

# U Capital Morning Brief

24 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	797.57	-4.75	-0.59%	-5.45%	7.24	0.74	7.4%
U Capital GCC 50 Index	1,287.25	1.35	0.10%	-7.13%	21.35	2.20	4.1%
U Capital MENA 200 Index	1,012.55	0.02	0.00%	-7.17%	14.18	1.74	4.6%
MSCI GCC Countries Index	520.98	0.20	0.04%	-8.55%	18.65	1.78	3.3%
Muscat Securities Market	3,621.66	-5.11	-0.14%	-9.03%	10.76	0.73	6.8%
Saudi Stock Exchange	8,244.82	-46.53	-0.56%	-1.72%	30.06	2.01	2.5%
Kuwait Stock Exchange	6,764.36	56.07	0.84%	-6.76%	30.19	1.42	3.5%
Qatar Exchange	9,787.27	-54.05	-0.55%	-6.12%	15.93	1.47	4.1%
Bahrain Stock Exchange	1,450.91	8.10	0.56%	-9.89%	13.51	0.91	4.8%
Dubai Financial Market	2,285.46	21.24	0.94%	-17.34%	8.64	0.81	4.2%
Abu Dhabi Exchange	4,490.23	-7.99	-0.18%	-11.54%	16.39	1.29	5.4%
Tunis Se Index	6,833.27	22.15	0.33%	-4.06%	20.53	2.26	0.7%
EGX 30 Index	10,979.44	16.43	0.15%	-21.36%	11.44	1.47	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	5,899.3	1.20%	-21.79%
DAX	Germany	12,643.0	0.39%	-4.57%
CAC 40	France	4,802.3	0.62%	-19.67%
<b>United States</b>				
DJIA	USA	26,763.1	-1.92%	-6.22%
S&P 500	USA	3,236.9	-2.37%	0.19%
NASDAQ	USA	10,633.0	-3.02%	18.51%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,061.3	-1.22%	-2.52%
HANG SENG	Hongkong	23,267.8	-2.00%	-17.46%
KSE 100 Index	Pakistan	41,868.6	-0.05%	2.78%
NSE Nifty 50	India	10,928.9	-1.82%	-10.19%
SHANGHAI COMPOSITE	China	3,231.6	-1.47%	5.95%
SHANGHAI SHENZHEN CSI 300	China	4,575.2	-1.66%	11.68%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.704	1.421
British Pound (GBP)	1.271	0.787
Canadian Dollar (CAD)	0.746	1.341
Chinese Renminbi (CNH)	0.146	6.829
Egyptian Pound (EGP)	0.064	15.741
Euro (EUR)	1.166	0.858
Indian Rupee (INR)	0.014	73.895
Japanese Yen (JPY)	0.009	105.390
New Zealand Dollar (NZD)	0.653	1.532
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.602	166.088
Russian Ruble (RUB)	0.013	77.068
Singapore Dollar (SGD)	0.727	1.375
Turkish Lira (TRY)	0.130	7.700

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	41.6	-0.53%	-32.57%
WTI Crude (per bbl)	39.6	-0.78%	-35.11%
Oman Crude Oil (Last Closing)	41.3	0.05%	-38.76%
OPEC (per bbl)	41.3	-0.41%	-39.20%
<b>Precious Metals</b>			
Gold 100 OZ (per oz)	1,852.3	-0.61%	22.08%
Silver (per oz)	21.9	-4.14%	22.42%
Platinum (per oz)	835.1	-1.02%	-13.60%
<b>Other Metals</b>			
Copper, MT	6,605	-2.59%	6.97%
Aluminium, MT	1,755	-1.24%	-3.07%
Lead, MT	1,877	-0.37%	-2.59%
Zinc, MT	2,404	-2.45%	5.81%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.52	-76.6%
Saudi Arabia	0.87	-60.9%
Kuwait	1.63	-40.9%
Oman	2.65	-5.8%
Qatar	1.09	-51.4%
Bahrain	2.27	-15.0%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.53
UAE	16/04/2030	1.77
QATAR	16/04/2030	1.97
SAUDI ARABIA	22/10/2030	2.36
OMAN	01/08/2029	7.16
BAHRAIN	14/05/2030	5.87

