













# U Capital Morning Brief

2 January 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	844.44	0.87	0.10%	0.10%	-	-	-
U Capital GCC 50 Index	1,381.80	-4.29	-0.31%	-0.31%	-	-	-
U Capital MENA 200 Index	1,088.02	-2.70	-0.25%	-0.25%	-	-	-
MSCI GCC Countries Index	568.12	-1.57	-0.28%	-0.28%	16.26	1.83	3.8%
Muscat Securities Market	 3,998.88	17.69	0.44%	0.44%	7.55	0.73	7.5%
Saudi Stock Exchange	 8,358.85	-30.38	-0.36%	-0.36%	22.50	1.85	3.2%
Kuwait Stock Exchange	 7,254.75	12.78	0.18%	0.00%	15.46	1.47	3.4%
Qatar Exchange	 10,425.51	-24.49	-0.23%	0.00%	15.14	1.55	4.1%
Bahrain Stock Exchange	 1,610.18	1.89	0.12%	0.00%	12.82	0.99	4.8%
Dubai Financial Market	 2,764.86	-5.08	-0.18%	0.00%	10.97	0.99	4.2%
Abu Dhabi Exchange	 5,075.77	-15.85	-0.31%	0.00%	15.54	1.42	4.9%
Beirut Stock Exchange	 785.56	0.00	0.00%	0.00%	4.16	0.47	11.8%
Palestine Stock Exchange	 525.96	4.17	0.80%	0.00%	12.39	1.20	4.5%
Tunis Se Index	 7,122.09	-9.62	-0.13%	0.00%	20.18	2.50	2.1%
EGX 30 Index	 13,961.56	24.30	0.17%	0.00%	11.25	1.83	2.5%
Amman General Index	 1,815.20	1.84	0.10%	0.00%	12.14	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,542.4	-0.59%	0.0%
DAX	Germany	13,249.0	-0.66%	0.0%
CAC 40	France	5,978.1	-0.07%	0.0%
<b>United States</b>				
DJIA	USA	28,538.4	0.27%	0.0%
S&P 500	USA	3,230.8	0.29%	0.0%
NASDAQ	USA	8,972.6	0.30%	0.0%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,656.6	-0.76%	0.0%
HANG SENG	Hongkong	28,482.3	1.04%	1.0%
KSE 100 Index	Pakistan	41,714.0	0.74%	2.4%
NSE Nifty 50	India	12,226.3	0.36%	0.5%
SHANGHAI COMPOSITE	China	3,087.2	1.21%	1.2%
SHANGHAI SHENZHEN CSI 300	China	4,154.7	1.42%	1.4%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.700	1.428
British Pound (GBP)	1.321	0.757
Canadian Dollar (CAD)	0.770	1.299
Chinese Renminbi (CNH)	0.144	6.964
Egyptian Pound (EGP)	0.062	16.066
Euro (EUR)	1.120	0.893
Indian Rupee (INR)	0.014	61.989
Japanese Yen (JPY)	0.009	108.760
New Zealand Dollar (NZD)	0.672	1.488
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.646	154.845
Russian Ruble (RUB)	0.016	71.306
Singapore Dollar (SGD)	0.743	1.347
Turkish Lira (TRY)	0.168	5.949

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	66.2	0.33%	0.3%
WTI Crude (per bbl)	61.2	0.29%	0.3%
Oman Crude Oil (Last Closing)	65.7	-0.69%	22.9%
OPEC (per bbl)	67.9	0.24%	31.8%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,519.4	0.14%	0.1%
Silver (per oz)	17.9	0.02%	0.0%
Platinum (per oz)	970.3	0.39%	0.4%
<b>Other Metals</b>			
Copper, MT	6,174	-0.72%	3.5%
Aluminium, MT	1,810	-0.93%	-2.0%
Lead, MT	1,927	-0.77%	-4.7%
Zinc, MT	2,272	-1.47%	-7.9%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.21	-22.2%
Saudi Arabia	2.23	-0.1%
Kuwait	2.75	18.9%
Oman	2.81	-0.4%
Qatar	2.25	-22.6%
Bahrain	2.67	-32.5%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.3
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	5.1
Bahrain	12/10/2028	4.4

Midswaps	Price	YTM %
3 year	100.05	1.6
5 year	100.28	1.7
10 year	98.50	1.9
30 year	99.69	2.4

USD Libor	Rate (%)	YTD
1m	1.76	-29.6%
3m	1.91	-32.0%
6m	1.91	-33.5%
1 year	2.00	-33.6%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **Big push for spending in 2020**

The state budget for 2020, approved by His Majesty Sultan Qaboos, aims at fiscal sustainability, lower public debt and higher economic growth in the Sultanate. The budget unveiled on Wednesday envisages an across the board increase in spending while maintaining a moderate deficit of eight per cent of the GDP. The spending on basic services, such as education, healthcare, housing and social welfare, continues to rise, reaching 40 per cent of public spending, which represents the largest portion of the budget.

