

U Capital Morning Brief

25 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	757.84	0.00	0.00%	-10.16%	6.96	0.69	8.6%
U Capital GCC 50 Index	1,011.31	31.73	3.24%	-27.04%	17.21	1.69	5.4%
MSCI GCC Countries Index	420.79	11.85	2.90%	-26.14%	12.45	1.36	5.1%
Muscat Securities Market	3,553.91	-13.43	-0.38%	-10.73%	7.10	0.65	8.3%
Saudi Stock Exchange	6,193.66	203.43	3.40%	-26.17%	17.10	1.43	4.3%
Kuwait Stock Exchange	5,650.28	270.57	5.03%	-22.12%	12.49	1.11	4.5%
Qatar Exchange	8,276.36	17.79	0.22%	-20.61%	12.20	1.18	4.8%
Bahrain Stock Exchange	1,360.29	-29.03	-2.09%	-15.52%	9.74	0.82	5.5%
Dubai Financial Market	1,713.02	-1.41	-0.08%	-38.04%	6.20	0.60	7.2%
Abu Dhabi Exchange	3,651.40	209.31	6.08%	-28.06%	10.69	1.00	6.8%
Beirut Stock Exchange	596.91	0.07	0.01%	-24.01%	3.14	0.35	15.5%
Palestine Stock Exchange	498.90	0.37	0.07%	-5.14%	11.80	1.14	4.7%
Tunis Se Index	6,318.74	118.76	1.92%	-11.28%	17.85	2.16	2.3%
EGX 30 Index	9,770.48	-276.96	-2.76%	-30.02%	8.05	1.27	3.1%
Amman General Index	1,668.18	-7.29	-0.44%	-8.10%	10.54	0.79	8.1%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,446.0	9.05%	-27.80%
DAX	Germany	9,700.6	10.98%	-26.78%
CAC 40	France	4,242.7	8.39%	-29.03%
United States				
DJIA	USA	20,704.9	11.37%	-27.45%
S&P 500	USA	2,447.3	9.38%	-24.25%
NASDAQ	USA	7,417.9	8.12%	-17.33%
Asia Pacific				
NIKKEI 225	Japan	19,083.1	5.47%	-19.33%
HANG SENG	Hongkong	23,143.2	2.12%	-17.90%
KSE 100 Index	Pakistan	28,564.8	0.00%	-29.88%
NSE Nifty 50	India	7,792.2	-0.11%	-35.96%
SHANGHAI COMPOSITE	China	2,765.1	1.57%	-9.34%
SHANGHAI SHENZHEN CSI 300	China	3,698.1	2.01%	-9.73%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.598	1.673
British Pound (GBP)	1.181	0.847
Canadian Dollar (CAD)	0.695	1.439
Chinese Renminbi (CNH)	0.141	7.080
Egyptian Pound (EGP)	0.064	15.741
Euro (EUR)	1.081	0.925
Indian Rupee (INR)	0.013	76.076
Japanese Yen (JPY)	0.009	111.080
New Zealand Dollar (NZD)	0.584	1.714
Omani Rial (OMR)	2.596	0.385
Pakistani Rupee (PKR)	0.628	158.813
Russian Ruble (RUB)	0.013	78.295
Singapore Dollar (SGD)	0.691	1.447
Turkish Lira (TRY)	0.155	6.442

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	27.9	2.76%	-56.86%
WTI Crude (per bbl)	24.9	3.54%	-59.25%
Oman Crude Oil (Last Closing)	27.3	-1.37%	-59.51%
OPEC (per bbl)	24.7	-13.48%	-63.63%
Precious Metals			
Gold100 OZ (per oz)	1,617.0	-0.94%	6.57%
Silver (per oz)	14.4	0.76%	-19.40%
Platinum (per oz)	726.7	1.95%	-24.82%
Other Metals			
Copper, MT	4,814	3.97%	-22.03%
Aluminium, MT	1,548	-0.86%	-14.50%
Lead, MT	1,586	-1.74%	-17.72%
Zinc, MT	1,816	-0.16%	-20.09%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.37	-38.1%
Saudi Arabia	1.10	-50.6%
Kuwait	2.00	-27.3%
Oman	2.66	-5.4%
Qatar	1.32	-41.4%
Bahrain	1.87	-30.0%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	3.1
Abu Dhabi	11/10/2027	3.4
Qatar	02/06/2026	3.5
Saudi Arabia	04/03/2028	3.8
Oman	17/01/2028	11.3
Bahrain	12/10/2028	8.9

Midswaps	Price	YTM %
3 year	100.31	0.4
5 year	103.03	0.5
10 year	106.44	0.8
30 year	115.09	1.4

USD Libor	Rate (%)	YTD
1m	0.95	-46.3%
3m	1.22	-36.3%
6m	0.97	-49.1%
1 year	0.94	-53.0%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

UBHAR CAPITAL TO ACQUIRE GBCM

Ubhar Capital, one of the leading asset management and brokerage firm in Oman, is planning to acquire rival brokerage firm Gulf Baader Capital Markets (GBCM), according to a disclosure released by Gulf Investment Services Holding Co. GBCM is a subsidiary company of Gulf Investment Services Holding. We would like to disclose that Gulf Investment Services Holding and other two shareholders of GBCM have signed a sale and purchase agreement (SPA) with Ubhar Capital,' Gulf Investment Services Holding said in its disclosure filed to the Muscat Securities Market.

