

## PRE-MARKET REPORT

29 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	673.2	0.54	0.08%	18.17%	22.63	2.12	2.5%
Muscat Stock Exchange	4,017.8	1.19	0.03%	9.81%	12.29	0.81	3.8%
Saudi Stock Exchange	10,933.7	17.06	0.16%	25.83%	34.57	2.42	2.2%
Kuwait Stock Exchange	6,542.8	11.51	0.18%	17.97%	37.50	1.66	1.8%
Qatar Exchange	10,708.4	39.97	0.37%	2.61%	17.13	1.57	2.7%
Bahrain Stock Exchange	1,594.7	0.32	0.02%	7.04%	13.29	0.82	3.5%
Dubai Financial Market	2,751.7	-9.72	-0.35%	10.42%	20.46	0.95	2.9%
Abu Dhabi Exchange	7,243.8	72.82	1.02%	43.57%	0.00	0.00	3.0%
Palestine Stock Exchange	577.2	-0.82	-0.14%	22.48%	18.86	1.36	2.2%
Tunis Se Index	7,268.6	9.93	0.14%	5.57%	23.89	2.41	2.2%
EGX 30 Index	10,769.2	5.96	0.06%	-0.70%	10.50	1.49	1.6%
Amman General Index	2,092.8	4.42	0.21%	26.28%	24.92	0.89	3.5%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,016.6	0.29%	8.61%
DAX	Germany	15,570.4	0.33%	13.50%
CAC 40	France	6,609.3	1.18%	19.06%
<b>United States</b>				
DJIA	USA	34,930.9	-0.36%	14.13%
S&P 500	USA	4,400.6	-0.02%	17.16%
NASDAQ	USA	14,762.6	0.70%	14.54%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	27,788.1	0.76%	1.25%
HANG SENG	Hongkong	26,172.3	2.74%	-3.89%
KSE 100 Index	Pakistan	47,318.0	0.00%	8.14%
NSE Nifty 50	India	15,760.0	0.32%	12.72%
SHANGHAI COMPOSITE	China	3,396.6	1.04%	-2.20%
SHANGHAI SHENZHEN CSI 300	China	4,827.9	1.42%	-7.36%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.355	4.24%
British Pound (GBP)	0.718	-1.89%
Canadian Dollar (CAD)	1.249	1.90%
Chinese Renm. (CNH)	6.477	0.40%
Egyptian Pound (EGP)	15.690	0.23%
Euro (EUR)	0.843	3.03%
Indian Rupee (INR)	74.315	-1.68%
Japanese Yen (JPY)	109.800	-5.97%
Swiss Franc (CHF)	0.909	-2.63%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	160.975	-0.71%
Russian Ruble (RUB)	73.492	1.25%
Singapore Dollar (SGD)	1.356	-2.49%
Turkish Lira (TRY)	8.556	-13.04%

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	75.0	0.35%	46.48%
WTI Crude (per bbl)	72.7	0.36%	49.73%
Oman Crude Oil (Last Closing)	72.9	0.46%	42.69%
OPEC (per bbl)	73.6	1.29%	46.54%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,815.8	0.48%	-4.35%
Silver (per oz)	25.2	1.05%	-4.45%
Platinum (per oz)	1,076.5	0.75%	0.41%
<b>Other Metals</b>			
Copper, MT	9,686	-0.74%	24.72%
Aluminium, MT	2,537	1.89%	28.16%
Lead, MT	2,344	0.21%	17.53%
Zinc, MT	2,980	-0.10%	8.31%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.42	-18.2%
Saudi Arabia	0.79	-2.8%
Kuwait	1.50	4.3%
Oman	2.10	-21.4%
Qatar	1.00	-10.5%
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	1.92
QATAR	16/04/2030	2.02
SAUDI ARABIA	22/10/2030	2.23
OMAN	25/01/2031	5.18
BAHRAIN	30/09/2031	5.55

