

## PRE-MARKET REPORT

11 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	666.1	0.02	0.00%	16.92%	23.39	2.12	2.5%
Muscat Stock Exchange	4,120.4	10.51	0.26%	12.62%	14.44	0.83	3.8%
Saudi Stock Exchange	10,825.0	-133.54	-1.22%	24.58%	35.39	2.39	2.1%
Kuwait Stock Exchange	6,367.3	-20.76	-0.32%	14.81%	40.98	1.63	1.9%
Qatar Exchange	10,843.0	-22.89	-0.21%	3.90%	18.33	1.63	2.7%
Bahrain Stock Exchange	1,575.0	-2.85	-0.18%	5.72%	13.36	0.82	3.5%
Dubai Financial Market	2,779.8	-2.33	-0.08%	11.55%	21.11	0.97	2.9%
Palestine Stock Exchange	558.4	-0.56	-0.10%	18.49%	18.14	1.32	2.3%
Tunis Se Index	7,256.4	-15.34	-0.21%	5.39%	23.85	2.40	2.1%
EGX 30 Index	10,184.8	-92.45	-0.90%	-6.09%	10.16	1.44	1.7%
Amman General Index	2,080.9	-13.05	-0.62%	25.56%	24.69	0.88	3.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
			%	%	Currency		
<b>Europe</b>					Australian Dollar (AUD)	1.335	2.69%
FTSE 100	UK	7,121.9	1.30%	10.24%	British Pound (GBP)	0.719	-1.74%
DAX	Germany	15,687.9	1.73%	14.35%	Canadian Dollar (CAD)	1.245	2.23%
CAC 40	France	6,529.4	2.07%	17.62%	Chinese Renm. (CNH)	6.481	0.33%
<b>United States</b>					Egyptian Pound (EGP)	15.682	0.28%
DJIA	USA	34,870.2	1.30%	13.93%	Euro (EUR)	0.842	2.85%
S&P 500	USA	4,369.6	1.13%	16.33%	Indian Rupee (INR)	74.635	-2.10%
NASDAQ	USA	14,701.9	0.98%	14.07%	Japanese Yen (JPY)	110.140	-6.26%
<b>Asia Pacific</b>					Swiss Franc (CHF)	0.915	-3.23%
NIKKEI 225	Japan	27,940.4	-0.63%	1.81%	Omani Rial (OMR)	0.385	0.00%
HANG SENG	Hongkong	27,344.5	0.70%	0.42%	Pakistan Rupee (PKR)	158.425	0.89%
KSE 100 Index	Pakistan	47,563.5	-1.02%	8.70%	Russian Ruble (RUB)	74.352	0.08%
NSE Nifty 50	India	15,689.8	-0.24%	12.22%	Singapore Dollar (SGD)	1.351	-2.15%
SHANGHAI COMPOSITE	China	3,524.1	-0.04%	1.47%	Turkish Lira (TRY)	8.662	-14.10%
SHANGHAI SHENZHEN CSI 300	China	5,069.4	-0.37%	-2.72%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	75.6	1.93%	47.56%	UAE	0.36	-29.3%
WTI Crude (per bbl)	74.6	2.22%	53.67%	Saudi Arabia	0.79	-3.0%
Oman Crude Oil (Last Closing)	74.0	2.07%	44.87%	Kuwait	1.50	4.3%
OPEC (per bbl)	72.0	-2.19%	43.25%	Oman	2.13	-20.2%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,808.3	0.30%	-4.74%	Qatar	1.03	-7.8%
Silver (per oz)	26.1	0.65%	-1.13%	Bahrain	1.64	-27.0%
Platinum (per oz)	1,104.7	2.38%	3.04%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
<b>Other Metals</b>						
Copper, MT	9,520	2.11%	22.58%		Maturity date	YTM, %
Aluminium, MT	2,502	2.44%	26.37%	KUWAIT	20/03/2027	1.38
Lead, MT	2,331	1.46%	16.88%	UAE	16/04/2030	2.01
Zinc, MT	2,977	1.48%	8.22%	QATAR	16/04/2030	2.08
				SAUDI ARABIA	22/10/2030	2.30
				OMAN	25/01/2031	5.28
				BAHRAIN	30/09/2031	5.49

