

PRE-MARKET REPORT

23 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	696.81	-4.63	-0.66%	22.31%	20.27	2.13	2.6%
S&P GCC Comp PR USD	144.55	0.00	0.00%	26.72%	22.45	2.06	2.5%
Muscat Stock Exchange	3,971.53	-11.55	-0.29%	8.55%	12.66	0.79	3.9%
Saudi Stock Exchange	11,076.55	-125.09	-1.12%	27.47%	26.78	2.37	2.3%
Kuwait Stock Exchange	6,657.76	-10.46	-0.16%	20.05%	31.34	1.66	1.8%
Qatar Exchange	11,078.47	45.03	0.41%	6.16%	16.85	1.62	2.6%
Bahrain Stock Exchange	1,648.12	10.03	0.61%	10.63%	11.62	0.82	3.3%
Dubai Financial Market	2,866.97	28.73	1.01%	15.05%	21.17	0.98	2.7%
Abu Dhabi Exchange	7,679.25	59.04	0.77%	52.21%	23.63	2.20	3.0%
Palestine Stock Exchange	570.10	-4.55	-0.79%	20.97%	18.62	1.34	2.3%
Tunis Se Index	7,322.92	9.89	0.14%	6.36%	24.78	2.40	2.2%
EGX 30 Index	10,690.79	-117.91	-1.09%	-1.42%	9.71	1.50	1.5%
Amman General Index	2,015.84	5.37	0.27%	21.64%	23.38	0.85	3.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
			%	%	Currency	Units/1 USD	YTD %
Europe					Australian Dollar (AUD)	1.396	7.42%
FTSE 100	UK	7,087.9	0.41%	9.71%	British Pound (GBP)	0.733	0.12%
DAX	Germany	15,808.0	0.27%	15.23%	Canadian Dollar (CAD)	1.277	-0.37%
CAC 40	France	6,626.1	0.31%	19.36%	Chinese Renm. (CNH)	6.494	0.14%
United States					Egyptian Pound (EGP)	15.691	0.23%
DJIA	USA	35,120.1	0.65%	14.75%	Euro (EUR)	0.853	4.24%
S&P 500	USA	4,441.7	0.81%	18.25%	Indian Rupee (INR)	74.396	-1.79%
NASDAQ	USA	14,714.7	1.19%	14.17%	Japanese Yen (JPY)	109.880	-6.03%
Asia Pacific					Swiss Franc (CHF)	0.916	-3.38%
NIKKEI 225	Japan	27,468.9	1.69%	0.09%	Omani Rial (OMR)	0.385	0.00%
HANG SENG	Hongkong	25,293.6	1.79%	-7.12%	Pakistan Rupee (PKR)	164.116	-2.61%
KSE 100 Index	Pakistan	47,599.8	0.00%	8.79%	Russian Ruble (RUB)	74.272	0.19%
NSE Nifty 50	India	16,554.3	0.63%	18.40%	Singapore Dollar (SGD)	1.360	-2.79%
SHANGHAI COMPOSITE	China	3,461.7	1.00%	-0.33%	Turkish Lira (TRY)	8.493	-12.39%
SHANGHAI SHENZHEN CSI 300	China	4,810.1	0.86%	-7.70%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	66.3	1.78%	29.95%	UAE	0.33	-34.8%
WTI Crude (per bbl)	63.2	1.69%	30.26%	Saudi Arabia	0.80	-2.7%
Oman Crude Oil (Last Closing)	64.4	-1.98%	26.13%	Kuwait	1.50	4.3%
OPEC (per bbl)	66.1	-4.67%	31.53%	Oman	2.12	-20.8%
Precious Metals						
Gold100 OZ (per oz)	1,787.7	0.37%	-5.83%	Qatar	1.08	-3.6%
Silver (per oz)	23.2	0.81%	-12.08%	Bahrain	1.58	-30.0%
Platinum (per oz)	1,017.0	1.98%	-5.14%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	9,037	1.61%	16.37%		Maturity date	YTM, %
Aluminium, MT	2,547	0.04%	28.64%	KUWAIT	20/03/2027	1.24
Lead, MT	2,251	-0.40%	12.89%	UAE	16/04/2030	1.84
Zinc, MT	2,929	-0.78%	6.45%	QATAR	16/04/2030	1.96
				SAUDI ARABIA	22/10/2030	2.13
				OMAN	25/01/2031	5.25
				BAHRAIN	30/09/2031	5.76

