

PRE-MARKET REPORT

17 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	0.00	0.00%	23.65%	20.35	2.15	2.6%
Muscat Stock Exchange	4,011.2	-8.26	-0.21%	9.63%	12.79	0.80	3.9%
Saudi Stock Exchange	11,321.9	-29.78	-0.26%	30.29%	27.14	2.42	2.3%
Kuwait Stock Exchange	6,601.4	-20.06	-0.30%	19.03%	30.74	1.65	1.8%
Qatar Exchange	10,951.3	18.27	0.17%	4.94%	16.65	1.60	2.7%
Bahrain Stock Exchange	1,636.7	0.26	0.02%	9.86%	11.54	0.82	3.4%
Dubai Financial Market	2,825.0	9.01	0.32%	13.36%	20.10	0.97	2.8%
Abu Dhabi Exchange	7,662.9	61.22	0.81%	51.88%	23.13	2.19	3.0%
Palestine Stock Exchange	577.1	2.59	0.45%	22.46%	18.85	1.36	2.2%
Tunis Se Index	7,299.8	17.24	0.24%	6.03%	24.70	2.40	2.2%
EGX 30 Index	11,046.2	16.59	0.15%	1.85%	10.35	1.56	1.5%
Amman General Index	2,001.4	15.75	0.79%	20.77%	23.21	0.85	3.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
Europe					Currency		
FTSE 100	UK	7,154.0	-0.90%	10.73%	Australian Dollar (AUD)	1.369	5.28%
DAX	Germany	15,925.7	-0.32%	16.09%	British Pound (GBP)	0.724	-1.11%
CAC 40	France	6,838.8	-0.83%	23.19%	Canadian Dollar (CAD)	1.259	1.08%
United States					Chinese Renm. (CNH)	6.482	0.32%
DJIA	USA	35,625.4	0.31%	16.40%	Egyptian Pound (EGP)	15.692	0.22%
S&P 500	USA	4,479.7	0.26%	19.27%	Euro (EUR)	0.850	3.80%
NASDAQ	USA	14,793.8	-0.20%	14.78%	Indian Rupee (INR)	74.254	-1.60%
Asia Pacific					Japanese Yen (JPY)	109.320	-5.55%
NIKKEI 225	Japan	27,550.6	0.09%	0.39%	Swiss Franc (CHF)	0.914	-3.10%
HANG SENG	Hongkong	26,019.7	-0.65%	-4.45%	Omani Rial (OMR)	0.385	0.00%
KSE 100 Index	Pakistan	47,105.2	0.41%	7.66%	Pakistan Rupee (PKR)	164.025	-2.55%
NSE Nifty 50	India	16,561.9	-0.01%	18.45%	Russian Ruble (RUB)	73.248	1.59%
SHANGHAI COMPOSITE	China	3,500.4	-0.48%	0.79%	Singapore Dollar (SGD)	1.358	-2.64%
SHANGHAI SHENZHEN CSI 300	China	4,920.8	-0.41%	-5.57%	Turkish Lira (TRY)	8.467	-12.13%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	69.5	-0.01%	36.14%	UAE	0.37	-27.1%
WTI Crude (per bbl)	67.3	0.01%	38.71%	Saudi Arabia	0.80	-2.7%
Oman Crude Oil (Last Closing)	69.1	0.45%	35.41%	Kuwait	1.50	4.3%
OPEC (per bbl)	70.9	-0.59%	41.12%	Oman	2.12	-20.7%
Precious Metals						
Gold100 OZ (per oz)	1,787.6	0.01%	-5.84%	Qatar	1.03	-8.5%
Silver (per oz)	23.9	0.18%	-9.54%	Bahrain	1.59	-29.3%
Platinum (per oz)	1,026.2	-0.06%	-4.29%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	9,442	-1.34%	21.58%		Maturity date	YTM, %
Aluminium, MT	2,602	0.08%	31.45%	KUWAIT	20/03/2027	1.26
Lead, MT	2,312	-0.96%	15.92%	UAE	16/04/2030	1.85
Zinc, MT	3,031	-0.08%	10.18%	QATAR	16/04/2030	1.97
				SAUDI ARABIA	22/10/2030	2.20
				OMAN	25/01/2031	5.04
				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	99.41	0.7	3m	0.12	-47.9%
10 year	100.02	1.2	6m	0.16	-39.2%
30 year	102.00	1.9	1 year	0.24	-30.2%

