

PRE-MARKET REPORT

5 July 2021

HEADLINES

MARKET INDICATORS

GCC CORPORATE NEWS & DISCLOSURES

- Saudi Wealth Fund Says Many of Its Firms Ready for IPO
- Kuwait's ports services firm Jassim Transport & Stevedoring eyes private placement, listing
- MIS, Saudi Fransi Capital sign agreements to develop, design, manage data centre facilities
- Mobily says merging telecom towers under new entity not aligning with strategy
- Seera inks pact with Kaden Investment to develop hotels in Saudi Arabia
- eXtra opens new branch at SAR 5m in investment
- Bupa Arabia renews SABIC health insurance contract for 1-year
- du, Wipro launch new Multi-Cloud platform in UAE
- Aldar signs AED 300m sustainability-linked loan with HSBC
- Gulf Navigation, Al Salam Bank Sudan: Dubai Foreign Limits

ECONOMIC, GENERAL & COMMODITIES NEWS

- RO 22.6 million power network upgrades to benefit Duqm projects
- Oman Tax Authority Begins to Receive Vat Tax Returns
- New unit to drive value addition in Oman's mining sector
- Mideast Stocks: Abu Dhabi index hits record high again in early trade
- Surge in Saudi firms looking to set up operations in Qatar
- Saudi foreign reserves decline on lag between import payments, export receipts: SAMA Governor
- Bahrain's economy expected to grow by 3.1 percent in 2021, 2022
- Growth in China's June services activity falls to 14-month low: Caixin PMI
- Asian stocks extend global rally after U.S. jobs report
- Japan's digital yen plan to become clearer late 2022, says ruling party official
- China's economy sees new pockets of growth in rising shopping trends
- Oil drops as lack of OPEC+ unity hangs over market
- Saudi Arabia pushes back on UAE opposition to OPEC+ deal
- Gold eases off two-week high as U.S. dollar firms

FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

- Emirate of Sharjah Said to Hire Banks as Bond Rush Picks Up Pace
- Moody's assigns first-time Ba1 rating to Private Department of Sheikh Mohamed Bin Khalid Al Nahyan LLC; outlook stable
- MANDATE: Qatar's Dukhan Bank PNC5.5 AT1 USD RegS Sukuk

CHART / TABLE OF THE DAY

- GCC records net foreign flows of USD 1.03bn in June 2021; YTD inflows at USD 5.29bn

TECHNICAL ANALYSIS

- GCC Virtual Technical Portfolio

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	677.2	3.35	0.50%	18.86%	23.77	2.15	2.3%
Muscat Stock Exchange	4,098.5	19.38	0.48%	12.02%	14.39	0.83	3.8%
Saudi Stock Exchange	11,031.7	52.68	0.48%	26.95%	36.18	2.44	1.9%
Kuwait Stock Exchange	6,402.6	14.52	0.23%	15.44%	40.83	1.64	2.0%
Qatar Exchange	10,828.1	20.74	0.19%	3.76%	18.30	1.62	2.7%
Bahrain Stock Exchange	1,579.1	-8.86	-0.56%	5.99%	27.11	1.05	2.1%
Dubai Financial Market	2,804.1	-12.45	-0.44%	12.53%	21.30	0.98	2.9%
Palestine Stock Exchange	545.4	3.45	0.64%	15.74%	17.82	1.29	2.4%
Tunis Se Index	7,234.7	2.96	0.04%	5.08%	23.76	2.39	2.1%
EGX 30 Index	10,345.7	89.04	0.87%	-4.61%	10.32	1.46	1.7%
Amman General Index	2,099.7	-13.22	-0.63%	26.70%	24.91	0.89	3.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
Europe					Currency		
FTSE 100	UK	7,123.3	-0.03%	10.26%	Australian Dollar (AUD)	1.330	2.30%
DAX	Germany	15,650.1	0.30%	14.08%	British Pound (GBP)	0.723	-1.15%
CAC 40	France	6,552.9	-0.01%	18.04%	Canadian Dollar (CAD)	1.234	3.10%
United States					Chinese Renm. (CNH)	6.466	0.58%
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	3.01%
NASDAQ	USA	14,639.3	0.81%	13.59%	Indian Rupee (INR)	74.520	-1.95%
Asia Pacific					Japanese Yen (JPY)	111.100	-7.07%
NIKKEI 225	Japan	28,619.7	-0.57%	4.28%	Swiss Franc (CHF)	0.922	-3.99%
HANG SENG	Hongkong	28,139.5	-0.62%	3.34%	Omani Rial (OMR)	0.385	0.00%
KSE 100 Index	Pakistan	47,667.9	-0.05%	8.94%	Pakistan Rupee (PKR)	157.746	1.32%
NSE Nifty 50	India	15,819.5	0.62%	13.14%	Russian Ruble (RUB)	73.262	1.57%
SHANGHAI COMPOSITE	China	3,513.6	-0.15%	1.17%	Singapore Dollar (SGD)	1.346	-1.79%
SHANGHAI SHENZHEN CSI 300	China	5,054.1	-0.53%	-3.02%	Turkish Lira (TRY)	8.683	-14.31%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
				UAE	0.29	-43.1%
				Saudi Arabia	0.79	-3.0%
				Kuwait	1.50	4.3%
				Oman	2.14	-20.0%
				Qatar	0.99	-11.5%
				Bahrain	1.64	-27.0%
				GCC Latest 10-Yr Government Bond Yields		
				Maturity date		YTM, %
				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
				USD Libor		
				Rate (%)		YTD
				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

