

## PRE-MARKET REPORT

18 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	648.5	3.47	0.54%	13.83%	22.75	2.04	2.3%
Muscat Stock Exchange	3,840.1	-2.00	-0.05%	4.96%	11.52	0.72	4.7%
Saudi Stock Exchange	10,396.4	73.76	0.71%	19.64%	31.15	2.30	2.0%
Kuwait Stock Exchange	6,313.2	34.19	0.54%	13.83%	40.28	1.60	2.2%
Qatar Exchange	10,793.5	-131.77	-1.21%	3.43%	18.28	1.62	2.7%
Bahrain Stock Exchange	1,528.8	-1.02	-0.07%	2.62%	30.11	1.01	2.2%
Dubai Financial Market	2,673.1	8.47	0.32%	7.27%	20.06	0.93	3.0%
Abu Dhabi Exchange	6,477.6	49.63	0.77%	28.39%	22.08	1.83	4.0%
Beirut Stock Exchange	902.6	-10.63	-1.16%	37.20%	34.60	0.70	0.0%
Palestine Stock Exchange	490.7	-0.08	-0.02%	4.12%	18.67	1.14	2.7%
Tunis Se Index	7,391.7	29.83	0.41%	7.36%	25.48	2.47	1.8%
EGX 30 Index	10,674.7	-93.17	-0.87%	-1.57%	12.06	1.49	3.3%
Amman General Index	1,852.2	10.46	0.57%	11.77%	32.77	0.79	4.0%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
			%	%	Currency		
<b>Europe</b>					Australian Dollar (AUD)	1.283	-1.31%
FTSE 100	UK	7,032.9	-0.15%	8.86%	British Pound (GBP)	0.706	-3.59%
DAX	Germany	15,396.6	-0.13%	12.23%	Canadian Dollar (CAD)	1.204	5.68%
CAC 40	France	6,367.4	-0.28%	14.70%	Chinese Renm. (CNH)	6.428	1.17%
<b>United States</b>					Egyptian Pound (EGP)	15.659	0.43%
DJIA	USA	34,327.8	-0.16%	12.16%	Euro (EUR)	0.822	0.40%
S&P 500	USA	4,163.3	-0.25%	10.84%	Indian Rupee (INR)	73.175	-0.15%
NASDAQ	USA	13,379.1	-0.38%	3.81%	Japanese Yen (JPY)	109.210	-5.46%
<b>Asia Pacific</b>					Swiss Franc (CHF)	0.902	-1.87%
NIKKEI 225	Japan	28,438.5	2.20%	3.62%	Omani Rial (OMR)	0.385	0.00%
HANG SENG	Hongkong	28,545.2	1.25%	4.83%	Pakistan Rupee (PKR)	152.388	4.89%
KSE 100 Index	Pakistan	45,796.3	0.00%	4.66%	Russian Ruble (RUB)	73.811	0.82%
NSE Nifty 50	India	15,099.8	1.18%	8.00%	Singapore Dollar (SGD)	1.332	-0.74%
SHANGHAI COMPOSITE	China	3,520.5	0.08%	1.37%	Turkish Lira (TRY)	8.322	-10.60%
SHANGHAI SHENZHEN CSI 300	China	5,176.9	-0.16%	-0.66%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>						
Brent Crude (per bbl)	69.7	0.29%	35.29%	UAE	0.37	-28.0%
WTI Crude (per bbl)	66.5	0.32%	37.02%	Saudi Arabia	0.79	-3.2%
Oman Crude Oil (Last Closing)	67.7	1.04%	32.59%	Kuwait	1.50	4.3%
OPEC (per bbl)	66.2	-0.93%	31.69%	Oman	2.60	-2.8%
<b>Precious Metals</b>						
Gold100 OZ (per oz)	1,868.6	0.09%	-1.57%	Qatar	1.18	4.9%
Silver (per oz)	28.5	1.09%	7.86%	Bahrain	1.43	-36.3%
Platinum (per oz)	1,240.3	-0.24%	15.69%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
					Maturity date	YTM, %
<b>Other Metals</b>				KUWAIT	20/03/2027	1.56
Copper, MT	10,373	1.29%	33.57%	UAE	16/04/2030	2.03
Aluminium, MT	2,499	1.46%	26.24%	QATAR	16/04/2030	2.15
Lead, MT	2,208	2.44%	10.71%	SAUDI ARABIA	22/10/2030	2.45
Zinc, MT	3,014	2.59%	9.56%	OMAN	25/01/2031	5.21
				BAHRAIN	30/09/2031	5.58

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.76	0.3	1m	0.10	-32.2%
5 year	99.60	0.8	3m	0.16	-34.9%
10 year	99.81	1.6	6m	0.19	-27.2%
30 year	100.33	2.4	1 year	0.27	-22.2%

