

PRE-MARKET REPORT

2 May 2021

HEADLINES

MARKET INDICATORS

GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

- Saudi Aramco, SABIC unveil plans to realign marketing, sales, commercial, supply chain activities
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- Alandalus Property announces to distribute 60% of net income in the form of dividend through 2021-23
- Saudi Enaya Cooperative Insurance Co. Announces an update on the announcement of signing a Non-Binding Memorandum of Understanding with Amana Cooperative Insurance Company
- Dr. Sulaiman Al Habib Medical Services Group Announces a New Hospital Project in Al-Kharj Governorate
- Saudi Automotive Services Co. (SASCO) announces the latest developments of the options study of sell and leaseback some of its owned sites
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- Saudi British Bank net income flat YoY but higher on QoQ basis by 43%
- Najran Cement net income higher on YoY basis by 51% but lower on QoQ basis
- Savola Group net income down YoY by 11% but higher 2.4x on QoQ basis
- Budget Saudi net income higher YoY by 21.4% but lower on QoQ basis by 29%
- Maharah Human Resources net income down YoY but higher on QoQ basis by 39%
- Dallah Healthcare net income higher on both YoY and QoQ basis
- Zad Holding net income down 6% YoY in 1Q21
- Gulf International Services reports loss in 1Q21
- Qatar Oman Investment company net income increases 219% in 1Q21
- Dana Gas shareholders approve 2020 dividends
- Mashreq Bank net income lower 90% YoY in 1Q21
- National Bank of Umm Al-Qaiwain net income higher 5% YoY in 1Q21
- STC Kuwait net income higher 23% YoY in 1Q21

FINANCIAL RESULTS EXPECTED:

- Abu Dhabi Islamic Bank (ADIB UH)

ECONOMIC, GENERAL & COMMODITIES NEWS

- Omani banks face rising bad loans amid slow recovery: Fitch
- Saudi spending efficiency program saves over SAR 400bn in last 4 years: Al-Jadaan
- Saudi Arabia to reconsider VAT after achieving certain targets: Al-Jadaan
- UAE economy performs better than expected, on track towards recovery in 2021
- UAE issues specialised banks with low risk regulation
- Qatar posts small \$55mn surplus in first quarter as oil prices lift revenues
- Saudi Arabia to see more IPOs in tech, retail, healthcare; set for bumper 2021
- Saudi foreign reserves rose 1.7% in March to \$449bln
- Eurozone economy enters double-dip recession in first quarter
- Wall St Week Ahead Blow-out U.S. earnings suggest market has room to run
- Huge rise in coronavirus cases hit India's April fuel demand

FIXED INCOME

- Moody's changes Bahrain's outlook to negative, affirms B2 ratings
- TAQA Group successfully completes US\$1.5 Billion 7-year and 30-year dual-tranche bond offering

ECONOMIC UPDATE / OMAN

- Oman records deficit of OMR 751.4mn in 1Q21; Revenue at OMR 1.81bn while expenditure at OMR 2.64bn
- Govt payments to private firms assured within 5 working days in Oman

CHART / TABLE OF THE DAY

- MSX recorded net foreign outflows of USD 0.9mn last week: YTD outflows at USD 5mn

TECHNICALS OF THE DAY

- MSM Virtual Technical Portfolio

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	646.43	-0.07	-0.01%	13.47%	23.06	2.05	2.7%
Muscat Stock Exchange	3,761.79	0.79	0.02%	2.82%	11.32	0.69	4.8%
Saudi Stock Exchange	10,418.98	-112.24	-1.07%	19.90%	31.43	2.33	2.3%
Kuwait Stock Exchange	6,113.60	-17.54	-0.29%	10.23%	51.38	1.51	2.3%
Qatar Exchange	10,911.40	-29.18	-0.27%	4.56%	18.50	1.64	2.7%
Bahrain Stock Exchange	1,484.85	-1.34	-0.09%	-0.33%	38.12	0.98	2.4%
Dubai Financial Market	2,616.25	10.87	0.42%	4.76%	20.55	0.91	3.2%
Abu Dhabi Exchange	6,050.71	3.90	0.06%	19.94%	22.94	1.71	4.3%
Beirut Stock Exchange	920.34	-4.69	-0.51%	39.89%	35.28	0.72	0.0%
Palestine Stock Exchange	479.34	1.03	0.22%	1.71%	18.08	1.11	3.4%
Tunis Se Index	7,164.20	31.03	0.44%	4.06%	20.99	2.18	0.6%
EGX 30 Index	10,475.26	-116.16	-1.10%	-3.41%	11.45	1.42	3.1%

World Markets	Country	Value	D/D	YTD
Europe			%	%
FTSE 100	UK	6,969.8	0.12%	7.88%
DAX	Germany	15,135.9	-0.12%	10.33%
CAC 40	France	6,269.5	-0.53%	12.93%
United States				
DJIA	USA	33,874.9	-0.54%	10.68%
S&P 500	USA	4,181.2	-0.72%	11.32%
NASDAQ	USA	13,962.7	-0.85%	8.34%
Asia Pacific				
NIKKEI 225	Japan	28,812.6	-0.83%	4.99%
HANG SENG	Hongkong	28,724.9	-1.97%	5.49%
KSE 100 Index	Pakistan	44,262.4	-1.34%	1.16%
NSE Nifty 50	India	14,631.1	-1.77%	4.64%
SHANGHAI COMPOSITE	China	3,446.9	-0.81%	-0.75%
SHANGHAI SHENZHEN CSI 300	China	5,123.5	-0.79%	-1.68%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.297	-0.25%
British Pound (GBP)	0.724	-1.08%
Canadian Dollar (CAD)	1.229	3.56%
Chinese Renm. (CNH)	6.474	0.45%
Egyptian Pound (EGP)	15.670	0.36%
Euro (EUR)	0.832	1.64%
Indian Rupee (INR)	74.088	-1.38%
Japanese Yen (JPY)	109.310	-5.54%
Swiss Franc (CHF)	0.913	-3.06%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	153.463	4.15%
Russian Ruble (RUB)	75.207	-1.06%
Singapore Dollar (SGD)	1.331	-0.65%
Turkish Lira (TRY)	8.295	-10.30%

