

U Capital Morning Brief

22 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	742.74	-3.44	-0.46%	-11.95%	6.61	0.68	8.6%
U Capital GCC 50 Index	1,065.55	-23.59	-2.17%	-23.13%	17.19	1.78	5.2%
U Capital MENA 200 Index	842.81	-16.32	-1.90%	-22.73%	11.94	1.40	6.4%
MSCI GCC Countries Index	429.80	-8.68	-1.98%	-24.56%	12.85	1.40	5.0%
Muscat Securities Market	3,442.34	-41.55	-1.19%	-13.53%	7.24	0.64	8.1%
Saudi Stock Exchange	6,496.72	-104.35	-1.58%	-22.56%	18.03	1.56	4.1%
Kuwait Stock Exchange	5,577.93	-108.38	-1.91%	-23.11%	12.92	1.07	4.5%
Qatar Exchange	8,325.85	-119.02	-1.41%	-20.14%	12.48	1.24	4.8%
Bahrain Stock Exchange	1,312.78	-6.18	-0.47%	-18.47%	9.40	0.79	6.0%
Dubai Financial Market	1,825.63	-61.91	-3.28%	-33.97%	6.91	0.64	6.8%
Abu Dhabi Exchange	3,860.46	-108.59	-2.74%	-23.94%	10.80	1.05	6.4%
Beirut Stock Exchange	585.16	-6.13	-1.04%	-25.51%	3.08	0.35	15.8%
Tunis Se Index	6,324.68	-14.39	-0.23%	-11.20%	17.25	2.11	2.3%
EGX 30 Index	9,874.94	-279.70	-2.75%	-29.27%	7.87	1.19	3.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,641.0	-2.96%	-25.21%
DAX	Germany	10,249.9	-3.99%	-22.64%
CAC 40	France	4,357.5	-3.77%	-27.11%
United States				
DJIA	USA	23,018.9	-2.67%	-19.34%
S&P 500	USA	2,736.6	-3.07%	-15.30%
NASDAQ	USA	8,263.2	-3.48%	-7.91%
Asia Pacific				
NIKKEI 225	Japan	19,050.3	-1.20%	-19.47%
HANG SENG	Hongkong	23,626.4	-0.70%	-16.19%
KSE 100 Index	Pakistan	32,422.8	-3.21%	-20.41%
NSE Nifty 50	India	8,981.5	-3.03%	-26.19%
SHANGHAI COMPOSITE	China	2,821.5	-0.20%	-7.50%
SHANGHAI SHENZHEN CSI 300	China	3,801.6	-0.17%	-7.20%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.631	1.585
British Pound (GBP)	1.229	0.814
Canadian Dollar (CAD)	0.704	1.421
Chinese Renminbi (CNH)	0.141	7.098
Egyptian Pound (EGP)	0.064	15.742
Euro (EUR)	1.085	0.922
Indian Rupee (INR)	0.013	76.835
Japanese Yen (JPY)	0.009	107.760
New Zealand Dollar (NZD)	0.597	1.675
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.621	161.300
Russian Ruble (RUB)	0.013	77.071
Singapore Dollar (SGD)	0.700	1.429
Turkish Lira (TRY)	0.143	6.975

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	17.6	-8.90%	-72.47%
WTI Crude (per bbl)	11.3	-2.68%	-81.56%
Oman Crude Oil (Last Closing)	19.9	-15.26%	-70.44%
OPEC (per bbl)	14.2	-21.90%	-79.12%
Precious Metals			
Gold100 OZ (per oz)	1,684.1	-0.13%	10.99%
Silver (per oz)	14.8	-0.53%	-17.04%
Platinum (per oz)	754.0	0.63%	-22.00%
Other Metals			
Copper, MT	5,030	-2.96%	-18.53%
Aluminium, MT	1,491	-0.83%	-17.65%
Lead, MT	1,666	-1.39%	-13.57%
Zinc, MT	1,911	-1.85%	-15.89%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	1.64	-25.7%
Saudi Arabia	1.23	-45.0%
Kuwait	1.75	-36.4%
Oman	2.67	-5.1%
Qatar	1.26	-43.9%
Bahrain	1.97	-26.2%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.3
Abu Dhabi	11/10/2027	2.6
Qatar	02/06/2026	2.7
Saudi Arabia	04/03/2028	3.4
Oman	17/01/2028	11.1
Bahrain	12/10/2028	7.6

Midswaps	Price	YTM %
3 year	100.03	0.2
5 year	100.83	0.3
10 year	108.98	0.6
30 year	121.63	1.1

USD Libor	Rate (%)	YTD
1m	0.67	-62.1%
3m	1.10	-42.5%
6m	1.08	-43.7%
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

OAB wins regulator nod to acquire Alizz Islamic Bank

Oman Arab Bank (OAB) has announced that it was 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. The revelation came in a filing by OAB's majority shareholder, Oman International Development & Investment Co SAOG (OMINVEST), to the Capital Market Authority (CMA) on Tuesday. In the filing, OMINVEST referred to its disclosure dated January 16, 2020 pertaining to OAB's "proposed transaction" with Alizz Islamic Bank.