Source: [Muscat Daily](#)

OCCI donates RO 2 million for job fund, Covid-19

The board of directors of Oman Chamber of Commerce and Industry (OCCI) has contributed RO 1 million to support the recently-launched Job Security Fund. The move is part of OCCI's initiative aimed to enable JSF to achieve its objectives. In addition, the OCCI board of directors announced a contribution of RO 1 million to mitigate the impact of the novel coronavirus COVID-19 pandemic.

Source: [Oman Observer](#)

BANKS ENSURE BUSINESS CONTINUITY, URGE TO UTILISE ONLINE SERVICES

Following the directives issued by the Central Bank of Oman (CBO), the financial institutions in the sultanate have announced various measures to ensure business continuity management and smooth functioning of the banking system amid ongoing restrictions to control the spread of COVID-19. In a latest circular, the CBO has instructed the banks, and finance and leasing companies to be prepared for additional demand for banking and financial services from customers in the wake of a slew of measures announced by the Supreme Committee to fight the pandemic.

Source: [Muscat Daily](#)

Real estate deals in January fall by 30.6%

The total value of property transactions in the Sultanate till the end of January 2020 fell by 30.6 per cent to reach OMR167.3 million from OMR241 million for the same period of 2019, as indicated by the preliminary statistics issued by National Centre for Statistics and Information (NCSI). The number of plots issued until the end of January 2020 was 17,494, which is a decline of 14.7 per cent from the end of January 2019, when 20,511 plots were issued. Of the total traded value until the end of January 2020, OMR60.1 million worth transactions were sales contracts, while OMR103.8 million transactions were mortgage deals.

Source: [Times of Oman](#)

Oman sets up first Health Endowment Fund

A landmark endowment fund dedicated to the financing of healthcare services in the Sultanate has been formally established. Shaikh Abdullah bin Mohammed al Salmi, Minister of Awqaf and Religious Affairs, yesterday issued a Ministerial Decision 281/2020 for setting up the 'Health Endowment Fund' (HEF). The Endowment Fund for Enhancing Health Services, as it is called, will be based on Islamic sharia principles governing the regulation of endowment funds. Revenues from the HEF will be invested in healthcare programmes and services in the Sultanate.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC states to facilitate free movement of goods

An extraordinary video conferencing meeting of the Financial and Economic Cooperation Committee for the Gulf Cooperation Council (GCC) states on Tuesday discussed precautionary measures and efforts undertaken to confront the spread of Covid-19 and its financial implications. The decisions include: Facilitating the movement of goods between the GCC countries, especially shipments of basic materials related to the economic growth in general.

Source: [Oman Observer](#)

Saudi curfew does not impact operations of cement factories: official

Saudi Arabia's curfew is not imposed on cement factories, and will not impact their operations, Jihad Al Rasheed, chairman of the National Cement Committee of the Council of Saudi Chambers, told Argam in an exclusive. "All cement factories are operating at normal capacity and delivery is ongoing," Al Rasheed said. Meanwhile, Al Rasheed added that cement producers own huge stockpiles, but their operations are normal under the current conditions.

Source: [Argam](#)

The UAE's 2 biggest banks are seeking opportunities abroad — here is why

First Abu Dhabi Bank PJSC and Emirates NBD Bank PJSC, the two biggest banks in the United Arab Emirates, are pursuing opportunities in the wider region amid sluggish growth at home. The strategies were in place before the coronavirus pandemic hit the global economy and before the oil price dropped when Saudi Arabia slashed prices in early March.

Source: [S&P](#)

Jarir says difficult to ascertain financial impact of stores closure at present

Jarir Marketing Company said it is currently difficult to determine the costs associated with the closing of all its stores due to a large number of variables and the uncertainty over the closure period. The closure of stores is in line with the Kingdom's precautionary and preventive measures to control the spread of coronavirus (COVID-19), the company said in a bourse filing on Tuesday. The company noted that some showrooms were opened on Tuesday, March 24, 2020.

Source: [Argaam](#)

Saudi Arabia contracts reach SR197bn in 2019

The value of awarded contracts reached SR35.3 billion (\$9.4 Billion) during the fourth quarter in 2019 as the pace of construction activities continues unabated, according to a report by the US-Saudi Arabian Business Council (USSABC). Although the value of awarded contracts in Q4 2019 slumped by 26 percent compared to Q3 to reach \$3.3bn (SR12.5bn). However, 2019 ended as the highest grossing year in terms of value of contracts awarded since 2015.

