

## PRE-MARKET REPORT

11 May 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	643.6	3.86	0.60%	12.98%	22.57	2.03	2.4%
Muscat Stock Exchange	3,817.0	7.53	0.20%	4.32%	11.46	0.71	4.7%
Saudi Stock Exchange	10,322.7	94.49	0.92%	18.79%	30.84	2.28	2.0%
Kuwait Stock Exchange	6,259.9	-8.24	-0.13%	12.87%	45.94	1.58	2.2%
Qatar Exchange	10,950.7	15.14	0.14%	4.93%	18.57	1.64	2.7%
Bahrain Stock Exchange	1,527.3	-2.67	-0.17%	2.52%	31.83	1.00	2.2%
Dubai Financial Market	2,696.0	9.62	0.36%	8.19%	20.89	0.94	3.0%
Abu Dhabi Exchange	6,209.4	-8.79	-0.14%	23.07%	21.46	1.75	4.2%
Beirut Stock Exchange	917.8	-2.14	-0.23%	39.51%	35.19	0.72	0.0%
Palestine Stock Exchange	491.0	-0.11	-0.02%	4.19%	18.69	1.14	2.7%
Tunis Se Index	7,300.7	50.05	0.69%	6.04%	25.08	2.44	1.8%
EGX 30 Index	10,686.0	42.40	0.40%	-1.47%	12.47	1.47	2.9%
Amman General Index	1,831.7	5.58	0.31%	10.53%	32.41	0.78	4.3%

World Markets		Country	Value	D/D	YTD	Currency Cross Rates		
Europe				%	%	Currency	Units/1 USD	YTD %
FTSE 100	UK	7,123.7	-0.08%	10.26%	Australian Dollar (AUD)	1.276	-1.83%	
DAX	Germany	15,400.4	0.00%	12.26%	British Pound (GBP)	0.708	-3.28%	
CAC 40	France	6,386.0	0.01%	15.03%	Canadian Dollar (CAD)	1.209	5.24%	
United States								
DJIA	USA	34,742.8	-0.10%	13.51%	Chinese Renm. (CNH)	6.422	1.25%	
S&P 500	USA	4,188.4	-1.04%	11.51%	Egyptian Pound (EGP)	15.659	0.43%	
NASDAQ	USA	13,401.9	-2.55%	3.98%	Euro (EUR)	0.823	0.59%	
Asia Pacific								
NIKKEI 225	Japan	28,612.1	-3.08%	4.26%	Indian Rupee (INR)	73.475	-0.56%	
HANG SENG	Hongkong	28,085.4	-1.78%	3.14%	Japanese Yen (JPY)	108.830	-5.13%	
KSE 100 Index	Pakistan	45,174.7	0.51%	3.24%	Swiss Franc (CHF)	0.900	-1.69%	
NSE Nifty 50	India	14,831.6	-0.74%	6.08%	Omani Rial (OMR)	0.385	0.00%	
SHANGHAI COMPOSITE	China	3,435.1	0.21%	-1.09%	Pakistan Rupee (PKR)	152.388	4.89%	
SHANGHAI SHENZHEN CSI 300	China	5,011.1	0.37%	-3.84%	Russian Ruble (RUB)	74.356	0.08%	
					Singapore Dollar (SGD)	1.326	-0.32%	
					Turkish Lira (TRY)	8.296	-10.32%	

Commodity Prices		Price	D/D	YTD	GCC 3m Interbank Rates		
		USD	%	%		Current Rate %	YTD %
Oil					UAE	0.39	-24.7%
Brent Crude (per bbl)		67.8	-0.85%	31.58%	Saudi Arabia	0.79	-3.2%
WTI Crude (per bbl)		64.4	-0.83%	32.71%	Kuwait	1.50	4.3%
Oman Crude Oil (Last Closing)		66.3	0.27%	29.89%	Oman	2.54	-5.2%
OPEC (per bbl)		66.6	-1.36%	32.50%	Qatar	1.19	6.0%
					Bahrain	1.40	-37.8%
Precious Metals					GCC Latest 10-Yr Government Bond Yields		
Gold100 OZ (per oz)		1,837.3	0.07%	-3.22%	Maturity date		YTM, %
Silver (per oz)		27.4	0.45%	3.89%	KUWAIT	20/03/2027	1.52
Platinum (per oz)		1,251.7	0.09%	16.75%	UAE	16/04/2030	2.03
Other Metals					QATAR	16/04/2030	2.13
Copper, MT		10,382	-0.34%	33.69%	SAUDI ARABIA	22/10/2030	2.47
Aluminium, MT		2,531	-0.35%	27.86%	OMAN	25/01/2031	5.15
Lead, MT		2,213	-1.07%	10.96%	BAHRAIN	30/09/2031	5.50
Zinc, MT		2,992	-0.78%	8.74%			

