

PRE-MARKET REPORT

20 April 2021

HEADLINES

MARKET INDICATORS

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- Dubai residents continue to enjoy low rents in Q1
- Wall Street banks brace for digital dollars as the next big disruptive force
- Wall Street slips off record highs, Tesla drops after fatal crash
- Vaccine hopes boost euro, dollar on back foot as yields off highs
- Oil prices rise on weaker dollar, likely drawdown in U.S. stocks

FIXED INCOME

- Bad loans at UAE banks likely to increase once relief measures are over - S&P
- IPT: TAQA \$Benchmark; 7Y +110 Area, 30Y 3.75% Area

CHART / TABLE OF THE DAY

- Oman 10yr Government Bond Yield continues to drop

TECHNICALS OF THE DAY

- GCC Virtual Technical Portfolio

MARKET INDICATORS

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
MSCI GCC Countries Index	630.80	3.39	0.54%	10.72%	25.18	1.99	2.6%
Muscat Stock Exchange	3,666.95	-16.67	-0.45%	0.22%	10.97	0.67	4.9%
Saudi Stock Exchange	10,097.65	48.95	0.49%	16.20%	35.05	2.26	2.4%
Kuwait Stock Exchange	5,978.16	29.65	0.50%	7.79%	53.10	1.47	2.3%
Qatar Exchange	10,920.69	159.73	1.48%	4.64%	20.45	1.62	2.7%
Bahrain Stock Exchange	1,479.67	2.90	0.20%	-0.68%	39.22	0.98	2.4%
Dubai Financial Market	2,632.58	-3.82	-0.14%	5.64%	20.53	0.92	2.8%
Abu Dhabi Exchange	6,102.21	-21.88	-0.36%	20.95%	24.10	1.67	4.3%
Beirut Stock Exchange	891.69	4.97	0.56%	35.54%	32.65	0.70	0.0%
Palestine Stock Exchange	475.49	3.27	0.69%	0.90%	17.93	1.10	3.5%
Tunis Se Index	7,001.18	-28.12	-0.40%	1.69%	20.01	2.14	0.6%
EGX 30 Index	10,441.00	82.74	0.80%	-3.73%	11.41	1.42	2.8%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
			%	%	Currency		
Europe					European Dollar		
FTSE 100	UK	7,000.1	-0.28%	8.35%	Australian Dollar (AUD)	1.283	-1.29%
DAX	Germany	15,368.4	-0.59%	12.02%	British Pound (GBP)	0.714	-2.38%
CAC 40	France	6,296.7	0.15%	13.43%	Canadian Dollar (CAD)	1.249	1.85%
United States					Chinese Renm. (CNH)		
DJIA	USA	34,077.6	-0.36%	11.34%	Egyptian Pound (EGP)	15.672	0.35%
S&P 500	USA	4,163.3	-0.53%	10.84%	Euro (EUR)	0.829	1.29%
NASDAQ	USA	13,914.8	-0.98%	7.96%	Indian Rupee (INR)	74.769	-2.28%
Asia Pacific					Japanese Yen (JPY)		
NIKKEI 225	Japan	29,100.7	-1.97%	6.04%	Swiss Franc (CHF)	0.915	-3.20%
HANG SENG	Hongkong	29,145.1	0.14%	7.03%	Omani Rial (OMR)	0.385	0.00%
KSE 100 Index	Pakistan	44,913.6	0.00%	2.65%	Pakistan Rupee (PKR)	152.925	4.52%
NSE Nifty 50	India	14,466.9	0.75%	3.47%	Russian Ruble (RUB)	76.352	-2.54%
SHANGHAI COMPOSITE	China	3,492.9	0.44%	0.57%	Singapore Dollar (SGD)	1.327	-0.38%
SHANGHAI SHENZHEN CSI 300	China	5,117.7	0.60%	-1.80%	Turkish Lira (TRY)	8.106	-8.21%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	67.8	1.06%	31.17%	UAE	0.36	-30.2%
WTI Crude (per bbl)	64.0	0.98%	31.90%	Saudi Arabia	0.80	-2.5%
Oman Crude Oil (Last Closing)	65.3	0.31%	27.89%	Kuwait	1.50	4.3%
OPEC (per bbl)	65.2	1.13%	29.80%	Oman	2.63	-1.9%
Precious Metals						
Gold100 OZ (per oz)	1,770.4	-0.06%	-6.74%	Qatar	1.15	2.6%
Silver (per oz)	25.9	0.23%	-1.96%	Bahrain	1.25	-44.4%
Platinum (per oz)	1,209.5	-0.12%	12.81%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	9,376	1.79%	20.73%		Maturity date	YTM, %
Aluminium, MT	2,330	0.65%	17.71%	KUWAIT	20/03/2027	1.57
Lead, MT	2,057	0.51%	3.13%	UAE	16/04/2030	2.04
Zinc, MT	2,846	-0.35%	3.45%	QATAR	16/04/2030	2.19
				SAUDI ARABIA	22/10/2030	2.48
				OMAN	01/08/2029	4.96
				BAHRAIN	14/05/2030	5.36

