

U Capital Morning Brief

6 January 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	843.50	6.19	0.74%	1.52%	7.56	0.80	7.1%
U Capital GCC 50 Index	1,391.76	9.56	0.69%	0.58%	20.55	2.19	3.7%
U Capital MENA 200 Index	1,094.15	1.99	0.18%	0.31%	16.60	1.97	4.1%
MSCI GCC Countries Index	553.91	3.80	0.69%	0.91%	21.84	1.85	3.1%
Muscat Securities Market	3,714.91	19.75	0.53%	1.53%	11.18	0.71	6.8%
Saudi Stock Exchange	8,682.11	14.45	0.17%	-0.09%	34.73	2.08	2.4%
Kuwait Stock Exchange	5,563.11	27.04	0.49%	0.31%	35.60	1.38	3.5%
Qatar Exchange	10,618.39	141.27	1.35%	1.75%	18.07	1.55	3.7%
Bahrain Stock Exchange	1,456.05	-27.26	-1.84%	-2.26%	14.14	0.97	4.6%
Dubai Financial Market	2,608.90	29.90	1.16%	4.69%	12.17	0.91	3.7%
Abu Dhabi Exchange	5,143.52	28.05	0.55%	1.95%	20.46	1.45	4.8%
Beirut Stock Exchange	658.44	3.59	0.55%	0.08%	22.45	0.49	0.0%
Palestine Stock Exchange	476.15	5.78	1.23%	1.04%	18.62	1.13	4.2%
Tunis Se Index	6,768.02	-40.12	-0.59%	-1.70%	20.47	2.23	0.6%
EGX 30 Index	10,829.96	16.18	0.15%	-0.14%	11.58	1.47	2.9%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,612.3	0.61%	2.35%
DAX	Germany	13,651.2	-0.55%	-0.49%
CAC 40	France	5,564.6	-0.44%	0.24%
United States				
DJIA	USA	30,391.6	0.55%	-0.70%
S&P 500	USA	3,726.9	0.71%	-0.78%
NASDAQ	USA	12,819.0	0.95%	-0.54%
Asia Pacific				
NIKKEI 225	Japan	27,064.7	-0.35%	-1.38%
HANG SENG	Hongkong	27,410.6	-0.87%	0.66%
KSE 100 Index	Pakistan	44,871.8	0.47%	2.55%
NSE Nifty 50	India	14,214.5	0.11%	1.66%
SHANGHAI COMPOSITE	China	3,522.7	-0.17%	1.43%
SHANGHAI SHENZHEN CSI 300	China	5,357.0	-0.21%	2.80%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.777	1.288
British Pound (GBP)	1.361	0.735
Canadian Dollar (CAD)	0.789	1.267
Chinese Renminbi (CNH)	0.155	6.437
Egyptian Pound (EGP)	0.064	15.707
Euro (EUR)	1.230	0.813
Indian Rupee (INR)	0.014	73.148
Japanese Yen (JPY)	0.010	102.810
New Zealand Dollar (NZD)	0.726	1.378
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.624	160.289
Russian Ruble (RUB)	0.013	74.024
Singapore Dollar (SGD)	0.759	1.318
Turkish Lira (TRY)	0.135	7.389

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	53.9	0.56%	4.05%
WTI Crude (per bbl)	50.0	0.20%	3.11%
Oman Crude Oil (Last Closing)	53.0	5.03%	3.88%
OPEC (per bbl)	51.4	2.23%	2.23%
Precious Metals			
Gold100 OZ (per oz)	1,944.3	-0.28%	2.42%
Silver (per oz)	27.3	-0.83%	3.46%
Platinum (per oz)	1,096.5	-1.52%	2.27%
Other Metals			
Copper, MT	8,002	1.80%	3.04%
Aluminium, MT	2,041	0.44%	3.08%
Lead, MT	2,081	1.44%	4.36%
Zinc, MT	2,813	0.75%	2.25%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.48	-5.9%
Saudi Arabia	0.82	-0.2%
Kuwait	1.44	0.0%
Oman	2.68	0.0%
Qatar	1.05	-6.2%
Bahrain	2.25	0.0%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.18
UAE	16/04/2030	1.60
QATAR	16/04/2030	1.67
SAUDI ARABIA	22/10/2030	2.07
OMAN	01/08/2029	5.43
BAHRAIN	14/05/2030	4.86

