

U Capital Morning Brief

20 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	762.49	0.63	0.08%	-9.61%	6.86	0.73	7.5%
U Capital GCC 50 Index	1,196.02	-0.56	-0.05%	-13.71%	19.43	1.99	4.3%
U Capital MENA 200 Index	943.22	-0.94	-0.10%	-13.52%	14.70	1.64	5.2%
MSCI GCC Countries Index	478.94	-1.67	-0.35%	-15.93%	15.27	1.62	4.3%
Muscat Securities Market	3,451.41	1.21	0.04%	-13.31%	9.89	0.75	6.9%
Saudi Stock Exchange	7,423.23	-3.53	-0.05%	-11.51%	22.58	1.81	3.5%
Kuwait Stock Exchange	5,993.27	-63.51	-1.05%	-17.39%	14.64	1.15	4.0%
Qatar Exchange	9,316.51	5.85	0.06%	-10.64%	14.95	1.43	4.3%
Bahrain Stock Exchange	1,291.16	-11.32	-0.87%	-19.81%	9.66	0.79	5.5%
Dubai Financial Market	2,061.43	8.76	0.43%	-25.44%	6.22	0.74	4.7%
Abu Dhabi Exchange	4,255.78	-18.68	-0.44%	-16.15%	14.06	1.28	6.0%
Beirut Stock Exchange	620.50	-1.21	-0.19%	-21.01%	7.71	0.39	0.0%
Tunis Se Index	6,550.59	-6.51	-0.10%	-8.02%	17.76	2.15	0.6%
EGX 30 Index	10,281.16	-160.04	-1.53%	-26.36%	10.23	1.37	3.3%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,290.3	0.63%	-16.60%
DAX	Germany	12,919.6	0.35%	-2.49%
CAC 40	France	5,069.4	-0.31%	-15.20%
United States				
DJIA	USA	26,672.0	-0.23%	-6.54%
S&P 500	USA	3,224.7	0.28%	-0.19%
NASDAQ	USA	10,503.2	0.28%	17.06%
Asia Pacific				
NIKKEI 225	Japan	22,686.3	-0.05%	-4.10%
HANG SENG	Hongkong	25,136.5	0.17%	-10.83%
KSE 100 Index	Pakistan	37,568.0	0.64%	-7.77%
NSE Nifty 50	India	10,973.1	0.65%	-9.82%
SHANGHAI COMPOSITE	China	3,300.5	2.69%	8.21%
SHANGHAI SHENZHEN CSI 300	China	4,663.3	2.61%	13.83%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.699	1.430
British Pound (GBP)	1.254	0.797
Canadian Dollar (CAD)	0.736	1.358
Chinese Renminbi (CNH)	0.143	6.985
Egyptian Pound (EGP)	0.063	15.970
Euro (EUR)	1.145	0.873
Indian Rupee (INR)	0.013	74.986
Japanese Yen (JPY)	0.009	107.270
New Zealand Dollar (NZD)	0.656	1.525
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.597	167.650
Russian Ruble (RUB)	0.014	71.894
Singapore Dollar (SGD)	0.719	1.390
Turkish Lira (TRY)	0.146	6.858

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	42.9	-0.58%	-31.35%
WTI Crude (per bbl)	40.4	-0.57%	-33.90%
Oman Crude Oil (Last Closing)	43.3	-1.21%	-35.81%
OPEC (per bbl)	43.8	-0.73%	-35.55%
Precious Metals			
Gold100 OZ (per oz)	1,809.8	-0.04%	19.28%
Silver (per oz)	19.4	0.11%	8.39%
Platinum (per oz)	843.5	0.38%	-12.74%
Other Metals			
Copper, MT	6,448	0.18%	4.44%
Aluminium, MT	1,662	-0.54%	-8.20%
Lead, MT	1,815	-1.81%	-5.81%
Zinc, MT	2,183	-1.93%	-3.94%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.59	-73.2%
Saudi Arabia	0.95	-57.3%
Kuwait	1.56	-43.2%
Oman	2.65	-5.7%
Qatar	1.17	-48.2%
Bahrain	2.30	-13.8%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.44
UAE	16/04/2030	1.76
QATAR	16/04/2030	1.87
SAUDI ARABIA	22/10/2030	2.25
OMAN	01/08/2029	7.23
BAHRAIN	14/05/2030	5.75