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.09	0.3	1m	0.12	-19.5%
5 year	99.56	0.8	3m	0.19	-21.0%
10 year	95.56	1.6	6m	0.22	-13.2%
30 year	90.69	2.3	1 year	0.29	-14.5%

Source: Bloomberg

CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

OMAN

OQ owned Oman Tank Terminal Company (OTTCO) and Oman Oil Marketing Company (OOMCO) signed an agreement regarding the operations and maintenance for OOMCO's bunker terminal facility in Duqm

- OQ owned Oman Tank Terminal Company (OTTCO) and Oman Oil Marketing Company (OOMCO) signed an agreement regarding the operations and maintenance for OOMCO's bunker terminal facility in the port of Duqm.
- The agreement represents the strong effort of the two companies to offer a cost-effective proposition to their customers both for the storage of liquid products and marine fuel delivery in the port, as well as the contribution to the competitiveness of Duqm as a regional port.
- OOMCO, in which OQ has a 49 per cent shareholding, is currently pre-commissioning a greenfield bunker terminal at the Port of Duqm. This full-fledged terminal will consist of 30,000 m3 storage capacity and is capable of storing and handling both heavy fuel oils as well as lighter distillate products such as marine gas oil. Through the agreement, OTTCO will provide operation and maintenance storage and marine services, making this development a next step in strengthening OTTCO's strategy of owning and operating a widespread independent terminal network across Oman.

SAUDI ARABIA

NADEC signs terms sheet with consortium members to buy one of SAGO's flour mill

- National Agricultural Development Co. (NADEC) entered a term sheet on April 19, 2021, with consortium members - OLAM International Limited, Al Rajhi International for Investment Co., and Abdulaziz Alajlan & Sons Co. for Commercial and Real Estate Investment - to acquire a flour mill of the two offered for privatization by National Center for Privatization & PPP (NCP) and the Saudi Grains Organization (SAGO).
- The joint offer was submitted to the SAGO today, April 19, 2021, after NADEC's board agreed today on the term sheet, joint bid submission, as well as disclosing directors' interests, the company said in a statement to Tadawul.
- The term sheet sets forth the key commercial terms of the consortium members' agreement related to formation of a limited liability company with a specified capital and specific ownership percentages of each member.
- NADEC will announce any further material developments, including results of its submission of the joint bid, as required by the relevant rules and regulations. The financial implications will be announced following acceptance of the joint bid and signing of the final agreements, NADEC noted.

Al-Othaim board approves consortium to bid for flour mill up for privatization

- Abdullah Al Othaim Markets Co.'s (Al Othaim) board of directors approved, on April 18, 2021, to form a consortium with Allana International Ltd. and United Feed Manufacturing Co. to offer a joint purchase bid for a flour mill from the two offered for privatization by the Saudi Grains Organization (SAGO), according to a bourse filing.
- The second as well as the fourth flour milling companies were offered for privatization, as per the request for proposal with qualified bidders, dated Sept. 13, 2020, by the National Center for Privatization & PPP (NCP).
- The board's decision is in line with the company's integration as well as investment diversification strategy, in addition to its endeavors to contribute to the Kingdom's food security.
- In case the consortium is awarded, the relevant financial impact will be revealed, and the parties concerned will ink a joint venture deal under the umbrella of a holding company with equal ownerships among the consortium companies.
- The acquisition is said to be financed by both internal resources of the consortium and credit facilities from banks.