IPO / SAUDI ARABIA / KUWAIT

Saudi Wealth Fund Says Many of Its Firms Ready for IPO

- Saudi Arabia's Public Investment Fund has many companies in its local portfolio that are in a developed stage, which entitles them to be listed on the stock market, deputy governor Yazeed Alhumeid said in an interview with Alriyadh newspaper.
- Many of these firms have reached advanced stages in preparation for an initial public offering, Alhumeid said. As well as selling shares in Acwa Power, the fund also intends to list other companies such as Saudi Tadawul and digital security firm Elm, he said.
- The PIF, as the wealth fund is known, and other government-controlled firms are pushing ahead with plans to raise money through selling stakes in a raft of companies over the next year.
- The pipeline of deals is a sign that state-controlled firms in Saudi Arabia are increasingly looking at ways to take advantage of soaring investor demand for new offerings while also raising money to help fund efforts to diversify the economy away from oil.

Kuwait's ports services firm Jassim Transport & Stevedoring eyes private placement, listing

- Jassim Transport & Stevedoring Co IPO-(JTC), a ports and logistics services firm, said on Saturday it had initiated a private placement last month to increase its shareholder base before a listing on the Kuwait bourse.
- "Following the preliminary regulatory approval from the Capital Markets Authority, the JTC commenced the private placement mid-June," it said in a statement.
- CEO Adel Kohari said the placement was a step towards a listing on Boursa Kuwait.
- The statement did not provide details of how much JTC planned to raise in the private placement.

SAUDI ARABIA

MIS, Saudi Fransi Capital sign agreements to develop, design, manage data center facilities

- Al-Moammar Information Systems Co. (MIS) signed today, July 4, agreements for the development, design, and management of data center facilities with Saudi Fransi Capital (SFC).
- SFC is the manager of the proposed private investment fund, for which a memorandum of understanding (MoU) was signed nearly a month ago, MIS said in a bourse filing.
- The Sharia-compliant fund will invest in and own six data centers in the Kingdom at an estimated budget of SAR 1.2 billion as a first phase, the company added.
- MIS was named the developer and designer that will undertake the design, development, and execution of six data centers, on a turnkey basis, with an initial capacity of four megawatt each.
- Furthermore, MIS will continue as the facility manager for the six data centers for an initial period of 15 years.
- Under the agreement, MIS will receive the basic design development fee of 10% of the development budget. Payments for the development and design fees will be made up of units in the proposed fund (not to exceed 10% of the total outstanding units of the proposed fund) and cash.

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
AL MOAMMAR INFORMATION	6.82%	12.1%	71.00%	36.7	10.67	32.1%

Mobily says merging telecom towers under new entity not aligning with strategy

- Etihad Etisalat Co. (Mobily) said that the joint application from Mobile Telecommunication Company Saudi Arabia (Zain KSA), Raidah Investment Co. (AlRaidah), and IHS KSA Ltd. (IHS) to acquire the telecom towers, and merge them under a single entity, do not align with the company's strategy and objectives of achieving financial and operational efficiency.
- Mobily will continue evaluating alternative offers to achieve the best return for the company and its investors through maximizing operational efficiency and upgrading the network, with the support of the Communications and Information Technology Commission (CITC), the telecom operator said in a bourse statement.
- Any material developments will be announced in due course, the statement added.
- In July 2020, Mobily and Zain KSA signed a non-binding memorandum of understanding (MoU) to form a joint committee, invite offers for telecom towers, null the options of purchasing the towers owned by the two companies, and merging them into one company with other investors or operating them on their behalf.

Seera inks pact with Kaden Investment to develop hotels in Saudi Arabia

- Seera Group Holding and Kaden Investment announced the signing of a master agreement to develop hotels across Saudi Arabia.
- As part of the agreement, a joint venture will be set up to manage and develop hotels in various projects developed by Kaden in the Kingdom.
- The first hotel will be launched at Riyadh Front business district, strategically located 10 minutes from King Khalid International Airport.
- The hotel will be surrounded by projects by Roshn and the Riyadh Front Exposition and Conference Center.

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
SEERA GROUP HOLDING	0.83%	17.0%	15.17%	NA	1.14	-19.3%

eXtra opens new branch at SAR 5m in investment

- United Electronics Company (eXtra) has inaugurated a new unit in Al Rayan district's Ad Dawadmi at total investments of SAR 5 million. The new facility brings eXtra's total number of branches to 46 in Saudi Arabia and to 51 across the GCC area, according to a bourse filing on Sunday.
- The financial impact of opening the new 1,000-square-metre unit will reflect on the income statements as of the third quarter (Q3) of 2021.
- eXtra's Managing Director and CEO, Mohamed Galal said: "This new store comes to strengthen our footprint to reach new places across the Kingdom." He noted that the company "aims to offer premium customer experience in the consumer electronics world, through new stores opening or via continued development of the e-commerce platform."

