

PRE-MARKET REPORT

7 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	672.6	-2.54	-0.38%	18.06%	23.62	2.14	2.3%
Muscat Stock Exchange	4,121.5	18.68	0.46%	12.65%	14.48	0.83	3.8%
Saudi Stock Exchange	10,971.2	-29.82	-0.27%	26.26%	35.98	2.42	1.9%
Kuwait Stock Exchange	6,348.9	-28.89	-0.45%	14.48%	40.85	1.63	1.9%
Qatar Exchange	10,781.4	-18.44	-0.17%	3.31%	18.23	1.62	2.7%
Bahrain Stock Exchange	1,573.8	-5.32	-0.34%	5.64%	13.35	0.82	3.5%
Dubai Financial Market	2,782.7	-20.48	-0.73%	11.67%	21.13	0.97	2.8%
Palestine Stock Exchange	554.6	1.34	0.24%	17.67%	18.15	1.31	2.3%
Tunis Se Index	7,246.3	11.22	0.16%	5.25%	23.80	2.40	2.1%
EGX 30 Index	10,154.8	-193.50	-1.87%	-6.37%	10.13	1.43	1.7%
Amman General Index	2,081.4	-19.70	-0.94%	25.60%	24.70	0.88	3.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
Europe					Currency		
FTSE 100	UK	7,100.9	-0.89%	9.91%	Australian Dollar (AUD)	1.334	2.65%
DAX	Germany	15,511.4	-0.96%	13.07%	British Pound (GBP)	0.725	-0.98%
CAC 40	France	6,507.5	-0.91%	17.22%	Canadian Dollar (CAD)	1.247	2.08%
United States					Chinese Renm. (CNH)	6.473	0.46%
DJIA	USA	34,577.4	-0.60%	12.97%	Egyptian Pound (EGP)	15.678	0.31%
S&P 500	USA	4,343.5	-0.20%	15.64%	Euro (EUR)	0.846	3.31%
NASDAQ	USA	14,663.6	0.17%	13.77%	Indian Rupee (INR)	74.635	-2.10%
Asia Pacific					Japanese Yen (JPY)	110.610	-6.65%
NIKKEI 225	Japan	28,377.0	-0.93%	3.40%	Swiss Franc (CHF)	0.924	-4.19%
HANG SENG	Hongkong	27,865.3	-0.74%	2.33%	Omani Rial (OMR)	0.385	0.00%
KSE 100 Index	Pakistan	47,346.2	0.00%	8.21%	Pakistan Rupee (PKR)	158.200	1.03%
NSE Nifty 50	India	15,810.5	-0.05%	13.08%	Russian Ruble (RUB)	74.459	-0.06%
SHANGHAI COMPOSITE	China	3,545.7	0.44%	2.09%	Singapore Dollar (SGD)	1.348	-1.89%
SHANGHAI SHENZHEN CSI 300	China	5,128.1	0.88%	-1.60%	Turkish Lira (TRY)	8.683	-14.31%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
				GCC Latest 10-Yr Government Bond Yields		
					Maturity date	YTM, %
Oil	USD	%	%	KUWAIT	20/03/2027	1.38
Brent Crude (per bbl)	74.5	-0.01%	45.57%	UAE	16/04/2030	2.05
WTI Crude (per bbl)	73.5	0.10%	51.38%	QATAR	16/04/2030	2.15
Oman Crude Oil (Last Closing)	72.8	-2.71%	42.58%	SAUDI ARABIA	22/10/2030	2.35
OPEC (per bbl)	75.7	0.66%	50.70%	OMAN	25/01/2031	5.40
				BAHRAIN	30/09/2031	5.50
Precious Metals						
Gold100 OZ (per oz)	1,799.8	0.15%	-5.19%			
Silver (per oz)	26.2	0.07%	-0.83%			
Platinum (per oz)	1,092.0	-0.27%	1.85%			
Other Metals						
Copper, MT	9,312	-2.09%	19.91%			
Aluminium, MT	2,530	-1.02%	27.81%			
Lead, MT	2,294	0.31%	15.02%			
Zinc, MT	2,935	-0.37%	6.67%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.52	0.4	1m	0.10	-27.6%
5 year	100.30	0.8	3m	0.14	-42.1%
10 year	102.44	1.4	6m	0.16	-36.9%
30 year	108.83	2.0	1 year	0.24	-29.4%

