

## PRE-MARKET REPORT

13 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	660.6	1.09	0.16%	15.95%	23.08	2.10	2.6%
Muscat Stock Exchange	4,108.1	-24.19	-0.59%	12.28%	14.39	0.83	3.8%
Saudi Stock Exchange	10,698.5	10.20	0.10%	23.12%	35.13	2.36	2.2%
Kuwait Stock Exchange	6,370.3	-9.35	-0.15%	14.86%	40.96	1.63	1.9%
Qatar Exchange	10,776.3	-17.99	-0.17%	3.26%	17.82	1.61	2.7%
Bahrain Stock Exchange	1,575.0	-2.85	-0.18%	5.72%	13.35	0.82	3.5%
Dubai Financial Market	2,758.0	-2.73	-0.10%	10.68%	20.95	0.96	2.9%
Palestine Stock Exchange	567.4	2.99	0.53%	20.39%	18.54	1.34	2.3%
Tunis Se Index	7,252.4	-3.97	-0.05%	5.34%	23.83	2.40	2.1%
EGX 30 Index	10,233.7	80.23	0.79%	-5.64%	10.21	1.44	1.7%
Amman General Index	2,081.8	-2.40	-0.12%	25.62%	24.70	0.88	3.6%

World Markets	Country	Value	D/D	YTD
<b>Europe</b>				
			%	%
FTSE 100	UK	7,125.4	0.05%	10.29%
DAX	Germany	15,790.5	0.65%	15.10%
CAC 40	France	6,559.3	0.46%	18.15%
<b>United States</b>				
DJIA	USA	34,996.2	0.36%	14.34%
S&P 500	USA	4,384.6	0.35%	16.73%
NASDAQ	USA	14,733.2	0.21%	14.32%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	28,724.3	0.54%	4.66%
HANG SENG	Hongkong	28,027.5	1.86%	2.92%
KSE 100 Index	Pakistan	47,514.8	0.14%	8.59%
NSE Nifty 50	India	15,758.7	0.42%	12.71%
SHANGHAI COMPOSITE	China	3,556.3	0.24%	2.40%
SHANGHAI SHENZHEN CSI 300	China	5,130.1	-0.05%	-1.56%

Currency Cross Rates	Units/1 USD	YTD %
<b>Currency</b>		
Australian Dollar (AUD)	1.335	2.70%
British Pound (GBP)	0.720	-1.65%
Canadian Dollar (CAD)	1.246	2.16%
Chinese Renm. (CNH)	6.470	0.51%
Egyptian Pound (EGP)	15.683	0.28%
Euro (EUR)	0.843	2.97%
Indian Rupee (INR)	74.428	-1.83%
Japanese Yen (JPY)	110.430	-6.50%
Swiss Franc (CHF)	0.915	-3.24%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	159.341	0.31%
Russian Ruble (RUB)	74.442	-0.04%
Singapore Dollar (SGD)	1.351	-2.13%
Turkish Lira (TRY)	8.634	-13.83%

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	75.3	0.24%	47.15%
WTI Crude (per bbl)	74.3	0.31%	53.19%
Oman Crude Oil (Last Closing)	73.9	0.29%	44.71%
OPEC (per bbl)	74.2	3.07%	47.65%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,810.0	0.21%	-4.65%
Silver (per oz)	26.2	0.13%	-0.63%
Platinum (per oz)	1,122.5	-0.01%	4.70%
<b>Other Metals</b>			
Copper, MT	9,409	-1.16%	21.16%
Aluminium, MT	2,490	-0.48%	25.76%
Lead, MT	2,333	0.09%	16.98%
Zinc, MT	2,950	-0.92%	7.22%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.37	-28.4%
Saudi Arabia	0.79	-3.0%
Kuwait	1.50	4.3%
Oman	2.12	-20.7%
Qatar	1.09	-2.5%
Bahrain	1.64	-27.0%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.36
UAE	16/04/2030	2.02
QATAR	16/04/2030	2.08
SAUDI ARABIA	22/10/2030	2.29
OMAN	25/01/2031	5.26
BAHRAIN	30/09/2031	5.48

