July 08, 2020



# Daily Morning Brief

#### **Equity Watch**

| -9                          |                    |                |             |          |          |              |              |            |
|-----------------------------|--------------------|----------------|-------------|----------|----------|--------------|--------------|------------|
| Indicators                  | M. Cap<br>(USD Bn) | Close<br>Price | Change<br>% | MTD<br>% | YTD<br>% | 3-Yr<br>CAGR | 5-Yr<br>CAGR | P/E<br>TTM |
| GCC Markets                 |                    |                |             |          |          |              |              |            |
| S&P GCC Composite           | 374                | 99             | 0.1         | 1.8      | -14.5    | 0.4          | -3.9         | 15         |
| Saudi (TASI)                | 2,242              | 7,401          | 0.1         | 2.4      | -11.8    | 1.1          | -4.4         | 18         |
| Qatar(QE Index)             | 134                | 9,244          | 0.5         | 2.7      | -11.3    | 1.3          | -4.9         | 14         |
| Abu Dhabi (ADI)             | 159                | 4,341          | 0.5         | 1.3      | -14.5    | -0.5         | -1.6         | 12         |
| Kuwait All Share Index (PR) | 97                 | 5,153          | 0.2         | 0.4      | -18.0    | 2.4          | -            | 13         |
| Kuwait All Share Index (TR) | 97                 | 6,179          | 0.2         | 0.6      | -14.8    | 5.8          | -            | 13         |
| Dubai (DFMGI)               | 61                 | 2,098          | 0.5         | 1.6      | -24.1    | -14.9        | -12.2        | 5          |
| Bahrain (BAX)               | 21                 | 1,281          | 0.3         | 0.2      | -20.5    | -0.8         | -0.8         | 9          |
| Oman(Muscat SM)             | 11                 | 3,503          | -0.2        | -0.4     | -12.0    | -12.0        | -11.5        | 8          |
| <b>Developed markets</b>    |                    |                |             |          |          |              |              |            |
| MSCI World Index            | 41,820             | 2,243          | -0.9        | 1.9      | -4.9     | 5.4          | 5.2          | 21         |
| U.S. (S&P 500)              | 27,849             | 3,145          | -1.1        | 1.5      | -2.6     | 9.1          | 8.7          | 22         |
| U.K. (FTSE)                 | 2,118              | 6,190          | -1.5        | 0.3      | -17.9    | -5.6         | -1.5         | 17         |
| Japan (Topix)               | 5,583              | 1,572          | -0.3        | 0.8      | -8.7     | -0.7         | -0.1         | 16         |
| Emerging markets            |                    |                |             |          |          |              |              |            |
| MSCI EM Index               | 5,789              | 1,053          | -0.8        | 5.8      | -5.6     | 1.6          | 2.4          | 16         |
| China (Shanghai Indx.)      | 5,605              | 3,507          | 0.4         | 12.1     | 9.7      | 1.3          | -2.9         | 15         |
| India (Sensex)              | 957                | 36,675         | 0.5         | 5.0      | -11.1    | 5.4          | 5.8          | 21         |

