

U Capital Morning Brief

25 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	884.80	-11.71	-1.31%	4.89%	8.22	0.84	6.9%
U Capital GCC 50 Index	1,255.70	-30.69	-2.39%	-9.41%	15.96	1.88	4.5%
U Capital MENA 200 Index	1,029.95	-13.12	-1.26%	-5.57%	16.20	1.84	4.3%
MSCI GCC Countries Index	527.47	-12.51	-2.32%	-7.41%	15.45	1.66	4.1%
Muscat Securities Market	4,156.33	-40.99	-0.98%	4.40%	8.29	0.77	7.2%
Saudi Stock Exchange	7,747.10	-235.85	-2.95%	-7.65%	21.19	1.70	3.5%
Kuwait Stock Exchange	7,016.38	-114.42	-1.60%	-3.29%	15.28	1.39	3.5%
Qatar Exchange	9,770.04	-128.36	-1.30%	-6.29%	14.32	1.40	4.4%
Bahrain Stock Exchange	1,660.36	-8.30	-0.50%	3.12%	12.38	1.00	4.3%
Dubai Financial Market	2,696.23	-21.57	-0.79%	-2.48%	9.75	0.95	4.3%
Abu Dhabi Exchange	4,931.04	-110.82	-2.20%	-2.85%	14.53	1.35	5.1%
Beirut Stock Exchange	620.89	5.97	0.97%	-20.96%	3.27	0.37	14.9%
Palestine Stock Exchange	536.97	1.46	0.27%	2.09%	12.68	1.22	4.4%
Tunis Se Index	7,173.11	5.08	0.07%	0.72%	20.43	2.45	2.1%
EGX 30 Index	13,441.86	-246.19	-1.80%	-3.72%	11.20	1.75	2.3%
Amman General Index	1,851.71	5.89	0.32%	2.01%	11.72	0.88	7.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	7,156.8	-3.34%	-5.1%	Australian Dollar (AUD)	0.661	1.512
DAX	Germany	13,035.2	-4.01%	-1.6%	British Pound (GBP)	1.294	0.773
CAC 40	France	5,791.9	-3.94%	-3.1%	Canadian Dollar (CAD)	0.753	1.329
United States					Chinese Renminbi (CNH)	0.142	7.022
DJIA	USA	27,960.8	-3.56%	-2.0%	Egyptian Pound (EGP)	0.064	15.554
S&P 500	USA	3,225.9	-3.35%	-0.2%	Euro (EUR)	1.086	0.921
NASDAQ	USA	9,221.3	-3.71%	2.8%	Indian Rupee (INR)	0.014	64.058
Asia Pacific					Japanese Yen (JPY)	0.009	110.840
NIKKEI 225	Japan	22,633.3	-3.22%	-4.3%	New Zealand Dollar (NZD)	0.634	1.577
HANG SENG	Hongkong	26,799.1	-0.08%	-4.9%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	39,116.4	-0.05%	-4.0%	Pakistani Rupee (PKR)	0.648	154.208
NSE Nifty 50	India	11,834.2	0.04%	-2.7%	Russian Ruble (RUB)	0.015	71.874
SHANGHAI COMPOSITE	China	2,970.6	-2.00%	-2.6%	Singapore Dollar (SGD)	0.716	1.397
SHANGHAI SHENZHEN CSI 300	China	4,065.5	-1.63%	-0.8%	Turkish Lira (TRY)	0.163	6.129

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	1.85	-16.2%
Brent Crude (per bbl)	56.5	0.41%	-13.4%	Saudi Arabia	2.12	-4.9%
WTI Crude (per bbl)	51.6	0.39%	-15.4%	Kuwait	2.50	-9.1%
Oman Crude Oil (Last Closing)	55.1	-3.94%	-18.3%	Oman	2.72	-3.3%
OPEC (per bbl)	58.2	-1.31%	-14.4%	Qatar	2.28	1.3%
Precious Metals				Bahrain	2.57	-3.8%
Gold100 OZ (per oz)	1,653.4	-0.37%	9.0%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	18.6	-0.37%	4.0%		Maturity date	YTM, %
Platinum (per oz)	965.7	-0.09%	-0.1%	Kuwait	20/03/2027	2.0
Other Metals				Abu Dhabi	11/10/2027	2.0
Copper, MT	5,689	-1.32%	-7.9%	Qatar	02/06/2026	2.0
Aluminium, MT	1,699	-0.85%	-6.1%	Saudi Arabia	04/03/2028	2.4
Lead, MT	1,820	-0.60%	-5.6%	Oman	17/01/2028	4.8
Zinc, MT	2,046	-3.26%	-9.9%	Bahrain	12/10/2028	4.3