Midswaps	Price	YTM %
3 year	99.85	0.4
5 year	100.36	0.8
10 year	102.33	1.4
30 year	108.39	2.0

USD Libor	Rate (%)	YTD
1m	0.10	-30.4%
3m	0.13	-46.0%
6m	0.15	-41.4%
1 year	0.24	-30.1%

Source: Bloomberg

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## IMPORTANT ANNOUNCEMENT

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### Oman, Saudi Arabia issue joint communique

The Kingdom of Saudi Arabia and the Sultanate of Oman today issued a joint communiqué, Synopsis of which is following:

- The two sides welcomed the signing of a memorandum of understanding (MoU) on the establishment of an Omani-Saudi Coordination Council—co-chaired by the foreign ministers of both countries—to strengthen bilateral relations in all fields.
- They also directed the officials concerned to work on finalizing a number of agreements and MoUs for cooperation in various economic, commercial, investment, security, cultural, diplomatic and educational fields and everything that might generate benefits or bring about prosperity to the peoples of the two countries.
- The two sides reaffirmed their determination to accelerate the pace of economic cooperation between the two countries, notably by encouraging government and private sectors to realize meaningful commercial and investment exchanges that will live up to the aspirations and expectations of their peoples and meet the goals of Saudi Vision 2030 and Oman Vision 2040.
- The two sides agreed to direct the authorities concerned to study opportunities for mutual investments in advanced technologies, innovation, energy projects, renewable energy, industry, health sector, pharmaceutical industries, real estate development, tourism, petrochemicals, converting industries, supply chains, logistical partnership, information technology and financial technology (fintech) that may benefit both countries—bearing in mind available potential and opportunities in both countries.
- The two sides also welcomed the participation of Saudi companies' investment in quality projects that the Sultanate seeks to accomplish.
- Regarding Yemen, the two sides expressed identical views on the need to continue their efforts to find a comprehensive political solution to the Yemeni crisis based on the GCC Initiative and its executive mechanism.

## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### OMAN

#### First phase of Dhamani insurance scheme to launch in September in Oman

- The Capital Market Authority (CMA) has announced the operationalization of the electronic platform supporting the mandatory health insurance system (Dhamani) in preparation for the anticipated launch of first phase of the platform in September this year.
- Covered in this stage are providers of insurance service and health care service in Oman in addition to information technology solutions firms focusing on acquainting the participants with the functioning of the platform and its role in health insurance transactions among the market players.
- This stage of the program will cover the medical coding, electronic transfer of funds and other functions such as investment opportunities available in the platform for IT firms.

Comment:

Mandatory health insurance will bring in next stage of growth for the insurance players in Oman. Big players in health segment will be able to add more growth to their topline once the mandatory health insurance goes into effect. Amongst the listed players strong in Health Insurance in Oman are mostly led by: National Life & General Insurance, Oman United Insurance and Madina Takaful.

#### U Capital – Insurance Sector Coverage Multiples

	P/E	P/Bv	Div. Yield	ROE	ROA
Al Ahlia Insurance	8.22	0.83	9.1%	10.0%	4.9%
Vision Insurance	8.70	0.58	5.7%	6.7%	1.7%
Oman Qatar Insurance	4.88	0.82	9.6%	16.8%	3.6%
National Life Insurance	7.81	1.62	8.8%	20.8%	6.8%
Oman United Insurance	11.05	1.45	8.3%	13.1%	3.5%

Source: U Capital Research

### SAUDI ARABIA

#### Arabian Shield signs binding merger agreement with Alahli Takaful

- Arabian Shield Cooperative Insurance Co. signed today, July 12, a binding memorandum of understanding (MoU) with Alahli Takaful Co. (ATC).
- This is in view of acquiring all shares held by the shareholders holding shares in ATC at the time of the extraordinary general assembly (EGM) decision accepting the offer to merge.
- The company said in a bourse statement that the merger will be done in exchange for new shares issued in the favor of Arabian Shield, without any additional financial consideration.

