

U Capital Morning Brief

27 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	880.38	-0.93	-0.11%	4.36%	8.17	0.83	7.0%
U Capital GCC 50 Index	1,243.39	-9.01	-0.72%	-10.30%	16.02	1.84	4.5%
U Capital MENA 200 Index	1,020.39	-1.13	-0.11%	-6.45%	16.13	1.84	4.4%
MSCI GCC Countries Index	521.96	-4.91	-0.93%	-8.38%	15.38	1.65	4.2%
Muscat Securities Market	4,138.92	10.23	0.25%	3.96%	8.26	0.76	7.2%
Saudi Stock Exchange	7,711.12	-47.03	-0.61%	-8.08%	21.95	1.69	3.5%
Kuwait Stock Exchange	7,016.38	-114.42	-1.60%	-3.29%	15.29	1.39	3.5%
Qatar Exchange	9,548.22	-155.66	-1.60%	-8.41%	13.99	1.37	4.5%
Bahrain Stock Exchange	1,662.30	1.85	0.11%	3.24%	11.71	1.00	4.3%
Dubai Financial Market	2,620.69	-52.34	-1.96%	-5.21%	9.48	0.93	4.5%
Abu Dhabi Exchange	4,890.68	-45.68	-0.93%	-3.65%	14.41	1.34	5.1%
Beirut Stock Exchange	627.55	3.67	0.59%	-20.11%	3.31	0.37	14.7%
Palestine Stock Exchange	534.12	-1.38	-0.26%	1.55%	12.61	1.22	4.4%
Tunis Se Index	7,135.53	-11.89	-0.17%	0.19%	20.32	2.44	2.1%
EGX 30 Index	13,200.66	-127.60	-0.96%	-5.45%	10.79	1.72	2.3%
Amman General Index	1,836.55	-5.62	-0.31%	1.18%	11.63	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	7,042.5	0.35%	-6.63%	Australian Dollar (AUD)	0.656	1.525
DAX	Germany	12,774.9	-0.12%	-3.58%	British Pound (GBP)	1.292	0.774
CAC 40	France	5,684.6	0.09%	-4.91%	Canadian Dollar (CAD)	0.750	1.334
United States					Chinese Renminbi (CNH)	0.142	7.026
DJIA	USA	26,957.6	-0.46%	-5.54%	Egyptian Pound (EGP)	0.064	15.583
S&P 500	USA	3,116.4	-0.38%	-3.54%	Euro (EUR)	1.091	0.917
NASDAQ	USA	8,980.8	0.17%	0.09%	Indian Rupee (INR)	0.014	65.473
Asia Pacific					Japanese Yen (JPY)	0.009	110.260
NIKKEI 225	Japan	21,972.9	-2.02%	-7.12%	New Zealand Dollar (NZD)	0.629	1.590
HANG SENG	Hongkong	26,519.7	-0.66%	-5.92%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,338.3	0.00%	-5.88%	Pakistani Rupee (PKR)	0.648	154.208
NSE Nifty 50	India	11,608.4	-0.60%	-4.60%	Russian Ruble (RUB)	0.015	71.649
SHANGHAI COMPOSITE	China	3,005.0	0.57%	-1.48%	Singapore Dollar (SGD)	0.716	1.397
SHANGHAI SHENZHEN CSI 300	China	4,106.2	0.81%	0.23%	Turkish Lira (TRY)	0.162	6.160

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	1.89	-14.7%
Brent Crude (per bbl)	52.8	-1.18%	-19.13%	Saudi Arabia	2.10	-5.9%
WTI Crude (per bbl)	48.1	-1.33%	-21.24%	Kuwait	2.50	-9.1%
Oman Crude Oil (Last Closing)	51.4	-4.21%	-23.78%	Oman	2.69	-4.4%
OPEC (per bbl)	55.9	-0.41%	-17.78%	Qatar	2.30	2.2%
Precious Metals				Bahrain	2.57	-3.8%
Gold100 OZ (per oz)	1,649.7	0.53%	8.72%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	18.1	0.81%	1.20%		Maturity date	YTM, %
Platinum (per oz)	922.2	0.86%	-4.59%	Kuwait	20/03/2027	2.0
Other Metals				Abu Dhabi	11/10/2027	2.0
Copper, MT	5,670	-0.26%	-8.16%	Qatar	02/06/2026	2.1
Aluminium, MT	1,696	-0.41%	-6.30%	Saudi Arabia	04/03/2028	2.5
Lead, MT	1,817	-2.21%	-5.71%	Oman	17/01/2028	5.2
Zinc, MT	2,046	0.84%	-9.95%	Bahrain	12/10/2028	4.4

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.77	1.1	1m	1.61	-8.5%
5 year	100.05	1.1	3m	1.64	-14.2%
10 year	101.80	1.3	6m	1.63	-14.8%
30 year	104.59	1.8	1 year	1.65	-17.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Omran looks at luring more tourists, investors to Oman

Omran Group, under the umbrella of Ministry of Tourism (MoT), is all set to participate in the ITB Berlin (Internationale Tourismus-Börse Berlin) 2020 from March 4-8. With Oman being an official partner of world's largest exhibition of the global tourism industry, Omran Group will use the opportunity to promote its tourism investments in Oman as well as showcasing its hospitality assets to the visitors of the travel industry trade show, which is continuing the success of previous years with record participation.

