













U Capital Morning Brief

7 January 2020

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	839.01	-4.72	-0.56%	-0.54%	-	-	-
U Capital GCC 50 Index	1,357.56	3.46	0.26%	-2.06%	-	-	-
U Capital MENA 200 Index	1,066.85	-0.05	0.00%	-2.19%	-	-	-
MSCI GCC Countries Index	557.98	1.99	0.36%	-2.06%	15.97	1.80	3.9%
Muscat Securities Market	 3,951.79	-41.09	-1.03%	-0.74%	7.46	0.73	7.6%
Saudi Stock Exchange	 8,206.13	12.41	0.15%	-2.18%	22.03	1.82	3.3%
Kuwait Stock Exchange	 7,014.51	29.77	0.43%	-3.31%	14.95	1.42	3.5%
Qatar Exchange	 10,408.16	121.85	1.18%	-0.17%	15.12	1.54	4.1%
Bahrain Stock Exchange	 1,584.13	8.46	0.54%	-1.62%	12.61	0.98	4.9%
Dubai Financial Market	 2,693.17	8.93	0.33%	-2.59%	10.69	0.96	4.3%
Abu Dhabi Exchange	 5,007.68	-20.28	-0.40%	-1.34%	15.33	1.40	5.0%
Beirut Stock Exchange	 777.01	-3.30	-0.42%	-1.09%	4.11	0.46	11.9%
Palestine Stock Exchange	 522.75	2.69	0.52%	-0.61%	12.31	1.19	4.5%
Tunis Se Index	 6,966.09	-30.77	-0.44%	-2.19%	19.75	2.45	2.1%
EGX 30 Index	 13,212.66	-71.00	-0.53%	-5.36%	10.66	1.73	2.6%
Amman General Index	 1,828.52	13.98	0.77%	0.73%	11.47	0.89	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,575.3	-0.62%	0.4%
DAX	Germany	13,127.0	-0.70%	-0.9%
CAC 40	France	6,013.6	-0.51%	0.6%
United States				
DJIA	USA	28,703.4	0.24%	0.6%
S&P 500	USA	3,246.3	0.35%	0.5%
NASDAQ	USA	9,071.5	0.56%	1.1%
Asia Pacific				
NIKKEI 225	Japan	23,530.2	1.40%	-0.5%
HANG SENG	Hongkong	28,367.2	0.50%	0.6%
KSE 100 Index	Pakistan	41,764.5	1.13%	2.5%
NSE Nifty 50	India	12,114.7	1.01%	-0.4%
SHANGHAI COMPOSITE	China	3,094.4	0.36%	1.5%
SHANGHAI SHENZHEN CSI 300	China	4,148.1	0.45%	1.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Currency		
Australian Dollar (AUD)	0.693	1.443
British Pound (GBP)	1.317	0.759
Canadian Dollar (CAD)	0.771	1.297
Chinese Renminbi (CNH)	0.144	6.954
Egyptian Pound (EGP)	0.062	16.066
Euro (EUR)	1.119	0.893
Indian Rupee (INR)	0.014	61.822
Japanese Yen (JPY)	0.009	108.480
New Zealand Dollar (NZD)	0.667	1.498
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.645	155.050
Russian Ruble (RUB)	0.016	71.720
Singapore Dollar (SGD)	0.742	1.349
Turkish Lira (TRY)	0.168	5.968

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	68.1	-1.12%	3.2%
WTI Crude (per bbl)	62.6	-1.07%	2.5%
Oman Crude Oil (Last Closing)	69.2	0.54%	2.6%
OPEC (per bbl)	67.2	-1.19%	-1.2%
Precious Metals			
Gold100 OZ (per oz)	1,559.5	-0.40%	2.8%
Silver (per oz)	18.0	-0.57%	1.1%
Platinum (per oz)	967.0	0.35%	0.0%
Other Metals			
Copper, MT	6,139	0.15%	-0.6%
Aluminium, MT	1,833	0.49%	1.3%
Lead, MT	1,920	0.05%	-0.4%
Zinc, MT	2,325	0.80%	2.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.11	-4.4%
Saudi Arabia	2.23	0.0%
Kuwait	2.75	0.0%
Oman	2.83	0.6%
Qatar	2.27	0.8%
Bahrain	2.67	0.0%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.4
Abu Dhabi	11/10/2027	2.5
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.6
Oman	17/01/2028	5.2
Bahrain	12/10/2028	4.5

