

PRE-MARKET REPORT

25 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	664.1	-0.09	-0.01%	16.57%	22.94	2.10	2.5%
Muscat Stock Exchange	4,075.3	-10.24	-0.25%	11.38%	12.48	0.82	3.8%
Saudi Stock Exchange	10,794.5	16.44	0.15%	24.22%	35.38	2.38	2.2%
Kuwait Stock Exchange	6,396.6	28.18	0.44%	15.34%	38.75	1.63	1.9%
Qatar Exchange	10,696.3	-79.67	-0.74%	2.49%	17.35	1.58	2.7%
Bahrain Stock Exchange	1,579.0	2.15	0.14%	5.99%	13.14	0.82	3.5%
Dubai Financial Market	2,744.0	-0.27	-0.01%	10.11%	20.86	0.96	2.9%
Palestine Stock Exchange	576.4	5.71	1.00%	22.31%	18.83	1.36	2.2%
Tunis Se Index	7,284.9	0.30	0.00%	5.81%	23.95	2.41	2.2%
EGX 30 Index	10,646.9	85.57	0.81%	-1.83%	10.38	1.47	1.6%
Amman General Index	2,134.7	17.62	0.83%	28.81%	25.32	0.90	3.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,027.6	0.85%	8.78%
DAX	Germany	15,669.3	1.00%	14.22%
CAC 40	France	6,568.8	1.35%	18.33%
United States				
DJIA	USA	35,061.6	0.68%	14.56%
S&P 500	USA	4,411.8	1.01%	17.46%
NASDAQ	USA	14,837.0	1.04%	15.12%
Asia Pacific				
NIKKEI 225	Japan	27,548.0	0.58%	0.38%
HANG SENG	Hongkong	27,322.0	-1.45%	0.33%
KSE 100 Index	Pakistan	47,793.1	-0.17%	9.23%
NSE Nifty 50	India	15,856.1	0.20%	13.41%
SHANGHAI COMPOSITE	China	3,550.4	-0.68%	2.23%
SHANGHAI SHENZHEN CSI 300	China	5,089.2	-1.21%	-2.34%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.358	4.44%
British Pound (GBP)	0.727	-0.61%
Canadian Dollar (CAD)	1.256	1.28%
Chinese Renm. (CNH)	6.476	0.41%
Egyptian Pound (EGP)	15.681	0.29%
Euro (EUR)	0.850	3.77%
Indian Rupee (INR)	74.410	-1.81%
Japanese Yen (JPY)	110.550	-6.60%
Swiss Franc (CHF)	0.919	-3.72%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	161.975	-1.32%
Russian Ruble (RUB)	73.758	0.89%
Singapore Dollar (SGD)	1.361	-2.84%
Turkish Lira (TRY)	8.553	-13.01%

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	74.1	0.42%	44.73%
WTI Crude (per bbl)	72.1	0.22%	48.54%
Oman Crude Oil (Last Closing)	73.4	0.55%	43.65%
OPEC (per bbl)	72.1	3.09%	43.49%
Precious Metals			
Gold100 OZ (per oz)	1,802.2	-0.26%	-5.07%
Silver (per oz)	25.2	-1.00%	-4.64%
Platinum (per oz)	1,063.5	-2.98%	-0.80%
Other Metals			
Copper, MT	9,516	0.79%	22.53%
Aluminium, MT	2,503	0.79%	26.42%
Lead, MT	2,375	-1.02%	19.11%
Zinc, MT	2,963	0.83%	7.71%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.35	-32.2%
Saudi Arabia	0.79	-3.0%
Kuwait	1.50	4.3%
Oman	2.10	-21.4%
Qatar	1.16	3.1%
Bahrain	1.59	-29.3%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.31
UAE	16/04/2030	1.91
QATAR	16/04/2030	2.00
SAUDI ARABIA	22/10/2030	2.26
OMAN	25/01/2031	5.18
BAHRAIN	30/09/2031	5.53

Midswaps	Price	YTM %
3 year	100.01	0.4
5 year	100.79	0.7
10 year	103.20	1.3
30 year	110.41	1.9

USD Libor	Rate (%)	YTD
1m	0.09	-40.1%
3m	0.13	-45.9%
6m	0.16	-38.5%
1 year	0.24	-29.4%

