

U Capital Morning Brief

10 September 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	818.32	-8.95	-1.08%	-2.99%	7.41	0.75	7.3%
U Capital GCC 50 Index	1,265.87	-1.95	-0.15%	-8.67%	20.87	2.14	4.2%
U Capital MENA 200 Index	999.21	-0.10	-0.01%	-8.39%	15.84	1.72	4.7%
MSCI GCC Countries Index	511.45	-1.39	-0.27%	-10.22%	18.30	1.74	3.3%
Muscat Securities Market	3,687.06	-14.13	-0.38%	-7.39%	10.95	0.74	6.6%
Saudi Stock Exchange	8,079.74	-9.80	-0.12%	-3.69%	29.47	1.97	2.6%
Kuwait Stock Exchange	6,369.12	-2.09	-0.03%	-12.21%	28.55	1.33	3.7%
Qatar Exchange	9,712.73	-47.95	-0.49%	-6.84%	15.81	1.46	4.1%
Bahrain Stock Exchange	1,394.58	-7.66	-0.55%	-13.39%	12.99	0.87	5.0%
Dubai Financial Market	2,273.62	-14.36	-0.63%	-17.77%	8.60	0.80	4.2%
Abu Dhabi Exchange	4,508.82	-10.74	-0.24%	-11.17%	16.46	1.30	5.4%
Tunis Se Index	6,795.02	46.61	0.69%	-4.59%	18.91	2.27	0.7%
EGX 30 Index	10,929.89	-21.40	-0.20%	-21.71%	11.40	1.47	2.9%

World Markets	Country	Value	D/D	YTD
Europe				
FTSE 100	UK	6,012.8	1.39%	-20.28%
DAX	Germany	13,237.2	2.07%	-0.09%
CAC 40	France	5,043.0	1.40%	-15.64%
United States				
DJIA	USA	27,940.5	1.60%	-2.10%
S&P 500	USA	3,399.0	2.01%	5.21%
NASDAQ	USA	11,141.6	2.71%	24.17%
Asia Pacific				
NIKKEI 225	Japan	23,189.3	0.68%	-1.98%
HANG SENG	Hongkong	24,501.2	0.15%	-13.08%
KSE 100 Index	Pakistan	42,499.4	1.13%	4.33%
NSE Nifty 50	India	11,376.4	0.87%	-6.51%
SHANGHAI COMPOSITE	China	3,264.9	0.31%	7.04%
SHANGHAI SHENZHEN CSI 300	China	4,624.2	0.86%	12.88%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.727	1.375
British Pound (GBP)	1.300	0.770
Canadian Dollar (CAD)	0.760	1.315
Chinese Renminbi (CNH)	0.146	6.840
Egyptian Pound (EGP)	0.063	15.783
Euro (EUR)	1.182	0.846
Indian Rupee (INR)	0.014	73.404
Japanese Yen (JPY)	0.009	106.130
New Zealand Dollar (NZD)	0.668	1.496
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.601	166.267
Russian Ruble (RUB)	0.013	75.325
Singapore Dollar (SGD)	0.731	1.367
Turkish Lira (TRY)	0.134	7.479

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	40.7	-0.22%	-33.95%
WTI Crude (per bbl)	37.9	-0.39%	-37.91%
Oman Crude Oil (Last Closing)	40.2	2.69%	-40.45%
OPEC (per bbl)	40.3	-3.24%	-40.72%
Precious Metals			
Gold 100 OZ (per oz)	1,946.8	0.00%	28.31%
Silver (per oz)	27.0	0.25%	51.52%
Platinum (per oz)	920.9	-0.07%	-4.72%
Other Metals			
Copper, MT	6,734	0.99%	9.07%
Aluminium, MT	1,784	-0.45%	-1.44%
Lead, MT	1,895	-0.47%	-1.69%
Zinc, MT	2,423	0.25%	6.65%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.36	-83.6%
Saudi Arabia	0.89	-60.1%
Kuwait	1.63	-40.9%
Oman	2.65	-5.9%
Qatar	1.18	-47.4%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.29
UAE	16/04/2030	1.70
QATAR	16/04/2030	1.83
SAUDI ARABIA	22/10/2030	2.21
OMAN	01/08/2029	6.11
BAHRAIN	14/05/2030	5.28

Midswaps	Price	YTM %
3 year	99.87	0.2
5 year	99.88	0.3
10 year	99.41	0.7
30 year	98.47	1.4

USD Libor	Rate (%)	YTD
1m	0.16	-91.2%
3m	0.25	-86.9%
6m	0.30	-84.3%
1 year	0.43	-78.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Pact inked to rollout telecom towers infrastructure in Port of Duqm

An exclusive agreement to rollout telecom towers infrastructure for mobile operators within the Port of Duqm concession land. Oman Towers Company (OTC) and the Port of Duqm Company (PODC) have agreed to collaborate for the construction of a consistent network of towers in the Port of Duqm area, intending to make these towers available to all licensed MNOs and other telecommunication operators to ensure excellent mobile telephony coverage, as per MNOs' requirement.

