

PRE-MARKET REPORT

16 August 2021

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
MSCI GCC Index	704.4	1.42	0.20%	23.65%	20.35	2.21	2.5%
Muscat Stock Exchange	4,019.4	17.24	0.43%	9.86%	12.81	0.80	3.8%
Saudi Stock Exchange	11,351.6	27.93	0.25%	30.64%	27.24	2.50	2.2%
Kuwait Stock Exchange	6,621.5	8.83	0.13%	19.39%	31.63	1.66	1.8%
Qatar Exchange	10,933.1	12.64	0.12%	4.76%	16.63	1.60	2.7%
Bahrain Stock Exchange	1,636.4	5.35	0.33%	9.84%	11.35	0.82	3.4%
Dubai Financial Market	2,816.0	1.33	0.05%	13.00%	20.04	0.96	2.8%
Abu Dhabi Exchange	7,601.6	7.29	0.10%	50.67%	22.92	2.17	3.0%
Palestine Stock Exchange	574.5	0.07	0.01%	21.91%	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	11,029.6	145.06	1.33%	1.70%	10.42	1.56	1.5%
Amman General Index	1,985.7	-14.09	-0.70%	19.82%	23.03	0.84	3.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
Europe					Currency		
FTSE 100	UK	7,218.7	0.35%	11.74%	Australian Dollar (AUD)	1.363	4.86%
DAX	Germany	15,977.4	0.25%	16.46%	British Pound (GBP)	0.722	-1.31%
CAC 40	France	6,896.0	0.20%	24.22%	Canadian Dollar (CAD)	1.254	1.50%
United States					Chinese Renm. (CNH)	6.479	0.37%
DJIA	USA	35,515.4	0.04%	16.04%	Egyptian Pound (EGP)	15.690	0.23%
S&P 500	USA	4,468.0	0.16%	18.95%	Euro (EUR)	0.848	3.62%
NASDAQ	USA	14,822.9	0.04%	15.01%	Indian Rupee (INR)	74.248	-1.59%
Asia Pacific					Japanese Yen (JPY)	109.450	-5.66%
NIKKEI 225	Japan	27,512.1	-1.66%	0.25%	Swiss Franc (CHF)	0.916	-3.37%
HANG SENG	Hongkong	26,177.4	-0.80%	-3.87%	Omani Rial (OMR)	0.385	0.00%
KSE 100 Index	Pakistan	47,037.1	-0.28%	7.50%	Pakistan Rupee (PKR)	163.593	-2.30%
NSE Nifty 50	India	16,530.1	0.01%	18.23%	Russian Ruble (RUB)	73.227	1.62%
SHANGHAI COMPOSITE	China	3,527.2	0.31%	1.56%	Singapore Dollar (SGD)	1.356	-2.51%
SHANGHAI SHENZHEN CSI 300	China	4,953.8	0.16%	-4.94%	Turkish Lira (TRY)	8.518	-12.65%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	69.8	-1.16%	36.67%	UAE	0.37	-28.6%
WTI Crude (per bbl)	67.6	-1.20%	39.39%	Saudi Arabia	0.80	-2.7%
Oman Crude Oil (Last Closing)	69.2	-0.66%	35.51%	Kuwait	1.50	4.3%
OPEC (per bbl)	71.3	1.13%	41.96%	Oman	2.14	-20.1%
Precious Metals						
Gold100 OZ (per oz)	1,774.2	-0.31%	-6.54%	Qatar	1.15	2.6%
Silver (per oz)	23.6	-0.66%	-10.64%	Bahrain	1.58	-30.0%
Platinum (per oz)	1,015.2	-1.65%	-5.31%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	9,570	1.08%	23.23%		Maturity date	YTM, %
Aluminium, MT	2,600	0.68%	31.35%	KUWAIT	20/03/2027	1.28
Lead, MT	2,334	1.17%	17.05%	UAE	16/04/2030	1.91
Zinc, MT	3,034	1.37%	10.27%	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 %	USD Libor	Rate (%)	YTD
3 year	99.89	0.4	1m	0.09	-35.5%
5 year	99.39	0.8	3m	0.12	-47.9%
10 year	99.95	1.3	6m	0.16	-39.2%
30 year	102.00	1.9	1 year	0.24	-30.2%