Source: Bloomberg

GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

SAUDI ARABIA

Zain, Etisalat, stc, Mobily, du alliance to promote open radio access network tech

- Zain Group, Etisalat Group, stc, Mobily and du announced the formation of an alliance to cooperate in accelerating implementation of Open Radio Access Network (Open RAN) solutions.
- The Middle Eastern telecom operators will come together, share their expertise, and set a clear path to drive innovation in the information technology and telecommunications sector in the region, according to a statement from the alliance.
- A memorandum of understanding (MoU) between the five operators was signed to deploy Open RAN solutions in their existing telecom networks through their markets.
- The aim is to be able to work with traditional vendor partners rather than replace them to build more agile and flexible mobile networks for 5G and 4G, as well as support new entrants with innovative solutions and achieve cost efficiencies in RAN deployments.

MIS bags SAR 74.5mn contract from Imam Mohammad Ibn Saud Islamic University

- Al Moammar Information Systems Co. (MIS) was awarded today, July 15, a SAR 74.5mn contract by Imam Mohammad Ibn Saud Islamic University (IMSIU) to operate the computer system, main programs, and electronic portal, according to a bourse filing.
- The company was informed by "Etimad" portal that IMSIU approved the project awarding.
- The contract is forecast to be signed on Sept. 15.
- The deal included no related parties.
- Updates will be duly revealed, the statement added.

Saudi Ceramics secures SAR 592mn Murabaha financing from SABB, BSF

- Saudi Ceramic Co. (Saudi Ceramics) signed, July 15, SAR 592 million Murabaha financing agreements with Banque Saudi Fransi (BSF) and Saudi British Bank (SABB), the company said in a bourse statement.
- The five-year financing will be repaid on a quarterly basis in 20 installments, the company said in a bourse statement.
- The financing agreements do not include any mortgages or financial guarantees.
- The ceramics and tile producer will use the facility to refinance existing loans, reduce interest costs, and meet the company's future funding needs.
- There are no related parties to the agreement, the statement added.

Taiba Investments Company Announces an Update Regarding Its Signing of a Memorandum of Understanding with Shuaa Capital Company for the Complete Buyout of the Two Companies Owning Centro Waha Hotel Riyadh and Centro Shaheen Hotel Jeddah

- Further to the announcement by Taiba Investments Company regarding the signing of a Memorandum of Understanding with Shuaa Capital Saudi Arabia Company for the 100% buyout transaction that will be carried out by Taiba of the company that owns Centro Waha Hotel Riyadh and the company that owns Centro Shaheen Hotel Jeddah, and since it was mentioned in the announcement that the Memorandum of Understanding term is 60 calendar days that can be extended from the date of signing on 26-05-2021 G, so Taiba would like to clarify that the two parties have agreed to extend the Memorandum of Understanding for a period of 45 calendar days beginning from 25-07-2021 G in order to complete and finalize the due diligence activities.

Sumou Real Estate Co. Announces Contract Sign Off with International for Modern Industries Company and Modern Trains Company

- Sumou Real Estate Company announces the signing of two construction contracts with International for Modern Industries Company and Modern Trains Company to construct, finish and deliver (412) residential villas in Khayala Housing Project (Dar Sumou) in Jeddah.
- Signing two construction contracts with the International Company for Modern Industries and the Modern Trains Company to construct, finish and deliver (412) residential villas in Khayala Housing project (Dar Smou) located in Jeddah, which is one of the superstructure projects that the company is developing and implementing with the National Housing Company with off plan sale and the value of the contracts exceeds 50% of the company's net assets.
- The impact of this agreement on the company's result and revenues is expected to be positive effective From the current year till end of the project.

Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
Methanol Chemical	60.17	-31.28	-	29.88	101.372
Yanbu Cement	41.83	37.33	12.054	73.39	-43.003

Methanol Chemical net income jumped on both QoQ and YoY basis in 2Q21

- The Company achieved net profits during the current quarter compared to the same quarter of the previous year primarily due to improvement in operational performance of most of Company's plants which led to increase in the product quantities sold by 14%, in addition to an increase in the average selling prices, taking in account that the results of the same quarter of the previous year were affected by Covid-19 resulting in decline in revenues. Also, finance costs have significantly dropped during this quarter after the Company successfully restructured its outstanding loans as well as due to decrease in interest rate.
- The Company net profits increased during the current quarter compared to the previous quarter mainly due to increase in the average selling prices of the Company's products. Also, the company has penetrated new markets which resulted in increase of revenues.

