

# U Capital Morning Brief

10 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	848.14	-0.99	-0.12%	-3.44%	-	-	-
U Capital GCC 50 Index	1,344.05	1.90	0.14%	2.62%	-	-	-
U Capital MENA 200 Index	1,055.31	-0.65	-0.06%	0.98%	-	-	-
MSCI GCC Countries Index	553.43	-0.66	-0.12%	2.89%	15.80	1.78	4.1%
Muscat Securities Market	4,020.87	-5.17	-0.13%	-7.00%	7.59	0.74	7.4%
Saudi Stock Exchange	8,120.01	21.27	0.26%	3.75%	20.93	1.79	3.7%
Kuwait Stock Exchange	7,039.03	24.73	0.35%	24.53%	15.00	1.42	3.5%
Qatar Exchange	10,277.02	-100.24	-0.97%	-0.21%	14.92	1.52	4.1%
Bahrain Stock Exchange	1,549.43	2.12	0.14%	15.87%	12.51	0.97	5.0%
Dubai Financial Market	2,684.44	-9.45	-0.35%	6.11%	10.66	0.96	4.4%
Abu Dhabi Exchange	5,023.04	-20.35	-0.40%	2.20%	15.44	1.41	5.0%
Beirut Stock Exchange	763.30	4.06	0.53%	-21.85%	4.06	0.46	12.1%
Palestine Stock Exchange	524.37	-1.96	-0.37%	-0.94%	12.11	1.19	4.5%
Tunis Se Index	7,035.34	26.40	0.38%	-3.25%	19.82	2.38	2.1%
EGX 30 Index	13,442.52	-51.17	-0.38%	3.12%	11.51	1.76	2.6%
Amman General Index	1,793.78	-1.94	-0.11%	-6.03%	11.58	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,233.9	-0.08%	7.5%
DAX	Germany	13,105.6	-0.46%	24.1%
CAC 40	France	5,837.3	-0.59%	23.4%
<b>United States</b>				
DJIA	USA	27,909.6	-0.38%	19.6%
S&P 500	USA	3,136.0	-0.32%	25.1%
NASDAQ	USA	8,621.8	-0.40%	29.9%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,419.4	-0.05%	17.0%
HANG SENG	Hongkong	26,471.6	-0.09%	2.4%
KSE 100 Index	Pakistan	40,290.2	-0.41%	8.7%
NSE Nifty 50	India	11,917.0	-0.17%	9.7%
SHANGHAI COMPOSITE	China	2,908.6	-0.20%	16.6%
SHANGHAI SHENZHEN CSI 300	China	3,889.0	-0.17%	29.2%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.683	1.464
British Pound (GBP)	1.315	0.760
Canadian Dollar (CAD)	0.756	1.323
Chinese Renminbi (CNH)	0.142	7.036
Egyptian Pound (EGP)	0.062	16.121
Euro (EUR)	1.107	0.904
Indian Rupee (INR)	0.014	63.577
Japanese Yen (JPY)	0.009	108.640
New Zealand Dollar (NZD)	0.656	1.524
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.645	155.005
Russian Ruble (RUB)	0.016	70.929
Singapore Dollar (SGD)	0.735	1.360
Turkish Lira (TRY)	0.172	5.810

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	64.1	-0.19%	15.9%
WTI Crude (per bbl)	58.9	-0.20%	29.7%
Oman Crude Oil (Last Closing)	65.0	-0.25%	21.4%
OPEC (per bbl)	65.2	0.66%	26.6%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,461.9	0.02%	14.0%
Silver (per oz)	16.6	0.07%	7.2%
Platinum (per oz)	899.7	0.52%	13.1%
<b>Other Metals</b>			
Copper, MT	6,075	1.42%	1.8%
Aluminium, MT	1,757	-0.45%	-4.8%
Lead, MT	1,893	0.05%	-6.3%
Zinc, MT	2,239	0.04%	-9.2%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.19	-22.7%
Saudi Arabia	2.24	-24.9%
Kuwait	2.75	18.9%
Oman	2.78	-1.5%
Qatar	2.28	-21.4%
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	2.4
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	5.5
Bahrain	12/10/2028	4.6

Midswaps	Price	YTM %
3 year	99.98	1.6
5 year	99.26	1.7
10 year	99.38	1.8
30 year	102.67	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

### Renaissance Services restructures its share capital

The Board of Directors of Renaissance Services invited all shareholders to attend an Extraordinary General Meeting (EGM), which was held on Sunday, December 8 at the Meeting Hall of the Capital Market Authority (CMA). The EGM was attended by Samir Fancy, chairman of the Board of Directors, Ali Hassan Sulaiman, deputy chairman and Sunder George and Manish Doshi, board members. The meeting was also attended by Stephen R. Thomas, chief executive officer and Vishal Goenka, chief financial officer.

