

PRE-MARKET REPORT

27 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	649.9	-0.06	-0.01%	14.08%	22.92	2.05	2.3%
Muscat Stock Exchange	3,836.3	-1.63	-0.04%	4.85%	11.42	0.71	4.7%
Saudi Stock Exchange	10,471.6	23.55	0.23%	20.51%	34.45	2.31	2.0%
Kuwait Stock Exchange	6,241.2	-29.98	-0.48%	12.53%	39.51	1.59	2.2%
Qatar Exchange	10,628.3	19.33	0.18%	1.84%	18.00	1.59	2.8%
Bahrain Stock Exchange	1,539.0	0.93	0.06%	3.30%	26.42	1.02	2.2%
Dubai Financial Market	2,825.2	26.72	0.95%	13.37%	21.20	0.99	2.9%
Abu Dhabi Exchange	6,564.3	-68.59	-1.03%	30.11%	22.27	1.86	4.0%
Beirut Stock Exchange	896.7	-6.61	-0.73%	36.29%	34.37	0.70	0.0%
Palestine Stock Exchange	516.2	3.10	0.60%	9.54%	19.64	1.20	2.6%
Tunis Se Index	7,387.3	-10.17	-0.14%	7.30%	25.62	2.46	1.8%
EGX 30 Index	10,369.6	-162.26	-1.54%	-4.39%	11.25	1.44	2.8%
Amman General Index	2,023.8	54.16	2.75%	22.12%	36.13	0.87	3.7%

World Markets					Currency Cross Rates		
Country	Value	D/D	YTD	Currency	Units/1 USD	YTD %	
Europe							
FTSE 100	UK	7,026.9	-0.04%	8.77%	Australian Dollar (AUD)	1.292	-0.62%
DAX	Germany	15,450.7	-0.09%	12.62%	British Pound (GBP)	0.708	-3.21%
CAC 40	France	6,391.6	0.02%	15.13%	Canadian Dollar (CAD)	1.212	4.97%
United States							
DJIA	USA	34,323.1	0.03%	12.14%	Chinese Renm. (CNH)	6.380	1.93%
S&P 500	USA	4,196.0	0.19%	11.71%	Egyptian Pound (EGP)	15.662	0.41%
NASDAQ	USA	13,738.0	0.59%	6.59%	Euro (EUR)	0.820	0.17%
Asia Pacific							
NIKKEI 225	Japan	28,504.0	-0.49%	3.86%	Indian Rupee (INR)	72.778	0.40%
HANG SENG	Hongkong	29,078.0	-0.30%	6.78%	Japanese Yen (JPY)	109.070	-5.34%
KSE 100 Index	Pakistan	46,812.3	0.00%	6.99%	Swiss Franc (CHF)	0.897	-1.33%
NSE Nifty 50	India	15,285.4	-0.11%	9.32%	Omani Rial (OMR)	0.385	0.00%
SHANGHAI COMPOSITE	China	3,599.8	0.18%	3.65%	Pakistan Rupee (PKR)	154.773	3.27%
SHANGHAI SHENZHEN CSI 300	China	5,322.4	0.03%	2.13%	Russian Ruble (RUB)	73.499	1.24%
					Singapore Dollar (SGD)	1.324	-0.16%
					Turkish Lira (TRY)	8.463	-12.09%

Commodity Prices					GCC 3m Interbank Rates		
	Price	D/D	YTD	Current Rate %	YTD %		
	USD	%	%				
Oil							
Brent Crude (per bbl)	68.4	-0.65%	32.88%	UAE	0.35	-32.4%	
WTI Crude (per bbl)	65.8	-0.60%	35.63%	Saudi Arabia	0.79	-3.2%	
Oman Crude Oil (Last Closing)	67.1	0.04%	31.47%	Kuwait	1.50	4.3%	
OPEC (per bbl)	67.4	0.72%	34.18%	Oman	2.52	-5.9%	
Precious Metals							
Gold100 OZ (per oz)	1,898.2	0.08%	-0.01%	Qatar	1.18	4.9%	
Silver (per oz)	27.7	-0.01%	4.84%	Bahrain	1.62	-28.1%	
Platinum (per oz)	1,191.9	-0.36%	11.17%	GCC Latest 10-Yr Government Bond Yields			
Other Metals							
Copper, MT	9,979	0.62%	28.50%		Maturity date	YTM, %	
Aluminium, MT	2,402	1.26%	21.34%	KUWAIT	20/03/2027	1.51	
Lead, MT	2,177	0.86%	9.18%	UAE	16/04/2030	2.01	
Zinc, MT	2,969	-0.47%	7.91%	QATAR	16/04/2030	2.07	
				SAUDI ARABIA	22/10/2030	2.37	
				OMAN	25/01/2031	5.28	
				BAHRAIN	30/09/2031	5.50	