Mobily profits surge on home fiber business

- Mobily's net profit surged by about 74 percent in the first quarter to SR226 million (\$60.2 million) boosted by its home fiber business.
- Overall revenues were broadly flat over the period at about SR3.6 billion, the Saudi telecoms giant said in a stock exchange filing on Monday.
- The pandemic has brought mixed fortunes to the global telecoms industry, boosting some business lines such as home fiber as more people went online to shop and connect with friends on social media, but squeezing others such as international roaming charges which have shrunk as people were forced to stay at home.
- Mobily attributed its profit growth over the period to its fiber-to-home active base which offset the drop in international roaming.
- The company also benefited from a fall in funding rates with overall financial charges dropping by almost 22 percent to SR126 million.

Alkhorayef Water and Power Technologies Co. Announces Contract Sign Off with Riyadh Airports Company for the Upgrading of the Sewage Network Phase 2

- Alkhorayef Water and Power Technologies Co. Announces Contract Sign Off with Riyadh Airports Company for the Upgrading of the Sewage Network Phase 2.
- Alkhorayef Water and Power Technologies Co. will perform the works related to the second phase of upgrading of the sewage network in King Khaled International Airport in Riyadh City.
- The financial impact of this project is expected to start in the first half of the financial year 2021.

Saudi Corporate Results -1Q 2021

SAR MN		1Q21	1Q20	%CHANGE	4Q20	% CHANGE
BAHRI	الشركة الوطنية السعودية للنقل البحري	43.5	419.2	-89%	77.5	-43.8%
YAMAMA CEMENT	شركة أسمنت اليمامة	54.8	123.9	-55.7%	113.7	-51.7%

National Shipping (BAHRI) net income down 89% YoY and 44% QoQ in 1Q21

- The decrease in net profit for the current quarter compared to the corresponding quarter last year is mainly due to the significant decline in revenues from oil sector, caused by the decline in shipping rates in addition to the decrease in volumes.
- Nevertheless, the decrease in finance cost and the increase in the profits in the group's share in results of equity accounted investee companies for the current quarter compared to the corresponding quarter last year, contributed to reduce the impact of the decline in net profit.

Yamama Cement net income down YoY and QoQ by 56% and 52% respectively during 1Q21

- The main reasons for the decrease in net profit for the current quarter compared to the previous quarter are:
 - Decrease in the quantity of sales for the current quarter compared to the previous quarter.
 - Increase in other income for the previous quarter compared to the current quarter.

QATAR

Masraf Al Rayan Board of Directors approves the amendment of the Articles of Association to increase the percentage of non-Qatari ownership to 100%

- Masraf Al Rayan Board of Directors approves the amendment of the Articles of Association to increase the percentage of non-Qatari ownership to 100% subject to the approval of the concerned official authorities and the bank Extra-Ordinary General Assembly.

Qatar National Cement Company reconciliation and settlement in the lawsuit filed by the Ministry of Municipality and Environment

- Qatar National Cement Company has reached a reconciliation and settlement with the Ministry of Municipality in the aforementioned lawsuit regarding the company's claim to pay QAR 68.9mn.
- It was agreed that the company would pay an amount of QAR 34.5mn for the value of the materials extracted from the quarries until 08/10/2015 and be paid in 5 annual instalments.
- Accordingly, the competent administrative court reserved the case for judgment in the session of 27/05/2021.

Qatar Corporate Results -1Q 2021

QAR MN		1Q21	1Q20	%CHANGE
Masraf Al Rayan	مصرف الريان	574.7	547.0	5%
Ahli Bank Qatar	البنك الأهلي	186.5	180.4	3%

Masraf Al Rayan net income up 5% YoY in 1Q21

- Masraf Al Rayan posted a net profit of QR575mn in the first quarter, up 5.1% on the same period last year.
- Customers' deposits amounted to QR77,449mn in Q1, compared to QR67,730mn as of March last year, a growth of 14.3%.
- Total shareholders' equity reached QR13,674mn, compared to QR12,745mn as of March 2020, an increase of 7.3%.
- Book value per share reached QR1.82, compared to QR1.70 as of March 31, 2020.
- Capital adequacy ratio, using Basel-III standards and QCB regulations, reached 19.92%, compared to 19.89% as of March 31, 2020.
- Operating efficiency ratio (cost to income ratio) is 18.91%, which continues to be one of the best in the region.
- Non-performing financing (NPF) ratio is 1.05% and the "lowest" in the banking sector.
- Financing activities amounted to QR91,297mn in Q1, compared to QR79,265mn as of March last year, an increase of 15.2%.

