

# U Capital Morning Brief

12 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	815.84	16.10	2.01%	-3.29%	7.53	0.75	7.9%
U Capital GCC 50 Index	1,079.20	-7.80	-0.72%	-22.14%	14.18	1.56	5.3%
U Capital MENA 200 Index	886.00	-13.21	-1.47%	-18.77%	12.96	1.63	5.7%
MSCI GCC Countries Index	443.62	-5.95	-1.32%	-22.13%	13.01	1.39	4.8%
Muscat Securities Market	3,832.04	34.19	0.90%	-3.75%	7.78	0.71	7.7%
Saudi Stock Exchange	6,552.49	-209.54	-3.10%	-21.89%	18.25	1.40	4.1%
Kuwait Stock Exchange	5,667.38	57.98	1.03%	-21.88%	12.58	1.12	4.4%
Qatar Exchange	8,613.36	180.33	2.14%	-17.38%	12.64	1.24	4.5%
Bahrain Stock Exchange	1,489.27	-3.99	-0.27%	-7.51%	10.57	0.89	4.8%
Dubai Financial Market	2,207.95	-23.14	-1.04%	-20.14%	7.98	0.78	5.3%
Abu Dhabi Exchange	4,235.51	-27.13	-0.64%	-16.55%	12.52	1.16	5.9%
Beirut Stock Exchange	623.64	-1.40	-0.22%	-20.61%	3.29	0.37	14.8%
Palestine Stock Exchange	520.46	-3.53	-0.67%	-1.05%	12.28	1.19	4.5%
Tunis Se Index	6,914.63	49.80	0.73%	-2.91%	19.68	2.36	2.1%
EGX 30 Index	11,194.12	-5.84	-0.05%	-19.82%	9.20	1.45	2.7%
Amman General Index	1,796.84	-4.04	-0.22%	-1.01%	11.38	0.85	7.5%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	5,876.5	-1.40%	-22.09%
DAX	Germany	10,438.7	-0.35%	-21.21%
CAC 40	France	4,610.3	-0.57%	-22.88%
<b>United States</b>				
DJIA	USA	23,553.2	-5.86%	-17.47%
S&P 500	USA	2,741.4	-4.89%	-15.15%
NASDAQ	USA	7,952.1	-4.70%	-11.37%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	18,681.0	-3.74%	-21.03%
HANG SENG	Hongkong	24,269.1	-3.81%	-13.91%
KSE 100 Index	Pakistan	37,024.9	-1.72%	-9.11%
NSE Nifty 50	India	9,917.0	-5.18%	-18.50%
SHANGHAI COMPOSITE	China	2,928.8	-1.34%	-3.98%
SHANGHAI SHENZHEN CSI 300	China	3,958.6	-1.73%	-3.37%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.646	1.549
British Pound (GBP)	1.281	0.780
Canadian Dollar (CAD)	0.726	1.378
Chinese Renminbi (CNH)	0.143	6.978
Egyptian Pound (EGP)	0.064	15.710
Euro (EUR)	1.129	0.886
Indian Rupee (INR)	0.013	74.165
Japanese Yen (JPY)	0.010	104.110
New Zealand Dollar (NZD)	0.626	1.598
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.630	158.663
Russian Ruble (RUB)	0.014	72.925
Singapore Dollar (SGD)	0.714	1.400
Turkish Lira (TRY)	0.161	6.215

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	34.3	-4.08%	-46.94%
WTI Crude (per bbl)	31.7	-3.85%	-48.05%
Oman Crude Oil (Last Closing)	35.2	0.23%	-47.86%
OPEC (per bbl)	35.7	2.88%	-47.45%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,635.9	0.07%	7.82%
Silver (per oz)	16.6	-0.93%	-7.02%
Platinum (per oz)	866.7	0.31%	-10.33%
<b>Other Metals</b>			
Copper, MT	5,529	-0.66%	-10.45%
Aluminium, MT	1,675	-1.30%	-7.46%
Lead, MT	1,765	-1.67%	-8.41%
Zinc, MT	1,987	0.56%	-12.54%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.22	-44.7%
Saudi Arabia	1.36	-39.2%
Kuwait	2.56	-6.8%
Oman	2.67	-5.0%
Qatar	1.83	-18.8%
Bahrain	2.15	-19.5%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	1.9
Abu Dhabi	11/10/2027	2.0
Qatar	02/06/2026	2.0
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	8.0
Bahrain	12/10/2028	6.0

