

U Capital Morning Brief

22 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	768.59	5.59	0.73%	-8.89%	6.91	0.73	8.0%
U Capital GCC 50 Index	1,199.19	2.19	0.18%	-13.48%	19.36	1.99	4.3%
U Capital MENA 200 Index	940.72	-4.28	-0.45%	-13.75%	14.70	1.64	5.2%
MSCI GCC Countries Index	479.49	1.71	0.36%	-15.83%	15.41	1.62	4.3%
Muscat Securities Market	3,476.95	17.75	0.51%	-12.67%	9.96	0.76	6.9%
Saudi Stock Exchange	7,417.26	39.90	0.54%	-11.59%	22.28	1.81	3.5%
Kuwait Stock Exchange	5,978.92	-11.07	-0.18%	-17.59%	14.59	1.15	4.0%
Qatar Exchange	9,396.40	24.67	0.26%	-9.87%	15.08	1.44	4.3%
Bahrain Stock Exchange	1,302.90	9.49	0.73%	-19.08%	9.74	0.80	5.4%
Dubai Financial Market	2,088.54	23.58	1.14%	-24.46%	6.85	0.74	4.6%
Abu Dhabi Exchange	4,256.66	18.16	0.43%	-16.14%	14.06	1.28	6.0%
Beirut Stock Exchange	617.17	-2.51	-0.41%	-21.44%	7.66	0.38	0.0%
Tunis Se Index	6,529.28	-49.32	-0.75%	-8.32%	17.89	2.14	0.6%
EGX 30 Index	10,558.35	177.90	1.71%	-24.38%	10.51	1.41	3.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Australian Dollar (AUD)	0.715	1.400
FTSE 100	UK	6,269.7	0.13%	-16.87%	British Pound (GBP)	1.272	0.786
DAX	Germany	13,171.8	0.96%	-0.58%	Canadian Dollar (CAD)	0.744	1.344
CAC 40	France	5,104.3	0.22%	-14.62%	Chinese Renminbi (CNH)	0.144	6.971
United States					Egyptian Pound (EGP)	0.063	15.970
DJIA	USA	26,840.4	0.60%	-5.95%	Euro (EUR)	1.154	0.867
S&P 500	USA	3,257.3	0.17%	0.82%	Indian Rupee (INR)	0.013	74.703
NASDAQ	USA	10,680.4	-0.81%	19.03%	Japanese Yen (JPY)	0.009	106.800
Asia Pacific					New Zealand Dollar (NZD)	0.665	1.503
NIKKEI 225	Japan	22,740.2	-0.63%	-3.87%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	25,576.1	-0.21%	-9.27%	Pakistani Rupee (PKR)	0.597	167.700
KSE 100 Index	Pakistan	37,793.9	0.25%	-7.22%	Russian Ruble (RUB)	0.014	70.742
NSE Nifty 50	India	11,167.3	0.04%	-8.23%	Singapore Dollar (SGD)	0.723	1.383
SHANGHAI COMPOSITE	China	3,359.7	1.17%	10.15%	Turkish Lira (TRY)	0.146	6.840
SHANGHAI SHENZHEN CSI 300	China	4,756.3	1.39%	16.10%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	44.0	-0.74%	-29.61%	UAE	0.62	-71.8%
WTI Crude (per bbl)	41.6	-0.88%	-31.95%	Saudi Arabia	0.95	-57.6%
Oman Crude Oil (Last Closing)	45.0	3.28%	-33.25%	Kuwait	1.56	-43.2%
OPEC (per bbl)	43.0	-0.44%	-36.68%	Oman	2.68	-4.8%
Precious Metals						
Gold100 OZ (per oz)	1,857.1	0.82%	22.40%	Qatar	1.09	-51.7%
Silver (per oz)	22.4	5.14%	25.39%	Bahrain	2.30	-13.8%
Platinum (per oz)	880.6	-0.30%	-8.89%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,535	0.72%	5.84%		Maturity date	YTM, %
Aluminium, MT	1,697	1.92%	-6.27%	KUWAIT	20/03/2027	1.39
Lead, MT	1,848	0.41%	-4.10%	UAE	16/04/2030	1.72
Zinc, MT	2,245	2.02%	-1.19%	QATAR	16/04/2030	1.80
				SAUDI ARABIA	22/10/2030	2.18
				OMAN	01/08/2029	6.99
				BAHRAIN	14/05/2030	5.51