#### Saudi Paper reschedules SAR 67.5mn existing loan with Al Rajhi Bank

- Saudi Paper Manufacturing Co. (SPM) signed, on July 11, a Sharia-compliant credit facility agreement to reschedule an existing loan, worth SAR 67.5 million, with Al Rajhi Bank, the company said in a bourse statement.
- The rescheduling aims to support the company's cash flows and boost the working capital.
- The financing period before scheduling was 18 months, ending on June 30, and an amount due on July 31.
- Meanwhile, the financing period after restructuring is 41 months, starting July 15, 2021, until October 2024.
- The facility is guaranteed by a promissory note, the company said, adding that no related parties are involved in the deal.

### **MIS extends MoU with King Saud University Health Company**

- Al Moammar Information Systems Company (MIS) has renewed its memorandum of understanding (MoU) with King Saud University Health Company to provide medical services through virtual clinics.
- The MoU will be extended for 90 days starting 12 July 2021, according to a bourse filing on Monday.
- This move came in line with first signing the deal last March.
- MIS said that renewing the MoU aims to have more time to complete and finalize the necessary procedures for the deal.
- The listed firm did not disclose the financial impact of extending the joint agreement.

### **CMA approves Development Works Food's capital hike**

- The Saudi Capital Market Authority (CMA) gave the green light for Development Works Food Company's request to increase the capital by SAR 5 million through bonus shares of one-for-every-five shares.
- The capital will stand at SAR 30 million distributed over 3 million shares, compared to SAR 25 million and 2.5 million shares prior to the raise, according to a disclosure by the Saudi Exchange (Tadawul) on Monday.
- The parallel-market (Nomu) listed company will carry out the capital hike by transferring SAR 3.07 million from the retained earnings balance and SAR 1.91 million from the statutory reserve.
- Last May, Development Works Food announced a capital increase of 20% by issuing 500,000 bonus shares.

## **UAE**

### **UAE Central Bank refutes reports about digital currency issuance**

- The Central Bank of the UAE on Monday refuted reports that it plans to issue a digital currency as part of its 2023-2026 strategy.
- The clarification came after reports had emerged that the regulator was planning to issue a digital currency.
- The UAE Central Bank has yet to accept or acknowledge crypto or digital assets as a legal tender in the UAE. The only legal tender in the country is the UAE dirham.
- "All major news about the Central Bank of the UAE will be communicated through our official channels," a spokeswoman told The National.
- Central banks across the world have been seeking to develop digital currencies.
- Central Bank Digital Currencies, or CBDCs as they are known, are different from cryptocurrencies such as Bitcoin, which have experienced wild swings in pricing in recent months.

### **NMDC wins AED 635m projects**

- The National Marine Dredging Company (NMDC) has been awarded two projects valued at AED 635 million.
- The projects include Dadna Fujairah where the company will conduct dredging, reclamation, breakwater, quaywall, and demolition works, according to a bourse filing on Monday.
- Valued at AED 485 million, the project is expected to be executed over 18 months.
- Meanwhile, the company has won the Bardawil project worth around AED 150 million to implement the dredging works in the Bardawil Lake in Egypt.
- The project has been awarded to NMDC's joint venture in Egypt, the Challenge Egyptian Emirates Company, which is expected to be executed in less than a year.

### **FAB forms strategic alliance with State Street to support institutional investors in MENA**

- First Abu Dhabi Bank (FAB) has entered into a new strategic alliance with State Street Corporation, listed on the New York Stock Exchange (NYSE), to create a new service model for institutional investors in the Middle East and North Africa.
- Under the strategic alliance, MENA investors will be enabled to reach more than 100 markets around the world and benefit from various products servicing all listed and unlisted asset classes, according to a press release on Monday.
- The investors will also have access to in-country client service teams in the UAE, Saudi Arabia, Kuwait, Oman, Bahrain, and Egypt.
- In addition, clients will be provided with State Street's extensive data management and analytics solutions, which integrate with FAB's regional securities services and products, local expertise, and direct custody network.

