













U Capital Morning Brief

5 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	876.94	4.27	0.49%	3.96%	8.09	0.82	7.4%
U Capital GCC 50 Index	1,212.55	-9.97	-0.82%	-12.52%	15.82	1.78	4.6%
U Capital MENA 200 Index	988.00	-19.98	-1.98%	-9.42%	15.07	1.75	4.6%
MSCI GCC Countries Index	506.73	-3.16	-0.62%	-11.05%	14.85	1.60	4.2%
Muscat Securities Market	 4,101.59	5.37	0.13%	3.02%	8.29	0.76	7.2%
Saudi Stock Exchange	 7,524.50	-32.02	-0.42%	-10.31%	21.07	1.64	3.5%
Kuwait Stock Exchange	 6,750.81	-58.03	-0.85%	-6.95%	14.80	1.34	3.7%
Qatar Exchange	 9,246.55	-12.14	-0.13%	-11.31%	13.57	1.33	4.3%
Bahrain Stock Exchange	 1,629.49	-8.46	-0.52%	1.20%	11.58	0.98	4.4%
Dubai Financial Market	 2,479.40	-56.81	-2.24%	-10.32%	8.97	0.88	4.7%
Abu Dhabi Exchange	 4,669.66	-136.52	-2.84%	-8.00%	13.81	1.28	5.3%
Beirut Stock Exchange	 630.92	-5.01	-0.79%	-19.69%	3.33	0.38	14.6%
Palestine Stock Exchange	 534.59	0.14	0.03%	1.64%	12.63	1.22	4.4%
Tunis Se Index	 7,163.22	-17.67	-0.25%	0.58%	20.39	2.45	2.1%
EGX 30 Index	 12,182.46	-237.06	-1.91%	-12.74%	9.98	1.58	2.5%
Amman General Index	 1,806.75	6.57	0.36%	-0.47%	11.44	0.86	7.4%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,815.6	1.45%	-9.64%
DAX	Germany	12,127.7	1.19%	-8.46%
CAC 40	France	5,464.9	1.33%	-8.58%
United States				
DJIA	USA	27,090.9	4.53%	-5.07%
S&P 500	USA	3,130.1	4.22%	-3.12%
NASDAQ	USA	9,018.1	3.85%	0.51%
Asia Pacific				
NIKKEI 225	Japan	21,263.3	0.78%	-10.12%
HANG SENG	Hongkong	26,529.4	1.17%	-5.89%
KSE 100 Index	Pakistan	38,992.9	0.22%	-4.28%
NSE Nifty 50	India	11,261.8	0.10%	-7.45%
SHANGHAI COMPOSITE	China	3,053.9	1.40%	0.12%
SHANGHAI SHENZHEN CSI 300	China	4,180.6	1.59%	2.05%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.662	1.510
British Pound (GBP)	1.287	0.777
Canadian Dollar (CAD)	0.747	1.340
Chinese Renminbi (CNH)	0.144	6.937
Egyptian Pound (EGP)	0.064	15.640
Euro (EUR)	1.114	0.898
Indian Rupee (INR)	0.014	66.263
Japanese Yen (JPY)	0.009	107.320
New Zealand Dollar (NZD)	0.630	1.587
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.648	154.208
Russian Ruble (RUB)	0.015	73.488
Singapore Dollar (SGD)	0.722	1.386
Turkish Lira (TRY)	0.164	6.089

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	51.8	1.31%	-19.91%
WTI Crude (per bbl)	47.3	1.18%	-22.50%
Oman Crude Oil (Last Closing)	50.8	-1.03%	-24.68%
OPEC (per bbl)	52.7	1.94%	-22.53%
Precious Metals			
Gold100 OZ (per oz)	1,639.8	0.18%	8.08%
Silver (per oz)	17.2	-0.01%	-3.56%
Platinum (per oz)	875.0	-0.15%	-9.48%
Other Metals			
Copper, MT	5,684	0.31%	-7.94%
Aluminium, MT	1,726	0.23%	-4.64%
Lead, MT	1,820	-1.17%	-5.55%
Zinc, MT	1,982	0.33%	-12.76%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.64	-25.8%
Saudi Arabia	1.63	-26.8%
Kuwait	2.50	-9.1%
Oman	2.73	-3.0%
Qatar	2.30	2.2%
Bahrain	2.28	-14.5%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	1.8
Abu Dhabi	11/10/2027	1.8
Qatar	02/06/2026	1.8
Saudi Arabia	04/03/2028	2.3
Oman	17/01/2028	5.1
Bahrain	12/10/2028	4.4