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.77	0.5	1m	0.09	-40.3%
5 year	99.17	0.8	3m	0.13	-46.1%
10 year	99.81	1.3	6m	0.15	-40.8%
30 year	102.70	1.9	1 year	0.24	-30.8%

Source: Bloomberg

GCC CORPORATE NEWS & DISCLOSURES

SAUDI ARABIA

FTSE Russell includes 4 Saudi firms, removes 2 from Global Equity Index under semi-annual review

- Global index provider FTSE Russell announced the results of its semi-annual review of indices by the close of trading on Friday, Sept. 17, 2021.
- All constituent changes will come into effect on Monday, Sept. 20.
- As Friday is the beginning of weekend in Saudi Arabia, the changes are expected to be implemented on Thursday, **Sept. 16.**
- According to the index compiler, shares of Saudi Pharmaceutical Industries and Medical Appliances Corp. (SPIMACO) and United Electronics Co. (eXtra) will join FTSE Saudi Arabia Mid Cap Index.
- Moreover, Theeb Rent a Car Co. and Alkhorayef Water and Power Technologies Co. were included in FTSE Micro Cap Index, while Saudi Industrial Services Co. (SISCO) and Halwani Bros Co. were excluded from the index.

Emaar Economic Seeks to Boost KAEC Housing Units' Affordability

- Emaar Economic City engages with multiple mortgage and financing companies to enhance the affordability of housing units in King Abdullah Economic City and boost profitability and cash flow generation.
- Company has invested about 18 billion riyals in equity and funding in the development of KAEC since inception
- In the process of revising its long-term strategy to unlock value by attracting additional investment on strategic projects both by the company and the third-party developers
- Emaar Economic 2Q Loss 178M Riyals Vs. Loss 205.0M Riyals Y/y

Tihama Advertising and Public Relations Co. announced total comprehensive loss of SAR -11.6mn for 2Q21

- Tihama Advertising and Public Relations Co. reported net Loss of SAR 11.6mn in 2Q21 compared to net loss of 4.6mn in 2Q20.
- The reason for the increase in losses during the current quarter compared to the same quarter of the previous year is mainly due to the decrease in gross profit of approximately SAR 1.1 million, as the gross profit of the Distribution sector was reduced by approximately SAR 4.7 million as a result of a change in the timing of delivery to schools as a large number of deliveries to schools took place before the application of the new value-added tax rate in the same quarter of last year.
- This decrease was partially offset by the increase in the gross profit of the Retail sector by approximately SAR 2.3 million after opening new branches at airports, combined with the fact that the same period of the previous year included the closure of branches due to precautionary measures imposed to combat the spread of the Covid-19 virus.
- The gross profit of the advertising sector increased by approximately SAR 1.3 million. Selling and administrative expenses increased by approximately SAR 6.2 million mainly as a result of the expansion of the Retail sector operations and the fact an additional provision for credit losses was recorded during the current period of approximately SAR 1.1 million, the same quarter of the previous year also included the impact of a number of plans to reduce expenses to mitigate the impact of the Covid-19 pandemic on the company's operations. Financing expenses dropped by approximately SAR 0.4 million.

