

U Capital Morning Brief

11 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	0.00	0.00%	-3.44%	-	-	-
U Capital GCC 50 Index	1,341.62	-2.43	-0.18%	2.44%	-	-	-
U Capital MENA 200 Index	1,053.84	-1.47	-0.14%	0.84%	-	-	-
MSCI GCC Countries Index	551.70	-1.74	-0.31%	2.57%	15.75	1.78	4.1%
Muscat Securities Market	4,017.61	-3.26	-0.08%	-7.08%	7.58	0.74	7.4%
Saudi Stock Exchange	8,066.42	-53.59	-0.66%	3.06%	20.79	1.78	3.8%
Kuwait Stock Exchange	7,044.86	5.83	0.08%	24.64%	15.01	1.42	3.5%
Qatar Exchange	10,316.99	39.97	0.39%	0.17%	14.98	1.53	4.1%
Bahrain Stock Exchange	1,549.77	0.34	0.02%	15.89%	12.52	0.97	5.0%
Dubai Financial Market	2,687.61	3.17	0.12%	6.24%	10.67	0.96	4.4%
Abu Dhabi Exchange	5,020.13	-2.91	-0.06%	2.14%	15.43	1.41	5.0%
Beirut Stock Exchange	762.58	-0.73	-0.10%	-21.93%	4.05	0.46	12.1%
Palestine Stock Exchange	524.89	0.52	0.10%	-0.84%	12.13	1.19	4.5%
Tunis Se Index	7,016.52	-18.82	-0.27%	-3.51%	19.77	2.38	2.1%
EGX 30 Index	13,509.02	66.50	0.49%	3.63%	11.57	1.77	2.5%
Amman General Index	1,800.58	6.80	0.38%	-5.67%	11.63	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,213.8	-0.28%	7.2%
DAX	Germany	13,070.7	-0.27%	23.8%
CAC 40	France	5,848.0	0.18%	23.6%
United States				
DJIA	USA	27,881.7	-0.10%	19.5%
S&P 500	USA	3,132.5	-0.11%	25.0%
NASDAQ	USA	8,616.2	-0.07%	29.9%
Asia Pacific				
NIKKEI 225	Japan	23,361.8	-0.21%	16.7%
HANG SENG	Hongkong	26,524.4	0.35%	2.6%
KSE 100 Index	Pakistan	40,739.3	0.18%	9.9%
NSE Nifty 50	India	11,894.7	0.32%	9.5%
SHANGHAI COMPOSITE	China	2,922.2	0.17%	17.2%
SHANGHAI SHENZHEN CSI 300	China	3,900.3	0.00%	29.6%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.682	1.467
British Pound (GBP)	1.314	0.761
Canadian Dollar (CAD)	0.756	1.323
Chinese Renminbi (CNH)	0.142	7.035
Egyptian Pound (EGP)	0.062	16.121
Euro (EUR)	1.109	0.902
Indian Rupee (INR)	0.014	63.506
Japanese Yen (JPY)	0.009	108.750
New Zealand Dollar (NZD)	0.653	1.532
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.645	154.935
Russian Ruble (RUB)	0.016	70.776
Singapore Dollar (SGD)	0.736	1.360
Turkish Lira (TRY)	0.172	5.807

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	64.0	-0.61%	15.5%
WTI Crude (per bbl)	58.9	-0.51%	29.8%
Oman Crude Oil (Last Closing)	65.0	0.14%	21.5%
OPEC (per bbl)	65.6	0.51%	27.2%
Precious Metals			
Gold100 OZ (per oz)	1,463.5	-0.06%	14.1%
Silver (per oz)	16.6	-0.21%	7.4%
Platinum (per oz)	921.0	-0.11%	15.8%
Other Metals			
Copper, MT	6,100	0.41%	2.3%
Aluminium, MT	1,755	-0.11%	-4.9%
Lead, MT	1,907	0.74%	-5.6%
Zinc, MT	2,228	-0.51%	-9.7%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.16	-24.0%
Saudi Arabia	2.24	-24.8%
Kuwait	2.75	18.9%
Oman	2.80	-0.9%
Qatar	2.20	-24.3%
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	2.4
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	5.5
Bahrain	12/10/2028	4.6

