

U Capital Morning Brief

26 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	749.29	1.88	0.25%	-11.18%	6.69	0.69	8.6%
U Capital GCC 50 Index	1,086.44	6.89	0.64%	-21.62%	17.53	1.82	5.1%
U Capital MENA 200 Index	845.79	-5.62	-0.66%	-22.46%	12.31	1.41	6.2%
MSCI GCC Countries Index	436.76	0.00	0.00%	-23.34%	13.05	1.42	4.9%
Muscat Securities Market	3,482.08	32.50	0.94%	-12.54%	7.33	0.65	8.0%
Saudi Stock Exchange	6,604.90	63.43	0.97%	-21.27%	18.23	1.58	4.0%
Kuwait Stock Exchange	5,559.80	-38.60	-0.69%	-23.36%	13.26	1.07	4.5%
Qatar Exchange	8,473.21	-27.02	-0.32%	-18.73%	12.79	0.79	4.7%
Bahrain Stock Exchange	1,307.59	-0.94	-0.07%	-18.79%	9.36	0.79	5.9%
Dubai Financial Market	1,891.06	28.78	1.55%	-31.60%	7.19	0.67	6.6%
Abu Dhabi Exchange	4,062.99	75.94	1.90%	-19.95%	11.37	1.11	6.1%
Beirut Stock Exchange	596.46	2.63	0.44%	-24.07%	3.14	0.35	15.5%
Tunis Se Index	6,357.40	-8.40	-0.13%	-10.74%	17.35	2.12	2.3%
EGX 30 Index	10,120.46	319.13	3.26%	-27.51%	8.06	1.22	3.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,752.2	-1.28%	-23.74%
DAX	Germany	10,336.1	-1.69%	-21.99%
CAC 40	France	4,393.3	-1.30%	-26.51%
United States				
DJIA	USA	23,775.3	1.11%	-16.69%
S&P 500	USA	2,836.7	1.39%	-12.20%
NASDAQ	USA	8,634.5	1.65%	-3.77%
Asia Pacific				
NIKKEI 225	Japan	19,262.0	-0.86%	-18.58%
HANG SENG	Hongkong	23,831.3	-0.61%	-15.46%
KSE 100 Index	Pakistan	32,806.4	-0.14%	-19.46%
NSE Nifty 50	India	9,154.4	-1.71%	-24.77%
SHANGHAI COMPOSITE	China	2,808.5	-1.06%	-7.92%
SHANGHAI SHENZHEN CSI 300	China	3,797.0	-0.86%	-7.31%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.637	1.564
British Pound (GBP)	1.237	0.809
Canadian Dollar (CAD)	0.709	1.410
Chinese Renminbi (CNH)	0.141	7.090
Egyptian Pound (EGP)	0.063	15.752
Euro (EUR)	1.082	0.924
Indian Rupee (INR)	0.013	76.453
Japanese Yen (JPY)	0.009	107.510
New Zealand Dollar (NZD)	0.602	1.662
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.624	160.538
Russian Ruble (RUB)	0.013	74.567
Singapore Dollar (SGD)	0.702	1.424
Turkish Lira (TRY)	0.143	6.973

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	21.4	0.52%	-66.54%
WTI Crude (per bbl)	16.9	2.67%	-72.26%
Oman Crude Oil (Last Closing)	20.7	-0.24%	-69.33%
OPEC (per bbl)	15.2	24.63%	-77.59%
Precious Metals			
Gold100 OZ (per oz)	1,729.6	-0.05%	13.99%
Silver (per oz)	15.3	-0.01%	-14.56%
Platinum (per oz)	768.6	0.30%	-20.48%
Other Metals			
Copper, MT	5,140	-0.41%	-16.76%
Aluminium, MT	1,514	0.26%	-16.35%
Lead, MT	1,617	-1.85%	-16.11%
Zinc, MT	1,883	0.56%	-17.12%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.69	-23.3%
Saudi Arabia	1.24	-44.6%
Kuwait	1.75	-36.4%
Oman	2.69	-4.5%
Qatar	1.24	-44.9%
Bahrain	1.97	-26.2%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.1
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.5
Saudi Arabia	04/03/2028	3.1
Oman	17/01/2028	10.7
Bahrain	12/10/2028	7.5