Source: Bloomberg

GCC CORPORATE NEWS & DISCLOSURES

OMAN

Bank Muscat - Acquisition of an additional stake in SICO BSC

- Company announced that referring to its disclosure dated 20 December 2020 regarding 72.71% stake sale in Muscat Capital Company (CJSC), based in Kingdom of Saudi Arabia (KSA) to SICO BSC (c), a Bahrain based investment bank and acquisition of 9% shareholding in SICO BSC (c) by Bank Muscat.
- Bank Muscat has obtained necessary regulatory approvals to acquire a further 1.38% shareholding in SICO BSC (c) via a secondary market purchase.
- After this transaction, Bank Muscat's shareholding in SICO BSC (c) will be 10.38%. Net worth of SICO BSC (c) as at the end of June 30, 2021 was BHD 66,965,000.

Comment: This additional investment by Bank Muscat in SICO BSC is likely on account of increasing its shareholding stake in the said bank, in order gain significance in the Board of Directors. SICO is one of the best Investment Banks in the region. It is the number 1 broker on the Bahrain Bourse, and through its subsidiary SICO Capital, is also expanding presence in Saudi Arabia. Further, SICO reported BD 2.8mln net profit in the first half of 2021, due to strong income growth across diversified business activities and a 66% year-to-date increase in assets under management.

SAUDI ARABIA

Ministry of Finance, NDMC appoint Al Rajhi Bank as primary dealer of govt debt securities

- Saudi Arabia's Ministry of Finance and National Debt Management Center (NDMC) signed an agreement with Al Rajhi Bank to appoint it as a primary dealer of government debt securities.
- Accordingly, Al Rajhi Bank joined Alinma Bank, Bank Aljazira, Saudi National Bank (SNB), and Saudi British Bank (SABB), which were previously appointed as primary dealers.
- The applications of subscription to the local government debt securities are submitted to NDMC through the contract primary dealers on a monthly basis, as per the disclosed annual lending plan.

ACWA Power announces financial close for Sudair solar plant; Aramco joins consortium

- Saudi utilities provider, ACWA Power, announced, on Aug. 15, the financial close for the 1500 megawatts (MW) Sudair Solar PV plant, a key project under the Public Investment Fund (PIF) renewable energy program.
- A specialized Saudi technical team at the Ministry of Energy selected the Sudair project site and carried out the engineering requirements and preliminary studies of the project, with the aim of achieving the highest levels of efficient energy production and contributing to shaping the circular carbon economy, which the Kingdom adopted during its presidency of the G20 last year.
- The company also announced that SAPCO, a fully-owned company of Saudi Aramco, joined the consortium with ACWA Power and Badeel, a company wholly-owned by PIF.
- ACWA Power - in which PIF holds a 50% stake - and Badeel will each own 35% in the special purpose vehicle, Sudair One Renewable Energy Co., which was incorporated for the project, with SAPCO holding a 30% stake.

Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
United Cooperative	-6.53	-1.41	361.5	-26.9	-75.8
Aseer Trading	-0.8	-3.2	-75	-1.4	-42.857
Jabal Omar Development	270.57	-453.51	-	-345.3	-
Saudi Ground Services	-93.1	-197.9	-52.9	-16.7	458.2

United Cooperative losses increase YoY in 2Q21

- Due to the decrease in the gross written premiums and increase in net claims incurred. Besides the decrease in total investment income.
- The reason behind the decrease in the total net loss is primarily due to the reduction of the provision of doubtful receivables, along with the increase in net underwriting results.

Aseer Trading losses lower in 2Q20

- The reason of decreasing losses is increasing operation profit resulting mainly from the decrease in selling and distribution expenses, decrease in general and administration expenses and recording other operating income verses recording other operating expenses during the same quarter of the previous year in addition to recording foreign currency exchange gain compared to foreign currency exchange loss during the same quarter of the previous year and decrease in finance expenses
- The reason of decreasing losses is due to increasing operation profit resulting mainly from increase in gross profit from investment, decrease in selling and distribution expenses, decrease in general and administration expenses, increasing in other operating income and achieving foreign currency exchange gain compared to foreign currency exchange loss in pervious quarter.

