

PRE-MARKET REPORT

2 September 2021

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
MSCI GCC Index	708.08	-0.39	-0.06%	24.29%	20.60	2.16	2.6%
S&P GCC Comp PR USD	146.21	-0.02	-0.01%	28.17%	22.70	2.08	2.5%
Muscat Stock Exchange	3,974.35	7.61	0.19%	8.63%	12.67	0.79	3.9%
Saudi Stock Exchange	11,310.54	-8.70	-0.08%	30.16%	27.43	2.42	2.3%
Kuwait Stock Exchange	6,813.32	26.51	0.39%	22.85%	32.19	1.70	1.8%
Qatar Exchange	11,096.02	3.12	0.03%	6.32%	16.87	1.62	2.6%
Bahrain Stock Exchange	1,660.50	15.09	0.92%	11.46%	11.71	0.83	3.3%
Dubai Financial Market	2,916.60	13.63	0.47%	17.04%	21.53	1.00	2.7%
Abu Dhabi Exchange	7,649.31	-35.31	-0.46%	51.61%	23.51	2.18	3.0%
Palestine Stock Exchange	573.29	-0.28	-0.05%	21.65%	17.81	1.32	2.3%
Tunis Se Index	7,347.08	-6.55	-0.09%	6.71%	23.98	2.41	2.1%
EGX 30 Index	11,283.70	139.90	1.26%	4.04%	9.92	1.57	1.4%
Amman General Index	2,060.31	-1.44	-0.07%	24.32%	23.90	0.87	3.4%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	Units/1 USD	YTD %
			%	%	Currency		
Europe					Australian Dollar (AUD)	1.356	4.34%
FTSE 100	UK	7,149.8	0.42%	10.67%	British Pound (GBP)	0.726	-0.82%
DAX	Germany	15,824.3	-0.07%	15.35%	Canadian Dollar (CAD)	1.262	0.85%
CAC 40	France	6,758.7	1.18%	21.75%	Chinese Renm. (CNH)	6.455	0.74%
United States					Egyptian Pound (EGP)	15.691	0.23%
DJIA	USA	35,312.5	-0.14%	15.38%	Euro (EUR)	0.845	3.18%
S&P 500	USA	4,524.1	0.03%	20.45%	Indian Rupee (INR)	72.996	0.09%
NASDAQ	USA	15,309.4	0.33%	18.79%	Japanese Yen (JPY)	109.980	-6.12%
Asia Pacific					Swiss Franc (CHF)	0.916	-3.31%
NIKKEI 225	Japan	28,507.3	0.19%	3.87%	Omani Rial (OMR)	0.385	0.00%
HANG SENG	Hongkong	26,029.4	0.02%	-4.41%	Pakistan Rupee (PKR)	166.863	-4.21%
KSE 100 Index	Pakistan	47,256.2	-0.33%	8.00%	Russian Ruble (RUB)	72.978	1.97%
NSE Nifty 50	India	17,139.3	0.37%	22.58%	Singapore Dollar (SGD)	1.345	-1.71%
SHANGHAI COMPOSITE	China	3,587.3	0.57%	3.29%	Turkish Lira (TRY)	8.298	-10.34%
SHANGHAI SHENZHEN CSI 300	China	4,858.6	-0.22%	-6.77%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	0.30	-41.4%
Brent Crude (per bbl)	71.4	-0.34%	40.18%	Saudi Arabia	0.80	-2.7%
WTI Crude (per bbl)	68.3	-0.44%	40.73%	Kuwait	1.50	4.3%
Oman Crude Oil (Last Closing)	70.2	0.44%	37.43%	Oman	2.14	-19.9%
OPEC (per bbl)	71.4	-0.63%	42.18%	Qatar	1.00	-10.8%
Precious Metals				Bahrain	1.57	-30.4%
Gold100 OZ (per oz)	1,813.7	-0.01%	-4.46%			
Silver (per oz)	24.2	0.11%	-8.46%	GCC Latest 10-Yr Government Bond Yields		
Platinum (per oz)	999.5	-0.57%	-6.77%		Maturity date	YTM, %
Other Metals				KUWAIT	20/03/2027	1.25
Copper, MT	9,336	-1.94%	20.21%	UAE	16/04/2030	1.84
Aluminium, MT	2,690	-1.03%	35.89%	QATAR	16/04/2030	1.95
Lead, MT	2,274	0.78%	14.02%	SAUDI ARABIA	22/10/2030	2.17
Zinc, MT	2,982	-0.73%	8.38%	OMAN	25/01/2031	4.98
				BAHRAIN	30/09/2031	5.53

