

U Capital Morning Brief

4 October 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	794.47	-5.29	-0.66%	-5.82%	7.10	0.74	7.4%
U Capital GCC 50 Index	1,289.82	-3.52	-0.27%	-6.95%	20.89	2.23	4.1%
U Capital MENA 200 Index	1,013.77	1.84	0.18%	-7.05%	14.04	1.75	4.6%
MSCI GCC Countries Index	519.91	0.00	0.00%	-8.74%	18.62	1.77	3.2%
Muscat Securities Market	3,614.64	-6.77	-0.19%	-9.21%	10.74	0.73	6.8%
Saudi Stock Exchange	8,295.05	-4.03	-0.05%	-1.12%	30.21	2.02	2.4%
Kuwait Stock Exchange	6,548.84	-146.15	-2.18%	-9.73%	29.25	1.37	3.6%
Qatar Exchange	10,005.90	15.51	0.16%	-4.02%	16.15	1.50	3.9%
Bahrain Stock Exchange	1,432.46	-2.04	-0.14%	-11.04%	13.34	0.89	4.7%
Dubai Financial Market	2,265.70	-7.78	-0.34%	-18.05%	8.57	0.80	4.3%
Abu Dhabi Exchange	4,492.02	-26.04	-0.58%	-11.50%	16.39	1.30	5.4%
Tunis Se Index	6,567.83	-11.19	-0.17%	-7.78%	19.60	2.17	0.7%
EGX 30 Index	11,051.30	62.03	0.56%	-20.84%	11.41	1.48	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	5,902.1	0.39%	-21.75%
DAX	Germany	12,689.0	-0.33%	-4.23%
CAC 40	France	4,824.9	0.02%	-19.29%
United States				
DJIA	USA	27,682.8	-0.48%	-3.00%
S&P 500	USA	3,348.4	-0.96%	3.64%
NASDAQ	USA	11,075.0	-2.22%	23.43%
Asia Pacific				
NIKKEI 225	Japan	23,029.9	-0.67%	-2.65%
HANG SENG	Hongkong	23,459.1	0.79%	-16.78%
KSE 100 Index	Pakistan	40,070.8	-1.49%	-1.63%
NSE Nifty 50	India	11,417.0	1.51%	-6.18%
SHANGHAI COMPOSITE	China	3,218.1	-0.20%	5.51%
SHANGHAI SHENZHEN CSI 300	China	4,587.4	-0.10%	11.98%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.716	1.396
British Pound (GBP)	1.294	0.773
Canadian Dollar (CAD)	0.751	1.331
Chinese Renminbi (CNH)	0.148	6.754
Egyptian Pound (EGP)	0.064	15.755
Euro (EUR)	1.172	0.854
Indian Rupee (INR)	0.014	73.146
Japanese Yen (JPY)	0.009	105.290
New Zealand Dollar (NZD)	0.664	1.507
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.607	164.454
Russian Ruble (RUB)	0.013	78.192
Singapore Dollar (SGD)	0.733	1.364
Turkish Lira (TRY)	0.129	7.775

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	39.3	-4.06%	-35.85%
WTI Crude (per bbl)	37.1	-4.31%	-39.32%
Oman Crude Oil (Last Closing)	38.6	-4.32%	-42.81%
OPEC (per bbl)	39.9	-1.75%	-41.23%
Precious Metals			
Gold 100 OZ (per oz)	1,899.8	-0.32%	25.21%
Silver (per oz)	23.7	-0.24%	32.96%
Platinum (per oz)	881.3	-1.98%	-8.82%
Other Metals			
Copper, MT	6,553	2.60%	6.14%
Aluminium, MT	1,768	1.64%	-2.32%
Lead, MT	1,772	-1.99%	-8.07%
Zinc, MT	2,327	0.02%	2.42%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.47	-78.7%
Saudi Arabia	0.87	-61.1%
Kuwait	1.63	-40.9%
Oman	2.66	-5.5%
Qatar	0.93	-58.7%
Bahrain	2.25	-15.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.40
UAE	16/04/2030	1.74
QATAR	16/04/2030	1.85
SAUDI ARABIA	22/10/2030	2.16
OMAN	01/08/2029	7.09
BAHRAIN	14/05/2030	5.91