Source: [Times of Oman](#)

CBO issues treasury bills worth OMR80 million

Oman's central bank raised OMR80 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from September 9 until December 9, 2020. The average accepted price reached 99.812 for every OMR100, while the minimum accepted price arrived at 99.800 per OMR100.

Source: [Times of Oman](#)

Duqm Port gears up to begin commercial operations soon

The Special Economic Zone at Duqm is gearing up to handover the main buildings in the customs station at the Port of Duqm. This comes as part of ensuring the overall readiness of all facilities at the station to provide key services for export-import operations through the commercial berth at the Duqm Port. In a press statement issued by Oman's Public Authority for Special Economic Zones and Free Zones (OPAZ) on Wednesday, Eng Yahya bin Khamis al Zadjali, in-charge of managing operations of the Special Economic Zone at Duqm, said that the construction works in the customs building, agriculture and fisheries building and the clinic are nearing completion and they will be handed over to the concerned bodies in coordination with the Port of Duqm.

Source: [Muscat Daily](#)

Fish landing rises 33.7 per cent in June

The total quantity of fish landed in the Sultanate reached 371,799 tonnes at the end of June 2020 compared to 278,013 tonnes during the same period of 2019, which is a rise of 33.7 per cent, according to statistics released by the National Centre for Statistics and Information (NCSI). Traditional fishing practices in the Sultanate contributed to 358,342 tonnes of fish at the end of June 2020, constituting a rise of 34.3 per cent over 266,780 tonnes in 2019. The total value of the fish stock was RO160.85 million in 2020, representing a growth of 17.4 per cent over RO137.04 million in 2019.

Source: [Oman Observer](#)

Sharakah, HSBC Oman in partnership with Impact help young start-ups

Sharakah has successfully conducted "Financial Structure for SMEs" workshop recently for the selected candidates in Tahfeez, the Fourth Industrial Revolution Programme for Entrepreneurs. The 4-day workshop has been designed, developed and implemented by Sharakah as part of the "Tahfeez Programme" organised by Impact Integrated Company and by the support of HSBC Oman, as part of their corporate social responsibility (CSR) endeavours.

Source: [Oman Observer](#)

Oman will tap local and international debt to fill coffers

Oman will tap local and international debt markets to fill state coffers badly hit by low oil prices and the economic downturn caused by the coronavirus crisis, its state news agency said on Wednesday citing the finance ministry. A relatively small crude producer burdened by high levels of debt, Oman is more vulnerable to oil price swings than most of its wealthier Gulf neighbours.

Source: [Reuters](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

SAMA governor confident of Saudi Arabia's financial sector stability

Ahmed Alkholifey, Governor of Saudi Arabian Monetary Authority (SAMA), said that he is confident of the Saudi financial sector's stability. Lower oil prices and the coronavirus pandemic have weighed on the Kingdom's economic growth, however, various monetary and precautionary measures were adopted to face the COVID-19 crisis, Alkholifey said at the virtual Euromoney conference on Wednesday.

Source: [Argaam](#)

Daily transactions on Tadawul exceed 500,000 for first time since 2007

Daily transactions on the Saudi Stock Exchange (Tadawul) crossed 500,000 on Sept. 8, 2020. Investors executed 507,300 transactions – the highest level since March 2007, excluding the trading sessions that witnessed new listings from 2007 to

date. Executed transactions recorded a significant increase since the beginning of August, ahead of rising over 400,000 per session in early September. Investors executed more than 483,000 transactions today, Sept. 9.

Source: [Argaam](#)

Dubai to raise electric, hybrid vehicles to 30% by 2030

Dubai Supreme Council of Energy has issued a directive government organisations to raise the number of electric and hybrid vehicles to at least 10% of their overall annual procurement of vehicles until the end of 2024, according to the Dubai media office. Under the council's directive, government organisations will also increase the number of purchased or leased electric and hybrid vehicles to 20% from 2025 to the end of 2029 and 30% from 2030.

Source: [Zawya](#)

Saudi Electricity mulls green bond sale amid Arab debt push

Saudi Electricity plans to hold investor calls this week ahead of a potential green Islamic bond sale. The utility is among a number of regional corporations and governments seeking to tap international debt markets to raise funds. It follows publication of its Green Sukuk Framework (GSF) aimed at mitigating climate change.

Source: [Arab News](#)

UAE's ports remain firm on expansion plans and investments amidst pandemic

Despite the ongoing global pandemic and the business disruptions it has brought to global supply chains, UAE's leading ports such as DP World and Abu Dhabi Ports say their plans for investments and increasing capacity remains well on track. "For us as DP world our development plans are not only focused on adding more investments to key site facilities only, but also on enhancing smart ways of doing business," said Abdullah Bin Damithan, chief commercial officer, DP World – UAE Region.