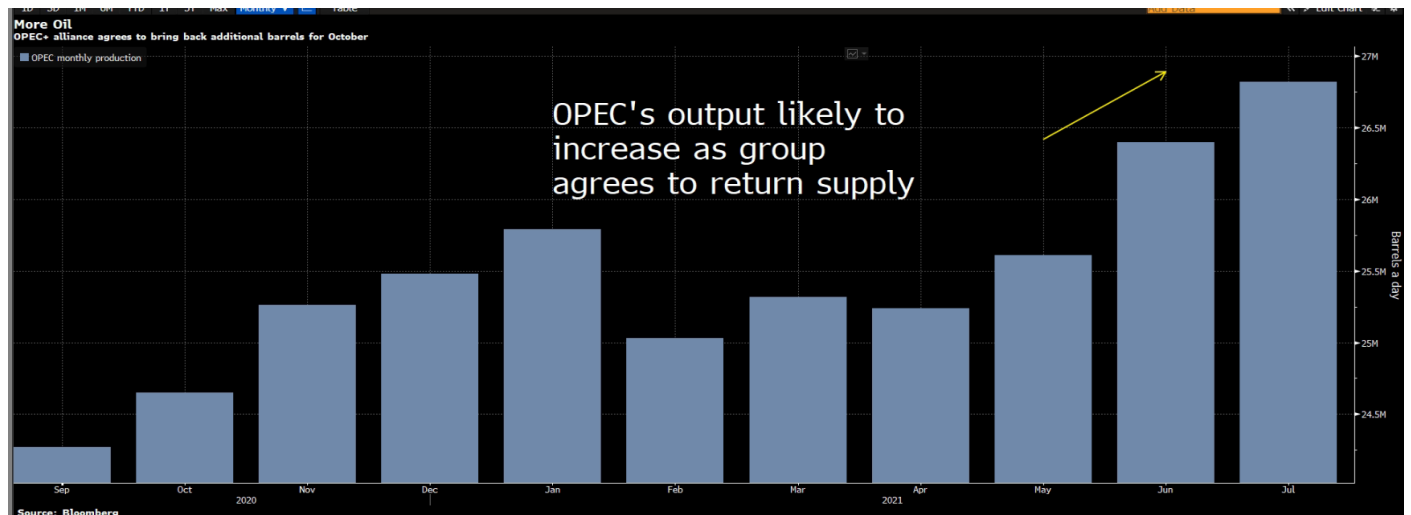
Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.91	0.4	1m	0.08	-42.7%
5 year	99.89	0.8	3m	0.12	-49.8%
10 year	99.56	1.3	6m	0.15	-41.9%
30 year	101.91	1.9	1 year	0.23	-33.3%

Source: Bloomberg

OIL

Oil Drops on OPEC+ Plan

- Oil declined after OPEC+ stuck with a plan to boost crude production, with the cartel wagering that the global market can absorb the additional supply as demand improves and stockpiles get drawn down.
- Cartel maintains plan for gradual supply hikes as demand rises
- Crude has rallied about 40% this year as consumption bounced back from the impact of the coronavirus pandemic, although the bulk of the gains came in the first half. Against that backdrop, OPEC+ has been gradually restoring more of the supply it suspended last year when the global health crisis erupted.



GCC CORPORATE NEWS & DISCLOSURES

OMAN

National Finance announces appointment of CEO and Deputy CEO

- Mr. Tariq Sulaiman Al Farsi will be joining as the CEO from September 12, 2021, while Mr. Ali Saif Al Mani will join the company as the Deputy CEO.
- Mr. Farsi has over 19 years of experience. He was previously the CEO of Al Raffd Fund.

MSX has issued a circular on 25th August for companies to update their financials and other information on the website

- The bourse gave the deadline of **September 15, 2021**, for updating all information in English & Arabic.

