

U Capital Morning Brief

18 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	828.95	-10.21	-1.22%	-0.23%	9.59	0.78	7.2%
U Capital GCC 50 Index	1,427.80	-5.05	-0.35%	0.58%	20.71	2.24	3.5%
U Capital MENA 200 Index	1,118.68	-3.39	-0.30%	2.56%	17.04	2.02	4.0%
MSCI GCC Countries Index	565.49	-1.93	-0.34%	3.02%	22.26	1.89	3.0%
Muscat Securities Market	3,641.95	3.11	0.09%	-0.46%	12.14	0.70	6.9%
Saudi Stock Exchange	8,874.90	-23.78	-0.27%	2.13%	35.51	2.13	2.4%
Kuwait Stock Exchange	5,654.34	-1.94	-0.03%	1.95%	36.12	1.40	3.5%
Qatar Exchange	10,860.72	-53.11	-0.49%	4.07%	18.22	1.58	3.6%
Bahrain Stock Exchange	1,453.38	-6.05	-0.41%	-2.44%	14.11	0.97	4.6%
Dubai Financial Market	2,695.05	-7.29	-0.27%	8.15%	12.78	0.94	3.6%
Abu Dhabi Exchange	5,279.98	13.27	0.25%	4.65%	20.98	1.48	4.6%
Beirut Stock Exchange	660.10	-0.57	-0.09%	0.34%	22.61	0.49	0.0%
Palestine Stock Exchange	476.74	-0.97	-0.20%	1.16%	18.64	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	11,446.53	-6.90	-0.06%	5.54%	12.23	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	28,216.5	-1.06%	2.81%
HANG SENG	Hongkong	28,731.9	0.56%	5.51%
KSE 100 Index	Pakistan	45,848.9	-0.18%	4.78%
NSE Nifty 50	India	14,297.9	-0.94%	2.26%
SHANGHAI COMPOSITE	China	3,598.9	0.91%	3.62%
SHANGHAI SHENZHEN CSI 300	China	5,523.5	1.20%	5.99%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.768	1.302
British Pound (GBP)	1.356	0.737
Canadian Dollar (CAD)	0.782	1.278
Chinese Renminbi (CNH)	0.154	6.498
Egyptian Pound (EGP)	0.064	15.652
Euro (EUR)	1.207	0.828
Indian Rupee (INR)	0.014	73.259
Japanese Yen (JPY)	0.010	103.720
New Zealand Dollar (NZD)	0.712	1.404
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.624	160.316
Russian Ruble (RUB)	0.014	73.630
Singapore Dollar (SGD)	0.750	1.333
Turkish Lira (TRY)	0.134	7.464

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	54.6	-1.00%	5.31%
WTI Crude (per bbl)	51.9	-0.86%	6.99%
Oman Crude Oil (Last Closing)	54.8	-2.06%	7.29%
OPEC (per bbl)	55.2	-1.11%	9.85%
Precious Metals			
Gold 100 OZ (per oz)	1,831.3	0.15%	-3.53%
Silver (per oz)	24.9	0.59%	-5.62%
Platinum (per oz)	1,084.2	0.86%	1.12%
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	0.38	-26.1%
Saudi Arabia	0.82	0.0%
Kuwait	1.44	0.0%
Oman	2.67	-0.3%
Qatar	1.01	-9.9%
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

MSM index closed at 3,641.951 points, up 0.09 per cent from the previous close.

The Sharia Index ended up 0.46 per cent at 521.46 points. Al Jazeera Steel Products, up 6.86 per cent, was the top gainer while National Gas, down 5.33 per cent, was the top loser. Shares of Al Omaniya Financial were the most active in terms of the number of shares traded and Al Jazeera Steel was the most active in terms of turnover. A total number of 295 trades were executed during the day's trading session, generating a turnover of OMR0.48 million, with more than 3.4 million shares changing hands. Out of 43 traded stocks, 10 advanced, 20 declined and 13 remained unchanged.

