

## PRE-MARKET REPORT

4 July 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	673.8	0.00	0.00%	18.28%	23.65	2.14	2.3%
Muscat Stock Exchange	4,079.1	15.69	0.39%	11.49%	14.33	0.82	3.8%
Saudi Stock Exchange	10,979.1	-5.10	-0.05%	26.35%	36.00	2.42	1.9%
Kuwait Stock Exchange	6,388.0	1.24	0.02%	15.18%	40.73	1.64	2.0%
Qatar Exchange	10,807.3	76.66	0.71%	3.56%	18.27	1.62	2.7%
Bahrain Stock Exchange	1,587.9	-0.06	0.00%	6.59%	27.26	1.06	2.1%
Dubai Financial Market	2,816.6	6.00	0.21%	13.03%	21.39	0.98	2.8%
Palestine Stock Exchange	542.0	2.07	0.38%	15.00%	19.46	1.26	2.4%
Tunis Se Index	7,234.7	2.96	0.04%	5.08%	23.76	2.39	2.1%
EGX 30 Index	10,256.6	133.56	1.32%	-5.43%	10.24	1.45	1.7%
Amman General Index	2,112.9	14.13	0.67%	27.50%	25.07	0.90	3.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
<b>Europe</b>					<b>Currency</b>		
FTSE 100	UK	7,123.3	-0.03%	10.26%	Australian Dollar (AUD)	1.329	2.21%
DAX	Germany	15,650.1	0.30%	14.08%	British Pound (GBP)	0.723	-1.16%
CAC 40	France	6,552.9	-0.01%	18.04%	Canadian Dollar (CAD)	1.232	3.27%
<b>United States</b>					Chinese Renm. (CNH)	6.472	0.48%
DJIA	USA	34,786.4	0.44%	13.66%	Egyptian Pound (EGP)	15.643	0.53%
S&P 500	USA	4,352.3	0.75%	15.87%	Euro (EUR)	0.843	2.96%
NASDAQ	USA	14,639.3	0.81%	13.59%	Indian Rupee (INR)	74.750	-2.25%
<b>Asia Pacific</b>					Japanese Yen (JPY)	111.050	-7.02%
NIKKEI 225	Japan	28,783.3	0.27%	4.88%	Swiss Franc (CHF)	0.921	-3.88%
HANG SENG	Hongkong	28,310.4	-1.80%	3.96%	Omani Rial (OMR)	0.385	0.00%
KSE 100 Index	Pakistan	47,686.2	-0.24%	8.98%	Pakistan Rupee (PKR)	157.746	1.32%
NSE Nifty 50	India	15,722.2	0.27%	12.45%	Russian Ruble (RUB)	73.262	1.57%
SHANGHAI COMPOSITE	China	3,518.8	-1.95%	1.32%	Singapore Dollar (SGD)	1.347	-1.83%
SHANGHAI SHENZHEN CSI 300	China	5,081.1	-2.84%	-2.50%	Turkish Lira (TRY)	8.692	-14.40%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
				UAE	0.39	-24.1%
				Saudi Arabia	0.79	-3.0%
				Kuwait	1.50	4.3%
				Oman	2.10	-21.5%
				Qatar	0.97	-13.8%
				Bahrain	1.64	-27.0%
				<b>GCC Latest 10-Yr Government Bond Yields</b>		
				<b>Maturity date</b>		<b>YTM, %</b>
				KUWAIT	20/03/2027	1.37
				UAE	16/04/2030	2.07
				QATAR	16/04/2030	2.11
				SAUDI ARABIA	22/10/2030	2.37
				OMAN	25/01/2031	5.31
				BAHRAIN	30/09/2031	5.45
				<b>USD Libor</b>		
				<b>Rate (%)</b>		<b>YTD</b>
				1m	0.10	-28.5%
				3m	0.14	-42.2%
				6m	0.16	-36.7%
				1 year	0.24	-28.5%

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.45	0.4	1m	0.10	-28.5%
5 year	100.09	0.9	3m	0.14	-42.2%
10 year	101.84	1.4	6m	0.16	-36.7%
30 year	107.45	2.0	1 year	0.24	-28.5%

Source: Bloomberg

## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### SAUDI ARABIA

#### Canadian Medical Center issues registration document for direct listing on Nomu

- Canadian Medical Center (CMC) issued today, July 1, the registration document for the direct listing of its shares on Nomu Parallel Market.
- The Capital Market Authority (CMA) approved on June 28, the registration of Canadian Medical Center's shares for the purpose of direct listing on Nomu.
- CMC set the price guidance at SAR 39 per share.
- The company has SAR 77 million capital, divided into 7.7 million shares.
- CMC was established in 2008 as a sole proprietorship. In 2016, it was transformed into a limited liability company.
- In 2019, CMC merged with Advanced Medical Clinics Co. After the merger, Advanced Medical Clinics became a branch of CMC – Khobar with all rights and liabilities.

