













U Capital Morning Brief

23 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	832.91	3.88	0.47%	-5.61%	-	-	-
U Capital GCC 50 Index	1,382.00	1.80	0.14%	5.39%	-	-	-
U Capital MENA 200 Index	1,081.00	1.50	0.19%	3.29%	-	-	-
MSCI GCC Countries Index	568.86	2.95	0.52%	5.76%	16.19	1.83	3.9%
Muscat Securities Market	 3,927.57	10.87	0.28%	-9.16%	7.39	0.72	7.6%
Saudi Stock Exchange	 8,297.83	6.44	0.08%	6.02%	18.62	1.60	3.7%
Kuwait Stock Exchange	 6,263.72	68.54	1.11%	23.31%	15.25	1.45	3.4%
Qatar Exchange	 10,474.13	133.76	1.29%	1.70%	15.02	1.53	4.1%
Bahrain Stock Exchange	 1,593.27	9.21	0.58%	19.14%	12.79	0.99	4.9%
Dubai Financial Market	 2,763.02	-5.54	-0.20%	9.22%	10.99	0.99	4.2%
Abu Dhabi Exchange	 5,075.49	-16.92	-0.33%	3.26%	15.72	1.43	4.9%
Beirut Stock Exchange	 764.02	2.03	0.27%	-21.78%	4.07	0.46	12.1%
Palestine Stock Exchange	 522.83	-0.63	-0.12%	-1.23%	12.49	1.20	4.5%
Tunis Se Index	 6,973.00	-9.26	-0.13%	-4.11%	19.15	2.37	2.1%
EGX 30 Index	 13,837.19	43.20	0.31%	6.15%	11.87	1.82	2.5%
Amman General Index	 1,810.23	0.21	0.01%	-5.16%	12.30	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,582.5	0.11%	12.7%
DAX	Germany	13,318.9	0.81%	26.1%
CAC 40	France	6,021.5	0.82%	27.3%
United States				
DJIA	USA	28,455.1	0.28%	22.0%
S&P 500	USA	3,221.2	0.49%	28.5%
NASDAQ	USA	8,925.0	0.42%	34.5%
Asia Pacific				
NIKKEI 225	Japan	23,816.6	-0.20%	19.0%
HANG SENG	Hongkong	27,871.4	0.25%	7.8%
KSE 100 Index	Pakistan	40,833.0	0.44%	10.2%
NSE Nifty 50	India	12,271.8	0.10%	13.0%
SHANGHAI COMPOSITE	China	3,004.9	-0.40%	20.5%
SHANGHAI SHENZHEN CSI 300	China	4,017.3	-0.25%	33.4%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.690	1.450
British Pound (GBP)	1.300	0.769
Canadian Dollar (CAD)	0.761	1.316
Chinese Renminbi (CNH)	0.143	7.003
Egyptian Pound (EGP)	0.062	16.039
Euro (EUR)	1.108	0.903
Indian Rupee (INR)	0.014	62.273
Japanese Yen (JPY)	0.009	109.440
New Zealand Dollar (NZD)	0.660	1.514
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.645	155.000
Russian Ruble (RUB)	0.016	71.120
Singapore Dollar (SGD)	0.738	1.355
Turkish Lira (TRY)	0.168	5.938

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	66.1	-0.60%	19.5%
WTI Crude (per bbl)	60.4	-1.21%	33.1%
Oman Crude Oil (Last Closing)	66.8	-0.43%	24.9%
OPEC (per bbl)	67.9	0.24%	31.8%
Precious Metals			
Gold100 OZ (per oz)	1,481.6	0.19%	15.5%
Silver (per oz)	17.2	0.79%	11.0%
Platinum (per oz)	910.9	-2.53%	14.5%
Other Metals			
Copper, MT	6,175	-0.64%	3.5%
Aluminium, MT	1,800	0.17%	-2.5%
Lead, MT	1,939	1.02%	-4.1%
Zinc, MT	2,341	0.69%	-5.1%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.13	-24.8%
Saudi Arabia	2.24	-24.8%
Kuwait	2.75	18.9%
Oman	2.80	-0.9%
Qatar	2.20	-24.3%
Bahrain	2.67	-32.5%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.3
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	5.1
Bahrain	12/10/2028	4.4

Midswaps	Price	YTM %
3 year	99.91	1.7
5 year	98.91	1.7
10 year	98.50	1.9
30 year	100.70	2.3

USD Libor	Rate (%)	YTD
1m	1.78	-28.9%
3m	1.93	-31.1%
6m	1.92	-33.2%
1 year	2.00	-33.5%

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's budget deficit drops 5.6 per cent to RO1.9bn in 10 months

On the back of a slight decrease in public expenditure and increased corporate tax revenue Oman's budget deficit for the first ten months of 2019 decreased 5.6 per cent to RO1.929bn compared to RO2.043bn in the corresponding period of 2018. Oman's annual budget shortfall has been consistently declining since 2016 as a result of measures taken by the government during this period to mitigate the impact of sharp drop in oil prices. The sultanate's 2019 state budget, which assumed an average oil price of US\$58 per barrel, projects a fiscal deficit at RO2.8bn for the full year.