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
UNITED ELECTRONICS CO	-2.67%	17.5%	51.91%	23.2	9.55	46.2%

Bupa Arabia renews SABIC health insurance contract for 1 year

- Bupa Arabia for Cooperative Insurance Co. received today, July 4, the confirmation to renew its contract as the health insurance provider for Saudi Basic Industries Corp (SABIC) employees and their families.
- The company said in a statement to Tadawul that the total contract revenues are expected to be greater than 5% of its 2020 annual gross written premiums.
- The contract will be renewed for one year from today, the statement added, noting that it is expected to have a positive impact on the 2021 financial results.

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
BUPA ARABIA FOR COOPERATIVE	-0.94%	6.6%	2.95%	20.4	3.74	20.6%

UAE

du, Wipro launch new Multi-Cloud platform in UAE

- Emirates Integrated Telecommunications Company (du) and Wipro Limited have launched a new Multi-Cloud platform to deliver market-leading multi-cloud management and migration capabilities.
- The new platform comes in line with the two entities' objective to simplify and accelerate digital transformation and cloud adoption across the UAE, according to a recent press release.
- The partnership will allow organizations to reduce risks and maximize return on investment for migration and management across multi-cloud fields.
- Through the Multi-Cloud platform, du and Wipro will enable organizations to reimagine their infrastructure, create new cost efficiencies, and deliver compliant and secure solutions.

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
EMIRATES INTEGRATED TELECOMM	-1.02%	-1.3%	18.43%	22.6	3.79	15.7%

Gulf Navigation, Al Salam Bank Sudan: Dubai Foreign Limits

- These are the stocks in Dubai that had the biggest changes in foreign ownership during the previous session and the ones closest to foreign investor limits, according to Dubai Financial Market data.
- Biggest Changes
 - Gulf Navigation to 18.87% from 18.84%; amount available to foreign investors 30.13%
 - Al Salam Bank Sudan to 6.74% from 6.72%; amount available to foreign investors 93.26%
- Nearest to Limits
 - Tabreed 46.38%; amount available to foreign investors 2.62%
 - Alliance Insurance 20.00%; amount available to foreign investors 5.00%

Aldar signs AED 300m sustainability-linked loan with HSBC

- Aldar Properties has inked an agreement with HSBC to secure an innovative five-year term sustainability-linked loan worth AED 300 million.
- The property developer becomes the first real estate company in the Middle East and North Africa (MENA) to enter into this type of financing, according to a press release on Sunday.
- The loan annually links Aldar's interest margin to the achievement of sustainability targets on energy and water intensity, waste recycling, and worker welfare.
- As part of the agreement, Aldar will also invest a fixed amount in qualifying environmental, social, and governance (ESG) projects if the company does not reach agreed annual targets.
- The loan will be used for general corporate purposes, including the roll-out of ESG initiatives across the group.

Name	Px Chg 3D	Px Chg 3m	Px Chg YTD	P/E (x)	P/B (x)	RoE
ALDAR PROPERTIES PJSC	0.00%	2.7%	20.63%	13.8	1.19	8.9%

ECONOMIC & GENERAL NEWS

OMAN

RO 22.6 million power network upgrades to benefit Duqm projects

The Rural Areas Electricity Company (Tanweer), member of Nama Group, is investing RO 22.6 million in the expansion of electricity infrastructure in the Special Economic Zone (SEZ) of Duqm – an initiative that will directly benefit a number of strategic industrial projects coming up in the hub. In all, five key network developments are being undertaken by Tanweer during 2021, including the expansion of the existing Duqm North Switching Station and Duqm South primary substation, which is due to be completed shortly. These projects will help meet the power requirements of the industrial, commercial, tourism and residential sectors of the SEZ.

[Source](#)

Oman Tax Authority Begins to Receive Vat Tax Returns

With effect from July 1, the Tax Authority began to receive the first set of VAT tax returns via the authority's electronic website for a period of 30 days. The quarterly tax return for VAT registrants covers the added value of imports, accruals, deductibles, due tax and refundable tax credits. The Tax Authority pointed out that, over the past period, it published an advisory guide through which it explained the mechanism of presenting tax returns for VAT registrants, as well as terms for tax refund, rectification of submitted tax returns and ways of maintaining tax registers and bills.

[Source](#)

OCCI, Saudi Chambers Union Discuss Ways to Promote Joint Investments

Oman Chamber of Commerce and Industry (OCCI) and Saudi Chambers Federation today held a virtual meeting via videoconferencing during which the two sides discussed means of upgrading the rate of investment opportunities available in the two countries. The Omani side was led by Eng. Ridha Juma al-Saleh, Chairman of the OCCI while Ajlan Abdulaziz al-Ajlan, Head of Saudi Chambers, led his country's team. Eng. Ridha underscored the significance of efforts being undertaken to foster economic and commercial cooperation between the private sectors in both countries.

[Source](#)

New unit to drive value addition in Oman's mining sector

A new unit has been set up under the auspices of the Ministry of Energy and Minerals to help optimize value creation from Oman's mineral resources, according to a senior ministry official. Dr Ali al Rajhi, Director of Planning, said the new department, called 'Industry Development of Energy and Minerals', will support downstream processing and value addition of the Sultanate's mineral wealth as an alternative to the current practice of exporting unprocessed raw materials.