Yanbu Cement net income up YoY but down QoQ in 2Q21

- The second-quarter net profit after Zakat and tax jumped 12% year-on-year (YoY) to SAR 41.8 million, driven by a decline in selling and distribution expenses as well as Zakat provision, despite an increase in the cost of sales.
- Yanbu Cement Co. reported a consolidated net profit after Zakat and tax of SAR 115.2 million for the first half of 2021, a fall of 11% from SAR 129.6 million in the year-ago period.
- The profit decrease was attributed to lower average selling prices of local sales and higher cost of sales, despite improved sales volumes and a decline in selling, general and administrative (SG&A) expenses.

QATAR

Qatar Corporate Results

QAR MN	1H20	1H21	%CHANGE
Medicare Group	30.2	31.6	4.6%
Qatar Navigation	300.0	438.0	46.0%
Al Khaliji Commercial Bank	361.1	371.9	3.0%

Medicare Group net income up 4.6% YoY in 1H21

- Medicare Group Co. discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 31,604,373 in comparison to Net Profit QR 30,222,736 for the same period of the previous year.
- The Earnings per share (EPS) amounted to QR 0.112 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.107 for the same period in 2020.

Qatar Navigation net income up 46% YoY in 1H21

- Qatar Navigation discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 438,000,000 in comparison to Net Profit QR 300,000,000 for the same period of the previous year.
- The Earnings per share (EPS) amounted to QR 0.39 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.26 for the same period in 2020.

Al Khaliji Commercial Bank net income up 3% YoY in 1H21

- Net profit of QAR 372 million, an increase of 3% year on year
- Net Operating Income grew 13% year on year, ending at QAR 750 million
- Operating expenses of QAR 168.5 million, resulting in a cost/income ratio of 22.5%
- Loans and Deposits increased by 12% and 9% year on year respectively
- The Capital Adequacy ratio stood at a healthy 20.3%

KUWAIT

Kuwait Corporate Results

KWD MN	1H20	1H21	%CHANGE
National Bank of Kuwait	111	160.8	44.7%

National Bank of Kuwait net income up 44.7% YoY in 1H21

- NBK reported a net profit of KD 160.8 million (USD 534.0 million), improving by 44.7% year-on-year. Net profit for the three-months ended 30 June 2021 reached KD 76.5 million (USD 254.0 million), a year-on-year increase of 128.8% from the comparable period in 2020.
- Net operating income of KD 452.5 million (USD 1.5 billion), increasing by 9.2% compared to 1H 2020
- Total assets grew by 6.4% year-on-year, to KD 31.6 billion (USD 104.9 billion)
- Total loans and advances grew by 5.3% year-on-year to KD 18.5 billion (USD 61.5 billion)
- Customer deposits decreased by 0.9% year-on-year to KD 17.4 billion (USD 57.8 billion)
- Solid asset quality metrics, with NPL/gross loans ratio at 2.45% and an NPL coverage ratio of 152%
- Robust Capital Adequacy Ratio of 18.2%.

Boubyan Bank proudly launches the world's first Islamic international digital bank

- Boubyan Bank Group today announces the launch of Nomo, a fully licensed and regulated UK Islamic digital bank catering for customers with a global financial outlook. Nomo has launched as a brand name of the UK-based Bank of London and The Middle East (BLME), in which Boubyan Bank is a majority shareholder.
- Nomo has been developed to accommodate a growing segment of individuals in the Middle East with international banking needs. Nomo provides a digital solution for accessing, moving, and investing money in the UK and internationally with ease and assurance.
- Eligible customers from Kuwait will be able to open their new UK account in minutes through the cutting-edge and intuitive Nomo iPhone app, providing them with the ability to make seamless international payments in GBP (£) and USD (\$) and transact through a virtual and/or digital MasterCard debit card. Nomo also caters to its customers through a range of innovative digital banking products.

