

# U Capital Morning Brief

4 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	872.67	1.08	0.12%	3.45%	8.07	0.82	7.4%
U Capital GCC 50 Index	1,222.52	33.03	2.78%	-11.80%	15.82	1.77	4.6%
U Capital MENA 200 Index	1,007.98	38.07	3.93%	-7.59%	15.15	1.75	4.5%
MSCI GCC Countries Index	509.90	11.40	2.29%	-10.50%	14.95	1.61	4.2%
Muscat Securities Market	4,096.22	15.05	0.37%	2.89%	8.18	0.76	7.3%
Saudi Stock Exchange	7,556.52	207.33	2.82%	-9.93%	21.20	1.65	3.5%
Kuwait Stock Exchange	6,808.84	125.12	1.87%	-6.15%	14.92	1.35	3.6%
Qatar Exchange	9,258.69	42.88	0.47%	-11.19%	13.59	1.33	4.4%
Bahrain Stock Exchange	1,637.96	-2.99	-0.18%	1.73%	11.64	0.98	4.4%
Dubai Financial Market	2,536.21	-0.45	-0.02%	-8.27%	9.17	0.90	4.6%
Abu Dhabi Exchange	4,806.18	42.69	0.90%	-5.31%	14.20	1.31	5.2%
Beirut Stock Exchange	635.93	7.67	1.22%	-19.05%	3.35	0.38	14.5%
Palestine Stock Exchange	534.45	-0.31	-0.06%	1.61%	12.62	1.22	4.4%
Tunis Se Index	7,180.89	-23.50	-0.33%	0.83%	20.45	2.45	2.1%
EGX 30 Index	12,419.52	129.65	1.05%	-11.04%	10.18	1.61	2.5%
Amman General Index	1,800.18	-17.52	-0.96%	-0.83%	11.40	0.86	7.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
<b>Europe</b>			%	%	<b>Currency</b>		
FTSE 100	UK	6,718.2	0.95%	-10.93%	Australian Dollar (AUD)	0.660	1.515
DAX	Germany	11,985.4	1.08%	-9.54%	British Pound (GBP)	1.281	0.781
CAC 40	France	5,393.2	1.12%	-9.78%	Canadian Dollar (CAD)	0.749	1.335
<b>United States</b>					Chinese Renminbi (CNH)	0.144	6.931
DJIA	USA	25,917.4	-2.94%	-9.18%	Egyptian Pound (EGP)	0.064	15.650
S&P 500	USA	3,003.4	-2.81%	-7.04%	Euro (EUR)	1.116	0.896
NASDAQ	USA	8,684.1	-2.99%	-3.22%	Indian Rupee (INR)	0.014	66.055
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	107.390
NIKKEI 225	Japan	21,164.0	0.42%	-10.54%	New Zealand Dollar (NZD)	0.628	1.594
HANG SENG	Hongkong	26,317.6	0.12%	-6.64%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	39,199.7	-0.25%	-3.77%	Pakistani Rupee (PKR)	0.649	154.323
NSE Nifty 50	India	11,278.9	-0.22%	-7.31%	Russian Ruble (RUB)	0.015	73.161
SHANGHAI COMPOSITE	China	2,994.8	0.06%	-1.81%	Singapore Dollar (SGD)	0.721	1.387
SHANGHAI SHENZHEN CSI 300	China	4,092.6	0.03%	-0.10%	Turkish Lira (TRY)	0.164	6.112

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>				UAE	1.77	-19.7%
Brent Crude (per bbl)	52.6	1.50%	-18.61%	Saudi Arabia	1.91	-14.6%
WTI Crude (per bbl)	47.9	1.50%	-21.55%	Kuwait	2.50	-9.1%
Oman Crude Oil (Last Closing)	51.3	0.67%	-23.89%	Oman	2.72	-3.3%
OPEC (per bbl)	51.7	2.97%	-24.00%	Qatar	2.33	3.3%
				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)	1,642.0	0.06%	8.22%	Kuwait	20/03/2027	1.9
Silver (per oz)	17.2	0.11%	-3.44%	Abu Dhabi	11/10/2027	1.9
Platinum (per oz)	888.3	0.98%	-8.09%	Qatar	02/06/2026	2.0
<b>Other Metals</b>				Saudi Arabia	04/03/2028	2.4
Copper, MT	5,667	-0.59%	-8.22%	Oman	17/01/2028	5.2
Aluminium, MT	1,722	0.29%	-4.86%	Bahrain	12/10/2028	4.5
Lead, MT	1,842	-0.30%	-4.44%			
Zinc, MT	1,976	-2.35%	-13.05%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	102.04	0.7	1m	1.36	-23.1%
5 year	101.99	0.7	3m	1.25	-34.3%
10 year	104.94	1.0	6m	1.20	-37.3%
30 year	109.16	1.6	1 year	1.15	-42.2%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Top priority for execution of Oman 2040 Vision