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	66.8	-1.90%	29.66%
WTI Crude (per bbl)	63.6	-2.20%	31.04%
Oman Crude Oil (Last Closing)	64.5	-2.45%	26.22%
OPEC (per bbl)	65.7	1.83%	30.79%
Precious Metals			
Gold100 OZ (per oz)	1,769.1	-0.17%	-6.81%
Silver (per oz)	25.9	-0.69%	-1.84%
Platinum (per oz)	1,203.4	0.07%	12.24%
Other Metals			
Copper, MT	9,825	-0.61%	26.51%
Aluminium, MT	2,397	-0.83%	21.09%
Lead, MT	2,152	1.68%	7.92%
Zinc, MT	2,926	0.24%	6.36%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.36	-30.5%
Saudi Arabia	0.80	-2.7%
Kuwait	1.50	4.3%
Oman	2.55	-4.7%
Qatar	1.09	-2.7%
Bahrain	1.33	-41.1%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.55
UAE	16/04/2030	2.12
QATAR	16/04/2030	2.24
SAUDI ARABIA	22/10/2030	2.55
OMAN	25/01/2031	5.22
BAHRAIN	30/09/2031	5.51

Midswaps	Price	YTM %
3 year	100.13	0.3
5 year	99.53	0.8
10 year	95.48	1.6
30 year	90.94	2.3

USD Libor	Rate (%)	YTD
1m	0.11	-25.5%
3m	0.18	-26.0%
6m	0.20	-20.5%
1 year	0.28	-17.8%

Source: Bloomberg

CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

SAUDI ARABIA

Saudi Aramco, SABIC unveil plans to realign marketing, sales, commercial, supply chain activities

- Saudi Aramco and SABIC today announce their intention to transfer the marketing and sales responsibility for a number of Aramco petrochemicals and polymers products to SABIC, and the offtake and resale responsibility of a number of SABIC products to Aramco Trading Company (ATC).
- The effect of these changes, planned to be implemented on a phased basis during 2021, subject to the necessary consents being obtained, will focus SABIC on petrochemicals products and ATC on fuel products, both companies said in a statement received by Argaam.
- This is a significant step in aligning the Aramco and SABIC strategies, following Aramco's acquisition of a 70% stake in SABIC in June 2020.
- Saudi Aramco and SABIC will continue to review options for further global marketing and sales transfers across product-producing companies within the Aramco group portfolio.
- After completing the consolidation of petrochemical products, SABIC will market the following products, which include both existing products and extensions to its portfolio: HDPE, LLDPE, LDPE, PP copolymer, PP homopolymer, PP terpolymer, ethylene vinyl acetate copolymer (EVA), PMMA, PA6, MEG, DEG, TEG, Mono-Ethanolamine (MEA), Di-Ethanolamine (DEA), Tri-Ethanolamine (TEA), Ethylene diamine (EDA), DiEthyleneTriamine (DETA), ortho-Toluenediamine, Polymeric Methylene Diphenol Diisocyanate (PMDI), Toluene diisocyanate (TDI), Propyl-ene Glycols, Polyols, Propylene Oxide, MMA, Butyl Glycol Ether, Acetone and Phenol.

SABIC to market 1.7mn tons of Sadara products, maintain dividend policy: CEO

- Saudi Basic Industries Corp. (SABIC) will market more than 1.7 million tons of Sadara Chemical Co.'s (Sadara) products, the company's vice chairman and chief executive officer (CEO) Yousef Al-Benyan said in an earnings call today, April 29, 2021. This move is part of SABIC's integration strategy with Saudi Aramco.
- The 'Shareek' program will enable SABIC and other petrochemicals producers in the sector to boost growth opportunities locally and establish their presence globally, Al-Benyan added, noting that SABIC has a clear dividend distribution policy and will maintain that strategy.
- There is a balance between dividend distribution and growth opportunities to deliver positive returns to shareholders in the long-term, Al-Benyan concluded. SABIC said that the sales and marketing rights of approximately 5.4 million metric tons of chemicals and polymer products will be transferred from Saudi Aramco to the company on a phased basis starting 2021, Argaam reported.

Alandalus Property announces to distribute 60% of net income in the form of dividend through 2021-23

- Alandalus Property announces that its Board of Directors approved Thursday, 17/09/1442H, corresponding to 29/04/2021G, its dividend distribution policy for the fiscal years 2021, 2022 and 2023, which will be presented for approval to the upcoming General Assembly, the date of which will be announced later. This policy aims to maintain a minimum distribution per share through distributing 60% of the Company's net profit annually.