UAE

UAE Corporate Results

AED MN	1H20	1H21	%CHANGE
Abu Dhabi Commercial Bank	1,436	2,524	76%

Abu Dhabi Commercial Bank net income up 76% YoY in 1H21

- Net profit of AED 2.524 bn increased 76%
- Net interest income of AED 4.434 bn was 14% lower
- Non-interest income of AED 1.643 bn increased 28%
- Cost to income ratio of 34.8% improved 180 basis points from a year earlier
- Realized cost synergies of AED 661mn in H1'21, on track to exceed AED 1 bn target for full year 2021
- Impairment charges of AED 1.382 bn, 46% lower
- CASA deposits of AED 141.9 bn, up AED 14.4 bn during H1'21, and were 57% of total customer deposits (vs. 51% in Dec'20)
- Total customer deposits of AED 250.6 bn were up 5% sequentially and 0.3% lower than in Dec'20
- Net loans of AED 237.8 bn were up 1% sequentially and 0.5% lower than in Dec'20
- Capital adequacy (Basel III) and CET 1 ratios were 16.32% and 13.20% respectively
- Liquidity coverage ratio (LCR) of 127.6%
- Cost of risk was 0.82% in H1'21. NPL ratio was at 5.86% (7.35% including POCI) while provision coverage ratio was 91.5% (145% including collateral held)

Dana Gas wins arbitration on sale of Egypt assets

- Dana Gas PJSC received an award in its favour dated 19 July 2021 from the London Court of Arbitration (“LCIA”). The arbitration was initiated on 28 April 2021 by IPR Wastani Petroleum Ltd., (“IPR Wastani”) a member of the IPR Energy Group, in relation to the Sale and Purchase Agreement (SPA) for the sale of oil and gas assets in Egypt. The Tribunal rejected IPR Wastani’s claim in its entirety. The Tribunal ruled in Dana Gas’ favour on all key points, concluding that Dana Gas’ termination of the SPA was valid.
- Dana Gas terminated its agreement for the sale of its Egyptian assets to IPR Wastani on 22 April 2021 as the parties were unable to complete a number of conditions precedent to the transaction by the long-stop date of 14 April 2021. Dana Gas’s Board of Directors therefore decided to terminate the SPA and retain and operate the assets in Egypt. IPR Wastani disputed Dana Gas’ right to terminate the SPA and submitted a request for arbitration. The Award now means the assets will continue to be operated by Dana Gas for the benefit of its shareholders and the people of Egypt

BAHRAIN

Bahrain's Batelco expands into the fintech sector

- Bahraini telco Batelco has expanded into the financial technology (fintech) sector.
- The company obtained the necessary licenses from the Central Bank of Bahrain (CBB) and the new entity, to be called Batelco Financial Services, will provide consumers and small businesses with services such as digital wallet creation, cards issuance, bank accounts aggregation and bank account payments initiation on behalf of clients and third parties.
- Digital banking and fintech services have become increasingly popular in the GCC. Saudi Arabia gave licenses last month to two new digital banks, one of them is owned by telecom giant, STC.

ECONOMIC & GENERAL NEWS

OMAN

Ibri II solar park to support Oman's Paris accord goals: Report

Oman's first and largest utility-scale solar photovoltaic (PV) Independent Power Project (IPP), which is slated to come into operation at Ibri in Al Dhahirah Governorate this month, will make an important contribution to the Sultanate's commitments under the Paris Agreement to reducing carbon dioxide (CO₂) emissions – the greenhouse gas responsible for global warming and climate change. According to a report by the Asian Infrastructure Investment Bank (AIIB), which had pitched in with funding support for the 500 MW solar park, Ibri II – as the sprawling PV-based scheme is called – will also help diversify the Sultanate's energy mix and meet the country's growing needs for electricity to support economic development and industrial investment.

[Source](#)

Oman Food Investment targets \$1.2 billion worth projects

Oman Food Investment Holding Company SAOC (OFIC), the government's food sector investment and development arm, has unveiled plans to invest in an array of strategically significant food-related projects involving an investment of around \$1.2 billion (RO 433 million) over the next six years. According to a high-level official of wholly government-owned OFIC, an affiliate of Oman Investment Authority (OIA) – the Sultanate's integrated sovereign wealth fund – as many as eight different projects are envisioned for implementation over the 2021- 2026 timeframe.