Midswaps	Price	YTM %
3 year	99.77	0.6
5 year	102.36	0.6
10 year	106.63	0.8
30 year	117.63	1.3

USD Libor	Rate (%)	YTD
1m	0.81	-54.0%
3m	0.78	-58.9%
6m	0.77	-59.8%
1 year	0.79	-60.3%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Meeting discusses current challenges faced by investors

The Directorate-General of Customs of the Royal Oman Police at Dhofar Governorate held a meeting recently with officials of Al Mazunah Free Zone, which pertains to the Public Establishment for Industrial Estates – Madayn. The meeting was also attended by investors, CEOs and representatives of the companies and factories based at Al Mazunah Free Zone.

Source: [Times of Oman](#)

### National Biscuit scammed out of RO 70K

Omani listed firm National Biscuit Industries Ltd (Nabil) revealed here on Wednesday that it was swindled to the tune of RO 70,000 in an online scam. The announcement came in a disclosure to the Capital Market Authority (CMA). The Rusayl-based company said it was the subject of an elaborately planned fraud orchestrated by unknown cybercriminals using fake domain addresses of the company, as well as one of its equipment suppliers. “Deceptive domains of the company as well as one of the company’s machinery suppliers were created by unauthorised persons with mala fide intention.

Source: [Oman Observer](#)

### Musandam Power holds first AGM post listing on MSM

Musandam Power Company (MPC) SAOG, a subsidiary of OQ, has held its first AGM post its successful IPO and listing in MSM in December 2019. The 28 million shares IPO offering was comfortably oversubscribed with overall subscription of around 3.5 times last year. Elaborating on the overall successful performance of the company in 2019, Ahmed Tufail al Rahman, Chairman of MPC said, “Excellent plant availability and higher power generation has led to a 9.2 per cent growth in the total revenues earned by the Company last year, with a net profit of RO 2.637 million.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### EY: Five MENA IPOs raise \$30 billion in Q4 2019

IPO deal value in the MENA region witnessed a sizeable increase during Q4 2019 both in terms of deal volume and value, with five IPOs raising proceeds of \$30 billion, compared with the two IPOs that raised \$190m in Q3 2019, according to the EY MENA IPO Eye Report. Global IPO exchange activity also continued to pick up in Q4 2019, with 353 IPOs raising \$84.5 bn, marking an increase of 25 per cent in IPO volumes compared with Q1 2019.

Source: [Oman Observer](#)

### Saudi government temporarily suspends travel to the European Union, some Asian and African countries

Further to the decision of the Government of the Kingdom of Saudi Arabia to temporarily suspend travel of citizens and expatriates to a number of countries where the threat of the spread of the Novel Coronavirus (COVID19) appeared, An official source at the Ministry of Interior stated that, in accordance with the preventive and precautionary measures recommended by the competent health authorities in the Kingdom of Saudi Arabia...

Source: [Argaam](#)

### UAE disappointed on collapse of OPEC+ agreement; calls for a new agreement

The UAE Minister of Energy and Industry, Suhail bin Mohammed Al Mazrouei, expressed his disappointment after the collapse of the OPEC+ oil cuts agreement, which expires at the end of March. In a series of tweets, Al Mazrouei said that the UAE has ample production capacity that will be quickly brought online in light of the current conditions. The minister added that OPEC and OPEC+ played an important role in delivering market stability.

Source: [Argaam](#)

### Developers go slow with new launches, private sector leads

Private sector developers lead while government-backed firms are going slow in terms of new project launches in Dubai, with increased focus on ongoing projects and delivering them on time. Year-to-date, three private developers - Danube Properties, Sobha Realty, and Samana Developers - have publicly announced the launch of their projects worth over Dh800 million in total value, while some are in the planning stages. However, government-backed property giants - barring Emaar Properties - stay silent, focusing mainly on the completion and deliveries of ongoing projects.

Source: [Khaleej Times](#)

### UAE Central Bank to support banks in Covid-19 impact

The Central Bank of the UAE (CBUAE) has confirmed their preparedness to support the banking system in mitigating the downside risk of the COVID-19 outbreak and ensuring the stability of the UAE’s banking sector. “In an effort to safeguard the health and wellbeing of its employees; the Central Bank has established internal committees to ensure necessary measures

are taken to mitigate the spread of COVID-19 inside CBUAE's headquarters and branches including providing fundamental preventive sanitisation requirements and constantly communicating guidelines to protect oneself from Covid-19," CBUAE said in a statement.