Midswaps	Price	YTM %
3 year	99.91	0.2
5 year	99.89	0.3
10 year	99.56	0.7
30 year	99.09	1.4

USD Libor	Rate (%)	YTD
1m	0.15	-91.4%
3m	0.22	-88.3%
6m	0.27	-85.6%
1 year	0.38	-81.1%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **MEDC continues to ensure customer safety**

Muscat Electricity Distribution Company (MEDC), a member of Nama Group, continues its efforts to rearrange the overhead line service connections of old premises to enhance the public safety and ensure the connection points in these houses meet safety standards. This initiative comes in line with MEDC's obligation to ensure customers safety and protect them against electrical hazards.

Source: [Times of Oman](#)

### **be'ah accelerator programme to support SMEs**

Due to its belief in the importance of sustainability, the Oman Environmental Services Holding Company (be'ah) has launched the Eco-Innovate Oman (EiO) accelerator programme to support Small and Medium Enterprises (SMEs) specialising in the environmental sustainability, and waste management sectors, and to support the Omani SME ecosystem by promoting the circular economy. This programme is considered the first of its kind in the Sultanate and was launched last year in collaboration with Inspired Solutions, a business consultancy company.

Source: [Times of Oman](#)

### **Amended law scraps system of filing of dual tax returns in Oman**

In a significant move, the Tax Authority has abolished the longstanding practice requiring taxpayers to file a provisional return of income within three months and an annual return of income within six months from the end of the accounting year. Instead, taxpayers are now mandated to file only one tax return within four months from the end of the tax year.

Source: [Oman Observer](#)

### **Selective tax on sweetened beverages applicable from October 1**

The Tax Authority announced that the establishments concerned will have to start paying selective tax (excise tax) on sweetened drinks with effect from October 1, 2020. The tax application comes within the context of the Unified GCC Agreement on Selective Tax, already imposed by some GCC states on the said products before the Sultanate did.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Saudi POS transactions decline 6% to SAR 6.88 bln in week ending Sept. 19**

The point-of-sale (POS) transactions dropped by 6% to SAR 6.88 billion in the week ending Sept. 19, 2020, from SAR 7.33 billion in the previous week, data issued by the Saudi Arabian Monetary Authority (SAMA) showed. Data showed that a total of 64.4 million transactions were processed in the week ending Sept. 19.

Source: [Argaam](#)

### **Abu Dhabi to offer Dh110m in incentives to AgTech companies**

Abu Dhabi will offer more than Dh110 million in financial incentives to agricultural technology companies looking to set up operations in the emirate in the coming months, according to the Abu Dhabi Investment Office. The incentive programme, set up under the government's Dh50 billion Ghadan 21 accelerator initiative, includes both financial and non-financial benefits, Adio said. It will be provided to companies that "develop and commercialise new arid and desert agriculture solutions based on pre-determined criteria".

Source: [The National](#)

### **King Salman says world facing tremendous challenge amid COVID-19 pandemic**

Saudi Arabia stressed the world is facing a tremendous challenge in the form of COVID-19 pandemic. The health, humanitarian, and economic repercussions of the pandemic revealed the need to unite to confront common challenges in the world, King Salman bin Abdulaziz said before the 75th session of the United Nations General Assembly in New York.

Source: [Argaam](#)

### **Coronavirus set to deliver 5.2% GDP blow to UAE economy in 2020**

The economy of the UAE will suffer a deeper contraction this year than first estimated, dragged down by disruptions caused by the coronavirus pandemic, according to the country's central bank. Gross domestic product will shrink 5.2 percent in 2020, compared with a previous forecast for a decline of 3.6 percent, the central bank said in its quarterly review on Wednesday.

Source: [Arabian Business](#)

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### **Aldar Properties to expedite projects as Abu Dhabi real estate recovers**

Aldar Properties aims to resume project launches in late 2020 on the back of strong sales of its residential inventory, chief executive Talal Al Dhiyebi told Zawya this week. The government-backed Abu Dhabi-based firm halted project launches this year amid the coronavirus pandemic, but its earnings have proven robust, with second-quarter profit rising 2.7 percent year-on-year to 483.4 million dirhams as revenue increased and costs fell.