Source: [Times of Oman](#)

### Oman reveals bidders in 146 MW solar-diesel-storage tender

The state-owned Rural Areas Electricity Company wants to build 11 solar-diesel-storage projects in isolated rural areas. Pre-qualified bidders in the tender include Engie, Canadian Solar, Akuo, Longi, Jinko, GCL, Abengoa, Total and Belectric.

Source: [PV Mag](#)

### Oman LNG holds out hope for additional 4th train

Oman LNG is banking on its hugely successful revenue generating potential, which topped \$3.5 billion last year, coupled with its laudable performance on the productivity, operations, safety and CSR fronts, to make a compelling argument in support of its longstanding desire to see a fourth train added to its 3-train liquefaction complex at Qalhat. However, Oman LNG Chief Executive Officer Harib al Kitani (pictured) stressed that any decision to this effect would be essentially the prerogative of the company's principal shareholder — the Omani government — and subject to enough gas volumes becoming available to support the feedstock needs of this expansion.

Source: [Oman Observer](#)

### French utility firm secures contract to optimise Oman's water networks

French environmental services provider Suez has announced that it has been awarded a contract to optimise the energy consumption of Muscat's drinking water production and distribution system. The contract, awarded by Oman's Public Authority for Water (Diam), will help in securing the 24/7 operation of the drinking water system, while cutting operating costs and conserving infrastructures. Using its Aquadvanced Energy software, Suez will carry out the modelling of the data collected from the water distribution system, the calculation of water consumption forecasts and energy prices in real time, to define optimised pumping strategies that are implemented automatically.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi 2020 budget deficit expected to hit SAR 187 bln

Saudi Arabia announced on Monday its state budget for 2020 with estimated revenues of SAR 833 billion, a decline of 9.1% year-on-year (YoY) and public expenditure of SAR 1.020 trillion. Public debt is expected at SAR 754 billion. In 2019, the Kingdom saw expenditures of SAR 1.048 trillion, and revenue of SAR 917 billion, with SAR 131 billion deficit. Oil revenue is projected at SAR 513 billion in 2020, down 14.7% YoY. Non-oil revenue is forecast to grow by 1.6% YoY next year to SAR 320 billion.

Source: [Argaam](#)

### Saudi Cabinet convenes today to approve 2020 state budget

Saudi Arabia's Cabinet will hold an emergency meeting today to approve the 2020 state budget, Alekhbariya TV said. The Kingdom's expenditure for the 2020 state budget is forecast to reach SAR 1.020 trillion, with estimated revenue of SAR 833 billion, the Ministry of Finance had earlier said in its pre-budget statement. Revenue for the current year 2019 is projected at SAR 917 billion, with estimated expenditures of SAR 1.048 trillion. The budget deficit is expected to hit SAR 131 billion.

Source: [Argaam](#)

### Saudi aggregate cement sales up 24% in November

Aggregate sales of 17 Saudi-listed cement companies increased 24% to 4.27 million tons in November 2019, from 3.45 million tons a year earlier, according to data compiled by Argaam. All cement producers — except for Arabian Cement Co. - reported higher sales, led by Northern Province Cement with more than 200% surge year-on-year (YoY) during the same month. Umm Al-Qura Cement came second with a 68% rise. It was followed by Najran Cement and City Cement, which saw their sales growing by 52% and 49% respectively.

Source: [Argaam](#)

### **Saudi Arabia Announces 2020 Budget: Delivering Efficiently and Powering Private Sector Growth**

The 2020 budget indicates total expenditures of SAR 1,020 billion, and SAR 833 billion of projected revenues. The 2020 budget deficit is projected to amount SAR 187 billion (6.4% of GDP). For FY 2019, it is expected that the actual expenditures will reach SAR 1,048 billion and total actual revenues are expected to reach SAR 917 billion. The deficit is expected to amount to SAR 131 billion (4.7% of estimated 2019 GDP).

