

PRE-MARKET REPORT

17 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 | 645.0 | 1.55 | 0.24% | 13.22% | 22.62 | 2.03 | 2.3% |
| Muscat Stock Exchange | 3,842.1 | 6.87 | 0.18% | 5.01% | 11.52 | 0.72 | 4.7% |
| Saudi Stock Exchange | 10,322.7 | 94.49 | 0.92% | 18.79% | 30.84 | 2.28 | 2.0% |
| Kuwait Stock Exchange | 6,279.0 | 19.15 | 0.31% | 13.22% | 41.28 | 1.59 | 2.2% |
| Qatar Exchange | 10,925.2 | -25.48 | -0.23% | 4.69% | 18.51 | 1.64 | 2.7% |
| Bahrain Stock Exchange | 1,528.8 | -1.02 | -0.07% | 2.62% | 30.11 | 1.01 | 2.2% |
| Dubai Financial Market | 2,664.6 | -31.43 | -1.17% | 6.93% | 19.99 | 0.92 | 3.0% |
| Abu Dhabi Exchange | 6,427.9 | 218.52 | 3.52% | 27.40% | 22.20 | 1.82 | 4.1% |
| Beirut Stock Exchange | 913.3 | -3.34 | -0.36% | 38.82% | 35.02 | 0.71 | 0.0% |
| Palestine Stock Exchange | 490.8 | -0.25 | -0.05% | 4.14% | 18.68 | 1.14 | 2.7% |
| Tunis Se Index | 7,361.9 | 61.17 | 0.84% | 6.93% | 25.38 | 2.46 | 1.8% |
| EGX 30 Index | 10,767.8 | 81.81 | 0.77% | -0.71% | 12.03 | 1.50 | 3.3% |
| Amman General Index | 1,841.8 | 10.07 | 0.55% | 11.14% | 32.59 | 0.79 | 4.0% |

| World Markets | | | | | Currency Cross Rates | | |
|---------------------------|----------|----------|--------|----------|-------------------------|---------|---------|
| Country | Value | D/D | YTD | Currency | Units/1 USD | YTD % | |
| Europe | | | | | | | |
| FTSE 100 | UK | 7,043.6 | 1.15% | 9.03% | Australian Dollar (AUD) | 1.290 | -0.78% |
| DAX | Germany | 15,416.6 | 1.43% | 12.38% | British Pound (GBP) | 0.710 | -2.98% |
| CAC 40 | France | 6,385.1 | 1.54% | 15.02% | Canadian Dollar (CAD) | 1.212 | 4.97% |
| United States | | | | | Chinese Renm. (CNH) | 6.442 | 0.95% |
| DJIA | USA | 34,382.1 | 1.06% | 12.34% | Egyptian Pound (EGP) | 15.659 | 0.43% |
| S&P 500 | USA | 4,173.9 | 1.49% | 11.12% | Euro (EUR) | 0.825 | 0.73% |
| NASDAQ | USA | 13,430.0 | 2.32% | 4.20% | Indian Rupee (INR) | 73.253 | -0.26% |
| Asia Pacific | | | | | Japanese Yen (JPY) | 109.360 | -5.59% |
| NIKKEI 225 | Japan | 27,857.5 | -0.79% | 1.51% | Swiss Franc (CHF) | 0.903 | -1.93% |
| HANG SENG | Hongkong | 28,195.4 | 0.56% | 3.54% | Omani Rial (OMR) | 0.385 | 0.00% |
| KSE 100 Index | Pakistan | 45,595.0 | 0.93% | 4.20% | Pakistan Rupee (PKR) | 152.388 | 4.89% |
| NSE Nifty 50 | India | 14,811.6 | 0.91% | 5.94% | Russian Ruble (RUB) | 74.000 | 0.56% |
| SHANGHAI COMPOSITE | China | 3,523.9 | 0.96% | 1.46% | Singapore Dollar (SGD) | 1.336 | -1.00% |
| SHANGHAI SHENZHEN CSI 300 | China | 5,197.2 | 1.69% | -0.27% | Turkish Lira (TRY) | 8.436 | -11.80% |

| Commodity Prices | | | | | GCC 3m Interbank Rates | | |
|-------------------------------|---------|--------|--------|--|------------------------|------------|--------|
| | Price | D/D | YTD | Current Rate % | YTD % | | |
| | USD | % | % | | | | |
| Oil | | | | | UAE | 0.34 | -34.4% |
| Brent Crude (per bbl) | 68.7 | -0.04% | 33.39% | Saudi Arabia | 0.79 | -3.2% | |
| WTI Crude (per bbl) | 65.4 | 0.03% | 34.77% | Kuwait | 1.50 | 4.3% | |
| Oman Crude Oil (Last Closing) | 67.0 | 2.76% | 31.22% | Oman | 2.58 | -3.6% | |
| OPEC (per bbl) | 67.1 | 0.80% | 33.56% | Qatar | 1.15 | 2.6% | |
| Precious Metals | | | | | Bahrain | 1.43 | -36.3% |
| Gold100 OZ (per oz) | 1,853.9 | 0.56% | -2.34% | GCC Latest 10-Yr Government Bond Yields | | | |
| Silver (per oz) | 27.7 | 0.87% | 4.77% | | Maturity date | YTM, % | |
| Platinum (per oz) | 1,232.5 | 0.24% | 14.96% | KUWAIT | 20/03/2027 | 1.55 | |
| Other Metals | | | | | UAE | 16/04/2030 | 2.03 |
| Copper, MT | 10,241 | -0.98% | 31.86% | QATAR | 16/04/2030 | 2.14 | |
| Aluminium, MT | 2,463 | 0.47% | 24.43% | SAUDI ARABIA | 22/10/2030 | 2.45 | |
| Lead, MT | 2,155 | 0.30% | 8.07% | OMAN | 25/01/2031 | 5.22 | |
| Zinc, MT | 2,938 | 0.62% | 6.80% | BAHRAIN | 30/09/2031 | 5.59 | |

