

U Capital Morning Brief

29 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	781.93	1.90	0.24%	-7.31%	7.05	0.73	7.9%
U Capital GCC 50 Index	1,206.55	1.50	0.12%	-12.95%	19.35	2.00	4.3%
U Capital MENA 200 Index	945.08	-1.15	-0.12%	-13.35%	14.79	1.69	5.0%
MSCI GCC Countries Index	482.88	1.94	0.40%	-15.24%	15.95	1.64	4.3%
Muscat Securities Market	3,558.31	1.35	0.04%	-10.62%	10.20	0.77	6.7%
Saudi Stock Exchange	7,459.21	3.47	0.05%	-11.09%	23.49	1.81	3.5%
Kuwait Stock Exchange	6,034.96	115.52	1.95%	-16.81%	15.79	1.17	4.0%
Qatar Exchange	9,371.75	20.39	0.22%	-10.11%	15.27	1.42	4.3%
Bahrain Stock Exchange	1,289.17	7.29	0.57%	-19.94%	9.76	0.79	5.5%
Dubai Financial Market	2,065.30	3.98	0.19%	-25.30%	7.07	0.73	4.7%
Abu Dhabi Exchange	4,324.33	-6.42	-0.15%	-14.80%	11.27	1.29	5.9%
Beirut Stock Exchange	595.36	3.24	0.55%	-24.21%	7.39	0.37	0.0%
Tunis Se Index	6,584.44	-13.05	-0.20%	-7.55%	18.30	2.17	0.8%
EGX 30 Index	10,568.84	-6.63	-0.06%	-24.30%	10.49	1.40	3.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Australian Dollar (AUD)	0.716	1.396
FTSE 100	UK	6,129.3	0.40%	-18.74%	British Pound (GBP)	1.292	0.774
DAX	Germany	12,835.3	-0.03%	-3.12%	Canadian Dollar (CAD)	0.748	1.337
CAC 40	France	4,928.9	-0.22%	-17.55%	Chinese Renminbi (CNH)	0.143	7.005
United States					Egyptian Pound (EGP)	0.063	15.980
DJIA	USA	26,379.3	-0.77%	-7.57%	Euro (EUR)	1.173	0.853
S&P 500	USA	3,218.4	-0.65%	-0.38%	Indian Rupee (INR)	0.013	74.756
NASDAQ	USA	10,402.1	-1.27%	15.93%	Japanese Yen (JPY)	0.010	105.070
Asia Pacific					New Zealand Dollar (NZD)	0.665	1.504
NIKKEI 225	Japan	22,379.5	-1.23%	-5.40%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	24,754.4	-0.06%	-12.19%	Pakistani Rupee (PKR)	0.601	166.325
KSE 100 Index	Pakistan	38,788.5	0.42%	-4.78%	Russian Ruble (RUB)	0.014	72.590
NSE Nifty 50	India	11,263.1	-0.33%	-7.44%	Singapore Dollar (SGD)	0.726	1.378
SHANGHAI COMPOSITE	China	3,265.1	1.15%	7.05%	Turkish Lira (TRY)	0.144	6.939
SHANGHAI SHENZHEN CSI 300	China	4,638.6	1.54%	13.23%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	43.2	0.02%	-30.81%	UAE	0.57	-74.4%
WTI Crude (per bbl)	41.0	-0.17%	-32.90%	Saudi Arabia	0.93	-58.3%
Oman Crude Oil (Last Closing)	43.2	-0.76%	-35.86%	Kuwait	1.56	-43.2%
OPEC (per bbl)	43.1	-0.55%	-36.52%	Oman	2.66	-5.5%
Precious Metals						
Gold100 OZ (per oz)	1,952.9	-0.29%	28.71%	Qatar	1.13	-49.8%
Silver (per oz)	24.2	-0.70%	35.77%	Bahrain	2.30	-13.8%
Platinum (per oz)	938.0	-1.77%	-2.96%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,477	0.88%	4.91%		Maturity date	YTM, %
Aluminium, MT	1,724	0.94%	-4.75%	KUWAIT	20/03/2027	1.39
Lead, MT	1,868	0.95%	-3.06%	UAE	16/04/2030	1.76
Zinc, MT	2,247	0.42%	-1.12%	QATAR	16/04/2030	1.82
				SAUDI ARABIA	22/10/2030	2.17
				OMAN	01/08/2029	6.78
				BAHRAIN	14/05/2030	5.41

