

U Capital Morning Brief

17 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	781.79	-12.59	-1.58%	-7.32%	7.24	0.71	8.4%
U Capital GCC 50 Index	973.75	-52.24	-5.09%	-29.75%	16.26	1.65	5.5%
U Capital MENA 200 Index	800.00	-47.75	-5.63%	-26.65%	11.41	1.41	6.5%
MSCI GCC Countries Index	404.03	-19.11	-4.52%	-29.08%	11.94	1.30	5.3%
Muscat Securities Market	3,681.62	-66.73	-1.78%	-7.52%	7.36	0.68	8.1%
Saudi Stock Exchange	5,959.69	-327.67	-5.21%	-28.96%	16.49	1.38	4.5%
Kuwait Stock Exchange	5,149.51	-207.56	-3.87%	-29.02%	11.45	1.02	4.8%
Qatar Exchange	8,431.48	120.61	1.45%	-19.13%	12.43	1.21	4.6%
Bahrain Stock Exchange	1,395.30	-19.28	-1.36%	-13.35%	10.00	0.84	5.2%
Dubai Financial Market	1,842.60	-120.66	-6.15%	-33.36%	6.66	0.65	6.3%
Abu Dhabi Exchange	3,548.04	-301.21	-7.83%	-30.10%	10.48	0.97	7.0%
Beirut Stock Exchange	621.54	0.00	0.00%	-20.88%	3.28	0.37	14.8%
Palestine Stock Exchange	507.09	-6.24	-1.22%	-3.59%	11.95	1.16	4.7%
Tunis Se Index	6,351.80	-271.52	-4.10%	-10.82%	18.06	2.17	2.3%
EGX 30 Index	9,428.94	-719.40	-7.09%	-32.46%	7.76	1.22	3.3%
Amman General Index	1,668.18	-7.29	-0.44%	-8.10%	10.56	0.79	8.1%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	5,151.1	-4.01%	-31.71%	Australian Dollar (AUD)	0.611	1.638
DAX	Germany	8,742.3	-5.31%	-34.02%	British Pound (GBP)	1.225	0.816
CAC 40	France	3,881.5	-5.75%	-35.07%	Canadian Dollar (CAD)	0.715	1.398
United States					Chinese Renminbi (CNH)	0.143	7.004
DJIA	USA	20,188.5	-12.93%	-29.26%	Egyptian Pound (EGP)	0.064	15.777
S&P 500	USA	2,386.1	-11.98%	-26.14%	Euro (EUR)	1.118	0.894
NASDAQ	USA	6,904.6	-12.32%	-23.05%	Indian Rupee (INR)	0.014	73.971
Asia Pacific					Japanese Yen (JPY)	0.009	106.410
NIKKEI 225	Japan	17,082.0	0.52%	-27.79%	New Zealand Dollar (NZD)	0.605	1.654
HANG SENG	Hongkong	23,173.5	0.41%	-17.79%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	33,023.3	-1.99%	-18.93%	Pakistani Rupee (PKR)	0.629	158.850
NSE Nifty 50	India	9,309.9	1.22%	-23.49%	Russian Ruble (RUB)	0.014	74.659
SHANGHAI COMPOSITE	China	2,772.4	-0.60%	-9.11%	Singapore Dollar (SGD)	0.704	1.420
SHANGHAI SHENZHEN CSI 300	China	3,700.1	-0.74%	-9.68%	Turkish Lira (TRY)	0.156	6.425

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	1.04	-53.0%
Brent Crude (per bbl)	30.6	1.66%	-52.72%	Saudi Arabia	0.87	-61.1%
WTI Crude (per bbl)	29.8	3.69%	-51.23%	Kuwait	2.50	-9.1%
Oman Crude Oil (Last Closing)	30.0	-12.51%	-55.50%	Oman	2.68	-4.9%
OPEC (per bbl)	34.1	2.65%	-49.78%	Qatar	1.80	-20.0%
				Bahrain	2.08	-21.9%

Precious Metals				GCC Latest 10-Yr Government Bond Yields		
Gold100 OZ (per oz)	1,496.4	-1.20%	-1.38%		Maturity date	YTM, %
Silver (per oz)	12.8	-1.15%	-28.53%	Kuwait	20/03/2027	2.3
Platinum (per oz)	665.7	-0.05%	-31.13%	Abu Dhabi	11/10/2027	2.5
Other Metals				Qatar	02/06/2026	2.7
Copper, MT	5,291	-3.10%	-14.31%	Saudi Arabia	04/03/2028	3.4
Aluminium, MT	1,675	-0.33%	-7.46%	Oman	17/01/2028	10.3
Lead, MT	1,727	-0.97%	-10.38%	Bahrain	12/10/2028	7.7
Zinc, MT	1,942	-2.17%	-14.52%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.18	0.4	1m	0.80	-54.6%
5 year	102.92	0.5	3m	0.84	-55.8%
10 year	107.02	0.8	6m	0.82	-57.0%
30 year	116.45	1.3	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

Oman Shipping to merge with Oman Drydock

ASYAD Group announces the integration of Oman Shipping Company (OSC) and Oman Drydock Company (ODC), in alignment with the Group's strategy to offer integrated and highly efficient services — cementing its competitiveness across global markets and maximising the returns of Oman's logistics sector. The integration further connects the Sultanate's shipping services in a comprehensive marine offering which meets the Group's aspirations of providing global markets with end-to-end logistics solutions. This is part of ASYAD's strategic plan to elevate group-wide operational efficiency and consolidate complementing business activities.

