

U Capital Morning Brief

15 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	810.15	-7.00	-0.86%	-3.96%	7.40	0.75	7.3%
U Capital GCC 50 Index	1,283.06	4.05	0.32%	-7.43%	21.03	2.18	4.1%
U Capital MENA 200 Index	1,009.86	4.58	0.46%	-7.41%	16.31	1.75	4.6%
MSCI GCC Countries Index	519.35	1.96	0.38%	-8.84%	18.59	1.77	3.3%
Muscat Securities Market	3,684.50	-7.41	-0.20%	-7.45%	10.94	0.74	6.6%
Saudi Stock Exchange	8,256.07	52.50	0.64%	-1.59%	30.08	2.01	2.5%
Kuwait Stock Exchange	6,448.92	20.43	0.32%	-11.11%	29.00	1.34	3.6%
Qatar Exchange	9,872.86	-5.27	-0.05%	-5.30%	16.07	1.48	4.1%
Bahrain Stock Exchange	1,401.51	3.10	0.22%	-12.96%	13.05	0.88	5.0%
Dubai Financial Market	2,282.38	8.00	0.35%	-17.45%	8.63	0.81	4.2%
Abu Dhabi Exchange	4,515.11	5.04	0.11%	-11.05%	16.48	1.30	5.4%
Tunis Se Index	6,898.06	34.62	0.50%	-3.15%	18.93	2.28	0.7%
EGX 30 Index	11,034.38	-57.29	-0.52%	-20.97%	11.51	1.48	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,026.3	-0.10%	-20.10%
DAX	Germany	13,193.7	-0.07%	-0.42%
CAC 40	France	5,051.9	0.35%	-15.49%
United States				
DIJA	USA	27,993.3	1.18%	-1.91%
S&P 500	USA	3,383.5	1.27%	4.73%
NASDAQ	USA	11,056.7	1.87%	23.23%
Asia Pacific				
NIKKEI 225	Japan	23,467.3	-0.38%	-0.80%
HANG SENG	Hongkong	24,754.5	0.47%	-12.19%
KSE 100 Index	Pakistan	42,740.5	0.49%	4.92%
NSE Nifty 50	India	11,482.2	0.37%	-5.64%
SHANGHAI COMPOSITE	China	3,290.0	0.34%	7.86%
SHANGHAI SHENZHEN CSI 300	China	4,680.5	0.63%	14.25%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.733	1.365
British Pound (GBP)	1.286	0.778
Canadian Dollar (CAD)	0.761	1.315
Chinese Renminbi (CNH)	0.148	6.781
Egyptian Pound (EGP)	0.063	15.766
Euro (EUR)	1.190	0.841
Indian Rupee (INR)	0.014	73.430
Japanese Yen (JPY)	0.009	105.670
New Zealand Dollar (NZD)	0.672	1.487
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.602	166.150
Russian Ruble (RUB)	0.013	75.258
Singapore Dollar (SGD)	0.735	1.361
Turkish Lira (TRY)	0.134	7.484

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	39.6	-0.10%	-35.78%
WTI Crude (per bbl)	37.2	-0.05%	-39.01%
Oman Crude Oil (Last Closing)	39.1	-0.64%	-42.04%
OPEC (per bbl)	39.8	0.03%	-41.39%
Precious Metals			
Gold100 OZ (per oz)	1,967.2	0.52%	29.65%
Silver (per oz)	27.5	1.27%	53.88%
Platinum (per oz)	964.5	0.70%	-0.21%
Other Metals			
Copper, MT	6,796	0.85%	10.07%
Aluminium, MT	1,801	1.44%	-0.52%
Lead, MT	1,927	1.98%	0.00%
Zinc, MT	2,481	0.38%	9.18%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.45	-79.9%
Saudi Arabia	0.89	-60.1%
Kuwait	1.63	-40.9%
Oman	2.64	-6.2%
Qatar	1.02	-54.9%
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	1.71
QATAR	16/04/2030	1.86
SAUDI ARABIA	22/10/2030	2.22
OMAN	01/08/2029	6.23
BAHRAIN	14/05/2030	5.39

Midswaps	Price	YTM %
3 year	99.90	0.2
5 year	99.95	0.3
10 year	99.59	0.7
30 year	99.16	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

Royal Decree amends Income Tax Law

His Majesty Sultan Haitham bin Tarik issued Royal Decree No 118/2020 amending some provisions of the Income Tax Law on Monday. Article 1 states that the amendments attached in this decree will be introduced to the above-mentioned Income Tax Law. Article 2 states that the phrase 'Minister of Finance', wherever it occurs in Royal Decree No 28/2009, will be replaced with the phrase 'Chairman of the Tax Authority'. Article 3 cancels all that contravenes this decree and the attached amendments or contradicts with their provisions. Article 4 says that this decree will be published in the Official Gazette and enforced with effect from the day following its date of publication, except Article (140) of the above-mentioned Income Tax Law, which will be enforced with effect from the tax year starting on January 1, 2021, or its succeeding tax years.

