

PRE-MARKET REPORT

26 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	702.57	1.17	0.17%	23.32%	20.44	2.14	2.6%
S&P GCC Comp PR USD	144.76	0.22	0.15%	26.90%	22.48	2.06	2.5%
Muscat Stock Exchange	3,958.92	2.69	0.07%	8.20%	12.62	0.79	3.9%
Saudi Stock Exchange	11,156.63	15.60	0.14%	28.39%	27.02	2.39	2.3%
Kuwait Stock Exchange	6,768.35	64.90	0.97%	22.04%	31.88	1.69	1.8%
Qatar Exchange	11,135.15	-30.86	-0.28%	6.70%	16.93	1.63	2.6%
Bahrain Stock Exchange	1,661.99	14.43	0.88%	11.56%	11.72	0.83	3.3%
Dubai Financial Market	2,902.65	-1.45	-0.05%	16.48%	21.43	0.99	2.7%
Abu Dhabi Exchange	7,665.15	-16.38	-0.21%	51.93%	23.61	2.19	3.0%
Palestine Stock Exchange	570.05	-1.04	-0.18%	20.96%	18.62	1.33	2.3%
Tunis Se Index	7,311.59	-0.05	0.00%	6.20%	24.70	2.40	2.2%
EGX 30 Index	11,064.43	114.19	1.04%	2.02%	9.93	1.55	1.5%
Amman General Index	2,003.01	-3.82	-0.19%	20.87%	23.23	0.85	3.5%

World Markets	Country	Value	D/D	YTD
Europe				
FTSE 100	UK	7,150.1	0.34%	10.67%
DAX	Germany	15,860.7	-0.28%	15.61%
CAC 40	France	6,676.5	0.18%	20.27%
United States				
DJIA	USA	35,405.5	0.11%	15.68%
S&P 500	USA	4,496.2	0.22%	19.70%
NASDAQ	USA	15,041.9	0.15%	16.71%
Asia Pacific				
NIKKEI 225	Japan	27,742.6	0.06%	1.09%
HANG SENG	Hongkong	25,324.2	-1.44%	-7.00%
KSE 100 Index	Pakistan	47,635.9	0.01%	8.87%
NSE Nifty 50	India	16,669.4	0.21%	19.22%
SHANGHAI COMPOSITE	China	3,522.6	-0.50%	1.43%
SHANGHAI SHENZHEN CSI 300	China	4,830.6	-1.38%	-7.30%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.376	5.88%
British Pound (GBP)	0.727	-0.68%
Canadian Dollar (CAD)	1.262	0.85%
Chinese Renm. (CNH)	6.481	0.34%
Egyptian Pound (EGP)	15.691	0.23%
Euro (EUR)	0.850	3.81%
Indian Rupee (INR)	74.210	-1.54%
Japanese Yen (JPY)	109.950	-6.09%
Swiss Franc (CHF)	0.915	-3.20%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	165.000	-3.13%
Russian Ruble (RUB)	73.949	0.63%
Singapore Dollar (SGD)	1.353	-2.28%
Turkish Lira (TRY)	8.384	-11.25%

Commodity Prices	Price	D/D	YTD
Oil			
Brent Crude (per bbl)	71.9	-0.51%	40.82%
WTI Crude (per bbl)	67.9	-0.72%	39.90%
Oman Crude Oil (Last Closing)	71.2	1.45%	39.44%
OPEC (per bbl)	69.7	3.53%	38.75%
Precious Metals			
Gold100 OZ (per oz)	1,787.6	-0.20%	-5.83%
Silver (per oz)	23.8	-0.29%	-9.96%
Platinum (per oz)	993.3	-0.61%	-7.35%
Other Metals			
Copper, MT	9,356	-0.21%	20.47%
Aluminium, MT	2,618	0.10%	32.23%
Lead, MT	2,318	1.07%	16.25%
Zinc, MT	3,026	0.27%	10.00%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.25	-50.7%
Saudi Arabia	0.80	-2.7%
Kuwait	1.50	4.3%
Oman	2.11	-21.0%
Qatar	1.15	2.6%
Bahrain	1.54	-31.5%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.26
UAE	16/04/2030	1.85
QATAR	16/04/2030	1.96
SAUDI ARABIA	22/10/2030	2.19
OMAN	25/01/2031	5.10
BAHRAIN	30/09/2031	5.73