Midswaps	Price	YTM %
3 year	100.02	0.4
5 year	99.54	0.7
10 year	103.53	1.2
30 year	111.02	1.9

USD Libor	Rate (%)	YTD
1m	0.09	-37.4%
3m	0.13	-45.6%
6m	0.16	-38.5%
1 year	0.24	-30.1%

Source: Bloomberg

## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### OMAN

#### Ooredoo Oman details reason for drop in profitability in 1H21 and measures taken for future to increase revenue

- Revenue for the first half of 2021 decreased by 5.1% to OMR 126.5 million compared with OMR 133.3 million in 2020. The reduction is primarily driven by lower handset sales and prepaid mobile revenue decrease.
- EBITDA for the first half of the year stood at OMR 65.3 million compared to OMR 72.3 million for the same period in 2020. EBITDA for the first half of the year is impacted by lower revenue.
- Net profit for the first half of 2021 was OMR 8.0 million compared with OMR 10.1 million in the same period of 2020. Lower net profit is impacted by lower EBITDA, partially offset by lower depreciation and amortization.
- The mobile postpaid customer base grew by 61.7% to 509,283 customers as at the end of Q2 2021 compared to 315,040 customers at the end of Q2 2020. The mobile prepaid customer base increased by 1.2% to 2,153,670 customers as at the end of Q2 2021 compared to 2,128,438 customers at the end of Q2 2020. The fixed service customer base marginally decreased by 0.5% to 171,368 customers as at the end of Q2 2021 compared to 172,296 customers at the end of Q2 2020 mainly due to lower fixed wireless customer base.

Revenue increasing measures taken for future:

- Company continues to focus on our digital services, Shahry postpaid, Shababiah prepaid and home broadband services to keep customers connected.
- 5G roll-out continues at a pace, and with some fantastic offers and promotions, such as our 5G Super Data, are seeing great take-up as Company expands into more areas.
- Company added Moneygram, an international remittance service, on pay+ developed with National Bank of Oman, a service that allows customers to transfer money to over 40 worldwide destinations from their phones. This major, first to market development will change the way customers can transfer money and sets standards in Oman's evolving digital payments ecosystem.

#### Oman National Engineering & Investment wins multiple new tenders

- Majan Electricity Company, member of Nama Group, has awarded Oman National Engineering & Investment Company SAOG (ONEIC), on 28/7/2021, the contract for Upgrading and reconstruction of SIET-2 PPS from 2x20 MVA to 3x20 MVA with one new 33 KV feeder from Liwa-2 Grid Station at North Batina Governorate (Tender 61/2021) for the sum of RO 1,520,951 (One Million Five Hundred Twenty Thousand and Nine Hundred Fifty One Omani Rials) for the period of (13) months commencing on the date of receipt of Engineer order.
- Majan Electricity Company, member of Nama Group, has awarded Oman National Engineering & Investment Company SAOG (ONEIC), on 28/7/2021, the contract for Upgrading FIZAH PPS from 3x6 MVA to 2x20 MVA with 33 KV feeders interlinks from Shinas Grid at North Batina Governorate (Tender 60/2021) for the sum of RO 1,280,834 (One Million Two Hundred Eighty Thousand and Eight Hundred Thirty Four Omani Rials) for the period of (12) months commencing on the date of receipt of Engineer order.

### SAUDI ARABIA

#### Burgerizzr issues IPO prospectus on Nomu

- Shatirah House Restaurant Co., the exclusive owner and operator of the "Burgerizzr" restaurant chain, issued the prospectus for its initial public offering (IPO) on the Nomu parallel market.
- The company is planning to sell 725,000 shares, or 29% of its capital, in the IPO.
- Last June, the Capital Market Authority (CMA) approved the company's request to offer 29% of its capital.
- The IPO will be confined to qualified investors, according to CMA regulations.
- Burgerizzr specializes in providing 'made to order, fresh Beef and Chicken burgers' and is the largest chain of fresh burger restaurants in the Kingdom of Saudi Arabia. Launched in 2009 with one branch in Riyadh, the chain has achieved stupendous growth rates to reach 76 branches in 12 Saudi cities.