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.59	0.4	1m	0.10	-30.4%
5 year	100.44	0.8	3m	0.13	-46.0%
10 year	102.44	1.4	6m	0.15	-41.4%
30 year	108.66	2.0	1 year	0.24	-30.1%

Source: Bloomberg

## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### OMAN

#### **Dhofar International to increase its share capital by OMR 15mn to OMR 40.92mn**

- Dhofar International announced that Capital Market Authority has approved the prospectus of Right Issue.
- Company plans to increase its share capital from OMR 25.78mn to OMR 40.92mn.
- The decision came into effect from 8<sup>th</sup> July 2021.

### SAUDI ARABIA

#### **Saudi Tadawul Group, Wafi ink MoU to encourage listing of real estate firms**

- Saudi Tadawul Group signed a memorandum of understanding (MoU) with Off-plan Sales or Rent Program (Wafi) to encourage listing of real estate companies and offer them incentives.
- Wafi will provide the real estate companies, listed on Saudi Exchange (Tadawul) an incentive to directly pass the Qualification Certificate of the Real Estate Developer Program.
- The incentive will allow real estate developers to receive off-plan sales licenses.
- Listed real estate developers will be granted a priority in the projects of the of Ministry of Municipal, Rural Affairs and Housing.

#### **Al Gosaibi & Brothers nears SAR 7.25bn settlement**

- Simon Charlton, Chief Restructuring Officer and Acting Chief Executive of Ahmad Hamad Al Gosaibi & Brothers Co. (AHAB), said a debt restructuring proposal was submitted to the Dammam commercial court this week after approval from a creditor committee, Reuters reported.
- The proposal would see creditors receive SAR 7.25 billion (\$1.93 billion) in settlements, representing about 26% of total approved debt claims worth SAR 27.5 billion (\$7.33 billion).
- "This is clearly in the best interest of creditors, it delivers a much higher return than a hostile liquidation and I am confident creditors will see that and will give a successful vote, and I am hoping we'll start distributions later this year," Charlton said.
- A bankruptcy judge is expected to indicate within 60 days a date for a creditor vote, and distributions could follow soon. Moreover, SAR 5.2 billion will come from company assets and about 2 billion riyals from the owners.

#### **Gulf Union Alahlia says accumulated losses down to 12.14% of capital after using premium share balance of SAR 89.5mn**

- Gulf Union Alahlia Cooperative Insurance Co. said that its accumulated losses fell to 12.14% of capital after using the entire share premium balance of SAR 89.5 million to offset accumulated losses.
- Accumulated losses reached SAR 117.3 million before reduction, representing 51.13% of capital as of March 31, 2021. Losses were cut to SAR 27.9 million after reduction, the company explained in a bourse filing.
- The step followed the general assembly's approval, on June 29, to use the entire balance of the share premium, amounting to SAR 89.5 million, to reduce part of the accumulated losses.
- The insurer said that using the entire balance of the share premium will not have an impact on its cash position. In addition, there will be no impact on the net shareholders' equity and the company's liabilities.

#### **Zahrat Al Waha renews SAR 82.2mn credit facility with Arab National Bank**

- Zahrat Al Waha for Trading Co. announced today, July 8, the renewal of Sharia-compliant credit facilities agreement with Arab National Bank.
- The facility duration starts today until to May 31, 2022 and is guaranteed by a promissory note, covering the entire value of the facility.
- The loan will be used for opening letters of credit (LCs) for the purchase of raw materials, machinery and equipment.
- The limit for opening short-term credits and facilities was renewed to finance working capital with the same value of SAR 70 million.
- The limit for the facilities to purchase machinery and equipment has been renewed, but reduced from SAR 22.99 million to SAR 12.18 million due to payments.

### GAC approves Almarai's acquisition of entire Bakemart business

- The General Authority for Competition (GAC) issued a no objection certificate to complete the economic concentration transaction between Almarai Co. and Bakemart UAE, Bakemart FZ-LLC, Bakemart LLC and Bakemart WLL (Bahrain), the authority announced in a tweet today, July 8.
- The economic concentration represents the acquisition by Almarai of the entire business of Bakemart bakery.
- In March, Almarai signed an agreement with the shareholders of Bakemart UAE and Bakemart Bahrain, to acquire 100% of their shares, for an enterprise value of AED 93.5 million (SAR 95.5 million).