| Midswaps | | | USD Libor | | |
|----------|--------|-------|-----------|------|--------|
| | Price | YTM % | Rate (%) | YTD | |
| 3 year | 99.79 | 0.3 | 1m | 0.10 | -32.2% |
| 5 year | 99.73 | 0.8 | 3m | 0.16 | -34.9% |
| 10 year | 100.06 | 1.6 | 6m | 0.19 | -27.2% |
| 30 year | 100.88 | 2.3 | 1 year | 0.27 | -22.2% |

Source: Bloomberg

CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

IPO / SAUDI ARABIA

First Saudi Tech Startup That Could Go Public Picks HSBC for IPO

- Saudi food delivery firm Jahez has hired HSBC Holdings Plc's local unit to help manage what could be the first listing by a tech startup in the kingdom.
- Jahez International Company for Information Technology picked HSBC Saudi Arabia as the sole financial adviser and global coordinator for its potential IPO on Nomu, the Saudi stock exchange's secondary market, which imposes lighter listing requirements to encourage smaller businesses and startups to raise equity.
- Founded in 2016, the homegrown firm serves around 2 million customers in the kingdom, and processed about 20 million restaurant orders through its app in 2020, it said, without disclosing details about its potential valuation. It closed a \$36.5 million funding round last year.
- Jahez is the biggest locally owned player in the kingdom.
- Jahez has also been expanding in other areas such as last-mile logistics and cloud kitchens.

OMAN

Bank Nizwa unveils 2025 strategic roadmap for growth

- Bank Nizwa has devised its 2025 strategy for growth.
- Bank Nizwa has three wide strategies for 2021.
 - The first one comprises of working on raising its capital.
 - Bank Nizwa is also going to continue playing its part in contributing to the development of the economy as it leads the way as the most prominent Islamic bank in the Sultanate.
 - Learning from the challenges faced by conventional banks during the pandemic, Bank Nizwa will benefit from the advantages of being a Sharia-compliant bank and ensure that it registers growth even in exceptional situations.
- The bank is geared to address the challenges in the economy while continuing to extend its unfaltering support to assist in the economic revival process. It endeavours to do so by capitalising on its growing, multi-industry portfolio under its Wholesale Banking Group (WBG), supporting SMEs through incubation facilities and advisory, addressing the growing needs of Public and Private Participation (PPP), and offering trade finance options to help businesses prosper.

SAUDI ARABIA

Advanced Petrochemical Company Announces the Commencement of Commercial Operation of the Polypropylene Plant in South Korea

- Advanced Petrochemical Company announced that the commencement of the commercial operation of the Polypropylene Plant (the "Joint Venture"), as the Joint Venture agreement has been signed between SK Advanced Company Ltd. (SK Advanced, a joint venture company in South Korea owned 30% by Advanced through Advanced Global Investment Company) and PolyMirae Company Ltd. to set up a Polypropylene Plant in South Korea with a design capacity to produce 400,000 metric tons per annum, wherein SK Advanced has 49.99% ownership of the Joint Venture's capital as announced earlier in the Tadawul's website on 10/10/1439H corresponding to 24/06/2018 regarding the setting up a polypropylene manufacturing plant in South Korea.
- Currently SK Advanced is operating a PDH plant in South Korea since 2016 with design capacity to produce 600,000 metric tons per annum of Propylene, while, PolyMirae, a leading South Korean specialty Polypropylene producer, is currently operating four PP Spheripol production lines in South Korea with a total capacity of 700,000 metric tons per annum. This Joint Venture will be supplied with Propylene (main feedstock) from SK Advanced on a long term basis.
- The financial impact of above investment by SK Advanced is expected to be reflected in the Advanced's financial statements starting of the second quarter of 2021.

Leejam Sports Company announces the Opening of two Fitness Centers

- Leejam Sports Company (Fitness Time) Announces the Opening of a New-Low cost and 24-Hour Men Xpress Fitness Center in Riyadh on Saturday 16th May 2021. This opening and the under-construction Fitness Time Xpress projects, confirm the company's commitment to its plan to expand into the low-cost gyms segment. The center will operate 24-Hour with low-cost operating model and without swimming pools. It will also be digitally enabled and with highly flexible subscriptions that start with a minimum commitment of one month, and at a reasonable price, to make clubs and gyms more accessible.

- Leejam Sports Company (Fitness Time) Announces the Opening of a New-Low-cost Ladies Xpress Fitness Center in Buraidah on Saturday 16th May 2021. This opening and under-construction Fitness Time Xpress projects, confirm the company's commitment to its plan to expand into the low-cost gyms segment. The center will operate with low-cost operating model and without swimming pools. It will also be digitally enabled and with highly flexible subscriptions that start with a minimum commitment of one month, and at a reasonable price, to make clubs and gyms more accessible.

