

U Capital Morning Brief

1 February 2021

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
U Capital Oman 20 Index	832.97	0.58	0.07%	0.25%	9.96	0.81	6.5%
U Capital GCC 50 Index	1,436.14	-12.53	-0.86%	0.58%	20.75	2.31	3.4%
U Capital MENA 200 Index	1,123.99	-8.52	-0.75%	3.05%	17.75	2.01	4.0%
MSCI GCC Countries Index	558.79	-5.60	-0.99%	1.80%	21.86	1.86	3.0%
Muscat Securities Market	3,653.22	4.10	0.11%	-0.15%	13.18	0.70	6.9%
Saudi Stock Exchange	8,702.55	-104.47	-1.19%	0.15%	33.72	2.08	2.4%
Kuwait Stock Exchange	5,780.03	32.14	0.56%	4.22%	37.95	1.43	3.4%
Qatar Exchange	10,473.50	-71.04	-0.67%	0.36%	18.24	1.51	3.8%
Bahrain Stock Exchange	1,462.61	5.34	0.37%	-1.82%	14.20	0.97	4.6%
Dubai Financial Market	2,654.06	-43.09	-1.60%	6.50%	13.04	0.92	3.7%
Abu Dhabi Exchange	5,593.48	-48.29	-0.86%	10.86%	22.07	1.54	4.4%
Palestine Stock Exchange	492.07	1.36	0.28%	4.42%	19.24	1.17	4.1%
Tunis Se Index	6,657.83	4.03	0.06%	-3.30%	20.10	2.19	0.6%
EGX 30 Index	11,546.15	-32.69	-0.28%	6.46%	11.87	1.56	2.8%
Amman General Index	1,726.82	8.86	0.52%	4.20%	34.68	0.76	3.4%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,407.5	-1.82%	-0.82%
DAX	Germany	13,432.9	-1.71%	-2.08%
CAC 40	France	5,399.2	-2.02%	-2.74%
United States				
DJIA	USA	29,982.6	-2.03%	-2.04%
S&P 500	USA	3,714.2	-1.93%	-1.11%
NASDAQ	USA	13,070.7	-2.00%	1.42%
Asia Pacific				
NIKKEI 225	Japan	28,058.1	1.42%	2.24%
HANG SENG	Hongkong	28,858.3	2.04%	5.98%
KSE 100 Index	Pakistan	46,530.8	0.31%	6.34%
NSE Nifty 50	India	13,755.8	0.89%	-1.62%
SHANGHAI COMPOSITE	China	3,498.2	0.43%	0.72%
SHANGHAI SHENZHEN CSI 300	China	5,407.9	1.04%	3.77%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.766	1.305
British Pound (GBP)	1.375	0.727
Canadian Dollar (CAD)	0.784	1.276
Chinese Renminbi (CNH)	0.155	6.457
Egyptian Pound (EGP)	0.064	15.730
Euro (EUR)	1.213	0.824
Indian Rupee (INR)	0.014	72.851
Japanese Yen (JPY)	0.010	104.650
New Zealand Dollar (NZD)	0.720	1.389
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.625	160.101
Russian Ruble (RUB)	0.013	75.746
Singapore Dollar (SGD)	0.753	1.329
Turkish Lira (TRY)	0.137	7.279

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	55.5	0.80%	7.04%
WTI Crude (per bbl)	52.5	0.57%	8.18%
Oman Crude Oil (Last Closing)	54.5	-0.53%	6.66%
OPEC (per bbl)	54.4	-1.72%	8.20%
Precious Metals			
Gold100 OZ (per oz)	1,860.0	0.69%	-2.02%
Silver (per oz)	28.5	5.64%	7.92%
Platinum (per oz)	1,105.3	2.52%	3.09%
Other Metals			
Copper, MT	7,856	-0.22%	1.16%
Aluminium, MT	1,978	-0.35%	-0.10%
Lead, MT	2,024	-0.42%	1.50%
Zinc, MT	2,580	-0.50%	-6.23%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.34	-33.6%
Saudi Arabia	0.82	-0.3%
Kuwait	1.44	0.0%
Oman	2.67	-0.2%
Qatar	0.95	-15.2%
Bahrain	2.20	-2.2%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.24
UAE	16/04/2030	1.75
QATAR	16/04/2030	1.81
SAUDI ARABIA	22/10/2030	2.21
OMAN	01/08/2029	5.24
BAHRAIN	14/05/2030	5.13

Midswaps	Price	YTM %
3 year	99.87	0.2
5 year	99.75	0.4
10 year	98.13	1.1
30 year	94.91	1.8

