

# U Capital Morning Brief

6 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	725.76	3.66	0.51%	-13.97%	6.47	0.66	8.9%
U Capital GCC 50 Index	1,088.86	2.17	0.20%	-21.44%	18.35	1.84	4.9%
MSCI GCC Countries Index	441.86	-0.62	-0.14%	-22.44%	13.26	1.42	4.9%
Muscat Securities Market	3,385.84	2.30	0.07%	-14.95%	6.84	0.63	8.2%
Saudi Stock Exchange	6,752.19	2.50	0.04%	-19.51%	19.23	1.58	3.9%
Kuwait Stock Exchange	5,556.80	12.66	0.23%	-23.40%	11.66	1.08	4.7%
Qatar Exchange	8,485.26	26.94	0.32%	-18.61%	12.56	1.22	4.8%
Bahrain Stock Exchange	1,322.38	-7.40	-0.56%	-17.87%	9.47	0.80	6.0%
Dubai Financial Market	1,682.08	-40.79	-2.37%	-39.16%	6.18	0.59	7.4%
Abu Dhabi Exchange	3,676.46	-81.89	-2.18%	-27.57%	10.73	1.00	6.7%
Beirut Stock Exchange	591.11	-12.98	-2.15%	-24.75%	3.11	0.35	15.6%
Tunis Se Index	6,253.63	-84.30	-1.33%	-12.19%	17.38	2.22	2.4%
EGX 30 Index	9,272.88	-182.50	-1.93%	-33.58%	7.42	1.12	3.3%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	5,415.5	-1.18%	-28.20%
DAX	Germany	9,525.8	-0.47%	-28.10%
CAC 40	France	4,154.6	-1.57%	-30.50%
<b>United States</b>				
DJIA	USA	21,052.5	-1.69%	-26.23%
S&P 500	USA	2,488.7	-1.51%	-22.97%
NASDAQ	USA	7,373.1	-1.53%	-17.83%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	18,249.6	2.41%	-22.86%
HANG SENG	Hongkong	23,456.7	0.94%	-16.79%
KSE 100 Index	Pakistan	31,621.8	2.73%	-22.37%
NSE Nifty 50	India	8,083.8	-2.06%	-33.57%
SHANGHAI COMPOSITE	China	2,764.0	-0.60%	-9.38%
SHANGHAI SHENZHEN CSI 300	China	3,713.2	-0.57%	-9.36%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.602	1.661
British Pound (GBP)	1.224	0.817
Canadian Dollar (CAD)	0.705	1.418
Chinese Renminbi (CNH)	0.141	7.115
Egyptian Pound (EGP)	0.064	15.742
Euro (EUR)	1.082	0.925
Indian Rupee (INR)	0.013	76.173
Japanese Yen (JPY)	0.009	108.840
New Zealand Dollar (NZD)	0.588	1.702
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.601	170.625
Russian Ruble (RUB)	0.013	76.494
Singapore Dollar (SGD)	0.694	1.440
Turkish Lira (TRY)	0.148	6.746

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	33.2	-2.55%	-48.13%
WTI Crude (per bbl)	27.2	-3.99%	-55.44%
Oman Crude Oil (Last Closing)	32.0	20.79%	-52.61%
OPEC (per bbl)	18.9	12.21%	-72.15%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,619.9	-0.06%	6.76%
Silver (per oz)	14.4	0.14%	-19.29%
Platinum (per oz)	728.5	0.47%	-24.63%
<b>Other Metals</b>			
Copper, MT	4,840	-1.17%	-21.61%
Aluminium, MT	1,482	-0.64%	-18.15%
Lead, MT	1,657	-2.47%	-14.04%
Zinc, MT	1,882	-0.29%	-17.17%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.68	-24.0%
Saudi Arabia	1.22	-45.4%
Kuwait	1.94	-29.5%
Oman	2.66	-5.4%
Qatar	1.28	-43.0%
Bahrain	1.93	-27.5%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.5
Abu Dhabi	11/10/2027	2.6
Qatar	02/06/2026	3.0
Saudi Arabia	04/03/2028	3.2
Oman	17/01/2028	11.5
Bahrain	12/10/2028	8.3

Midswaps	Price	YTM %
3 year	100.55	0.3
5 year	100.48	0.4
10 year	108.34	0.6
30 year	118.88	1.2

USD Libor	Rate (%)	YTD
1m	0.99	-44.1%
3m	1.39	-27.3%
6m	1.21	-36.8%
1 year	1.05	-47.4%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **Omani economy to remain subdued in 2020: CBO**

A rebound in the Omani economy is anticipated in 2021 while the remaining part of 2020 is expected to remain subdued, weighed down by the effects of the coronavirus (COVID-19) pandemic and the slump in global crude prices, according to the Central Bank of Oman (CBO). The apex bank made the observation in its newly published 'Review of the Omani Economy: Jan – Sept 2019', issued here this week.