Source: Bloomberg

## CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### OMAN

#### **Galfar Engineering to hold EGM and reduce capital from OMR 41.52mn to OMR 29.06mn**

- Galfar Engineering will hold EGM on 25<sup>th</sup> May 2021.
- Amongst other things, the Company will discuss the following:
- To discuss the re-structuring of the share capital of the Company to cover the accumulated losses of the Company as shown in the financial annual audited accounts for the year ended on 31st December 2020 and approve the same through taking the following actions:
  - Utilization of the entire legal reserve of the Company and the entire share premium to cover pan of the accumulated losses of the Company as on 31st December 2020 in accordance with the enclosed explanatory note.
  - Reduction of the share capital from OMR 41.52mn by 30% to OMR 29.06mn to cover the remaining part of the accumulated losses of the Company as on 31st December 2020 in accordance with the enclosed explanatory note.

#### Comments:

- We believe it's the right time for Galfar Engineering to clean its book as the government receivables are also dropping.
- Government related receivables:
  - Year end 2020: The liquidity issues of the Company continued on account of delay in receipt of certified payment from the Government and its related entities. The unpaid certified receivables were at OMR 64mn at closing of the year.
  - 1Q21 end: The Parent Company has certified overdue receivables of more than OMR 52mn as of date from the government and its related entities.

#### **Renaissane Village Duqm occupancy level rises to approximately 78% in March 2021**

- By the end of March 2020 occupancy at Renaissance Village Duqm had crossed 16,000, over 90% of the available capacity at that time.
- As the pandemic took hold, occupancy fell to 10,500.
- Occupancy has since risen to 13,800 in March 2021. With ongoing projects understandably falling behind schedule under the current circumstances, we can expect a gradual increase in occupancy during the year as travel and quarantine restrictions are lifted.
- Company also announced its plans related to new tenders and territories.
  - Company is currently competing in some major tenders here in Oman and elsewhere in the region, notably UAE where they have a footprint and Qatar where they seek to gain a foothold. If successful in some of these tenders, the scale of some of the opportunities is transformational as per Company.

### SAUDI ARABIA

#### **EU to impose 11.1% anti-dumping duties on MEG imports from Saudi Arabia**

- The European Commission (EC) announced the proposed anti-dumping duties on monoethylene glycol (MEG) imports from Saudi Arabia and the United States.
- According to a statement, the anti-dumping duties on MEG imports from Saudi Arabia are estimated at 11.1%. This will be levied on all Saudi companies, including Yanbu National Petrochemical Co. (Yansab), Saudi Kayan Petrochemical Co. (Saudi Kayan), Eastern Petrochemical Co. (Sharq), Saudi Yanbu Petrochemical Co. (Yanpet), Arabian Petrochemical Co. (Petrokemya), and Jubail United Petrochemical Co. (JUPC).
- According to data compiled by Argaam, EC started in October 2020 an anti-dumping probe into MEG imports from Saudi Arabia and the US. The probe followed a petition from European ethylene glycol producers, which represent 25% of the total producers.
- Saudi-listed firms such as Yansab, Saudi Kayan, and PetroRabigh, and unlisted market players, such as Sharq, Yanpet and JUPC are producing MEG in Saudi Arabia.

#### **Saudi British Bank announces the entry by its affiliates into an agreement for the sale and transfer of certain lines of business from HSBC Saudi Arabia to Alawwal INVEST Company**

- Saudi British Bank ("SABB") announces the entry by its affiliates into a business transfer agreement (the "Agreement") on 18 May 2021, relating to the sale and purchase of certain lines of business from HSBC Saudi Arabia (as "Seller") (in

which SABB owns 49% of the share capital) to Alawwal Invest Company (as “Buyer”) (in which SABB owns 100% of the share capital) (the “Transaction”).

- The estimated value of the Transaction is SAR 766,491,000. The value of the Transaction is subject to adjustments as provided in the Agreement.
- The net book value of the Transferring Business was SAR 646,491,000 as of 31 December 2020.
- SABB owns 100% of the Buyer and 49% of the Seller. HSBC Holdings plc (which is a substantial indirect shareholder of SABB, owning 31%) indirectly owns 51% of the Seller.

#### Alkhorayef Water and Power announces the Awarding of New Operation and Maintenance Contract with Jeddah Municipality

- Alkhorayef Water and Power Technologies Co. Announces the Awarding of New Operation and Maintenance Contract by Jeddah Municipality for the Maintenance and Optimization of North Jeddah Storm Water Networks and Ground Water Level Reduction Networks
- Contract value is SAR 115.3mn.