Dr. Sulaiman Al Habib Medical Services Group Announces a New Hospital Project in Al-Kharj Governorate

Project Start Date	The expected project start date is Q3 2021G, subject to approval obtained from the relevant authorities
Project Cost	The estimated total cost of the project is SAR 458 million.
Financing method for the project	The project will be funded by the Group's internal resources and by long-term Shariah-compliant loans from local banks.
Expected completion date of the project	The expected project completion date is Q3 2024, subject to approval obtained from the relevant authorities
Expected Impact on the Company's Financial Results	The project is expected to have an impact on the financial results of the Company, from commencement of operations, expected to commence in Q4 2024G. Details of the financial impact and any other developments will be announced in due course.

Saudi Enaya Cooperative Insurance Co. Announces an update on The announcement of signing a Non-Binding Memorandum of Understanding with Amana Cooperative Insurance Company

- Saudi Enaya Cooperative Insurance Company ("Enaya") announces that it has signed a binding merger agreement with Amana on 17/09/1442H (corresponding to 29 April 2021G) ("Agreement" and/or "Merger Agreement"). Whereas each Board of Directors of both companies has reached an agreement regarding the conditions under which Enaya will be merged into Amana and all the assets and liabilities of Enaya will be transferred to Amana (the "Merger").
- Upon completion of the Merger, Enaya's assets and liabilities will be transferred to Amana.
- Based on the Merger Agreement, and in the event that the Merger has been approved by all the relevant government entities and by the extraordinary general meetings of both companies, and in the event that the Amana capital reduction is not consummated prior to the completion of the Merger, Amana will issue 29,276,353 new ordinary shares with a nominal value of SAR 10 per share (the "New Shares") in consideration of the purchase of all the issued shares in Enaya with a total nominal value of SAR 292,763,530 and all the assets and liabilities of Enaya will be transferred to Amana. This means that 1.951756867 shares will be issued in Amana in consideration of every one (1) share owned in Enaya (the "Exchange Ratio"). In the event that the Amana capital reduction is consummated prior to the completion of the Merger, Amana will issue 15,858,024 new ordinary shares with a nominal value of SAR 10 per share in exchange for the purchase of the entire issued shares of Enaya with a total nominal value of SAR 158,580,240 and all the assets and liabilities of Enaya will be transferred to Amana. This means that 1.05720160 shares in Amana will be issued for every one (1) share owned in Enaya.

Saudi Automotive Services Co. (SASCO) announces the latest developments of the options study of sell and leaseback some of its owned sites

- SASCO refers to its announcement on the Tadawul website on January 19, 2017, for studying options for sell and leaseback some of its owned sites, In this matter, SASCO advise of a non-binding memorandum of understanding was signed with Falcom Financial Services on April 29 2021 to start the work of the due diligence examination in order to complete the deal.
- This memorandum is valid for three months renewal, SASCO will announce any other developments in this regard.

Saudi Corporate Results -1Q 2021

SAR MN		1Q21	1Q20	%CHANGE	4Q20	% CHANGE
RIYAD BANK	بنك الرياض	1,354	1,476	-8.265	879	54.038
SAUDI BRITISH BANK	البنك السعودي البريطاني	970	971	-0.102	680	42.647
SAVOLA	مجموعة صافولا	153.8	172.8	-10.995	44.7	244.071
BUDGET SAUDI	بدجت السعودية	55.2	45.4	21.4	77.6	-28.9
MAHARAH HUMAN RES.	شركة مهارة للموارد البشرية	31.32	57.25	-45.292	22.53	39.014
DALLAH HEALTHCARE	شركة دله للخدمات الصحية	54.6	19.2	184.375	20.1	171.641
NAJRAN CEMENT	شركة أسمنت نجران	60.7	40.2	51.4	83.8	-27.5

Riyad Bank net income down 8.2% YoY but higher 54% QoQ in 1Q21

- YoY: Net income was lower, mainly due to higher total operating expenses coupled with lower total operating income. The total operating expenses were higher by 4.1% due to higher impairment charge on investments, other general and administrative expenses and other operating expenses, offset by lower impairment charge for credit losses and other financial assets, net. Total operating income was lower by 2.2% mainly due to lower fee and commission income, net, trading and exchange income, net partially offset by higher net special commission income.
- QoQ: Net income increased mainly due to drop in total operating expenses which were lower by 21.7 %, driven by a decrease in impairment charge for credit losses and other financial assets, net and other general and administrative expenses partially offset by increase in higher impairment charge on investments and other operating expenses.

Saudi British Bank net income flat YoY but higher on QoQ basis by 43%

- YoY: A slight decrease in net profit was due to a decrease in total operating income mainly driven by lower net special commission income. This was partially offset by a lower provision for expected credit losses, total operating expenses and higher share of earnings of associates.
- QoQ: The increase in net profit was primarily driven by lower total operating expenses and lower provision for expected credit losses. This was partially offset by a decrease in total operating income mainly contributed by lower net special commission income by 4.6% and increase in provision for Zakat and income tax.

Savola Group net income down YoY by 11% but higher 2.4x on QoQ basis

- The increase in the net profit for the 1st quarter, 2021 compared to the net profit for the previous quarter is attributed mainly to the following:
 - Higher gross profit due to higher sales and margins;
 - Higher share of profit from an associate;
 - Lower zakat and income tax expense; and
 - Impairment loss, being recorded in the quarter ended 31 December 2020.

Budget Saudi net income higher YoY by 21.4% but lower on QoQ basis by 29%

- YoY: The increase in the net profit is due to an increase in the net gain on the sale of the vehicles, as more vehicles were sold with improved margin in Q 1 2021 compared to the same quarter last year. The better gain on sale has compensated the decline of lease and rental revenue due to covid-19, which is not yet recovered or normalized due to prevailing restriction.
- QoQ: The decrease in net profit for the current quarter compared to the previous quarter is mainly because the number of vehicles sold in the current quarter is comparatively lower than the preceding quarter.

