

U Capital Morning Brief

15 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	847.21	1.10	0.13%	-3.54%	-	-	-
U Capital GCC 50 Index	1,337.99	-14.63	-1.08%	2.16%	-	-	-
U Capital MENA 200 Index	1,052.63	-7.94	-0.75%	0.72%	-	-	-
MSCI GCC Countries Index	548.83	0.06	0.01%	2.04%	15.67	1.77	4.1%
Muscat Securities Market	4,019.67	5.63	0.14%	-7.03%	7.59	0.74	7.4%
Saudi Stock Exchange	8,005.77	-127.95	-1.57%	2.29%	20.63	1.77	3.8%
Kuwait Stock Exchange	7,061.76	18.79	0.27%	24.94%	15.05	1.43	3.5%
Qatar Exchange	10,256.93	-82.43	-0.80%	-0.41%	14.89	1.52	4.2%
Bahrain Stock Exchange	1,567.41	12.26	0.79%	17.21%	12.66	0.98	5.0%
Dubai Financial Market	2,722.43	8.86	0.33%	7.62%	10.81	0.98	4.3%
Abu Dhabi Exchange	5,036.46	-3.76	-0.07%	2.47%	15.48	1.41	5.0%
Beirut Stock Exchange	758.54	-2.51	-0.33%	-22.34%	4.03	0.46	12.2%
Palestine Stock Exchange	525.56	1.16	0.22%	-0.72%	12.15	1.19	4.5%
Tunis Se Index	6,983.60	-7.84	-0.11%	-3.96%	19.68	2.36	2.1%
EGX 30 Index	13,358.47	-68.75	-0.51%	2.48%	11.44	1.75	2.5%
Amman General Index	1,803.05	-2.90	-0.16%	-5.54%	12.22	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,353.4	1.10%	9.3%
DAX	Germany	13,282.7	0.46%	25.8%
CAC 40	France	5,919.0	0.59%	25.1%
United States				
DJIA	USA	28,135.4	0.01%	20.6%
S&P 500	USA	3,168.8	0.01%	26.4%
NASDAQ	USA	8,734.9	0.20%	31.6%
Asia Pacific				
NIKKEI 225	Japan	24,023.1	2.55%	20.0%
HANG SENG	Hongkong	27,687.8	2.57%	7.1%
KSE 100 Index	Pakistan	40,916.6	0.99%	10.4%
NSE Nifty 50	India	12,086.7	0.96%	11.3%
SHANGHAI COMPOSITE	China	2,967.7	1.78%	19.0%
SHANGHAI SHENZHEN CSI 300	China	3,968.2	1.98%	31.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.688	1.454
British Pound (GBP)	1.333	0.750
Canadian Dollar (CAD)	0.760	1.317
Chinese Renminbi (CNH)	0.143	7.014
Egyptian Pound (EGP)	0.062	16.121
Euro (EUR)	1.112	0.899
Indian Rupee (INR)	0.014	62.883
Japanese Yen (JPY)	0.009	109.380
New Zealand Dollar (NZD)	0.660	1.517
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.645	154.970
Russian Ruble (RUB)	0.016	70.814
Singapore Dollar (SGD)	0.739	1.353
Turkish Lira (TRY)	0.172	5.806

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	65.2	1.59%	17.8%
WTI Crude (per bbl)	60.1	1.50%	32.3%
Oman Crude Oil (Last Closing)	66.1	1.72%	23.6%
OPEC (per bbl)	65.8	0.66%	27.7%
Precious Metals			
Gold100 OZ (per oz)	1,448.4	0.45%	12.9%
Silver (per oz)	16.9	0.02%	9.4%
Platinum (per oz)	928.6	-1.70%	16.7%
Other Metals			
Copper, MT	6,130	-0.42%	2.8%
Aluminium, MT	1,768	-0.39%	-4.2%
Lead, MT	1,910	-1.44%	-5.5%
Zinc, MT	2,253	-0.44%	-8.7%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.11	-25.7%
Saudi Arabia	2.24	-24.7%
Kuwait	2.75	18.9%
Oman	2.77	-1.9%
Qatar	2.26	-22.1%
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	2.8
Oman	17/01/2028	5.4
Bahrain	12/10/2028	4.5

