

## PRE-MARKET REPORT

5 May 2021

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#### MARKET INDICATORS

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- Aramco forecasts capital expenditure to reach SAR 131bn in 2021
- SABB Takaful announces signing bancassurance agreement with Saudi British
- ACWA Power expands presence in Central Asia with largest single-site wind farm in region
- Saudi Steel Pipe Company announces the filing of a petition to the Ministry of Justice regarding the land plots owned by the company in Dammam City
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- Electrical Industries net income down 75% on QoQ basis
- City Cement net income higher QoQ but lower on YoY basis in 1Q21
- Arab National Bank net income down 8.0% YoY in 1Q21
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- ADCB receives additional preliminary offers for stake in Alexandria Medical Services
- Acquisition's fuel 86% profit surge at Abu Dhabi's Agthia
- Ajman Bank net income up 6x YoY in 1Q21
- Baladna targets 15%-20% annual revenue growth over next 5 years
- HumanSoft net income jumps 472% YoY in 1Q21

#### FINANCIAL RESULTS EXPECTED:

- Taqa (TAQA UH), International Holdings (IHC UH), Aramex (ARMX UH), Mabaneer (MABANEE KK)

#### ECONOMIC, GENERAL & COMMODITIES NEWS

- Sultanate's gas consumption rises 6.3 percent in first quarter
- OIA to take management of Million Palm Tree Plantation Project
- CBO issues treasury bills worth OMR 71.4mn
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- Investments in MENA power sector to surge to \$250bn over 5 years
- Saudi non-oil business activity hits three-month high in April
- Yellen says she sees no inflation problem after rate hike comments roil Wall Street
- Robust domestic demand lifts U.S. trade deficit to record high
- Commerce Department presses Taiwan to supply more chips to U.S. automakers
- European markets set for higher open as investors monitor earnings, data
- Oil prices rise after steep drop in U.S. crude inventories

#### FIXED INCOME:

- Moody's affirms UAE's Aa2 rating; maintains stable outlook
- Etisalat hires banks for planned dual-tranche euro bond issuance

#### CHART / TABLE OF THE DAY

- MSX Foreign Ownership Change (April 2021 – December 2020)

#### TECHNICALS OF THE DAY

- GCC Technical Analysis

## 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	642.1	0.36	0.06%	12.72%	22.80	2.03	2.4%
Muscat Stock Exchange	3,797.3	7.85	0.21%	3.79%	11.43	0.70	4.8%
Saudi Stock Exchange	10,318.9	9.57	0.09%	18.75%	30.85	2.29	2.1%
Kuwait Stock Exchange	6,183.6	3.11	0.05%	11.50%	50.29	1.53	2.3%
Qatar Exchange	10,895.3	-47.60	-0.43%	4.40%	18.48	1.63	2.7%
Bahrain Stock Exchange	1,500.9	7.03	0.47%	0.75%	31.27	0.99	2.3%
Dubai Financial Market	2,643.8	-10.06	-0.38%	6.09%	20.33	0.92	3.2%
Abu Dhabi Exchange	6,117.5	22.73	0.37%	21.25%	22.98	1.72	4.2%
Beirut Stock Exchange	913.1	-7.28	-0.79%	38.79%	35.00	0.71	0.0%
Palestine Stock Exchange	483.0	2.75	0.57%	2.49%	18.22	1.12	3.4%
Tunis Se Index	7,248.7	39.71	0.55%	5.28%	24.88	2.42	1.5%
EGX 30 Index	10,465.6	-9.67	-0.09%	-3.50%	11.44	1.42	2.9%
Amman General Index	1,819.2	-16.85	-0.92%	9.78%	32.59	0.78	4.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
			%	%	Currency		
<b>Europe</b>							
FTSE 100	UK	6,923.2	-0.67%	7.16%	Australian Dollar (AUD)	1.293	-0.55%
DAX	Germany	14,856.5	-2.49%	8.29%	British Pound (GBP)	0.719	-1.78%
CAC 40	France	6,251.8	-0.89%	12.62%	Canadian Dollar (CAD)	1.229	3.56%
<b>United States</b>							
DJIA	USA	34,133.0	0.06%	11.52%	Chinese Renm. (CNH)	6.480	0.36%
S&P 500	USA	4,164.7	-0.67%	10.88%	Egyptian Pound (EGP)	15.668	0.37%
NASDAQ	USA	13,633.5	-1.88%	5.78%	Euro (EUR)	0.832	1.60%
<b>Asia Pacific</b>							
NIKKEI 225	Japan	28,812.6	-0.83%	4.99%	Indian Rupee (INR)	73.849	-1.06%
HANG SENG	Hongkong	28,559.8	0.01%	4.88%	Japanese Yen (JPY)	109.310	-5.54%
KSE 100 Index	Pakistan	45,095.3	1.19%	3.06%	Swiss Franc (CHF)	0.913	-3.03%
NSE Nifty 50	India	14,570.1	0.51%	4.21%	Omani Rial (OMR)	0.385	0.00%
SHANGHAI COMPOSITE	China	3,446.9	-0.81%	-0.75%	Pakistan Rupee (PKR)	153.323	4.25%
SHANGHAI SHENZHEN CSI 300	China	5,123.5	-0.79%	-1.68%	Russian Ruble (RUB)	74.869	-0.61%
					Singapore Dollar (SGD)	1.335	-0.96%
					Turkish Lira (TRY)	8.316	-10.52%