Source: [Times of Oman](#)

Muscat Airport City master plan revealed

As part of the National Aviation Strategy 2030, the Oman Aviation Group is adopting a master plan to launch Muscat Airport City. The plan aims to achieve the highest levels of utilisation of the new airport's high capacity and increasing air traffic. It also takes advantage of the land areas surrounding the airport to create a stimulating environment for the establishment of aviation-related projects.

Source: [Times of Oman](#)

TWO PROJECTS TO PROPEL AVIATION SECTOR

In line with the National Aviation Strategy 2030, the Oman Aviation Group (OAG) on Wednesday announced two world-class projects to drive forward the aviation sector as well as boosting the tourism industry in Oman. In order to stimulate the comprehensive development of the travel, tourism and transportation industries, OAG, in cooperation with the Ministry of Tourism, launched the online platform 'National Travel Operator' (NTO). The initiative is in line with the National Tourism Strategy 2040 and the tourism distribution strategy for the aviation sector.

Source: [Muscat Daily](#)

Tender Board awards projects worth RO 24 million

The Tender Board chaired by Dr Rasheed bin Al Safi al Huraibi, Chairman of the Tender Board, in a meeting in Muscat on Wednesday awarded tenders for projects worth RO 24,347,581. 1. Construction of the building for the Public Prosecution in Madinat Al Irfan in the Governorate of Muscat, at a cost of RO 15,107,969. 2. Provision of operation and maintenance services for equipment at the Royal Hospital, at a cost of RO 4,195,200. 3. Repair of damage resulting from the tropical condition (Luban) on the Hasik — Al Shuwaimiyah road and Raysut — Mughsail road in the Governorate of Dhofar, at a cost of RO 1,940,483.

Source: [Oman Observer](#)

FID on Sohar LNG by year-end: Total Oman

A Final Investment Decision (FID) by French energy major Total on its plans for an LNG bunkering hub at Sohar Port — the first such facility in the Middle East — is anticipated before the end of this year. The project, representing one of the downstream components of a wider integrated gas development, will add considerable value to Oman's gas sources, said a high-level executive of the energy giant. "The Sohar project is part of a fully integrated project from upstream to downstream," said Sophie Nasser (pictured), Business Development & Asset Management, Total. "On the upstream side, we are partnering with Shell and (Oman Oil Company Exploration & Production — part of OQ Group) to produce gas from a concession — basically two blocks (Blocks 10 and 11) which were (carved out) from PDO's assets.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GOSI issues clarification on NATPET CEO's latest statements

The Saudi General Organization for Social Insurance (GOSI) issued a clarification following the statements of Khalid Zazoog, CEO of National Petrochemical Industrial Co. (NATPET) to CNBC Arabia on Feb. 3. Zagzoog's statement about the final court order issued to invalidate the general assembly's decision on June 24, 2019 about distributing SAR 1 per share dividend, is false. GOSI filed an appeal against the administrative court decision, but no final judgment has been issued to date.

Source: [Argaam](#)

Etihad Rail inks deal to buy 38 locomotives for UAE railway

Etihad Rail, the developer and operator of the UAE's national railway, has awarded a contract to significantly increase the size of its fleet of locomotives. The deal with Progress Rail Locomotive Inc, a Caterpillar company, will see the fleet expand to 45 locomotives, which is equivalent to 6 times the current fleet. Sheikh Theyab bin Mohamed bin Zayed Al Nahyan, chairman of Abu Dhabi Crown Prince's Court and chairman of Etihad Rail, said: "We are moving forward in completing all the necessary

components for this national project that contributes to the UAE's progress and enhances the country's prestigious global position.

Source: [**Arabian Business**](#)

UAE's rapid growth fuelled by Expo 2020 and new gas finds

As 2020 unfolds, the positive dynamic in January and February is auguring well for the UAE, with new gas finds and a series of mega developmental projects, announced over the past few months, giving multiple shots in the arm for the country's economy, according to international economists. Several indicators, supported by specialist international reports, show the UAE economy approaching significant milestones in various sectors and platforms, most notably the energy sector, where two gas finds have recently been announced in Dubai and Sharjah. Abu Dhabi National Oil Company, Adnoc, also declared plans to increase its oil production to four million bpd by the end of 2020. The first unit of the Barakah Nuclear Power Plant is also expected to be launched this year, producing electricity that will supply 25 per cent of the country's needs.