## BAHRAIN

### Bahrain Bourse to adopt GICS for listed companies

- Bahrain Bourse, announced that it will adopt the Global Industry Classification Standard (GICS) for listed companies effective as of tomorrow (July 11).
- This is in line with Bahrain Bourse's strategy to enhance transparency and efficiency in Bahrain's capital market and to meet best international practices.
- The industrial re-classification aims to establish alignment with global industrial standards for classifying listed companies, provide better information to international investors on the performance of sectoral indices, and enable easier company and sectoral comparability with global peers as well as comparability between companies and sectors.
- Of the 11 sectors, companies currently listed on Bahrain Bourse will be reclassified into seven sectors based on their principal business activity (Level 1): Materials (will include 1 company), Industrials (covering Capital Goods, and Commercial & Professional Services and Transportation) will include 3 companies, Consumer Discretionary (covering Consumer Services, Retailing, Automobiles & Components, and Consumer Durables & Apparel) will include 5 companies, Consumer Staples (covering Food & Staples Retailing, and Food, Beverage & Tobacco, and Household & Personal Products) will include 4 companies, Financials (covering Banks, Insurance, and Diversified Financials) will include 22 companies, Communication Services (covering Telecommunication Services, and Media & Entertainment) will include 3 companies, and Real Estate (covering REITs, and Real Estate Management & Development) will include 3 companies.
- The remaining four industrial sector groups (Energy, Healthcare, Information Technology, and Utilities) will remain inactive as there are currently no companies listed on Bahrain Bourse that can be classified under those groups.

### Bahrain National Holding announces ending the negotiation to acquire 25% stake in Bahrain National Life Assurance Company

- Further to the previous announcement dated May 4th 2020 regarding the non-binding negotiation to acquire 25% stake (12,500,000 shares) of Al Khaleej Takaful Insurance Company (Formerly: Al Khaleej Insurance and Reinsurance Company) Q.P.S.C, Qatar in BNH's subsidiary, Bahrain National Life Assurance Company (BNL), we would like to inform you that all parties BNH, BNL and Al Khaleej Takaful Insurance Company (AKTI) have agreed to end the negotiation without the completion of the proposed transaction, and shall continue with the partnership of AKTI in BNL.

### Zain Bahrain reports 61% leap in net profit in Q2 2021 to BD 1.246 million

- Zain Bahrain, announces its financial results for the second quarter (Q2 2021) ending 30 June, 2021.
- For the three months, Zain reported a net profit of BD1.246 million in Q2 2021, reflecting an impressive 61% increase year-on-year from a net profit of BD0.776 million for the same period in 2020. Earnings per share for the Q2 2021 increased to 3 fils per share as compared to 2 fils per share in Q2 2020. Revenues for Q2 2021 amounted to BD16.220 million, also an 8.5% increase as compared to BD14.954 million in Q2 2020.
- Operating profit in Q2 2021 also saw an impressive 41.3% increase to BD1.491 million, as compared to BD1.054 million recorded in Q2 2020.

## QATAR

### Mekdam Holding Group, The Second Company to Be Listed on The Qse Venture Market "QEVM"

- The Qatar Stock Exchange (QSE) announced today that, in view of the approval for listing given by Qatar Financial Markets Authority "QFMA", the shares of "Mekdam Holding Group" ("Mekdam") will be admitted to trading on QSE Venture Market (QEVM) as of Monday, August 02, 2021, after completing all the necessary technical and administrative procedures. "Mekdam Holding Group" will become the second company to be listed on QSE Venture Market ("QEVM") dedicated for SME's.
- "Mekdam" will be traded in the same manner as those on the main market in terms of order types, corporate actions and Settlement/ Clearing arrangements.
- The shares of Mekdam will be listed with the symbol "MKDM".
- Mekdam Holding Group was established on March 2018 as a private company with limited liabilities and authorized and issued capital of QR 50 million. It was transferred into a Public Shareholding Company by the Minister of Commerce and Industry resolution no. 45 for the year 2021 issued on 30.6.2021 with a capital 100% fully paid by its founders. The most important objectives of Mekdam is to provide comprehensive integrated services in the field of information and communication technology.