Source: [Gulf News](#)

Adnoc invests \$245 million to upgrade main oil lines

Over 50 per cent of the combined award value will flow back into the UAE's economy under Adnoc's ICV programme. Adnoc Onshore, a subsidiary of the Abu Dhabi National Oil Company (Adnoc), has announced the award of two Engineering, Procurement, and Construction (EPC) contracts to upgrade two Main Oil Lines (MOLs) and crude receiving facilities at the Jebel Dhanna Terminal in Abu Dhabi.

Source: [Khaleej Times](#)

UAE firms can now obtain bank loans against moveable assets as collateral

Companies in the UAE, especially small and medium businesses, can now secure bank loans by using their moveable properties as collateral in order to help them meet their cash-flow needs amidst tough situation due to the pandemic. The UAE has issued Federal Law No.(4) of 2020, which expands the scope of including more assets that can be used as collateral and through other amendments that improve enforcement in the case of defaults. Generally, small businesses find it tough to secure bank loans due to their size and lack of financial history.

Source: [Khaleej Times](#)

Kuwait Parliament Approves State Budget With \$46 Billion Deficit

Kuwait's parliament approved the state budget for the current fiscal year, projecting a deficit of 14 billion dinars (\$46 billion) after making adjustments to account for lower oil prices and a cut in spending. Expenditure is now estimated at about 21.6 billion dinars after slashing almost 1 billion dinars since the Finance Ministry unveiled its plan in January. The decrease hasn't affected subsidies, benefits or employees' rights, according to lawmaker Adnan AbdulSamad, who heads the budgets committee.

Source: [Leader Post](#)

Bahrain sells \$2 billion in sukuk and bonds

Bahrain sold \$2 billion in its second bond offering of the year on Wednesday, a dual-tranche issuance comprising seven-year sukuk, or Islamic bonds, and a 12-year conventional tranche. The small oil producer, which averted a credit crunch in 2018 with a \$10 billion aid package from its Gulf neighbors, raised \$2 billion in May to bolster finances battered by low oil prices and the coronavirus crisis.

Source: [Arab News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

In the COVID-19 world, risk has become riskier – IMF

While the global economy faces exceptional challenges amid pandemic, market volatility, defaults and evolving regulations are set to change the landscape for the financial sector, according to a senior IMF official. On the financial front, individuals,

businesses, and countries need phenomenal adjustments to the changes fueled by the ongoing COVID-19 situation, said Geoffrey Okamoto, the first deputy managing director of the International Monetary Fund (IMF).

Source: [Zawya](#)

Stock futures mostly flat following tech rebound

U.S. stock futures were little changed higher on Wednesday night following a rebound during market hours that stopped a three-day skid. Futures for the Dow Jones Industrial Average fell about 20 points, or 0.1%. Contracts for the S&P 500 and the Nasdaq 100 saw similarly small declines.

Source: [MSN](#)

The U.S. needs \$3 trillion in fiscal stimulus to support coronavirus-hit economy, says economist

The U.S. needs around \$3 trillion in fiscal stimulus to support its pandemic-hit economy, said William Lee, chief economist at Milken Institute. Congress and the White House remain in a stalemate over what to include in the next relief package. "Every penny helps and the danger is that these guys will fiddle around to try to redesign the program to really meet some perfectionist criteria that shouldn't be," said Lee.

Source: [CNBC](#)

China's Baidu is in talks to raise up to \$2 billion to launch a stand-alone biotech company

Chinese search giant Baidu is in discussions with investors to raise up to \$2 billion over three years for a new biotech company, a person close to the matter told CNBC. The company would be a standalone entity rather than a subsidiary of Baidu, the source said. The biotech company will try to use artificial intelligence (AI) and computing to develop drugs and make early-stage diagnoses of diseases such as cancer, the person said.

Source: [CNBC](#)

COMMODITIES NEWS

Gold steadies near 1-week high as dollar eases; focus on ECB meet

Gold prices held steady near a one-week high on Thursday as the U.S. dollar weakened ahead of a policy decision by the European Central Bank due later in the day. * Spot gold was little changed at \$1,946.10 per ounce by 0030 GMT, after hitting its best level since Sept. 3 at \$1,950.51 on Wednesday.

Source: [Zawya](#)

Oil prices slip as growing stockpiles signal bumpy fuel demand recovery

Oil prices slid on Thursday after data showed U.S. crude stockpiles unexpectedly rose last week, stoking concern about a sluggish recovery in fuel demand as coronavirus cases continue to surge in many countries. U.S. West Texas Intermediate (WTI) crude futures fell 24 cents, or 0.63%, to \$37.81 a barrel at 0417 GMT, after climbing 3.5% on Wednesday.

Source: [US Money](#)