Source: [Muscat Daily](#)

Major integrated cement plant to be set up in Duqm

As part of its national role to support the rapid growth in the economy, Oman Cement Company is in the process of setting up an integrated state-of-the-art cement and clinker plant with a production capacity of 5,000 tonnes of clinker per day through its subsidiary Al Sahwa Cement Company in Duqm. The project implementation will be carried out simultaneously for various phases of the integrated plant and a grinding unit will be the first to commence production. The grinding unit will deliver high-quality cement which shall contribute in a big way, in meeting the cement demand in Duqm.

Source: [Times of Oman](#)

Agreement inked to enhance trade between Oman and UAE

Export Credit Guarantee Agency of Oman (Credit Oman) has signed a Memorandum of Understanding (MoU) with the UAE Federal Export Credit Company Etihad Credit Insurance (ECI), to enhance the trade and economic cooperation between the UAE and the Sultanate of Oman, during the 10th Aman Union General Assembly, held in Muscat. The MoU was signed by Massimo Falcioni, CEO at ECI and Sheikh Khalil bin Ahmed Al-Harthy, recently appointed CEO at Credit Oman, in the presence of senior officials from both the institutions.

Source: [Times of Oman](#)

OETC plans major power transmission projects in Oman

Oman Electricity Transmission Company (OETC) recently organised a workshop about the upcoming projects. Titled as 'Opportunity', the event was conducted in Muscat, under the patronage of Dr Rashid Al Badwawi, Chief Executive Officer-(Acting) OETC. The workshop was attended by all the leading contractors, consultants, vendors and suppliers in the electrical power sector.

Source: [Times of Oman](#)

Renewables to deliver RO 400m in savings for Oman

Cost savings estimated at around RO 400 million will accrue to the Sultanate as a result of the government's decision to gradually supplant gas-based electricity generation with renewables over the initial phases of this energy transition, according to an official of the Ministry of Oil and Gas. Hilal Said al Hadi (pictured), Head of Studies and Research at the Ministry, said the savings will ensue from primarily two sources: first – the falling cost of equipment and hardware used in renewable energy plants, and second – utilisation of natural gas freed up as a result of the transition for value-adding industrial investments and potentially export as well.

Source: [Oman Observer](#)

Oman's Salalah Free Zone vows licences in 60 minutes

Seeking to build on a stellar year characterised by a flurry of new investments, Salalah Free Zone (SFZ) has pledged to speed up registration procedures to make it possible for new investors to receive initial licences within an hour. SFZ CEO Ali Tabouk said the new procedures – part of a series of measures designed to enhance the free zone's competitiveness and investment appeal – will come into force with effect from January 1, 2020.

Source: [Oman Observer](#)

Galfar wins \$7.5mn contract in Sohar

Galfar Engineering & Contracting Company announced that it has won a contract worth US\$7.518mn in Sohar. 'The company has been awarded a project work for electromechanical erection contract in a steel pellet plant at Sohar for a value of US\$7.518mn,' Galfar said in a disclosure filed to the Muscat Securities Market. The company said it will provide all other details later on in a supplementary disclosure upon satisfying the conditions and any other requirements.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

UAE's Tabreed raises stake in Saudi Tabreed to 28%

The National Central Cooling Company (Tabreed) has purchased additional 8% stake in Saudi Tabreed, its district cooling investment arm in Saudi Arabia, thus, raising its stake in the latter to 28%. The new acquisition, totalling SAR 129 million, will promote Tabreed's ability to capitalise on new business opportunities, according to a press release on Sunday. Commenting on this, Tabreed's chairman, Khaled Al Qubaisi, highlighted that the acquisition demonstrates the company's commitment to meeting both current and future infrastructure needs of large scale projects across the region.

Source: [Mubasher](#)

Saudi SMEs dominate 51% of private sector Q2 earnings

Micro-enterprises in Saudi Arabia has dominated around 19.5% of the total private sector revenues during the second quarter (Q2) of 2019. Microbusinesses that have been operating for five years or less achieved a total of SAR 171.06 billion in revenues, with a workforce of 1.04 million people, as shown by the most recent figures of the Saudi General Authority for Statistics (GaStat). Meanwhile, small businesses that employ 6-46 people logged revenues of SAR 163.42, accounting for 18.6% of the total revenues achieved in Q2-19.

Source: [Mubasher](#)

Saudi Aramco, Korea Shipbuilding plan engine manufacturing JV

Saudi Arabian Oil Company (Saudi Aramco) and Korea Shipbuilding and Offshore Engineering Company plan to launch a joint venture (JV) in March 2020, South Korea's Yonhap News Agency reported. Establishing the JV's plant, specialized in building engines, in the King Salman International Complex for Maritime Industries and Services is set to take place in September 2020. The project is set to be completed by May 2022.

