

## PRE-MARKET REPORT

8 August 2021

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- Saudi Steel Pipe reports loss in 2Q21
- Lazurde net income down both YoY and QoQ in 2Q21
- Arabian Shield net profit before tax down both YoY and QoQ in 2Q21
- Saudi Electricity reports sizable jump in profitability in 2Q21
- Dr. Sulaiman Habib net income up both YoY and QoQ in 2Q21
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- DSV Panalpina aims for more market share as it looks to integrate Agility

#### FINANCIAL RESULTS EXPECTED:

- Aramco (ARAMCO AB), International Holding (IHC UH), Qatar Insurance (QATI QD)

#### ECONOMIC, GENERAL & COMMODITIES NEWS

- U Capital: MSX ended the week 0.70% lower, due to a drop in financial Sector
- Oman poised for 2.5 per cent growth in 2021: WB
- Sultanate's ports score high in operations, affirm logistic role in global chain
- Oman's 2040 Targets: New industrial hubs, free zones and tourism clusters
- GCC set to return to 2.2% growth: World Bank
- Kuwait budget deficit surges 175 percent as revenues slump
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- Manufacturing, investment boost Dubai Investments profits in H1 by 47 pct
- Saudi Ports Authority records growth in activities in first half of 2021
- Wall St Week Ahead Investors wary on Washington, balancing debt ceiling and infrastructure bill
- China's export slowdown in July may signal more bumps ahead
- U.S. consumer credit grows at record rate in June
- Beijing crackdown is a 'wake up call' for China's corporate giants, says former chief of HKEX
- U.S. Senate meets to consider \$1 trillion infrastructure bill
- Oil falls in biggest weekly decline in months on demand worries

#### CHART / TABLE OF THE DAY

- Oman Telecom Sector; Fixed line subscribers up 1.7% YTD & Mobile subscribers down 5.9% YTD in June 2021

## MARKET INDICATORS

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
MSCI GCC Index	693.5	-0.10	-0.01%	21.74%	20.82	2.18	2.4%
Muscat Stock Exchange	4,002.0	8.26	0.21%	9.38%	12.61	0.80	3.9%
Saudi Stock Exchange	11,209.4	47.04	0.42%	29.00%	29.07	2.48	2.1%
Kuwait Stock Exchange	6,565.8	23.33	0.36%	18.39%	36.49	1.65	1.8%
Qatar Exchange	10,908.1	49.69	0.46%	4.52%	17.81	1.60	2.7%
Bahrain Stock Exchange	1,614.9	4.69	0.29%	8.40%	11.47	0.81	3.4%
Dubai Financial Market	2,820.4	7.17	0.25%	13.18%	21.19	0.97	2.8%
Abu Dhabi Exchange	7,419.3	14.18	0.19%	47.05%	23.46	2.16	3.1%
Palestine Stock Exchange	578.2	-1.58	-0.27%	22.69%	18.89	1.36	2.2%
Tunis Se Index	7,299.5	6.27	0.09%	6.02%	23.99	2.42	2.2%
EGX 30 Index	10,723.2	4.29	0.04%	-1.13%	10.82	1.54	1.5%
Amman General Index	2,036.4	-25.89	-1.26%	22.88%	23.63	0.86	3.5%

World Markets	Country	Value	D/D	YTD
<b>Europe</b>				
FTSE 100	UK	7,123.0	0.04%	10.25%
DAX	Germany	15,761.5	0.11%	14.89%
CAC 40	France	6,817.0	0.53%	22.80%
<b>United States</b>				
DJIA	USA	35,208.5	0.41%	15.04%
S&P 500	USA	4,436.5	0.17%	18.12%
NASDAQ	USA	14,835.8	-0.40%	15.11%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	27,820.0	0.33%	1.37%
HANG SENG	Hongkong	26,179.4	-0.10%	-3.86%
KSE 100 Index	Pakistan	47,490.0	-0.32%	8.54%
NSE Nifty 50	India	16,238.2	-0.35%	16.14%
SHANGHAI COMPOSITE	China	3,458.2	-0.24%	-0.43%
SHANGHAI SHENZHEN CSI 300	China	4,921.6	-0.55%	-5.56%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.360	4.59%
British Pound (GBP)	0.721	-1.50%
Canadian Dollar (CAD)	1.255	1.36%
Chinese Renm. (CNH)	6.479	0.37%
Egyptian Pound (EGP)	15.706	0.13%
Euro (EUR)	0.850	3.86%
Indian Rupee (INR)	74.153	-1.47%
Japanese Yen (JPY)	110.250	-6.35%
Swiss Franc (CHF)	0.915	-3.24%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	163.126	-2.02%
Russian Ruble (RUB)	73.474	1.28%
Singapore Dollar (SGD)	1.355	-2.41%
Turkish Lira (TRY)	8.632	-13.80%