#### Saudi Corporate Results -1Q 2021

SAR MN		1Q21	1Q20	%CHANGE	4Q20	% CHANGE
SABB Takaful	شركة ساب للتكافل	1.88	-10.4	-	-9.1	-
Malath Cooperative Ins.	شركة ملاذ للتأمين التعاوني	0.70	3.99	-82.3	12.0	-94.2
Al Kathiri Holding	شركة الكثيري القابضة	4.2	3.62	15.7	4.68	-10.4

#### SABB Takaful net income reports profit compared to loss in comparable quarters

- The reason for net profit before Zakat/Tax for current quarter compared to the net loss for same quarter of the previous year is following:
  - An increase by 6 million Saudi Riyals in Net contributions earned in the current quarter comparing to same quarter of previous year. The Net contributions earned is 37.3 Million Saudi Riyals in current quarter comparing to 31.3 Million Saudi Riyals in same quarter of previous year.
  - An increase by 1.1 million Saudi Riyals in Fees and commission income in the current quarter comparing to same quarter of previous year. The Fees and commission income is 1.7 Million Saudi Riyals in current quarter comparing to 639 Thousand Saudi Riyals in same quarter of previous year.
  - A decrease in the change in unexpired risk reserve and non-unit reserve by 8.6 Million Saudi Riyals in the current quarter compared to same quarter of previous year. The change of unexpired risk reserve and non-unit reserve is 4.9 (Reversal) Million Saudi Riyals compared to 3.7 million Saudi Riyals in same quarter of previous year.
  - A decrease of 4.5 Million Saudi Riyals in General and Admin expenses in the current quarter comparing to same quarter of previous year. The General and Admin expenses for current quarter is 8.6 Million Saudi Riyals comparing to 13.1 Million Saudi Riyals in same quarter of previous year.

#### Malath Cooperative Insurance reports lower profit compared to comparable quarters

- The Decrease in Net Profit for Current Quarter Compared to the Same Quarter of the Previous Year by 82.37% is Attributed to:
  - Decrease in net earned premiums by 7.31%, mainly due to the decrease in net earned premiums for property and casualty insurance by 50%.
  - An increase in gross paid claims by 31%.
  - Decrease in reinsurance commission income by 27%, which also led to a decrease in total operating revenues by 7.54%.

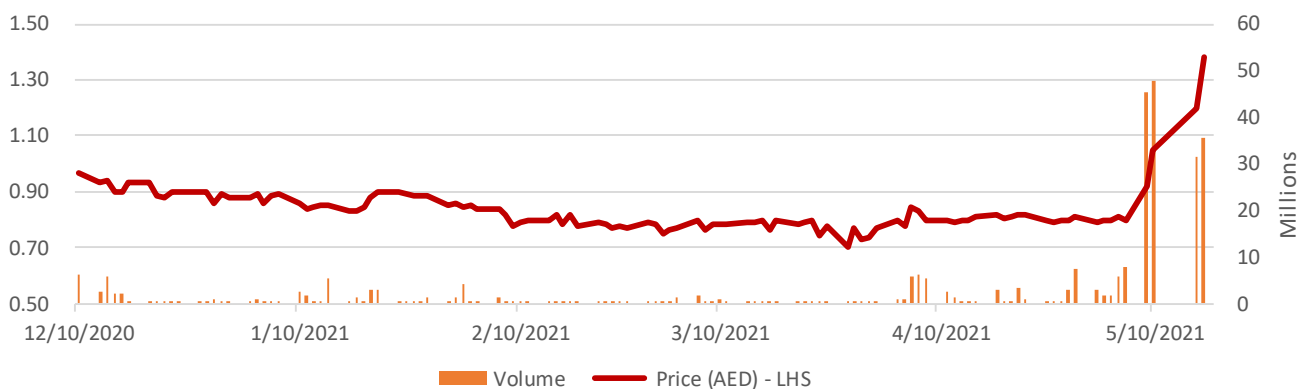
#### Al Kathiri Holding net income up 15.7% YoY but down 10.4% QoQ in 1Q21

- Increase in Net Profit for Current Quarter Compared to the Same Quarter of the Previous Year is Attributed to: Increase in revenues during the current quarter by 37.72% compared to the same quarter of the previous year, as production and supply operations were affected in the same quarter of the previous year due to the Coronavirus- Covid 19 Pandemic.
- Decrease in Net Profit for Current Quarter Compared to the Previous Quarter is Attributed to: The high costs involved in pre-operating costs for establishing the 3D panels factory Alian Industry Company in Sudair City for Industry and Business.