His Majesty Sultan Haitham bin Tarik on Tuesday presided over a meeting of the Council of Ministers at the Council's premises here. The meeting began with an oath-taking ceremony during which members of the Council of Ministers were sworn in before His Majesty the Sultan. At the outset of the meeting, His Majesty the Sultan gave thanks and praise to the Almighty Allah for the bounties, riches, security and stability that the Almighty bestowed on Oman. His Majesty the Sultan commended government efforts exerted over the years of the blessed Renaissance, which, he said, reflected collaboration and partnership between the government and citizens. He thanked all national establishments for their role in advancing the blessed march.

Source: [Oman Observer](#)

### MUSCAT AIRPORT CITY LIKELY TO ATTRACT OVER \$1.5BN PRIVATE INVESTMENTS

The sultanate's Muscat Airport City, whose master plan was recently announced by the Oman Aviation Group, could attract investments to the tune of US\$1.5bn over the next 20 years. As a part of the newly launched National Aviation Strategy 2030, Oman Aviation Group has announced the launch of the Muscat Airport City, which will be established in several phases. 'The plan aims to achieve the highest levels of utilisation of the new airport's high capacity and the 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,' Oman Aviation Group said.

Source: [Muscat Daily](#)

### Oman's mandatory health insurance to cover 5 million private employees, visitors

An estimated five million people will be covered by the Mandatory Health Insurance System (Dhamani) when it is fully rolled out across the Sultanate over the next couple of years, top officials of the Capital Market Authority (CMA) announced here on Tuesday. Of this number, roughly two million will be private sector employees — Omanis and expatriates — and their respective families, while the balance will comprise tourists and visitors whose numbers have been soaring in recent years. The revelations came during the Middle East Health Insurance Conference 2020, which opened at the Crowne Plaza Muscat. The two-day event, organised by Middle East Insurance Review in collaboration with the CMA, began under the auspices of Nasser bin Khamis al Jashmi, Secretary General of the Ministry of Finance.

Source: [Oman Observer](#)

### CMA awards contract for Dhamani health insurance platform

A contract for the implementation of the health insurance information exchange platform — the centrepiece of the Mandatory Health Insurance System (Dhamani) due to be rolled out in the Sultanate — has been awarded to a consortium led by well-known Omani IT solutions specialist Infoline. Muscat-headquartered Infoline has been named by the Capital Market Authority (CMA) — the regulator for the insurance sector in the Sultanate — as the 'Solutions Partner' for the Dhamani platform. IQVIA CORE, a leading global provider of advanced analytics, technology solutions and contract research services to the life sciences industry, is Infoline's Technology Partner in the delivery of the platform.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Gulf Central Banks Follow Fed Move With Half-Point Rate Cuts

Policy makers in the Gulf followed the U.S. Federal Reserve's emergency move on Tuesday, lowering interest rates in response to the coronavirus outbreak. Central banks in Saudi Arabia, the United Arab Emirates and Bahrain matched the Fed's half-percentage point cut, hours after Chairman Jerome Powell said the fallout from the virus had increased risks to the U.S. economic outlook. Gulf central banks largely move in lockstep with the U.S. to protect their currencies' pegs to the dollar.

Source: [Yahoo Finance](#)

### SAMA cuts repo, reverse repo rates by 50 bps

The Saudi Arabian Monetary Authority (SAMA) lowered its repo rate from 225 basis points (bps) to 175 bps, and its reverse repo rate from 175 bps to 125 bps with immediate effect. The move came after the US Federal Reserve had cut interest rates in an emergency move designed to shield the world's largest economy from the impact of the coronavirus. The Fed cut policy rates by a half percentage point to a target range of 1.00% to 1.25%.

Source: [Argaam](#)

### UAE slashes price of thousands of food and supermarket goods

The prices of thousands of food and supermarket goods across the UAE have just been reduced to align with the latest government initiative to promote consumer welfare and keep household expenditures under control. The Ministry of Economy confirmed on Monday that it has started a program that seeks to offer shopper discounts of between 25 percent

and 60 percent for one month, starting March 1, across retail outlets in the country. The ministry did not specify which retailers are offering price markdowns, but it said that the discounts apply to 5,000 food and consumer goods and are being implemented to ensure "price stability" in the market.