Source: [**Gulf Today**](#)

UAE banks to benefit from public-sector loan growth in 2020

Profitability at the four largest UAE banks is set to remain resilient in 2020, as solid public-sector loan growth balances the effects of competition and subdued private-sector credit demand, Moody's Investors Service said in a report published Tuesday. The combined net profit of First Abu Dhabi Bank, Emirates NBD, Abu Dhabi Commercial Bank and Dubai Islamic Bank rose 13 per cent to Dh37 billion (\$10.1 billion) in 2019. The four banks accounted for 73 per cent of banking assets in the UAE as of December.

Source: [**Gulf News**](#)

UAE banks invested Dhs141bn in Q4 2019 across the GCC

Banks in the United Arab Emirates have invested upto Dhs141.4bn during the fourth quarter of 2019 across four GCC states. The Q4 2019 investment marks a 11.3 per cent growth from Dhs127bn in the preceding quarter, and is reflective of the stability local banks assume across Saudi Arabia, Bahrain, Oman and Kuwait, official news agency WAM reported. Saudi Arabia led the pack as the top beneficiary of UAE banks, accounting for 54 per cent of the total banking investment across the four GCC states. The kingdom raked in Dhs76.4bn in Q4 2019, marking a 17.5 percent increase from Dhs65bn in Q3 last year.

Source: [**Gulf Business**](#)

Qatar Airways on a 'cost transformation' flight, may trim workforce

Qatar Airways has launched an ambitious 'Cost Transformation' initiative that it hopes will lay the ground for a sustainable platform for profitable growth, but at the same time could result in slashing of workforce, its top executive has said. In a letter to the airline's employees on February 23, CEO Akbar Al Baker said 'the aim of the Transformation is to make Qatar Airways 'fit for the future' by simplifying business and "distance ourselves from legacy ways of working; we have created many roadblocks that prevent us from adding value to your business and our customers".

Source: [**Money Control**](#)

Qatar stays a robust economy despite blockade, says official

More than two and a half years in an economic blockade, Qatar has been able to maintain its leading position among global rankings and economic competitiveness reports. Despite the June 2017 blockade, Qatar has been successful in establishing itself as "one of the strongest" regional economies, according to Khamis al-Mohannadi, the chairman of the Technical Committee for the Motivation and Participation of the Private Sector in Economic Development Projects. Speaking at a forum held in December 2019, al-Mohannadi had also emphasised that Qatar was also able to position itself as "among the most promising" economies in the world in terms of competitiveness and growth.

Source: [**Gulf Times**](#)

Strong foreign investments stabilize TASI in 2019, says El-Kuwaiz

The Saudi market attracted nearly SAR 100 billion net foreign investments last year, the biggest ever investments witnessed by the market in a single year, Mohammed El-Kuwaiz, Chairman of the Capital Market Authority (CMA), told Socrates Podcasts program. Answering a question about a modest rise in Tadawul All Share Index (TASI), El-Kuwaiz said the benchmark index rose by just 6-7% in 2019, hurt by a 20-30% decline in corporate earnings - a key driver of the index. Accordingly, these investments helped stabilize the index despite a drop in the companies' earnings.

Source: [**Argaam**](#)

DIFC partners with Singapore blockchain accelerator

Dubai International Financial Centre (DIFC) has signed an agreement with Tribe Accelerator, the first Singapore government supported Blockchain accelerator, to collaborate on knowledge sharing and to partner during joint events. The memorandum of understanding (MOU) follows DIFC Authority and DIFC FinTech Hive's recent participation during the Singapore FinTech

Festival, the largest financial technology event in the world, boosting DIFC's profile within the region and generating ongoing business development opportunities.

Source: [**Trade Arabia**](#)

How GCC will gain from Brexit

Brexit is bound to bring positive results for trade between the UK and Gulf countries, resulting in an increase in both exports and gross domestic product, says a new report from the United Nations. Exports of GCC countries to the UK will grow between 1.4 per cent to 3.9 per cent in the post-Brexit period while the impact on Gulf countries' GDP will also be positive, increasing marginally between 0.003 per cent to 0.006 per cent, according to the United Nations Conference on Trade and Development (Unctad).

