

# U Capital Morning Brief

8 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	730.52	-7.24	-0.98%	-13.40%	6.50	0.67	8.8%
U Capital GCC 50 Index	1,097.31	0.07	0.01%	-20.83%	18.70	1.91	4.8%
MSCI GCC Countries Index	459.52	10.75	2.39%	-19.34%	13.79	1.48	4.7%
Muscat Securities Market	3,397.82	-3.12	-0.09%	-14.65%	6.87	0.64	8.2%
Saudi Stock Exchange	6,986.40	125.48	1.83%	-16.72%	19.90	1.64	3.8%
Kuwait Stock Exchange	5,580.96	13.68	0.25%	-23.07%	11.64	1.07	4.7%
Qatar Exchange	8,979.49	272.33	3.13%	-13.87%	13.29	1.29	4.5%
Bahrain Stock Exchange	1,313.33	3.18	0.24%	-18.44%	9.40	0.79	6.0%
Dubai Financial Market	1,785.45	93.79	5.54%	-35.42%	6.56	0.62	7.0%
Abu Dhabi Exchange	3,928.23	205.29	5.51%	-22.61%	10.98	1.07	6.2%
Beirut Stock Exchange	593.19	-4.73	-0.79%	-24.49%	3.12	0.35	15.6%
Tunis Se Index	6,262.81	34.90	0.56%	-12.06%	17.46	2.13	2.4%
EGX 30 Index	9,840.62	393.63	4.17%	-29.52%	7.87	1.19	3.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
<b>Europe</b>			%	%	<b>Currency</b>		
FTSE 100	UK	5,704.5	2.19%	-24.37%	Australian Dollar (AUD)	0.613	1.630
DAX	Germany	10,356.7	2.79%	-21.83%	British Pound (GBP)	1.232	0.812
CAC 40	France	4,438.3	2.12%	-25.76%	Canadian Dollar (CAD)	0.712	1.404
<b>United States</b>					Chinese Renminbi (CNH)	0.141	7.073
DJIA	USA	22,653.9	-0.12%	-20.62%	Egyptian Pound (EGP)	0.063	15.742
S&P 500	USA	2,659.4	-0.16%	-17.69%	Euro (EUR)	1.087	0.920
NASDAQ	USA	7,887.3	-0.33%	-12.10%	Indian Rupee (INR)	0.013	75.828
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	108.890
NIKKEI 225	Japan	19,173.4	1.22%	-18.95%	New Zealand Dollar (NZD)	0.596	1.678
HANG SENG	Hongkong	24,013.4	-0.99%	-14.82%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	31,231.6	0.00%	-23.33%	Pakistani Rupee (PKR)	0.597	170.625
NSE Nifty 50	India	8,960.4	1.91%	-26.36%	Russian Ruble (RUB)	0.013	75.528
SHANGHAI COMPOSITE	China	2,811.9	-0.32%	-7.81%	Singapore Dollar (SGD)	0.701	1.428
SHANGHAI SHENZHEN CSI 300	China	3,777.8	-0.53%	-7.78%	Turkish Lira (TRY)	0.148	6.776

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>				UAE	1.84	-16.8%
Brent Crude (per bbl)	32.6	2.45%	-49.08%	Saudi Arabia	1.23	-44.9%
WTI Crude (per bbl)	24.9	5.54%	-59.15%	Kuwait	1.94	-29.5%
Oman Crude Oil (Last Closing)	25.9	-12.16%	-61.63%	Oman	2.67	-5.1%
OPEC (per bbl)	23.5	2.04%	-65.45%	Qatar	1.27	-43.6%
				Bahrain	1.97	-26.2%

Precious Metals	Price	D/D	YTD	GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Gold100 OZ (per oz)	1,650.1	0.14%	8.75%			
Silver (per oz)	15.0	-0.02%	-15.87%	Kuwait	20/03/2027	2.5
Platinum (per oz)	740.3	0.17%	-23.41%	Abu Dhabi	11/10/2027	2.7
<b>Other Metals</b>				Qatar	02/06/2026	3.2
Copper, MT	5,040	3.19%	-18.37%	Saudi Arabia	04/03/2028	3.2
Aluminium, MT	1,478	0.37%	-18.37%	Oman	17/01/2028	10.8
Lead, MT	1,737	3.73%	-9.89%	Bahrain	12/10/2028	8.0
Zinc, MT	1,924	1.02%	-15.32%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.73	0.3	1m	0.92	-47.7%
5 year	100.20	0.5	3m	1.35	-29.1%
10 year	107.41	0.7	6m	1.24	-35.2%
30 year	117.03	1.3	1 year	1.04	-47.8%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Muscat Securities Market extends trading hours

Muscat Securities Market (MSM) has issued an Administrative Circular No. 60/2020 extending the trading hours at MSM to three hours from two hours, effective from next Sunday. The pre-trading session shall start at 9 am, the continued trading session shall be from 10 am (for three hours) and the closing session shall be at 1 pm.