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.41	1.2	1m	1.63	-7.7%
5 year	100.66	1.2	3m	1.68	-12.0%
10 year	100.97	1.4	6m	1.67	-12.4%
30 year	103.22	1.9	1 year	1.73	-13.4%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Contract inked to boost Oman LNG's capacity by 10pc

Oman LNG has tapped international energy technology firm Baker Hughes and Oman LNG to undertake the Engineering, Procurement and Construction (EPC) for the turbo-machinery scope of its debottlenecking project — an initiative that will lift Oman LNG's production capacity by 10 per cent to 11.4 million metric tonnes per annum (MMTA). An agreement to this effect was signed at Baker Hughes' 2020 Annual Meeting in Florence, Italy recently.

Source: [Oman Observer](#)

Shell kicks off quest for new gas resources in central Oman

Energy supermajor Shell has commenced gas exploration and appraisal in central Oman as part of its role in a first-of-its-kind, multi-billion dollar, integrated gas development spearheaded by the Ministry of Oil and Gas in partnership with other international and local upstream energy firms. The move marks the return of the global energy heavyweight into the Sultanate's upstream gas sector as an independent investor and operator, said Oman Shell's Country Chairman. "We have recently re-entered the gas business in Oman," said Walid Hadi (pictured), in reference to Shell's investment in the landmark integrated gas development first unveiled by the Omani government in 2018.

Source: [Oman Observer](#)

Financial Affairs, Energy Resources Council Meets

The Financial Affairs and Energy Resources Council (FAERC) held its first meeting of 2020 at the Ministry of Finance today under auspices of Darwish bin Ismaeel al-Balushi, Minister Responsible for Financial Affairs, FAERC Deputy Chairman. The meeting began with a review of the topics of the recent Royal speech of His Majesty Sultan Haitham Bin Tarik, which outlined the features of the next phase of the blessed Omani Renaissance.

Source: [Oman News](#)

IGRC 2020 kicks off

The International Gas Research Conference (IGRC 2020) kicked off at Oman Convention and Exhibition Centre today. Organised by Oman LNG, the three-day conference is being held for the first time in the Middle East. The opening of the conference was held under the patronage of Dr Mohammed bin Hamad Al-Rumhy, Minister of Oil and Gas. Al-Rumhy said in a speech that this conference is an opportunity to meet experts from different parts of the world to address the challenges facing the gas industry and exchange the latest modern technologies in this field.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Aramco inks 66 MoUs worth \$21 bln with local, foreign entities

Saudi Aramco signed 66 memorandums of understanding (MoUs) and strategic and commercial collaborations valued at more than \$21 billion (SAR 78.75 billion) with international entities from 11 countries, the company said in a statement. These deals were signed on the sidelines of the 5th In-Kingdom Total Value Add (iktva) Forum & Exhibition, in several industrial and business fields covering the Saudi energy sector.

Source: [Argaam](#)

Al-Jadaan says economic sectors 'promising', too early to assess coronavirus impact

Saudi Arabia has promising economic sectors and incentives, which can post strong growth and provide more job opportunities, such as the financial, information technology, tourism and entertainment sectors, Mohammed Al-Jadaan, Minister of Finance, said. The Saudi non-oil gross domestic product (GDP) is projected to record positive growth this year, Al-Jadaan told Al-Arabiya TV, stressing that the Saudi Vision 2030 focuses on non-oil GDP growth, as the oil sector is impacted by output, global conditions and pri

Source: [Argaam](#)

UAE's economy grew 2.9% in 2019 – report

The UAE economy grew by 2.9 per cent in 2019, compared to 1.7 per cent in 2018, the Central Bank said in its fourth-quarter report. Growth in the non-hydrocarbon sector, estimated at 1.1 per cent, and in the hydrocarbon sector, estimated at 7.6 per cent in 2019, were key factors that prompted the UAE's GDP growth last year, according to the Central Bank's 'Quarterly Economic Review' report for Q4 2019.

Source: [Gulf Business](#)

Qatar's Ahli Bank Seeks Board Approval for \$300m Bond Issuance

Ahli Bank seeks authorization by the board of directors to arrange the issuance of Tier 1 capital notes in the amount of \$300 million, according to a document issued by the bank.