### Saudi Corporate Results

SAR 000	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
<b>ALMARAI</b>	482,000	643,900	<b>-25.14</b>	385,900	<b>24.90</b>
<b>TAKWEEN</b>	7,872	10,032	<b>-21.53</b>	2,157	<b>264.95</b>
<b>NCLE</b>	9,145	12,126	<b>-24.58</b>	4,564	<b>100.36</b>

### Almarai net income down 25.14% YoY but up 24.9% QoQ in 2Q21

- The increase of 24.9% in the Consolidated Profit Attributable to Shareholders of the Company for the Second quarter 2021 (SAR 482.0mn) as compared to the previous quarter (SAR 385.9 million) was due to seasonality of sales, driven by Ramadan sales.
- The decrease of 25.2% in the Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding quarter of the last year is due to: Almarai faced a challenging quarter due to the base year effect of COVID-19 and VAT rate change related purchases last year. As a result, revenues dropped by 1.9% year on year driven mainly by food, poultry and bakery products. The base year effect was pronounced in channel mix where food services channel recorded more than 50% gain driven by opening of hotels and restaurant however retail channel recorded decline in double digits due to one off purchase pattern observed in Q2 2020. The decrease was offset by stellar performance in Egypt, Jordan and overseas farming on the top line.

### Takween Industries net income down 21.5% YoY but up 265% QoQ in 2Q21

- The reason of the decrease in net profit in the current quarter compared to the net profit for the same quarter of previous year is due to the increase in cost of revenue, the increase in selling and distribution expenses, and the decrease of other income. Despite the decrease in general and administrative expenses, the decrease in financial charges, and increase in sales revenue.
- The reason of the increase in net profit in the current quarter compared to the net profit for the previous quarter is due to the increase in revenue, the decrease in selling and distribution expenses, and the decrease in financial charges. Despite the increase in general and administrative expenses, the decrease in other income and the decrease in net profit from discontinued operation.

### National Company for Learning net income down 25% QoQ but up 100% QoQ in 2Q21

- The decrease in net profit for current quarter compared to the same quarter of the previous year is due to decrease in revenue for the current quarter which resulted mainly from providing discounts with different rates from 10% to 50% on the tuitions of the current academic year, concurring with the Ministry of Education announcement of the online education for the 2020/2021, and in appreciation of the Company's clients and to maintain the students base in the educational complexes which will serve the company long term plans.
- The increase in net profit for current quarter compared to the previous quarter is mainly due to the increase in revenues during the current quarter resulted from the increase in the number of students enrolled in the educational complexes of the Company for the second semester by 2% compared to the first semester. Also. the company has reevaluated the discounts' rates offered to students in the second semester of the current academic year 2020 – 2021.

### Saudi Research & Media Group announces transformation strategy focusing on platform development and expansion and international partnerships across five new pillars

- SRMG will work across five business pillars to unlock new regional and international commercial opportunities:
  - SRMG Media: Digital Platforms, Podcasts and Multimedia
  - SRMG International: International Investments and Partnerships
  - SRMG Think: Research and Polling
  - SRMG X: Events, Conferences and Exhibitions
  - SRMG Labs: Innovation, Incubation, and Training

**Savola Group announces that its subsidiary, Savola Foods Company, has signed a binding agreement to acquire 100% of Bayara Holding Limited.**

- The Savola Group announces that its subsidiary, Savola Foods Company, has signed a binding agreement to acquire 100% of Bayara Holding Limited.
- The major terms of the agreement include:
  - 100% acquisition of the issued share capital of Bayara Holding Limited
  - The acquisition will be made in cash
- The transaction consideration of USD 260 million (SAR 975 million) will be financed through a combination of operating cash flows and available bank loans.
- This acquisition is a continued activation of Savola Foods Company’s announced strategy to enter attractive, value added categories with increasing appeal within the food sector.