SAUDI ARABIA

Tihama Advertising, Public Relations and Marketing Company Announces filing a lawsuit against Riyadh Municipality in the Administrative court.

- The company filed a lawsuit against Riyadh Municipality to claim compensation for the damage caused to the advertising billboards owned by it and which were removed by the defendant in a way that led to the damage to it.
- The company said that it is not possible at this stage to determine the financial impact or the legal consequences and risks of this case of this case, and any developments regarding this case will be announced in due course.

United International Transportation Company (Budget Saudi) announced the date and method of distributing dividends to shareholders for 1H21

- United International Transportation Company announced that the profits will be distributed starting from Monday 20/09/2021, for the shareholders' bank accounts linked to the investment portfolios
- The eligibility for profits is for the shareholders of the company who own the shares at the end of trading on Wednesday 01/09/2021 and are registered in the company's shareholders register with the Securities Depository Centre (Edaa) at the end of the second trading day following the maturity date,
- Dividend is SAR 0.60 per share, which represents (6%) of the capital, with a total amount of SAR 42.7mn.

Saudi banks are closing more branches even as consumer lending is up

- 95 bank branches were closed in the Kingdom by end of Q2 from a year ago
- The figures from the Saudi Central Bank (SAMA) monthly report showed a decrease in the number of banks' branches in the Kingdom by 95 to 1,969 compared to the second quarter of 2020, when the number of branches reached 2,064. This is a 4.6 percent reduction.
- At the same time, the number of ATMs decreased by 8.9 percent.
- Commercial banks, which this year have more deposits than before, increased lending to individuals in the second quarter of this year by 17 percent to SR394 billion. This trend has been on the rise since Q2 of 2019.

Comment: We believe that since Saudi Arabia is focusing on digitization, banks are also following the same initiative, and probably closing branches where there is not enough footfall. In a low interest rate environment, cost optimization is key to preserve profitability.

Jadwa REIT Saudi to extend Boulevard Riyadh purchase agreement for additional 60 days

- Jadwa REIT Saudi Fund agreed to extend agreement to purchase Boulevard Riyadh for SAR 320 million to additional 60 days, as of the end date of the original term, fund manager Jadwa Investment said in a bourse filing today, Sept. 1.
- The fund signed, on March 3, an agreement to purchase Boulevard Riyadh for SAR 320 million, and the agreement was subject to finalizing the required technical and legal due diligence and other regulatory approvals within 180 days from the agreement date, Argaam reported.
- The relevant financial impact, which is forecast to appear on H1 2021 financials, will remain intact, the statement added.
- Updates will be duly revealed, it added.

Theeb Rent a Car shareholders authorize board to pay interim dividend for 2021

- Theeb Rent a Car Co.'s shareholders approved authorizing the board of directors to pay interim dividends on a semi-annual or quarterly basis for 2021, during the extraordinary general meeting (OGM) held on Aug. 31, according to a bourse filing.
- Shareholders endorsed amending the charter of nomination and remuneration committee, as well as the compensation policy.
- Meanwhile, they also ratified amending Articles (1 and 2) regarding the company's transformation and name, along with Article 3 to Article 56.

UAE

ADCB Welcomes Creditor Approval of Debt Restructuring of NMC Group

- As a significant creditor to NMC, ADCB took proactive actions from February 2020 onwards initially taking NMC's parent company in the UK into administration, which ultimately led to the Company filing for voluntary administration in ADGM, a course of action that was identified by the Company and its advisors as the most suitable route to ensure rescue and timely turnaround of the Company.
- In line with this supportive approach, the Bank participated in the Company's Administration Funding Facility ("AFF") to underpin the implementation of the business plan and its restructuring process. In consideration of the participation in the AFF, the participants were granted elevation and conversion rights for an amount equivalent to their respective AFF participation. Following the exercise of these rights ADCB is expected to receive approximately 39% of transferable exit instruments in a new US\$2.25 billion facility, a debt claim sized to the expected future value of NMC.
- Participants in the exit instruments will receive interest payment for the facility, which will ultimately be repaid from the proceeds generated from a sale of the underlying business at a later stage. There are further possibilities for the participants to benefit from any rise in the valuation of the NMC business as well as any recoveries made by the Company from its ongoing litigation strategies. Given this material progress in restructuring, the Bank considers the provisions and interest in suspense for NMC recorded to date to be at an appropriate level.

