

# U Capital Morning Brief

7 October 2019

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	861.73	-2.78	-0.32%	-1.89%	-	-	-
U Capital GCC 50 Index	1,340.73	3.55	0.27%	2.37%	-	-	-
U Capital MENA 200 Index	1,049.67	3.00	0.29%	0.44%	-	-	-
MSCI GCC Countries Index	540.82	1.46	0.27%	0.55%	14.93	1.76	4.2%
Muscat Securities Market	 4,026.93	0.91	0.02%	-6.86%	8.19	0.79	6.8%
Saudi Stock Exchange	 7,962.77	41.62	0.53%	1.74%	19.64	1.76	3.8%
Kuwait Stock Exchange	 5,669.19	33.54	0.60%	11.61%	14.06	1.35	3.7%
Qatar Exchange	 10,313.84	3.15	0.03%	0.14%	14.80	1.57	4.1%
Bahrain Stock Exchange	 1,511.99	-0.56	-0.04%	13.07%	11.33	0.95	5.2%
Dubai Financial Market	 2,781.43	20.41	0.74%	9.95%	11.69	1.02	4.4%
Abu Dhabi Exchange	 5,035.95	7.99	0.16%	2.46%	15.11	1.44	4.9%
Beirut Stock Exchange	 782.15	1.75	0.22%	-19.92%	4.16	0.47	11.8%
Palestine Stock Exchange	 517.32	0.53	0.10%	-2.27%	12.28	1.19	4.6%
Tunis Se Index	 7,032.00	-7.86	-0.11%	-3.30%	19.45	2.35	2.1%
EGX 30 Index	 14,217.81	-163.34	-1.14%	9.07%	11.81	1.94	2.8%
Amman General Index	 1,822.53	-5.42	-0.30%	-4.52%	11.71	0.90	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,155.4	1.10%	6.4%
DAX	Germany	12,012.8	0.73%	13.8%
CAC 40	France	5,488.3	0.91%	16.0%
<b>United States</b>				
DJIA	USA	26,573.7	1.42%	13.9%
S&P 500	USA	2,952.0	1.42%	17.8%
NASDAQ	USA	7,982.5	1.40%	20.3%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	21,370.0	-0.19%	6.8%
HANG SENG	Hongkong	25,821.0	-1.11%	-0.1%
KSE 100 Index	Pakistan	33,045.6	0.04%	-10.8%
NSE Nifty 50	India	11,213.4	0.35%	3.2%
SHANGHAI Composite	China	2,905.2	-0.92%	16.5%
KOSPI Index	South Korea	2,020.9	0.01%	-1.0%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.675	1.482
British Pound (GBP)	1.233	0.811
Canadian Dollar (CAD)	0.751	1.332
Chinese Renminbi (CNH)	0.140	7.133
Egyptian Pound (EGP)	0.061	16.275
Euro (EUR)	1.098	0.911
Indian Rupee (INR)	0.014	70.974
Japanese Yen (JPY)	0.009	106.850
New Zealand Dollar (NZD)	0.631	1.585
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.638	156.600
Russian Ruble (RUB)	0.015	64.662
Singapore Dollar (SGD)	0.724	1.381
Turkish Lira (TRY)	0.175	5.713

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	58.3	-0.12%	5.7%
WTI Crude (per bbl)	52.8	0.00%	16.3%
Oman Crude Oil (Last Closing)	58.8	1.31%	9.8%
OPEC (per bbl)	58.0	-1.29%	12.4%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,504.9	0.01%	17.3%
Silver (per oz)	17.5	-0.17%	13.1%
Platinum (per oz)	878.1	-0.24%	10.4%
<b>Other Metals</b>			
Copper, MT	5,643	-0.34%	-5.4%
Aluminium, MT	1,719	0.06%	-6.9%
Lead, MT	2,160	1.46%	6.9%
Zinc, MT	2,300	0.22%	-6.8%

GCC 3m Interbank Rates	Current Rate %
UAE	2.29
Saudi Arabia	2.34
Kuwait	2.88
Oman	2.91
Qatar	2.60
Bahrain	3.02

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.21
Abu Dhabi	11/10/2027	2.31
Qatar	02/06/2026	2.31
Saudi Arabia	04/03/2028	2.73
Oman	17/01/2028	6.00
Bahrain	12/10/2028	5.20

Midswaps	Price	YTM %
3 year	100.42	1.35
5 year	100.77	1.34
10 year	100.89	1.53
30 year	105.14	2.02

USD Libor	Rate (%)
1m	1.98
3m	2.03
6m	1.95
1 year	1.85

Source: Bloomberg

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

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## OMAN ECONOMIC & CORPORATE NEWS

### More than 3,000 SMEs registered in Oman till the end of July

The total number of Small and Medium Enterprises (SMEs) registered with the Public Authority for Small and Medium Enterprises Development (Riyada) at the end of July 2019 was 3,037, which is a drop by 14.4% compared to the same period of 2018, according to the data released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

### Only e-payments for services from Jan 1

All government agencies in the Sultanate have been told to accept only electronic payments for their services they render to citizens and residents. In a statement, the Ministry of Finance directed, "Starting on January 1, 2020, all the ministries and government entities should collect payments only through electronic system and stop collecting payment in any other form." According to the statement, the government will bear the one-per cent commission of the fee paid to the banks and would not pass the same to the citizens.