Midswaps	Price	YTM %
3 year	99.90	1.7
5 year	99.13	1.7
10 year	99.22	1.8
30 year	102.48	2.3

USD Libor	Rate (%)	YTD
1m	1.72	-31.4%
3m	1.89	-32.7%
6m	1.88	-34.6%
1 year	1.94	-35.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman Brunei Investment Co boosts its capital to \$200mn

The State General Reserve Fund (SGRF) and Brunei Investment Agency (BIA) on Sunday announced that they have signed an agreement to increase the share capital of their joint-venture firm Oman Brunei Investment Company (OBIC) to US\$200mn from US\$100mn. A definitive agreement in this regard was signed between the representatives of both companies on the sidelines of the 19th consultative meeting held on Sunday in Muscat.

Source: [Muscat Daily](#)

Sur Industrial City to build SME clusters

Sur Industrial City – part of the Public Establishment for Industrial Estates (Madayn) – has floated a tender for the development of clusters for small and medium enterprises (SMEs) at a cost of around RO 10 million. The project is one of several initiatives to help boost investment into the industrial park, said Mubarak bin Salim al Ghailani, Director of Administration at Sur Industrial City. The clusters will be designed to address challenges currently being faced by SMEs in Sur, he noted. Also on the anvil is a plan for a jetty at Sur – an initiative will enhance the industrial park’s appeal to investors, he said.

Source: [Oman Observer](#)

Oman conference to review international and local experiences in dealing with HR

Key HR issues in the Sultanate, the gap between the technical know-how and the demands of the labour market, training and development, retention and the like are the focal points of the Fifth Annual Human Resources Conference 2019 organised by the Omani Society for Human Resources Management (OSHARM), which is beginning at the Oman Convention and Exhibition Center (OCEC) today (Tuesday). The three-day conference, supported by the Oman Establishment for Press, Publication and Advertising (OEPPA), will be attended by more than 650 specialists in HR from both the public and private sectors. The official opening which will be held on Wednesday under the auspices of Dr Fahd bin al Jalandi al Said.

Source: [Zawya](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

A closer look at the Saudi 2020 public budget

The Saudi Ministry of Finance revealed the five strategic directions for the 2020 budget, which was approved on Monday by King Salman bin Abdulaziz. The budget is focusing on developing basic facilities and services for all citizens, raising the quality of life and supporting housing plans; continuing the realization of Saudi Vision 2030 objectives; reaching an optimal use of resources; enhancing social protection programs; and empowering the Saudi Private sector.

Source: [Mubasher](#)

Economic reforms boosted Saudi non-oil growth - Crown Prince

Prince Mohammad bin Salman, Crown Prince and Deputy Prime Minister of Saudi Arabia, commended the 2020 state budget, which was approved on Monday by King Salman bin Abdulaziz Al Saud. “The 2020 Budget comes in light of a global economic climate that prevails challenges, risks and protectionist policies, which requires flexibility in managing public finances and enhancing the economy’s resilience to address these challenges and risks.”

Source: [Mubasher](#)

Dubai economy to grow 3.2% in 2020

Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, on Tuesday said Dubai will post higher gross domestic product (GDP) growth next year. While announcing Dubai’s economic outlook, Sheikh Hamdan said projected short-to-medium term economic activity in Dubai indicates a real GDP growth of 2.1 per cent this year, 3.2 per cent in 2020 and three per cent in 2021.

Source: [Khaleej Times](#)

November property sales in Dubai hit 11-year high

Monthly property sales in November reached an 11-year high of 5,051 deals, up from 4,774 in October and 4,007 in September, according to Property Finder. The volume of property transactions in Dubai has picked up following the formation of the emirate’s Higher Real Estate Planning Committee, with the sale of Burma Islands for Dh112.77 million earlier this week the biggest deal done, the real estate portal said. Citing Dubai Land Department data, the listing portal said 13,832 property transactions have been completed since the formation of the new committee was announced on September 2.