Midswaps	Price	YTM %
3 year	99.88	0.2
5 year	99.82	0.3
10 year	99.28	0.7
30 year	97.31	1.5

USD Libor	Rate (%)	YTD
1m	0.14	-92.1%
3m	0.23	-87.8%
6m	0.24	-87.2%
1 year	0.36	-82.1%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Investments in developmental projects total RO 816m in H1

Investments in developmental projects totalled RO 816.9 million during the first half of this year, underscoring a drive by the Omani government to accelerate the implementation of key infrastructure schemes. According to the National Centre for Statistics and Information (NCSI), said the tally of investments in developmental projects is expected to rise significantly once an adjustment of the amounts currently listed under 'Expenses Under Settlement' is completed. Listed under this column are around RO 430 million in investments, Oman News Agency (ONA) said in a report, citing NCSI figures.

Source: [Oman Observer](#)

CBO issues treasury bills worth OMR17 million

Oman's central bank raised OMR17 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from September 30 until December 30, 2020. The average accepted price reached 99.800 for every OMR100 while the minimum accepted price arrived at 99.800 per OMR100. The average discount rate and the average yield reached 0.80102 per cent and 0.80262 per cent, respectively. Note that the interest rate on the Repo operations with CBO is 0.5 per cent while the discount rate on the Treasury Bills Discounting Facility with CBO is 1 per cent.

Source: [Times of Oman](#)

CBO board reviews measures to deal with impact of COVID-19

The board of governors of the Central Bank of Oman (CBO) Tuesday convened its third meeting for this year and reviewed the precautionary measures taken by the central bank to mitigate the impact of COVID-19 pandemic and low oil prices on the sultanate's economy and banking sector. This was the board's first meeting since the issuance of Royal Decree 117/2020 on September 10, forming the new board of governors of the CBO under the chairmanship of H H Sayyid Taimur bin Asaad bin Tarik al Said.

Source: [Muscat Daily](#)

Oman crude exports to China rise as shipments to Japan, India slump

Japan and India, once leading markets for Oman crude, saw their respective shares dramatically decline during the first eight months of this year. According to the National Centre for Statistics and Information (NCSI), Japanese imports of crude from the Sultanate plummeted 90.8 per cent to around 1.6 million barrels as of August 31, 2020, down from 17.529 million barrels for the corresponding period of 2019. India too saw its share plunge 49.7 per cent to 6.675 million barrels this year, down from 13.270 million barrels last year.

Source: [Oman Observer](#)

One-person firms brought under scope of Oman Income Tax Law

The Sultanate's Income Tax Law, amended recently by Royal Decree 118/2020, brings for the first time the so-called 'One-Person Company' within the ambit of the statute, adding them to a broad range of commercial enterprises that are liable to submit their tax returns. According to a leading tax, audit and advisory services firm, the 'One-Person Company' — also known as sole proprietorships — was legalised for the first time as part of the new Commercial Company Law issued earlier this year vide Royal Decree 18/2020.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Middle East aviation sector to lose 1.7mn jobs this year: IATA

The International Air Transport Association (IATA) warned that the damage being done to the Middle East aviation industry and on economies by the shutdown of air traffic owing to the COVID-19 pandemic has deepened. According to the figures released by the Air Transport Action Group of which IATA is a member, around 1.7mn jobs in the Middle East's aviation and aviation-related industries will be lost in 2020 due to the COVID-19 pandemic and border closures. This is nearly half of the region's 3.3mn aviation-related employment.