Midswaps		Price	YTM %	USD Libor		
					Rate (%)	YTD
3 year		100.23	0.3	1m	0.10	-29.5%
5 year		99.86	0.8	3m	0.16	-32.9%
10 year		95.77	1.6	6m	0.19	-25.2%
30 year		90.55	2.3	1 year	0.27	-20.7%

Source: Bloomberg

## CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### IPO / SAUDI ARABIA

#### PIF-owned Elm hires IPO adviser

- Elm, a digital security firm owned by the Public Investment Fund (PIF), hired Riyadh Capital to advise on a planned initial public offering (IPO), Bloomberg reported, citing people familiar with the matter.
- The company's estimated value is at \$2 billion (SAR 7.5 billion), with the company aiming to complete the sale of shares on the Saudi market by next year.
- The IPO could see the PIF selling off a stake of up to 30%, the report said, adding talks are at an early stage, and details of the offering could change.

#### Tadweer CEO says Saudi electronic equipment recycling market valued at SAR 10 bln, to arrange IPO in H2 2021

- The Saudi market of recycling electronic and electrical equipment is valued at SAR 8-10 billion with an annual size of four million tons, Nasser Aldueb, chief executive officer (CEO) of Tadweer, told Argam in an exclusive.
- Tadweer acquires waste electronic and electrical equipment from tenders or under the contracts signed with government authorities and companies.
- The company recycled almost 100,000 tons of waste in five years, Aldueb said, adding that the production process takes from 22 to 35 days to make the end product and contribute effectively to converting waste into valuable economic resources.
- Tadweer's business activity realizes a key target of Vision 2030, namely preserving the environment and natural resources through improved recycling processes to get basic minerals and commodities, such as steel, copper, aluminum, as well as gold and silver components. These commodities receive strong demand from local and foreign markets, Aldueb added.
- Tadweer's plant in Riyadh covers all provinces in the Kingdom. Additionally, Tadweer acquired Sims Recycling Solutions in Dubai, to cover the Middle East and Africa.
- The company remanufactures basic commodities to preserve the natural resources of the mines, which reflects positively on the economy.
- Tadweer plans to arrange for its initial public offering (IPO) on the Saudi market during the second half of 2021, Aldueb concluded.

### SAUDI ARABIA

#### Sahara International Petrochemical Co. (Sipchem) Announces the temporary shutdown of its Affiliate, SAMAPCO, Plant as a result of the curtailment of ethylene feedstock following the shutdown of the Saudi Ethylene and Polyethylene Company's "SEPC" cracker

- As previously announced by National Industrialization Company (Tasnee) on April 14, 2021 the cracker owned and operated by SEPC will be shut down for 27 days starting from 23rd of May 2021.
- As a result of the above shutdown, the Sahara and Ma'aden Petrochemicals Company (SAMAPCO) will also be shut down for the same period as SAMAPCO's feed stock of Ethylene is supplied by the SEPC cracker. This shutdown period will be utilized to enhance the reliability and operations of SAMAPCO.
- The financial impact of this scheduled shutdown will be reflected in the company's 2nd Quarter of 2021 financial results. The company has announced that it has taken the necessary actions to eliminate any potential negative impact on its customers.

#### Maharah CEO eyes previous growth rates on reopening international flights

- Maharah Human Resources Co.'s liquidity reached an exceptional level, with customers' debts currently at SAR 162 million, compared to SAR 185 million in Q4 2020 and SAR 231 million by 2019-end, CEO Abdulkarim Alnujaidi told an investor conference.
- He added that the high level of liquidity boosts the company's ability to raise its operational efficiency and financial solvency.
- The CEO added that 2020 and Q1 2021 proved a test for the company's business model's ability to remain strong and ensure business sustainability in the presence of great opportunities to deal with the challenges created by the crisis.
- The improvement in financial results continued in Q1 2021, despite the impact of the COVID-19 pandemic on all segments, he added.