## UAE

### Arkan Building Materials up 73% post announcement of merger with Emirates Steel

- Arkan Building Materials up 73% post announcement of merger with Emirates Steel.
- Alike steel companies around the world which are going up fueled by the commodity boom, same is being envisaged by the investors who are expecting Arkan to benefit from the proposed transaction.
- Earlier, Abu Dhabi's General Holding Corp (Senaat) announced that it is seeking the merger of Arkan (ARKAN.AD) and Emirates Steel to create United Arab Emirates' biggest steel and building materials company.
- Senaat, which is backed by Abu Dhabi state-owned ADQ, currently owns 51% of Arkan and all of unlisted Emirates Steel.
- Arkan will issue a convertible instrument to Senaat under the proposed merger deal that would automatically convert into approximately 5.1 billion ordinary shares in the capital of the company at 0.798 dirhams per share, this would imply a valuation of 1.4 billion dirhams (\$381 million) for Arkan.
- After the deal is completed, Senaat would own about 87.5% of the entire issued share capital of the combined group.
- The proposed merged entity would have total assets worth 13 billion dirham (\$3.54 billion), it said.



Source: Bloomberg

### Agthia completes acquisition of Jordan's Nabil Foods

- Agthia Group's shareholders have approved to acquire an 80% stake in Nabil Foods, a Jordan-based producer of frozen and chilled processed protein products after receiving the required regulatory approvals.
- The completion of the transaction enables Agthia to enter the processed protein industry for the first time through Nabil Food with distribution in over 20 local and international markets, according to a press release.
- Through the acquisition, the Emirati company will also establish its presence in Jordan for the first time.
- Agthia has acquired the majority stake in Nabil Foods, including a 60% stake from ADQ in exchange for a convertible instrument and a further 20% stake acquired from Ideal Holding Limited in exchange for cash.
- The instrument will be converted into shares in Agthia at a fixed price of AED 5.50 per share, implying an equity value of AED 394 million.

### ADNOC in talks with potential investors for drilling unit's IPO

- Abu Dhabi National Oil Company (ADNOC) has started holding virtual meetings with potential investors before launching the planned initial public offering (IPO) of its drilling unit, two sources told Reuters.
- The banks arranging the drilling unit's IPO are scheduling calls with local, regional, and international institutional investors who seek to invest in ADNOC Drilling, the sources added.
- ADNOC Drilling owns and operates the largest fleet of 96 rigs in the Middle East, including onshore and offshore rigs, according to the company's website.
- It is noteworthy to mention that last week, ADNOC has invited investment banks to help arrange the IPO of ADNOC Drilling through their bookrunner roles.

### NMC administrators pursue claims against EY and former directors

- The administrators of NMC Health have sent legal letters before issuing claims against the company's former directors and ex-auditor EY.
- "These claims have the potential to generate significant recoveries for the estate," administrators Alvarez & Marsal said in a progress report.

- "Given the complexity and uncertainty surrounding the investigation and recoverability of claims, we consider that a meaningful estimate of dividend prospects for unsecured creditors cannot be made at this time," the report added.
- Alvarez & Marsal was appointed as administrator in April last year and to date has racked up more than £18.5 million of time costs, spending more than 36,700 hours on the case at an average rate of £505 an hour, the report showed.

#### **ADIB partners with US-based FIS to modernise digital payment services**

- Abu Dhabi Islamic Bank (ADIB) has entered into a partnership with the US-headquartered FIS, a technology solution provider, to modernise the bank's digital payment services and offer instant payment to customers.
- ADIB will benefit from the FIS Open Payment Framework (OPF), an innovative payments infrastructure hub, to expand its range of payment services, according to a press release on Monday.
- The OPF will enable the bank to facilitate end-to-end execution, cut the payment processing costs, enhance Straight-Through Processing (STP), and support its payment services and schemes.

#### **RAK Ceramics shares certified Shariah-compliant**

- RAK Ceramics has received a Shariah-compliance certification for its shares following a quarterly review.
- The certification confirms that the business activities of the company is compliant with Islamic Shariah and the financial ratios are within the acceptable limits set by Islamic finance standard-setting body, AAOIFI, the company said in a statement to the Abu Dhabi Securities Exchange, where it is listed.
- The certification was issued by Dar Al Sharia, legal and financial consultancy service for Islamic finance transactions.
- This certification enables brokerage arms of Islamic banks to trade RAK Ceramic shares and help improve liquidity and depth in the trading of its shares.

#### **Emaar Hospitality to open 12 new hotels as tourism rebounds**

- Emaar Hospitality is planning to open 12 new properties this year and next as it charts an expansion within the UAE and across new markets amid a recovery in tourism.
- The hospitality arm of UAE's biggest property developer Emaar Properties expects a boost in business with the opening of Saudi Arabia's market after 14 months and the hosting of Expo 2020 in October.
- "From international hotels perspective, the footprint is growing and we will continue to see that moving forward," he said.