Comment: ADCB's responded quite early with a huge participation of USD 325mn in the Administration Funding Facility for NMC Health. This is now proving positive for ADCB as it is expecting to receive 39% of transferable exit instruments from a new USD 2.25 billion facility (based on NMC's embedded value). It must be noted that NMC still needs to keep delivering on its three-year plan to unlock value for creditors. ADCB has set aside a cash provision of about 34% for its NMC and Finabl exposure. ADCB's 39% claim rights and valuation gain will likely support coverage and recoverability.

UAE resumes tourist visa for Indians ahead of Expo 2020 Dubai

- The UAE resumed issuance of tourist visas earlier this week, including to Indian citizens, in the run-up to the Expo 2020 Dubai exhibition that commences from October 1. VFS Global, which processes visa applications for the UAE in India, said it has resumed its visa services for Indian citizens August 30 onwards.

161% growth in the number of deals in the Dubai Financial Market on cancellation of minimum trading commission

- The number of trading deals for securities listed on the Dubai Financial Market increased by 161% on the first day of implementing the market's decision to cancel the minimum trading commission.
- The number of completed deals in the market during today's trading session reached 6739 deals, which is the highest number of daily deals since the beginning of this year, compared to 2579 deals during yesterday's trading session.
- The rate of increase in the number of deals today reached 146% compared to its daily average since the beginning of this year, which amounted to 2,740 deals.

TAQA to conduct strategic review of its international oil and gas business

- Since 2005, TAQA has built a high-quality portfolio of upstream and midstream operations in the UK North Sea, the Netherlands, Canada and the Kurdistan Region of Iraq.
- The portfolio includes onshore and offshore exploration, development and production of crude oil, natural gas and natural gas liquids; gas storage; and oil & gas processing and transportation.
- In the first half of 2021, production across the portfolio totaled more than 124,000 barrels of oil equivalent per day and generated revenues of AED 3.4 billion (US\$937 million) with a net income of AED 533 million (\$145 million).
- The review will assess strategic options for the oil and gas division and the optimal course for its future development, while taking into consideration the evolution of the global energy industry as it transitions towards a cleaner and more sustainable future.
- All options will be considered, including the sale of some or all the assets, or the retention and development of the assets within the TAQA Group.
- Following the launch of TAQA's new strategy in March of this year the company's growth will be focused on significantly growing its utilities business both in the UAE and internationally.

Yahsat Selects GMV to Provide Spacecraft Control Systems

- Abu Dhabi-listed Al Yah Satellite Communications Co., also known as Yahsat, selects Spanish group GMV to supply spacecraft control & flight dynamics systems for Thuraya 4-NGS.
- Thuraya 4-NGS is a next-generation L-band mobile communications satellite system scheduled to begin operations in 2024
- The flight dynamics system will help Yahsat to improve performance and maximize lifetime of Thuraya 4-NGS
- GMV will also be responsible for deployment and integration of the control center, as well as system maintenance and operator training

Comment: Yahsat listed on the ADX on 13th July and is down about 5% from its IPO price of AED 2.75 per share.

Qatar

QSE ended flat yesterday amidst gains in industrials, real estate stocks

- Major movers included Industries Qatar, Barwa, Qatar Electricity and Water, Gulf International Services, Qatar Industrial Manufacturing, Al Meera Consumer Goods, and Untied Development Company.
- Nevertheless, Ahlibank Qatar, Mannai Corporation, Doha Bank, QLM, Doha Insurance, Masraf Al Rayan, Alijarah Holding, Qatari German Medical Devices, Woqod, Baladna, Qamco, Qatar Insurance and Nakilat were among the losers.

Kuwait

Ahli Bank Kuwait Names Jehad Al-Humaidhi as CEO

- Central bank approves the appointment of Jehad Saud Abdulaziz Al-Humaidhi as CEO.
- Also approves appointment of Hisham Zaghoul Mohamed Abdulmuttaleb as senior deputy CEO

ECONOMIC & GENERAL NEWS

OMAN

25% rise in fish farming production

The total value of fish farming production in the Sultanate amounted to RO 2.5 million in 2019, an increase of 25%, according to the National Center of Statistics and Information. Fisheries sector is one of the main sectors of economic diversification at the fore of non-oil producing sectors.

