

U Capital Morning Brief

19 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	757.37	-25.72	-3.28%	-10.22%	6.82	0.69	8.5%	
U Capital GCC 50 Index	1,092.32	-34.63	-3.07%	-21.19%	17.57	1.82	5.1%	
U Capital MENA 200 Index	860.30	-20.11	-2.28%	-21.13%	12.06	1.41	6.4%	
MSCI GCC Countries Index	441.64	0.05	0.01%	-22.48%	13.16	1.43	4.8%	
Muscat Securities Market	3,539.54	-55.96	-1.56%	-11.09%	7.39	0.66	7.8%	
Saudi Stock Exchange	6,631.69	-181.98	-2.67%	-20.95%	18.41	1.59	4.0%	
Kuwait Stock Exchange	5,619.91	-24.34	-0.43%	-22.53%	12.99	1.08	4.6%	
Qatar Exchange	8,576.32	-275.46	-3.11%	-17.74%	12.67	1.25	4.7%	
Bahrain Stock Exchange	1,312.98	4.59	0.35%	-18.46%	9.40	0.79	6.0%	
Dubai Financial Market	1,859.79	-37.12	-1.96%	-32.73%	6.85	0.65	6.7%	
Abu Dhabi Exchange	3,969.51	-157.93	-3.83%	-21.79%	11.11	1.08	6.2%	
Beirut Stock Exchange	585.16	-6.13	-1.04%	-25.51%	3.08	0.35	15.8%	
Tunis Se Index	6,282.08	20.36	0.33%	-11.79%	17.01	2.09	2.3%	
EGX 30 Index	10,154.64	-187.49	-1.81%	-27.27%	8.09	1.23	3.5%	

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Currency	USD/1 Unit	Units/1 USD
Europe			%	%				
FTSE 100	UK	5,787.0	2.82%	-23.27%		Australian Dollar (AUD)	0.637	1.571
DAX	Germany	10,625.8	3.15%	-19.80%		British Pound (GBP)	1.250	0.800
CAC 40	France	4,499.0	3.42%	-24.74%		Canadian Dollar (CAD)	0.714	1.400
United States						Chinese Renminbi (CNH)	0.141	7.079
DJIA	USA	24,242.5	2.99%	-15.05%		Egyptian Pound (EGP)	0.064	15.742
S&P 500	USA	2,874.6	2.68%	-11.03%		Euro (EUR)	1.088	0.920
NASDAQ	USA	8,650.1	1.38%	-3.59%		Indian Rupee (INR)	0.013	76.383
Asia Pacific						Japanese Yen (JPY)	0.009	107.540
NIKKEI 225	Japan	19,897.3	3.15%	-15.89%		New Zealand Dollar (NZD)	0.604	1.658
HANG SENG	Hongkong	24,380.0	1.56%	-13.51%		Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	32,831.8	4.80%	-19.40%		Pakistani Rupee (PKR)	0.608	166.750
NSE Nifty 50	India	9,266.8	3.05%	-23.85%		Russian Ruble (RUB)	0.014	73.973
SHANGHAI COMPOSITE	China	2,838.5	0.66%	-6.94%		Singapore Dollar (SGD)	0.703	1.423
SHANGHAI SHENZHEN CSI 300	China	3,839.5	0.98%	-6.28%		Turkish Lira (TRY)	0.144	6.929

Commodity Prices	Price	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
		USD	%	%			
Oil							
Brent Crude (per bbl)	28.1	0.93%	-56.18%		UAE	1.58	-28.6%
WTI Crude (per bbl)	18.3	-8.05%	-70.08%		Saudi Arabia	1.23	-44.9%
Oman Crude Oil (Last Closing)	24.7	5.38%	-63.39%		Kuwait	1.94	-29.5%
OPEC (per bbl)	17.7	1.26%	-73.91%		Oman	2.62	-7.1%
Precious Metals					Qatar	1.28	-43.2%
Gold100 OZ (per oz)	1,682.8	-2.03%	10.91%		Bahrain	1.98	-25.6%
Silver (per oz)	15.2	-2.06%	-14.98%				
Platinum (per oz)	776.7	-1.67%	-19.65%				
Other Metals							
Copper, MT	5,211	1.38%	-15.60%				
Aluminium, MT	1,507	-0.36%	-16.74%				
Lead, MT	1,675	-1.15%	-13.10%				
Zinc, MT	1,958	1.03%	-13.82%				

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.2
Abu Dhabi	11/10/2027	2.5
Qatar	02/06/2026	2.6
Saudi Arabia	04/03/2028	3.2
Oman	17/01/2028	9.9
Bahrain	12/10/2028	7.3