Source: [Oman Observer](#)

### **Oman's inflation falls 0.29% in March**

The inflation rate in the Sultanate, measured by movement in the average Consumer Price Index (CPI), dropped by 0.29 per cent in March 2020 compared to the same month of 2019, according to the latest data released by the National Centre for Statistics and Information (NCSI) on consumer prices' index. According to the report, the inflation rate in the month of March fell by 0.51 per cent compared to February 2020. The food and non-alcoholic beverages group witnessed a price rise by 1.29 per cent; health by 1 per cent; education by 2.18 per cent, recreation and culture by 0.01 per cent, and restaurants and hotels by 1.01 per cent.

Source: [Times of Oman](#)

### **TENDER FLOATED FOR DEVELOPMENT OF MWASALAT'S AZAIBA PROJECT**

Oman Global Logistics Group, also known as Asyad Group, has invited bids for investments from interested parties for developing a prime land owned by Mwasalat in Azaiba in Muscat. Mwasalat, which provides public transport services throughout the sultanate, is a subsidiary company of Asyad Group. 'Asyad (as project promoter) on behalf of Mwasalat (project employer) seeks proposals to select a developer to invest and develop Mwasalat's Project Site A-1 which is 54,104 sq m prime land in Azaiba,' Asyad said in a tender notification posted on its website.

Source: [Muscat Daily](#)

### **MOODY'S PLACES 7 OMANI BANKS ON REVIEW**

Moody's Investors Service has placed on review for downgrade the long-term local and foreign currency deposit ratings of seven Omani banks: Bank Muscat, HSBC Bank Oman, BankDhofar, National Bank of Oman (NBO), Sohar International, Oman Arab Bank (OAB) and Bank Nizwa. At the same time, Moody's has placed on review for downgrade of the Baseline Credit Assessment (BCA) and Adjusted BCA of these seven Omani banks.

Source: [Muscat Daily](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **SACO's operations running smoothly thanks to abundant inventory, says CEO**

Saudi Company For Hardware's (SACO) operations are running smoothly thanks to an abundant inventory, Sameer Alhamidi, Chief Executive Officer (CEO) told Argaam. "SACO will proceed with its expansion plan for 2020, however, it may be amended in line with potential circumstances," said Alhamidi, adding that SACO is having a daily evaluation of the COVID-19 impact on its operations, while prioritizing the safety of its staff.

Source: [Argaam](#)

### **Kuwait backs Saudi Arabia's call for talks on cutting oil output: report**

Kuwait supports Saudi Arabia's call to renew talks on cutting oil supply due later this week and hopes for a successful outcome to stabilize the oil market, Reuters reported, citing oil minister Khaled Al-Fadhel. Last week, Saudi Arabia called for an emergency meeting between OPEC and its allies as well as other oil producers. The OPEC+ is slated to hold a meeting on Thursday, April 9, to discuss a new pact on curbing output. "We totally support Saudi Arabia and its current efforts in bringing back OPEC and non-OPEC countries to the table," Al-Fadhel said

Source: [Argaam](#)

### **Emaar Sells District Cooling Unit Stake to Tabreed for \$675m**

Tabreed buys 80% of Downtown District Cooling business for 2.48 billion dirhams, according to a statement. Assets in the unit consists of district cooling plants and associated network. Emaar says assets are "not related to core operations" Sees transaction closing April 6. Sees rise in net assets of about 2.3b dirhams in 1Q or 2Q.

Source: [DFM](#)

### **Kuwaiti parliament unlikely to approve current version of debt law – speaker**

Kuwait's parliament is unlikely to approve the current version of a debt law proposed by the government, the speaker of the Kuwaiti National Assembly said on Sunday. Kuwait needs to pass the law to be able to borrow more and have additional tools

at its disposal to avoid depleting one of its state funds to finance the government deficit. Speaker Marzouq Al-Ghanim said the law had been on the legislature's agenda since 2018 and aimed to raise the maximum public debt to 25 billion dinars (\$81 billion).

Source: [Zawya](#)

#### **Saudi Aramco shares edge higher despite oil-price war**

Saudi Aramco shares have shaken off the ravages of an oil-price war to briefly regain the \$1.7-trillion valuation that the company achieved in its record-breaking initial public offering (IPO). The stock rose as much as 2.8% to 32.55 Saudi riyals on Sunday in Riyadh, trading above the 32-riyal IPO level it surrendered a month ago, only to turn negative in the last 10 minutes of the session and finish 0.5% lower.