Source: Bloomberg

GCC CORPORATE NEWS & DISCLOSURES

SAUDI ARABIA

BinDawood Holding sales start to normalize, 5 stores eyed by year-end: CEO

- BinDawood Holding Co.'s sales started returning to normal levels over the last 12 months, Chief Executive Officer (CEO) Ahmad Abdulrazzaq BinDawood told Argam in a telephone interview, expecting the company to maintain the first-half financials or report higher sales in the second half of the year.
- The company improved its profit margins, as the first-half profit margins expanded to an all-time high of 34.4%. BinDawood Holding also continued its efforts to develop new systems and services to improve its inventory management, slash costs, and maintain the quality of its services and products.
- The second-quarter sales maintained the previous quarter level, the CEO said, noting that these results reflect the retail chain's positive response to market challenges and its better performance on all financial levels and indicators.

Saudi Aramco aims to raise \$17bn from gas pipeline deal

- Saudi Aramco is looking to raise at least \$17 billion from the sale of a significant minority stake in its gas pipelines, Reuters reported, citing sources.
- Potential bidders, including North American private equity and infrastructure funds, as well as state-backed funds in China and South Korea, have been approached by Aramco through its advisors before a formal sale process kicks off in the next few weeks.
- The deal size may include \$3.5 billion of equity and the remainder will be funded by bank debt, one source said, while another source said the transaction size could top \$20 billion.

Comment:

Reliance announced the sale of a 20% stake in its oil-to-chemicals business to Aramco for \$15 billion in 2019, but the deal stalled after oil prices and demand crashed last year due to the pandemic. The gas deal is about the long-term view of gas utilization and consumption in Saudi Arabia. Many industries will shift to gas under Vision 2030, meaning domestic gas demand will rise.

ACWA Power announces financial close of Sudair Solar project

- ACWA Power announced the financial close for the 1500-megawatt Sudair Solar plant, which is being implemented under the Public Investment Fund's (PIF) renewable energy programme.
- The PIF-backed company noted that SAPCO, a fully owned company of the Saudi Arabian Oil Company (Aramco), joined the consortium with ACWA Power and PIF's Badeel, according to a press release on Sunday.
- ACWA Power and Badeel will each own 35% in the special purpose vehicle Sudair One Renewable Energy Company, which was incorporated for Sudair Solar project, while SAPCO will hold a 30% stake.
- PIF's renewable energy programme aims to support Saudi Arabia's ongoing energy transition and diversification, in addition to delivering 70% of the country's renewable energy under the National Renewable Energy Program (NREP).

Aramco 'in talks' with Reliance Industries for 20pc stake

- State oil giant Saudi Aramco is in advanced talks with India's Reliance Industries Limited (RIL) to acquire a stake in its oil refining and chemicals business for an all-stock deal, reported Bloomberg citing people with knowledge of the matter.
- Aramco is discussing the purchase of a roughly 20% stake in the Reliance unit for about \$20 billion to \$25 billion-worth of Aramco shares, the people said, asking not to be identified because the information is private.
- Reliance, which is backed by Indian billionaire Mukesh Ambani, could reach an agreement with Aramco as soon as the coming weeks, the people said.
- Shares in Reliance extended gains to as much as 2.6% in Mumbai after the Bloomberg News report.

Burgerizzr IPO oversubscribed by 500% on day one

- The Burgerizzr burger chain's initial public offering (IPO) was oversubscribed by 500 percent on the first day, according to the financial advisor in charge of the share sale Emirates NBD Capital KSA.
- It added the price range for the offering will be between SAR 150 and SAR 165 per share at the start of the book-building process.
- "The final price for the shares will be determined on completion of the book-building process," the company said in a statement on Tadawul.

- Burgerizzr said in its prospectus it plans to sell 725,000 of its shares, representing 29 percent of its capital, in the parallel market Nomu, according to Argaam data.
- The IPO for the eligible groups began on Aug.15, 2021, and will end on Aug. 23, 2021, the prospectus said.

Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
Gulf General Coop	-19.7	18.75	-	-23.4	-15.8
Herfy Foods	26.67	-34.2	-	25.5	4.7
Batic Investment	3.85	-7.2	-	-3.7	-
Hail Cement	15.3	21.7	-29.4	25.8	-40.6

Gulf General Cooperative reports loss in 2Q21

- The main reason for the increase in losses during the current quarter compared to the same quarter of last year is due to the increase in net incurred claims by 131% and the huge increase in unearned premium reserve.

Herfy Food net income higher YoY and QoQ in 2Q21

- The reason for net profit for the 2nd Quarter 2021 compared to the net losses achieved for same quarter 2020 mainly attributed to the increase of Sales by 88.9 % and the increase of the net other Income and decrease the finance cost also the decrease of General and Administration Expenses despite the increase of the selling and marketing expenses.
- The reason for increase of the net profit for the 2nd Quarter 2021 compared to the net profit for 1st Quarter 2021 due to the increase of the sales by 3 % and increase of the net other Income and also the decrease of the finance cost and the decrease of General and Administration Expenses despite the increase of the selling and marketing expenses.

Batic Investment reports profit compared to loss in comparable quarters in 2Q21

- The reason for achieving a net profit during the current quarter compared to a net loss during Q2 2020 is mainly due to:
 - The increase in operating revenue by 11%, as the operating revenue during Q2-2021 amounted to 108.6 million SAR, compared to 98.1 million SAR during Q2-2020
 - The increase in gross profit by 124%, as the gross profit during Q2-2021 amounted to 11.1 million SAR, compared to 5 million SAR during Q2-2020
 - Including the current quarter, reverse to the provision for expected credit losses, of a net amount of 3.6 million SAR, compared to expected credit losses of one million SAR during the Q2-2020.

Hail Cement net income down both YoY and QoQ in 2Q21

- The reason for decrease in net profit during the current quarter compared to the same quarter last year, is due to decrease in revenue and increase in expenses.
- The reason for decrease in net profit during the current quarter compared to the last quarter, is due to decrease in revenue.

UAE

Abu Dhabi's Agthia seeks food deals in Egypt and Saudi Arabia

- Abu Dhabi-based Agthia Group 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, fuelled by trillions of dollars in government stimulus. That's feeding concern that rising inflation may crimp consumer spending.
- Agthia's Smith said he's cautiously optimistic on the global economy.

Adnoc invests \$187m to expand output capacity at onshore oilfield

- Abu Dhabi National Oil Company is investing \$187 million to expand the production capacity of the Al Nouf oilfield from 160,000 bpd to 175,000 barrels per day by 2024.
- The UAE, Opec's third-largest producer, plans to raise output capacity to 5 million bpd by 2030 and the expansion plan at Al Nouf is part of this, Adnoc said in a statement posted on its LinkedIn page on Monday.
- Adnoc awarded the engineering, procurement and construction contract for the Nouf development to Abu Dhabi-based contracting company Robt Stone.

KUWAIT

Agility completes sale of logistics unit to Denmark's DSV Panalpina to create \$26b freight forwarder

- Kuwait's logistics firm Agility has completed the sale of Global Integrated Logistics (GIL) business to Denmark's DSV Panalpina. The deal is valued at \$4.77 billion.
- With the acquisition of GIL, DSV becomes a global Top 3 player in the freight forwarding industry with an expected combined revenue of roughly \$26 billion and 75,000 employees worldwide.
- This will also see Agility pick up a sizeable stake in DSV and will help extend the geographic reach beyond core markets. "In the last decade, Agility created almost \$7 billion in value for shareholders, increasing it five-fold since 2011," said Tarek Sultan, Agility Vice-Chairman and CEO. "We are determined to sustain this momentum going forward."

Comments:

This deal creates significant shareholder value. Agility will become the second largest shareholder in one of the fastest-growing and most profitable logistics companies in the world. Agility disclosed it will be exploring opportunities between DSV and its other businesses, with promising areas of future cooperation potentially including Agility's Logistics Parks business, Shipa group of companies, and technology ventures.