Jabal Omar Development reports profit in 2Q21 compared to losses in comparable quarters

- The reason of the increase in the net profit during the current quarter compared to the same quarter (restated) of the last year is:
 - The increase in revenue in the current quarter compared to the same quarter of the previous year due to the relative improvement in operation rates of hotels and commercial centers due to the easing of precautionary measures.
 - Increase in other income compare to similar quarter last year due to gain recognized on sale of plot of land in Jabal Omar project which was announced on Tadawul on 13 December 2020.

Saudi Ground Services reports loss in 2Q21

- "The current quarter recorded a net loss of SAR 93.2 million in comparison to previous year same quarter net loss of SAR 197.9 million. The continuous recovery of the business operation has directly impacted the revenue by an increase of SAR 259.7 million and indirectly impacted with a reduction in impairment loss by SAR 3.9 million.
- The operating cost and general administration cost have increased by SAR 119 million and SAR 12.4 million respectively. The increase in operating cost is mainly due to reduction of SANED subsidization by SAR 82 million and increase in other operational cost due to improvement in recovery.
- The company recorded an increase in loss from equity accounted investment amounting to SAR 8.2 million. The Company also recorded an increase in loss on FVTPL investment amounting to SAR 14.8 million. The finance cost increased by SAR 5.8 million due to the drawdown from bank facilities. "

UAE

UAE Corporate Results

AED MN	1H20	1H21	%CHANGE
UNION PROPERTIES	-160.4	32.4	-
Fujairah Cement	-28.2	-25.7	-
Gulf General Investment	-16.6	-65.9	-

Union properties reports profit compared to loss in 1H20

- Union Properties PJSC, Dubai's iconic real estate developer listed on Dubai Financial Market and its diversified subsidiaries, announced its consolidated financial results for the six months ended June 30, 2021, with a total profit of AED 32.4 million compared to a loss of AED 160.4 million for the same period last year 2020.
- The company's profits increased by 483% in the 2nd Quarter of 2021 - with profits reaching AED 26.83 million - compared to the 1st Quarter of the year. The most notable positive results came from revenues from customer contracts which increased to approximately AED 197.5 million while the company's assets increased to AED 6 billion, and in terms of financing costs, it witnessed a significant decrease of 32% compared to the same period last year 2020.

Fujairah Cement losses drop in 1H21

- Fujairah Cement Industries Company reported a decline in losses by 9% to AED 25.7 million in the first half (H1) of 2021, from AED 28.2 million in H1-20.
- The company attributed the decrease in losses to lower finance costs, which dropped by 36% to AED 10.3 million from AED 16.1 million, according to the company's disclosure.

Gulf General Investment losses up 297% in H1

- Gulf General Investment Company reported an increase in losses by 297% in the first half (H1) of 2021 to AED 65.9 million, compared with AED 16.6 million in H1-20.
- The increase in losses is due to the lower profit margin of 15%, down from 37.4% in the same period last year, due to the 71% higher direct costs, according to the company's disclosure to the Dubai Financial Market (DFM) on Sunday.
- In addition, the company saw a reevaluation deficit of AED 11.2 million and a loss on disposal of equity interest in an associate at about AED 32.9 million.
- The company also disclosed an analysis of accumulated losses at AED 1.74 billion, representing 97.2% of the capital, as of May 11, because of the impairment of assets due to the challenging market situation, and the finance cost incurred in previous years.
- Accordingly, the board of Gulf General Investment has proceeded with the procedures of capital restructuring and exit from some joint investments.