Source: [Decypha](#)

UAE VAT contributed 5.5% to country's overall revenue in 2018

Tax revenue, including VAT, amounted to 5.5 percent of the total public revenue last year while oil revenues and the profits of public joint-stock companies accounted for 36.1 percent and 32.9 percent, respectively, according to the Ministry of Finance, MoF. The MoF said the UAE's decision to apply value-added tax, VAT, was positively reflected in the country's overall budget. It added that 2018 witnessed a budget surplus of 2.2 percent compared to deficits of 0.2 percent, 1.3 percent and 6.4 percent in 2017, 2016 and 2015, respectively. The Federal Government adopted a VAT rate of 5 percent at the start of 2018, to promote economic growth in isolation from oil revenues and increase the state's ability to continue providing educational and health services and public facilities.

Source: [Decypha](#)

Saudi central bank ready for any Aramco-related liquidity squeeze

Saudi Arabia's central bank is ready for any liquidity squeeze from Saudi Aramco's initial public offering (IPO) and is closely monitoring local banks, its governor said, after heavy demand for loans to buy the stock. Aramco's long-awaited listing on the Saudi Arabian stock exchange is due on Wednesday, completing the largest IPO on record and raising \$25.6 billion from retail and institutional buyers who took on debt to back their orders. "We don't rule out that there might be squeeze of liquidity later on, that's why I am ready and stand ready to intervene," Ahmed al-Kholifey told Reuters.

Source: [Zawya](#)

Saudi Aramco's opening price likely at $\pm 10\%$ fluctuation limit, says Tadawul CEO

The extension of state-owned Saudi Aramco's opening auction for 30 minutes on the first day of trading is considered "uninfluential", Khalid Al-Hussan, CEO of the Saudi Stock Exchange (Tadawul), told Argaam. "These measures are meant to give investors more time to determine the stock's opening price based on supply and demand," said Al-Hussan, adding that Aramco's opening price will have a $\pm 10\%$ daily price fluctuation limit. Tadawul receives orders of daily price fluctuation of +10%, but these orders will not be considered, he said.

Source: [Argaam](#)

Saudi Aramco says Goldman Sachs may stabilize offer of some securities

Saudi Aramco received on Tuesday a notification from Goldman Sachs Saudi Arabia, its IPO stabilizing manager that it may stabilize the offer of the following securities based on the price stabilization mechanism instructions, the company said in a statement to Tadawul. Under the IPO, the stabilizing manager may execute transactions to stabilize the market price of the shares to the extent permitted by the Stabilization Instructions. Such transactions may be effected on the exchange and may be undertaken at any time during the stabilizing period.

Source: [Argaam](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Pound slips on UK poll projections, dollar awaits Fed

The British pound slipped early on Wednesday after a poll showed a narrowing lead for Prime Minister Boris Johnson's Conservative Party in an election scheduled for later in the week, while U.S. dollar movement looked to the Federal Reserve's policy meeting.

Source: [Reuters](#)

Asian shares drift as tariff deadline looms, pound eases on YouGov poll

Asian stocks drifted on Wednesday as Sino-U.S. trade talks showed little progress ahead of a weekend deadline for the imposition of additional U.S. tariffs, and the pound wobbled as opinion polls pointed to a tight British election on Thursday.

Source: [Reuters](#)

Asian Development Bank cuts growth outlook for China and developing Asia amid trade war

The Asian Development Bank has lowered its growth forecasts for developing Asia this year and the next, amid a weaker outlook for China and India that indicates softer economic activity elsewhere in the region. The bank trimmed its growth forecast for developing Asia to 5.2% in 2019 and 2020, according to its updated annual outlook report, from 5.4% and 5.5% previously.

Source: [CNBC](#)

Trump administration reportedly plans to delay China tariffs set to take effect Sunday

The U.S. and China are taking steps to delay the next round of American tariffs set for Sunday as they seek a deal to rein in a raging trade war, according to The Wall Street Journal. 15% tariffs on about \$160 billion in Chinese goods are set to take effect on Sunday. This round of tariffs targets Chinese-made consumer goods, including toys, phones, laptops and clothes.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices wilt on surprise build-up in U.S. crude stocks

Oil prices fell on Wednesday after industry data showed an unexpected build in crude inventory in the United States and as investors waited for news on whether a fresh round of U.S. tariffs on Chinese goods would take effect on Sunday.

Source: [Reuters](#)

Ubar Capital SAOC (U Capital)

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.