

# U Capital Morning Brief

21 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	763.00	0.51	0.07%	-9.55%	6.91	0.73	7.6%
U Capital GCC 50 Index	1,197.00	0.98	0.08%	-13.64%	19.41	1.98	4.3%
U Capital MENA 200 Index	945.00	1.78	0.19%	-13.36%	14.68	1.64	5.2%
MSCI GCC Countries Index	477.78	-1.16	-0.24%	-16.13%	15.35	1.61	4.3%
Muscat Securities Market	3,459.20	2.36	0.07%	-13.05%	9.92	0.75	6.9%
Saudi Stock Exchange	7,377.36	-45.87	-0.62%	-12.06%	22.16	1.80	3.5%
Kuwait Stock Exchange	5,994.67	4.68	0.08%	-17.37%	14.64	1.15	4.0%
Qatar Exchange	9,371.73	55.22	0.59%	-10.11%	15.04	1.44	4.3%
Bahrain Stock Exchange	1,293.42	2.25	0.17%	-19.67%	9.67	0.79	5.4%
Dubai Financial Market	2,064.96	19.29	0.93%	-24.62%	6.84	0.74	4.6%
Abu Dhabi Exchange	4,238.51	-7.56	-0.18%	-16.64%	13.98	1.27	6.0%
Beirut Stock Exchange	619.69	-0.82	-0.13%	-21.12%	7.70	0.38	0.0%
Tunis Se Index	6,578.60	28.01	0.43%	-7.63%	17.83	2.16	0.6%
EGX 30 Index	10,380.45	99.29	0.97%	-25.65%	10.33	1.38	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)	0.704	1.421
FTSE 100	UK	6,261.5	-0.46%	-16.98%	British Pound (GBP)	1.269	0.788
DAX	Germany	13,046.9	0.99%	-1.53%	Canadian Dollar (CAD)	0.740	1.351
CAC 40	France	5,093.2	0.47%	-14.80%	Chinese Renminbi (CNH)	0.143	6.990
<b>United States</b>					Egyptian Pound (EGP)	0.063	15.970
DJIA	USA	26,680.9	0.03%	-6.51%	Euro (EUR)	1.144	0.874
S&P 500	USA	3,251.8	0.84%	0.65%	Indian Rupee (INR)	0.013	74.783
NASDAQ	USA	10,767.1	2.51%	20.00%	Japanese Yen (JPY)	0.009	107.300
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.657	1.522
NIKKEI 225	Japan	22,911.5	0.86%	-3.15%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	25,541.1	1.92%	-9.40%	Pakistani Rupee (PKR)	0.595	168.275
KSE 100 Index	Pakistan	37,596.7	-0.14%	-7.70%	Russian Ruble (RUB)	0.014	71.351
NSE Nifty 50	India	11,128.2	0.96%	-8.55%	Singapore Dollar (SGD)	0.719	1.391
SHANGHAI COMPOSITE	China	3,316.9	0.08%	8.75%	Turkish Lira (TRY)	0.146	6.855
SHANGHAI SHENZHEN CSI 300	China	4,686.2	0.13%	14.39%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	43.5	0.39%	-30.46%	UAE	0.58	-73.9%
WTI Crude (per bbl)	40.9	0.27%	-32.98%	Saudi Arabia	0.95	-57.4%
Oman Crude Oil (Last Closing)	43.6	0.67%	-35.38%	Kuwait	1.56	-43.2%
OPEC (per bbl)	43.2	-1.32%	-36.40%	Oman	2.65	-5.8%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,819.1	0.07%	19.89%	Qatar	1.18	-47.6%
Silver (per oz)	20.3	2.10%	13.87%	Bahrain	2.30	-13.8%
Platinum (per oz)	847.1	-0.32%	-12.36%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
<b>Other Metals</b>						
Copper, MT	6,488	0.61%	5.08%		<b>Maturity date</b>	<b>YTM, %</b>
Aluminium, MT	1,665	0.18%	-8.04%	KUWAIT	20/03/2027	1.40
Lead, MT	1,841	1.40%	-4.49%	UAE	16/04/2030	1.74
Zinc, MT	2,201	0.82%	-3.15%	QATAR	16/04/2030	1.84
				SAUDI ARABIA	22/10/2030	2.21
				OMAN	01/08/2029	7.18
				BAHRAIN	14/05/2030	5.69

