

# U Capital Morning Brief

9 December 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	849.13	0.00	0.00%	-3.32%	-	-	-
U Capital GCC 50 Index	1,342.15	20.56	1.56%	2.48%	-	-	-
U Capital MENA 200 Index	1,055.96	13.89	1.33%	1.04%	-	-	-
MSCI GCC Countries Index	554.09	8.52	1.56%	3.02%	15.82	1.78	4.1%
Muscat Securities Market	4,026.04	-2.85	-0.07%	-6.89%	7.60	0.74	7.4%
Saudi Stock Exchange	8,098.74	193.23	2.44%	3.48%	20.87	1.79	3.7%
Kuwait Stock Exchange	7,014.30	41.44	0.59%	24.10%	14.94	1.42	3.5%
Qatar Exchange	10,377.26	18.91	0.18%	0.76%	15.07	1.54	4.1%
Bahrain Stock Exchange	1,549.43	2.12	0.14%	15.87%	12.51	0.97	5.0%
Dubai Financial Market	2,693.89	-0.82	-0.03%	6.49%	10.69	0.97	4.3%
Abu Dhabi Exchange	5,043.39	-3.23	-0.06%	2.61%	15.51	1.42	4.9%
Beirut Stock Exchange	759.24	0.32	0.04%	-22.27%	4.03	0.46	12.2%
Palestine Stock Exchange	526.33	-0.51	-0.10%	-0.57%	12.16	1.20	4.5%
Tunis Se Index	7,008.94	47.89	0.69%	-3.61%	19.75	2.37	2.1%
EGX 30 Index	13,493.69	-128.44	-0.94%	3.51%	11.55	1.77	2.5%
Amman General Index	1,795.72	3.75	0.21%	-5.92%	11.61	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,239.7	1.43%	7.6%
DAX	Germany	13,166.6	0.86%	24.7%
CAC 40	France	5,871.9	1.21%	24.1%
<b>United States</b>				
DJIA	USA	28,015.1	1.22%	20.1%
S&P 500	USA	3,145.9	0.91%	25.5%
NASDAQ	USA	8,656.5	1.00%	30.5%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,447.2	0.39%	17.1%
HANG SENG	Hongkong	26,504.8	0.02%	2.5%
KSE 100 Index	Pakistan	40,751.5	0.22%	9.9%
NSE Nifty 50	India	11,923.4	0.02%	9.8%
SHANGHAI COMPOSITE	China	2,911.3	-0.03%	16.7%
SHANGHAI SHENZHEN CSI 300	China	3,893.7	-0.22%	29.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.683	1.464
British Pound (GBP)	1.315	0.761
Canadian Dollar (CAD)	0.754	1.326
Chinese Renminbi (CNH)	0.142	7.033
Egyptian Pound (EGP)	0.062	16.121
Euro (EUR)	1.106	0.904
Indian Rupee (INR)	0.014	63.666
Japanese Yen (JPY)	0.009	108.570
New Zealand Dollar (NZD)	0.656	1.526
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.645	155.010
Russian Ruble (RUB)	0.016	71.101
Singapore Dollar (SGD)	0.735	1.360
Turkish Lira (TRY)	0.173	5.784

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	64.2	-0.31%	16.0%
WTI Crude (per bbl)	58.9	-0.51%	29.7%
Oman Crude Oil (Last Closing)	65.1	1.35%	21.7%
OPEC (per bbl)	64.8	2.24%	25.7%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,460.6	0.02%	13.9%
Silver (per oz)	16.6	0.02%	7.0%
Platinum (per oz)	893.6	-0.36%	12.3%
<b>Other Metals</b>			
Copper, MT	5,990	1.73%	0.4%
Aluminium, MT	1,765	1.03%	-4.4%
Lead, MT	1,892	-0.68%	-6.4%
Zinc, MT	2,238	0.18%	-9.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.15	-24.4%
Saudi Arabia	2.24	-24.9%
Kuwait	2.75	18.9%
Oman	2.78	-1.7%
Qatar	2.30	-20.7%
Bahrain	2.72	-31.2%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.4
Abu Dhabi	11/10/2027	2.5
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	5.6
Bahrain	12/10/2028	4.7

Midswaps	Price	YTM %
3 year	99.97	1.6
5 year	99.23	1.7
10 year	99.23	1.8
30 year	102.14	2.3

USD Libor	Rate (%)	YTD
1m	1.72	-31.5%
3m	1.89	-32.7%
6m	1.89	-34.4%
1 year	1.92	-36.0%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **Sohar Port signs lease agreement with Matrix Prime Logistics**

Sohar Port and Freezone signed an agreement with Matrix Prime Logistics (FZC) for the development of Phase 2 of the warehousing project, which commenced its operations in 2018. The agreement was signed between Omar Mahmood Al Mahrizi, CEO of the Freezone, representing Sohar Freezone and Dawood Al Rajhi and Dr Sahib Jasim, partners of Matrix Prime Logistics.