Midswaps	Price	YTM %
3 year	102.06	0.7
5 year	101.89	0.7
10 year	104.69	1.0
30 year	108.38	1.6

USD Libor	Rate (%)	YTD
1m	1.38	-21.9%
3m	1.31	-31.1%
6m	1.25	-34.5%
1 year	1.25	-37.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman, UK to extend trade relations

Capitalising on its strategic location, infrastructure and talent, Oman is looking to attract United Kingdom's (UK) businesses to set up operations in the Sultanate, helping them connect with the fast growing economies of the Gulf and East Africa. To this end, and reaffirming Oman's strong trade ties with the UK, Qais Al Yousef, Chairman of Oman Chamber of Commerce and Industry (OCCI) and Azzan Al Busaidi, CEO of Ithraa, Oman's inward investment and export development agency, will headline opportunities in Oman seminar scheduled to be held at the Arab-British Chamber of Commerce (ABCC) in London on Thursday. The high-level delegation will also meet with senior UK government officials and key business leaders.

Source: [Times of Oman](#)

Oman allocated \$125m housing assistance requests in 2019

Oman's total financial allocations for housing assistance in 2019 amounted to approximately \$125m (OMR48m) for requests registered in the Ministry of Housing's programme. The ministry offers assistance to citizens who aim to build a house valued within \$52,000 (OMR20,000); or buy a ready house within a value of \$65,000 (OMR25,000); or low-income families who need financial assistance from the government.

Source: [CW](#)

Ooredoo Begins Construction Of Data Centre Hub In Oman

The new facility is part of the company's efforts to develop a modern infrastructure that is able to deal with the requirements of the growing demand for hosting and digital processing. Telecommunications company Ooredoo has announced the start of the construction phase of its new data centre hub in Bawshar, Oman. The centre will boast a capacity of 600 racks capacity that is set to go hand-in-hand with the number of technical facilities Ooredoo Oman operates across the country.

Source: [DE](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Dubai bank Emirates NBD to reduce tariffs following UAE central bank initiative

Dubai's biggest bank Emirates NBD announced that it has introduced new measures to support UAE businesses in line with recent UAE government and central bank initiatives. The bank's transaction banking unit will reduce tariff offers over the next three months, in particular for transactions initiated via its SmartTrade platform, which replaces the need for physical branch visits. Those using the platform will be offered a "significant reduction in transaction processing and handling fees, with immediate effect", a statement said. The bank will also offer its clients new activation on the platform at zero cost for the next three months.

Source: [Gulf Business](#)

Budget carrier flydubai slams Boeing for loss of business

Dubai's budget carrier flydubai said Wednesday that it has suffered considerable losses due to the grounding of Boeing's Max 737 aircraft around the world as it announced revenue last year dipped to \$1.6 billion. The airline managed to squeeze a profit of nearly \$54 million, but the company said it was able to do so because of lower operating costs — a result of a drop in the price of jet fuel. The state-owned flydubai said its growth strategy was severely impacted by the grounding of the troubled Max, which was involved in two crashes that killed 346 people.

Source: [APN](#)

Saudi Arabia offers 'instant' visas allowing entrepreneurs to set up new businesses

Saudi Arabia will grant "instant" work visas to entrepreneurs setting up businesses in the kingdom as part of government efforts to boost non-oil private sector growth and create jobs for nationals. The new scheme will be processed electronically based on specific criteria, the Ministry of Human Resources and Social Development said in a statement on its website on Monday. The initiative "will have an important role in supporting male and female entrepreneurs, incentivising and accelerating business growth, which will open investment opportunities that will contribute to creating sustainable jobs for Saudi men and women", Ahmed Al-Rajhi, Minister of Human Resources and Social Development, wrote on Twitter.