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.88	0.2	1m	0.17	-90.6%
5 year	99.91	0.3	3m	0.27	-85.9%
10 year	100.42	0.6	6m	0.32	-83.4%
30 year	100.77	1.2	1 year	0.46	-77.1%

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 Investment Authority revamps ICT arm

Omani Investment Authority (OIA) has revamped its ICT holding arm – Oman ICT Group – to currently comprising four entities: Oman Broadband Company, Oman Technology Fund (OTF), Space Communication Technologies Company, and Oman Tower Company. The restructuring is designed to enhance the efficiency of the ICT sector, reduce operating and administrative costs and create lean organizational structures, the Authority said in a statement.

Source: [Oman Observer](#)

CBO launches 65th issue of government development bonds

The Central Bank of Oman (CBO) announced the new issue of government development bonds. The size of the new issue is fixed at OMR 200 million with a maturity period of 7 years and will carry a coupon rate of 5.50 per cent p.a. The issue will be open for subscription from August 9 to 13 while the auction will be held on Sunday, August 16. The issue settlement date will be on Tuesday, August 18.

Source: [Times of Oman](#)

Reconstituted Omran Group board holds first meeting

The newly formed Board of Directors of Omran Group – the Sultanate’s executive arm for tourism development – held its first meeting on Tuesday. Presided by Eng Mohammed bin Salim al Busaidi, Chairman of the Board of Directors, the meeting took place at the company’s headquarters in Madinat Al Irfan and was attended by the board members. The new Omran Group Board was created as part of Oman Investment Authority’s recent comprehensive review of state-owned companies.

Source: [Oman Observer](#)

Emphasis on spending cut, social sectors in 2021 budget

With the emphasis on rationalising spending, reducing deficits and providing basic services such as health, education and social security services to citizens being among the top priorities, the Ministry of Finance has set the ball rolling for preparing the state's general budget for the fiscal year 2021.

Source: [Times of Oman](#)

Oman-India investment webinar spotlights Duqm SEZ’s appeal

Yahya bin Said al Jabri, Chairman of the Special Economic Zone Authority at Duqm (SEZAD), affirmed that the industrial and maritime zone is presently open to investments from countries worldwide. He underlined the Authority’s ongoing efforts to attract investors to the SEZ through its participation in different virtual webinars and conferences.

Source: [Oman Observer](#)

CBO issues treasury bills worth OMR16 million

Oman’s central bank raised OMR16 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from Wednesday, July 29 until October 28, 2020. The average accepted price reached 99.855 for every OMR100 while the minimum accepted price arrived at 99.800 per OMR100. The average discount rate and the average yield reached 0.58285 per cent and 0.58385 per cent, respectively.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia posts SAR 326 bln revenue, SAR 469 bln expenditure in H1 2020

Saudi Arabia reported budget deficit of SAR 109.23 billion in Q2 2020, the finance ministry said on Tuesday. Actual revenue stood at SAR 133.94 billion, while expenditure reached SAR 243.18 billion. In H1 2020, the Kingdom reported actual revenue of SAR 326.01 billion and expenditure of SAR 469.36 billion with a deficit of SAR 143.34 billion. Revenue was estimated at SAR 833 million, while expenditure was budgeted at SAR 1.020 billion, with an expected deficit of SAR 187 billion.

Source: [Argaam](#)

ME air traffic falls 96%; pre-Covid levels not before 2024

Middle Eastern airlines traffic collapsed 96.1 per cent for June against June 2019, compared with a 97.7 per cent demand drop in May, said a report which forecast that global passenger traffic will not return to pre-Covid-19 levels until 2024. According to figures released by the International Air Transport Association (IATA), capacity contracted 91.1 per cent, and load factor crumbled to 33.3 per cent, down 43.1 per cent percentage points compared to a year ago.

Source: [Trade Arabia](#)

SAMA's assets rise to SAR 1.80 trln in June 2020

Assets held by the Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank, increased by SAR 46.8 billion month-on-month (MoM) to SAR 1.805 trillion in June 2020, according to data released by the central bank. When compared to the same month last year, SAMA's assets dropped by SAR 152.6 billion.