**Al Hammadi Company for Development and Investment announces that it has signed an agreement to purchase 35% of Sudair Pharmaceutical Company**

- Al Hammadi Company for Development and Investment is pleased to announce to the shareholders that it has signed an agreement to purchase the entire Stake shares of the Gulf Investment Corporation (GIC) , which represents 35% of Sudair Pharmaceuticals Company, the owner and developer of Sudair Complex for Specialized Pharmaceutical Industries.
- The cancer drugs manufacturing plant represents the first stage of Sudair Pharmaceuticals complex, which is considered the largest pharmaceutical project specialized in the manufacturing of cancer treatments (oral and intravenous) in the Kingdom of Saudi Arabia.
- The project is located on an area of 77 thousand square meters, and includes in addition to administrative buildings, research centers, and a training academy.

**BAHRAIN**

**Bahrain Bourse Scraps REITs Market, Moves REITs to Regular Market**

- Bahrain Bourse’s (BHB) efforts to continuously enhance Bahrain’s capital market as well as meet international best-practices and in accordance with the Board of Directors’ Resolution No. 2/5/2020 dated 13h December 2020, BHB would like to announce the following:
  - Cancellation of the REITs Market.
  - The transfer of all REITs currently listed on the REITs Market to the Regular Market and their classification into the relevant sector as per the newly adopted Global Industry Classification Standard for the market.

**GFH Buys \$100 Million Student Housing Portfolio in the US**

- Bahrain’s GFH Financial Group has signed an agreement to acquire a \$100 million U.S.-based student housing portfolio in partnership with specialist asset manager Student Quarters.
- The portfolio includes buildings and facilities near the University of Arkansas, Florida State University and the University of Tennessee. The deal is GFH’s first in partnership with Atlanta-based Student Quarters.
- “Given the increasing pace at which the U.S. economy is recovering, with the vaccination drive successfully implemented, the prospects for the student housing sector have a positive outlook,” GFH said on Saturday.

**KUWAIT**

**Kuwait's Jazeera Airways completes \$33mn capital increase**

- Jazeera Airways said it completed its capital increase subscription process with a total value of 10 million Kuwaiti dinars (\$33 million) through the issuance of 20 million shares at a price of 500 fils per share.
- This represented 10 percent of the issued and paid-up capital of the airline company, it said in a joint statement with Kuwait Financial Centre, which acted as the lead manager.
- The subscription coverage rate of the capital increase stood at 210 percent, the companies said, marking the completion of the first tradable preemptive rights in Kuwait, which ran for 21 days to 5 July.
- Preemptive rights were traded on Boursa Kuwait until 28 June, at a reference price of 143 fils per right for the first day of trading and average price of 165 fils per right, which resulted in the trading of approximately KWD 460,000 worth of preemptive rights.

## UAE

### Yahsat eyes \$735mn in Abu Dhabi IPO

- Al Yah Satellite Communications Company on Friday announced that it has priced its initial public offering at Dh2.75 per share, putting it on track to raise Dh2.68 billion once it begins trading on the Abu Dhabi Securities Exchange (ADX).
- The satellite tech firm — a subsidiary of state fund Mubadala Investment Company and popularly known as Yahsat — said in a statement that it successfully concluded its book-building process. Interest for the IPO has been very strong.
- The number of shares to be offered is at 975,908,106, representing 40 per cent of Yahsat's share capital.
- The offering was oversubscribed multiple times, with significant demand from qualified institutional and other investors as part of the qualified investor offering, and individuals and other investors in the UAE as part of the UAE retail offering.

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **U Capital: MSX ended the week 1.01% higher supported by financial & services sector**

MSX30 Index ended the week higher by 1.01%. All sub-indices ended in green except Industrial. Financial sector gained 1.32%, while Services went up by 2.40% while Industrial sector closed down by 1.91%. MSX Shariah Index closed down by 0.65%. Globally, new Covid outbreaks posed as a new risk to economic recovery which led to drop in international as well as regional markets as oil prices also remained under pressure. Regionally the markets remained depressed largely because of dropping oil prices and struggle of OPEC and OPEC+ members to reaching a conclusion over the oil output.