Abu Dhabi's Waha Capital secures \$500m revolving credit facility

- Abu Dhabi-based investment management company Waha Capital has completed the refinancing of its revolving credit facility.
- The three-year \$500 million revolving credit facility replaces and upsizes the current facility of \$400 million, Waha Capital said in a statement on Sunday.
- Abu Dhabi Commercial Bank, First Abu Dhabi Bank, Commercial Bank of Dubai and Gulf International Bank acted as mandated lead arrangers and bookrunners.
- Ahmed Khalifa Al Mehairi, CEO of Waha Capital, said the new three-year facility will allow the company to manage its short-term working capital effectively, enabling the company to further capitalise on future growth opportunities.
- Waha Capital recorded a net profit of 154 million dirhams in Q2 2021, representing a 42 percent drop over the year-earlier quarter.

QATAR

Qatar Stock Exchange Listed Companies Reported QAR 20.5bn Net Profits For The Semi-Annual Financial Statement Of 2021

- All of Qatar Stock Exchange listed companies have disclosed their financial results for the six month period ended June 30, 2021, The results show a net profit of QR 20.5 Billion compared to QR 16 Billion for the same period last year, the amount shows increase with 28.31%.

ECONOMIC & GENERAL NEWS

OMAN

EDO Successfully Secures \$ 2.5 Billion Financing Transaction

Energy Development Oman (EDO) has successfully secured a \$2.5 billion debt financing transaction, which attracted an overwhelming market response at very competitive rates. The funding will further support EDO in achieving its key objective of alleviating the Government's Block 6 funding requirements. The Company is also mandated to create growth; enhance efficiencies and governance in Oman's oil, gas, and new energies sector; and unlock value through diversification and value chain integration.

[Source](#)

Sohar Port Augments Production Capacity By 14%

The Port of Sohar stepped up the rate of its production capacity by 14% (18 million tons) during the second quarter of this year, compared to the corresponding period last year. The volume of liquid commodities rose by 13% to 4.5 million metric tons, while dry goods volume went up by 12% to 10.5 million metric tons.

[Source](#)

KR Group and AsyadDrydock build Oman's first indigenous marine vessel

The KhimjiRamdas (KR) Group, through its Marine Solutions business, has partnered with AsyadDrydock to build vessels in the modern shipbuilding and repairs facility in Duqm. A full-fledged service company specialised in the design and construction of harbour-related infrastructures in addition to ship repair and maintenance, KhimjiRamdas Marine Solutions under the KR Infrastructure Cluster has grown rapidly since its inception in 2005. Undertaking its maiden project, the team has successfully built a 15m multi-cat vessel Hulm Al Behar which has become the first marine vessel to be built in AsyadDrydock, according to a press release.

[Source](#)

MIDDLE EAST

ACWA Power announces financial close for Sudair solar plant; Aramco joins consortium

Saudi utilities provider, ACWA Power, announced, on Aug. 15, the financial close for the 1500 megawatts (MW) Sudair Solar PV plant, a key project under the Public Investment Fund (PIF) renewable energy program.

[Source](#)

Saudi inflation rate decelerates as impact of VAT increase fades

Inflation rate in Saudi Arabia decelerated in July from June on annual basis as the effects of the July 2020 tripling of the VAT rate no longer weigh on spending. The consumer price index, a gauge used to detect the changes in prices, recorded a modest increase in July of 0.4 percent compared to the same month a year ago, but this increase is a sharp drop from the annual rate recorded in June of 6.2 percent, data from General Authority for Statistics (Gastat) showed.

[Source](#)

NMDC awarded AED 290m contract to develop Egypt's Damietta Port

The National Marine Dredging Co (NMDC) has been awarded a project to deepen and develop the sea lane of Egypt's Damietta Port. The AED 290 million contract includes deepening and developing the sea lane, the port basins, and the circulation basin of Damietta Port as well as soil improvement, including design works, NMDC said in a statement to the Abu Dhabi Securities Exchange (ADX) on Sunday

[Source](#)

INTERNATIONAL

China economy under pressure as factory output, retail sales growth slow sharply

China's factory output and retail sales growth slowed sharply and missed expectations in July, as new COVID-19 outbreaks and floods disrupted business operations, adding to signs the economic recovery is losing momentum.