Source: [Oman Observer](#)

### 45pc rise in telecom royalties last year

Royalties paid by telecom companies operating across various classes in the Sultanate jumped 45 per cent to RO 78.3 million in 2018, up from RO 53.9 million a year earlier, according to figures published by the Telecommunications Regulatory Authority (TRA). The uptick is partly driven by an increase in the royalty rate set by the Omani government with effect from January 1, 2017 to 12 per cent of revenues, up from 7 per cent previously.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Zain Saudi rolls out region's largest 5G network

Zain Saudi Arabia (Zain KSA) has deployed 5G services in Saudi Arabia, after launching the first phase of those services - the largest in the region, the telecom operator said in a statement. The first phase will cover 20 cities across the Kingdom through 2,000 telecommunications towers. The coverage will be extended to 26 cities through 2,600 telecommunication towers by the end of this year.

Source: [Argaam](#)

### Sipchem signs letter of intent to expand its petrochem products reach in Saudi Arabia

Saudi-listed Sahara International Petrochemical Co. (Sipchem) signed a Letter of Intent (LOI) with Hoyer Middle East to further enhance the reach of its chemical products. The agreement is in-line with Sipchem's vision to expand to a full-fledged distribution company capable of delivering products and services to both large and small-to-medium businesses located in the Kingdom and internationally.

Source: [Argaam](#)

### Saudi market regulator facilitates listing of foreign companies

Saudi Arabia has introduced measures to facilitate the entry of foreign issuers to the Saudi stock market and encourage investment in NOMU, the country's secondary market, the Saudi Capital Market Authority (CMA) said on Sunday. The Saudi main stock exchange, Tadawul .TASI , opened to foreign investors in 2015. The kingdom has since introduced a raft of reforms to attract overseas share buyers and issuers as part of efforts to lure foreign capital and diversify the oil-dependent economy.

Source: [Zawya](#)

### Saudi outlook of economic transformation seems optimistic – Colliers

The overall outlook of the economic transformation in Saudi Arabia backed by 2030 Vision may seem optimistic with Saudis having the ambition to make this transformation real, Colliers International said in a recent paper on Saudi Arabia's real estate market. This level of transformation has been experienced before by other countries such as in Eastern Europe, the global commercial real estate leader indicated.

Source: [Mubasher](#)

### Fintech to drive UAE's growth in 2020

The UAE's fintech sector is poised to enter 2020 with robust deals as more investors and startups explore investment opportunities. The UAE is home to one third of fintech startups in the Middle East and North Africa (Mena), the largest community in the region and the number of fintech companies in the region are expected to reach 1,845 by 2022, indicating an impressive of 230 per cent from 559 in 2015.

Source: [Khaleej Times](#)

### **Almarai records 7.7% growth in Q3 revenue**

Almarai reported a revenue growth of 7.7% to reach SR3,573.3 million. Gross profit grew 3.2%, maintaining a robust value share in Almarai's core market of Saudi Arabia, holding no.1 position across 10 categories. Bakery business unit recorded a strong revenue growth of 10.4%, driven by increased investment in sales and marketing operations, while the Poultry business unit continued to expand in the food services and catering channel, achieving a revenue growth of 7.9%. Almarai Dairy and Juices business units also achieved a remarkable growth of 6.1% in the third quarter.

Source: [SG](#)

### **Most GCC stocks gain, Dubai leads**

Most of the UAE and other GCC stock markets opened the week on a positive note, bolstered by the gains in the global equity markets after decline in US jobless rate announced on Friday. Led by Dubai, the DFM General Index jumped 0.74 per cent to 2,781 points, helped nearly 15 per cent gains in stock prices of Agility and Amlak Finance. It was highest level achieved by Amlak Finance since November 28, 2018. The Shariah-compliant finance company has risen in recent sessions following a court ruling that awarded Dh780 million (\$212.36 million) in an arbitration.

Source: [Khaleej Times](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **China Narrows Scope for Trade Deal With U.S. Ahead of Talks**

Chinese officials are signaling they're increasingly reluctant to agree to a broad trade deal pursued by President Donald Trump, ahead of negotiations this week that have raised hopes of a potential truce. In meetings with U.S. visitors to Beijing in recent weeks, senior Chinese officials have indicated the range of topics they're willing to discuss has narrowed considerably, according to people familiar with the discussions.

Source: [Bloomberg](#)

### **Yen rises, offshore yuan dips on caution over Sino-U.S. trade talks**

The yen gained slightly and the yuan slipped a tad in early Asian trade on Monday on a media report that China wants the scope of this week's trade talks and any deal with the United States to be narrow. Bloomberg reported that Chinese officials are signaling they are increasingly reluctant to agree to a broad trade deal pursued by U.S. President Donald Trump. That report knocked down the dollar against the yen during thin early Monday trade to as low as 106.55 yen JPY=.

Source: [Reuters](#)

### **Asian shares up on U.S. jobs report, but caution seen on trade talks**

Asian shares edged higher on Monday after data showed the U.S. unemployment rate dropped to the lowest in almost 50 years, easing concerns of a slowdown in the world's largest economy. MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS rose 0.18%. Australian shares were up 0.5%. Japan's Nikkei stock index .N225 opened higher but reversed course and fell 0.3%.

Source: [Reuters](#)

### **HSBC reportedly plans to cut up to 10,000 jobs in drive to slash costs**

HSBC Holdings is planning to cut up to 10,000 jobs as interim Chief Executive Officer Noel Quinn seeks to reduce costs across the banking group, the Financial Times reported on Sunday. It said the cuts will focus mainly on high-paid roles. HSBC could announce the beginning of the latest cost-cutting drive and job cuts when it reports third-quarter results later this month, the Financial Times said.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil prices on ebb tide as gloom gathers over global economy**

Oil prices fell on Monday, extending last week's heavy losses, with traders fearing the global economic slowdown will weigh on future oil demand growth while pegging hopes for a rebound on progress in talks this week on ending the U.S.-China trade war.

Source: [Reuters](#)



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