Midswaps	Price	YTM %
3 year	100.17	1.6
5 year	100.63	1.6
10 year	99.39	1.8
30 year	101.89	2.3

USD Libor	Rate (%)	YTD
1m	1.71	-2.7%
3m	1.87	-1.8%
6m	1.89	-1.0%
1 year	1.96	-1.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Expansionary 2020 State Budget to sustain growth

Oman has produced an expansionary budget despite various challenges. We believe the government has made its intentions very clear about 2020 that there will be across the board expansion with no stone unturned to boost sentiment. Not only has budgeted spending been set higher than last year but at the same time additional spending has been earmarked outside the budget in the various sectors. These announcements are very encouraging and reassuring for investors. The government has budgeted higher spending on basic services, increased subsidies and maintained spending on development projects and confirming support for developmental projects. With no mention made of VAT or any other tax in 2020, companies can maintain their cost structure.

Source: [Oman Observer](#)

Further Company Integration Continues Oil Industry Overhaul in Oman

The Oman government is amidst its mission to integrate the state-owned oil and petrochemical companies. In their most recent announcement, the government has announced that it is planning to integrate OOC – a state-owned oil company – with seven domestic energy firms and the refiner Orpic. This integration is one of the latest steps forward in the outlined Nakhla integration programme, which the government embarked upon in 2018. With OOC and Orpic merging their upstream and downstream operations, the combination of Orpic, OOC, and the seven other companies will now be billed as a new, singular entity: OQ.

Source: [Times of Oman](#)

New Tax Authority, streamlined collections buoy tax revenues

A sizeable uptick in tax revenues in 2019 has been credited to the establishment of a new tax institution coupled with improvements in tax collection procedures. According to the 2020 State Budget unveiled last week, non-hydrocarbon revenues are projected to surge 13 per cent to around RO 3 billion in 2019 compared to projections in the 2019 budget. The growth has been attributed to a nine per cent increase in tax revenues, as well as an 18 per cent jump in non-tax revenues for the year. Also set to “improve the efficiency of tax collection” is the establishment of a new Tax Authority, the Ministry of Finance noted in its 2020 Budget Statement.

Source: [Oman Observer](#)

Oman Aviation Services to unveil new brand in 2020

Oman Aviation Services (OAS) — part of Oman Aviation Group (OAG) — plans to launch its new brand and identity during 2020. The corporate makeover will mark the start of a transformational journey for Oman Aviation Services — a strategy for which was formulated in 2019, said CEO Dr Khalfan Said al Shueili. “Our first accomplishment for 2020 is the launching of our new brand and identity,” said the CEO in a recent New Year message to employees. “Oman Aviation Services and its five subsidiaries will embark on a journey from theory to reality,” he noted.

Source: [Oman Observer](#)

OTC, Vodafone Oman sign agreement

Oman Towers Company (OTC) and Oman Future Telecommunications Company (Vodafone Oman) on Sunday signed the main agreement to use the infrastructure of inactive telecommunication towers. The agreement was signed under the patronage of H E Eng AzzabintSulaiman al Ismaili, Minister of Technology and Communications, at Al Baleed Resort in Salalah. As per the agreement, OTC will provide telecommunication towers for Vodafone Oman’s global mobile networks, in parallel with plans to deploy the mobile network for Oman Future Telecommunications Company.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

UAE's non-oil private sector posts slowest growth in 8 years in December

Conditions in the UAE’s non-oil private sector have remained subdued, as businesses struggle to keep sales up and stimulate demand amid stiff competition, according to new data. The latest IHS Markit UAE Purchasing Managers’ Index (PMI) released on Monday showed that the non-oil private sector ended 2019 on a downbeat note, with output growth the weakest in over eight years and new work rising only marginally after November’s downturn.

Source: [Zawya](#)

Sheikh Mohammed unveils multi-entry, five-year tourist visas in UAE

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, on Monday announced that tourist visas in the UAE will now be issued for five years. Today, we change the system of issuing

tourist visas in the country, to make the duration of the tourist visa for five-years, multiple uses, for all nationalities, Sheikh Mohammed tweeted.

Source: [Zawya](#)

Investors return strongly as Dubai property transactions hit 11-year high

Investors and buyers cashed in on lower property prices in Dubai as the number of transactions jumped 20 per cent to hit 11-year high of 41,988 in 2019 as compared to 34,961 transactions in the previous year. Data released by Property Finder revealed that the sale of off-plan properties took the lion's share, accounting for 23,643 transactions or 56.3 per cent of the total due to attractive prices and incentives such as waiver of service fees, post-handover payment plans, discounts on registration charges and commission, guaranteed rental returns etc. offered by the developers.