#### Saudi Arabia's market regulator approves Acwa Power IPO

- Saudi Arabia's Capital Markets Authority (CMA) approved on Wednesday a request for an initial public offering from International Company for Water and Power Projects, also known as Acwa Power.
- Acwa plans to sell 81.1 million shares, representing 11.1 per cent of its share capital, through the listing. The approval is valid for six months from June 29 and will be cancelled if the offering and listing of the shares are not completed within this period, the regulator said.
- Acwa operates in 13 countries across the Middle East, Africa and South-East Asia. It has a portfolio of 64 assets with a total investment of \$66 billion, producing 42 gigawatts of power and 6.4 million cubic metres per day of desalinated water.
- The kingdom's sovereign wealth fund, the Public Investment Fund, is the biggest shareholder in the company with a 50 per cent stake. Acwa has eight other stakeholders, including the Saudi Public Pension Agency and the World Bank's International Finance Corporation.

#### Sulaiman Al Habib's subsidiary signs SAR 69mn deal to purchase 12 land plots in Riyadh

- Dr. Sulaiman Al Habib Medical Services Group's (HMG) subsidiary Al Marakez Al Awwalyah for Healthcare Co. signed an agreement today, July 1, with Wajahat Al Hamra for Investment Co. (related party) to purchase 12 adjacent land plots in Riyadh for SAR 69.04 million, excluding the real estate transaction tax.
- The price will be paid to the seller upon transferring the ownership of the title deeds of lands to the buyer, the company said, adding the agreement was signed directly by the two parties without brokers or commissions.
- The financial impact of this transaction will be reflected in the interim consolidated financial statements for Q3 2021 by an increase in the item (non-current assets) as of Sept. 30, 2021.

#### Al Akaria signs 1,000-unit allocation agreement with National Housing for SAR 600mn

- Saudi Real Estate Construction Co. (Tamear), wholly owned by Saudi Real Estate Co. (Al Akaria), signed today, July 1, an allocation agreement with National Housing Co. (NHC), according to a bourse filing.
- The agreement includes the implementation of 1,000 housing units in Al Mashreqiya project within NHC's development, with a total amount of up to SAR 600mn.
- The financial impact will reflect in the company's revenues in Q4 2021, the statement noted.

#### Anaam to acquire 51% stake in Saudi Wasit Factory for SAR 24.5mn

- Anaam International Holding Group signed an agreement with Saudi Wasit Establishment to acquire 51% stake in Saudi Wasit Factory for Entertainment & Beauty Systems for SAR 24.48mn.
- The deal is subject to the approval of the regulatory authorities and included no related parties. It also came within Anaam's expansionary strategy aimed at boosting its market presence.
- Updates will be duly revealed, the statement added.
- In April 2021, Anaam signed a non-binding memorandum of understanding (MoU) with Saudi Wasit Establishment for the potential acquisition of 51% stake in Saudi Wasit Factory for Entertainment & Beauty Systems.

#### **SAIC says MoU to sell Alsalam Aerospace stake expired, no agreement reached**

- Saudi Advanced Industries Co. (SAIC) announced that the memorandum of understanding (MoU) with Saudi Arabian Military Industries Co. (SAMI) to sell a 10% stake in Alsalam Aerospace expired on June 30.
- The company said in a bourse filing that no agreement was reached and there will be no financial impact.
- According to data compiled by Argaam, in December 2018, SAIC signed a MoU with SAMI to sell a 10% stake in Alsalam Aerospace for SAR 100mn.
- In July 2020, the MoU was extended until June 30, 2021.

