








U Capital Morning Brief

12 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	952.78	952.29	0.49	0.05%	-0.27%	-2.21%
U Capital GCC 50 Index	1,178.55	1,185.20	-6.65	-0.56%	-3.24%	2.96%
U Capital MENA 200 Index	1,018.25	1,023.60	-5.35	-0.52%	-2.67%	2.33%
MSCI GCC Countries Index	489.94	492.33	-2.39	-0.48%	-3.52%	2.12%
 Muscat Securities Market	4,994.02	5,006.62	(12.60)	-0.25%	-0.12%	-2.06%
 Saudi Stock Exchange	7,327.15	7,403.15	(76.00)	-1.03%	-4.22%	1.40%
 Kuwait Stock Exchange	6,639.98	6,654.55	(14.57)	-0.22%	-0.72%	3.62%
 Qatar Exchange	9,044.82	8,893.27	151.55	1.70%	-1.74%	6.12%
 Bahrain Stock Exchange	1,333.56	1,333.02	0.54	0.04%	-1.27%	0.14%
 Dubai Financial Market	3,320.58	3,325.62	(5.04)	-0.15%	-2.17%	-1.47%
 Abu Dhabi Sec. Exchange	4,584.41	4,599.47	(15.06)	-0.33%	-0.39%	4.23%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD USD %			
FTSE 100	United Kingdom	7,092.4	(78.26)	(1.09)	Brent Crude (per bbl) Updated	63.33	0.54	0.86
DAX	Germany	12,107.5	(152.81)	(1.25)	WTI Crude (per bbl) Updated	59.85	0.65	1.10
CAC 40	France	5,079.2	(72.47)	(1.41)	Oman Crude Oil (Last Closing)	59.90	(2.12)	(3.42)
United States					Gold100 OZ (per oz)			
DJIA	USA	24,190.9	330.44	1.38	Silver (per oz)	16.49	0.12	0.74
S&P 500	USA	2,619.6	38.55	1.49	Platinum (per oz)			
NASDAQ	USA	6,874.5	97.33	1.44	Copper, MT	6,755.00	(90.00)	(1.31)
Asia Pacific					Aluminium, MT			
NIKKEI 225	Japan	21,382.6	(508.24)	(2.32)	Lead, MT	2,534.00	9.50	0.38
HANG SENG	Hongkong	29,717.4	210.00	0.71	Zinc, MT	3,385.00	(36.50)	(1.07)
Selected Middle East					Nickel, MT			
Tunis Se Index	Tunis	6,515.9	(57.17)	(0.87)		12,970.00	(170.00)	(1.29)
EGX 30 Index	Egypt	14,828.4	(92.93)	(0.62)				
Blom Stock Index	Lebanon	1,170.1	0.00	0.00				

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	1.228	0.814
British Pound	GBP	1.386	0.722
Japanese Yen	JPY	0.009	108.680
Chinese Renminbi	CNH	0.158	6.317
Indian Rupee	INR	0.016	64.279
Russian Ruble	RUB	0.017	58.387
Canadian Dollar	CAD	0.796	1.256
Australian Dollar	AUD	0.783	1.277

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

U Capital: Omani listed firms post OMR517m net profit

Oman's listed companies posted net earnings of OMR517.4 million in 2017, down by 18.6 per cent from the previous year's OMR635.79 million, according to an estimate by Ubhar Capital (U Capital). This, however, excluded Oman Telecommunications Company (Omantel), which is yet to announce its financial results for last year. Among different sectors, the financial sector's profitability saw the lowest drop of 3.3 per cent to OMR407.6 million, of which 82.6 per cent belonged to the banking sub-sector. The services sector results, excluding Omantel, witnessed a drop of 43.5 per cent to OMR84.4 million.

Source: [Times of Oman](#)

His Majesty gives audience to Indian Prime Minister Narendra Modi

His Majesty Sultan Qaboos bin Said gave an audience at Bait Al Barkah this evening to Narendra Modi, Prime Minister of the Republic of India, who arrived here on Sunday. During the audience, several aspects of the existing cooperation between the two countries and means of promoting the good relations between them were discussed in a manner of that achieves further joint interests for both the Omani and Indian friendly peoples.