USD Libor	Rate (%)	YTD
1m	0.12	-16.9%
3m	0.20	-15.3%
6m	0.22	-13.3%
1 year	0.31	-9.0%

Source: Bloomberg
Note: All values are updated at 9:00 AM Muscat Time. Markets are closed on Saturday and Sunday

OMAN ECONOMIC & CORPORATE NEWS

Executive regulations issued in support of Competition Protection Law

Pursuant to the Competition Protection and Monopoly Prevention Law issued by the Royal Decree 67/2014, Qais bin Mohammed al Yousuf, the Minister of Commerce, Industry and Investment Promotion (MoCIIP), has issued the Ministerial Decision 18/2020 promulgating the executive regulations of the Competition Protection and Monopoly Prevention Law. The Competition Protection and Monopoly Prevention Law aims at regulating the freedom of practicing any economic activity, stabilising the principles of the market rules and freedom of pricing in such manner that the same shall not restrict the integral competition, prevent the same or be negatively affected thereby.

Source: [Oman Observer](#)

E-payment services enabled for small businesses: CBO

The Central Bank of Oman has issued a framework that enables small businesses to use electronic payment services. A statement issued online by Oman News Agency (ONA) said, "The Central Bank of Oman issues a framework that enables small businesses to use electronic payment services within the objectives of the national e-commerce strategy implemented by various government agencies and private sector institutions."

Source: [Times of Oman](#)

Oman LNG and Yokogawa sign agreement to upgrade distributed control system

Oman LNG has signed an agreement with Yokogawa, a leading Japanese process control and instrumentation solutions provider, to upgrade the distributed control system (DCS) at Oman LNG's plant. The agreement is in line with Oman LNG's robust efforts towards maintaining continuous development and efficiency. Such steps will ultimately buoy the company's unrelenting efforts to ensure safe and reliable production, Oman LNG said in a press statement.

Source: [Muscat Daily](#)

Oman Investment Authority Restructures Tourism, Real Estate Activities

Oman Investment Authority (OIA) announced the restructuring of its tourism and real-estate investments in the Sultanate by transferring them to Oman Tourism Development Company (OMRAN Group), now a subsidiary of OIA. This included moving projects and shares in some companies to OMRAN, allowing the group to continue its focused role as the government executive arm in developing the tourism sector and adding further momentum to its contribution to the economic diversification drive. The restructuring saw the transfer of the integrated "Yeti Sustainable Tourism City" project, a 1.5 million square meters waterfront tourism complex, the 5-star 'Alila Hinu' Bay Hotel in the Wilayat of Mirbat, Dohfar, with its 112 room, integrated leisure facilities and free-hold villas. Additionally, Naseem Hotel at Al Jabal Al Akhdar with its chalets and adventure park has also been transferred to OMRAN's hospitality arm.

Source: [ONA](#)

Ras Markaz Crude Oil Park set to take delivery of offshore floating buoys

Drydocks World, the UAE based service provider to the marine, offshore, oil, gas and renewable energy sectors, has completed the production on two Calm Buoys for the Ras Markaz Crude Oil Park Project for clients, Bluewater Energy Services BV, China Petroleum Pipeline Engineering Co Ltd (Oman Branch) and Oman Tank Terminal Company LLC. Catenary anchor leg mooring Calm Buoys act as offshore floating hulls to transfer stabilised crude and refined hydrocarbon products while tethering even the largest crude carriers to onshore terminals via up to 400 megatons hawser load.

Source: [Oman Observer](#)

Refinery output falls in 2020 as COVID-19 hits fuel demand

The sultanate's petroleum refineries recorded sharp declines in the production last year as the demand for fuels was badly hit due to the coronavirus pandemic and economic recession triggered by the virus outbreak. The production of M91 grade petrol in Oman dropped by 28 per cent to 9.597mn barrels during the full year 2020, while the output of M95 grade petrol decreased by 7 per cent to 12.805mn barrels, the figures released by the National Center for Statistics and Information (NCSI) showed. The aviation fuel production plummeted by 51 per cent to 6.980mn barrels during the year ended December 31, 2020, while liquefied petroleum gas (LPG) production fell 10 per cent to 6.121mn barrels, the data showed.

Source: [Times of Oman](#)

Expat fee structure for new job licences issued

The Ministry of Labour has specified the fee structure for new licences to recruit expatriate manpower in various sectors. While the overall fees were announced last week, the Ministry of Labour said that in case of necessity, temporary permits can be issued to recruit expatriate workers for the specified senior or top-level posts. It will cost RO 336 for four months, RO 502 for six months and RO 752 for nine months. Similarly, recruiting an expatriate for middle-level posts will cost RO 169 for

four months, RO 252 for six months and RO 377 for nine months. At the same time, recruiting an expatriate for technical and specialised posts will cost RO 101 for four months, RO 151 six months and RO 226 for nine months.