Source: [Muscat Daily](#)

Banking credit to private sector in Oman climbs to RO 22.8 billion

The total outstanding credit extended by other depository corporations (ODCs) — encompassing commercial banks and Islamic Windows — grew by 1.7 per cent to RO 26.2 billion at the end of July 2020, according to the Central Bank of Oman (CBO). Credit to the private sector rose by 1.1 per cent to RO 22.8 billion, the apex bank stated in its monthly review of banking and monetary developments for July 2020. Of the total credit to the private sector, the non-financial corporate sector and the household sector (mainly under personal loans) received a share of 46.4 per cent and 45 per cent respectively, while the financial corporations received 5.3 per cent and other sectors the remaining 3.4 per cent, the Central Bank said.

Source: [Oman Observer](#)

Oman plans to launch third issue of sovereign sukuk issue

Oman's Ministry of Finance announced to launch of the third issue of sovereign Islamic bonds (sukuk) denominated in Omani rials within the framework of the sovereign sukuk programme launched in 2019. The bond issue will be presented to investors through a mechanism for the book-building process and will include a segment for small investors. "The third issue of the sovereign sukuk programme is expected to contribute to boosting the rapid growth of the Islamic financial sector in Oman, and is part of the government's strategy to deepen and expand the capital market in order to enable it to play a greater role in the local economic growth," the Ministry of Finance said in an online statement to ONA.

Source: [Times of Oman](#)

New ICV deal signed to develop capability of Omani companies

A new ICV deal was signed with an Omani firm to develop the capacity and capability of Omani companies. Schlumberger Oman has signed an agreement with Crimson Petroleum Services as part of its In-Country Value (ICV) strategy to develop the capacity and capability of Omani companies and to maximise expenditure on goods and services made in Oman, under the auspices of Eng. Salim bin Nasser Al Aafi, Undersecretary of the Ministry of Energy and Minerals, and in collaboration with Occidental Oman.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Kuwait Bourse Debuts in Region's Best 1st-Day Pop for a Year

Boursa Kuwait surged more than 10-fold in its trading debut on Monday as it became only the third publicly traded exchange in the Middle East. Shares in the bourse operator rose as high as 1,210 fils, after being sold at 100 fils in an offering to Kuwaiti citizens last year. It's the strongest debut of any stock in Europe, the Middle East and Africa for a year. They pared the increase to 1,055 fils at the close, with the country's Premier Market finishing 0.4% higher. The trading debut was initially expected to take place in April and comes ahead of Kuwait's upgrade to the group of countries classified as emerging market by MSCI Inc. in November, a move anticipated to trigger inflows from foreign investors.

Source: [Bloomberg](#)

Al Kathiri announces prospectus for SAR 45.2 mln capital hike

Al Kathiri Holding Co. announced on Monday the publication of its rights issue prospectus. The company plans to issue 4.52 million rights issue shares at SAR 10 per share to raise its capital to SAR 90.4 million from SAR 45.2 million. In November 2019, Al Kathiri's board of directors recommended a capital hike through a SAR 45.2 million rights issue, according to data available on Argaam.

Source: [Argaam](#)

Saudi's private education in stifling crisis as revenues decline: Ataa CEO

The private education in Saudi Arabia is going through a very stifling crisis, Al Saudiya channel reported, citing Ataa Educational Co.'s CEO, Ibrahim A. Al-Turki. Al-Turki added that the sector will be able to soften the negative impact of the

current crisis. The sector's revenues declined significantly this year, and were not offset by a similar decrease in expenditures as human resources represent a major portion of the expenses. This led to a liquidity shortage, he added.

Source: [Argaam](#)

UAE's ADNOC completes \$1bn institutional placement of ADNOC distribution shares

State-run Abu Dhabi National Oil Company (ADNOC) said on Monday it had completed a placement to institutional investors of 10 per cent in its subsidiary ADNOC Distribution's total share capital, or 1.25 billion shares, valued at \$1 billion. The placement will increase ADNOC Distribution's free float to 20 per cent, and contribute to improved liquidity of the company, ADNOC said in a statement. ADNOC will retain an 80 per cent strategic stake in ADNOC Distribution and continues to see strong growth potential in the company, it added.