[Source](#)

Mala'a Offers Credit Score to Assist Credit Risk Management in Financial Sector

Oman Credit and Financial Information Centre (Mala'a) offers Credit Bureau services to enhance the creditworthiness of the individuals and corporates in the Sultanate in line with Oman Vision 2040, said Mala'a's Managing Director Aadil al-Sa'adi. This supports financial inclusion by ensuring responsible financing in addition to improved credit risk management. Al-Sa'adi stated that Mala'a Centre aims to fulfil its objectives by being Oman's National Data bank and Reference to all Credit and Financial Information, offering credit reports, and credit score for individuals and corporates, instant credit decisioning engines and a range of data analytics solutions.

[Source](#)

MIDDLE EAST

Mideast Stocks: Abu Dhabi index hits record high again in early trade

Abu Dhabi stocks again hit record highs in early trade on Sunday, the index rose 0.5%, on course to extend gains for a fifth session. Saudi Arabia's benchmark index gained 0.5%. The kingdom plans to target international transit passenger traffic with its new national airline, going head-to-head with Gulf giants Emirates and Qatar Airways and opening up a new front in simmering regional competition. The Qatari index added 0.2%, Qatar Petroleum, which owns a majority stake in Industries Qatar, sold \$12.5 billion in a jumbo four-tranche bond deal on Wednesday, a document showed. Dubai's main share index, however, fell 0.4%.

[Source](#)

Saudi non-oil sector employment rises amid steady growth: PMI

Saudi Arabia's non-oil private sector continued to expand in June at a fast rate and job creation rose to a 19-month high, a survey showed, as the largest Arab economy recovers from the coronavirus crisis. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) stood at 56.4 in June, unchanged from May, maintaining its fastest pace of growth since January. An increase in new orders, the fastest in five months, boosted business activity, reflecting the easing of coronavirus-related restrictions.

[Source](#)

Surge in Saudi firms looking to set up operations in Qatar: Pro Partner

The number of Saudi-owned companies looking to set up operations in Qatar surged in the first quarter of this year following the restoration of political, trade and travel ties between the two Gulf neighbors. The resumption of relations between the two countries has seen a 40 percent rise in the number of Saudi companies looking to open operations in Qatar, according to James King, general manager of the Qatar office at the Pro Partner Group, a firm which specializes in company formations.

[Source](#)

Saudi foreign reserves decline on lag between import payments, export receipts: SAMA Governor

A recent drop to record lows in Saudi Arabia's foreign reserves was partly due to a lag between import payments and export receipts, Fahad Al-Mubarak, Governor of the Saudi Central Bank (SAMA), told Reuters. "Reductions in reserves over the past couple of months were mainly to finance a rebound in pandemic-hit import demand, while leads-and-lags in oil income (tax and dividends) cause some degree of fluctuation in SAMA's reserves level," Al-Mubarak said. "The rebound in import activity, which hit a low figure in May 2020, has preceded that in exports receipts. These shifts are expected given the extraordinary economic impacts over the last 18 months as economic conditions become more normalized," Al-Mubarak added. The total assets held by SAMA dropped by SAR 5.6 billion month-on-month in May to SAR 1.826 trillion.

[Source](#)

Saudi: Industry minister confirms clear strategy for every Saudi region, increasing exports globally

Saudi Arabia's Minister of Industry and Mineral Resources, Bandar Alkhorayef, said that there is a clear strategy for every region in the Kingdom. The government agencies, including the Ministry of Industry and Mineral Resources, are contemplating how can they contribute to achieving these strategies, and benefit from the features and comparative advantages enjoyed by all regions of the Kingdom. This will, in a way, serve the interest of the region and enhance its competitive advantage to be a development partner, Saudi Press Agency reported. Alkhorayef said that the Kingdom's plans, in accordance with the goals of Vision 2030, go beyond being only a consumer market, but rather expand exports globally.

[Source](#)

Bahrain's economy expected to grow by 3.1 percent in 2021, 2022

Bahrain's economy is expected to grow 3.1 percent this year and next, recovering from last year's downturn. Gross domestic product contracted 2.1 percent during the first quarter, according to the Ministry of Finance and National Economy. Non-oil sector output shrunk 3 percent in Q1 compared to a year ago while the oil economy grew by 2 percent. Non-oil economy is set to see a 3.8 percent growth this year and 3.7 percent in 2022, while oil economy growth is set to remain at 0 percent both years. Preliminary projections showed that the country's GDP contracted by 5.1 percent last year. The International Monetary Fund expects Bahrain's economy to grow 3.3 percent this year. The island nation is set to have one of the region's widest deficits at about 9 percent of GDP this year, while its debt ratio in relation to economic output is seen as the highest in the Gulf.

[Source](#)

INTERNATIONAL

Growth in China's June services activity falls to 14-month low: Caixin PMI

Growth in China's services sector slowed sharply in June to a 14-month low, weighed down by a resurgence of COVID-19 cases in southern China, a private survey showed on Monday, adding to concerns the world's second-largest economy may be starting to lose some momentum. The Caixin/Markit services Purchasing Managers' Index (PMI) fell to 50.3 in June, the lowest since April 2020 and down significantly from 55.1 in May. It held just above the 50-mark, which separates growth from contraction on a monthly basis. China's official services gauge had also shown a marked slowdown in June, though it remained well in expansion territory. The private survey is believed to focus more on smaller companies.

