











# U Capital Morning Brief

1 April 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	732.05	-0.63	-0.09%	-13.22%	6.60	0.67	8.9%
U Capital GCC 50 Index	1,053.82	22.40	2.17%	-23.97%	17.54	1.75	5.2%
MSCI GCC Countries Index	429.76	3.91	0.92%	-24.56%	12.89	1.38	5.0%
Muscat Securities Market	 3,448.29	-19.11	-0.55%	-13.39%	6.97	0.64	8.1%
Saudi Stock Exchange	 6,505.35	132.06	2.07%	-22.46%	18.05	1.49	4.2%
Kuwait Stock Exchange	 5,656.48	74.05	1.33%	-22.03%	12.12	1.11	4.5%
Qatar Exchange	 8,207.24	-75.42	-0.91%	-21.28%	11.82	1.13	5.1%
Bahrain Stock Exchange	 1,350.62	-4.83	-0.36%	-16.12%	9.67	0.81	5.8%
Dubai Financial Market	 1,771.31	-18.29	-1.02%	-35.93%	6.49	0.62	7.0%
Abu Dhabi Exchange	 3,734.69	-9.44	-0.25%	-26.42%	10.90	1.02	6.6%
Beirut Stock Exchange	 597.44	4.27	0.72%	-23.95%	3.15	0.36	15.4%
Tunis Se Index	 6,483.38	49.73	0.77%	-8.97%	18.25	2.31	2.3%
EGX 30 Index	 9,593.94	72.51	0.76%	-31.28%	7.60	1.17	3.2%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	5,672.0	1.95%	-24.80%
DAX	Germany	9,935.8	1.22%	-25.01%
CAC 40	France	4,396.1	0.40%	-26.46%
<b>United States</b>				
DJIA	USA	21,917.2	-1.84%	-23.20%
S&P 500	USA	2,584.6	-1.60%	-20.00%
NASDAQ	USA	7,700.1	-0.95%	-14.18%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	18,551.8	-1.91%	-21.58%
HANG SENG	Hongkong	23,385.4	-0.92%	-17.04%
KSE 100 Index	Pakistan	29,231.6	0.00%	-28.24%
NSE Nifty 50	India	8,388.6	-2.43%	-31.06%
SHANGHAI COMPOSITE	China	2,758.7	0.30%	-9.56%
SHANGHAI SHENZHEN CSI 300	China	3,711.5	0.69%	-9.40%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.613	1.632
British Pound (GBP)	1.238	0.808
Canadian Dollar (CAD)	0.709	1.410
Chinese Renminbi (CNH)	0.141	7.096
Egyptian Pound (EGP)	0.064	15.742
Euro (EUR)	1.102	0.907
Indian Rupee (INR)	0.013	75.543
Japanese Yen (JPY)	0.009	107.730
New Zealand Dollar (NZD)	0.596	1.679
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.602	166.250
Russian Ruble (RUB)	0.013	78.421
Singapore Dollar (SGD)	0.702	1.425
Turkish Lira (TRY)	0.151	6.618

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	25.8	-2.01%	-59.71%
WTI Crude (per bbl)	20.5	0.10%	-66.43%
Oman Crude Oil (Last Closing)	27.1	3.63%	-59.80%
OPEC (per bbl)	21.7	-10.72%	-68.13%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,588.1	0.66%	4.67%
Silver (per oz)	14.1	0.82%	-21.09%
Platinum (per oz)	727.3	0.58%	-24.76%
<b>Other Metals</b>			
Copper, MT	4,951	3.81%	-19.81%
Aluminium, MT	1,526	-0.29%	-15.69%
Lead, MT	1,742	2.20%	-9.63%
Zinc, MT	1,906	1.79%	-16.13%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.73	-21.8%
Saudi Arabia	1.19	-46.9%
Kuwait	2.00	-27.3%
Oman	2.63	-6.5%
Qatar	1.24	-44.8%
Bahrain	1.93	-27.5%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.9
Abu Dhabi	11/10/2027	2.9
Qatar	02/06/2026	3.0
Saudi Arabia	04/03/2028	3.4
Oman	17/01/2028	11.1
Bahrain	12/10/2028	8.3

