

## PRE-MARKET REPORT

15 August 2021

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## 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	703.0	0.04	0.01%	23.40%	20.37	2.20	2.5%
Muscat Stock Exchange	4,002.2	-3.73	-0.09%	9.39%	12.74	0.79	3.9%
Saudi Stock Exchange	11,323.7	-1.40	-0.01%	30.31%	27.55	2.49	2.2%
Kuwait Stock Exchange	6,614.9	2.26	0.03%	19.27%	33.02	1.65	1.8%
Qatar Exchange	10,920.4	4.29	0.04%	4.64%	16.61	1.59	2.7%
Bahrain Stock Exchange	1,631.1	8.17	0.50%	9.48%	11.28	0.81	3.4%
Dubai Financial Market	2,814.4	-0.27	-0.01%	12.94%	20.69	0.96	2.8%
Abu Dhabi Exchange	7,586.3	-8.03	-0.11%	50.36%	22.97	2.17	3.0%
Palestine Stock Exchange	574.5	-0.58	-0.10%	21.90%	18.77	1.35	2.2%
Tunis Se Index	7,282.6	0.19	0.00%	5.78%	24.64	2.39	2.2%
EGX 30 Index	10,884.5	30.67	0.28%	0.36%	10.31	1.54	1.5%
Amman General Index	1,999.8	-14.97	-0.74%	20.67%	23.19	0.85	3.5%

World Markets	Country	Value	D/D	YTD
<b>Europe</b>				
FTSE 100	UK	7,218.7	0.35%	11.74%
DAX	Germany	15,977.4	0.25%	16.46%
CAC 40	France	6,896.0	0.20%	24.22%
<b>United States</b>				
DJIA	USA	35,515.4	0.04%	16.04%
S&P 500	USA	4,468.0	0.16%	18.95%
NASDAQ	USA	14,822.9	0.04%	15.01%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	27,977.2	-0.14%	1.94%
HANG SENG	Hongkong	26,391.6	-0.48%	-3.08%
KSE 100 Index	Pakistan	47,169.8	-0.21%	7.80%
NSE Nifty 50	India	16,529.1	1.01%	18.22%
SHANGHAI COMPOSITE	China	3,516.3	-0.24%	1.24%
SHANGHAI SHENZHEN CSI 300	China	4,946.0	-0.55%	-5.09%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.356	4.35%
British Pound (GBP)	0.721	-1.45%
Canadian Dollar (CAD)	1.252	1.68%
Chinese Renm. (CNH)	6.478	0.39%
Egyptian Pound (EGP)	15.706	0.13%
Euro (EUR)	0.848	3.57%
Indian Rupee (INR)	74.248	-1.59%
Japanese Yen (JPY)	109.590	-5.79%
Swiss Franc (CHF)	0.916	-3.32%
Omani Rial (OMR)	0.385	0.06%
Pakistan Rupee (PKR)	163.593	-2.30%
Russian Ruble (RUB)	73.227	1.62%
Singapore Dollar (SGD)	1.355	-2.43%
Turkish Lira (TRY)	8.524	-12.71%

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	70.6	-1.01%	38.28%
WTI Crude (per bbl)	68.4	-0.94%	41.06%
Oman Crude Oil (Last Closing)	69.7	-0.92%	36.41%
OPEC (per bbl)	71.3	1.13%	41.96%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,779.7	1.53%	-6.25%
Silver (per oz)	23.7	2.45%	-10.05%
Platinum (per oz)	1,032.1	0.84%	-3.73%
<b>Other Metals</b>			
Copper, MT	9,570	1.08%	23.23%
Aluminium, MT	2,600	0.68%	31.35%
Lead, MT	2,334	1.17%	17.05%
Zinc, MT	3,034	1.37%	10.27%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.37	-27.4%
Saudi Arabia	0.79	-2.8%
Kuwait	1.50	4.3%
Oman	2.12	-20.6%
Qatar	0.93	-17.1%
Bahrain	1.58	-30.0%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.28
UAE	16/04/2030	1.91
QATAR	16/04/2030	1.99
SAUDI ARABIA	22/10/2030	2.24
OMAN	25/01/2031	5.09
BAHRAIN	30/09/2031	5.68