Midswaps			USD Libor		
	Price	YTM %	Rate (%)	YTD	
3 year	99.84	0.3	1m	0.09	-37.4%
5 year	99.74	0.8	3m	0.14	-41.9%
10 year	100.41	1.6	6m	0.18	-31.4%
30 year	102.45	2.3	1 year	0.26	-25.1%

Source: Bloomberg

CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

OMAN

IPT: Oman Arab Bank Perp Tier 1 NC5 Regs Bond at Low 8% Area

- Books open, today's business.
- Issuer: Oman Arab Bank SAOG (the "Issuer")
- Securities: Perpetual Tier 1 Capital Securities (the "Capital Securities")
- Issuer Rating: Moody's: Ba3 LT FCY Deposit (Outlook: Negative); Ba3 LT LCY Deposit (Outlook: Negative); ba3 Baseline Credit Assessment Capital Intelligence: BB LT FCY Deposit (Outlook: Negative); B ST FCY Deposit (Outlook: Negative); bb Bank Standalone Rating
- Issue Size and Currency: USD 250m WNG
- Maturity: Perpetual NC5 years
- IPTs: Low 8% area
- Pricing Date: 27 May 2021
- Issue Date/ Settlement Date: 4 June 2021
- First Call Date: 4 June 2026
- First Reset Date: 4 June 2026

SAUDI ARABIA

Saudi Central Bank considers adding COVID-19 insurance coverage for non-Saudi tourists

- The Saudi Central Bank (SAMA) announced the possibility of adding coronavirus (COVID-19) coverage to insurance policies for non-Saudi tourists visiting the Kingdom.
- The bank said, in a statement, that possible coverage would remain for the duration of a visit and that it would communicate with the insurance company that issued the initial travel documents.
- SAMA said this step comes in the interest of the health and safety of Saudis and expatriates alike so all can have access to necessary health care.
- Insured travelers can contact the central bank website (Sama Cares) or call the toll-free number for more information.
- Along with the Council of Cooperative Health Insurance, SAMA approved COVID-19 insurance coverage on May 2 for Saudi citizens traveling outside the Kingdom.
- That coverage provides full health care for clients if they became infected with the virus while traveling abroad. It also covers other life-threatening medical conditions, travel risks, quarantine procedures, canceling or missing trips, medical expenses and emergency medical evacuation in cases of emergency.

Taiba Investments Co. Announces the Signing of MoU with Shuaa Capital Co. for the Complete Buyout of the Two Companies Owning Centro Waha Hotel Riyadh and Centro Shaheen Hotel Jeddah

- In line with the Taiba's Strategic Direction to focus on real estate investment and development and as part of its efforts to avail attractive real estate investment opportunities in various cities of the Kingdom that includes ownership of hospitality real estate projects with the aim of increasing returns and maximizing the value of investments owned by Taiba shareholders.
- The parties agreed that a 100% buyout transaction will be carried out by Taiba over each of the companies owning Centro Waha Hotel Riyadh and Centro Shaheen Hotel Jeddah – which are managed and operated by Rotana Hotel Management Corporation Ltd. – along with all assets and liabilities thereto against a cash amount of SR 328 million (inclusive of Taiba tax share). The amount will be paid by Taiba to Shuaa Capital Saudi Arabia as per the terms and conditions stipulated in the Sales & Purchase Agreement (SPA) to be signed later for this purpose. Taiba will finance the buyout transaction by acquiring loan from one of the financial institutions in addition to the Company own resources.

Gulf Union Alahlia board recommends using SAR 89.5 mln share premium to cut accumulated losses

- Gulf Union Alahlia Cooperative Insurance Co.'s (Gulf Union Alahlia) board of directors, on May 25, 2021, recommended using the entire balance of the share premium, amounting to SAR 89.5 million, to reduce part of the accumulated losses, according to a bourse statement.
- The accumulated losses, after this transaction, will become SAR 27.9 million, representing 12.14% of the capital.
- The Tadawul-listed insurer will take the necessary procedures to present its recommendation to the company's ordinary general meeting for a vote.
- The company will also announce the latest developments, if any, in a duly manner.