## **KUWAIT**

#### **Agility – Anti-Viral backed by GRA on track to deliver Covid-19 home treatment**

- Global Response Aid, an affiliate of Agility, announced the phase 3 results of its clinical trial Avigan.
- Interim results indicate that Avigan, the brand name for generic Favipiravir, could shorten recovery times and prevent progression in Covid-19 patients in the early stage of infection. The conclusion of the midterm analysis is that, if current trends continue, the required statistically measured threshold for efficacy can be met at the completion of the study.
- GRA and study co-sponsors Appili Therapeutics will continue the current PRESECO trial, which is expected to enroll its last patient on June 30.
- The US-Canada PRESECO trial is investigating whether Avigan can safely and effectively shorten recovery times in early-onset Covid-19 cases and shorten the duration of patient viral loads, lowering the propensity of the virus to spread.
- Together with Indian life sciences leader Dr Reddy's, Dubai-based GRA owns the rights to manufacture, market and distribute Avigan outside of Japan, China and Russia. GRA sponsored the trial in collaboration with Appili Therapeutics, a Canadian biopharmaceutical company specialising in development of drugs for infectious diseases.

#### **Mezzan Holding to increase prices, says CFO**

- Kuwait Mezzan Holding KSC may increase prices of its products in the coming period due to disruptions related to production chains, which led to an increase in the prices of production inputs, said CFO Nabil Bin Ayed.
- The company's strategy is to maintain purchasing power inside and outside Kuwait, and to control the cost of production by finding internal solutions, he added.
- Mezzan's Kuwait Saudi Pharmaceuticals Industries Co. KSPICO signed a joint manufacturing agreement with Abbott Laboratories, which specializes in medical and healthcare devices, to localize the industry of 26 pharmaceutical products in Kuwait.
- Bin Ayed said that this agreement will help the company transfer technology to the local market and contribute to the development and production of medicines in Kuwait, Al Arabiya reported.

## Kuwait Corporate Results -1Q 2021

KWD MN		FY21	FY20	%CHANGE
<b>Boubyan Petrochemical</b>	بوبيان للبتروكيماويات	18.52	11.82	57%

### Boubyan Petrochemical net income rises 57% YoY in FY21

- Boubyan Petrochemical net income rises 57% YoY in FY21 to KWD 18.52mn compared to KWD 11.82mn in same period last year (year ends in April).
- Increase in profitability was largely due to decline in expenses and lower provisions taken during the year.
- Company revised its dividend announcement higher to 55 fils per share compared to 40 fils per share earlier.

## BAHRAIN

### Bahrain Corporate Results -1Q 2021

USD MN		1Q21	1Q20	%CHANGE
<b>Arab Banking Corporation</b>	المؤسسة العربية المصرفية	30	-62	-

### Arab Banking Corporation reports profit in 1Q21 compared to loss in 1Q20

- The Bank reported net profit of \$30 million with cost of risk returning to pre-pandemic levels, reflecting better economic outlook, after the Bank absorbed the impact of regional fraud events experienced in 2020.
- Impairment charges (ECL) for the period were US\$20 million compared to US\$120 million reported for the same period last year.
- The ratio of impaired loans to gross loans was at 5.4% compared to 2020 year-end levels of 5.2%, the increase largely attributable to the decline in gross loans.
- Net interest income was US\$122 million, 11% lower against US\$137 million reported for the same period last year, after absorbing the impact of declining interest rates compared to the same period last year.
- Group CET 1 Ratio is 16.6%, LCR 200% and NSFR 124%.



## ECONOMIC & GENERAL NEWS

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### OMAN

#### **Tethys Oil issues production update for April 2021**

Tethys Oil's share of the production, before government take, from Blocks 3&4 onshore the Sultanate of Oman amounted in April 2021 to 307,009 barrels of oil, corresponding to 10,234 barrels of oil per day. The production in April has been adversely affected by operational issues that have been mitigated. Oil production in Oman is currently subject to production limitations under the Organisation of Petroleum Exporting Countries (Opec) plus agreement. As a consequence, production from Blocks 3&4 is subject to limitations but is likely to fluctuate monthly.

[Source](#)

#### **CMA plans e-pay service for health insurance platform**

The Capital Market Authority (CMA), which is the regulator for Oman's insurance sector, has floated a tender for e-payment service for the Dhamani health insurance platform. The e-payment service will enable transfer of funds between health services providers and insurance policyholders. The service will be added in the first phase of the Dhamani platform which will be launched in the fourth quarter of 2021, the CMA said in a statement posted on its website.

[Source](#)

#### **Fuel uptake yet to return to pre-pandemic levels in Oman**

Despite the passage of a year since Covid19 struck the Sultanate with devastating economic consequences, fuel consumption – an important indicator of economic activity -- still remains well below pre-pandemic levels, much to the unease of the country's fuel marketing companies. All three of Oman's leading fuel marketers have reported continued impacts to retail and bulk fuel sales due to pandemic-induced factors, chiefly closures and mobility restrictions, switch to work-from-home mode, sluggish consumer demand, and the uncertain economic outlook.