Saudi Corporate Results -1Q 2021

| SAR MN | | 1Q21 | 1Q20 | %CHANGE | 4Q20 | % CHANGE |
|--------------------------------|-----------------------------------|--------|---------|---------|---------|----------|
| Jabal Omar Development | شركة جبل عمر للتطوير | -345.3 | -237.86 | 45.169 | -421.23 | -18.025 |
| Buruj Cooperative | شركة بروج للتأمين التعاوني | -5.84 | -13.9 | -58.2 | 18.9 | - |
| Allianz Saudi Fransi | شركة أليانز السعودي الفرنسي | 4.74 | -14.9 | - | -2.75 | - |
| Gulf Union Alahlia Coop | شركة إتحاد الخليج الأهلية للتأمين | -56.8 | -6.1 | 831% | -33.6 | 68.6 |
| Alinma Tokio Marine Co | شركة الإنماء طوكيو مارين | 1.7 | -0.3 | - | 0.32 | - |

Jabal Omar Development net income up 45% YoY but down 18% QoQ

- The reason of the increase in the net loss during the current quarter compared to similar quarter last year:
 - Significant decline in revenues due to the decrease in the occupancy rate of Hotels and Commercial malls due to the precautionary measures taken to limit the spread of the Coronavirus pandemic.
 - Increase in financial charges is due to non-capitalization of borrowing cost because of no significant development activities during the period.

Buruj Cooperative reports loss of SAR 5.84mn in 1Q21

- The reason for loss this quarter compared to profit in the previous quarter is attributed to the the decrease in underwriting surplus by 85.32% which is mainly due to the increase in net incurred claims by 71.11%.
- Also reason of loss is due to decrease in overall investments profits by 21.81% compared to previous quarter.

Allianz Saudi Fransi reports profit compared to loss in comparable quarters

- The increase in net profit before Zakat and Tax is mainly due to the decrease in net claims and other benefits incurred by 32.1% (SAR 92.6Mn vs. SAR 136.3Mn) and the decrease in general and administrative expenses by 31.9% (SAR 25.2Mn vs. SAR 36.9Mn) while net revenue decreased by 37.4% (SAR 103.7Mn vs SAR 165.6Mn).
- The decrease in net claims and other benefits incurred is mainly driven by the decrease in motor net claims and other benefits paid by 63.7% (37.1Mn vs. 102.1Mn).

Gulf Union Alahlia Cooperative losses increase in 1Q21

- The company made a net loss (after zakat & income tax) of SR 57,797 thousand in this quarter compared to a loss of SR 6,792 thousand in the same quarter last year. The main reason for the loss is the increase in Net claims and other benefits incurred by SR 76,594 thousand.
- The company made a net loss (after zakat & income tax) of SR 57,797 thousand in this quarter compared to a loss of SR 37,196 thousand in the previous quarter. The main reason for the loss is increase in Net claims and other benefits incurred by SR 40,636 thousand.

Alinma Tokio Marine Co reports profit compared to loss in comparable quarters

- The decrease in net loss for the current quarter compared to the same quarter of the previous year is mainly due to decrease in net claims incurred by 49.15%, decrease in policy acquisition costs by 14.4%, decrease in underwriting expenses by 21.1%, decrease in changes in mathematical reserves by 353.6%, decrease in provision for doubtful debts by 21.8% and improvement in investment income by 326% and increase in other underwriting income by 92.1% , the above positive contributors to decrease in net loss before zakat have been partially offset with the decrease in net earned premiums by 22.5% and increase in changes in unit linked reserves by 1756.6%.

KUWAIT

Kuwait Corporate Results -1Q 2021

| KWD MN | | 1Q21 | 1Q20 | %CHANGE |
|--------------------|-------------------------------|-------|-------|---------|
| Agility | شركة أجيليبي للمخازن العمومية | 12.6 | 9.82 | 28% |
| Alafco (6M) | ألافكو | -2.53 | -4.48 | - |
| NREC | الشركة الوطنية العقارية | 1.37 | 0.57 | 140% |

Agility net income up 28% YoY in 1Q21

- The net profits attributable to the equity holders of Agility Public Warehousing rose by 28.7% to KWD 12.641 million in the first quarter (Q1) of 2021 from KWD 9.82 million in the same quarter of 2020, according to the company's interim consolidated financials for the three-month ended 31 March 2021.
- The company generated revenues of KWD 485.518 million in the first three months of 2021, up 28.6% from KWD 377.609 million in the same period of 2020.
- The basic and diluted earnings per share (EPS) stood at 6.01 fils in Q1-21, compared to 4.67 fils in Q1-20.

Alafco losses in six month of 2021 reduce to KWD 2.53mn compared to loss of KWD 4.48mn in six month of 2020

- Alafco losses in six month of 2021 reduce to KWD 2.53mn compared to loss of KWD 4.48mn in six month of 2020
- Alafco reported loss for the second quarter of 0.85 million dinars vs. loss 13.5 million dinars y/y.
- Operating revenue 25.8 million dinars, -8.9% y/y
- Operating profit 2.97 million dinars, -2.6% y/y
- Attributes lower loss to no impairments in value of aircraft

National Real Estate Company net income up 140% YoY in 1Q21

- National Real Estate Company net income up 140% YoY in 1Q21 to KWD 1.37mn.
- Increase in net profit is due to increase in sale of properties in one of the Company's projects outside Kuwait in addition to the increase in share of results from Associate.