Source: [Times of Oman](#)

### **Oman-Japan bilateral trade tops \$4.5 bn**

A series of B2B meetings, site visits and investment presentations have been arranged by Ithraa, Oman's inward investment and export development agency, for a high-profile Japanese business delegation visiting the Sultanate. The four-day visit, which began on Sunday, has been designed to showcase Omani manufacturing, logistics, tourism and Oil and Gas excellence and build closer business and investment ties between Oman and Japan. Japan is already one of Oman's largest trading partners with exports worth \$2 billion, while imports from Japan valued at \$2.5 billion.

Source: [Oman Observer](#)

### **Madayn promotes Al Mazunah Free Zone in Morocco**

The Public Establishment for Industrial Estates (Madayn) recently participated in a forum on industrial and free zones held in Tangier, Morocco. The event was held under the auspices of King Mohammed VI and with the participation of 15 Arab countries. The forum aimed at boosting commercial exchange between the Arab countries and bringing together businessmen representing various countries to showcase investment opportunities and highlight successful models at the Arab and international levels.

Source: [Oman Observer](#)

### **Oman Project Management Chapter launched**

Project management professionals in the Sultanate celebrated the launch of Oman Project Management Chapter (OPMC) with a launch ceremony attended by a wide section of executives from diverse industries including Banking, Oil & Gas and Telecommunications, besides academicians from local educational institutes and universities. The ceremony opened with a brief introduction delivered by Laith al Harthy, President of OPMC.

Source: [Oman Observer](#)

### **Saudi Arabia, Oman to collaborate in supporting SMEs**

Zubair Small Enterprises Centre (SEC) and the Business Incubators and Accelerators Company (BIAC) have signed a Memorandum of Understanding (MoU) to support small and medium-sized enterprises (SMEs) in Saudi Arabia and Oman. The MoU was signed by Khalid Almahfouz, Director of Business Development of BIAC, and Mohammed Mubarak Al Hasani, Chief Communications Officer at Zubair Corporation.

Source: [Decypha](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Aramco's weight on TASI, global indices depends on free float shares: Tadawul CEO**

The Saudi Stock Exchange's (Tadawul) new fast entry methodology does not require a review, as companies are only required to meet the rule conditions, as is the case with Saudi Aramco, Khalid Al-Hussan, Tadawul's CEO, told Argaam in an exclusive. "TASI will not be impacted by Aramco stock's gains or losses in the first five days of trading. Tadawul will depend on the fifth day's closing price to include the stock in the Saudi benchmark," Al-Hussan said, adding the new mechanism ensures a balanced price ahead of impacting the index.

Source: [Argaam](#)

### **Riyad REIT invests SAR 351 mln in diversified US real estate portfolio**

Riyad REIT Fund invested SAR 350.8 million in a US property portfolio consisting of three office properties under long-term leases to strong investment grade tenants, the fund manager, Riyadh Capital, said in a bourse statement. The portfolio allows Riyadh REIT to benefit from stable, yielding, Class A office assets, diversified among top US cities including San Francisco, Dallas Metro, and Washington D.C. (Metro), the statement added.

Source: [Argaam](#)

### **Emirati banks' investments in Saudi, Egypt exceed \$30bln in nine months**

Investments of Emirati banks in Saudi Arabia and Egypt amounted to AED 111.3 billion (\$30.3 billion) over the first nine months of 2019, 27.5% up from AED 87 billion in the same period in 2018, Emirates News Agency (WAM) reported on Sunday, citing data from the Central Bank of the UAE (CBUAE). During the nine-month period ended 30 September, UAE banks' investments in Saudi Arabia and Egypt accounted for 17.6% of their total investments abroad, recording AED 65.3 billion and AED 46 billion, respectively.