Midswaps	Price	YTM %
3 year	99.78	0.5
5 year	99.63	0.8
10 year	99.22	1.3
30 year	101.25	1.9

USD Libor	Rate (%)	YTD
1m	0.09	-38.2%
3m	0.12	-48.9%
6m	0.16	-38.7%
1 year	0.24	-30.7%

Source: Bloomberg

GCC CORPORATE NEWS & DISCLOSURES

Oman

Galfar has received new orders worth OMR 69mn during 1H21 vs. OMR 21mn in 1H20; Order backlog at OMR 364mn (down 24%YoY) as at the end of 1H21

- During first half of 2021, Galfar has received new orders worth OMR 69 million, despite the economic situation and reduction of spending in public projects. Galfar continues to maintain a significant order book of
- around OMR 364 million worth of jobs to be executed.
- As per the Company Report for 1H21, after a significant contraction in 2020, Oman's economy is anticipated to make a positive recovery over the next two years, buoyed by an uptick in local consumption and the roll-out of Value-Added Tax (VAT), and more stable oil prices compared to 2020. With VAT now effective and a strong and stable oil price to continue in 2021, the company expects Government spending in development and infrastructure projects to grow towards the later part of the year.
- The Group company posted a net profit of OMR 1.36mn during 1H21 as compared to a net loss of OMR 11.1mn during 1H20.

SAUDI ARABIA

BinDawood Holding Co. announces the opening of a new store for its Subsidiary

- BinDawood Holding Company announced that its subsidiary, Danube Company for Foodstuffs and Commodities (Danube), has opened its 48th branch on Thursday the 26th of August 2021. The new Danube store, a supermarket, is located in "Dan Plaza" in Awali District southeast of Makkah, occupying a total area of over (5000) m2.
- It is worth noting that with the latest addition of Danube in Makkah, the total BinDawood Holding store count reaches (75) stores overall across the Kingdom.
- BinDawood Holding affirms that Danube will take all necessary measures to maintain the safety of its store visitors, to remain in line with all the standard operating procedures issued by the Saudi Authorities.

Comment: The new store opening is expected to increase the turnover and profitability of the Company and will reflect a positive financial impact for the Company's Shareholders beginning from Q3-2021.

Al Naqool recommends 50% capital hike through bonus shares

- Mohammed Hassan Al Naqool Sons Co.'s board of directors recommended, today, Aug. 25, a 50% capital hike to SAR 43.5 million from SAR 29 million through capitalizing SAR 14.5 million from retained earnings and part of the statutory reserve by distributing one-for-two bonus shares, according to a bourse filing.
- The bonus share distribution is conditional on obtaining the approvals of official authorities and the coming extraordinary general meeting, the statement added.
- In the event of fractional shares, the fractions will be collected in one portfolio for all shareholders and sold at the market price. The value will then be distributed to shareholders entitled to the bonus share distribution pro rata, no later than 30 days from the date of determining the shares due to each shareholder.

Saudi Aramco to secure low-interest bridge loan to fund Sudair Solar PV plant, say sources

- Saudi Aramco will obtain a bridge loan at a competitive interest rate to finance Sudair Solar photovoltaic (PV) project, CNBC Arabia reported, citing a banking source.
- The project's total financing facilities stood at nearly \$600 million, including a bridge loan, which represents approximately 27% of the total debt facilities, while the remaining 6% will be financed via the project's future proceeds.
- Sumitomo Mitsui Financial Group will arrange the bridge loan facility for the Saudi oil giant company at 80 basis points (bps). This is the same rate at which Water and Electricity Holding Co. (Badeel), a wholly-owned subsidiary of the Public Investment Fund (PIF), secured its loan facility.
- Bank Aljazira will provide an equity bridge loan to ACWA Power Saudi Arabia at 120 bps.
- The bank facility will be priced at 110 bps, in addition to 150 bps in fees. This rate will increase to 275 bps by the maturity of the seven-year loan.

