

U Capital Morning Brief

5 July 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	722.22	-49.63	-6.43%	-14.39%	6.98	0.73	7.4%
U Capital GCC 50 Index	1,204.33	11.04	0.93%	-13.11%	19.31	1.98	4.3%
U Capital MENA 200 Index	944.78	6.12	0.65%	-13.38%	14.57	1.60	5.2%
MSCI GCC Countries Index	481.72	0.03	0.01%	-15.44%	15.19	1.63	4.3%
Muscat Securities Market	3,511.77	-6.27	-0.18%	-11.79%	10.01	0.76	6.8%
Saudi Stock Exchange	7,312.24	58.91	0.81%	-12.84%	22.02	1.78	3.5%
Kuwait Stock Exchange	6,140.17	27.23	0.45%	-15.36%	14.80	1.17	3.9%
Qatar Exchange	9,211.89	124.13	1.37%	-11.64%	14.52	1.42	4.3%
Bahrain Stock Exchange	1,274.36	2.18	0.17%	-20.86%	9.53	0.78	5.5%
Dubai Financial Market	2,061.49	-2.90	-0.14%	-25.44%	6.22	0.74	4.7%
Abu Dhabi Exchange	4,311.72	26.66	0.62%	-15.05%	13.82	1.29	5.9%
Beirut Stock Exchange	609.66	9.03	1.50%	-22.39%	3.21	0.36	0.3%
Tunis Se Index	6,575.87	25.98	0.40%	-7.67%	17.84	2.16	1.8%
EGX 30 Index	10,764.59	14.49	0.13%	-22.90%	10.67	1.49	3.3%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,157.3	-1.33%	-18.36%
DAX	Germany	12,528.2	-0.64%	-5.44%
CAC 40	France	5,007.1	-0.84%	-16.24%
United States				
DJIA	USA	25,827.4	0.36%	-9.50%
S&P 500	USA	3,130.0	0.45%	-3.12%
NASDAQ	USA	10,207.6	0.52%	13.76%
Asia Pacific				
NIKKEI 225	Japan	22,306.5	0.72%	-5.71%
HANG SENG	Hongkong	25,373.1	0.99%	-9.99%
KSE 100 Index	Pakistan	35,051.4	0.21%	-13.95%
NSE Nifty 50	India	10,607.4	0.53%	-12.83%
SHANGHAI COMPOSITE	China	3,152.8	2.01%	3.37%
SHANGHAI SHENZHEN CSI 300	China	4,419.6	1.93%	7.89%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.694	1.441
British Pound (GBP)	1.248	0.801
Canadian Dollar (CAD)	0.738	1.355
Chinese Renminbi (CNH)	0.142	7.068
Egyptian Pound (EGP)	0.062	16.142
Euro (EUR)	1.125	0.889
Indian Rupee (INR)	0.013	74.649
Japanese Yen (JPY)	0.009	107.510
New Zealand Dollar (NZD)	0.653	1.531
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.600	166.925
Russian Ruble (RUB)	0.014	71.431
Singapore Dollar (SGD)	0.717	1.395
Turkish Lira (TRY)	0.146	6.862

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	42.8	-0.79%	-31.50%
WTI Crude (per bbl)	40.3	-0.81%	-33.97%
Oman Crude Oil (Last Closing)	43.3	-1.59%	-35.78%
OPEC (per bbl)	42.9	0.54%	-36.89%
Precious Metals			
Gold100 OZ (per oz)	1,772.1	-0.19%	16.79%
Silver (per oz)	18.0	0.33%	0.91%
Platinum (per oz)	810.8	-0.37%	-16.12%
Other Metals			
Copper, MT	6,017	-0.92%	-2.54%
Aluminium, MT	1,614	-0.43%	-10.83%
Lead, MT	1,780	-0.11%	-7.63%
Zinc, MT	2,026	-0.90%	-10.83%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.76	-65.8%
Saudi Arabia	0.98	-55.9%
Kuwait	1.63	-40.9%
Oman	2.64	-6.1%
Qatar	1.06	-53.0%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.51
UAE	16/04/2030	1.85
QATAR	16/04/2030	1.96
SAUDI ARABIA	22/10/2030	2.20
OMAN	01/08/2029	6.91
BAHRAIN	14/05/2030	5.48