Source: [Times of Oman](#)

Industry sector back on growth path, says Commerce Minister

Challenges faced by the industrial sector and the steps required to take it to the next level were discussed at a meeting organized by the Ministry of Commerce and Industry. Chaired by H.E. Dr. Ali bin Mas'oud Al Sunaidi, Minister of Commerce and Industry, it had the participation of Omani industrialists. It was organised on the occasion of the Omani Industry Day, which falls on February 9 each year.

Source: [Times of Oman](#)

Port of Salalah now offers ship-to-ship transfer service for bulk liquids

The Port of Salalah completed its first ship to ship transfer operation (STST) at Salalah anchorage recently as part of the port's expanding service offering in 2018. The new service was performed by Fendercare Marine which transferred vegetable oil between the vessels NCC Nasma to Ariana while both were in the harbor anchorage.

Source: [Muscat Daily](#)

24 NEW JOINT STOCK COMPANIES ESTABLISHED LAST YEAR: MOCI

As many as 24 new closed joint stock companies were established in Oman during 2017 with an issued capital of RO46.62mn, according to the Ministry of Commerce and Industry (MoCI) statistics. Abdullah bin Salim al Arami, director of the audit and supervision department of commercial establishments at MoCI, confirmed that total number of completely Omani registered closed joint-stock companies increased from 340 companies until the end of 2016 to 362 until the end of last year, which are divided between commercial, service and industrial activities.

Source: [Muscat Daily](#)

Inauguration of PDO's Miraah Solar Plant today

The official inauguration of the Miraah Solar Plant, a historic project uniting renewable and conventional energy to produce oil more sustainably, will take place today at Amal under the auspices of Eng Salim al Aufy, Under-Secretary, Ministry of Oil & Gas. Petroleum Development Oman (PDO) and GlassPoint Solar, the global leader in solar energy for the oil and gas industry, have completed construction on the first block of the Miraah solar plant safely on schedule and on budget, and has successfully delivered steam to the Amal West oilfield.

Source: [Oman Observer](#)

Industrial parks witness strong growth in 2017

The Sultanate celebrates Oman's Industry Day on February 9 of each year to commemorate the visit of His Majesty Sultan Qaboos to Rusayl Industrial Estate on February 9, 1991. The Sultanate's Industry Day this year comes while the Public Establishment for Industrial Estates (PEIE) is witnessing rising growth rates in various fields, in addition to the expansion seen in the leased areas, infrastructure projects, total investments, number of projects and job opportunities in the administrative units and the industrial estates.

Source: [Oman Observer](#)

Zubair SEC, ARA Petroleum sign MoU to support SMEs

Zubair Small Enterprises Centre (Zubair SEC) recently signed a collaboration agreement with ARA Petroleum in support of SMEs. The signing ceremony was attended by Hussam Muhammad al Zubair, Board Member of the Zubair Corporation (Z-Corp) and senior executives from ARA Petroleum, The Zubair Corporation and Zubair SEC.

Source: [Oman Observer](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

ACWA Power to bid for \$4.5 bn projects in Saudi Arabia

Riyadh-based ACWA Power expects to submit tenders for projects worth \$4.5 billion in Saudi Arabia this year, company chief executive officer Paddy Padmanathan told Reuters on Sunday. "We are expecting to see a lot of projects here in Saudi. We are targeting 50 to 60 percent of the total," he said.

Source: [Argaam](#)

Fawaz Alhokair's subsidiary wins SAR 15 mn contract in Egypt

Fawaz Alhokair's Egypt-based subsidiary, Marakez for Real Estate Investment Co., has signed EGP 70 million (SAR 14.9mn) contract to build the first phase of Aeon Compound in Egypt. The first phase comprises six buildings, and construction works will be completed in 12 months, the company said in a statement. The project will be the first residential development by the company in Egypt. Financial impact was not disclosed.

