











# U Capital Morning Brief

22 June 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	772.82	4.09	0.53%	-8.39%	6.97	0.73	7.5%
U Capital GCC 50 Index	1,215.46	-1.39	-0.11%	-12.31%	19.29	2.06	4.4%
U Capital MENA 200 Index	949.39	-1.39	-0.15%	-12.96%	14.04	1.57	5.2%
MSCI GCC Countries Index	484.50	-0.27	-0.06%	-14.96%	15.24	1.64	4.3%
Muscat Securities Market	 3,525.34	9.58	0.27%	-11.45%	9.84	0.76	6.8%
Saudi Stock Exchange	 7,345.88	-9.78	-0.13%	-12.44%	21.89	1.78	3.5%
Kuwait Stock Exchange	 6,038.50	30.49	0.51%	-16.76%	14.74	1.15	3.8%
Qatar Exchange	 9,285.13	-35.05	-0.38%	-10.94%	14.63	1.44	4.3%
Bahrain Stock Exchange	 1,274.55	0.25	0.02%	-20.84%	9.23	0.78	5.5%
Dubai Financial Market	 2,058.85	-19.53	-0.94%	-25.54%	6.18	0.74	4.6%
Abu Dhabi Exchange	 4,334.75	-10.53	-0.24%	-14.60%	13.44	1.29	5.9%
Beirut Stock Exchange	 618.93	13.45	2.22%	-21.21%	3.27	0.37	0.3%
Tunis Se Index	 6,704.74	-13.94	-0.21%	-5.86%	17.80	2.20	1.8%
EGX 30 Index	 10,823.91	-33.96	-0.31%	-22.47%	10.48	1.51	3.2%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
<b>Europe</b>					<b>Currency</b>		
FTSE 100	UK	6,292.6	1.10%	-16.57%	Australian Dollar (AUD)	0.687	1.455
DAX	Germany	12,330.8	0.40%	-6.93%	British Pound (GBP)	1.239	0.807
CAC 40	France	4,979.5	0.42%	-16.70%	Canadian Dollar (CAD)	0.736	1.359
<b>United States</b>					Chinese Renminbi (CNH)	0.141	7.071
DJIA	USA	25,871.5	-0.80%	-9.35%	Egyptian Pound (EGP)	0.062	16.172
S&P 500	USA	3,097.7	-0.56%	-4.12%	Euro (EUR)	1.120	0.893
NASDAQ	USA	9,946.1	0.03%	10.85%	Indian Rupee (INR)	0.013	76.153
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	106.920
NIKKEI 225	Japan	22,565.3	0.40%	-4.61%	New Zealand Dollar (NZD)	0.643	1.554
HANG SENG	Hongkong	24,564.9	-0.32%	-12.86%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	33,439.0	0.00%	-17.91%	Pakistani Rupee (PKR)	0.601	166.700
NSE Nifty 50	India	10,361.6	1.14%	-14.85%	Russian Ruble (RUB)	0.014	69.458
SHANGHAI COMPOSITE	China	2,975.9	0.28%	-2.43%	Singapore Dollar (SGD)	0.717	1.395
SHANGHAI SHENZHEN CSI 300	China	4,115.9	0.42%	0.47%	Turkish Lira (TRY)	0.146	6.853