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.88	0.2	1m	0.18	-90.0%
5 year	99.91	0.3	3m	0.26	-86.5%
10 year	100.19	0.6	6m	0.34	-82.1%
30 year	98.52	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

Oman dry-dock prepares foray into ship-building

Oman Drydock Company (ODC), which owns and operates one of the region's largest ship repair and maintenance yards at Duqm, is preparing to add an important capability to its expanding portfolio of services: shipbuilding. The move marks an important step for the wholly government-owned company in achieving its longer-term objective of adding shipbuilding to its varied offerings.

Source: [Oman Observer](#)

Electricity demand growth set to decline in Oman

Oman's power authorities have pared their expectations of electricity demand growth over the next seven years spanning the 2020 – 2026 timeframe, citing in part the economic downturn sparked by low oil prices and the pandemic. In the Main Interconnected System (MIS), which covers the northern half of the Sultanate and accounts for 90 per cent of total electricity consumption, peak demand is projected to grow at an annual rate of four per cent to reach 8,490 megawatts (MW) in 2026.

Source: [Oman Observer](#)

China lifts 94pc of Omani crude exports in June

China remained the top market for Omani crude exports in June 2020, receiving 94.28 per cent of total exports averaging 899,412 barrels per day (bpd), according to the Ministry of Oil and Gas. It represented a 6.77 per cent increase over May figures. Modest quantities were also lifted by Malaysia (2.63 per cent), India (1.95 per cent) and South Korea (1.14 per cent).

Source: [Oman Observer](#)

CBO issues treasury bills worth OMR55 million

Oman's central bank raised OMR55 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from Wednesday until October 21, 2020. The average accepted price reached 99.814 for every OMR100 while the minimum accepted price arrived at 99.800 per OMR100. The average discount rate and the average yield reached 0.74459 per cent and 0.74598 per cent, respectively.

Source: [Times of Oman](#)

New ODB Board Vows to Consolidate Economic Growth in Line With Vision 2040 Strategic Goals

The new board of directors of Oman Development Bank (ODB) today held its first meeting under the chairmanship of Dr. Saleh bin Said Masan, ODB Board Chairman. At the outset of the meeting, the executive administration of the bank gave a full presentation of the ODB strategy, its model of work and its lending portfolio. Then, Dr. Saleh Masan gave a speech in which he reaffirmed the bank's resolve to realize its strategic goals of augmenting ODB's contribution to the national economy by endorsing efficient developmental financing aimed to support a wide range of projects.

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi economy to grow by 3% yearly in 2021-2024 – Moody's

Moody's Investors Service said that Saudi Arabia's credit strengths have a robust albeit deteriorating government balance sheet, driven by still-moderate debt levels and substantial fiscal and foreign currency buffers. The sovereign credit profile was further underpinned by the kingdom's very large proved hydrocarbon reserves with low extraction costs and prudent financial system regulation, according to the rating agency's annual report issued on Tuesday.

Source: [Mubasher](#)

ADX ends Tuesday up; market cap gains AED 5.42bn

The main index of Abu Dhabi Securities Exchange (ADX) has resumed its upward performance by the end of Tuesday after gaining 0.43% or 18.15 points to settle at 4,256.66 points. A total of 64.75 million shares had been exchanged through 1,693 transactions valued at AED 103.05 million. The market cap value registered AED 601.39 billion, up AED 5.42 billion from AED 595.97 billion during the previous session. The banks sector came on top of the risers with 1.19%, while the real estate segment headed the losers with 1.42%.

Source: [Mubasher](#)

Derayah REIT signs \$37.33mIn acquisition deal for Saudi logistics complex

Saudi-based real estate investment traded fund, Derayah REIT, has signed an acquisition agreement worth 140 million Saudi riyals (\$37.33 million) for a multi-use logistics complex in Riyadh. The transfer of the property is expected to be completed within 30 days from the signing of the deal on July 20. However, it can be extended by mutual consent. "The property is a

multi-use logistics complex consisting of 193 units, where 164 of such units are earmarked as storage warehouses, and the remaining 29 units are earmarked as retail warehouses and offices,” the company said in a statement.