#### **Etihad Etisalat Company (Mobily) Announces an update in regards to the signing of MoU with Telecommunication Company Saudi Arabia (ZAIN KSA)**

- Etihad Etisalat Company (Mobily) announces that the direction to form a consortium with Mobile Telecommunication Company Saudi Arabia (ZAIN KSA), Raidah Investment Company (AIRaidah), and IHS KSA Ltd. (IHS) to acquire the telecom towers owned by Mobily and Zain KSA, and to merge and unify towers under commercial entity registered in the Kingdom of Saudi Arabia, "Towers Company" does not align with Mobily's strategy and objectives of achieving financial and operational efficiency.
- Etihad Etisalat Company (Mobily) will continue evaluating alternative offers to achieve the best return for the company and its investors through maximizing the operation efficiency and upgrading the network, with the support and supervision of the CITC.

#### **National Agricultural Development Company "NADEC" announces an update on the announcement of signing an MoU with Pure Harvest Smart Farms**

- NADEC would like to update to its shareholders that based on the latest agreement between NADEC and Pure Harvest, the two parties have decided to extend the Memorandum of Understanding (MOU) for an additional Four months to study aspects of joint cooperation between the two parties and reach the final agreement to build and operate the project.
- Reasons for Exceeding the Announced End Date: To reach an agreement about the aspects of joint cooperation between the two parties and reach the final agreement to build and operate the project.
- The financial impact will be announced upon completion of construction work and commencement of commercial operation of the project.

## **UAE**

#### **Changes on ownership limit for Ras AlKhaima National Insurance Co PJSC**

- The following are the new ownership limit on Ras AlKhaima National Insurance Co (RAKNIC) shares, effective from Thursday, 1st of July 2021.
- 51% is the minimum ownership for UAE nationals, where other nationals cannot exceed 49% of the company's capital.

#### **Deyaar launches luxury AED 1bn smart skyscraper Regalia in Business Bay**

- Deyaar Development PJSC ("Deyaar"), announced the launch of Regalia, a AED 1bn luxury skyscraper in Business Bay offering a smart and high-end urban lifestyle embodied by royalty and distinction.
- Regalia will be the tallest tower Deyaar has ever built. The 70-storey premium residential building will feature smart home-enabled apartments. It offers a wide range of recreational and wellness amenities, including an Olympic-size infinity pool with private cabanas and Jacuzzis, a state-of-the-art family gymnasium, a yoga pavilion, and an outdoor winter cinema.

## **BAHRAIN**

#### **GFH closes the second technology portfolio investments**

- GFH Financial Group (GFH) announced the closing of its Global Tech Opportunities II offering, comprising of investments in a portfolio of pre-IPO stage, high-growth companies that specialize in next-gen technologies.
- The portfolio provides diversified exposure to tech verticals that are at the forefront of the global digital revolution giving it minority stakes in Automation Anywhere, Tanium, StockX, Rapyd, Scopely, Robinhood, Kraken, Lyra Health and Klaviyo, among others.
- GFH has invested in the portfolio alongside strategic partners, which include leading and emerging tech-focused asset managers. The companies operate in some of the most disruptive tech sub-sectors benefiting from secular trends in

digital adoption such as cloud and enterprise software, cybersecurity, fintech, mental health, e-commerce and mobile gaming.

- Prior to this investment, GFH successfully closed its first portfolio offering in the pre-IPO tech space in Q4 2020. Already, Three of the portfolio companies of that vintage, i.e. Snowflake, UiPath and Doordash, have had successful IPOs on the New York Stock Exchange and are currently trading at between 4x to 6x of their late-stage private funding rounds. The portfolio has yielded impressive, outsized returns and has commenced cash distributions to investors.

## KUWAIT

### Kuwait announces plans to build 71 new schools

- Kuwait plans to build 71 schools for all educational levels for both boys and girls - with 23 new ones in Al Ahmadi Educational Area, 22 in Hawalli and three in Jahra region - for the next academic year, said a report.
- The sites for the construction of these schools are expected to be handed over by the Kuwait Municipality, reported Arab Times citing a report prepared by the Educational Facilities Sector at the Ministry of Education.
- The report revealed the preparation of a five-year construction plan from 2020/2021 – 2024/ 2025”, which determines the need for schools in each educational district.
- According to the report, 13 government schools were closed three years ago upon instructions of the MPW in various educational regions, including 4 in Al Ahmadi Educational Area, 4 in Hawalli, a religious institute in Farwaniya and 4 in the Capital.

