

# U Capital Morning Brief

18 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	786.36	2.85	0.36%	-6.78%	7.10	0.73	7.9%
U Capital GCC 50 Index	1,245.07	5.56	0.45%	-10.17%	19.67	2.08	4.2%
MSCI GCC Countries Index	504.22	2.15	0.43%	-11.49%	17.63	1.69	4.1%
Muscat Securities Market	3,554.10	2.75	0.08%	-10.73%	5.13	0.37	13.9%
Saudi Stock Exchange	7,757.26	-2.22	-0.03%	-7.53%	25.18	1.87	3.4%
Kuwait Stock Exchange	6,307.94	3.29	0.05%	-13.05%	20.05	1.25	3.8%
Qatar Exchange	9,695.32	92.26	0.96%	-7.00%	15.78	1.45	4.1%
Bahrain Stock Exchange	1,348.52	20.17	1.52%	-16.25%	12.56	0.84	5.3%
Dubai Financial Market	2,205.41	-0.56	-0.03%	-20.23%	7.86	0.78	4.4%
Abu Dhabi Exchange	4,435.34	4.01	0.09%	-12.62%	16.18	1.28	5.5%
Beirut Stock Exchange	600.72	-0.37	-0.06%	-23.53%	7.45	0.37	0.0%
Tunis Se Index	6,690.03	-65.62	-0.97%	-6.07%	17.96	2.22	0.7%
EGX 30 Index	11,142.77	22.51	0.20%	-20.19%	11.34	1.50	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	6,127.4	0.61%	-18.76%
DAX	Germany	12,920.7	0.15%	-2.48%
CAC 40	France	4,971.9	0.18%	-16.83%
<b>United States</b>				
DJIA	USA	27,844.9	-0.31%	-2.43%
S&P 500	USA	3,382.0	0.27%	4.68%
NASDAQ	USA	11,129.7	1.00%	24.04%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,064.6	-0.16%	-2.50%
HANG SENG	Hongkong	25,300.7	-0.17%	-10.25%
KSE 100 Index	Pakistan	40,418.1	0.73%	-0.78%
NSE Nifty 50	India	11,313.2	0.59%	-7.03%
SHANGHAI COMPOSITE	China	3,446.6	0.23%	13.00%
SHANGHAI SHENZHEN CSI 300	China	4,813.2	-0.04%	17.49%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.722	1.384
British Pound (GBP)	1.314	0.761
Canadian Dollar (CAD)	0.758	1.319
Chinese Renminbi (CNH)	0.144	6.926
Egyptian Pound (EGP)	0.063	15.940
Euro (EUR)	1.189	0.841
Indian Rupee (INR)	0.013	74.831
Japanese Yen (JPY)	0.009	105.590
New Zealand Dollar (NZD)	0.654	1.528
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.595	168.100
Russian Ruble (RUB)	0.014	73.702
Singapore Dollar (SGD)	0.732	1.367
Turkish Lira (TRY)	0.135	7.396

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	45.2	-0.37%	-27.15%
WTI Crude (per bbl)	42.7	-0.49%	-30.10%
Oman Crude Oil (Last Closing)	44.1	0.48%	-34.65%
OPEC (per bbl)	44.6	-1.59%	-34.34%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,997.0	0.58%	31.62%
Silver (per oz)	27.9	1.59%	56.39%
Platinum (per oz)	965.0	0.74%	-0.16%
<b>Other Metals</b>			
Copper, MT	6,446	1.25%	4.41%
Aluminium, MT	1,756	0.57%	-2.98%
Lead, MT	1,971	1.05%	2.28%
Zinc, MT	2,442	3.15%	7.48%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.48	-78.3%
Saudi Arabia	0.92	-58.9%
Kuwait	1.56	-43.2%
Oman	2.65	-5.7%
Qatar	0.98	-56.5%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.28
UAE	16/04/2030	1.73
QATAR	16/04/2030	1.77
SAUDI ARABIA	22/10/2030	2.23
OMAN	01/08/2029	6.33
BAHRAIN	14/05/2030	5.16

Midswaps	Price	YTM %
3 year	99.84	0.2
5 year	99.86	0.3
10 year	99.58	0.7
30 year	99.08	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.4%
3m	0.27	-85.8%
6m	0.33	-82.6%
1 year	0.46	-76.9%

Source: Bloomberg

Note: All values are updated at 9:00 AM Muscat Time. Markets are closed on Saturday and Sunday

## OMAN ECONOMIC & CORPORATE NEWS

### India's share of Omani crude imports rises in July

China and India were the only two markets for Omani crude exports in July, the latter lifting 11.19 per cent of total exports of 778,012 barrels per day (bpd) for the month, an increase of 9.25 per cent from the previous month. China, long the dominant importer of Omani crude, accounted for the remaining 88.81 per cent, the Ministry of Oil and Gas said in its monthly report. Crude oil production during July 2020 averaged 671,275 bpd, representing a decline of 1.85 per cent m-o-m compared with the June 2020 daily production average.