Source: [Argaam](#)

Dubai Investments Plans IPO of Emicool Unit in Fourth Quarter

Dubai Investments PJSC plans to sell shares in its cooling unit Emicool in the fourth quarter and aims to start a 3-billion-dirham (\$817 million) real estate investment trust as it seeks to boost profit. Chief Executive Officer Khalid Bin Kalban told Bloomberg Television that Al Mal Capital PSC, majority-owned by DIC, is advising the company on the planned initial public offering and that more banks will be hired. The process will hopefully value Emicool, formally called Emirates District Cooling LLC, at between 1.3 billion to 1.5 billion dirhams, he said.

Source: [Bloomberg](#)

New \$1 bln Abu Dhabi chemicals facility to boost manufacturing

Shaheen Chem Investment LLC, owned by investors from the United Arab Emirates and Oman, will build a new chemical complex with an investment of 4 billion dirhams (\$1.08 billion) in Abu Dhabi, the emirate's industrial zone said. Abu Dhabi is investing billions of dollars in industry, tourism and infrastructure as it diversifies its economy away from oil.

Source: [Reuters](#)

Abu Dhabi financial regulator may create framework for virtual currencies

The regulator of Abu Dhabi's international financial center said it could create rules for exchanges handling virtual currencies, in a sign that authorities in the United Arab Emirates may allow trade in cryptocurrencies such as bitcoin to develop. The Financial Services Regulatory Authority (FSRA) is considering whether to establish a framework for virtual currency exchanges, the FSRA, which supervises the Abu Dhabi Global Market (ADGM), said on Sunday.

Source: [Reuters](#)

UAE leads Arab markets in Islamic fintech

Analysis conducted by Bloomberg Intelligence, states that the UAE follows Malaysia and the United Kingdom in terms of the number of Islamic fintech startups per market. Published in light of the UAE's Innovation Month, the analysis finds that tailored regulation and clarity on rules could aid the small and medium-sized fintech outlook. Crowdfunding and peer-to-peer (P2P) financing could be a game-changer in Islamic finance, giving wider reach and potential to close the gap for SMEs, which generated about 60% of UAE GDP in 2014, with Dubai's regulator introducing the first tailored regulation for crowdfunding in the GCC.

Source: [Saudi Gazette](#)

Industrial projects worth \$1.74bn enter production in Abu Dhabi in 2017

A total of 37 projects covered by industrial licenses entered into production in Abu Dhabi in 2017, an 85 percent increase from the previous year, according to figures released by the Industrial Development Bureau of the Department of Economic Development (DED). The total value of the investments was approximately AED 6.4 billion, distributed among 29 factories in Abu Dhabi, six in Al Ain and two in the Al Dhafra area.

Source: [Arabian Business](#)

UAE real estate market sentiments remained cautious in Q4, according to survey

Sentiment in the UAE's real estate investment and occupier markets remained cautious in the fourth quarter of 2017, according to RICS latest global commercial property survey. According to the report, occupier demand in the UAE fell for a ninth consecutive quarter, with a marginal decline in office space but a steeper deterioration in the industrial and retail sectors.

Source: [Arabian Business](#)

Dubai Holding Unit Is Said to Seek \$572 Million for Refinancing

Dubai Holding's Emirates International Telecommunications LLC unit is in talks with banks to raise about 2.1 billion dirhams (\$572 million) to refinance an existing loan, according to two people familiar with the matter. The company, which owns stakes in Axiom Telecom and Du, is speaking to lenders including Emirates NBD PJSC, Noor Bank PJSC and Commercial Bank International PSC about a club loan, said the people, asking not to be identified because the information is private.

Source: [Bloomberg](#)

Dana Gas swings to net profit in 2017 boosted by settlement with Kurdistan Regional Govt

United Arab Emirates energy producer Dana Gas swung to a net profit of \$83 million in 2017 from a net loss of \$88 million a year earlier after a \$1 billion payment as part of a settlement with the Kurdistan Regional Government (KRG). The company's revenues were also boosted by higher oil prices and higher production in Egypt and Kurdistan, where the Abu Dhabi-listed producer has its main assets.