UAE

DAMAC Properties warns of slow market recovery

- The recovery of the UAE real estate market from the COVID-19 pandemic will take at least 12 to 24 months, according to Dubai developer DAMAC Properties' chairman Hussain Sajwani. The firm reported a net loss of 190 million dirhams (\$51.7 million) for Q1 2021, compared with 109 million dirhams a year ago.
- Losses were mainly due to lower revenue recognition as many projects are nearing completion, compressed gross margins due to revenue-mix and higher selling and general administration expenses resulting from higher booked sales reported during the quarter, the developer said in a bourse filing.
- "The market is slowly recovering from the effects of the COVID-19 pandemic and its impact on various industries, particularly travel and tourism.
- I still strongly believe that recovery will take at least 12-24 months," Sajwani said.

UAE's GGICO to focus on business continuity as losses hit \$459mn

- Gulf General Investments Company (GGICO) is looking into business continuity, as accumulated losses hit 1.687 billion dirhams (\$459 million) during the first three months of the year.
- In a bourse filing to the Dubai Financial Market (DFM), the company with investments in property, manufacturing, hospitality, retail and financial services sectors, said the losses incurred were a result of impairment of assets due to the "challenging market situation" in the country.
- "The board of directors is discussing the continuity of the company," stated the filing.
- The company had been incurring net losses prior to the coronavirus pandemic. Last year, it was looking for measures to settle some of its debts against bank guarantees.
- The current losses represent 94.19 percent of the company's share capital.

UAE Corporate Results -1Q 2021

| AED MN | | 1Q21 | 1Q20 | %CHANGE |
|-------------------------------|--------------------------------------|------|------|---------|
| Dubai Islamic Insurance & Re. | دبي الإسلامية للتأمين وإعادة التأمين | 6.40 | 3.18 | 100.8% |

Dubai Islamic Insurance and Reinsurance net income up 100.8% in 1Q21

- Aman reported a net profit attributable to shareholders of AED 6.4 million in the first quarter of 2021, registering a significant increase of 100.8% compared to AED 3.18mn in the first quarter of 2020.
- Aman's gross written premiums reached AED 60.3mn in the first quarter against the backdrop of a continued challenging market environment.
- Shareholders' equity also increased by 7.4%, reaching AED 91.4 million as of 31 March 2021.

BAHRAIN

Al Salam Bank partners with the Ministry of Housing and Eskan Bank

- Al Salam Bank has signed a Memorandum of Understanding with Eskan Bank and the Ministry of Housing under the "Mazaya" social housing scheme. It will offer its clients with competitive property financing facility for the purchase of their dream home in the Danaat Al Baraka project, located in Jannusan area.
- On the occasion, Rafik Nayed, Group Chief Executive Officer of Al Salam Bank Bahrain said: "The Mazaya scheme is a significant initiative that elegantly offers housing solutions to eligible applicants, and Al Salam Bank facilitates a highly efficient and flexible financing processes streamlining the delivery and handover of homes.
- We look forward to continuing our joint initiatives and active collaboration with the Ministry of Housing and Eskan Bank."

Bahrain Corporate Results -1Q 2021

| BHD MN | | 1Q21 | 1Q20 | %CHANGE |
|------------------------------|----------------------------|-------|-------|---------|
| Al Salam Bank | مصرف السلام | 6.09 | 2.51 | 144% |
| United Gulf Holding (USD mn) | شركة الخليج المتحد القابضة | -3.66 | -26.3 | - |

Al Salam Bank Bahrain net income up 144% YoY in 1Q21

- The net profits attributable to the shareholders of Al Salam Bank – Bahrain jumped by 144% to BHD 6.087 million (\$16.15 million) during the first quarter (Q1) of 2021 from BHD 2.512 million (\$6.7 million) in the year-ago period, according to the bank's consolidated interim financials for the period ended 31 March 2021.
- The bank's net operating income increased to BHD 18.475 million in Q1-21, compared to BHD 13.709 million in Q1-20.
- The bank's total assets rose by 3.6% to BHD 2.343 billion (\$6.217 billion) as of 31 March 2021 from BHD 2.261 billion (\$5.998 billion) in the same quarter 2020.
- The Bank also maintained a strong capital adequacy ratio of 25.97% as at 31 March 2021, compared to 26.46% as at 31 December 2020.

United Gulf Holding losses reduce in 1Q21

- United Gulf Holding reduced its net losses to USD 3.6mn compared to losses of USD 26.3mn in 1Q20.
- The group management has made an assesment of the Groups ability to continue as a going concern and is satisfied that the group has the resources to continue in business for the foreseeable future.

ECONOMIC & GENERAL NEWS

OMAN

Vale invests \$1.2 bn in local supply chain development

Vale, one of the world's largest mining companies, has made substantial investments in developing a major iron ore pelletising complex at Sohar Port and Freezone, alongside a thriving local supply chain. Owned by a Omani-Brazilian joint venture, the company is celebrating this month, its tenth year in operation in Oman. Vale's investment in Oman is a paradigm of the successful convergence of Vale's strategic goals, the Omani government (represented by OQ Company), and Sohar Port and Freezone.

