

U Capital Morning Brief

17 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	834.06	-12.96	-1.53%	-5.04%	-	-	-
U Capital GCC 50 Index	1,354.34	8.23	0.61%	3.41%	-	-	-
U Capital MENA 200 Index	1,062.06	4.89	0.46%	1.62%	-	-	-
MSCI GCC Countries Index	554.52	3.23	0.59%	3.10%	15.83	1.78	4.1%
Muscat Securities Market	3,950.89	-61.30	-1.53%	-8.62%	7.46	0.73	7.6%
Saudi Stock Exchange	8,138.99	89.49	1.11%	3.99%	20.97	1.79	3.7%
Kuwait Stock Exchange	7,102.30	-6.42	-0.09%	25.65%	15.13	1.43	3.5%
Qatar Exchange	10,222.18	-40.66	-0.40%	-0.75%	14.84	1.51	4.2%
Bahrain Stock Exchange	1,583.65	16.24	1.04%	18.43%	12.79	0.99	4.9%
Dubai Financial Market	2,736.55	9.21	0.34%	8.17%	10.86	0.98	4.3%
Abu Dhabi Exchange	5,038.75	8.82	0.18%	2.52%	15.55	1.41	4.9%
Beirut Stock Exchange	758.54	0.00	0.00%	-22.34%	4.03	0.46	12.2%
Palestine Stock Exchange	525.93	-0.24	-0.05%	-0.65%	12.68	1.21	4.5%
Tunis Se Index	6,984.41	0.81	0.01%	-3.95%	19.69	2.37	2.1%
EGX 30 Index	13,404.42	-29.12	-0.22%	2.83%	11.48	1.76	2.5%
Amman General Index	1,812.10	0.98	0.05%	-5.07%	12.26	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,519.1	2.25%	11.8%
DAX	Germany	13,407.7	0.94%	27.0%
CAC 40	France	5,991.7	1.23%	26.7%
United States				
DJIA	USA	28,235.9	0.36%	21.0%
S&P 500	USA	3,191.5	0.71%	27.3%
NASDAQ	USA	8,814.2	0.91%	32.8%
Asia Pacific				
NIKKEI 225	Japan	24,068.7	0.49%	20.3%
HANG SENG	Hongkong	27,815.2	1.12%	7.6%
KSE 100 Index	Pakistan	42,022.9	0.91%	13.4%
NSE Nifty 50	India	12,122.2	0.57%	11.6%
SHANGHAI COMPOSITE	China	3,013.2	0.97%	20.8%
SHANGHAI SHENZHEN CSI 300	China	4,030.9	1.09%	33.9%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.687	1.456
British Pound (GBP)	1.330	0.752
Canadian Dollar (CAD)	0.760	1.316
Chinese Renminbi (CNH)	0.143	6.993
Egyptian Pound (EGP)	0.062	16.055
Euro (EUR)	1.115	0.897
Indian Rupee (INR)	0.014	62.446
Japanese Yen (JPY)	0.009	109.540
New Zealand Dollar (NZD)	0.660	1.515
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.645	154.990
Russian Ruble (RUB)	0.016	70.968
Singapore Dollar (SGD)	0.738	1.354
Turkish Lira (TRY)	0.171	5.850

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	65.4	0.03%	18.1%
WTI Crude (per bbl)	60.2	-0.02%	32.6%
Oman Crude Oil (Last Closing)	66.2	0.15%	23.8%
OPEC (per bbl)	66.8	1.44%	29.5%
Precious Metals			
Gold100 OZ (per oz)	1,477.4	0.08%	15.2%
Silver (per oz)	17.1	0.18%	10.2%
Platinum (per oz)	931.8	0.22%	17.1%
Other Metals			
Copper, MT	6,199	1.13%	3.9%
Aluminium, MT	1,778	0.57%	-3.7%
Lead, MT	1,888	-1.18%	-6.6%
Zinc, MT	2,291	1.69%	-7.1%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.16	-23.8%
Saudi Arabia	2.24	-24.7%
Kuwait	2.75	18.9%
Oman	2.80	-0.8%
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	2.8
Oman	17/01/2028	5.3
Bahrain	12/10/2028	4.5

Midswaps	Price	YTM %
3 year	99.95	1.6
5 year	99.09	1.7
10 year	99.00	1.9
30 year	101.98	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

Alizz Islamic Bank and Injaz Oman sign MoU

As part of its commitment to social responsibility and the major role it plays towards society, Alizz Islamic Bank and Injaz Oman recently signed a Memorandum of Understanding (MoU) aimed to promote cooperation, exchange of information and spreading awareness among Omani youth about financial culture and entrepreneurship.