Source: [Oman Observer](#)

Oman's share index ends marginally higher

The MSM index closed at 3,653.22 points, up 0.11 per cent from the previous close. The Sharia Index ended up 0.18 per cent at 531.328 points. National Bank of Oman, up 7.20 per cent, was the top gainer while Dhofar Generating, down 9.09 per cent, was the top loser. Shares of Al Madina Takaful was the most active in terms of the number of shares traded and Bank Muscat was the most active in terms of turnover.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Gulf markets lower as Saudi Arabia says vaccines delayed

Major Middle East stock markets ended lower on Sunday, tracking a slide in global markets at the end of last week and after Saudi Arabia extended measures to fight the coronavirus crisis. Saudi Arabia's benchmark index fell 1.2%, after the government said COVID-19 vaccines were being delayed. The kingdom extended its travel ban for citizens and port closures to May 17 from March 31. Dubai's main share index retreated 1.6%, extending the previous session's losses, as Dubai Islamic Bank fell 1.8% and Emirates NBD Bank dropped 1.7%. In Abu Dhabi, the index slipped 0.9%, hit by a 1.6% fall in the country's largest lender First Abu Dhabi Bank and a 0.6% decrease in telecoms giant Etisalat.

Source: [Reuters](#)

Expat remittance in Saudi Arabia jumps 19% to \$40bn in 2020

The personal remittances of expatriates posted an increase of 19.25 percent, reaching SR149.69 billion (\$39.92 billion) during the year 2020, while compared to SR125.53 billion (\$33.47 billion) during 2019, according to the latest report of the Saudi Central Bank (SCB). The value of remittances recorded is the highest in 2020 over the last four years since 2016. Remittances have declined in the past two years in a row from SR151.9 billion (\$ 40.5 billion) in 2016 to SR141.6 billion (\$ 37.8 billion) in 2017, to SR136.4 billion (\$ 36.4 billion) in 2018, and then to SR125.53 billion (\$ 33.47 billion) in 2019.

Source: [Saudi Gazette](#)

SABIC CEO: Aramco synergy will bring \$1.8bn by 2025

Saudi Basic Industries Corporation (SABIC) has forecast that its annual share of combined synergy with Saudi Aramco will total SR5.63 to 6.75 billion (\$1.5 to 1.8 billion) by 2025. Saudi Aramco, the world's largest oil company, acquired a 70 percent stake in SABIC from the Saudi sovereign wealth fund for \$69.1 billion in June 2020. During a virtual press conference on Sunday, Yousef Al-Benyan, SABIC CEO and vice-chairman, said the combined revenue of the two petrochemical companies would measure between \$3 to \$4 billion by 2025.

Source: [Zawya](#)

Aldar announces new group operating model

Aldar Properties has adopted a new group operating model to drive the next phase of growth, which will focus on enhancing the customer experience, digital transformation, operational efficiency, and sustainability. The new model promotes agility and accountability throughout the organisation, with two core businesses – Aldar Investment and Aldar Development – led by Jassem Busaibe as CEO of Aldar Investment and Jonathan Emery as CEO of Aldar Development, both reporting to the group CEO.

Source: [Khaleej Times](#)

SABIC to adopt Netherlands operating plan in Kingdom's large plants if successful

Saudi Basic Industries Corp.'s (SABIC) plan to build a plant to produce plastic circular polymers in the Netherlands will be a pilot project to create environmentally friendly products, Yousef Abdullah Al-Benyan, Vice Chairman and Chief Executive Officer of SABIC, told Argaam. "If the plant's operational plan in the Netherlands is successful, the experiment will be extended to the large plants in the Kingdom," he said during the company's press conference today, Jan. 31, 2021, commenting on its Q4 2020 financial results.

Source: [Argaam](#)

Saudi finance ministry completes SAR 1 trln payment orders in 2020

The Ministry of Finance (MoF) finalized the disbursement procedures for all payment orders received from the public and private sector with a total value of SAR 1.02 trillion in 2020, according to a ministerial statement. Expenditure for the public sector amounted to SAR 764.6 billion, while the same for the private sector reached SAR 251.8 billion. MoF clarified that 73%

(or SAR 183.8 billion) of the private sector's total expenditures was disbursed within 15 days of receiving payment orders; 19% (or SAR 49.2 billion) was disbursed within 30 days; and 7% (or SAR 16 billion) was disbursed within 45 days.