Midswaps	Price	YTM %
3 year	100.20	0.2
5 year	99.77	0.3
10 year	99.58	0.7
30 year	95.70	1.4

USD Libor	Rate (%)	YTD
1m	0.16	-90.8%
3m	0.28	-85.5%
6m	0.37	-80.8%
1 year	0.51	-74.7%

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: MSM ends lower with pressure from industrial, financial sector scrips

The MSM30 closed the week lower by 0.40 per cent on the back of a drop in the financial and industrial indices. Turnover and volumes were higher than last week by 9.0 per cent and 6.5 per cent, respectively. All the sub-indices closed lower except Services. Industrial and Financial index were down by 0.77 per cent and 0.45 per cent, respectively while the Services Index closed up by 0.34 per cent. Shariah Index closed higher by 0.97 per cent w-o-w.

Source: [Oman Observer](#)

Oman seeks \$2bln bridge loan, says source confirming LPC

Oman is seeking a \$2 billion bridge loan from international and regional banks, a source familiar with the matter said on Friday, confirming a report by LPC, a fixed income news service owned by Refinitiv. The Gulf state was in talks with banks earlier this year about funding options, including a loan of about \$2 billion, but discussions were put on hold due to the coronavirus crisis and plunging oil prices, sources previously said.

Source: [Zawya](#)

First meeting of Oil and Gas Sector Skill Unit Governing Board held

The first meeting of the Oil and Gas Sector Skills Unit (SSU) Governing Board meeting was held at the headquarters of the Oman Society for Petroleum Services (Opal) recently in the presence of representatives of the sector and relevant government organisations, adhering all COVID-19 pandemic safety measures.

Source: [Times of Oman](#)

Oman's restructured water sector to be unveiled this year

The ongoing restructuring of the Sultanate's water and wastewater sectors is due to be wrapped up before the end of this year – a landmark exercise that will pave the way for the Authority for Electricity Regulation (AER) to assume responsibility for the water sector as well. According to the Public Authority for Water (Diam), considerable progress has been made in the unbundling and reorganization of the constituent entities that make up the water and wastewater sectors in the Sultanate.

Source: [Oman Observer](#)

Proposed mineral railway project in Oman shows promise

An ambitious plan by Oman's authorities to harness the prolific mineral potential of central and southern parts of the Sultanate via the development of a Mineral Railway line holds significant promise, according to a key report published here recently. According to the Implementation Support & Follow-up Unit (ISFU) of the Diwan of Royal Court, the project – which has been several years in the planning – has the potential to catalyse economic growth in areas targeted for mineral development.

Source: [Oman Observer](#)

Pact signed for \$350m Tech City in Salalah Free Zone

Salalah Free Zone has signed an agreement with an investor in the United Arab Emirates for the establishment of a Technology City with an investment of around \$350 million. A Memorandum of Understanding (MoU) signed to this effect envisages a Technology City for innovation and fourth-generation (4G) technologies, said Ali bin Mohammed Tabouk, CEO of Salalah Free Zone. The City will feature a Data Park, technology academy and support facilities covering an area of 500,000 square metres.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

PIF boosts local economic growth, investments in promising sectors

Saudi Arabia's Public Investment Fund (PIF) announced a program that aims to boost its assets under management (AUM) to SAR 1.5 trillion in 2020 from SAR 840 billion in 2017. The sovereign fund is looking forward to raising total shareholder return (TSR) to 5% (the baseline stood at 3% from 2014 to 2016), and contribute 6.3%, or over SAR 170 billion, to the Kingdom's gross domestic product (GDP).

Source: [Argaam](#)

Aramco maintains energy supplies uninterrupted during COVID-19 crisis

Aramco's In-Kingdom Total Value Add (iktva) has helped the company's supply chains remain uninterrupted, mitigating the impact of COVID-19 on its operations, the giant oil producer said in a statement. In addition to creating jobs and promoting

investment, the program has also resulted in a robust commercial ecosystem that continues to function despite the global pandemic, senior vice-president of technical services, Ahmad A Al Sa'adi, said.