#### **Source**

#### **HM begins Saudi visit today**

In affirmation of the depth of historical relations between the Sultanate and the Kingdom of Saudi Arabia and, based on the keenness of the two countries' leaderships to enhance joint ties, His Majesty Sultan Haitham bin Tarik will begin an official visit to Saudi Arabia from Sunday, in response to an invitation from King Salman bin Abdulaziz al Saud. During the visit, discussions will cover all aspects of cooperation between the two countries with a view to upgrading bilateral relations, and realising the aspirations of the two peoples and achieving the objectives set in all fields. The discussions also aim at reaching results that serve common interests and establishing a more prosperous future for the two countries.

#### **Source**

#### **Oman power demand set to grow after unprecedented slump in 2020**

The Sultanate's power sector authorities anticipate a modest, but steady, uptick in electricity demand over the next several years after last year's historic dip in consumption stemming from effects of the global economic downturn, compounded by the coronavirus pandemic. The Authority for Public Services Regulation (APSR), citing the latest 7-Year Outlook Statement of Oman Power and Water Procurement Company (OPWP), revealed that electricity demand in the Sultanate is projected to grow by an average of 4 per cent annually over the next seven years, encompassing the 2021-2027 timeframe.

#### **Source**

#### **Burgeoning Investment Inflows**

While Saudi Arabia does not count among the top sources of Foreign Direct Investment (FDI) into the Sultanate, Saudi owned businesses and enterprises have, of late, been increasingly eyeing opportunities to set up operations in Oman. This build-up in interest from the Saudi side has been sparked by a flurry of landmark reforms adopted by the Sultanate to enhance the country's overall investment appeal. Shams Al-Dhahirah Generating Company, representing a multinational consortium led by ACWA Power — a leading developer, owner, and operator of power generation and water desalination plants based in Saudi Arabia — is preparing to bring its utility scale solar PV Independent Power Project (IPP) into operation at Ibri in Al Dhahirah Governorate before the end of this year.

#### **Source**

#### **Sohar Port and Freezone announces results for Q1, 2021**

Sohar Port and Freezone has announced impressive results for the first quarter of 2021, recording growth in all categories of cargo in Q1 2021 over the same period last year. As the rapidly growing complex continues to transform the Sultanate's burgeoning maritime and logistics industries, it reported that throughput increased by 21% over the same period in 2020, dry bulk volume grew by 25% to almost 9 million tons, breakbulk handling grew by 7% to 426,783 and liquid bulk increased by 7% to just over 4 million tons.

#### **Source**

#### **New desert highway to energize Oman-Saudi economic relations**

Excitement is building over the anticipated completion of Oman's first — and shortest — overland link with Saudi Arabia, a roughly 800 km carriageway that when formally inaugurated perhaps later this year will provide strong new impetus to trade, commercial and economic ties between the two countries. For one, the carriageway — traversing the treacherous dunes of the Rub Al Khali (The Empty Quarter) — will enable trade flows between the Sultanate and the Saudi heartland. All manner of local manufacturers, distributors and logistics operators are eyeing a bonanza of opportunities to freight goods from as far afield as Salalah and Duqm, among other areas, to sustain the growth needs of the Gulf's biggest economy.

#### **Source**



## MIDDLE EAST

### **Saudi Arabia puts local price cap on gasoline as oil hits multi-year highs**

Saudi Arabia on Saturday announced it was putting a price cap on gasoline from July 10 to support local consumption and economy growth, as oil prices hit multi-year highs this year. It is the first time the country is capping prices since it first liberalized them in 2018 and linked them to international price movement. The Kingdom issued a royal directive to keep gasoline prices at SR2.18 (\$0.58) for octane 91 and SR2.33 for octane 95, the Saudi Press Agency reported, citing the Energy and Water Price Reforms Executive Committee.

[Source](#)

### **Saudi Arabia to offer \$133m in loans to 50 new entertainment projects**

Saudi Arabia's General Entertainment Authority (GEA) has signed an agreement with the Social Development Bank to provide SR500 million (\$133 million) worth of loans for entertainment projects. "The agreement aims to provide soft loans to finance quality investment opportunities in order to contribute to the growth and sustainability of the entertainment sector and increase the share of its local content, in accordance with Saudi Vision 2030's goals," GEA spokesman Saad Al-Ahmari told Arab News. The new agreement aims to finance no less than 50 new entertainment projects in the Kingdom, Al-Ahmari said.