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	70.7	-0.83%	38.49%
WTI Crude (per bbl)	68.3	-1.17%	40.73%
Oman Crude Oil (Last Closing)	69.5	-1.05%	36.06%
OPEC (per bbl)	70.3	-2.07%	40.01%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,763.0	-2.29%	-7.13%
Silver (per oz)	24.3	-3.29%	-7.85%
Platinum (per oz)	983.6	-2.41%	-8.26%
<b>Other Metals</b>			
Copper, MT	9,468	-0.25%	21.92%
Aluminium, MT	2,578	-0.39%	30.23%
Lead, MT	2,275	-3.70%	14.07%
Zinc, MT	2,984	-1.49%	8.45%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.42	-17.6%
Saudi Arabia	0.79	-2.8%
Kuwait	1.50	4.3%
Oman	2.10	-21.4%
Qatar	0.98	-12.3%
Bahrain	1.58	-30.0%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.27
UAE	16/04/2030	1.90
QATAR	16/04/2030	1.94
SAUDI ARABIA	22/10/2030	2.21
OMAN	25/01/2031	5.04
BAHRAIN	30/09/2031	5.63

Midswaps	Price	YTM %
3 year	99.91	0.4
5 year	99.30	0.8
10 year	103.00	1.3
30 year	109.67	1.9

USD Libor	Rate (%)	YTD
1m	0.10	-33.9%
3m	0.13	-46.1%
6m	0.15	-42.0%
1 year	0.24	-30.6%

Source: Bloomberg

## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### SAUDI ARABIA

#### Mouwasat Medical Services Company announces the start of the pilot operation of the new Mouwasat Hospital in Al-Madinah Al-Munawara

- Mouwasat Medical Services company would like to announce the completion of the process of receiving electricity connection and the start of the pilot operation of this project as of Thursday, 05/08/2021 for a period ending during the fourth quarter of 2021, and the date of the actual start-up and the financial impact will be announced after obtaining the necessary final approvals from the Ministry of Health.
- Event's Expected Completion Date: During the fourth quarter of 2021

#### Saudi Aramco resumes normal operations at Al Qassim distribution plant

- Saudi Aramco fixed the technical failure at Al Qassim petroleum distribution plant, adding that the failure was out of control, SPA reported.
- The company said it resumed normal operations at the plant, affirming that there is no shortage in the supply of petroleum products from the plant.
- Earlier today, the giant oil producer said it was working to fix a technical glitch at Al Qassim distribution plant, Argaam reported.

#### Anaam International Holding Group Announces the Conclusion of Acquisition deal of 51% in Saudi Wasit Factory for Entertainment & Beauty Systems – Branch of Saudi Wasit Establishment

- Further to the company's announcement on Tadawul website on Thursday, 21-11-1442 AH, corresponding to 01-07-2021 AD regarding the latest developments in the sale and purchase agreement to acquisition of 51% in Saudi Wasit Factory for Entertainment & Beauty Systems – Branch of Saudi Wasit Establishment.
- The company announces to its esteemed shareholders the completion of all procedures required to conclude the deal on Thursday, 26-11-1442 AH, corresponding to 05-08-2021 AD.
- The main activity for the company is manufactures and markets toys, entertainment equipment, and accessories for gardens, beaches, and water parks. Anaam International Holding Group signed an agreement to purchase 51% shares of Saudi Wasit Factory for a total value of SAR (24,480,000) only twenty-four million four hundred Eighty thousand Saudi riyals, which represents (51%) of the total value of the factory, on 21-11-1442 AH corresponding to 01-07-2021. The entry into this agreement come as part of Anaam Holding Group expansion plan to support its market standing, which is in line with its strategic objectives.

#### Leejam Sports Company (Fitness Time) Announces the Opening of a New Men Xpress Fitness Center in Riyadh

- Leejam Sports Company (Fitness Time) Announces the Opening of a New-Low cost and 24-Hour Men Xpress Fitness Center in Riyadh on Saturday August 7th, 2021.
- The center will operate 24-Hour with low-cost operating model and without swimming pools. It will also be digitally enabled and with highly flexible subscriptions that start with a minimum commitment of one month, and at a reasonable price, to make clubs and gyms more accessible to support the achievement of the Saudi's vision 2030 targets.
- The center is the 13th Xpress Fitness Center Opened since the Launch of the Fitness Time Xpress in November 2020. The center will have high-spec sports equipment from Technogym, the world leading brand in fitness and wellness products, services and digital technologies and official supplier to the last 7 Olympic games as well as the latest designs for halls. The financial impact will appear as of the third quarter of 2021.

#### Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
SNB	2,117	2,088	1.388	3,408	-37.8
SSP	-8.08	-27.02	-70.1	-8.48	-4.72
LAZURDE	8.0	-66.2	-	10.2	-21.6
ARABIAN SHIELD	7.98	8.03	-0.6	15.3	-47.9
SAUDI ELECTRICITY	5,828	-869	-	1,689	245.1
DR SULAIMAN HABIB	325.4	192.25	69.26	319	2.01

### Saudi National Bank net income up 1.4% YoY but down 38% QoQ in 2Q21

- Post the merger with Samba Financial Group effective April 1, 2021 the bank recorded 1.4% higher net income after zakat and income tax. The higher net income was derived from higher operating income, mostly offset by higher operating expenses including net impairment charges attributable to the merger.
- Total operating income increased by 57.4% mainly from higher net special commission income, fees from banking services, foreign exchange income and investment related income\* partially offset by higher other operating (expense).
- Total operating expenses including impairments were higher by 115.8% mainly due to higher net impairment charge for expected credit losses p, other general and administrative expenses, Salaries and employee expenses, rent and premises expense and Depreciation/amortization of property, equipment, software and ROU assets. The main reason for the increase in the net impairment charge for expected credit losses is the credit charges added to the income statement that relates to legal day 1 of merger as per the requirements of the accounting standards.

### Saudi Steel Pipe reports loss in 2Q21

- Net loss of SR (8.08) million for the second quarter of financial year 2021 ("Q2 2021") compared to a net loss of SR (27.02) million for the second quarter of financial year 2020 ("Q2 2020") is due to the following main reasons:
  - Gross profit amounting to SR 4.83 million in Q2 2021 compared to a gross loss of SR (14.97) million in Q2 2020, mainly as a result of higher volumes, enhanced product mix, efficiency improvement and optimization of direct structural cost.
  - Administrative expenses decreased to SR 7.99 million in Q2 2021 from SR 10.87 million in Q2 2020, mainly due to the reduction of structural cost and service indemnity cost.
  - Financial charges decreased to SR 0.83 million in Q2 2021 compared to SR 2.04 million in Q2 2020, mainly as a result of the reduction of net debt and the optimization of financing sources.

### Lazurde net income down both YoY and QoQ in 2Q21

- The following factors mainly explain how this net profit and performance were delivered in the second quarter of 2021:
  - Group total revenues, including gold metal value, were SAR 475.4 million in the second quarter of 2021, an increase of 178.1% compared to SAR 170.9 million in the same quarter of last year. It is worth noting that the Group does not make profits or losses from sales of gold as a metal.
  - Group operating revenues for the second quarter of 2021 amounted to SAR 121.4 million, which better represent the revenues of the Group after excluding gold metal value, have increased by 147.9% compared to SAR 49.0 million in the same quarter of last year. This significant growth was achieved in all sales channels and geographies.
  - The second quarter of 2020 in KSA was negatively impacted by complete closure of gold souks and malls since mid-March 2020 to end of April and then reduced working hours in May and June due to COVID-19. Also, Egypt was negatively impacted in the same period due to reduced working hours enforced in Egypt's malls and souks.

### Arabian Shield net profit before tax down both YoY and QoQ in 2Q21

- The decrease in Net Profit for the quarter compared with the same quarter last year is due to decrease in Net Earned Premium by 1%, increase in Net Incurred Claims by 27% and increase in Operating & Administrative Expenses by 1% which was offset by increase in Earned Commission Income by 15%, decrease in Other Underwriting Costs by 54% and increase in Investment Income by 186%.
- The decrease in Net Profit for the quarter compared with the previous quarter is due to decrease in Earned Commission Income by 13% , increase in Other Underwriting Costs by 179% and increase in Operating & Administrative Expenses by 27% which was offset by increase in Net Earned Premium by 3%, decrease in Net Incurred Claims by 10% and increase in Investment Income by 99%

### Saudi Electricity reports sizable jump in profitability in 2Q21

- Achieving a net profit in the current quarter compared to a net loss in the same prior year quarter is mainly attributable to implementing the regulatory and financial reforms approved for the electricity sector in November 2020, as per:
  - 1) the government fee was cancelled as of January 1, 2021, this as opposed to the same prior year quarter included a government fee costs of SAR 4.5 billion
  - 2) adopting a Regulatory Asset Based (RAB) Model to regulate the company's revenue, effective from the fiscal year 2021, and accordingly the balancing account estimated amount is being disbursed to the company on a quarterly basis. This has reflected on higher other operating revenue in the current quarter and
  - 3) lower financing costs due to lower overall debt levels following the conversion of the government loans as part of the Mudaraba Instrument signed in November 2020.

### Dr. Sulaiman Habib net income up both YoY and QoQ in 2Q21

- Net Income for Q2-21 increased by 69.26% to reach SAR 325.40 million, with an improved net income margin reaching 18.58% of revenue compared to 15.98% for the corresponding quarter of the previous year. Net Income improvement was driven by the growth in revenues due to the increase in both the numbers of patients and in inpatient occupancy in addition to the continued acceleration of growth in Al Khobar Hospital during Q2-2021 compared to the corresponding quarter of the previous year.
- Revenues grew by 45.57% in Q2-21 reaching SAR 1,751.20 million, with an increase of SAR 548.19 million compared to SAR 1,203.01 in the corresponding quarter of the previous year, as a result of the growth in all group segments. Revenue growth for Q2-21 was mainly driven by the growth in the hospital segment due to the increase in both numbers of patients and in inpatient occupancy in addition to Al Khobar Hospital continued revenue growth. Hospital segment growth was positively reflected in the increase in pharmacy segment revenue as well, in addition to the increase in revenue of HMG solutions segment compared to the corresponding quarter of the previous year.