Ahli Bank Qatar net income up 3% YoY in 1Q21

- Ahlibank announced a net profit of QR186.6mn for the first three months of 2021 (Q1), an increase of 3.4% over the same period last year.
- The Earnings per Share(EPS) amounted to QR 0.077 as of 31st March , 2021versus Earnings per Share(EPS) QR 0.074 for the same period in 2020 .
- The bank successfully completed the Issuance of \$300mn Additional Tier 1 Capital in the international markets at a competitive coupon of 4%.

UAE

Dana Gas KRI collections at \$53 million (AED 194 mm) year-to-date

- Dana Gas PJSC announces that year-to-date Pearl Petroleum Company Limited ('Pearl Petroleum') has received \$151 million (AED 553 mm) from the sale of gas, condensate and LPG, in the Kurdistan Region of Iraq (KRI). All invoices from the KRG continue to be settled in full and in a timely manner.
- Dana Gas is a 35% shareholder in Pearl Petroleum and accordingly its share of KRI collections year-to-date is \$53 million (AED 194mm). Of Pearl Petroleum's total collections this year, \$24.6 million was received in respect of overdue receivables, of which Dana Gas's share was \$8.6 million. Pearl Petroleum's overdue receivables from the KRI stand at \$42 million following the most recent payment, with Dana Gas's share at \$14.8 million. At the current oil prices the balance of KRI overdue receivable is expected to be settled during the third quarter of this year.
- A significant production increase in the KRI occurred in the fourth quarter of 2020 after the Khor Mor by-pass debottlenecking project was completed in July. The Company has continued to deliver solid operational performance in the first three months of 2021. Gross gas production in the KRI increased by 12% to an average of 439 MMscf/d in the first quarter compared to 391 MMscf/d in the same period last year. This helped contribute to a 9% increase in total Group production to 35,300 boepd in the first quarter of 2021 versus 32,400 boepd in the first three months of 2020.

UAE Trade Connect's digital trade platform goes live with 7 banks

- UAE Trade Connect (UTC), a new nationwide blockchain platform, has officially gone live on Monday to help financial institutions combat fraud and duplication.
- Co-created by Etisalat Digital, seven leading UAE banks and Avanza Innovations, the idea was first proposed by First Abu Dhabi Bank to tackle key issues in the trade finance space. The steering committee for the platform consists of the Central Bank of the UAE, Commercial Bank International (CBI), Commercial Bank of Dubai (CBD), Emirates NBD, First Abu Dhabi Bank (FAB), Mashreq Bank, National Bank of Fujairah (NBF), and RAKBANK.
- The platform is based on blockchain and other disruptive technologies enabling data to be shared in a secure manner. Technologies such as Artificial Intelligence (AI), Machine Learning, Optical Character Recognition (OCR) and Robotic Process Automation (RPA) read invoices to identify duplications, frauds and dubious transactions within the banking trade finance offering.

UAE Corporate Results -1Q 2021

AED MN		1Q21	1Q20	%CHANGE
EMIRATES NBD	الامارات دبي الوطني	2,320	2,081	11%

Emirates NBD net income up 11% YoY in 1Q21

- Emirates NBD, posted a 12% rise in first-quarter net profit, citing improving economic conditions from the COVID-19 pandemic fallout and a sharp drop in impairments.
- The bank reported a net profit of 2.32 billion dirhams (\$599 million) in the reported quarter ended March 31, versus 2.081 billion dirhams in the year-ago period, Emirates NBD said in a statement, adding that net profit surged 76% on-quarter.
- Non-funded income was up 6% from a year earlier on improved fee and investment securities income.
- The bank said expansion into Turkey, where it acquired DenizBank in 2019, has helped diversify its earnings, with DenizBank contributing 642 million dirhams or 28% of the group's net profit.
- Emirates NBD said it expanded its network in the Saudi Arabia in the first quarter with new branches in the holy cities of Mecca and Medina.

