

U Capital Morning Brief

5 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	958.39	958.42	-0.03	0.00%	0.32%	-1.63%
U Capital GCC 50 Index	1,206.09	1,219.53	-13.44	-1.10%	-0.98%	5.37%
U Capital MENA 200 Index	1,039.55	1,048.92	-9.37	-0.89%	-0.64%	4.47%
MSCI GCC Countries Index	503.16	507.70	-4.53	-0.89%	-0.91%	4.88%
Muscat Securities Market	5,057.55	5,035.23	22.32	0.44%	1.15%	-0.82%
Saudi Stock Exchange	7,608.33	7,656.07	(47.74)	-0.62%	-0.55%	5.29%
Kuwait Stock Exchange	6,670.84	6,685.23	(14.39)	-0.22%	-0.25%	4.10%
Qatar Exchange	8,959.30	9,207.01	(247.71)	-2.69%	-2.67%	5.11%
Bahrain Stock Exchange	1,354.86	1,357.68	(2.82)	-0.21%	0.31%	1.74%
Dubai Financial Market	3,385.76	3,412.26	(26.50)	-0.78%	-0.25%	0.47%
Abu Dhabi Sec. Exchange	4,584.56	4,612.33	(27.77)	-0.60%	-0.38%	4.23%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD USD %			
FTSE 100	United Kingdom	7,443.4	(46.96)	(0.63)	Brent Crude (per bbl) <i>Updated</i>	67.89	(0.69)	(1.01)
DAX	Germany	12,785.2	(218.74)	(1.68)	WTI Crude (per bbl) <i>Updated</i>	64.81	(0.64)	(0.98)
CAC 40	France	5,365.0	(89.57)	(1.64)	Oman Crude Oil (Last Closing)	65.90	(1.13)	(1.69)
United States					Gold100 OZ (per oz)			
DJIA	USA	25,521.0	(665.75)	(2.54)	Silver (per oz)	16.68	0.09	0.53
S&P 500	USA	2,762.1	(59.85)	(2.12)	Platinum (per oz)			
NASDAQ	USA	7,240.9	(144.92)	(1.96)	Copper, MT	7,045.00	(74.00)	(1.04)
Asia Pacific					Aluminium, MT			
NIKKEI 225	Japan	22,704.2	(571.53)	(2.46)	Lead, MT	2,681.00	16.00	0.60
HANG SENG	Hongkong	32,022.8	(578.99)	(1.78)	Zinc, MT	3,502.00	(55.00)	(1.55)
Selected Middle East					Nickel, MT			
Tunis Se Index	Tunis	6,515.7	57.73	0.89		13,435.00	(565.00)	(4.04)
EGX 30 Index	Egypt	14,874.8	(213.82)	(1.42)				
Blom Stock Index	Lebanon	1,173.9	(1.38)	(0.12)				

Source: Bloomberg, U Capital- at 8:30AM Muscat time

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Cross Rate for Major Currencies*

Currency	Code	USD/1 Unit	Units/1 USD
Euro	EUR	1.246	0.803
British Pound	GBP	1.412	0.708
Japanese Yen	JPY	0.009	109.990
Chinese Renminbi	CNH	0.159	6.306
Indian Rupee	INR	0.016	64.134
Russian Ruble	RUB	0.018	56.551
Canadian Dollar	CAD	0.806	1.242
Australian Dollar	AUD	0.793	1.261

Source: Bloomberg Note: all prices/indices are updated till 8:30 AM Muscat time.* markets are closed on Saturday and Sunday

OMAN ECONOMIC & CORPORATE NEWS

His Majesty Sultan Qaboos, Abdel Fattah al Sisi review bilateral relations

His Majesty Sultan Qaboos received President Abdel Fattah al Sisi of the Arab Republic of Egypt, who arrived here on a three-day state visit to the Sultanate. An official welcome ceremony was accorded for the Egyptian President. Upon the arrival of the motorcade of the President to the reception building at Muscat Gate, His Majesty Sultan Qaboos led the welcoming party for the President.