## Saudi Corporate Results -1Q 2021

SAR MN		1Q21	1Q20	%CHANGE	4Q20	% CHANGE
<b>AXA Cooperative</b>	شركة أكسا للتأمين التعاوني	43.7	35.3	23.9	40.8	7.1
<b>SPIMACO</b>	الشركة السعودية للصناعات الدوائية	24.46	41.83	-41.525	-20.69	-
<b>Allied Cooperative</b>	المجموعة المتحدة للتأمين التعاوني	3.36	2.87	17.1	-4.9	-

### AXA Cooperative net income higher 24% YoY and 7% QoQ in 1Q21

- The Increase in net profit before zakat by SR 8,461 thousand is attributed to overall increase in surplus from insurance operation mainly due to improvement in Motor segment & Other income of SR 4,592 thousand contributed to the increase in net profit before zakat and tax compared to same quarter in the previous year.
- The Increase in net profit before zakat by SR 2,894 thousand is attributed to overall increase in surplus from insurance operation mainly due to improvement in Motor segment has contributed to the increase in net profit before zakat and tax compared to previous quarter.

### SPIMACO net income down 41.5% YoY in 1Q21

- The net profit decreased by SAR 17 million as result of decrease in sales and gross profit. The decrease in sales was mainly due to the recall of 2 of the Company's products from the markets in order to conduct new bioequivalence studies. In addition to this, the gross profit also decreased due to changes in the sales mix with different margins and decrease in the utilization of the Company's and its subsidiaries' facilities during the first quarter of 2021.
- During the current quarter, the Company successfully reduced the general and administrative expenses by SAR 5.4 million and had a positive impact on the operating profit from the reversal of the impairment of trade receivables of SAR 3.2 million compared to impairment loss of SAR 9.7 million in the same quarter of the last year, finance costs also decreased by SAR 1.5 million.

### Allied Cooperative Insurance net income higher on both QoQ and YoY basis in 1Q21

- The company has increasing the net profit during the current quarter compared to the same quarter of the previous year this is due to increase in gross premiums written by 14%, increase in net written premiums by 15%, decrease in net claims incurred by 9%, increase in reinsurance commission earned by 39%, decrease in general and administrative expenses by 3 %, although decrease in the profit in policyholders investments by 59%, decrease the profit from shareholders investments by 7%, decrease in net premiums earned by 4%, decrease in other underwriting income by 71% and Increase in policy acquisition cost by 24%.

## UAE

### UAE pharma giant Julphar eyes bigger market share, new products as sales up 60%

- Gulf Pharmaceuticals Industries (Julphar) is looking to boost its market share, forge alliances and roll out new products this year as losses have narrowed to more than half.
- The pharmaceuticals giant reported on Monday that it has managed to reduce its net loss by 58 percent from 68.9 million dirhams (\$18.7 million) last year to 29.2 million dirhams during the first quarter of 2021.
- Julphar is one of the largest pharmaceutical manufacturers in the Middle and Africa, distributing products to more than 50 countries.
- Last month, the company confirmed that it had secured a syndicated loan facility worth 1.01 billion dirhams with Arab Bank, Rakbank and Dubai Islamic Bank. The facility is for Julphar to refinance existing debt, as well as support the company's investment and expansion plans.
- The company also reported that the cash flow from operating activities improved during the first quarter compared to last year, reaching 3.3 million dirhams.

## UAE Corporate Results -1Q 2021

AED MN		1Q21	1Q20	%CHANGE
<b>Abu Dhabi Ship Building</b>	شركة أبوظبي لبناء	-15.6	-12.0	-
<b>Aldar Properties</b>	الدار العقارية	542.7	300.1	80%
<b>ADNOC</b>	شركة بترول أبوظبي الوطنية	630	399	58%
<b>Emaar Properties</b>	شركة إعمار العقارية	656.5	608.8	8%
<b>Emaar Development</b>	شركة إعمار للتطوير	780.8	648.8	20.3%

### Abu Dhabi Ship Building reports higher loss in 1Q21

- Revenues for the quarter ending 31 March 2021 were AED 56.9 million, compared with AED 70.7 million for the same period in 2020. Dockings by the UAE Navy were lower than expected due to operational reasons but this was partially offset by a continued strong performance in Commercial repair and maintenance.
- The net loss for the period was AED (15.7) million, compared with a net loss of AED (12.0) million for the same period in 2020. However, this period included several items which will not recur in Q2 onwards, including costs of the NAVDEX exhibition in February, and rental payments on the Floating Dock.