Al Akaria widens net loss to SAR 13.7 mln in H1 2021

- Saudi Real Estate Co. (Al Akaria) widened net losses after Zakat and tax to SAR 13.7 million for the first half of 2021, from SAR 7.6 million in the prior-year period.
- Al Akaria reported an increase in the financing burdens due to the cessation of capitalization of the financing fees for Al-Widyan project, despite the increase in the activity's gross operating profit due to the expansion in subsidiaries activities.
- The company widened net loss after Zakat and tax of SAR 9.2 million in Q2 2021, from SAR 4.7 million in the same period last year.
- On a sequential basis, the company widened its net losses in Q2 2021.

Al-Khodari appeals court ruling on ending financial restructuring, starting liquidation

- Abdullah A. M. Al-Khodari Sons Co. announced the submission of an appeal against the judgment issued by the first chamber of the Commercial Court in Dammam, which terminated the company's financial restructuring procedure and commenced liquidation within the statutory dates stipulated in the Bankruptcy Law.
- The company announced receiving, on Aug. 11, the decision issued by the First Department of Dammam Commercial Court to end the company's financial restructuring procedure and start its liquidation. The court also ordered the appointment of Bader Hatem Al-Tamimi as a liquidator.
- In a meeting held on Aug. 4, under the trustee's supervision appointed by the Commercial Court in Dammam, Bader Al-Tamimi, Al-Khodari's creditors rejected the financial reorganization proposal under the Bankruptcy Law.
- Shareholders recently approved the financial restructuring proposal, which included increasing the company's capital by converting the debts of all categories of creditors into shares of SAR 10 each, bringing the new capital to SAR 2.38 billion.

Anaam widens net loss to SAR 5.3 mln in H1 2021

- Anaam International Holding Group widened net loss after Zakat and tax to SAR 5.3 million in H1 2021, from SAR 153,000 in year-earlier period, driven by a 89% rise in general and administrative expenses (G&As) and increased personnel costs.
- The company reported net loss after Zakat and tax of SAR 2.5 million in Q2 2021, versus net profit of SAR 346,000 in prior-year period, due to higher G&As and increased depreciation of fixed assets.
- On a sequential basis, net loss shrank by 9.01%.

UAE

Dubai house prices to rise modestly, stay affordable in coming years

- Dubai's residential property market is on a steady course, with prices expected to rise modestly over the next couple of years, according to a Reuters poll of housing analysts who say property prices there will remain affordable during that time.
- The economy has bounced back sharply from the pandemic in the city-state following a successful vaccination drive, and that has spilled into the real estate market, with a continued increase in sales, according to Dubai Land Department records.
- Dubai's house prices were forecast to rise 3.0% this year and 2.5% in 2022, compared with 1.1% and 2.8% expected three months ago, according to a Reuters survey of 11 property analysts taken Aug. 11-19.
- That modest outlook stands in stark contrast with other world property markets like Canada, Australia and New Zealand where already record-high house prices were expected to rise in double digits this year, stretching the limits of affordability.
- One main reason Dubai's housing market remains relatively cheap compared with other world markets is because there is an ample supply of homes to live in.
- "Next year, we are currently tracking almost 64,000 units due to complete. And if that figure materializes it would be the highest level of completions since the 2009 GFC (global financial crisis)," Source: Knight Frank.
- "Clearly... oversupply has been an issue in the past and that does remain a risk."
- Source: Reuters

KUWAIT

Agility posted Investor call meeting minutes

- The DSV-GIL transaction has been closed, at an EV of USD 4.77bn and an equity value of USD 4.67bn, reflecting an almost USD 500m increase compared to the value the company announced at signing, this is a function of the increase in the value of DSV shares.
- Agility agreed to receive around 19.3m shares of DSV in exchange of 100% of GIL
- The company will report in Q3 a one-off gain which is basically the difference between the carrying value of GIL at the closing date, and the stock price of DSV. KD 968m (USD 3.2 bln) as a one-off gain in the P&L.
- From a strategic perspective, Agility did not exit the industry, but replaced its 100% stake in GIL with a minority stake in a much larger company.
- DSV is one of the largest and best global logistics companies in the world, DSV, with a market cap of roughly USD 55bn. In addition, DSV pays very little dividend yield – about 0.3-0.4% but that's not the main channel through which they return capital to shareholders. Historically, the main channel has been a share buyback program and they're very systematic and structured about it. Based on historical trends, Agility would receive USD 200-250m of annual

cash flows from that investment which it can use to increase its dividends, or reduce our debt, reinvest in other areas.