## QATAR

### Qatar Corporate Results

QAR MN	1H20	1H21	%CHANGE
<b>INDUSTRIES QATAR</b>	720	3,538.4	391%
<b>MESAIEED PETROCHEMICAL</b>	135	909.4	574%
<b>QATAR ALUMINUM</b>	14.6	288.5	1,876%
<b>GULF INTERNATIONAL SERVICES</b>	54.0	-0.7	-

### Industries Qatar net income up 391% YoY in 1H21

- Group reported the highest quarterly profit since 2013, on the back of constructive macroeconomic drivers
- For the first half of 2021, the Group recorded a net profit of QR 3.5 billion as compared to QR 0.72 billion for 1H-20, up by 391%. The Group revenue also improved by 69% to reach QR 9.2 billion as compared to QR 5.4 billion for 1H-20 (assuming proportionate consolidation). Earnings per share (EPS) amounted to QR 0.58 for 1H-21 versus QR 0.12 for 1H-20. EBITDA increased by 188% and reached QR 4.5 billion for 1H-21 in comparison to QR 1.5 billion for H1-20. Group's liquidity position continues to remain robust with total cash exceeding QR 11 billion
- Ongoing sequential recovery driving demand, with prices continued its positive trajectory during Q2-21
- IQ's operations remained resilient, as the Group continue to focus on ensuring safe, efficient and reliable operations

### Mesaieed Petrochemical net income up 574% YoY in 1H21

- Mesaieed Petrochemical Holding Company announced a net profit of QR 909 million for the six-month period ended 30 June 2021, representing an increase of 573% compared to the same period last year.
- Group revenues enhanced by 97% versus 1H-20 to reach QR 1.9 billion for the six-month period ended 30 June 2021
- Robust liquidity position with closing cash and cash equivalents stood at QR 2.8 billion as of 30 June 2021

### Qatar Aluminum net income up significantly in 1H21

- QAMCO recorded a net profit of QR288m for H1-21, as compared to QR15m for H1-20, with earnings per share (EPS) of QR0.052 for H1-21 versus QR0.003 for H1-20. Share of JV's revenue increased by 21% to reach QR1,353m as compared to QR1,121m for H1-20. EBITDA increased by 78% and reached QR558m for H1-21 in comparison to QR313m for H1-20.
- QAMCO's improved financial results for H1-21 versus H1-20, were largely attributed to an overall growth in average realized selling prices in comparison to H1-20 results. Average realized selling price witnessed an increase by 26% in H1-21 versus H1-20 and contributed QR292m positively to the net profit for six-month period ended 30 June 2021, as compared to the same period last year.
- Production levels increased by 1% during the period compared to H1-20, while sales volumes slightly declined by 4% and contributed QR61m negatively to net earnings for H1-21 versus H1-20. Although sales volumes were slightly lower than last year, but QAMCO's JV was successful in selling 100% of value-added products (VAP), and no sales of standard ingots were made during current year. The shift from sales of standard ingots to VAP supported the positive trajectory of EBITDA margins.

### Gulf International Services reports loss in 1H21

- Gulf International Services discloses the interim financial statement for the six-month period ending 30th June , 2021 . The financial statements revealed a Net Loss of QR 768,469 in comparison to Net Profit QR 54,040,774 for the same period of the previous year.
- Oil and gas industry continue to show positive signs of recovery with constructive macroeconomic drivers, on the back of effective vaccination campaigns leading to ease of lockdown restrictions in major markets linking to heightened economic activity.
- However, the post-pandemic recovery within the Group remained uneven, with Aviation and Insurance segments reported improved set of results, while the macroeconomic tailwinds were not immediately felt within the drilling segment, which continue to remain under pressure, engulfed with rig suspensions and depressed rig day-rates. With revised rig day-rates for off shore fleet and GulfdriII JV’s fleet becoming fully operational, the drilling segment is expected to improve on its performance matrix entering into second half of this year.

## KUWAIT

### Jazeera Airways carries record 1 million kg cargo in July

- Jazeera Airways today (August 7) announced a new record in its cargo business having successfully carried one million kilograms of cargo in July alone, its highest ever since the launch of its cargo operations in April last year.
- The airline has transported fresh meats, fresh fish, fruits and vegetables, medical supplies, pharmaceutical equipment, flowers, courier and garments, said the statement from Jazeera.
- The Kuwaiti budget carrier made its fleet available for full cargo flights from the beginning of the global pandemic, enabling Kuwait to secure its needs in produce, medical supplies and other commodities.

