

# U Capital Morning Brief

10 August 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	793.15	9.24	1.18%	-5.98%	7.14	0.73	7.9%
U Capital GCC 50 Index	1,208.01	-0.43	-0.04%	-12.85%	19.38	2.01	4.3%
U Capital MENA 200 Index	949.70	0.31	0.03%	-12.93%	15.11	1.74	4.9%
MSCI GCC Countries Index	485.43	0.72	0.15%	-14.79%	16.97	1.63	4.2%
Muscat Securities Market	3,587.35	19.25	0.54%	-9.89%	10.45	0.78	6.7%
Saudi Stock Exchange	7,530.31	30.34	0.40%	-10.24%	24.68	1.82	3.4%
Kuwait Stock Exchange	6,047.92	23.28	0.39%	-16.64%	16.75	1.19	4.0%
Qatar Exchange	9,398.90	-12.93	-0.14%	-9.85%	15.32	1.41	4.3%
Bahrain Stock Exchange	1,292.91	4.08	0.32%	-19.70%	12.04	0.80	5.5%
Dubai Financial Market	2,093.63	-14.01	-0.66%	-24.28%	7.18	0.74	4.6%
Abu Dhabi Exchange	4,331.49	-28.09	-0.64%	-14.66%	15.00	1.25	5.6%
Beirut Stock Exchange	605.20	7.95	1.33%	-22.96%	7.51	0.38	0.0%
Tunis Se Index	6,665.34	4.87	0.07%	-6.41%	18.53	2.20	0.7%
EGX 30 Index	10,962.52	145.23	1.34%	-21.48%	11.06	1.47	2.9%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
<b>Europe</b>			%	%	<b>Currency</b>		
FTSE 100	UK	6,032.2	0.09%	-20.02%	Australian Dollar (AUD)	0.717	1.396
DAX	Germany	12,674.9	0.66%	-4.33%	British Pound (GBP)	1.307	0.765
CAC 40	France	4,889.5	0.09%	-18.21%	Canadian Dollar (CAD)	0.748	1.338
<b>United States</b>					Chinese Renminbi (CNH)	0.144	6.966
DJIA	USA	27,433.5	0.17%	-3.87%	Egyptian Pound (EGP)	0.063	15.964
S&P 500	USA	3,351.3	0.06%	3.73%	Euro (EUR)	1.179	0.848
NASDAQ	USA	11,011.0	-0.87%	22.72%	Indian Rupee (INR)	0.013	74.879
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	105.770
NIKKEI 225	Japan	22,329.9	-0.39%	-5.61%	New Zealand Dollar (NZD)	0.661	1.513
HANG SENG	Hongkong	24,479.8	-0.20%	-13.16%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	40,011.6	-0.05%	-1.78%	Pakistani Rupee (PKR)	0.594	167.879
NSE Nifty 50	India	11,307.7	0.83%	-7.07%	Russian Ruble (RUB)	0.014	73.723
SHANGHAI COMPOSITE	China	3,376.9	0.68%	10.71%	Singapore Dollar (SGD)	0.729	1.372
SHANGHAI SHENZHEN CSI 300	China	4,720.1	0.26%	15.22%	Turkish Lira (TRY)	0.137	7.300

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>				UAE	0.46	-79.1%
Brent Crude (per bbl)	44.9	1.08%	-27.65%	Saudi Arabia	0.92	-58.8%
WTI Crude (per bbl)	41.8	1.46%	-31.51%	Kuwait	1.56	-43.2%
Oman Crude Oil (Last Closing)	43.5	-1.29%	-35.52%	Oman	2.66	-5.6%
OPEC (per bbl)	45.2	-0.37%	-33.53%	Qatar	1.25	-44.4%
				Bahrain	2.28	-14.4%