Midswaps	Price	YTM %
3 year	99.84	0.4
5 year	99.28	0.8
10 year	99.75	1.3
30 year	101.61	1.9

USD Libor	Rate (%)	YTD
1m	0.09	-35.5%
3m	0.12	-47.9%
6m	0.16	-39.2%
1 year	0.24	-30.2%

Source: Bloomberg

## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### SAUDI ARABIA

#### BinDawood says first instance judgment in lawsuit against subsidiary dismissed

- BinDawood Holding Co. announced that Arab Dalla Co. submitted an appeal against the verdict issued by the Court of First Instance in the lawsuit against one of its subsidiaries, Danube Company for Foodstuffs & Commodities (Danube) for patent infringement.
- The company said in a bourse filing that the court dismissed the case in the preparatory hearing as the plaintiff failed to establish its title over the patent, therefore lacking the capacity to pursue litigation.
- It was previously ruled that the case was not accepted for filing by a non-qualified person and was returned to the court issuing the judgment to reconsider.
- BinDawood assured its shareholders about the strong legal position of its subsidiary in the case as confirmed by its external lawyer, and will keep its investors updated on the development of the case.

#### Saudi Cable Company announces an update on a transaction of assets purchase; value of 200 million Saudi Riyal for the purpose of reselling them to finance the Company's working capital.

- The transaction that made with Al-Nawasi Gulf Trading Company on April 2021 for the purchase of "non-current assets" Cars value of SAR 200mn for the purpose of reselling them in order to use the proceeds of the cash flows from it to finance the Company's working capital. The transaction didn't implement due to the failure of Al-Nawasi Gulf Trading company to fulfill the requirements of the contract on the agreed dates and the subsequent time limits exhausted by the company, forcing the Saudi Cable Company to submit a request for the implementation of order for the advance payment, as a result of which the services of Al-Nawasi Gulf Trading Company were suspended. Saudi Cable Company currently seeks to initiate a legal claim before the Commercial Court approves winding of the contract with Al-Nawasi Gulf Trading Company and its claim for the amounts that it illegally obtained it, in addition to the penalty clause and other related claims.

#### MIS renews, modifies SAR 150 mln Islamic facility with Gulf International Bank

- Al Moammar Information Systems Co. (MIS) renewed and modified a Shariah-compliant credit facility, worth SAR 150 million, with Gulf International Bank (GIB) today, Aug. 12, the company said in a bourse statement.
- The facility duration is until Aug. 11, 2022, and the agreement is secured by a promissory note in favor of GIB.
- The credit facility will be used to finance new projects, and issue bank guarantees.
- There are no related parties to the deal, MIS added.

**Comment:** MIS is currently under the process of setting up a SAR 150mn fund with Saudi Frans Capital, as the company recently announced. We believe that renewing and modifying the company's credit facilities will support its income statement through lower cost of funding.

#### Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
ZAMIL INDUSTRIAL	7.06	-58.3	-	5.2	35.8
MOUWASAT MEDICAL	141.35	115.73	22.14	147.19	-3.97
BUPA ARABIA	333.6	443.0	-24.7	175.4	90.2
CATERING	-17.4	-143.8	-87.9	-30	-42
FITAHY HOLDING	17.0	-16.8	-	130.1	-86.9

#### Mouwasat Medical net income up considerably YoY but down 3.9% QoQ in 2Q21

- The reason for the increase in net profit during the current quarter compared to the corresponding quarter of the previous year due to: -
- increase in revenue by 12% resulting from: -
- continuous effective utilization of newly specialized resources.
- Enhancement of contractual terms with customers.
- Continuous enhancement of operating efficiency of the available resources.

- decrease in selling and distribution expenses during the current quarter compared to corresponding quarter.
- Low financing cost due to the decrease in principle amount of loans with the value of the instalments paid during the period.

#### **Zamil Industrial net income up 36% YoY in 2Q21**

- Increase in sales in the Steel and Insulation sectors.
- Higher gross profit and operating margin across all sectors.
- Lower operating expenses and financial charges.
- Increase in other income.
- Reduction in loss from discontinued operations.