Source: [PR Newswire](#)

### **Dubai property demand is 'strong'**

Demand for Dubai's property remains pretty strong despite oversupply and demand-supply balance is likely to be achieved by 2022, say senior industry officials. Stressing that oversupply is a concern, they, however, rule out slump in demand as approximately up to 30,000 units are said to be sold out in Dubai in 2019 alone. They believe that oversupply will continue beyond 2020, hence, curbs on supply over the next 12-18 months - not beyond that - will help bring balance on demand-supply front.

Source: [Khaleej Times](#)

### **Saudi Aramco allocates \$1bn shares for employee incentives**

The Saudi government's ownership in the Saudi Arabian Oil Company (Saudi Aramco) stands at 98.21%, as shown by the data of the Saudi Stock Exchange (Tadawul). Aramco offered 1.5% of its shares through an initial public offering (IPO), equivalent to 3 billion shares, of which two billion shares were set for institutions and another billion shares for individual investors through a retail offering.

Source: [Zawya](#)

### **Saudi's largest banks to maintain strong profitability: Moody's**

Saudi Arabia's three biggest banks will maintain strong profitability despite pressure from falling interest rates. Efficiency and strong capital at National Commercial Bank, Al Rajhi Bank and Saudi British Bank will protect their credit profile. Saudi Arabia's three largest banks, National Commercial Bank (NCB), Al Rajhi Bank, and Saudi British Bank (SABB), will maintain strong profitability even as interest margins on their lending narrow because of falling interest rates, Moody's Investors Service said in a report published today.

Source: [Moody's](#)

### **Saudi Arabia's Almarai appoints new CEO**

Saudi Arabia's Almarai Company has named Majed Mazen Nofal as its new chief executive, replacing Georges P. Schorderet. The new CEO will assume position from January 1, 2020, Almarai said in a bourse statement. Nofal was appointed as Head of Central Procurement for Almarai Company in 2010 and served in that role for seven years. In 2017, he was appointed General Manager – New Businesses and served in this capacity until his appointment as Chief Financial Officer in April 2019. In July 2019, Nofal was appointed as Deputy CEO.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Asian shares ease slightly as tariff deadline looms**

Asian equity markets ticked down on Tuesday, tracking Wall Street losses as investors fretted over a Dec. 15 deadline for the next round of U.S. tariffs on Chinese imports to take effect.

Source: [Reuters](#)

### **China November producer prices fall for fifth month, CPI soars**

China's producer prices fell in annual terms for the fifth consecutive month in November while consumer prices spiked as food costs climbed, data showed on Tuesday, complicating policymakers' efforts to boost demand as economic growth slows.

Source: [Reuters](#)

### **China reportedly orders state offices to remove foreign tech which could hit US firms like Microsoft**

China's Communist Party has ordered all state offices to remove foreign hardware and software within three years, the Financial Times reports. The move could hit major U.S. firms including Microsoft, Dell and HP. China's latest policy may be seen as one of the most direct moves against U.S. technology firms during the trade war.

Source: [CNBC](#)

### **Dollar steady as traders await news on U.S.-China trade talks**

China Nov exports fall as trade war bites. Pound up on expectations of Conservative win in UK election. Focus turns to U.S.-China tariff deadline. Fed, ECB meet this week, UK election on Thursday. The dollar was little-changed against a basket of

currencies on Monday as investors awaited fresh developments in the 17-month-long U.S.-China trade war, while the pound crept higher on the latest polls ahead of this week's British election.

Source: [Yahoo](#)

## COMMODITIES NEWS

### Oil looks for stability after Opec+ production cuts

Oil prices were down on Monday, despite a new round of production cuts announced by Opec+ last week, highlighting how the body's decision will more than likely stabilise prices instead of sending them up said analysts. Brent crude was down 1.07 per cent at \$63.70 (Dh233) with West Texas Intermediate (WTI) also down 1.13 per cent on \$58.53 by 4pm UAE time, with markets reacting negatively to weak data coming out from China showing exports were down for the fourth straight month.

Source: [Gulf News](#)

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