[Source](#)

### MIDDLE EAST

#### **Mideast Stocks: Major Gulf markets gain as financials rise; Qatar falls**

Most major stock markets in the Gulf ended higher on Monday as financial shares rose, while the Qatari index was hit by profit-taking. Saudi Arabia's benchmark index added 0.7%, In Dubai, the main share index gained 0.3%, The Abu Dhabi benchmark rose 0.8%, The Qatari index, which traded after a three-session break, finished 1.2% lower as most of the stocks on the index were in negative territory.

[Source](#)

#### **Saudi sovereign fund PIF boosts U.S. equities exposure to over \$15bn**

Saudi Arabia's sovereign wealth fund has increased its U.S. stock holdings to \$15.4 billion in the first quarter from nearly \$12.8 billion at the end of 2020, according to a U.S. regulatory filing on Monday. The Public Investment Fund (PIF) bought 2.9 million class A shares in SoftBank Group Corp-backed Coupang Inc 788.F, equivalent to \$141 million, and dissolved its share stake in Suncor Energy, according to a Securities and Exchange Commission filing. It more than doubled its position in Activision Blizzard to 33.4 million shares from 15 million shares at the end of the fourth quarter, which led it to a \$3.1 billion exposure from \$1.4 billion.

[Source](#)

#### **UAE records 44% surge in FDI in 2020 to top \$19.8bn**

Foreign direct investment (FDI) into the UAE grew by 44.2 per cent in 2020 compared to 2019 and reached to a total of \$19.88 billion despite the reeling impact of the Covid-19 pandemic on the volume of global investment and trade. The increase brought the cumulative balance of FDI inflows to about \$174 billion, achieving a growth of 12.9 per cent compared to the same period in the previous year, according to a report by the Ministry of Economy.

[Source](#)

#### **Adex, TDB to boost trade with Africa via \$30m trade finance facility**

Abu Dhabi Exports Office (Adex), the export-financing arm of Abu Dhabi Fund for Development (ADFD), has signed a \$30 million (Dh110.19 million) line -of-credit agreement with the Eastern and Southern African Trade and Development Bank (TDB) to bolster trade between the UAE and the Bank's Member States. The partnership is the first of its kind to be signed by



Adex with a foreign financial institution. The trade finance facility agreement was signed during a virtual ceremony by Saeed Al Dhaheeri, acting director-general of Adex, and Admassu Tadesse, TDB group managing director and CEO.

[Source](#)

### **Saudi Arabia's March crude exports fall to 9-month low**

Saudi Arabia's March crude oil exports fell to the lowest level since June 2020, while output dipped, official data showed on Monday. Total crude exports fell to 5.427 million barrels per day from 5.625 million bpd in February, while crude output was at 8.138 million bpd in March versus 8.147 million bpd the previous month, data showed.

[Source](#)

## **INTERNATIONAL**

### **Asian shares push higher, dollar eases**

Asian shares rose on Tuesday, shrugging off worries about an increase in regional coronavirus infections and a subdued session on Wall Street, while inflation jitters helped push gold prices to three-month highs. MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.06 per cent after a mixed session on Monday, still not recouping losses of the last few weeks amid new clusters of Covid-19 cases that are prompting some economies to impose fresh anti-virus measures. Japan's Nikkei rose as much as 2.2 per cent on solid earnings reports and bargain hunting, while Hong Kong's stocks were up 1.24 per cent. China's blue-chip CSI300 index was 0.20 per cent lower.

[Source](#)

### **Japan's economy slumps back into decline as COVID-19 hits spending**

Japan's economy shrank more than expected in the first quarter as a slow vaccine rollout and new COVID-19 infections hit spending on items such as dining out and clothes, raising concerns the country will lag others emerging from the pandemic. Capital expenditure also fell unexpectedly and export growth slowed sharply, a sign the world's third-largest economy is struggling for drivers to pull it out of the doldrums. The dismal reading and extended state of emergency curbs have heightened the risk Japan may shrink again in the current quarter and slide back to recession, defined as two straight quarters of recession, some analysts say.

[Source](#)

### **WHO says pandemic is far from over despite high vaccination rates in some countries**

The global pandemic isn't over yet despite high Covid vaccination rates in some countries, the head of the World Health Organization warned on Monday, days after the CDC told fully vaccinated Americans they can go without masks in most places. "There is a huge disconnect growing where in some countries with the highest vaccination rates, there appears to be a mindset that the pandemic is over, while others are experiencing huge waves of infections," WHO Director-General Tedros Adhanom Ghebreyesus said during a news conference from the agency's Geneva headquarters.