Comment: ACWA Power and Badeel will each own a 35% stake in Sudair One Renewable Energy Co., a special purpose vehicle incorporated for the project. The remaining 30% stake will be held by Aramco subsidiary Saudi Aramco Power Co. (SAPCO).

Aramco Trading to join S&P Global Platts pricing process in Asia

- Aramco Trading Company (ATC), the trading arm of Saudi Aramco, will take part in S&P Global Platts price assessment process for crude shipments in Asia.
- Platts had reviewed ATC and would consider information in the Asia Market on Close (MoC) pricing process for Asia crude cargoes, Reuters reported on Wednesday.
- Trading activities on the Asia MoC platform for Middle East crude reportedly picked up in August, with TotalEnergies and Gunvor buying seven crude shipments until the current time.

Saudi Industrial Services CO. Announces about choosing the consortium, which one of its associates participates in, as the preferred bidder for Buraydah and Tabuk plants

- Saudi Industrial Services Company (SISCO) announced about one of its associates, International Water Distribution Company "Tawzea" which SISCO owns 50% of its share capital of SAR 146 million in partnership with Saudi Arabian Amiantit Company.
- A consortium between "Tawzea" with 35%, a Spanish international company "Acciona" with 35% and "Tamasuk" with 30% was chosen as the preferred bidder for Buraydah and Tabuk Independent Sewage Plant Project on 25/08/2021 by the Saudi Water Partnership Company.
- Upon final award of the project, the consortium will finance, develop, design, build, operate and maintain the two plants and then transfer, on (BOT) basis, along with the development of infrastructure and related facilities. The term of the contract is 25 years. The company which will be established for the project will treat the full capacity of the wastewater supplied to the company with capacity up to 150,000 cubic meters per-day for Buraydah and 90,000 cubic meter for Tabuk.
- SISCO will announce any updates regarding the project and financial impact on its financials once the contract is awarded.

UAE

Depa PLC ("Depa"), announced Net loss of AED 39.8mn (H1 2020 167.6mn)

- During the six months to 30 June 2021, Depa's continuing operations generated revenue of AED 394.9mn, a decrease of AED 131.7mn on H1 2020 (AED 526.6mn). Including discontinued operations, Depa generated revenue of AED 394.9mn in H1 2021 (H1 2020: AED 536.2mn). H1 2021 revenue was impacted by reduced revenue generation in Depa Interiors and the slowdown in operations in DSG during its ongoing restructuring.
- Expenses in H1 2021 decreased by AED 107.0mn to AED 445.5mn (H1 2020: AED 552.5mn), primarily due to the reduction in revenue.
- Net reversals for doubtful debts of AED 26.5mn (H1 2020: net provisions AED 24.2mn) primarily relates to the major legacy receivable collection by Depa Interiors in H1 2021.
- In the six months to 30 June 2021, associates generated a breakeven position (H1 2020 profit: AED 1.4mn).
- Net finance expense remained in line with H1 2020 at AED 7.9mn (H1 2020: AED 8.0mn) and the Group recognised an income tax expense of AED 7.8mn in H1 2021 (H1 2020: AED 4.8mn), the increase primarily relating to DSG.
- Discontinued operations, which include DSG's China business generated a breakeven position in six month period ended 30 June 2021 (H1 2020: loss AED 8.4mn).
- Consequently, the Group generated a loss for the period of AED 39.8mn (H1 2020: 167.6mn) and a net loss after non-controlling interests of AED 35.7mn (H1 2020: AED 164.8mn).

