

# U Capital Morning Brief

16 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	765.56	2.38	0.31%	-9.25%	6.89	0.73	7.5%
U Capital GCC 50 Index	1,197.50	-1.34	-0.11%	-13.61%	19.60	1.99	4.3%
U Capital MENA 200 Index	944.83	-0.17	-0.02%	-13.38%	14.77	1.65	5.1%
MSCI GCC Countries Index	481.77	1.22	0.25%	-15.43%	15.31	1.63	4.3%
Muscat Securities Market	3,466.53	5.17	0.15%	-12.93%	9.85	0.75	6.9%
Saudi Stock Exchange	7,418.04	37.69	0.51%	-11.58%	22.53	1.81	3.5%
Kuwait Stock Exchange	6,111.83	5.75	0.09%	-15.75%	14.88	1.17	3.9%
Qatar Exchange	9,394.59	75.19	0.81%	-9.89%	14.87	1.44	4.3%
Bahrain Stock Exchange	1,304.29	-3.22	-0.25%	-19.00%	9.76	0.80	5.4%
Dubai Financial Market	2,051.35	3.15	0.15%	-25.81%	6.19	0.73	4.7%
Abu Dhabi Exchange	4,239.47	18.36	0.44%	-16.48%	14.01	1.27	6.0%
Beirut Stock Exchange	622.48	-4.48	-0.71%	-20.76%	3.28	0.37	0.0%
Tunis Se Index	6,574.62	-15.75	-0.24%	-7.69%	17.82	2.15	0.6%
EGX 30 Index	10,617.42	-256.11	-2.36%	-23.95%	10.57	1.41	3.2%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
<b>Europe</b>					Australian Dollar (AUD)	0.699	1.431
FTSE 100	UK	6,292.7	1.83%	-16.57%	British Pound (GBP)	1.254	0.798
DAX	Germany	12,931.0	1.84%	-2.40%	Canadian Dollar (CAD)	0.740	1.351
CAC 40	France	5,109.0	2.03%	-14.54%	Chinese Renminbi (CNH)	0.143	6.999
<b>United States</b>					Egyptian Pound (EGP)	0.063	15.959
DJIA	USA	26,870.1	0.85%	-5.85%	Euro (EUR)	1.140	0.878
S&P 500	USA	3,226.6	0.91%	-0.13%	Indian Rupee (INR)	0.013	75.238
NASDAQ	USA	10,550.5	0.59%	17.59%	Japanese Yen (JPY)	0.009	106.920
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.655	1.526
NIKKEI 225	Japan	22,770.4	-0.76%	-3.75%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	25,200.8	-1.07%	-10.60%	Pakistani Rupee (PKR)	0.600	166.750
KSE 100 Index	Pakistan	36,974.6	0.81%	-9.23%	Russian Ruble (RUB)	0.014	70.969
NSE Nifty 50	India	10,670.2	0.49%	-12.31%	Singapore Dollar (SGD)	0.718	1.393
SHANGHAI COMPOSITE	China	3,286.5	-2.23%	7.75%	Turkish Lira (TRY)	0.146	6.857
SHANGHAI SHENZHEN CSI 300	China	4,625.1	-2.52%	12.90%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	43.5	-0.59%	-30.33%	UAE	0.59	-73.3%
WTI Crude (per bbl)	40.9	-0.80%	-33.05%	Saudi Arabia	0.96	-57.2%
Oman Crude Oil (Last Closing)	44.9	3.46%	-33.48%	Kuwait	1.56	-43.2%
OPEC (per bbl)	43.0	-0.83%	-36.70%	Oman	2.65	-5.7%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,808.1	-0.13%	19.16%	Qatar	1.00	-55.6%
Silver (per oz)	19.2	-0.96%	7.70%	Bahrain	2.30	-13.8%
Platinum (per oz)	829.5	-0.36%	-14.18%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
<b>Other Metals</b>						
Copper, MT	6,386	-1.73%	3.43%		Maturity date	YTM, %
Aluminium, MT	1,684	-0.30%	-6.99%	KUWAIT	20/03/2027	1.44
Lead, MT	1,845	-0.24%	-4.28%	UAE	16/04/2030	1.75
Zinc, MT	2,201	0.27%	-3.15%	QATAR	16/04/2030	1.91
				SAUDI ARABIA	22/10/2030	2.26
				OMAN	01/08/2029	7.33
				BAHRAIN	14/05/2030	5.82