National Investments Company invests in US-based fintech firm

- National Investments Company (NIC) has invested in Pipe Technologies (Pipe), a US-based fintech company, valued at \$2 billion and recognized as the world's first trading platform for recurring revenues.
- In an interview with Gulf Industry, Fahad Al-Mukhaizim, CEO of National Investments Company (NIC), said: "the Investment Banking Sector (IB) managed to capture many new investments in the infrastructure, real estate, credit and technology sectors. Furthermore, the company started the year 2021 with a strong pipeline of mandates, including a number of M&A buy-side mandates, a number of sell-side mandates, restructuring, as well as contracts to provide general advisory services."
- Al-Mukhaizim pointed out that NIC recently invested in Pipe Technologies as part of its expanding investment strategy targeting the technology sector. Pipe is a fast-growing US-based financial technology company recognized as the world's first trading platform for recurring revenues, with its recent fundraise valuing the business at \$2 billion.

QATAR

Ooredoo, CK Hutchison Extend Talks to Combine Indonesia Units

- Ooredoo, CK Hutchison agree to extend period of exclusivity for non-legally binding MoU to possibly combine Indosat and Hutchison 3 Indonesia until Sept. 23.

ECONOMIC & GENERAL NEWS

OMAN

Oman Vision 2040 Unit Publishes Report on Progress of Economic Diversification in 2020

Oman Vision 2040 Implementation Follow-up Unit published the Economic Diversification Report 2020, the KPIs of which were followed up by the former Implementation Support and Follow-up Unit (ISFU), including projects and initiatives of the National Program for Enhancing Economic Diversification “Tanfeedh”, as part of 2016-2020 9th Five-year Development Plan.

[Source](#)

Bank Muscat to acquire additional stake in SICO

Bank Muscat is planning to increase its stake in SICO, a Bahrain-based leading regional investment bank, by acquiring an additional 1.38 per cent shareholding. ‘We wish to disclose that Bank Muscat has obtained necessary regulatory approvals to acquire a further 1.38 per cent shareholding in SICO via a secondary market purchase,’ Bank Muscat said in a disclosure submitted to the Muscat Stock Exchange on Monday. Subsequent to this transaction, Bank Muscat’s shareholding in SICO will be increased to 10.38 per cent. Net worth of SICO as of June 30, 2021 stood at BD66.965mn, Bank Muscat said..

[Source](#)

Oman Officially Receives its Pavilion at “Expo 2020” Dubai

Mohsin Khamis al-Balushi, Advisor to the Ministry of Commerce, Industry and Investment Promotion and Commissioner-General of the Sultanate at Expo 2020 Dubai, officially received the National Pavilion of the Sultanate of Oman at “Expo 2020” Dubai from the main contracting company charged with the construction and preparation works of the pavilion

[Source](#)

MIDDLE EAST

National Building to set up SAR 100m fund with NOMW Capital

National Building and Marketing Company has signed an agreement with NOMW Capital to launch a private investment fund at a capital of SAR 100 million, of which the listed firm will hold 50% stake. The fund, dubbed as NOMW Al Ahsa Real Estate Development Fund, aims to build residential villas on a land plot spanning 250,000 square metres at a total value of SAR 440 million, according to a bourse filing to Tadawul.

[Source](#)

Agility concludes sale of GIL business to Danish firm for nearly \$5bn

Agility Public Warehousing is expected to finalise the sale of its Global Integrated Logistics (GIL) business to Denmark’s DSV Panalpina on 16 August. The enterprise value of the transaction stands at \$4.775 billion and the equity value is \$4.675 billion, according to a press release on Monday

[Source](#)

Saudi Aramco aims to raise at least \$17 bln from gas pipeline -sources

Saudi Aramco is looking to raise at least \$17 billion from the sale of a significant minority stake in its gas pipelines, higher than the \$12.4 billion raised from its oil pipeline deal, sources familiar with the matter said on Monday.

[Source](#)

INTERNATIONAL

Bezos’ Blue Origin takes NASA to federal court over award of lunar lander contract to SpaceX

Jeff Bezos’ space company Blue Origin filed a complaint in federal court against NASA, continuing its protest that the agency wrongly awarded a lucrative contract to [Elon Musk’s](#) SpaceX earlier this year.

[Source](#)

July consumer prices jump 5.4%, but core inflation rises less than expected

Prices that Americans pay for everyday goods and services rose in July as pent-up demand for travel and restaurants kept inflation hot, but jumped about as much as economists had expected.