### Aldar Properties net income higher 80% YoY in 1Q21

- Net profit increased 80% YoY to AED 544 million. Adjusting for the one-off gain related to the ADQ transaction the Group's core net profit was up 47% YoY.
- Revenue for quarter ended 31 March 2021 increased 16% year on year (YoY) to AED 2.0 billion and gross profit rose 11% to AED 776 million.
- Strong Group financial performance driven by a 47% YoY increase in revenue at Aldar Development, while Aldar Investment recorded stable recurring income.

### ADNOC net income higher 58% YoY in 1Q21

- ADNOC reported its first quarter 2021 financial results, recording an underlying EBITDA of AED 740 million with Net Profit of AED 631 million for the quarter, while cash flow generation remained strong with free cash flow of AED 835 million. ADNOC Distribution's operational expenditure (excluding depreciation) decreased by 6.5% compared to the same quarter last year as part of the company's drive to enhance operational efficiencies. Reduction in operating costs were achieved despite growth in the company's retail network and were driven by management initiatives to optimize OPEX across business units.
- The company intends to accelerate delivery momentum and remains on track to meet its guidance to open total of 70 to 80 new stations across the UAE and KSA by year end, of which 30-35 are expected to be opened in the UAE.

### Emaar Properties net income higher 8% in 1Q21

- The net profits of Emaar Properties increased by 8% to AED 657 million in the first quarter (Q1) of 2021 from AED 609 million in the same quarter of 2020.
- The company generated revenues of AED 5.993 billion in Q1-21, up 12% from AED 5.328 billion in Q1-20, according to a press release on Monday.
- Meanwhile, Emaar's sales backlog rose to AED 41.805 billion, which will be recognised as revenues in the coming years.
- It is noteworthy to mention that in 2020, the company's net profits plunged to AED 2.617 billion, compared to AED 6.2 billion in 2019.

### Emaar Development net income higher 20% YoY in 1Q21

- Emaar Development PJSC announced a 20 percent growth in net profit for the first quarter in 2021 to AED781 million (\$213m) compared to the same time period last year as coronavirus began spreading across the globe, wreaking havoc on markets.
- The UAE build-to-sell property development business announced in a statement on Monday that they recorded a 106 percent growth in property sales of AED5.88 billion (\$1.6b) in the first quarter this year, compared to AED2.85b (\$778m) in the same quarter in 2020.
- The company, which is majority owned by Emaar Properties, said its quarterly sales were "underpinned by the exceptional inventory sales."

## COMPANY REVIEW

### Omantel – 1Q21 Result Review

#### Group revenue down 7.4% YoY in 1Q21

Group Revenue for the period ended March 2021 has reached OMR 602.7mn compared to OMR 651mn for the corresponding period 2020. Omantel (Domestic performance) Revenues reached OMR 131.4mn compared to OMR 153.3mn for the corresponding period 2020. Revenues growth achieved in Mobile Postpaid, Fixed Broadband, and Wholesale Capacity Sale have contributed in managing the Gross Margin for the 1st Quarter 2021, despite a fall in Wholesale Hubbing, Mobile Prepaid and Device revenues due to challenging market conditions.

#### Total subscriber base at 3.2mn; down 2.8% YoY

The total domestic subscriber base as of March 2021 (including mobile and fixed businesses) was 3.2 Mn (excluding Mobile Resellers) compared to 3.3 Mn of the corresponding period of the previous year, recording a decline of 2.8% over the last period. Total subscriber base with mobile resellers reached 3.8 Mn.

#### Market Share

Omantel's Mobile market share (including Mobile Resellers) is 52.4% with a revenue share of 58.4%. The Fixed Telephone (post & pre-paid) market share is 70.2% with a revenue market share of 79%.

#### Net income attributable to shareholders higher by 5.6% YoY in 1Q21

The group achieved net income of OMR 16.9mn attributable to shareholders compared to OMR 16.0mn in 1Q20. Profitability was lower compared to our estimates of OMR 15.5mn. Oman Domestic operation for the period ended March 2021 recorded net profit of OMR 19.1mn, which is a growth of 11.5% in comparison to Year 2020 performance. This was mainly due to realization of higher margin on Capacity sales and reduction in Operating and administrative expenses resulting from proactive cost optimization measures.