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	69.4	0.71%	34.73%	UAE	0.41	-19.5%
WTI Crude (per bbl)	66.2	0.73%	36.38%	Saudi Arabia	0.79	-2.8%
Oman Crude Oil (Last Closing)	66.6	2.07%	30.34%	Kuwait	1.50	4.3%
OPEC (per bbl)	65.1	-0.50%	29.56%	Oman	2.60	-2.8%
				Qatar	1.12	-0.5%
				Bahrain	1.33	-41.1%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,781.3	0.12%	-6.17%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
Silver (per oz)	26.5	0.08%	0.49%		Maturity date	YTM, %
Platinum (per oz)	1,240.9	0.17%	15.74%	KUWAIT	20/03/2027	1.54
<b>Other Metals</b>						
Copper, MT	9,966	1.44%	28.33%	UAE	16/04/2030	2.11
Aluminium, MT	2,428	1.29%	22.66%	QATAR	16/04/2030	2.23
Lead, MT	2,199	2.16%	10.26%	SAUDI ARABIA	22/10/2030	2.54
Zinc, MT	2,968	1.44%	7.89%	OMAN	25/01/2031	5.21
				BAHRAIN	30/09/2031	5.49

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.17	0.3	1m	0.11	-25.5%
5 year	99.67	0.8	3m	0.18	-26.0%
10 year	95.78	1.6	6m	0.20	-20.5%
30 year	91.66	2.3	1 year	0.28	-17.8%

Source: Bloomberg

## CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### IPO / UAE

#### JPMorgan, FAB Poised to Win Roles on IPO of Adnoc Drilling Unit

- Abu Dhabi National Oil Co. is close to hiring JPMorgan Chase & Co. and First Abu Dhabi Bank PJSC to help arrange the potential listing of its drilling business, according to people familiar with the matter.
- Adnoc, as the company is known, is looking to sell a minority stake in its drilling unit in a deal that could value the business at up to \$10 billion, the people said, declining to be named because the matter is private. In 2018, when Baker Hughes bought a 5% stake in Adnoc Drilling, that deal valued the company at about \$11 billion, including \$1 billion of debt.
- Although the state energy firm has yet to award formal mandates, the two banks are in pole position for a role on the IPO at the Abu Dhabi Securities Exchange, the people said. Adnoc may also appoint additional advisers, they said.

### OMAN

#### Al Anwar Ceramics announced 19 May as cut off date for capital reduction

- Al Anwar Ceramics announced that following the shareholders approval in the EGM held on 23rd March, the Company's registered issued share capital has been reduced from OMR 29.62mn to OMR 22.0mn.
- The amount OMR 7.62mn (OMR 0.0257/share) will be distributed.
- The cut-off date for capital reduction is 19th May 2021.

### SAUDI ARABIA

#### Aramco forecasts capital expenditure to reach SAR 131bn in 2021

- Saudi Arabian Oil Co. (Saudi Aramco) continues to follow a disciplined methodology for allocating capital, expecting capital expenditure to reach nearly SAR 131 billion in 2021, compared to its previous estimates of between SAR 150 and 169 billion, the company said in a statement today, May 4, 2021.
- The oil giant managed to record strong profit and cash dividend during the first quarter of 2021, while maintaining lower production cost in the exploration and production segments.

#### SABB Takaful Co. Announces signing bancassurance agreement with Saudi British – SABB

- SABB Takaful Company announces signing bancassurance agreement with Saudi British Bank (Related Party) on 04/05/2021 (Corresponding to 22/09/1442 after receiving the approval from Saudi Central Bank "SAMA" on 08/04/2021 (Corresponding to 26/08/1442).
- The Company hereby confirms that no preferential treatment was given on this agreement and it is within the usual business activity of the company.

