

# U Capital Morning Brief

24 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	852.41	9.30	1.10%	2.59%	10.14	0.82	7.0%
U Capital GCC 50 Index	1,452.00	-4.45	-0.31%	0.58%	20.74	2.35	3.5%
U Capital MENA 200 Index	1,135.24	-4.78	-0.42%	4.08%	18.01	2.01	4.0%
MSCI GCC Countries Index	568.54	0.04	0.01%	3.58%	22.19	1.90	3.0%
Muscat Securities Market	3,747.53	31.72	0.85%	2.43%	13.53	0.72	6.7%
Saudi Stock Exchange	8,876.49	-1.81	-0.02%	2.15%	34.87	2.13	2.4%
Kuwait Stock Exchange	5,687.17	6.01	0.11%	2.54%	36.30	1.41	3.5%
Qatar Exchange	10,736.35	-62.87	-0.58%	2.88%	18.31	1.55	3.7%
Bahrain Stock Exchange	1,452.72	5.18	0.36%	-2.49%	14.11	0.97	4.6%
Dubai Financial Market	2,735.61	-56.70	-2.03%	9.78%	12.97	0.95	3.6%
Abu Dhabi Exchange	5,611.30	-64.85	-1.14%	11.22%	22.53	1.58	4.4%
Palestine Stock Exchange	482.33	0.05	0.01%	2.35%	18.86	1.14	4.2%
Tunis Se Index	6,652.03	-48.87	-0.73%	-3.38%	20.09	2.19	0.6%
EGX 30 Index	11,654.58	55.68	0.48%	7.46%	12.45	1.58	2.7%
Amman General Index	1,707.90	-31.41	-1.81%	3.06%	34.30	0.75	3.4%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	6,695.1	-0.30%	3.63%
DAX	Germany	13,874.0	-0.24%	1.13%
CAC 40	France	5,559.6	-0.56%	0.15%
<b>United States</b>				
DJIA	USA	30,997.0	-0.57%	1.28%
S&P 500	USA	3,841.5	-0.30%	2.27%
NASDAQ	USA	13,543.1	0.09%	5.08%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	28,631.5	-0.44%	4.33%
HANG SENG	Hongkong	29,447.9	-1.60%	8.14%
KSE 100 Index	Pakistan	45,868.0	-0.25%	4.83%
NSE Nifty 50	India	14,371.9	-1.50%	2.79%
SHANGHAI COMPOSITE	China	3,606.8	-0.40%	3.85%
SHANGHAI SHENZHEN CSI 300	China	5,569.8	0.09%	6.88%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.772	1.296
British Pound (GBP)	1.369	0.731
Canadian Dollar (CAD)	0.785	1.273
Chinese Renminbi (CNH)	0.154	6.497
Egyptian Pound (EGP)	0.064	15.721
Euro (EUR)	1.217	0.822
Indian Rupee (INR)	0.014	72.975
Japanese Yen (JPY)	0.010	103.780
New Zealand Dollar (NZD)	0.719	1.393
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.622	160.700
Russian Ruble (RUB)	0.013	75.296
Singapore Dollar (SGD)	0.753	1.329
Turkish Lira (TRY)	0.135	7.417

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	55.4	-1.23%	6.97%
WTI Crude (per bbl)	52.3	-1.62%	7.73%
Oman Crude Oil (Last Closing)	55.3	-1.16%	8.21%
OPEC (per bbl)	55.1	-1.09%	9.75%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,855.6	-0.77%	-2.25%
Silver (per oz)	25.5	-1.71%	-3.44%
Platinum (per oz)	1,103.2	-2.43%	2.90%
<b>Other Metals</b>			
Copper, MT	7,998	-0.30%	2.98%
Aluminium, MT	1,995	-0.15%	0.76%
Lead, MT	2,047	0.29%	2.63%
Zinc, MT	2,715	0.22%	-1.31%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.36	-30.2%
Saudi Arabia	0.82	0.0%
Kuwait	1.44	0.0%
Oman	2.68	0.2%
Qatar	1.13	0.9%
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	1.72
QATAR	16/04/2030	1.78
SAUDI ARABIA	22/10/2030	2.23
OMAN	01/08/2029	5.53
BAHRAIN	14/05/2030	5.15