Source: [Reuters](#)

Emaar Properties says 2017 net profit was \$1.55 bn

Dubai-based Emaar Properties said on Sunday it posted a net profit of \$1.55 billion in 2017, about 8 percent higher than a year earlier. The developer of the more than 160-storey Burj Khalifa, the world's tallest tower, had made \$1.43 billion in net profit in 2016. The latest statement came after Emaar chairman Mohamed Alabbar said on Wednesday the firm had made \$1.8 billion in profit and close to \$5 billion in sales in 2017.

Source: [Reuters](#)

Emirates firms up \$16 billion order for A380 superjumbos

Emirates signed a contract on Sunday to buy as many as 36 Airbus (AIR.PA) A380 aircraft worth as much as \$16 billion at list prices, firming up an order that is crucial to the future of the world's biggest passenger jet.

Source: [Reuters](#)

QNB committed to strategic projects

The Chairman of QNB Group, H E Ali Shareef Al Emadi, yesterday noted that the bank will remain committed to important projects, and boosting local production by supporting the private sector, especially the SMEs. And at the same time QNB will continue its focus to strengthen the Group's presence in the Middle East, Africa and Southeast Asia region by expanding its branches' network or through acquisitions.

Source: [TPQ](#)

GCC primary debt issuances expand to \$174.17bn in 2017

The aggregate primary issuance of bonds and sukuk by GCC entities, including central banks' local issuances (CBLIs), GCC sovereign and corporate issuances, totaled \$174.17bn in 2017, a 3.96 percent increase from the total amount raised in 2016. Central banks' local issuances are fixed income securities issued by GCC central banks in local currencies and with short maturities for the purpose of regulating levels of domestic liquidity. During 2017, a total of \$69.90bn was raised by the GCC central banks, namely by the Central Bank of Kuwait, Bahrain, Qatar, and Oman, as per the publicly available documents from the respective central banks.

Source: [TPQ](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Trump budget asks more than \$200 billion for infrastructure, border security: budget director

The White House said on Sunday its budget proposal would include \$200 billion for infrastructure spending and \$23 billion for enhanced border security to help fulfill campaign promises by U.S. President Donald Trump. The budget plan to be released on Monday also proposes a \$3 trillion deficit cut over 10 years, White House Budget Director Mick Mulvaney said in a statement.

Source: [Reuters](#)

Market drop is a 'welcome correction' for the IMF, says Christine Lagarde

Last week's roller-coaster ride for the markets is not a major source of concern for the International Monetary Fund (IMF) — in fact, it sees it as a "welcome correction." Speaking to CNBC at the World Government Summit in Dubai, IMF Managing Director Christine Lagarde acknowledged the last week's frenzied market sell-off, which saw the Dow Jones suffer its worst week in two years. Asked if this was something to worry about from the IMF's perspective, Lagarde was unfazed.

Source: [CNBC](#)

Trump May Struggle on \$1 Trillion Pledge to Fix Crumbling U.S.

Donald Trump ran for president on the promise of \$1 trillion fix for crumbling U.S. roads, bridges and airports, but the plan he's rolling out Monday commits the federal government to spending just a fraction of that amount. Instead, the White House wants to revamp how such projects are funded and approved to fix what officials call a broken system -- raising questions about how Trump can secure a bipartisan deal and fulfill a central campaign pledge.

Source: [Bloomberg](#)

Amazon eyes new warehouse in Brazil e-commerce push

Amazon.com is looking to lease a 50,000-square-metre warehouse just outside Sao Paulo, people familiar with the matter told Reuters, as it steps up its push into Latin America's biggest retail market, Brazil. The logistics investment, which would be four times the size of its current book-shipping operation in the country, is a sign the online retailer may soon handle distribution of electronics and other goods sold on its Brazilian website.

Source: [Times of Oman](#)

COMMODITIES NEWS

UAE, Saudi Arabia look at increasing crude and product supply to Asia

Opec producers led by the UAE and Saudi Arabia will increase their push towards locking in long-term crude and oil product contracts in Asia as they compete with higher US exports to the region. "Long-term contracts give assurance to the producer/refiner, they know that the product is sold, they know the price, their income is locked in and so it is easier to plan, easier to make investment decisions," said Spencer Welch, director for oil markets and downstream at London-based IHS Markit.