[Source](#)

Many promising sectors for investment in Sohar Freezone: CEO

Having recently launched the second phase of its sprawling free zone development for investment, Sohar Port and Freezone is moving to showcase the abundance of opportunities for downstream investment flowing from its mega-projects currently in operation at its hub on the Sea of Oman coast. These opportunities, according to a key executive, primarily span plastics, metals, textiles, food and beverages, warehousing and logistics – sectors that have already attracted billions of dollars in investment in large-scale industrial ventures currently producing raw materials for potential downstream value-addition.

[Source](#)

5,779 applications for trademarks, patents received in past 6 months

The Ministry of Commerce, Industry and Investment Promotion said that 5,779 applications for trademarks, patents and copyright were received in the past six months of 2021. The number of applications submitted between January and June 2021 saw an increase of 32.24 per cent compared to 4,370 applications registered during the same period in the year 2020. Statistics issued by the National Intellectual Property Office at the Ministry of Commerce, Industry and Investment Promotion (MoCIIP) indicated that these applications consisted of 5,445 applications for national and international trademarks, 260 national and international applications for patents and 78 applications for copyright.

[Source](#)

Hyport Duqm, Uniper sign deal to explore green ammonia offtake

Oman's strategic green hydrogen project Hyport Duqm has signed a cooperation agreement with the global energy giant Uniper. As per the agreement, Uniper will be joining the project team to provide engineering services and negotiate an exclusive offtake agreement of green ammonia. With Uniper, Hyport Duqm's shareholders DEMA Concessions and OQ Alternative Energy have onboarded a globally recognised and reputable partner, which will support Hyport Duqm in demonstrating a strong business case for the offtake, and in turn, enable them to secure optimal financing for the project.

[Source](#)

MIDDLE EAST

Trade between Bahrain and GCC jumps to \$1.69bn in Q2

Trade between the GCC and Bahrain reached a total value of \$1.69billion in Q2 2021, marking a 38% increase compared to the same quarter last year, according to the latest figures released by Bahrain's eGovernment and Information Authority. The data shows that Bahrain's non-oil trade has quickly rebounded from a low point in 2020. International trade was severely hampered in Q2 2020 as lockdowns caused borders to close and significantly disrupted supply chains. Non-oil bilateral trade between Bahrain and the UAE increased by 76% year-on-year to \$672 million in Q2 2021. Trade between Saudi Arabia and Bahrain accounted for around half of total Bahrain-GCC trade, at \$781 million.

[Source](#)

Foreign investments in Saudi Arabia up 13% to SAR 2.12 trln in Q1 2021

Foreign investment in Saudi Arabia grew by 13% to SAR 2.128 trillion in Q1 2021 from SAR 1.877 trillion a year earlier, based on the latest official data issued by the Saudi Central Bank (SAMA). When compared to the fourth quarter of 2020, foreign investments rose 3%, or SAR 67.2 billion. Foreign direct investments (FDI) accounted for 43% of total foreign investments in the Kingdom, equivalent to SAR 913.7 billion. Portfolio investments hit SAR 700.8 billion, while other investments stood at SAR 513.7 billion.

[Source](#)

Boom in Saudi fintech projects drives more mergers in coming period: KPMG

The boom of financial technology projects in Saudi Arabia and the GCC predicts more acquisitions and mergers (M&As), Asharq Al-Awsat newspaper reported, citing a recent report of global consulting company, KPMG. Many technical reasons are behind forecasts for more bank mergers in 2021, including the increasing scope for saving, the restructuring of transactions and a boom of the non-performing loan market. A boom of financial technologies is a key reason for M&As in the coming period, KPMG said, adding that this boom contributed to the resilience of digital dealings and enhanced cooperation between fintech companies and financial institutions.