Midswaps	Price	YTM %
3 year	100.02	1.6
5 year	99.27	1.7
10 year	99.34	1.8
30 year	102.66	2.3

USD Libor	Rate (%)	YTD
1m	1.74	-30.6%
3m	1.90	-32.3%
6m	1.90	-33.8%
1 year	1.96	-34.7%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: MSM declines on foreign selling pressure amid weak trading

The MSM 30 Index continued to decline as has been the trend over the last couple of weeks, primarily on selling pressure from foreign investors. Foreigners were net sellers of about \$3.7 million worth of securities this week. The MSM30 Index declined by 0.23 per cent w-o-w to 4,019.67. All sub-indices closed down, led by the Services Index which closed down by 0.99 per cent, followed by the Industrial Index which closed down by 0.98 per cent, and the Financial Index which closed down by 0.22 per cent. The MSM Shariah Index also closed down by 0.84 per cent w-o-w.

Source: [Oman Observer](#)

Phase II of Manufacturing Strategy 2040 unveiled

The Ministry of Commerce and Industry has initiated the second phase of the manufacturing strategy project aimed at identifying policy instruments to implement Sultanate's Manufacturing Strategy 2040 (2021-40). The second phase is undertaken in collaboration with the United Nations Industrial Development Organisation (UNIDO).

Source: [Oman Observer](#)

ICV in Oil & Gas is important, but let's not overdo it: Aofi

Localisation, while beneficial to the national economy, can be counterproductive if pursued to the detriment of efficiency and cost-effectiveness, a top official of the Ministry of Oil and Gas has warned. Salim bin Nasser al Aofi (pictured), Ministry Under-Secretary, cautioned against the creation of "barriers" between countries in the Gulf and the wider Middle East region as individual states aggressively pursue localisation policies that require Oil & Gas companies and service providers to invest in local manufacturing and repair capabilities.

Source: [Oman Observer](#)

Oman crude averages \$64.1/b during first 10 months of 2019

The price of Oman crude averaged \$64.1 per barrel during the first ten months of 2019, which was lower by 5.3 per cent over the corresponding period of last year, the Central Bank of Oman (CBO) stated in its monthly review of banking and monetary developments for the month of October 2019. Average daily oil production decreased marginally by 0.4 per cent to 970.9K barrels during this period, the apex bank stated in its newly published review.

Source: [Oman Observer](#)

NBC event highlights marketing practices of SMEs

The National Business Centre (NBC), an initiative of the Public Establishment for Industrial Estates – Madayn, organised Reyooq discussion event on 'Marketing Practices of Small and Medium Enterprises' at the Knowledge Oasis Muscat. The session featured speakers comprising Hashar Al Mandhari, CEO of Alamah Marketing; Ahmed Ibrahim, Founder of Thurayabiz; and Hiba Al Kiyumi, Owner of Eva Clinics.

Source: [Times of Oman](#)

Assembly, Repair and Testing Centre opens in Oman

Under the auspices of Dr Mohammed bin Hamad Al Rumhy, the Minister of Oil and Gas, Petroleum Development Oman (PDO) in collaboration with Schlumberger Oman & Co. celebrated the inauguration of the Oman Assembly, Repair and Testing (ART) Centre in Nizwa Industrial Estate. Showcasing an investment valued at \$26m for the facility and equipment, the Oman ART Centre specialises in producing artificial lift equipment for the oil and gas industry, including electric submersible pumps (ESPs), gauges and accessories. Besides, the facility will provide maintenance of ESP components, tools and power cables.

Source: [Times of Oman](#)

Oman to raise OMR200 million in bond issue

The Central Bank of Oman (CBO) will announce on Sunday the new Issue of Government Development Bonds (GDB). The size of the new issue is fixed at OMR200 million with a maturity period of 10 years and will carry a coupon rate of 5.75 per cent per annum. The issue will be open for subscription on December 15 until December 23, 2019, while the auction will be held on Tuesday, December 24, 2019. The issue settlement date will be on Thursday, December 26, 2019.