### Alkhorayef Water signs SAR 199mn credit facility with Banque Saudi Fransi

- Alkhorayef Water and Power Technologies Co. signed today, July 28, a Shariah-compliant bank facility of SAR 199 million with Banque Saudi Fransi, it said in a statement to Tadawul.
- The facility term is valid from today until July 27, 2022 and is guaranteed by a promissory note.
- The loan will be used to finance the company's future needs for new projects and to finance working capital when needed.
- There are no related parties to the agreement, the statement added.

### Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
<b>SAUDI INVESTMENT BANK</b>	287.8	262.3	9.721	213.5	34.8
<b>SAUDI PAPER MANUFACTURING</b>	15.14	3.83	295.3	14.06	7.681
<b>SADAFCO</b>	37.9	70.5	-46.2	55.9	-32.0
<b>YAMAMA CEMENT</b>	77.6	50.8	52.8	54.8	41.6

### Saudi Investment Bank net income up YoY and QoQ in 2Q21

- Net profit increased by 9.7% due to an increase in total operating income and a decrease in Provisions for Zakat.
- The total operating income increased by 1.0% primarily due to an increase in fee income from banking services, gains on disposals of FVOCI debt securities, and other income, which was offset by a decrease in net special commission income, exchange income, and fair value through profit and loss.
- Total operating expenses increased by 7.9% primarily due to an increase in other general and administrative expenses, and provisions for credit and other losses.

### Saudi Paper Manufacturing net income up 295% YoY and 7.7% QoQ in 2Q21

- The reason for the increase in the company's net profit during the current quarter compared to the same quarter of the previous year is due to the marked improvement in total profit due to the continued development of production quality and operational efficiency, which improved the percentage of total profit despite the high prices of pulp in the global market and raw materials. In addition, the decrease in financing expenses as a result of the rescheduling of loans and the company's commitment to make outstanding payments that increased the company's profits.
- The reason for the increase in the company's net profit during the current quarter compared to the previous quarter is due to the improvement in the percentage of total profit as a result of improvement in paper manufacturing processes due to increased production quantities as well as improvement in paper recycling operations.

### Sadafco net income down both YoY and QoQ in 2Q21

- As the exceptional tailwinds of last year's Q1 subsided, the revenue and profitability of this quarter in comparison are lower, which have also been impacted by the following macro level factors:
  - Surplus fresh milk converted to long life milk, supported by irrational discounting affecting SAR/liter revenue negatively,
  - Prolonged school closure,
  - Decline in consumer spending power,
  - Lower consumer base,
  - Higher raw material prices,
  - Global supply chain challenges - mainly increase in freight costs.

### Yamama Cement net income up both YoY and QoQ in 2Q21

- The main reasons for the increase in net profit for the current quarter compared to the same quarter of the previous year were due to: -
  - Increase in the amount of sales for the current quarter compared to the same quarter of the previous year.
  - Decreased provision for Sharia zakat and lower general and administrative expenses.
  - Processing the proceeds from the sale of products during the period of trial tests of the asset by early application of the amendments to the IAS No. (16) ((Property, Plant, and Equipment - proceeds before intended use)).

## UAE

### UAE Corporate Results

AED MN	1H20	1H21	%CHANGE
<b>Emirates NBD</b>	4,087	4,780	17%
<b>Dubai Islamic Bank</b>	2,120	1,854	-13%
<b>Commercial Bank of Dubai</b>	530	676	27%
<b>Abu Dhabi Islamic Bank</b>	588	1,109	89%

#### Emirates NBD net income up 17% YoY in 1H21

- Emirates NBD's net profit jumped 17% on stable margins, effective cost management and a significant reduction in the cost of risk reflecting improved business sentiment.
- Total income up 9% over the preceding half year due to a marked increase in transactions and stable NIMs
- Expenses declined 6% y-o-y to AED 3.8 billion on disciplined cost management action
- Impairment allowances reduced 38% y-o-y with cost of risk substantially improving to 114bp, lowest since 2019 pre-pandemic, while still maintaining best-in-class coverage ratios
- Net profit jumped 17% y-o-y to AED 4.8 billion on improving economic conditions
- Net interest margin stable at 2.45% with lower cost of funding from record CASA balances mitigating lower yields on loans and liquid assets.

