

# U Capital Morning Brief

15 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	763.18	-4.78	-0.62%	-9.53%	6.96	0.73	7.4%
U Capital GCC 50 Index	1,198.84	-3.82	-0.32%	-13.51%	19.54	1.99	4.3%
U Capital MENA 200 Index	945.00	-4.03	-0.42%	-13.36%	14.83	1.64	5.1%
MSCI GCC Countries Index	480.55	-3.04	-0.63%	-15.65%	15.25	1.62	4.3%
Muscat Securities Market	3,504.16	6.60	0.19%	-11.98%	9.49	0.76	6.8%
Saudi Stock Exchange	7,380.35	-31.86	-0.43%	-12.03%	22.42	1.80	3.5%
Kuwait Stock Exchange	6,112.51	-98.28	-1.58%	-15.74%	14.78	1.17	3.9%
Qatar Exchange	9,319.40	21.60	0.23%	-10.61%	14.85	1.43	4.3%
Bahrain Stock Exchange	1,307.52	-7.66	-0.58%	-18.80%	9.78	0.80	5.4%
Dubai Financial Market	2,052.76	-14.98	-0.72%	-25.76%	6.19	0.73	4.7%
Abu Dhabi Exchange	4,287.82	-19.20	-0.45%	-15.52%	14.17	1.28	6.0%
Beirut Stock Exchange	626.95	1.10	0.18%	-20.19%	3.31	0.37	0.0%
Tunis Se Index	6,590.37	-22.81	-0.34%	-7.47%	17.87	2.16	0.6%
EGX 30 Index	10,873.53	-134.32	-1.22%	-22.12%	10.86	1.45	3.1%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
<b>Europe</b>					Australian Dollar (AUD)	0.700	1.429
FTSE 100	UK	6,179.8	0.06%	-18.07%	British Pound (GBP)	1.258	0.795
DAX	Germany	12,697.4	-0.80%	-4.16%	Canadian Dollar (CAD)	0.735	1.360
CAC 40	France	5,007.5	-0.96%	-16.24%	Chinese Renminbi (CNH)	0.143	7.001
<b>United States</b>					Egyptian Pound (EGP)	0.063	15.959
DJIA	USA	26,642.6	2.13%	-6.64%	Euro (EUR)	1.140	0.878
S&P 500	USA	3,197.5	1.34%	-1.03%	Indian Rupee (INR)	0.013	75.296
NASDAQ	USA	10,488.6	0.94%	16.90%	Japanese Yen (JPY)	0.009	107.260
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.655	1.527
NIKKEI 225	Japan	22,948.7	1.60%	-2.99%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	25,412.5	-0.26%	-9.85%	Pakistani Rupee (PKR)	0.600	166.675
KSE 100 Index	Pakistan	36,783.8	0.09%	-9.70%	Russian Ruble (RUB)	0.014	70.869
NSE Nifty 50	India	10,794.1	1.76%	-11.29%	Singapore Dollar (SGD)	0.719	1.391
SHANGHAI COMPOSITE	China	3,383.1	-0.92%	10.92%	Turkish Lira (TRY)	0.146	6.864
SHANGHAI SHENZHEN CSI 300	China	4,779.5	-0.57%	16.67%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	43.1	0.35%	-31.10%	UAE	0.66	-70.2%
WTI Crude (per bbl)	40.4	0.37%	-33.77%	Saudi Arabia	0.96	-56.9%
Oman Crude Oil (Last Closing)	43.4	-0.91%	-35.70%	Kuwait	1.56	-43.2%
OPEC (per bbl)	43.4	-0.18%	-36.17%	Oman	2.67	-5.3%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,807.5	-0.11%	19.13%	Qatar	1.14	-49.3%
Silver (per oz)	19.2	0.07%	7.71%	Bahrain	2.30	-13.8%
Platinum (per oz)	828.8	-0.07%	-14.26%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
<b>Other Metals</b>						
Copper, MT	6,499	-1.10%	5.26%		Maturity date	YTM, %
Aluminium, MT	1,689	-0.09%	-6.71%	KUWAIT	20/03/2027	1.44
Lead, MT	1,849	-1.73%	-4.05%	UAE	16/04/2030	1.77
Zinc, MT	2,195	-2.96%	-3.41%	QATAR	16/04/2030	1.95
				SAUDI ARABIA	22/10/2030	2.29
				OMAN	01/08/2029	7.39
				BAHRAIN	14/05/2030	5.89

