

U Capital Morning Brief

23 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	747.41	4.67	0.63%	-11.40%	6.63	0.68	8.6%	
U Capital GCC 50 Index	1,079.55	14.00	1.31%	-22.12%	17.35	1.81	5.1%	
U Capital MENA 200 Index	851.41	8.60	1.02%	-21.94%	12.09	1.41	6.3%	
MSCI GCC Countries Index	434.68	4.87	1.13%	-23.70%	12.98	1.42	4.9%	
Muscat Securities Market	3,449.58	7.24	0.21%	-13.35%	7.26	0.65	8.0%	
Saudi Stock Exchange	6,541.47	44.75	0.69%	-22.03%	18.04	1.57	4.1%	
Kuwait Stock Exchange	5,598.40	20.47	0.37%	-22.83%	12.95	1.07	4.5%	
Qatar Exchange	8,500.23	174.38	2.09%	-18.47%	12.84	1.27	4.7%	
Bahrain Stock Exchange	1,308.53	-4.24	-0.32%	-18.73%	9.36	0.79	6.1%	
Dubai Financial Market	1,862.28	36.65	2.01%	-32.64%	7.08	0.66	6.7%	
Abu Dhabi Exchange	3,987.06	126.59	3.28%	-21.45%	11.16	1.09	6.2%	
Beirut Stock Exchange	592.27	7.10	1.21%	-24.61%	3.12	0.35	15.6%	
Tunis Se Index	6,333.83	9.15	0.14%	-11.07%	17.28	2.11	2.3%	
EGX 30 Index	9,801.33	-73.61	-0.75%	-29.80%	7.81	1.18	3.6%	

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	5,770.6	2.30%	-23.49%	Australian Dollar (AUD)	0.631	1.586
DAX	Germany	10,415.0	1.61%	-21.39%	British Pound (GBP)	1.233	0.811
CAC 40	France	4,411.8	1.25%	-26.20%	Canadian Dollar (CAD)	0.706	1.417
United States					Chinese Renminbi (CNH)	0.141	7.097
DJIA	USA	23,475.8	1.99%	-17.74%	Egyptian Pound (EGP)	0.064	15.746
S&P 500	USA	2,799.3	2.29%	-13.35%	Euro (EUR)	1.081	0.925
NASDAQ	USA	8,495.4	2.81%	-5.32%	Indian Rupee (INR)	0.013	76.664
Asia Pacific					Japanese Yen (JPY)	0.009	107.790
NIKKEI 225	Japan	19,293.0	0.81%	-18.45%	New Zealand Dollar (NZD)	0.594	1.682
HANG SENG	Hongkong	23,948.0	0.23%	-15.05%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	32,464.2	0.00%	-20.30%	Pakistani Rupee (PKR)	0.624	160.475
NSE Nifty 50	India	9,245.7	0.64%	-24.02%	Russian Ruble (RUB)	0.013	75.926
SHANGHAI COMPOSITE	China	2,842.3	-0.06%	-6.82%	Singapore Dollar (SGD)	0.701	1.427
SHANGHAI SHENZHEN CSI 300	China	3,833.2	-0.16%	-6.43%	Turkish Lira (TRY)	0.143	6.981

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	21.1	3.88%	-67.01%	UAE	1.60	-27.4%
WTI Crude (per bbl)	14.5	5.08%	-76.25%	Saudi Arabia	1.23	-44.8%
Oman Crude Oil (Last Closing)	23.2	16.16%	-65.66%	Kuwait	1.75	-36.4%
OPEC (per bbl)	14.6	3.10%	-78.47%	Oman	2.62	-6.9%
Precious Metals				Qatar	1.24	-44.9%
Gold100 OZ (per oz)	1,713.4	-0.08%	12.93%	Bahrain	1.97	-26.2%
Silver (per oz)	15.2	0.76%	-14.80%	GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Platinum (per oz)	761.5	0.35%	-21.22%	Kuwait	20/03/2027	2.2
Other Metals				Abu Dhabi	11/10/2027	2.5
Copper, MT	5,132	2.02%	-16.89%	Qatar	02/06/2026	2.6
Aluminium, MT	1,515	1.64%	-16.30%	Saudi Arabia	04/03/2028	3.3
Lead, MT	1,668	0.12%	-13.47%	Oman	17/01/2028	10.9
Zinc, MT	1,896	-0.81%	-16.57%	Bahrain	12/10/2028	7.6

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.99	0.3	1m	0.62	-64.6%
5 year	100.70	0.4	3m	1.04	-45.3%
10 year	108.56	0.6	6m	1.02	-46.4%
30 year	120.33	1.2	1 year	0.99	-50.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Madayn inks agreement to establish facility building in Al Mazunah Free Zone

The Public Establishment for Industrial Estates – Madayn signed an agreement with Shumookh Investment and Services to establish Facility Building at Al Mazunah Free Zone. The project will be built on an area exceeding 11,000 square metres at a total cost touching OMR3.5 million. The agreement was signed by Said bin Abdullah Al Balushi, director-general of Al Mazunah Free Zone, and Eng. Musallam bin Juma'a Al Hudaifi, Chief Executive Officer of Shumookh Investment and Services.