[Source](#)

Sohar Intl to host 12th session of Viewpoints on Sept 15

A much-anticipated event that has witnessed participation of key industry leaders in the past years, Sohar International is all set to conduct the 12th session of Viewpoints – Sohar International Chairman’s Forum, on September 15.

[Source](#)

MIDDLE EAST

Sheikh Mohammed reviews final preparations for Expo 2020 Dubai

Vice President and Prime Minister of the UAE and Ruler of Dubai His Highness Sheikh Mohammed bin Rashid Al Maktoum today reaffirmed the UAE’s readiness to welcome the world to Expo 2020 Dubai and herald a new era of international collaboration.

[Source](#)

Saudi tech SMEs can get up to \$4 million in loans

For entrepreneurs who plan to start up their tech businesses, this is the right time. Saudi Arabia’s National Information Technology Sector Development Program (NTDP) on Wednesday launched an initiative to provide loans of up to SR15 million (\$4 million) for micro, small, and medium size businesses related to IT and digital projects in the Kingdom, SPA reported.

[Source](#)

INTERNATIONAL

Yuan eases as markets await non-farm payrolls

China's yuan eased slightly against a firmer dollar on Thursday, as recent disappointing economic indicators continued to weigh on market sentiment, while traders are awaiting U.S. non-farm payrolls due later this week for more clues on Fed tapering.

[Source](#)

Asia stocks in cautious mood, dollar near 1-mth lows

Asian share markets were in a cautious mood on Thursday as concerns grew over the Chinese economy after a run of soft data, while the risk of a subpar U.S. payrolls report kept the dollar on the defensive.

[Source](#)

European stocks close higher as traders shrug off inflation worries

The pan-European Stoxx 600 ended Wednesday’s session up by 0.5% provisionally, with retail shares jumping 1.9% to lead gains while basic resources slid 0.6%.

[Source](#)

Apple loosens App Store payment rules for Netflix, others in deal with Japan

Apple Inc (AAPL.O) said on Wednesday it would loosen rules on its App Store that have banned companies such as Netflix Inc (NFLX.O) from providing customers a link to create a paid account to bypass Apple's in-app purchase commissions.

[Source](#)

COMMODITIES

Gold see-saws in tight range as focus stays on U.S. labor data

Gold traded within a narrow range on Wednesday, as investors largely looked past a slew of U.S. economic readings to focus on key labour data that could influence the Federal Reserve’s tapering plans.

[Source](#)

Saudi Arabia may cut October crude prices for Asia

Top oil exporter Saudi Arabia is expected to cut prices for most crude grades it sells to Asia in October after Middle East benchmark Dubai weakened last month, a poll of six refiners showed.

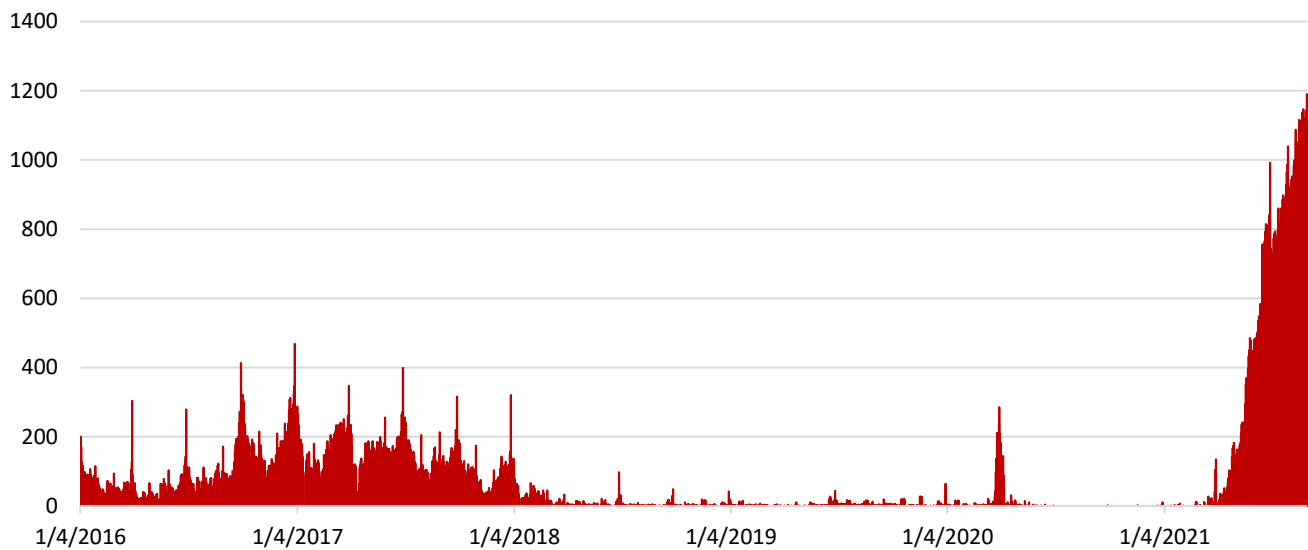
[Source](#)