## Rlue Chin Watch

| Blue Chip Wa             | Blue Chip Watch   |                |             |          |          |              |              |            |  |
|--------------------------|-------------------|----------------|-------------|----------|----------|--------------|--------------|------------|--|
| Companies                | M.Cap<br>(USD Bn) | Close<br>Price | Change<br>% | MTD<br>% | YTD<br>% | 3-Yr<br>CAGR | 5-Yr<br>CAGR | P/E<br>TTM |  |
| Saudi Arabia             |                   |                |             |          |          |              |              |            |  |
| Saudi Aramco             | 1,771             | 33             | 0.8         | 2.2      | -5.8     | -            | -            | 21         |  |
| SABIC                    | 71                | 89             | 0.2         | 1.2      | -5.0     | -4.1         | -2.7         | 222        |  |
| Saudi Telecom            | 53                | 99             | -           | -0.3     | -3.0     | 10.4         | 8.0          | 18         |  |
| Al-Rajhi Bank            | 39                | 58             | -0.3        | 2.1      | -11.6    | 11.4         | 7.1          | 15         |  |
| NCB                      | 30                | 37             | -           | -0.1     | -24.5    | 3.7          | -3.4         | 10         |  |
| <b>United Arab Emira</b> |                   |                |             |          |          |              |              |            |  |
| ETISALAT                 | 39                | 17             | -           | 0.8      | 1.7      | -1.4         | 3.5          | 17         |  |
| FAB                      | 34                | 11             | 0.9         | 0.5      | -25.5    | 3.3          | 1.3          | 11         |  |
| Emirates NBD             | 26                | 1              | -4.8        | 25.8     | 65.5     | 18.3         | 5.2          | 18         |  |
| DP World                 | 15                | 9              | 0.5         | 0.5      | -31.5    | 4.2          | -1.1         | 4          |  |
| Intl. Holding Co.        | 15                | 30             | 1.8         | 2.2      | 383.9    | 170.2        | 86.4         | 92         |  |
| Kuwait                   |                   |                |             |          |          |              |              |            |  |
| NBK                      | 18                | 819            | -0.5        | -0.2     | -19.6    | 11.5         | 4.2          | 14         |  |
| KFH                      | 15                | 611            | -           | -0.2     | -17.1    | 18.9         | 9.3          | 17         |  |
| Zain                     | 8                 | 569            | 1.1         | 2.5      | -5.2     | 11.4         | 6.3          | 11         |  |
| Boubyan Bank             | 5                 | 539            | 0.2         | 1.3      | -11.7    | 17.7         | 11.4         | 27         |  |
| Agility                  | 4                 | 752            | 1.6         | 2.5      | -8.1     | 9.9          | 11.0         | 15         |  |
| Qatar                    |                   |                |             |          |          |              |              |            |  |
| Qatar National Bank      | 45                | 18             | -0.1        | 1.2      | -14.5    | 12.2         | 4.5          | 12         |  |
| Industries Qatar         | 14                | 8              | 0.9         | 5.8      | -20.8    | -4.5         | -9.6         | 23         |  |
| Qatar Islamic Bank       | 11                | 16             | 2.1         | 2.9      | 5.7      | 22.4         | 8.7          | 13         |  |
| Ezdan Holding            | 10                | 1              | -           | 17.3     | 116.3    | 2.9          | -5.3         | 228        |  |
| Masraf Al Rayan          | 8                 | 4              | -1.3        | 2.1      | -1.5     | -0.5         | -3.1         | 13         |  |

#### Top 5 Gainers\*

| •                                  |         |                    |             |          |          |
|------------------------------------|---------|--------------------|-------------|----------|----------|
| Companies                          | Country | M. Cap<br>(USD Bn) | Change<br>% | MTD<br>% | YTD<br>% |
| United Development Company         | Qatar   | 1.2                | 10.0%       | 10.0%    | -17.3%   |
| Saudia Dairy and Foodstuff Company | KSA     | 1.5                | 4.1%        | 8.2%     | 24.9%    |
| Human Soft Holding Company         | Kuwait  | 1.2                | 3.6%        | 6.2%     | -1.7%    |
| National Central Cooling Co        | UAE     | 1.5                | 3.1%        | 2.1%     | 2.6%     |
| Abdullah Al Othaim Markets Company | KSA     | 2.8                | 3.0%        | 3.8%     | 42.3%    |

## Top 5 Losers∗ ▼

| Companies                            | Country | M. Cap<br>(USD Bn) | Change<br>% | MTD<br>% | YTD<br>% |
|--------------------------------------|---------|--------------------|-------------|----------|----------|
| Abu Dhabi National Energy Company    | UAE     | 26.4               | -4.8%       | 25.8%    | 65.5%    |
| Orascom Construction                 | UAE     | 1.0                | -4.4%       | -13.6%   | -26.2%   |
| Vodafone Qatar                       | Qatar   | 1.4                | -3.7%       | 5.0%     | 0.9%     |
| Dana Gas                             | ÜAE     | 1.3                | -3.0%       | 4.4%     | -30.2%   |
| Qatar Aluminum Manufacturing Company | Qatar   | 1.2                | -2.1%       | 5.7%     | 1.5%     |

CAGR – Compounded annual growth rate | ADTV – Average daily traded value | M. Cap - Market capitalization TTM – Trailing twelve months | YTD – Year to date | \* Mcap > USD 1bn

TR = Total Return\PR = Price Return: Total Return is Price Return + Dividend Return

## **Market News**

- Kuwait will disburse some USD 780 million support Kuwaiti citizens employed in the private sector. Transfers would be made to Kuwaiti business owners and private sector employees for six months effective from last month. - Zawya
- Bahrain's real GDP contracted 1.1% in Q1 2020 on an annual basis. Oil sector recorded growth at an annual rate of 1.8% and non-oil sector GDP registered a decrease of 1.7%. - Zawya

