

U Capital Morning Brief

16 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	794.38	0.42	0.05%	-5.83%	7.37	0.70	8.1%
U Capital GCC 50 Index	1,025.99	-10.51	-1.01%	-25.98%	16.78	1.50	5.3%
U Capital MENA 200 Index	847.75	-5.35	-0.63%	-22.28%	12.15	1.50	6.1%
MSCI GCC Countries Index	423.14	-5.74	-1.34%	-25.73%	12.51	1.33	5.0%
Muscat Securities Market	3,748.35	14.63	0.39%	-5.85%	7.61	0.67	7.9%
Saudi Stock Exchange	6,287.36	-69.70	-1.10%	-25.05%	17.39	1.34	4.2%
Kuwait Stock Exchange	5,357.07	-310.31	-5.48%	-26.16%	12.24	1.06	4.6%
Qatar Exchange	8,310.87	80.46	0.98%	-20.28%	12.25	1.19	4.6%
Bahrain Stock Exchange	1,414.58	-21.79	-1.52%	-12.15%	10.14	0.85	5.1%
Dubai Financial Market	1,963.26	-68.86	-3.39%	-28.99%	7.10	0.69	6.0%
Abu Dhabi Exchange	3,849.25	-72.93	-1.86%	-24.16%	11.40	1.05	6.5%
Beirut Stock Exchange	621.54	3.91	0.63%	-20.88%	3.28	0.37	14.8%
Palestine Stock Exchange	513.33	-5.30	-1.02%	-2.40%	12.08	1.17	4.6%
Tunis Se Index	6,623.32	-188.40	-2.77%	-7.00%	18.84	2.26	2.2%
EGX 30 Index	10,148.34	-1,045.78	-9.34%	-27.31%	8.34	1.32	3.0%
Amman General Index	1,675.47	-78.64	-4.48%	-7.70%	10.61	0.80	8.0%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,366.1	2.46%	-28.85%
DAX	Germany	9,232.1	0.77%	-30.32%
CAC 40	France	4,118.4	1.83%	-31.11%
United States				
DJIA	USA	23,185.6	9.36%	-18.76%
S&P 500	USA	2,711.0	9.29%	-16.09%
NASDAQ	USA	7,874.9	9.35%	-12.23%
Asia Pacific				
NIKKEI 225	Japan	17,445.6	0.12%	-26.25%
HANG SENG	Hongkong	23,507.1	-2.19%	-16.61%
KSE 100 Index	Pakistan	36,060.9	0.00%	-11.47%
NSE Nifty 50	India	9,532.4	-4.25%	-21.66%
SHANGHAI COMPOSITE	China	2,871.5	-0.55%	-5.86%
SHANGHAI SHENZHEN CSI 300	China	3,839.1	-1.44%	-6.29%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.618	1.618
British Pound (GBP)	1.234	0.811
Canadian Dollar (CAD)	0.722	1.385
Chinese Renminbi (CNH)	0.143	7.010
Egyptian Pound (EGP)	0.064	15.710
Euro (EUR)	1.112	0.899
Indian Rupee (INR)	0.013	74.184
Japanese Yen (JPY)	0.009	106.860
New Zealand Dollar (NZD)	0.606	1.651
Omani Rial (OMR)	2.599	0.385
Pakistani Rupee (PKR)	0.636	159.025
Russian Ruble (RUB)	0.014	72.628
Singapore Dollar (SGD)	0.705	1.419
Turkish Lira (TRY)	0.158	6.317

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	32.9	-2.90%	-49.20%
WTI Crude (per bbl)	31.3	-1.48%	-48.82%
Oman Crude Oil (Last Closing)	34.3	4.22%	-49.14%
OPEC (per bbl)	33.3	-6.44%	-51.07%
Precious Metals			
Gold100 OZ (per oz)	1,544.9	1.03%	1.82%
Silver (per oz)	14.7	-0.10%	-17.65%
Platinum (per oz)	767.2	0.56%	-20.63%
Other Metals			
Copper, MT	5,460	0.37%	-11.56%
Aluminium, MT	1,681	1.48%	-7.15%
Lead, MT	1,744	-1.64%	-9.50%
Zinc, MT	1,985	2.43%	-12.63%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.27	-42.4%
Saudi Arabia	1.33	-40.4%
Kuwait	2.50	-9.1%
Oman	2.70	-3.9%
Qatar	1.80	-20.1%
Bahrain	2.13	-20.1%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.2
Abu Dhabi	11/10/2027	2.5
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	3.2
Oman	17/01/2028	9.8
Bahrain	12/10/2028	6.7

Midswaps	Price	YTM %
3 year	100.55	0.3
5 year	103.53	0.4
10 year	108.27	0.6
30 year	118.44	1.3

USD Libor	Rate (%)	YTD
1m	0.80	-54.6%
3m	0.84	-55.8%
6m	0.82	-57.0%
1 year	0.82	-58.8%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Bank Muscat successfully closes \$650 million club loan facility

Bank Muscat, the flagship financial services provider in the Sultanate of Oman, has successfully closed a senior unsecured loan facility of \$650 million with a consortium of 20 relationship banks from across the globe. The transaction originally launched for the US \$ 500 million, received commitments of over US\$ 1.2 billion. The transaction received overwhelming support from the international banking community and was supported by 20 lenders from the GCC, Europe, USA, Asia and Africa. In view of the oversubscription, Bank Muscat decided to scale the facility up to US\$ 650 million.

