

U Capital Morning Brief

2 March 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	880.07	0.00	0.00%	4.33%	8.03	0.81	7.5%
U Capital GCC 50 Index	1,184.07	-53.99	-4.36%	-14.57%	15.62	1.74	4.7%
U Capital MENA 200 Index	1,007.98	-14.26	-1.39%	-7.59%	14.99	1.77	4.6%
MSCI GCC Countries Index	496.18	-23.12	-4.45%	-12.91%	14.61	1.56	4.4%
Muscat Securities Market	4,081.33	-49.58	-1.20%	2.52%	8.15	0.75	7.3%
Saudi Stock Exchange	7,345.10	-283.24	-3.71%	-12.45%	20.78	1.60	3.7%
Kuwait Stock Exchange	6,373.69	-642.69	-9.16%	-12.14%	13.86	1.26	3.9%
Qatar Exchange	9,490.14	-58.08	-0.61%	-8.97%	13.93	1.36	4.5%
Bahrain Stock Exchange	1,604.56	-55.92	-3.37%	-0.35%	11.40	0.96	4.5%
Dubai Financial Market	2,473.82	-116.18	-4.49%	-10.53%	8.95	0.87	4.7%
Abu Dhabi Exchange	4,723.82	-177.61	-3.62%	-6.93%	13.95	1.29	5.3%
Beirut Stock Exchange	629.65	1.68	0.27%	-19.85%	3.32	0.37	14.7%
Palestine Stock Exchange	535.07	0.78	0.15%	1.73%	12.64	1.22	4.4%
Tunis Se Index	7,171.31	20.63	0.29%	0.69%	20.42	2.45	2.1%
EGX 30 Index	12,222.59	-786.35	-6.04%	-12.46%	10.01	1.59	2.5%
Amman General Index	1,825.67	-10.25	-0.56%	0.58%	11.56	0.87	7.4%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe					Currency		
FTSE 100	UK	6,580.6	-3.18%	-12.75%	Australian Dollar (AUD)	0.651	1.535
DAX	Germany	11,890.4	-3.86%	-10.25%	British Pound (GBP)	1.283	0.780
CAC 40	France	5,309.9	-3.38%	-11.18%	Canadian Dollar (CAD)	0.749	1.335
United States					Chinese Renminbi (CNH)	0.144	6.971
DJIA	USA	25,409.4	-1.39%	-10.96%	Egyptian Pound (EGP)	0.064	15.606
S&P 500	USA	2,954.2	-0.82%	-8.56%	Euro (EUR)	1.105	0.905
NASDAQ	USA	8,567.4	0.01%	-4.52%	Indian Rupee (INR)	0.014	66.889
Asia Pacific					Japanese Yen (JPY)	0.009	108.060
NIKKEI 225	Japan	21,355.8	1.02%	-9.73%	New Zealand Dollar (NZD)	0.622	1.607
HANG SENG	Hongkong	26,353.6	0.85%	-6.51%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,505.5	1.36%	-5.47%	Pakistani Rupee (PKR)	0.648	154.233
NSE Nifty 50	India	11,336.6	1.20%	-6.84%	Russian Ruble (RUB)	0.015	72.219
SHANGHAI COMPOSITE	China	2,969.3	3.09%	-2.65%	Singapore Dollar (SGD)	0.719	1.391
SHANGHAI SHENZHEN CSI 300	China	4,071.5	3.34%	-0.61%	Turkish Lira (TRY)	0.160	6.237

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	1.79	-19.0%
Brent Crude (per bbl)	51.3	3.20%	-20.75%	Saudi Arabia	2.02	-9.5%
WTI Crude (per bbl)	46.1	2.93%	-24.55%	Kuwait	2.56	-6.8%
Oman Crude Oil (Last Closing)	48.9	-4.61%	-27.51%	Oman	2.70	-4.2%
OPEC (per bbl)	51.9	-3.93%	-23.65%	Qatar	2.30	2.2%
				Bahrain	2.53	-5.0%

