

# U Capital Morning Brief

30 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	770.12	-5.66	-0.73%	-8.71%	6.99	0.72	7.5%
U Capital GCC 50 Index	1,202.27	-0.43	-0.04%	-13.26%	19.17	1.98	4.4%
U Capital MENA 200 Index	941.37	0.80	0.09%	-13.69%	14.20	1.58	5.2%
MSCI GCC Countries Index	479.98	-2.51	-0.52%	-15.75%	15.14	1.62	4.3%
Muscat Securities Market	3,520.57	-3.90	-0.11%	-11.57%	10.06	0.76	6.8%
Saudi Stock Exchange	7,287.41	-5.21	-0.07%	-13.13%	21.96	1.77	3.5%
Kuwait Stock Exchange	6,158.72	-30.99	-0.50%	-15.11%	14.96	1.18	3.8%
Qatar Exchange	9,052.29	-75.76	-0.83%	-13.17%	14.26	1.40	4.4%
Bahrain Stock Exchange	1,277.71	0.51	0.04%	-20.65%	9.25	0.78	5.5%
Dubai Financial Market	2,080.66	-4.38	-0.21%	-24.75%	6.25	0.74	4.5%
Abu Dhabi Exchange	4,275.33	-29.23	-0.68%	-15.77%	13.66	1.28	6.0%
Beirut Stock Exchange	599.46	-5.33	-0.88%	-23.69%	3.16	0.36	0.3%
Tunis Se Index	6,626.82	17.97	0.27%	-6.95%	17.67	2.19	1.8%
EGX 30 Index	10,750.10	-98.55	-0.91%	-23.00%	10.49	1.48	3.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
<b>Europe</b>					Australian Dollar (AUD)	0.688	1.454
FTSE 100	UK	6,225.8	1.08%	-17.46%	British Pound (GBP)	1.230	0.813
DAX	Germany	12,232.1	1.18%	-7.68%	Canadian Dollar (CAD)	0.732	1.367
CAC 40	France	4,945.5	0.73%	-17.27%	Chinese Renminbi (CNH)	0.142	7.067
<b>United States</b>					Egyptian Pound (EGP)	0.062	16.153
DJIA	USA	25,595.8	2.32%	-10.31%	Euro (EUR)	1.123	0.890
S&P 500	USA	3,053.2	1.47%	-5.50%	Indian Rupee (INR)	0.013	75.529
NASDAQ	USA	9,874.2	1.20%	10.05%	Japanese Yen (JPY)	0.009	107.730
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.642	1.558
NIKKEI 225	Japan	22,412.0	1.91%	-5.26%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	24,532.2	0.94%	-12.97%	Pakistani Rupee (PKR)	0.597	168.100
KSE 100 Index	Pakistan	34,292.3	0.33%	-15.82%	Russian Ruble (RUB)	0.014	70.014
NSE Nifty 50	India	10,375.9	0.62%	-14.73%	Singapore Dollar (SGD)	0.718	1.394
SHANGHAI COMPOSITE	China	2,979.9	0.62%	-2.30%	Turkish Lira (TRY)	0.146	6.851
SHANGHAI SHENZHEN CSI 300	China	4,156.7	1.14%	1.47%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	41.5	-0.53%	-34.07%	UAE	0.55	-75.3%
WTI Crude (per bbl)	39.5	-0.53%	-35.31%	Saudi Arabia	0.99	-55.6%
Oman Crude Oil (Last Closing)	42.4	0.93%	-37.10%	Kuwait	1.63	-40.9%
OPEC (per bbl)	38.0	2.18%	-44.10%	Oman	2.63	-6.7%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,771.8	-0.05%	16.77%	Qatar	1.02	-54.5%
Silver (per oz)	17.9	0.12%	0.16%	Bahrain	2.25	-15.6%
Platinum (per oz)	820.3	0.64%	-15.13%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
<b>Other Metals</b>						
Copper, MT	5,962	0.08%	-3.44%		<b>Maturity date</b>	<b>YTM, %</b>
Aluminium, MT	1,609	0.47%	-11.10%	KUWAIT	20/03/2027	1.7
Lead, MT	1,802	0.87%	-6.51%	UAE	16/04/2030	2.0
Zinc, MT	2,062	1.13%	-9.26%	QATAR	16/04/2030	2.2
				SAUDI ARABIA	22/10/2030	2.4
				OMAN	26/12/2029	5.8
				BAHRAIN	14/05/2030	5.5

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.25	0.2	1m	0.18	-89.9%
5 year	99.89	0.3	3m	0.31	-83.9%
10 year	99.95	0.6	6m	0.36	-81.1%
30 year	96.81	1.4	1 year	0.57	-71.6%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### State Council proposes study on impact of Covid-19 on Omani economy

The State Council's Office today discussed the Economic Committee's proposal on its desire to conduct a study to be titled "Stability of Omani Economy amid the slump in oil prices and the spread of Coronavirus (Covid-19) pandemic". It also approved a report by the Joint Committee of the State Council and Majlis Ash'Shura about issues of discrepancy on illicit trade draft law.

