













# U Capital Morning Brief

1 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	843.57	1.69	0.20%	0.00%	-	-	-
U Capital GCC 50 Index	1,386.09	5.45	0.39%	0.00%	-	-	-
U Capital MENA 200 Index	1,090.72	-0.13	-0.01%	0.00%	-	-	-
MSCI GCC Countries Index	569.70	1.27	0.22%	0.00%	16.31	1.84	3.8%
Muscat Securities Market	 3,981.19	27.06	0.68%	0.00%	7.52	0.73	7.5%
Saudi Stock Exchange	 8,389.23	44.22	0.53%	0.00%	22.47	1.86	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	28,189.8	-0.46%	0.0%
KSE 100 Index	Pakistan	40,986.7	0.59%	0.6%
NSE Nifty 50	India	12,185.3	0.14%	0.1%
SHANGHAI COMPOSITE	China	3,050.1	0.33%	0.0%
SHANGHAI SHENZHEN CSI 300	China	4,096.6	0.37%	0.0%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.702	1.425
British Pound (GBP)	1.326	0.755
Canadian Dollar (CAD)	0.770	1.299
Chinese Renminbi (CNH)	0.144	6.962
Egyptian Pound (EGP)	0.062	16.066
Euro (EUR)	1.121	0.892
Indian Rupee (INR)	0.014	61.989
Japanese Yen (JPY)	0.009	108.600
New Zealand Dollar (NZD)	0.673	1.480
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.646	154.895
Russian Ruble (RUB)	0.016	71.351
Singapore Dollar (SGD)	0.743	1.346
Turkish Lira (TRY)	0.168	5.952

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	66.0	-1.00%	19.0%
WTI Crude (per bbl)	61.1	-1.01%	34.5%
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)	1,518.2	0.06%	0.1%
Silver (per oz)	17.9	0.08%	0.1%
Platinum (per oz)	966.6	0.00%	0.0%
<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	-25.0%
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	1.78	-28.8%
3m	1.91	-32.0%
6m	1.91	-33.6%
1 year	2.00	-33.4%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **His Majesty the Sultan is in stable condition**

The Diwan of Royal Court yesterday issued a statement reading as follows: “His Majesty Sultan Qaboos bin Said is in stable condition, thanks and praise be to the Almighty Allah, and is continuing the programme of prescribed treatment. His Majesty the Sultan, May the Almighty Allah protect him, expresses his deep thanks and appreciation to the noble people of Oman, all over the beloved homeland, for their heartfelt sentiments, sincere wishes and for rallying of support around their leadership.

Source: [Times of Oman](#)

### **CBO board discusses financial and economic developments**

The board of governors of the Central Bank of Oman (CBO) convened its fourth meeting of this year on Monday at the CBO headquarters. The meeting was chaired by H E Sultan bin Salim bin Said al Habsi, deputy chairman of the CBO’s board of governors. The board reviewed some of the major economic, financial and monetary developments witnessed in the sultanate during the fourth quarter of 2019, according to a press statement. The meeting also reviewed CBO’s financial position, and examined the status of its foreign investments, in addition to taking stock of SMEs financing by banks.

Source: [Muscat Daily](#)

### **Tendering begins for RO 120m Oman Gate tourism project**

The Qatari promoters of a distinctive tourism and heritage project planned at Al Seeb in Muscat Governorate have invited contractors to submit their credentials ahead of the start of a competitive tender for the iconic development. Doha-based Bin Al Sheikh Holding Group, a well-diversified Qatari business conglomerate, was selected by Oman’s Ministry of Tourism to invest in a signature mixed use development integrating traditional Omani heritage elements with upscale tourist and leisure components on a beachfront stretch overlooking the Sea of Oman.

Source: [Oman Observer](#)

### **Petrofac secures \$130 million in PDO contracts**

The UK-based engineering giant Petrofac, has announced that it has secured a new contract and an award of an additional scope of work, with a combined value of about \$130 million with Petroleum Development Oman (PDO). The new contract is the latest in a series of awards clinched by Petrofac in Oman and the fourth to be secured under a 10-year Framework Agreement with Petroleum Development Oman signed in 2017 to provide Engineering, Procurement and Construction Management (EPCM) services for the Mabrouk North East Development Project in the country.