Maharah Human Resources net income down YoY but higher on QoQ basis by 39%

- Consolidated net income attributable to the shareholders of the company decreased by 45% compared with the same quarter of the previous year, mainly due to:
 - The decrease in the company's revenue by 17%, whereas the revenues of corporate and individual sectors decreased by 18% and 17% respectively compared to the same quarter of the previous year as a result of the decrease in the average number of resources, which resulted from the decrease in the number of arrivals due to the suspension of international flights from the sourcing countries as one of the consequences of the new wave of the spread of the COVID-19 pandemic.
 - General and administrative expenses increased by 11% (SAR 1.7 million) compared to the same quarter of the previous year, due to filling the administrative vacancies on the company organization structure.

Dallah Healthcare net income higher on both YoY and QoQ basis

- Increase in net profit for the current quarter compared to the same quarter of the last year is due to:
 - Increase operating revenues as a result of growing numbers of inpatients and outpatients in Dallah Hospitals.
 - Increase in operating level of Dallah Namar Hospital compare to the same quarter of last year.
 - Increase in the group's revenues and result of operations as a result of acquisitions of majority of shares of Cares Shield Holding Co and Makkah Medical Center Co.

Najran Cement net income higher on YoY basis by 51% but lower on QoQ basis

- YoY: The increase in net profit for current quarter compared to the same quarter of the previous year is attributable to higher sales volume at lower cost of sales per ton in addition to a decrease in finance expenses.
- QoQ: The decrease in net profit for current quarter compared to previous quarter is mainly attributable to the fact that there was a positive impact of finalizing zakat assessments of previous years on previous quarter results.

QATAR

Qatar Corporate Results -1Q 2021

QAR MN		1Q21	1Q20	%CHANGE
ZAD HOLDING	شركة زاد القابضة	42.5	45.0	-6%
GULF INTERNATIONAL SERVICES	الخليج الدولية للخدمات	-5.52	8.72	-163%
QATAR OMAN INVESTMENT CO	شركة قطر وعمان للاستثمار	5.78	1.81	219%

Zad Holding net income down 6% YoY in 1Q21

- Zad Holding Co. discloses the interim financial statement for the three-month period ending 31st March , 2021.
- The financial statements revealed a Net Profit of QR 42,590,132 in comparison to Net Profit QR 45,045,879 for the same period of the previous year.
- The Earnings per Share(EPS) amounted to QR 0.18 as of 31st March , 2021 versus Earnings per Share(EPS) QR 0.19 for the same period in 2020 .

Gulf International Services reports loss in 1Q21

- Gulf International Services discloses the interim financial statement for the three-month period ending 31st March , 2021.
- The financial statements revealed a Net Loss of QR 5,527,924 in comparison to Net Profit QR 8,720,469 for the same period of the previous year.
- The loss per share amounted to QR 0.003 as of 31st March , 2021 versus Earnings per Share(EPS) QR 0.005 for the same period in 2020 .

Qatar Oman Investment company net income increases 219% in 1Q21

- Qatar Oman Investment Company discloses the interim financial statement for the three-month period ending 31st March , 2021.
- The financial statements revealed a Net Profit of QR 5,782,169 in comparison to Net Profit QR 1,819,212 for the same period of the previous year.
- The Earnings per Share(EPS) amounted to QR 0.018 as of 31st March , 2021 versus Earnings per Share(EPS) QR 0.006 for the same period in 2020 .

UAE

Dana Gas shareholders approve 2020 dividends

- The shareholders of Dana Gas approved the Board of Director's recommendation to distribute cash dividends at AED 5.5 fils per share for 2020, during the company's annual general meeting (AGM) on Wednesday.
- "The rebound in oil prices in the first quarter of the year will further support our robust financial position in 2021 as we continue to improve our operational capabilities." Hamid Jafar, Chairman of Dana Gas, said.
- The AGM concluded with the election of a new Board of Directors for the coming three-year term, according to the company's statement.
- Out of the 11 members, three new board members were elected.

UAE Corporate Results -1Q 2021

AED MN		1Q21	1Q20	%CHANGE
MASHREQ BANK	بنك المشرق	42.9	450.3	-90%
NATIONAL BANK OF UMM AL-QAIWAIN	بنك ام القيوين الوطني	76.4	72.8	5%

Mashreq Bank net income lower 90% YoY in 1Q21

- Mashreq Bank net income lower 90% YoY in 1Q21 to AED 42.9mn.
- Operating profit at AED 789 million is a meaningful increase compared to 4Q 2020 mainly as a result of increased operating income and reduced operating expense.
- Impairment allowance has reduced compared to the last quarter to stand at AED 711 million vs AED 1.7 billion for 4Q 2020. This has helped shift Mashreq into a profitable position in 1Q 2021.
- Growth of 2.2% YTD in Customer deposits to reach AED 90.2 billion.
- Capital adequacy ratio and Tier 1 capital ratio stood at 14.4% and 13.3% respectively.
- Non-Performing Loans to Gross Loans ratio was at 4.9% as of end of March 2021 down from 5.1% at the end of last quarter.
- Total provision for loans and advances reached AED 4.8 billion and coverage ratio stood at 104.3% as on 31st March 2021

National Bank of Umm Al-Qaiwain net income higher 5% YoY in 1Q21

- National Bank of Umm Al-Qaiwain net income higher 5% YoY in 1Q21 to AED 76.4mn.
- Cost to income ratio stood at 26%.
- Deposits to advances ratio stood at 110%.
- Capital Adequacy Ratio improved to 43.5%.
- Tier 1 ratio at 42.36%.