#### **BUQA Arabia net income down 25% YoY but up 90.2% QoQ in 2Q21**

- The decrease in profits before Zakat and Income Tax for the quarter of SR 109,446K compared with same quarter the previous year was due to the following main reasons:
- Decrease in net underwriting results of SR 159,220K compared with the same quarter of the previous year, a decrease of 26.1%. This was driven by the increase in the net claims incurred by SR 249,864K compared with the same quarter of the previous year, an increase of 13.9%, as a result of the rebound in deferred claims from the abnormal low levels witnessed during the COVID-19 lockdown period of the previous year. Net underwriting results were also negatively impacted by the drop in net earned premiums of SR 127,473K compared with the same quarter of the previous year, a decrease of 4.7%.

#### **Saudi Airline Catering net loss reduce in 2Q21 on both QoQ and YoY**

- The total comprehensive loss for the period (Q2) amounts to SAR 17.4 million which is a reduction of 87.9% in loss, compared to previous year due to recovery of the impact of COVID-19 and in particular the resumption of international commercial flights during the period, because of precautionary measures taken by the government.
- The resumption of flights led to a direct positive impact on the company's operations with an increase in revenue by 127.321% (amounting to SAR 257.1 million).
- Despite the challenges faced by the company considering the pandemic, the company has executed several initiatives aimed at increasing the efficiency of operation and thus reducing the impact of the pandemic on company's profitability by ensuring its continuity and competitiveness are achieved.

#### **Fitahi Holding profit up YoY but down 87% QoQ in 2Q21**

- The reason for achieving a net profit during Q2 2021, compared to a net loss during Q2 2020, is mainly due to the following:
- An increase in sales by 48%, from SAR 9.4 million in Q2 2020 to SAR 13.9 million in Q2 2021.
- An increase in received distributed dividends from equity instruments at fair value from SAR 0.004 million in Q2 2020 to SAR 15.1 million in Q2 2021.
- Worth mentioning that the distributed dividends from equity instruments at fair value in 2020, which amounted to SAR 7.1 million, have been received in Q3 2020.
- A profit of SAR 4.3 million in Q2 2021 resulted from the Company's share in the business results of associates, compared to a loss amounting to SAR 3.8 million in Q2 2020.
- A decrease in the inventory's value by SAR 3.4 million was recorded in Q2 2020 to reduce the obsolete stock, while there was no need to do the same in Q2 2021.
- A profit of SAR 0.8 million resulted from (Fair Value Investment Valuation Through Profit or Loss) in Q2 2021.

## **UAE**

#### **Abu Dhabi's Agthia Seeks Food Deals in Egypt and Saudi Arabia**

- Abu Dhabi-based Agthia Group PJSC is pursuing a strategy to grow through acquisitions and investment in its food and beverage business as its chief executive sees continued economic growth.
- "We expect to see our growth coming from the consumer business," Agthia Chief Executive Officer Alan Smith said in an interview with Bloomberg Television. "We're going to continue to look for the right opportunities" for acquisitions with a focus on Saudi Arabia and Egypt, he said.
- Global food suppliers seeking a post-pandemic recovery are facing higher commodity and shipping costs, forcing them to raise prices or narrow margins. Commodities surged in the first half of the year on booming demand, fueled by trillions of dollars in government stimulus. That's feeding concern that rising inflation may crimp consumer spending.

## UAE Corporate Results

AED MN	1H20	1H21	%CHANGE
<b>FOODCO NATIONAL</b>	-10.2	-7.62	-
<b>JULPHAR</b>	-83.2	49.9	-
<b>AI AHLIA INSURANCE</b>	32.2	36.0	11.6%
<b>AMANAT HOLDING</b>	0.58	235.5	-
<b>GULF NAVIGATION</b>	-51.1	80.1	-

### Foodco National losses reduce in 1H21

- Foodco National losses reduce in 1H21 to AED 7.6mn compared to AED 10.2mn in 1H20.
- Revenue dropped to AED 24.4mn in 1H21 compared to AED 37.7mn in 1H20.

### Julphar reports profit in 1H21 compared to loss last year

- Julphar reported profit of AED 49.9mn in 1H21 compared to loss of AED 83mn in 1H20.
- Revenue during the period increased to AED 386.7mn compared to AED 274mn in 1H20.