Source: [Zawya](#)

#### **Qatar's share of foreign investments in Kuwait amounts to 40%: Official**

Qatar and Kuwait have one of the strongest strategic relations and bilateral trade and investment alliances in the Middle East region, said First deputy chairman of the Kuwait Chamber of Commerce and Industry, Abdulwahab al-Wazzan. In an exclusive interview with the Qatari newspaper Lusail published yesterday, al-Wazzan said Qatari investments in Kuwait amount to 40% of foreign investments, about \$4.1bn, adding it is expected that the bilateral meetings between the two sides will bring more joint projects.

Source: [Gulf Times](#)

#### **UAE Cabinet sets list of economic sectors open for full foreign ownership**

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, chaired today cabinet meeting in Abu Dhabi, and approved the positive list of economic sectors eligible for 100 percent foreign ownership including 122 economic activities covering industrial, agricultural, and services sectors. H.H. Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs attended the meeting. Speaking at the meeting, His Highness Sheikh Mohammed bin Rashid said that the UAE holds 40 percent of Foreign Direct Investment, FDI, in the region with US\$140 billion, noting that the objective is to promote the investment climate and partnerships to new levels. "The positive list will take everyone into consideration and our instructions are to create the best business environment for the local investors and foreign investments, which are the driver of investment in the country," he pointed out.

Source: [Zawya](#)

#### **UAE output contracts for first time since Jan 2010**

The non-oil private sector of the UAE remained in the doldrums in February as overall business conditions declined for the second month running, the latest research data showed. Businesses began to limit activity due to weaker new orders, while employment fell again amid efforts to streamline costs, said a research report by IHS Markit. "Consequently, output expectations dropped sharply to a near two-year low, dampened by fears around the impact of the coronavirus outbreak on exports and supply chains," it said.

Source: [Khaleej Times](#)

#### **NMC Health founder Shetty mulls sale of UAE-based pharma business – sources**

NMC Health NMC.L founder BR Shetty is weighing a potential sale of his Abu Dhabi-based pharmaceutical business, which is valued at about \$1 billion, two sources said on Tuesday. BRS Ventures has seen preliminary expression of interest for the business, Neopharma, from potential buyers that also include international investors and companies, one of the sources familiar with the plan told Reuters. The talks could lead to a partial or a full sale, the sources said.

Source: [NASDAQ](#)

#### **UAE rules out any VAT increase**

The UAE ruled out any increase the value added tax (VAT) to be accordance with recent IMF recommendations. "We are not concerned about the recommendations to increase the value-added tax," the UAE's Minister of State for Financial Affairs, Obaid Al Tayer, told Gulf News. The International Monetary Fund had recommended a doubling of the VAT. According to economists, before adopting any new IMF recommendation to increase the value-added tax, it is necessary to evaluate the pros and cons of the past two years since VAT was implemented and develop solutions that can make the scheme more effective to economy and society alike.

Source: [Gulf News](#)

#### **GOSI confirms previous clarification over NATPET CEO statement**

Saudi Arabia's General Organization for Social Insurance (GOSI) confirmed its previous clarification over the statements of National Petrochemical Industrial Co.'s (NATPET) CEO Khalid Zazoog. GOSI will take the necessary regulatory procedures to protect its rights, the organization said in a statement to Argaam today, in response to NATPET's statement, which described its clarification as "defamatory". On Feb. 26, GOSI issued a clarification following the statements of Zazoog to CNBC Arabia on Feb. 3, Argaam reported.

Source: [Argaam](#)

#### **Bahrain considers stake sell in oil assets**

Bahrain may transfer some of its oil and natural gas assets into a proposed state-run fund in which it could sell shares to investors, as the Kingdom seeks to balance its budget. Mohammed bin Khalifa Al Khalifa, the Bahrain Oil Minister, said that

the government is working on the project and may decide to proceed with it later this year. The government is still deciding which assets to put into the proposed fund and how to value them, said Al Khalifa.

Source: [CPI](#)

#### **SABIC increases stake in Clariant to 31.5%**

Saudi Basic Industries Corporation (SABIC) increased its stake in Clariant AG, a Switzerland-based producer of specialty chemicals, to 31.5%, it said in a bourse filing on Tuesday. The move is part of the company's expansion strategy to achieve a leadership position among global peers in specialties business, in addition to increasing this segment's contribution to SABIC. The transaction is subject to obtaining the relevant regulatory approvals, the statement noted.

