

# U Capital Morning Brief

17 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	803.58	-5.33	-0.66%	-4.74%	7.30	0.75	7.4%
U Capital GCC 50 Index	1,299.22	2.83	0.22%	-6.27%	21.18	2.21	4.1%
U Capital MENA 200 Index	1,014.53	2.02	0.20%	-6.99%	16.34	1.75	4.6%
MSCI GCC Countries Index	523.81	1.05	0.20%	-8.06%	18.75	1.79	3.3%
Muscat Securities Market	3,662.51	-15.26	-0.41%	-8.00%	10.88	0.74	6.7%
Saudi Stock Exchange	8,311.21	-10.53	-0.13%	-0.93%	30.27	2.03	2.5%
Kuwait Stock Exchange	6,488.27	40.52	0.63%	-10.57%	28.96	1.36	3.6%
Qatar Exchange	9,941.43	48.89	0.49%	-4.64%	16.18	1.49	4.0%
Bahrain Stock Exchange	1,417.83	16.69	1.19%	-11.95%	13.20	0.89	4.9%
Dubai Financial Market	2,301.13	8.03	0.35%	-16.77%	8.70	0.81	4.2%
Abu Dhabi Exchange	4,505.33	-3.67	-0.08%	-11.24%	16.44	1.30	5.4%
Tunis Se Index	6,870.18	-27.76	-0.40%	-3.54%	20.43	2.28	0.6%
EGX 30 Index	11,088.20	60.14	0.55%	-20.58%	11.57	1.49	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	6,078.5	-0.44%	-19.41%
DAX	Germany	13,255.4	0.29%	0.05%
CAC 40	France	5,074.4	0.13%	-15.12%
<b>United States</b>				
DJIA	USA	28,032.4	0.13%	-1.77%
S&P 500	USA	3,385.5	-0.46%	4.79%
NASDAQ	USA	11,050.5	-1.25%	23.16%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,326.7	-0.64%	-1.39%
HANG SENG	Hongkong	24,358.8	-1.48%	-13.59%
KSE 100 Index	Pakistan	42,564.9	0.67%	4.49%
NSE Nifty 50	India	11,582.7	-0.19%	-4.81%
SHANGHAI COMPOSITE	China	3,257.6	-0.80%	6.80%
SHANGHAI SHENZHEN CSI 300	China	4,613.9	-0.93%	12.63%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.727	1.375
British Pound (GBP)	1.293	0.774
Canadian Dollar (CAD)	0.756	1.323
Chinese Renminbi (CNH)	0.148	6.772
Egyptian Pound (EGP)	0.064	15.766
Euro (EUR)	1.177	0.850
Indian Rupee (INR)	0.014	73.685
Japanese Yen (JPY)	0.010	105.040
New Zealand Dollar (NZD)	0.669	1.495
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.601	166.300
Russian Ruble (RUB)	0.013	75.006
Singapore Dollar (SGD)	0.734	1.362
Turkish Lira (TRY)	0.133	7.498

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	41.8	-1.09%	-32.21%
WTI Crude (per bbl)	39.7	-1.27%	-35.06%
Oman Crude Oil (Last Closing)	41.6	3.89%	-38.25%
OPEC (per bbl)	39.4	1.00%	-42.10%
<b>Precious Metals</b>			
Gold 100 OZ (per oz)	1,944.5	-0.75%	28.16%
Silver (per oz)	26.9	-1.08%	50.49%
Platinum (per oz)	949.1	-2.53%	-1.81%
<b>Other Metals</b>			
Copper, MT	6,777	0.23%	9.77%
Aluminium, MT	1,796	0.34%	-0.80%
Lead, MT	1,894	-0.73%	-1.71%
Zinc, MT	2,528	1.26%	11.27%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.42	-81.1%
Saudi Arabia	0.88	-60.4%
Kuwait	1.63	-40.9%
Oman	2.64	-6.2%
Qatar	1.20	-46.7%
Bahrain	2.28	-14.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.40
UAE	16/04/2030	1.70
QATAR	16/04/2030	1.85
SAUDI ARABIA	22/10/2030	2.22
OMAN	01/08/2029	6.24
BAHRAIN	14/05/2030	5.45

Midswaps	Price	YTM %
3 year	99.91	0.2
5 year	99.90	0.3
10 year	99.50	0.7
30 year	98.55	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.5%
3m	0.25	-87.1%
6m	0.27	-85.7%
1 year	0.39	-80.7%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Oman's share index ends marginally lower

The MSM index closed at 3,662.51 points, down 0.41 per cent from the previous close. The Sharia Index ended down 0.08 per cent at 517.93 points. No gainer while Al Omaniya Financial Bonds 2020, down 12.07 per cent, was the top loser. Bank Nizwa was the most active in terms of the number of shares traded and Bank Muscat was the most active in terms of turnover.