[Source](#)

Japan's service sector activity contracts for 17th month as pick-up stalls

Japan's services sector activity shrank for the 17th straight month in June as the coronavirus dampened demand at home and abroad, underscoring sluggish momentum for the world's third-largest economy. The decline in the services industry kept overall private-sector activity in contraction for a second month, in a sign the country's economic recovery struggles to pick up despite making progress with a coronavirus vaccine rollout. The final Jibun Bank Japan Services Purchasing Managers' Index (PMI) was at a seasonally adjusted 48.0, up from the prior month's final level of 46.5 and a 47.2 flash reading.

[Source](#)

Asian stocks extend global rally after U.S. jobs report

Most Asian stocks gained on Monday, extending the rally that took global equities to a record high after a U.S. jobs report signaled the economic recovery remained intact but didn't yet warrant any immediate withdrawal of Federal Reserve stimulus. Japanese markets, however, bucked the trend, with the Nikkei falling 0.5% following a surge in COVID-19 infections in Tokyo, just weeks before the city hosts the Olympics. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.3%, led by a 1% gain in Taiwan. Chinese blue chips added 0.1%.

[Source](#)

Japan's digital yen plan to become clearer late 2022, says ruling party official

Japan will have more clarity on what a digital yen would look like late next year, a lawmaker overseeing the ruling party's digital currency plan said, potentially sparking a turf war between traditional lenders and online platform operators. The Bank of Japan in April launched the first phase of its central bank digital currency (CBDC) experiment, joining counterparts aiming to match the rapid pace of private innovation. It hopes to move to the second phase next year to lay out some key functions of a digital yen, such as which entities will serve as intermediaries between the BOJ and deposit holders.

[Source](#)

China's economy sees new pockets of growth in rising shopping trends

Chinese consumers spent less on daily necessities from foreign brands last year during the coronavirus pandemic, while those in smaller cities were more willing to spend than those in large ones, according to a report. The report, co-authored by consultancy Bain & Company and analytics company Kantar Worldpanel, reflects pockets of growth in an economy that was already slowing its expansion before the pandemic. The volume of foreign brands sold in China last year fell 4.1%, while average selling price rose 1%, according to the report released on June 29.

[Source](#)

COMMODITIES

Oil drops as lack of OPEC+ unity hangs over market

Oil prices fell on Monday, with Brent dropping after four days of gains, as investors and traders awaited crucial talks by OPEC+ following disagreement within the group that could lead to major producers pumping up volumes to grab market share. Brent crude was down by 40 cents, or 0.5%, at \$75.77 a barrel by 0131 GMT, after falling 1 cent last week, the first weekly decline in six. U.S. oil was down by 30 cents, or 0.4%, at \$74.86 a barrel, having risen 1.5% last week, the sixth consecutive week of gains for the contract.

[Source](#)

Saudi Arabia pushes back on UAE opposition to OPEC+ deal

Saudi Arabia's energy minister pushed back on Sunday against opposition by fellow Gulf producer the United Arab Emirates to a proposed OPEC+ deal and called for "compromise and rationality" to secure agreement when the group reconvenes on Monday. It was a rare public spat between allies whose national interests have increasingly diverged, spilling over into OPEC+ policy setting at a time consumers want more crude to aid a global recovery from the COVID-19 pandemic. OPEC+, which groups the Organization of the Petroleum Exporting Countries and its allies, voted on Friday to raise output by some 2 million barrels per day from August to December 2021 and to extend remaining cuts to the end of 2022, but UAE objections prevented agreement, sources had said.

[Source](#)

Gold eases off two-week high as U.S. dollar firms

Gold prices edged lower on Monday after hitting a two-week high in the previous session, weighed down by a slight uptick in the dollar, while investors awaited more U.S. economic data for clues on the Federal Reserve's monetary policy plans. Spot gold was down 0.1% to \$1,785.41 per ounce by 0037 GMT, after hitting its highest since June 18 at \$1,794.86 on Friday. U.S. gold futures rose 0.1% to \$1,785.20. [Source](#)

FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

UAE

Emirate of Sharjah Said to Hire Banks as Bond Rush Picks Up Pace

- Sharjah's government has picked banks to raise over \$750 million from an Islamic bond offering, drawn by historically low funding costs as its finances come under strain.
- A sale could happen as soon as the coming days, people familiar with the matter said, asking not to be identified as the matter is private. A representative for the government of Sharjah declined to comment.
- The third-biggest sheikhdom in the United Arab Emirates is facing another year of fiscal deterioration after the coronavirus pandemic cut into revenue and forced the local government to spend more to support the economy. The budget could be in the red through 2024, according to S&P Global Ratings, which forecasts the deficit will surge past 10% of gross domestic product this year.