Source: [Times of Oman](#)

Oman REIT Fund seeks to leverage portfolio of prestigious assets

Well-known retail, commercial, office and residential landmarks are among a geographically diverse portfolio of 20 properties that form part of the Oman REIT Fund, which opened for public subscription on Sunday.

Shumookh Fund Management LLC, the investment arm of the Public Establishment for Industrial Estates (Madayn), is the investment manager of the REIT Fund, while United Securities is the Issue Manager. Forty per cent of the Fund's total value of RO 65.48 million is being offered for subscription via an Initial Public Offering (IPO) which runs until January 31, 2021. However, depending upon demand, the issuer can accept up to 60 per cent of total fund, the promoters announced on Thursday.

Source: [Oman Observer](#)

Port of Salalah net climbs to RO 14.62m in 2020

Salalah Port Services Company SAOG, the owner and operator of Port of Salalah, reported a steep increase in post-tax profit, which climbed to RO 14.620 million last year, up from RO 5.690 million a year earlier. Total revenue for the year was up 19 per cent to RO 76.708 million last year, which includes RO 11.397 million received by the port as the balance of compensation from insurers towards damage sustained by the gateway during Cyclone Mekunu in May 2018. Total expenditure also climbed 5 per cent to RO 62.089 million last year, up from RO 58.999 million a year earlier.

Source: [Oman Observer](#)

Covid-19 Supreme Committee Imposes Weeklong Lockdown on Border Outlets, Extendable

The Supreme Committee tasked with tackling developments resulting from coronavirus (Covid-19) pandemic held a follow-up meeting as part of its ongoing convening to manage updates of the pandemic, protect society against it and study ways to curb its spread.

Source: [ONA](#)

Omanis Registered in Public Sector Pension Funds Reach 196,544 till Oct 2020

The number of Omani employees registered in public sector pension funds in the Sultanate at the end of October 2020 reached 196,544, comprising a drop by 0.5% compared to the previous month. According to the latest data released by the National Centre for Statistics and Information (NCSI), the total number for Omanis registered in public sector pension fund sat the end of October 2020 included 113,788 males and 82,756 females. According to the category of wages subject to contribution, the highest number for Omanis was in the wage category from RO 1,000 to less than RO 2,000, reaching 58,612 citizens.

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

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.

Source: [Zawya](#)

Dubai sees 132% increase in demand for e-commerce licence

Many new fledging entrepreneurs in Dubai have started an online business over the last 12 months when online shopping and e-commerce accelerated as a result of the coronavirus pandemic. The Dubai Economic Department (Dubai Economy) granted "DED Trader" licence to 5,799 businesses in 2020, up by 132 percent compared to 2019. The permit enables start-ups in Dubai to trade or conduct business activities online, including social networking sites. It is popular among entrepreneurs with limited capital, as it doesn't require a physical office or shop.

Source: [Zawya](#)

Emaar EC inks agreement to set up SAR 1.8 bln fund for developing resort project

Emaar The Economic City (Emaar EC) signed a framework cooperation agreement with the Tourism Development Fund, FTG Development Co., Albilad Investment Co. and Ekofine Holding BV to establish a SAR 1.8 billion closed and private investment fund. The fund, which will follow the requirements of the Capital Market Authority (CMA), will be responsible for developing and operating a 5-star resort and hotel with a water park and luxury overwater villas under the Rixos brand, one of the trademarks owned by Accor International, the company said in a bourse statement today, Jan. 17, 2021.

Source: [Argaam](#)

Mubadala, Adnoc and ADQ form new hydrogen alliance

Mubadala Investment Company, The Abu Dhabi National Oil Company (Adnoc), and ADQ announced the signing of a memorandum of understanding (MoU) to establish the Abu Dhabi Hydrogen Alliance. The Alliance partners will collaborate to establish Abu Dhabi as a trusted leader of low-carbon green and blue hydrogen in emerging international markets. They will also work together to build a substantial green hydrogen economy in the UAE.