[Source](#)

CMA announces tender for Dhamani platform's e-payment service

The Capital Market Authority (CMA) announced a tender for e-payment service for Dhamani health insurance platform. The service will enable transfer of funds between health services providers and insurance policyholders. The e-payment service will be added in the first phase of the platform which will be launched in the fourth quarter of 2021 to enable the regulators to monitor funds transfers between the parties of the insurance relationship to ensure the funds are paid within the specified term in the health insurance regulations.

[Source](#)

Sultanate's bank credit rises 3 per cent in March, deposits up 2.5 per cent: CBO

Total outstanding credit extended by Oman's banking sector grew by 3 per cent year-on-year to reach at RO27.2bn at the end of March 2021, the latest statistics released by the Central Bank of Oman (CBO) showed. However, bank credit to the sultanate's private sector demonstrated a relatively moderate growth of 0.9 per cent year-on-year to reach at RO23.3bn as of March 31, 2021, the CBO said in its monthly statistical bulletin. The shares of non-financial corporate sector and household sector (mainly under personal loans) in total private sector credit stood at 46.8 per cent and 45 per cent, respectively. The share of financial corporations was 4.9 per cent and other sectors received the remaining 3.3 per cent of total private sector credit. The combined balance sheet of the conventional banks showed a year-on-year growth of just 1.5 per cent in total outstanding credit as of end-March 2021.

[Source](#)

MIDDLE EAST

Mideast Stock: Top lender FAB boosts Abu Dhabi; Dubai retreats

The Abu Dhabi stock market ended higher on Sunday, buoyed by a surge in its top lender First Abu Dhabi Bank (FAB) on expectations that an upcoming review by MSCI of its emerging markets index will increase the bank's index weighting and spur foreign fund flows into its shares. The benchmark index jumped 3.5%, its biggest intraday gain since mid-January, with First Abu Dhabi bank surging more than 10%. Dubai's main share index, however, retreated 1.2%.

[Source](#)

Dubai's CPI down 3% year-on-year in April

Mubasher: Dubai's Consumer Price Index (CPI) declined by 2.64% year-on-year (YoY) in April 2021, according to the latest data by the Dubai Statistics Centre (DSC). The prices of the housing, water, electricity, gas, and other fuels, food and beverages, and tobacco segments decreased by 8.42%, 4.76%, and 0.55%, respectively. Meanwhile, Dubai reported an increase in the prices of transport by 12.86%, clothing and footwear by 2.9%, and restaurants and hotels by 0.82%.

[Source](#)

Saudi Arabia lifts travel restrictions on citizens; reopens air, land, sea borders today

Saudi Arabia's decision to allow citizens to travel abroad and fully reopen sea, air and land borders comes into effect today, May 17, 2021. On May 2, the Ministry of Interior said in a statement that the Kingdom will lift the suspension on citizens traveling abroad starting 1 am on May 17. Travel restrictions will be lifted for citizens who received two doses of the COVID-19 vaccine, or those who received one shot, provided that they are proved to be vaccinated 14 days before departure from the Kingdom via the health information provided by Tawakkalna app.

[Source](#)

ATM update: Ras Al Khaimah to invest \$136mIn in tourism sector

Ras Al Khaimah will invest \$136 million in tourism that will see the development of more than 20 sustainable initiatives covering the emirate's natural attributes, including Jebel Jais, the UAE's highest mountain. Ras Al Khaimah Tourism Development Authority (RAKTDA) in partnership with RAK Hospitality Holding and RAK Chamber of Commerce and Industry will be investing in the 20 new sustainable projects.

[Source](#)

Saudi Arabia's Q1 2021 budget deficit shows structural improvement, says Moody's

Saudi Arabia's budget deficit for the first quarter of 2021 showed structural improvement, as non-oil deficit fell to over six-year low, Moody's Investors Service said. While much of the decline in the budget deficit was a result of higher oil prices and a seasonal decline in spending, structural factors such as higher VAT and lower capital spending were also responsible. The structural improvement reduces the fiscal exposure to fluctuations in global oil demand and prices," Moody's added.

[Source](#)

INTERNATIONAL

Asia shares left listless by mixed China data

Asian share markets turned mixed on Monday as data on Chinese retail sales missed expectations though industrial output stayed solid, while more evidence of global inflation pressures helped gold to a three-month peak. Chinese retail sales rose 17.7 percent in April on a year ago, short of forecasts for a jump of 24.8 percent, while industrial output matched expectations with a rise of 9.8 percent. The spread of the coronavirus was also a hindrance with Singapore to shut most schools from Wednesday after reporting the highest number of local infections in months.

[Source](#)

Job fears, price spikes mean heartburn for Biden White House as economy revs up

High unemployment. Rising prices. Gas lines. The jolts are dampening consumer confidence, ramping up inflation fears, and helping Republicans build their case against President Joe Biden and his ambitious plans to revamp the U.S. economy with trillions in new spending.

[Source](#)

China's factory output slows as bottlenecks crimp production

China's factories slowed their output growth in April and retail sales significantly missed expectations as officials warned of new problems affecting the recovery in the world's second-largest economy. While China's exporters are enjoying strong demand, global supply chain bottlenecks and rising raw materials costs have weighed on production, cooling the blistering economic recovery from last year's COVID-19 slump.