IMPORTANT ANNOUNCEMENT

UAE Central Bank Extends Economic Support Scheme Until Mid-2022

- Financial institutions will continue to be eligible to access the collateralized 50 billion-dirham zero-cost liquidity facility up to June 30 to provide new loans and financing to individuals, small and medium-sized enterprises, and other private corporates affected by the pandemic, according to a statement.
- Financing for loan deferrals under the Targeted Economic Support Scheme will also be extended until the end of 2021
- The outstanding financing for TESS deferrals shall be fully phased out by Dec. 31
- Central bank expects financial institutions to prioritize lending through the TESS to the most negatively affected sectors, businesses, and households
- “The extension of the TESS shall allow continued support by the financial system to the sectors negatively affected by the Covid-19 pandemic:” Governor Khaled Mohamed Balama
- NOTE: TESS is a comprehensive program covering all central measures in response to the pandemic.

ECONOMIC & GENERAL NEWS

OMAN

Ominvest signs deal to support Omani SMEs at Expo 2020

Oman International Development and Investment Company (Ominvest) signed a strategic partnership agreement with the General Commission of the Sultanate at Expo 2020 to support Omani innovators and Small and Medium Enterprises (SMEs) within the framework of Al Luban Initiative. The agreement was signed by H E Mohsen Khamis al Balushi, commissioner-general of the sultanate at Expo 2020; Sheikh Khalid Muhammad al Zubair, chairman of Ominvest; H E Eng Ridha Jumaa al Saleh, chairman of Oman Chamber of Commerce and Industry; Qais Rashid al Toubi, vice president for SMEs development at the Authority of Small and Medium Enterprises Development in Nadab; and Nada Bassam, general manager of Oman Trading Platform (Taiseer).

Source: [Muscat Daily](#)

Al Jifnain protection dam construction in full swing

The construction work of the flood protection dam project in Al Jifnain in the Wilayat of Seeb is in full swing. The project which began in February is aimed at intercepting and storing flood water converging from Wadi Al Jifnain and reducing the amount of water loss in the sea. It involves construction of an earth-rock dam with a height of 5.18 metre and length of 6,500 metres. It will have 2 concrete spillways and 2 concrete towers in addition to several floodgates to control the release of stored water. The dam will be fitted with a set of monitoring devices for measuring ground water level, leakage in the body of the dam.

Source: [Oman Observer](#)

Oman Housing Bank approves RO 11 million in loans

Oman Housing Bank said that 253 loans having a lump sum value of about RO 11 million were subsidized by the government in the first quarter of 2021. Adnan Haider Darwish, CEO of Oman Housing Bank, said that the bank will accelerate the pace of approval of subsidized housing loans over the next few months. This reflects the bank's commitment to develop the housing sector in the Sultanate in line with preset plans, said Adnan Haider Darwish.

Source: [Oman Observer](#)

OQ backs use of drone technology in agricultural sector

OQ, the global integrated group of the Sultanate, is supporting an initiative that seeks to harness the potential of drone technology in developing Oman's increasingly important agricultural sector. A Memorandum of Cooperation (MoC) to this effect has been signed by the wholly government-owned energy group with the Ministry of Agriculture, Fisheries and Water Resources (MoAFWR). It is part of a slate of initiatives and programmes supported by OQ in line with its corporate social responsibility (CSR) commitments.

Source: [Oman Observer](#)

MIDDLE EAST

Mideast Stocks: Mixed close for Major Gulf bourses

Saudi Arabia's benchmark index gained 0.5%, with petrochemical firm Saudi Basic Industries rising 2.1%, and Yanbu National Petrochemicals Company up 2.8% after reporting a sharp surge in quarterly profit. In Dubai, the main share index eased 0.1%, hit by a 1.8% fall in Emaar Properties, the emirate's largest listed real estate developer, which will go ex-dividend on Tuesday, and a 2.1% drop in its unit Emaar Malls. However, gains at Emirates NBD Bank, which finished 2.1% higher, cushioned the index's fall. On Sunday, the lender and Etihad Credit Insurance signed an agreement to ease the bank's businesses access to trade finance.

