

U Capital Morning Brief

31 January 2019

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	874.78	14.14	1.62%	-1.18%	-	-	-
U Capital GCC 50 Index	1,405.11	-6.15	-0.44%	8.62%	-	-	-
U Capital MENA 200 Index	1,108.49	0.02	0.00%	7.28%	-	-	-
MSCI GCC Countries Index	577.59	-0.19	-0.03%	7.39%	15.08	1.87	3.7%
Muscat Securities Market	4,215.76	43.40	1.04%	-2.50%	8.41	0.75	6.1%
Saudi Stock Exchange	8,583.63	2.15	0.03%	9.67%	18.44	1.90	3.3%
Kuwait Stock Exchange	5,203.45	18.24	0.35%	2.44%	15.35	1.25	3.8%
Qatar Exchange	10,719.40	-3.09	-0.03%	4.08%	15.75	1.59	4.1%
Bahrain Stock Exchange	1,392.46	6.66	0.48%	4.13%	9.01	0.87	5.9%
Dubai Financial Market	2,538.56	-27.54	-1.07%	0.35%	7.65	0.93	5.5%
Abu Dhabi Exchange	5,004.85	-28.20	-0.56%	1.83%	13.35	1.44	4.8%
Beirut Stock Exchange	948.72	1.85	0.20%	-2.87%	4.75	0.56	9.6%
Palestine Stock Exchange	530.11	-0.22	-0.04%	0.14%	13.06	1.23	4.5%
Tunis Se Index	7,243.99	15.41	0.21%	-0.38%	18.69	2.55	2.0%
EGX 30 Index	14,093.40	116.88	0.84%	8.11%	12.93	1.60	2.1%
Amman General Index	1,954.32	3.64	0.19%	2.38%	13.75	0.96	4.9%

* Kuwait YTD data is not available as the Index was reconstituted in April '18

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Australian Dollar (AUD)	0.727	1.376
FTSE 100	UK	6,941.6	1.58%	3.2%	British Pound (GBP)	1.313	0.762
DAX	Germany	11,181.7	-0.33%	5.9%	Canadian Dollar (CAD)	0.762	1.313
CAC 40	France	4,974.8	0.95%	5.2%	Chinese Renminbi (CNH)	0.149	6.706
United States					Egyptian Pound (EGP)	0.057	17.637
DJIA	USA	25,014.9	1.77%	7.2%	Euro (EUR)	1.151	0.869
S&P 500	USA	2,681.1	1.55%	6.9%	Indian Rupee (INR)	0.014	71.023
NASDAQ	USA	7,183.1	2.20%	8.3%	Japanese Yen (JPY)	0.009	108.800
Asia Pacific					New Zealand Dollar (NZD)	0.692	1.446
NIKKEI 225	Japan	20,804.2	1.20%	3.9%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	27,959.4	1.15%	8.2%	Pakistani Rupee (PKR)	0.723	138.485
KSE 100 Index	Pakistan	40,770.5	0.40%	10.0%	Russian Ruble (RUB)	0.015	65.490
NSE Nifty 50	India	10,707.9	0.53%	-1.4%	Singapore Dollar (SGD)	0.743	1.346
SHANGHAI Composite	China	2,594.5	0.74%	4.0%	Turkish Lira (TRY)	0.191	5.225
KOSPI Index	South Korea	2,213.6	0.34%	8.5%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				UAE	2.95
Brent Crude (per bbl)	62.2	0.94%	15.7%	Saudi Arabia	2.97
WTI Crude (per bbl)	54.6	0.65%	20.2%	Kuwait	2.56
Oman Crude Oil (Last Closing)	61.3	0.57%	14.5%	Oman	2.83
OPEC (per bbl)	59.7	0.24%	15.8%	Qatar	2.92
				Bahrain	3.95

Precious Metals	Price	D/D	YTD	GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Gold100 OZ (per oz)	1,319.7	-0.03%	2.9%	Kuwait	3/20/2027	3.54
Silver (per oz)	16.0	-0.18%	3.5%	Abu Dhabi	10/11/2027	3.53
Platinum (per oz)	817.4	-0.03%	2.7%	Qatar	6/2/2026	3.64
Other Metals				Saudi Arabia	3/4/2028	4.15
Copper, MT	6,136	1.42%	2.9%	Oman	1/17/2028	7.22
Aluminium, MT	1,910	0.92%	3.4%	Bahrain	10/12/2028	6.66
Lead, MT	2,090	0.72%	3.4%			
Zinc, MT	2,686	1.13%	8.9%			

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.05	2.48	1m	2.50
5 year	100.07	2.49	3m	2.74
10 year	103.83	2.68	6m	2.82
30 year	106.72	3.03	1 year	3.02

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Pact signed for Omani pavilion at Expo 2020

The first package of the Omani pavilion project at Expo 2020 Dubai was signed on Wednesday by Mohsin Bin Khamis Al Balushi, Advisor to the Ministry of Commerce and Industry and the Commissioner General of Oman at Expo 2020 Dubai, with Innovation Factory for Scientific Research and Development Company at the company's headquarters in Knowledge Oasis Muscat (KOM).