#### Omantel signs agreement to sell its tower infrastructure in Oman to Helios Towers for USD 575mn

(Omantel) entered into an agreement to sell its passive mobile tower infrastructure assets to Helios Towers plc ("Helios Towers") for a cash consideration of USD 575mn. Under the agreement, Omantel will sell only its passive mobile infrastructure assets comprised of 2,890 towers in the country and enter into a long-term master services agreement to continue to utilize the tower assets. Against the service fee to be paid to Helios Towers, Omantel will eliminate certain direct network operating costs and through the build-to-suit arrangement avoid passive infrastructure capex for new sites. Besides, utilization of sale proceeds for debt reduction will lead to finance cost savings. Omantel will retain full ownership and control of its active network and spectrum as well as its software, technology and intellectual property with respect to managing its networks. The transaction is expected to complete by the end of 2021.

#### PE and PBv multiple of 9.2x and 1.1x, respectively; Fair value at OMR 0.760/share

Omantel PE and PBv multiple at estimated net income of OMR 64.5mn for the year 2021 stands at 9.2x while the Pbv stands at 1.1x. We have slightly revised our target price higher to OMR 0.760/share from OMR 0.720/share on account or revision in cost of equity estimates.

Income Statement							
(OMR mn)	1Q20	1Q21	1Q21e	YoY	Dev. %	2020	2021e
Revenue	651.0	602.7	650.0	-7.4%	-7.3%	2,513.4	2,410.0
EBITDA	244.6	244.1	245.0	-0.2%	-0.4%	1,028.6	970.0
Net Profit	62.5	56.0	58.0	-10.4%	-3.4%	229.0	220.0
Profit Attributable to Shareholders (PAS)	16.0	16.9	15.5	5.6%	9.0%	66.9	64.5

  

Key Ratios							
	1Q20	1Q21	1Q21e	YoY	Dev. %	2020	2021e
EBITDA Margins	37.6%	40.5%	37.7%			40.9%	40.2%
PAS % Net Profit	25.6%	30.2%	26.7%			29.2%	29.3%
Net Margins	2.5%	2.8%	2.4%			2.7%	2.7%

Source: Company Reports, MSM, U Capital Research

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **Bids invited for Logistics Gate project at Muscat Airport**

Oman Airports, the state-owned company operating and managing the international and domestic airports in the Sultanate, has initiated steps to lay the initial building blocks of a new Airport City planned at Muscat International Airport. Earlier this week, the company invited qualified contractors to bid for its contract to build the infrastructure for a Logistics Gate – one of several economic clusters envisioned as part of the ambitious Airport City project in Muscat. Bid submissions are due by June 12, 2021 for Phase 1 of the Logistics Gate project, Oman Airports noted in its tender announcement.

[Source](#)

#### **Mazoon Electricity signs Islamic financing contract worth \$235 million**

Mazoon Electricity Company (MZEC), a subsidiary of Nama Holding, announced the signing of its debut Islamic financing facility for an amount of \$235,000,000. The proceeds will be used to finance the capital expenditure plans of MZEC for 2021 mainly comprising investments in the electricity distribution and supply network in its license areas in Oman. The facility is structured as a 2-year Ijarah bridge facility marking the first Islamic bank facility for Nama Group that has in the past raised several conventional bank loan facilities and issuances in the debt capital markets under RegS and 144a format, including a 10-year \$500,000,000 debut Sukuk in 2017. The facility received interest from regional banks of Bahrain, Kuwait and United Arab Emirates with 12 financiers participating in the facility and an oversubscribed order book.

[Source](#)

#### **Oman sees a flurry of interest in green hydrogen projects**

A number of international companies in the past few months have expressed their interest and announced plans to invest in green hydrogen and green ammonia projects in Oman's special economic zones and free zones. The latest in a series of announcements by international companies to set up green hydrogen projects in Oman is the plan of Fusion Fuel Green, an Ireland-based green hydrogen technology company. Fusion Fuel this week announced that it reached a collaboration agreement with Consolidated Contractors Group (CCC) to develop green hydrogen plants in the Middle East including Oman.

[Source](#)

#### **Oman crude futures back at pre-pandemic levels**

Oman crude oil futures contract (OQD), the Asian crude oil pricing benchmark, is back at around \$65 per barrel on the Dubai Mercantile Exchange (DME), one year on from the lows of April 2020. "OQD trading on DME averaged just over \$65.00/b in January 2020, reaching a low of \$16.82/b on April 28 as lockdowns across the globe severely hampered economic and industrial activity," said DME in a post on Monday.