* Structure of the instrument will be in line with market and regulatory requirements for Tier 1 issuance

** May be listed on London Stock Exchange or the Irish Stock Exchange or may be unlisted

** Callable after 5 years at the bank's sole discretion

* Debt will be junior to the bank's existing unsubordinated obligations including existing subordinated debt and depositors, and senior to the ordinary shares issued by the bank.

Source: **Bloomberg**

UAE's FAB to decide on Bank Audi's Egypt business acquisition in Q2

First Abu Dhabi Bank FAB.AD expects to decide in the second quarter whether it will buy Bank Audi's AUDI.BY Egyptian business, a senior executive said on Monday, as it eyes expansion in the Arab world's most populous nation. FAB, which is the biggest lender in the United Arab Emirates, has identified Saudi Arabia and Egypt as two key markets for overseas expansion, its chief financial officer, James Burdett, told reporters.

Source: **NASDAQ**

Saudi Aramco launches largest shale gas development outside U.S.

Saudi Aramco is launching the biggest shale gas development outside of the United States to boost domestic gas supply and end the burning of oil at its power generation plants, Chief Executive Officer Amin Nasser told Reuters on Monday. The world's top crude oil exporter has for years battled for market share with rapidly expanding shale oil producers in the United States, which in just a decade have developed capacity to pump millions of barrels per day of oil from rock formations that were previously too costly to tap.

Source: **Reuters**

Mideast Stocks: Middle Eastern stocks slide on coronavirus jitters

Stock markets in the Middle East suffered sharp losses on Monday, with Saudi shares falling the most, as the rapid spread of coronavirus cases outside China darkened the outlook for world growth. Brent crude was down \$2.37, or 4.1%, to \$56.13 a barrel by 1145 GMT. Global shares also extended losses as worries about the impact of the virus grew, with the number of infections jumping in Iran, Italy and South Korea.

Source: **Zawya**

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Wall Street plunges on fears of coronavirus pandemic

The S&P 500 and the Dow Jones Industrial Average on Monday suffered their biggest one-day percentage losses in two years after a surge in coronavirus cases outside China fanned worries about the global economic impact of a potential pandemic. Investors sold riskier assets and rushed to traditionally safer bets such as gold and U.S. Treasuries after countries including Iran, Italy and South Korea reported a rise in virus cases over the weekend even as China eased curbs with no new cases reported in Beijing and other cities.

Source: **Reuters**

Mastercard shares drop after company warns coronavirus may hit 2020 revenue

Shares of Mastercard fell on Monday after the credit card company issued a warning that the fast-spreading coronavirus could hurt its revenue this year. "Cross-border travel, and to a lesser extent cross-border e-commerce growth, is being impacted by the Coronavirus," the company said in a statement on Monday after the bell. The company said its first-quarter revenue growth will be about two to three percentage points lower than previous guidance.

Source: **CNBC**

Airline stocks tumble as the coronavirus spreads outside of China

airline stocks tumbled more than the broader market as cases rose outside of China. South Korea and Italy reported an increase in coronavirus cases and deaths. U.S. carriers have already suspended service to mainland China and Hong Kong because of the virus. Airline stocks fell Monday as fears about the spread of the coronavirus beyond China added to worries about travel demand and the broader economy, despite a drop in fuel prices. American Airlines shares dropped 8.5% to \$25.45, a more than four-month low. Delta Air Lines' stock lost 6.3% to end at \$54.23, lowest price in nearly four months, while United Airlines ended off 3.3% and Southwest Airlines fell 4.3%. The S&P 500 ended the day 3.4% lower.

Source: **CNBC**

Warren Buffett sees economy slowing amid coronavirus contagion

Billionaire investor Warren Buffett says the outbreak of coronavirus disease in China has slowed economic growth and sparked stock market losses in recent sessions, but he remains confident in the long-term future of American business. Buffett appeared on CNBC Monday after releasing his annual letter to Berkshire Hathaway Inc. shareholders. Buffett said the reports he gets from Berkshire Hathaway's assortment of more than 90 businesses and stock investments show that business is a little softer now than it was six months ago, but he remains optimistic.

Source: [CBS](#)

COMMODITIES NEWS

Oil bounces as investors hunt bargains; virus fears cap gains

Oil rose on Tuesday as investors snapped up bargains after crude benchmarks dropped almost 4% in the previous session, but fears that the spreading coronavirus could wreak far greater economic damage than initially thought capped gains.

Source: [Reuters](#)