### Amanat holding net income up sizably in 1H21

- Amanat Holdings PJSC reported total income of AED 255.6 million, a significant nine-fold increase from the AED 28.2 million in 1H-2020, while income from investments similarly grew at a stellar pace to AED 251.9 million versus AED 21.3 million this time last year. The impressive performance filtered down to the Company's bottom-line profitability with net profit of AED 235.3 million in 1H-2021 compared to AED 0.6 million in the same period last year.
- The impressive expansion comes on the back of strong results reported by both Amanat's healthcare and education platforms as operations continue to witness growth and rebound from lows recorded in the first half of last year following the outbreak of COVID-19. The Company's profitability was also bolstered by the AED 160.0 million gain on sale of Amanat's share of Taaleem Holdings in April 2021, along with robust contributions made from Amanat's new healthcare investment, Cambridge Medical and Rehabilitation Center ("CMRC").

### Al Ahlia Insurance net income up 11.6% YoY in 1H21

- Al Ahlia Insurance net income increased to AED 36mn in 1H21 compared to AED 32.2mn in 1H20.
- Increase in net profit was largely because of increase in premiums despite drop in underwriting income.
- Operating expenses were also down 13% YoY as well.

### Gulf Navigation reports profit in 1H21 compared to loss in 1H20

- Operating Revenue reached 62 million dirhams in H1 2021, compared to 68 million dirhams for the same period in 2020.
- Operating profits of 100 million dirhams in H1 2021, compared to an operating loss of 27 million dirhams for the same period in 2020.
- Gross Profits of 15 million dirhams in H1 2021 compared to a Gross Loss of 1.2 million dirhams in H1 2020.
- Increase in Net Cash Flows from Operating Activities reaching 117 million dirhams by the end of H1 2021.
- Total Assets stood at 863 million dirhams
- 32% reduction in operating costs.
- Net income for Q2 2021 amounted to 125 thousand dirhams compared to a net loss of 33.5 million dirhams in Q2 2020

## QATAR

### "Fitch" confirms the strong rating of Qatar Islamic Bank at "A", with a stable outlook

- The credit rating agency, Fitch, affirmed the strong rating of the International Islamic International Bank of Qatar at "A" with a stable outlook, during the periodic review conducted by the agency to classify the bank in light of its results and performance during the first half of 2021.
- The agency said, in a report published on its review of the international Islamic credit rating, that the bank's rating is at "A" with a stable future outlook based on a set of factors, foremost of which is the strong possibility of support from the government when needed, Qatar News Agency (QNA) reported today, Saturday.
- In its report, Fitch added that QIIB is characterized by high asset quality, strong profitability, sufficient core capital, stable financing and liquidity, and the strong Islamic deposit privilege supports the bank's financing profile, which largely consists of local retail deposits with a very low dependence on external financing compared to in the market.

## Qatar Corporate Results

QAR MN	1H20	1H21	%CHANGE
<b>EZDAN HOLDING</b>	172.3	172.2	-
<b>QATARI GERMAN</b>	-1.14	1.35	-

### Ezdan Holding net income almost flat in 1H21

- Ezdan Holding Group discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 172,244,000 in comparison to Net Profit QR 172,381,000 for the same period of the previous year.
- The Earnings per share (EPS) amounted to QR 0.006 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.006 for the same period in 2020.

### Qatar German reports profit in 1H21 compared to loss last year

- Qatari German Co. for Medical Devices discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 1,351,001 in comparison to Net Loss QR 1,146,345 for the same period of the previous year.
- The Earnings per share (EPS) amounted to QR 0.012 as of 30th June, 2021 versus loss per share QR 0.010 for the same period in 2020.

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **U Capital - MSX30 Index ends week flat**

MSX30 Index ended the week almost flat. Financial sector rose 0.11 per cent, Industrial by 0.85 per cent while Services sector declined by 0.18 per cent. MSX Shariah Index closed higher by 1.11 per cent. Oman's capital markets regulator, the Capital Market Authority, is preparing regulations to allow and license crowdfunding platforms in the sultanate. Crowdfunding is a way of funding start-ups, small projects and businesses by raising funds from a large number of people through licensed online platforms. The CMA's board of directors has approved the necessary amendment in the capital market legislations to license crowdfunding platforms in the Sultanate.