Moody's assigns first-time Ba1 rating to Private Department of Sheikh Mohamed Bin Khalid Al Nahyan LLC; outlook stable

- Moody's Investors Service ("Moody's") has today assigned a Ba1 corporate family rating (CFR) to the Private Department of Sheikh Mohamed Bin Khalid Al Nahyan LLC (Private Department or the Company), a property leasing and management company in Abu Dhabi. Moody's has also assigned a (P)Ba1 rating to the Private Department's \$1 billion backed senior unsecured trust certificate issuance program and a Ba1 backed instrument rating to the contemplated benchmark sized initial drawdown under the program by PD SUKUK LIMITED, a Cayman Islands domiciled special purpose vehicle. The rating outlook is stable.
- The (P)Ba1 rating assigned to the program and the Ba1 rating assigned to the contemplated benchmark sukuk issuance are in line with the CFR and reflect the ranking of program and issuance as a senior unsecured obligation of the Private Department in a capital structure that will be mostly unsecured.
- This is the first time Moody's has assigned ratings to the Private Department.
- The Private Department's Ba1 rating takes into account the company's portfolio of high quality, mainly residential real estate in prime central locations in Abu Dhabi valued at AED4.5 billion (\$1.2 billion) at the end of Dec 2020, a track record of consistently strong occupancy of around 95% and an improving outlook for market rental prices in Abu Dhabi based on Moody's expectation of GDP growth in the emirate of 3.2% in 2021 and 4.4% in 2022, following several years of slow economic growth and a 6.1% decline in 2020.
- The ratings also reflect the company's relatively small and geographically concentrated property portfolio, a cyclical local property market that has registered a fall in residential rents of 30% since the peak of 2015, some property development risk albeit well managed and high financial leverage as measured by net debt to EBITDA of 9.4x as of December 2020.

QATAR

MANDATE: Qatar's Dukhan Bank PNC5.5 AT1 USD RegS Sukuk

- Dukhan Bank QPSC mandates Standard Chartered Bank as sole global coordinator and Citi, Credit Suisse, JPMorgan, KFH Capital, QInvest, QNB Capital, Societe Generale and Standard Chartered Bank as joint lead managers and joint bookrunners, to arrange a global investor conference call on Monday July 5 at 9AM UKT / 11AM Doha / 4PM HKT, along with a series of fixed income investor calls.
- An unrated fixed rate USD-denominated Regulation S Resettable PNC5.5 Basel III compliant Additional Tier 1 Capital Certificates (the "Capital Certificates") with a first call date on July 14, 2026 and first reset date on January 14, 2027 will follow, subject to market conditions
- FCA/ICMA stabilization applies
- Dukhan Bank is an Islamic bank in Qatar; rated A2 / A (both stable) by Moody's/Fitch

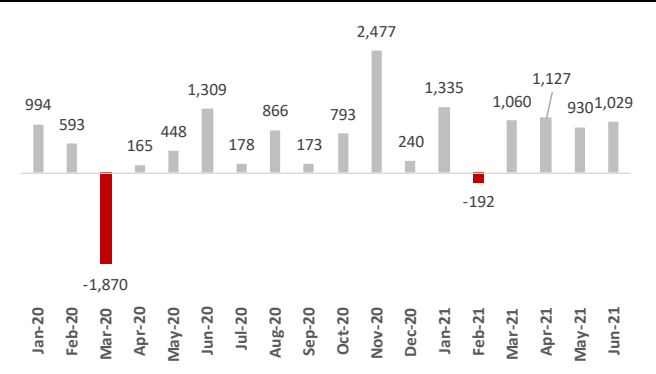
CHART / TABLE OF THE DAY

GCC records net foreign flows of USD 1.03bn in June 2021; YTD inflows at USD 5.29bn

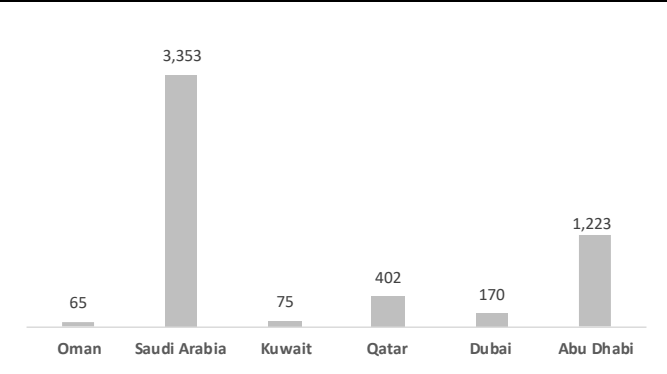
- GCC net foreign flows recorded in June 2021 were USD 1.028bn compared to USD 930mn in May 2021 and USD 1.30bn in June 2020.
- YTD the inflows were recorded at USD 5.29bn in 1H-2021 compared to USD 1.63bn worth of foreign flows in same period last year.