## **Value Traded & Advances/Decline Ratio**

| Companies    | Value Traded<br>(USD mn) | Listed<br>companies | Advances | Declines | Unchanged | ADTV – 1M<br>(USD mn) |
|--------------|--------------------------|---------------------|----------|----------|-----------|-----------------------|
| Saudi Arabia | 1,398                    | 206                 | 114      | 64       | 28        | 3,940                 |
| Kuwait       | 63                       | 164                 | 55       | 32       | 77        | 98                    |
| UAE          | 126                      | 132                 | 31       | 20       | 81        | 126                   |
| Qatar        | 159                      | 46                  | 23       | 18       | 5         | 113                   |
| Bahrain      | 2                        | 44                  | 20       | 2        | 22        | 1                     |
| Oman         | 4                        | 121                 | 8        | 11       | 102       | 3                     |
| Total        | 1,751                    | 713                 | 251      | 147      | 315       | 4,280                 |

## **Yield Curve & CDS Watch**



### 5-year CDS Spread

| Country   | Current | 2019    | 52-Week  |       |  |
|-----------|---------|---------|----------|-------|--|
| Country   | Current | 2013    | High     | Low   |  |
| KSA       | 108.9   | 58.5    | 232.4    | 58.5  |  |
| Abu-Dhabi | 68.8    | 34.8    | 155.0    | 34.6  |  |
| Dubai     | 193.0   | 91.0    | 324.6    | 90.6  |  |
| Kuwait    | 64.6    | 44.9    | 84.0     | 30.4  |  |
| Qatar     | 60.2    | 36.8    | 181.0    | 36.5  |  |
| Oman      | 287.5   | 266.0   | 637.0    | 199.0 |  |
| Bahrain   | 345.8   | 167.1   | 508.5    | 158.5 |  |
| Lebanon   | -       | 3,065.7 | 13,893.4 | 872.0 |  |

## **Interest Rate Watch**

| Deposit Rate  | 3M Rate % | Spread % | 5YR Rate | 10YR Rate |
|---|-----------|----------|----------|-----------|
| U.S.  | 0.1       | -        | 0.3      | 0.7       |
| Kuwait  | 1.2       | 1.1      | 0.9      | 2.6       |
| KSA**   | 1.0       | 1.0      | 1.1      | 2.1       |
| UAE   | 0.3       | 0.2      | 0.9      | 1.6       |
| Qatar   | 0.3       | 0.2      | 2.4      | 1.9       |
| Oman  | 2.2       | 2.1      | 4.9      | 6.8       |
| Bahrain   | 2.0       | 1.9      | 4.1      | 5.5       |
| Euro Region   | -0.6      | -0.6     | -0.7     | -0.4      |
| Last FOMC Meeting Date: Jun 9/10 Next FOMC Mt Date: Jul 28/29 |           |          |          |           |

#### **Commodity Watch**

| Precious Metals       | Close   | Change | MTD  | YTD   | 52-Week |         |  |
|-----------------------|---------|--------|------|-------|---------|---------|--|
| r recious rictuis     | Price   | %      | %    | %     | High    | Low     |  |
| Gold \$/oz            | 1,794.3 | 0.6    | 0.8  | 18.3  | 1,794.3 | 1,405.9 |  |
| Silver \$/oz          | 18.3    | 0.5    | 0.9  | 2.6   | 19.6    | 12.0    |  |
| IPE Brent \$/bbl      | 43.1    | 0.0    | 4.7  | -34.7 | 68.7    | 19.5    |  |
| Bitcoin/USD           | 9,257.2 | -1.0   | 1.4  | 29.1  | 11,979  | 4,841.7 |  |
| <b>Currency Watch</b> |         |        |      |       |         |         |  |
| USD (1 EUR =)         | 1.1     | -0.3   | 0.3  | 0.5   | 1.1     | 1.1     |  |
| Yen (1 USD =)         | 107.5   | 0.1    | -0.4 | -1.0  | 112.1   | 102.3   |  |
| KWD (1 USD =)         | 0.3     | 0.1    | 0.1  | 1.6   | 0.3     | 0.3     |  |
| CNY (1 EUR =)         | 7.0     | 0.0    | -0.7 | 0.7   | 7.2     | 6.9     |  |
| CBOE VIX index        | 29.4    | 5.3    | -3.3 | 113.6 | 82.7    | 11.5    |  |

- EU to contract by a record 8.7% this year before growing by 6.1% in 2021. The forecast in early May was a 2020 downturn of 7.7% and a 2021 rebound of 6.3%. - Europea
- UK to spend USD 3.75 billion to improve the energy efficiency of homes and public buildings as part of broader plans to kick start the economy. -

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