#### ACWA Power expands presence in Central Asia with largest single-site wind farm in region

- ACWA Power, a leading Saudi developer, investor and operator of power generation and desalinated water plants in 13 countries, signed an implementation agreement with the Ministry of Investments & Foreign Trade and the Ministry of Energy of Uzbekistan for the development, construction and operation of a 1500 MW wind power project in Karakalpakstan, Uzbekistan.
- Once operational, the project will become the largest wind farm in the Central Asian region, and one of the largest in the world.
- The agreement was signed on behalf of ACWA Power by Ayad AlAmri, executive general manager of business development, and on the Uzbekistani side by Sherzod Khodjaev, deputy minister at the Uzbekistan Ministry of Energy, and Shukhrat Vafaev, deputy minister of Investment and Foreign Trade.

#### Saudi Steel Pipe Company announces the filing of a petition to the Ministry of Justice regarding the land plots owned by the company in Dammam City

- Saudi Steel Pipe Company announces that on May 4, 2021 it has filed a petition to the Ministry of Justice requesting the reinstatement of the electronic title deeds purportedly cancelled. The affected land plots have a total surface of 811,284 square meters and are located in Dammam. The affected plots are not part of the production facility of the Company and are being used as a warehouse.

- The affected land plots have a carrying value on the Company's financial statements of SAR 157.9 Million, which exceeds 5% of the Company's net assets. The Company has not received any notification on the purported cancellation of title deeds and continues to be in possession of the land. As of the date hereof the legal basis for the purported cancellation is still unknown to the Company. The Company expects to duly update the status on the matter once any definitive decision is received.

#### Saudi Corporate Results -1Q 2021

SAR MN		1Q21	1Q20	%CHANGE	4Q20	% CHANGE
<b>Aramco (SAR bn)</b>	أرامكو السعودية	81.44	62.48	30.345	52.46	55.242
<b>Southern Province</b>	شركة أسمنت المنطقة الجنوبية	175	183	-4.371	141	24.113
<b>Electrical Industries</b>	شركة الصناعات الكهربائية	6.9	0.84	720.3	27.8	-75.0
<b>City Cement Co</b>	شركة أسمنت المدينة	66.0	72.2	-8.5	62.7	5.2
<b>Arab National Bank</b>	البنك العربي الوطني	708	770	-8.051	422	67.772
<b>Saudi Investment Bank</b>	البنك السعودي للإستثمار	264	173	52.601	340	-22.352

#### Aramco net income higher on both QoQ and YoY basis in 1Q21

- Net income for the first quarter of 2021 increased to SAR 81.44 billion (\$21.72 billion), from SAR 62.48 billion (\$16.66 billion) for the same period in 2020, primarily driven by higher crude oil prices, improved downstream margins and the consolidation of SABIC's results, partly offset by lower crude oil volumes sold.
- Net income for the first quarter of 2021 was SAR 81.44 billion (\$21.72 billion), compared to SAR 52.46 billion (\$13.99 billion) for the fourth quarter of 2020. The increase primarily reflects the impact of higher crude oil prices and improved downstream margins, partly offset by a decrease in crude oil volumes sold.
- Company proposed SAR 0.3518 dividend per share with the results.

#### Southern Province net income down YoY but higher on QoQ basis in 1Q21

- The decrease in net profit for the current quarter compared to the same quarter of the previous year is due to:
- A decrease in sales revenues by (3.94%) and a decrease in the amount of sales by (1.75%).
- An increase in general and administrative expenses by (14.41%)
- Decrease in other miscellaneous income by (51.16%)

#### Electrical Industries net income down 75% on QoQ basis

- The decrease in net profit in the current quarter compared with the previous quarter is mainly attributed to decrease of sales in the current quarter compared with the previous quarter as the increase of sales in in the fourth quarter is due to the nature of the business of the company as per the requirements of the projects.

#### City Cement net income higher QoQ but lower on YoY basis in 1Q21

- The decrease in net income during the current quarter compared with same quarter for last year due to:
  - the decrease in sales value driven by decrease in average selling price, despite the increase in sales volume, the decrease in general and administrative expenses and selling and marketing expenses

#### Arab National Bank net income down 8.0% YoY in 1Q21

- Net income before Zakat and Income tax amounted to SAR 708 million, a decrease of 8.1% against the same period in the prior year. This decrease is mainly due to a decrease in net special commission income and an increase in allowances for expected credit losses, offset by a decrease in special commission expense, an increase in realised and unrealised gains on investments and a decrease in salaries and employee related expenses and depreciation and amortisation.
- Net income after zakat and Income tax amounted to SAR 582 million, compared to SAR 644 million in the previous year resulting in a decrease of 9.6%.

