

U Capital Morning Brief

13 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	788.40	1.40	0.18%	-6.54%	7.11	0.73	7.9%
U Capital GCC 50 Index	1,222.36	4.83	0.40%	-11.81%	19.45	2.04	4.3%
MSCI GCC Countries Index	494.48	2.50	0.51%	-13.20%	17.29	1.66	4.2%
Muscat Securities Market	3,566.90	-5.72	-0.16%	-10.41%	5.14	0.37	13.9%
Saudi Stock Exchange	7,645.55	19.32	0.25%	-8.86%	25.06	1.85	3.5%
Kuwait Stock Exchange	6,195.96	63.36	1.03%	-14.59%	17.18	1.22	3.9%
Qatar Exchange	9,553.10	29.47	0.31%	-8.37%	15.57	1.44	4.2%
Bahrain Stock Exchange	1,307.47	7.54	0.58%	-18.80%	12.24	0.82	5.4%
Dubai Financial Market	2,115.31	18.08	0.86%	-23.49%	7.42	0.75	4.6%
Abu Dhabi Exchange	4,359.58	-8.63	-0.20%	-14.11%	15.20	1.26	5.6%
Beirut Stock Exchange	604.84	-0.40	-0.07%	-23.01%	7.51	0.38	0.0%
Tunis Se Index	6,758.60	36.91	0.55%	-5.10%	18.74	2.23	0.7%
EGX 30 Index	10,922.33	2.86	0.03%	-21.77%	11.00	1.47	2.9%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	6,280.1	2.04%	-16.74%	Australian Dollar (AUD)	0.717	1.395
DAX	Germany	13,058.6	0.86%	-1.44%	British Pound (GBP)	1.307	0.765
CAC 40	France	5,073.3	0.90%	-15.13%	Canadian Dollar (CAD)	0.756	1.324
United States					Chinese Renminbi (CNH)	0.144	6.940
DJIA	USA	27,976.8	1.05%	-1.97%	Egyptian Pound (EGP)	0.063	15.965
S&P 500	USA	3,380.4	1.40%	4.63%	Euro (EUR)	1.181	0.847
NASDAQ	USA	11,012.2	2.13%	22.73%	Indian Rupee (INR)	0.013	74.805
Asia Pacific					Japanese Yen (JPY)	0.009	106.720
NIKKEI 225	Japan	23,278.2	1.91%	-1.60%	New Zealand Dollar (NZD)	0.657	1.523
HANG SENG	Hongkong	25,180.1	-0.26%	-10.68%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	40,352.7	-0.30%	-0.94%	Pakistani Rupee (PKR)	0.594	167.900
NSE Nifty 50	India	11,346.6	0.34%	-6.75%	Russian Ruble (RUB)	0.014	73.698
SHANGHAI COMPOSITE	China	3,329.2	0.30%	9.15%	Singapore Dollar (SGD)	0.729	1.372
SHANGHAI SHENZHEN CSI 300	China	4,649.1	0.03%	13.49%	Turkish Lira (TRY)	0.136	7.329

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	0.48	-78.4%
Brent Crude (per bbl)	45.3	-0.26%	-26.95%	Saudi Arabia	0.92	-58.8%
WTI Crude (per bbl)	42.6	-0.26%	-30.28%	Kuwait	1.56	-43.2%
Oman Crude Oil (Last Closing)	44.5	1.14%	-34.00%	Oman	2.64	-6.2%
OPEC (per bbl)	45.2	0.44%	-33.48%	Qatar	1.15	-48.9%
Precious Metals				Bahrain	2.28	-14.4%
Gold100 OZ (per oz)	1,932.0	0.85%	27.33%			
Silver (per oz)	25.9	1.68%	45.29%			
Platinum (per oz)	942.6	1.21%	-2.48%			
Other Metals						
Copper, MT	6,433	0.73%	4.19%			
Aluminium, MT	1,787	0.06%	-1.27%			
Lead, MT	1,958	-0.15%	1.58%			
Zinc, MT	2,401	-0.37%	5.68%			

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.28
UAE	16/04/2030	1.69
QATAR	16/04/2030	1.70
SAUDI ARABIA	22/10/2030	2.17
OMAN	01/08/2029	6.30
BAHRAIN	14/05/2030	5.12