Midswaps	Price	YTM %
3 year	99.86	0.2
5 year	99.88	0.3
10 year	100.08	0.6
30 year	98.38	1.3

USD Libor	Rate (%)	YTD
1m	0.18	-89.8%
3m	0.27	-85.8%
6m	0.33	-82.6%
1 year	0.47	-76.5%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

SEZAD cuts processing period for applications of investors

The Special Economic Zone Authority at Duqm (SEZAD), has announced faster processing of investment applications. The reduction in the processing period of investors' applications from what is stated in SEZAD regulations and legislations comes in an attempt to accelerate investment in the Special Economic Zone at Duqm (SEZD).

Source: [Times of Oman](#)

UK's BSI to develop National Building Code for Oman

The globally renowned British Standards Institution (BSI), which has played a key role in the drafting of national and international standards for industry products and services for over a century, has been roped in by Oman to help with the formulation of a National Building Code for the Sultanate. Plans for the introduction of a set of modern, standardised building regulations for the Sultanate are in line with a broader effort to support the development of energy-efficient building construction.

Source: [Oman Observer](#)

CBO cautions public regarding investment in cryptocurrencies

The Central Bank of Oman (CBO) has issued a notice stating that members of the public are being solicited to invest in cryptocurrencies and similar products. Central Bank of Oman, in its notice, stated, "In coordination with the National Centre for Financial Information and the Royal Oman Police, the Central Bank of Oman would like to confirm to the public that pursuant to Oman laws, cryptocurrencies are not a legal tender in the Sultanate of Oman."

Source: [Times of Oman](#)

State Council Approves Proposals

The State Council approved today the two proposals submitted by the Economic Committee on: "Challenges of the National Manpower in the Private Sector" and "Promoting Entrepreneurship and Local Added Value". It also approved the proposal submitted by the team to study "Bank Loans and Insurances", along with forming technical drafting committees to incorporate the members' views on these proposals. This came during the 9th regular session of the 1st annual sitting for the 7th period, headed by Dr. Yahya bin Mahfoudh Al Mantheri, Chairman of the State Council.

Source: [ONA](#)

Omantel Group achieves RO 100m net profit in H1

Oman Telecommunications Company SAOG Group announced its financial results for the six-month period ended June 30, 2020, achieving a net profit of RO 100.5 million (before non-controlling interests) compared to RO 126.5 million in 2019, a decline of 20.5 per cent.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Emirates REIT may scrap listing on Nasdaq Dubai

Emirates REIT will start a comprehensive review of its strategic options, including a potential de-listing from Nasdaq Dubai. "The advantages of remaining publicly listed are heavily outweighed by the disadvantages," the company wrote in a statement on Sunday. It cited the "climate" in the United Arab Emirates' stock markets and the "cyclical downturn" in the real estate sector."

Source: [Gulf News](#)

Kuwait scrambles to boost coffers with up to \$16 billion debt plan

Kuwait plans to issue between 4 billion and 5 billion dinars (\$13 billion to \$16 billion) in public debt by the end of the fiscal year ending March 2021 if parliament approves a long-debated debt law, a government document seen by Reuters showed. Kuwait plans to issue between 4 billion and 5 billion dinars (\$13 billion to \$16 billion) in public debt by the end of the fiscal year ending March 2021 if parliament approves a long-debated debt law, a government document seen by Reuters showed.

Source: [Reuters](#)

Kuwait banking sector to remain stable, strength depends on length of crisis - c.bank

Kuwait's banking sector is expected to remain stable to a large degree, the central bank governor said in a report published on Sunday, but its strength will depend on how long the current crisis lasts. "The crisis highlights the structural imbalances rooted in Kuwait's dependence on oil revenues and the state's role as a major source of employment for national workers," Mohammad al-Hashel said in the future outlook section of the bank's 2019 financial stability report.

Source: [Zawya](#)

Emirates to operate repatriation flights from four more Indian cities

Dubai's flagship airline Emirates on Sunday said it will operate repatriation flights from four additional Indian cities of Ahmedabad, Chennai, Hyderabad and Kolkata to Dubai till July 26. The airline had on July 11 announced that it would be operating special repatriation flights from Bengaluru, Kochi, Delhi, Mumbai and Thiruvananthapuram to Dubai between July 12 and July 26.