### DSV Panalpina aims for more market share as it looks to integrate Agility

- Freight forwarders serve shippers much better than shipping lines – and large forwarders are best of all, claimed DSV Panalpina in its earnings call today.
- Announcing second-quarter revenues of Dkr37.83bn (\$6.04bn), up 31.4%, to make a profit after tax of Dkr2.52bn (\$403m), management talked high yields, market conditions – and competition, as it begins to integrate Agility GIL.
- It’s a well-known phenomenon that after a big chunk of M&A, companies can lose customers. But DSV is an M&A expert and CEO Jens Bjorn Andersen and CFO Jens Lund said that, while things may be a little “bumpy”, they will settle.
- “The Agility deal will take inspiration from Panalpina. We are more experienced; it’s smaller and we are well prepared.”
- The deal is not yet complete, but that should happen next month, they explained, adding: “Once we include Agility, we’ll put a smokescreen over the numbers, but our performance will continue in terms of market share.
- “We are 100% committed to market share. It sounds arrogant, but we are humble, that’s what we do. Profitability needs to follow. There are so many ways to compete with mom-and-pop shops. We have been able to outgrow the market.”

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **U Capital: MSX ended the week 0.70% lower, due to a drop in financial Sector**

MSX30 Index ended the week lower by 0.70%. The index was mainly down due to a drop in financial sector. Financial sector declined 1.34%. While Service sector and industrial sector went up by 0.48% and 0.78% Respectively. MSX Shariah Index closed higher by 0.31%. As expected in previous week, Oman market was also under pressure in the absence of any catalyst and lower oil prices. We believe the local market will continue to remain range bound until the next result season. Advise investor to build position in fundamentally strong stocks on dip.

#### **Source**

#### **Oman poised for 2.5 per cent growth in 2021: WB**

The Sultanate's economy is forecast to recover in 2021, albeit at a moderate 2.5 per cent growth rate as a sizable infrastructure investment programme gains momentum. Medium-term growth is projected to average 5.3 per cent over the forecast period, the World Bank has noted in its latest report. According to the latest issue of the World Bank Gulf Economic Update (GEU), titled 'Covid-19 Pandemic and the Road to Diversification', Gulf Cooperation Council (GCC) economies are expected to return to an aggregate growth of 2.2 per cent in 2021 following a year of economic distress. This growth is buoyed by the global economic recovery, projected at 5.6 per cent and the revival of global oil demand and international oil prices.

#### **Source**

#### **Sultanate's ports score high in operations, affirm logistic role in global chain**

The Sultanate's ports achieved growth in several commercial operations and volumes of direct import during the first half of this year (2021). Omani ports have thus affirmed their leading role in enhancing trade activities, augmenting the Gross Domestic Product (GDP) of the Sultanate and supporting the government's economic diversification goals. Bolstering the Sultanate's global logistics competitiveness, Omani ports ranked first globally in Port Calls and Port of Salalah came sixth worldwide in operational efficiency.

#### **Source**

#### **Oman's 2040 Targets: New industrial hubs, free zones and tourism clusters**

As many as 16 industrial cities and related manufacturing zones are expected to form part of Oman's expanding industrial base by the year 2040 — up from 11 presently — with the non-oil economy playing an increasingly important role in powering economic growth over the next 20 years. According to an outline of the Oman National Spatial Strategy (ONSS), approved by the government in March this year, the country's Gross Domestic Product (GDP) is projected to grow at the rate of 3 — 5 per cent annually through to 2040, buoyed by a higher contribution from the non-hydrocarbon sector. Non-oil activities that will drive growth include knowledge and innovation industries, tourism, manufacturing, logistics, finance and services.

#### **Source**

#### **CBO foreign assets grow 10 per cent**

Total foreign assets of the Central Bank of Oman (CBO) climbed 10 per cent to reach RO 6.945 billion at the end of May 2021, up from RO 6.291 billion a year earlier. According to the latest figures of the National Centre for Statistics and Information (NCSI), total private sector deposits with commercial banks and Islamic windows rose 7.4 per cent to reach RO 17.336 billion, up from RO 16.147 billion a year ago. Total loans and financial assistance advanced by commercial banks increased 2.1 per cent to RO 27.085 billion as of end-May 2021, up from RO 26.537 billion a year earlier. Domestic liquidity rose 6.5 per cent to RO 20.279 billion versus RO 19.039 billion last year.

#### **Source**

#### **Oman Oil Price Declines 2.34 US Dollars**

Oman oil price (October Delivery 2021) today reached 69.08 US Dollars, comprising a decline by 2.34 Dollars compared to the price of yesterday (Wednesday) which stood at 71.42 US Dollars. The average price of Oman oil (August Delivery 2021) has stabilized at 71.66 US Dollars, thus 5.26 US Dollars per barrel higher than July Delivery 2021.

#### **Source**

## MIDDLE EAST

### **GCC set to return to 2.2% growth: World Bank**

Economies of the GCC countries are expected to return to an aggregate growth of 2.2 per cent this year after a 4.8 per cent contraction in 2020 caused by the Covid-19 pandemic and lower oil prices, the World Bank said. "With recent progress made with the rollout of the Covid-19 vaccine globally and with the revival of production and trade worldwide, the prospects for an economic recovery are firmer now than at the end of last year," the Washington-based institution said in the latest issue of its Gulf Economic Update (GEU). The UAE, the report said, is expected to swing back to growth in 2021, estimated at 1.2 per cent, before accelerating to 2.5 per cent in 2022 and 2023 driven by government expenditures and the staging of Expo 2020 in October 2021.