[Source](#)

Dollar fights for footing as Fed minutes eyed

The U.S. dollar found pockets of support in Asia on Monday, but struggled to post gains, as investors are heavily positioned for it to fall further while the U.S. Federal Reserve holds interest rates low and U.S. trade and current account deficits grow. Easing commodity prices and virus outbreaks in Singapore and Taiwan - where COVID-19 had been contained - helped modest dollar gains of 0.2% against the Australian and New Zealand dollars in the early part of the Asia session. AUD/

[Source](#)

China says retail sales grew 17.7% in April, missing expectations

In the latest sign of a sluggish recovery from the coronavirus pandemic, China said Monday that consumer spending grew at a slower-than-expected pace in April. Retail sales rose 17.7% last month from a year ago, the National Bureau of Statistics said Monday. That missed expectations of 24.9% growth in April, according to analysts polled by Reuters. April's retail sales figure also marked a slowdown from 34.2% year-on-year growth in March.

[Source](#)

Bitcoin falls after Elon Musk suggests Tesla may have dumped holdings of the cryptocurrency

Tesla CEO Elon Musk implied in a Twitter exchange Sunday afternoon that the electric vehicle maker sold or may sell the rest of its bitcoin holdings, sending the price of the cryptocurrency down. Bitcoin's price tumbled following those comments, trading at \$42,241.44 as of 12:07 a.m. ET Monday, according to data from Coin Metrics.

[Source](#)

COMMODITIES

Oil mixed in tight range, Asia's COVID-19 restrictions weigh on sentiment

Oil prices were mixed in a tight range on Monday after the recovery of a major U.S. pipeline network eased concerns over supply, though fresh restrictions in Asia amid surging COVID-19 cases weighed on sentiment. Gasoline shortages that have plagued the U.S. East Coast slowly eased on Sunday, with 1,000 more stations receiving supplies as Colonial Pipeline's 5,500-mile (8,900-km) system recovered from a crippling cyberattack.

Source

Gold hits 3-month high as dollar, yields ease on U.S. retail sales data

Gold prices rose to a three-month high on Monday, as a weaker dollar and a dip in Treasury yields boosted metal's appeal after data last week showed U.S. retail sales unexpectedly stalled in April. Spot gold was up 0.1% at \$1,844.60 per ounce by 0035 GMT, after hitting its highest since Feb.10 in early Asian trade. U.S. gold futures rose 0.4% to \$1,845.60. The dollar index slipped from a near one-week high touched last week, making gold less expensive for other currency holders.

Source

FIXED INCOME

SAUDI ARABIA

Saudi banks will maintain high deposit levels, strong liquidity despite COVID-19: S&P

- Banks in Saudi Arabia will maintain high deposit levels and enjoy strong liquidity despite the current environment, S&P said.
- The global ratings agency also sees economic risk in the kingdom as stable despite a budget deficit and public debt accumulated over the past years.
- “We think the country still has sufficient fiscal and external buffers to weather periods of low oil prices... We expect banks will maintain high levels of core deposits in their funding bases and their strong liquidity metrics will remain intact,” S&P said.
- Saudi’s banking sector is classified as A-/Stable/A-2 and belongs to group ‘4’ under S&P’s Banking Industry Country Risk Assessment (BICRA). Other countries in the same group include Ireland, Kuwait, Malaysia, New Zealand, Poland, Slovenia, Spain and Taiwan.
- The kingdom’s banking sector is experiencing an “expansionary phase” after posting low growth for years, according to S&P.

CHART / TABLE OF THE DAY

Oman Oil Marketing companies financials improve in 2021 compared to 2020

- Oman oil marketing companies which reported profit of OMR 4.4mn in full year 2020, reported net income of OMR 2.72mn in 1Q21 alone.
- Gross, operating and net margins of the sector improved when compared with 2020 but were still lower when compared with 2019.
- In terms of market share as per revenue, Oman Oil Marketing Company leads with 41.3% as of 1Q21 followed by Shell Oman and Al Maha Marketing.
- While in terms of margins, Shell Oman leads with higher gross, operating and net margins when compared with the other two oil marketing companies.