Comments:

If materializes., this is a good development for Companies in the construction sector of Kuwait specially Kuwait Cement, Kuwait Portland Cement & ACICO Industries.

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
KUWAIT CEMENT CO KSC	-2.00%	11.4%	6.06%	NA	0.98	NA
KUWAIT PORTLAND CEMENT CO	-0.12%	-0.9%	9.94%	16.1	1.28	8.0%
ACICO INDUSTRIES CO KSCC	-4.48%	47.3%	42.38%	NA	0.55	NA

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **U Capital: MSX ends the week higher supported by all sub-indices**

MSX30 Index ended the week higher by 0.80 per cent. All sub-indices ended in green. Industrial sector led the gaining 1.51 per cent. Services sector and Financial sector closed up by 1.13 per cent and 0.94 per cent respectively. MSX Shariah Index increased by 1.51 per cent. As per the CBO, Oman's narrow money supply (M1) increased during the month of Apr 2021 by 3.6 per cent MoM and 4.1 per cent YoY. The MoM expansion was due to a growth in Demand Deposits by 4.3 per cent as well as a 1.5 per cent MoM increase in currency outside banks. Broad money (M2) supply also increased by 1.0 per cent MoM and was higher by 5.8 per cent YoY.

#### **Source**

#### **Total Revenues Entering Oman Budget by May 2021 Stand at OMR 3.5bn**

The amount of revenues earned by the State Budget by the end of May 2021 stood at RO 3 billion and 551 million, down by 18.86% as against revenues of the corresponding period of 2020. This was due to the decline in average Oman Oil prices and production, which resulted in a 23.06% slump in oil revenues and 7.08% drop in gas revenues. Statistics issued by the Ministry of Finance affirmed that public spending will continue to decline due to sustained government spending rationalization procedures. From January to the end of May 2021, government spending stood at RO 4 billion and 441.2 million, down by 2.92%, compared to the corresponding period in 2020.

#### **Source**

#### **Omani oilfield firm receives ground-breaking high-tech hoists in Muscat**

AlShawamikh Oil Services SAOC, a leading Super Local Community Contractor (SLCC), has received two high-tech automated hoists, the first of their kind in the Sultanate. These hoists are committed for service within Petroleum Development Oman's (PDO) assigned concession areas of Bahla and Adam in North Oman. The arrival of these hoists is made possible through a strategic alliance with Highwood Global, a leading Canadian manufacturer of trusted oil services equipment. The equipment were air-freighted aboard an Antonov-124, one of the largest cargo planes in the world, which recently landed at Muscat International Airport – a rare occurrence in the Sultanate.

#### **Source**

#### **New agro marketing firm to set up 80 outlets across Oman**

The Agricultural Production and Marketing Company (APMC), a new outfit set by Oman Investment Authority (OIA) – the Sultanate's integrated sovereign wealth fund – in collaboration with the Ministry of Agriculture, Fisheries and Water Resources, plans to develop a network of around 80 outlets across the country to support the marketing of locally grown fruits and vegetables. APMC was formally established in July 2020 as a subsidiary of Oman Food Investment Holding Company SAOC (OFIC) – part of Oman Investment Authority – to help boost the Sultanate's food security through strategic investments in key segments of the food sector.

#### **Source**

#### **153% surge in industrial applications submitted through Invest Easy**

The Ministry of Commerce, Industry and Investment Promotion (MoCIIP) said that 4,981 industrial applications were submitted through the Invest Easy portal in the first quarter of 2021. This is an increase of 152.5 per cent compared to the 1,973 industrial applications submitted in the same period of 2020, MoCIIP said in a statement. In this context, the ministry pointed out that, the Sultanate's Industrial Strategy 2040 in collaboration with the other partners in the public and private sectors, aims at seeking investment opportunities in various sectors.

#### **Source**

#### **Oman's foreign assets, private sector deposits rise**

Foreign assets in the Central Bank of Oman approached OMR7 billion, according to the National Centre of Statistics and Information (NCSI). The data from NCSI showed that the bank's total foreign assets increased by 8.1 per cent at the end of April to about OMR6.8 billion, compared to OMR6.3 billion last April. The total private sector deposits with commercial banks and Islamic windows in Oman increased by 6.8 per cent to OMR17.2 billion, compared to OMR16.17 last year. The total loans and financing of commercial banks increased by 3 per cent to OMR27.18 billion, compared to OMR26.39 billion in 2020. However, the average interest rate on total loans has shown no increase.