Source: [Times of Oman](#)

### ONLINE INSURANCE PURCHASES JUMP 59% IN OMAN

Oman's insurance industry has witnessed a sharp rise in online purchase of insurance policies with more and more consumers using digital platforms for their insurance requirements. The number of insurance policies sold through electronic transactions jumped by 59 per cent in 2019, according to the Capital Market Authority (CMA). In a tweet posted through its official Twitter handle, the CMA said, 'The percentage of increase in the number of electronic insurance policies reached 59 per cent during the year 2019.'

Source: [Muscat Daily](#)

### 2.5pc growth in banking credit to private sector: CBO

The total outstanding credit extended by other depository corporations (ODCs) in the Sultanate – comprising conventional and Islamic banks — grew by 2.5 per cent RO 25.9 billion at the end of February 2020, the Central Bank of Oman (CBO) announced in its newly public review of banking and monetary developments for February 2020. Credit to the private sector rose by 2.5 per cent to RO 22.9 billion, it stated. Of the total credit to the private sector, the non-financial corporate sector and the household sector (mainly under personal loans) received shares of 45.5 per cent and 45.1 per cent, respectively, while the financial corporations received 5.4 per cent and other sectors the remaining 4.0 per cent.

Source: [Oman Observer](#)

### Tethys Oil revises 2020 capex citing Covid-19

Tethys Oil AB, through its wholly-owned subsidiary Tethys Oil Oman Onshore Limited, has put in place plans to enable reduced expenditure in 2020 in response to the sharp drop in oil prices and increased uncertainty resulting from the novel coronavirus (COVID-19) pandemic. While maintaining unchanged production guidance, the range for 2020 capital expenditure is expected to be lower and somewhat wider than previously communicated, the Swedish oil company said.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### GCC regulators discuss sustainability of equity markets

The Committee of Presidents of GCC Securities Commissions held an extraordinary meeting to discuss the efforts of the GCC stock market regulators to support the markets during the outbreak of the novel coronavirus (COVID-19). The meeting, which took place on April 5, reviewed developments in the GCC stock markets and the impact of the pandemic. Abdullah Salim al Salmi (pictured), Executive President of the Capital Market Authority (CMA), represented the Sultanate during the meeting.

Source: [Oman Observer](#)

### Saudi Arabia extends curfew hours in remaining cities to run from 3pm to 6am

Saudi Arabia's Ministry of Interior extended its coronavirus-imposed curfew hours into the remaining cities, not included by the 24-hours curfew, to run from 3pm to 6am, an official ministry's source said in a statement. The new curfew hours will become effective starting from Wednesday, April 8, 2020. The source added that curfew exemptions still apply to those working in vital public and private sectors.

Source: [Argaam](#)

### Saudi Cabinet exempts small enterprises from worker fees for three years

The Saudi Cabinet approved on Tuesday exempting small enterprises, which employ at least nine workers including the business owner from paying workers' fees under certain conditions, the Saudi Press Agency reported. The exemption will apply to two expats in the enterprise, if the business owner is registered in the General Organization for Social Insurance (GOSI). The exemption will also apply to four expats if one of the workers at the enterprise and its business owner are Saudi citizens and are registered in GOSI system.

Source: [Argaam](#)

### **Saudi Arabia to announce coronavirus-related economic decisions soon**

Saudi Arabia's Minister of Health, Tawfig AlRabiah, said today that a committee headed by Crown Prince, Mohammed bin Salman, studied the economic impact of the coronavirus pandemic and approved some related decisions. The Minister of Economy and Planning will announce these decisions later in detail. According to data compiled by Argaam, the Ministry of Health announced on Tuesday that the total number of COVID-19 cases in the Kingdom reached 2,795, an increase of 272 cases compared to the day before.

Source: [Argaam](#)

### **NMC Health, Finabl and UAE Exchange – who is owed what?**

Publicly listed companies were asked by UAE market regulators to outline their exposure to NMC Health – the country's biggest healthcare operator which is facing the looming threat of administration. Given the ties between the company, which was founded by BR Shetty in 1975, and Finabl – in which Mr Shetty retains a majority stake – companies were also asked to declare any exposure to that group, and to its largest local entity, UAE Exchange.

Source: [Khaleej Times](#)

### **Qatar Cites Covid-19 in Bid to Regain Access to Neighbors' Skies**

Qatar is renewing its push to regain access to the airspace of Gulf neighbors by invoking the coronavirus. Assistant Foreign Minister Lolwah Al Khater said the government refiled on March 29 a complaint with the United Nations civil aviation agency over a ban on Qatar-registered aircraft in airspace controlled by Bahrain, Saudi Arabia, the United Arab Emirates and Egypt.