KUWAIT

Kuwait Corporate Results -1Q 2021

AED MN		1Q21	1Q20	%CHANGE
STC Kuwait	أس تي سي	8.0	6.5	23%

STC Kuwait net income higher 23% YoY in 1Q21

- "stc's EBITDA increased by 10.9% in the first three months of 2021 to reach KD 18.9 mn compared to KD 17.0 mn during the same period of 2020. EBITDA margin reached 27% in Q1-2021 compared to 24% in Q1-2020.
- stc reported an increase in the net profit by 22.6% to reach KD 8.0 mn (earnings per share of 16 fils) with a profit margin of 11% compared to KD 6.5 mn (earnings per share of 13 fils) with a profit margin of 9% in 2020.
- Customer base reaches 1.8mn at end of March 2021.

ECONOMIC & GENERAL NEWS

OMAN

Industrial index led MSX higher

The MSX30 Index ended the week higher by 1.12%. Industrial Index was the major support to the market. Globally, earnings season is in full swing. Earnings continue to beat the market expectations which is resulting in market continuing to post new highs. Locally in MSX, Industrial companies have remained most sought companies in last 3-4 weeks, we expect that sector to take a little breather in coming period, making way for other sectors.

[Source](#)

Omani banks face rising bad loans amid slow recovery: Fitch

Omani banks' intrinsic credit profiles face pressure throughout 2021 due to economic disruption caused by the pandemic and the government's restrictive fiscal policy, Fitch Ratings has said. 'We expect the sector's Stage 3 loans ratio to increase by 100 basis points (bps)-150bps from 4.4 per cent at end-2020 as borrower support measures expire and loan classification normalizes. The proportion of restructured loans (4 per cent at end-2020) is also likely to rise,' Fitch said in a report. It said corporate loan deferrals are significant and, unless extended, will pose sizeable risks to Omani banks' asset quality when they expire in September.

[Source](#)

MIDDLE EAST

Saudi spending efficiency program saves over SAR 400 bln in last 4 years: Al-Jadaan

Saudi Arabia's spending efficiency program in the financial sector saved more than SAR 400 billion in the last four years, Minister of Finance, Mohammed Al-Jadaan, said in a dialog session held today, May 1, 2021. The Kingdom's private sector participation (PSP) program will enable the private sector to undertake many projects offered by the government. On the other hand, the private sector contribution rose from 45% to 51% in 2020, Al-Jadaan concluded.

[Source](#)

Saudi Arabia to reconsider VAT after achieving certain targets: Al-Jadaan

Saudi Arabia will reconsider the value-added tax (VAT) after achieving certain targets, such as the Kingdom's gross domestic product (GDP) growth, economic expansion, and a steady rise in oil price, Minister of Finance, Mohammed Al-Jadaan, said, expecting a decision to be announced within the period earlier specified by Crown Prince Mohammed bin Salman. The Kingdom's decision to triple VAT to 15% was the best decision among bitter choices, Al-Jadaam added in a dialog session held today, May 1, 2021.

[Source](#)

UAE economy performs better than expected, on track towards recovery in 2021

The UAE economy performed better than expected in 2020 despite the current global challenges brought about by the COVID-19 pandemic, said Abdulla bin Touq Al Mari, Minister of Economy, following the issuance of the preliminary results of the country's economic performance by the Federal Competitiveness and Statistics Centre. The results highlight the effectiveness of the proactive economic measures and incentive packages rolled out by the UAE government, based on policies that highlight the country's speed and flexibility in responding to global changes, as well as its constant efforts to promote economic diversification.

[Source](#)

UAE issues specialised banks with low risk regulation

The Central Bank of the UAE (CBUAE) has issued a new regulation covering licensing, prudential and conduct requirements for specialised banks. Specialised banks are licensed under the CBUAE's new regulation and are allowed to practice different financial activities to serve the local community, such as account opening, card issuance, and retail and wholesale lending. Specialised banks are permitted to provide their services to UAE nationals and UAE residents only.

[Source](#)

Qatar posts small \$55mn surplus in first quarter as oil prices lift revenues

Qatar posted a 200 million riyals (\$55 million) surplus in the first quarter this year, helped by a recovery in oil prices, the ministry of finance said on Thursday. The Gulf state, the world's top liquefied natural gas (LNG) producer, saw total revenue of 45.2 billion riyals in the first three months of the year against 45 billion riyals in expenditure, the ministry said in a statement.

[Source](#)

Saudi Arabia to see more IPOs in tech, retail, healthcare; set for bumper 2021

The initial public offering (IPO) market in the region was relatively muted during the peak lockdown in 2020 after a relatively promising start in the first quarter. However, activity returned towards the year-end with the listing of Dr. Sulaiman Al Habib Medical Services Group Co. and BinDawood Holding on the Saudi Stock Exchange (Tadawul). The IPO market in Saudi Arabia proved to be more resilient than expected in 2020, when the world was hit by a pandemic; the momentum is anticipated to continue in 2021 with cautious approach. In 2019, Tadawul also completed its full inclusion on the MSCI emerging markets index.