Source: [Mubasher](#)

Farm Superstores receives remaining SAR 20mn on Lebanon subsidiary sale

Saudi Marketing Co. (Farm Superstores) announced on Sunday that its chairman, Hazem Al Aswad, repaid the remaining dues worth SAR 20 million, to the company following the sale of the latter's entire stake in Lebanon-based Saudi Marketing and Trading Co. Holding Co. The company clarified in a statement to Tadawul that the amount will be used to finance the firm's activities, and repay a part of the outstanding loans.

Source: [Argaam](#)

MAG Development plans IPO in Dubai

UAE property developer MAG Development, a subsidiary of MAG Group Holding, plans to sell shares to the public and list in Dubai. "We are in the motion of IPO readiness and we will announce it soon. Since it is in a preparation phase, I cannot commit to the date. It is going to take a bit more than a year and the listing will be on the Dubai bourse," Khaleej Times quoted Sar Haffar, CEO of MAG Group Holding, as saying.

Source: [Zawya](#)

UAE banks' total investments reach \$108bln in November

The UAE Central Bank revealed on Sunday that total banking investments reached AED396.2 billion in November. According to banking indicators released by the Central Bank, debt securities saw a jump of 16.7 percent year-to-date, with a total of AED245.4 billion. Bank deposits saw a rise of 4.6 percent year-on-year, with a total of AED1.8 trillion in November 2019 compared to AED1.74 trillion for the same month in 2018.

Source: [Zawya](#)

UAE-based Shettys lose \$820m after 'unfounded' Muddy Waters claims

The billionaire clan behind UAE-based hospital operator NMC Health and financial services firm Finabl has seen its fortune drop by about \$820 million since short-seller Carson Block issued a report Tuesday criticising the medical company's accounts and disclosing a short position. NMC shares tumbled 32 percent on Tuesday in response to the report - which the company called "principally unfounded".

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Caught in Trump's Trade Crossfire, Israel Chases Deal With China

One of Donald Trump's top allies and his chief economic adversary are drifting closer, at least when it comes to trade. In what could be a test of how much leeway the U.S. president gives to close partners, Israel hopes to conclude a free-trade agreement

with China as early as next year, according to a senior Israeli official, who requested anonymity because the discussions aren't public.

Source: [bloomberg](#)

Stocks Near Record Highs Ahead of Holiday Break: Markets Wrap

Shares in Asia drifted near record highs Monday, with volumes subdued as investors count down to the holiday break. Ten-year Treasury yields held above 1.90%. Equities had modest declines in Tokyo, Sydney and Shanghai. They were little changed in Hong Kong and Seoul. S&P 500 futures were flat after logging a record high Friday, when the gauge capped its biggest weekly gain since September. The U.S. yield curve remains near its steepest in more than a year, underscoring how recession worries have receded. Oil prices are holding above \$60 a barrel in New York.

Source: [bloomberg](#)

Bank of Thailand Chief Says Growth Outlook 'Disappointing'

Thailand's economic growth outlook of 2.8% next year is "disappointing" and policy makers are doing what they can to curb excessive gains in the currency, Governor Veerathai Santiprabhob said. A "satisfying" level of growth should be about 3.5%-4% a year, the governor said in a speech in Bangkok on Monday. The Bank of Thailand is "actively managing the exchange rate" and monitoring short-term foreign inflows closely to avoid speculation in the baht.

Source: [bloomberg](#)

Trump says trade deal with China to be signed 'very shortly'

President Donald Trump on Saturday said the United States and China would "very shortly" sign their so-called Phase One trade pact. "We just achieved a breakthrough on the trade deal and we will be signing it very shortly," Trump said at a Turning Point USA event in Florida. The Phase One deal was announced earlier this month as part of a bid to end the months-long tit-for-tat trade war between the world's two largest economies, which has roiled markets and hit global growth.

Source: [Reuters](#)

China's industrial output to grow around 5.6% year-on-year in 2019: ministry

China's industrial output is expected to grow around 5.6% in 2019, the Ministry of Industry and Information Technology said on Monday. Industrial production rose 6.2% year-on-year in November, quickening from 4.7% in October. It was also the fastest year-on-year growth in five months, official data have shown.

Source: [Reuters](#)

COMMODITIES NEWS

Oil holds losses as Kuwait nears deal with Saudi Arabia on production

Oil held its biggest decline in three weeks as Kuwait signalled a deal with Saudi Arabia to renew crude output along their border and US shale explorers increased drilling. Futures were little changed in New York after falling 1.2 percent on Friday, the most since November 29. The shared neutral zone, which has been shut for at least four years due to disputes between the two countries, can produce as much as 500,000 barrels a day.

Source: [Arabian Business](#)

Gold rate today: Bullion jumps as China criticises US 'interference'

Bullion futures jumped in early trade on Monday as China's top lawmaking body criticised the defence bill that Washington passed on December 17 as "interference", state news agency Xinhua reported. On the other hand, US President Donald Trump on Saturday said US and China would "very shortly" sign their so-called Phase One trade pact, but markets still craved further details of the agreement. Gold futures on MCX were up 0.28 per cent to Rs 38,098 per 10 gram and silver futures.

Source: [Economic Times](#)

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