Source: [Oman Observer](#)

### **Statement on State's General Budget for Fiscal Year 2020**

The Ministry of Finance (MOF), in coordination with the Supreme Council for Planning (SCP) on Wednesday issued the statement on the State's General Budget for the fiscal year 2020. This statement presents key financial and economic indicators for FY 2020, and the preliminary results of FY 2019. This is in order to ensure transparency and to inform the citizens, investors, domestic and international institutions of Oman's fiscal policy for FY 2020.

Source: [Oman Observer](#)

### **Oman Shipping Co. negotiates \$80mn financing facility**

Oman Shipping Company (OSC), a member of the ASYAD Group, announced the negotiation of an \$80 million Sharia-compliant 'Ijara' facility with Abu Dhabi Islamic Bank (ADIB), a leading international financial institution. The transaction represents OSC's first Sharia-based leasing 'Ijarah', as well as ADIB's ongoing commitment and ability to finance significant assets in the marine and energy sectors. Christopher Phillips, Head of Ship Finance at ADIB, said, "ADIB has significant experience and expertise working on Middle East shipping deals across the full range of industry segments.

Source: [Times of Oman](#)

### **New regulations for e-commerce coming soon**

The Ministry of Commerce and Industry announced that it will soon issue regulations for electronic trade within its efforts to ensure the rights of both seller and buyer as well as to maintain the confidence of trade dealers from inside and outside the Sultanate. The ministry has received a number of complaints from consumers about the products they purchased from exhibitors and vendors from inside the country and abroad through different electronic platforms.

Source: [Oman Observer](#)

### **Real estate slump unlikely to dampen interest in Oman's first REIT**

Notwithstanding the protracted slump in the real estate sector across the wider Gulf region, the promoters behind Oman's maiden Real Estate Investment Trust (REIT) — the Aman Real Estate Investment Fund (under formation) — are optimistic that the promise of a healthy dividend yield will lure Omani, expatriate and international investors to buy shares in the Fund when it opens to the public on Thursday.

Source: [Oman Observer](#)

### **OMRAN Announces Soft Opening of Sultanate's First JW Marriott Hotel**

Oman Tourism Development Company (OMRAN Group), the executive arm of the Sultanate for tourism development, today announced the soft opening of JW Marriott Muscat. This announcement marks the opening of the Sultanate's first JW Marriott hotel and the second hotel within the Oman Convention & Exhibition Centre (OCEC) precinct at Madinat Al Irfan. JW Marriot Muscat is the latest addition to OMRAN Group's hotel portfolio which aims to boost the Sultanate's MICE offering, as well as playing an integral role in attracting both business and leisure travelers to Oman.

Source: [ONA](#)

### **Oman's oil production tops 324 million barrels**

The Sultanate's oil production, including condensates, stood at 324.3 million barrels till the end of November 2019, compared to 326.3 million barrels, according to the latest data released by the National Centre for Statistics and Information (NCSI). Of the total production, crude oil production was down by 3 per cent at 281.3 million barrels while condensates production rose by 18.7 per cent to touch 42.9 million barrels. Oman recorded a daily average crude oil production of 971,000 barrels at the end of November 2019, against 977,100 barrels over the same period of 2018, the NCSI report added.

Source: [Times of Oman](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Tadawul closes 2019 at 6-year high; Aldrees, Yamama Cement top gainers**

Tadawul All Share Index (TASI) closed the year 7%, or 562 points higher, at 8389 points, compared to a close of 7827 points in 2018. The 2019's close is the highest in six years since 2013. TASI rose by 992 points and 3 points respectively in the first two quarters of the year, but dropped by 8% in Q3, before it added 297 points in the fourth quarter of 2019.

Source: [Argaam](#)

### **Tabreed increases its stake in Saudi Arabia to 28 per cent**

The National Central Cooling Company (Tabreed), the leading international district cooling developer based in the United Arab Emirates, has acquired an additional 8 per cent stake in Saudi Tabreed, its district cooling investment vehicle in Saudi Arabia held jointly by Vision Invest (formerly ACWA Holding), IDB Infrastructure Fund II of the Public Investment Fund of Saudi Arabia and others, bringing its ownership up to 28 per cent.

Source: [Gulf Today](#)

### **Saudi mortgage loans soar in 2019, with \$18bn offered in year up until November**

Over 155,000 mortgage loans worth SR69 billion (\$18bn) have been offered throughout 2019 up until November. Figures released by the Saudi Arabian Monetary Authority (SAMA) show the number of housing loans was up 254 percent, while volume saw a 167 percent increase. The monthly bulletin revealed that newly signed mortgages in the kingdom were up 13,000 to 20,525 in November compared to the corresponding period in 2018.

