

# U Capital Morning Brief

13 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%	7.43	0.75	7.3%
U Capital GCC 50 Index	1,265.87	-1.95	-0.15%	-8.67%	20.83	2.16	4.2%
U Capital MENA 200 Index	999.21	-0.10	-0.01%	-8.39%	16.08	1.74	4.6%
MSCI GCC Countries Index	514.24	-0.03	-0.01%	-9.73%	18.41	1.75	3.3%
Muscat Securities Market	3,686.29	-0.77	-0.02%	-7.41%	10.95	0.74	6.6%
Saudi Stock Exchange	8,135.16	55.42	0.69%	-3.03%	29.67	1.98	2.5%
Kuwait Stock Exchange	6,403.60	34.48	0.54%	-11.73%	28.70	1.34	3.7%
Qatar Exchange	9,763.78	51.05	0.53%	-6.35%	15.89	1.47	4.1%
Bahrain Stock Exchange	1,389.71	-4.87	-0.35%	-13.69%	12.94	0.87	5.0%
Dubai Financial Market	2,270.52	-3.10	-0.14%	-17.88%	8.58	0.80	4.3%
Abu Dhabi Exchange	4,519.14	10.32	0.23%	-10.97%	16.49	1.30	5.4%
Tunis Se Index	6,863.44	48.02	0.70%	-3.63%	18.75	2.27	0.7%
EGX 30 Index	11,070.84	140.95	1.29%	-20.70%	11.55	1.48	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	6,032.1	0.48%	-20.02%
DAX	Germany	13,202.8	-0.05%	-0.35%
CAC 40	France	5,034.1	0.20%	-15.79%
<b>United States</b>				
DIJA	USA	27,665.6	0.48%	-3.06%
S&P 500	USA	3,341.0	0.05%	3.41%
NASDAQ	USA	10,853.5	-0.60%	20.96%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,406.5	0.74%	-1.06%
HANG SENG	Hongkong	24,503.3	0.78%	-13.08%
KSE 100 Index	Pakistan	42,530.7	-0.27%	4.41%
NSE Nifty 50	India	11,464.5	0.13%	-5.79%
SHANGHAI COMPOSITE	China	3,260.3	0.79%	6.89%
SHANGHAI SHENZHEN CSI 300	China	4,627.3	0.99%	12.95%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.728	1.373
British Pound (GBP)	1.280	0.782
Canadian Dollar (CAD)	0.759	1.318
Chinese Renminbi (CNH)	0.146	6.833
Egyptian Pound (EGP)	0.064	15.766
Euro (EUR)	1.185	0.844
Indian Rupee (INR)	0.014	73.540
Japanese Yen (JPY)	0.009	106.160
New Zealand Dollar (NZD)	0.667	1.500
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.602	165.800
Russian Ruble (RUB)	0.013	75.040
Singapore Dollar (SGD)	0.731	1.368
Turkish Lira (TRY)	0.134	7.476

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	39.8	-0.57%	-35.36%
WTI Crude (per bbl)	37.3	0.08%	-38.86%
Oman Crude Oil (Last Closing)	39.3	0.03%	-41.66%
OPEC (per bbl)	39.8	0.03%	-41.39%
<b>Precious Metals</b>			
Gold 100 OZ (per oz)	1,940.6	-0.28%	27.90%
Silver (per oz)	26.7	-0.55%	49.73%
Platinum (per oz)	930.8	0.09%	-3.70%
<b>Other Metals</b>			
Copper, MT	6,739	1.06%	9.15%
Aluminium, MT	1,775	-0.81%	-1.93%
Lead, MT	1,890	0.37%	-1.95%
Zinc, MT	2,471	2.26%	8.76%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.39	-82.2%
Saudi Arabia	0.89	-60.1%
Kuwait	1.63	-40.9%
Oman	2.65	-5.8%
Qatar	1.06	-53.0%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.35
UAE	16/04/2030	1.73
QATAR	16/04/2030	1.86
SAUDI ARABIA	22/10/2030	2.22
OMAN	01/08/2029	6.17
BAHRAIN	14/05/2030	5.38

Midswaps	Price	YTM %
3 year	99.92	0.2
5 year	99.99	0.3
10 year	99.61	0.7
30 year	99.11	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.4%
3m	0.25	-86.9%
6m	0.28	-85.3%
1 year	0.41	-79.3%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### U Capital named best brokerage and investment bank in Oman

Ubhar Capital, also known as U Capital, with assets and custody under management worth US\$1.3bn, has been awarded 'Best Brokerage Excellence Award Oman' and 'Best Investment Bank of the Year Oman' for 2020 by International Business Magazine (IBM). International Business Magazine has chosen U Capital based on a number of criteria including but not limited to number and volume of transactions, services and advisory provided, value-added services, innovation, pricing and reputation in the market etc.