- Going forward, the company has two main pillars: strategic controlled investment (called infrastructure in the past); which are fully controlled and their earning power will be reflected in P&L. The other pillar is strategic but non-controlled investment, including DSV the biggest investment, Reem mall, GWC, NREC and tech investment.

Name	Px Chg 1D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
AGILITY	0.10%	4.33%	61.75%	39.8	1.79	6.7%

QATAR

Commercial Bank USD 875 Million Syndicated Loan led by Joint Coordinators – Bank of America and Mizuho Bank Limited

- The Commercial Bank (P.S.Q.C.) had mandated Bank of America and Mizuho Bank Limited on 25th May 2021 to Lead and arrange a 3-years USD 750 Million Syndicated Loan which was successfully oversubscribed up to USD 1.44 Bn.
- The company decided to retain a higher facility amount of up to USD 875 Million.
- The purpose of the Facility is to **refinance the existing debt and to meet the Bank's general funding** requirements.

ECONOMIC & GENERAL NEWS

OMAN

AFDF board agrees to finance 12 projects

The board of directors of the Agricultural and Fisheries Development Fund (AFDF) on Sunday held its second meeting of the year under the chairmanship of H E Dr Saud Hamoud al Habsi, Minister of Agriculture, Fisheries and Water Resources. The meeting discussed the executive position of the funded projects and the AFDF's financial situation in the first half of 2021.

[Source](#)

Al Wusta Fisheries to invest in dedicated fleets for tuna, mackerel

Al Wusta Fisheries Industries, a subsidiary of Fisheries Development Oman (FDO) – the fisheries sector investment and development arm of the government represented by Oman Investment Authority (OIA) – is making significant headway in the procurement and deployment of modern vessels with an eye on the potentially bountiful pelagic resources of the Arabian Sea and Indian Ocean.

[Source](#)

Over 26,000 young business owners in Oman: NCSI

The National Centre for Statistics and Information (NCSI) released the 'Youth and labour market brochure' in which the total Omani youth (18 to 29 years) amounted to about 549,969 young males and females (20.1 per cent) of the total Omanis in the Sultanate (2,731,456) according to the E-Census of Population, Housing and Establishments 2020 data.

[Source](#)

Oman inflation rises to 2.2 per cent in July

Oman's inflation rate further increased in July as consumer prices rose after a surge in global prices of many commodities and the implementation of value-added tax (VAT) in April. The sultanate's annual inflation rate, which is based on the consumer price index (CPI), increased to 2.2 per cent in July 2021 from 1.25 per cent recorded in the previous month, according to CPI data released by the National Centre for Statistics and Information (NCSI).

[Source](#)

MIDDLE EAST

Kingdom Holding turns to profitability in H1-21

Kingdom Holding Company has achieved net profits after zakat and tax of SAR 503.307 million during the first half (H1) of 2021, against net losses of SAR 1.176 billion in the same period of 2020.

[Source](#)

Hatta holiday homes, waterfalls to generate jobs, revenues for residents: Dubai ruler

The newly announced projects in Hatta are expected to generate hundreds of jobs and boost millions of dirhams in annual revenues, Dubai's ruler said on Saturday. Sheikh Mohammed bin Rashid Al Maktoum, vice president, prime minister and ruler of Dubai, has recently approved six new projects as part of the Hatta development plan.