UAE

IHC's subsidiary Alpha Dhabi Holding, has completed the acquisition of the privately owned company "Murban"

- Founded in 2006, Murban is an investment company based in Abu Dhabi with approx. AED 1.7 billion (US\$ 500m) in Equity.
- Murban is primarily involved in the hospitality industry, with current assets including St Regis at Saadiyat, Al Wathba Luxury Collection Desert Resorts and the Le Noir Café brand.
- Earlier in March, Murban signed an agreement with the Aceh Governor to build a luxury resort in Aceh province, Indonesia.
- Alpha Dhabi has a strong hospitality development division, having previously built hotels in the UAE, Morocco, Russia, and the UK.
- The acquisition will help accelerate Alpha Dhabi's diversification strategy as it looks to expand its portfolio.
- Through the growth of its subsidiaries like Alpha Dhabi, IHC is aiming to expand its portfolio and strengthen its market position as a major contributor to Abu Dhabi's business landscape and UAE economy.

ADNOC Raises USD 1.64bn Through Successful Combined Offering of ADNOC Distribution Shares and Issuance of Exchangeable Bonds

- Abu Dhabi National Oil Company, announced the closing of its offering of approximately 375mn shares in ADNOC Distribution (the "Share Offering"), representing approximately 3% of the registered share capital of ADNOC Distribution.
- It also issued approximately USD 1.195 billion of senior unsecured bonds (the "Exchangeable Bonds") due 2024 that are exchangeable into existing shares of ADNOC Distribution constituting approximately 7% of the registered share capital of ADNOC Distribution under certain conditions (the "Exchangeable Bond Offering" and, together with the Share Offering, the "Combined Offering"). In total, the Combined Offering resulted in proceeds of USD 1.64 billion for ADNOC.
- Following a successful bookbuilding process, the Combined Offering was placed at a blended price of AED 4.82 per share, which is 5.7% above the current 3-month volume weighted average share price and less than 1% below today's closing price of AED 4.85.

Emirates REIT Unswayed by Creditor Dissent in Debt Dispute

- Emirates REIT made no indication it's willing to compromise with a group of creditors that rejected its proposal to exchange \$400 million of sukuk securities for new notes. A dispute with investors escalated on Wednesday after the dissenting certificate-holders said they have the numbers to block the offer and asked for a meeting with the company the following day "to discuss the concerns of the Ad-Hoc Group and its requirements for the restructuring process." Rothschild & Co. and Clifford Chance are advising the group.
- In response, Emirates REIT said voting to accept its restructuring proposal remains open and reiterated that it has sufficient cash on hand to pay "the profit payment" due next month, if necessary. It didn't say whether it would accept the invitation to meet on Thursday.

ADIB Provides Financing To Rasmala Long Income Fund For The Acquisition Of A £28.6m Tesco Let Supermarket In UK

- Abu Dhabi Islamic Bank (ADIB), a leading financial institution, has provided structured Islamic financing to Rasmala Long Income Fund to support its acquisition of a supermarket investment in Hattersley, Greater Manchester.
- The property, which was constructed in 2012, extends to 100,365 sqft and is leased to Tesco Stores Limited (the UK's largest supermarket chain) on a 25-year full repairing and insuring lease with 15.8 years remaining (with no tenant break options), at a rent of £1.46m (AED 7.59M) per annum which is subject to 5 yearly index linked upwards only rent reviews.
- The UK grocery market has demonstrated strong resilience during the pandemic providing a secure investment alternative for our clients looking for long-term income security, particularly at a time when appetite for risk has faded in the face of an economic downturn.

Agthia joins MSCI Small Cap Emerging Markets index

- Agthia said on Wednesday it is joining Morgan Stanley Capital International's (MSCI) Small Cap Emerging Markets index from May 27.
- The company made the announcement in a short bourse filing on the Abu Dhabi Securities Exchange.
- Agthia employs more than 4,000 people and owns the Al Ain water, Grand Mills bakery and the Agrivita animal feed brands, among others, It plans to add other brands to further expand its portfolio.
- In April, Agthia announced a five-year strategy to become the biggest food and beverage company in the region by 2025.