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.86	0.2	1m	0.18	-89.8%
5 year	99.85	0.3	3m	0.27	-85.8%
10 year	100.09	0.6	6m	0.33	-82.6%
30 year	98.39	1.3	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

### CCED delivers 100m barrels from Oman Blocks 3 & 4

CC Energy Development (CCED) have marked their 100 millionth barrel milestone as they continue with their strategic, long-term operations in the Sultanate. Adopting a 'think global, act local' mindset, the value-driven energy company has organically grown production to exceed 45,000 bbl/day.

Source: [Oman Observer](#)

### Majlis Ash Shura discusses VAT Draft Law

Majlis Ash Shura discussed today the Value Added Tax (VAT) Draft Law, referred by the Council of Ministers as a matter of urgency. The members voted on each article separately after extensive discussions, in light of the report of the Economic and Financial Committee in Majlis Ash Shura. The report included several amendments and observations made by the committee on some of the articles of the draft law that is made of 106 articles.

Source: [Oman Observer](#)

### Oman Investment Authority Meets Board Chairmen of State-Owned Companies

Sultan bin Salim al-Habsi, Chairman of Board of Directors of Oman Investment Authority (OIA), and Abdussalam bin Mohammed al-Murshidi, Head of OIA, today met chairmen of boards of directors of state-owned firms whose boards were restructured recently. The meeting discussed principles and basics espoused by OIA in managing the government companies under its supervision, as well as ways to achieve integration among the firms with the prime aim of realizing economic growth and expanding the scope of work of the firms in the Sultanate.

Source: [ONA](#)

### Oman's share index ends marginally higher

The MSM30 index closed at 3,459.20 points, up 0.23 per cent from the previous close. The Sharia index ended down by 0.15 per cent at 519.33 points Oman United Insurance, up 5.42 per cent was the top gainer while convertible Aman Real Estate, down 8.0 per cent was the top loser. National Bank of Oman was the most active in terms of the number of shares traded and also was the most active in terms of turnover.

Source: [Times of Oman](#)

### The Sultanate Chairs Regional Meeting on Tackling Impacts of Coronavirus on Farming, Food Security

In its capacity as Head of the 35th session of the UN Food and Agriculture Organization (FAO), the Sultanate, represented by the Ministry of Agriculture and Fisheries, today chaired a regional technical consultation meeting via videoconferencing on ways to address the impacts of coronavirus (Covid-19) on agriculture and food security in the Middle East and North Africa (MENA) region.

Source: [ONA](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### UAE Arabtec's Target Engineering secures \$53.33m Saudi Aramco contract

Target Engineering, a unit of UAE's Arabtec Holding has secured a contract from Saudi Aramco worth around 200 million Saudi riyals (\$53.33 million). The contract is for the replacement of three naphtha storage tanks and two slop oil storage tanks at Ras Tanura refinery by Aramco.

Source: [Zawya](#)

### Customer trust in UAE banks remains high, at 76%

More than three-fourth of UAE bank customers trust their banks, with 76 per cent having a high trust in the sector and up from 74 per cent in 2018, according to UAE Banks Federation's 2019 Trust Index Survey. The fifth edition of the survey, done in collaboration with RFI Group, showed that customers trust traditional banks more than any other financial service provider to keep their money safe.

Source: [Gulf News](#)

### UAE: House prices to drop more due to excess supply: Moody's

Conservative financial policies and strong liquidity will remain a credit strength for the UAE real estate companies while their operating environment continue to deteriorate as the economy slows on oil price decline and coronavirus effects, Moody's Investors Service said.

Source: [Khaleej Times](#)

### **GCC government debt to surge by record-high \$100 bln this year - S&P**

S&P Global Ratings said on Monday it expected Gulf countries' government debt to increase by a record high of about \$100 billion this year, as funding needs spike due to the coronavirus crisis and low oil prices. The ratings agency estimates Gulf Cooperation Council (GCC) countries will register an aggregate central government deficit of about \$180 billion, to be financed with \$100 billion of debt and an \$80 billion draw-down in government assets.