### Saudi Investment Bank net income down 22.3% QoQ in 1Q21

- Net profit decreased by 20% primarily due to a decrease in total operating income which was due to a decrease in gains on disposal of FVOCI debt securities, net special commission income, and exchange income, which was offset by an increase in fair value through profit and loss, fee income from banking services, and other income.
- Total operating expenses increased by 1% primarily due to an increase in other general and administrative expenses and depreciation and amortization, which was offset by a decrease in provisions for Zakat and Income Tax, provisions for credit and other losses, salaries and employee-related expenses, and rent and premises-related expenses.

## UAE

### ADCB receives additional preliminary offers for stake in Alexandria Medical Services

- Abu Dhabi Commercial Bank (ADCB) has received two additional preliminary non-binding offers from potential investors to acquire the bank's 51.54% stake in Alexandria Medical Services - Alexandria New Medical Center.
- The additional potential buyers are Nile Scan and Labs Company in Egypt and the UAE-based Global One Healthcare Holding Company, according to the company's disclosure to the Abu Dhabi Securities Exchange (ADX) on Tuesday.
- The prices offered for the shares fall within the average price range of EGP 50.77 per share previously announced by the initial potential investors.
- The final binding offers are expected to be submitted to CI Capital in the third week of May 2021.
- It is noteworthy to mention that on 20 April, the Egyptian Financial Regulatory Authority (FRA) has received a letter from ADCB with the final list of potential buyers, including Cleopatra Hospitals Group (CHG) and Alexandria Medical Investment or any of its subsidiaries.

### Acquisitions fuel 86% profit surge at Abu Dhabi's Agthia

- Abu Dhabi food and beverage group Agthia reported a 86 per cent increase in first-quarter profit after the addition of the Al Foah dates and the Al Faysal bakery and sweets businesses.
- Net profit to shareholders grew to Dh49.6 million (\$13.5m) for the first quarter, up from Dh26.6m in the same period last year. Revenue rose by 17 per cent to Dh665.5m, the company said in a statement to the Abu Dhabi Securities Exchange, where its shares are traded.
- "With the company's strong fundamentals, we were able to leverage the opportunities we had to deliver exceptional results for the first quarter of this year," chairman Khalifa Al Suwaidi said.

### UAE Corporate Results -1Q 2021

AED MN		1Q21	1Q20	%CHANGE
Ajman Bank	مصرف عجمان ش.م.ع	31.3	4.6	580%

### Ajman Bank net income up 6x YoY in 1Q21

- Ajman Bank reported net income of AED 31.3mn compared to AED 4.6mn in 1Q20.
- Higher income was largely because of lower impairment charge at AED 58mn compared to AED 78.5mn in 1Q20.
- Operating income was recorded at AED 166mn compared to AED 160mn in 1Q20.

## QATAR

### Baladna targets 15%-20% annual revenue growth over next 5 years

- Baladna will target revenue growth of 15%-20% each year over the next five years and expects to increase domestic market share as well as to grow internationally.
- The company is increasing its product lines to add items with long shelf lives, such as milk and cream.
- "We continue to develop the business where we would expect strong double-digit growth," chief executive Malcolm Jordan told Reuters. "We would want to be twice the size we are today within the next five years."
- The company saw profit soar 152% to QR152mn (\$41.75mn) in 2020, while revenue jumped 68% to QR815mn.
- Jordan said there was potential for significant market share gains in Qatar and the company was exploring new export opportunities, including for cheese, in Africa and South East Asia.
- Baladna, with a market capitalisation of some \$850mn, says it already exports to Gabon, Iraq, Libya, Mauritania, Oman and Somalia.

## KUWAIT

### Kuwait Corporate Results -1Q 2021

<i>KWD MN</i>		<b>1Q21</b>	<b>1Q20</b>	<b>%CHANGE</b>
<b>HumanSoft</b>	هيومن سوفت	19.3	3.3	472%

#### HumanSoft net income jumps 472% YoY in 1Q21

- Net income 19.3 million dinars vs. 3.38 million dinars y/y, estimate 10.6 million (range 9.30 million to 13.0 million) (Bloomberg Consensus) (3 estimates)
- Operating revenue 27.5 million dinars vs. 12.8 million dinars y/y
- Operating profit 20.2 million dinars vs. 3.59 million dinars y/y
- Cites higher revenue and improved cost efficiency

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **Sultanate's gas consumption rises 6.3 percent in first quarter**

In a positive sign that the economic activity is rebounding in Oman, the sultanate's consumption of natural gas rose by 6.3 per cent year-on-year in the first quarter of 2021 compared to the same period of last year. Total consumption of natural gas rose to 11,643mn cubic metres (mncm) during the first three months of 2021 against 10,949mncm in the corresponding period of 2020. The growth in total consumption was driven by increased natural gas demand in oilfields, power plants and industrial areas, the Ministry of Energy and Minerals' figures released by the National Centre for Statistics and Information (NCSI) showed.