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.85	0.2	1m	0.18	-90.0%
5 year	99.84	0.3	3m	0.27	-85.8%
10 year	100.03	0.6	6m	0.34	-82.1%
30 year	98.33	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

### Port of Salalah to invest in digitisation initiatives

Port of Salalah hosted a webinar on digitization in partnership with Oman Chamber of Commerce and Industries, Dhofar. The webinar featured speakers from various leading entities in the logistics sector in Oman as well as a panel discussion including Dr. Sultan al Hinai, Technology and Innovation Director of ASYAD; Lt Colonel Mansoor al Rahbi, Project Manager of Bayan system of Royal Oman Police Customs; Mark Hardiman, Chief Executive Officer of Port of Salalah; Engineer Hussain Al Bat'hari, Chairman of Oman Chamber of Commerce and Industries, Dhofar; and N S Ramanathan, Acting Commercial Director of Salalah Free Zone. The webinar was attended by various customer segments including importers, exporters, logistics and supply chain companies.

Source: [Oman Observer](#)

### PDO's flagship Rabab Harweel Integrated Project completed

UK-based international oilfield engineering services contractor Petrofac has announced the successful completion of the Rabab Harweel Integrated Project (RHIP), one of the largest ventures of Petroleum Development Oman (PDO). "Our Rabab Harweel Integrated Project (RHIP) team has received the completion certificate from Petroleum Development Oman (PDO) acknowledging successful delivery of the project," said Petrofac in a statement.

Source: [Oman Observer](#)

### More than 130,000 insurance policies sold through electronic channels

The number of insurance policies issued through various electronic windows and channels during the COVID-19 pandemic has exceeded 130,000, according to a report prepared by the Capital Market Authority (CMA) on the performance of the insurance companies in rendering service during the pandemic.

Source: [Times of Oman](#)

### Oman's share index ends marginally lower

The MSM30 index closed at 3,461.36 points, down 1.22 per cent from previous close. The Sharia Index ended down by 0.35 per cent at 521.54 points. Gulf International, up 5.83 per cent was the top gainer while convertible Muscat Gases, down 8.89 per cent was the top loser. Bank Muscat was the most active in terms of number of shares traded and also was the most active in terms of turnover.

Source: [Times of Oman](#)

### Power, water sector investments total RO 3.85 bn

Nama Group (NG) organised a virtual roundtable discussion with economists focusing on its integrated strategy to increase efficiency and ensure the provision of safe and sustainable electricity to all customers across the Sultanate in collaboration with all relevant stakeholders.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Dubai's CPI down 3.4% in June

The Consumer Price Index (CPI) in Dubai declined by 3.44% in June, compared to 3.49% in May, amid a decrease in the price of five goods groups, according to the latest statistics by the Dubai Statistics Centre (DSC). The prices of the housing, water, electricity, gas, and other fuels group contracted by 5.54% in June, which led to a 2.29-point decrease in inflation, while the prices of the transport group plunged by 13.39%.

Source: [Zawya](#)

### KSA startup funding hits record high in H1-20

Funding in Saudi Arabia-based startups signalled a significant growth faster than the average in MENA despite the setback from COVID-19, according to a report by MAGNiTT and the Saudi Venture Capital Company (SVC) on Wednesday. The region's 17 countries recorded a 35% yearly increase in total funding during the first half (H1) of 2020, while Saudi Arabia's startup funding advanced by 102% to reach a record high of \$95 million. Whereas the MENA region saw an 8% annual decrease in the number of deals over H1-20, Saudi Arabia registered a 29% increase.