#### Dubai Islamic Bank net income down 13% YoY in 1H21

- Net profits on an improving trend with an 18% QoQ jump to reach AED 1.9 billion YTD as a result of strong cost management, continued core income growth and lower impairment provisions.
- Earning assets remained stable with net financing and sukuk investment at nearly AED 233 billion despite significant corporate prepayments.
- Strong growth of 6% in customer deposits now at AED 218.3 billion, supported the balance sheet growth of nearly 1.5% to AED 293.7 billion.
- With CASA at a significant 41% of deposit base, liquidity remain strong with finance to deposit ratio of 89% and LCR of 152%.
- Capitalization levels remained comfortably above minimum regulatory requirements, with CET1 at 12.3% and CAR at 17.0%.

#### Commercial Bank of Dubai net income up 27% YoY in 1H21

- Net profit was AED 676 million, 27.5% above the prior comparative period
- Operating income was AED 1,572 million, up by 11.4% compared to the prior comparative period, primarily due to improved fee and commission income and higher net interest income
- Operating expenses were AED 409 million, up by 5.8%
- Operating profit was AED 1,163 million, up by 13.4%
- Net impairment allowances were AED 487 million, down 1.6%
- Capital ratios remained strong with the capital adequacy ratio (CAR) at 15.69%, Tier 1 ratio at 14.52% and Common Equity Tier 1 (CET1) ratio at 12.04%.
- Gross loans were AED 78.3 billion, an increase of 13.4% comp

#### Abu Dhabi Islamic Bank net income up 89% YoY in 1H21

- Net Profit surged 89% year-on-year to AED 1,109 million from AED 588 million in H1 2020. The growth in net profit reflects the strong underlying performance across the business supported by a 3.4% growth in total Revenue to AED 2,644 million compared to AED 2,557 million in the same period last year.
- Growth in revenue was driven by an increase in non-funding income of 19%, boosted by a 11% improvement in fee income.
- The financial results were also supported by an 8% decline in Operating Expenses with cost to income ratio improving 5% due to the successful implementation of technology-led initiatives that helped reduce the cost of sales and customer acquisition while also streamlining internal processes.
- ADIB maintained a robust capital position with Common equity Tier 1 ratio 13.32% and Capital adequacy ratio of 19.05% comfortably above regulatory requirements.

## QATAR

### Qatar Corporate Results

QAR MN	1H20	1H21	%CHANGE
Ooredoo Qatar	818.5	-956.2	-
Qatar Industrial Manufacturing	42.3	63.3	50%
United Development	87	136	56%

#### Ooredoo Qatar reports loss due to impairments worth QAR 2.34bn worth of impairments in Myanmar

- Ooredoo discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Loss of QR 956,197,000 in comparison to Net Profit QR 818,459,000 for the same period of the previous year.
- Group Net Profit attributable to shareholders turned negative due to impairments (QAR 2,341 million, mainly from Ooredoo Myanmar) partially offset by profit from the sale and leaseback of Indosat Ooredoo's tower assets (QAR 1,000 million). Excluding these one-offs and FX impact, Net Profit increased by 52%.
- First half 2021 revenue stood at QAR 14.5 billion, an increase of 3% compared to the same period last year. Mainly driven by growth in our home market Qatar, Indonesia, and Tunisia. Excluding FX impact, revenue increased by 5%.
- Group EBITDA for H1 2021 was QAR 6.4 billion with a corresponding EBITDA margin of 44%, driven by growth in Indonesia, Qatar, Kuwait, Tunisia, and Algeria. The EBITDA growth rate stood at 7% and at 10% excluding FX impact.