Source: [Times of Oman](#)

### Minister meets with investors to boost Oman's industrial sector

Qais bin Mohammed Al Yousef, Minister of Commerce, Industry and Investment Promotion met with industrialists and investors at Al Rusayl Industrial City. The meeting aimed at discussing ways to enhance the Sultanate's industrial sector, highlighting current obstacles facing the industrialists, and exploring mechanisms to advance the business environment in future and attract more local and foreign investments to be along the lines of the Manufacturing Strategy 2040.

Source: [Times of Oman](#)

### Muscat residential rental market set to become more tenant-friendly

An on-going exodus of expatriate professionals, long the mainstay of Muscat's once-thriving residential rental market, is expected to see landlords doling out incentives to attract and retain tenants amid a glut in capacity. According to a leading real estate advisory services firm, Oman's expatriate population has declined by around 220,000 people since 2016 – a trend that has accelerated in 2019 and during the first half of this year in the wake of the COVID-19 pandemic and the economic slowdown. With expatriate professionals more likely to reside in Muscat, where much of the country's economic activity is concentrated, the outflow is expected to have a significant impact for the residential rental market in the capital city.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi MSMEs receive SAR 158.1 bln credit facilities in Q2 2020

Credit facilities extended to micro, small and medium enterprises (MSMEs) rose by 40% year-on-year (YoY) to SAR 158.1 billion in Q2 2020, data from the Saudi Arabian Monetary Authority (SAMA) showed. Banks accounted for SAR 147.4 billion worth of credit facilities, or 93% of total financing. Facilities given by financing institutions stood at SAR 10.7 billion, or 7% of total credit facilities.

Source: [Argaam](#)

### Qatar's QDB extends loan guarantee program by three months, lifts ceiling – QNA

Qatar Development Bank has extended by three months a national programme to provide guarantees to local banks to grant interest-free loans to companies affected by the coronavirus outbreak, state news agency QNA said on Wednesday. The cabinet decision also raised the ceiling of the guarantees to 5 billion Qatari riyals, from 3 billion. The National Guarantee Programme was launched in April.

Source: [Reuters](#)

### Saudi POS transactions fall 13% to SAR 7.33 bln in week ending Sept. 12

The point-of-sale (POS) transactions fell by 13% to SAR 7.33 billion in the week ending Sept. 12, 2020, from SAR 8.45 billion in the previous week, data issued by the Saudi Arabian Monetary Authority (SAMA) showed. Data showed that a total of 67.4 million transactions were processed in the week ending Sept. 12.

Source: [Argaam](#)

### Gulf International Bank sells \$500 mln in 5-yr bonds

Bahrain's Gulf International Bank (GIB) sold \$500 million in five-year bonds on Wednesday after receiving around \$1.35 billion in orders, a document showed. The deal comes amid a flurry of issues by banks in the Gulf as they seek to shore up liquidity to deal with the twin shocks of the coronavirus crisis and weak oil prices. Emirates Islamic Bank also sold \$500 million in five-year sukuk, or Islamic bonds, on Wednesday.

Source: [NASDAQ](#)

### Tadawul ends lock-up period for Sulaiman Al Habib Group shareholders

The Saudi Stock Exchange (Tadawul) lifts today, Sept. 16, the lock-up period imposed on Dr. Sulaiman Al Habib Medical Services Group's major shareholders after six months of listing. The Capital Market Authority's (CMA) regulations specify that major shareholders are prohibited from selling the stock for no less than six months from the listing date. Founding

shareholders, who own 85% of the company's capital, must notify and obtain the CMA's approval before selling their shares on Tadawul, regardless of the ban ending period.

Source: [Argaam](#)

#### **Emirates Islamic Bank raises \$500 mln via five-year sukuk to shore up liquidity**

Emirates Islamic Bank sold \$500 million in five-year sukuk, or Islamic bonds, on Wednesday after receiving around \$1.1 billion in orders for the debt sale, a document showed. The deal is among a flurry of bond issues by banks in the Gulf as they seek to shore up liquidity following the twin shock of the coronavirus crisis and weaker oil prices.

Source: [Arabiya](#)

#### **Abu Dhabi Ports' Smart Container Initiative to cut emissions by 50%**

Abu Dhabi Ports has launched the Smart Container Initiative that will house its digital solutions in a resilient, safe and optimised eco-friendly mobile environment as part of its ongoing digital transformation drive. Powered by clean energy, the solar-panelled steel and aluminium smart container uses environmentally friendly technologies such as in-row cooling, renewable energy and efficient space allocation that will reduce Power Usage Effectiveness, PUE, by more than 20 per cent and will slash carbon emissions by half.

Source: [Zawya](#)

#### **UAE Central Bank reviews continuous development plans, new initiatives**

The Board of Directors of the Central Bank of the United Arab Emirates, CBUAE, today reviewed the new initiatives and continuous development plans which envisage the apex bank seeking to become one of the best in the world in line with the directives of H.H. Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs, and the CBUAE Board Chairman. This came at the bank's 8th board meeting this year at Qasr Al Watan today under the chairmanship of H.H. Sheikh Mansour and in the presence board members and a number of senior officials and bankers.