[Source](#)

Saudi Arabia extends validity of expat residency permits, visas for free

Saudi Arabia's General Directorate of Passports extended the validity of residency permits for expatriates outside the Kingdom, and the validity of visit visas, exit and re-entry visas for free until Aug. 31. The validity of residency permits, as well as exit and re-entry visas for residents in the countries on the ban list, as well as the visit visas of visitors in the countries on the ban list due to the COVID-19 pandemic will be extended until Aug. 31. The move came in line with the directives of King Salman bin Abdulaziz, whereby the Minister of Finance issued the extension, as part of the government efforts to deal with the effects and consequences of the COVID-19 pandemic, SPA reported.

[Source](#)

Kuwait approves \$65bln for projects in 2021-2022

OPEC member Kuwait has approved 19.6 billion Kuwaiti dinars (\$65 billion) for projects in fiscal year 2021-2022 and nearly 5 percent of them are based on partnership with the private sector, a local newspaper reported. The list comprises new projects and those which were launched a few years ago and are under way in stages, the Arabic language daily Alanba said, citing official data. They include 14 major public projects with a combined value of around 18 billion dinars (\$59 billion) and 4 large partnership projects worth nearly 988 million dinars (\$3.2 billion), the report said.

[Source](#)

Rent in Kuwait eats up 38.20% of monthly income

When you take into account monthly spending such as groceries, transportation, bills, looking after a family as well as treating yourself now and then, the cost of living can really start to add up. A survey conducted by the UK's website www.money.co.uk revealed that a major chunk of monthly income was devoured by rent for apartments. According to price comparison, people in Kuwait spend 38.20% on rent from their monthly income which is higher than countries such as Ireland, USA, Australia, Canada and the United Kingdom.

[Source](#)

Dubai Ruler forms Emirati HR Development Council

In his capacity as Ruler of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, issued Decree No. (27) of 2021 forming the 'Emirati Human Resources Development Council in Dubai'. The Council, which includes representatives from the public and private sector, will oversee the implementation of policies, plans and initiatives aimed at enhancing the employment of Emiratis in the private sector.

[Source](#)

UAE banks' assets hit AED 3.18trn in May 2021

The total value of the UAE banks' assets went up 0.5% to AED 3.18 trillion in May 2021, compared to AED 3.165 trillion in May 2020, according to the latest data by the Central Bank of the UAE (CBUAE). On a monthly basis, the UAE banks record a 0.4% rise in the total value of assets, compared to AED 3.169 trillion in April 2021. The total banks' reserves jumped by 10.8% to AED 330.8 billion in May 2021 from AED 298.6 billion in the same month of the earlier year. Meanwhile, the UAE banks' investments reached AED 520.2 billion in May 2021, up 25.4% from AED 414.9 billion in the corresponding period of 2020.

[Source](#)

INTERNATIONAL

China's digital yuan could pose challenges to the U.S. dollar

China is beating the U.S. when it comes to innovation in online money, posing challenges to the U.S. dollar's status as the de facto monetary reserve. Nearly 80 countries — including China and the U.S. — are in the process of developing a CBDC, or Central Bank Digital Currency. It's a form of money that's regulated but exists entirely online. China has already launched its digital yuan to more than a million Chinese citizens, while the U.S. is still largely focused on research. The two groups tasked with this research in the U.S., MIT's Digital Currency Initiative and the Federal Reserve Bank of Boston, are parsing out what a digital currency might look like for Americans. Privacy is a major concern, so researchers and analysts are observing China's digital yuan rollout.

[Source](#)

China orders Tencent to give up exclusive music licensing rights as crackdown continues

China's antitrust regulator has ordered Tencent to give up its exclusive music licensing rights and slapped a fine on the company for anti-competitive behavior, as Beijing continues to crack down on its internet giants at home. The State Administration for Market Regulation (SAMR) on Saturday imposed a fine of 500,000 yuan (\$77,141) on the company citing violations in its acquisition of China Music in 2016. Following that acquisition, Tencent owns more than 80% of exclusive music library resources, giving the company an advantage over its competitors as it is able to reach more exclusive deals with copyright holders, SAMR said in a statement.