[Source](#)

China issues draft rules banning unfair competition in the internet sector

Chinese regulators on Tuesday issued a lengthy set of draft regulations for the internet sector, banning unfair competition and restricting the use of user data, the latest move in a crackdown on the country's powerful tech companies.

[Source](#)

COMMODITIES

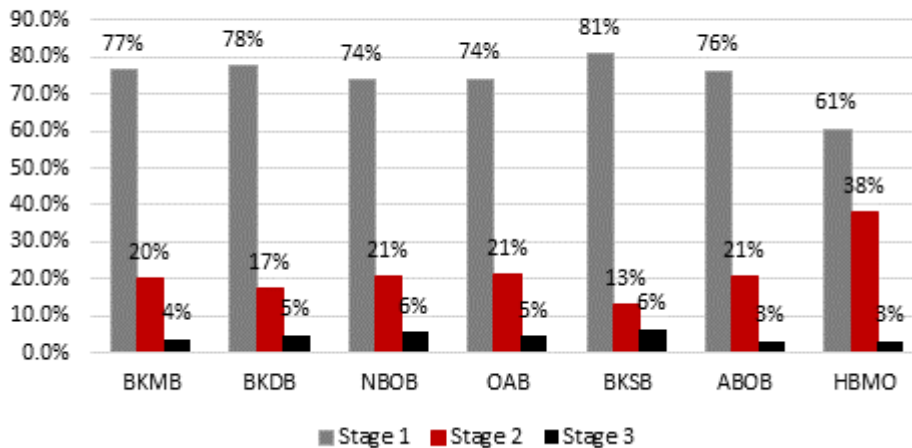
Oil prices pare earlier gains amid worries over COVID case spike

Oil prices were mixed on Tuesday, paring earlier gains, as expectations that major producers will not boost supply any time soon were offset by worries over slowing global fuel demand amid a spike in the Delta variant of coronavirus infections.

[Source](#)

CHART / TABLE OF THE DAY

Oman Banks: Stages of impairment of exposure as % of Total Loans (Including Islamic financing where applicable) -1H21

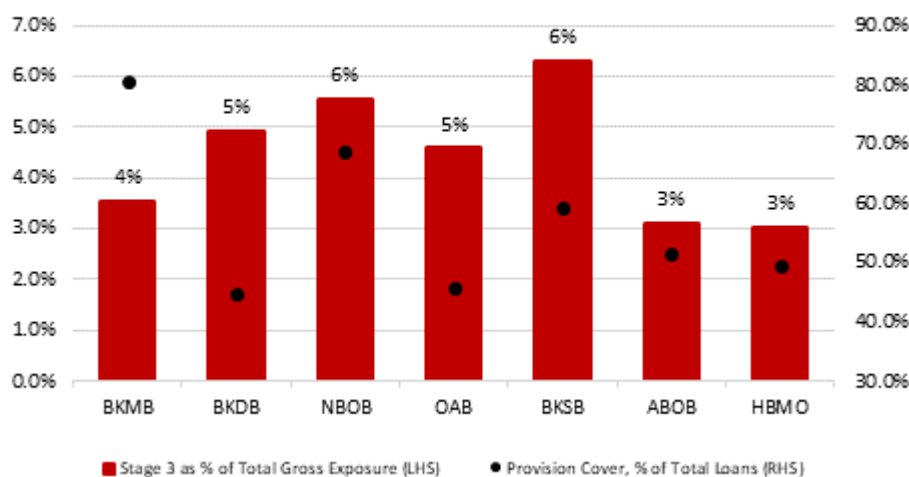


Source: Bank Financials

Oman's listed conventional bank data indicates that over 70% of total of each bank's exposure is in Stage 1 of impairment or in simpler words, are performing, except for HSBC Oman.

Stage 1: Unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognized.
 Stage 2: A significant increase in credit risk has been experienced since initial recognition on which a lifetime ECL is recognized.
 Stage 3: Objective evidence of impairment, and are therefore considered to be in default or otherwise credit-impaired on which a lifetime ECL is recognized.

Stage 3 Exposure of banks and corresponding provision cover, 1H21



Source: Bank Financials

Bank Muscat continues to maintain the highest provision cover for its Stage 3 loans within its local peer group, with a relatively low level of Stage 3 or non-performing exposures. Sohar International Bank's Stage 3 exposure is the highest within the sector at 6.3%, with provision cover at 60%.



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