Source: Bloomberg

GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

IPO / SAUDI ARABIA

Saudi Tadawul Group receives over 25 listing applications in 2021, says Alhussan

- Chief Executive Officer (CEO) of Saudi Tadawul Group, said that the Saudi market witnessed 25 listings in the last three years, and received new 25 listing applications this year.
- When asked about Tadawul listing, Alhussan said that the group completed its basic structure, started to grow and develop. Therefore, time is ripe now for its listing.
- Moreover, the market attracted 2,500 foreign institutions with nearly SAR 200 billion investments.
- Saudi Tadawul Group announced the launch of the technical innovation company Wamid, as part of Tadawul's strategy to expand into new areas in preparation for the initial public offering (IPO) process, Argaam reported.
- Alhussan added that Wamid Company was launched to seize opportunities through technology and information inside and outside the financial sector, and boost Saudi Tadawul Group's growth.

Tanmiah sets final IPO price at SAR 67, institutional coverage reaches 9,534%

- Saudi Fransi Capital, the financial advisor, lead manager, bookrunner and underwriter for the initial public offering (IPO) of Tanmiah Food Co., successfully completed the book building process for institutional subscription to the company's shares, and the coverage ratio reached 9,534%.
- The price of the offered shares has been set at SAR 67 per share.
- Saudi Fransi Capital advised that the participating institutions have subscribed to all the offered shares, with 6 million ordinary shares allocated, representing 100% of the total shares offered for subscription during the institutional tranche.
- With the successful completion of the book building process, as a second stage, a maximum of 600,000 ordinary shares, representing 10% of the total shares offered for public subscription, will be allocated to individual subscribers (the retail tranche).

OMAN

Oman Cables Update on a Court Verdict

- Further to the disclosure made by the Company "Oman Cables Industry SAOG" on Muscat Stock Exchange on 1st of April 2021 regarding the court verdict that was issued in its favor, the Company would like to disclose to the shareholders that it has received on 6 July 2021, through the Company's lawyer in the State of Qatar, that an appeal was not registered by the defendant (Imperial Trading and Contracting Company) against the court verdict issued in favor of Company. The verdict obliges the defendant to pay to the Company an amount of QAR 14,274,000 (fourteen million two hundred seventy-four thousand Qatari Riyals), which is equivalent to approximately RO 1,500,000 (one million and five hundred thousand Omani Riyals), as outstanding amounts, in addition to the amount of QAR 1,000,000 (One million Qatari Riyals) equivalent to approximately RO 105,000 (one hundred and five thousand Omani Riyals) as compensation for damages.
- Accordingly, the Company will proceed with the execution procedures for the aforementioned verdict, and we will update the shareholders on this matter at the time.

SAUDI ARABIA

Saudis Raise Oil Prices After OPEC+ Fails to Add Supply; Aramco raises Arab Light crude by 80 cents a barrel for Asia

- Saudi Arabia raised oil prices for buyers from Asia to the U.S. for August after OPEC+ talks broke down just as the market was clamoring for more supply.
- The Saudis, along with Russia, sought over the past week to rally other members around a plan to unwind production cuts incrementally and to extend their accord through to the end of next year. The proposal collapsed when the United Arab Emirates balked at keeping in place what it says is an unfair production baseline for its quota for longer.
- Read: Crude Oil Surges to Six-Year High as OPEC+ Enters Crisis Mode
- In its main market of Asia, Saudi Aramco increased the official selling price, or OSP, for Arab Light crude by 80 cents a barrel to \$2.70 above the regional benchmark. That's the biggest month-on-month increase since January, and suggests the oil giant won't raise supply next month even as it sees the market tightening.

Saudi German Hospital extends deal with Sobhi Batterjee hospital

- Middle East Healthcare Company (Saudi German Hospital) has extended its non-binding memorandum of understanding (MoU) with Sobhi Abdul Jaleel Batterjee Medical Hospital, according to a bourse filing on Tuesday.
- The extended agreement will be effective for 90 working days starting 30 June 2021.
- Saudi German Hospital aims to allow the completion of due diligence checks and other required work for the implementation of the deal agreements.
- The listed firm announced on 28 January this year the signing of MoU with the Jeddah-located Sobhi Batterjee hospital to enter as a partner the medical facility.