#### **Source**

#### **Oman Vision 2040 on fast track**

Vision 2040 is going to be yet another turning point in the History of the Sultanate. Within a few months of taking the helm, His Majesty Sultan Haitham bin Tarik has embarked upon a total change in the economy and its administration. Apart from a major reshuffle of the cabinet, changes were brought about in the administrative apparatus of the government. A number of authorities have been merged to bring about more efficiency and economy in functioning by restructuring and establishing new reporting lines.

#### **Source**

#### **OIA to take management of Million Palm Tree Plantation Project**

The Oman Investment Authority (OIA) announces the start of the preliminary steps to take over the management of the Million Palm Tree Plantation Project, in light of the government's directions to enhance performance and achieve financial sustainability, and in line with Oman's Vision 2040. OIA, in cooperation with the Ministry of Agricultural, Fisheries, and Water Resources, seeks to maximize the benefit of the project by achieving its economic value and its contribution to enhancing food security for the Sultanate, creating opportunities for partnership with the private sector, and enabling farmers to play a major role in it.

#### **Source**

#### **CBO issues treasury bills worth OMR 71.4mn**

Oman's central bank raised OMR71.4 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, starting from May 5, 2021, Wednesday until June 2, 2021. The average accepted price reached 99.950 for every OMR100, and the minimum accepted price arrived at 99.950 per OMR 100. The average discount rate and the average yield reached 0.65179 per cent and 0.65211 per cent, respectively.

#### **Source**

### MIDDLE EAST

#### **Vision 2030 to drive Saudi debt capital market: S&P**

Saudi Arabia's debt capital market is set to grow and take on a larger role in financing Vision 2030, S&P Global Ratings said in a new report published. To finance Vision 2030, Saudi Arabia's plan to transform and diversify its economy and grow the private sector, authorities aim to deepen their debt and equity markets to increase foreign direct investment. The strategy also entails investments by the government and its related entities as well as the private sector of about SR12 trillion (\$3.2 trillion) by 2030.

#### **Source**

#### **UAE shows resilience with strong economy**

The UAE has a promising future ahead and the emirate proved its resilience once again by successfully handling serious challenges such as the Covid-19 pandemic, according to an industry veteran. Khalaf Ahmad Al Habtoor, founding chairman of Al Habtoor Group, appreciated the UAE leadership for handling the pandemic with extraordinary measures that paves the way for quick economic turnaround of the country. Referring to the latest data published by the International Monetary Fund (IMF), STR, and the Central Bank of the UAE, Al Habtoor said his earlier predictions for UAE economic growth in 2021 have 'exceeded expectations' as the UAE successfully navigates the challenges.

#### **Source**

### **Dubai: Supply of new residential units stays strong in Q1 at 10,500**

Supply of new residential units in Dubai is going strong even during the Covid-19 pandemic with nearly 10,500 residential units handed over in Dubai during the first quarter 2021. According to a study by real estate consultancy Core, an additional 26,500 units are expected to be handed over in the remainder of the year, taking total annual forecast for 2021 at over 37,000 units. Prathyusha Gurrupu, head of research and advisory at Core, said despite the initial period of uncertainty and contrary to wider held beliefs this time last year, the UAE real estate sector and the overall economy have fared impressively well, thanks to robust government measures, fiscal incentives, social reforms and one of the highest rates of vaccinations globally.

[Source](#)

### **Saudi Arabia cuts Q1 deficit, reaping benefits of fiscal measures**

Saudi Arabia reduced its budget deficit to 7.4 billion riyals (\$1.97 billion) in the first quarter of the year, the finance ministry said on Tuesday, as the government reaps the benefits of consolidation measures introduced last year. The kingdom, the Arab world's largest economy and the world's top oil exporter, cashed in 117 billion riyals in oil revenue in the first quarter - 9% below the first three months of 2020.

[Source](#)

### **Investments in MENA power sector to surge to \$250bln over 5 years**

Investments into the power sector is set to surge in MENA, driven by a shift to renewables over the next five years, the Arab Petroleum Investments Corporation (APICORP), said in its latest outlook. The sector will see investment of \$250 billion, the highest among all energy sectors, with an estimated \$93 billion and \$157 billion in committed and planned projects, respectively, over the next five years.

