

U Capital Morning Brief

7 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	825.26	-3.35	-0.40%	-2.17%	7.46	0.75	7.3%
U Capital GCC 50 Index	1,263.50	-4.41	-0.35%	-8.84%	20.90	2.15	4.2%
U Capital MENA 200 Index	996.48	-4.04	-0.40%	-8.64%	15.69	1.72	4.7%
MSCI GCC Countries Index	511.32	-3.75	-0.73%	-10.25%	18.30	1.74	3.4%
Muscat Securities Market	3,706.86	-39.33	-1.05%	-6.89%	11.01	0.75	6.6%
Saudi Stock Exchange	8,024.62	-20.47	-0.25%	-4.35%	29.27	1.96	2.6%
Kuwait Stock Exchange	6,367.49	-37.59	-0.59%	-12.23%	28.54	1.33	3.7%
Qatar Exchange	9,723.41	-112.81	-1.15%	-6.73%	15.82	1.46	4.1%
Bahrain Stock Exchange	1,402.76	-7.44	-0.53%	-12.88%	13.06	0.88	5.0%
Dubai Financial Market	2,258.55	-24.15	-1.06%	-18.31%	8.54	0.80	4.7%
Abu Dhabi Exchange	4,522.95	-29.25	-0.64%	-10.89%	16.51	1.30	5.4%
Tunis Se Index	6,770.11	18.72	0.28%	-4.94%	18.60	2.25	0.8%
EGX 30 Index	11,073.02	-107.79	-0.96%	-20.69%	11.42	1.48	2.9%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	5,799.1	-0.89%	-23.11%	Australian Dollar (AUD)	0.729	1.373
DAX	Germany	12,842.7	-1.65%	-3.07%	British Pound (GBP)	1.323	0.756
CAC 40	France	4,965.1	-0.89%	-16.95%	Canadian Dollar (CAD)	0.764	1.309
United States					Chinese Renminbi (CNH)	0.146	6.832
DJIA	USA	28,133.3	-0.56%	-1.42%	Egyptian Pound (EGP)	0.063	15.838
S&P 500	USA	3,427.0	-0.81%	6.07%	Euro (EUR)	1.183	0.845
NASDAQ	USA	11,313.1	-1.27%	26.09%	Indian Rupee (INR)	0.014	73.080
Asia Pacific					Japanese Yen (JPY)	0.009	106.260
NIKKEI 225	Japan	23,114.6	-0.40%	-2.29%	New Zealand Dollar (NZD)	0.671	1.491
HANG SENG	Hongkong	24,708.8	0.05%	-12.35%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	42,195.2	0.41%	3.58%	Pakistani Rupee (PKR)	0.603	165.684
NSE Nifty 50	India	11,308.8	-0.22%	-7.06%	Russian Ruble (RUB)	0.013	75.419
SHANGHAI COMPOSITE	China	3,350.0	-0.16%	9.83%	Singapore Dollar (SGD)	0.733	1.365
SHANGHAI SHENZHEN CSI 300	China	4,756.8	-0.28%	16.12%	Turkish Lira (TRY)	0.134	7.437

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	0.49	-77.8%
Brent Crude (per bbl)	42.2	-1.17%	-31.55%	Saudi Arabia	0.89	-60.1%
WTI Crude (per bbl)	39.2	-1.38%	-35.77%	Kuwait	1.63	-40.9%
Oman Crude Oil (Last Closing)	41.9	-3.14%	-37.81%	Oman	2.65	-5.9%
OPEC (per bbl)	43.4	-3.71%	-36.20%	Qatar	1.09	-51.4%
Precious Metals				Bahrain	2.28	-14.4%
Gold100 OZ (per oz)	1,935.1	0.05%	27.54%			
Silver (per oz)	27.1	0.61%	51.71%			
Platinum (per oz)	905.3	0.13%	-6.34%			
Other Metals						
Copper, MT	6,710	2.23%	8.68%			
Aluminium, MT	1,787	0.37%	-1.30%			
Lead, MT	1,972	1.44%	2.34%			
Zinc, MT	2,483	-1.23%	9.29%			

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.24
UAE	16/04/2030	1.68
QATAR	16/04/2030	1.77
SAUDI ARABIA	22/10/2030	2.24
OMAN	01/08/2029	6.06
BAHRAIN	14/05/2030	5.07

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.86	0.2	1m	0.15	-91.2%
5 year	99.76	0.3	3m	0.25	-87.0%
10 year	99.11	0.7	6m	0.29	-84.7%
30 year	97.67	1.5	1 year	0.42	-78.9%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Unified system for One-Stop-Shop in Oman's special economic zones

The Public Authority for Special Economic Zones and Free Zones is gearing up to implement a unified system for the One-Stop-Shop (OSS) in the special economic zones and free zones. The Royal Decree stipulates that the authority's competencies include implementing the One-Stop-Shop system in the special economic zones and free zones.