[Source](#)

Al-Rabiah: Saudis to have insurance coverage through health communities

Saudi Arabia's Minister of Health Tawfig Al-Rabiah said nationals will have insurance coverage through the health communities in the Kingdom. During a dialog session held on the five-year passage of Saudi Vision 2030, the minister said every citizen will have a physician to follow up his condition as well as his family's condition. He added that citizens benefited from the medical consultancy through "Seha" app when they were outside the Kingdom.

[Source](#)

Saudi foreign reserves rose 1.7% in March to \$449bln

Saudi Arabia's foreign reserves increased by 1.7 percent month over month in March to SR1.683 trillion (\$448.9 billion), according to data from the country's central bank, the Saudi Arabian Monetary Authority. Reserves were 5 percent lower from a year earlier, SAMA said. Investments in foreign securities edged up 0.2 percent month over month to SR1.124 trillion, while foreign exchange and deposits abroad rose 5.7 percent to SR513.6 billion.

[Source](#)

Saudi mortgage issuance jumps 56% in March led by house financing

Saudi Arabian banks issued 31,826 mortgages in March 2021 worth a record SR16.95 billion (\$4.5 billion), an increase of 56 percent from the same period in 2020, according to the country's central bank. Lending for houses surged 57 percent year over year to SR13.68 billion, mortgages for apartments increased 23 percent to SR2.57 billion, while financing for land gained 14 percent to SR697 million, data from the Saudi Arabian Monetary Authority (SAMA) showed.

[Source](#)

INTERNATIONAL

Warren Buffett says U.S. economy's unexpected strength benefits Berkshire

Warren Buffett said on Saturday that Berkshire Hathaway Inc is being lifted by a U.S. economy faring far better than he predicted early in the coronavirus pandemic, though investor euphoria is making it hard to deploy cash. Speaking at Berkshire's annual meeting, Buffett said the economy has been "resurrected in an extraordinarily effective way" by monetary stimulus from the Federal Reserve and fiscal stimulus from the U.S. Congress.

[Source](#)

Eurozone economy enters double-dip recession in first quarter

The eurozone economy fell into a second recession in less than a year in the first quarter, data showed on Friday, as slow vaccinations and pandemic lockdowns stopped a rebound. The data was in stark contrast to the US, where the economy roared forward in the same period, posting annualized growth of 6.4 percent.

[Source](#)

Wall St Week Ahead Blow-out U.S. earnings suggest market has room to run

U.S. companies are leaping above expectations on first-quarter earnings, giving investors stronger confirmation that profit growth will be able to support the market this year. A big piece of that growth is coming once again from technology and growth companies, which suggests greater durability in companies that underperformed more economically focused value names for months.

[Source](#)

China's April home prices maintain momentum, smaller cities lead growth - private survey

Chinese new home prices rose again in April, fuelled by hot demand in smaller coastal cities as housing market strength in major centres tapered off due to tighter restrictions, a private survey showed on Saturday. New home prices in 100 cities rose 0.23% in April from a month earlier, up marginally from 0.2% in March, according to data from China Index Academy, one of the country's largest independent real estate research firms.

[Source](#)

Italy submits its Recovery Plan to EU Commission just before deadline

Italy submitted its Recovery Plan to the European Commission late on Friday, a government spokesman said, just getting the document to Brussels within the April 30 target date set for all 27 European Union countries. The plans are a prerequisite to receive cash from the EU's one-off, 750-billion-euro (\$902 billion) fund set up to help member states recover from the coronavirus pandemic and give the continent a greener, more digital and more resilient economy.

[Source](#)

COMMODITIES NEWS

Huge rise in coronavirus cases hit India's April fuel demand

Indian state refiners' local fuel sales in April declined due to state-level restrictions aimed at stemming a rampant second wave of coronavirus infections, preliminary data shows. The deadly second wave topped 400,000 new daily cases for the first time on Saturday.

[Source](#)

FIXED INCOME

BAHRAIN

Moody's changes Bahrain's outlook to negative, affirms B2 ratings

- Moody's Investors Service ("Moody's") has changed the outlook on the Government of Bahrain to negative from stable and has affirmed its B2 long-term issuer and senior unsecured ratings.
- The change of outlook to negative reflects increased downside risks to Bahrain's ratings stemming from a larger than earlier expected weakening in fiscal metrics and ongoing uncertainty around the timing and the size of the augmentation of the financial support package for Bahrain from the fellow Gulf Cooperation Council (GCC) sovereigns. The very large fiscal deterioration during 2020 will make a path toward stabilizing the government's debt burden at a sustainable level significantly more challenging than Moody's had previously expected. The oil price and economic shock triggered by the coronavirus pandemic and persistently high off-budget spending, which Moody's expects to continue in the next several years, account for the increased downside risks.
- Moreover, the government's ability to continue meeting its very large funding needs, including through large issuances in the international capital markets, relies on the credibility of financial support being extended and significantly upsized. Delays in augmenting such support, in addition to the absence of new significant debt-stabilizing fiscal consolidation measures, would likely weaken investor confidence and markedly increase already elevated government liquidity risks.