Source: [Muscat Daily](#)

GCC Islamic fund managers remain resilient despite COVID-19 pressure: Moody's

A persistently strong demand for Sharia'a-compliant investments is helping the GCC Islamic asset management sector remain resilient amid the coronavirus-related market upheavals, Moody's Investors Service said in a new report. Net inflows into some large Islamic funds in the GCC countries have remained positive despite weaker markets and lower oil prices, in contrast to the net outflows experience by many western peers, Moody's noted. Moody's expects growth in GCC Islamic assets under management to slow to 2 per cent to 4 per cent in this year and next.

Source: [Muscat Daily](#)

Saudi Arabia exempts property deals from VAT and imposes new 5% tax

Saudi Arabia on Friday issued an order exempting property deals from VAT and imposed a new 5 per cent tax on transactions. The latest decision by the government is expected to boost the property sector in the kingdom and help citizens seeking to buy homes, according to a Saudi Press Agency report. "The royal decree aims to support citizens and ease their burden ... and enable them to own their homes," Saudi Arabia's finance minister Mohammed Al Jadaan said in a tweet. "It also contributes to the development of the kingdom's economy by stimulating the residential and commercial [property] sector."

Source: [The National](#)

Kuwait central bank affirms commitment to dinar strength, exchange rate stability – tweet

Kuwait central bank affirmed on Saturday its commitment to the strength of the dinar and the stability of its exchange rate, it said in a post on Twitter. The central bank said that "in light of recent online reports falsely speculating on the intent to devalue the national currency ... [it] reiterates its commitment to maintaining the Kuwaiti dinar exchange rate at a level that protects its purchasing power." It will also continue adhering to policies that aim to bolster the local currency and maintain monetary and financial stability in the country, the central bank added.

Source: [Reuters](#)

Dubai economy to contract by 11% this year: \$&P

Dubai's economy will contract by around 11% in 2020, owing mainly to the Covid-19 impact on its travel and tourism industry, the sector most affected by the pandemic, according to an S&P Global Ratings report. As per S&P estimate, Dubai's gross general government debt will reach about 77% of GDP in 2020. Low oil prices have had broad effects on GCC economies, of which Dubai is one, but hydrocarbons directly contribute only about 1% to Dubai's total GDP.

Source: [Trade Arabia](#)

Dubai's Shuaa unveils 3 shariah funds, secures \$75m in commitments

Dubai-based Shuaa Capital has launched three new shariah-compliant funds and secured commitments worth \$75 million. The open-ended products, expected to be the largest of their kind, will be domiciled in Abu Dhabi Global Market (ADGM), the UAE capital's international financial centre and free zone, the asset management and investment firm said in a bourse filing on Sunday. One of the funds, the Shuaa High Yield Sukuk Fund, will invest in a diversified portfolio of sukuk instruments, including high-yield sukuk, shariah-compliant fixed income investments and other collective investment funds.

Source: [Zawya](#)

Work cut out for Arab world's labour market

The Arab world's labour market has taken a more severe hit from coronavirus than other regions, according to the top official of the International Labour Organisation (ILO). ILO director-general Guy Ryder said the impact of the pandemic has been absolutely devastating on labour markets worldwide, based on the calculation of actual reduction of work hours. "Arab countries have taken a bigger hit than others. In the second quarter, work hours decreased by 17.4 per cent globally. In the Arab League countries, figures go up to 19.5 per cent. Labour income in Arab countries has also been worst hit, going down by 11 per cent, which is equivalent to four per cent of their GDP.

Source: [Khaleej Times](#)

Shareholders vote to dissolve Dubai's Arabtec

the Dubai-based company that helped construct the Burj Khalifa tower, has confirmed that its shareholders had voted to dissolve the company. The board now has two months for discussions with stakeholders before a liquid application may be submitted to courts. News first broke on Wednesday that the shareholders of the construction giant had voted to file for liquidation, following a \$216 million net loss in the first half of 2020.

Source: [Zawya](#)

Dubai's weekly real estate sales transactions hit \$1.05bln

Dubai's real estate and properties transactions value hit AED3.89 billion (\$1.05 billion) during the week ending October 1, according to the figures of the Department of Land and Property in Dubai. Of the total 1,732 land plots, 182 was sold for AED1.21 billion (\$326 million), while 1,140 apartments and villas were snapped up for AED1.56 billion (\$424 million). A total of 182 plots were sold for AED1.21 billion, while 1,140 apartments and villas were sold for AED1.56 billion.