Source: [Oman Observer](#)

Oman Air in global expansion drive

Oman Air's global expansion is set to reach new heights over the next 12 months with the introduction of new routes in North Africa and Europe, an increased capacity on flights to major destinations in Europe, and a focus on nurturing its branch network in India. With its ambitious vision, including major investments to its fleet, Oman Air is aiming to become the airline of choice for 39 million passengers by 2030. Senior officials in the company detailed the beginning of its new routes, with regular flights to Casablanca commencing in June, Istanbul in July, and Moscow in October this year.

Source: [Times of Oman](#)

Sohar Aluminum resumes full production

Sohar Aluminum successfully resumed full operations in record time after an unexpected disruption in its normal operations, which led to the complete shutdown of its Potline on August 4, 2017. The entire plant was involved in the recovery efforts to ensure the fastest return to full production, while sustaining excellent safety standards, said a company release. The recovery process was recognized as an important accomplishment within the aluminum industry.

Source: [Times of Oman](#)

PDO celebrates production plan milestone

Petroleum Development Oman (PDO) staged a celebration event to mark the delivery of its 100th field development plan (FDP). The ceremony, under the auspices of H E Dr Mohammed bin Hamad al Rumhi, Minister of Oil and Gas, included an exhibition at the company's Mina Al Fahal headquarters charting the 14-year achievement. PDO's field development plans cover all aspects involved in developing an oil or gas field, including safety, environmental and economic factors, reservoir characteristics, well design and construction, engineering and infrastructure.

Source: [Muscat Daily](#)

Oman, Egypt share common vision

Yusuf bin Alawi bin Abdallah, Minister Responsible for Foreign Affairs, affirmed the Sultanate's welcome to Abdel Fattah el-Sisi, President of Egypt, who is currently on a State visit to the Sultanate, as an Arab president of a sisterly Arab state with great responsibilities. In a joint interview with the Oman News Agency (ONA) and the Egyptian Middle East News Agency (MENA) on the occasion of the Egyptian president's visit, he said that the Sultanate has been keen for a long time since His Majesty Sultan Qaboos took power in the country to communicate with the sisterly Egypt in various stages of the Arab nation since more than forty years.

Source: [Oman Observer](#)

Eol for 100MW Amin Solar PV project extended

The deadline for the submission of Expressions of Interest (Eol) for a landmark 100 MW utility scale solar PV plant planned by Petroleum Development Oman (PDO) at Amin in southern Oman has been extended to February 14, 2018, the majority-state-owned oil and gas producer announced at the weekend. The project signals a stronger push towards renewable energy development as the PDO prepares to embrace a future that goes beyond its current focus on oil and gas as its core business.

Source: [Oman Observer](#)

Plans unveiled for Oman's biggest water project

Oman Power and Water Procurement Company (OPWP), the sole procurer of new power and water capacity under the Sector Law, has launched the competitive process for the implementation of the Sultanate's largest Independent Water Project (IWP), a 300,000 cubic metres per day (equivalent to 66 million imperial gallons per day MIGD) water desalination scheme due to come up at Al Ghubra in Muscat Governorate. The state-owned power procurer is set to issue a Request for Qualification (RfQ), marking the first step in the procurement of the greenfield water scheme. Interested international developers have until March 18, 2018 to prequalify to participate in the competitive tender.

Source: [Oman Observer](#)

Note: Kindly see the proposed dividend announcements of MSM on the last page

MIDDLE EAST ECONOMIC & CORPORATE NEWS

U Capital: GCC to see higher budgeted spending in 2018

The Gulf countries announced the largest ever budgeted spending, which is expected for 2018 despite the current oil prices, Uthmaniyah Capital said in a recent report. The GCC governments have shifted their strategy to expansionary budgets after exercising austerity policy in the last couple of years. Excluding Bahrain, the Gulf States announced that the overall budgeted spending of the GCC stands at \$430 billion for 2018 compared to \$411 billion in 2017, an annual growth of 7%.

Source: [Mubasher](#)

Al Inma Bank's deposits to grow by up to 12% in 2018 – CEO

Al Inma Bank's deposits are expected to increase by more than 12% during 2018, said CEO Abdulmohsen Al Fares. The kingdom's ninth-largest lender by assets plans to raise its market share in a bid to be one of the biggest four banks in the country, Al Arabiya.Net reported, citing Al Fares as saying. The bank's general expenses growth in 2017 was attributed to the inauguration of new branches, in addition to adding about 96 automated teller machines (ATMs) during the fourth quarter of 2017, Al Fares added.