## Kuwait

### **Egypt Kuwait Holding invests \$180m in subsidiaries in 2021**

- A source with the Egypt Kuwait Holding has exclusively told Daily News Egypt that the company has earmarked \$180m for capital expenditures in its subsidiaries this year.
- The funds will be channeled to: ONS, which will receive \$80m; a medium density fibreboard (MDF) project, which will also receive \$80m; Kahraba, which will receive \$10m; and Sprea Misr's sulphuric acid project, which will receive \$18m.
- The source added that the company's management has disclosed that the MDF project is on track to be inaugurated in the first half (H1) of 2022 with a preliminary capacity of 600m<sup>3</sup> /day on one production line. The capacity is set to be doubled via a second line after 1.5 years of operations. The project is expected to cover above 400,000 m<sup>3</sup> of Egypt's yearly MDF import needs.
- Meanwhile, Sprea Misr's sulphuric acid project is expected to come at an investment cost of \$18m, and will be self-financed from the subsidiary's healthy net-cash position of EGP 1,500m.

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **SCT and Dunes sign VSAT service agreement for oil & gas sector**

Space Communication Technologies Company (SCT) and Dunes Middle East Company (Dunes) have signed an agreement to provide VSAT (very small aperture terminal) solutions to the oil and gas vertical of the Omani market. SCT is supporting Dunes to connect its first Oil and Gas customer using the latest Ka-band technology from the SCT Earth Station in Al Amerat Teleport on the Omani satellite payload @ 30.5 E., to the end customer's headquarters.

[Source](#)

#### **GE and Marafiq sign deal to build new power plant at SEZAD**

GE Gas Power has signed an agreement to build, own and operate a power plant equipped with mobile TM2500 aeroderivative gas turbines for the Centralized Utilities Company (Marafiq) in Duqm. Rural Areas Electricity Company (Tanweer) will purchase from Marafiq the power generated at the new plant in the Special Economic Zone at Duqm (SEZAD) pursuant to a power purchase agreement entered into by and between Tanweer and Marafiq. Tanweer is an Oman-government owned company mandated to provide power in various regions of the country, including the Special Economic Zone in Duqm. GE will supply four TM2500 units for the project. These four units will be made available to provide up to 80MW of power.

[Source](#)

#### **MSX index ends marginally lower**

The MSX index closed at 4,108.13 points, down 0.59 per cent from the previous close. The Sharia Index was up 0.17 per cent at 597.79 points. Al Maha Ceramics, up 5.46 per cent, was the top gainer while Al Hassan Engineering, down 21.21 per cent, was the top loser. Shares of Al Shaqiya Investment were the most active in terms of the number of shares traded while Bank Muscat was the most active in terms of turnover.

[Source](#)

### MIDDLE EAST

#### **UAE Central Bank issues monetary, banking developments for May 2021**

The Central Bank of the UAE announced that the Money Supply aggregate M1 increased by 0.3%, from AED 644.4 billion at the end of April 2021 to AED 646.4 billion at the end of May 2021, according to monetary and banking developments for May 2021. The Money Supply aggregate M2 decreased by 0.3%, from AED 1462.5 billion at the end of April 2021 to AED 1458.5 billion at the end of May 2021. The Money Supply aggregate M3 also reduced by 0.8%, falling from AED 1764.8 billion at the end of April 2021 to AED 1750.2 billion at the end of May 2021.

[Source](#)

#### **PIF seeks to issue first green bonds in Q4 2021: report**

Saudi Arabia's Public Investment Fund (PIF) is considering its first issuance of green bonds by the fourth quarter of 2021, CNBC Arabia reported, citing banking sources. The issuance comes as part of the fund's plan of shifting towards injecting liquidity into environment-friendly investments, the sources said. They added that the fund is set to hire global investment banks to set the framework for its move towards green investment.