#### **Source**

## MIDDLE EAST

### **Saudi Arabia residential sales volumes recover to pre-pandemic levels**

Residential sales volumes in Saudi Arabia have recovered to pre-coronavirus (COVID-19) levels, reaching their highest level for five years, according to a new industry report. Rising mortgage rates have also helped the government reach its homeownership targets as part of Vision 2030. Head of Middle East Research at Knight Frank, said in a statement: "With homeownership at 60 percent at present, the government has already surpassed its 2020 target by 8 percent and is well on course for achieving 70 percent homeownership by 2030."

[Source](#)

### **Saudi ministry says 4 govt services to help SMEs boost factories' productivity, operational efficiency**

The Ministry of Industry and Mineral Resources announced that there are four government services to help small and medium-sized enterprises (SMEs) raise productivity and operational efficiency of factories, as part of the fourth industrial revolution applications. The ministry said in a statement that this can be carried out through conducting studies and preparing digital transformation plans with a global partner, as well as providing advisory and financing services to employ the topnotch technologies, develop work mechanisms and raise the efficiency of operations.

[Source](#)

### **\$1.22bn of weeklong real estate transactions in Dubai**

A total of 2,020 real estate and properties transactions were valued at AED 4.5 billion in total during the week ending 01 July 2021, according to Dubai Land Department (DLD). The DLD weekly report said 119 plots were sold for AED 845.1 million, 1,321 apartments and villas were sold for AED 2.25 billion. It noted that the top three transactions were a land in Marsa Dubai sold for AED 125 million, followed by a land that was sold for AED 57 million in Al Thanayah Fourth, and a land sold for AED 125 million in Marsa Dubai in third place.

[Source](#)

### **UAE launches work permits for Golden Residency holders**

The Ministry of Human Resources and Emiratization has announced the start of issuing work permits for Golden Residency holders. The step is an implementation of the Cabinet resolution, under which work permits for Golden Residency holders were created. The ministry stated that such permits are required in three cases. First are those who were unemployed when they received their Golden Residency, and wish to start working for a certain employer; second are Golden Residency holders who plan to start working for a new employer, and third, is when a current employer wishes to renew the work permit and contract of a Golden Residency holder.

[Source](#)

### **Sheikh Mohammed's initiatives a qualitative shift towards better economic ecosystem: Minister**

Abdullah bin Touq Al Marri, Minister of Economy, confirmed that the economic initiatives launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, during his visit to the Ministry of Economy (MoE) serve as a qualitative shift towards developing the UAE's economic ecosystem to be more competitive, resilient and sustainable, through a proactive approach and innovative policies, enabling it to keep pace with new economic trends.

[Source](#)

## INTERNATIONAL

### **U.S. employment likely accelerated in June as companies boost perks**

U.S. job growth likely picked up in June as companies, desperate to boost production and services amid booming demand, raised wages and offered incentives to lure millions of reluctant unemployed Americans back into the labor force. The Labor Department's closely watched employment report on Friday will likely show that the economy closed the second quarter with strong growth momentum, following a reopening made possible by vaccinations against COVID-19. More than 150 million people are fully immunized, leading to pandemic-related restrictions on businesses and mask mandates being lifted.

[Source](#)

### **Wall Street hits record on robust June jobs data**

Wall Street scaled new highs on Friday, with the S&P closing up for a seventh straight day, after jobs data for June showed robust hiring yet persistent weakness in the labor market that will keep the Federal Reserve from raising interest rates any time soon. The three major U.S. indices - the S&P, Dow and Nasdaq - closed at record highs. The streak was the longest run

of consecutive record closes since June 1997, according to S&P Dow Jones Indices. The Labor Department's employment report showed nonfarm payrolls increased by 850,000 jobs last month, but the total is 6.8 million below its peak in February 2020.

[Source](#)

#### **Fed could be a surprise catalyst for the markets in holiday week**

The quiet holiday week ahead could hold some fireworks for investors if the Federal Reserve reveals its thinking on its bond buying program. The four-day trading week could see stocks drift, after hitting new highs this past week. The closely watched 10-year Treasury yield has held under 1.5%, a positive for tech which outperformed with a 3.2% gain for the week. There are very few economic reports of note, aside from ISM services data on Tuesday.