Source: [Oman Observer](#)

Khazaen expected to boost direct imports, food security in Oman

Khazaen Economic City (Khazaen) is envisioned to play a key role in driving Oman's direct imports and boosting food security through its vital component and anchor projects such as Khazaen Dry Port and the Food Cluster Project. Oman is witnessing a steady growth in shipping and maritime traffic across its ports, the new dry port comes as an important addition to the logistics infrastructure linking the Sultanate's sea ports to its commercial, industrial and economic areas.

Source: [Times of Oman](#)

Sohar Port East project to create 100 ha of new land

Sohar Port and Free Zone (SOHAR) is embarking on the implementation of its 'Sohar East Development' project – the second of three reclamation initiatives that will add new land for industrial and economic investment at Oman's leading industrial and commercial gateway. The SOHAR East project centres on the development of the erstwhile 2D Container Terminal to create around 100 hectares of new land, along with 2,000 metres of new quay walls for investment.

Source: [Oman Observer](#)

Oman's first bus manufacturing plant to start production this year

Oman's proposed bus manufacturing unit, which is currently being built at Salalah Free Zone (SFZ), is likely to begin production by the end of 2020. In a tweet posted on Monday, Ali Tabouk, CEO at Salalah Free Zone, announced the launch of the bus manufacturing unit's website. "All buses will be manufactured in Salalah Free Zone and will bear the mark Made in Oman," said Tabouk, while adding that the factory will open before the end of 2020.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

'This Has Changed Everything': Saudi Economy Shaken by Oil Crash

The meltdown in oil markets is turning back the economic clock for Saudi Arabia, putting it on track for the deepest contraction in two decades. Already under lockdown to contain the spread of the coronavirus pandemic, the world's largest crude exporter is bracing for a second impact from the oil rout and unprecedented production cuts negotiated by OPEC and its allies. Both will slash government revenue, and in turn derail a fragile economic recovery.

Source: [Bloomberg](#)

Expo 2020 postponed to 2021, retains name

The awarding body for World Expos has proposed to postpone Expo 2020 Dubai for a year because of the new coronavirus, and member states must vote on it by the end of May to make it final, the Bureau International des Expositions (BIE) said on Tuesday. The event will still be called Expo 2020 Dubai. Expo is a business and cultural event held every five years in cities around the world chosen by Paris-based BIE. The proposal is to hold it from Oct. 1, 2021 until March 31, 2022.

Source: [Oman Observer](#)

Deadline for submitting VAT returns extended in UAE

The Federal Tax Authority (FTA) on Tuesday issued a directive on an exceptional basis providing an alternative date of May 28, 2020 for the deadline of submitting value-added tax (VAT) returns and the payment of due tax for the tax period ended March 31, 2020, enabling taxable persons to meet their tax obligations without facing any difficulties. This decision has been taken to support VAT registrants and the unprecedented intensive precautionary measures undertaken by the UAE to curb the spread of the novel Covid-19 coronavirus imposing restrictions on the movement of individuals and vehicles implemented in certain areas of the UAE, which coincided with deadlines for filing VAT returns.

Source: [Zawya](#)

Kuwait sees 9% higher foreign reserve in February

The total value of Kuwait's foreign reserves rose by 8.57% year-on-year (YoY) to KWD 12.42 billion (\$39.96 billion) in February 2020, according to the monthly statistics by the Central Bank of Kuwait (CBK). In February 2019, the foreign reserve in Kuwait

recorded KWD 11.44 billion (\$36.81 billion). On a monthly basis, Kuwait saw a 1.22% increase in the foreign reserve in February, compared to KWD 12.27 billion in January 2020.

Source: [Mubasher](#)

stc shareholders approve SAR 300m share purchase

The extraordinary general assembly meeting (EGM) of the Saudi Telecom Company (stc) has approved the purchase of a number of the company's shares. The company disclosed in a statement to the Saudi Stock Exchange (Tadawul) on Tuesday that the share purchase has been set at a maximum of 5.5 million shares, with a value not exceeding SAR 300 million. Shares will be allocated within the employee stock incentive plan, and the purchase will be financed through the company's own resources.