Midswaps	Price	YTM %
3 year	99.94	0.3
5 year	100.62	0.4
10 year	108.55	0.6
30 year	120.84	1.2

USD Libor	Rate (%)	YTD
1m	0.44	-75.0%
3m	0.89	-53.5%
6m	0.92	-51.8%
1 year	0.94	-52.9%

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: Oil price volatility, underperforming blue chips pull down MSM

The MSM30 closed the week down by 1.62 per cent. Volatility in oil prices along with unsatisfactory results of some blue-chip stocks took the market down during the week. Foreigners were net sellers at \$1.86mn. Financial and Services Index closed down by 0.33 per cent and 1.87 per cent w-o-w while the Industrial index closed up by 1.24 per cent. Shariah Index was up by 1.74 per cent during the week. Oman Arab Bank (OAB) has announced that it has been given the green light by the Central Bank of Oman (CBO) to acquire Alizz Islamic Bank SAOG (AIB) and to eventually become a publicly listed entity.

Source: [Oman Observer](#)

Despite COVID19, Oman faces low economic risk

Despite the economic impact and the reduction in oil prices brought about by the ongoing COVID-19 pandemic, Oman is likely to face only a low level of economic risk, a new global report that covers 174 countries around the world has said. In this report, Oman ranks 47th in terms of the economic and political risks faced, placing it among those countries on which the disease is expected to have a low level of impact.

Source: [Times of Oman](#)

Oman's airlines face \$724mn revenue losses in 2020

With the impacts of the COVID-19 crisis deepening in the Middle East, the International Air Transport Association (IATA) has renewed its call for government relief measures for the aviation industry in the region. IATA estimates that the Middle East and North Africa region's airlines could lose US\$24bn of passenger revenue this year compared to 2019. That is US\$5bn more than what was expected at the beginning of April.

Source: [Muscat Daily](#)

Salalah Free Zone to launch 10 new projects in 2020

Salalah Free Zone (SFZ) – the Sultanate's first free zone development – plans to bring into operation 10 new factories and industrial ventures before the end of this year, further strengthening its reputation as a major draw for industrial and economic investment. The free zone, adjoining Salalah's transshipment and logistics hub overlooking the Indian Ocean, has announced a flurry of new investments since the start of this year, many of which have now entered the construction phase.

Source: [Oman Observer](#)

Goods delivery at Sohar Port unaffected despite covid-19 crisis

The Sohar Port and Free Zone continues to operate in full swing despite the latest developments resulting from the COVID-19 pandemic. The work team is endeavouring to ramp up the handling and shipping operations to ensure uninterrupted delivery of goods to the local market while taking maximum precautions and complying with the directives issued by the relevant authorities regarding health and safety, said Sohar Port and Free Zone administration.

Source: [Oman Observer](#)

Bank Dhofar updates on Tier 1 Capital Securities

Bank Dhofar disclosed that it will not exercise its option to call USD 300mn Perpetual AT1 Capital securities issued in May 2015 with first call date of 27 May 2020.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi tourism sector could see 35%-45% decline this year on coronavirus

Saudi Arabia's tourism sector could see a 35-45% decline this year due to measures taken by the government to fight the coronavirus pandemic, the country's minister of tourism said on Friday. The Kingdom, which opened its doors in September to foreign tourists by launching a new visa regime for 49 countries, hopes to diversify its oil-dependent economy through tourism and wants the sector to contribute 10% of gross domestic product by 2030.

Source: [Zawya](#)

Saudi Binladin Hires Houlihan Lokey for \$15 Billion Debt Revamp

Saudi Binladin Group hired Houlihan Lokey Inc. as an adviser to help the kingdom's biggest construction firm to restructure an estimated \$15 billion of debt. The investment bank will assist in "a comprehensive review and financial restructuring of SBG's capital structure," according to a statement from Binladin International Holding Group. The restructuring is aimed at reorganizing privately-held Saudi Binladin's assets into sector-led businesses, streamlining operations, and ramping activities across key projects and businesses, it said.