QATAR

QAMCO's joint venture 'Qatalum' signs agreement with General Electric to generate more sustainable and secure power

- Qatar Aluminum Manufacturing Company Q.P.S.C. (QAMCO), today announced that QAMCO's 50% owned joint venture 'Qatalum' signed an agreement with General Electric (GE) to provide five Advanced Gas Path (AGP) upgrade sets, maintenance services for a period of 15 years for equipment at its power plant and a suite of cybersecurity solutions.
- The innovative AGP Gas Turbine solution is expected to enhance Qatalum's power output and improve plant efficiency, while increasing the availability of its gas turbines and lowering operational expenses by increasing the interval between their planned maintenance cycles. Importantly, the AGP solution will also reduce carbon dioxide emissions.
- The 15-year maintenance service agreement is an extension of the maintenance services agreement for the GE equipment at the Qatalum power plant, which has been maintained by GE since the plant was set up in 2010. GE will also provide a comprehensive suite of cybersecurity solutions for a period of five years to address external and internal risks, including application and network security, data protection, change management, incident handling and response, data privacy, identity management and more.

ECONOMIC & GENERAL NEWS

OMAN

Hotel Guests in Oman Decline 7.3pc by April 2021

The total number of guests in the (3-5) star category in the Sultanate fell by 7.3% till the end of April 2021 to stand at 373,035 guests compared to 402,581 guests for the same period of 2020, according to data from the National Centre for Statistics and Information (NCSI). The total revenues of these hotels also fell to RO 27.409 million by April 2021, compared to RO 55.174 million during the same period of the previous year, comprising a decline by 50.3%. Meanwhile, the occupancy rate went down by 16.4% as it reached 35.9% compared to 42.9% during the same period in 2020. Among the nationalities, the Omani guests constituted the highest number of visitors with an increase rate of 109.2% to stand at 254,466 guests compared to 121,648 guests last year.

[Source](#)

MEDC targets 15,000 kW of solar PV capacity in Muscat by year-end

Grid-connected solar PV systems installed by various government, commercial and residential customers on their premises in Muscat Governorate are projected to offer a total of around 15,000 kW (kilowatts) of renewable generation capacity by the end of 2021. According to Muscat Electricity Distribution Company (MEDC), the state-owned utility licensed to distribute and supply power to customers across the capital region, the figure represents a nearly four-fold increase from the 4,148 kW of capacity installed as of end-2020.

[Source](#)

MIDDLE EAST

Mideast Stocks: Most major Gulf markets gain; Abu Dhabi falls

Most major stock markets in the Gulf ended higher on Wednesday, with the Dubai index leading gains on back of top lender Emirates NBD. Saudi Arabia's benchmark index added 0.2%. Dubai's main share index advanced 1%. In Abu Dhabi, the index fell 1%. The Qatari benchmark edged up 0.2%.

[Source](#)

Foreign assets up to \$107bln by end of first quarter: UAE Central Bank

The foreign assets held by the Central Bank of the United Arab Emirates increased to AED392.4 billion by the end of Q1'21, a QoQ growth of 1.1%, a CBUAE report shows. The apex bank ascribed the growth mainly to AED85.9 billion quarterly increases in foreign securities and other foreign assets by 25.7% (AED 9.2 billion), overshadowing a reduction in current account balances and deposits with banks abroad by 26.1% (AED90.7 billion) From March 2020 to March 2021, Central Bank Foreign Assets increased by 0.4%, YoY, added the report. With regards to the country's twin bourses, the report said Abu Dhabi's quarterly average Financial Market Index rose by 17% during the first quarter of 2021.

[Source](#)

Gulf 2021 deficits to fall to \$80 bln on higher oil: S&P

Budget deficits of the six Gulf Cooperation Council countries are expected to drop sharply this year, supported by higher oil prices, fiscal consolidation and a rebound in economic output as coronavirus measures are eased, S&P Global Ratings said. The aggregate deficits of the central governments of the GCC are expected at about \$80 billion this year from \$143 billion in 2020, S&P said in a report on Wednesday. "Nevertheless, still-high GCC central government deficits will result in continued balance sheet deterioration in most cases," S&P said. But it noted that, with the exception of Kuwait and Bahrain, the countries' budgetary performance was stronger than in 2016 - the prior oil price crash.