[Source](#)

### **Kuwait budget deficit surges 175 percent as revenues slump**

Kuwait's budget deficit jumped 174.8 percent in the past financial year to 10.8 billion dinars (\$35.5 billion), the finance ministry said. Revenue fell 38.9 percent to 10.5 billion dinars in the 12 months to March 31, while expenditure increased 0.7 percent to 21.3 billion dinars, the ministry said in a statement reported by state news agency KUNA. The data comes following a challenging time for the country during which parliament has repeatedly failed to agree a 2021-22 budget while the coronavirus pandemic decimated income.

[Source](#)

### **Dubai's non-oil foreign trade up 10% to \$96.48bln in Q1**

Dubai showed quick recovery from the repercussions of COVID-19 in different economic sectors thanks to the resilient strategies and plans the emirate followed in the face of the pandemic, and the dynamic and wise initiatives directed by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai. The trade sector continued its growth exceeding the pre-COVID-19 period. Transactions completed by Dubai Customs reached 11.2 million transactions in the first half of 2021, staggeringly growing 53.4 percent from 7.3 million transactions in the corresponding period in 2020.

[Source](#)

### **Dubai Economy records 63% rise in trader licenses**

Dubai Economy (Department of Economic Development) issued 13,430 DED Trader licences since March 2017 till end of June 2021. The DED Trader licence, launched by the Business Registration & Licensing (BRL) sector of Dubai Economy enables freelancers and start-ups to conduct business activities online and across social networking accounts. Dubai Economy also reported that 3,243 DED Trader licences were issued during the first half of 2021, representing a growth of 63 percent compared to H1 2020, when 1,989 licences were issued.

[Source](#)

### **Manufacturing, investment boost Dubai Investments profits in H1 by 47 pct**

Dubai Investments PJSC, the leading diversified investment company listed on the Dubai Financial Market (DFM), has on Thursday reported a 47 percent surge in net profits to AED 302 million for the six-month period ended 30 June 30, 2021, as compared to AED 205 million for the same period last year. Dubai Investments attributed the increase in net profit for the period is mainly due to enhanced performance of the manufacturing, contracting, and investment segments. Dubai Investments, according to its top official, has been diversifying into healthcare and education, as well as focusing on real estate.

[Source](#)

### **Saudi Ports Authority records growth in activities in first half of 2021**

The Saudi Ports Authority (Mawani) announced on Thursday that all areas of its activities had seen growth during the first half of 2021. The announcement reflects the Kingdom's economic recovery from the COVID-19 pandemic. In terms of containers, Mawani handled 3.6 million TEU (a measure of volume equivalent to a 20-foot cargo container) during the first half of the year — a jump of 5.18 percent year-on-year. Transshipment containers increased by 24.49 percent to 1.4 million TEU, while it handled a total of 138 million tons of cargo. The number of passengers grew by 0.61 percent year-on-year to 288,000, and Mawani handled 429,000 imported cars.

[Source](#)



## INTERNATIONAL

### Wall St Week Ahead Investors wary on Washington, balancing debt ceiling and infrastructure bill

The economic boost from an expected \$1 trillion infrastructure bill working its way through the U.S. Senate has helped push Wall Street stocks near record levels, but some investors are concerned that the next two months in Washington could be rocky. At issue is not only the bipartisan infrastructure bill, but an expected \$3.5 trillion in proposed spending in a Democrat-led reconciliation bill. There is also a showdown coming over the debt ceiling, which could lead to a federal government shutdown if a deal is not reached to increase the borrowing limit by October.

[Source](#)

### China's export slowdown in July may signal more bumps ahead

China's export growth unexpectedly slowed in July following outbreaks of COVID-19 cases, while imports also lost momentum, pointing to a slowdown in the country's industrial sector in the second half even as easing global lockdowns boost commerce. The world's biggest exporter has staged an impressive economic rebound from a coronavirus-induced slump in the first few months of last year after quickly containing the pandemic, and its rapid vaccination rollout has helped drive confidence.

[Source](#)

### U.S. consumer credit grows at record rate in June

U.S. consumer credit grew at the fastest rate ever in June, as Americans increased their credit card usage to drive consumer spending in the second quarter, data from the Federal Reserve showed on Friday. Total consumer credit expanded at a pace of \$37.69 billion, which was the quickest rate ever and followed a \$36.69 billion increase in May, the U.S. central bank said. Economists polled by Reuters had expected consumer credit to increase at a rate of \$23.00 billion in June.