[Source](#)

#### **Progress on COVID and economy under Biden, but disunion haunts U.S. on its 245th birthday**

Most U.S. adults are vaccinated but COVID-19 cases are rising. The economy is accelerating but inflation looms. Bipartisan cooperation has improved but political rancor is high. More than five months into Joe Biden's presidency, the United States has changed in multiple ways, with a healthier business outlook and a pandemic - at least in many parts of the country - increasingly under control. But as the world's largest economy celebrates its 245th birthday on July 4, the Independence Day holiday will not be the full celebration that Biden had hoped, or promised. A White House goal of vaccinating 70% of adults against COVID-19 with at least one shot will not be met, and legislation to repair the nation's infrastructure is still far from arriving on Biden's desk.

[Source](#)

#### **UK's largest chip plant to be acquired by Chinese-owned firm Nexperia amid global semiconductor shortage**

Newport Wafer Fab, the U.K.'s largest chip producer, is set to be acquired by Chinese-owned semiconductor company Nexperia for around £63 million (\$87 million) next week, according to two sources close to the deal who asked to remain anonymous because the information is not yet public. Nexperia, a Dutch firm that is 100%-owned by China's Wingtech Technology, told CNBC on Friday that the deal talks are ongoing. Located in Newport, South Wales, privately-held NWF's chip plant dates back to 1982 and it is one of just a handful of semiconductor fabricators in the U.K.

[Source](#)

#### **Dollar slides from 3-month high on weak details of U.S. jobs report**

The dollar slipped from a three-month high on Friday, weighed down by some of the weaker details of what was an overall strong U.S. non-farm payrolls report for June. Despite Friday's slide, the dollar was still poised to end the week on a positive note, with a 0.6% gain. Going into the report, the dollar traded higher on the expectation of a robust jobs number. Data showed that U.S. nonfarm payrolls did beat expectations, increasing by 850,000 jobs last month after rising 583,000 in May.

[Source](#)

## **COMMODITIES**

#### **OPEC+ seeks oil policy consensus as UAE demands changes**

An OPEC+ deal to release more oil to the market and extend its supply management policy to the end of 2022 hinges on agreement from the United Arab Emirates (UAE), which has opposed the deal and pushed talks into a second day, OPEC+ sources said. The UAE on Thursday effectively blocked a deal agreed by top producers Saudi Arabia and Russia to ease oil cuts by 2 million barrels per day (bpd) by the end of 2021 and extend the remaining cuts to December 2022 from April 2022.

[Source](#)

#### **Gold gains as U.S. jobs data fails to bolster early Fed tightening bets**

Gold rose on Friday, climbing further from a two-month trough hit earlier in the week, as the dollar weakened and investors weighed prospects for U.S. Federal Reserve tightening after a strong U.S. jobs report that nevertheless showed a slight uptick in the unemployment rate. Spot gold rose 0.4% to \$1,784.21 per ounce by 1:42 pm EDT, after jumping to \$1,794.86, its highest level since June 18. U.S. gold futures settled up 0.4% at \$1,783.30.

[Source](#)



## FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

### SAUDI ARABIA

#### Alinma Bank completes issuance of SAR 5bn additional Tier 1 sukuk

Alinma Bank completed today, July 1, the issuance and settlement of SAR 5 billion worth of additional Tier 1 sukuk through private placement.