#### Qatar Industrial Manufacturing net income up 50% YoY in 1H21

- Qatar Industrial Manufacturing Co. discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 63,350,258 in comparison to Net Profit QR 42,384,812 for the same period of the previous year.
- The Earnings per share (EPS) amounted to QR 0.13 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.09 for the same period in 2020.

#### United Development net income up 56% YoY in 1H21

- United Development Co. discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 136,000,000 in comparison to Net Profit QR 87,000,000 for the same period of the previous year.
- The Earnings per share (EPS) amounted to QR 0.038 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.025 for the same period in 2020.

## BAHRAIN

#### Bahrain Chamber of Dispute Resolution issues a judgment in favor of Khaleeji Commercial Bank BSC

- Khaleeji Commercial Bank BSC ("KHCB") would like to inform its shareholders and the markers that Bahrain Chamber of Dispute Resolution (BCDR) issued a judgment yesterday in case number 2/2020 filed by Tadrnon Capital ("Plaintiff") against KHCB claiming the payment of USD 50,747,395 whereby BCDR rejected the case and ordered the Plaintiff to bear all related expenses and expert's fees.

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **German firm weighs potential for green hydrogen starter ventures in Oman**

Hydrogen Rise AG, a well-known German firm specialising in hydrogen fuel technologies, says it is keenly exploring opportunities for the development of module-scale green hydrogen schemes in the Sultanate as a springboard for their eventual upscaling into export-driven mega projects in the future. The Munich-headquartered firm, which has been among the earliest international proponents of a hydrogen economy in Oman as an alternative to fossil fuels, has been working with a number of Oman-based stakeholders to help advance its stated goal of positioning the Sultanate as a major production hub for green hydrogen in the region.

[Source](#)

#### **Suhar industrial 'incident' causes no disruption: Official**

An 'incident' occurring at the Direct Reduction (DR) unit of Jindal Shadeed's steel mill at Sohar Port did not result in any operational disruption or injuries to workers, the company said in a statement. "There was no disruption of normal operations of the unit as it was under annual shutdown," Saif Ali al Busaidi, Deputy General Manager, Jindal Shadeed Iron & Steel, said. "The situation was immediately controlled and there were no injuries recorded. Our team of experts and engineers have assessed the situation and have ensured that all necessary controls are in place to mitigate any risks."

[Source](#)

#### **MSX index ends marginally higher**

The MSX index closed at 4,017.77 points, up 0.03 per cent from previous close. The Sharia Index up 0.77 per cent at 585.58 points. Oman Flour Mills, up 9.14 per cent, was the top gainer while Al Madina Investment, down 8.82 per cent, was the top loser. Shares of Al Anwar Investment were the most active in terms of number of shares traded while Oman Telecommunication was the most active in terms of turnover. A total number of 1,040 trades were executed during the day's trading session, generating turnover of OMR3.7 million, with more than 22.8 million shares changing hands. Out of 59 traded stocks, 20 advanced, 17 declined and 22 remained unchanged. At the session close, GCC & Arab investors were net sellers for OMR473,000 while foreign investors were net buyers for OMR377,000 followed by local investors for OMR95,000 worth of shares.

[Source](#)

#### **Oman Oil Price Declines 30 Cents**

Oman oil price (September Delivery 2021) today reached 72.71 US Dollars, comprising a decrease by 30 cents from the price of yesterday (Tuesday), which was 73.01 US Dollars. The average price of Oman oil (July Delivery 2021) has stabilized at 66.40 US Dollars, thus 3.30 US Dollars per barrel Higher than June Delivery 2021.