Source: [Times of Oman](#)

Bank Muscat launches \$100mn Fintech investment programme

Bank Muscat announced that the Central Bank of Oman (CBO) has approved the bank's request to launch a US\$100mn strategic Fintech investment programme. Fintech refers to innovative application of technologies and new technology-enabled business models in the financial services industry. The investment programme is part of the bank's strategic growth initiative, Bank Muscat said in a press statement.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Aramco's weight on TASI stands at 9.7%: official

Saudi Aramco's weight on Tadawul All-Share Index (TASI) stood at 9.7% based on a price of SAR 32 and an offering ratio of 1.725%, taking into account the stocks allocated for the initial public offering (IPO) stabilizing manager, Nayef Al-Athel, Director of Listing at Saudi Stock Exchange (Tadawul), told Argaam in an exclusive. Tadawul updated its indices methodology for the development and management of Tadawul equity indices.

Source: [Argaam](#)

Saudi Aramco sets record turnover of SAR 15.9 bln on Tadawul

Shares of Saudi Aramco set a new record today in the Saudi Stock Exchange (Tadawul). On the second day of trading, the stock's turnover hit SAR 15.9 billion – the highest turnover on record in the Saudi exchange. Accordingly, Aramco broke the record of Petro Rabigh, which saw turnover of SAR 10.9 billion on its first day of trading (Jan. 27, 2008).

Source: [Argaam](#)

King Salman issues royal decree to fight corruption

Three royal orders were issued on Thursday to fight financial and administrative corruption. The organizational and structural arrangements related to combating financial and administrative corruption include the following: Approving the organizational and structural arrangements related to combating financial and administrative corruption, in the correct form.

Source: [Arab News](#)

New board of directors for Saudi Arabia's Qiddiya Investment Co.

The Saudi Public Investment Fund (PIF) has approved a new board of directors for Qiddiya Investment Co. (QIC). Crown Prince Mohammed bin Salman will head the new board. It consists of Prince Abdul Aziz bin Turki Al-Faisal, Prince Turki bin Hathloul bin Abdul Aziz, Prince Badr bin Abdullah bin Farhan, Majid bin Abdullah Al-Hogail, Ahmed bin Aqeel Al-Khatib, Eng. Ibrahim bin Mohammed Al-Sultan, Fahd bin Abdulmohsen Al-Rasheed, Eng. Faisal Bafarat, and Dr. Rakan Al-Harthy.

Source: [Arab News](#)

State-owned, private companies apply for Tadawul listing in 2020-21: official

Several public and private companies applied to list their shares on the Saudi Stock Exchange (Tadawul) in 2020 and 2021, Al Eqtisadiyah newspaper reported citing Nayef Al-Athel, Director of Listing at Tadawul. "Saudi Aramco's listing will encourage other local companies to float their shares as well," Al-Athel added. Five companies were listed on Tadawul in 2019, including Saudi Aramco, which launched its initial public offering (IPO) last week on December 11, 2019.

Source: [Argaam](#)

MAWANI announces joint contracts with DP World and Red Sea Gateway

Within the framework of consolidating the Kingdom of Saudi Arabia's position as a hub for global logistics services, the Supervisory Committee for Privatization of Transport Sector has approved signing concession contracts with the leading global port operator DP World and the leading regional port operator the Red Sea Gateway Terminal (RSGT), to develop and operate the container terminals at the Jeddah Islamic Port.

Source: [MenaFN](#)

Najran Cement repurchases, cancels SAR 45 mln sukuk

Najran Cement Company on Dec. 12 repurchased and canceled 45 sukuk worth SAR 45 million, representing 11.25% of the total issuance value, the company said in a bourse statement. The buyback was implemented at the fair value of sukuk, and was financed from the company's internal resources.

Source: [Argaam](#)

Saudi Cable issues prospectus for its SAR 250 mln rights issue

Saudi Cable Co. posted the prospectus of its SAR 250 million rights issue, the company said in a bourse filing. Cable set the offering price at SAR 10 a share, to increase capital from SAR 110.61 million to SAR 360.61 million, through floating 25 million

shares. The capital increase is aimed at restructuring the company's capital and injecting extra money to provide working capital which increases the production capacity and supports future activities.