Source: [Khaleej Times](#)

Al Rajhi REIT's new units to start trading tomorrow

Al Rajhi REIT Fund's new units will start trading tomorrow, Jan.7, the Saudi Stock Exchange (Tadawul) said in a statement on Monday. In October 2019, the unit holders approved increasing the total asset value of the fund from SAR 1.72 billion to a maximum of SAR 2.41 billion to acquire new real estate assets. Last month, the fund's public offering was 78.63% covered, as 16,031 subscribers injected SAR 116.6 million investments to buy 13.25 million units.

Source: [Argaam](#)

Non-founding foreign investments rise by 1.64% last week

Non-founding foreign investors – namely swap holders, residents and qualified foreign investors (QFIs) – increased their ownership in the Saudi Stock Exchange (Tadawul) to 1.64% in the week ending Jan. 2, from 1.62% in the previous week, on net purchases worth SAR 327 million, market data showed. GCC investors' ownership in the Saudi market inched up for the week to 0.50%, compared to 0.49% in the previous week.

Source: [Argaam](#)

Kamco, Global complete merger; launch 'Kamco Invest'

Kuwait-based Kamco Investment Company has unveiled its new identity, Kamco Invest, after completing a merger with Global Investment House. The new company's assets under management stands at about \$13.7 billion, ranked as the fifth largest asset manager in the Gulf region. Faisal Mansour Sarkhou, CEO, said the merger comes at a crucial phase in Kamco's implementation of its growth and expansion strategy which was initiated back in 2014.

Source: [Arabian Business](#)

Eshraq Investments approves cross-listing on ADX, Tadawul

The ordinary general meeting (OGM) of Eshraq Investments, listed on the Abu Dhabi Securities Exchange (ADX), approved the cross-listing of the company's shares on the Saudi Stock Exchange (Tadawul) during its meeting on Sunday 5 January. The general assembly delegated the board of directors to follow-up and implement all the listing procedures, including the timing, conditions, and offered stake, according to a bourse filing on Monday. This mandate shall be effective for a period of three years starting from the date of the meeting.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

American Airlines reaches settlement with Boeing for 737 MAX compensation in 2019

American Airlines Group Inc (AAL.O) said on Monday it had reached a confidential agreement with Boeing Co (BA.N) to address damages the airline incurred in 2019 due to the ongoing grounding of its fleet of Boeing 737 MAX aircraft. American, the largest U.S. airline, said the compensation will be received over several years. The airline will use more than \$30 million of the compensation for the airline's 2019 employee profit-sharing program.

Source: [Reuters](#)

Asia stocks bounce, oil slips as Iran anxiety ebbs

Asian shares rebounded on Tuesday as a day passed without any new escalation in the Middle East and Wall Street erased early losses to end in the black as tech stocks climbed. Oil surrendered hefty gains as some speculated Iran would be unlikely to strike against the United States in a way that would disrupt supplies, and its own crude exports.

Source: [Reuters](#)

Swiss franc holds gains versus dollar on US-Iran risk

The yen, another safe-haven currency, pulled back from a three-month high versus the dollar, but sentiment remains fragile due to the increasing worries about armed conflict between the United States and Iran. The dollar index against a basket of six major currencies stood at 96.623, following a 0.2% decline on Monday.

Source: [CNBC](#)

COMMODITIES NEWS

Gold slips from near 7-year high as U.S.-Iran tensions ease

Gold prices inched lower on Tuesday, a day after hitting their highest in nearly seven years, with a lack of immediate escalation between the United States and Iran denting bullion's safe-haven appeal. Spot gold fell 0.2% to \$1,562.81 per ounce by 0107 GMT. In the previous session, prices hit their highest since April 2013 at \$1,582.59. U.S. gold futures fell 0.2% to \$1,566.00.

Source: [Zawya](#)

Oil drops more than 1% as investors recalibrate risk in Mideast

Oil prices fell more than 1% on Tuesday as investors reconsidered the likelihood of Middle East supply disruptions in the wake of the United States killing a top Iranian military commander. Brent crude LCOc1 fell as much as 1.5% to \$67.86 a barrel and was at \$68.09, down 82 cents, at 0324 GMT. U.S. West Texas Intermediate (WTI) crude futures CLc1 was at \$62.53, down 74 cents, after earlier dropping 1.5% to an intra-day low of \$62.30.

Source: [Zawya](#)