Source: [Bloomberg](#)

Dubai, hit by lockdown and oil price crash, could be headed for another debt crisis

“Dubai is the most vulnerable of the economies in the Middle East and North Africa” to strict coronavirus lockdown measures, consultancy firm Capital Economics wrote this week. The coronavirus crisis follows a number of years of declining revenues for some of the emirate’s most important sectors, primarily real estate and hospitality.

Source: [CNBC](#)

SAMA launches new program, guarantees 95% of SMEs loans

The Saudi Arabian Monetary Authority (SAMA) and the SMEs Loan Guarantee Program (Kafalah) launched a new program that guarantees 95% of total finance granted to SMEs. The new loan guarantee program aims to provide additional support and enhance the credit worthiness of micro, small and medium enterprises, SAMA said in a statement. Under the new scheme, SMEs will be exempted from administrative fees, and guarantees in kind. SAMA will also pay the guarantee fees to Kafalah on behalf of clients that will start loan repayments after six months from the finance date.

Source: [Argaam](#)

Mideast Stocks: Oil recovery, corporate earnings lift most of Gulf

Most stock markets in the Middle East ended higher on Thursday, buoyed by a recovery in oil prices from historic lows and a slew of better-than expected first-quarter earnings. Brent crude was up \$1.55, or 7.61%, at \$21.92 a barrel by 1200 GMT, a day after it touched \$15.98 a barrel, its lowest since June 1999. Saudi Arabia's benchmark index rose 1%. Oil giant Saudi Aramco gained 1% and Dr Sulaiman Al-Habib Medical Services 4013.SE advanced 3.9%.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

World’s Biggest Central Banks Meet as Pressure Mounts to Do More Global central banks remain under pressure to do more to support their economies through the coronavirus recession even after driving interest rates to record lows and pledging to spend trillions of dollars on asset purchases. The U.S. Federal Reserve, Bank of Japan and European Central Bank, which together cover almost half of global output, will all convene meetings of policy makers this week after the pandemic-driven freezing of economies and turmoil in financial markets propelled them into action.

Source: [Bloomberg](#)

U.S. deficit could quadruple to \$3.7 trillion in coronavirus crisis: CBO

A nationwide business shutdown and surge in U.S. government spending will nearly quadruple the federal deficit to a record \$3.7 trillion this fiscal year as the country combats the coronavirus pandemic, congressional forecasters said on Friday.

Source: [Reuters](#)

Dollar heads for weekly gain as oil shock reverberates

The U.S. dollar eased against the euro on Friday, snapping a four-day winning streak as investors covered some bearish bets against the common currency, but broader concerns about the euro's outlook kept dollar bears in check. Against the dollar, the euro was up 0.16% on the day at \$1.0793. For the week, the dollar remains about 0.7% higher against the euro, set for its biggest weekly rise in three weeks.

Source: [NYT](#)

COMMODITIES NEWS

Oil rises, but ends wild week lower as coronavirus slashes fuel demand

Oil prices rose on Friday, bringing an end to another week of losses that featured the U.S. contract plunging to minus \$40 a barrel, as global production cuts could not keep pace with the collapse in demand caused by the coronavirus pandemic. Oil trading was extremely volatile all week, in an extension of the selling that has dominated trading since early March as demand collapsed 30% due to the pandemic. While certain fundamental factors, such as a sharp fall in a

Source: [Zawya](#)

Gold falls as investors cash out, but heads for weekly rise

Gold prices slipped on Friday as investors booked profits, but concerns over the global economic slowdown and massive stimulus measures from major central banks kept bullion on track for a weekly gain. Spot gold was down 0.4 per cent at \$1,724.73 per ounce by 1002 GMT, after hitting a more than one-week high in the previous session. Bullion has risen more than 2 per cent so far this week.

Source: [ET](#)

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