Source: [Muscat Daily](#)

### U Capital: MSM declines during the week amid lower turnover and foreign outflows

The MSM30 Index ended the week down by 1.60% and its main sub-indices were all down as well, led by Financial Index, which was down by 1.73%. The Industrial index and Services Index were also lower by 0.60% and 0.39%, respectively. Traded value during the week was lower on w-o-w basis by 61%. CMA Oman announced that Omanis above 60 years of age will have their loan repayment periods rescheduled to their benefit, while borrowers aged 70 and above will still be eligible for health insurance, because of the effects of the COVID-19 pandemic, the Capital Market Authority has announced. According to the circular, 70% of government employees were expected to retire after completion of 30 years of employment in the public sector.

Source: [Muscat Daily](#)

### Oman's inflation falls 1.34% in August

The Sultanate's Consumer Price Index (CPI)-based inflation declined by 1.34 per cent in August 2020 compared to the same month in 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 of August rose by 0.13 per cent compared to July 2020.

Source: [Times of Oman](#)

### Investment in Madayn industrial cities top OMR6.6 billion in 2019

The total investment in Madayn's various industrial cities touched OMR6.6 billion by the end of 2019 marking a growth rate of 1.54 per cent compared to the same period in 2018, according to a senior official of the Public Establishment for Industrial Estates (Madayn). Besides, the number of the workforce at the end of 2019 reached 61,213, with an Omanisation percentage touching 34 per cent.

Source: [Times of Oman](#)

### Rental market under pressure over expats exit

Residential and commercial rents in the Sultanate continued to fall due to a combination of factors including the impact from COVID-19 pandemic, drop in expat population and low oil prices. "Expatriates play a significant role in influencing demand for real estate. Market conditions in both the residential and office space rental sectors in Muscat were already in slowdown or recession prior to the COVID-19 pandemic as a result of slow economic growth and negligible net population growth," Ihsan Kharouf, head of Savills Oman, said.

Source: [Oman Observer](#)

### Unified COVID-19 health insurance policy on anvil

The Oman Chamber of Commerce and Industry (OCCI) has joined hands with health insurance companies to support the introduction of a standard unified health insurance policy to cover COVID-19 testing and treatment in the Sultanate. The product, which is currently the subject of deliberations among insurance companies, will be rolled out once it is reviewed and approved by the Capital Market Authority (CMA), according to a key official associated with the initiative.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Moody's assigns A2 rating to SEC'S green sukuk issuance, negative outlook

Moody's Investors Service has assigned an A2 rating to the proposed senior unsecured green Sukuk certificates to be issued by Saudi Electricity Global SUKUK Company 5, a special purpose vehicle (SPV) established in the Cayman Islands by Saudi Electricity Company (SEC, A2 negative). The rating agency assigned a negative outlook for the said certificates, according to a statement on Thursday.

Source: [Mubasher](#)

### **Moody's confirms Arabian Centre's Ba2 CFR; negative outlook**

Moody's Investors Service ("Moody's") has confirmed Arabian Centres Company's (ACC) Ba2 corporate family rating (CFR). Moody's has also confirmed the Ba3 rating on the USD500 million sukuk due in 2024 issued by Arabian Centres Sukuk Limited. At the same time, Moody's has changed the outlook to negative from ratings under review. This concludes the review initiated on 26 May 2020.

Source: [\*\*Moody's\*\*](#)

### **Saudi Passports denies reports on reopening international airports after National Day**

News circulated regarding the opening of international airports and the reception of arrivals after the celebration of the national day. News Floated in social media, which was totally denied by the General Directorate of passports.(jawazat) in their official twitter account. Saudi Arabia took decision to suspend international flights on march2020, it was a preventive and precautionary measures recommended by competent health authorities to avoid spreading of coronavirus.