Source: [Oman Observer](#)

Omani firms take steps to keep staff safe from coronavirus

A growing number of organizations in the Sultanate — ranging from multinational corporations and major contractors to international consultancies and small businesses — are adopting measures to secure their employees — management executives and blue collar workers alike — from potential exposure to the novel coronavirus responsible for the COVID-19 pandemic. Many of these measures are in line with precautions championed internationally and embraced by countries around the world.

Source: [Oman Observer](#)

Ooredoo accelerates cybersecurity in Oman with new deal

Ooredoo, the digital partner of choice for businesses in Oman, has entered into a strategic partnership with the National Security Services Group (NSSG) to deliver enhanced cybersecurity in the Sultanate. Cybersecurity Oman. The agreement, which was signed by Abdul Razzaq Al Balushi, CFO and NSSG Chief Executive Officer, Talal Al Zubair, will facilitate the joint delivery of cybersecurity services and cybersecurity consultancy, such as architecture security consultancy, phishing tests and vulnerability assessments to businesses in Oman.

Source: [Tahawul Tech](#)

VAL supports the Future of Aquaculture in Oman

The energy around student entrepreneurship today is incredible. The world is continually blown away by what the next generation of innovators are dreaming up. even if some student startups fail, the critical first-time founder experience is an invaluable education in how to build great companies. However, Val (shortcut of Value), a student-run startup was meant to succeed. A group of 15 students from Sultan Qaboos University in an attempt to tackle issues concerning Aquaculture founded a small company called Val. Marwa al Batashi, the Production and Development Officer of Val, said that their main goal is to solve the issue of fish feed as there is no factory producing it in Oman

Source: [Oman Observer](#)

Oman crude benchmark slumps to \$31.38

The Oman Crude Oil Futures Contract plummeted to a new low on Monday to \$31.38/barrel on the Dubai Mercantile Exchange (DME) after losing almost 9 per cent of its value. The crude oil benchmark last traded at \$34.79/b on Friday. Monday's downslide stems from the oil price war between Saudi Arabia and Russia that erupted following the collapse of the Opec+ alliance of Opec members and non-members. The rift caused a meltdown in global oil prices as well as equities amid mounting concerns over the spread of the coronavirus.

Source: [Oman Observer](#)

Oman's daily oil production touches 955,500 barrels in February 2020

Oman's daily production of crude oil and condensates stood at 955,500 barrels during February 2020, with a decline by 0.29 per cent compared to the daily production during January 2020, according the monthly report issued by the Ministry of Oil and Gas. The report said that the daily exported quantities of crude oil stood at 781,106 barrels, a decrease by 0.07 per cent compared to the daily export rate during January 2020. Crude imports by China rose by 2.48 per cent during February 2020 to reach 89.73 per cent of the total Omani crude oil exports compared to January 2020.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

SAMA'S DECISION ON REPO AND REVERSE REPO RATES

The Saudi Arabian Monetary Authority (SAMA) has decided to cut the Repo rate by 75 basis points from 1.75% to 1.00 % and the Reverse Repo rate by 75 basis points from 1.25% to 0.50%. The reduction in repo rates is for preserving monetary stability given evolving global developments.

Source: [SAMA](#)

Saudi CMA temporarily suspends personal attendance in general meetings

The Capital Market Authority (CMA) decided on March 16 to temporarily suspend personal attendance at general meetings, the Saudi market regulator said in a statement. Shareholders will be able to participate and vote on agenda items through Tadawulaty services, which are offered by the Securities Depository Center Co. (Edaa). Shareholder attendance will be registered as of Thursday, March 26 through Tadawulaty, and voting will continue until the end of the meetings.

Source: [Argaam](#)

KPMG: Saudi Arabia's banking sector remains resilient

KPMG releases its first Kingdom of Saudi Arabia Banking Perspectives 2020 report, predicting a positive outlook for the banking sector. The first report of its kind to feature all 11 Tadawul-listed banks, promises profit growth fueled by a proactive government and the region's range of initiatives driven by regulators. The first edition of the report highlights the key trends within the industry such as the emergence of fintech companies, merger and acquisition activities, increased focus on SME lending, restructure of debt and regulatory developments.

Source: [BC](#)

UAE Central Bank cuts interest rates to stem coronavirus impact

The UAE Central Bank cut its interest rates on Monday as part of an emergency response to cushion the economic impact of coronavirus. The country's regulator said it has reduced the interest rate applicable to the one-week certificates of deposit (CD) by 75 basis points. It said it will also maintain the repo rate, applicable to borrowing short-term liquidity from the central bank against CDs, at 50 basis points above the one-week CD rate.