GO to consider capital restructuring to reduce accumulated losses

- The board of Etihad Atheeb Telecommunication Company (GO) has authorized the executive management to study ways to restructure the company's capital through a cut and subsequent increase to shrink the accumulated losses.
- GO has registered accumulated losses worth SAR 116.78 million at the end of fiscal year (FY) ended on 31 March 2021, according to a bourse filing on Tuesday.
- The above value accounted for 51.1% of GO's SAR 228.52 million capital.
- The telecom operator also intends to increase the financial solvency of the company, besides considering strategic expansion, improving operational and financial performance.

Abdullah A. M. Al-Khodari Sons Co. Announces the Commercial Court of Dammam accepted the proposal for financial restructuring

- The First Chamber of the Commercial Court of Dammam decided in the hearing held on Thursday dated 21-11-1442, to accept the proposal for the company's financial restructuring procedure and to set 22/12/1442 As a date for shareholders voting on the proposal and 25-12-1442 as a date for Creditor's voting on the proposal.
- shareholders voting date on the proposal is 22/12/1442 and Creditor's voting date on the proposal 25-12-1442.
- The company is working on the voting mechanism for creditors and shareholders as per the bankruptcy law (Details will be announced later).

Ataa Educational Co. Announces Obtaining a the signing of a banking facilities agreement in compliance with the provisions of Islamic sharia

- Ataa Educational Company announces the signing of a Sharia-compliant banking facility agreement with Riyadh Bank with a value of (278,250,000) two hundred and seventy-eight million two hundred and fifty thousand Saudi riyals.
- These facilities will be used to finance the company's future needs for expansion projects and to finance working capital when needed.
- The facilities were granted Based on the strength of the company's financial position against a promissory note.

Advanced Petrochemical Estimated Earnings up 70% YoY and 55% QoQ in 2Q21

- Net profit increased by 71% compared to Q2 2020 mainly due to the following:
 - Increase in polypropylene sales prices by 72%.
 - Increase in share of profit on SK Advanced investment by SR 19 million.
- The above increase in net profit was despite of the following:
 - Decrease in sales volume by 14% resulting from 2021 periodic scheduled maintenance (20 days in March & 10 days in April).
 - Increase in propane and outsourced propylene prices by 102% and 61% respectively.
 - Increase in general and administrative expenses by 51%.

QATAR

Qatar National Cement Company announces the Board of Directors' recommendation to increase the percentage of non-Qatari ownership to 100% of the company's capital.

- Qatar National Cement Company announces that the company's board of directors has recommended approving the increase in the percentage of non-Qatari ownership to 100% of the company's capital, after the approval of the regulatory authorities, in line with the stated directions of the state.
- The date of the extraordinary general assembly meeting will be set to approve the recommendation, after obtaining the necessary approvals, in accordance with the provisions of the applicable laws and regulations in the State of Qatar.

UAE

IHC's unit acquires 70% stake in 1885 Delivery Services

- EasyLease Motorcycle Rental, a subsidiary of Abu Dhabi-based International Holdings Company (IHC), has acquired a 70% stake in 1885 Delivery Services, providing delivery services across the UAE.
- 1885 Delivery Services plans to form a hybrid model of 3PL and direct rider management offering services to food tech and aggregators, according to a press release on Tuesday.
- The transaction is EasyLease's second acquisition which has been completed in less than 12 months following the previous year's investment in Dubai-based Uplift Delivery Services.

Emaar Properties expects to delist Emaar Malls by end of 2021

- Emaar Properties forecasts to acquire a minority shareholding of Emaar Malls and delist the company by the end of 2021, the Emaar spokesperson told Reuters.
- The all-share deal to make Emaar Malls a wholly-owned subsidiary of Emaar Properties, which already owns about 85% of the company, was announced in March 2021.
- The spokesperson referred that the UAE Securities and Commodities Authority (SCA) is reviewing the proposal as part of the normal process.
- "We expect the entire merger process to complete before year-end," the spokesperson remarked.
- It is noteworthy to mention that in March, Emaar Properties and Emaar Malls jointly announced that each of their boards of directors has voted to recommend an all-share merger to their respective shareholders.

ECONOMIC & GENERAL NEWS

OMAN

Revised Electricity Tariffs Begin to Pare Subsidy: APSR

The Authority for Public Services Regulation (APSR), whose broad remit includes the electricity sector, has projected a tangible easing of government subsidy during 2021 following the phased introduction of revised tariffs for key segments of the sector's diverse customer base starting from January 1, 2021. Total subsidy for the electricity sector this year is projected at RO 511 million, down from a peak of RO 582.9 million disbursed to the sector in 2020. The roughly 13 per cent decline in subsidy projections for 2021 has been attributed to a significant uptick in revenue earned from customers subject to the revised tariffs, coupled with the application of new cost reflective tariffs (CRT) guidelines for major customers effective from this year.