CHART / TABLE OF THE DAY

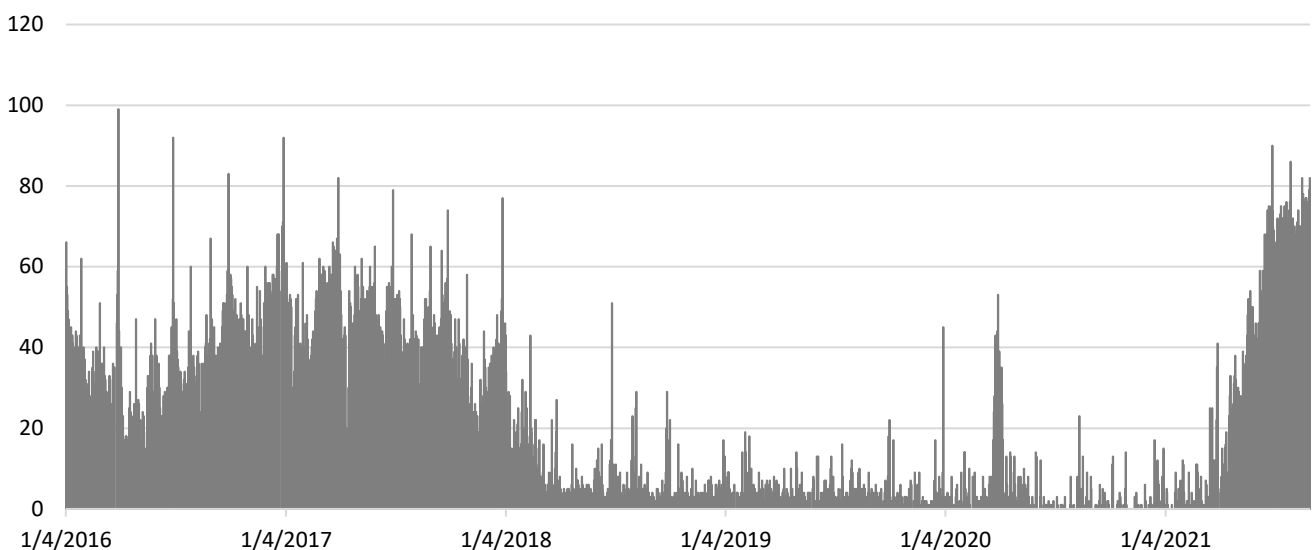
Fed Reverse Repo Usage Shows No Sign of Slowing Amid Imbalances

- The volume jumped to a record \$1.19 trillion on Tuesday
- The glut of cash in U.S. interest-rate markets pushed the amount of money that investors are parking at a major central bank facility to yet another all-time high.
- Eighty-two participants on Tuesday placed \$1.19 trillion at the Federal Reserve’s overnight reverse repurchase agreement facility, in which counterparties like money-market funds can place cash with the central bank. That surpassed the previous record volume of \$1.147 trillion from Aug. 25, New York Fed data show.

Daily usage of the Fed's reverse repo facility (USD billion)



Counterparties using Fed's reverse repo facility (Number)



Source: Bloomberg, U Capital Research