Source: [Mubasher](#)

Maaden says it will continue to restructure debts

Saudi Arabian Mining Co. (Maaden) will continue to restructure its debt in a bid to balance its capital structure and improve solvency, the company said in a conference call regarding its FY 2017 earnings. The Tadawul-listed company plans to pay off \$588 million in debt in 2018. It added that 60 percent of its long-term loans are from commercial banks, while 33 percent are from the Public Investment Fund, and 7 percent are from the Saudi Industrial Development Fund. The company in 2017 "succeeded" in restructuring debt for Maaden Aluminum with better terms, including lower interest margins, it said.

Source: [Argaam](#)

Saudi Wealth Fund Is Said Near to Buying Stake in ACWA Power

Saudi Arabia's sovereign wealth fund is nearing an agreement to buy about a 10 percent stake in ACWA Power International ahead of an initial public offering by the Riyadh-based energy producer, according to people with knowledge of the matter. The Public Investment Fund, known as PIF, may sign an agreement with the power plant developer in the coming days, the people said, asking not to be identified because the information is private. Talks are still ongoing and may not result in a deal, they said. It's not immediately clear what valuation ACWA could get from the investment. Representatives for PIF declined to comment, while a representative for ACWA couldn't immediately comment. The potential investment from PIF comes at a time when ACWA is making plans to raise more than \$1 billion from an IPO, people familiar with the matter last month. The share sale would be one of the first to allow so-called Qualified Foreign Investors to participate in an IPO in the kingdom.

Source: [Bloomberg News Alert](#)

Saudi trade balance surplus hit SAR 41bn in November – GASTAT

Saudi Arabia's trade balance surplus surged 67.3% year-on-year during November 2017, data from General Authority for Statistics (GASTAT) revealed on Sunday. The kingdom's trade balance surplus amounted to SAR 40.91 billion in November 2017, compared to SAR 24.46 billion in the same period a year earlier, the GASTAT added. Exports of the world's top oil exporter stood at SAR 79.75 billion during November 2017, against SAR 38.84 billion in imports.

Source: [Mubasher](#)

Makkah Millennium Towers Hotel plans 20 Saudi hotels in 4 years

The 614-room and suites Makkah Millennium Towers Hotel claims to be an example of genuine Arabian hospitality and innovation. Makkah Millennium Towers Hotel, located by the Holy Haram Piazza in front of King Fahd Gate, continues to extend over 25 years of hospitality service in Makkah since Millennium Hotels & Resorts took over the operations of Makkah Construction & Development Company's Hotel & Towers under the new name, Makkah Millennium Towers Hotel. The rebranding of the hotel coincides with Millennium's goal to open over 20 hotels in Saudi Arabia over the next four years. The company is gearing up to capitalize on the expected increase in religious tourism to the holy city and the significant government investment in infrastructure.

Source: [Zawya](#)

Saudi Labor Ministry calls on employers to issue prepaid salary cards to domestic workers

The Ministry of Labor and Social Development has renewed its call for individual employers to issue prepaid payroll or salary cards to domestic workers as soon as they arrive in the Kingdom, the Saudi Press Agency (SPA) reported. "The ministry's wage protection system aims to protect the rights of all parties in the contractual relationship — both the employers and domestic workers — and electronically document employment contracts for these workers," said Khalid Aba Al-Khail, the ministry's spokesman.

Source: [Arab News](#)

Dubai's Al Khaleej in \$1 bln Egypt beet sugar mill deal

Dubai's Al Khaleej Sugar Refinery has agreed to build a major agro-industrial complex to produce beet sugar under a deal signed with the Egyptian government, the world's largest port-based sugar refinery said on Sunday. The project, named Al Canal Sugar, will be located only about 200 km (125 miles) from its market, Jamal al-Ghurair, managing director of the refinery, told an industry conference in Dubai.

