

U Capital Morning Brief

17 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	839.16	1.51	0.18%	0.99%	9.29	0.78	7.2%
U Capital GCC 50 Index	1,432.85	3.69	0.26%	0.58%	20.83	2.24	3.5%
U Capital MENA 200 Index	1,122.07	0.86	0.08%	2.87%	16.95	2.01	4.1%
MSCI GCC Countries Index	567.42	-0.01	0.00%	3.38%	22.36	1.90	3.0%
Muscat Securities Market	3,638.84	-34.61	-0.94%	-0.54%	11.85	0.70	6.9%
Saudi Stock Exchange	8,898.68	-15.61	-0.18%	2.41%	35.61	2.13	2.4%
Kuwait Stock Exchange	5,656.28	19.91	0.35%	1.99%	36.14	1.40	3.5%
Qatar Exchange	10,913.83	47.22	0.43%	4.58%	18.54	1.59	3.6%
Bahrain Stock Exchange	1,459.44	7.28	0.50%	-2.04%	14.17	0.97	4.6%
Dubai Financial Market	2,702.34	-18.96	-0.70%	8.44%	12.82	0.94	3.6%
Abu Dhabi Exchange	5,266.72	-24.01	-0.45%	4.39%	20.93	1.48	4.6%
Beirut Stock Exchange	660.10	-0.57	-0.09%	0.34%	22.51	0.49	0.0%
Palestine Stock Exchange	477.71	0.68	0.14%	1.37%	18.68	1.13	4.2%
Tunis Se Index	6,717.73	6.32	0.09%	-2.43%	20.31	2.21	0.6%
EGX 30 Index	11,453.43	64.53	0.57%	5.61%	12.24	1.55	2.8%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,735.7	-0.97%	4.26%
DAX	Germany	13,787.7	-1.44%	0.50%
CAC 40	France	5,611.7	-1.22%	1.09%
United States				
DJIA	USA	30,814.3	-0.57%	0.68%
S&P 500	USA	3,768.3	-0.72%	0.32%
NASDAQ	USA	12,998.5	-0.87%	0.86%
Asia Pacific				
NIKKEI 225	Japan	28,519.2	-0.62%	3.92%
HANG SENG	Hongkong	28,573.9	0.27%	4.93%
KSE 100 Index	Pakistan	45,931.0	-0.13%	4.97%
NSE Nifty 50	India	14,433.7	-1.11%	3.23%
SHANGHAI COMPOSITE	China	3,566.4	0.01%	2.69%
SHANGHAI SHENZHEN CSI 300	China	5,458.1	-0.23%	4.74%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.770	1.298
British Pound (GBP)	1.359	0.736
Canadian Dollar (CAD)	0.785	1.273
Chinese Renminbi (CNH)	0.154	6.485
Egyptian Pound (EGP)	0.064	15.652
Euro (EUR)	1.208	0.828
Indian Rupee (INR)	0.014	73.066
Japanese Yen (JPY)	0.010	103.850
New Zealand Dollar (NZD)	0.713	1.403
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.623	160.316
Russian Ruble (RUB)	0.014	73.630
Singapore Dollar (SGD)	0.752	1.330
Turkish Lira (TRY)	0.134	7.473

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	55.1	-2.34%	6.37%
WTI Crude (per bbl)	52.4	-2.26%	7.91%
Oman Crude Oil (Last Closing)	54.8	-2.06%	7.29%
OPEC (per bbl)	55.2	-1.11%	9.85%
Precious Metals			
Gold100 OZ (per oz)	1,828.5	-0.98%	-3.68%
Silver (per oz)	24.8	-2.94%	-6.19%
Platinum (per oz)	1,075.2	-4.19%	0.29%
Other Metals			
Copper, MT	7,949	-1.24%	2.36%
Aluminium, MT	1,991	-0.72%	0.58%
Lead, MT	1,998	-1.60%	0.18%
Zinc, MT	2,699	-2.10%	-1.89%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.40	-22.9%
Saudi Arabia	0.82	0.0%
Kuwait	1.44	0.0%
Oman	2.67	-0.2%
Qatar	1.15	2.3%
Bahrain	2.23	-0.7%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
KUWAIT	20/03/2027	1.27
UAE	16/04/2030	1.70
QATAR	16/04/2030	1.77
SAUDI ARABIA	22/10/2030	2.23
OMAN	01/08/2029	5.67
BAHRAIN	14/05/2030	5.10

Midswaps	Price	YTM %
3 year	99.77	0.2
5 year	99.63	0.5
10 year	98.06	1.1
30 year	95.23	1.8

USD Libor	Rate (%)	YTD
1m	0.13	-10.0%
3m	0.22	-6.3%
6m	0.25	-3.7%
1 year	0.32	-5.6%

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: MSM closes lower led by financial sector companies

MSM30 Index ended the week down by 1.64 per cent. All Sectors ended positively except Financial. The Financial Index ended down 2.23 per cent. Industrial Index was higher by 1.56 per cent and the services Index was up by 0.17 per cent. MSM Shariah Index declined by 1.18 per cent. The Central Bank of Oman (CBO), in collaboration with Ministry of Finance and Ministry of Labour, has mandated that banks operating in the Sultanate provide a seamless mechanism for transferring salaries and recurring payments (bulk payments) of all government and private agencies/ companies through electronic banking services.