Source: [Gulf News](#)

#### **US kicks off construction work at Expo 2020 Dubai pavilion**

The US authorities have officially kicked off construction work at the country's pavilion being developed as part of the upcoming Expo 2020 Dubai, said a report. The first concrete pour was completed in the presence of US Ambassador to the UAE John Rakolta Jr. and Counsellor of the Department of State T. Ulrich Brechbuhl and other officials, according to a press release issued by the US Embassy. Speaking on the occasion, Rakolta said: "The US pavilion will showcase how freedom and liberty of thought have enabled success and innovation for American entrepreneurs and innovators."

Source: [GDN](#)

#### **Dubai's DAE authorizes additional \$300m for bond repurchase program**

Dubai Aerospace Enterprise (DAE) has authorized an increase in its bond repurchase program by \$300 million, to be conducted through open market transactions. DAE recommenced the program last week and had repurchased before that date \$485 million of the principal amount of bonds. "We repurchased approximately \$70 million since recommencing the program last week. Today, we are increasing our available authorization as the current disruption in credit markets is creating opportunities for us to acquire our outstanding debt at compelling price levels. The current liquidity profile of the company remains robust."

Source: [Zawya](#)

#### **Mideast Stocks: Saudi, UAE indexes fall as oil prices drop**

Stock markets in Saudi Arabia and United Arab Emirates (UAE) closed lower on Wednesday as oil prices fell after both the countries promised to raise oil output amid an oil-supply policy dispute with Russia. Saudi Arabia directed Saudi Aramco to raise its oil production capacity to 13 million barrels per day from 12 million bpd. UAE's national oil company (ADNOC) said that it would raise crude supply to more than 4 million bpd in April and would accelerate plans to boost its capacity to 5 million bpd.

Source: [Zawya](#)

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

#### **Boeing shares suffer worst one-day drop since 1974**

Boeing's stock tumbled 18% on Wednesday, its biggest one-day percentage drop since 1974, and company leaders painted a sobering picture for the business in 2020. The Chicago-based company said it has imposed a hiring freeze in response to the virus outbreak that is undercutting air travel and threatening to kill airlines' appetite for new planes. Boeing said it received 18 orders last month for new large planes, but 46 orders were canceled, most of them for the grounded 737 Max, leaving the company with a net loss of 28 orders in February.

Source: [The Hour](#)

#### **No automakers 'coming out unscathed' as US coronavirus cases grow**

The coronavirus has landed on the U.S. auto industry's doorstep as Michigan late-Tuesday night confirmed its first two cases of disease. While America's largest auto plants have not been impacted by the COVID-19 pandemic yet, experts say it's not a matter of if, but when, U.S. auto operations will be impacted.

Source: [CNBC](#)

#### **6 charts show the coronavirus impact on the global economy and markets so far**

The new coronavirus, which first emerged in the Chinese city of Wuhan last December, has infected more than 110,000 people in at least 110 countries and territories globally, according to the World Health Organization. The virus outbreak has become one of the biggest threats to the global economy and financial markets. Major institutions and banks have cut their forecasts for the global economy, with the Organisation for Economic Co-operation and Development being one of the latest to do so.

Source: [CNBC](#)

#### **Stocks plummet after Trump bans travel from Europe to contain coronavirus blow**

Global shares crumbled on Thursday after U.S. President Donald Trump stunned investors by announcing a temporary travel ban from Europe in an effort to curb the spread of the coronavirus, threatening more disruptions to businesses and the world economy.

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil slumps 6% as U.S. bans travel from Europe over coronavirus pandemic

Oil prices slumped again on Thursday amid a broader market rout after the United States banned travel from Europe following a declaration that the coronavirus outbreak is now a pandemic. The threat of a flood of cheap supply compounded market concerns as Saudi Arabia promised to raise oil output to a record high in a standoff with Russia.

Source: [Reuters](#)

### Gold gains on global growth fears as WHO declares pandemic

Gold rose on Thursday as concerns about the economic impact from the coronavirus increased after world health officials declared it a pandemic and many countries took measures to combat the spread by restricting public gatherings. FUNDAMENTALS Spot gold rose 0.6% to \$1,645.00 per ounce by 0033 GMT. U.S. gold futures was up 0.1% at \$1,644.30.

Source: [Money Control](#)