Source: [Times of Oman](#)

More than OMR14 million projects coming up in Oman

The foundation stones for two new projects worth more than OMR14 million were laid on Sunday in the Governorate of Muscat. This was done for the construction of the sixth building in the Knowledge Oasis Muscat (KOM) and the facility building in Al Rusayl Industrial City. These two projects are aimed to provide advanced services and facilities that will encourage local, regional and international investments in its various industrial cities.

Source: [Times of Oman](#)

2.9pc growth in banking credit to private sector

The total outstanding credit extended by banks and financial institutions in the Sultanate — also known as other depository corporations (ODCs) — grew by 3.2 per cent RO 25.9 billion at the end of January 2020, the Central Bank of Oman (CBO) stated in its monthly review of the banking sector's performance for January 2020. Credit to the private sector rose by 2.9 per cent to RO 22.8 billion, the apex bank said. Of the total credit to the private sector, the nonfinancial corporate sector and the household sector (mainly under personal loans) received shares of 46.1 per cent and 45.2 per cent respectively, while the financial corporations received 5.3 per cent and other sectors the remaining 3.4 per cent.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

SAMA closely monitors bank liquidity indicators, FX rates: Al-Kholifey

The Saudi Arabian Monetary Authority (SAMA) is closely monitoring liquidity indicators, capital adequacy ratios and FX rates at local banks, Governor, Ahmed Al-Kholifey told Al-Arabiya TV. He added that there is currently no issue with liquidity and all indicators are "highly satisfactory". Al-Kholifey further explained that Saudi Arabia's central bank is monitoring economic, financial and monetary indicators locally and overseas, noting that it is focusing on commodity price movements, providing liquidity and money supply, which exceeded 6% by the end of January 2020.

Source: [Argaam](#)

Saudi Aramco posts SAR 330.7 bln net profit in FY19

The Saudi Arabian Oil Co. (Saudi Aramco) posted a 21% year-on-year (YoY) drop in net profit after Zakat and tax to SAR 330.7 billion for fiscal year 2019. The decrease was primarily due to lower crude oil prices and production volumes, coupled with declining refining and chemical margins, and a \$1.6 billion impairment associated with Sadara Chemical Company.

Source: [Argaam](#)

Foreign investors sell SAR 1.8 bln worth of stocks on Tadawul last week

Qualified foreign investors (QFIs) were net sellers of SAR 1.8 billion worth of stocks on the Saudi Stock Exchange (Tadawul) in the week ending March 20, 2020, according to data issued by the Saudi bourse. Foreign investors sold SAR 109.7 million worth of shares through swap agreements. Saudi retail investors and Saudi corporates were net buyers of SAR 2.67 billion and SAR 1.84 billion, respectively, last week.

Source: [Argaam](#)

Aramco's 2019 profit falls 21%, plans to adjust capital spending

Brent crude futures last traded at \$33.85 per barrel on Friday, down from about \$64 when Aramco listed its shares. Despite a drop in income, Aramco said it paid a dividend of \$73.2 billion in 2019 and intends to declare a cash dividend of \$75 billion in 2020, paid quarterly.

Source: [CNBC](#)

Gulf States may opt for fiscal austerity as oil slips to \$30

The current account and budget positions of Gulf oil exporters will soon be pushed to a deficit as crude prices crashed to the lowest level since 2015 with the biggest one day drop since the 1991 Gulf War, analysts said. The steep fall in prices, currently hovering above \$30 after declining 50 per cent from year's peak, came in the wake of an unprecedented travel ban between

the United States and Europe even as Opec+ members failed to reach an agreement to deepen oil production cuts in response to lackluster demand trends.

Source: [Khaleej Times](#)

UAE cancels events, flights

The United Arab Emirates said on Saturday it was shutting major tourism and cultural venues to contain the spread of coronavirus and announced a \$27-billion plan to counter the outbreak's economic impact. Attractions such as the Louvre Abu Dhabi museum and the Ferrari World theme park will be closed from March 15-31, the Abu Dhabi Government Media Office said, while the country's civil aviation authority indefinitely suspended flights to and from Lebanon, Turkey, Syria and Iraq from March 17.

Source: [Zawya](#)

UAE retailers ask for 'stimulus' from mall owners

Retailers in the UAE will be asking shopping mall managements and landlords for a review of their rental agreements in the wake of the coronavirus scare and the blows it has landed on the retail sector. "The (Dubai) Government has announced stimulus measures for businesses; the (UAE) Central Bank has asked local banks to be more lenient on loan recovery programmes," said a retailer. "(Jebel Ali) Free Zone has cut licensing and admin fees for tenants and others could follow that lead.