Source: [Zawya](#)

Saudi Tadawul up 4.51% in September; market cap gains hit \$40.8bln

The Saudi Stock Exchange (Tadawul) continued its upward trend for the six consecutive month in September 2020. The Tadawul All Share Index (TASI) hiked by 4.51% or 358.38 points last month. The benchmark index stood at the level of 8,299.08 points in September, compared with 7,940.7 points a month earlier, as shown by official data. Market cap gains amounted

to SAR 153.2 billion, raising the market capital of listed shares to SAR 9.13 trillion in September from SAR 8.98 trillion in August. All sectors closed the month in the green zone, topped by diversified financials with 19.78% and real estate with 18.59%.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Trump says 'real test' ahead in his COVID fight after mixed messages from White House

President Donald Trump told Americans from his hospital room that the next few days will be the “real test” of his treatment for COVID-19, after a series of contradictory messages from the White House caused widespread confusion about his condition. In a four-minute video posted on Twitter on Saturday from his hospital suite at Walter Reed National Military Medical Center, a tired-looking Trump said he was feeling “much better.”

Source: [Reuters](#)

Trump urges Congress to pass new coronavirus stimulus: 'GET IT DONE'

President Donald Trump pressured Congress to pass a coronavirus stimulus plan Saturday as his administration and congressional Democrats struggle to forge a relief deal. In a tweet sent as the president receives treatment for Covid-19 at Walter Reed Medical Center, the president wrote, “OUR GREAT USA WANTS & NEEDS STIMULUS.”

Source: [CNBC](#)

Airbus executive says aviation outlook worse than expected

The outlook for the aviation industry has deteriorated again due to rising coronavirus infections and renewed travel restrictions, Airbus chief operating officer Michael Schoellhorn was quoted as saying on Saturday. With air travel at a fraction of normal levels due to restrictions and travellers’ fears related to the pandemic, airlines have slowed deliveries of new aircraft. Airbus has said it needs to shed 15,000 posts worldwide.

Source: [Reuters](#)

Escalating Chaos Again Proves Incapable of Derailing the S&P 500

First it was a shouting match of a presidential debate that raised doubts about the sanctity of the electoral process, then news Donald Trump had fallen ill with Covid-19. The S&P 500's verdict on such a nerve-wracking week? Up 1.5%. Even with Friday's decline on the president's diagnosis, stocks managed enough buoyancy over the first four days to come out comfortably ahead, defying a panoply of threats. If anything is a microcosm for the 2020 stock market, the last few days are it -- dip buyers clawing their way through considerable political and societal gloom and finding things to embrace.

Source: [Bloomberg](#)

New York City is 'on the edge of a precipice' as coronavirus cases grow, former CDC director says

Coronavirus infection rates in the New York City area continue to soar far above other parts of the state just days after it reopened indoor dining spaces and returned more students to classrooms for in-person learning. New York is responding to growing clusters of coronavirus cases in 20 “hotspot” ZIP codes that are reporting positivity rates, or the number of tests coming back positive, as high as 18%, based on a weekly average, according to a statement from Gov. Andrew Cuomo's office on Saturday.

Source: [CNBC](#)

COMMODITIES NEWS

Oil loses 4% after Trump gets coronavirus and economies wobble

Oil prices fell more than 4% on Friday, and posted a second weekly decline after U.S. President Donald Trump tested positive for COVID-19, roiling risky assets, and as rising global crude output threatened to overwhelm the market's weak recovery. Benchmark Brent and U.S. crude each posted a second straight week of losses. The uncertainty surrounding the U.S. president's health added to a series of jitters, including a lackluster U.S. unemployment report and increased supply from major world oil producers.

Source: [Zawya](#)



Ubar Capital SAOC (U Capital)

Oinvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



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