Source: [Zawya](#)

PPP drives national development and supports growth in Mideast

Public-private partnerships (PPPs) are an essential tool to accommodate and advance Middle Eastern infrastructure requirements. When planned, designed, and implemented prudently, they can contribute to national development and support growth across all socio-economic sectors, benefitting public and private sector players. Arthur D Little expounds this viewpoint in their latest report entitled, 'Successful Public-Private Partnerships: How countries should set up an effective ecosystem for public-private partnerships'. The document is rich in insights outlining how specific requirements should be considered throughout the planning, structuring, and implementation phases of such projects.

Source: [Oman Observer](#)

Saudi public debt issuance up 50% in 2020 to \$43.4bln

Saudi public debt issuance increased by nearly 50 percent in 2020 to SR163 billion (\$43.4 billion), the Capital Market Authority reported. Non-government debt issuance increased by more than 250 percent reaching SR31 billion compared to SR9 billion in 2019. The market value of stocks and debt instruments reached SR9.8 trillion by the end of 2020, the Authority said in its annual report. That represented a rise of 335 percent when compared to 2017 when it launched its three-year Financial Leadership Program that ran until last year.

Source: [Arab News](#)

Saudi King Salman directs \$506mln to be paid to social security beneficiaries

King Salman has authorized SR 1.9 billion to be paid to Saudis who receive social security benefits, Al Ekhbariya reported early Tuesday. Ahmed Suleiman Al-Rajhi, the minister of human resources and social development, welcomed the king's generous support to citizens during the holy month of Ramadan. The announcement came as Saudis prepare to fast for the eighth day.

Source: [Zawya](#)

Dubai residents continue to enjoy low rents in Q1

Tenants in Dubai continued to enjoy low rents during the first quarter of 2021 as it declined by 11 per cent year-on-year basis due to stiff competition in the residential market, latest data showed on Monday. The first quarter 2021 Dubai real estate review issued by ValuStrat said residential rents were relatively stable when compared to the previous quarter, as it registered less than a per cent decline during the January-March period. The real estate consultancy also noted a 3.9 per cent year-on-year hike in villa rents.

Source: [KT](#)

INTERNATIONAL

Wall Street banks brace for digital dollars as the next big disruptive force

Wall Street banks view central bank digital currencies as the next big financial disruptor. Countries as large as China and as small as the Bahamas have instituted these digital currencies. In the U.S., the Federal Reserve is taking a cautious approach though it has launched a project with MIT.

Source: [CNBC](#)

Wall Street slips off record highs, Tesla drops after fatal crash

U.S. stocks closed lower on Monday, slipping from last week's record levels, as investors waited for guidance from first-quarter earnings to justify high valuations, while Tesla Inc shares fell after a fatal car crash. The electric-car maker slid 3.4% after a Tesla vehicle believed to be operating without anyone in the driver's seat crashed into a tree on Saturday north of Houston, killing two occupants. The stock was the biggest drag on the S&P 500 and Nasdaq Composite Index. An 8.4% drop over the weekend in bitcoin, in which Tesla has an investment, also weighed on its share price.

Source: [Yahoo Finance](#)

Vaccine hopes boost euro, dollar on back foot as yields off highs

The dollar wallowed near a six-week low against its peers on Tuesday as the euro led a rally on the back of a brightening outlook for the region's vaccination programme. The dollar had already been losing traction as U.S. bond yields have hovered below a 14-month peak touched last month, reducing the greenback's yield attraction. The euro rose to \$1.2038, having touched a six-week high of \$1.2048 on Monday while the British pound gained 1% overnight, its second biggest daily gain so far this year, and last stood at \$1.3989.