Source: [Zawya](#)

### **UAE aims to become most business friendly country by 2021**

The UAE aims to become the most business friendly country in the world over the next couple of years and the target is quite achievable, senior official of UAE and World Bank Group said on Sunday, December 8. Currently ranked 16th in the World Bank's Doing Business study, Abdulla Nasser Lootah, Director-General of Federal Competitiveness and Statistics Authority (FCSA), said the aim is to achieve top ranking globally in the World Bank report by 2021.

Source: [Khaleej Times](#)

### **GCC smart home market to reach \$3.4bln by 2025**

The market for smart home technology in the Gulf Cooperation Council (GCC) is expected to rise to \$3.4 billion by the end of 2025, a report by Business Wire showed. "With the GCC's reputation as an early technology adopter, it is envisaged it could well emerge as a market leader for 'domotics'. Using the internet of things (IoT) technology, the GCC's smart homes will utilize automation to simplify and secure home environments," Andreas Rex, Show Director at Messe Frankfurt Middle East which organises Intersec said.

Source: [Zawya](#)

### **Saudi startups see higher investments, female participation – Arabnet**

Startup investments in Saudi Arabia have grown over the past few years, which is largely attributed to the Saudi Vision 2030. Saudi Arabia aims to build a thriving economy by supporting entrepreneurship and innovation, fostering and investing in startups, according to the 4th edition of the "State of Digital Investments in MENA 2013-2018" report by Arabnet. The strategic futuristic Vision 2030 aims to diversify the Kingdom's economy and boost non-oil economic to reduce dependency on crude oil exports.

Source: [Mubasher](#)

### **Low income group exempted from paying UAE housing loans**

UAE Vice President and Prime Minister of the UAE and Ruler of Dubai HH Sheikh Mohammed bin Rashid Al Maktoum has ordered the exemption of financially-distressed citizens, whose monthly income is below Dh15,000 (\$4,083.4), from repaying the remainder of housing loans taken under the Sheikh Zayed Housing Programme (SZHP). The royal decree also covers the families of deceased Emirati citizens, said a statement from Dubai Media office.

Source: [GDN Online](#)

### **Egypt cuts spending on fuel subsidies by 69% in Q1-19/20**

Egypt has slashed spending on fuel subsidies by 69% year on year during the first quarter of fiscal year 2019/2020, Reuters reported on Sunday, citing the Egyptian minister of petroleum Tarek El-Molla as saying. The most populous Arab nation's expenditures on fuel subsidies retreated to EGP 7.25 billion (\$451.4 million) during the July-September period, compared to EGP 23.25 billion in the year-ago period, EL-Molla revealed.

Source: [Mubasher](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **As Fed reiterates rate pause, forecasts likely to be blown off course**

Friday's booming U.S. jobs report should give the Federal Reserve all it needs to stick to its plan not to cut interest rates further in the near future, so when U.S. central bankers meet this week, most of the focus will be on their outlook for next year and beyond.

Source: [Reuters](#)

### **Asian shares buoyed by Wall St rally, but China worry caps gains**

Asian stocks edged up on Monday, catching some of Wall Street's momentum after surprisingly strong U.S. jobs data although regional gains were capped by concerns about China's economic slowdown due to the prolonged Sino-U.S. trade war.

Source: [Reuters](#)

### U.S. banks' reluctance to lend cash may have caused repo shock: BIS

An unwillingness among the four leading U.S. banks to lend cash, combined with a surge in demand from hedge funds for secured funding, could explain the spike in U.S. money market rates and the sudden stress in the repo market beginning in September, the Bank for International Settlements said in a report dated Monday.

Source: [Market Watch](#)

### China exports fall for fourth consecutive month as Beijing demands tariff rollback as part of trade deal

The 17-month trade dispute has increased the risk of a global recession. Overseas shipments from China fell 1.1 percent from a year earlier last month, customs data showed. But imports rose by a small margin, a sign that Beijing's stimulus steps are helping to stoke demand.

Source: [CNBC](#)

## COMMODITIES NEWS

### Oil prices slip as weak China exports highlights trade war impact

Oil prices fell on Monday after data showing China's overall exports of goods and services shrank for a fourth straight month, sending shivers through a market already concerned about damage being done to global demand by the Sino-U.S. trade war.

Source: [Reuters](#)