[Source](#)

CBO issues treasury bills worth OMR 146mn

Oman's central bank raised OMR146 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from July 7 until August 4, 2021. The average accepted price reached 99.950 for every OMR100 and the minimum accepted price arrived at 99.950 per OMR100. The average discount rate and the average yield reached 0.65179 per cent and 0.65211 per cent, respectively. It may be noted that the interest rate on the Repo operations with CBO is 0.5 per cent while the discount rate on the Treasury Bills Discounting Facility with CBO is 0.75 per cent.

[Source](#)

MSX Gains 18 Points

Muscat Stock Exchange (MSX) general index (30) today added (18.7) points, comprising an increase by (0.46%) to close at (4121.52) points, compared to the last session, which stood at (4102.84) points. The trading value today stood at (RO 3,363,020), comprising a drop by (41.7%), compared to the last session, which stood at (RO 5,768,947). The report released by MSX pointed out that the market value went up by (0.175%) to reach about (RO 21.66) billion. The report added that the value of shares bought by non-Omani investors reached (RO 537,000), comprising (15.96%). The value of shares sold by non-Omani investors reached (RO 851,000), comprising (25.30%). The net non-Omani investment fell by (9.34%) to (RO 314,000).

[Source](#)

Oman Oil Price Rises 1.34 US Dollar

Oman oil price (September Delivery 2021) today reached 76.09 US Dollars, comprising a rise by 1.34 US Dollar from the price of yesterday (Monday), which was 74.75 US Dollars. The average price of Oman oil (July Delivery 2021) has stabilized at 66.40 US Dollars, thus 3.30 US Dollars per barrel higher than June Delivery 2021.

[Source](#)

MIDDLE EAST

Mideast Stocks: Dubai drags major Gulf markets lower

Major stock markets ended lower on Tuesday, as Saudi Arabia amended import rules from the Gulf in a challenge to the United Arab Emirates, with the Dubai index leading the losses. Dubai's main share index fell 0.7%, in Abu Dhabi, the index gave up early gains to finish 0.2% lower. Saudi Arabia's benchmark index lost 0.3%. The Qatari benchmark was down 0.2%,

[Source](#)

Saudi new housing supply jumps 29% in first quarter 2021

Supply of new housing units in Saudi Arabia surged in the first quarter as the government's Sakani and Wafi programs drove the building of affordable housing. New housing supply surged 29 percent year on year in the first three months of 2021 and by 0.6 percent from the previous quarter, according to the Housing Data and Observatory Center. There were 344,000 housing units built in the Kingdom over the past year. Construction started on 101,000 units in the first quarter of 2021, an 18 percent increase on the same period a year earlier, while 106,000 units were completed. The average price of residential apartments fell below SR500,000 (\$133,315) in the first quarter of 2021 from the end of 2020.

[Source](#)

Dubai property sales surged to 8-year high in June

Dubai's property market has just scored its busiest month in about eight years, as buyers continued to snap up villas and apartments despite the ongoing pandemic in June, the latest data showed. A total of 6,388 deals worth 14.79 billion dirhams (\$4 billion) were made in Dubai in June 2021, the highest since December 2013, Property Finder said in a report on Tuesday. Transactions for the month were up by 44.33 percent compared to May 2021 in terms of volume and up 33.2 percent in terms of value. Total deals for the second quarter of the year reached 15,638, with a combined value of 36.86 billion dirhams, bringing the year to date total to 27,373 transactions worth 61.97 billion.

[Source](#)

Dubai's consumer confidence rises to its highest since 2011

The second quarter of 2021 saw consumer optimism in Dubai rising to its highest level since 2011, according to the quarterly Consumer Confidence Index of Dubai's Department of Economic Development (Dubai Economy). Consumer confidence rose to 151 points in Q2 2021, a marked increase from the 125 points recorded in the same period last year and the 145 points in Q1 2021.

