

U Capital Morning Brief

11 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	0.00	0.00%	-5.98%	7.12	0.73	7.9%
U Capital GCC 50 Index	1,208.46	0.45	0.04%	-12.82%	19.41	2.02	4.3%
MSCI GCC Countries Index	486.31	0.88	0.18%	-14.64%	17.01	1.63	4.2%
Muscat Securities Market	3,576.75	-10.60	-0.30%	-10.16%	5.16	0.37	13.9%
Saudi Stock Exchange	7,535.96	5.65	0.08%	-10.17%	24.69	1.82	3.4%
Kuwait Stock Exchange	6,077.03	29.11	0.48%	-16.23%	16.83	1.20	4.0%
Qatar Exchange	9,417.88	18.98	0.20%	-9.67%	15.35	1.42	4.2%
Bahrain Stock Exchange	1,299.94	7.03	0.54%	-19.27%	12.10	0.81	5.5%
Dubai Financial Market	2,093.80	0.17	0.01%	-24.27%	7.18	0.74	4.6%
Abu Dhabi Exchange	4,353.72	22.22	0.51%	-14.23%	14.96	1.26	5.6%
Beirut Stock Exchange	604.81	-0.40	-0.07%	-23.01%	7.51	0.38	0.0%
Tunis Se Index	6,703.02	37.68	0.57%	-5.88%	18.62	2.21	0.7%
EGX 30 Index	10,938.23	-24.29	-0.22%	-21.65%	11.03	1.47	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,050.6	0.31%	-19.78%
DAX	Germany	12,687.5	0.10%	-4.24%
CAC 40	France	4,909.5	0.41%	-17.87%
United States				
DJIA	USA	27,791.4	1.30%	-2.62%
S&P 500	USA	3,360.5	0.27%	4.01%
NASDAQ	USA	10,968.4	-0.39%	22.24%
Asia Pacific				
NIKKEI 225	Japan	22,745.5	1.86%	-3.85%
HANG SENG	Hongkong	24,991.0	2.52%	-11.35%
KSE 100 Index	Pakistan	40,166.9	0.60%	-1.39%
NSE Nifty 50	India	11,352.1	0.73%	-6.71%
SHANGHAI COMPOSITE	China	3,399.7	0.61%	11.46%
SHANGHAI SHENZHEN CSI 300	China	4,768.7	0.93%	16.41%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.718	1.393
British Pound (GBP)	1.309	0.764
Canadian Dollar (CAD)	0.751	1.333
Chinese Renminbi (CNH)	0.144	6.946
Egyptian Pound (EGP)	0.063	15.964
Euro (EUR)	1.175	0.851
Indian Rupee (INR)	0.013	74.828
Japanese Yen (JPY)	0.009	106.090
New Zealand Dollar (NZD)	0.662	1.511
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.594	168.300
Russian Ruble (RUB)	0.014	73.452
Singapore Dollar (SGD)	0.729	1.372
Turkish Lira (TRY)	0.137	7.320

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	45.2	0.49%	-27.12%
WTI Crude (per bbl)	42.3	0.79%	-30.77%
Oman Crude Oil (Last Closing)	44.1	1.52%	-34.54%
OPEC (per bbl)	44.9	-0.66%	-33.98%
Precious Metals			
Gold 100 OZ (per oz)	2,014.4	-0.66%	32.77%
Silver (per oz)	28.8	-1.31%	61.07%
Platinum (per oz)	979.9	-0.63%	1.38%
Other Metals			
Copper, MT	6,397	1.40%	3.60%
Aluminium, MT	1,786	0.85%	-1.33%
Lead, MT	1,899	-0.86%	-1.45%
Zinc, MT	2,397	-0.29%	5.50%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.46	-79.1%
Saudi Arabia	0.92	-58.8%
Kuwait	1.56	-43.2%
Oman	2.67	-5.2%
Qatar	1.23	-45.6%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.22
UAE	16/04/2030	1.56
QATAR	16/04/2030	1.57
SAUDI ARABIA	22/10/2030	2.00
OMAN	01/08/2029	6.48
BAHRAIN	14/05/2030	5.23

Midswaps	Price	YTM %
3 year	99.93	0.2
5 year	100.05	0.2
10 year	100.41	0.6
30 year	99.86	1.3

USD Libor	Rate (%)	YTD
1m	0.16	-90.7%
3m	0.25	-86.8%
6m	0.31	-83.8%
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

Mineral-based projects worth RO 122m set to come up in Duqm SEZ

Majority state-owned Duqm Quarries, which was established three years ago to jumpstart the growth of mining activities in the Special Economic Zone (SEZ) at Duqm, has unveiled a portfolio of five projects for investment – ventures that will serve to showcase the zone’s promising mining and mineral-based investment potential. Total investment in the five projects, all of which seek to add value to locally exploited mineral resources, is around RO 122 million, according to the company’s CEO, Eng Ali bin Abdullah al Zadjali.