[Source](#)

### MIDDLE EAST

#### **Saudi Arabia's exports leap 120%, trade surplus hits \$10bln in May**

Saudi Arabia's overall merchandise exports jumped 120.1% in May 2021 compared to the same month in 2020, according to official data by the General Authority for Statistics (GaStat). Both non-oil and oil exports totaled SAR 82.2 billion in May this year, up from SAR 37.3 billion in May 2020. The annual increase in the Kingdom's exports was mainly backed by oil exports, which soared by SAR 35.8 billion or 146.7% in May 2021 compared to the same period a year earlier. In addition, oil exports accounted for 73.2% of the total exports last May, higher than 65.3% in the same month in 2020.

[Source](#)

#### **Saudi Arabia anticipates \$266bln injection from 4IR technology**

Advanced technology from the Fourth Industrial Revolution (4IR) is expected to generate around 1 trillion riyals for the Saudi economy in new revenue streams, a senior Saudi official told a conference in Riyadh today. The Kingdom will enjoy economic boosts from robotics, artificial intelligence, and wireless production models as it pushes for more smarter cities and infrastructure. In his opening remarks of the Saudi 4IR conference, Minister of Communications and Information Technology Abdullah Alsawaha announced the inauguration of the Saudi 4IR center in collaboration with WEF and said that the center will spur more innovation as Saudi cities must keep pace with technological developments.

[Source](#)

### **Saudi Arabia's sweets, chocolate investment at \$9.3bln**

The investment in the sweets and chocolate industry in Saudi Arabia has reached SR35 billion (\$9.3 billion) through 1,066 factories as of mid-July, the Ministry of Industry and Mineral Resources has revealed. A report issued by the National Industrial Information Centre noted that the investment in sweets and chocolate factories constitutes 1.38% of the total investment volume in Saudi factories, pointing out that foreign investments in the sweets industry accounted for 3% of the total investments, while Saudi investors in the sector comprise 92%. The remaining 5% was distributed among joint capitals, an SPA report said.

[Source](#)

### **Abu Dhabi stimulates FDI opportunities in healthcare sector**

The Department of Health – Abu Dhabi (DoH), the regulator of the healthcare sector in the Emirate, continues to work closely with investors to stimulate high quality investments that support the future needs and demands of the healthcare sector. This investment plan is in line with the UAE Federal Law on Foreign Direct Investment No. 16 for 2020, which grants foreign investor ownership up to 100%. The DOH clarified that foreign investors can own or co-own private healthcare facilities in the UAE, based on certain regulations, including general hospitals with a capacity of no less than 50 beds and specialized hospitals with a capacity of no less than 50 beds within the scope of specialties determined by the DOH.

[Source](#)

### **Real estate review: Dubai recorded deals worth \$16.89bln in H1 2021**

The Dubai property market witnessed high transaction volumes in the first six months of the year, registering a total of 27,373 deals, collectively worth AED 61.97 billion (\$16.89 billion). Compared to the last six months (H2) of 2020, the volume of transactions increased by 40.2 percent and the value of transactions by 55.87 percent, according to data from real-estate search portal Property Finder. In the first half (H1) of 2021, the Dubai real estate market registered 17,434 secondary/ready transactions worth AED 46.88 billion and 9,939 off-plan transactions worth AED 15.09 billion. When compared to H2 2020, secondary transactions increased by 44 percent and the value was up by 56.28 percent, Property Finder said.

[Source](#)

### **Saudi Arabia's oil exports climb 147% to \$16bln in May**

The value of Saudi Arabia's oil exports in May increased 147% to just over 60 billion riyals (\$16 billion) from a year earlier while non-oil exports rose by 70%, official data showed on Wednesday. "Overall merchandise exports increased by 120.1% in May 2021 compared to May 2020, when international trade was impacted by COVID-related lockdowns and travel bans in numerous countries", the General Authority for Statistics said. Oil exports accounted for 73.2% of total exports, up from 65.3% in May last year. Non-oil exports rose to 22 billion riyals from 12.9 billion riyals in May 2020.