Source: [ENA](#)

#### **Saudi inflation will remain high until mid-2021, hampering economy**

Saudi's high inflation will remain elevated until the middle of next year and, combined with the suspension of the Cost of Living Allowance, will act as a major drag on households' real incomes, according to UK-based Capital Economics. Based on these factors, the research firm has also warned of a weak economic recovery. The kingdom's consumer price index jumped 6.2 percent in August compared with the same month last year, the second consecutive rise after a tripling of VAT.

Source: [Zawya](#)

#### **MIDEAST STOCKS-Most Gulf markets gain; Saudi bourse slips**

Most Middle Eastern markets ended higher on Wednesday, with Bahrain outperforming the region, while bank stocks weighed on the Saudi index. Saudi Arabia's benchmark index .TASI slipped 0.1% and snapped a four-session winning streak, weighed by Al Rajhi Bank's 1120.SE 0.4% fall and Riyadh Bank's 1010.SE 1.3% tumble. Saudi Arabia's largest telecoms operator Saudi Telecom Company (STC) 7010.SE gained 1% as STC has asked banks to pitch for roles in a potential public offering of its products and services development arm, Reuters reported, citing sources.

Source: [NASDAQ](#)

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

#### **U.S.-China investment flows slide to nine year-low as bilateral tensions escalate**

Investment between the United States and China tumbled to a nine-year low in the first half of 2020, hit by bilateral tensions that could see more Chinese companies come under pressure to divest U.S. operations, a research report said. Investment, both direct investment by companies and venture capital flows, between the two countries fell 16.2% to \$10.9 billion in January-June from the same period a year earlier - also hurt by the coronavirus pandemic, according to figures from consultancy Rhodium Group.

Source: [Reuters](#)

#### **Fed touts economic recovery, vows to keep interest rates low**

The Federal Reserve on Wednesday vowed to keep interest rates near zero until inflation is on track to overshoot the U.S. central bank's 2% target, a bold new promise aimed at bringing millions of out-of-work Americans back to the labor market. But the new guidance also marked the start of a vigorous monetary policy debate as the Fed shifts from a crisis-era focus on keeping markets afloat during the coronavirus pandemic to managing what it now sees as a steady, multi-year recovery.

Source: [Reuters](#)

### US Stock futures are flat after Fed signals no rate hikes until 2023

U.S. stock futures were flat on Wednesday night as traders digested the Federal Reserve's pledge to keep rates low over the next few years. Dow Jones Industrial Average traded just below the flatline. S&P 500 and Nasdaq 100 futures were also little changed. Members of the Federal Open Market Committee indicated the U.S. overnight rate could stay anchored to the zero-bound through 2023 as the central bank tries to spur inflation. In a statement, the committee said: "With inflation running persistently below this longer run goal, the Committee will aim to achieve inflation moderately above 2% for some time so that inflation averages 2% over time."

Source: [CNBC](#)

### Snowflake shares more than double. It's the biggest software IPO ever

It may still be the dog days of summer but there was a blizzard on Wall Street Wednesday. Shares of Snowflake, a cloud data warehousing firm that has the backing of Salesforce (CRM) and Warren Buffett's Berkshire Hathaway (BRKB), more than doubled on their first day of trading in the biggest software IPO ever. Snowflake priced its initial public offering Tuesday night at \$120 a share — well above the expected range of \$100 to \$110. That price range was revised upward from the original expectation of \$75 to \$85 a share earlier this month. It now trades on the NYSE under the ticker symbol "SNOW."

Source: [CNN](#)

## COMMODITIES NEWS

### Gold drops 1% as dollar rises after Fed's upbeat economic view

Gold prices fell more than 1% on Thursday as the dollar climbed after the U.S. Federal Reserve painted a favourable economic recovery picture but stopped short of offering concrete signals on further stimulus. Spot gold was down 1.1% to \$1,938.12 per ounce by 0321 GMT. U.S. gold futures slipped 1% to \$1,951.30. "Investors across the Asia-Pacific are perhaps not inspired by last night's FOMC (Federal Open Market Committee) meeting, in which the central bank seems to be reluctant to add stimulus in view of improving fundamentals," said Margaret Yang, a strategist with DailyFx, which covers currency, commodity and index trading.

Source: [Yahoo Finance](#)

### Oil falls as demand worries re-emerge, crews return to U.S. Gulf rigs

Oil prices fell on Thursday, after rising in the two previous sessions, as concerns about weak fuel demand re-emerged after production platforms in the southeastern United States took steps to resume output following Hurricane Sally's passage. Brent crude futures fell 36 cents, or 0.8%, to \$41.86 a barrel at 0355 GMT, after climbing 4.2% on Wednesday.

Source: [FP](#)