Midswaps	Price	YTM %
3 year	99.82	0.2
5 year	99.84	0.4
10 year	98.84	1.0
30 year	96.91	1.8

USD Libor	Rate (%)	YTD
1m	0.14	-2.9%
3m	0.24	-0.5%
6m	0.26	-0.7%
1 year	0.34	-0.4%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: MSM30 Index declines 8.10 pc in 2020

The MSM30 Index closed 2020 down by 8.10 per cent year-on-year (YoY) at 3658.77, said leading investment services firm Uthmaniyah Capital (U-Capital). While most stock markets were on fire post-Government announcements of unprecedented economic support packages, the MSM30 Index continued on its sideways pattern, staying roughly between the lowest level seen this year at 3383.54 and the highest level seen at 3780.75 after COVID-19 was categorized as a pandemic by the World Health Organization (WHO), the publicly listed firm noted in a report.

“It was an especially challenging year for the local stock market.

Source: [Oman Observer](#)

Vodafone gets first-class licence to become third operator in Oman

Vodafone has obtained Class I Licence to establish and operate public telecommunications services in Oman based on Royal Decree No 4/2021 issued on January 5, 2021, making the company the third telecommunications operator in the sultanate. In a press statement, Eng Nasser bin Salem al Hosani, vice chairman of Vodafone Oman, said, “The Royal Decree will enrich the telecommunications and information sector in line with the country’s long-term vision, and to achieve a fair and healthy competitive landscape by providing modern fifth generation services for all citizens and residents of Oman.

Source: [Muscat Daily](#)

CBO issues treasury bills worth OMR74 million

Oman’s central bank raised OMR74 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period 28 days, starting from January 6, Wednesday until February 3, 2021. The average accepted price reached 99.951 for every OMR100, and the minimum accepted price arrived at 99.950 per OMR100. The average discount rate and the average yield reached 0.63769 per cent and 0.63801 per cent, respectively.

Source: [Times of Oman](#)

Oman's share index ends marginally higher

The MSM index closed at 3,714.91 points, up 0.53 per cent from the previous close. The Sharia Index ended up 0.26 per cent at 526.15 points. Muscat Finance, up 10.00 per cent, was the top gainer while Raysut Cement, down 2.30 per cent, was the top loser. Shares of Galfar Engineering was the most active in terms of the number of shares traded while Bank Muscat was most active in terms of turnover.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC states sign solidarity pact

On behalf of His Majesty Sultan Haitham bin Tarik, His Highness Sayyid Fahd bin Mahmood al Said, Deputy Prime Minister for the Council of Ministers, took part in the 41st Summit of GCC Leaders, Saudi Arabia’s Al Ula city on Tuesday. The GCC leaders signed an agreement to end a yearslong rift between a Saudi-led bloc and Qatar at their annual summit. Saudi Arabia’s Crown Prince Mohammed bin Salman, who chaired the opening session of the summit, said the agreement stressed the need for solidarity and stability “between our peoples and countries.”

Source: [Oman Observer](#)

Qatar stocks up 1.7% after Gulf rift breakthrough

Qatar stocks rose nearly 1.7% in early trade on Tuesday, boosted by news a breakthrough had been reached in Qatar's three-year-old dispute with Saudi Arabia and three other Arab countries. At 0638 GMT, Qatar's key index was up 177.17 points at 10,654.29 points, with banks and industrial stocks driving the gains. The Saudi market was up just 0.13% in early trade, but dairy firm Almarai surged as much as 3.8% on expectations that an opening of trade between Saudi Arabia and Qatar will revive its sales to Doha.

Source: [Zawya](#)

Saudi non-oil sector business surges to 'highest levels in a year'

A recent surge in new orders has meant business conditions in the Kingdom’s non-oil sectors have risen to the highest levels in more than a year. According to the latest monthly IHS Markit Saudi Arabia Purchasing Managers’ Index (PMI), the rating for December was 57, up from 54.7 in November, and the highest level since November 2019. Any figure greater than 50 indicates overall improvement in the sector. “The Saudi Arabian non-oil economy is well on the path to recovery,” said David Owen, an economist at IHS Markit.