Source: [Times of Oman](#)

Omifco SME Scaling-Up Programme launched

The National Business Centre (NBC), an initiative of the Public Establishment for Industrial Estates – Madayn, in cooperation with Oman India Fertiliser Company (Omifco), launched on Monday the second edition of Omifco SME Scaling-Up Programme (Wasel) under the auspices of Talal bin Sulaiman Al Rahbi, Deputy Secretary-General of the Supreme Council for Planning.

Source: [Times of Oman](#)

CMA approves RO 300 million Sukuk Al Ijarah Programme

The Capital Market Authority (CMA) has approved the results of the allocation of the First and Second issues of the Sukuk Al Ijara programme of Oman Sovereign Sukuk Company in private placements. The volume of the issues is three million Sukuk at a total value of RO 300 million and an issue price of RO 100 per Sukuk as per the period and terms and conditions stipulated in the prospectus. The volume of the first issue is one million Sukuk at a total value RO 100 million for five years with maturity date on December 10, 2024. The prospectus was approved by Decision 100/2019 to be listed on the Bond and Sukuk Market until the maturity date.

Source: [Oman Observer](#)

Health coverage of domestic workers strengthened

Shaikh Abdullah Salim al Salmi, Executive President of the Capital Market Authority (CMA), has announced amendments to the Unified Health Insurance Policy (Dhamani), which include additional provisions to accommodate coverage for domestic workers. In a statement, the Executive President added that the amendments also aim to encourage employers to provide high quality and cost effective healthcare for domestic workers, in addition to the basic benefits provided by certain embassies to their respective nationals in their Sultanate.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia's lenders NCB, Riyad Bank scrap merger talks

Saudi Arabia's National Commercial Bank (NCB), the kingdom's biggest lender by assets, and its smaller rival, Riyad Bank, said on Monday they had scrapped talks to merge their businesses. The merger talks, which had begun last year, was expected to create a combined entity with over \$180 billion in assets. "The boards of both banks have decided to end preliminary merger talks and not to continue with the merger study," the two lenders said in separate regulatory filings, without detailing why the talks had fallen through. Saudi Arabia's National Commercial Bank (NCB), the kingdom's biggest lender by assets, and its smaller rival, Riyad Bank, said on Monday they had scrapped talks to merge their businesses.

Source: [Gulf News](#)

Reasons why Saudi Arabia is the most attractive MENA market for retail investments

Saudi Arabia is the most attractive developing market for retail investment in the Middle East and North Africa (Mena) and among the top ten in the world, according to the 2019 Global Retail Development Index (GRDI) from global management consultancy firm A.T. Kearney. The Kingdom, where consumers spend \$125.5 billion annually on shopping, and where a huge proportion of the residents' splurge on luxury labels, has climbed up the index to occupy the seventh rank globally, just behind China, India, Malaysia, Ghana, Indonesia and Senegal.

Source: [Zawya](#)

Assets of Saudi investment funds rise 9% in Q3 2019

The total value of assets held by investment funds in Saudi Arabia grew by 9% quarter-on-quarter (QoQ) to SAR 137.24 billion in Q3 2019, data issued by the Saudi Arabian Monetary Authority (SAMA) showed. The rise was driven by a 13% increase in foreign assets, while local assets rose by 8%.

Source: [Argaam](#)

Dubai property prices fall to seven-year low as deal volumes rocket

Property prices in Dubai fell to AED895 per sq ft on average in November, representing their lowest level for seven years, according to new research. The Dynamic Price Index (DPI) from Property Monitor, the UAE-based data platform, covers property price movement in Dubai across 42 geographic communities and is indexed to a base period of January 2008. While property prices have declined, the volume of sales transactions has risen, with November marking one of the strongest months for sales in the past decade. A total of 5,025 transactions were recorded with off-plan (Oqood) registrations representing 60.8 percent, Property Monitor said.

Source: [Decypha](#)

Arabian Cement's Rabigh mills 99.4% complete

Arabian Cement Co. said that cement mills in Rabigh are 99.4% completed. Construction works will be fully finalized by Q2 2020, and commercial operations are expected to be launched in Q3 2020, it said in a statement to Tadawul. The delay was driven by the contractor company which missed the work schedule. Nevertheless, it will not cause any change in cost, and will not have any impact on the firm's financial results, the cement producer said.

Source: [Argaam](#)

Major road project in Abu Dhabi to be completed in 2020

Abu Dhabi General Services Company (Musnada) said on Sunday the work was progressing at a steady pace on the Dh223 million (\$61 million) Ruwais-Ghayathi Road project in the Al Dhafra Region of the emirate. The key infrastructure project was a significant one for the region and was likely to be completed in time in August next year, said senior officials of Musnada while interacting with Sheikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in Al Dhafra Region, at the project site.