Source: [**Zawya**](#)

Al Salam Bank buys 310,000 new treasury shares on Dubai, Bahrain stock markets

Bahrain's Al Salam Bank has just purchased 310,000 new treasury shares on the Dubai Financial Market (DFM) and Bahrain Bourse (BHB). The additional shares, acquired on February 25, bring the bank's total holding of treasury shares to 77.3 million from 76.98 million, and represent 3.488 percent of issued share capital. The bank had earlier purchased a little over 400,000 treasury shares on both bourses on October 10, 2019.

Source: [**Zawya**](#)

Saudi Arabia suspends entry for Umrah pilgrimage, tourism amid coronavirus

Saudi Arabia on Thursday suspended foreigners' entry for the Umrah pilgrimage and tourism from countries where the new coronavirus has spread, as a growing number of cases outside China deepened fears of a pandemic. The kingdom, which hosts the two holiest sites of Islam in Mecca and Medina, welcomes millions of Muslim visitors throughout the year with a peak for the haj pilgrimage. It introduced a new tourism visa last October for 49 countries.

Source: [**Reuters**](#)

Mideast Stocks: Dubai leads Gulf lower as coronavirus concerns intensify

Most Gulf stocks extended losses on Wednesday as the coronavirus continued to spread through the Middle East, with Kuwait and Bahrain reporting a rise in new cases. Three Gulf Arab states recorded their first coronavirus cases this week, all in people who had travelled from Iran, which on Wednesday reported a total of 19 virus-related deaths, the most outside China, and 139 cases. Bahrain, which has suspended flights to Dubai, on Wednesday reported a rise in the number of cases to 26, some in people who had travelled through the UAE. Oman has recorded four cases.

Source: [**Zawya**](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Coronavirus: Global shares mixed after earlier rout

Trading in global financial markets paused for breath on Wednesday, after days of sharp losses spurred by fears about the coronavirus. The main US indexes were mixed, rising from Tuesday's losses in early trade, before retreating later in the day. The Dow ended down almost 0.5%, while the S&P 500 dropped about 0.4% and the Nasdaq gained about 0.2%. In Europe, London's FTSE 100 index and other major bourses pared their losses and were mostly flat.

Source: [**BBC**](#)

Japan shares drop almost 2% as South Korea central bank keeps rate unchanged

Asia Pacific markets mostly declined in morning trade where Japanese shares led losses — the Nikkei 225 was down 1.79%. South Korea's central bank kept its monetary policy on hold, even though analysts had expected a rate cut. Investors remain concerned about the economic impact of the new coronavirus outbreak that has infected more than 81,000 people globally and led to over 2,700 fatalities. President Donald Trump announced that Vice President Mike Pence would be in charge of the U.S. response to the virus.

Source: [**CNBC**](#)

Dow set to drop more than 300 points following report of first US coronavirus case of unknown origin

U.S. stock futures on Wednesday night pointed to significant declines at Thursday's open even after President Donald Trump tried to assuage concerns over the coronavirus outbreak. Futures slipped after the CDC confirmed the first U.S. coronavirus case of unknown origin in Northern California, indicating possible "community spread" of the disease. The CDC doesn't know exactly how the patient, a California resident, contracted the virus. As of 10:08 p.m. ET, Dow futures fell 327 points and indicated a plunge of 348.59 points at Thursday's open. S&P 500 futures and Nasdaq 100 futures also pointed to opening declines on Thursday.

Source: [**CNBC**](#)

Dollar holds gains as pandemic fears drive U.S. bond rally

The dollar held gains against the yen on Thursday as growing fears that a coronavirus outbreak is turning into a pandemic boosted demand for the safety of U.S. Treasuries. The dollar also traded near a three-month high versus the pound due to worries Britain's trade talks with the European Union were stalling and dashed expectations for big fiscal spending. The euro, however, held up against the greenback's wider advance as traders eyed reports that Germany's finance ministry is considering easing fiscal spending restrictions to boost its flagging economy.

Source: [NASDAQ](#)

COMMODITIES NEWS

Oil falls for fifth day as coronavirus spreads outside of China

Oil prices fell for a fifth day on Thursday to their lowest since January 2019 as a growing number of new coronavirus cases outside of China deepened fears that the global economy will slow and lower crude demand. Brent crude LCOc1 was down 77 cents, or 1.4% at \$52.66 a barrel at 0204 GMT. The contract earlier fell to its lowest since Jan. 4, 2019. West Texas Intermediate (WTI) futures CLc1 fell by 80 cents, or 1.6%, to \$47.93 a barrel. The contract earlier fell to its lowest since Jan. 2, 2019. Brent prices have dropped 11% in the past five trading sessions through Thursday, the biggest five-day percentage loss since August 2019. WTI has declined 10.8% over the same period, also the biggest five-day percentage drop since August 2019.

Source: [Reuters](#)