[Source](#)

### **IMF predicts Saudi growth rebound powered by non-oil economy**

Saudi Arabia's economy will rebound from the coronavirus pandemic this year driven by strong growth from non-oil sectors as investment from the Kingdom's sovereign wealth fund helps support a shift away from crude exports, the International Monetary Fund said. Saudi real GDP will grow 2.4 percent in 2021 following a 4.1 percent contraction last year, as the non-oil economy expands 4.3 percent, the IMF said in a statement following its latest Article IV consultation with the largest Arab economy. Real GDP growth will accelerate to 4.8 percent in 2022, while non-oil growth slows to 3.6 percent, it said.

[Source](#)

### **Digital economy: UAE joins hands with big tech firms; to set up 1000 new companies**

The UAE's National Program for Coders is its latest initiative towards revving up a digital economy. As part of the program, the Emirates has tied up with tech giants, will set up 1,000 tech companies in five years and raise start up investments up to AED4 billion (\$1.09 billion). Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, tweeted on Saturday evening: "Today we launched the National Program for Coders in collaboration with Google, Microsoft, Amazon, Cisco, IBM, HPE, LinkedIn, Nvidia and Facebook, with the aim of training and attracting 100,000 coders, establishing 1000 digital companies within 5 years and increasing investment in startups from AED1.5 billion (\$410 million) to AED4 billion (\$1.09 billion)."

[Source](#)

### **Saudi Ports Authority to invite private sector to build 8 new terminals**

The Saudi Ports Authority (Mawani) has announced investment opportunities in partnership with the private sector to develop and operate multi-purpose terminals in eight of the nation's ports. The opportunities are in the form of build-operate-transfer (BOT) contracts for terminals in Jeddah Islamic Port, King Abdulaziz Port in Dammam, Ras Al-Khair Port, Jizan Port, Yanbu Commercial Port, King Fahad Industrial Port in Jubail, King Fahad Industrial Port in Yanbu, and Jubail Commercial Port, Mawani said in a statement on Thursday. The initiative aims at equipping the ports to serve various functions including containers, general cargo, bulk cargo, RoRo cargo, passengers, and livestock.

[Source](#)

## INTERNATIONAL

### **Japan govt ready to deploy economic stimulus flexibly, spokesman says**

Japan stands ready to pump more money into the economy to ease the pain of a prolonged pandemic, the top government spokesman said on Sunday, nodding to growing political calls for additional stimulus to prop up growth. Less than two weeks before hosting the Olympics, Tokyo goes into its fourth COVID-19 state of emergency from Monday through Aug. 22, fueling fears of extended pain for restaurants hit by shorter hours and a ban on alcohol consumption. "First of all we must proceed with anti-infection measures and vaccination in cooperation with the citizens, and provide support for businesses and people in need," Chief Cabinet Secretary Katsunobu Kato said in a debate program on public broadcaster NHK.

[Source](#)

### **France pushes for 25% target for taxing multinationals' super-profits**

Countries should be able to tax a quarter of big multinationals' profits no matter where they are earned, France proposed on Saturday at a G20 finance ministers meeting focused on overhauling the rules for cross-border corporate taxation. Key details remain to be hammered out after G20 finance chiefs formally endorsed the outline of plans that would make new rules for where multinationals get taxed and set a global minimum corporate tax rate of 15%. The emergence of digital commerce has made it possible for big tech firms to book profits in low-tax countries regardless where they money is earned.

[Source](#)

### **In overture to U.S., EU's Gentiloni says G20 deal is priority on corporate tax**

The priority in corporate tax reform is to go ahead with a global G20 deal, European Economics Commissioner Paolo Gentiloni said on Saturday when asked about whether European Union's digital services levy plan may be postponed. The remark followed intense pressure on the EU executive commission from the U.S. administration to drop the EU's plan for its separate levy, while some European officials also questioned its value. "We will assess everything, but the key issue from my point of view is that what we decided today is the number 1 priority," he told reporters after a meeting of G20 finance ministers in Venice endorsed a global agreement on corporate tax backed by 132 countries.