Midswaps	Price	YTM %
3 year	100.66	0.3
5 year	100.74	0.4
10 year	108.36	0.6
30 year	117.34	1.3

USD Libor	Rate (%)	YTD
1m	0.98	-44.1%
3m	1.43	-24.9%
6m	1.09	-42.9%
1 year	1.01	-49.2%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### ODB to reschedule loans, secure SMEs

Oman Development Bank (ODB) announced that it started receiving applications for the rescheduling of loans sanctioned to projects via ODB's branches in the Sultanate's governorates. The ODB reaffirmed that it would positively consider all the applications, including ones for loans re-paid through monthly transfers. The ODB also stressed it would offer operational loans to all categories of projects, particularly small and medium enterprises (SMEs) and micro-projects whose operations are hit by the current coronavirus pandemic, to enable the small businesses to survive and realise their objectives.

Source: [Times of Oman](#)

### Five national transformation programmes of Oman 2040

Our vision is for Oman to be one of the world's developed countries. However, Oman cannot be a developed country by universal standards without a society of creative individuals proud of both their identity and culture, a leading healthcare system by international standards, a decent and sustainable quality of life for all, and last but not least, inclusive education and lifelong learning.

Source: [Oman Observer](#)

### Oman projects account for 25pc of Petrofac's global revenues

The Sultanate of Oman has emerged as the biggest revenue earner for international oilfield services giant Petrofac, accounting for around a quarter of the UK-headquartered global firm's total revenue of US\$5.5 billion in 2019. The contractor is currently undertaking a sizable portfolio of prestigious upstream, midstream, refining and petrochemical projects totaling several billions of dollars in government and public sector investments in the Sultanate.

Source: [Oman Observer](#)

### Oman bonds weaken on Moody's review as other Gulf debt gains

Oman's debt weakened on Tuesday after Moody's placed its rating under review for a downgrade, while other Gulf bonds gained. The sultanate's 30-year dollar bonds due in 2048 lost 1 cent to trade at around 65.3 cents on the dollar, Refinitiv data showed. Oman's 10-year bonds maturing in 2028 lost 0.3 cents to trade at 71.7 cents on the dollar. Oman's bonds suffered sharper losses than other Gulf states on Monday after it was downgraded deeper into junk status by S&P.

Source: [Zawya](#)

### Oman to establish new tax system - state media

Oman's ruler HM Sultan Haitham bin Tariq al-Said has issued a decree to set up a new tax administration system, state media reported on Tuesday. Oman has piled up debt in recent years, raising concerns over its sustainability, especially with the slow pace of fiscal and economic reform.

Source: [Zawya](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi CMA extends deadline for disclosing board reports, financial statements

Saudi Arabia's Capital Market Authority (CMA) extended deadline for the Tadawul-listed companies which have not disclosed their board reports and financial statements. The decision came in line with the Kingdom's precautionary measures to combat the COVID-19 outbreak. Tadawul-listed companies and REITs, which did not comply with the deadline ending on March 31, 2020, will have until Wednesday, April 29, 2020 to disclose their financial statements, or a trading halt will be placed on their shares pending disclosure.

Source: [Argaam](#)

### Saudi Arabia approves IPO stock listings of government assets planned for privatisation

Saudi Arabia's government approved on Tuesday listing government assets planned for privatisation in stock market TADAWUL after an initial public offering (IPO). "Assets, sectors and services planned for privatization ... shall be listed in Saudi stock market through direct or indirect initial public offering," said a statement on state news agency SPA. "The indirect IPO for such assets will be done through setting up companies that own the government stakes in these projects," the statement added.

Source: [Arab News](#)

### Tasnee turns to net loss of SAR 1.579 bln in FY2019

National Industrialization Co. (Tasnee) reported a net loss after Zakat and tax of SAR 1.579 billion for fiscal year 2019, compared to a net profit of SAR 1.202 billion a year earlier. The company attributed the performance to a remeasurement

loss of SAR 1.45 billion incurred on Cristal assets sold to Tronox; impairment of certain non-current assets amounting to SAR 411 million; and provision for financial support related to Acrylics Complex worth SR 219 million.