Precious Metals	Price	D/D	YTD	GCC Latest 10-Yr Government Bond Yields		
				Maturity date	YTM, %	
Gold100 OZ (per oz)	1,601.9	1.02%	5.58%	Kuwait	20/03/2027	2.0
Silver (per oz)	17.0	1.99%	-4.80%	Abu Dhabi	11/10/2027	2.0
Platinum (per oz)	881.3	1.73%	-8.83%	Qatar	02/06/2026	2.2
Other Metals				Saudi Arabia	04/03/2028	2.5
Copper, MT	5,635	0.34%	-8.73%	Oman	17/01/2028	5.6
Aluminium, MT	1,695	0.27%	-6.38%	Bahrain	12/10/2028	4.7
Lead, MT	1,848	2.18%	-4.10%			
Zinc, MT	2,022	0.47%	-11.03%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	101.79	0.8	1m	1.52	-14.0%
5 year	101.45	0.8	3m	1.46	-23.4%
10 year	104.02	1.1	6m	1.40	-26.9%
30 year	108.44	1.6	1 year	1.38	-30.8%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Khazaen Economic City attracts Saudi firm

Oman's Khazaen Economic City has signed its first GCC investment with Saudi Arabia's Al Watania Al Khaliyyah for Paper Products. The project is considered as Oman's first-of-its-kind carton plates manufacturing unit with an initial investment of RO2 million (\$5.2 million). The planned facility will occupy an area of 10,000 sq m within the light and medium industrial zone in Khazaen with construction to be completed by the end of this year.

Source: [GDN](#)

Raysut Cement subsidiary signs deal for limestone mining in Georgia

Omani listed firm Raysut Cement Company SAOG, which is the largest producer of cement in the Sultanate, has announced that its wholly-owned subsidiary, the UAE based Pioneer Cement Industries, has signed a deal for the development of limestone mines in Georgia in Eastern Europe. Raysut Cement said in a filing to the Capital Market Authority that deal, signed by Pioneer Cement with SFL International, will focus on the production of limestone from a concession owned by Pioneer Cement. Under the deal, spanning a 10-year timeframe, SFL International will pay a royalty to Pioneer Cement for mining the limestone deposits.

Source: [Oman Observer](#)

Special Report: How exposed is the Omani economy to coronavirus impacts?

Judging by the initial fallout — a sizable drop in the price of Oman crude, deferrals of high-profile industry forums, curtailments in inbound and outbound airline and hotel bookings, and the scramble for face masks and sanitisers — the Sultanate is clearly not immune to the impacts of the novel coronavirus that has unleashed mayhem in global financial markets over the past week. But the potential impacts for Oman vary from sector to sector and could be marginal at best if an effective vaccine against COVID-19 — the deadly virus behind the global epidemic — is discovered sooner than later. However, the outlook is less heartening for Oman if the disease becomes a wider and protracted pandemic globally.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Dubai exports surge 22% in 2019 to \$42bln

Dubai's external trade surged 6 percent to Dh1.371 trillion (\$373.26 billion) in 2019 from Dh1.299 trillion in 2018 with exports skyrocketing 22 percent to Dh155 billion (\$42.2 billion). Re-exports grew by 4 percent to Dh420 billion and imports rose by 3 percent to Dh796 billion, said a Wam news agency report. Non-oil external trade last year grew 19 percent in volume from 91 million tons in 2018 to reach 109 million tons in 2019. Re-exports rose by a record 48 percent to reach 17 million tons, while exports rose by 45 percent to 19 million tons and imports grew by 9 percent to 72 million tons.

Source: [Zawya](#)

Saudi POS transactions leap 33% in January 2020

Point-of-sale (POS) transactions in Saudi Arabia saw a 33% (YoY) increase to SAR 28.5 billion in Jan. 2020, figures from the Saudi Arabian Monetary Authority (SAMA) showed. Data showed that 186 million transactions were processed through nearly 452,300 points-of-sales in shopping malls, retail stores, and pharmacies.

Source: [Argaam](#)

Stalling Saudi Economy Ripe for Stimulus While New Hurdles Mount

Saudi Arabia's economy all but ground to a halt last year, raising the likelihood that the government will turn on the fiscal taps to deliver faster growth in 2020 in the face of disruptions from the coronavirus and the prospect of lower energy prices. Held back by curbs on oil output negotiated by OPEC, the economy of the world's biggest crude exporter expanded just 0.3% in 2019, down from 2.4% a year earlier and short of the government's forecast of 0.4%. Offsetting an acceleration in non-oil growth to 3.3%, the oil sector shrank 3.6%, the most since at least 2011, according to data released Sunday by the General Authority for Statistics.

Source: [FP](#)

QFIs buy SAR 2.6 bln worth of stocks on Tadawul in February

Qualified foreign investors (QFIs) were net purchasers of SAR 2.59 billion worth of stocks on the Saudi Stock Exchange (Tadawul) in February 2020, according to data issued by the bourse. Foreign investors offloaded SAR 73.8 million worth of shares through swap agreements. Saudi corporates were net purchasers of shares worth SAR 2.81 billion.