[Source](#)

Wall St Week Ahead Big tech companies retake market reins with earnings on tap

The rally on Wall Street faces a fresh test next week with a flood of earnings reports from major U.S. companies, including the tech and internet behemoths that have recently retaken leadership of the market. More than one third of the S&P 500 is set to report quarterly results next week, headlined by Apple (AAPL.O), Microsoft (MSFT.O), Amazon (AMZN.O) and Google-parent Alphabet (GOOGL.O), the four largest U.S. companies by market value. Those stocks have gained between 5-7% so far this month, as of Thursday's close, while the S&P 500 (.SPX) had climbed just 1.6%. The S&P 500 equal-weight index (.SPXEW), a barometer of the average stock, had fallen 0.2%.

[Source](#)

U.S. trade agency drops tariff threat against Vietnam over currency practices

The U.S. Trade Representative's office on Friday said it had determined that no tariff action against Vietnam was warranted after its central bank agreed with the U.S. Treasury not to manipulate its currency for an export advantage. In a statement, USTR said it found that the U.S. Treasury-State Bank of Vietnam agreement earlier this week "provides a satisfactory resolution of the matter subject to investigation and accordingly that no trade action is warranted at this time." The State Bank of Vietnam on Monday pledged in an agreement with Treasury Secretary Janet Yellen to refrain from "competitive devaluation" of its dong currency and make its monetary and exchange rate policies more transparent.

[Source](#)

UK will be exposed to paying pandemic cost risks for decades-report

The British government will be exposed to financial risks from its 372 billion pound pandemic spending for decades, according to lawmakers' reports on Sunday that also said more than 2 billion pounds had been spent on unusable protective equipment. In two reports on the response by Prime Minister Boris Johnson's government to the COVID-19 pandemic, parliament's Public Accounts Committee (PAC) said lessons needed to be learned before a promised public inquiry due to be held in 2022.

[Source](#)

U.S. to stress need for 'guardrails' in Sherman's talks in China

U.S. Deputy Secretary of State Wendy Sherman will tell China in upcoming talks that while Washington welcomes competition with Beijing, there needs to be a level playing field and guardrails to ensure that does not veer off into conflict, senior U.S. officials said on Saturday. The officials, briefing reporters ahead of Sherman's talks in Tianjin with Chinese State Councilor and Foreign Minister Wang Yi on Monday, said the world's two largest economies needed responsible ways to manage competition.

[Source](#)

COMMODITIES

Oil edges up in weekly rebound on forecasts for tight supplies

Oil prices edged higher on Friday and for the week after a strong recovery from Monday's steep slide, underpinned by expectations that supply will remain tight through the year. The price of oil and other riskier assets tumbled at the start of the week on concern over the impact on the economy and crude demand from surging cases of the COVID-19 Delta variant in the United States, Britain, Japan and elsewhere.

Source

Gold dips as yields perk up, dollar strengthens

Gold fell and was heading for a weekly dip on Friday as a stronger dollar, firmer yields and equity markets chipped away at its appeal. Spot gold fell 0.3% to \$1,800.72 per ounce. U.S. gold futures settled 0.2% lower at \$1,801.80. Bullion has shed 0.7% this week after briefly moving toward last week's one-month peak, as fears over rising Delta variant COVID-19 cases have eased, prompting investors to move out of the safe-haven asset as risk appetite returned.

Source

FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

KUWAIT

Kuwait Credit Rating Cut for Second Time in Two Years by S&P

- Kuwait was downgraded by S&P Global Ratings for a second time in less than two years after a fall in oil revenue and increased spending pressured the Persian Gulf nation's fiscal outlook.
- The sovereign credit rating was cut one level to A+ from AA-, the fifth-highest investment-grade level, according to a statement Friday. S&P now rates Kuwait two notches lower than Fitch Ratings and on par with Moody's Investors Service, which lowered its own assessment of the country last year for the first time. S&P's outlook for Kuwait is negative.
- "The downgrade reflects the persistent lack of a comprehensive funding strategy despite the central government's ongoing sizable deficits," according to S&P analysts. "We consider that these persistent delays could ultimately leave Kuwait more vulnerable to potential future terms-of-trade shocks."
- The rating agency downgraded the sovereign in March 2020, citing materially lower oil prices. Although crude rebounded this year to more than \$70 per barrel, a delay to proposed laws that would allow the government to borrow or withdraw from its \$700 billion Future Generations Fund has left the treasury cash-strapped amid increased spending during the pandemic and delayed reforms.