QATAR

Barwa Real Estate Group announces completion of the execution of the Sale Agreement of Janadriyah Land in Riyadh-KSA

- Barwa Real Estate Company announced completion of the execution of the Sale Agreement of the plot of land owned by Wahat Al-Riyadh Real Estate Company (entirely owned by Barwa Group) and registration of the same to the buyer at the notary public in KSA, after fulfilling the terms and conditions of the sale agreement and paying the rest of the land price, where Wahat Al-Riyadh Real Estate Company received an amount of 712,380,097 SAR being the rest of the land price.
- As previously announced, the total sale price amounted to 742,380,100 SAR (seven hundred forty-two million, three hundred eighty thousand and one hundred Saudi Riyal), excluding the real estate tax which was borne by the buyer, and the company previously received an amount of 30 million SAR as a deposit for the transaction.
- It is to be noted that there is no conflict of interests between the contracting parties to this transaction.

Comment: It is noteworthy that the land in question was purchased in 2016 for the total area of 2,216,060 m2 and total value of 659,277,850 SAR, and the company incurred other amounts spent on land development plans, in addition to the financing

costs and expenses of the sale transaction. It is estimated that the net selling profit resulting from the transaction will amount to 46 million SAR. It is targeted that the sale price will enhance the cash position of Barwa Group so that it can meet its obligations and support development plans of the Group as well.

Disclosure Baladna welcomes Kazakh delegation as international expansion accelerates

- Baladna welcomed an official delegation from Kazakhstan. The delegation was visiting Qatar for the Qatar-Kazak Business Council. Visitors included Kazakhstan's Vice Minister of Agriculture, Ruslan Manatayev, and representatives of Olzha Agro, Dina Group and Khazak Invest. The delegates were given a tour of Baladna's state-of-the-art processing plant and dairy farms, followed by a presentation on the Company's remarkable growth.
- Kazakhstan is one of the many markets that has taken inspiration from Baladna's approach to food self-sufficiency.
- Further discussions between Baladna and the Kazak government, Olzha Agro, and the Dina Group are expected to explore the possibility of developing fully integrated dairy farms (grass-to-glass) in Kazakhstan.
- The FTSE Global Equity Index Series covers securities in 49 different countries and represents the broadest global equity universe, targeting coverage of over 99 percent of investable market cap globally

Comment: FTSE Russell has this week announced that it will include Baladna under its Micro-cap category within the Global Equity Index Series in September 2021. This will increase international recognition and encourage foreign flows.

ECONOMIC & GENERAL NEWS

OMAN

Omani-Saudi JVs invited to bid for 51km Duqm road project

In a further fillip to Omani-Saudi economic ties, the Public Authority for Special Economic Zones and Free Zones (OPAZ) has announced that a new road project planned in Duqm SEZ will be open to bidding only by joint venture partnerships set up by construction firms of the two countries.

[Source](#)

Sezad highlights its projects to seven ambassadors in Oman

The Ministry of Foreign Affairs, in cooperation with the Public Authority for Special Economic Zones and Free Zones, organised a visit for a number of ambassadors of the brotherly and friendly countries to the Special Economic Zone at Duqm. The visit included 7 participants from various embassies of the Sultanate abroad.

[Source](#)

Omani Business Delegation Participates in Turkish-Arab Economic Cooperation Forum

business delegation from Oman Chamber of Commerce and Industry (OCCI) led by Eng. Rida Juma Al Saleh, OCCI Chairman is currently taking part in the 15th Arab-Turkish Economic Cooperation Forum held in Istanbul, Turkey. The forum gathers business owners and representatives of private sector companies and institutions in the Arab world and Turkey

[Source](#)

MIDDLE EAST

Saudi Vision 2030 leads to projects worth nearly \$1trln

Several projects, with a combined value of nearly \$1 trillion, have been unveiled across Saudi Arabia since 2016, thanks to the government's Vision 2030 strategy, according to analysis by property consultant Knight Frank.