Source: [Decypha](#)

Moody's - Negative outlook for non-financial corporates in Middle East, Turkey and South Africa into 2020A

Slowing economic growth, heightened geopolitical risk and policy unpredictability driving outlooks Strong balance sheets, leading market positions should bolster credit quality of most rated companies The outlook for non-financial corporates in the GCC, Turkey and South Africa for the coming 12 to 18 months is negative, Moody's Investors Service said today in its annual outlook report. The outlook for GCC corporates has changed to negative from stable. The key drivers of the negative outlooks are a combination of slowing economic growth, heightened geopolitical risk and policy unpredictability.

Source: [Moody's](#)

FAB expands Saudi presence with third branch in Jeddah

First Abu Dhabi Bank, the UAE's largest bank by assets, further expanded its presence in Saudi Arabia with the opening of a branch in Jeddah as the lender looks to broaden its customer base and solidify its international footprint. Jeddah is the third branch of the Abu Dhabi-headquartered lender in the kingdom. Earlier this year it launched operations in Saudi capital Riyadh and in Al Khobar after receiving a licence to open three branches from the Saudi Arabian Monetary Authority (Sama).

Source: [The National](#)

6,500 new houses to be completed in Dubai by Q1 2020

Around 6,500 residential units are likely to be completed in Dubai between the last quarter of the year and first three months of 2020, a new report said. According to Data Finder, the real estate insights and data platform under the Property Finder Group, a total of 13,216 units are scheduled to be completed in Dubai towards the end of 2019 or Q1 2020. However, since the actual completion rate has generally been 40 to 50 per cent of expected completion, developers will most likely deliver around 6,500 units.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Pound stumbles on reported new Brexit deadline; Aussie dlr slips on RBA

The British pound fell on Tuesday after reports UK Prime Minister Boris Johnson was seeking a hard line on Britain's transition period after Brexit, while the Aussie dollar dropped on a downbeat tone from the nation's central bank. Sterling dropped as much as 0.7% to \$1.3236 GBP=D4, as its Friday's 1-1/2-year peak of \$1.3516 looked increasingly like a near-term peak following the massive relief rally after last week's UK election.

Source: [NASDAQ](#)

IFF to merge with DuPont's \$26.2 billion nutrition unit

Flavors & Fragrances Inc on Sunday said it will merge with DuPont Inc's \$26.2 billion nutrition & biosciences unit in a deal that will create a new consumer giant valued at more than \$45 billion. Under terms of the agreement, DuPont shareholders will own 55.4 per cent of the shares of the new company and existing IFF shareholders will own 44.6 per cent, IFF said in a

statement. The deal has been unanimously approved by both boards, New York-based IFF said. Industrial materials maker DuPont will also receive a one-time cash payment of \$7.3 billion upon closing of the deal, IFF added.

Source: [Oman Observer](#)

China would have to buy a ‘crazy amount’ of farm goods to meet Trump’s demand in phase one deal

As part of a much anticipated phase one deal, U.S. President Donald Trump insisted that China buy more American crops, saying that Beijing will purchase \$50 billion worth of agriculture goods “pretty soon.” Analysts reacted with skepticism, pointing out that there are limits to the amount of farm goods that China can consume. Deborah Elms, executive director of the Asian Trade Centre, warned that the Chinese has been “very cautious” in saying that they would buy according to market conditions and World Trade Organization restrictions.

Source: [CNBC](#)

Asian stocks ride Wall Street momentum to eight-month peak, pound slips

Asian shares rose to their highest in eight months on Tuesday, as trade deal optimism and Wall Street’s streak to all-time highs supported sentiment, while familiar fears of a hard Brexit knocked the pound. The mood carried MSCI’s broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS up 0.4% to its highest since April. Japan’s Nikkei .N225 hit its firmest in more than year and Hong Kong’s Hang Seng .HSI rose half a percent.

Source: [Reuters](#)

Boeing will suspend 737 Max production in January

Boeing is planning to suspend production of the 737 Max after regulators said they don’t plan to lift a flight ban this year. The planes have been grounded since mid-March after two fatal crashes. The company isn’t planning to lay off or furlough employees at its plant in Renton, Washington.

Source: [CNBC](#)

COMMODITIES NEWS

Oil hovers near three-month high on trade optimism, supply cuts

Oil prices trickled a fraction lower on Tuesday but remained near a three-month high as investors kept the faith with hopes that a fully fledged U.S.-China trade deal is in the pipeline and set to stoke oil demand in the world’s biggest economies.

Source: [Reuters](#)