[Source](#)

## **INTERNATIONAL**

### **Fiscal stimulus, vaccines likely fueled U.S. economic growth in the second quarter**

The U.S. economy likely gained steam in the second quarter, with the pace of growth probably the second fastest in 38 years, as massive government aid and vaccinations against COVID-19 fueled spending on travel-related services. The anticipated acceleration in gross domestic product last quarter would lift the level of GDP above its peak in the fourth quarter of 2019. Even with the second quarter likely marking the peak in growth this cycle, the economic expansion was expected to remain solid for the remainder of this year. A resurgence in COVID-19 infections, driven by the Delta variant of the coronavirus, however, poses a risk to the outlook. Higher inflation, if sustained, as well as ongoing supply chain disruptions could also slow the economy. The Commerce Department will publish its snapshot of second-quarter GDP growth on Thursday at 8:30 a.m EDT (1230 GMT).

[Source](#)

### **Fed says economic recovery remains on track despite COVID-19 surge**

The U.S. economic recovery is still on track despite a rise in coronavirus infections, the Federal Reserve said on Wednesday in a new policy statement that remained upbeat and flagged ongoing talks around the eventual withdrawal of monetary policy support. In a news conference following the release of the statement, Fed Chair Jerome Powell said the U.S. job market still had "some ground to cover" before it would be time to pull back from the economic support the U.S. central bank put in place in the spring of 2020 to battle the coronavirus pandemic's economic shocks.

[Source](#)



### **Chinese stocks in tentative bounce, Fed in no hurry to taper**

Asian shares managed a semblance of calm on Thursday as the U.S. Federal Reserve signaled it was in no rush to taper stimulus, though the mood was fragile as investors waited to see if Beijing could stem the recent bloodletting in Chinese shares. There was also some promising news on the long-awaited U.S. infrastructure bill as the Senate voted to move ahead on the \$1.2 trillion deal. Yet much depended on how China's markets fared amid reports regulators had called banks overnight to ease market fears about tighter rules on the education sector.

[Source](#)

### **China's assets remain attractive despite recent correction - state media**

China's state media on Thursday said yuan-denominated assets remain attractive and that short-term market panic does not represent long-term value, the latest official effort to shore up investor confidence. The verbal support for markets comes as brutal sell-offs in Chinese shares have prompted worries about a spillover effect to other asset classes, including bonds and foreign exchange. "In general, investment institutions generally believe that the current market correction is still a short-term event shock, rather than a reversal caused by changes in fundamentals," the China Securities Journal said in a front-page commentary.

[Source](#)

### **Powell says Fed likely to taper asset purchases 'at the same time'**

The Federal Reserve will likely reduce its monthly purchases of mortgage-backed securities and Treasuries simultaneously when it is time to pare back its support for the U.S. economy, though policymakers are debating whether to wind down the buying of MBS at a faster pace, Fed Chair Jerome Powell said on Wednesday. Some U.S. central bank policymakers have said they want to end their monthly \$40 billion of MBS purchases faster than the \$80 billion in Treasuries because of the hot U.S. housing market.

[Source](#)

### **Hong Kong's Hang Seng index jumps nearly 3% as stocks recover from early week slump**

Shares in Hong Kong continued to see a rebound in Thursday morning trade from a two-day slump earlier in the week. Meanwhile, Asia-Pacific markets rose after the U.S. Federal Reserve left its benchmark interest rate near zero. Hong Kong's Hang Seng index jumped 2.79% in morning trading on Thursday, continuing its bounce back after closing more than 1% up the day before. The index had dived more than 8% over two days early this week. Chinese tech stocks in Hong Kong, which had been hit hard by the market rout earlier in the week, soared. Shares of Tencent jumped 8.9% while Alibaba gained 6.33% and Meituan climbed 9.11%. The Hang Seng Tech index soared 6.95%.

[Source](#)

## **COMMODITIES**

### **Oil edges higher on inventory drawdowns, Brent tops \$75 a barrel**

Oil prices rose on Thursday as crude stockpiles in the United States, the world's top oil consumer, fell to their lowest since January 2020, with Brent crude oil prices pushing back past \$75 a barrel. Brent crude oil futures gained 36 cents, or 0.5%, to \$75.10 a barrel by 0247 GMT, while U.S. West Texas Intermediate (WTI) crude oil futures increased by 33 cents, or 0.5%, to \$72.72 a barrel.