Source: [Oman Observer](#)

### Merger of Oman Arab Bank, Alizz Islamic makes headway

Oman Arab Bank (OAB) has announced that it is moving ahead with its planned takeover of Alizz Islamic Bank (AIB). Ominvest, the parent company of Oman Arab Bank, stated in a filing to the Capital Muscat Authority (CMA) on Monday that shareholders holding more than 90 per cent of the shares of Alizz Islamic Bank have now accepted the takeover offer.

Source: [Oman Observer](#)

### Boost for animal husbandry, fisheries in South Sharqiyah

A massive boost to fishing and livestock industry in Sur and Ras al Hadd has been initiated with a promise of more than RO500,000 by Oman LNG Development Foundation. An agreement signing ceremony, between the Ministry of Agriculture and Fisheries and Oman LNG Development Foundation, for financing of livestock shelters in Sur and a loading facility or ramp for fishermen in Ras al Hadd, took place on Sunday.

Source: [Muscat Daily](#)

### Coronavirus Adds to Challenges Facing Omani Banks

The spread of coronavirus will add pressure to Omani banks and a domestic operating environment that was already increasingly challenging prior to the outbreak, Fitch Ratings says in a new report. Fitch expects the weakening operating environment to weigh heavily on the banking sector during 2020, particularly on asset quality, earnings and potentially capital. Oman's GDP fell 1.3% in 2019 and growth prospects are even worse for 2020-2021 (2020: -5.6%; 2021: -0.6%). The economic disruption caused by the pandemic, combined with lower oil prices, is likely to accelerate the economic slowdown and result in further downward revisions of growth forecasts and higher risks to bank's asset quality.

Source: [Fitch Ratings](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Drones to take Saudi building sector 'on faster recovery path'

Saudi Arabia's housing and construction sector surged by 8.03 per cent last year following its major projects in line with the "Vision 2030" and it witnessed further positive growth in the first three months. The kingdom's building sector will see faster recovery with the utilisation of drones under the 'new normal' set-up, which continues to require safety measures including social distancing, according to an industry expert.

Source: [Trade Arabia](#)

### Bahrain to pay 50% of wages for private firms hit by coronavirus

Bahrain's government said on Monday it would pay 50% of salaries for private company workers in sectors that were hard-hit by the coronavirus pandemic, state news agency BNA reported. The new payments would start in July and continue for a three-month period, the government said, adding that it would extend its assistance to Bahraini citizens by also paying electricity and water bills.

Source: [Arab News](#)

### APICORP issues \$750m five-year bond

The Arab Petroleum Investments Corporation (APICORP) has issued a \$750 million five-year bond. The issuance is part of APICORP's \$3 billion Global Medium-Term Note (GMTN) program and will bolster the corporation's business operations, the development bank said in a statement. The five-year notes' cost of funding is 1.46 percent per annum and the spread stood at 110bps.

Source: [Zawya](#)

### Saudi POS transactions down 16% to SAR 23.5 bln in May 2020

Point-of-sale (POS) transactions in Saudi Arabia saw a 16% year-on-year (YoY) drop to around SAR 23.5 billion in May 2020 from SAR 27.8 billion during the same month last year, figures from the Saudi Arabian Monetary Authority (SAMA) showed. POS transactions rose by 45%, or SAR 7.3 billion month-on-month (MoM), to reach SAR 16.2 billion in May 2020.

Source: [Argaam](#)

### **Qatar banking sector challenges to be cushioned by system's resilience and strength: KPMG**

The financial year 2019-2020 has been a "challenging" one for banks operating in Qatar, KPMG said and noted the "overall impact is expected to be cushioned by the resilience and strength" of the banking system. As of March 31, the net profit attributable to shareholders registered a nominal decrease of 0.1% when compared with previous year's net profit as a result of increased provisions, KPMG said in its 'Qatar banking perspectives 2020'.

Source: [Gulf Times](#)

### **Anaam briefs shareholders on owned properties**

Anaam International Holding Group Co. (Anaam Holding) issued a statement on its ownership of land plots, in response to shareholders' inquiries. Anaam owns 55 agricultural projects in Al Jouf region, including 48 land plots with ownership deeds, and seven plots for which ownership is still in the process of being transferred, the company said in a bourse statement.