#### Issuance Details

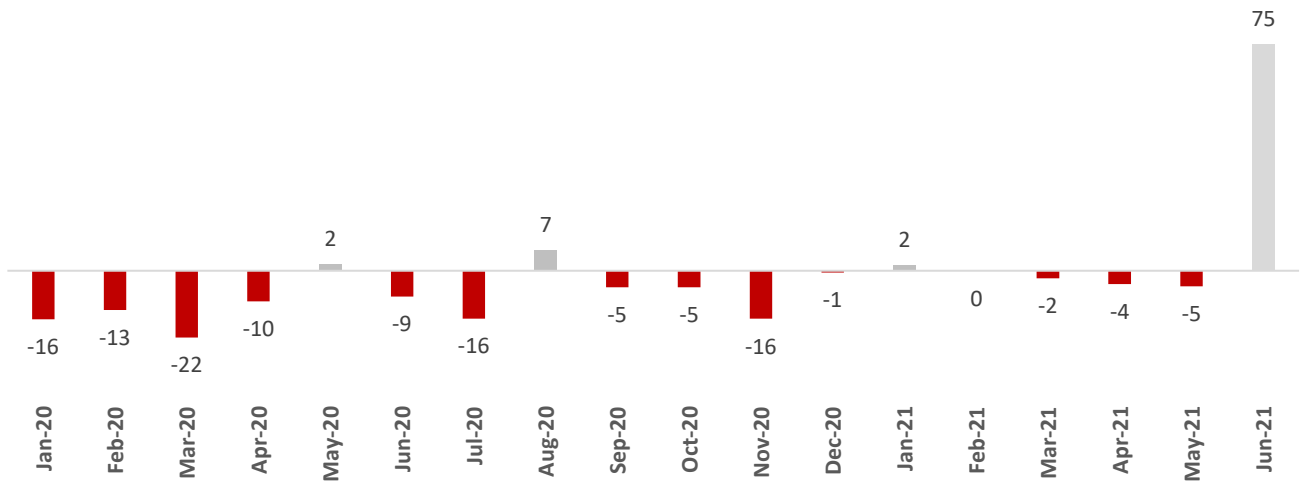
<b>Total Number of sukuk/bonds</b>	5,000 (based on the minimum denomination and total issue size)
<b>Par Value (sukuk/bonds)</b>	Additional Tier 1 Saudi riyal-denominated sukuk denominated in Saudi Riyals
<b>Return (sukuk/bonds)</b>	4.00% per annum from (and including) the issue date up to (but excluding) 1 July 2026G. The rate of return will then be reset on 1 July 2026G and every five years thereafter.
<b>Maturity (sukuk/bonds)</b>	Perpetual
<b>Terms of Redemption</b>	The sukuk may be redeemed early due to a capital event, tax event or at the option of the bank as described in the terms and conditions of the sukuk.

#### Moody's downgrades Banque Saudi Fransi, maintains negative outlook

- Moody's Investors Service ("Moody's") has downgraded the local and foreign currency long-term bank deposit ratings of Banque Saudi Fransi (BSF) to A2 from A1. In addition, the bank's Baseline Credit Assessment (BCA) and Adjusted BCA were downgraded to baa1 from a3.
- The outlook on the bank's long-term deposit ratings remains negative, reflecting the negative outlook on the A1 issuer rating of the Saudi government.
- The downgrade of BSF's BCA to baa1 from a3 reflects continued pressure on the bank's asset quality, in addition to moderating profitability and liquidity buffers. BSF's nonperforming loans (NPLs) have increased in recent years, reaching 3.1% as at December 2020. BSF's profitability has also slightly weakened recently and will remain below pre-pandemic levels, pressured by higher than average cost of risk and the low rates environment. The bank's liquidity buffers remain strong but have moderated as the bank retired some more expensive deposits to maximise returns on its balance sheet. BSF's baa1 BCA also reflects the bank's strong capitalisation and solid funding profile.
- BSF continues to have strong asset quality, however this has deteriorated in recent years. Moody's expects asset-quality risks to persist at a higher level as some borrowers, particularly in the construction and commerce sectors, remain impacted by the coronavirus-induced disruption and the government's spending remains disciplined due to moderate oil prices. The bank's asset-quality metrics have weakened in recent years with problem loans increasing to 3.1% as at December 2020 from 1.4% in 2016. Risks are accentuated by the persistently high credit concentrations that make the bank more vulnerable to event risk. However, these risks are structural in Saudi Arabia and are not specific to BSF although the focus on corporate banking makes the bank more sensitive to downside risks. Despite the continued pressure on asset risk, Moody's acknowledges the strong underwriting standards for BSF and the conservative approach towards risk and NPL recognition compared to the local peers.