Oman Oil Marketing Companies

| (OMR 000) | OOMS | | | MHAS | | | SOMS | | | SECTOR | | |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|---------|
| | 2019 | 2020 | 1Q21 | 2019 | 2020 | 1Q21 | 2019 | 2020 | 1Q21 | 2019 | 2020 | 1Q21 |
| Income Statement | | | | | | | | | | | | |
| Sales | 581,662 | 438,672 | 122,560 | 465,914 | 333,762 | 81,703 | 524,826 | 367,090 | 92,754 | 1,572,402 | 1,139,524 | 297,017 |
| Gross Profit | 37,915 | 29,803 | 8,284 | 27,085 | 20,089 | 5,078 | 36,508 | 27,235 | 7,871 | 101,508 | 77,127 | 21,233 |
| Operating Profit | 7,355 | 2,566 | 884 | 5,137 | 2,831 | 964 | 14,646 | 5,052 | 2,302 | 27,138 | 10,449 | 4,150 |
| Net Profit | 5,622 | 957 | 699 | 3,408 | 863 | 421 | 10,987 | 2,584 | 1,603 | 20,017 | 4,404 | 2,723 |
| Balance Sheet | | | | | | | | | | | | |
| Debt | 578 | - | 25,000 | 55,032 | 44,731 | 25,018 | 17,000 | 6,667 | 6,667 | 72,610 | 51,398 | 56,685 |
| Equity | 76,558 | 73,645 | 74,344 | 45,303 | 41,336 | 41,757 | 53,905 | 49,889 | 51,492 | 175,766 | 164,870 | 167,593 |
| Assets | 152,604 | 135,359 | 172,121 | 150,581 | 129,198 | 111,663 | 157,534 | 129,860 | 129,522 | 460,719 | 394,417 | 413,306 |
| Ratio Analysis | | | | | | | | | | | | |
| GP Margin | 6.5% | 6.8% | 6.8% | 5.8% | 6.0% | 6.2% | 7.0% | 7.4% | 8.5% | 6.5% | 6.8% | 7.1% |
| Operating Margin | 1.3% | 0.6% | 0.7% | 1.1% | 0.8% | 1.2% | 2.8% | 1.4% | 2.5% | 1.7% | 0.9% | 1.4% |
| NP Margin | 1.0% | 0.2% | 0.6% | 0.7% | 0.3% | 0.5% | 2.1% | 0.7% | 1.7% | 1.3% | 0.4% | 0.9% |
| ROE | 7.3% | 1.3% | 3.8% | 7.5% | 2.1% | 4.0% | 20.4% | 5.2% | 12.5% | 11.4% | 2.7% | 6.5% |
| ROA | 3.7% | 0.7% | 1.6% | 2.3% | 0.7% | 1.5% | 7.0% | 2.0% | 5.0% | 4.3% | 1.1% | 2.6% |
| Debt/Equity | 1% | 0% | 34% | 121% | 108% | 60% | 32% | 13% | 13% | 41% | 31% | 34% |
| BV (OMR) | 1.25 | 1.20 | 1.21 | 0.66 | 0.60 | 0.61 | 0.57 | 0.53 | 0.54 | | | |
| EPS (OMR) | 0.09 | 0.02 | 0.05 | 0.05 | 0.01 | 0.02 | 0.12 | 0.03 | 0.07 | | | |
| CMP (OMR) | 0.93 | 0.80 | 0.72 | 0.73 | 0.67 | 0.55 | 1.20 | 1.00 | 0.86 | | | |
| PE (x) | 10.16 | 51.24 | 15.70 | 14.74 | 53.73 | 22.54 | 10.38 | 36.76 | 12.74 | | | |
| PBv (x) | 0.75 | 0.67 | 0.59 | 1.11 | 1.12 | 0.91 | 2.11 | 1.90 | 1.59 | | | |
| Market Share as per Revenue | | | | | | | | | | | | |
| OOMS | 37.0% | 38.5% | 41.3% | | | | | | | | | |
| MHAS | 29.6% | 29.3% | 27.5% | | | | | | | | | |
| SOMS | 33.4% | 32.2% | 31.2% | | | | | | | | | |

Source: Company Financials

TECHNICALS OF THE DAY

GCC Virtual Technical Portfolio

| Stock Name | Market Name | Purchase Price | Target 1 | Status | Target 2 | Status | Return T1 | Return T2 | Turnover Ratio | Stop Loss | Risk | Recommendation Date |
|---------------------------|-------------|----------------|----------|--------|----------|--------|-----------|-----------|----------------|-----------|-------|---------------------|
| SAUDI ARAMCO | KSA | 35.80 | 37.00 | | 37.20 | | 3.35% | 3.91% | 0.10 | 35.70 | -0.3% | 17-May-21 |
| BCI | KSA | 40.00 | 41.00 | | 41.54 | | 2.50% | 3.85% | 0.09 | 39.50 | -1.3% | 17-May-21 |
| MAADEN | KSA | 55.60 | 57.00 | | 57.50 | | 2.52% | 3.42% | 0.08 | 55.20 | -0.7% | 17-May-21 |
| SABIC | KSA | 122.80 | 126.00 | | 127.00 | | 2.61% | 3.42% | 0.08 | 121.65 | -0.9% | 17-May-21 |
| ALUJAIN | KSA | 54.00 | 55.50 | | 55.70 | | 2.78% | 3.15% | 0.08 | 53.50 | -0.9% | 17-May-21 |
| CATERING | KSA | 80.40 | 82.50 | | 82.60 | | 2.61% | 2.74% | 0.09 | 80.20 | -0.2% | 17-May-21 |
| AMLAK FINANCE | UAE | 0.254 | 0.261 | | 0.263 | | 2.76% | 3.54% | 0.09 | 0.252 | -0.8% | 17-May-21 |
| GULF FINANCE HOUSE | UAE | 0.644 | 0.665 | | 0.670 | | 3.26% | 4.04% | 0.09 | 0.64 | -0.6% | 17-May-21 |
| ABU DHABI COMMERCIAL BANK | UAE | 6.35 | 6.50 | | 6.60 | | 2.36% | 3.94% | 0.08 | 6.30 | -0.8% | 17-May-21 |
| RAK PROPERTIES | UAE | 0.58 | 0.60 | | 0.61 | | 3.45% | 5.17% | 0.09 | 0.57 | -1.7% | 17-May-21 |
| GULF INTERNATIONAL | QATAR | 1.500 | 1.550 | | 1.560 | | 3.33% | 4.00% | 0.10 | 1.49 | -0.7% | 17-May-21 |
| MAZAYA QATAR | QATAR | 1.16 | 1.20 | | 1.21 | | 3.45% | 4.31% | 0.10 | 1.15 | -0.9% | 17-May-21 |