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
				UAE	0.62	-71.8%
<b>Oil</b>				Saudi Arabia	1.01	-54.9%
Brent Crude (per bbl)	42.2	0.00%	-32.96%	Kuwait	1.69	-38.6%
WTI Crude (per bbl)	39.7	-0.13%	-34.98%	Oman	2.64	-6.2%
Oman Crude Oil (Last Closing)	43.3	1.12%	-35.79%	Qatar	1.23	-45.4%
OPEC (per bbl)	37.7	0.29%	-44.53%	Bahrain	2.25	-15.6%
<b>Precious Metals</b>				<b>GCC Latest 10-Yr Government Bond Yields</b>		
Gold100 OZ (per oz)	1,751.6	0.45%	15.45%		<b>Maturity date</b>	<b>YTM, %</b>
Silver (per oz)	17.9	1.32%	0.03%	Kuwait	20/03/2027	1.8
Platinum (per oz)	818.3	0.43%	-15.34%	Abu Dhabi	11/10/2027	1.8
<b>Other Metals</b>				Qatar	02/06/2026	1.7
Copper, MT	5,850	0.77%	-5.26%	Saudi Arabia	04/03/2028	2.2
Aluminium, MT	1,592	-0.90%	-12.04%	Oman	17/01/2028	6.5
Lead, MT	1,779	-1.74%	-7.71%	Bahrain	12/10/2028	5.3
Zinc, MT	2,082	1.46%	-8.36%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.10	0.2	1m	0.19	-89.2%
5 year	99.63	0.3	3m	0.31	-84.0%
10 year	99.38	0.7	6m	0.41	-78.3%
30 year	95.06	1.5	1 year	0.58	-71.2%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### World Economic Forum Reviews the Sultanate's Experience in Facing Covid-19

The World Economic Forum (WEF), reviewed the Sultanate's experience in facing the novel coronavirus (Covid-19), describing the pandemic as "a true test of the Sultanate's response to the crisis." The forum explained in its article that thanks to the community's awareness, cohesion, and the spirit of initiative and innovation, and as a result of the early measures taken by the government, the Sultanate was able to contain the virus and slow its spread.

Source: [ONA](#)

### Regulations set for Foreign Capital Investment Law

The Minister of Commerce and Industry has issued the executive regulations of the Foreign Capital Investment Law (FCIL), providing an environment attractive for investors from around the world to come and invest in the sultanate. Creating appropriate conditions for investment in Oman, the regulation has detailed the necessary procedures for registering foreign institutions and companies, terms and conditions, timeframe for approvals, and conditions of permits and licenses related to the investment projects.

Source: [Muscat Daily](#)

### Incentives for foreign projects in less developed areas

The Foreign Capital Investment Law offers many benefits for investors including tax incentives for their projects to be set up in the less developed governorates in the Sultanate. According to the law, the executive regulations of which were issued by Dr Ali bin Masoud al Sunaidy, Minister of Commerce and Industry, the projects can get several benefits like tax exemptions and exclusion from the Omanisation policy for a period of time.

Source: [Oman Observer](#)

### Omansat inks pact for satellite, VSAT services

Space Communication Technologies – Omansat (SCT) and Dunes Middle East Company (Dunes) have signed a Memorandum of Understanding for providing Satellite Communication and VSAT services to the different verticals in the Omani market. Dunes will be providing Managed Satellite Services and System Integration, using the latest satellite technologies on Ka-Band from the SCT Earth Station in Al Amerat on the Omani Satellite payload @ 30.5 E. In addition to the Managed Satellite capacity, Dunes will be responsible for the implementation, commissioning and support for the running network on the ground while SCT will provide technical support to any satellite related issues.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### POS transactions fall 7% to SAR 7.3 bln in week ending June 13

The point-of-sale (POS) transactions declined 7% to SAR 7.3 billion in the week ending June 13, 2020, from SAR 7.85 billion in the previous week, data issued by the Saudi Arabian Monetary Authority (SAMA) showed. Data showed that a total of 48.2 million transactions were processed in the week ending June 13.

Source: [Argaam](#)

### Saudi Arabia to launch \$4 billion tourism development fund

Saudi Arabia plans to start a tourism development fund with an initial capital investment of \$4 billion, the ministry of tourism said on Sunday. The Tourism Development Fund will launch equity and debt investment vehicles to develop the tourism sector in collaboration with private and investment banks, the ministry said in a statement.