Precious Metals	Price	D/D	YTD	GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Gold100 OZ (per oz)	2,029.6	-0.29%	33.77%	KUWAIT	20/03/2027	1.18
Silver (per oz)	28.1	-0.71%	57.42%	UAE	16/04/2030	1.54
Platinum (per oz)	977.4	1.11%	1.12%	QATAR	16/04/2030	1.56
<b>Other Metals</b>				SAUDI ARABIA	22/10/2030	2.00
Copper, MT	6,308	-2.63%	2.17%	OMAN	01/08/2029	6.46
Aluminium, MT	1,771	-0.37%	-2.15%	BAHRAIN	14/05/2030	5.35
Lead, MT	1,916	-2.57%	-0.60%			
Zinc, MT	2,404	-0.33%	5.81%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.95	0.1	1m	0.16	-90.7%
5 year	100.09	0.2	3m	0.25	-86.8%
10 year	100.58	0.6	6m	0.31	-83.8%
30 year	100.41	1.2	1 year	0.45	-77.5%

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's electricity production falls 3.1% in May

The Sultanate's total electricity production at the end of May 2020 fell 3.1 per cent to reach 13,254.8 GW per hour compared to the end of the same month of 2019 when the total production was 13,684.8 GW per hour. Meanwhile, water production at the end of April 2020 increased by 5.5 per cent to reach 147.26 million cubic metres compared to 139.64 million cubic metres in the same period in 2019, according to statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

### TRA decision to regulate telecom sector

With the third telecom operator expected to enter the Oman market in the coming days, the Telecom Regulatory Authority (TRA) has issued a decision that will help regulate the anti-competitive behaviour in the sector. TRA issued decision 59/2020 amending some provisions of the earlier decision 70/2013, regarding the rules for post-market regulation (anti-competitive behaviour).

Source: [Oman Observer](#)

### Port of Duqm is 100% ready for commercial operations

The 21st issue of Duqm Economist Magazine was released on Sunday in Yahya bin Said al Jabri, Chairman, affirmed that the Port of Duqm is the largest infrastructure project at the economic zone. "We pride ourselves on completing the work in the Port, standing as an economic, commercial and industrial gateway from which the Sultanate overlooks other international ports in Asia, Africa, Europe, Australia and America" Al Jabri noted.

Source: [Oman Observer](#)

### 'Sector Champions' to help diversify Omani economy

A number of sector flagships created by the Omani government to drive investment and development in strategic areas of the economy have been mandated to support the country's economic diversification goals, according to a key official of Oman Investment Authority (OIA), under whose broad umbrella all of these flagships were brought recently.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Tadawul market cap edges down to SAR 8.37 trln last week

Tadawul's market capitalization saw a marginal decrease of 0.04% week-on-week to about SAR 8.376 trillion in the week ending Aug. 6, according to data issued by the Saudi Stock Exchange (Tadawul). Foreign investor ownership accounted for 2.13% of total market capital, as of Aug. 6.

Source: [Argaam](#)

### Here're the main derivatives market features in Tadawul

The Saudi Stock Exchange (Tadawul) will launch the derivatives market on Aug. 30, 2020. The MT30 Index futures will be traded as the first derivatives product in the market.

Source: [Argaam](#)

### Middle East's merger and acquisition deals decline in H1

Overall Middle East merger and acquisition deal values and volumes dropped year-on-year by around 58 per cent and 26 per cent respectively, in the first-half of 2020, despite an uptick in the months of May and June. The regional decline in M&A deals is in line with the slump in global activity that saw total deal values dropping in the first six months by 41 per cent from H1 2019, according to the latest report by global law firm, Baker McKenzie.

Source: [Zawya](#)

### Saudi Arabia's tourism landmark Al Ula signs agreement with Accor

The Royal Commission for AlUla is partnering with Europe's biggest hotel group Accor to expand and operate a resort in the northwest of the Kingdom. The commission's hotel and tourism sector will extend the Ashar Resort which will be managed by Accor under the Banyan Tree brand.

Source: [Arab News](#)

### Fewer UAE residents, businesses avail loans amid COVID-19; lenders tighten norms

Fewer businesses and private individuals in the UAE have applied for loans during the second quarter of the year, as the uncertainty surrounding the coronavirus pandemic and low oil prices lessened borrowers' appetite for credit. At the same time, many banks have tightened requirement standards for getting credit. In the latest UAE Central Bank Credit Sentiment

Survey, more than half (53 percent) of the respondents said the demand for loans has declined either substantially or moderately.