[Source](#)

#### **Oman's hydrogen alliance to drive national hydrogen economy**

The Ministry of Energy and Minerals (MEM) is establishing a national hydrogen alliance (branded as Hy-Fly) to place Oman firmly on the map for the development and deployment of clean hydrogen. Hy-Fly is made up of 13 key public and private organisations encompassing government bodies, oil and gas operators, educational and research institutes as well as ports who will work together to support and facilitate the production, transport and utilisation of clean hydrogen for domestic use and export. In the run-up to achieving this, the alliance will promote clean hydrogen through investments, technologies, policies, and expertise across the whole hydrogen supply chain.

[Source](#)

#### **Oman, India ink MoU in field of mining**

Oman's Ministry of Energy and Minerals (MEM) and Indian Rare Earths Limited (IREL) signed a memorandum of understanding (MoU) to cement cooperation in the field of minerals. The MoU provides for the exchange of laws and regulations endorsed by the two countries in the exploitation of mineral resources and data about investment opportunities. The two sides encourage cooperation in exchanging experiences in the fields of innovation and application of techniques. They will explore modern methods of excavation for minerals and development of industries based on minerals, notably rare minerals, with the aim of realising added value in minerals. This is besides enhancing cooperation in technical research and geological surveys.

[Source](#)

### MIDDLE EAST

#### **Indian ambassador to Saudi Arabia says anti-dumping cases won't impact trade relations**

Sayeed Ausaf, Indian Ambassador to Saudi Arabia, said anti-dumping cases filed by Indian companies against Saudi peers are still in courts to date. Moreover, some cases are filed against petrochemical companies, due to the lack of trade information, Alriyadh newspaper, reported. These cases have not and will not impact the strategic, trade relationship between Saudi Arabia and India, as 582 Indian firms are registered in the Kingdom as joint ventures/fully-owned entities, with a market value of \$1.8 billion as of March 2021 under various sectors.

[Source](#)

#### **Saudi inflation expected to ease in Q3 2021 as VAT impact vanishes, says SAMA**

The Saudi Central Bank (SAMA) expected inflation rates to see a significant drop in the third quarter of the year, compared to Q3 2020. The decline will come as the impact related to tripling value-added tax (VAT) to 15% has no longer existed since the beginning of H2 2020. The Kingdom's inflation rate was forecast to remain steady at low range during the third quarter, backed by King Salman's directive to set a cap on local gasoline price for July. Fuel prices were capped at SAR 2.18 riyals per litre for the 91 octane grade, and at SAR 2.33 per litre for the 95 octane grade.

[Source](#)

#### **Dubai-based company setup firm expands operations in Saudi Arabia**

Pro Partner Group, a Dubai-based company specializing in company formations, has expanded its operations in Saudi Arabia. It was established in 2014 and has offices in Abu Dhabi, Dubai, Oman, and Qatar. The company helps new entrants into the market to manage the legal requirements, arrange employment visas and other paperwork. The company aims to take advantage of the Riyadh Strategy 2030 announced by Crown Prince Mohammed bin Salman in January.

[Source](#)

### **Sheikh Mohammed announces new government service centre ratings**

His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, has said that the UAE has presented to the world an exceptional model in developing and leading future government work to become a role model to be followed in sustainable development and modernisation. Sheikh Mohammed bin Rashid said, "Today, we approved the results of the Star Rating System for 69 government service centres, 14 of them have achieved an increase in their classification; Fujairah Traffic and Licensing Service Centre, the Federal Authority for Identity and Citizenship (ICA) Al Barsha branch in Dubai, received the highest rating, i.e, 6-star rating. Congratulations to the 6-star rating centres, and for the 3-star centres, we say that technology has advanced and offered better services."

[Source](#)

## **INTERNATIONAL**

### **The rally in recovery-focused stocks could depend on consumers and the Fed in the week ahead**

Investors bid up cyclical stocks in the past week, but the economy will have to prove that the reflation trade — a bet on economic growth — is the way to go as concerns about Covid linger. Markets are deep in the dog days of August. That means the Federal Reserve and key data, particularly retail sales, could provide some direction for stocks in the week ahead. Major stock indices were mixed in the past week, with the Dow and the S&P 500 hitting new highs and the Nasdaq flattish. But there was a clear move higher in cyclical sectors that gain when the economy is expected to improve.

