

U Capital Morning Brief

7 July 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	768.36	0.85	0.11%	-8.92%	6.96	0.73	7.4%
U Capital GCC 50 Index	1,209.00	0.17	0.01%	-12.78%	19.33	1.99	4.3%
U Capital MENA 200 Index	949.83	1.13	0.12%	-12.92%	14.79	1.62	5.1%
MSCI GCC Countries Index	483.90	0.35	0.07%	-15.06%	15.26	1.64	4.3%
Muscat Securities Market	3,511.21	2.74	0.08%	-11.81%	10.00	0.76	6.8%
Saudi Stock Exchange	7,390.59	2.10	0.03%	-11.90%	22.25	1.80	3.5%
Kuwait Stock Exchange	6,167.49	3.97	0.06%	-14.99%	14.87	1.18	3.8%
Qatar Exchange	9,196.47	9.30	0.10%	-11.79%	14.49	1.42	4.3%
Bahrain Stock Exchange	1,277.16	-0.35	-0.03%	-20.68%	9.55	0.78	5.5%
Dubai Financial Market	2,087.38	25.30	1.23%	-24.50%	6.30	0.75	4.6%
Abu Dhabi Exchange	4,318.45	14.53	0.34%	-14.92%	13.84	1.29	5.9%
Beirut Stock Exchange	615.37	5.71	0.94%	-21.66%	3.24	0.37	0.0%
Tunis Se Index	6,582.45	6.58	0.10%	-7.58%	17.85	2.16	0.7%
EGX 30 Index	11,087.64	128.29	1.17%	-20.58%	10.99	1.54	3.1%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe					Currency		
FTSE 100	UK	6,285.9	2.09%	-16.66%	Australian Dollar (AUD)	0.696	1.437
DAX	Germany	12,733.5	1.64%	-3.89%	British Pound (GBP)	1.250	0.800
CAC 40	France	5,081.5	1.49%	-15.00%	Canadian Dollar (CAD)	0.737	1.356
United States					Chinese Renminbi (CNH)	0.143	7.013
DJIA	USA	26,287.0	1.78%	-7.89%	Egyptian Pound (EGP)	0.062	16.142
S&P 500	USA	3,179.7	1.59%	-1.58%	Euro (EUR)	1.130	0.885
NASDAQ	USA	10,433.7	2.21%	16.28%	Indian Rupee (INR)	0.013	74.874
Asia Pacific					Japanese Yen (JPY)	0.009	107.480
NIKKEI 225	Japan	22,575.2	-0.62%	-4.57%	New Zealand Dollar (NZD)	0.655	1.526
HANG SENG	Hongkong	26,213.6	-0.49%	-7.01%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	35,344.9	0.39%	-13.23%	Pakistani Rupee (PKR)	0.601	166.450
NSE Nifty 50	India	10,733.6	-0.28%	-11.79%	Russian Ruble (RUB)	0.014	71.810
SHANGHAI COMPOSITE	China	3,384.4	1.55%	10.96%	Singapore Dollar (SGD)	0.718	1.393
SHANGHAI SHENZHEN CSI 300	China	4,768.0	2.10%	16.39%	Turkish Lira (TRY)	0.146	6.863

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
				UAE	0.71	-67.6%
				Saudi Arabia	0.97	-56.3%
				Kuwait	1.63	-40.9%
				Oman	2.65	-5.9%
				Qatar	1.09	-51.5%
				Bahrain	2.30	-13.8%
				GCC Latest 10-Yr Government Bond Yields		
					Maturity date	YTM, %
				KUWAIT	20/03/2027	1.46
				UAE	16/04/2030	1.82
				QATAR	16/04/2030	1.87
				SAUDI ARABIA	22/10/2030	2.13
				OMAN	01/08/2029	6.87
				BAHRAIN	14/05/2030	5.45
				USD Libor		
					Rate (%)	YTD
				3 year	100.20	0.2
				5 year	99.76	0.3
				10 year	99.55	0.7
				30 year	95.67	1.4
				1m	0.16	-90.8%
				3m	0.28	-85.5%
				6m	0.37	-80.8%
				1 year	0.51	-74.7%

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.20	0.2	1m	0.16	-90.8%
5 year	99.76	0.3	3m	0.28	-85.5%
10 year	99.55	0.7	6m	0.37	-80.8%
30 year	95.67	1.4	1 year	0.51	-74.7%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Standard grade petrol production falls 30% in Oman

The Sultanate recorded a fall in the production of standard grade petrol (M-91) by Omani refineries at the end of May 2020 by 30 per cent, with the output falling to 4.40 billion barrels compared to 6.26 billion barrels produced in 2019.

Source: [Times of Oman](#)

Omani rial exchange rate index rises

The effective exchange rate index of Omani rial rose by 1 per cent to 106.4 points as of the end of April 2020 compared to 105.3 points in the same period of 2019. The Sultanate registered an increase in narrow money supply (M1) by 12.6 per cent to reach OMR5.67 billion at the end of April 2020.

Source: [Times of Oman](#)

Oman upbeat about investor interest in PPP projects

With the Executive Regulations underpinning the landmark Public-Private Partnership (PPP) and Privatisation laws now officially published, local and international investor interest is now riveted on an initial handful of projects the success of which will bode well for the long-term sustainability of the Omani government's groundbreaking efforts to rope in the private sector in the delivery of public works and services.