[Source](#)

### **Saudi non-oil business activity hits three-month high in April – PMI**

Business activity in Saudi Arabia's non-oil private sector hit a three-month high in April and employment grew for the first time in five months, a survey showed on Tuesday, as the kingdom shows signs of recovering from the coronavirus pandemic. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 55.2 in April from 53.3 in March, remaining above the 50 mark that separates expansion from contraction for the eighth straight month.

[Source](#)

## **INTERNATIONAL**

### **Yellen says she sees no inflation problem after rate hike comments roil Wall Street**

U.S. Treasury Secretary Janet Yellen said on Tuesday she sees no inflation problem brewing, downplaying earlier comments that rate hikes may be needed to stop the economy overheating as President Joe Biden's spending plans boost growth. The initial comments made by Yellen, a former Federal Reserve chair, deepened a sell-off in tech stocks and pushed longer-dated Treasury yields higher. "It may be that interest rates will have to rise somewhat to make sure that our economy doesn't overheat, even though the additional spending is relatively small relative to the size of the economy," Yellen said in taped remarks to a virtual event put on by The Atlantic.

[Source](#)

### **Analysis: SPAC returns trail S&P 500 as retail investors temper interest**

As retail investors pump less money into blank-check companies, returns on those stocks are badly underperforming versus the S&P 500. Reuters found that over 100 special-purpose acquisition companies, or SPACs, that announced mergers this year on average have gained under 2% from the price they traded at when they first listed on the stock exchange. Most of those SPACs began trading on the stock market last year, and the group's median performance has trailed the S&P 500 by 15 percentage points, according to the Reuters analysis of data from Refinitiv and research firm SPAC Research.

[Source](#)

### **Robust domestic demand lifts U.S. trade deficit to record high**

The U.S. trade deficit jumped to a record high in March amid roaring domestic demand, which is drawing in imports, and the gap could widen further as the nation's economic activity rebounds faster than its global rivals. Manufacturers lack the capacity to satisfy the surge in demand because of resource constraints and bottlenecks in the supply chain

[Source](#)



### **Commerce Department presses Taiwan to supply more chips to U.S. automakers**

The U.S. Commerce Department is pressing Taiwan Semiconductor Manufacturing Co and other Taiwanese firms to prioritize the needs of U.S. automakers to ease chip shortages in the near term, Commerce Secretary Gina Raimondo said on Tuesday. Raimondo told a Council of the Americas event that longer-term, increased investment was needed to produce more semiconductors in the United States and that other critical supply chains needed re-shoring, including to allied countries.

[Source](#)

### **European markets set for higher open as investors monitor earnings, data**

European stocks are expected to open higher Wednesday as investors digest a fresh round of corporate earnings and key economic data out of the euro zone. Britain's FTSE 100 is set to climb around 39 points to 6,962, Germany's DAX is expected to gain around 97 points to 14,953 and France's CAC 40 is seen around 16 points higher at 6,268, according to IG data. Shares in Asia-Pacific were mostly subdued on Wednesday after a stateside sell-off in tech stocks, with major markets in China and Japan still closed for holidays. U.S. futures are indicating a cautiously positive open on Wall Street later in the day.

[Source](#)

## **COMMODITIES**

### **Oil prices rise after steep drop in U.S. crude inventories**

Oil prices rose on Wednesday, extending gains from the previous session after industry data indicated U.S. crude stocks fell much more than expected last week, reinforcing bullish views on fuel demand in the world's largest economy. U.S. West Texas Intermediate (WTI) crude futures rose 48 cents, or 0.7%, to \$66.17 a barrel at 0440 GMT, after climbing to \$66.58, a level not seen since March 8.

[Source](#)

### **Palladium hits record high on strained supplies, gold dips 1%**

Palladium soared to a record high on Tuesday on worries over short supplies of the metal used in emissions controlling devices in automobiles, while gold fell 1% after U.S. Treasury Secretary Janet Yellen said interest rates may need to rise. Spot palladium eased 0.2% to \$2,965.35 per ounce by 12:32 p.m. EDT (1632 GMT), after hitting an all-time high of \$3,017.18. "There are stricter pollution controls globally that we've not seen in the past, which means vehicles that were not previously required to use auto-catalysts will now have to, and hence more demand," said Bart Melek, head of commodity strategies at TD Securities.