UAE

TAQA Group successfully completes US\$1.5 Billion 7-year and 30-year dual-tranche bond offering

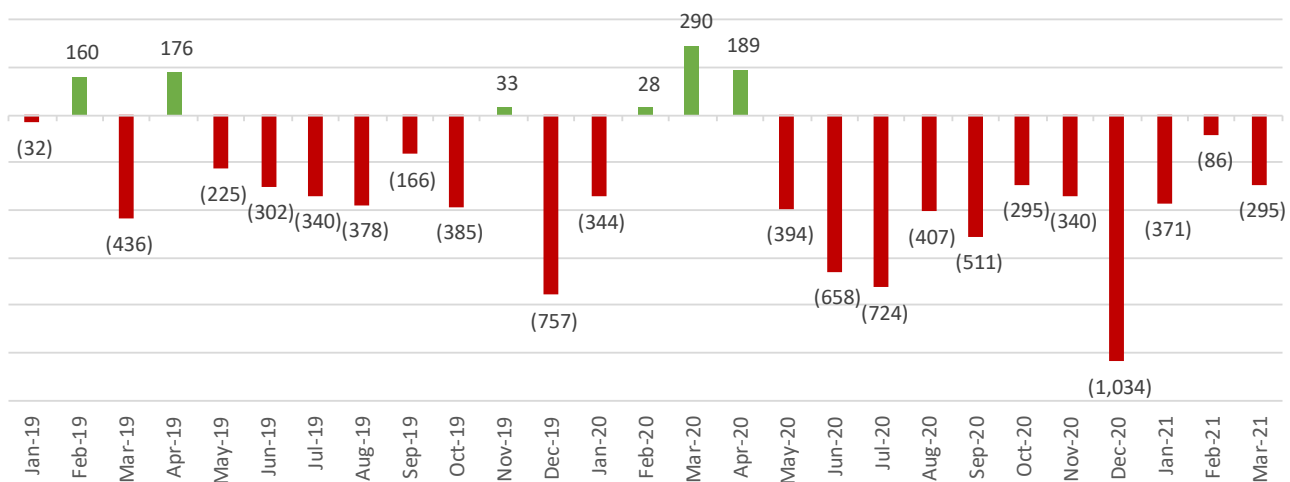
- Abu Dhabi National Energy Company PJSC ("TAQA", the "Company" or the "Group"), announced today the successful placement of an aggregate US\$1.5 billion in 7-year and 30-year dual-tranche senior unsecured notes (the "Notes").
- The 7-year notes, sized at \$750 million and maturing April 2028, were issued at a coupon rate of 2.0%. The 30-year notes, also sized at \$750 million and maturing April 2051, were issued at a coupon rate of 3.4%. The 30-year tranche is TAQA's first Formosa issuance dual-listed in Taipei and London to tap into Taiwanese demand.
- The order book was four times oversubscribed with strong demand from Asian investors setting the stage for further orders from MENA, Europe and the US. The final order book of \$6.1 billion allowed the company to achieve significantly lower interest costs than on existing TAQA bonds. The Notes are rated Aa3 by Moody's and AA- by Fitch, in line with the corporate credit ratings of the company.

ECONOMIC UPDATE / OMAN

Oman records deficit of OMR 751.4mn in 1Q21; Revenue at OMR 1.81bn while expenditure at OMR 2.64bn

- Oman records deficit of OMR 751.4mn in 1Q21 compared to deficit of OMR 26.3mn in 1Q20. Higher deficit was largely because of lower revenue which was fuelled by lower oil prices.
- Average oil price recorded in 1Q21 was USD 50/bbl. compared to USD 65.5/bbl. in 1Q20.
- Overall revenue was recorded at OMR 1.81bn ,818.5 million, down by 30.5% as compared with the same period of 2020. Net oil revenue declined by 34.2%. It is worth noting that the decline in capital revenue and repayments during the first quarter of 2021, as compared to the same period of 2020, is due to the privatization of Oman Electricity Transmission Company that generated a yield of RO 365.4 million, recorded in March 2020.
- Expenditure decreased by 2.73% compared to the same period of 2020 as a result of several factors, including a reduction in spending of various government units.

Oman Surplus / (Deficit) - OMR mn



Source: NCSI, CBO, Muscat Daily

* December numbers are preliminary

Govt payments to private firms assured within 5 working days in Oman

- Oman's Ministry of Finance says it has been able to disburse payments to private sector vendors, contractors and other service providers within five working days on average upon receipt of the payment voucher via its newly installed e-payment system.
- Since it came online, payments totalling RO 411.6 million were disbursed through the e-payment system as of April 29, 2021, the ministry said.
- A simplified documentary cycle published by the ministry charts 13 steps starting from the competitive tendering process through the tender review and approval phases, and finally to the invoice submission, audit and payment voucher issuance stages.
- Goods and services procured by government entities and subject to this documentary cycle are assured payment within the five working days on average, it indicated.

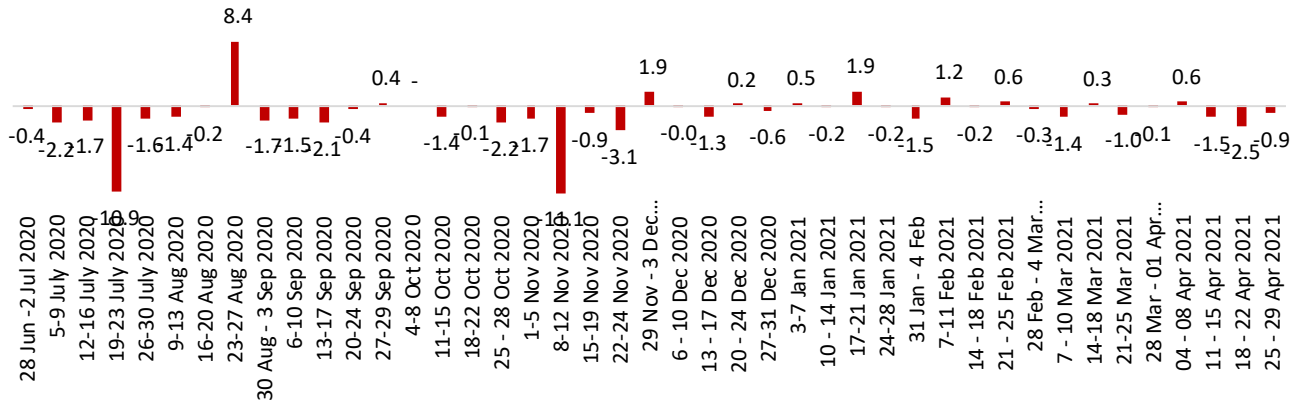
Comment: We believe government has taken a commendable initiative which will reduce the receivable issues of the companies in the private sector.