Source: [Oman Observer](#)

### **Duqm Authority to regulate electricity, water sector within SEZ**

The Special Economic Zone Authority at Duqm (SEZAD) has assumed responsibility for regulating the electricity and related water sector within the SEZ. In a press statement, SEZAD reported that it has been granted the powers of the Authority for Electricity Regulation set out in the Law for the Regulation and Privatization of the Electricity and Related Water Sector promulgated by the Royal Decree (78/2004).

Source: [Oman Observer](#)

### **Sezad granted power to regulate electricity and water sector**

The Special Economic Zone Authority at Duqm (Sezad) has been granted the authority to regulate the electricity and water sector within the Special Economic Zone at Duqm (SEZD). In a press statement on Tuesday, Sezad reported that it has been granted the powers of the Authority for Electricity Regulation prescribed in the Law for the Regulation and Privatisation of the Electricity and Related Water Sector promulgated by the Royal Decree (78/2004).

Source: [Times of Oman](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Saudi CMA: Tadawul-listed companies to use FV model or revaluation model as of Jan**

The Capital Market Authority (CMA) said in a statement that Tadawul-listed companies will continue using the cost model in evaluating investments properties and other properties for the fiscal periods before 2022. The market regulator also allowed the listed companies to use the fair value model or the re-evaluation model to evaluate investment properties and other properties for the fiscal periods that would start as of 2022.

Source: [Argaam](#)

### **SABIC decides to liquidate 3 subsidiaries**

Saudi Basic Industries Corporation (SABIC) decided to liquidate 3 of its subsidiaries as part of its transformation plan, the company said in a bourse statement. The liquidation decision includes SABIC Industrial Catalysts Co. and Saudi Carbon Fiber

Co. Both companies are fully owned by SABIC a paid in capital of SAR 500,000, each. Saudi Japanese Acrylonitrile Co. in which SABIC ownership is 100%, is the third company to be dissolved. The company's paid in capital is SAR 171.23 million.

Source: [Argaam](#)

#### **SGS renews ground handling contract with flynas for SAR 1 bln**

Saudi Ground Services Company (SGS) renewed its agreement with flynas to provide ground handling services to domestic and international flights for the total amount of SAR 1 billion. The 5-year agreement includes ramp and passenger services across all Saudi airports. The company expected the deal to enhance business sustainability, increase liquidity, and positively impact its financial results as of the first quarter of 2020.

Source: [Argaam](#)

#### **Dur Hospitality extends MoU with General Authority of Awqaf**

Dur Hospitality Co. extended a memorandum of understanding (MoU) with the General Authority of Awqaf regarding studying the establishment of a company to develop land plot number (125) in Madinah, located in the northern area of Al Masjid in Nabawi, according to a bourse statement on Tuesday. The deal was extended for three months, ending March 31, 2020. The land spans over an area of 1,379 square meters and will be used to build and operate a 5-star hotel under the brand Makarem.

Source: [Argaam](#)

#### **Steel Pipes wins' contract to supply oil and gas pipes**

Saudi Steel Pipe Company (SSP) secured on Tuesday Dec. 31 a contract to supply oil and gas steel pipes for an amount exceeding 5% of its 2018 revenues. The company said in a statement to Tadawul that the production and financial impact of this contract is expected to materialize between H2 2020 and H1 2021.

Source: [Argaam](#)

#### **Saudi Arabia grants free visas for UAE, Bahrain, Kuwait residents**

In a strategic move aimed at boosting its tourism industry, Saudi Arabia is granting free visas to residents from the neighbouring countries of the UAE, Bahrain and Kuwait for attending major events in the kingdom such as the New Year 2020 show. The three-day visa scheme will be valid throughout the kingdom's festival season, said local media citing senior officials.

Source: [Zawya](#)

#### **Saudi expat remittances down to \$30.4mln in 11 months**

Remittances by expatriates living in Saudi Arabia decreased during the first 11 months of 2019 by around 8.9% or SAR 11.15 billion to a total of SAR 113.97 billion (\$30.39 billion). Last month, expat remittances levelled up by 0.14% on an annual basis to SAR 9.91 billion (\$2.64 billion), according to data by the Saudi Arabian Monetary Authority (SAMA). However, remittances in November declined by 10.2% compared to the figure recorded in October at SAR 11.04 billion (\$2.94 billion).