[Source](#)

\$2.39trln worth of projects in GCC pipeline

Nearly \$2.39 trillion worth of projects are being planned and un-awarded in the GCC despite recent challenges, according to [dmg](#) events, organisers of The Big 5 construction show.

[Source](#)

UAE personal loans rise to \$91.4bln as more consumers get access to credit

Personal borrowings in the UAE are inching up after slowing down last year, when unemployment numbers were high due to the coronavirus pandemic. The amount of loans extended to residents hit 336.5 billion UAE dirhams (\$91.4 billion) in June 2021, up by 3.6 percent from 324.7 billion UAE dirhams a year ago, according to the latest data from the UAE Central Bank. Compared to March 2021, personal loans were up 1.7 percent.

[Source](#)

GCC banks saw record loan growth in Q2 as economies revived

Listed banks in the GCC continued to post robust growth in lending activity during the second quarter (Q2) of 2021, leading to record high loan books, Kamco Invest said in a new report. Aggregate gross loans at the end of Q2 reached \$1.68 trillion, up 4.6 percent quarter-on-quarter (q-o-q) and 7.1 percent year-on-year (y-o-y), after a broad-based growth was seen in all markets, the report said. Net loans grew at a similar rate of 4.8 percent q-o-q to reach \$1.6 trillion.

[Source](#)

INTERNATIONAL

South Korea hikes interest rates, the first developed economy to do so in pandemic era

South Korea's central bank raised interest rates on Thursday in a decision that was expected as financial risks heat up despite the virus threat. The Bank of Korea raised its policy rate by 25 basis points to 0.75% for the first time in nearly three years, becoming the first developed economy to raise interest rates during the pandemic era.

[Source](#)

Universal Music sees revenue growth, dividend payouts after listing

universal Music Group, which is behind singers such as Justin Bieber and is owned by France's Vivendi, expects further revenue growth this year as streaming sales boom and it aims to pay out dividends once it lists in Amsterdam, it said. Due to be floated on Sept. 21, the company helps to promote and distribute boyband BTS and singers such as Taylor Swift and Ariana Grande as well as making earnings from rights

[Source](#)

EXCLUSIVE Toshiba in talks with four investment firms for strategic ideas -sources

Toshiba Corp (6502.T) is in talks with at least four global private equity firms including KKR & Co Inc (KKR.N) and Blackstone Inc (BX.N) to seek their ideas for its new strategy, three sources with knowledge of the matter said.

COMMODITIES

Oil extends rally, rises over 1% on U.S. fuel demand recovery

Oil prices rose more than 1% on Wednesday, extending gains for a third session, after U.S. government data showed that fuel demand climbed to its highest since the start of the COVID-19 pandemic. Brent crude rose \$1.20, or 1.7%, to settle at \$72.25 a barrel. U.S. West Texas Intermediate (WTI) crude gained 82 cents, or 1.2%, to end at \$68.36 a barrel. U.S. gasoline futures rose 5.5% to settle at \$2.3008 a gallon. During the session, prices reached \$2.3026 a gallon, their highest since Aug. 12.

[Source](#)

Gold eases on steady dollar, focus on Jackson Hole

Gold retreated below \$1,800 on Wednesday as the dollar halted its slide while investors sought cues on the timeline of monetary tapering from the U.S. Federal Reserve's symposium this week.