Last week actual performance for 12 companies

| Stock Name | Market Name | Closing Price | Purchase Price | Target 1 | Status | Target 2 | Status | Return T1 | Return T2 | Turnover Ratio | Stop Loss | Risk | Recommendation Date |
|------------------------|-------------|---------------|----------------|----------|--------|----------|--------|-----------|-----------|----------------|-----------|-------|---------------------|
| ZAMIL INDUSTRIAL | KSA | 27.30 | 26.30 | 27.00 | | 27.50 | | 2.66% | 4.56% | 0.10 | 26.10 | -0.8% | 10-May-21 |
| SAUDI BUDGET | KSA | 42.65 | 42.40 | 43.50 | | 44.00 | | 2.59% | 3.77% | 0.07 | 42.20 | -0.5% | 10-May-21 |
| TIHAMAH | KSA | 55.90 | 55.10 | 56.50 | | 57.00 | | 2.54% | 3.45% | 0.06 | 55.00 | -0.2% | 10-May-21 |
| ARABIAN SHIELD | KSA | 30.00 | 29.90 | 30.70 | | 31.00 | | 2.68% | 3.68% | 0.05 | 29.70 | -0.7% | 10-May-21 |
| JABAL OMAR | KSA | 31.70 | 30.70 | 31.50 | | 31.70 | | 2.61% | 3.26% | 0.07 | 30.60 | -0.3% | 10-May-21 |
| ALASEEL | KSA | 78.10 | 78.20 | 80.40 | | 80.60 | | 2.81% | 3.07% | 0.06 | 78.10 | -0.1% | 10-May-21 |
| DUBAI ISLAMIC BANK | UAE | 4.55 | 4.54 | 4.65 | | 4.70 | | 2.42% | 3.52% | 0.06 | 4.510 | -0.7% | 10-May-21 |
| DUBAI FINANCIAL MARKET | UAE | 1.08 | 1.10 | 1.13 | | 1.14 | | 2.73% | 3.64% | 0.07 | 1.09 | -0.9% | 10-May-21 |
| FIRST ABU DHABI BANK | UAE | 16.06 | 14.70 | 15.10 | | 15.20 | | 2.72% | 3.40% | 0.05 | 14.60 | -0.7% | 10-May-21 |
| AL DAR PROPERTIES | UAE | 3.57 | 3.60 | 3.70 | | 3.75 | | 2.78% | 4.17% | 0.06 | 3.57 | -0.8% | 10-May-21 |
| MESAIEED | QATAR | 1.923 | 1.934 | 1.990 | | 2.000 | | 2.90% | 3.41% | 0.05 | 1.93 | -0.2% | 10-May-21 |
| QATAR INSURANCE | QATAR | 2.53 | 2.58 | 2.65 | | 2.70 | | 2.71% | 4.65% | 0.06 | 2.56 | -0.8% | 10-May-21 |

(Week 20 - 2021) -----

% Gain/Loss* = +1.54%

Achieved Near To Losses

Weekly performance for the past weeks

| No. of the Week | Report No. | % Gain/Loss for GTP * | U Capital GCC 50 Index | MSCI GCC Index | S & P GCC Index |
|-----------------|------------|-----------------------|------------------------|----------------|-----------------|
| Week 20 - 2021 | 192 | 1.54% | 0.37% | 0.62% | 1.22% |
| Week 19 - 2021 | 191 | 1.01% | -2.38% | 0.80% | 0.76% |
| Week 18 - 2021 | 190 | 0.42% | 2.33% | 0.90% | 0.34% |
| Week 17 - 2021 | 189 | 1.37% | 1.40% | -0.50% | 0.12% |

Historical performance - Monthly

| No. of the Month | Report No. | % Gain/Loss for GTP * | U Capital GCC 50 Index | Bloomberg GCC 200 | S & P GCC Index |
|------------------|------------|-----------------------|------------------------|-------------------|-----------------|
| Month 01 - 2021 | 173-177 | 4.69% | 4.57% | -0.13% | 1.84% |
| Month 02 - 2021 | 178-181 | 5.93% | 2.95% | -2.80% | 2.86% |
| Month 03 - 2021 | 182-185 | 6.45% | 0.56% | -0.40% | 1.30% |
| Month 04 - 2021 | 186-189 | 7.51% | 7.97% | 1.60% | 2.33% |
| Month 05 - 2021 | 190-193 | | | | |
| Month 06 - 2021 | | | | | |
| Month 07 - 2021 | | | | | |
| Month 08 - 2021 | | | | | |
| Month 09 - 2021 | | | | | |
| Month 10 - 2021 | | | | | |
| Month 11 - 2021 | | | | | |
| Month 12 - 2021 | | | | | |
| YTD | | 24.58% | 16.05% | -1.73% | 8.33% |

Historical performance - Yearly

| Year | Report No. | % Gain/Loss for GTP * | U Capital GCC 50 Index | Bloomberg GCC 200 | S & P GCC Index |
|---------------------------|------------|-------------------------------|-------------------------------|--------------------------------|-------------------------------|
| 2015 - 2016 - 2017 - 2018 | | (90%) - (85%) - (78%) - (83%) | (1.5%) - (14%) - (7%) - (19%) | (1.39%) - (1%) - (3%) - (-13%) | (-5.63%) - (3%) - (7%) - (7%) |
| 2019 | | 67% | 10% | 2% | 14% |
| 2020 | | 90% | -3% | 1% | 12% |
| 2021 | | 25% | 16% | -2% | 8% |

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

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

* Gross returns, excluding transaction cost & Prices are in Countries respective currency

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