Source: [ET](#)

### JAZADCO shareholders to vote on bylaws amendment on July 12

Shareholders of Jazan Energy and Development Co. (JAZADCO) will vote on amending the company's articles of association during the extraordinary general meeting (EGM) that will be held on July 12. Shareholders will vote on amending article (3) regarding the company's objectives, article (12) regarding trading on shares, article (20) regarding the board authorities, article (23) regarding the board meeting, along with articles (26) and (31). They will also vote on amending article (47) regarding dividend distribution, along with articles (53) and (55).

Source: [Argaam](#)

### Sharjah to reopen cinemas, entertainment centers, fitness facilities and more

Sharjah has announced to resume economic and tourism activities with 50 per cent capacity from June 24. The critical post lockdown second stage also includes opening of cinemas, private beaches and fitness clubs for both men and women,

children's game rental facilities, online games centers and Internet cafes, water bike rental facilities, sports facilities and establishments, and parking services. Public beaches have not been opened yet.

Source: [Gulf News](#)

#### **SEDCO Capital REIT receives more rent revision requests due to COVID-19**

SEDCO Capital, the fund manager for SEDCO Capital REIT Fund, explained the details of rent revision requests it received from several tenants affected by the COVID-19 precautionary measures until now, and how it will manage those requests. The fund manager said in a bourse statement on Sunday that the total value of additional requests from tenants for a temporary reduction amounted to 14.80% of total annual rents of the fund. The rejected requests were equivalent to 0.9% of total income.

Source: [Argaam](#)

#### **Saudi Arabia's Ma'aden refinances \$4.1bn worth of debt**

Saudi Arabian Mining Company (Ma'aden)'s phosphate subsidiary signed new agreements to reschedule and refinance about \$4.1 billion (Dh15bn) in debt as the company looks to strengthen its cash position. The Ma'aden Wa'ad Al Shamal Phosphate Company (MWSPC), which oversees a phosphate mine and an adjoining industrial complex, signed new financing deals valued at \$2.3bn to pay down existing loans, the company said in a statement on Sunday. It will also reschedule and transfer a \$1.8bn loan previously provided by the kingdom's sovereign fund, the Public Investment Fund, which will now be held by the Public Pension Agency as part of the new agreement.

Source: [The National](#)

#### **Saudi Arabia, Kuwait working to restart Neutral Zone's Wafra field: source**

Saudi Arabia and Kuwait are "working very hard" to reopen the onshore Wafra oil field in the Neutral Zone shared between both countries, a source directly involved in the project said June 21. Arab news agency Attaqa reported on June 20 that Wafra is scheduled to restart on July 1, at 10,000 b/d initially and building up to 145,000 b/d by mid-2021.

Source: [S&P Global](#)

#### **Saudi Fisheries rights issue 84.11% subscribed**

Saudi Fisheries Co.'s rights issue was 84.11% subscribed, as investors bought a total of 25.14 million shares worth SAR 251.4 million, the insurer said in a statement to Tadawul on Sunday. The remaining 4.75 million shares will be offered to institutional investors from June 23-24. Priority will be given to the highest offers, and pro-rata basis will be applied to equal offers.

Source: [Argaam](#)

#### **Bahrain tourism firms face huge challenges: survey**

Bahrain's travel and tourism sector has emerged as the worst affected by the Covid-19 pandemic, with a majority of tourism and hospitality players seeing major challenges in keeping the businesses running if the situation continues, according to a recent survey. About 71 per cent of the country's travel and tourism sector business owners see risk to their businesses within the year if the situation continues, with 55 per cent of the owners not expecting their cash flow to maintain their operations for more than one month, the survey by Bahrain Chamber has revealed.

Source: [Zawya](#)

#### **UAE seeks more Islamic economy opportunities by boosting halal exports**

Ethihad Credit Insurance (ECI), the UAE's federal export credit company, has partnered with Dubai Islamic Economy Development Centre (DIEDC) to boost UAE exports through sharia-compliant export credit solutions. The agreement is in line with the vision and directives of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, who pointed out at the third Global Islamic Economy Summit, that the Islamic economy offers a real opportunity to find new ways of managing economic, commercial, and financial growth.