Source: [Oman Observer](#)

Bank Muscat posts net profit of OMR163.36 million

Bank Muscat, the leading financial services institution in the Sultanate, announced its preliminary unaudited results for the year ended December 31, 2020. The financial results are subject to the approval of External Auditors, Board of Directors, Central Bank of Oman and the shareholders of the bank. The bank posted a net profit of OMR163.36 million for the year compared to OMR185.55 million reported during the same period in 2019, a decrease of 12.0 per cent.

Source: [Times of Oman](#)

Liwa Plastics to boost Oman's polymer output to 1.5mtpa

Oman's production of polyethylene and polypropylene — two key polymer-based commodities with wide application in an extensive array for products of everyday use — rises to over 1.5 million tonnes per annum (mtpa) when the Liwa Plastics Industries Complex (LPIC), a mega petrochemicals project, is shortly brought into full commercial operation at the Port of Sohar. Marketed locally and globally under the 'Luban' brand, polymer output from the \$6.7 billion Liwa Plastics project will position OQ — the integrated energy group of the Sultanate — as a leading producer and supplier of polyethylene and polypropylene to the global market.

Source: [Oman Observer](#)

Oman's Duqm Refinery is rebranded as OQ8

Duqm Refinery, the Sultanate's biggest industrial investment — a \$7-billion venture under implementation at the Special Economic Zone (SEZ) at Duqm — has been rebranded as OQ8. The announcement came in a tweet posted over the weekend by Duqm Refinery and Petrochemical Industries Company (DRPIC), a joint venture of OQ — the wholly Omani government owned integrated energy group, and Kuwait Petroleum International (Q8).

Source: [Oman Observer](#)

Oman oil price falls by 73 cents

Dubai Mercantile Exchange (DME) said that Oman oil price (March Delivery 2020) reached US\$55.69. The DME statement said that the price of Oman oil on Thursday declined by 73 cents from the price of Wednesday, which was at US\$56.42. The average price of Oman oil (February Delivery 2021) has stabilised at US\$50, thus US\$6.17 per barrel higher than January 2021.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi to reopen Qatar embassy in coming days - Saudi minister

Saudi Arabia expects to re-open its embassy in Qatar in the coming days, Saudi's foreign minister said on Saturday, following a U.S.-backed detente last week in a three-year-old dispute between Arab states. It is just a matter of logistics, Saudi Arabia's Foreign Minister Faisal bin Farhan told journalists in Riyadh when asked about embassy reopenings. Full diplomatic relations will resume, he added.

Source: [Reuters](#)

Saudi inflation to remain high until first half of 2021 - Capital Economics

Inflation in Saudi Arabia dropped back to 5.3 percent y-o-y in December 2020. But the effect of tripling VAT in July last year will continue to keep the headline rate elevated until the middle of this year, London-based Capital Economics said in a research note. Saudi Arabia's headline inflation rate eased from 5.8 percent year-on-year (y/y) in November to 5.3 percent y/y in December, its weakest reading pace since the VAT rate was hiked by 10 percent-points in July last year. On a month-on-month basis, which tends to be volatile due to seasonal effects, consumer prices fell for a second consecutive months, by 0.2 percent.

Source: [Zawya](#)

Dubai Customs posts 23% growth in transactions in 2020

Dubai Customs registered a strong 23 per cent growth in customs transactions last year despite challenging global environment caused by the Covid-19 pandemic. Latest data indicates that customs transactions recorded by Dubai Customs rose to 16 million last year compared to 10.6 million in 2019, reflecting the resilience of Dubai's economy and its ability to turn challenges into opportunities. Around 15.9 million, or 99.3 per cent, of last year's transactions were completed through the organisation's smart and electronic channels.