[Source](#)

### Analysis: U.S. jobs report bolsters case for Fed to taper asset purchases

U.S. employment data showing strong job gains, a sharp drop in the unemployment rate and a rise in wages last month is likely to push the Federal Reserve closer to paring its massive support for the economy. It certainly helps meet Fed Governor Christopher Waller's bar for doing so. Earlier this week the newest addition to the U.S. central bank's policymaker panel said he felt the Fed could start tapering its \$120 billion in monthly asset purchases by October if 800,000 to 1 million jobs were added in both July and August.

[Source](#)

### Beijing crackdown is a 'wake up call' for China's corporate giants, says former chief of HKEX

Beijing's recent regulatory crackdown is a "wake-up call" for China's corporate giants which should not assume they are untouchable, says Charles Li, former CEO of Hong Kong Exchange and Clearing. Still, he said he doesn't expect the latest regulatory reforms to affect Hong Kong's markets in the longer term. China has stepped up its scrutiny into several Chinese tech giants and imposed restrictions on sectors such as education in the past few weeks — a move that surprised investors and businesses, and triggered a market sell-off.

[Source](#)

### U.S. Senate meets to consider \$1 trillion infrastructure bill

The U.S. Senate will meet for the second weekend in a row on Saturday in hopes of passing a \$1 trillion infrastructure bill that has struggled to overcome a series of last-minute delays and objections, despite strong bipartisan support. The package, which represents the biggest investment in decades in America's physical infrastructure including roads, bridges, airports and waterways, will face a key test at noon EDT (1600 GMT), when lawmakers are due to vote on whether to limit debate on the legislation.

[Source](#)

## COMMODITIES

### Oil falls in biggest weekly decline in months on demand worries

Oil prices fell about 1% lower on Friday, posting to their steepest weekly losses in months, on worries that travel restrictions to curb the spread of the Delta variant of COVID-19 will derail the global recovery in energy demand. Crude futures also came under pressure as the dollar strengthened after monthly U.S. job growth came in higher than expected. A stronger dollar makes greenback-denominated oil more expensive for buyers in other currencies.

[Source](#)

## CHART / TABLE OF THE DAY

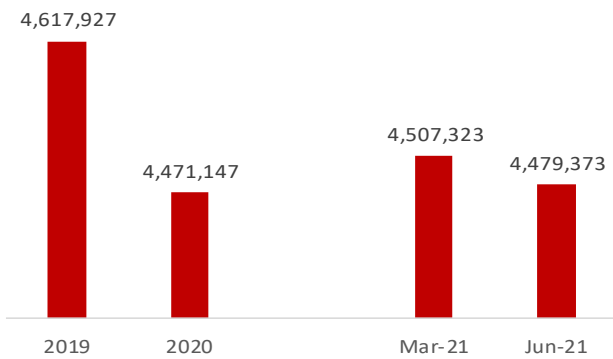
Oman Telecom Sector; Fixed line subscribers up 1.7% YTD & Mobile subscribers down 5.9% YTD in June 2021

Oman Telecom Sector Data	2019	2020	Mar-21	Jun-21	Jun 21 / Dec 20
Oman Population	4,617,927	4,471,147	4,507,323	4,479,373	0.2%
<b>Fixed Line:</b>					
Fixed Line Subscribers	592,196	594,550	590,976	604,384	1.7%
<b>Fixed Line Penetration (%)</b>	<b>12.8%</b>	<b>13.3%</b>	<b>13.1%</b>	<b>13.5%</b>	
<b>Mobile Phone:</b>					
Post-Paid	781,658	1,020,355	1,095,450	1,162,836	14.0%
Pre-Paid	5,601,800	5,256,180	5,013,903	4,744,895	-9.7%
Operators	4,631,404	4,177,070	3,973,812	3,771,147	-9.7%
Resellers	970,396	1,079,110	1,040,091	973,748	-9.8%
<b>Total Mobile Subscribers</b>	<b>6,383,458</b>	<b>6,276,535</b>	<b>6,109,353</b>	<b>5,907,731</b>	<b>-5.9%</b>
<b>Total Mobile Penetration (%)</b>	<b>138.2%</b>	<b>140.4%</b>	<b>135.5%</b>	<b>131.9%</b>	
<b>Internet:</b>					
Active Mobile Broadband Subscribers	5,038,782	5,385,553	5,133,039	4,982,366	-7.5%
Fixed Internet Subscription	475,097	510,800	511,566	515,983	1.0%
<b>Mobile Broadband Penetration (%)</b>	<b>109.1%</b>	<b>120.5%</b>	<b>113.9%</b>	<b>111.2%</b>	
<b>Fixed Internet Penetration (%)</b>	<b>10.3%</b>	<b>11.4%</b>	<b>11.3%</b>	<b>11.5%</b>	