Source: [Argaam](#)

Dubai hotels prime for rebound as vaccine rollout gains traction

With Covid-19 vaccine currently being rolled out and Expo rescheduled to start on 1 October 2021, Dubai's hospitality sector is priming for a rebound after a challenging pandemic-stricken low-occupancy year. A Deloitte Middle East hospitality survey suggests that the market recovery to 2019 levels may not be until 2023, or possibly later as hospitality companies are revising their business strategies and building resilience towards the new normal. Oliver Morgan, director and head of Development in Deloitte's Real Estate team in the Middle East, said in the short-term, cash management and financing/lender considerations are some of the main priorities across all real estate sectors.

Source: [Khaleej Times](#)

Dubai Economy issues 33,769 e-MOA and e-MOA addendums in 2020, a growth of 16.2% from 2019

The Business Registration & Licensing (BRL) sector of Dubai Economy has issued 33,769 electronic Memorandum of Association (MOA) and e-MOA addendums in 2020, an increase of 16.2 per cent from 29,067 issued in 2019. This is in line with the Federal Decree-Law No. 7 of 2018 by The President His Highness Shaikh Khalifa Bin Zayed Al Nahyan amending articles within Federal Law No. 02 of 2015 on commercial companies.

Source: [WAM](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

New chart shows China could overtake the U.S. as the world's largest economy earlier than expected

China is set to overtake the United States as the world's largest economy a few years earlier than anticipated due to the coronavirus pandemic, analysts said. The U.S. reported last week that gross domestic product in 2020 contracted by 2.3% to \$20.93 trillion in current-dollar terms, based on a preliminary government estimate. In contrast, China said its GDP expanded by 2.3% last year to 101.6 trillion yuan. That's about \$14.7 trillion, based on an average exchange rate of 6.9 yuan per U.S. dollar, according to Wind Information data.

Source: [CNBC](#)

Asian shares rally as retail crowd catch silver bug

Asian shares rallied on Monday and U.S. stock futures recouped early losses as newly empowered retail investors turned their attention to precious metals, promising a respite to some hard-hit hedge funds. MSCI's broadest index of Asia-Pacific shares outside Japan climbed 1.4% after four straight sessions of losses. Japan's Nikkei added 1.2%, after shedding almost 2% on Friday, while Chinese blue chips gained 0.5% as the country's central bank injected more cash into money markets. Futures for the S&P 500 edged up 0.3%, having been down as much as 1% in early action, while NASDAQ futures firmed 0.1%. EUROSTOXX 50 futures added 0.6% and FTSE futures 0.2%.

Source: [Reuters](#)

Melvin Capital, hedge fund that bet against GameStop, lost more than 50% in January

Hedge fund Melvin Capital Management lost 53% in January amid a record rally in GameStop and other stocks the fund was betting against, a source familiar with the matter told CNBC. The heavy losses come as retail investors piled into popular hedge fund short targets, including the struggling video game retailer. Shares of GameStop finished last week with a gain of 400%, bringing its total return this year to 1,625%. The stock closed Friday's session at \$325. As recently as October it traded under \$10.

Source: [CNBC](#)

Exclusive: Tunisia to issue up to \$3 billion debt and push reforms this year, finance minister says

Tunisia will issue debt worth up to \$3 billion this year and aims to roll over some existing credit arrangements while setting in train wider economic reforms, Finance Minister Ali Kooli told Reuters in an interview. With a deficit estimated at 11.5% of gross domestic product last year and public debt at 90% of GDP, Tunisia plans reforms to cut its high public wage bill and subsidies and restructure poorly performing state-owned companies, Kooli said. The COVID-19 pandemic, political infighting and ongoing protests over inequality have added to the pressure on the government, while foreign lenders and the powerful labour union have often made competing demands on reform.

Source: [Reuters](#)

COMMODITIES NEWS

Silver futures jump 7% as Reddit traders try their squeeze play with the metal

Futures contracts for silver surged higher on Sunday night as the Reddit-fueled boom in highly shorted stocks appears to be spilling over into the metals market. Silver futures were up 8% shortly after the futures market opened, marking the biggest move in the futures since at least 2013. The contracts last traded up 6.8%.

Source: [CNBC](#)

Oil treads warily higher amid patchy vaccine rollouts, new coronavirus variants

Oil prices edged higher on Monday after a weak start, holding on to the past three months of gains, although patchy coronavirus vaccine rollouts, new infections and the discovery of new variants are keeping a lid on prices. Brent crude futures were up 10 cents at \$55.14 a barrel by 0233 GMT, while U.S. West Texas Intermediate (WTI) gained 1 cents to \$52.21. Both benchmarks gained nearly 8% in January.

Source: [Reuters](#)

Ubhar Capital SAOC (U Capital)

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



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