[Source](#)

### **European stocks set to defy market gloom; euro zone growth data lies ahead**

European stocks are expected to open higher on Tuesday, defying gloomier sentiment seen among global markets at the start of the trading week. Britain's FTSE is seen opening 51 points higher at 7,087, Germany's DAX up 80 points at 15,487, France's CAC 40 up 39 points at 6,403 and Italy's FTSE MIB 224 points higher at 24,845, according to IG. It indicates a more positive tone than on Monday when stocks closed lower as global investors weighed concerns over a rise in inflation and an increase in coronavirus cases, largely attributed to the spread of a variant that emerged in India.

[Source](#)

### **Global Banks Losing Share in China's \$186 Billion Loan Market**

Global banks are losing share in the \$186 billion lending market for Chinese borrowers offshore, falling behind local rivals boosting their presence just as the nation's corporate sector recovers from the pandemic. Their portion of such lending has steadily dropped over the past decade, hitting 37% so far this year to May 17, well below the 11-year average of 51%, according to Bloomberg-compiled data.

[Source](#)

## COMMODITIES

### **Oil extends gains on optimism over U.S., European re-openings**

Oil prices climbed on Tuesday, extending gains from the previous day, as optimism over the re-openings of the U.S. and European economies outweighed fears of slower fuel demand in Asia due to surging COVID-19 cases and a new wave of restrictions. Brent crude oil futures were up 20 cents, or 0.3%, at \$69.66 a barrel by 0231 GMT, while West Texas Intermediate (WTI) was up 19 cents, or 0.3%, at \$66.46 a barrel.

[Source](#)

### **Oman Oil Price Rises 1.86 US Dollar**

Oman oil price (July Delivery 2021) today reached 67.25 US Dollars, comprising a rise by 1.86 dollar from the price of last (Friday), which was 65.39 US Dollars. The average price of Oman oil (May Delivery 2021) has stabilized at 64.43 US Dollars, thus 3.58 US Dollars per barrel higher than April Delivery 2021.

[Source](#)

### **Gold extends rally as dollar weakness, inflation jitters lift appeal**

Gold prices extended gains on Tuesday, hitting their highest level in more than three-and-a-half months, as a weaker U.S. dollar and growing inflationary pressure bolstered the metal's appeal as an inflation hedge. Spot gold was up 0.1% at \$1,868.27 per ounce by 0314 GMT, after hitting its highest since Jan. 29 at \$1,873.41 earlier in the day. U.S. gold futures were steady at \$1,868.30.

[Source](#)

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## FIXED INCOME / RATING ACTION

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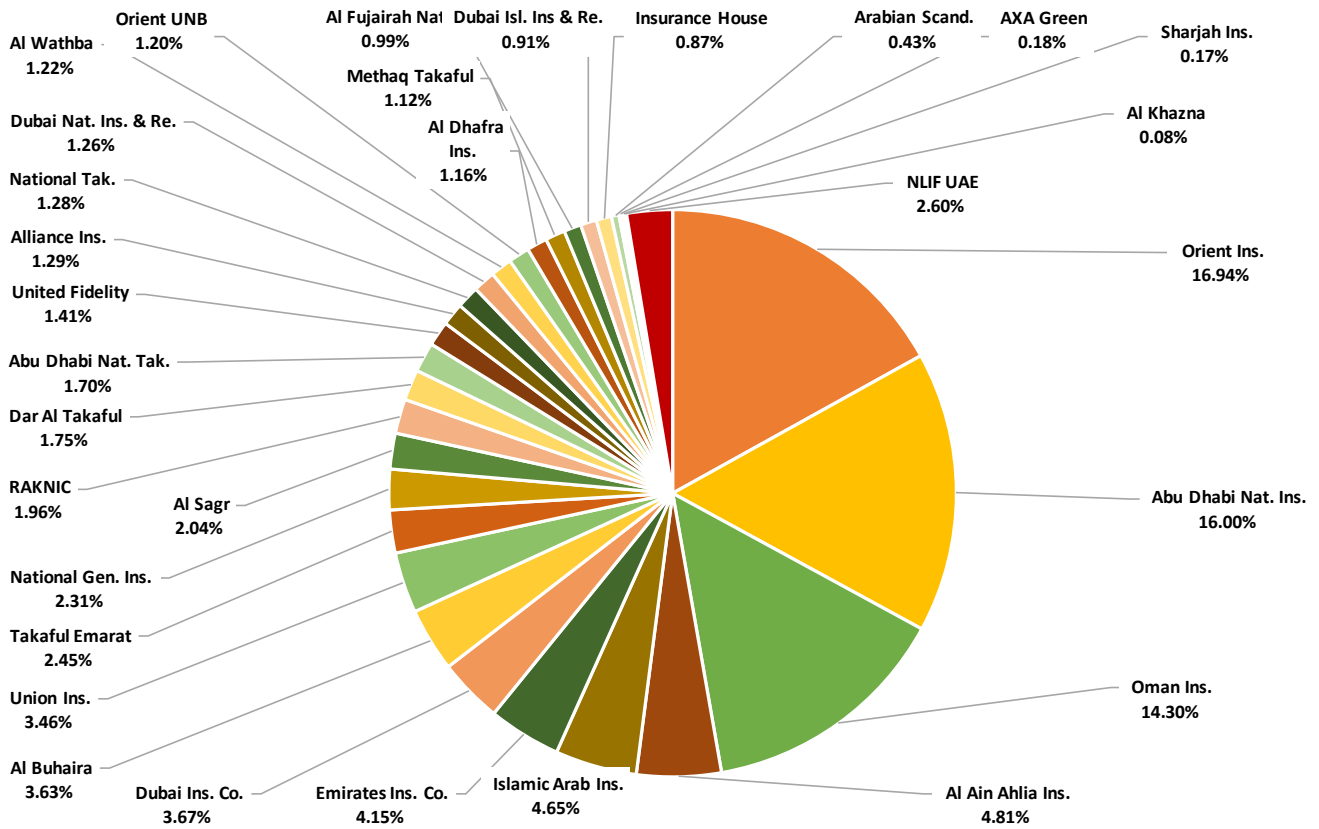
### UAE