Source: [Reuters](#)

COMMODITIES

Oil prices rise on weaker dollar, likely drawdown in U.S. stocks

Oil prices rose on Tuesday as a weaker U.S. dollar supported commodities and on expectations that crude inventories fell in the United States, the world's biggest oil user, though rising coronavirus cases in Asia capped gains. Brent crude futures for June delivery rose by 54 cents, or 0.8%, to \$67.59 a barrel at 0415 GMT. U.S. West Texas Intermediate (WTI) crude futures for May delivery, which expire on Tuesday, were up 53 cents, or 0.8%, to \$63.91 barrel. The more-active June contract was at \$63.93, up 0.8%, or 50 cents.

Source: [Reuters](#)

FIXED INCOME

UAE

Bad loans at UAE banks likely to increase once relief measures are over - S&P

- Problem loans at banks in the UAE are likely to increase further once borrower support measures are lifted, S&P Global Ratings said.
- The ratings agency has also given the local banks a group “5” classification under its latest Banking Industry Country Risk Assessment (BICRA), similar to other countries like Qatar, Mexico, Philippines, Italy, Panama, Peru, Malta, Iceland, Hungary and Bermuda.
- In its latest report, S&P said the trend in the UAE’s economic risk is stable. However, it said that the local banking system has weakening asset quality and significant exposure to risky factors, while profitability “will remain lower for longer”.
- The country’s real estate is also expected to remain under pressure for at least another 12 months due to oversupply, while the tourism, hospitality, aviation and some trading sectors will continue to be hampered by low demand.
- “The COVID-19 pandemic, lower oil prices and continued pressure on the real estate sector have increased risks for UAE banks, and we expect banking sector’s problem loans to increase further once the regulatory forbearance measures are lifted and banks start to account for the impact of the economic shock,” S&P said.
- “UAE banks’ asset-quality indicators will continue to deteriorate in the next 12-24 months, as regulatory forbearance measures are gradually lifted, and ... credit losses will likely remain elevated,” S&P continued.

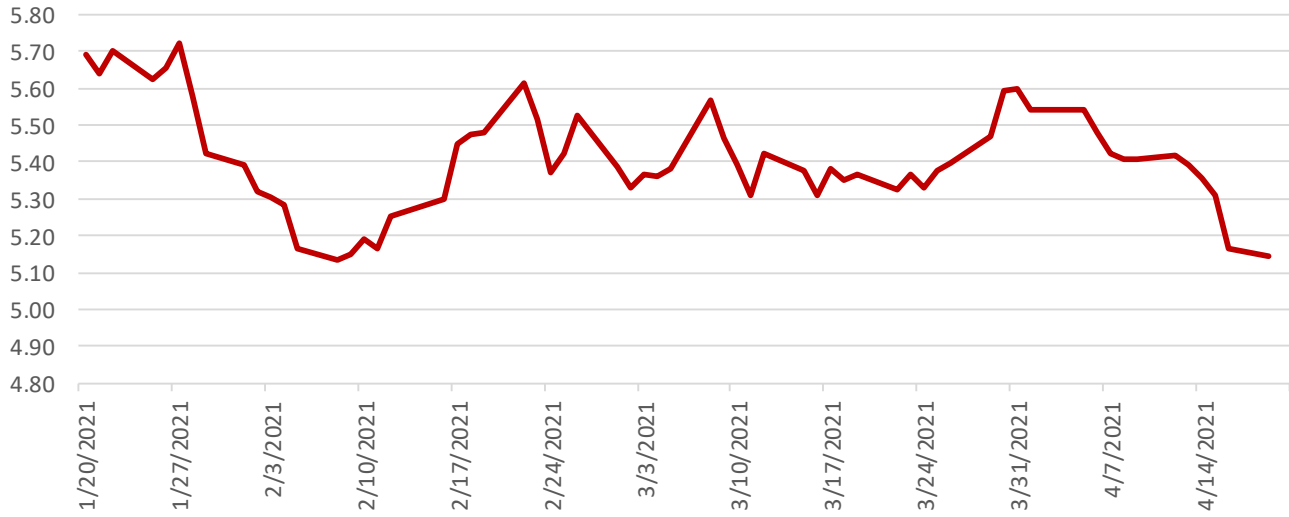
IPT: TAQA \$Benchmark; 7Y +110 Area, 30Y 3.75% Area