[Source](#)

### **China widens clampdown on overseas listings with pre-IPO review of firms with large user data**

China's cyberspace regulator said on Saturday any company with data for more than 1 million users must undergo a security review before listing its shares overseas, broadening a clampdown on its large "platform economy." The security review will put a focus on risks of data being affected, controlled or manipulated by foreign governments after overseas listings, the Cyberspace Administration of China (CAC) said, posting the proposed rules on its website.

[Source](#)

### **Biden signs order to tackle corporate abuses across U.S. economy**

President Joe Biden signed a sweeping executive order on Friday to promote more competition in the U.S. economy, urging agencies to crack down on anti-competitive practices in sectors from agriculture to drugs and labor. If fully implemented, the effort will help lower Americans' internet costs, allow for airline baggage fee refunds for delayed luggage, among other steps. The order instructs antitrust agencies to focus on labor, healthcare, technology and agriculture as they address a laundry list of issues that have irritated consumers, and in the case of drug prices, has bankrupted some.

[Source](#)

### **European stocks rise on bargain-hunting, erase weekly losses**

European stocks jumped more than 1% on Friday, posting their best session in two months and erasing all of this week's losses, as investors sought bargains after one of the worst sell-offs this year on global economic recovery worries. The pan-European STOXX 600 index gained 1.3%, with sectors that took a hit earlier this week such as automakers and miners surging 4% and 3.4%, respectively. The mining sector marked its best session in two months. French stocks rose by the most in four months, advancing 2.1% and leading gains among major European bourses.

[Source](#)

## **COMMODITIES**

### **Oil prices rise over 2% as U.S. inventories decline**

Oil prices rose for a second day on Friday as the market reacted to falling U.S. inventories, and signs of strong Asian demand from both China and India added support. Brent crude oil futures were up \$1.43, 1.93%, at \$75.55. U.S. West Texas Intermediate futures were up \$1.62, or 2.2%, at \$74.56. "The market is coming to grips with the historic drop in U.S. oil inventories, and dimmed prospects of Iranian oil returning to the market," said Phil Flynn, senior analyst at Price Futures Group in Chicago.

[Source](#)

### **Gold logs best week in 7 as Delta variant risks loom**

Gold rose on Friday, heading for its best week in seven, bolstered by a weaker dollar and concerns that the spread of the Delta variant of the coronavirus could slow a global economic recovery. Spot gold rose 0.5% to \$1,810.99 per ounce by 2:44 p.m., and was up 1.4% for the week. U.S. gold futures settled 0.6% higher at \$1,810.6.

[Source](#)

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## FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

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### UAE

#### Moody's affirms ratings of TAQA, SENAAT

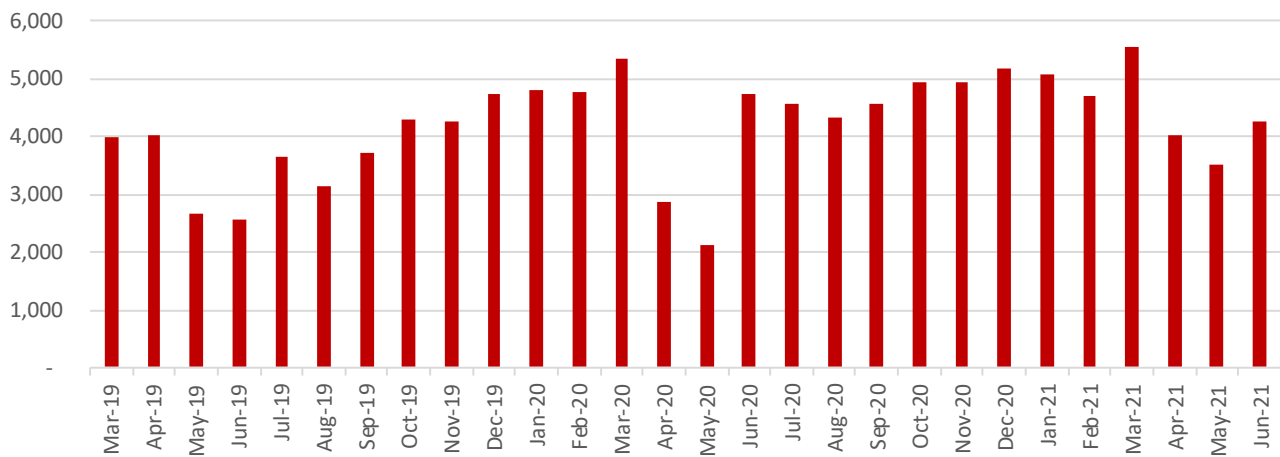
- Moody's Investors Service (Moody's) has affirmed the Aa3 ratings of Abu Dhabi National Energy Company (TAQA) and the A3 ratings of General Holding Corporation (SENAAT), with a stable outlook for TAQA and a negative outlook for SENAAT.
- The global rating agency has also withdrawn TAQA's baa1 baseline credit assessment (BCA) and SENAAT's ba1 BCA because it no longer classifies TAQA and SENAAT as government-related issuers (GRI), according to a recent press release.
- This rating has followed Moody's assignment of Aa2 ratings to TAQA and SENAAT's parent company, Abu Dhabi Developmental Holding Company (ADQ).
- Wholly owned by the Abu Dhabi government, ADQ owns 98.6% of TAQA and 100% of SENAAT.
- TAQA's standalone assessment is attributed to the stable and transparent regulatory framework for the transmission and distribution of electricity and water in Abu Dhabi, the cost-recovery mechanisms of the regulatory framework, and the timeliness of subsidy payment.
- The assessment is also supported by the low business risk profile of the company's power and water activities.
- Meanwhile, the issuer rating of SENAAT shows the company's continued strategic importance to ADQ.