[Source](#)

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## FIXED INCOME

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### Moody's affirms UAE's Aa2 rating; maintains stable outlook

- Moody's Investors Service has affirmed the Aa2 long-term issuer rating of the UAE Government and maintained outlook at stable.
- The agency said the rating affirmation is supported by the relatively muted impact of the pandemic on the federal government's fiscal strength, in part the result of an effective government policy response to the pandemic.
- While limited transparency and geopolitical risks constrain creditworthiness, the UAE's rating is supported by Moody's assumption of unconditional support from Abu Dhabi for the federal government, Moody's said in a note.
- The stable outlook reflects broadly balanced risks, consistent with the stable outlook on the Abu Dhabi sovereign rating.
- The country's progress on vaccination roll-out, among the best in the world, should support the economic recovery, limiting the impact of the pandemic on the UAE's credit metrics, "although the pace of the recovery in key sectors will vary, with trade and potentially tourism likely to recover before air passenger transportation."

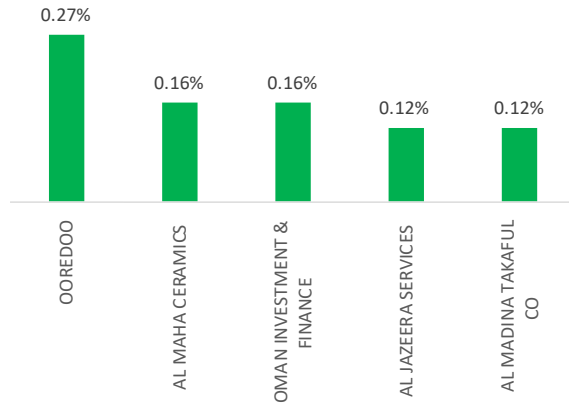
### Etisalat hires banks for planned dual-tranche euro bond issuance

- Emirates Telecommunications Group (Etisalat) has hired banks to arrange an investor call for a planned euro-denominated bond issuance of seven and 12 years, Reuters reported.
- The hired banks comprise BNP Paribas, First Abu Dhabi Bank (FAB), HSBC, and Societe Generale to act as joint lead managers and bookrunners, as shown by a cited document issued by one of the banks.
- It is noteworthy to mention that during the first quarter (Q1) of 2021, Etisalat's net profits attributable to the shareholders increased by 7.9% to AED 2.34 billion, compared with AED 2.17 billion in Q1-20.