[Source](#)

Saudi oil exports in March rise to \$14 billion

The value of Saudi Arabia's oil exports in March rose by 75 percent year on year to 52.3 billion riyals (\$13.95 billion), official data showed on Wednesday. Non-oil exports increased by 42.9 percent to 22.4 billion riyals, the General Authority for Statistics said. Crude exports accounted for 70 percent of total exports, it said. Saudi Arabia, the world's top oil exporter, suffered last year as the pandemic hit energy demand.

[Source](#)

Luxury real estate: Dozens of multimillion-dollar villas sold to Dubai buyers in few months

Demand for premium properties in Dubai has surged recently, with dozens of luxury homes sold in just a few months in some of the prime locations in the emirate, according to the latest analysis by Property Monitor. So far this year, 81 villa properties on The Palm Jumeirah alone, each costing upwards of 10 million dirhams (\$2.7 million), were snapped up by homebuyers, surpassing the whole of last year's premium villa sales on the island, Property Monitor said in its report on Wednesday.

[Source](#)

Saudi Arabia issues \$941m worth of local currency sukuk in May

Saudi Arabia's National Debt Management Center closed its local currency sukuk program for May having issued SR3.53 billion (\$941 million) of the riyal-denominated debt, the Ministry of Finance said in a statement today. The majority of the debt, SR3.31 billion, matures in 2028, while the remaining SR225 million matures in 2033, the ministry said on its website. The National Debt Management Center was established in 2015 following a sharp decline in oil prices in 2014. The government issued bonds and sukuk worth more than \$200 billion in the following five years, according to S&P Global Ratings.

[Source](#)

INTERNATIONAL

Fed's Quarles signals he is open to talks on bond program

A top Federal Reserve official signaled on Wednesday he was ready to open talks on reducing some of the U.S. central bank's emergency support for the economy, even if only to clarify the Fed's plans as the economy roars ahead and prices rise. "I don't want to overstate my concern," the Fed's vice chair for supervision, Randal Quarles, said at a Brookings Institution event. He noted he did not expect a round of 1970s-style breakout inflation, and that he was "fully committed" to a new Fed strategy that aims to keep monetary policy running full-throttle while jobs recover.

[Source](#)

U.S. bank profits rose 29% as outlook for future credit losses adjusted downward

U.S. bank profits rose 29.1% during the first quarter of 2021 from the previous quarter as banks adjusted expectations for future credit losses downward, a bank regulator said on Wednesday. The industry posted \$76.8 billion in first-quarter profits, up \$58.3 billion from a year prior and \$17.3 billion in the final quarter of 2020, the U.S. Federal Deposit Insurance Corporation (FDIC) said in its quarterly banking profile report.

[Source](#)

Asian shares step back from two-week highs, dollar firm

Asian shares retreated from two-week highs on Thursday and China started on the backfoot on fears central banks were closer to considering winding back their emergency stimulus while the dollar held at a one-week top. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.5% at 691.76, still not too far from Wednesday's high of 696.76, a level last seen on May 10. Chinese shares started weaker with the blue-chip index off 0.2%. Australian shares were flat while New Zealand's benchmark index stumbled 0.9%, extending losses for a second day in a row after the country's central bank on Wednesday signalled rate rises from next year.

[Source](#)

China vice premier holds talks with U.S. trade chief

China and the United States agreed that the development of bilateral trade is very important, China's commerce ministry said, adding that both sides exchanged views on issues of mutual concern. The ministry said in a statement on its website that Vice Premier Liu He spoke with U.S. Trade Representative Katherine Tai on Thursday, and described the talks as candid, pragmatic and constructive.

[Source](#)

European markets set for flat open ahead of U.S. jobless claims data

European stocks are expected to open flat on Thursday ahead of key U.S. labor market data expected to give more information about the state of the U.S. economy. London's FTSE is seen opening 2 points higher at 7,023, Germany's DAX down 6 points at 15,444, France's CAC 40 up 3 points at 6,393 and Italy's FTSE MIB 14 points higher at 24,745, according to IG.