Source: [Times of Oman](#)

Liquidity crunch strangling Oman's construction sector

A protracted liquidity crisis coupled with a dwindling pipeline of projects is imperilling Oman's beleaguered construction sector amid the pandemic and the on-going economic downturn, a leading representative of the industry has warned. Shahswar al Balushi, former CEO of the erstwhile Oman Society of Contractors (OSC), also appealed to the Central Bank of Oman (CBO) and commercial banks to provide much-needed succour to the embattled industry by providing access to liquidity and restructuring debts racked up by individual companies.

Source: [Oman Observer](#)

Oman Container Line ranked among the best

Oman Shipping Company's container service, Oman Container Line (OCL) at Asyad Group has been ranked 55th globally by the international database platform Alphaliner, for the capacity OCL offers as well as its reliable services in the Gulf and globally. This global ranking enhances the leading status of the sultanate in maritime transport among the best countries in the world, Asyad Group said in a press statement.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

A look at market share of major Saudi retailers in 2019

Five Saudi-based companies dominated the country's food and non-food retail sales in 2019. These companies are: Panda Retail, Abdullah Al Othaim Markets, BinDawood Holding, Hypermarket Ltd. and Saudi Marketing Co. (Farm Superstores). According to BinDawood's prospectus, Panda Retail was ranked first with a market share of 19.8%, followed by Al Othaim (11.3%), and BinDawood (8.7%).

Source: [Argaam](#)

QFIs buy SAR 418.6 mln worth of stocks on Tadawul last week

Qualified foreign investors (QFIs) were net purchasers of SAR 418.6 million worth of stocks on the Saudi Stock Exchange (Tadawul) in the week ending Sept. 3, 2020, according to recent data issued by the Saudi bourse. Foreign investors offloaded SAR 3.3 million worth of shares through swap agreements.

Source: [Argaam](#)

UAE hotels get a boost from staycation packages

The rebound of the UAE's hospitality sector post Covid-19 will be led by the country's domestic market, with offerings that are catered around families and their needs, experts said. Tim Cordon, area senior vice president for the Middle East & Africa at Radisson Hotel Group, noted that, based on previous crises, leisure travel is expected to recover quicker, particularly travel for visiting friends and relatives, followed by business travel.

Source: [Zawya](#)

Dubai property sale transactions grow as homes become affordable

Sale transactions in Dubai's property market are witnessing a V-shaped recovery with ready homes taking the lead, thanks to increasingly affordable secondary market house prices, says a new report released on Sunday. Real estate advisory and consultancy firm ValuStrat said that August's sales transaction volume performance saw ready homes dominating overall residential home purchases, representing a two-third share versus one-third of off-plan sales.

Source: [Zawya](#)

FAB plans to restart talks to buy Bank Audi's unit in Egypt

First Abu Dhabi Bank (FAB) seeks to resume talks on acquiring the Egyptian subsidiary of Lebanon's Bank Audi, two sources told Reuters. One of the sources said that the UAE's biggest lender will hold an internal meeting this week to discuss ways to restart negotiations and reach a final bid. The other source referred that FAB planned to restart negotiations within two weeks.

Source: [Mubasher](#)

Kuwait's KIB denies takeover rumours

Kuwait International Bank (KIB) has denied claims that it is to be imminently taken over, saying the rumours are 'incorrect and untrue'. In a statement to Boursa Kuwait, Vice Chairman and CEO Raed Jawad Bukhamseen said the bank's management 'has not been aware of the news'.

Source: [Zawya](#)

Wizz Air Abu Dhabi celebrates arrival of first new aircraft

Wizz Air Abu Dhabi will start operations with a network including Alexandria, Athens, Kutaisi, Larnaca, Odesa, and Yerevan. Wizz Air Abu Dhabi, the new national airline of the UAE, said the first aircraft to join its fleet, a new Airbus A321neo, landed in Abu Dhabi International Airport on Sunday.