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.84	0.2	1m	0.16	-90.7%
5 year	99.84	0.3	3m	0.25	-86.7%
10 year	99.63	0.7	6m	0.34	-82.4%
30 year	97.67	1.3	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

OQ, ministry sign pact to manage, operate Liwa Science & Innovation Centre

OQ Company, the Ministry of Education (MoE) and Jusoor Foundation signed a Memorandum of Cooperation (MoC) to manage and operate Liwa Science and Innovation Centre, which is one of the community investment projects executed through Jusoor Foundation, non-profit Social Responsibility arm of Sohar Aluminium, Vale and OQ. As per the signed MoC, the Ministry of Education, represented by the Directorate General of Education in North Al Batinah Governorate, will be responsible for the operation and management of the facilities of Liwa Science and Innovation Centre.

Source: [Times of Oman](#)

Asyad partners with Indian agro-food authorities

Asyad has partnered with Indian agro-food authorities to facilitate the import of fruits and vegetables for traders and importers in Oman not only for local market but also to further redistribute it to the region. Recently, 26-tonnes shipment of mango was imported from Indian state of Uttar Pradesh, located 1,500 kilometres from the Indian ports with a total trip time of eight days from Indian farms to Sohar Port.

Source: [Times of Oman](#)

Liwa Science and Innovation Centre operational

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Source: [Muscat Daily](#)

Oman's first REIT commits to maiden dividend distribution

Oman Real Estate Investment Fund – the first Real Estate Investment Fund (REIF / REIT) in the Sultanate – says it is committed to distributing its maiden dividend in October in line with a pledge that it made as part of its public offering earlier this year. Aman REIF, which was listed on the Muscat Securities Market (MSM) on March 15, 2020, just before the pandemic began to roil the local economy, had promised to distribute 90 per cent of its net income to investors holding units in the fund at 7 per cent dividend in two semi-annual payments.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi companies unchanged on MSCI Saudi Arabia Standard Index

MSCI Inc, the provider of research-based indexes and analytics, announced the results of the August 2020 Quarterly Index Review for the MSCI Equity Indexes. The Saudi securities remained unchanged on the MSCI Saudi Arabia Standard and MSCI Saudi Arabia Small Cap Indexes, compared to its semi-annual index review (SAIR) last May.

Source: [Argaam](#)

Saudi stock exchange to launch environmental index with MSCI –CEO

Saudi Arabia's stock exchange (TADAWUL) plans to launch an environmental, social or governance (ESG) index in cooperation with global index provider MSCI by the fourth quarter of this year or first quarter of 2021, the bourse's chief executive said on Wednesday. The index will include at least 70 Saudi listed companies and will be based on MSCI standards, Khalid Al-Hussan said at a virtual event.

Source: [Zawya](#)

UAE- FTA clarifies VAT application for e-commerce

The UAE's Federal Tax Authority (FTA) on Wednesday further clarified that though five per cent value-added tax (VAT) will be applicable to general e-commerce purchases however there are a number of special rules that apply specifically to e-commerce transactions.

Source: [MenaFN](#)

Emaar's H1 profit slumps 35% as coronavirus further dents property market

Emaar Properties EMAR.DU, Dubai's biggest listed property company, posted a 35% drop in first half net profit, hit by the economic slowdown triggered by the coronavirus pandemic, which further dented the emirate's property market. Net profit fell to 2.01 billion dirhams (\$547 million) for the six months to June 30 from 3.11 billion a year earlier. Revenue fell 22% to 9.03 billion dirhams.

Source: [NASDAQ](#)

Etihad own 51% and Air Arabia holds remaining stake in Air Arabia Abu Dhabi

Sharjah-based Air Arabia controls a 49 per cent stake in the recently-launched Air Arabia Abu Dhabi, the company's second-quarter financial results showed. A joint venture with the Abu Dhabi-based Etihad Aviation Group, the remaining majority stake of 51 per cent is controlled by Etihad, an Air Arabia spokesperson confirmed to Khaleej Times.

Source: [Khaleej Times](#)

Saudi Aramco plans further spending cuts to pay for dividend

Saudi Aramco <2222.SE> plans to cut its capital spending to a range of \$20 billion to \$25 billion this year to pay a \$75 billion dividend it pledged to investors during its initial public offering last year, the Financial Times reported on Wednesday, citing people familiar with the matter. The report says the new level of capital spending is largely dedicated to the state-owned group's exploration and production business and will hold for the next three years.