Source: [\*\*Arab Local\*\*](#)

### **Saudi PIF mulls investing in IPO of China's Ant Group: report**

The Public Investment Fund (PIF) is considering a potential investment in the initial public offering (IPO) of Chinese financial technology firm Ant Group, which could be the world's biggest IPO, Reuters reported, citing sources with knowledge of the matter. Ant, the fintech arm of e-commerce giant Alibaba and China's dominant mobile payments firm, filed for a dual listing in Hong Kong and on Shanghai's Nasdaq-style STAR Market last month.

Source: [\*\*Argaam\*\*](#)

### **Tadawul to close for National Day on Sept. 23**

The Saudi Stock Exchange (Tadawul) will be closed on Wednesday, Sept. 23, on the occasion of the Kingdom's National Day. Trading activities will resume on Thursday, Sept. 24.

Source: [\*\*Argaam\*\*](#)

### **Saudi CMA approves Zain Saudi's capital cut, rights issue requests**

Saudi Arabia's Capital Market Authority (CMA) approved a request by Mobile Telecommunication Company Saudi Arabia (Zain Saudi) to reduce its capital to SAR 4.487 billion from SAR 5.837 billion, the market regulator said in a statement on Thursday. Accordingly, the number of shares will be reduced from 583.73 million to 448.73 million. The CMA nod is conditional on the company's extraordinary general meeting (EGM) approval and completion of necessary procedures.

Source: [\*\*Argaam\*\*](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Nvidia nears deal to buy chip designer Arm for more than \$40 billion, sources say**

Nvidia Corp is close to a deal to buy British chip designer Arm Holdings from SoftBank Group Corp for more than \$40 billion in a deal which would create a giant in the chip industry, according to two people familiar with the matter. A cash and stock deal for Arm could be announced as early as next week, the sources said. Nvidia is known for its graphics chips that power video games, but it has developed other markets including artificial intelligence, self-driving cars and data centers.

Source: [\*\*Reuters\*\*](#)

### **Gilead nears deal to buy Immunomedics for more than \$20 billion, WSJ reports**

Gilead Sciences Inc is nearing a deal to buy biopharmaceutical company Immunomedics Inc for more than \$20 billion in a deal that would further expand Gilead's portfolio of cancer treatments, the Wall Street Journal reported on Saturday. A deal for Immunomedics, whose cancer therapy Trodelvy is FDA-approved as a third-line treatment for an aggressive type of breast cancer called Metastatic Triple-Negative Breast Cancer, could be announced Monday if not sooner, the Journal said, citing people familiar with the matter.

Source: [\*\*Reuters\*\*](#)

### **China would rather see TikTok U.S. close than a forced sale**

Beijing opposes a forced sale of TikTok's US operations by its Chinese owner ByteDance, and would prefer to see the short video app shut down in the United States, three people with direct knowledge of the matter said on Friday. ByteDance has been in talks to sell TikTok's US business to potential buyers including Microsoft and Oracle since US President Donald Trump threatened last month to ban the service if it was not sold.

Source: [\*\*BS\*\*](#)

### Treasury yields edge lower to wrap up the week

Treasury yields dipped on Friday as investors monitored an array of economic data, along with the Senate blockage of a slimmed-down coronavirus relief bill and further volatility in equity markets. The yield on the benchmark 10-year Treasury note was slightly lower at 0.6805% and the yield on the 30-year Treasury bond was down at 1.4187%. Yields move inversely to prices.

Source: [CNBC](#)

### COMMODITIES NEWS

#### U.S. Rig Count Falls As Oil Market Uncertainty Continues

Baker Hughes reported on Friday that the number of oil rigs in the United States fell by 1 to 180. The total number of active oil and gas rigs decreased for the week by 2, with oil rigs falling by 1 and gas rigs falling by 1. Total oil and gas rigs in the United States are now down by 632 compared to this time last year.

Source: [Oil Price](#)

#### OPEC+ bid to rescue oil market falters as demand recovery stalls

It was meant to be the week when OPEC nations gathered in Baghdad to celebrate the cartel's six decades as a dominant force in global oil markets. Instead, the Organization of Petroleum Exporting Countries and its allies will convene online, and reflect on whether the coronavirus has thwarted their best efforts to keep the market afloat.

Source: [Gulf News](#)