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.00	0.3	1m	0.67	-61.8%
5 year	100.69	0.4	3m	1.11	-41.9%
10 year	108.16	0.6	6m	1.10	-42.3%
30 year	118.34	1.3	1 year	0.98	-50.8%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Opec+ deal, stimulus measures lift MSM Index

MSM30 closed the week up by 1.93 per cent. Government support measures for the private sector, the OPEC+ deal and low share prices were the major reasons behind the rise during the week. Also supporting the market activity were the result announcements this week as almost a third of the companies have published their initial results. All sub-indices closed up as well. Financial Index closed up by 1.19 per cent w-o-w, Services and Industrial index also closed up by 2.03 per cent and 1.02 per cent w-o-w, respectively.

Source: [Oman Observer](#)

CMA issues new guidelines for virtual general meetings

The Capital Market Authority (CMA) of the Sultanate of Oman has issued new rules vide CMA Decision E/25/2020 on convening general meetings of 'Public Joint Stock Companies and Investment Funds through Electronic Means'. The new rules set the stage for the launch of a new system to convene and hold virtual general meetings. The CMA has also issued a detailed Circular E/8/2020 explaining the procedures to be followed in organizing such online general meetings. The CMA decision and circular can be downloaded from the Authority's website. This is another 'first' in the region where the agenda of the General Meeting will be submitted to and approved by the CMA electronically.

Source: [Oman Observer](#)

Credit to private sector rises by 2.5%

The activities of other depository corporations (conventional and Islamic banks) provide a complete picture of the financial intermediation through the banking sector in Oman. The total outstanding credit extended by other depository corporations (ODCs) grew by 2.5 per cent OMR25.9 billion at the end of February 2020. Credit to the private sector rose by 2.5 per cent to OMR22.9 billion.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia faces coronavirus crisis from 'a position of strength': Al-Jadaan

Saudi Arabia is facing the current global crisis from "a position of strength", given its strong financial position and reserves, with relatively low government debt, SPA reported on Friday, citing Mohammed Al-Jadaan, Minister of Finance and Acting Minister of Economy and Planning. Saudi Government priorities target to implement the precautionary measures and provide the necessary resources for the healthcare system, along with the financial and economic support required to those affected by coronavirus.

Source: [Argaam](#)

Land infilling begins for Red Sea project's coastal village

Red Sea Development Co., which is wholly- owned by the Public Investment Fund (PIF), said it started land infilling works in the coastal village area. As part of the Red Sea Project's masterplan, HUTA Hegerfield and Saudconsult have begun land infilling and ground improvement works for the 1.5 million square meter coastal village area. This new village will accommodate 14,000 workers and will also include corporate offices, housing and high-end facilities.

Source: [Argaam](#)

UAE, Saudi Arabia online sales of skincare, makeup soar by up to 700%

Consumers in the UAE and Saudi Arabia are increasingly ordering online amid the coronavirus pandemic with sales of non-essential items skyrocketing in recent weeks, a new report said. E-commerce technology and digital marketing company ITCAN reported on Thursday that online orders for skincare and makeup products in the UAE, as well as Saudi Arabia, soared by more than 200 percent and up to 700 percent as consumers sought to avoid public places. The company had examined site visits of retail customers between February 26 and March 26 in the two Gulf countries.

Source: [Zawya](#)

Saudis Set to Sell 600,000 Barrels a Day of Oil to U.S. in April

Saudi Arabia is set to sell about 600,000 barrels a day of crude to the U.S. in April, the highest volume in a year, according to a Saudi industry official familiar with allocations to American refiners. The shipments, agreed with refiners as Saudi Arabia ramped up production to a record 12.3 million barrels a day this month, come at a moment when U.S. demand is sharply down due to lockdowns to slow the Covid-19 pandemic.

Source: [Bloomberg](#)

Offshore Drilling Starts for Qatar Mega-Project

Qatar Petroleum (QP) reported Wednesday that it has begun the offshore development drilling campaign for its North Field East (NFE) Project. The jack-up rig GulfDrill Lovanda spudded the first of 80 NFE development wells on March 29, 2020, QP noted in a written statement on its website. GulfDrill is a joint venture between Qatar-based Gulf Drilling International and Seadrill Limited, the state-owned company added. According to QP, the initial NFE phase will yield a 43-percent boost Qatar's liquefied natural gas (LNG) production capacity: from 77 million tons per annum (mtpa) to 110 mtpa. The second phase – called the North Field South Project (NFS) – will raise Qatar's LNG output capacity from 110 to 126 mtpa, or 14.5 percent.