[Source](#)

#### **BPI France and Saudi SME Bank sign best practice agreement**

Saudi Arabia's Small and Medium Enterprises Bank and the French Public Investment Bank (BPI France) signed an agreement on Monday aimed at transferring expertise and best practices and designing financing products suitable for the SME sector. Nicolas Dufourcq, CEO of BPI France, said: "We are pleased to launch this cooperation with our new partner, the Small and Medium Enterprises Bank in Saudi Arabia, to share our experiences in finance, investment, innovation and support small and medium enterprises for a real impact on the economy." Mohammed Almalki, the Saudi bank's CEO, said the memorandum of cooperation is in line with the bank's objectives, which include increasing the financing provided to the SME sector.

[Source](#)



### **UAE announces \$272mln infrastructure projects**

The UAE government has launched major infrastructure projects worth 1.9 billion UAE dirhams (\$272 million) to connect cities and shorten distances across the Emirates. "With Sheikh Mansour bin Zayed, we launched major infrastructure projects worth AED1.9 billion," tweeted Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. He said three road projects have been launched to connect Sharjah's Mleiha with Abu Dhabi's Al Shuwaib; Hatta Dubai with Ajman's Masfout and Al Qour Mountain in Ras Al Khaimah; and Sharjah's Al Madam with Hatta Dubai.

[Source](#)

### **Properties for sale in Dubai have seen price increases between 6 percent to 20 percent in H1 2021**

Sales and rents of properties in Dubai's most popular areas have seen a significant jump in the first half of 2021 thanks to the emirate's proactive moves that have spurred demand. These moves include the introduction of the Golden Visa, 100 percent foreign company ownership and remote work visas, in addition to the swift rollout of vaccination campaigns to make the emirate a safe place for investors and residents. According to the combined data from Bayut & Dubizzle, properties for sale in Dubai have seen price increases between 6 percent to 20 percent in H1 2021.

[Source](#)

### **Saudi: Details of high-priority initiatives in national transport and logistics strategy; estimated costs**

Crown Prince Mohammed bin Salman recently launched the national strategy for transport and logistics, which features 92 initiatives and 378 projects. The strategic initiatives and projects will be carried out at a total estimated capital and operating cost of SAR 613 billion through 2030. Projects related to the rail network and the General Authority of Civil Aviation (GACA) accounted for 36% and 29%, respectively, of the total estimated cost. Riyadh Airport expansion project has an estimated cost of SAR 60 billion, the new land bridge (SAR 47 billion) and the GCC railway (SAR 27 billion).

[Source](#)

## **INTERNATIONAL**

### **Inflation expectations surge, hitting new high for New York Fed survey**

Despite the Federal Reserve's assurance that current inflation pressures won't last, consumers see things differently, according to a survey Monday from the central bank's New York district.

[Source](#)

### **China's June exports growth beats f'cast as easing global lockdowns boost demand**

China's exports grew at a much faster than expected pace in June as solid global demand led by easing lockdown measures and vaccination drives worldwide eclipsed virus outbreaks and port delays.

[Source](#)

### **Hong Kong shares jump nearly 2% as China's June exports beat forecasts**

SINGAPORE — Shares in Asia-Pacific were mostly higher in Tuesday trade as investors reacted to the release of China's trade data for June. Hong Kong's Hang Seng index led gains regionally as it jumped 1.85%. In mainland China, the Shanghai composite rose 0.22% while the Shenzhen component shed 0.206%. China's exports in June jumped 32.2% as compared with a year earlier, customs data showed Tuesday. That was much higher than a forecast by analysts in a Reuters poll for a 23.1% growth in exports for June.

[Source](#)

### **Virgin Galactic files for \$500 mln stock sale, shares tumble**

Virgin Galactic Holdings Inc on Monday filed to sell up to \$500 million in common stock, a day after the company completed its first fully crewed test flight into space with billionaire founder Richard Branson on board.

[Source](#)

### **Analysis: JPMorgan, Goldman bet on tech to crack UK consumer market**

JPMorgan Chase & Co and Goldman Sachs Group Inc are taking on a consumer finance market many outsiders have tried and failed to crack: Britain. The two are testing the UK market to see if their U.S. retail brands, Chase and Marcus, can be rolled out globally. The challenge, analysts say, is scraping some business from customers who are entrenched with local providers.