[Source](#)

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[Source](#)

INTERNATIONAL

China says foreign trade may face more complicated situation next year

China's foreign trade may face a more complicated situation next year given base effects and receding positive factors associated with the global COVID-19 pandemic, Wang Wentao, the country's Commerce Minister said on Monday. Foreign trade already faces a complex situation in the second half this year, Wang told a news conference in Beijing. China's cross-cyclical macroeconomic policy will help economic fluctuations stay within a reasonable range, Wang added.

[Source](#)

Japan's private-sector activity hit by COVID-19 surge – PMI

Japan's factory activity growth slowed in August, while that of the services sector shrank at the fastest pace since May last year, highlighting the increasingly heavy toll a recent wave of COVID-19 infections is taking on the economy. Manufacturers mostly withstood the impact of the coronavirus resurgence, due largely to the highly contagious Delta variant that is forcing governments in Japan and elsewhere in Asia to put in place lockdowns or other curbs. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 52.4 in August from a final 53.0 in the prior month.

[Source](#)

Global dividends to near pre-pandemic levels in 2021 -report

Global dividends are forecast to rise to \$1.39 trillion this year, up slightly from a previous estimate to reflect a stronger than expected recovery in the company payouts, Janus Henderson said in a report published on Monday. Its latest estimate, up 2.2 percentage points from an earlier one, is just 3% below the pre-pandemic peak. Dividends, a company payout to shareholders, slumped last year against the backdrop of the COVID-crisis as regulatory constraints and government pressures to restrict payments weighed. But a strong recovery is currently under way, with headline growth at 26.3% in the second quarter, data from the investment manager's Global Dividend Index showed

[Source](#)

Asia stocks fragile amid growth worries, dollar in demand

Asian share markets were trying to pick up the pieces on Monday following last week's thrashing as coronavirus concerns showed little sign of abating, while safe-haven flows benefited the dollar ahead of a key update on U.S. monetary policy. A raft of "flash" manufacturing surveys for August out on Monday will offer an early indication of how global growth is faring in the face of the Delta variant, with analysts expecting some slippage and especially in Asia. Concerns over China's economy have only intensified in recent weeks, while Beijing's regulatory crackdown on the tech sector delivered a double blow to markets.

[Source](#)

Singapore July inflation surpasses pre-pandemic levels

Singapore's key price gauge in July rose by its fastest pace in over two years, surpassing pre-pandemic levels, due to higher electricity and gas costs driven by a hike in global oil prices, official data showed on Monday. The core inflation rate — the central bank's favoured price measure - rose 1% in July from a year earlier, in line with the forecast from a Reuters poll of economists. The core price increment is the highest since June 2019, when it rose 1.2%. Singapore's headline consumer price index (CPI) rose slightly to 2.5% in July year-on-year, from 2.4% in June.

[Source](#)

COMMODITIES

Oil prices snap 7-day losing streak as investors hunt for bargains

Oil prices rose on Monday, recovering from a seven-day losing streak as investors hunted for bargains and a softer dollar lent support, though persistent anxiety over surging cases of the Delta coronavirus variant kept sentiment cautious. Brent crude futures climbed \$1.16, or 1.8%, to \$66.34 a barrel by 0430 GMT, after hitting the lowest level since May 21 of \$64.60 earlier in the session. U.S. West Texas Intermediate (WTI) crude futures for October rose \$1.07, or 1.7%, to \$63.21 a barrel, recovering from \$61.74, the lowest since May 21, touched in Asia's early trade.