[Source](#)

COMMODITIES

Oil slips on possible return of Iranian supply as nuclear talks progress

Oil prices fell on Thursday but stayed within the tight range they have been in all week, as optimism on the summer driving season in the United States and Europe offset concerns about demand in India and a potential supply increase from Iran. Brent crude fell 44 cents, or 0.6%, to \$68.43 a barrel at 0220 GMT, erasing Wednesday's gain of 22 cents. Brent has traded between \$68 and \$69 for most of this week.

Source

Gold eases off 4-1/2-month peak as dollar, yields rebound

Gold prices eased on Thursday after hitting a 4-1/2-month high in the previous session, hurt by an uptick in the U.S. dollar and bond yields, while investors awaited key economic readings out of the United States. Spot gold fell 0.2% to \$1,892.42 per ounce by 0100 GMT, after hitting its highest since Jan.8 at \$1,912.50 on Wednesday. U.S. gold futures declined 0.4% to \$1,894 per ounce.

Source

FIXED INCOME / RATING ACTION

GCC

X-S&PGR Says GCC Funding Needs Will Fall Sharply From 2021

- S&P Global Ratings expects the aggregate Gulf Cooperation Council (GCC) central government deficit to fall sharply to about \$80 billion in 2021 (5% of GDP) from \$143 billion in 2020 (10% of GDP), according to a new report.
- "Lower deficits will be supported by higher oil prices, fiscal consolidation measures, and a higher level of economic activity as COVID-19 restrictions are lifted," said S&P Global Ratings Credit Analyst Trevor Cullinan.
- Nevertheless, we think still-high GCC central government deficits will result in continued balance sheet deterioration in most cases.
- "That said, GCC sovereigns have demonstrated ready access to international capital markets and many have substantial pools of external liquid assets available to fund their fiscal deficits and support their economies in the face of external shocks," Mr. Cullinan concluded.
- For the full report see "GCC Funding Needs Will Fall Sharply Compared With 2020," published today on RatingsDirect.

UAE

UAE's GDP to recover to pre-pandemic levels over next three years - Moody's

- Moody's has rated the UAE's credit profile as Aa2 stable in its annual credit analysis, reflecting the government's strong balance sheet, high level of GDP per capita, history of domestic political stability coupled with strong international relations, and the assumed full backing from the government of Abu Dhabi.
- "However, limited institutional transparency and the absence of public data on the composition of offshore assets and some aspects of the emirates' public finances remain the UAE's main credit constraints. Our baseline forecast assumes that nominal GDP will recover to pre-pandemic levels over the next three years. The rapid rollout of the coronavirus vaccine will support a more rapid recovery in domestic tourism and boost the hospitality and retail sectors," said Thaddeus Best, a Moody's analyst.
- UAE's economic strength is rated as "aa3", up from initial outcome of "a2", reflecting its very high-income level, moderately large size, abundant hydrocarbon reserves with low cost of extraction, vibrant non-oil economy and well-developed infrastructure.

Moody's affirms Commercial Bank of Dubai's long-term deposit ratings at Baa1, outlook remains negative

- Moody's Investors Service, ("Moody's") has today affirmed the long-term and short-term deposit ratings of Commercial Bank of Dubai PSC (CBD) at Baa1/P-2. In addition, Moody's has affirmed the Baseline Credit Assessment (BCA) and Adjusted BCA of CBD at ba1. The outlook on CBD's long-term deposit ratings remains negative.
- A full list of affected ratings is at the bottom of the press release.
 - The affirmation of the bank's BCA at ba1, reflects (1) increased contribution of the personal banking business improving earnings stability, (2) sound capitalization, (3) solid profitability supported by its established commercial banking franchise in Dubai, and (4) sound funding and liquidity. These strengths are moderated by the bank's (1) high exposure to the volatile construction and real estate sector, (2) relatively high loan growth limiting the seasoning of the book and (3) asset quality pressures amid softening operating environment.
 - In recent years CBD has seen an increasing contribution of personal banking to total operating income, which reached 33% in 2019 and 2020 from 23% in 2018. This reduces dependency on a single line of business and improves earnings stability. Moody's expects the bank to continue to increase its earnings contribution from the retail segment, this is one of the bank's key strategic objectives.
 - We expect CBD's capital adequacy to remain sound despite declining in 2020. As at December 2020, the bank's tangible common equity (TCE) to risk-weighted assets had declined to 13.5% (12.6% in March 2021) from 14.0% as at December 2019. This decline was mainly driven by 9% increase in Risk-Weighted-Assets (RWA) during 2020. According to Moody's the bank's reported total capital adequacy ratio and Tier 1 capital ratio respectively of 16.7% and 15.5% as at December 2020 (16.3% and 15.1% as of March 2021) were adequate for its risk profile. In October 2020, the bank successfully completed the issuance of a \$600 million additional Tier 1 capital.