Source: [**The National UAE**](#)

Oil prices rise 1 percent as stocks markets steady

Oil prices rose by 1 percent on Monday, recovering at least some of last week's steep losses as Asian stock markets found their footing after days of chaotic trading. Looming over oil markets, however, was rising production in the United States which is undermining efforts led by the Organization of the Petroleum Exporting Countries (OPEC) and Russia to tighten markets and prop up prices.

Source: [**Business Times**](#)

Indians Pay \$600 Million for Stake in Abu Dhabi Oil Concession

Indian companies agreed to pay \$600 million for a stake in one of Abu Dhabi's biggest offshore oil concessions, securing a share in the emirate's crude production for the first time. State-owned Oil and Natural Gas Corp. and two other Indian companies will take a 10 percent share of the concession to pump crude from the Lower Zakum field, under a 40-year contract in partnership with Abu Dhabi National Oil Co., according to an Adnoc statement. Adnoc signed the deal during a visit of Indian Prime Minister Narendra Modi to the capital of the United Arab Emirates on Saturday.

Source: [**Bloomberg**](#)

MSM Proposed Dividends

Company Name	Cash Div %	DPS, OMR	Div payout, %	Dividend Yield, %	Stock Dividend %	AGM Date
BANKMUSCAT SAOG	30.0%	0.030	46.0%	7.3%	5.0%	
BANK DHOFAR SAOG	12.0%	0.012	56.9%	5.7%	8.0%	27/03/2018
BANK SOHAR	5.0%	0.005	35.2%	3.2%	10.0%	
NATIONAL BANK OF OMAN SAOG	15.0%	0.015	52.8%	7.3%	5.0%	25/03/2018
HSBC BANK OMAN	5.7%	0.006	59.6%	5.2%		
AHLI BANK	10.0%	0.010	53.4%	6.2%	5.0%	
MUSCAT CITY DESALINATION	9.3%	0.009	n/m	5.8%		27/03/2018
MUSCAT FINANCE	8.0%	0.008	55.1%	6.8%	5.0%	25/03/2018
UNITED FINANCE CO	3.5%	0.004	56.2%	2.7%		
AL-OMANIYA FINANCIAL SERVICE	17.0%	0.017	99.9%	6.2%	3.0%	
TAAGEER FINANCE	10.0%	0.010	53.9%	8.1%		
OMAN REFRESHMENT CO	75.0%	0.075	34.7%	3.7%		27/02/2018
SALALAH MILLS CO	50.0%	0.050	66.5%	3.8%		
MUSCAT THREAD MILLS CO	5.0%	0.005	40.1%	6.1%	5.0%	06/03/2018
OMAN CHROMITE	16.0%	0.160	88.7%	4.4%		5/3/2018
AL-ANWAR CERAMIC TILES CO	6.0%	0.006	96.1%	4.4%		21/03/2018
OMAN PACKAGING	20.0%	0.020	63.9%	7.1%		01/03/2018
COMPUTER STATIONERY INDS	7.0%	0.007	75.0%	2.7%		6/3/2018
NATIONAL PHARMACEUTICAL	5.0%	0.005	15.6%	4.7%		22/02/2018
OMAN CABLES INDUSTRY	45.0%	0.045	59.0%	4.0%		
OOREDOO	42.0%	0.042	88.2%	8.0%		5/3/2018
UBAR HOTELS & RESORTS	4.0%	0.004	42.9%	3.1%		20/03/2018
HOTELS MANAGEMENT CO INT.	100.0%	1.000	116.1%	80.0%		12/3/2018
SAHARA HOSPITALITY	15.0%	0.150	35.3%	6.0%	5.0%	27/02/2018
SHELL OMAN MARKETING	85.0%	0.085	64.6%	4.9%		
OMAN OIL MARKETING COMPANY	60.0%	0.060	41.8%	4.1%		18/03/2018
AL MAHA PETROLEUM PRODUCTS M	65.0%	0.065	89.1%	6.5%		15/03/2018
PHOENIX POWER CO SAOG	6.2%	0.006	90.8%	4.7%		

Source: MSM

Ubhar Capital SAOC (U Capital)

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