Source: [Oman Observer](#)

### CBO announces auction results of 65th GDB issue

The Central Bank of Oman (CBO) announced the auction results of the 65th government development bonds (GDB) issue worth RO 200 million. According to a press release issued by CBO's Monetary Operations Department, the 65th GDB issue, has received applications worth RO 239,015,300. The average yield was 5.43 per cent at an equivalent price of RO 100.405 while the highest yield was 5.70 per cent at an equivalent price of RO 98.860 and the lowest was at 5.25 per cent at an equivalent price of RO 101.450.

Source: [ONA](#)

### Oman's share index ends marginally lower

The MSM index closed at 3,551.35 points, down 0.25 per cent from the previous close. The Sharia Index ended up by 0.09 per cent at 519.85. Al Ahlia Insurance, up 5.26 per cent was the top gainer while Renaissance Service, down 4.47 per cent, was the top loser. Galfar Engineering was the most active in terms of the number of shares traded and also was the most active in terms of turnover.

Source: [Times of Oman](#)

### NBC signs incubation pact with Ta'afi platform

The National Business Centre (NBC), which falls under the umbrella of the Public Establishment for Industrial Estates – Madayn, signed an agreement to incubate Ta'afi platform. Ta'afi provides smart technical and innovative solutions that meet the needs of private medical institutions in the Sultanate in an advanced way to serve the community.

Source: [Times of Oman](#)

### Oman's inflation falls 1.40% in July

The Sultanate's Consumer Price Index (CPI)-based inflation declined by 1.40 per cent in July 2020 compared to the same month of 2019, according to the latest data released by the National Centre for Statistics and Information (NCSI) on CPI. According to the report, the inflation rate in July fell by 0.20 per cent compared to June 2020.

Source: [Times of Oman](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi authority expects commodity exports' volume to rise to SAR 100 bln in H2 2020

The volume of commodity exports is expected to rise by 16% in the second half of 2020 to reach SAR 100 billion, compared to H1 2020, CNBC reported, citing Secretary General of Saudi Exports Development Authority (SEDA), Saleh Al Solami. Al Solami indicated that in the past two months, the market witnessed an improvement in commodity exports, in addition to a gradual improvement in the prices of petrochemical products. He also added that markets such as China showed an improvement in demand.

Source: [Argaam](#)

### Bahrain awards \$1.7bln contracts in H1 2020

Bahrain awarded 769 tenders in the first half of 2020 worth a total of \$1.7 billion according to new data released by Bahrain's Tender Board - the country's government procurement regulator. The construction and engineering sector took the lion's share of contracts in the first six months of the year, with awarded tenders totalling some \$588.3 million, emphasising the Bahrain Government's continued commitment to its extensive pipeline of infrastructure projects.

Source: [Zawya](#)

### \$3.5b Adnoc refining upgrade project set for completion in 2022

The Abu Dhabi National Oil Company's (Adnoc) \$3.5 billion project to upgrade Ruwais refining capabilities is on track for completion in mid-2022, enabling the oil conglomerate to process up to 420,000 barrels per stream day (bpsd). Adnoc confirmed on Monday that significant progress has been made on its "Crude Flexibility Project" (CFP), with 73 per cent

delivery. The ongoing project is to upgrade refining capabilities and strengthening the role of Ruwais as a critical driver for industrial growth for Abu Dhabi and the UAE, the company said in a statement.

Source: [Khaleej Times](#)

#### **Chimera Capital lists ETF in Dubai, Abu Dhabi stock exchange**

Abu-Dhabi-based asset management firm and subsidiary of Chimera Investments, Chimera Capital, listed its Umbrella Exchange Traded Fund (ETF) - Chimera S&P UAE Shariah ETF - on Abu Dhabi Securities Exchange and Dubai Financial Market. The fund replicates the S&P UAE Domestic Shariah Liquid 35/20 Capped Index, including the UAE largest stocks by market capitalization. The Class B units have been listed on the DFM under the trading symbol (CHAESHIN).