Source: [SG](#)

Yanbu Cement says production, ex-factory selling prices remain unchanged

Yanbu Cement Co. announced that cement sales and deliveries are ongoing and that factories are running in line with the government's preventive measures to contain COVID-19 pandemic. The company said in a statement to Tadawul that production volumes and ex-factory selling prices remain unchanged. The statement noted that price increase at distribution points has nothing to do with the company, adding it will make further disclosure in due course.

Source: [Argaam](#)

Budget Saudi says car rental business hit by COVID-19 precautionary measures

United International Transportation Co. (Budget Saudi) said that short-term car rental business, which represents 30% of its fleet, was hit by the Kingdom's precautionary measures to curb COVID-19 outbreak. The remaining 70% of its fleet, comprising long-term leasing contracts, remained intact, the company said in a statement to Tadawul. The company said revenues have been directly impacted by the closure of airports in line with the government's preventive measures imposed to contain COVID-19 pandemic such as the temporary suspension of Umrah and imposing a 21-day curfew.

Source: [Argaam](#)

Abu Dhabi exchange ADX turned into a public joint shares company

The Abu Dhabi Securities Exchange (ADX) has been converted into a public joint shares company owned by the state holding company ADQ, according to an Abu Dhabi government tweet on Tuesday. The company will have 500 million dirhams (\$136.15 million) in capital funds divided into 500 million shares, as well as 100 million dirhams in export capital divided into 100 million shares. ADQ is the new brand of the Abu Dhabi Developmental Holding Company, one of the region's largest holding companies.

Source: [Gulf News](#)

MIDEAST STOCKS-Gulf markets mostly rebound, tracking oil, Asian shares

Stock markets in the Middle East rebounded on Tuesday, in line with oil prices and Asian shares as investors bet the U.S Federal Reserve's promise of unlimited dollar funding would ease intense strains in financial markets. In its latest mould-breaking step, the Fed offered to buy unlimited amounts of assets to steady markets and expanded its mandate to corporate and municipal bonds.

Source: [NASDAQ](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dollar steadies after slide as greenback funding stays tight

The dollar slowed its decline and gains in riskier currencies petered out on Wednesday, as rising coronavirus cases kept markets on edge and parts of the greenback funding market tight. Asian trade was bumpy, but currency moves were considerably more cautious than the big gains logged in stocks on hopes of a huge U.S. stimulus package.

Source: [Reuters](#)

Fed's stimulus eases global market fears, gets cash flowing

Investors across a broad range of asset markets breathed a sigh of relief Tuesday, a day after the Federal Reserve rolled out unprecedented measures aimed at boosting liquidity and bolstering investor confidence in the face of a spreading coronavirus pandemic.

Source: [Reuters](#)

'Not unreasonable' for China's economy to shrink 10% in the first quarter, independent survey shows

The China Beige Book conducts an independent survey of more than 3,300 Chinese businesses every quarter. The firm's primary indicators for the first quarter have fallen to their lowest level in the firm's nearly 10 years of tracking China's economy, according to an early look brief released Tuesday Beijing time. The China Beige Book said it's "not unreasonable" that gross domestic product will contract 10% to 11% in the first quarter, even with a slight upturn in the last few weeks of this month.

Source: [CNBC](#)

Risk premium on U.S. investment-grade credit triples on virus worries

Concerns about the impact of the coronavirus on corporate America's balance sheets has tripled the premium investors are demanding to hold even the highest-rated corporate bonds. The difference between the average yield of investment-grade U.S. bonds over virtually risk-free Treasuries widened to 303 basis points (bps) on Wednesday, according to the ICE/BofA investment grade index. That's up from 101 bps at the start of the year and the highest since July 2009.

Source: [Yahoo Finance](#)

GLOBAL MARKETS-Asia rides Wall St surge as investors place hopes on U.S. stimulus

Asian shares extended their rally on Wednesday in the wake of Wall Street's massive rebound as the U.S. Congress appeared closer to passing a \$2 trillion stimulus package to mitigate the economic blow from the coronavirus pandemic. MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS rose 1.7% with Australian shares jumping 3.4% and South Korean shares .KS11 gaining 3.5%. Japan's Nikkei .N225 surged 4.8%.

Source: [NASDAQ](#)

COMMODITIES NEWS

Oil ekes out gains as US stimulus hopes lift global markets

Oil prices extended gains for a third session on Wednesday, rising alongside broader financial markets on hopes Washington will soon approve a massive aid package to stem the economic impact of the coronavirus pandemic. U.S. crude touched a high of \$25.10 a barrel early in the session and was at \$24.61 a barrel, up 60 cents, or 2.5%, by 1243 GMT.

Source: [CNBC](#)