Source: [RigZone](#)

MIDEAST STOCKS-IMF's dire economic warning, oil demand shrinkage weigh on Gulf

Most Middle East indexes fell for a second day on Thursday, after the International Monetary Fund (IMF) warned of the worst economic downturn since 1930s while an expected drop in global oil demand to quarter-century lows added to the woes. The global economy is expected to shrink by 3.0% during 2020 in a coronavirus-driven collapse that would be the steepest since the Great Depression of the 1930s, the IMF said. The International Energy Agency (IEA) on Wednesday forecast a 29 million barrel per day (bpd) dive in April oil demand to levels not seen in 25 years and warned no output cut by producers could fully offset the near-term falls.

Source: [NASDAQ](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

A Wild Ride for Global Supply Chains Captured in Seven Charts

The world economy's ability to recover from the coronavirus may ultimately depend on how soon businesses can repair damaged and broken supply chains. Here's what they're up against. In the costs to move goods in airplanes, ships, trains and trucks, what you see is a global economy near suspended animation. With billions of people locked down and entire industries hibernating, the movement of anything but essential food or medical products has neither a push from the supply side nor much pull of demand.

Source: [Bloomberg](#)

Global economy may not fully recover from the coronavirus crisis by 2021, IMF chief economist says

The International Monetary Fund this week said the global economy is expected to shrink by 3% this year, before growing by 5.8% next year — a rebound that its Chief Economist Gita Gopinath described as a "partial recovery." "So even by the end of 2021, we're expecting level of economic activity to be below what we had projected before the virus," she said.

Source: [CNBC](#)

China Suffers Historic Economic Slump With Hard Recovery Ahead

The coronavirus pushed China's economy into its first contraction in decades in the first quarter, with the spread of the disease around the world now leaving the nation reliant on fragile local demand to spur a recovery. Gross domestic product shrank 6.8% from a year ago, the worst performance since at least 1992 when official releases of quarterly GDP started and missing the median forecast of a 6% drop. The economy hasn't contracted on a full-year basis since the end of the Mao era in the 1970s.

Source: [Bloomberg](#)

The stock market is rising on hope for a pharma solution to coronavirus — here's how close we are

Though big-ticket spending and small-business loans provide short-term relief, investors say a coronavirus remedy is the No.1 go-ahead signal they're waiting for to jump back to the market in force. The race to develop a Covid-19 vaccine thus far includes major drugmakers Johnson & Johnson, Pfizer and Moderna. That bullishness about a pharma solution was on full display this week, when a report stated that a Chicago hospital using Gilead's remdesivir in a trial appeared to ease Covid-19 symptoms in the majority of patients treated with the drug.

Source: [CNBC](#)

U.S. banks seek term changes as Fed finalizes Main Street Lending Program

U.S. banks are pushing the Federal Reserve to change the terms of a \$600 billion lending program for small and medium-sized businesses, including reducing minimum loan sizes and allowing more flexibility on underlying reference rates, industry groups said.

Source: [Reuters](#)

U.S. bailout watchdog vows to scrutinize share buybacks, dividends

An official charged with overseeing how the U.S. government handles \$500 billion in bailout funds said on Friday he will also monitor how companies use the cash, including for share buybacks, dividends and staff compensation. Bharat Ramamurti,

who was named this month as a member of the Congressional Oversight Commission to regulate relief programs administered by the Federal Reserve, said one of his overarching goals was to ensure American workers were protected.

Source: [Reuters](#)

COMMODITIES NEWS

Storage Fears Drive (WTI) Oil Below \$18

WTI fell below \$18 per barrel in early trading on Friday, as a deepening gloom swept over the market. China reported a contraction in GDP of 6.8 percent for the first quarter. OPEC affirmed in its Oil Market Report that demand would fall by 6.9 mb/d this year. Storage fears are now beginning to dominate market sentiment.

Source: [Oil Price](#)

Gold slides 2% as Trump's restart plan boosts risk sentiment

Gold dropped about 2% on Friday after President Donald Trump's new guidelines to re-open the U.S. economy and encouraging early data related to a potential COVID-19 treatment drove investors towards riskier assets. Spot gold was down 1.9% at \$1,685.84 an ounce by 1:55 p.m. EDT (1755 GMT), more than \$60 lower than the 7-1/2 peak hit earlier this week on concerns over the worst recession in decades. "Gold and stocks are negatively correlated today with the overnight equity rally pressuring gold. The guidelines from Trump for re-opening the economy have boosted equity markets," said Tai Wong, head of base and precious metals derivatives trading at BMO.

Source: [Reuters](#)