[Source](#)

Saudi targets 1.3 gigawatts of data center capacity by 2030

Saudi Arabia is targeting to develop more than 1,300 megawatts of data centre capacity in the kingdom by 2030 at a total investment of \$18 billion, the state-owned Saudi Press Agency said on Monday. The Ministry of Communications and Information Technology (MCIT) is working closely with the private sector as well as local and international investors on an investment framework for large-scale data centre development in the kingdom. This includes the development of hyper-scale data centres that can accommodate the high demand for cloud services and enable Saudi Arabia to become a computing powerhouse and the digital hub for the region, the report said.

[Source](#)

INTERNATIONAL

China-U.S. yield spread widens to 4-month high

The yield spread between Chinese and U.S. sovereign bonds was quoted at its widest since March 3 on Wednesday, as U.S. yields fell following soft service sector data. The spread between the Chinese and U.S. sovereign 10-year yield was last quoted at 176 basis points, according to Refinitiv data.

[Source](#)

Asia shares stumble, bonds and dollar find safe-haven demand

Asian share markets stumbled on Wednesday as a bout of risk aversion boosted bonds and the dollar, while investors braced for minutes from the Federal Reserve's last meeting which should underline a hawkish turn in U.S. monetary policy. Dealers were hard pressed to find a single catalyst for the sudden change of mood, but a Chinese crackdown on tech companies had clearly had an impact. Hong Kong stocks shed another 1% to near six-month lows, while U.S.-listed ride-hailing company Didi Global Inc shed more than 20% in New York. Alibaba Group <BABA.N., Baidu Inc and JD.com all fell.

[Source](#)

Corporate net debt seen rising as companies spend pandemic cash piles

Global corporates' net debt will increase by as much as \$600 billion this year as they start to spend some of the cash piles accumulated during the pandemic, a study by asset manager Janus Henderson said on Wednesday. Companies borrowed a record \$1.3 trillion last year but took a cautious approach towards spending it, which left them sitting on some \$5.2 trillion in cash, Janus Henderson said. As a result, total debt climbed 10.2% to a record \$13.5 trillion for the 2020 financial year, while net debt - calculated as total debt minus cash - rose only marginally to \$8.3 trillion.

[Source](#)

Yellen to press G20 for higher minimum corporate tax rate -U.S. Treasury

U.S. Treasury Secretary Janet Yellen will press G20 counterparts this week for a global minimum corporate tax rate above the 15% floor agreed by 130 countries last week, but a rate decision is not expected until future phases of negotiations, U.S. Treasury officials said on Tuesday. The specific rate, and potential exemptions, are among issues still to be determined after 130 countries reached an historic agreement at a Paris-based Organization for Economic Co-operation and Development (OECD) meeting last week. The countries outlined a global minimum tax and the reallocation of taxing rights for large, highly profitable multinational firms.

[Source](#)

U.S. urges China, private sector to boost participation in G20 debt response

The United States on Tuesday urged China and the private sector to increase their participation in a G20 debt moratorium for low-income countries hammered by the COVID-19 pandemic, and a common framework for restructuring their debts. A senior U.S. Treasury official said Washington was open to expanding the common framework for debt treatment agreed by the G20 and the Paris Club beyond just low-income countries to include small island states, fragile states and even some lower middle-income countries with high debt burdens. G20 finance officials will review progress on the debt issue when they meet in Venice on July 9-10, amid growing alarm about a looming debt crisis.

[Source](#)

COMMODITIES

Oil steadies after tumble as market awaits OPEC+ clarity

Oil prices steadied on Wednesday after a steep drop in the previous session, following the cancellation of talks among OPEC+ producers that raised the prospect that the world's major crude exporters will turn on the taps to gain market share. Brent crude was up 3 cents at \$74.56 a barrel by 0115 GMT, after slumping more than 3% on Tuesday. U.S. oil was up 7 cents at \$73.44 a barrel, having declined by more than 2% in the previous session. Energy ministers from OPEC+, a grouping that includes the Organization of the Petroleum Exporting Countries (OPEC) along with Russia and other oil producing countries, ended talks on supply policy on Monday.

[Source](#)

Gold slips from 3-week peak as dollar firms ahead of Fed minutes

Gold prices edged lower on Wednesday after hitting a three-week peak in the previous session, as a rebound in the dollar weighed on the safe-haven metal ahead of the release of minutes from the U.S. Federal Reserve's June policy meeting. Spot gold was down 0.1% at \$1,795.39 per ounce, as of 0103, after hitting its highest since June 17 at \$1,814.78 on Tuesday. U.S. gold futures edged 0.1% higher to \$1,795.80 per ounce.