Source: [Times of Oman](#)

Insurance premiums grow 5pc in 2019

Gross direct premiums of insurance companies in the Sultanate increased by 5 per cent to RO 486.5 per cent in 2019, compared to RO 463.5 in 2018, the Capital Market Authority (CMA) – the regulator of the insurance industry – said in a report. The growth in insurance premiums average 4 per cent in the past five years. Direct gross premiums of general insurance increased by 5 per cent to RO 425.8 million in 2019 compared to RO 403.9 million in 2018.

Source: [Oman Observer](#)

Work on US\$500mn iron manufacturing facility begins today at SFZ

Construction work on US\$500mn iron manufacturing facility began on Wednesday in the presence of senior government officials at Salalah Free Zone (SFZ). In a tweet posted through his official twitter handle Ali Tabouk, CEO, SFZ, said, "With the blessings from Almighty, the construction work on 250,000 square meter manufacturing facility by National Steel Company starts today."

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi government rolls out plan to reopen economy, says Al-Jadaan

The Saudi government is not only working on combating coronavirus, but also on reopening local economy through several approaches, Mohammed Al-Jadaan, Saudi Minister of Finance and Acting Minister of Economy and Planning, said during a virtual press conference on Wednesday.

Source: [Argaam](#)

Saudi Arabia 'will overcome economic challenge' of pandemic

Saudi Arabia has the financial capacity to deal with the economic downturn caused by the coronavirus pandemic, Finance Minister Mohammed Al-Jadaan said on Wednesday. "We will get over this in a strong position. The Kingdom has gone through and seen other deeper crises in the past, and survived them," he said. Saudi Arabia could borrow as much as \$58 billion this year on international capital markets, within existing borrowing guidelines, which would cover a deficit projected to reach 9 per cent of GDP, the minister said. It would draw down a maximum of \$32 billion from reserves to help bridge the gap.

Source: [Arab News](#)

Saudi Arabia's ACWA Power plans to raise up to \$1bn

Saudi Arabia's ACWA Power International plans to raise as much as SAR3.75bn (\$1bn) from an Islamic bond sale, according to people familiar with the matter. The company, which develops and operates power and water plants across the Middle East, Africa and Asia, is in talks with local banks about the potential deal that would be denominated in Saudi riyals, the people said asking not to be identified as the information is private.

Source: [GB](#)

Saudi Aramco-RIL deal at risk as oil prices fall

The collapse in oil prices has raised the risk that Saudi Aramco's plan to buy \$15-billion stake in Reliance IndustriesNSE 0.58 %' (RIL) hydrocarbon business may not go through, US-based brokerage Bernstein has warned. Saudi Aramco, the world's largest exporter of crude oil, had agreed to a non-binding initial agreement last August to buy 20% stake in Reliance Industries' oil to chemicals divisions with an enterprise value of \$75 billion.

Source: [ET](#)

Abu Dhabi issues advisory for reopening of malls

Malls and shopping centres in Abu Dhabi on Wednesday were issued a circular on precautionary measures to be taken for reopening of their facilities. The latest development comes as Abu Dhabi government plans for a gradual increase in economic activity to offset impact of Covid-19 pandemic. Accordingly, the Department of Economic Development Abu Dhabi (ADDED) is exploring options in collaboration with the private sector. ADDED is consulting with stakeholders on reopening of malls.

Source: [Zawya](#)

GCC banks to navigate COVID-19, oil shock on strong earning capacity: S&P

The GCC banks' strong earning capacity will help them navigate the shocks related to COVID-19 and oil price drops, S&P Global Ratings said in a note. "Most rated GCC banks have relatively strong profitability and a conservative approach to calculating and setting aside loan-loss provisions," S&P Global Ratings credit analyst Mohamed Damak said. "Overall, we estimate that rated GCC banks could absorb up to a \$36 billion shock before starting to deplete their capital base. This corresponds to about 3x our calculated normalized losses, which implies a substantial level of stress in our view," Damak added.

Source: [Zawya](#)

Abu Dhabi Sheikh Invests \$1 Billion in Top Grocer LuLu

An investment firm backed by a member of Abu Dhabi's royal family agreed to buy a stake worth just over \$1 billion in LuLu Group International, which runs one of the Middle East's largest supermarket chains, according to people familiar with the matter. The company led by Sheikh Tahnoon Bin Zayed Al Nahyan acquired an almost 20% holding in the Abu Dhabi-based supermarket group founded by Indian entrepreneur Yusuff Ali, the people said, asking not to be identified as the matter is private. It wasn't immediately clear which company Sheikh Tahnoon is using for the investment or if he was buying the stake in his personal capacity, the people said.