Source: [Zawya](#)

#### **Dubai economy may shrink 5.2% this year, rebound 4.3% in 2021 – MUFG**

Dubai's economy is expected to contract 5.2% this year from the impact of the coronavirus pandemic but the Middle East trade and tourism hub could see growth rebound to 4.3% next year, Japan's MUFG said. While vital economic sectors of the emirate have been dealt a severe blow by the global health crisis, high-frequency indicators signal a normalisation in economic activity, the bank said in a report.

Source: [Nasdaq](#)

#### **Saudi healthcare provider to build \$126mIn maternity, children's hospital**

Saudi Arabia's major medical services provider, Dr Sulaiman Al Habib Medical Services Group, has approved the construction of a new maternity and paediatric hospital in the kingdom. The new facility will be a branch of the existing Gharb Al-Takhassusi Hospital, and will be built on a land owned by the company in Riyadh, at a cost of 472 million Saudi riyals (\$126 million).

Source: [Zawya](#)

#### **Agriculture Producer Price Index up 13.2% during May 2020: SCAD**

Prices of the Agriculture Producer Price Index, APPI, increased by 13.2 percent during May 2020, according to Statistics Centre - Abu Dhabi, SCAD. Figures released by the official statistics centre representing Abu Dhabi Emirate showed that APPI was 82.1 percent in May 2020 compared with 72.5 percent in May 2019. Prices of APPI increased by 19.8 percent during May 2020 compared with April 2020, where the APPI rose to 82.1 percent in May 2020 from 68.5 percent in April 2020.

Source: [WAM](#)

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

#### **Asia shares sluggish after Wall Street's tech-inspired rally**

Asian stocks inched up on Tuesday as Sino-U.S. tensions weighed on optimism generated by Wall Street's tech-driven rally, while the dollar dropped against almost all major currencies. The Trump administration announced on Monday it would further tighten restrictions on China's Huawei Technologies Co, aimed at cracking down on its access to commercially available chips. MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.19%, to sit not far short of its pre-pandemic late January high.

Source: [Reuters](#)

#### **Trump rejects proposal to cut military healthcare by \$2.2 billion.**

U.S. President Donald Trump said late on Monday he has rejected a Pentagon proposal to cut military healthcare by \$2.2 billion. Politico reported [politi.co/2E5GqQS](#) on Sunday that Pentagon officials working on Defense Secretary Mark Esper's cost-cutting review of the U.S. Defense Department had proposed slashing military healthcare by \$2.2 billion.

Source: [Reuters](#)

#### **Oracle is in talks to acquire TikTok's U.S. operations, challenging Microsoft, source says**

Oracle, an enterprise software giant, is in talks to acquire social media company TikTok's U.S., Canadian, Australian and New Zealand assets, according to a person familiar with the matter. Oracle is working with a group of U.S. venture capital firms that already have a stake in TikTok, said the person, who asked not to be named because the negotiations are private.

Source: [CNBC](#)

#### **Japan's pandemic woes unravel benefits of 'Abenomics'**

Japanese Prime Minister Shinzo Abe's rise to power in 2012 ushered in bold policies known as "Abenomics" that helped revive the economy and boost corporate profits, exports and jobs. However, the record plunge in Japan's economy in the second quarter due to the coronavirus has wiped many of the gains of those policies, dealing a political blow to Abe a year before his term as head of the ruling Liberal Democratic Party (LDP) ends.

Japan's real gross domestic product (GDP) hit almost 540 trillion yen (\$5.09 trillion) in September last year, but then began to slide as the U.S.-China trade war and a sales tax hike hit exports and consumption.

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil lower as suppliers seek to hold promises on output cuts

Oil prices slipped on Tuesday, though they mostly held onto overnight gains after OPEC+ said the producer grouping is almost fully complying with output cuts to support prices amid a drop in demand for fuels due to the coronavirus pandemic. Brent crude LCOc1 was down 22 cents, or 0.5%, at \$45.15 a barrel by 0322 GMT, after gaining 1.3% on Monday.

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](mailto:research@u-capital.net)

Website: [www.u-capital.net](http://www.u-capital.net)



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