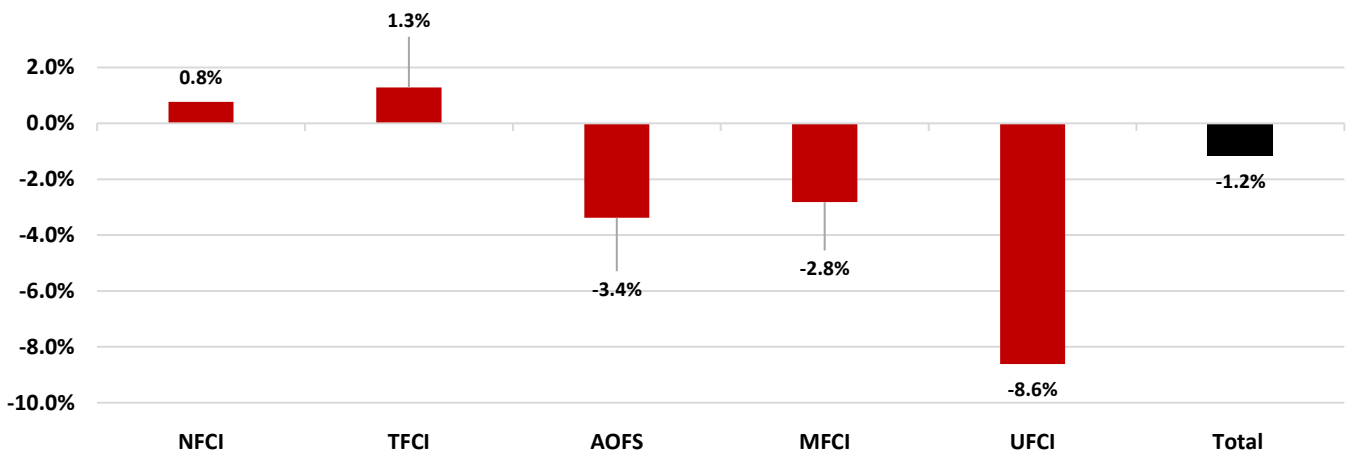
[Source](#)

CHART / TABLE OF THE DAY

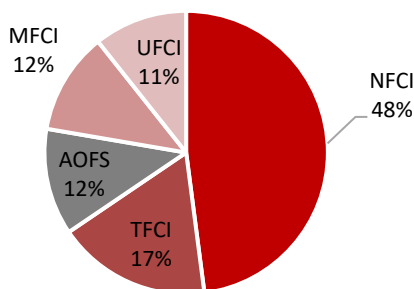
Gross finance assets of leasing sector in the sultanate dropped by 1.2%YTD in 1H21

- The growth of Oman’s leasing sector’s gross finance assets has been under pressure ever since the Great Plunge of Oil Prices back in 2014, with the problem further compounded by the ongoing Covid-19 pandemic.
- Gross finance assets grew OMR 3.6mn (or +0.8%) for National Finance (NFCI) and OMR 2.2mn of Taageer Finance (TFCI) (or +1.3%). The aggregate growth for all listed companies was negative by 1.2%
- The market share of Gross Finance assets as at the end of 1H21 for NFCI was 48%, as it is the largest leasing company in the Sultanate.
- Recently, the YoY and QoQ growth of gross finance has shown some recovery, as oil prices have recovered and local Covid cases and related problems like lockdowns etc. have somewhat resolved.

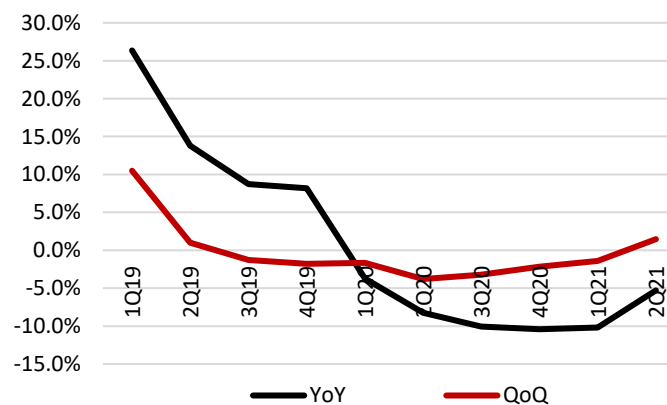
YTD Growth in Gross Finance Assets 1H21



Market Share of gross finance assets as at the end of 1H21



Gross Finance Asset Growth (%)



Source: Company Financials, U Capital Research

Ubhar Capital SAOC (U Capital)

Oinvest 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

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