Source: [Reuters](#)

Dubai plans to build 7200 units

Dubai Ruler and the UAE's Prime Minister Mohammed Bin Rashid Al Maktoum on Sunday approved the construction of 7,200 units over the next three years across the country, with a total cost of AED 7 billion. "Today, about 80% of the UAE's citizens have their own houses, making the UAE one of the leading countries in terms of landlordship," Al Maktoum added via Twitter. "I instructed competent authorities to provide citizens with state-of-the-art, sustainable, and ecofriendly infrastructure," the Prime Minister concluded.

Source: [Mubasher](#)

Air Arabia Starts Flights to Russia's Sheremetyevo Airport

Air Arabia, the Middle East and North Africa's largest low-cost carrier, started flights to Moscow's Sheremetyevo International Airport, adding a second route to the Russian capital, airline says in emailed statement. * Outbound flights from Sharjah International Airport will operate four times a week, before being upgraded to a daily service from March 1

Source: [Bloomberg News Alert](#)

KFH Capital arranges \$1bn Sukuk issue for DIB

KFH Capital, the investment arm of KFH Group, on Sunday stated that the bank has arranged the issuance of \$1 billion sukuk for Dubai Islamic Bank (DIB), said KFH Capital's chief investment banking officer Abdullah Al-Haddad. Acting as a lead arranger, KFH Capital arranged the Sukuk issuance of DIB's \$5 Billion Sukuk program. The Sukuk transaction was arranged by the Kuwait-based KFH Capital in collaboration with seven global banks, Al-Haddad revealed.

Source: [Mubasher](#)

Egypt to issue Eurobonds worth \$4-5bln within days- finance minister

Egypt is to issue dollar-denominated Eurobonds worth \$4 billion to \$5 billion within days, Finance Minister Amr El Garhy said on Sunday. Egypt sold \$7 billion in five-, 10- and 30-year bonds last year as it begins its return to international markets after turmoil following the ousting of president Hosni Mubarak in 2011.

Source: [Zawya](#)

Gulf Navigation plans fleet expansion to capitalize on higher oil prices

Dubai-based shipping firm Gulf Navigation plans to use the proceeds of a Dh448 million rights issue to expand its fleet in a bid to capitalize on higher oil prices, its chief executive said. "We are looking at a number of potentials - part of them is outright acquisitions and part of them is partial acquisitions," Khamis Juma Buamim said in a Bloomberg Television interview. "These are all to do with the oil and gas sector and the growth potentials that we foresee."

Source: [The National](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Interest rate angst trips up U.S. equity bull market

For nearly nine years, the global hunt for yield sent you to one place: the U.S. stock market. On Friday, stocks took their biggest pounding since September 2016, before U.S. President Donald Trump was elected, after the U.S. government's monthly payrolls report showed the biggest wage gains for workers since 2009. That convinced investors the threat of inflation, long tame since the 2007-2009 recession, is growing larger, sending bond yields soaring. With central banks having taken extraordinary measures to combat the financial crisis, driving interest rates to record lows and making safe assets like U.S. Treasuries a scarcity, investors of all stripes were forced to turn to equities.

Source: [Zawya](#)

Broadcom Is Said Planning to Boost Qualcomm Bid to \$120 Billion

Broadcom Ltd. plans to raise its bid for Qualcomm Inc. to around \$120 billion, according to a person with knowledge of the matter, trying to force its target to come to the table in what would be the largest-ever technology deal. The chipmaker is considering lifting its offer to about \$80 to \$82 per Qualcomm share, the person said, asking not to be identified because the information is private.

Source: [Bloomberg News Alert](#)

Dow futures slide more than 200 points as Wall Street adds to Friday's losses

U.S. stock futures fell sharply on Sunday as Wall Street added to the large losses set last week. Dow Jones industrial average futures pulled back more than 200 points and briefly fell more than 250 points, while S&P 500 and Nasdaq 100 futures declined 19 points and 37.75 points, respectively. The major U.S. stock indexes capped off their worst weekly performance in two years on Friday following a steep sell-off. The Dow and S&P 500 pulled back 4.1 percent and 3.9 percent, respectively, last week. The Nasdaq lost 3.53 percent.