Source: [Argaam](#)

### **Banks hold back Saudi index as Qatar, Dubai extend losses**

Saudi Arabian stocks ended lower on Monday, hurt by losses in banking shares, while the indexes in Qatar and Dubai extended their retreat to a straight fourth day. Saudi Arabia's benchmark index slipped 0.1% in choppy trading, with National Commercial Bank (NCB), which closed up 5% in the previous session, declining 4.5% and Al Rajhi Bank losing 1%.

Source: [BR](#)

### **Saudi ACWA Power to hit \$10 bln target of new 2020 investments despite virus**

Saudi power plant developer and operator ACWA Power expects to achieve its target of more than \$10 billion in new investments this year, as the coronavirus pandemic had "minimal impact" on its projects, the firm's chief executive told Reuters. The company is still committed to a planned initial public offering (IPO), although execution will depend on the right timing and market conditions, Chief Executive Paddy Padmanathan said in an interview.

Source: [Zawya](#)

### **MIDEAST STOCKS-Saudi up as Samba-NCB surge on merger move; Egypt extends losses**

Saudi Arabia's stock market ended higher on Sunday buoyed by National Commercial Bank and Samba Financial Group after they signed an initial merger agreement, while Egypt's index extended losses. The benchmark index in Saudi Arabia gained 0.8%, with Samba Financial Group rising 9.9% for its biggest intraday gain since June 2017, while National Commercial Bank (NCB) was up 5%. NCB, the kingdom's biggest lender, said on Thursday it had signed an initial agreement with smaller lender Samba to create a combined entity with almost \$214 billion in assets.

Source: [Reuters](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **The IMF warns of \$12 trillion hit to economy from virus**

The coronavirus pandemic will trigger the biggest hit to global growth since the Great Depression and cost the global economy an estimated \$12 trillion, the International Monetary Fund (IMF) said. The virus is causing wider and deeper damage to the global economy than first thought, the organisation said as it slashed its global output forecasts further.

Source: [Oman Observer](#)

### **China's factory activity quickens, but pandemic drags on exporters and recovery**

China's factory activity expanded at a stronger pace in June in a boost to hopes for a quick economic recovery globally and at home, but the persistent weakness in export orders suggests the coronavirus crisis will remain a drag on growth for some time.

Source: [Reuters](#)

### **Safe-haven currencies soften as signs of recovery fan risk appetite**

Safe-haven currencies were on the backfoot on Tuesday as hopes of an economic turnaround boosted riskier assets like the Aussie and yuan, although worries about a blowout in British public spending kept the pound under pressure.

Source: [Reuters](#)

### **Japan factory output slumps as economy sinks deeper in recession**

Japan's industrial output fell for a fourth straight month in May to the lowest level since the global financial crisis, underscoring the widespread impact of the coronavirus on factory activity and the overall business and consumer outlook.

Source: [NB](#)

### Central banks' heavy hand to keep sovereign bond yields low: Reuters poll

Major sovereign bond yields, which have been low for years, are expected to be close to current levels for the next 12 months, as the global economy struggles to recover from the impact of COVID-19, a Reuters poll found. With expectations for weak economic growth intensifying, major central banks are likely to expand their bloated balance sheets, increasing their sway over bond markets.

Source: [Reuters](#)

### Amazon's brand value tops \$400 billion, boosted by the coronavirus pandemic: Survey

Amazon has maintained its position as the world's most valuable brand, increasing its worth by almost a third to \$415.9 billion compared to last year, according to a ranking by consultancy Kantar published Tuesday. The annual BrandZ Top 100 Most Valuable Global Brands ranks companies by combining their market capitalization with consumer research of over 3.8 million people around the world.

Source: [CNBC](#)

### Tesla stock is up more than 4000% since its debut 10 years ago

Tesla shares have outperformed other major tech and auto stocks since it went public exactly 10 years ago. The stock has had plenty of ups and downs along the way, including a big drop after CEO Elon Musk tweeted that he had "funding secured" to take the company private. But shares have rallied this year since the company's new factory in China came online.

Source: [CNBC](#)

## COMMODITIES NEWS

### Gold set for best quarter in 4 years on virus fears

Gold prices held steady on Tuesday and were heading for their biggest quarterly rise in more than four years as fears over rising coronavirus cases around the world boosted demand for the safe-haven metal. Spot gold was mostly unchanged at \$1,770.77 per ounce by 0052 GMT, just \$8.29 shy of a near eight-year high of \$1,779.06, hit last week. Bullion, with more than 12% gains this quarter, is on track for its best quarter since end-March 2016.

Source: [ET](#)

### Oil prices slip on demand worries, prospect of Libyan supply return

Oil prices fell on Tuesday as optimism for a straightforward recovery in fuel demand faded and a looming increase in supply weighed on the market, with Libya's state oil company flagging progress on talks to resume exports.

Source: [CNA](#)