[Source](#)

### **China is injecting \$150 billion into the economy — that may fuel a short-term rally, UBS says**

China's move to cut the amount of funds banks need to hold in reserve could boost market sentiment — and that could be good news for stocks in certain sectors, according to investment bank UBS.

[Source](#)

### **U.S. announces millions in funding for projects focused on wave energy tech**

The U.S. Department of Energy has announced that as much as \$27 million in federal funding will be provided for research and development projects focused on wave energy. In the latest attempt to encourage innovation within a sector that has a very small footprint compared to other types of renewable energy, the DOE said Tuesday the funding would aim to "advance wave energy technologies toward commercial viability."

[Source](#)

## **COMMODITIES**

### **Oil climbs on expected further draw in U.S. crude inventories**

Oil prices climbed on Tuesday, reversing some of the previous day's losses, as tight supply and expectations of a further draw in U.S. crude inventories provided support, although fears over the spreading COVID-19 variant capped gains. Brent crude for September rose 19 cents, or 0.3%, to \$75.35 a barrel by 0421 GMT, after losing 0.5% on Monday. U.S. West Texas Intermediate crude for August was at \$74.34 a barrel, up 24 cents, or 0.3%, having fallen 0.6% the previous day.

[Source](#)

### **China Jan-June crude imports fall, first H1 drop since 2013**

China's crude oil imports in the first half fell 3% from a year earlier, the first contraction for the first six months of a year since 2013, as an import quota shortage, refinery maintenance and rising global prices curbed buying. Imports totalled 40.14 million tonnes last month, data released by the General Administration of Customs showed on Tuesday, equivalent to 9.77 million barrels per day (bpd). That compared with 9.65 million bpd in May and a record 12.9 million bpd in June 2020, when refiners snapped up cheap oil to supply a Chinese market fast recovering from the coronavirus.

[Source](#)

### **Gold holds steady as investors await U.S. inflation data**

Gold prices steadied on Tuesday after hitting a one-week low in the previous session, as the dollar weakened slightly ahead of U.S. inflation data that could offer clues about the likely timing of policy tightening by the Federal Reserve. Spot gold rose 0.1% to \$1,807.22 per ounce by 0120 GMT. It fell to its lowest level since July 6 of \$1,790.49 on Monday. U.S. gold futures were up 0.1% to \$1,808.1.

[Source](#)

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## FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

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### OMAN

#### Moody's predicts improvement in Oman's budget deficit

- Credit rating agency Moody's evaluated the Sultanate's creditworthiness and it expects the Sultanate's budget deficit to improve to -3.6 per cent in 2021 after it exceeded -18 per cent in 2020.
- The Ministry of Finance said: "Moody's agency affirms the credit rating of the Sultanate at Ba3 and the outlook is a result of the challenges resulting from the spread of the COVID-19 pandemic and fluctuations in oil prices and their effects on the local economy." The following can be expected according to the agency:
- Real GDP growth from -2.6 per cent in 2020 to 2.6 per cent in 2021 and 3.5 per cent in 2022.
- The budget deficit improvement from -18.1 per cent in 2020 to -3.6 per cent in 2021.
- The public debt-to-GDP ratio could decrease by about 10 per cent compared to what was recorded in 2020.
- The current account deficit may decrease from -13.4 per cent of GDP in 2020 to -2.3 per cent in 2021.

### SAUDI ARABIA

#### PIF seeks to issue first green bonds in Q4 2021: report

- Saudi Arabia's Public Investment Fund (PIF) is considering its first issuance of green bonds by the fourth quarter of 2021, CNBC Arabia reported, citing banking sources.
- The issuance comes as part of the fund's plan of shifting towards injecting liquidity into environment-friendly investments, the sources said.
- They added that the fund is set to hire global investment banks to set the framework for its move towards green investment.