Source: [Zawya](#)

#### **Kuwait attracts \$3.2bln foreign investments in 4 years**

Kuwait's foreign direct investments (FDIs) have totalled KWD 960 million (\$3.2 billion) in four years from January 2015 until March 2019, according to the commerce and industry minister of Kuwait Khaled Nasser Abdullah Al Roudan. The foreign investments have injected into the field of information systems services, oil and gas, construction, training, health, energy, consulting, market research and leisure activities, Al Roudan referred in the fourth annual report for 2018/2019 by Kuwait Direct Investment Promotion Authority (KDIPA).

Source: [Zawya](#)

#### **KSA expat remittances down to \$30.4m in 11M**

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Source: [Mubasher](#)

#### **Aayan Real Estate buys investment property at KWD 1.1m**

Aayan Real Estate Company, a subsidiary of Bursa Kuwait-listed Aayan Leasing and Investment, has purchased an investment property, located in Mahboula district in Kuwait, at a total value of KWD 1.12 million. The company referred that the deal's financial impact will be an increase in the investment properties account and a decrease in the available liquidity and bank balances, according to a statement by Bursa Kuwait on Tuesday.

Source: [Decypha](#)

### **Kuwait Cable Vision nods to delist from Boursa Kuwait**

The shareholders of Kuwait Cable Vision issued, during the recent ordinary general meeting (OGM), a resolution to voluntarily withdraw from Boursa Kuwait. The company said that the withdrawal was unanimously approved as the company's accumulated losses reached approximately 73% of the capital. The decision was further confirmed due to the high membership fees at Boursa Kuwait, according to a recent disclosure.

Source: [Decypha](#)

### **CMA nods to Sultan Center's KWD 15m convertible bonds prospectus**

Sultan Center Food announced the approval of the Capital Markets Authority (CMA) for the prospectus of the private placement on issuing KWD 15 million worth of convertible bonds to ordinary shares in the company's capital. The company will coordinate with the lead manager to complete the procedures for the bonds issue and disclose any details in a timely manner, according to the bourse statement on Tuesday. It is noteworthy to mention that in September, Sultan Center Food received the CMA's approval to issue convertible bonds in its capital.

Source: [Decypha](#)

### **KFIC gains KWD 503K profits after exiting assets**

Kuwait Finance and Investment (KFIC) achieved profits of around KWD 503,000 after it had exited some assets. KFIC signed a final sale deal at a value of KWD 2.6 million to exit some of its assets, including Taameer Real Estate Investment, Mena Real Estate, and Around the World Holding, according to a statement by Boursa Kuwait on Tuesday.

Source: [Decypha](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Trump says U.S.-China trade deal will be signed on January 15**

U.S. President Donald Trump said on Tuesday that Phase 1 of trade deal with China would be signed on Jan. 15 at the White House, though considerable confusion remains about the details of the agreement. The president wrote in a tweet that he would sign the deal with "high level representatives of China" and that he would later travel to Beijing to begin talks on the next phase.

Source: [Reuters](#)

### **Wall Street edges higher; S&P closes decade with nearly 190% gain**

Wall Street's major indexes edged higher on Tuesday on a renewed rally fuelled by trade optimism, capping off a decade of handsome returns in which the benchmark S&P 500 rose nearly 190%. Both the S&P 500 and the Nasdaq notched their biggest annual percentage gains since 2013, while the Dow closed 2019 with its biggest yearly percentage gain since 2017. In 2019, the current bull run in U.S. stocks became the longest one on record as trade optimism, dovish monetary policy and an improving economic outlook fuelled sharp gains.

Source: [Reuters](#)

### **Greece, Russia and Italy: Europe's top performing stock markets in 2019**

Greece, Russia and Italy have been the top performing stock markets in Europe in 2019 – a year marked by political and economic uncertainty across the world. Some investors dismissed these markets as "too dangerous, too politically unstable, too reliant on commodities, too weak economically or a combination of all four," a U.K. investment platform. But this just goes to show that buying what is comfortable is rarely the route to big profits.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil Caps Strongest Year Since 2016 on OPEC Cuts, Trade Truce**

Oil in New York capped its biggest annual increase since 2016, as OPEC's production cuts tempered supplies while a trade pact between the U.S. and China buoyed the outlook for demand. West Texas Intermediate futures fell 1% Tuesday yet climbed 34% this year as OPEC and its allies cut production and a trade deal between Washington and Beijing neared. With hedge funds' net-bullish bets at a seven-month high, even protesters storming the American embassy in Iraq, OPEC's second-biggest producer, couldn't support prices on the final trading day of the year.

Source: [Bloomberg](#)

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