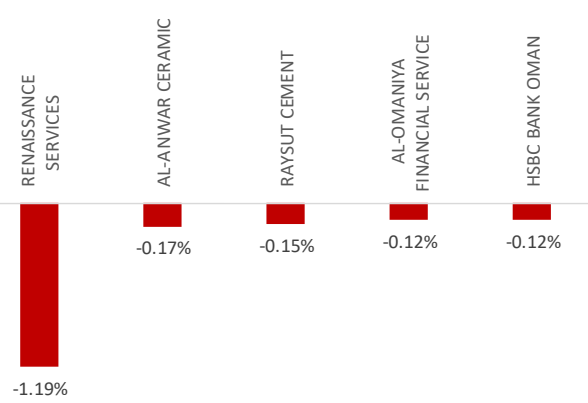
## CHART / TABLE OF THE DAY

### MSX Foreign Ownership Change (April 2021 – December 2020)

#### Top-5 Gainers



#### Top-5 Losers



#### Foreign Ownership - MSX 30

%	Foreign Ownership						Absolute Change (April 21 - Dec 20)
	Apr-20	Jun-20	Sep-20	Dec-20	Mar-21	Apr-21	
<b>FINANCIAL SECTOR</b>							
AL ANWAR HOLDING	1.50%	1.39%	1.55%	1.90%	1.86%	1.94%	0.04%
AHLI BANK	0.17%	0.12%	0.11%	0.10%	0.09%	0.09%	-0.01%
AL MADINA TAKAFUL	3.20%	2.87%	1.82%	1.76%	1.89%	1.88%	0.12%
BANK DHOFAR	0.17%	0.18%	0.24%	0.20%	0.22%	0.21%	0.01%
BANK MUSCAT	3.42%	3.35%	2.94%	2.59%	2.56%	2.50%	-0.09%
BANK NIZWA	0.94%	1.02%	0.98%	0.97%	0.98%	0.98%	0.01%
SOHAR INTERNATIONAL BANK	0.54%	0.59%	0.53%	0.51%	0.51%	0.51%	0.00%
HSBC BANK OMAN	52.15%	52.06%	51.49%	51.36%	51.23%	51.24%	-0.12%
MUSCAT FINANCE	0.83%	0.79%	0.49%	0.49%	0.45%	0.42%	-0.07%
NATIONAL BANK OF OMAN	0.77%	0.64%	0.55%	0.50%	0.42%	0.42%	-0.08%
OMINVEST	0.37%	0.30%	0.37%	0.35%	0.35%	0.35%	0.00%
AL SHARQIA INVESTMENT	0.43%	0.41%	0.44%	0.50%	0.58%	0.49%	-0.01%
OMAN UNITED INSURANCE	1.50%	0.31%	0.77%	0.49%	0.61%	0.54%	0.05%
AI OMANIYA FINANCIAL SERVICES	2.31%	2.23%	2.26%	2.15%	2.09%	2.03%	-0.12%
<b>INDUSTRIAL SECTOR</b>							
RAYSUT CEMENT	10.21%	10.22%	10.19%	10.34%	10.18%	10.19%	-0.15%
AL ANWAR CERAMIC TILES	1.61%	2.22%	2.21%	2.43%	2.76%	2.26%	-0.17%
OMAN CEMENT	0.81%	0.79%	0.66%	0.61%	0.62%	0.52%	-0.09%
OMAN FISHERIES	0.38%	0.36%	0.36%	0.36%	0.35%	0.35%	-0.01%
GALFAR ENGINEERING	23.27%	23.27%	22.89%	22.89%	22.81%	22.89%	0.00%
<b>SERVICES SECTOR</b>							
AL BATINAH POWER	14.87%	14.85%	14.88%	14.88%	14.86%	14.86%	-0.02%
OMAN INVESTMENT & FINANCE	2.00%	1.53%	1.12%	1.06%	0.78%	1.22%	0.16%
AL JAZEERA SERVICES	2.02%	1.19%	1.08%	1.06%	1.08%	1.18%	0.12%
NATIONAL GAS	2.29%	2.26%	1.63%	0.93%	0.83%	0.83%	-0.10%
RENAISSANCE SERVICES	8.55%	8.44%	6.90%	5.41%	4.42%	4.22%	-1.19%
OOREDOO	3.44%	3.42%	2.58%	1.83%	2.13%	2.10%	0.27%
OMAN TELECOMMUNICATION	1.02%	1.08%	1.15%	1.15%	1.15%	1.18%	0.03%
PHOENIX POWER	52.49%	52.49%	52.50%	52.51%	52.53%	52.47%	-0.04%
MAJAN COLLEGE	1.07%	0.04%	0.04%	0.04%	0.04%	0.04%	0.00%
SEMBCORP SALALAH	40.71%	40.68%	40.59%	40.54%	40.50%	40.50%	-0.04%
AL SUWADI POWER	14.95%	14.93%	14.95%	14.94%	14.86%	14.85%	-0.09%

Source: Muscat Clearing & Depository Co. (SAOC)

## TECHNICALS OF THE DAY

### GCC Technical Analysis

Stock Name	Market Name	Purchase Price	Target 1	Target 2	Return T1	Return T2	Stop Loss	Risk
اسم السهم	السوق	سعر الشراء	الهدف الأول	الهدف الثاني	العائد الأول	العائد الثاني	وقف الخسارة	المخاطرة
SAUDI ARAMCO	SAUDI	35.65	36.60	36.70	2.66%	2.95%	35.55	-0.3%
BCI	SAUDI	39.20	40.20	40.30	2.55%	2.81%	39.10	-0.3%
FIPCO	SAUDI	63.30	65.00	65.50	2.69%	3.48%	63.20	-0.2%
AL KHALEEJ TRAINING	SAUDI	24.96	25.60	25.70	2.56%	2.96%	24.90	-0.2%
TAWUNIYAH	SAUDI	79.30	81.50	81.70	2.77%	3.03%	79.20	-0.1%
JABAL OMAR	SAUDI	30.20	31.00	31.20	2.65%	3.31%	30.10	-0.3%
AL SALAM GROUP	UAE	0.318	0.327	0.330	2.83%	3.77%	0.315	-0.9%
DUBAI INVESTMENT	UAE	1.61	1.66	1.67	3.11%	3.73%	1.60	-0.6%
UNION PROPERTIES	UAE	0.273	0.280	0.285	2.56%	4.40%	0.271	-0.7%
ABU DHABI ISLAMIC BANK	UAE	4.98	5.10	5.15	2.41%	3.41%	4.97	-0.2%
RAK PROPERTIES	UAE	0.563	0.577	0.580	2.49%	3.02%	0.560	-0.5%
MAZAYA QATAR	QATAR	1.16	1.19	1.20	2.41%	3.27%	1.15	-1.0%
OOREDOO	QATAR	7.16	7.35	7.45	2.65%	4.05%	7.14	-0.3%

#### Note:

Support & Resistance for the expectations

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

Risk: difference between price and support 1

Return T1: difference between Purchasing price and Target 1

Return T2: difference between Purchasing price and Target 2

Purchase Price is the last closing prices

Prices are in Countries respective currency

Basheer Rousan



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