[Source](#)

### MIDDLE EAST

#### **Mideast Stocks: Saudi leads Gulf markets higher ahead of Eid holidays**

Most major stock markets in the Gulf ended higher on Monday in thin trade ahead of Eid al-Fitr holidays, with financials and petrochemical shares boosting the Saudi index. The benchmark index gained 0.9%. The kingdom's economy shrank 3.3% in the first quarter from a year earlier, hit by oil output cuts, but the non-oil economy expanded 3.3%. In Dubai, the main share index finished 0.4%, The Abu Dhabi index eased 0.1%. In Qatar, the benchmark added 0.1%.

[Source](#)

#### **Saudi Arabia's GDP contracts 3.3% in Q1 on oil output, non-oil economy recovers**

Saudi Arabia's economy shrank 3.3% in the first quarter from a year earlier, hit by oil output cuts, but the non-oil economy expanded 3.3%, recovering from the pandemic, according to flash government estimates on Monday. The non-oil sector grew for the first time since the first quarter of 2020, the General Authority for Statistics in Saudi Arabia said in a statement. Government services also showed growth of 0.3% in the first quarter. Overall GDP was hurt by a 12% decline in ongoing crude oil production cuts agreed by OPEC and other oil producers since May 2020, it said.

[Source](#)

### **'Invest in Dubai' records robust growth**

Investors repose trust in Dubai's growing economy as the emirate's first integrated digital business set-up platform recorded robust growth since its launch in February this year. Invest in Dubai (IID) served more than 2,000 businesses in the emirate and attracted 3,746 foreign investors from 77 different countries. The innovative platform also issued 3,464 commercial licences and created 9,181 jobs across different economic sectors.

[Source](#)

### **UAE hotel occupancy rates hit 63% in Q1 2021**

The UAE tourism sector has continued to recover during Q1, 2021, with the average hotel occupancy rates across the country nearing 63 percent, according to initial data released by the local tourist authorities. Average length of stay in hotels during Q1 increased 27.6 percent to 4.3 nights as compared to the same period last year, with March recording a growth of 34 pct in the number of hotel guests comparatively with March last year.

[Source](#)

### **COVID-19 will continue to impact construction sector in 2021: UAE's Fujairah Cement**

The construction sector is expected to continue experiencing the impact of the coronavirus pandemic, which continues to spread globally, UAE-listed Fujairah Cement Industries said on Monday. The company reported a net loss of 4.6 million dirhams (\$1.2 million) for the first quarter of 2021 on the back of lower revenues, which fell 12 percent to 126 million dirhams compared to a year earlier.

[Source](#)

### **New Dubai law on salaries, annual leaves for government workers**

A new law about the appointment and benefits of chief executive officers in the Dubai Government has been issued by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai. Law No. (8) of 2021 is applicable to CEOs working in all departments that are subject to Dubai Government's Human Resources Management Law No. (8) of 2018. The new law is valid from its date of issuance and will be published in the Official Gazette.

[Source](#)

### **Abu Dhabi grants \$600m housing loans, repayment exemptions to 1,656 Emiratis**

The Abu Dhabi government has granted housing loans and exemptions worth AED 2.21 billion (\$600 million) to 1,656 Emiratis. The first disbursement of this year coincides with Eid Al Fitr. Following directives from UAE President Sheikh Khalifa, Sheikh Mohamed bin Zayed, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the Armed Forces ordered that housing loans would be granted to citizens in Abu Dhabi.

[Source](#)

## **INTERNATIONAL**

### **Tech selloff deepens on inflation fears, Fed outlook**

Asian tech stocks tumbled on Tuesday and a regional equity gauge suffered its biggest slide in nearly two months after a selloff on Wall Street, as traders braced for U.S. inflation data amid worries growing price pressures might bring forward rate rises. MSCI's broadest index of Asia-Pacific shares outside Japan fell 1.7% by mid-session, its largest drop since late March, and Japan's Nikkei fell 2.8%.

[Source](#)

### **U.S. Fed should require banks to hold more cash for climate risks -think tank**

The U.S. Federal Reserve should force banks to hold more cash to guard against potential losses due to climate change and possible steps to fight it, one of Washington's top liberal think tanks said on Tuesday. BEIJING -China should implement its commitments to equal treatment for foreign business and abandon "implicit" guidance to replace foreign products with domestic alternatives, the American Chamber of Commerce in China said on Tuesday.