## CHART / TABLE OF THE DAY

### Aggregate sales of 17 Saudi cement producers rose by 10% to 27.2mn tons in 1H-2021

- Aggregate sales of 17 Saudi cement producers rose by 10% to 27.2mn tons in 1H-2021 compared to 24.6mn tons in 1H-2020.
- The aggregate sales declined by 10% to 4.3mn tons in June, compared to 4.7mn tons in the same month last year.
- March 2021 was the best performing month in terms of sales at 5.56mn tons while sales in May stood at the lowest at 3.5mn tons.

**Saudi Cement Sales (Tons)**



Source: Yamama Cement

## TECHNICAL ANALYSIS

### MSX Virtual Technical Portfolio

Stock Name	MSM	Purchase Price	Target 1	Status	Target 2	Status	Return T1	Return T2	Turnover Ratio	Stop Loss	Risk	Recommendation Date
AHLI BANK		0.114	0.117		0.118		2.63%	3.51%	0.05	0.113	-0.9%	11-Jul-21
BANK MUSCAT		0.440	0.450		0.452		2.27%	2.73%	0.08	0.436	-0.9%	11-Jul-21
AL ANWAR CERAMIC		0.484	0.500		0.502		3.31%	3.72%	0.09	0.480	-0.8%	11-Jul-21
SMN POWER		0.067	0.069		0.070		2.99%	4.48%	0.09	0.066	-1.5%	11-Jul-21
SOHAR INTER. BANK		0.098	0.100		0.101		2.04%	3.06%	0.07	0.097	-1.0%	11-Jul-21
AL SUWADI POWER		0.056	0.058		0.059		3.57%	5.36%	0.09	0.055	-1.8%	11-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
BANK MUSCAT		0.440	0.424	0.435		0.440		2.59%	3.77%	0.07	0.420	-0.9%	4-Jul-21
BANK NIZWA		0.099	0.097	0.100		0.101		3.09%	4.12%	0.08	0.096	-1.0%	4-Jul-21
SOHAR INTER. BANK		0.098	0.097	0.099		0.100		2.06%	3.09%	0.07	0.096	-1.0%	4-Jul-21
AL BATINAH POWER		0.056	0.054	0.056		0.057		3.70%	5.56%	0.08	0.053	-1.9%	4-Jul-21
SEMBORP SALALAH		0.085	0.084	0.086		0.087		2.38%	3.57%	0.09	0.083	-1.2%	4-Jul-21
AL SUWADI POWER		0.056	0.055	0.056		0.057		1.82%	3.64%	0.09	0.054	-1.8%	4-Jul-21

(Week 27 - 2021) ----- Gain/Loss = +3.08%



#### 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 27 - 2021	197	3.08%	3.63%	1.01%	0.70%
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%

#### 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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