Source: [Argaam](#)

Saudi Aramco mulling share sales abroad: Al-Rumayyan

Saudi Arabia is planning to sell more stakes in state-owned oil producer Saudi Aramco, as it looks to fuel an economic diversification plan, chairman Yasir Al-Rumayyan told Bloomberg. "We have a lot of assets that could be monetized because they are non-core assets, which can improve the performance of the company," he said, without disclosing further details. Finance Minister Mohammed Al-Jadaan has previously announced that the giant oil producer is currently studying the listing of its shares internationally.

Source: [Argaam](#)

MIDEAST STOCKS-Kuwait, other bourses sink as coronavirus worries intensify

Middle Eastern stocks plunged on Sunday, with Kuwait falling the most, as the spread of coronavirus stoked fears that outbreak could hurt the global economy and oil prices. Leaders in Europe, the Middle East and the Americas rolled out bans on big gatherings and stricter travel restrictions as cases of the virus spread around the world. In Kuwait, the index .BKP, which traded after a three session break, slumped 11%, its biggest ever intraday fall, dragged down by a 14.5% fall in National Bank of Kuwait NBKK.KW.

Source: [NASDAQ](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian stock markets reverse losses on global policy stimulus hopes

Asian shares steadied from early losses on Monday as investors placed their hopes on a coordinated global monetary policy response to weather the damaging economic impact of the coronavirus epidemic. Pandemic fears pushed markets off a precipice last week, wiping more than \$5 trillion from global share value as stocks cratered to their steepest slump in more than a decade.

Source: [Reuters](#)

Implied yield on U.S. 10-Year treasury futures trading below 1% for first time

The implied yield on U.S. 10-Year Treasury futures traded below 1% for the first time, as investors grew increasingly unnerved by the spread of coronavirus. Treasury futures jumped at the open of trading on Sunday night as investors took little solace from weekend comments by U.S. officials that aimed to soothe panic about a pandemic. Stock futures opened lower. Stock markets plunged last week, with an index of global stocks setting its largest weekly fall since the 2008 financial crisis, and more than \$5 trillion wiped off the value of stocks worldwide.

Source: [LSE](#)

Asian factories take a beating from virus outbreak

Asia's factories took a heavy hit in February from the coronavirus outbreak with activity in China shrinking at a record pace, business surveys showed on Monday, adding to fears the crisis risks triggering a global recession. China's factory activity suffered the sharpest contraction on record in February, the Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) showed, underlining the crippling effects of tough travel curbs and public health measures taken to contain the outbreak.

Source: [Reuters](#)

China's Shenzhen stocks up more than 3% despite factory activity plunging below expectations

Major markets in Asia attempted to recover from last week's sharp losses. The Markit/Caixin manufacturing Purchasing Managers' Index (PMI) dropped to 40.3, much lower than expectations of a reading of 45.7 in a Reuters poll. The official Purchasing Managers' Index (PMI) fell to 35.7 in February — the lowest level on record, according to Reuters — as compared to a reading of 50.0 in January.

Source: [CNBC](#)

COMMODITIES NEWS

Gold rises as recession fears weigh on risk sentiment

Gold prices rose more than 1% on Monday, following a steep fall across the precious metals complex in the previous session, as worries that the coronavirus epidemic could push the global economy into recession sent investors scurrying for safe havens. FUNDAMENTALS * Spot gold gained 1.2% to \$1,602.90 per ounce by 0104 GMT, having slumped more than 4% in intraday trade on Friday. * U.S. gold futures rose 1.9% to \$1,597.10.

Source: [NASDAQ](#)

Oil bounces from multi-year lows as hopes of OPEC+ cut, stimulus offset virus impact

Oil prices pared losses after earlier hitting multi-year lows on Monday as hopes that a bigger than expected production cut from OPEC and stimulus from central banks could offset economic gloom from the coronavirus outbreak. Brent crude LCOc1

was at \$50.32 a barrel, up 65 cents, or 1.3%, by 0105 GMT, after earlier dropping to \$48.40, the lowest since July 2017. U.S. West Texas Intermediate crude CLc1 hit a 14-month low of \$43.32 a barrel, before recovering to \$45.23, up 47 cents, or 1.1%. Source: **Oil Price**