[Source](#)

China to boost steel scrap usage by 23% in next five years

China plans to increase its use of steel scrap by 23% to 320 million tons by 2025 and to increase production of recycled nonferrous metals, in an effort to ensure supplies and to meet the country's climate commitments. The world's top metals consumer will boost its recycled nonferrous output to 20 million tons in the next five years from 14.5 million tons in 2020, the National Development and Reform Commission (NDRC) said on Wednesday.

[Source](#)

FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

UAE

Abu Dhabi's \$2bn medium-term note program listed on bourse

- The Abu Dhabi Securities Exchange (ADX) has announced the listing of Abu Dhabi's global medium-term note program valued at \$2 billion, starting Monday, 5 July 2021.
- The one-tranche global medium-term note program was listed on ADX as per the attached pricing term sheet, according to a press release on Tuesday.
- It is noteworthy to mention that in early June 2021, Abu Dhabi completed a \$2 billion sovereign bond issuance with a seven-year tenor, the first of its kind in the region.

Emirates Development Bank lists \$750m bonds on Nasdaq Dubai

- Emirates Development Bank (EDB) has celebrated the listing of \$750 million bonds on Nasdaq Dubai.
- The five-year bond issuance has witnessed strong demand from investors, of which 34% came from MENA, 36% from Europe, 28% from Asia, and 2% from the US offshore market, according to a press release on Tuesday.
- The EDB bonds have been listed on the international financial exchange on 15 June 2021, strengthening Dubai's position as the largest listing venue in the Middle East for US dollar-denominated debt listings, with a total value of \$98.5 billion.
- The CEO of EDB, Ahmed Mohamed Al Naqbi, said: "The successful second issuance of our \$750 million bond issue, which was oversubscribed four times, reflects the global & local investor confidence in our strategy to support UAE's economic diversification plans."

IPT: Pvt Dept of Skh Mohamed Bin Khalid 5y \$ RegS at 5.750% Area

- Books open, today's business.
- Issuer: PD Sukuk Limited
- Obligor: Private Department of Skh Mohamed Bin Khalid Al Nahyan – LLC
- Obligor Ratings: Ba1 (Stable) / BB (Stable) (Moody's / S&P)
- Expected Issue Ratings: Ba1 (Moody's) / BB (S&P)
- Issuer LEI: 549300HHJBXEVFTBRI94
- Sukuk Structure: Sukuk Al-Wakala-Murabaha
- Status of the Certificates: Senior unsecured
- Format: Registered, Regulation S only, Category 2
- Currency: US Dollars
- Size: Benchmark
- Tenor: 5 Years
- Settlement Date: 14 July 2021 (T+5)
- Maturity Date: 14 July 2026
- IPTs: 5.750% area
- Profit Rate: TBC; FXD, S/A, 30/360

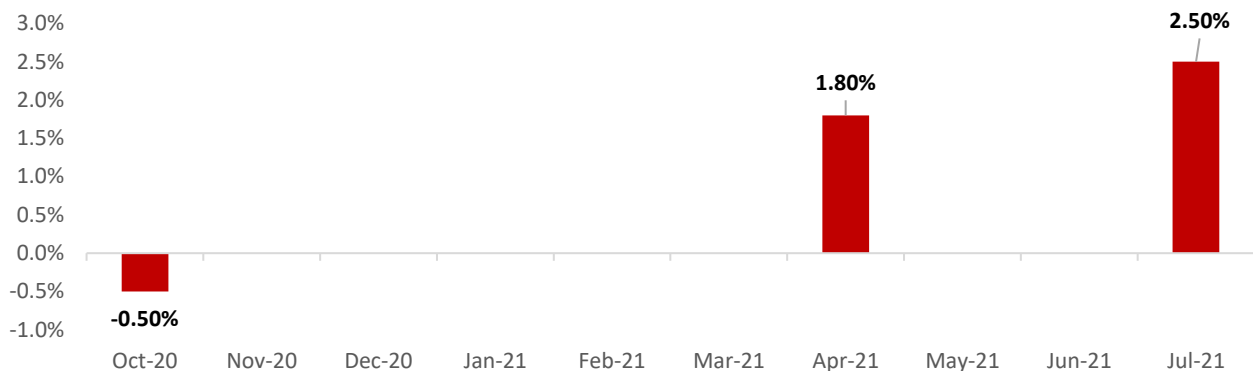
IMPORTANT ANNOUNCEMENT

Oman: IMF Staff Concluding Statement of the 2021 Article IV Mission; Real GDP revised to 2.5% for 2021 from 1.8% earlier

Synopsis:

- **The economy is expected to gradually recover from the pandemic and strengthen over the medium term.** Official provisional data indicate that real GDP contracted by 2.8 percent in 2020, with non-hydrocarbon growth at -3.9 percent and a shallower decline in hydrocarbon GDP. Benefiting from the projected modest increase of hydrocarbon production, overall GDP is projected to grow around 2.5 percent in 2021 with about 3 percent average growth over the medium term.