Source: [Argaam](#)

Here're the details of amendments to Saudi income tax law

Here are the details of the Saudi Cabinet's decision issued last month, to approve the amendment to Article A/2 of the Income Tax Law, related to taxable persons. After amendment, the Paragraph stipulates that the persons subject to taxation include the following: (a) Resident capital companies with respect to shares owned directly or indirectly by non-Saudi persons and, (b) Shares owned directly or indirectly by persons operating in oil and hydrocarbon production excluding:

Source: [Argaam](#)

UAE non-oil private sector jumps back to growth in June – PMI

The United Arab Emirates (UAE) non-oil private sector grew in June for the first time this year, emerging from months of contraction as coronavirus restrictions were lifted, a survey showed on Sunday. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, rose to 50.4 in June from 46.7 in May, edging above the 50.0 mark that separates expansion from contraction.

Source: [NYT](#)

Saudi non-oil private sector shrinks again in June: PMI

SAUDI Arabia's non-oil private sector shrank for the fourth straight month in June as measures to contain the spread of the new coronavirus continued to hit consumer demand, a survey showed on Sunday. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) fell to 47.7 in June from 48.1 in May, remaining below the 50.0 mark that separates growth from contraction.

Source: [US News](#)

Bahrain's economy likely to contract by 3.6% this year

Bahrain's economy is likely to contract by 3.6 per cent this year, however government stimulus measures should provide support, Central Bank of Bahrain (CBB) Governor Rasheed Al Maraj has said .

Source: [GDN](#)

Mideast Stocks: Qatar leads most of Gulf higher; property shares hurt Dubai

Most Gulf bourses ended higher on Thursday with Qatar leading the gains, boosted by market heavyweight Industries Qatar, although weakness in real estate shares weighed on the Dubai index. The Qatar index rose 1.4%, with petrochemical firm Industries Qatar advancing 4.6% and Qatar National Bank, the Gulf's largest lender, gaining 2.6%. But Masraf Al Rayan, which leapt 5% in the last session, eased 0.3%.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

UK to double work coaches as lockdown hammers jobs market

Britain's government will double the number of its job coaches as part of a plan to tackle a rise in unemployment triggered by the coronavirus lockdown, the finance ministry said on Saturday. The number of work coaches at British job centres will double to 27,000 at a cost of 800 million pounds (\$997 million), the ministry said.

Source: [Reuters](#)

German economy minister sees economic recovery from October

Germany's economy may recover from October onwards from the coronavirus pandemic, Economy Minister Peter Altmaier said in a newspaper interview on Sunday. "I am sure that the downturn of our economy can be stopped after the summer break and that from October onwards, the economy can start growing again in Germany," he told the mass circulation Bild am Sonntag in an interview.

Source: [Reuters](#)

Fitch has downgraded a record number of sovereign ratings due to the coronavirus. It's not done yet

With the coronavirus pandemic hurting government finances, Fitch Ratings could downgrade the credit ratings of more countries or sovereign entities this year. The agency has downgraded a record 33 sovereign ratings in the first half of this year, and has placed the credit ratings of 40 countries or sovereign entities on a "negative" outlook.

Source: [CNBC](#)

COMMODITIES NEWS

Gold steadies in tight range as virus fears offset solid U.S. jobs data

Spot gold was unchanged at \$1,775.12 per ounce by 0232 GMT. U.S. markets are closed on Friday for observing Independence Day on July 4. U.S. gold futures eased 0.1% to \$1,787.80.

Source: [CNBC](#)

Crude oil prices fall over lingering concerns on world's largest consumer

Crude oil prices plummeted on Friday morning as the resurgence of COVID-19 picked up globally, especially in the world's largest economy and consumer of crude oil (United States), dampened the optimism for strong demand in energy goods.

Brent crude futures lost 0.70% to trade at \$42.84 a barrel at 4.30 am Nigerian local time, and the West Texas Intermediate also dropped 0.8%, to trade at \$40.31 a barrel.

Source: [NM](#)

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