Source: [Mubasher](#)

Three firms disclose impact of coronavirus precautionary measures today

Three Saudi-listed companies announced today the impact of coronavirus precautionary measures on its operations and financial statements. The Saudi government has taken a series of preventive measures to curb the rapid spread of the novel coronavirus (COVID-19), including the temporary suspension of Umrah visas, international flights, closure of shopping centers and malls, except for pharmacies and groceries.

Source: [Argaam](#)

NMC Health Backer Weighs Strategic Options, Debt Revamp

Abu Dhabi-based KBBO Group, once one of NMC Health Plc's biggest shareholders, plans to restructure its debt and is weighing strategic options for the business, people familiar with the matter said. KPMG LLP is advising the privately-held investment firm on the asset review along with ways to address the company's debt load, according to the people, who asked not to be identified because the information is private.

Source: [Bloomberg](#)

Mideast Stocks: Mideast stocks sink as U.S. oil futures trade below zero

Stock markets in the Middle East closed lower on Tuesday as U.S. oil futures remained in negative territory on concern the United States will run out of storage amid an oil glut caused by coronavirus lockdowns. U.S. West Texas Intermediate crude for May delivery traded at minus \$7 a barrel by 1106 GMT, up \$30.63 from Monday's close, when the contract settled at a discount of \$37.63 a barrel. Global benchmark Brent crude for June delivery was down \$4.1, or 16% at \$21.48 per barrel.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian Stocks Retreat; Oil Futures Jump After Rout: Markets Wrap

Most Asian stocks retreated on low volumes after a risk-off session on Wall Street, with investors monitoring continued volatility in energy markets and further signs that companies are finding it hard to provide outlooks. Crude edged up after a two-day tumble. Shares fell from Sydney to Hong Kong though declines were shallower than those in the U.S. on Tuesday. Equities in Shanghai recouped early losses, while European stock futures advanced. S&P 500 contracts were little changed after the gauge closed down more than 3%, with investors shrugging off a deal reached by the White House and congressional leaders on fresh spending to combat the impact of the coronavirus pandemic.

Source: [Bloomberg](#)

Facebook to buy 10% stake in telco unit of India's Reliance Industries for \$5.7 billion

Facebook (FB.O) will buy a 10% stake in the digital business of India's Reliance Industries (RELI.NS) for \$5.7 billion, as the social media firm looks to leverage its highly popular WhatsApp chat service to offer digital payment services. The deal will help the Indian conglomerate cut debt that has piled up in its expensive push to secure top spot for its Jio Infocomm telecom business.

Source: [Reuters](#)

Turkey Tees Up Yet Another Rate Cut Despite Declines in Currency

Turkey will likely lower interest rates for an eighth time in less than a year, showing the central bank remains unfazed by the lira's steep decline as it looks to spur credit to mitigate the economic fallout from the coronavirus outbreak. Led by Murat Uysal, the Monetary Policy Committee has delivered a bigger-than-forecast cut at most meetings since the new governor took the job last July. While most economists predict the key rate will be reduced by half a percentage point to 9.25% on Wednesday, a sizable minority in a Bloomberg poll sees a larger move.

Source: [Bloomberg](#)

Dollar holds gains as oil rout leaves investors on edge

The dollar and yen held broad gains on Wednesday, as a bounce in oil prices failed to calm market nerves, with the week's rout and frail fuel demand underlining a grim outlook for the global economy.

Source: [Reuters](#)

US Oil Fund drops 25% after changing structure again as popular ETF tries to stave off collapse

The United States Oil Fund dropped 25% on Tuesday as managers made multiple changes to the fund's structure in an effort to stave off additional losses. The fund, which trades under the ticker USO and which is popular with retail investors, seeks to track the price of oil. One change is that the fund will now invest in multiple futures contracts, rather than focusing on the contract for the nearest month.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices recover ground after market turmoil fuels price plunge

Oil prices found some respite on Wednesday as U.S. oil futures rose more than 20% and Brent prices steadied after a two-day price plunge, as markets struggle with a massive crude glut amid the coronavirus outbreak. After falling into negative territory for the first time in history amid record trading volumes, U.S. crude futures rose 20% as contracts for May delivery expired and the June contract became the front month. West Texas Intermediate Clc1 was up \$2.05, or 18%, at \$13.62 a barrel by 0034 GMT.

Source: [Reuters](#)

Ubhar Capital SAOC (U Capital)

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.