[Source](#)

### **Gold hits one-week high after Fed fails to signal taper timeline**

Gold prices rose to its highest level in over a week on Thursday after the U.S. Federal Reserve failed to give a timeline for its tapering plans and said it was "ways away" from considering raising interest rates. Spot gold rose 0.5% to \$1,815.56 per ounce by 0129 GMT, having earlier hit a peak since July 20 at \$1,817.35. U.S. gold futures climbed 0.9% to \$1,815.30 per ounce.

[Source](#)

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## FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

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### UAE

#### **Ajman Bank, CBD conclude Pakistan's \$350m Murabaha syndicated financing**

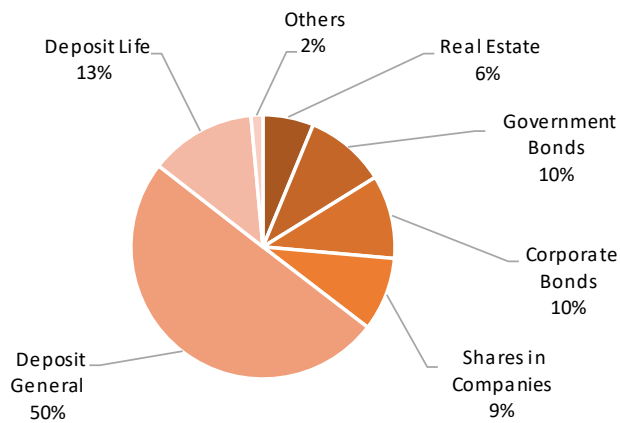
- Ajman Bank and Commercial Bank of Dubai (CBD) have concluded Pakistan's \$350 million Murabaha syndicated financing.
- Both banks acted as initial mandated lead arrangers and bookrunners on the facility for Pakistan acting through the Ministry of Finance (MoF), with Ajman Bank also acting as an investment agent on the facility, according to a press release.
- Originally mandated for \$200 million, the Islamic syndication facility was more than 75% oversubscribed, attributed to strong demand from local, regional, and international investors.
- The transaction was fully subscribed by 12 banks.
- Gulf International Bank, The Arab Investment Company, Islamic Corporation for the Development of the Private Sector (ICD), United Arab Bank, Commercial Bank of Dubai (CBD), along with Ajman Bank were the key investors from the GCC region that participated in the transaction.

**CHART / TABLE OF THE DAY**

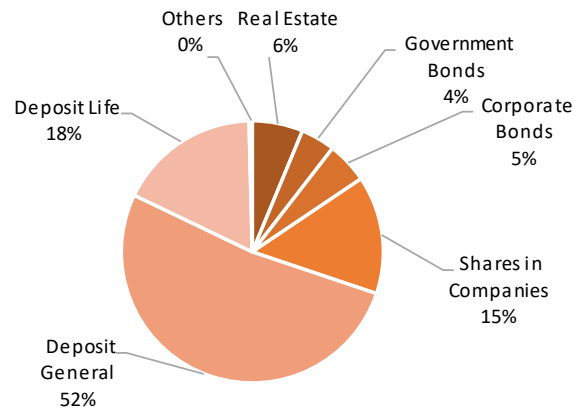
**Oman National Insurance Companies – Investment Book Composition Comparison between 2020 / 2017**

- National insurance companies (10 listed & 1 unlisted) investment composition has changed over the last four years towards less risky form of investments.
- Investment in companies (listed/unlisted) has reduced to 9% of the total in 2020 from 15% in 2017 while investment in fixed income (government & corporate bonds) has increased to 20% compared to 9% earlier.

**Investment Mix of National Companies - 2020**



**Investment Mix of National Companies - 2017**



Source: CMA & U Capital

Data: 10 Listed Insurance Companies & 1 Unlisted



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