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.82	0.2	1m	0.17	-90.1%
5 year	99.80	0.3	3m	0.28	-85.6%
10 year	99.95	0.6	6m	0.34	-82.3%
30 year	98.27	1.3	1 year	0.48	-75.9%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **New Industrial City unveiled in Al Dhahirah Governorate**

The Public Establishment for Industrial Estates (Madayn) has officially begun setting up Ibri Industrial City in the wilayat of Ibri in Al Dhahirah governorate on a total area of 10 million square metres. Work is currently underway to develop the masterplan of Ibri Industrial City through the appointed consultancy company. The detailed design work and tender documents for the implementation of phase one is expected to be completed in the coming period. This will include infrastructure and service works, industrial workshops and basic facilities.

Source: [Oman Observer](#)

### **Oman's oil reserves at 4.84bn barrels, gas at 23.8 TCF**

Reserves of crude oil and condensates in the Sultanate totaled 4842.71 million barrels as of 2019-end, up by 1.1 per cent in comparison with 2018, the Ministry of Oil and Gas announced in its 2019 Annual Report. Majority state-owned Petroleum Development Oman (PDO) accounts for about 67 per cent of total reserves, it said.

Source: [Oman Observer](#)

### **CBO issues treasury bills worth OMR23 million**

Oman's central bank raised OMR23 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from Wednesday until August 12, 2020. The average accepted price reached 99.950 for every OMR100, and the minimum accepted price arrived at 99.945 per OMR100. The average discount rate and the average yield reached 0.65462 per cent and 0.65495 per cent, respectively.

Source: [Times of Oman](#)

### **Ahli Bank offers 'Comfort Loan' scheme**

Catering to the diverse needs of the customers, Ahli Bank is offering a unique scheme, 'Comfort Loan' to enable customers to realise their cherished dreams including owning a house. The scheme enables customers to avail personal and car loan up to 120 months (10 years) and home loan up to 300 months (25 years). What's interesting about the scheme is that there is a grace period for the first 3 months of the loan tenor and zero payment for the first 3 months.

Source: [Times of Oman](#)

### **Oman's first 'Green Zone' to come up in Muscat's Al Khuwair district**

Parts of the 'Ministries District' in Al Khuwair in Muscat Governorate have been designated a 'Green Zone', serving to exemplify the Omani government's ambitions in championing the adoption of rooftop solar PV systems, coupled with the retrofitting of government buildings to make them more energy-efficient.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Emirate of Sharjah sells \$1 bln in 30-year Formosa bonds -document**

The government of Sharjah sold \$1 billion in 30-year Formosa bonds on Tuesday at 4%, a document showed. Gulf states are seeking to bolster their finances amid the economic impact of the coronavirus and the crash in oil prices, and the third largest of the United Arab Emirates sold \$1 billion of sukuk, or Islamic bonds, last month. The Formosa bond - a category of debt sold in Taiwan by foreign borrowers and denominated in currencies other than the Taiwanese dollar - is Sharjah's first non-Islamic benchmark bond. It is also its longest-dated, with its previous longest tenor being 10 years.

Source: [Nasdaq](#)

### **Kuwait scraps \$1.4bln solar project over Covid-19 crisis**

Kuwait has cancelled plans to construct the Al Dabdaba solar plant, which would have provided 15 per cent of the oil sector's needs from renewable sources, due to the Covid-19 pandemic, reported Reuters. The decision was taken following a cabinet meeting yesterday (July 13) after evaluating the project in the context of spreading of coronavirus and its impacts on the global oil and financial markets.

Source: [Trade Arabia](#)

### **Saudi derivatives market, index futures launch set for Aug 30**

Saudi Stock Exchange (Tadawul) has announced plans to launch its exchange-traded derivatives on August 30. The first exchange-traded derivatives product is an index futures contract, the Saudi Futures 30 (SF30). This contract is based on the MSCI Tadawul 30 Index (MT30). The MSCI Tadawul 30 Index was launched by Tadawul and MSCI and went live on January 30, 2019.