Oman Real GDP Estimates Revision for 2021 by IMF



- **Fiscal and external balances are projected to improve considerably over the medium term.** After deteriorating sharply in 2020 to a deficit of about 19.3 percent of GDP, reflecting lower oil revenue and a slump in economic activity, the fiscal balance is projected to improve to -2.4 percent of GDP in 2021 (owing to recovery of hydrocarbon revenue beyond that anticipated in the MTFP, hiving off hydrocarbon expenditure to Energy Development Oman (EDO), significantly higher nominal GDP reflecting a rebound in hydrocarbon prices, and fiscal adjustment measures), and move to a surplus over the medium term, with a substantial decline in the government debt.
- **However, there are substantial uncertainties around the outlook.** The emergence of COVID-19 variants could prolong the impact of the pandemic on the global outlook and financial conditions, and thus intensify the economic impact on Oman. Volatility in oil prices would have a significant impact on the outlook.
- **Steadfast implementation of the Medium-Term Fiscal Plan (MTFP) is essential to reinforce fiscal sustainability.** The MTFP targets the elimination of the fiscal deficit over the medium term by boosting non-hydrocarbon revenue while keeping nominal fiscal expenditure broadly constant and improving its efficiency and targeting. Frontloaded consolidation measures in the 2021 budget have been smoothly implemented, bolstering confidence.
- **The exchange rate peg remains an appropriate policy anchor, delivering low and stable inflation.** The MTFP and structural reforms are critical to ensure external sustainability and support the exchange rate peg.
- **Enhancing public financial management and fiscal governance would improve accountability and effectiveness of policy.** More disclosures in quarterly fiscal reports are needed, including on revenue, expenditure, and financing. Adding a tax expenditure assessment to the budget would strengthen transparency over various tax incentives. With EDO tasked with hydrocarbon capital expenditure and Oman Investment Authority (OIA) oversight of State-Owned Enterprises (SOEs), fiscal coverage should be expanded beyond the budgetary central government to give a better picture of the sustainability of the broader public sector. A sovereign asset liability management framework should be developed given eroding financial buffers and the growing role of SOEs. The establishment of the Debt Management Committee to coordinate debt issuance of Oman and manage financial exposures is welcome. The authorities have requested IMF technical assistance to help develop a medium-term debt strategy to guide the government's borrowing program and provide more predictability to the financial system.

TECHNICAL ANALYSIS

GCC Technical Analysis

Stock Name	Market Name	Purchase Price	Target 1	Target 2	Return T1	Return T2	Stop Loss	Risk
اسم السهم	السوق	سعر الشراء	الهدف الأول	الهدف الثاني	العائد الأول	العائد الثاني	وقف الخسارة	المخاطرة
SARCO	SAUDI	172.60	177.00	178.00	2.55%	3.13%	171.50	-0.6%
GYP SUM	SAUDI	52.48	54.00	54.50	2.90%	3.85%	52.35	-0.2%
SAUDI EXPORT	SAUDI	115.00	119.00	120.00	3.48%	4.35%	114.00	-0.9%
SISCO	SAUDI	48.70	50.00	50.20	2.67%	3.08%	48.60	-0.2%
KINGDOM	SAUDI	10.50	10.80	11.00	2.86%	4.76%	10.45	-0.5%
JABAL OMAR	SAUDI	34.40	35.50	36.00	3.20%	4.65%	34.20	-0.6%
AIR ARABIA	UAE	1.35	1.38	1.39	2.22%	2.96%	1.34	-0.7%
METHAQ TAKAF.	UAE	0.935	0.960	0.970	2.67%	3.74%	0.93	-0.5%
WAHA CAPITAL	UAE	1.46	1.50	1.52	2.74%	4.11%	1.45	-0.7%

Note:

Support & Resistance for the 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

Prices are in Countries respective currency

Basheer Al Rousan



Uthar 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

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