Source: [Bloomberg](#)

Dubai Financial Market launches new ESG Index consisting of 20 companies

Dubai Financial Market (DFM) has launched the UAE Index for Environment, Social and Governance (ESG) to encourage listed companies in the UAE to expand embracing ESG best practices. The S&P/Hawkamah UAE ESG Index is developed in cooperation with S&P Dow Jones Indices and the Hawkamah Institute

Source: [Eteleboro](#)

Boeing Sued By Kuwaiti Company Trying to Recoup \$336 Million

A Kuwaiti aviation leasing company sued Boeing Co. for the return of \$336 million that it paid in advance for 40 of the still-grounded 737 Max planes. Alafco Aviation Lease and Finance Co. faults the aerospace giant for failing to deliver the planes on time and said it canceled the entire order. The 737 Max was supposed to be Boeing's replacement for its tried-and-true 737 line of slim-bodied planes. But after 346 people were killed when two of the planes crashed within five months last year, the plane was grounded worldwide and Boeing halted production.

Source: [Bloomberg](#)

Dana Gas demerger study gets AGM nod

Shareholders of Dana Gas, the Middle East's largest private sector natural gas company, gave their green light for a feasibility study to separate the oil firm's upstream and midstream businesses in a demerger. During the company's annual general meeting on Wednesday, shareholders also approved a proposal to distribute a cash dividend of 5.5 fils per share for the financial year ended December 31, 2019. The company said a demerger would create two publicly traded companies on the Abu Dhabi Stock Exchange.

Source: [KT](#)

MIDEAST STOCKS-Major Gulf indexes rebound from early losses as oil recovers

Major stock markets in the Gulf ended higher on Wednesday, buoyed by recovery in Brent crude after prices hit their lowest level since 1999 earlier in the session. OPEC+ agreed new curbs this month, but global measures to prevent the coronavirus pandemic from spreading have hit demand and sent oil prices plunging. Brent crude, which fell 24% in the previous session, touched \$15.98 a barrel on Wednesday, hitting its lowest since June 1999. By 1120 GMT, it had recovered to trade 1.2% up at \$19.57.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks Mixed as Hong Kong Rally Fizzles; Oil Gains: Markets Wrap

Stocks in Asia were mixed as early gains in Chinese markets evaporated, with investors assessing the extent of the recent rally in global shares against more evidence of the severe impact from the pandemic and a slew of earnings. Oil edged up. Shares erased gains in Hong Kong and Shanghai to trade flat, while equities in Tokyo and Seoul were modestly higher. Futures on U.S. and European stocks dipped. The S&P 500 climbed about 2% earlier, rebounding from its worst sell-off in three weeks amid quarterly results. Meantime, authorities in Hong Kong intervened for a third day to defend the currency peg, with the total selling now about \$1 billion. Treasuries and the dollar nudged higher.

Source: [Bloomberg](#)

Record U.S. jobless claims wipe out post-Great Recession employment gains

A record 26 million Americans likely sought unemployment benefits over the last five weeks, confirming that all the jobs created during the longest employment boom in U.S. history were wiped out in about a month as the novel coronavirus savages the economy.

Source: [Reuters](#)

Ambani Tops Ma as Asia's Richest After Deal With Zuckerberg

Mukesh Ambani is again Asia's richest person after a deal with Mark Zuckerberg's Facebook Inc. sent his conglomerate's stock surging. Ambani's fortune rose about \$4.7 billion to \$49.2 billion on Wednesday, after Reliance Industries Ltd. gained 10%. The jump put Ambani about \$3.2 billion ahead of China's Jack Ma, according to the Bloomberg Billionaires Index. The ranking updates after the close of each trading day in the U.S.

Source: [Bloomberg](#)

Dollar up against commodity currencies but oil rebound tempers safety bid

The dollar edged higher against the currencies of oil producers on Thursday as a rebound in crude prices from an unprecedented collapse only partially calmed markets unnerved by the massive coronavirus-led drop in global demand.

Source: [Reuters](#)

COMMODITIES NEWS

Oil Extends Recovery From Selloff But Angst Over Glut Lingers

Oil extended its recovery from Monday's plunge below zero but remained under intense pressure from a swelling global supply glut. Futures in New York rose 11% to more than \$15 a barrel after swinging between gains and losses earlier. Already inundated with bearish signals, the market shrugged off data released Wednesday showing U.S. crude stockpiles rising to a three-year high and petroleum demand at a record low. An order by President Donald Trump authorizing the Navy to destroy any Iranian gunboats that harass American ships may have lent some support.

Source: [Bloomberg](#)

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