Source: [TN](#)

Saudi Arabia Offers Investment Opportunities in 5 Vital Sectors

Saudi government efforts are now funneled into promoting the Kingdom as an investment and tourism destination and a platform for commercial opportunity, especially in five vital sectors: healthcare, energy, industry, tourism and financial services. The first-ever US and Saudi Business Leaders Forum, a stop in a tour Saudi Minister of Commerce Majed Al-Qasabi is taking, was held to encourage investment in Saudi Arabia.

Source: [Aawsat](#)

Qatar Free Zones to Host Google Cloud Region in Doha

Qatar Free Zones Authority (QFZA) today announced that Google Cloud has signed its first strategic collaboration agreement in the Middle East with QFZA to launch a new cloud region in Doha. The region will be available for Google Cloud customers globally. His Excellency Ahmad bin Mohamed Al-Sayed, Minister of State and Chairman of the Qatar Free Zones Authority, said, "We are pleased to welcome Google Cloud as a partner to the Free Zones to further develop our leading technology ecosystem. As we advance our strategy to promote investment to the country, the Google Cloud region will be a major and invaluable part of our expanding offering, serving a wide range of businesses both locally and internationally."

Source: [OTH](#)

CBB conducts study on issuing digital currency

The Central Bank of Bahrain (CBB) has conducted a study on the possibility of issuing a digital currency of the Bahraini dinar, said CBB Governor Rasheed Al Maraj. Given the special nature of this project, the CBB is keeping a close follow-up on all requirements to ensure all measures to be taken are safe prior to the launch of digital currency, he said .

Source: [GDN](#)

Mideast insurers must gear up for IFRS 17 contracts implementation

Insurers need to gear up for the upcoming International Financial Reporting Standard (IFRS) 17 Insurance Contracts, a leading advisory firm has warned. Grant Thornton Bahrain said the new complex standard is set to impact all insurance companies to varying degrees .

Source: [GDN](#)

Bahrain plans to install 424,000 power meters before 2022

A new plan to install 424,000 new electricity meters before 2022 has been pledged by Electricity and Water Affairs Minister Wael bin Nasser Al Mubarak. He told MPs during parliament's weekly session yesterday that 126,554 electronic meters and 146,000 smart meters have been installed. He also said that from August last year until the second week of January this year, the Electricity and Water Authority (EWA) had received 5,874 complaints about bills – all of which were resolved.

Source: [Zawya](#)

Zahrat Al Waha eyes better growth, North Africa markets: chairman

Zahrat Al Waha for Trading Co. is looking to achieve better growth this year, or at least maintain the 2019 growth rates, board chairman Ahmed Al Theyab told Argam in an exclusive interview. This growth could be coupled with boosting the existing production capacity or adding new lines, he added, noting that Al Waha's market share in the water factories' production ranges between 35% and 40%. Al Waha secures over 95% of its raw materials from Saudi Basic Industries Corp. (SABIC).

Source: [Argam](#)

Saudi Arabia temporarily suspends Umrah for citizens, residents

Saudi Arabia temporarily suspended on March 4 Umrah for nationals and residents, the Saudi Press Agency reported, citing a Ministry of Interior official. The decision came following a recommendation made by the Coronavirus Follow-up Committee. The Kingdom's decision is part of the precautionary measures taken by the government to control the outbreak of novel coronavirus (COVID-2019).

Source: [Argam](#)

MIDEAST STOCKS-Middle East shares decline as coronavirus fears overshadow stimulus

Stock markets in the Middle East retreated on Wednesday, as an emergency rate cut from the U.S. Federal Reserve failed to quell investor nerves over the coronavirus's widening global economic fallout. The World Health Organization warned on Tuesday of a global shortage and price gouging for protective equipment to fight the fast-spreading virus. It asked companies and governments to increase production by 40% as the death toll from the respiratory illness mounted. Saudi Arabia and the United Arab Emirates (UAE), whose currencies are pegged to the dollar, cut their key rates by 50 basis points on Tuesday, tracking the U.S. Federal Reserve's emergency move.

