus and cases in South Korea jumped, spurring concerns about the spread of the disease outside China. Futures on the S&P 500 Index were down along with the offshore yuan after the Japanese report. The dollar rose against most Asian currencies, and held near the strongest against major counterparts since May 2017. Australia's dollar reached its lowest against the greenback since the global financial crisis after a monthly jobs report underscored slack that may keep monetary policy easy. Treasuries edged up.

Source: [Bloomberg](#)

U.S. meeting on Huawei, China policy still on for Thursday despite Trump tweets: sources

A meeting of U.S. government officials to discuss further curbs on exports to Huawei and China is still on for Thursday, two sources said, despite pushback from President Donald Trump against the restrictions. The deputy-level meeting was called to discuss proposals including possible new restrictions on sales of chips made abroad to China's blacklisted Huawei Technologies, a maker of telecommunications equipment, and on sales of airplane components to a Chinese aircraft maker.

Source: [Reuters](#)

COMMODITIES NEWS

Oil rises on supply worries, while virus-led demand concerns ease

Oil prices rose nearly 1% on Thursday, extending big gains from a day earlier, as the market worried about crude supply disruptions and demand concerns were cushioned after a sharp drop in new coronavirus cases at the epicenter of the outbreak.

Source: [Reuters](#)