Source: [Times of Oman](#)

Al Buraimi turning into SME hub for Oman

In line with the government's vision of launching one's own start-up rather than banking on the public sector for jobs, Al Buraimi has come up with the highest number of SMEs per 1,000 people. Oman's SME hub for 2018, Al Buraimi, has struck a balance between Omanis and expats, and currently has the highest number of SMEs per capita in Oman at 1.67 businesses per 1,000 people. The governorate is followed by Muscat at 1.37 and North Al Sharqiya at 1.25 businesses per 1,000 people, while Musandam has 0.55 and Dhofar has 0.83 businesses per 1,000 people.

Source: [Times of Oman](#)

Total internet subscriptions surge 20.6%

Oman's total internet subscriptions, excluding active mobile subscriptions, surged by 20.6% to touch 423,567 by the end of December 2018, up from 351,335 by the end of December 2017. Of this, fixed broadband internet connections, which have more than 256 kilobytes speed, increased by 20.8% to 421,338 by the end of December 2018, compared to the same period in 2017, according to the latest data released by National Centre for Statistics and Information (NCSI). The number of active mobile broadband subscribers fell by 5.5% percent to 4.113 million by end of December 2018.

Source: [NCSI](#)

The Sultanate Improves Significantly on CPI 2018

The Sultanate has achieved its highest rise at the global level in the 2018 Corruption Perception Index (CPI), released today by Transparency International. The Sultanate's National Competitiveness Office (NCO) reported that the Sultanate has advanced eight points on CPI and ranked 53 in the world out of 180 countries and it jumped fifteen positions worldwide and came in third place in the Arab world.

Source: [NCSI](#)

State entities must curb tendency to intrude into private sector domain

A top adviser to the Omani government has warned that the propensity of some State Owned Enterprises (SOEs) to remain in operation or expand beyond their original remit could be hurtful to the interests of the private sector. Dr Julio C Saavedra (pictured), Senior Policy Adviser at the Office of the Adviser for Studies and Research at the Diwan of Royal Court, noted that SOEs, while serving an important purpose in catalyzing the growth of new markets, must know when to exit the market in order to make way for the private sector to grow.

Source: [Oman Observer](#)

Oman Trading International set to deliver first LNG shipment to Petrobangla

Oman Trading International Ltd (OTI), the trading arm of wholly state-owned Oman Oil Company, is set to deliver first LNG to Bangladesh this week, according to a report by S&P Global Platts, a leading provider of energy and commodities information. The shipment comes three months ahead of the scheduled start of its 10-year sales and purchase agreement (SPA) signed by OTI with Petrobangla, a government-owned national oil company of Bangladesh.

Source: [Oman Observer](#)

Bank Sohar board proposes dividend

Bank Sohar board proposed cash dividend of 6%.

Source: [MSM](#)

HSBC Oman proposes Cash Dividend of 9.3%

HSBC Oman proposes cash dividend of 9.3% i.e. 9.3 baiza per share.

Source: [MSM](#)

SMN POWER HOLDING - Return to service of Barka II steam turbines

SMN power announced that the maintenance activities of the two steam turbines have been resolved. Steam turbine 2 and 1 came online on 26th and 27th January 2019. Business interruption loss remain as previously announced at OMR 0.6mn.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Tadawul, MSCI launch tradeable index

The Saudi Stock Exchange (Tadawul) and index compiler MSCI Inc. announced on Wednesday the launch of the MSCI Tadawul 30 Index (MT30), a joint tradeable index. The MSCI Tadawul 30 Index (MT30) initially comprises the 30 largest securities listed on Saudi Arabian Equity Market, based on free float market capitalization and screened for liquidity and international investability. The index will be rebalanced four times a year, and the number of securities may vary within a range of 25-35 securities to reflect changes in the underlying market. Individual securities are capped at a maximum 15 percent weighting in the Index.

Source: [Saudi Gazette](#)

SR400 billion recovered in corruption crackdown

Custodian of the Two Holy Mosques King Salman has reviewed the final report submitted by Crown Prince Muhammad Bin Salman, chairman of the Supreme Committee to investigate public corruption, according to a Royal Court statement. The King approved the request of the Crown Prince to conclude the committee's tasks during which a total of SR400 billion were recovered in corruption cases representing several types of assets in real estate, companies, securities, and in cash.

Maaden likely to maintain profit growth in 2019: CEO

Saudi Arabian Mining Company (Maaden) is forecast to maintain profit growth in 2019 despite global economic woes, CNBC reported, citing chief executive officer and president, Darren Christopher. "Prices are estimated to stabilize at current levels, meanwhile, copper and aluminum prices are seen to drop," Christopher said.

Source: [Argaam](#)

Mortgage loans boosted Bank Albilad's results in 2018: CEO

Bank Albilad's profit growth in 2018 was driven by higher operating income, in addition to the strong performance of its real estate portfolio, Al Arabiya TV has reported, citing Chief Executive Officer, Abdul Aziz Al-Onaizan. The bank has highly contributed to the housing projects in the Kingdom over 2018, which boosted its mortgage loans portfolio, Al-Onaizan added.