Source: [ET](#)

DXB Entertainment confirms reopening of Motiongate Dubai and Lapita Hotel

Hollywood-inspired theme park Motiongate Dubai, owned by Dubai Parks and Resorts, will reopen later this month. The park's reopening, on September 23, comes after a six-month closure due to COVID-19 restrictions, and was announced by DXB Entertainments (DXBE) PJSC in a statement to Dubai Financial Market. The resort's hotel Lapita will open on the same day, with enhanced safety measures in place due to COVID-19.

Source: [Zawya](#)

Mideast Stocks: Most major Gulf markets rise; Qatar eases

Most major Gulf markets ended higher on Monday, with financial shares boosting the Saudi index, while Qatar bucked the trend to close lower. Saudi Arabia's benchmark index rose 0.6%, extending gains for a third straight session, with Al Rajhi Bank gaining 0.6% and National Commercial Bank, the country's largest lender, advancing 2.7%. The kingdom will partially lift its suspension of international flights as of Sept. 15 to allow "exceptional categories" of citizens and residents to travel, the state news agency SPA said on Sunday.

Source: [Zawya](#)

Saudi retail giant Savola buys back shares for \$4.4mln

Savola Group, Saudi Arabia's largest food products company and a major operator of grocery stores, has bought back more than 341,000 of its shares for 16.6 million Saudi riyals (\$4.4 million). The transaction, which forms the first tranche of the company's Long-Term Incentive Program (LTIP) for its employees, was completed on September 13, Savola said in a bourse filing on Monday. The shares buyback comes as part of the company's efforts to attract and retain key talent and to motivate staff to strengthen their performance, Savola said.

Source: [WC](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Gilead's shares fall on concerns over high premium cancer deal

Shares of Gilead Sciences Inc <GILD.O> rose 3.2% on Monday, reversing their premarket losses as investors shrugged off concerns over the steep premium the U.S. drugmaker was willing to pay for Immunomedics Inc <IMMU.O>. Gilead on Sunday agreed to buy the biopharmaceutical company for \$21 billion and acquire all the outstanding shares of Immunomedics for \$88 per share, at a premium of about 108% over Friday's closing price of \$42.25.

Source: [Yahoo](#)

China's industrial engine gathers speed, consumers open wallets in boost to recovery

China's industrial output accelerated the most in eight months in August, while retail sales grew for the first time this year, suggesting the economic recovery is gathering pace as demand starts to improve more broadly from the coronavirus crisis.

Source: [Reuters](#)

Dollar softer on improved risk appetite, yuan soars

The dollar dipped against riskier currencies on Tuesday as hopes for a COVID-19 vaccine and big corporate deals improved investor appetite for riskier currencies. The yuan jumped to a 16-month high as a series of Chinese data points to steady economic recovery in China while the Australian dollar was bolstered by policy minutes from the country's central bank which stopped short of signaling a further cut to the cash rate.

Source: [Reuters](#)

China's retail sales rise for the first time in 2020

Chinese consumers stepped up their spending in August, in a sign of further economic recovery from the shock of the coronavirus pandemic. Retail sales rose 0.5% in August from a year ago, the first positive report for the year so far, China's

National Bureau of Statistics said Tuesday. Notably, sales of communication equipment rose 25.1% from a year ago and that of autos rose 11.8%.

Source: [CNBC](#)

Sony stock stumbles after company reportedly cut estimate for PlayStation 5 production

Sony's stock traded about 1.8% lower Tuesday morning, recovering from losses earlier in the session when it fell more than 3%. The moves came after Bloomberg reported, citing people familiar with the matter, that Sony slashed its estimated PlayStation 5 production for the fiscal year by 4 million units. The latest development comes as Sony gears up for its next-generation console battle against Microsoft.

Source: [CNBC](#)

COMMODITIES NEWS

Oil Market Sentiment Shifts As Supply Concerns Mount

Oil markets are spiraling downwards as bearish factors mount and sentiment shifts. One of these factors is the concerns over rising exports from OPEC+ in Q3, with the possibility of a total breakdown of the OPEC+ agreement. Another factor is the possibility of a Joe Biden election victory in the US, which could lead to the lifting of sanctions on Iran and the removal restrictions on Iranian crude oil exports. Joe Biden is ahead of Donald Trump in most national polls.

Source: [Oil Price](#)