Source: [CNBC](#)

Asia shares skid as inflation spectre spooks bonds

Asian shares fell the most in over a year today as fears of resurgent inflation battered bonds, toppled Wall Street from record highs and sparked speculation that central banks globally might be forced to tighten policy more aggressively. MSCI's broadest index of Asia-Pacific shares outside Japan shed 1.9 per cent in the largest daily drop since late 2016. E-Mini futures for the S&P 500 fell another 0.44 per cent, an unusually sharp move for Asian hours and suggesting further losses in US markets later in the session.

Source: [The Malay](#)

\$12.3b of Foreign Finance for Iran Electricity Industry

Foreign investors have finalized \$12.3 billion worth of contracts in Iran's power sector, the energy minister said in an interview with the state television on Sunday. "Some \$2.5 billion of power investments have been allocated to the construction of solar power plants, with a combined power generation capacity of 2,000 megawatts," Mehr News Agency also quoted Reza Ardakanian as saying, adding that 70% of the solar investments will be provided by foreign financiers. Ardakanian noted that in the coming days, which mark the 39th anniversary of the 1979 Islamic Revolution, over 5,300 electricity plans, which include setting up transmission lines as well as distribution substations, are slated to go on stream with more than 270 trillion rials (\$5.75 billion) in investment. He stressed that 43 projects include the construction of renewable power plants that can produce 183 MW of electricity.

Source: [Financial Tribune](#)

COMMODITIES NEWS

Gold dips on firmer dollar after positive US jobs data

Gold prices inched down early on Monday on a firmer dollar after robust U.S. jobs data late last week, but a fall in equities cushioned losses.

* Spot gold had dipped 0.1 percent to \$1,331.80 per ounce by 0051 GMT.

* Spot gold on Friday fell 1.2 percent, its biggest one-day fall since Dec. 7. Last week, the metal saw its largest weekly decline since the week ending Dec. 8.

* U.S. gold futures were down 0.1 percent at \$1,336 per ounce.

* Non-farm payrolls rose by 200,000 jobs in January, the U.S. Labor Department said, beating expectation of 180,000 and their largest annual gain in more than 8-1/2 years. Average hourly earnings rose and boosted the year-on-year increase to 2.9 percent, the largest rise since June 2009.

Source: [Reuters](#)

MSM Proposed Dividends

Company Name	Cash Div %	DPS, OMR	Proposed Cash OMR '000	Div payout, %	Dividend Yield, %	Stock Dividend %	AGM Date
BANKMUSCAT SAOG	30%	0.030	81,281	46.0%	7.1%	5.0%	
BANK DHOFAR SAOG	12%	0.012	27,094	56.9%	5.6%	8.0%	27/03/2018
BANK SOHAR	5%	0.005	8,923	35.2%	3.2%	10.0%	
NATIONAL BANK OF OMAN SAOG	15%	0.015	23,228	52.8%	6.9%	5.0%	
HSBC BANK OMAN	6%	0.006	11,402	59.6%	5.0%		
AHLI BANK	10%	0.010	14,250	53.4%	6.1%	5.0%	
UNITED FINANCE CO	4%	0.004	1,222	56.2%	2.7%		
TAAGEER FINANCE	10%	0.010	2,536	53.9%	8.0%		
OMAN REFRESHMENT CO	75%	0.075	3,750	35.0%	3.7%		27/02/2018
SALALAH MILLS CO	50%	0.050	2,669	66.5%	3.8%		
MUSCAT THREAD MILLS CO	10%	0.010	152	80.2%	11.8%	5.0%	06/03/2018
OMAN PACKAGING	20%	0.020	649	62.6%	7.1%		01/03/2018
NATIONAL PHARMACEUTICAL	5%	0.005	250	15.6%	4.7%		
OMAN CABLES INDUSTRY	45%	0.045	4,037	59.0%	4.0%		
HOTELS MANAGEMENT CO INTER.	100%	1.000	3,000	116.1%	80.0%		
SAHARA HOSPITALITY	15%	0.150	875	35.3%	6.0%	5.0%	
SHELL OMAN MARKETING	85%	0.085	8,330	64.6%	4.9%		
OMAN OIL MARKETING COMPANY	60%	0.060	3,710	41.8%	4.1%		18/03/2018
PHOENIX POWER CO SAOG	6%	0.006	9,068	90.8%	4.8%		

Source: Bloomberg

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