Source: [Zawya](#)

### **Organization of tourism ministry to develop sector, provide attractive investment climate: Al-Khatib**

The approval for organizing the Ministry of Tourism culminates in a number of steps taken to support and develop the tourism sector in the Kingdom, diversify its fields, and provide an attractive environment for investment, Saudi Press Agency reported, citing Minister of Tourism Ahmed Al-Khatib. The tourism sector across the Kingdom is witnessing a major shift, as it receives a great support from the leadership, Al-Khatib said.

Source: [Argaam](#)

### **Kingdom Holding says MoU with Ataa Educational expires without agreement**

Kingdom Holding Co. (KHC) announced that the memorandum of understanding (MoU) signed between its subsidiary, Kingdom Investment and Development Co. and Ataa Educational Co. expired without reaching an agreement. Both companies are not entitled to any relevant obligations, the company said in a bourse statement. In Dec. 2019, Kingdom Investment and Development Co. signed a non-binding MoU with Ataa Educational for the latter to acquire Kingdom Investment's 92.1% stake in Kingdom Schools, the owner of Kingdom Educational Schools in Riyadh.

Source: [Argaam](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Fed policymakers vow to keep interest rates near zero, call for more fiscal help**

Federal Reserve officials on Wednesday doubled down on efforts to convince investors they will keep monetary policy easy for years to allow unemployment to fall, emphasizing that interest rates will stay near zero until inflation gets to 2% and stays there. The Fed's governing board made that vow last week at its regularly scheduled policy meeting, promising to leave rates at their current near-zero levels until the economy reaches full employment, inflation has risen to 2%, and is on track to moderately exceed that level.

Source: [Reuters](#)

### **Stock futures little changed following sell-off on Wall Street**

Stock futures fell during overnight trading, building on Wednesday's heavy losses that saw the S&P 500 tumble more than 2%. Futures contracts tied to the Dow Jones Industrial Average recovered from an earlier slip to rise by about 40 points. S&P 500 futures also traded in mildly positive territory. Nasdaq 100 futures, on the other hand, dipped slightly. The moves came in an uneven session. Earlier, futures opened Wednesday evening in the green, but comments from President Donald Trump that he would not commit to a peaceful transfer of power should he lose the election appeared to hit sentiment.

Source: [CNBC](#)

### **ByteDance applies for export license from China as TikTok deal waits for approval**

TikTok owner ByteDance has applied for an export license in line with Chinese regulations as it pushes for a deal with Oracle and Walmart for the video-sharing app's U.S. operations to avoid a shutdown in the country. The application was submitted to the Beijing municipal bureau of commerce and the company is awaiting a decision. ByteDance did not say if this relates to the deal to set up TikTok Global in the U.S. China updated its export restriction list last month to include technology related to recommendation services, which was seen as referencing TikTok's algorithm.

Source: [CNBC](#)

### **China's slow consumption recovery upset by wary low-income households**

Months after China brought its coronavirus epidemic under control, its consumers are slowly opening their wallets again - but the hard days of lockdowns still weigh on many shellshocked lower-income households, who prefer to hold on to their cash. While China's recovery here from a record first quarter contraction is well ahead of most other countries, it has been uneven. Lingering weakness in consumption could complicate President Xi Jinping's push to curb the country's dependence on volatile overseas markets.

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil edges up to \$42, eyeing Libya and U.S. inventories

Oil edged up to around \$42 a barrel on Wednesday supported by rising investor risk appetite and a report that U.S. fuel inventories fell, although rising crude supply and concern of stalling demand capped gains. European equities rose after better-than-expected German manufacturing data, giving oil a boost.

Source: [Zawya](#)

### Gold loses sheen as robust dollar weighs

Gold extended losses to its lowest since mid-August on Wednesday as the dollar advanced, with investors awaiting further response from major central banks as economic uncertainty looms. Spot gold dipped 1.5% to \$1,870.11 per ounce by 10:42 a.m. ET (1442 GMT), having hit its lowest since Aug. 12 at \$1,865.03. U.S. gold futures declined 1.8% to \$1,873.20 per ounce.

Source: [Yahoo Finance](#)

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