Source: [Arab News](#)

Saudi flour mill transfer gets \$540m boost

Saudi Arabia took the latest step in the privatization of the Kingdom's flour mills with the announcement on Monday of a \$540 million deal. Al-Raha Al-Safi Food Co, consisting of Al-Mutlaq Group, Al-Safi Holding Co., Abunayyan Trading Co. and Essa Al-Ghurair Investment LLC, announced it has completed the acquisition of the First Milling Company (MC-1) for \$540 million. The deal was facilitated by the National Center for Privatization (NCP) and the Saudi Grains Organization (SAGO).

Source: [Arab News](#)

Reopening of Qatar-Saudi borders to create 'new wave of business opportunities', says business council executive

The reopening of Saudi Arabia's borders and airspace to Qatar, which was announced on the eve of the 41st GCC Summit, is seen as a key step to revive economic ties of both countries, a business council official has said. His Highness the Amir Sheikh Tamim bin Hamad al-Thani led the Qatari delegation, which attended the summit held on Tuesday in the city of Al-Ula in Saudi Arabia.

Source: [Gulf Times](#)

AlUla Declaration reflects strong ties between GCC states, need to end all disputes: minister

AlUla Declaration issued on Jan. 5, during the 41st GCC Summit reflects the strong and well-established ties linking the GCC states, said the Saudi Foreign Minister Prince Faisal Bin Farhan Al-Saud. He added that leaders of GCC states and Egypt agreed on ending all disputes and restoring all diplomatic relations. Speaking at a press conference on the sidelines of the Summit, Prince Faisal clarified that AlUla Summit, which was chaired by Crown Prince Mohammed Bin Salman on behalf of King Salman, gave a priority to the best interest of the GCC states and the national Arab security.

Source: [Argaam](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

World Bank sees global output up 4% in 2021, flags downside risks

The global economy is expected to expand 4% in 2021 after shrinking 4.3% in 2020, the World Bank said on Tuesday, although it warned that rising COVID-19 infections and delays in vaccine distribution could limit the recovery to just 1.6% this year. The World Bank's semi-annual forecast showed the collapse in activity due to the coronavirus pandemic was slightly less severe than previously forecast, but the recovery was also more subdued and still subject to considerable downside risk.

Source: [FP](#)

Stocks fall, bond yields rise as investors brace for possible Democrat triumph in Georgia

Global stock prices slipped and U.S. bond yields rose on Wednesday as investors braced for the prospect that Democrats could win both races in a U.S. Senate run-off election in Georgia, handing them control of the crucial chamber. Along with their narrow majority in the House of Representatives, a 'blue sweep' of Congress could usher in larger fiscal stimulus and pave the way for President-elect Joe Biden to push through greater corporate regulation and higher taxes.

Source: [Reuters](#)

Alibaba plans to raise at least \$5 billion via dollar bond this month – sources

Chinese e-commerce leader Alibaba Group Holding Ltd plans to raise at least \$5 billion through the sale of a U.S. dollar-denominated bond this month, four people with direct knowledge of the matter said. Depending on investor response, proceeds could reach \$8 billion which Alibaba is likely to use for general corporate expenditure, one of the people said.

Source: [Reuters](#)

COMMODITIES NEWS

Saudi Arabia to cut oil output by additional 1 mln bpd in February, March

Saudi Arabia offered voluntary cuts to its oil production by additional 1 million barrels/daily (bpd) in February and March, said Minister of Energy Prince Abdulaziz Bin Salman. Prince Abdulaziz added during the OPEC+ meeting held today that the Kingdom's output will reach 8.125 million bpd starting February, affirming that this will support oil market and industry. Source: [Argaam](#)

Brent oil rises to highest since February after Saudi Arabia output cut

Brent oil prices rose on Wednesday to the highest since February after Saudi Arabia agreed to make bigger cuts in output than expected during a meeting with allied producers, while industry data showed U.S. crude stockpiles fell last week. Brent crude rose as much as 0.6% to \$53.94 a barrel, the highest since Feb. 26, 2020. It was at \$53.79 a barrel at 0147 GMT and gained 4.9% on Tuesday.

Source: [Reuters](#)



Ubar 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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