[Source](#)

HSBC to buy Axa's Singapore insurance assets for \$575mn, part of Asia expansion push

HSBC said on Monday it had agreed to acquire Axa's insurance assets in Singapore for \$575 million, part of its broader strategy of scaling up its wealth management business in Asia and boosting fee income. The bank said in February it would invest \$3.5 billion in its wealth and personal banking business in Asia, while shifting assets away from some less-profitable business lines in Europe and North America.

[Source](#)

Fed should announce bond taper in September, begin it in October, says Dallas Fed President Kapla

Dallas Federal Reserve President Robert Kaplan said Wednesday that the central bank should begin to taper its monthly purchases of Treasury bonds and mortgage-backed securities in October.

[Source](#)

COMMODITIES

Oil prices slide as Chinese fuel demand falters

Oil prices fell more than 1% on Monday, dropping for a third session, after official data showed that refining throughput and economic activity slowed in China in an indicator that fresh COVID-19 outbreaks are crimping the world's no.2 economy. Brent crude was down 75 cents, or 1.1%, at \$69.84 a barrel by 0442 GMT. U.S. oil fell by 76 cents, or 1.1%, to \$67.68 a barrel.

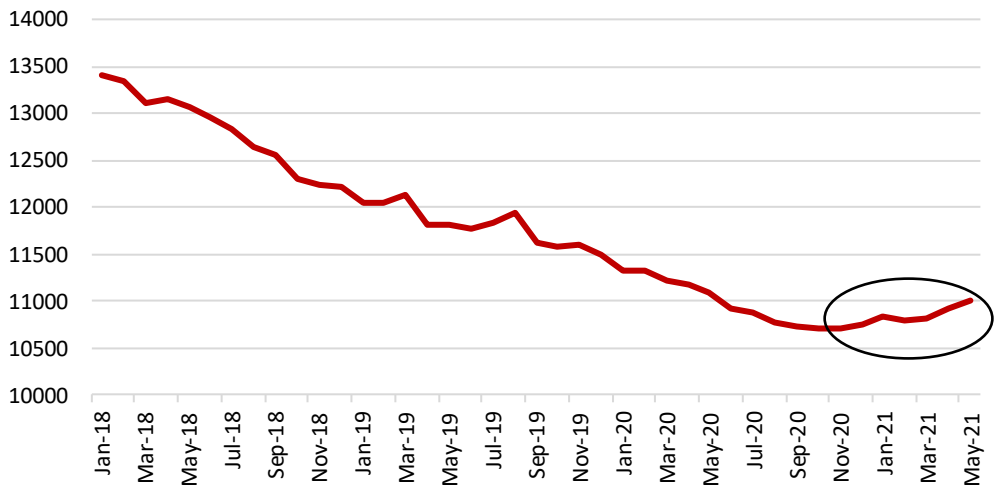
[Source](#)

CHART / TABLE OF THE DAY

Dubai's Residential Property Price Index

- Dubai's Residential Property Price Index shows a marked recovery from the trough seen in Oct'20. The Index is still well-below levels seen in 2018 and 2019, and is below pre-covid levels, as of May'21.

Dubai Residential Property Price Index



Source: Bank for International Settlements



Ubar Capital SAOC (U Capital)
Ominvest 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

Name	Role	Email	Phone Number
Abdul Aziz Al Saadi	Chief Executive Officer	abdulaziz.alsaadi@u-capital.net	00968-2494-9001
Yasmin Abdullah	Chief Operating Officer	y.abdullah@u-capital.net	00968-2494-9020
Rohit Chaudhary	Acting Chief Investment Officer	rohit@u-capital.net	00968-2494-9058
Mohammed Al Rahbi	Head of Asset Management	m.alrahbi@u-capital.net	00968-2494-9028
Talal Balushi	Head of Brokerage	talal@u-capital.net	00968-2494-9051
Hettish Karmani	Head of Research	h.karmani@u-capital.net	00968-2494-9034
Madabusi Sundarajan	Head of Corporate Finance	m.sundararajan@u-capital.net	00968-2494-9006
Abhishek Mathur	Head of Wealth Management	a.mathur@u-capital.net	00968-2494-9026

Disclaimer: This report has been prepared by Ubar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.