Fitch Affirms Commercial Bank International's IDR at 'BBB+' /Stable; Downgrades VR to 'b'

- Fitch Ratings has affirmed UAE-based Commercial Bank International's P.S.C. (CBI) Long-Term Issuer Default Rating (IDR) at 'BBB+' with a Stable Outlook and downgraded the bank's Viability Rating (VR) to 'b' from 'b+'.
- A full list of rating actions is below.
 - The downgrade of the VR reflects the increased pressures on the bank's asset quality and capital from the current economic downturn caused by the coronavirus pandemic. CBI has weak core capital buffers, as evidenced by a common equity Tier 1 (CET1) ratio of 12% at end-2020, high total potential problem loans (Stage 2 + 3), high capital encumbrance and high concentration, leaving the bank vulnerable to asset quality shocks.
 - Fitch's view of support factors in the sovereign's strong ability to support the banking system, sustained by sovereign wealth funds and recurring revenue, mostly from hydrocarbon production, despite lower oil prices. Fitch also expects high willingness of the UAE authorities to support the banking sector, which has been shown by their long record of supporting domestic banks, and is also suggested by their close ties and partial ownership of some banks.

Moody's downgrades Sharjah Islamic Bank to 'Baa1'; outlook negative

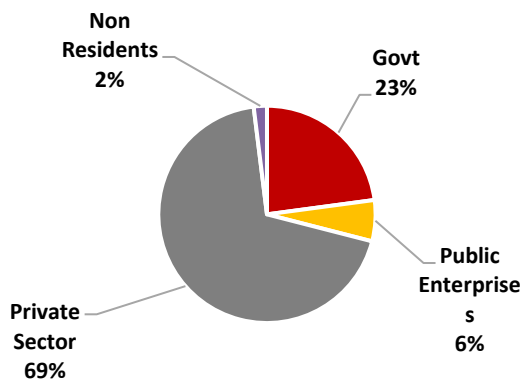
- Moody's Investors Service (Moody's) has downgraded Sharjah Islamic Bank's (SIB) local and foreign currency long-term issuer ratings to Baa1 from A3, with a negative outlook.
- The rating agency has also downgraded the bank's Baseline Credit Assessment (BCA) and Adjusted BCA to ba1 from baa3, according to a recent press release.
- The downgrade of the bank's ratings mainly shows the deterioration in its core capital adequacy, affected by the coronavirus (COVID-19), alongside the ongoing pressure on asset quality and profitability.
- The negative outlook reflects the potential for further downward pressure on the bank's standalone credit profile amid the pandemic-caused economic shock in the UAE.
- The outlook also refers to the rating agency's expectations that financing growth will impose further downward pressure on core capital adequacy.

CHART / TABLE OF THE DAY

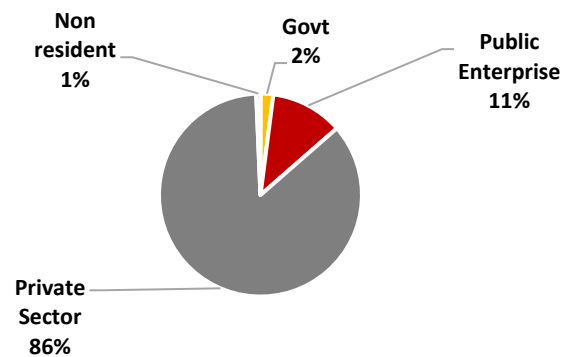
Oman Banking Statistics Monthly Update

- Total credit of Oman banks up 0.9% on monthly basis in Mar'21; Conventional credit expanded by 0.7% MoM while Islamic Financing went up 1.8% MoM
- Total deposits of Oman banks were down 0.1% on monthly basis in Mar'21; Conventional deposits dropped by 0.6% MoM while Islamic deposits went up 2.8% MoM
- Loans to deposit ratio remained stable at 109.9% in Mar'21 compared to 109.7% in December 2020
- Broad money (M2) supply contracted by 0.2% MoM while narrow money (M1) also went down by 0.5% MoM
- Average Repo rate for liquidity injection by the CBO at March 2021 stood lower at 0.5% compared with 1.039% a year ago