Source: [Gulf Today](#)

#### **MIDEAST STOCKS-Saudi stocks edge up after curfew ends while Qatar, Dubai retreat**

Saudi Arabia's stock market edged up in choppy trade on Sunday as the kingdom ended a nationwide coronavirus curfew, while indexes in the United Arab Emirates retreated after Moody's revised its outlook for some of its banks. The benchmark index in Saudi Arabia rose 0.3%. Petrochemical company Saudi Basic Industries added 0.6% and Riyadh Bank gained 0.9%.

Source: [Reuters](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### Foreign firms snap up Chinese companies despite political tensions as Beijing opens doors

“Over the past 18 months, we have recorded levels of foreign M&A into China that were not seen in the previous decade,” research firm Rhodium’s partner Thilo Hanemann and founding partner Daniel H. Rosen wrote in an online report. The rising business interest in the Asian giant contrasts with increasing political tensions between the U.S. and China. Chinese companies are investing less overseas, while foreign investment rose 7.5% in May from a year ago, according to China’s Ministry of Commerce.

Source: [CNBC](#)

### U.S. housing set to ride out the pandemic's economic storm: Reuters poll

U.S. home prices will defy the current economic downturn and ride out the storm, supported by record low mortgage rates and limited supply, according to a Reuters poll that showed housing outpacing consumer price rises this year and next. The U.S. housing market, which was at the epicenter of the previous financial crisis that led to a global recession, is expected to remain a bright spot amid a sharp downturn as the coronavirus pandemic continues to wreak economic havoc.

Source: [Reuters](#)

### Dollar holds gains as fear of renewed pandemic gathers pace

The U.S. dollar touched a three-week high and commodity currencies were stalled on Monday, as renewed worries about a second wave of coronavirus infections sent investors into safer assets. Moves were modest, as few expect spiking case numbers to prompt fresh lockdowns at this point. But with the World Health Organization reporting a record increase in global cases on Sunday, especially in the Americas, and Apple Inc AAPL.O protectively closing 11 U.S. stores last week, there was no immediate cause for optimism either.

Source: [Zawya](#)

### U.S. banks are ‘swimming in money’ as deposits increase by \$2 trillion amid the coronavirus

A record \$2 trillion surge in cash has hit the deposit accounts of U.S. banks since the coronavirus first struck the U.S. in January, according to FDIC data. The wall of money flowing into banks has no precedent in history: in April alone, deposits grew by \$865 billion, more than the previous record for an entire year. Deposit gains were concentrated at the very top of the industry: JPMorgan Chase, Bank of America and Citigroup grew much faster than smaller firms in the first quarter, according to company data.

Source: [CNBC](#)

## COMMODITIES NEWS

### Oil edges up on tighter supply, but demand concerns check gains

Brent crude rose 9 cents, or 0.2%, to \$42.28 a barrel by 0009 GMT, while U.S. crude was at \$39.76 a barrel, up 1 cent. Both contracts rose about 9% last week and Brent crude futures flipped into backwardation, where oil for immediate delivery costs more than supply later, usually an indication of tightening supply.

Source: [CNBC](#)

### Gold hits 1-month peak as rising virus fears boost demand

Gold jumped to its highest in more than a month on Monday as investors sought the safe-haven metal after surging coronavirus cases intensified concerns over a delay in global economic recovery. Spot gold was up 0.7% to \$1,754.74 per ounce by 0225 GMT after hitting its highest since May 18. U.S. gold futures rose 1.1% to \$1,771.40. "General risk aversion is helping the market, we are seeing pressure on growth exposed currencies and on share markets. Overall, there are concerns about increasing infection rates," said Michael McCarthy, chief strategist at CMC Markets.

Source: [News18](#)

**Ubar Capital SAOC (U Capital)**

Oinvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: [research@u-capital.net](mailto:research@u-capital.net)

Website: [www.u-capital.net](http://www.u-capital.net)



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