Source: [Zawya](#)

Saudi Ground Services expects negative financial impact of coronavirus in 2020

Saudi Ground Services Co. (SGS) announced that it expects its revenues as well as profits for the year 2020 to be negatively impacted after Saudi Arabia temporarily suspended all international flights for two weeks starting from March 15, 2020 in an effort to prevent the coronavirus outbreak. The company said in a bourse statement on Monday that it is difficult to assess the full financial impact, adding that any further developments will be announced in due course.

Source: [Argaam](#)

Investcorp buys Coca-Cola's Belgian headquarters for €88m

Bahrain's alternative asset manager Investcorp acquired the Coca-Cola Company's Belgian headquarters for €88 million (Dh362m), marking its foray into the European country and its first sale and leaseback deal on the continent. Investcorp's European real estate business bought The Bridge – a single-let office building in Brussels from a wholly-owned subsidiary of Coca-Cola through a sale and 10-year leaseback transaction.

Source: [The National](#)

Value of tax returns in UAE up 21%

Tax compliance rates in the UAE have shown a remarkable increase with the total value of tax returns submitted to the Federal Tax Authority (FTA) growing by 21 per cent over the past year, compared with 2018. The number of businesses registered with the FTA increased by seven per cent, with the number of businesses registered for VAT - as individuals or tax groups - reaching 320,440, while the number of registrants for excise tax totalled 1,100, and the number of tax agents growing to 355, the FTA said on Monday.

Source: [Zawya](#)

Bahrain authorises finance minister to withdraw funds to deal with coronavirus: state TV

Bahrain's cabinet authorised the finance minister on Monday to directly withdraw funds with a 5% ceiling from the public account to deal with emergency measures related to the coronavirus outbreak, state television reported.

Source: [Reuters](#)

Saudi Aramco likely to sustain higher April oil output through May – CEO

Saudi Aramco said on Monday it was likely to sustain higher oil output planned for April through into May, and that it was "very comfortable" with a price of \$30 a barrel. Aramco <2222.SE> said last week it would be raising its output in April to a record 12.3 million barrels per day in a fight for market share with Russia that has helped to hammer global oil prices. "In a nutshell, Saudi Aramco can sustain the very low price and can sustain it for a long time," Chief Executive Amin Nasser said on Monday during a full-year earnings call with investors and analysts. "For the production in May ... I doubt it would be any different from next month."

Source: [Yahoo Finance](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

'Single biggest shock': Airlines, airports battle coronavirus cash crunch

As Boeing and other U.S. aviation companies angle for billions in assistance, airlines and airport operators globally are suspending dividends, selling airplanes and flying cargo on passenger jets amid plunging demand caused by the pandemic. Boeing Co (BA.N) confirmed it is in talks with senior White House officials and congressional leaders about short-term assistance for the entire U.S. aviation sector, including suppliers, airlines and airports.

Source: [Reuters](#)

Asian stocks fall in volatile session after historic Wall St plunge

Asian shares fell on Tuesday in a topsy-turvy session following one of Wall Street's biggest one-day routs in history as headlines about the coronavirus outbreak and its global economic impact whiplashed investor sentiment. Financial markets cratered on Monday with the S&P 500 tumbling 12%, its biggest drop since "Black Monday" three decades ago, as a series of emergency central bank rate cuts globally only added to the recent sense of investor panic.

Source: [Financial Post](#)

U.S. Futures Gain After Worst Stock Rout Since '87: Markets Wrap

U.S. futures advanced and the yen slid in volatile trading after the biggest plunge in Wall Street stocks since 1987. Asia-Pacific shares ranged from a further drop in South Korea to gains in Australia. Japan's share benchmark swung from a loss of 3% to a gain of more than 3%. Australia jumped. Hong Kong and China fluctuated. S&P 500 and Nasdaq futures reached their limit-up. The S&P 500 Index sank 12% Monday, erasing its gain for 2019, after President Donald Trump warned of a possible recession, with economic disruption from the coronavirus potentially extending into summer. Treasury yields rose after plummeting Monday.

Source: [Bloomberg](#)

COMMODITIES NEWS

Gold extends losses from Monday's meltdown on flight for cash

Gold prices inched lower on Tuesday, following a meltdown in precious metals last session, as investors continued to sell assets across markets to keep their money in cash amid heightened panic over the coronavirus pandemic. FUNDAMENTALS * Spot gold slipped 0.2% to \$1,511.30 per ounce by 0039 GMT, having slumped as much as 5.1% on Monday to its lowest since November.

Source: [Money Control](#)

Oil prices jumped \$1 as recent sharp falls draw investors

Oil prices rose more than \$1 on Tuesday as the recent sharp falls due to the coronavirus pandemic encouraged bargain hunters to come forward, although the market remains volatile as the spread of the infection disrupts economies and hurts demand.

Source: [Reuters](#)