Source: [Argaam](#)

#### **Saudi POS transactions rise 35% in February 2020**

Point-of-sale (POS) transactions in Saudi Arabia saw a 35% year-on-year (YoY) increase to SAR 25.9 billion in February 2020, figures from the Saudi Arabian Monetary Authority (SAMA) showed. Data showed that 183.3 million transactions were processed through nearly 462,900 points-of-sales in shopping malls, retail stores, and pharmacies.

Source: [Argaam](#)

#### **Saudi Arabia forms new supreme committee for electricity, renewable energy**

Saudi Council of Ministers approved today the formation of a Supreme Committee for Energy which will be concerned with producing electricity and empowering the renewable energy sector. The new committee will be headed by Crown Prince Mohammed bin Salman, SPA has reported. This committee will address decisions related to the optimum energy mix for producing electricity and will monitor production as well as manufacturing related to the renewable energy sector.

Source: [Argaam](#)

#### **Saudi Arabia asks Muslims to put haj plans on hold**

Saudi Arabia wants Muslims to wait until there is more clarity about the coronavirus pandemic before planning to attend the annual haj pilgrimage, the minister for haj and umrah said on state TV on Tuesday. Some 2.5 million pilgrims from around the world usually flock to the holiest sites of Islam in Mecca and Medina for the week-long ritual, which is a once-in-a-lifetime duty for every able-bodied Muslim and a major source of income for the kingdom. The largest annual gathering of Muslims is scheduled to begin in late July, but the coronavirus outbreak has raised questions about whether it can or should go ahead given the risk of spreading the disease further in large gatherings.

Source: [Zawya](#)

#### **Kuwait props up coronavirus-hit economy amid low oil prices**

Kuwait will announce measures later on Tuesday to shore up the economy against the coronavirus pandemic, a government source told Reuters, while the central bank separately asked banks to ease loan repayments for companies affected. Kuwait, which as of March 31 had registered 289 coronavirus cases, was the first Gulf state to halt passenger flights and impose a partial curfew to stem the spread of the highly infectious respiratory illness.

Source: [NASDAQ](#)

#### **Saudi Aramco tells service firms to support its oil output hike to 12mln bpd from April- source**

Saudi Arabian equity investors reviewing outperformers in the market's worst quarter since 2008 are left with a mixed bag of star stocks -- and the national oil champion isn't even close to cracking the list. The top five gainers in Riyadh this year include a small insurer, a supermarkets owner, a plastic producer, an education company and a hospital operator. They don't exactly boast a track record of consistent success between them: the first four haven't broken into the top five in any quarter since 2016, while the last has just made its market debut.

Source: [Bloomberg](#)

#### **Dubai's Emaar Properties pauses construction of downtown Dubai tower – spokesman**

Dubai's largest listed developer Emaar Properties has suspended construction of a 77-storey residential tower in the Downtown Dubai area near the world's tallest tower, the Burj Khalifa, a spokesman said on Tuesday. "In light of the current situation, delays in operations outside of our control have impacted construction on the project," the spokesman said in response to a Reuters query.

Source: [Reuters](#)

#### **Mideast Stocks: Most Gulf stocks extend losses; Saudi bucks the trend**

Most Gulf stock markets declined on Tuesday, as investors remained worried by the chronic weakness of oil prices and lockdowns across much of the world, while Saudi Arabia bucked the trend. Brent crude was up 3.1% at \$23.46 a barrel by 1206 GMT after closing on Monday at \$22.76, its lowest finish since November 2002. Global oil refiners, meanwhile, have cut their throughput because of the slump in demand for transportation fuel, with European refineries slashing output by at least 1.3 million barrels per day, sources told Reuters.

Source: [Zawya](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### **U.S. pension funds may pour \$400 billion into stocks, lifting virus-hit markets: JP Morgan**

U.S. pension funds that delayed rebalancing their portfolios are likely to pump about \$400 billion into stocks over the next two quarters, analysts at JP Morgan said, providing a potential boost to equity markets battered by the coronavirus pandemic.