- May price today.
- 7Y Fixed +110 Area
 - 3-month par call
 - Listing: London
- 30Y Fixed 3.75% Area
 - 6-month par call
 - Listing: London, Taipei
- Issuer: Abu Dhabi National Energy Co PJSC (TAQAUH)
- Format: 144A/Reg S, senior unsecured
- Law: English
- Issuer Ratings: Aa3 by Moody’s and AA- by Fitch (both stable outlook)
- Expected Issue Ratings: Aa3 by Moody’s and AA- by Fitch

CHART / TABLE OF THE DAY

Oman 10yr Government Bond Yield continues to drop

Mid Yield To Maturity



Source: Bloomberg

TECHNICALS OF THE DAY

GCC Technical Analysis

Stock Name	Market Name	Purchase Price	Target 1	Target 2	Return T1	Return T2	Stop Loss	Risk
اسم السهم	السوق	سعر الشراء	الهدف الأول	الهدف الثاني	العائد الأول	العائد الثاني	وقف الخسارة	المخاطرة
TAKWEEN	SAUDI	17.30	17.70	18.00	2.31%	4.05%	17.20	-0.6%
SABIC	SAUDI	119.40	122.50	123.00	2.60%	3.02%	119.00	-0.3%
GYPSUM	SAUDI	31.30	32.00	33.00	2.24%	5.43%	31.20	-0.3%
YAMAMAH CEMENT	SAUDI	33.65	34.50	35.00	2.53%	4.01%	33.45	-0.6%
YANBU CEMENT	SAUDI	43.25	44.50	45.00	2.89%	4.05%	43.15	-0.2%
TABUK CEMENT	SAUDI	20.86	21.50	21.60	3.07%	3.55%	20.75	-0.5%
CERAMIC	SAUDI	42.10	43.00	43.50	2.14%	3.33%	42.00	-0.2%
MAHARAH	SAUDI	75.00	77.00	78.50	2.67%	4.67%	74.50	-0.7%
BATIC	SAUDI	37.95	39.00	39.50	2.77%	4.08%	37.85	-0.3%
SHAMS	SAUDI	57.60	59.00	59.50	2.43%	3.30%	57.30	-0.5%
HERFY FOOD	SAUDI	64.50	66.00	66.50	2.33%	3.10%	64.00	-0.8%
CARE	SAUDI	57.40	58.80	59.00	2.44%	2.79%	57.00	-0.7%
RIBL	SAUDI	25.45	26.00	26.50	2.16%	4.13%	25.40	-0.2%
KINGDOM HOLDING	SAUDI	8.18	8.40	8.50	2.69%	3.91%	8.12	-0.7%
TAKAFUL HOUSE	UAE	1.05	1.08	1.10	2.86%	4.76%	1.04	-1.0%
AMANAT	UAE	0.88	0.90	0.91	2.27%	3.41%	0.87	-1.1%
SHARJAH ISLAMIC BANK	UAE	1.36	1.40	1.41	2.94%	3.68%	1.35	-0.7%
RAK PROPERTIES	UAE	0.533	0.550	0.560	3.19%	5.07%	0.53	-0.6%
DOHA BANK	QATAR	2.35	2.42	2.43	2.98%	3.40%	2.33	-0.9%
QATAR INT. ISLAMIC BANK	QATAR	9.40	9.60	9.80	2.13%	4.26%	9.35	-0.5%
QATAR NATIONAL BANK	QATAR	18.00	18.50	19.00	2.78%	5.56%	17.85	-0.8%
DOHA INSURANCE CO.	QATAR	1.92	1.98	2.00	3.39%	4.44%	1.91	-0.3%
MEDICARE GROUP	QATAR	9.71	10.00	10.10	2.99%	4.02%	9.65	-0.6%
AL SALAM BANK	BAHRAIN	0.067	0.068	0.069	1.49%	2.99%	0.066	-1.5%

Note:

Support & Resistance for the expectations

Stop Loss: the clients should close / decrease his positions if it exceed this level

Risk: difference between price and support 1

Return T1: difference between Purchasing price and Target 1

Return T2: difference between Purchasing price and Target 2

Purchase Price is the last closing prices

Prices are in Countries respective currency

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