Source: [Gulf News](#)

Abu Dhabi Securities Exchange temporarily closes trading halls

Abu Dhabi Securities Exchange (ADX) has announced to the investor community that the Exchange is temporarily closing its trading hall in its main offices in Abu Dhabi as well as those in the other Emirates starting from Sunday until further notice. This was taken by ADX as a precautionary measure to protect public health in the United Arab Emirates and ensure the health and safety of visitors. This decision is in line with the instructions of the World Health Organization (WHO) to restrict public gatherings and has been taken as a preventative measure to mitigate against the current global viral outbreak.

Source: [Gulf Today](#)

Businesses cheer UAE's \$27bln economic plan to contain coronavirus

Businesses commended the UAE government's \$27 billion economic plan aimed at containing impact of coronavirus outbreak that has infected 85 people so far in the country. The economic plan announced on Saturday is expected to boost the morale of company owners, particularly in industries impacted the most by the pandemic. "[This] is a morale booster for the business community in the entire country. The targeted economic support scheme, which is at the right time, will help the banking sector, as well as companies in the country, run the business smoothly," Imran Farooq, CEO of Samana Group, told Zawya.

Source: [Zawya](#)

Mideast Stocks: Major Middle East indexes decline on coronavirus impact

Most major Middle Eastern stock markets closed lower on Sunday amid fears of economic fallout from coronavirus precautions, with Egypt falling the most and Saudi Aramco 222.SE slipping after it missed profit forecasts. Gulf Arab states, with nearly 900 virus cases, expanded measures to contain the spread of the infection with Abu Dhabi's bourse closing trading halls and Dubai shuttering cinemas, gyms and arcades. Kuwait and Saudi Arabia have halted international passenger flights. Egypt, with more than 100 virus cases, announced the closure of schools and universities for two weeks.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Federal Reserve cuts rates to zero and launches massive \$700 billion quantitative easing program

In an emergency move Sunday, the Federal Reserve announced it is dropping its benchmark interest rate to zero and launching a new round of quantitative easing. The QE program will entail \$700 billion worth of asset purchases entailing Treasuries and mortgage-backed securities. Markets responded negatively, with Dow futures pointing to a drop of 900 points when the market opens Monday morning.

Source: [CNBC](#)

Dollar dumped after US Fed rate cut, ball in Bank of Japan's court for next coronavirus move

The dollar fell against a broad range of currencies on Monday after the US Federal Reserve made another surprise interest rate cut and major central banks took steps to relieve a shortage of dollars and provide extra liquidity. Pressure has been building on central banks to do something to restore calm to financial markets roiled by the deepening coronavirus crisis.

Source: [THT](#)

GLOBAL MARKETS-Stocks reel as Fed leads global rescue effort for markets

Stock markets and the dollar were roiled on Monday after the Federal Reserve slashed interest rates in an emergency move and its major peers offered cheap U.S. dollars to break a logjam in global lending markets. The aggressive policy steps were aimed at cushioning the economic impact as the breakneck spread of the coronavirus all but shut down more countries, but had only limited success in calming panicky investors. Data out of China also underscored just how much economic damage the disease had already done with industrial output plunging 13.5% and retail sales 20.5%.

Source: [NASDAQ](#)

Stock futures drop — hit 'limit down' — even as Fed slashes rates; Dow futures off 1,000 points

Stock futures plunged Sunday night even after the Federal Reserve embarked on a massive monetary stimulus campaign to curb slower economic growth amid the coronavirus outbreak. Stock market futures hit "limit down" levels of 5% lower, a move made by the CME futures exchange to reduce panic in markets. No prices can trade below that threshold, only at higher prices than that down 5% limit. Dow Jones Industrial average futures were off by more than 1,000 points, triggering the limit down level. S&P 500 and Nasdaq 100 futures were also at their downside limits.

Source: [CNBC](#)

COMMODITIES NEWS

Gold jumps as emergency Fed rate cut weighs on dollar, equities

Spot gold was up 1.4% at \$1,550.26 per ounce by 0030 GMT, having risen as much as 2.8% earlier. The metal fell 3% on Friday. U.S. gold futures rose 2.4% to \$1,553.30 per ounce. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings fell 1.33% to 931.59 tonnes on Friday. Palladium fell 3.1% to \$1,750.50 per ounce, while platinum slipped 0.8% to \$755.50. Silver gained 0.7% to \$14.78 per ounce.

Source: [CNBC](#)

Oil slides again, squeezed between coronavirus demand hit and price war bite

Oil extended losses on Monday as an emergency rate cut by the U.S. Federal Reserve failed to soothe global financial markets panicked by the rapid spread of the coronavirus while a price war rages on between top producers. Brent crude fell \$1.13 to \$32.72 a barrel by 0230 GMT, tumbling after last week's plunge of 25%, the largest weekly fall since 2008. The front-month price opened at a high of \$35.84 but slipped to a low of \$31.63. U.S. crude was at \$31.01, down 72 cents aft ..

Source: [ET](#)