Source: [Argaam](#)

Majority of UAE residents expect further fall in house prices, rents

Housing market sentiment remains subdued in the UAE, where property prices and rents have been on a decline due to the economic fallout of the coronavirus pandemic. Nearly eight in ten (74 percent) of UAE residents polled by an investment firm said they expect apartment and villa prices to decline in the second half of 2020, while an almost equal number of tenants have secured lower rents.

Source: [Zawya](#)

Dubai South extends stimulus package until December

Dubai South, the emirate's master-planned futuristic city, announced on Tuesday the extension of its incentive and stimulus package for Business Park and Business Centre clients until the end of the year. The stimulus package offers a 50 per cent reduction in Business Centre set up fee, as well as 50 per cent reduction on licence fee for new company formation and renewals at the Business Park and Business Centre. These reductions are available to those who submit their applications after 26 July, 2020, Dubai South said.

Source: [Khaleej Times](#)

Mideast Stocks - Kuwait shares rise on broad-based gains; others little changed

Broad-based gains pushed Kuwaiti shares higher on Tuesday, with financial stocks leading the pack, while other major bourses in the Gulf were little changed ahead of Eid Al-Azha. In Kuwait, the index leapt 2.6%, as most of the stocks on the index ended higher including National Bank of Kuwait, which was up 3.5% Kuwait's government has set a road map and a time frame to improve the country's credit rating, a statement issued after a cabinet meeting on Monday said, without giving details.

Source: [Reuters](#)

Saudi banks may suspend dividend payouts for H1 2020

Earnings calls this week revealed that Saudi Arabia's listed banks may withhold dividends for the first half of 2020. Although some banks like Al Rajhi and Banque Saudi Fransi, which had their earnings calls on Monday, made no direct mention of withholding dividends, they indicated as much.

Source: [Zawya](#)

Private investors look to Saudi healthcare sector for high profits

The COVID-19 pandemic has highlighted the large gap in Saudi Arabia between available facilities and the potential needs of a rapidly growing population. The Saudi Ministry of Health has launched several public-private partnership (PPP) initiatives in line with its National Transformation Programme, seeking to expand and improve the country's healthcare sector through foreign and domestic private investment.

Source: [Zawya](#)

Saudi Arabia completes portion of outstanding bonds valued at \$9 bn, issues new sukuk

Saudi Arabia completed an early redemption of a portion of outstanding bonds maturing in August, September, November and December of this year with a total value of 34.26 billion riyals (\$9.14 billion), the Ministry of Finance announced on Monday.

Source: [Al Arabiya English](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Deutsche Bank posts second-quarter net loss as restructuring continues amid the pandemic

Deutsche Bank on Wednesday reported a net loss attributable to shareholders of 77 million euros (\$90.3 million) for the second quarter of 2020. This marks a stark improvement from the bank's 3.2 billion euro loss for the same period last year in the throes of a mass restructure, and outstrips its own consensus estimates of a 133 million euro net loss.

Source: [CNBC](#)

Fed faces viral wave, mounting risks to recovery

In a fast-changing global pandemic, this was not the turn U.S. Federal Reserve officials hoped for in early June, when their forecasts showed guarded optimism for a sharpish early economic rebound and steady slow growth to follow. The

coronavirus pandemic has intensified and prompted new economic restrictions. Data has pointed to a possible slowdown in business and hiring. And so-far stalled talks in Washington about further government relief have pushed the country to the brink of a spending cliff.

Source: [Reuters](#)

Dollar wallows near 2-year low as coronavirus keeps Fed in a bind

The dollar languished near two-year lows on Wednesday as the United States struggled to contain a spike in coronavirus cases, dashing hopes for a quick economic recovery. The dour outlook for the world's largest economy is expected to see the U.S. Federal Reserve sticking to a dovish stance at its policy review later in the day, with dollar bears betting it could hint of other ways to loosen policy further down the road.

Source: [CNBC](#)

COMMODITIES NEWS

Oil rises after surprise drop in U.S. inventories offsets demand concerns

Oil prices rose on Wednesday after an industry report showed that crude inventories in the United States fell against expectations, giving the market a boost amid record increases of coronavirus infections in the U.S. and elsewhere.

Source: [Reuters](#)

Gold steadies on virus fears, stimulus bets; Fed meet eyed

Gold prices steadied on Wednesday as worries over rising cases of COVID-19 and expectations of possible inflation from more stimulus measures underpinned the metal, while investors awaited the U.S. Federal Reserve's meeting outcome later in the day.

Source: [CNBC](#)

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