## CHART / TABLE OF THE DAY

Oman witnesses net foreign inflows of USD 75mn in June 2021; YTD inflows turn positive at USD 65mn



Source: MSX

## TECHNICAL ANALYSIS

Stock Name	MSM	Purchase Price	Target 1	Status	Target 2	Status	Return T1	Return T2	Turnover Ratio	Stop Loss	Risk	Recommendation Date
BANK MUSCAT		0.424	0.435		0.440		2.59%	3.77%	0.07	0.420	-0.9%	4-Jul-21
BANK NIZWA		0.097	0.100		0.101		3.09%	4.12%	0.08	0.096	-1.0%	4-Jul-21
SOHAR INTER. BANK		0.097	0.099		0.100		2.06%	3.09%	0.07	0.096	-1.0%	4-Jul-21
AL BATINAH POWER		0.054	0.056		0.057		3.70%	5.56%	0.08	0.053	-1.9%	4-Jul-21
SEMBCORP SALALAH		0.084	0.086		0.087		2.38%	3.57%	0.09	0.083	-1.2%	4-Jul-21
AL SUWADI POWER		0.055	0.056		0.057		1.82%	3.64%	0.09	0.054	-1.8%	4-Jul-21

### Last week actual performance for 6 companies

Stock Name	MSM	Closing Price	Purchase Price	Target 1	Status	Target 2	Status	Return T1	Return T2	Turnover Ratio	Stop Loss	Risk	Recommendation Date
AHLI BANK		0.111	0.111	0.114		0.115		2.70%	3.60%	0.09	0.110	-0.9%	27-Jun-21
BANK MUSCAT		0.424	0.420	0.430		0.432		2.38%	2.86%	0.12	0.418	-0.5%	27-Jun-21
OMAN AND EMIRATES		0.075	0.065	0.067		0.068		3.08%	4.62%	0.10	0.064	-1.5%	27-Jun-21
AL BATINAH POWER		0.054	0.053	0.054		0.055		1.89%	3.77%	0.09	0.052	-1.9%	27-Jun-21
OMAN FISHERIES		0.085	0.085	0.087		0.088		2.35%	3.53%	0.09	0.084	-1.2%	27-Jun-21
NATIONAL GAS		0.152	0.157	0.160		0.162		1.91%	3.18%	0.08	0.156	-0.6%	27-Jun-21

(Week 26 - 2021) ----- Gain/Loss = +1.12%



### Weekly performance for the past 4 weeks

No. of the Week	Report No.	% Gain/Loss for MVP	U Capital Oman 20 Index	MSX 30 Index	MSCI Oman Index
Week 26 - 2021	196	1.12%	0.33%	0.80%	0.60%
Week 25 - 2021	195	0.33%	-0.64%	-0.76%	-1.20%
Week 24 - 2021	194	0.91%	1.23%	1.19%	0.30%
Week 23 - 2021	193	1.56%	2.96%	2.47%	2.60%

### Historical performance - Monthly

No. of the Month	Report No.	% Gain/Loss for MVP	U Capital Oman 20 Index	MSM30 Index	MSCI Oman Index
Month 01 - 2021	171-174	5.30%	-0.41%	0.37%	0.74%
Month 02 - 2021	175-178	1.04%	0.92%	1.02%	1.40%
Month 03 - 2021	179-182	7.94%	-0.14%	2.14%	2.62%
Month 04 - 2021	183-186	5.06%	2.62%	1.12%	3.80%
Month 05 - 2021	187-190	6.20%	4.19%	3.94%	0.29%
Month 06 - 2021	191-194	6.16%	6.33%	5.35%	3.40%
Month 07 - 2021	195-198				
Month 08 - 2021					
Month 09 - 2021					
Month 10 - 2021					
Month 11 - 2021					
Month 12 - 2021					
<b>YTD</b>		<b>31.70%</b>	<b>13.51%</b>	<b>13.94%</b>	<b>12.25%</b>

### Historical performance - Yearly

Year	% Gain/Loss for MVP	U Capital Oman 20 Index	MSM30 Index	MSCI Oman Index
2015 - 2016 - 2017 - 2018	(63%) - (60%) - (54%) - (57%)	(-12%) - (4%) - (-16%) - (-9%)	(-17%) - (8%) - (-14%) - (-15%)	(-12%) - (1%) - (-11%) - (-12%)
2019	58%	-9%	-10%	2%
2020	49%	-3%	-10%	-7%
2021	32%	14%	14%	12%

Note:

Support & Resistance for the week expectations

Stop Loss: the clients should close / decrease his positions if it exceed this level

Risk: difference between price and support 1

Return T1: difference between Purchasing price and Target 1

Return T2: difference between Purchasing price and Target 2

Prices are in Omani Riyals, Gross returns excluding transaction cost

Purchase Price is the last closing prices, if the stock didn't reach our targets we close on Thursday the position depending on the closing price/stop loss whichever is higher.

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