[Source](#)

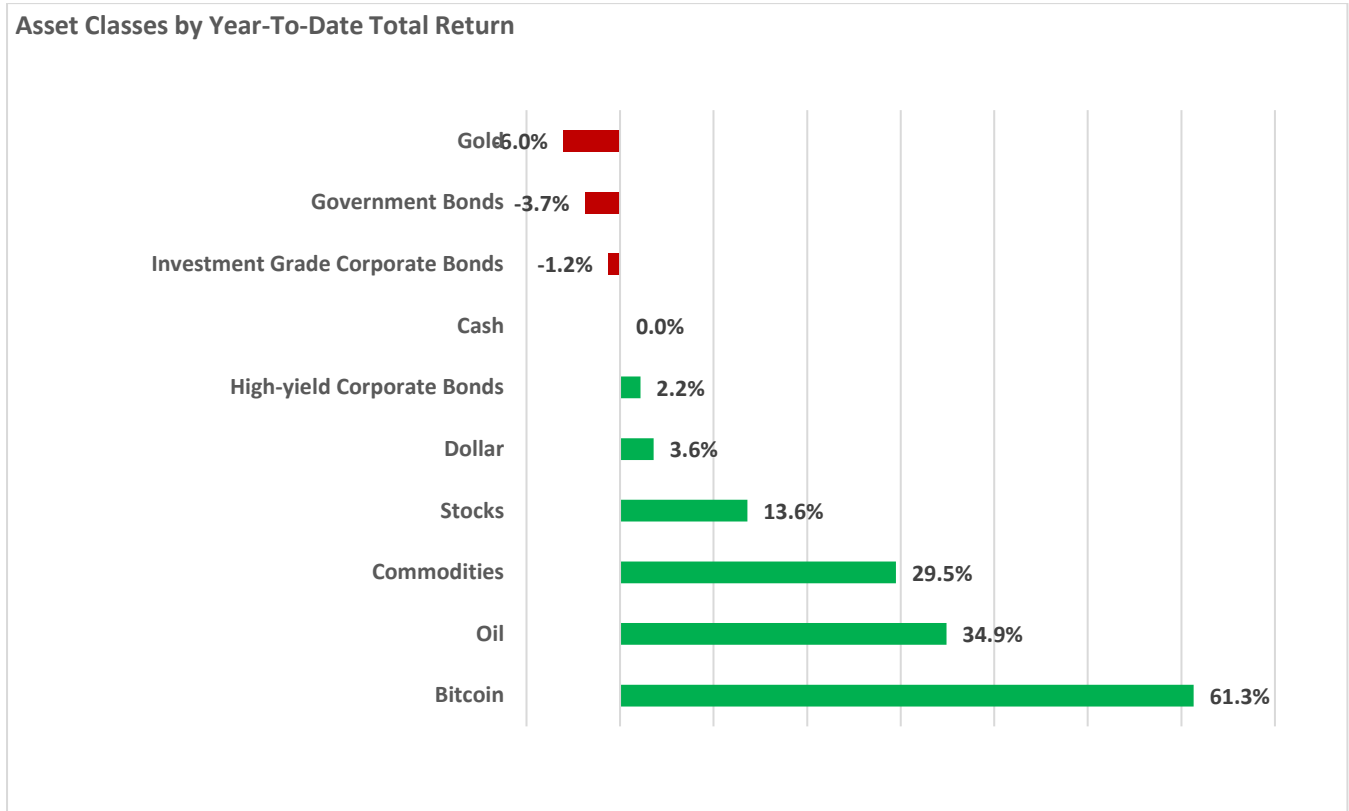
Gold eases as firm dollar dents safe-haven appeal

Gold prices inched lower on Monday as the dollar held near recent highs, although the losses were limited by growing concerns over the economic fallout from the spread of the delta coronavirus variant. Spot gold fell 0.1% to \$1,779.12 per ounce by 0057 GMT, while U.S. gold futures were down 0.2% to \$1,780.40. The dollar traded near the 9-1/2-month high hit last week, denting gold's allure for holders of other currencies. Dallas Federal Reserve President Robert Kaplan, among the U.S. central bank's most forceful supporters for starting to reduce support for the economy, said on Friday he may need to adjust that view if the delta variant slows economic growth materially.

[Source](#)

CHART / TABLE OF THE DAY

Bitcoin remains the best performing asset class of the year...



Source: BofA Global Research