Source: [Oman Observer](#)

Diam mulls solar desalination project in Oman

The Public Authority for Water (Diam) is weighing the potential to harness solar energy for water desalination in line with a strategy to embrace renewables, as well as innovation and energy efficiency in the delivery of its services. The state-owned utility, which is responsible for potable water distribution across the Sultanate, says it is exploring desalination via solar evaporation to help sustain supplies to remote communities located beyond the reach of the country's water distribution grids.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Abu Dhabi Islamic Bank raises foreign ownership to 40%

Abu Dhabi Islamic Bank (ADIB), a leading financial institution, has announced raising the percentage of foreign ownership to 40%, from 25%, of its issued capital effective from today. The announcement came after obtaining the necessary regulatory approvals from the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, as well as the bank's shareholders during the Annual General Meeting (AGM) held last March.

Source: [Zawya](#)

Bahrain's GDP growth rate down by 1.1% in first quarter

Bahrain's GDP growth rates down by 1.1 per cent in the first quarter on an annual basis, state news agency (BNA) reported on Monday citing a finance ministry report. "The report showed that the economic performance witnessed growth at the beginning of the year before being impacted in March by the exceptional circumstances witnessed by Bahrain and the world at large due to the coronavirus pandemic, affecting the overall performance of the economy in the first quarter," BNA added.

Source: [Gulf News](#)

Kuwait's KCPC secures \$14.27m Public Authority for Housing Welfare contract

The Kuwait Company for Process Plant Construction & Contracting (KCPC) has secured a contract by the Public Authority for Housing Welfare for a value of 4.39 million Kuwaiti dinars (\$14.27 million). The contract will be for works at Sabah Al-Ahmad City (Sector B) for a period of 430 days. The company had reported a net profit attributable to the owners of the parent company of 4.98 million Kuwaiti dinars in the year 2019, compared to 4.24 million Kuwaiti dinars for the year 2018.

Source: [Zawya](#)

GCC banks to witness lower profits in 2020 amid COVID-19

The profits of banks in GCC countries will decrease in 2020 due to the economic contraction amid the coronavirus (COVID-19) pandemic and lower oil prices, Moody's Investors Service said in a report on Monday. Moody's referred that despite their low profits in 2020, the banks in the GCC region have adequate capital that will support their solvency in the crisis. The rating agency forecast that the real non-hydrocarbon GDP in the GCC region will retreat between 3.5% and 5% in 2020, affecting the banks' ability to lend and lowering loan demands between 0% and 5%.

Source: [Mubasher](#)

UAE Central Bank to launch new overnight deposit facility

The UAE Central Bank said on Monday it would introduce a new overnight deposit facility as of July 12 to enable conventional banks operating in the UAE to deposit their surplus liquidity at the apex bank on an overnight basis. In a statement, the CBUAE said the introduction of the Overnight Deposit Facility (ODF) is the first step towards implementation of the new "Dirham Monetary Framework" announced earlier this year.

Source: [Zawya](#)

Cash buyers are snapping up Dubai properties as prices plummet

Sales of villas and apartments in Dubai have increased following the easing of COVID-19 related lockdowns, and if you are a cash buyer, now might be the time to invest in real estate. In a report published this Monday, consultancy firm ValuStrat said that cash sales transactions for the whole month of June were up by 26 percent compared to May, indicating a huge amount of pent-up demand among investors.

Source: [Zawya](#)

Saudi Arabia's biggest pharmacy firm Nahdi in early talks for IPO -sources

Saudi Arabia's Nahdi Medical Co, the largest pharmacy retail chain in the kingdom, is weighing an initial public offering (IPO) and has begun early talks with potential advisors, two sources familiar with the talks told Reuters. Nahdi, founded by Abdullah Amer Al Nahdi in 1986, the Saudi equivalent of British health retailer Boots, has a network of more than 1,100 pharmacies. It is 50% owned by Jeddah-based Islamic investment firm Sedco Capital, according to information on its website.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

European stocks close higher as banks lead rally; Stoxx 600 up 1.6%

European markets closed higher Monday as investors focused on the prospect of economic recovery and progress on potential coronavirus drugs, shrugging off concerns about a further acceleration of the pandemic.

Source: [CNBC](#)

U.S. trade groups urge China to increase purchases of U.S. goods, services

The U.S. Chamber of Commerce and over 40 trade associations on Monday urged top American and Chinese officials to redouble efforts to implement a Phase 1 trade agreement signed by the world's two largest economies in January despite pandemic-related strains.

Source: [Reuters](#)

Bond Investors Struggle to See Reasons to Be Upbeat About U.K.

Investors are so worried about the U.K.'s prospects that they're ignoring the recent uptick in the economy and betting on an extended period of weakness. They've piled into havens, driving government bonds to record highs. Yields are close to those in Japan, an economy mired in low growth and high debt levels for the last two decades. And traders are again betting on negative rates in 2021, despite the Bank of England saying that officials didn't discuss the monetary policy at their meeting last month.

Source: [Bloomberg](#)

Japan government says coincident indicator index suggests economy is worsening

Japan's coincident indicator index fell in May and the government kept its view on the index, signalling the coronavirus outbreak was hurting the economy. The index of coincident economic indicators, which consists of a range of data including factory output, employment and retail sales data, slipped a preliminary 5.5 points from the previous month to 74.6 in May, the Cabinet Office said on Tuesday.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices fall on demand concerns from U.S. coronavirus case surge

Oil prices fell on Tuesday, erasing earlier gains, on concerns that the surge in coronavirus cases in the United States, the world's biggest oil user, will limit a recovery in fuel demand.

Source: [Reuters](#)

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