Source: [Reuters](#)

### **Dollar firms as investors brace for global downturn**

The dollar was a touch firmer on Wednesday, buoyed by its safe-haven status with the world staring at what is likely to be one of the worst economic contractions for decades as it locks down to fight the coronavirus pandemic. It advanced against the Australian and New Zealand dollars, the euro, yen, Swiss franc and pound in Asian trade - but not much - as appetite for the safety of cash dollars was offset by aggressive liquidity measures from the U.S. Federal Reserve.

Source: [Reuters](#)

### **U.S. Futures Drop, Asian Stocks Mixed, Yen Slips: Markets Wrap**

U.S. stock futures declined as investors assessed worsening American coronavirus figures as a new quarter begins. Asian shares traded mixed. Futures on the S&P 500 Index slid more than 1.5% after President Donald Trump warned of a "painful" two weeks ahead, with the country grappling to get the outbreak under control. Cases in New York state surged by 9,000. Stocks in Japan pared losses, while Australia's outperformed.

Source: [Bloomberg](#)

### **Dollar up, but yuan sluggish as traders skeptical of China PMI bounce**

The dollar rose against the yen on Tuesday as Japanese investors and companies rushed to cover a shortage of the U.S. currency before their fiscal year end, but sentiment remained fragile as the global coronavirus crisis showed no signs of abating.

Source: [Reuters](#)

### **Fed broadens access to dollars with repo agreement for foreign central banks**

The U.S. Federal Reserve on Tuesday broadened the ability of dozens of foreign central banks to access U.S. dollars during the coronavirus crisis by allowing them to exchange their holdings of U.S. Treasury securities for overnight dollar loans. The new program "should help support the smooth functioning of the U.S. Treasury market by providing an alternative temporary source of U.S. dollars other than sales of securities in the open market," the U.S. central bank said, in effect giving central banks with less widely traded currencies or more volatile exchange rates a way to access cash from the Fed.

Source: [Money](#)

### **Stocks fall, close out biggest quarterly drop since 2008**

Global stock markets fell in volatile trading on Tuesday, and the economic damage from the coronavirus pandemic left the MSCI benchmark of world equities with its biggest quarterly decline since the financial crisis of 2008. Oil prices remained near their lowest levels since 2002 as a worldwide economic slowdown and travel restrictions sapped demand. Crude futures ended the quarter down nearly 70% after record losses in March. Government bond yields held steady as investors remained cautious about buying riskier assets.

Source: [Gulf News](#)

### **IMF extends bilateral borrowing arrangements through 2023**

The International Monetary Fund said on Tuesday its board approved a new three-year framework for bilateral borrowing agreements, ensuring that its full \$1 trillion lending capacity will be maintained as member countries battle the coronavirus pandemic. The new framework is broadly the same as that enacted in 2016 for agreements that allow wealthier IMF countries to lend directly to member countries in need, the IMF said. The move extends such bilateral lending from December 2020 through the end of 2023, with a one-year extension possible through the end of 2024.

Source: [Zawya](#)

## COMMODITIES NEWS

### **Oil prices fall as U.S. inventory build-up heightens oversupply concerns**

Global crude oil prices slid further on Wednesday, following their biggest-ever quarterly and monthly losses, as a bigger-than-expected rise in U.S. inventories and a widening rift within OPEC heightened oversupply fears. Oil prices are near their lowest since 2002 amid the global coronavirus crisis that has brought a worldwide economic slowdown and slashed oil demand. Crude futures ended the quarter down nearly 70% after record losses in March.

Source: [Reuters](#)

### Oil's Apocalyptic April Could Reverberate for Years to Come

Oil is entering a period of unparalleled demand destruction this month that promises to transform the industry for years to come. Daily consumption will plummet by 15 million to 22 million barrels in April from a year earlier, according to estimates from some of the world's most influential energy analysts. The crash has already led to refiners slashing processing, drillers halting output and storage tanks swelling across the world.

Source: **Bloomberg**

### Ubhar Capital SAOC (U Capital)

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: [research@u-capital.net](mailto:research@u-capital.net)

Website: [www.u-capital.net](http://www.u-capital.net)



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