[Source](#)

### **U.S. Treasury opens \$350 billion in COVID aid, some states won't get full funds for a year**

The U.S. Treasury on Monday opened access to \$350 billion in COVID-19 aid for state, local, tribal and territorial governments, but 30 states with faster-recovering employment are likely to see their funds split into two payments a year apart. The Treasury released new guidance on uses of the aid, timing it based on unemployment and prohibiting states from using it to offset tax cuts.

[Source](#)



### **Biden says unemployed offered jobs must take them or lose benefits**

U.S. President Joe Biden on Monday defended himself against critics who say expanded unemployment benefits offered in the COVID-19 relief bill passed in March are keeping Americans from taking new jobs. Biden said the administration will remind U.S. states this week that any unemployed American offered a comparable job must take it or risk losing unemployment benefits. He is also directing the U.S. Labor Department to work with states to reinstate requirements that those receiving unemployment benefits must demonstrate they are actively looking for work.

[Source](#)

### **Global renewable energy grew at fastest pace in two decades in 2020 – IEA**

Renewable energy grew at its fastest pace in two decades last year, led by China, and will continue to grow in the next two years, a report by the International Energy Agency (IEA) showed on Tuesday. New renewable energy capacity in 2020 rose by 45% to 280 gigawatts (GW) last year, the largest year-on-year increase since 1999, even though there were supply chain disruptions and construction delays due to the impact of COVID-19. China accounted for 50% of renewable energy capacity growth last year and will account for 45% this year and 58% in 2022, the report said.

[Source](#)

## **COMMODITIES**

### **Oil falls on easing of pipeline outage fears**

Oil prices fell on Tuesday as fears of prolonged outage of the largest U.S. fuel pipeline system, Colonial Pipeline, faded, while some U.S. Gulf Coast refiners cut output. U.S. West Texas Intermediate (WTI) crude futures fell 61 cents, or 0.94%, to \$64.31 a barrel at 0512 GMT, after gaining 2 cents on Monday.

[Source](#)

### **Pipeline hackers say their aim is cash, not chaos**

The ransomware gang accused of crippling the leading U.S. fuel pipeline operator said on Monday that it never meant to create havoc, an unusual statement that experts saw as a sign the cybercriminals' scheme had gone awry.

[Source](#)

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## FIXED INCOME

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### QATAR

#### Confirmation of credit rating of Qatar International Islamic Bank at A2 / Prime-1 by Moody's

- Moody's credit rating agency reconfirmed QIIB's long-term credit rating at (A2) with a stable outlook, which affirms the bank's strong financial position. This high rating reflects the strength and robustness of the Qatari economy at Aa3 with a stable outlook.
- Moody's highlighted in its latest Credit Opinion Report on QIIB's rating that: "QIIB exhibits solid asset quality, driven by an adjusted non-performing financing (NPF) ratio of 1.5% as of December 2020, which has improved marginally over the last few years, the NPF ratio compares favorably with the 2.0% average for the Qatari banking system. At the same time, the bank's provisioning coverage to impaired assets increased to 136% as of December 2020"
- The report added: "The bank's asset quality is supported by exposures to the Qatari government and quasi-government entities. These exposures, which reached 24% of total financing as of December 2020. The bank's asset quality is also supported by its continued strength in the retail segment in which it has a significant market share of around 9.2% (of total retail lending in Qatar) as of December 2020, that's also supports the bank's healthy margins and provides a strong base of low-cost deposits."

## CHART / TABLE OF THE DAY

Kuwaiti Banks Foreign Holding – NBK & Burgan witness inflows while other bank's foreign holding drops

### Kuwaiti Banks - Foreign Holding

	12/30/2020	1/27/2021	2/24/2021	3/31/2021	4/28/2021	5/5/2021	Change (May-Apr) PPS
<b>NBK</b>	19.83%	20.02%	19.66%	19.64%	19.80%	19.83%	0.03%
<b>GBK</b>	12.47%	12.48%	11.87%	11.87%	11.85%	11.62%	-0.23%
<b>KFH</b>	10.14%	10.30%	10.30%	10.23%	10.25%	10.21%	-0.04%
<b>KIB</b>	4.68%	4.69%	4.64%	4.56%	4.55%	4.49%	-0.06%
<b>BOUBYAN</b>	5.10%	5.07%	5.02%	5.02%	5.04%	5.01%	-0.03%
<b>BURGAN</b>	3.21%	3.09%	2.61%	2.63%	2.66%	2.67%	0.01%
<b>WARBA</b>	3.80%	3.93%	4.00%	4.17%	4.19%	4.17%	-0.02%
<b>AHLI</b>	0.95%	1.00%	1.07%	1.05%	1.07%	1.07%	0.00%
<b>AUB KW</b>	0.27%	0.28%	0.31%	0.31%	0.33%	0.32%	-0.01%
<b>CBK</b>	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.00%