Source: [Argaam](#)

#### **MIDEAST STOCKS-Most Gulf indexes extend gains on stimulus expectations**

Most bourses in the Middle East closed higher on Tuesday, with Saudi outperforming the region, as global policymakers signalled a united front to address the economic fallout from the spreading coronavirus. G7 finance ministers and central bank governors on Tuesday said they would use all appropriate policy tools to achieve strong, sustainable growth and safeguard against downside risks from the fast-spreading coronavirus. Saudi Arabia's benchmark index advanced 2.8%, with all its banking shares trading in positive territory. Al Rajhi Bank added 3.4%, while petrochemical maker Saudi Basic Industries jumped 5.3%. Elsewhere, Seera Group Holding was up 3.2%, after the travel operator swung to annual profit from year ago losses.

Source: [Reuters](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **S&P cuts U.S. growth forecast again as virus spreads**

A rapidly spreading coronavirus outbreak will likely be a "material headwind" for the U.S. economy with the hit expected to be longer and deeper than previously anticipated, S&P Global Ratings said on Tuesday as it cut its growth forecast. The epidemic is plunging the world economy into its worst downturn since the global financial crisis more than 10 years ago, the Organisation for Economic Cooperation and Development warned on Monday, urging governments and central banks to fight back to avoid an even steeper slump.

Source: [FP](#)

#### **Dollar on defensive as rate cut spooks markets, yields slide**

The dollar hovered near five-month lows versus the yen on Wednesday after the U.S. Federal Reserve's emergency 50 basis point rate cut sparked more anxiety about the impact of the coronavirus and sent Treasury yields tumbling to record lows. The greenback also traded near the lowest in almost two years against the Swiss franc as investors flocked to traditional safe havens as rate cuts were deemed insufficient to offset risks posed by the global spread of the coronavirus. The euro was one of the currencies to benefit most from the broad-based dollar weakness as traders bet the Fed will cut rates more than the European Central Bank.

Source: [CNBC](#)

#### **China's central bank keeps short-term rates steady despite Fed easing**

China's central bank kept short-term borrowing costs steady on Wednesday, shrugging off the U.S. Federal Reserve's emergency policy rate cut overnight. The People's Bank of China (PBOC) skipped open market operations, it said in a statement on the website, leaving reverse repurchase agreements unchanged. But markets widely believe the authorities will continue to move to lower financing costs for business and roll out powerful measures prop up the economy, which has been hit by a coronavirus outbreak.

Source: [Reuters](#)

### **COMMODITIES NEWS**

#### **Kuwait oil minister says optimistic on outcome of OPEC meetings**

Kuwait's oil minister said on Tuesday he is optimistic about the outcome of OPEC meetings this week and continued cooperation among OPEC+ countries, Kuwait state news agency KUNA reported. "Marathon" meetings will be held during the OPEC and OPEC+ meetings in Vienna to reach an agreement on the best ways to restore stability and balance to the oil market, Kuwaiti minister Khaled al-Fadhel told KUNA.

Source: [Reuters](#)

### Oil Prices Climb As Traders Expect Action From OPEC

The oil markets are expecting yet again that OPEC will be the hero of oil prices, and this optimism has sent oil prices up 4% on Monday afternoon, and up more than 2% on Tuesday morning. The optimism is a welcomed event after last week's falling prices that saw oil have the worst week in years. Last week, the concern was that the coronavirus was continuing to spread to countries other than China, with the number of confirmed coronavirus cases also continuing to climb. Analysts lowered again oil demand projections last week, with some suggesting that March will see even more virus fallout than February did.

Source: [Oil Price](#)

### London copper rises as Fed cuts rates to counter coronavirus economic impact

London copper prices advanced on Wednesday, supported by the U.S. Federal Reserve's move to cut interest rates by half a percentage point to shield the world's largest economy from the impact of the global coronavirus epidemic prices. Three-month copper on the London Metal Exchange (LME) rose 1% to \$5,723.50 a tonne by 0314 GMT, while LME aluminium rose 0.1% to \$1,723.50 a tonne and nickel advanced 1.6% to \$12,755 a tonne. Alongside the Fed's move, a weaker U.S. dollar also lent support to LME metals by making the green-backed contracts cheaper for buyers using other currencies.

Source: [Reuters](#)

### Gold extends gains on surprise Fed rate cut

Gold prices rose on Wednesday, after surging more than 3% in the previous session as the U.S. Federal Reserve cut interest rates to help soften the economic blow from the coronavirus outbreak. FUNDAMENTALS \* Spot gold climbed 0.3% to \$1,644.97 an ounce by 0052 GMT, having registered its biggest one-day percentage gain since 2016 in the previous session.

\* U.S. gold futures gained 0.2% to \$1,646.80. \* The Fed cut interest rates on Tuesday in an emergency move to safeguard the world's largest economy from the impact of the coronavirus epidemic.

Source: [NASDAQ](#)