Source: [Mubasher](#)

### Saudi gov't entrusts infath with sales, liquidation services

The Saudi Ministry of Justice signed an agreement with the Entrustment and Liquidation Center (infath) under which the latter will provide sales and liquidation services and process all executive orders through commissioning entities from the

private sector. The collaboration aims to speed up the fulfilment of rights, improve the quality of judicial auctions, and facilitate the liquidation process, according to a statement on Wednesday.

Source: [Mubasher](#)

#### **Saudi inflation slows in June before VAT increase**

Saudi Arabia's consumer price index rose 0.5% in May from a year earlier, the smallest annual increase since January, official data showed on Wednesday. Food prices, which went up 6.9% year-on-year, were the main driver for the increase in the overall inflation rate, the General Authority for Statistics said. Saudi Arabia has ordered a tripling of value-added tax to 15%, starting this month, as it seeks to boost state revenues battered by low oil prices and the coronavirus pandemic.

Source: [Zawya](#)

#### **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 Arabia presses ahead with reforms to help economic recovery, says top official**

The Saudi government is pressing ahead with implementing necessary reforms and policies to support the economy recovery to the pre-coronavirus levels, said Abdulaziz Al Rasheed, Assistant Minister of Finance for International Financial Affairs & Macro Fiscal Policies in a statement. Development funds and the Public Investment Fund (PIF) are playing a key role in boosting growth as they can support fiscal stability and finance investments and development projects.

Source: [Argaam](#)

#### **Saudi Arabia says OPEC+ moving to easing oil cuts on demand recovery**

Saudi Arabia's energy minister said on Wednesday that OPEC+ was moving to the next phase of its oil cut pact when the group is expected to ease their reductions as oil demand recovers. Prince Abdulaziz bin Salman also said that effective oil cuts will be deeper than 7.7 million barrels per day, thanks to a compensation plan by countries which overproduced in previous months.

Source: [Zawya](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **China says its economy grew 3.2% in the second quarter this year, rebounding from coronavirus**

China reported that the country's GDP grew by 3.2% in the second quarter of this year, compared to a year ago — beating analysts' expectations and rebounding from the first quarter's contraction. It comes as lockdowns to contain the coronavirus outbreak in China eased, and as Beijing rolled out stimulus measures to prop up its economy.

Source: [CNBC](#)

#### **Delayed tax day to bring revenue lift to cash-strapped U.S. states**

A downward spiral in revenue in the wake of the coronavirus outbreak will pause this month for most U.S. states as Wednesday's income tax filing deadline generates billions of dollars in payments that would have been due in April. But looking past the burst of last-minute payments of taxes incurred in 2019 before the pandemic hit, states' revenue outlook remains bleak as a spike in U.S. virus cases dampens hopes for a quick economic recovery.

Source: [Reuters](#)

#### **China industrial output rises 4.8% year-on-year in June; retail sales, investment fall**

China's industrial output rose 4.8% in June from a year earlier, data showed Thursday, expanding for the third straight month and offering some relief to an economy trying to regain its footing from the shock of the coronavirus outbreak earlier in the year.

Source: [Reuters](#)

#### **Nasdaq 'Fear Gauge' Flashes Warning Signs About Tech Rally**

There are more signs of possible trouble ahead for high-flying technology stocks, this time from gauges of expected volatility. One alert stems from the widest spread since 2004 between the Cboe NDX Volatility Index, a measure of implied equity swings for the Nasdaq-100, and the counterpart so-called "fear gauge" for the S&P 500. Another comes from unusual simultaneous gains in the technology index and the NDX recently.

Source: [Yahoo Finance](#)

## COMMODITIES NEWS

### Oil prices ease after OPEC, allies agree to taper oil supply curbs

Oil prices eased on Thursday after OPEC and allies such as Russia agreed to taper record supply curbs from August, though the drop was cushioned by hopes for a swift U.S. demand pick-up after a big drawdown from the country's crude stocks.

Source: [Reuters](#)

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