Source: [Zawya](#)

#### **UAE business conditions improve for the second month in July**

The UAE non-oil private sector registered a further recovery in business conditions during July amid a greater easing of lockdown restrictions, according to data from the latest UAE Purchasing Manager's Index. The headline IHS Markit UAE PMI rose from 50.4 in June to 50.8 in July, to signal a second successive monthly improvement in business conditions. However, the rate of growth remained marginal and represented only a mild recovery from the downturn experienced by UAE businesses as a result of the COVID-19 pandemic.

Source: [Gulf News](#)

#### **Kuwait government to stand guarantor for 80% of SME relief funding**

The Kuwaiti government will stand guarantor for up to 80 per cent of funding provided to those businesses affected by the COVID-19 outbreak, without calling interest of returns. The package totals 3 billion dinars. This is as per the draft law put together by the fatwa and legislative department at the Ministry of Justice. It also features some changes to the bill proposed by the High Steering Committee for Economic Stimulus.

Source: [Gulf News](#)

#### **Saudi Aramco says it still plans to pay \$75bln in dividends for 2020**

Saudi Aramco still plans to pay \$75 billion in dividends this year, the chief executive of the world's top oil exporting company said on Sunday. "We intend to pay the \$75 billion, subject to board approval and market conditions," Aramco CEO Amin Nasser told reporters on a conference call after announcing the company's quarterly results.

Source: [ET](#)

#### **Dubai's real estate activity is 'impressive' despite the virus, property developer says following fall in sales**

Despite the global pandemic, Dubai has seen "impressive levels" of real estate transactions over the past few months, Aqil Kazim of Nakheel said last week. There were 5,559 transactions in the April to June quarter this year, down from 9,088 in 2019, according to the Dubai Land Department. The emirate has been dealing with an oversupply in its property market, with prices and rents under pressure.

Source: [CNBC](#)

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

#### **Asian shares cautious as Sino-U.S. tensions weigh**

Asian stocks held tight ranges on Monday as worries over flaring tensions between the United States and China weighed on sentiment although signs of a recovery in industrial activity in the world's second-largest economy capped losses.

Source: [Reuters](#)

#### **Simon Property, Amazon look at turning mall space into fulfillment centers: WSJ**

Mall operator Simon Property Group Inc has been in talks with Amazon.com Inc about turning some of its department-store sites into Amazon fulfillment centers, The Wall Street Journal reported here on Sunday. The two companies have explored converting retail space formerly occupied by J.C. Penney Co Inc and Sears Holdings Corp into Amazon distribution centers, while in some cases, Simon and Amazon explored buying out occupied space from the retailers, the report said, citing sources.

Source: [Reuters](#)

#### **China's factory deflation slows in July as recovery gains strength**

China's factory deflation eased in July, driven by a rise in global oil prices and as industrial activity climbed back towards pre-coronavirus levels, adding to signs of recovery in the world's second-largest economy. The producer price index (PPI) fell 2.4per cent from a year earlier in July, the National Bureau of Statistics (NBS) said in a statement on Monday, compared with a 2.5per cent decline tipped in a Reuters poll of analysts and a 3.0per cent drop in June.

Source: [Channel News](#)

#### **Stock futures mixed after Trump signs orders extending coronavirus relief**

U.S. stock futures were mixed early Monday morning after President Donald Trump signed several executive orders aimed at extending coronavirus relief. Dow Jones Industrial Average futures were up 76 points at 12:09 a.m. ET on Monday, indicating a gain of about 66 points at market open. S&P 500 futures also pointed to opening gains while Nasdaq 100 futures were marginally lower.

Source: [CNBC](#)

## COMMODITIES NEWS

### Gold dips as dollar holds onto gains

Gold prices fell on Monday as the dollar held onto gains made after better-than-expected U.S. payrolls data, while investors kept a close eye on Sino-U.S. relations ahead of scheduled trade talks. Spot gold was down 0.3% to \$2,028.90 per ounce by 0336 GMT. U.S. gold futures rose 0.6% to \$2,039.20. Japanese and Singapore markets were closed for public holidays. Gold hit a record high of \$2,072.50 on Friday before retreating nearly 2% as the dollar bounced on data showing U.S. nonfarm payrolls increased 1.763 million in July.

Source: [Reuters](#)

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