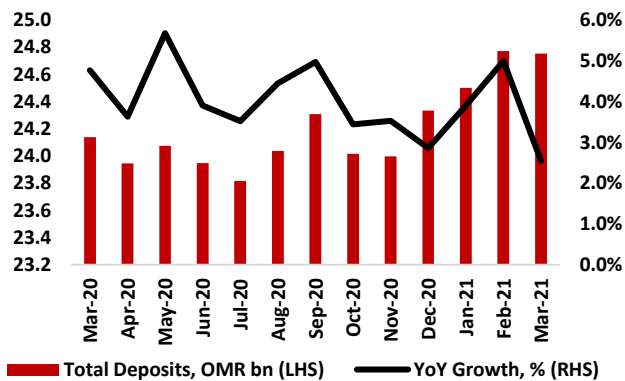
Total Deposit Concentration, Mar'21



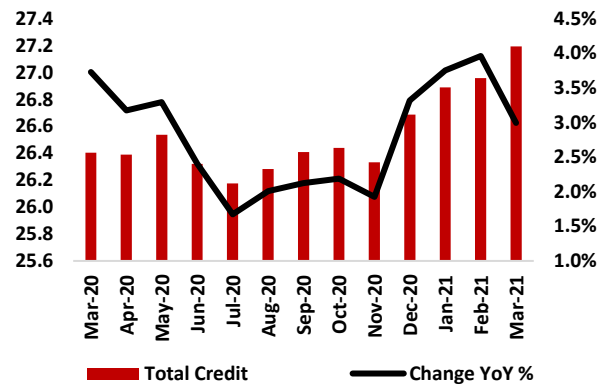
Total Credit Concentration, Mar'21



Omani Banking Sector: Total Deposits



Omani Banking Sector: Total Credit



For further details, check detailed report here: [Link](#)

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
AL YAMAMAH STEEL	SAUDI	42.30	43.50	44.00	2.84%	4.02%	42.00	-0.7%
SABIC	SAUDI	122.20	126.00	126.50	3.11%	3.52%	121.00	-1.0%
MAADANIYAH	SAUDI	37.70	38.90	39.00	3.18%	3.45%	37.50	-0.5%
YANSAB	SAUDI	69.50	71.50	71.60	2.88%	3.02%	69.40	-0.1%
SOUTHERN CEMENT	SAUDI	86.90	89.50	90.00	2.99%	3.57%	86.40	-0.6%
TABUK CEMENT	SAUDI	20.18	20.80	21.00	3.07%	4.06%	20.10	-0.4%
CATERING	SAUDI	81.00	83.50	84.00	3.09%	3.70%	80.50	-0.6%
AL HOKAIR GROUP	SAUDI	23.48	24.20	24.50	3.07%	4.34%	23.35	-0.6%
RAYDAN	SAUDI	32.00	33.00	33.20	3.13%	3.75%	31.70	-0.9%
SACO	SAUDI	69.70	71.60	72.00	2.73%	3.30%	69.60	-0.1%
FARM SUPERSTORE	SAUDI	38.00	39.00	39.50	2.63%	3.95%	37.70	-0.8%
SAVOLA GROUP	SAUDI	40.60	41.50	42.50	2.22%	4.68%	40.40	-0.5%
NADEC	SAUDI	40.15	41.30	41.40	2.86%	3.11%	40.10	-0.1%
SAUDI FRANSI	SAUDI	36.20	37.00	37.20	2.21%	2.76%	36.10	-0.3%
BUPA ARABIA	SAUDI	119.00	122.50	123.00	2.94%	3.36%	118.00	-0.8%
AMANA INSURANCE	SAUDI	65.00	67.00	68.00	3.08%	4.62%	64.50	-0.8%
AMANAT HOLDING	UAE	0.97	1.00	1.01	3.09%	4.12%	0.96	-1.0%
ABU DHABI ISLAMIC BANK	UAE	5.60	5.75	5.80	2.68%	3.57%	5.55	-0.9%
DLALA BROKERAGE	QATAR	1.74	1.78	1.79	2.30%	2.87%	1.73	-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

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