Source: [Arabian Business](#)

### **Saudi Aramco lives up to its reputation as the best performing company**

The initial public offering (IPO) of Saudi Aramco undoubtedly qualifies to be called the biggest business event of 2019. The company raised \$25.6 billion through the IPO, which has made it the largest (IPO) in history, knocking the Chinese e-commerce giant Alibaba off the top spot for the biggest ever public offering. Saudi Aramco's shares value jumped on the second day of trading (Dec.12) in the Saudi Stock Exchange (Tadawul) pushing the oil giant to a more than \$2-trillion valuation.

Source: [Arab News](#)

### **Alinma Investment receives regulatory nod for ETF Fund**

The Capital Market Authority (CMA) approved Alinma Investment Company's request to float the units of Alinma Saudi Government Sukuk ETF Fund - Short Maturity in an initial public offering (IPO) on the Saudi Stock Exchange (Tadawul) as an Exchange Traded Fund. The fund terms can be obtained from Alinma Investment and CMA's websites, the market regulator said in a statement. The authority noted that the approval should never be considered as a recommendation to subscribe to the fund.

Source: [Argaam](#)

### **Tadawul discloses listed firms' share holdings under staff share schemes, other purposes**

Saudi Stock Exchange (Tadawul) published its quarterly report on listed firms' ownership into their own shares in Q4 2019. Listed companies usually retain a percentage of their own stock under employee share schemes and for other purposes. Tadawul's report disclosed the holdings of 18 listed firms into their own share of stock as of December 31, 2019. The firms that held the biggest share of their stock were Saudi Investment Bank (SAIB), retaining 9.99% of its shares, and Dallah Healthcare holding 4.98%. Details in the table below:

Source: [Argaam](#)

### **Mideast Stocks: Saudi, Oman move sideways; other markets closed for holiday**

Saudi Arabia's stock market retreated on Wednesday, while Oman was up, extending gains for a fourth day in a row. Other Middle Eastern markets, including Egypt, are closed for the New Year holiday. SAUDI ARABIA dropped 0.4% to 8,359 points OMAN added 0.4% to 3,999 points

Source: [Zawya](#)

### **Saudi Arabia's Non-Oil Private Sector Leads Growth in Q3 2019**

Saudi Arabia's non-oil private sector's GDP rose 4.3 percent during the third quarter of 2019, confirming the success of the Kingdom's policy of pushing private economic activity towards reducing dependence on oil and shifting to multiple economic resources. Saudi Arabia's economy contracted by 0.46 percent in the third quarter from a year earlier, hit by a drop in oil output as the Organization of Petroleum Exporting Countries (OPEC) cut production, according to the Saudi General Authority for Statistics (GSTAT).

Source: [Aawsat](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### These 6 charts compare the US and China economies in the second year of their trade war

Growth in gross domestic product — the broadest measure of an economy — slowed down in both the U.S. and China during the second year of their trade war. Both countries' manufacturing sectors felt the impact of a slowing global economy, but retail sales remained a bright spot in the world's top two economies.

Source: [CNBC](#)

### Asian shares rise on China's policy easing, trade deal hopes

Asian shares kicked off the new decade higher on Thursday, after global stocks ended the previous one at record highs, and buoyed by Chinese markets after Beijing eased monetary policy to support slowing growth.

Source: [Reuters](#)

### Dollar starts new year with a hangover as others find cheer

The dollar started the new year where it left the old one, under pressure as investors wagered U.S. economic outperformance could be coming to an end as optimism on trade brightens the outlook for growth globally.

Source: [Reuters](#)

### China's manufacturing activity expanded in December, a private survey shows

The Markit/Caixin Purchasing Managers' Index (PMI) for China's manufacturing activity came in at 51.5, compared to 51.8 in November. Analysts polled by Reuters had expected the private manufacturing PMI to come in at 51.7 for December. PMI readings above 50 indicate expansion, while those below that level signal contraction.

Source: [CNBC](#)

### UK economy in stagnation at end of 2019, survey shows

The UK economy ended 2019 in stagnation, under pressure from long-term uncertainty, mounting business costs and a global economic slowdown, according to a business survey. The British Chambers of Commerce's (BCC) latest quarterly economic snapshot, based on a poll of 6,500 firms across the country in November, painted a gloomy picture of the economy at the end of the last decade.

Source: [The Guardian](#)

## COMMODITIES NEWS

### Oil climbs on U.S.-China trade optimism, Middle East tensions

Oil prices rose on the first trading day of 2020 as warming trade relations between the United States and China eased demand concerns, and rising tensions in the Middle East raised worries about supply.

Source: [Reuters](#)