Source: [NASDAQ](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares grind higher, virus risks block the way

Asian shares rallied for a fourth straight session on Thursday as U.S. markets swung sharply higher and another dose of central bank stimulus offered some salve for the global economic outlook. Wall Street seemed to find relief in the strong performance of former Vice President Biden in the Democratic nomination campaign. Biden is considered less likely to raise taxes and

impose new regulations than rival Bernie Sanders. The U.S. House of Representatives also approved an \$8.3 billion funding bill to combat the spread of the virus, sending the emergency legislation to the Senate.

Source: [NASDAQ](#)

IMF chief says coronavirus wipes out hopes for faster growth in 2020

The faster spread of the coronavirus will wipe out any hope of stronger growth in 2020, International Monetary Fund Managing Director Kristalina Georgieva said on Wednesday, adding that a third of the Fund's 189 member countries were now affected. Georgieva told a news conference after speaking to the IMF's steering committee that the Fund now expects 2020 global growth will be below the 2.9% rate for 2019 and revised forecasts will be issued in coming weeks. The changed view would represent more than a 0.4 percentage-point drop from the 3.3% 2020 growth rate that the IMF had forecast in January based on an easing of U.S.-China trade tensions.

Source: [Reuters](#)

Dollar regains footing as Fed cut shakeout fades

The dollar found its footing on Thursday as upbeat jobs data helped it recoup a little of its slide against the euro and it steadied on the yen after the U.S. Federal Reserve's surprise rate cut. The safe-haven yen also handed back a fraction of recent gains, as the resurgence of moderate Joe Biden in the Democratic Party primaries lifted investors' risk appetite. Strong U.S. labor-market data overnight, with February private payrolls beating expectations, helped the greenback 0.3% higher on the euro to \$1.137 per euro.

Source: [USN](#)

Fed adopts new 'stress capital buffer' for large US banks

While increasing its salvo to fight coronavirus (COVID-19), the US Federal Reserve announced new rules on Wednesday that create a "stress capital buffer" to determine how much banks must hold in reserve to guard against downturns, as per Reuters. The final rule would integrate capital requirements stemming from the Fed's annual bank stress tests with regular capital standards. Fed staff estimated the final rule would actually lead to somewhat higher capital requirements for the nation's largest banks, like JPMorgan Chase and Citigroup, and lower requirements for smaller institutions

Source: [FXS](#)

Australia stocks lead gains regionally following Dow's big jump overnight; IMF announces \$50 billion package to fight coronavirus

Stocks in Asia traded higher on Thursday morning. The International Monetary Fund (IMF) announced a \$50 billion aid package on Wednesday to combat the impact of the coronavirus. Overnight on Wall Street, the Dow Jones Industrial Average skyrocketed 1,173.45 points higher to close at 27,090.86 — its second-highest point gain ever, and the second time in three days that the 30-stock average swung 1,000 points or higher.

Source: [CNBC](#)

Emergency Fed rate cut helps China with longer-term currency goals

The Fed surprised markets during the New York trading session on Tuesday with a half percentage-point rate cut two weeks before a scheduled meeting. The U.S. central bank's loosening of monetary policy will likely accelerate similar moves by the People's Bank of China, said Zhao Bowen, research director at Beijing-based Blue Stone Asset Management. While the timing and exact scale of expected PBOC rate cuts vary, analysts pointed out the Fed's move will keep the Chinese yuan from weakening too much, alleviating concerns about capital outflows.

Source: [CNBC](#)

COMMODITIES NEWS

Oil rises more than 1% on smaller-than-expected rise in crude stocks

Oil prices rose more than 1% on Thursday, recouping losses from the previous day on a smaller-than-expected rise in crude oil inventories in the United States, although the gains were capped by uncertainties over cuts by major oil producers. Brent crude LCOc1 rose by 78 cents, or 1.5%, to \$51.91 per barrel by 0202 GMT, while U.S. West Texas Intermediate (WTI) CLc1 was up by 69 cents, or 1.5%, at \$47.47 per barrel. Volumes were low, however, reflecting that "there is not a lot of confidence in the moves," said Michael McCarthy, chief market strategist at brokerage CMC Markets in Sydney.

Source: [NASDAQ](#)



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