Midswaps	Price	YTM %
3 year	99.82	0.2
5 year	99.73	0.4
10 year	98.05	1.1
30 year	94.94	1.8

USD Libor	Rate (%)	YTD
1m	0.12	-13.3%
3m	0.22	-9.7%
6m	0.24	-8.4%
1 year	0.31	-8.7%

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 Rises 31 Points

Muscat Securities Market (MSM) general index (30) added (31.7) points on Thursday 21<sup>st</sup> of Jan 2021, comprising a rise by (0.85%) to close at (3747.53) points, compared to the last session, which stood at (3715.81) points. The trading value today stood at (RO1,700,860), comprising a decline by (31.6%), compared to the last session, which stood at (RO2,488,158). The report released by MSM pointed out that the market value rose by (0.176%) to reach about (RO20.34) billion. The report added that the value of shares bought by non-Omani investors reached (RO232,000), comprising (13.65%). The value of shares sold by non-Omani investors reached (RO199,000), comprising (11.68%).

Source: [ONA](#)

### Port of Salalah concludes 2020 with record container volume of 4.34 million TEUs

Despite the challenging situation caused by the COVID-19 pandemic, the Port of Salalah (Oman) finished 2020 with a record-breaking container volume of 4.34 million TEUs (twenty-foot-equivalent units) and thereby laying a solid foundation for uninterrupted operations also in 2021. The year 2020 had an unprecedented global impact on supply chain efficiencies with all players facing existential challenges which required fast, flexible, proactive and a very collaborative approach with all stakeholders for survival. The spectacular results accomplished by the port, in a rather difficult environment, have been attributed to the commitment and dedication displayed by the staff at every level across the organization and a strong commitment of its customers and business partners.

Source: [Times of Oman](#)

### Asyad-managed ports witness 17% increase in direct imports

Asyad managed ports of Port Sultan Qaboos and Ports of Khasab, Suwaiq and Shinas, witnessed a 17 per cent increase in direct imports compared to 2019, managing to handle one million and 722,000 tonnes of general cargo during the period from January to December 2020. This surge in the volume of direct imports included 245,000 tonnes of fruits and vegetables and 954,000 heads of cattle handled through MARAFI, recording a fourfold and threefold growth of 381 per cent and 181 per cent respectively against 2019.

The commercial vessels rose to 4,350, a rise of 5 per cent in the number of ships in 2020 versus 2019. The cruise vessels decreased by 72 due to the global COVID-19 pandemic, which caused cruising lines to suspend their operations worldwide.

Source: [Times of Oman](#)

### Sumitomo Corp weighs unique hydrogen project in Oman

MoU with ARA Petroleum to study feasibility of producing hydrogen from associated flare gas to power electric vehicles. Adding further momentum to the Sultanate's ambitions to evolve into a global hub for hydrogen production as a zero-carbon energy source, Japanese conglomerate Sumitomo Corporation is weighing plans to develop a first-of-its-kind hydrogen plant in Oman in partnership with a local upstream energy firm.

Source: [Oman: Observer](#)

### COVID-19, low oil prices take toll on Oman's GDP

2020 was a tough year for Oman's economy as the country faced the dual-shock of the coronavirus pandemic and sudden decline in oil prices which badly affected economic activities and government's fiscal position. Oman's nominal GDP decreased by 16.5 per cent to RO18.190bn in the first nine months of 2020 compared to RO21.776bn in the same period of the previous year, according to the official figures released on Thursday. The sultanate's Ministry of Economy estimates the nominal GDP to stand at around RO24.7bn for the full year 2020.

Source: [Muscat Daily](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### UAE realty market on solid growth track due to lucrative business ambience

The UAE real estate sector market is on solid growth track and is marching ahead in 2021 due to major incentives launched by the government and lucrative business ambience in the country, according to a senior official.