Source: [Reuters](#)

### **MIDEAST STOCKS-Saudi shares fall after news king in hospital**

Saudi Arabian shares retreated on Monday, with most stocks in negative territory after news King Salman bin Abdulaziz had been admitted to hospital, while most other Middle Eastern markets ended higher. Saudi Arabia's benchmark index .TASI declined 0.6% after shedding as much as 2.2% during the session. Petrochemical maker Saudi Basic Industries 2010.SE lost 1.5% and Al Rajhi Bank 1120.SE was down 0.5%. Egypt's blue-chip index .EGX30 traded 1% higher, ending a five-day losing streak, with top lender Commercial International bank COMI.CA gaining 2.6%. Dubai's main share index .DFMGI closed up 0.2%, bolstered by a 2.7% rise in blue-chip developer Emaar Properties EMAR.DU.

Source: [NASDAQ](#)

### **Gulf economies seen shrinking sharply in 2020, to pick up in 2021**

Economic activity in the Gulf will contract sharply this year before recovering in 2021, hit by the double shock of the coronavirus pandemic and an oil price crash, a quarterly Reuters poll showed on Tuesday. Analysts in the July 7-20 poll see a deep economic contraction in the hydrocarbon-producing region this year as oil prices were hit on the supply and demand sides simultaneously.

Source: [Reuters](#)

### **Egypt's food and beverage draws investor interest despite COVID-19**

Food-and-beverage industries remain one of the most lucrative sectors for investors in Egypt, a populous country where the lion's share of household spending is on food. Zawya spoke to industry experts about its robustness and whether COVID-19 has impacted its investment prospects.

Source: [Zawya](#)

### **UAE's Amanat to sell Middlesex University Dubai**

Amanat Holdings PJSC has agreed to sell Middlesex University Dubai to Study World Education Holding Group. According to a listing posted to Dubai Financial Market, Amanat has confirmed that a sale and purchase agreement has been signed with Dubai-based Study World. It said: "The transaction is subject to the satisfactory completion of customary conditions, including regulatory approvals and estimation of final consideration."

Source: [Arabian Business](#)

### **Blockchain poised to shape UAE's digital future**

Blockchain technology is poised to shape the UAE's future as the nation adopts its digital economy agenda. Businesses have realised that the only option to remain competitive is to embrace digital route. In supply chain, it provides the whole chain with a single source of truth that can be used to track items from origin to destination in a reliable and trusted electronic documentation based manner. In fintech, it is used for instant settlements and auditing of transactions.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **EU leaders reach 'pivotal' deal on pandemic recovery fund after marathon summit**

The 27 European Union governments have reached a breakthrough agreement over new fiscal stimulus, following marathon talks in Brussels that lasted four days. The European Commission, the executive arm of the EU, has been tasked with tapping financial markets to raise an unprecedented 750 billion euros (\$857 billion). The funds will be distributed among the countries and sectors most impacted by the coronavirus pandemic, and will take the form of grants and loans.

Source: [CNBC](#)

### **Japan's core consumer prices flat, deflation risks remain**

Japan's core consumer prices snapped two straight months of declines in June but risks remain for a prolonged economic slump from the coronavirus crisis, which has depressed consumption and raised concerns about a return to deflation. The core consumer price index (CPI) was flat, with slower falls in energy prices in June helping the gauge out of negative territory.

Source: [Reuters](#)

### UBS to pay over \$10 million to resolve SEC charges on municipal bond offerings

A unit of UBS has agreed to pay more than \$10 million to resolve charges it circumvented the priority given to retail investors in certain municipal bond offerings, the U.S. Securities and Exchange Commission said on Monday. Over a four-year period, UBS Financial Services Inc improperly allocated bonds intended for retail customers to parties known in the industry as “flippers,” who immediately resold the bonds to other broker-dealers at a profit, the agency said in a statement.

Source: [Reuters](#)

### COMMODITIES NEWS

#### Oil steady as vaccine news counters rise in virus cases

Oil prices were little changed on Tuesday, trapped in the narrow trading band of the past three weeks as investors gauged hopes for a recovery in oil demand against fears of new lockdowns due to a growing number of coronavirus cases.

Source: [Reuters](#)