Source: [Trade Arabia](#)

Du, Etisalat announce strategic partnerships with Emaar Properties

Du, from Emirates Integrated Telecommunications Company (EITC), and Etisalat, from Emirates Telecommunication Group Company, have announced the finalisation of their master developer agreements (MDA) with Emaar Properties. As part of the new partnership, both operators will, through the Taawun infrastructure deployment initiative, cover Emaar's major projects, providing essential telecommunications infrastructure.

Source: [Zawya](#)

Saudi support fund to provide economic stimulus for Tadawul-listed companies

Saudi Arabia's Projects Support Fund Initiative has signed an agreement with Tadawul, the Saudi Stock Exchange, to provide economic stimulus for listed companies. The initiative targets private sector companies in the healthcare, education and large real estate development sectors, in a bid to help gross domestic product growth, create employment and support local companies.

Source: [Arab News](#)

Emirates' trade surplus with GCC hits AED 3bn in 9M

The UAE's trade surplus with GCC countries amounted to AED 3 billion (\$817 million) during the first nine months of 2020. The achieved surplus excludes AED 35.601 billion worth of non-oil exports and AED 32.61 billion worth of imports during the January-September period of the last year, according to data from the Federal Competitiveness and Statistics Authority (FCSA). Meanwhile, re-exportation totalled AED 85.49 billion (\$23.3 billion), with the total trade between the UAE and GCC states hitting AED 153.7 billion (\$42 billion), representing 14.88% of the UAE's total trade.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China says its economy grew 2.3% in 2020, but consumer spending fell

China reported Monday that its economy grew 2.3% last year as the world struggled to contain the coronavirus pandemic. Gross domestic product rose by 6.5% in the fourth quarter from a year ago, official data from the National Bureau of Statistics showed. Those numbers beat analysts' expectations. However, Chinese consumers remained reluctant to spend, as retail sales contracted 3.9% for the year. Retail sales for the fourth quarter rose 4.6% from a year ago.

Source: [CNBC](#)

Yen gains, euro squeezed as recovery doubts creep in

The dollar clung to gains on Monday and the Japanese yen edged higher as softening U.S. economic data and rising global coronavirus cases kept investors cautious, while lockdowns and Italian political turmoil held the euro under pressure. The euro dipped to a six-week low of \$1.2066 in Asia and fell to a one-month low of 125.20 yen. The yen was last up about 0.2% at 103.70 per dollar and it also rose on the risk-sensitive Australian and New Zealand dollars.

Source: [Reuters](#)

Trump administration slams China's Huawei, halts shipments from Intel and others, sources say

The Trump administration notified Huawei suppliers, including chipmaker Intel, that it is revoking certain licenses to sell to the Chinese company and intends to reject dozens of other applications to supply the telecommunications firm, people familiar with the matter told Reuters. The action – likely the last against Huawei Technologies under Republican President

Donald Trump – is the latest in a long-running effort to weaken the world’s largest telecommunications equipment maker, which it says is a threat to U.S. national security and foreign policy interests.

Source: [CNBC](#)

France wants suspension of 'poisonous' U.S.-Europe trade spat

The European Union and the incoming administration of U.S. President-elect Joe Biden should suspend a trade dispute to give themselves time to find common ground, France’s foreign minister said in remarks published on Sunday. “The issue that’s poisoning everyone is that of the price escalation and taxes on steel, digital technology, Airbus and more particularly our wine sector,” Jean-Yves Le Drian told Le Journal du Dimanche in an interview.

Source: [Reuters](#)

COMMODITIES NEWS

Oil drops 1% as rising coronavirus cases end supply-led rally

Oil prices fell on Monday, extending losses that last week ended a rally driven by production cuts and strong Chinese demand, with the market’s recovery outlook being called into question as coronavirus infections rise. Brent crude fell 45 cents, or nearly 1%, to \$54.65 a barrel by 0207 GMT, after dropping 2.3% on Friday. U.S. oil was down by 43 cents, also nearly 1%, at \$51.93 a barrel, having declined 2.3% in the previous trading session.

Source: [Reuters](#)