Source: [Oman Observer](#)

Port of Duqm seeks to evolve into transshipment hub

Conceived initially as a multipurpose port anchoring a mega industrial and economic hub, Port of Duqm has outlined ambitions to become a major transshipment hub for a range of cargoes. Reggy Vermeulen, CEO, said in an interview to Duqm Economist, the quarterly newsletter of the Special Economic Zone Authority of Duqm (SEZAD), that the port seeks to unlock its full potential as an enabler of growth across the SEZ and the wider Wusta region.

Source: [Oman Observer](#)

Record fish catch in Oman

The COVID-10 pandemic might have dealt a crushing blow to most industries but the fisheries industry, it appears, has benefited with a record catch reported till May 2020. The total fish caught in Oman has gone up by 31.4%, from 251,372 tonnes to 330,335 tonnes, when compared with the statistics of first five months of 2019 and 2020. The fish catch from the traditional fisheries industry went up by 31.5% while the value of the catch increased by 18.1% by the end of May 2020 when compared to the same period of 2019.

Source: [Muscat Daily](#)

Ownership of over 1,000 property titles transferred from foreigners

Ownership of several and real estate properties owned by foreigners was transferred to citizens as per the government decision. “The ownership of land and real estate was transferred to Omani citizens from November 2018 until the end of June 2020, in various governorates of the Sultanate in line with the provisions of Royal Decree No 29/2018 on the prohibition of non-Omani ownership in certain areas.”

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Most major Gulf markets gain; Egypt retreats

Most major stock markets in the Gulf closed higher on Monday, with the Saudi index supported by petrochemical shares as oil demand recovers. The Chief Executive of oil giant Saudi Aramco, Amin Nasser, said on Sunday that he sees oil demand recovering in Asia as economies gradually open up after the easing of coronavirus lockdowns. Brent crude was 31 cents, or 0.7%, higher at \$44.71 a barrel by 1318 GMT. The kingdom’s main stock index edged up 0.1%, led by a 4.3% jump in Saudi Arabia Fertilizers and a 2.1% increase in Sahara International Petrochemical Company.

Source: [Reuters](#)

Saudi Aramco’s capital expenditures for 2021, beyond remains ‘under review’

Saudi Aramco’s capital expenditures are still “under review”, Khalid Al-Dabbagh, senior vice president of finance, strategy and development, said in a press conference on Monday. Capital spending for 2020 will range between \$25 billion and \$30 billion (SAR 94 billion and 112.5 billion). Meanwhile, Saudi Aramco is reviewing spending plans for 2021 and beyond. It will be well below the guidance, between \$40-45 billion (SAR 150 billion and SAR 169 billion).

Source: [Argaam](#)

Union Properties completes debt restructuring

Union Properties on Monday announced that it has successfully reached an agreement with Emirates NBD for the full restructuring of its outstanding Dhs946 million debt with the bank along with payment of the initial amount as per the new terms. This agreement with Emirates NBD, as the main creditor of Union Properties, will substantially improve the debt profile of the Group. As a result, Union Properties will have a significant reduction of its installments as compared to the situation prior to this debt restructuring and better repayment terms which will improve the cash flow position of the company.

Source: [Gulf Today](#)

Air Arabia swings to quarterly loss on passenger slump

Middle East budget airline Air Arabia AIRA.DU swung to a second-quarter loss of 239 million dirhams (\$46 million) after passenger traffic collapsed because of the COVID-19 pandemic, it said on Monday. The United Arab Emirates' only listed airline carried 80,000 passengers in the April to June period, according to Reuters calculations based on a company statement on Monday. That compared with 2.59 million passengers in the same quarter last year, when it made a profit of 210 million dirhams.