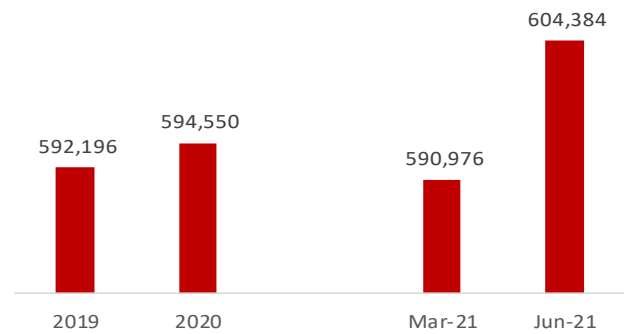
Source: NCSI

## CHART / TABLE OF THE DAY

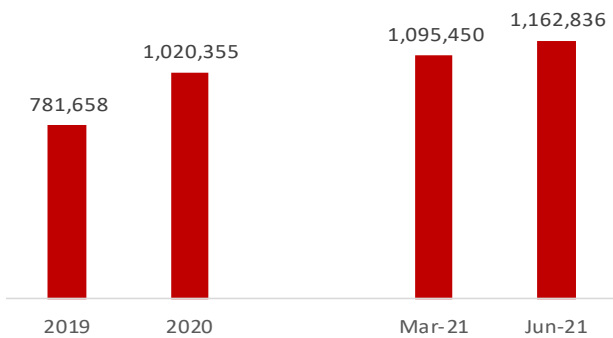
**Oman Population**



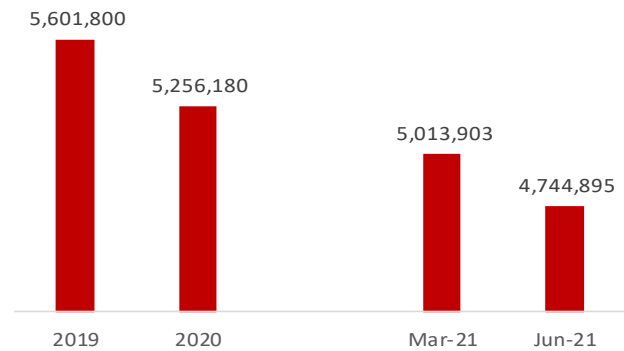
**Fixed Line Subscribers**



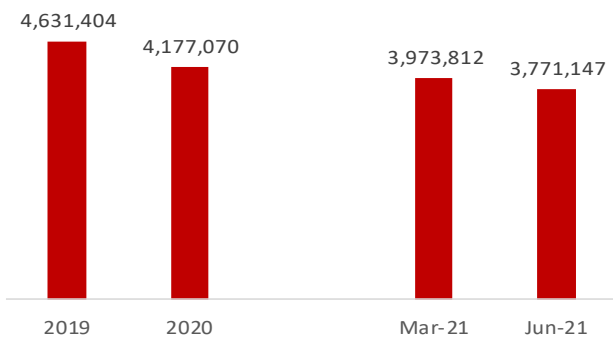
**Post-Paid**



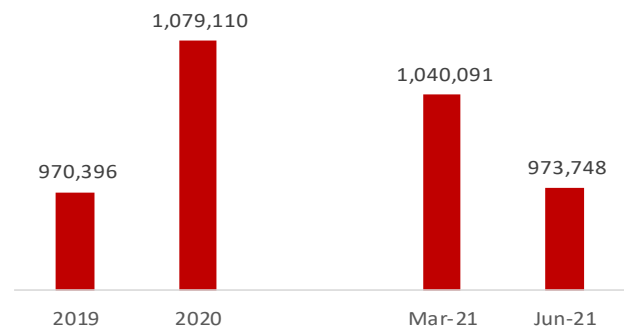
**Pre-Paid**



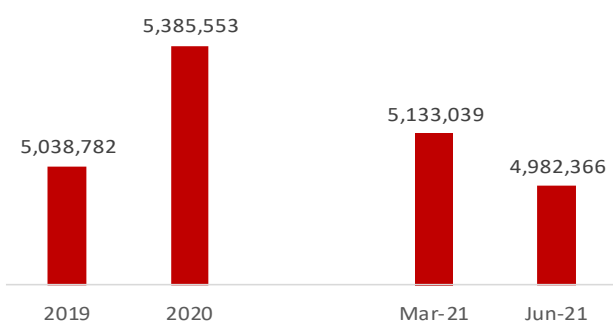
**Operators - Prepaid**



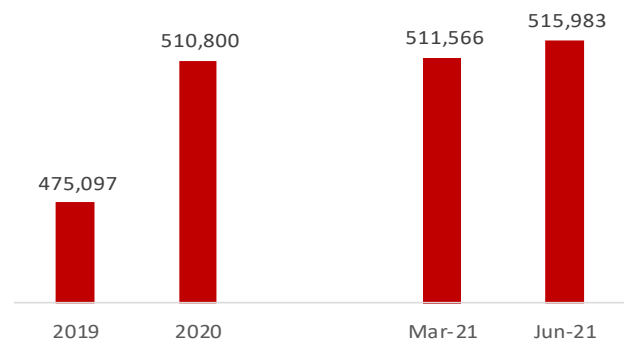
**Resellers - Prepaid**



**Active Mobile Broadband Subscribers**



**Fixed Internet Subscription**





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