Source: [Yahoo Finance](#)

Mideast Stocks: Dubai leads most major Gulf markets higher; Egypt quiet

Most major Gulf bourses ended higher on Wednesday, with the Dubai's index buoyed by gains in Emirates NBD Bank after its digital banking services were restored. Saudi Arabia's benchmark index added 0.3%, led by a 1% gain in Al Rajhi Bank and a 3.1% leap in Banque Saudi Fransi. Dubai's main share index gained 0.9%, boosted by a 2.6% jump in Emirates NBD Bank.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Sovereign wealth funds reveal COVID-19 impact on global economy

A recent study revealed how sovereign wealth funds (SWFs) are looking at the near-term investment environment. The report published by The International Forum of Sovereign Wealth Funds (IFSOF) and investment manager Invesco surveyed 24 SWFs at the end of June. According to 61 percent of the survey participants, developed markets are best able to return to pre-COVID trend growth, compared to 26 percent for emerging markets and 13 percent for frontier markets.

Source: [Zawya](#)

China's banking sector expected to dispose \$490 billion of bad loans in 2020: Xinhua

China's banking industry is expected to dispose 3.4 trillion yuan (\$489.91 billion) of bad loans in 2020 to contain financial risks in an economy weakened by COVID-19, the official Xinhua News Agency reported. "The sector will further step up bad loan disposals in 2021, as some of the problems will be exposed next year due to delayed loan payments," Xinhua quoted Guo Shuqing, chairman of the China Banking and Insurance Regulatory Commission (CBIRC), as saying in an interview released on Thursday.

Source: [Reuters](#)

China's July air passenger numbers fall 34.1% year-on-year: regulator

China's aviation regulator said on Thursday that passenger numbers in July fell 34.1% from a year earlier. That marked a recovery from a year-on-year decline of 42.4% in June. By August 12, there was a total of 93 Chinese and foreign airlines allowed to operate 187 international routes, connecting China to 50 countries, Wu Shijie, an official with Civil Aviation Administration of China, told an online briefing.

Source: [Reuters](#)

Games help Tencent smash second-quarter earnings expectations as potential WeChat ban looms

Tencent reported results for the three months to June on Wednesday that beat analyst expectations in one of the fastest revenue-growing quarters in two years. But the earnings reports may be overshadowed by an executive order signed by President Donald Trump last week that prohibits any transaction related to WeChat, the wildly popular messaging app owned by Tencent. Online game revenue, one of Tencent's most important businesses, grew 40% year on year to 38.29 billion yuan.

Source: [CNBC](#)

The coronavirus pandemic is debunking some long-held myths of the energy industry

"Big Oil" companies posted huge losses in the three-month period through to June as lockdown measures coincided with an unprecedented demand shock. The devastating economic impact of the coronavirus outbreak has prompted energy majors to slash shareholder distributions, rack up increasing levels of debt, and sell or write-down the value of their assets. "I like to look at the financials, and the picture has been bleak for this industry for a decade," Kathy Hipple, an analyst at the Institute for Energy Economics and Financial Analysis (IEEFA), told CNBC via telephone.

Source: [CNBC](#)

Dollar grinds lower as traders question timing of U.S. stimulus

The dollar fell against most of its peers on Thursday amid fading hopes for a compromise between Republicans and Democrats over additional stimulus for the U.S. economy. The Australian dollar rose after better-than-expected jobs data eased concerns about a persistent coronavirus outbreak in the country's second-largest city.

Source: [Reuters](#)

COMMODITIES NEWS

Oil edges lower after jump on U.S. stocks draw

Crude oil prices eased slightly on Thursday but held most of their gains from the previous session after U.S. government data showed a fall in inventories, supporting the view that fuel demand is returning despite the coronavirus pandemic. Brent crude LCOc1 was down 8 cents at \$45.35 a barrel by 0150 GMT, after a gain of around 2% in the previous session. West Texas Intermediate CLc1 oil was down by 6 cents at \$42.61 a barrel after gaining 2.6% on Wednesday.

Source: [Reuters](#)