Source: [Khaleej Times](#)

UAE Ministry of Economy reviews ways to accelerate development

Abdullah Bin Touq Al Marri, Cabinet Member and Minister of Economy (MoE), has re-affirmed the ministry's commitment to continue to work closely with its partners to address all besetting challenges through a flexible package and general plan to support the country's economy. The minister made the remarks at a meeting held at the ministry's HQ in Dubai in the presence of Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, and Dr. Ahmad Belhoul Al Falasi, Minister of State for Entrepreneurship and SMEs, along with Abdulla Al Saleh Undersecretary of the Ministry of Economy for Foreign Trade and Industry and a number of Emirati business owners.

Source: [Gulf Today](#)

Leejam Sports Company (Fitness Time) Announces the Opening of a New Ladies Fitness Center in Dubai

Leejam Sports Company (Fitness Time) "the company" is pleased to announce the opening of new fitness center in Dubai on Saturday 5th September 2020. This Center is the third one to be opened after the company was allowed to reopen its Fitness Centers on 21st June 2020 following the precautionary closures of all Private Fitness Centers, to combat the spread of COVID-19, since 15th March 2020. The adverse circumstances of the COVID-19 pandemic have disrupted operations and economic activities around the world and led the company's fitness centers to be closed for more than three months. Despite that, Leejam Sports Company has successfully opened three Ladies Fitness centers during the last 8 days.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Biggest IPO in history? China's Ant could trump Saudi Aramco's \$29.4bln

Chinese financial technology firm Ant Group is expecting a mega IPO of up to \$30 billion, which would trump Aramco's \$29.4 billion IPO, according to reports, and make it the world's largest ever. Backed by e-commerce giant Alibaba Group, Ant plans to list simultaneously in Hong Kong and Shanghai. Sources have said it could take place as soon as October. "Goldman Sachs has joined the growing list of investment banks working on Chinese financial technology firm Ant Group's mammoth initial public offering of up to \$30 billion," CNBC reported, citing two people with direct knowledge of the matter.

Source: [Zawya](#)

Asian shares on fragile footing amid elevated valuations, oil skids

Asian shares were on the defensive on Monday as investors grappled with sky-high valuations against the backdrop of a global economy in the grip of a deep coronavirus-induced recession while oil prices dropped sharply. Chinese stocks started lower while shares of Hong Kong-listed Semiconductor Manufacturing International Corp (SMIC) plunged to the lowest since June 16 on fears the firm could be added to a U.S. trade blacklist.

Source: [Reuters](#)

SoftBank shares slide 5% after news on tech stock options bet

SoftBank Group Corp (9984.T) shares fell 5% in early trading on Monday as the conglomerate's big bets on equity derivatives tied to listed technology companies made investors uncomfortable. The Japanese financial powerhouse has spent billions of dollars buying shares in technology companies such as Amazon (AMZN.O) as it parks cash generated by a massive asset sale programme.

Source: [Reuters](#)

China says August exports beat expectations, jumping 9.5% from a year ago

China's dollar-denominated exports rose 9.5% for the month of August while imports fell 2.1% in the same period, data from the country's General Administration of Customs showed on Monday. Economists polled by Reuters had expected exports to have climbed 7.1% in August from a year ago imports to rise 0.1% in the same period.

Source: [CNBC](#)

China's yuan could become the world's third largest reserve currency in 10 years, Morgan Stanley predicts

Morgan Stanley analysts maintain their prediction that the Chinese yuan will account for 5% to 10% of global foreign exchange reserve assets by 2030. The yuan currently accounts for about 2% of global foreign exchange reserve assets, they said. That would put the yuan behind the U.S. dollar and the euro. Morgan Stanley expects the yuan to strengthen to 6.6 yuan versus the U.S. dollar by the end of 2021.

Source: [CNBC](#)

COMMODITIES NEWS

Oil drops more than \$1 after Saudi price cuts, demand optimism fades

Oil prices dropped more than \$1 a barrel on Monday, hitting their lowest since July, after Saudi Arabia made the deepest monthly price cuts for supply to Asia in five months as optimism about demand recovery cooled amid the coronavirus pandemic. Brent crude LCOc1 was at \$41.75 a barrel, down 91 cents or 2.1% by 0000 GMT, after it earlier slid to \$41.51, its lowest since July 30.

Source: [Reuters](#)