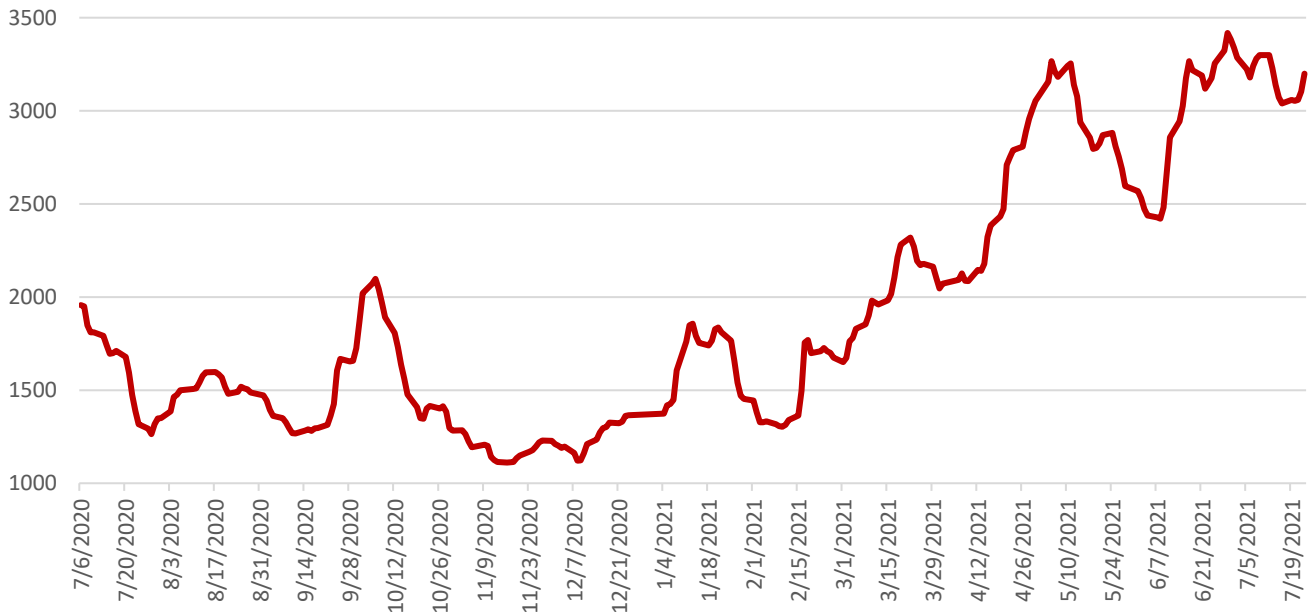
Fitch Affirms Ahli United Bank (UK) at 'BBB+'; Negative Outlook

- Fitch Ratings has affirmed Ahli United Bank (UK) PLC's (AUBUK) Long-Term Issuer Default Rating (IDR) at 'BBB+' with a Negative Outlook. Fitch has also affirmed the bank's Viability Rating (VR) at 'bbb-'. A full list of rating actions is provided below.
- AUBUK's SR and SRF reflect Fitch's view of a high probability of support for the bank, if required, from the Kuwaiti authorities. This is based on the role AUBUK plays for its Kuwaiti sister bank AUB Kuwait (A+/Negative) and the potential for Kuwaiti sovereign support to flow to AUBUK via its Kuwaiti sister bank. As a result, Fitch believes that AUBUK's Long-Term IDR should not be more than three notches below that of AUB Kuwait.
- Fitch's expectation of support from the authorities is underpinned by Kuwait's strong ability to provide support to domestic banks, as reflected by the sovereign rating (AA/Negative) and a strong willingness to do so irrespective of the bank's size, franchise, funding structure and level of government ownership. This view is reinforced by the authorities' record of support for the domestic banking system in case of need. AUBUK's ratings also consider the bank's lower systemic importance than domestic Kuwaiti banks'.

CHART / TABLE OF THE DAY

Baltic Dry Index at its 1yr High

The Baltic Dry Index (BDI) is an index of average prices paid for the transport of dry bulk materials across more than 20 routes. The BDI is often viewed as a leading indicator of economic activity because changes in the index reflect supply and demand for important materials used in manufacturing.





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