GCC - NET FOREIGN FLOWS - 2020/21

GCC Monthly Net Foreign Flows (USD mn)

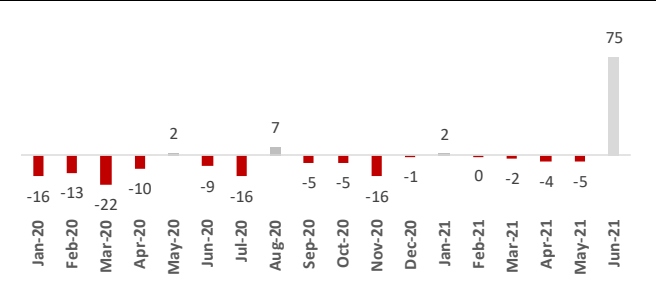


GCC Country Wise Net Foreign Flow (USD mn) - YTD 2021

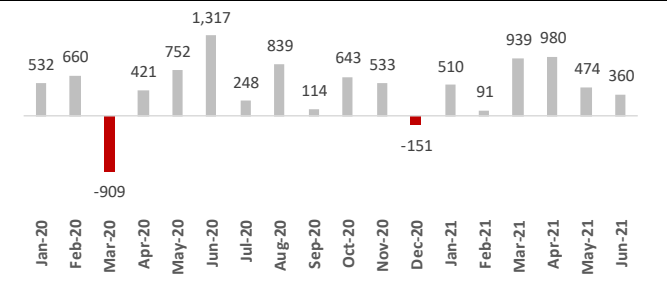


COUNTRY WISE - NET FOREIGN FLOWS - 2020/21

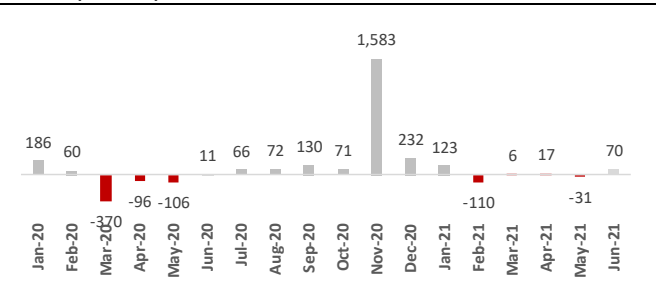
Oman (USD mn)



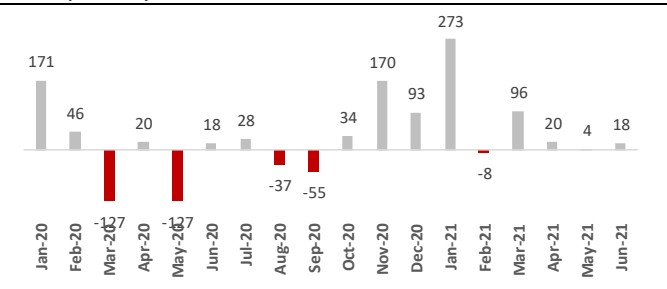
Saudi Arabia (USD mn)



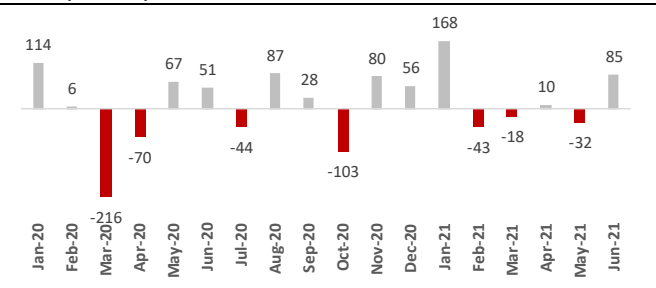
Kuwait (USD mn)



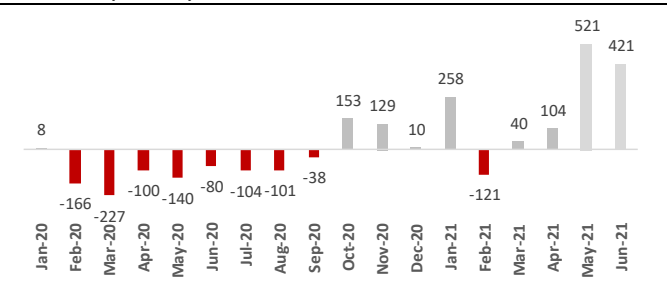
Qatar (USD mn)



Dubai (USD mn)



Abu Dhabi (USD mn)



Source: Bourse Websites

TECHNICAL ANALYSIS

GCC Virtual Technical Portfolio

Stock Name	Market Name	Purchase Price	Target 1	Status	Target 2	Status	Return		Turnover Ratio	Stop Loss	Risk	Recommendation Date
							T1	T2				
BAHRI	KSA	39.45	40.60		40.70		2.92%	3.17%	0.08	39.35	-0.3%	05-Jul-21
PETROCHEM	KSA	44.10	45.30		45.40		2.72%	2.95%	0.07	44.00	-0.2%	05-Jul-21
INDUSTRIALIZATION	KSA	20.06	20.70		21.00		3.19%	4.69%	0.07	20.00	-0.3%	05-Jul-21
APPC	KSA	74.00	76.00		76.50		2.70%	3.38%	0.08	73.50	-0.7%	05-Jul-21
OTHAIM MARKET	KSA	125.20	129.00		129.50		3.04%	3.43%	0.07	125.00	-0.2%	05-Jul-21
SADAFCO	KSA	181.60	187.00		188.00		2.97%	3.52%	0.09	181.00	-0.3%	05-Jul-21
DEYAAR DEVELOPMENT	UAE	0.301	0.310		0.312		2.99%	3.65%	0.08	0.300	-0.3%	05-Jul-21
ABU DHABI ISLAMIC BANK	UAE	5.52	5.65		5.70		2.36%	3.26%	0.08	5.50	-0.4%	05-Jul-21
ADNOC	UAE	4.39	4.50		4.55		2.51%	3.64%	0.07	4.35	-0.9%	05-Jul-21
AGTHIA GROUP	UAE	5.90	6.10		6.12		3.39%	3.73%	0.09	5.88	-0.3%	05-Jul-21
WIDAM	QATAR	4.53	4.65		4.67		2.65%	3.09%	0.09	4.50	-0.7%	05-Jul-21
MEDICARE	QATAR	8.86	9.10		9.12		2.71%	2.93%	0.08	8.80	-0.7%	05-Jul-21