Source: [Argaam](#)

First global fintech firm lists on Bahrain Investment Market

Sprinkle Holding, a capital markets focused fintech firm, has become the first company to list on the Bahrain Investment Market at the Bahrain Bourse (BHB). Launched in March 2017 with six authorised sponsors operating in it, the Bahrain Investment Market, or BIM, is an equity market designed for fast-growing companies seeking growth capital. A Bahrain-based entity with a global establishment of affiliates ranging from the US, Europe, and China, Sprinkle Holding will trade under the symbol SPKL in BIM.

Source: [Zawya](#)

Mideast Stocks: Aramco's stellar debut cheers Saudi shares; most Gulf indexes gain

The Saudi Arabian stock market ended higher on Wednesday as shares of state-owned oil giant Aramco surged the maximum permitted 10% on their debut, while other major Gulf markets also rose. Shares of Saudi Arabian Oil Co (Aramco) soared to 35.2 riyals (\$9.39), up from the initial public offering (IPO) price of 32 riyals. If Aramco shares gain 10% on Thursday as well, it will exceed the \$2 trillion valuation coveted by Prince Mohammed. The company is expected to be included in the MSCI emerging markets index on Dec. 17.

Source: [Zawya](#)

Expo 2020 Dubai honours best in construction, services

The cream of the construction and service provider industry convened in Dubai at the 2019 Better Together Awards to celebrate Expo 2020 Dubai's continuing commitment to looking after the health, safety and welfare of the thousands of people working across the Expo 2020 site. The event recognised the successes of individuals and organisations involved in the delivery of Expo 2020 in achieving an exemplary health and safety performance, providing the workforce with good standards of accommodation and ensuring world-class employment practices.

Source: [Zawya](#)

Qatar open to accepting all currencies for trade - finance minister

Qatar is open to accepting all currencies for trade though the dollar will still dominate, Finance Minister Ali al-Emadi told a conference in Doha on Saturday. The comment at the Doha Forum came in response to a question about whether Qatar, one of the world largest exporters of liquefied natural gas (LNG), was prepared to accept other currencies in LNG trade.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

U.S.-China trade deal cuts tariffs for Beijing promise of big farm purchases

The United States and China cooled their trade war on Friday, announcing a "Phase one" agreement that reduces some U.S. tariffs in exchange for what U.S. officials said would be a big jump in Chinese purchases of American farm products and other goods. Beijing has agreed to import at least \$200 billion in additional U.S. goods and services over the next two years on top of the amount it purchased in 2017, the top U.S. trade negotiator said here Friday.

Source: [Reuters](#)

EU dangles hope of broad trade deal in exchange for softer Brexit

European Union member states are leaving the door open to Boris Johnson signing a broad-based trade deal by December 2020 in the hope that he will embrace a softer Brexit, EU diplomatic sources have told The Telegraph. EU leaders last week ordered the European Commission to draw up a "comprehensive mandate" for the future relationship talks after pushing back against Commission plans to confront Mr Johnson with a narrower menu of options.

Source: [Telegraph](#)

Dollar down after US-China trade deal; pound jumps on win by UK PM Johnson

The dollar edged lower against a basket of currencies on Friday as news of an initial China-U.S. trade deal and an election victory for Britain's Brexit-backing Conservative Party appeared to clear the fog on the global investment horizon, hurting safe-haven demand for the greenback. The United States and China cooled their trade war, announcing a "Phase one" agreement that reduces some U.S. tariffs in exchange for increased Chinese purchases of American farm products and other goods.

Source: [CNBC](#)

COMMODITIES NEWS

Gold steady as weaker dollar offsets increased risk appetite

Gold prices were steady on Friday as a weaker dollar helped offset pressures from an increased appetite for riskier assets following reports of a breakthrough in China-U.S. trade negotiations, while palladium scaled a fresh peak. Spot gold fell 0.1% to \$1,467.20 per ounce by 0452 GMT, but was up about 0.5% so far this week. U.S. gold futures were down 0.1% at \$1,471.60.

Source: [CNBC](#)

Oil prices hit highest in 3 months as US-China trade deal takes shape

Brent futures climbed 43 cents, or 0.7%, to \$64.63 a barrel by 0426 GMT, its highest since Sept. 23. West Texas Intermediate (WTI) crude was up 31 cents, or 0.5%, to \$59.49 a barrel, the highest since Sept. 16.

Source: [CNBC](#)

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