Source: [Khaleej times](#)

Dubai rent declines to 'intensify'; Abu Dhabi market conditions to worsen

Residential and commercial rent declines in Dubai are likely to "intensify", while market conditions in Abu Dhabi could "worsen" with declining demand due to the coronavirus pandemic. In its latest market analysis, Asteco, a real estate consultancy firm, cautioned against a rise in the repatriation of expatriates, as well as an increase in tenants downsizing, which could both have a negative impact on demand for accommodation.

Source: [Zawya](#)

The UK's new stamp duty threshold is good news for Middle Eastern property buyers

A temporary property stamp duty cut, designed by the UK government, to boost the housing market is likely to attract Middle East investors, according to consultancy Knight Frank. The threshold at which buyers start paying stamp duty, a form of property tax, for residential property in the UK has been lifted from £125,000 (576,961 dirhams) to £500,000 (2.3 million dirhams).

Source: [Zawya](#)

Emirates NBD reports Dh4.1b first half 2020 net profit, down 45% year on year

Emirates NBD on Monday reported a net profit of Dh4.1 billion for the first half of 2020, down 45 per cent year on year. The bank attributed lower profits to higher impairment charges and the absence of one-off gain on disposal of a stake in Network International last year. Excluding the gain from Network International sale last year, the bank's net profit was down 24 per cent year on year.

Source: [Gulf News](#)

UAE's trade in telecom services totals \$8bln in three years

The UAE's total value of trade in telecommunications services reached around AED 29.4 billion from 2017 to 2019, according to the Emirates News Agency (WAM). In 2019, the trade value of telecommunications services increased by 1.2% to nearly AED 9.75 billion, when compared to 2017, as shown by the latest statistics of the UAE Federal Competitiveness and Statistics Authority (FCSA).

Source: [Zawya](#)

Saudi Real Estate Refinance Co signs \$799.8mln deal with pension agency

Saudi Real Estate Refinance Co (SRC), the Saudi equivalent of U.S. mortgage finance business Fannie Mae, said on Sunday it has agreed to buy a mortgage portfolio worth over 3 billion riyals (\$799.8 million) from the Saudi Public Pension Agency (PPA). "The deal provides liquidity to the real estate financing market, which in turn is expected to bring lower prices and increase the number of mortgage originations – leading to SRC's goal of improving homeownership rates in the Kingdom," Fabrice Susini, CEO of SRC, said in a statement.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

European markets head for negative open as EU leaders fail to agree over recovery fund

European stocks are expected to open lower Monday after European Union leaders meeting at the weekend failed to come to an agreement over a multibillion-euro recovery fund for the region to help it recover from the coronavirus crisis. London's FTSE is seen opening 10 points lower at 6,278, Germany's DAX is seen 30 points lower at the open at 12,903, France's CAC 40 is seen 6 points lower at 5,059 and Italy's FTSE MIB 53 points lower at 20,298, according to IG.

Source: [CNBC](#)

Japan's sinking exports raise risks of prolonged economic downturn at home and overseas

Japan's exports plunged at a double-digit pace for the fourth month in a row in June, backing signs the coronavirus crisis has knocked the economy into its worst postwar recession and raising the spectre of a longer and more painful global downturn. U.S.-bound Japanese shipments nearly halved again due to plummeting demand for cars and autoparts, while exports to China remained weak, pointing to the absence of a strong growth engine for the world economy.

Source: [Reuters](#)

Asian shares stumble ahead of EU Summit, U.S. stimulus talks

Asian shares were downbeat on Monday with oil and copper also soft, as a spike in global coronavirus cases hung over markets awaiting efforts from the euro zone and United States to stitch together fiscal stimulus plans to fight the pandemic. MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.2%, reversing early gains after E-mini futures for the S&P 500 turned negative to be down 0.4%.

Source: [Reuters](#)

COMMODITIES NEWS

Oil eases amid rising coronavirus cases worldwide

Oil prices fell on Monday, unnerved by the prospect that a recovery in fuel demand could be derailed by a rise in the pace of coronavirus infections around the world. Brent crude LCOc1 was down 25 cents, or 0.6%, at \$42.89 a barrel by 0353 GMT, after dropping slightly last week. U.S. oil was off by 22 cents, or 0.5%, at \$40.37 a barrel, after gaining 4 cents last week.

Source: [Reuters](#)

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