Last week actual performance for 12 companies

Stock Name	Market Name	Closing Price	Purchase Price	Target 1	Status	Target 2	Status	Return		Turnover Ratio	Stop Loss	Risk	Recommendation Date
								T1	T2				
PETRO RABIGH	KSA	24.44	22.40	23.00		23.10		2.68%	3.13%	0.07	22.30	-0.4%	28-Jun-21
ALDREES	KSA	69.00	67.80	69.50		69.90		2.51%	3.10%	0.06	67.70	-0.1%	28-Jun-21
MAADEN	KSA	63.70	58.90	60.50		60.70		2.72%	3.06%	0.07	58.70	-0.3%	28-Jun-21
YANSAB	KSA	72.10	72.70	74.70		75.00		2.75%	3.16%	0.09	72.10	-0.8%	28-Jun-21
EASTERN CEMENT	KSA	49.10	49.35	50.80		51.00		2.94%	3.34%	0.07	49.25	-0.2%	28-Jun-21
SEERA	KSA	21.86	21.30	21.90		22.00		2.82%	3.29%	0.08	21.20	-0.5%	28-Jun-21
DEYAAR DEVELOPMENT	UAE	0.301	0.298	0.305		0.310		2.35%	4.03%	0.07	0.296	-0.7%	28-Jun-21
AIR ARABIA	UAE	1.34	1.36	1.40		1.45		2.94%	6.62%	0.07	1.35	-0.7%	28-Jun-21
SHARJAH ISLAMIC BANK	UAE	1.49	1.48	1.52		1.55		2.70%	4.73%	0.08	1.47	-0.7%	28-Jun-21
ESHRAQ PROPERTIES	UAE	0.35	0.36	0.37		0.38		2.78%	5.56%	0.07	0.36	-0.6%	28-Jun-21
MATIONAL LEASING	QATAR	1.19	1.20	1.23		1.24		2.50%	3.33%	0.08	1.19	-0.8%	28-Jun-21
AL MEERA	QATAR	19.30	19.44	19.90		20.00		2.37%	2.88%	0.09	19.35	-0.5%	28-Jun-21

(Week 27 - 2021) ----- % Gain/Loss* = +1.52%

Achieved Near To Losses

Weekly performance for the past weeks

No. of the Week	Report No.	% Gain/Loss for GTP *	U Capital GCC 50 Index	MSCI GCC Index	S & P GCC Index
Week 27 - 2021	199	1.52%	0.67%	-0.40%	-0.18%
Week 26 - 2021	198	0.12%	-0.25%	0.60%	0.04%
Week 25 - 2021	197	0.71%	-0.05%	0.01%	0.06%
Week 24 - 2021	196	3.22%	0.47%	0.40%	0.30%

Historical performance - Monthly

No. of the Month	Report No.	% Gain/Loss for GTP *	U Capital GCC 50 Index	Bloomberg GCC 200	S & P GCC Index
Month 01 - 2021	173-177	4.69%	4.57%	-0.13%	1.84%
Month 02 - 2021	178-181	5.93%	2.95%	-2.80%	2.86%
Month 03 - 2021	182-185	6.45%	0.56%	-0.40%	1.30%
Month 04 - 2021	186-189	7.51%	7.97%	1.60%	2.33%
Month 05 - 2021	190-193	3.78%	2.06%	3.02%	2.98%
Month 06 - 2021	194-197	7.81%	4.23%	0.91%	2.33%
Month 07 - 2021	198-201				
Month 08 - 2021					
Month 09 - 2021					
Month 10 - 2021					
Month 11 - 2021					
Month 12 - 2021					
YTD		36.17%	22.34%	2.20%	13.64%

Historical performance - Yearly

Year	Report No.	% Gain/Loss for GTP *	U Capital GCC 50 Index	Bloomberg GCC 200	S & P GCC Index
2015 - 2016 - 2017 - 2018		(90%) - (85%) - (78%) - (83%)	(1.5%) - (14%) - (7%) - (19%)	(1.39%) - (1%) - (3%) - (-13%)	(-5.63%) - (3%) - (7%) - (7%)
2019		67%	10%	2%	14%
2020		90%	-3%	1%	12%
2021		36%	22%	2%	14%

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

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

* Gross returns, excluding transaction cost & Prices are in Countries respective currency

For more information about the content of this report, please contact Mr. Basheer Rousan at the following number: +968 24949014



Ubhar Capital SAOC (U Capital)
Ominvest Business Centre

Building no. 95
Way no. 501
Airport Heights
Tel: +968 2494 9000
Fax: +968 2494 9099
Email: research@u-capital.net
Website: www.u-capital.net

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

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