Source: [Trade Arabia](#)

### **Saudi's new corporate law will see creation of more flexible companies: Official**

Abdul Majeed Al-Abdul Wahab, director-general of the companies' laws and policies at the Ministry of Commerce, said that the new draft corporate law will pave the way for the establishment of more flexible types of companies. Speaking during a television interview, he said that the new models of companies include simple joint-stock companies, which will have the characteristics of joint-stock companies featuring flexibility in raising capital or in issuing different types of shares.

Source: [Zawya](#)

### **Saudi Finance Ministry unveils SAR 670 mln initiative to defer payments for private sector enterprises**

Saudi Ministry of Finance launched a Corporate Sustainability Program initiative at SAR 670 million to defer payment of the outstanding loan installments for the private sector entities, in line with Saudi Vision 2030, according to a Ministry statement. The initiative comprises deferring payment of loan installments due in 2020, for a year, for all segments entitled for the Corporate Sustainability Support Program initiative.

Source: [Argaam](#)

### **Energy, infrastructure key drivers of economic growth: UAE minister**

Suhail bin Mohammed Al Mazrouei, Cabinet Member and Minister of Energy and Infrastructure has underlined the necessity of rallying efforts and ensuring best utilization of resources to drive economic growth and protect the gains secured by the State over the past years.

Source: [WAM](#)

### **Kuwait allows up to 50% salary cuts in private sector**

Rapporteur of the Educational, Cultural and Guidance Affairs Committee MP Sa'adoun Hammad confirmed that the committee approved the bill about dealing with the economic impact of coronavirus on the private sector. He disclosed the bill allows the employer to reach an agreement with some or all employees to reduce their salaries during the lockdown period by 50 percent maximum; but not lower than the minimum salary in Kuwait, while the actual work hours are taken into consideration.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **UK should face 'public and painful' retaliation over Huawei decision, Chinese state media urges**

Britain should face retaliation over its decision to ban Huawei from its 5G networks, Chinese state-backed media urged, dubbing the move "ill-founded." On Tuesday, the U.K. said the country's mobile network operators will not be allowed to buy new Huawei 5G gear after Dec. 31. And the carriers must also strip out existing Huawei 5G gear by the end of 2027.

Source: [CNBC](#)

### **Fed officials warn on 'thick fog' ahead for U.S. economy as recovery concerns deepen**

The U.S. economy will recover more slowly than expected amid a surge in novel coronavirus cases across the country, and a broad second wave of the disease could cause economic pain to deepen again, Federal Reserve officials warned on Tuesday.

Source: [Reuters](#)

### **Trump says he is 'not interested' in trade talks with China**

U.S. President Donald Trump on Tuesday shut the door on "Phase 2" trade negotiations with China, saying he does not want to talk to Beijing about trade because of the coronavirus pandemic. "I'm not interested right now in talking to China," Trump replied when asked in an interview with CBS News whether Phase 2 trade talks were dead.

Source: [Reuters](#)

### **Internal U.S. small business watchdog launches inquiry into duplicate pandemic loans**

The U.S. Small Business Administration's internal watchdog has launched an inquiry into a technical glitch that led many small businesses to receive duplicate loans through a high-profile federal coronavirus aid program. A spokesman for the SBA Office of the Inspector General confirmed that the office has begun a review of the issue, which Reuters reported last month may have led to hundreds of millions of dollars in duplicate loans being approved under the \$660 billion Paycheck Protection Program (PPP).

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil climbs after sharp drop in U.S. crude stocks; OPEC committee meeting in focus

Oil prices rose on Wednesday following a sharp drop in U.S. crude inventories, with the market waiting for next steps from a meeting later in the day on the future level of output cuts by OPEC and its allies. Brent crude LCOc1 futures were up 19 cents, or 0.4%, at \$43.09 a barrel as of 0343 GMT, and U.S. West Texas Intermediate (WTI) crude CLc1 futures rose 17 cents, or 0.4%, to \$40.46 a barrel.

Source: [Reuters](#)

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