Source: [Business Standard](#)

#### **Emirates Airline Seeks Billions in Loans After Virus Hit**

Emirates is seeking to raise billions of dollars from loans after the coronavirus forced the airline to ground its passenger fleet, according to people with knowledge of the matter. The carrier is reaching out to local and international banks, the people said, asking not to be identified because the information is private. A spokesperson for Dubai-owned Emirates declined to comment.

Source: [Bloomberg](#)

#### **Saudi CMA approves Dallah Healthcare's capital hike to SAR 900 mln through rights issue**

The Capital Market Authority (CMA) approved Dallah Healthcare Co.'s request to increase its capital from SAR 750 million to SAR 900 million, through issuance of 1 bonus share for every 5 outstanding shares, the market regulator said in a statement on Sunday. Shareholders of record at the Security Depository Center (Edaa) as of the closing of the second trading day after the due date, which will be determined later by the company's board, are eligible for this increase.

Source: [Argaam](#)

#### **Competition Authority issues non-objection on SABIC, SAFCO economic concentration**

The General Authority of Competition issued, on Sunday, a non-objection on the economic concentration of Saudi Arabian Fertilizer Co. (SAFCO) and Saudi Basic Industries Corporation (SABIC). In December 2019, the two companies signed a share purchase agreement, under which SAFCO will acquire 100% of SABIC Agri-Nutrients Investment Co. (SANIC), according to data compiled by Argaam.

Source: [Argaam](#)

#### **Mideast Stocks: Most Gulf markets retreat on economic toll from virus**

Most Middle Eastern stock markets ended lower on Sunday, with Dubai leading the losses, on mounting fears of a deep recession due to the coronavirus pandemic. The pandemic has brought the global economy to a standstill and plunged the world into a recession that will be "way worse" than the global financial crisis a decade ago, the head of the International Monetary Fund said on Friday. The index in Dubai, which has imposed a two-week lockdown, dropped 2.4%, weighed down by a 4.8% fall in Dubai Islamic Bank (DIN).

Source: [Zawya](#)

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

#### **Stocks Climb as Deaths Slow; Yen, Treasuries Fall: Markets Wrap**

Asian stocks advanced with U.S. and European equity futures after the daily reported death tolls in some of the world's coronavirus epicenters dropped on Sunday. Contracts on the S&P 500 Index and Euro Stoxx 50 climbed more than 3%, and Japan's benchmarks were up about 2%, snapping a five-day losing streak even as the country approaches a potential emergency declaration. Shares in Hong Kong were also higher, though to a lesser degree, and Australia outperformed. The yen dropped along with Treasuries as haven demand receded.

Source: [Bloomberg](#)

#### **Asian firms rush to meet \$69 billion in second-quarter debt refinancing**

Companies in the Asia Pacific need to raise a near record \$69.3 billion to refinance their existing borrowings in the second quarter, Refinitiv figures show, as the region's capital markets remain turbulent due to the coronavirus pandemic. The level of U.S. dollar corporate debt due to mature in the region, including Japan and China, is the second highest on record and only slightly behind the \$71.4 billion that was due during the same time last year.

Source: [Reuters](#)

### **Covid-19 is an existential threat to airport business: Report**

An economic analysis by Airports Council International (ACI) World has found that, at a global level, the Covid-19 pandemic is predicted to wipe out two-fifths of passenger traffic and almost half of revenues for airports in 2020. In an economic bulletin published today, ACI World predicts that global passenger traffic close to two-fifths (38.1 per cent) will be lost as compared to the forecasted pre-Covid-19 figure. This is equivalent to 3.6 billion passengers in absolute terms.

Source: [Oman Observer](#)

### **Fed's Bullard says another coronavirus economic relief bill may not be needed**

A top official at the U.S. Federal Reserve said on Sunday the \$2.3 trillion economic relief bill approved by Congress was appropriately sized and that a further relief effort may not be needed if support efforts are well executed. "I felt like this one was well-sized for the situation," St. Louis Federal Reserve Bank President James Bullard told CBS' "Face the Nation" when asked if further legislation would be needed.

Source: [Reuters](#)

## **COMMODITIES NEWS**

### **Oil drops over \$1 on oversupply after OPEC+ delays meeting**

Oil prices slipped more than \$1 a barrel on Monday, after the world's top producers delayed a meeting to discuss output cuts that could partly alleviate oversupply in global markets as the coronavirus pandemic pummels demand. Brent crude LCoc1 slipped close to \$30 a barrel in early trade and was at \$32.82 by 0203 GMT, down \$1.29, or 3.8%. West Texas Intermediate (WTI) crude CLc1 fell \$1.66, or 5.9%, to \$26.68 a barrel, after earlier touching a low of \$25.28.

Source: [Reuters](#)