Source: Kuwait Bourse

PPS - Percentage Points

## 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
PETRO RABIGH	SAUDI	21.40	22.00	22.20	2.80%	3.74%	21.30	-0.5%
BCI	SAUDI	40.00	41.00	41.50	2.50%	3.75%	39.70	-0.7%
MAADEN	SAUDI	55.60	57.00	57.50	2.52%	3.42%	55.50	-0.2%
SABIC	SAUDI	122.80	126.00	126.50	2.61%	3.01%	122.50	-0.2%
ALUJAIN	SAUDI	54.30	55.60	55.80	2.39%	2.76%	54.10	-0.4%
CATERING	SAUDI	80.40	82.50	83.00	2.61%	3.23%	80.20	-0.2%
DUR	SAUDI	33.40	34.40	35.00	2.99%	4.79%	33.20	-0.6%
ALMARAI	SAUDI	55.00	56.50	57.00	2.73%	3.64%	54.50	-0.9%
RIBL	SAUDI	24.56	25.20	25.30	2.61%	3.01%	24.30	-1.1%
SAUDI ELECTRICITY	SAUDI	23.84	24.50	24.70	2.77%	3.61%	23.75	-0.4%
AL SALAM BANK BAHRAIN	UAE	0.645	0.660	0.665	2.33%	3.10%	0.642	-0.5%
UNION PROPERTIES	UAE	0.280	0.288	0.290	2.86%	3.57%	0.278	-0.7%
ESHRAQ PROPERTIES	UAE	0.326	0.335	0.340	2.76%	4.29%	0.325	-0.3%
INTERNATIONAL ISLAMIC BANK	QATAR	9.39	9.65	9.75	2.77%	3.83%	9.30	-1.0%
QNB	QATAR	18.09	18.60	18.70	2.82%	3.37%	18.00	-0.5%
SEEF PROPERTIES	BAHRAIN	0.160	0.165	0.167	3.13%	4.38%	0.159	-0.6%

#### 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

Analyst: **Basheer Al Rousan**



**Ubar Capital SAOC (U Capital)**  
Ominvest Business Centre

Building no. 95  
Way no. 501  
Airport Heights  
Tel: +968 2494 9000  
Fax: +968 2494 9099  
Email: [research@u-capital.net](mailto:research@u-capital.net)  
Website: [www.u-capital.net](http://www.u-capital.net)

Name	Role	Email	Phone Number
Abdul Aziz Al Saadi	Chief Executive Officer	<a href="mailto:abdulaziz.alsaadi@u-capital.net">abdulaziz.alsaadi@u-capital.net</a>	00968-2494-9001
Yasmin Abdullah	Chief Operating Officer	<a href="mailto:y.abdullah@u-capital.net">y.abdullah@u-capital.net</a>	00968-2494-9020
Rohit Chaudhary	Acting Chief Investment Officer	<a href="mailto:rohit@u-capital.net">rohit@u-capital.net</a>	00968-2494-9058
Mohammed Al Rahbi	Head of Asset Management	<a href="mailto:m.alrahbi@u-capital.net">m.alrahbi@u-capital.net</a>	00968-2494-9028
Talal Balushi	Head of Brokerage	<a href="mailto:talal@u-capital.net">talal@u-capital.net</a>	00968-2494-9051
Hettish Karmani	Head of Research	<a href="mailto:h.karmani@u-capital.net">h.karmani@u-capital.net</a>	00968-2494-9034
Madabusi Sundarajan	Head of Corporate Finance	<a href="mailto:m.sundararajan@u-capital.net">m.sundararajan@u-capital.net</a>	00968-2494-9006
Abhishek Mathur	Head of Wealth Management	<a href="mailto:a.mathur@u-capital.net">a.mathur@u-capital.net</a>	00968-2494-9026

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