Source: [Zawya](#)

Yas Holding looks to buy part of NMC's distribution business – sources

Abu Dhabi investment group Yas Holding is looking to buy a part of hospital operator NMC Health's distribution business, three sources told Reuters. Administrators from Alvarez & Marsal were appointed in April to oversee NMC Health after months of turmoil over its finances. Shortly afterwards they launched sales processes for NMC's assets, which include the company's international fertility business, to raise funds and pay back creditors.

Source: [NASDAQ](#)

UAE's EDGE to buy Lockheed stake in military maintenance company

United Arab Emirates state defence conglomerate EDGE said on Tuesday it was taking full ownership of UAE military repair and maintenance company AMMROC by buying the 40% stake held by Lockheed Martin (LMT.N). Abu Dhabi-based EDGE has entered into a conditional agreement to buy the stake from Lockheed Martin and its subsidiary Sikorsky, it said in a statement. The value of the transaction was not disclosed.

Source: [Reuters](#)

Dubai's Emirates SkyCargo operates over 10,000 flights in 3 months

Emirates SkyCargo has operated more than 10,000 cargo flights to destinations across six continents between April and June 2020, it said on July 21. The flights, which were a mix of scheduled, ad-hoc and charter operations, facilitated the movement of essential commodities and other supplies for individual consumers and businesses worldwide.

Source: [Gulf Business](#)

UAE ranks global top in mobile subscription index: UN

The UAE has maintained its first place globally in the mobile subscription index, while advancing from second to first in the international mobile broadband Internet subscription index, according to the UN E-Government Survey 2020. The UAE also ranked first in the Gulf, Arab Region, and Western Asia, second in Asia and the seventh globally in the Telecommunication Infrastructure Index (TII), reported Emirates news agency Wam, citing the UN report.

Source: [Trade Arabia](#)

99.7% of individuals in Bahrain use internet – TRA survey

The Telecommunications Regulatory Authority (TRA) of the Kingdom of Bahrain has recently published its latest Telecommunications Services Residential Market Survey report. According to the survey results, 99.7% of respondents said they used internet in the last three months, which is a clear indication of the increasing affordability of internet services in Bahrain.

Source: [Gulf Insider](#)

Dubai's Emaar eliminates job titles of all staff, including Mohamed Alabbar's

In a surprise move, Dubai-based real estate developer Emaar has informed its staff about the abolishment of all job titles, including that of the chairman. In an internal mail seen by Khaleej Times, Mohamed Alabbar said job titles will no longer exist at the property giant. Going forward, business cards will simply state the name and the department of Emaar employees.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Analysts warn of 'double edged sword' in China market rally as investors indulge in frenzied, risky trading

China's recent stock market rally is raising fears that it's being driven by retail investors indulging in leverage-fueled risky trading which caused a spectacular crash back in 2015. Analysts say they are monitoring levels of margin trading, or the practice of borrowing money from brokerages to trade.

Source: [CNBC](#)

Euro stands tall as investors bet recovery hampers dollar, stocks up

The euro stood at an 18-month high, silver soared and commodities forged ahead on Wednesday, as economic recovery hopes drove bets on rebounding world demand and a falling U.S. dollar. Stock markets in Asia ground higher, except in Australia where a surge in coronavirus infections put pressure on bank and travel shares and the benchmark index fell 1%. S&P 500 stock futures ES1 advanced 0.4% in line with the relatively positive mood.

Source: [Reuters](#)

S&P 500 turns positive for 2020, but most stocks are missing the party

The benchmark S&P 500 U.S. stock index is now positive for the year, yet most of its components have sat out the rally. After a steep, months-long climb, the index is up 0.8% on the year and at its highest level since Feb. 21. Yet for every stock that has advanced on the S&P 500 this year, 1.7 have declined, according to Michael O'Rourke, chief market strategist at JonesTrading in Greenwich, Connecticut.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices fall on U.S. inventory build, increasing pandemic fears

Oil prices fell on Wednesday as industry data showed a bigger- than-expected inventory build in the United States where coronavirus cases continue to climb, potentially further denting demand in the world's biggest oil consumer. In his first briefing in months focused on the pandemic, U.S. President Donald Trump said that the outbreak would probably get worse before it gets better, one of his first recent acknowledgements of the spread of the problem.

Source: [Reuters](#)

Ubhar Capital SAOC (U Capital)

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.