Source: [Khaleej Times](#)

NCB plans to issue dollar-denominated additional Tier-1 sukuk

National Commercial Bank (NCB) announced the intention of NCB Tier 1 Sukuk Ltd., an exempted company with limited liability in the Cayman Islands, to issue US dollar-denominated additional Tier-1 sukuk, the bank said in a statement to Tadawul today, Jan. 17. NCB mandated Citigroup Global Markets Ltd., Emirates NBD Capital, Goldman Sachs International, J.P. Morgan Securities, MUFG Securities (EMEA), NCB Capital and Standard Chartered Bank as joint lead managers and bookrunners for the potential offer. The potential offer aims to enhance the bank's Tier-1 capital, and in addition it will be used for general corporate purposes.

Source: [Argaam](#)

CBK issues KWD 240m bonds

The Central Bank of Kuwait (CBK) has issued bonds and related Tawarruq at a total value of KWD 240 million, according to a press release on Monday. With a three-month maturity period, the issued bonds and related Tawarruq have a return rate of 1.125%. It is noteworthy to mention that Tawarruq allows institutions to raise funds or debts to convert them to securities.

Source: [Mubasher](#)

Standard Chartered expects Qatar's economy to grow 3% this year

Standard Chartered expected Qatar's economy to grow by 3% this year as the easing of a three-year-old regional dispute will help trade, tourism, and logistics, Reuters reported. The British lender had revised its previous 2.1% growth estimate. On Tuesday, Saudi Arabia and its Arab allies agreed to end a boycott imposed since mid-2017 over allegations that Qatar supports terrorism, charges it has denied. Standard Chartered added the UAE lifting restrictions on trade and travel to Qatar could help the UAE's trade recovery, as it will lead to less trade and transit volume via Oman's port and airport.

Source: [Mubasher](#)

Jeddah Islamic Port saw 12% rise in container traffic last year

Jeddah Islamic Port (JIP) saw a 12 percent year-on-year increase in the number of transshipment containers processed in 2020, despite the global slowdown in trade due to the pandemic. The port processed an extra 2.5 million standard containers last year, in line with the Kingdom's ambition to become a global logistics center, the Saudi Press Agency reported. More than 13 percent of the volume of international maritime trade passes through the port, which is considered a link between Asia, Europe and Africa.

Source: [Zawya](#)

Bahrain's Bank ABC completes acquisition of Blom Bank Egypt for \$480m

Bahrain's Arab Banking Corporation (Bank ABC) finalised the acquisition of Blom Bank's unit in Egypt for \$480 million, two banking sources told Reuters on Thursday. All physical and non-physical assets and customer accounts are included in the deal, the sources added. In September, the Bahraini lender said that it was in talks with Blom Bank to acquire its subsidiary in Egypt.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Biden's stimulus plan could drive out funds from Asia to the U.S., JPMorgan says

Asia's emerging markets could become a casualty as a result of U.S. President-elect Joe Biden's latest \$1.9 trillion Covid relief plan. That's according to James Sullivan, head of Asia ex-Japan equity research at JPMorgan. "Most investors were very positive on Asia and emerging markets relative to the U.S." before details of the latest rescue package were announced, Sullivan told CNBC's "Street Signs Asia" on Friday. "We've seen over 18 consecutive weeks of fund inflows into Asia ex-Japan over the course of the last couple of months," he said, adding that it is "highly likely" that funds start to rotate out of emerging markets in Asia back to the U.S. as a result of the boost to economic growth from Biden's plan.

Source: [CNBC](#)

Trump directs government to minimize procurement from China

In another action against China days before he leaves office, U.S. President Donald Trump on Friday directed government departments to look at ways to minimize procurement of Chinese goods and services to reduce the risks from espionage, his national security adviser said. In a statement, Robert O'Brien accused China of targeting the information systems of the U.S. government for personnel records, military plans, and other data through cyber and other means.

Source: [Reuters](#)

UK eyes one-off COVID-19 grant instead of permanent benefit hike – Times

British finance minister Rishi Sunak has proposed giving a one-off 500 pound (\$679) grant to recipients of the country's main unemployment and wage support benefit instead of extending a temporary increase on the welfare payments, The Times reported on Saturday. British welfare benefits for working-age adults are low compared with elsewhere in Europe, and the government temporarily increased them by 20 pounds per week last year at the start of the coronavirus pandemic as job openings dried up.

Source: [Reuters](#)

COMMODITIES NEWS

Oil drops over 2% on China lockdowns, U.S. stimulus concerns

Oil prices fell more than 2% on Friday, with both contracts posting a loss on the week as concerns about Chinese cities in lockdown due to coronavirus outbreaks tempered a rally driven by strong import data from the world's biggest crude importer. Brent fell \$1.32, or 2.3%, to settle at \$55.10 a barrel. U.S. West Texas Intermediate crude settled down \$1.21, or 2.3%, at \$52.36 a barrel.

Source: [Reuters](#)