Source: [Argaam](#)

Qurain Petrochemical Q3 profits rise 28.5%

Qurain Petrochemical Industries achieved a growth of 28.5% in profits during the third quarter ended 31 December, 2016 as compared to the same period a year ago. Earnings increased to KWD 6.09 million (\$19.91 million) in Q3-16 from KWD 4.74 million (\$15.5 million) in Q3-15, according to a bourse filing issued on Sunday. During the nine-month period ended 31 December, 2016, profits rose by 46.1% to total KWD 16.58 million from KWD 11.35 million in 2015.

Source: [Mubasher](#)

Moody's affirms ratings of Abu Dhabi Commercial Bank, Union National Bank and Al Hilal Bank

Moody's Investors Service ("Moody's") has today affirmed the local and foreign currency long-term and short-term deposit ratings of Abu Dhabi Commercial Bank (ADCB) at A1/P-1, Union National Bank PJSC (UNB) at A1/P-1 and Al Hilal Bank PJSC (AHB) long-term and short-term issuer ratings at A2/P-1. In addition, Moody's has affirmed the baseline credit assessments (BCAs) and adjusted BCAs, of ADCB at baa3/baa3 and UNB at baa3/baa3.

Source: [Moody's](#)

Dubai launches region's first rent-to-own title deed

Dubai Land Department has released a new title deed for rent-to-own properties under which for the first time in Dubai, the rent-to-own property is available to the buyers with a 20-year payment plan, according to Property Finder Group, a leading real estate portal in the Middle East region. Like many of Dubai's accomplishments, rent to own with a proper title deed is a first for the larger Middle East and North Africa (Mena) region and sets a trend for other markets to follow, it stated.

Source: [Trade Arabia](#)

Emirates Steel signs Dhs1bn agreement with Abu Dhabi Ports

Emirates Steel has signed a Dhs1bn agreement with Abu Dhabi Marine Services (Safeen), a subsidiary of Abu Dhabi Ports, it was announced on Wednesday. The agreement will be implemented in January 2021 and will extend over the following 10 years, a statement said. As per the agreement, Safeen will provide short marine shipping services for three shipments of iron ore per month to Emirates Steel, a subsidiary of the General Holding Corporation (Senaat).

Source: [Gulf Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Federal Reserve puts rate rises on hold as global economy slows

The Federal Reserve executed a sharp about-turn on Wednesday as it put further interest rate rises on hold, citing tepid inflation and rising risks to global economic growth. The change of tone was in stark contrast to the central bank's outlook just six weeks ago, when it was paving the way for further rate rises after pushing through a quarter-point rate increase. The turnabout came as a relief to investors griping that Jay Powell, the Fed chairman, has been too bullish about the outlook and insufficiently flexible about his balance sheet rundown programme.

Source: [Financial Times](#)

Turkey sure to slide in global economy ranking following IMF growth forecast - analyst

If the International Monetary Fund (IMF) outlook that Turkey will suffer a deeper contraction in growth this year than anticipated proves true, the country will slide a few spots on the list of global economies, from 17th to 20th place, wrote columnist for Sözcü daily Nuray Tarhan. The Washington-based organisation, in its updated World Economic Outlook said Turkey's global growth would weaken from 3.7 percent in 2018 to 3.5 percent this year, down 0.2 percentage points from its prediction last October.

Source: [Ahval](#)

Refiners Stung by Venezuela Sanctions Face U.S. Gulf Oil Exodus

Crude exports from the Gulf of Mexico are picking up at the worst time for American refiners. Rising production and falling freight rates are behind a surge of overseas shipments of Mars crude, a medium sour oil produced in the U.S. Gulf of Mexico. This comes as sanctions on Venezuela and OPEC's production cut agreement are limiting the availability of similar types of oil that U.S. refiners are optimized to process.

Source: [Bloomberg](#)

BOJ policymakers voiced concern over global economy: January summary

Bank of Japan policymakers expressed concern about growing risks to global growth posed by a slowdown in China's economy due to trade friction with the United States, a summary of opinions at the bank's January rate review showed on Thursday. One member said the central bank also needs to monitor developments in Europe's manufacturing sector to measure whether the health of the global economy was deteriorating.

Source: [Reuters](#)

Nasdaq Is Now Working With 7 Cryptocurrency Exchanges

Cryptocurrency exchanges who want to use Nasdaq's proprietary surveillance technology need to have more than money. A team of about 20 people contribute to helping in an elaborate due-diligence process aimed at ensuring that any exchange who wants to use the technology that scans for fraudulent transaction patterns is both technically capable, and morally inclined to use the powerful software wisely.

Source: [Forbs](#)

COMMODITIES NEWS

Petrol prices in UAE to fall in February

Motorists started the year with a substantial drop when the price of Special 95 fell below Dh2 a litre after a sharp fall in global oil prices. Fuel prices in the UAE were liberalised in August 2015, so they now move with the market. Brent crude oil was at about \$61.28 a barrel this morning. Global oil supply remains high largely due to a more than 2 million bpd increase in US crude oil production last year, to a record 11.9 million bpd.

Source: [The National](#)

Uthar Capital SAOC (U Capital)

Oinvest 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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