Source: [NASDAQ](#)

Saudi Aramco's Q2 hit by energy challenges, partial recovery likely in H2: Nasser

The second quarter of 2020 has proven to be the most challenging economic period in a generation, with most industries suffering severe disruptions and significant economic losses - including the energy sector, Amin Nasser, Aramco President & CEO, said in a webcast to discuss H1 2020 financial results with analysts. Despite these challenges of weak demand and lower oil prices, Saudi Aramco demonstrated significant operational and financial flexibility to deliver solid earnings. This also reflected on Aramco's stock performance, which is highly positive compared to global oil producers.

Source: [Argaam](#)

Enterprises less hit by COVID-19 urged to slash Saudi workers to 50% by Aug. 15

The General Organization for Social Insurance (GOSI) said that the September's support for Saudi workers in the private sector enterprises, impacted by the COVID-19 pandemic, will cover 70% of Saudi workers maximum in the worst-hit activities. On the other hand, the support will cover a maximum of 50% Saudi workers at the enterprises operating in other activities, GOSI said in a statement. The worst-hit COVID-19 activities include travel agencies, hospitality, tourism operators, reservation services and the related activities, air transport, sports activities, recreation and entertainment, arts and other personal services activities.

Source: [Argaam](#)

Bahrain's government revenue down 29 percent in first half of 2020

Bahrain's government revenue fell 29 percent in the first half of 2020 on the back of low oil prices and the coronavirus pandemic, the country's state news agency said on Monday. The Gulf country's oil revenue dropped 35 percent, while its non-oil revenue was down 13 percent, BNA said. Government spending increased 2 percent in the first half. In July, Bahrain said it would add around 177 million dinars (\$470 million) to its 2020 state budget in emergency spending to fight the new coronavirus pandemic.

Source: [Arabiya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Chinese firms that fail U.S. accounting standards to be delisted as of 2022: Mnuchin

U.S. Treasury Secretary Steven Mnuchin on Monday said companies from China and other countries that do not comply with accounting standards will be delisted from U.S. stock exchanges as of the end of 2021. Mnuchin and other officials recommended the move to the U.S. Securities and Exchange Commission last week to ensure that Chinese firms are held to the same standards as U.S. companies, prompting China to call for frank dialogue.

Source: [Reuters](#)

Tencent Music revenue jumps 18%, beats estimates, as paid subscribers flock to expanded library

China's Tencent Music Entertainment Group (TME) (TME.N) said on Monday its quarterly revenue leaped 18%, beating Wall Street estimates, as it put more music for streaming behind its paywall and grew its paid subscriber base by more than half. The strong performance comes amid a growing rift between Beijing and Washington that has overshadowed Chinese firms in the United States. Shares rose 2.4% in extended trade after it said second-quarter revenue grew to 6.93 billion yuan (\$997 million).

Source: [Reuters](#)

Airline shares surge as TSA numbers hit pandemic high, support for second bailout builds

More than 800,000 people passed through U.S. airport checkpoints Sunday, the highest since mid-March. Airline shares were headed for their biggest percentage gains in weeks. The gains come as political support builds for \$25 billion in additional federal payroll support for airlines.

Source: [CNBC](#)

Treasury yields fall slightly as investors monitor stimulus bill and U.S.-China tensions

Treasury yields dipped on Monday as investors monitored the state of U.S. stimulus talks and the latest fraying of relations between Washington and Beijing. The yield on the benchmark 10-year Treasury note fell 1 basis point to 0.5484% and the yield on the 30-year Treasury bond was slightly lower at 1.2233%. Yields move inversely to prices.

Source: [CNBC](#)

COMMODITIES NEWS

Gold slips as dollar bounces, focus on U.S.-China row

Gold fell on Tuesday as the dollar firmed after Beijing slapped sanctions on U.S. officials in the latest flare-up in tensions between Washington and Beijing, with investors also keeping a close watch on negotiations over a U.S. stimulus plan. Spot gold was down 0.5% to \$2,017.98 per ounce by 0234 GMT, moving further away from a record high of \$2,072.50 hit last week. U.S. gold futures fell 0.6% to \$2,028.10.

Source: [Zawya](#)

Oil edges higher on hopes for U.S. stimulus, demand recovery

Crude oil gained more ground on Tuesday, with prices underpinned by expectations of U.S. stimulus and a rebound in Asian demand as economies reopen. Brent crude <LCOc1> added 22 cents, or 0.5%, to \$45.21 a barrel, as of 0441 GMT. West Texas Intermediate U.S. crude <CLc1> rose 32 cents, or 0.8%, to \$42.26 a barrel. "Crude oil gained amid signs of further stimulus measures," ANZ said in a note.

Source: [Yahoo Finance](#)