Payments of OMR 411.6mn will increase the liquidity in the market which will be beneficial to the companies and the overall market.

CHART / TABLE OF THE DAY

MSX recorded net foreign outflows of USD 0.9mn last week: YTD outflows at USD 5mn

Net Foreign Flows (USD mn)



Source: MSM

TECHNICALS OF THE DAY

MSM Virtual Technical Portfolio

Stock Name	MSM	Purchase Price	Target 1	Status	Target 2	Status	Return T1	Return T2	Turnover Ratio	Stop Loss	Risk	Recommendation Date
AL ANWAR INVESTMENT		0.089	0.091		0.093		2.25%	4.49%	0.08	0.088	-1.1%	2-May-21
AL JAZEERA SERVICES		0.320	0.330		0.335		3.13%	4.69%	0.09	0.318	-0.6%	2-May-21
OOREDOO		0.392	0.405		0.410		3.32%	4.59%	0.07	0.390	-0.5%	2-May-21
BANK DHOFAR		0.107	0.110		0.111		2.80%	3.74%	0.08	0.106	-0.9%	2-May-21
BANK MUSCAT		0.388	0.400		0.404		3.09%	4.12%	0.10	0.384	-1.0%	2-May-21
MUSCAT FINANCE		0.047	0.048		0.049		2.13%	4.26%	0.10	0.046	-2.1%	2-May-21

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Stock Name	MSM	Closing Price	Purchase Price	Target 1	Status	Target 2	Status	Return T1	Return T2	Turnover Ratio	Stop Loss	Risk	Recommendation Date
AL MADINA TAKAFUL		0.089	0.089	0.091		0.092		2.25%	3.37%	0.08	0.088	-1.1%	25-Apr-21
NATIONAL BANK OF OMAN		0.158	0.155	0.160		0.162		3.23%	4.52%	0.06	0.154	-0.6%	25-Apr-21
OMINVEST		0.310	0.310	0.320		0.325		3.23%	4.84%	0.05	0.308	-0.6%	25-Apr-21
OOREDOO		0.392	0.384	0.395		0.400		2.86%	4.17%	0.05	0.382	-0.5%	25-Apr-21
VOLTAMP		0.160	0.149	0.152		0.154		2.01%	3.36%	0.04	0.148	-0.7%	25-Apr-21
AL SUWADI POWER		0.057	0.056	0.058		0.059		3.57%	5.36%	0.04	0.055	-1.8%	25-Apr-21

(Week 17 - 2021) ----- Gain/Loss = +2.45%



Weekly performance for the past 4 weeks

No. of the Week	Report No.	% Gain/Loss for MVP	U Capital Oman 20 Index	MSX 30 Index	MSCI Oman Index
Week 17 - 2021	187	2.45%	1.19%	1.12%	0.70%
Week 16 - 2021	186	1.06%	-0.19%	0.30%	-0.30%
Week 15 - 2021	185	2.17%	0.63%	-0.02%	1.00%
Week 14 - 2021	184	1.31%	0.40%	1.15%	0.40%

Historical performance - Monthly

No. of the Month	Report No.	% Gain/Loss for MVP	U Capital Oman 20 Index	MSM30 Index	MSCI Oman Index
Month 01 - 2021	171-174	5.30%	-0.41%	0.37%	0.74%
Month 02 - 2021	175-178	1.04%	0.92%	1.02%	1.40%
Month 03 - 2021	179-182	7.94%	-0.14%	2.14%	2.62%
Month 04 - 2021	183-186	5.06%	2.62%	1.12%	3.80%
Month 05 - 2021	187-190				
Month 06 - 2021					
Month 07 - 2021					
Month 08 - 2021					
Month 09 - 2021					
Month 10 - 2021					
Month 11 - 2021					
Month 12 - 2021					
YTD		19.34%	2.99%	4.65%	8.56%

Historical performance - Yearly

Year	% Gain/Loss for MVP	U Capital Oman 20 Index	MSM30 Index	MSCI Oman Index
2015 - 2016 - 2017 - 2018	(63%) - (60%) - (54%) - (57%)	(-12%) - (4%) - (-16%) - (-9%)	(-17%) - (8%) - (-14%) - (-15%)	(-12%) - (1%) - (-11%) - (-12%)
2019	58%	-9%	-10%	2%
2020	49%	-3%	-10%	-7%
2021	19%	3%	5%	9%

Note:

Support & Resistance for the week expectations

Stop Loss: the clients should close / decrease his positions if it exceed this level

Risk: difference between price and support 1

Return T1: difference between Purchasing price and Target 1

Return T2: difference between Purchasing price and Target 2

Prices are in Omani Riyals, Gross returns excluding transaction cost

Purchase Price is the last closing prices, if the stock didn't reach our targets we close on Thursday the position depending on the closing price/stop loss whichever is higher.

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