Source: [Zawya](#)

### UAE telecom giants Etisalat, Du increase foreign ownership limit to 49%

UAE's telecom giants Etisalat and Du have raised foreign ownership caps to 49 percent in a move to attract external investors. "Etisalat Group's Board of Directors discussed increasing the ownership limit of the Non-UAE Nationals in the Company and resolved to increase such limit from 20% to 49% of its capital," the company notified the Abu Dhabi Securities Exchange,

where its shares are traded. The decision is subject to approval from the company's general assembly and regulatory authorities.

Source: [Zawya](#)

### **Announcement Regarding The Approval On Listing and Trading Government Debt Instruments**

The Saudi Stock Exchange (Tadawul) has issued its resolution approving the listing request of the debt instruments issued by the Government of the Kingdom of Saudi Arabia submitted by the Ministry of Finance as per the Listing Rules with a total value of (2,955,020,000) SAR.

Source: [tadawul](#)

### **Sukuk issuances beat 2019 record, fueled by COVID-19 crisis**

Total sukuk issuances worldwide set a new record during 2020, reaching a total of \$172.1 billion, compared to \$169.1 billion issued in 2019, according to global data provider Refinitive. Sukuk issuances saw strong momentum during the first nine months of 2020 as COVID-19 lockdown measures and a crash in oil prices prompted a ramp-up in sovereign issuance in key sukuk markets. This was to finance sweeping stimulus packages aimed at alleviating the economic impact of the pandemic.

Source: [Zawya](#) .

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **U.S. factory activity near 14-year high; home sales rise in December**

U.S. manufacturing activity surged to its highest level in nearly 14 years in early January, but bottlenecks in the supply chain caused by the COVID-19 pandemic are driving up prices and signaling a rise in inflation in the months ahead .Source Other data on Friday showed an unexpected increase in sales of previously owned homes in December. Manufacturing and the housing market are helping to anchor the economy, which is being battered by a wave of coronavirus infections. But the pandemic is causing labor shortages at construction sites and factories, which could erode some of the strength in the manufacturing and housing sectors.

Source: [Reuters](#)

### **Brazil's Vale, state government \$2 billion apart on disaster settlement, source says**

Brazilian miner Vale SA and state authorities narrowed their gap in a potential settlement deal over the Brumadinho mining disaster to 11 billion reais (\$2 billion) before talks fell apart, a person close to the negotiations told Reuters on Friday.

Source: [Reuters](#)

### **Apple and Tesla earnings, along with the Fed and GDP will drive markets in the week ahead**

Stimulus euphoria may be waning, but investors will have plenty to focus on in the week ahead, as a blast of earnings news hits, the Federal Reserve meets and new data will show the state of the economy at the end of the year.

Stocks gained in the past week on optimism for a \$1.9 trillion stimulus package, proposed by President Joe Biden. But by Friday, the market lost steam amid increased concerns about the pandemic's economic impact, and as it seemed Biden would not have an easy time getting the stimulus plan approved.

Apple, Facebook, Microsoft, Tesla and more than 100 other S&P 500 companies report earnings in the biggest rush of earnings reports this quarter.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil falls on China's COVID-19 cases, high crude build**

Oil prices settled lower on Friday, weighed down by a build in U.S. crude inventories and worries that new pandemic restrictions in China will curb fuel demand in the world's biggest oil importer rent crude futures fell 69 cents to settle at \$55.41 a barrel, for a 0.4% change on the week. U.S. West Texas Intermediate (WTI) crude futures fell 86 cents, or 1.6%, settling at \$52.27, nearly unchanged from the beginning of the week. Overall U.S. crude inventories surprisingly rose by 4.4 million barrels in the most recent week, versus expectations for a draw of 1.2 million barrels.

Source: [Reuters](#)

### **Even without Keystone XL, U.S. set for record Canadian oil imports**

The Keystone XL pipeline project may be dead, but the United States is still poised to pull in record imports of Canadian oil in coming years through other pipelines that are in the midst of expanding.

Source: [Reuters](#)

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