[Source](#)

### **S&P 500 grinds to another record to close out winning week**

The S&P 500 and Dow Jones Industrial Average hit fresh all-time highs on Friday as both indexes capped off modest gains for the week. The Dow finished the day up 15.53 points to close at a record 35,515.38, while the S&P 500 added 0.16% and finished at 4,468.00, a new closing record. The Nasdaq Composite ticked up just 0.04% to 14,822.90. Shares of Disney jumped 1% after it reported blowout fiscal third-quarter earnings, helping pushing the Dow to a new record. The media giant crushed Wall Street expectations on Disney+ subscriber growth and overall revenue and earnings.

[Source](#)

### **Bitcoin mining difficulty jumps a second time as miners settle offshore**

The mining difficulty of the Bitcoin network took a dive after China had announced a crackdown on mining operations, which at its peak contributed to three-quarters of the global hash rate. The latest data from BTC.com shows an ongoing spike in Bitcoin's mining difficulty starting from June 17, 2021. As miners from China slowly settle down in crypto-friendly countries, the Bitcoin ecosystem witnessed a 13.77% increase in mining difficulty in two consecutive jumps, exceeding 15 terahashes (TH) for the first time since the second week of June. The next adjustment is expected to commence on Aug. 27, estimated to surge the difficulty to 15.63 TH.

[Source](#)

## **COMMODITIES**

### **U.S. Rig Count Rises To 16-Month High**

The number of oil and gas rigs in the United States rose by 9 this week, according to Baker Hughes—after rising by 3 last week. The total rig count is now 500, up 256 from the same time last year—the highest rig count since April 2020, but still down sharply from the 790 active rigs prior to the pandemic. The U.S. oil rig count rose by 10 this week to 397, while the number of gas rigs fell by 1. Miscellaneous rigs held at zero.

[Source](#)

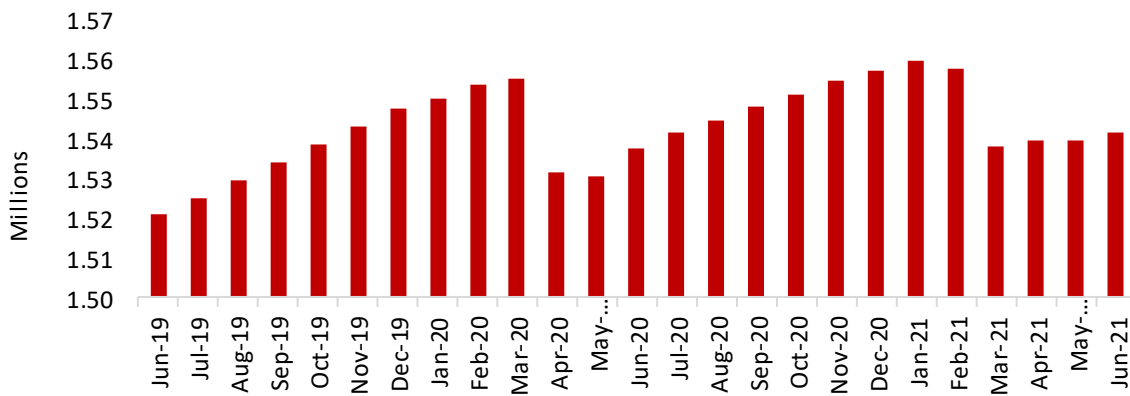


## CHART / TABLE OF THE DAY

### The total number of vehicles registered in the Sultanate totaled 1.541mn in June 2021

- The total number of vehicles registered in the Sultanate totaled 1.541mn in June 2021, representing a small decline over the December 2020 registered vehicles at 1.557mn, according to the National Centre for Statistics and Information.
- Private vehicles topped the list of vehicles registered at 1.220mn, followed by 0.232mn commercial vehicles and 29,169 taxis.
- The number of vehicles with temporary registration reached 10,687 compared to 15,351 vehicles in December 2020.

### Vehicles Registered - Month end



Source: NCSI



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