#### **Fitch Affirms Commercial Bank of Dubai at 'A-'; Outlook Stable**

- Fitch Ratings has affirmed Commercial Bank of Dubai's (CBD) Long-Term Issuer Default Rating (IDR) at 'A-' with a Stable Outlook and Viability Rating (VR) at 'bb+'. A full list of rating actions is below.
- CBD's Long-Term IDR is driven by support from the UAE sovereign. Fitch's view of support factors in the sovereign's strong capacity to support the banking system, sustained by sovereign wealth funds and recurring revenue mostly from hydrocarbon production, despite lower oil prices. Fitch also expects a high willingness of the UAE authorities to support the banking sector, which has been demonstrated by their long record of supporting domestic banks, and is also underpinned by close ties with and part government ownership of some banks.
- CBD's SRF is one notch below the UAE Domestic Systemically Important Banks's (D-SIB) SRF of 'A', reflecting Fitch's view that CBD is less systematically important than larger peers. This is based on CBD's 3% market share of total assets in the UAE banking system at end-2020, and the bank's niche corporate focus.
- The Stable Outlook on CBD's Long-Term IDR reflects that on the UAE sovereign rating.
- CBD's 'F2' Short-Term IDR is the lower of two options mapping to an 'A-' Long-Term IDR, reflecting the fact that a significant proportion of UAE banks' funding is related to the government, and a stress on CBD is likely to come at a time when the sovereign itself is experiencing some form of stress.

## CHART / TABLE OF THE DAY

**UAE Listed Insurance Companies Market Share as per Gross Written Premiums as of 2020**



Source: ADX, Bloomberg & Milliman

## 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
BAHRI	SAUDI	38.35	39.40	39.50	2.74%	3.00%	38.25	-0.3%
TAKWEEN	SAUDI	17.14	17.60	17.70	2.68%	3.27%	17.10	-0.2%
ASLAK	SAUDI	36.60	37.50	38.00	2.46%	3.83%	36.30	-0.8%
SAUDI GLASS	SAUDI	36.30	37.20	37.40	2.48%	3.03%	36.20	-0.3%
FIPCO	SAUDI	63.30	65.00	65.20	2.69%	3.00%	63.20	-0.2%
ARAB CEMENT	SAUDI	43.35	44.50	44.70	2.65%	3.11%	43.30	-0.1%
CABLES	SAUDI	28.45	29.20	29.40	2.64%	3.34%	28.40	-0.2%
AL HOKAIR GROUP	SAUDI	23.04	23.60	23.70	2.43%	2.86%	22.95	-0.4%
HERFY FOOD	SAUDI	61.70	63.40	64.00	2.76%	3.73%	61.40	-0.5%
SADAFCO	SAUDI	172.40	177.00	179.00	2.67%	3.83%	171.50	-0.5%
SAUDI FRANSI	SAUDI	36.75	37.60	37.80	2.31%	2.86%	36.60	-0.4%
ACIG	SAUDI	45.30	46.80	47.00	3.31%	3.75%	45.20	-0.2%
SHARJAH ISLAMIC BANK	UAE	1.40	1.44	1.45	2.86%	3.57%	1.39	-0.7%
ESHRAQ PROPERTIES	UAE	0.335	0.345	0.348	2.99%	3.88%	0.333	-0.6%
DANA GAS	UAE	0.81	0.83	0.84	2.47%	3.70%	0.81	-0.6%
NATIONAL LEASING	QATAR	1.19	1.23	1.24	3.36%	4.20%	1.18	-0.8%

#### 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

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