Source: [Bloomberg](#)

### **Counting the Costs of the Coronavirus Contagion in the Middle East**

The number of coronavirus cases in the Middle East is rising and the curve is not flattening yet -- cases have doubled in the last week and nearly tripled in less than three weeks. The economic costs have started to show up in the data, according to Bloomberg Economics. The Purchasing Managers' Index, a gauge of business sentiment, fell sharply in March in the six countries that publish it, and in half of these, it hit a record low.

Source: [Bloomberg](#)

### **UAE remains biggest climber on Henley passport index as Covid-19 grounds global mobility**

With global travel almost at a standstill, the latest results of the Henley Passport Index — which is based on exclusive data from the International Air Transport Association (IATA) — offer disturbing insight into the indiscriminate havoc caused by the COVID-19 pandemic. Since its inception in 2006, the index has provided the authoritative annual ranking of global passport strength. Travel freedom has increased dramatically over the period ¼ in 2006, a citizen could travel to 58 destinations on average without a visa from the host nation; 14 years later, this number has almost doubled to 107. The United Arab Emirates passport has been the biggest climber on the index, soaring a remarkable 47 places over the past decade to sit in 18th position.

Source: [Zawya](#)

### **UAE's TAQA board okays sale, purchase deal of ADPower assets**

The board of the Abu Dhabi National Energy Company (TAQA) has approved the sale and purchase of an asset swap deal with the Abu Dhabi Power Corporation (ADPower). The proposed transaction would create a new regional utilities champion that will accelerate the transformation of the water and electricity industry in the UAE. The new entity would be one of the largest utility companies in the GCC and a top 10 integrated utilities player in the EMEA region by regulated assets, ADPower had said in a statement.

Source: [Zawya](#)

### **MIDEAST STOCKS-Mideast stocks extend gains as global equity markets rise**

Most Middle Eastern stock markets closed higher on Tuesday, boosted by gains in global equities on hopes for a slowdown in coronavirus-related deaths and reported new cases in some regions. There was an added boost from oil prices, which climbed on supply cut hopes. O/R Dubai's main share index .DFMGI leapt 5.5%, boosted by a 14.8% surge in major bank Emirates NBD ENBD.DU, trimming its year-to-date losses to 42%. Blue-chip developer Emaar Properties EMAR.DU climbed 4.4%, extending gains from the previous session.

Source: [NASDAQ](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Trump administration seeks \$250 billion more in aid for small U.S. businesses: Mnuchin**

The Trump administration on Tuesday asked Congress for an additional \$250 billion in emergency economic aid for small U.S. businesses reeling from the coronavirus pandemic, as Senate Majority Leader Mitch McConnell pushed for passage as soon

as Thursday. In a posting on Twitter, Treasury Secretary Steven Mnuchin said he had consulted with congressional leaders on the need for the second round of funding.

Source: [Reuters](#)

#### **The Money's Not Coming Home: \$690 Billion Remittance Risk**

The amount of money migrant workers send to their home countries usually holds up well in a crisis. Not this time. Waves of job losses among overseas workers and international border closures are sapping the \$690 billion annual flow of global remittances at a time when many emerging economies need hard currency more than ever. Lebanon, Ukraine and the Philippines will be among the hardest hit, while Latin America could see an 18% drop in money being sent home compared with last year.

Source: [Bloomberg](#)

#### **Asia Pacific markets mixed as countries regionally continue to battle pandemic**

Shares in Asia Pacific were mixed in afternoon trade on Wednesday. Japanese Prime Minister Shinzo Abe declared Tuesday a state of emergency to combat coronavirus infections in major population centers. Singapore also passed a set of laws that bans social gatherings of any size in both private and public areas. China lifted travel restrictions in Wuhan — the virus epicenter in mainland China — effective from Wednesday, marking the end of a lockdown that began on Jan. 23.

Source: [CNBC](#)

### **COMMODITIES NEWS**

#### **Oil prices jump on hopes for OPEC, Russia meeting on output cuts**

Oil bounced back on Wednesday, with U.S. crude jumping over \$1, lifted by hopes that a meeting between OPEC members and allied producers on Thursday will trigger output cuts to shore up prices that have crumbled amid the coronavirus pandemic.

Source: [Reuters](#)

#### **At 7-year high, gold eyes \$1900 on stimulus-driven liquidity**

Gold futures rallied for the fifth consecutive day, surging above \$1,700 an ounce to the highest since 2012, underpinned by ample liquidity in the wake of massive economic stimulus packages initiated worldwide to contain coronavirus epidemic as precious metals analysts forecast the yellow metal to hit \$1900 an ounce in weeks.

Source: [Khaleej Times](#)