## CHART / TABLE OF THE DAY

### MSX Result Announcements – 2Q21 / 1H-2021

MSX Net Profit OMR, '000									
NAME		1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	QoQ	YoY
الوطنية للتمويل	NATIONAL FINANCE CO	2,007	1,899	1,701	2,412	1,701	1,928	13.3%	1.5%
المركز المالي	THE FINANCIAL CORP	(1,036)	291	423	56	256	461	79.7%	58.5%
عمان للمطبات	OMAN REFRESHMENT CO	679	1,495	3,664	2,747	2,287	2,388	4.4%	59.7%
أعلاف ظفار	DHOFAR CATTLEFEED	5	(275)	(1,357)	1,557	282	(300)	-206.4%	9.1%
دواجن ظفار	DHOFAR POULTRY	(141)	13	5	(303)	2	(171)	n/m	-1385.6%
الكروم العمانية	OMAN CHROMITE	50	111	(72)	(825)	115	151	30.9%	36.6%
الأنوار لبلاط السيراميك	AL-ANWAR CERAMIC TILES CO	769	609	1,287	1,678	2,015	1,483	-26.4%	143.5%
المها للسيراميك	AL MAHA CERAMICS CO	326	369	331	500	604	622	3.0%	68.7%
التغليف المحدودة	PACKAGING CO LTD	202	188	110	(170)	168	236	41.1%	26.1%
صناعة الكابلات العمانية	OMAN CABLES INDUSTRY	1,549	485	167	211	2,390	1,037	-56.6%	113.8%
العالمية لإدارة الفنادق	HOTELS MANAGEMENT CO INT.	631	(697)	(808)	(519)	(615)	(577)	-6.1%	-17.2%
ظفار للسياحة	DHOFAR TOURISM	15	30	324	887	(292)	(273)	-6.5%	-994.5%
الكامل للطاقة	AL KAMIL POWER CO	430	593	729	(6,786)	343	543	58.3%	-8.4%
صحار للطاقة	SOHAR POWER CO	117	756	697	550	290	1,013	249.3%	34.0%
سيمبكورب صلالة	SEMBCORP SALALAH	5,120	5,372	3,906	3,924	3,851	5,723	48.6%	6.5%
شركة مدينة مسقط للتحلية	MUSCAT CITY DESALINATION	419	481	519	421	673	576	-14.4%	19.8%
مستدم للطاقة	MUSANDAM POWER	(769)	2,093	1,772	(761)	(753)	2,401	n/m	14.7%

Source: MSX, Bloomberg

## 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
SABIC	SAUDI	117.80	121.00	122.00	2.72%	3.57%	117.00	-0.7%
CITY CEMENT	SAUDI	29.90	30.70	30.90	2.68%	3.34%	29.80	-0.3%
HERFY FOOD	SAUDI	61.50	63.25	64.00	2.85%	4.07%	61.25	-0.4%
OTHAIM MARKET	SAUDI	118.60	122.00	123.00	2.87%	3.71%	118.00	-0.5%
PHARMACEUTICAL	SAUDI	57.90	60.00	60.25	3.63%	4.06%	57.60	-0.5%
TAWUNYA	SAUDI	81.50	83.50	84.00	2.45%	3.07%	81.25	-0.3%
GULF GENERAL	SAUDI	20.22	20.80	21.00	2.87%	3.86%	20.15	-0.3%
AMANA INSURANCE	SAUDI	62.00	63.500	63.800	2.42%	2.90%	61.80	-0.3%
ENAYA	UAE	46.00	47.50	47.70	3.26%	3.70%	45.60	-0.9%
AL SALAM BANK	UAE	0.692	0.710	0.715	2.60%	3.32%	0.690	-0.3%
EMAAR DEVELOPMENT	UAE	3.75	3.85	3.90	2.67%	4.00%	3.72	-0.8%
ADCB	UAE	6.81	7.00	7.05	2.79%	3.52%	6.75	-0.9%
ALMEERA	QATAR	19.40	20.00	20.20	3.09%	4.12%	19.30	-0.5%

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

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