








U Capital Morning Brief

25 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	948.66	955.28	-6.62	-0.69%	-0.70%	-2.63%
U Capital GCC 50 Index	1,199.28	1,199.23	0.05	0.00%	-1.54%	4.77%
U Capital MENA 200 Index	1,030.26	1,031.24	-0.98	-0.10%	-1.53%	3.53%
MSCI GCC Countries Index	499.28	499.26	0.01	0.00%	-1.68%	4.07%
 Muscat Securities Market	4,972.01	4,987.37	(15.36)	-0.31%	-0.56%	-2.50%
 Saudi Stock Exchange	7,525.22	7,505.62	19.60	0.26%	-1.63%	4.14%
 Kuwait Stock Exchange	6,756.54	6,701.31	55.23	0.82%	1.03%	5.44%
 Qatar Exchange	9,096.36	9,119.01	(22.65)	-0.25%	-1.18%	6.72%
 Bahrain Stock Exchange	1,351.81	1,351.66	0.15	0.01%	0.08%	1.51%
 Dubai Financial Market	3,286.54	3,285.64	0.90	0.03%	-3.18%	-2.48%
 Abu Dhabi Sec. Exchange	4,579.60	4,583.67	(4.07)	-0.09%	-0.49%	4.12%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
				%		USD	USD	%
Europe								
FTSE 100	United Kingdom	7,244.4	(7.98)	(0.11)	Brent Crude (per bbl) Updated	67.31	0.92	1.39
DAX	Germany	12,483.8	21.88	0.18	WTI Crude (per bbl) Updated	63.55	0.78	1.24
CAC 40	France	5,317.4	8.14	0.15	Oman Crude Oil (Last Closing)	64.28	0.81	1.28
United States								
DJIA	USA	25,310.0	347.51	1.39	Gold100 OZ (per oz)	1,328.75	(3.45)	(0.26)
S&P 500	USA	2,747.3	43.34	1.60	Silver (per oz)	16.53	(0.09)	(0.53)
NASDAQ	USA	7,337.4	127.31	1.77				
Asia Pacific								
NIKKEI 225	Japan	21,892.8	156.34	0.72	Platinum (per oz)	997.00	(0.42)	(0.04)
HANG SENG	Hongkong	31,267.2	301.49	0.97	Copper, MT	7,095.00	(67.00)	(0.94)
Selected Middle East					Aluminium, MT	2,140.00	(45.00)	(2.06)
Tunis Se Index	Tunis	6,662.6	30.27	0.46	Lead, MT	2,531.00	(14.00)	(0.55)
EGX 30 Index	Egypt	15,318.9	74.43	0.49	Zinc, MT	3,503.00	(28.00)	(0.79)
Blom Stock Index	Lebanon	1,173.4	(2.54)	(0.22)	Nickel, MT	13,765.00	(65.00)	(0.47)

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

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

Cross Rate for Major Currencies*

Currency	Code	USD/1 Unit	Units/1 USD
Euro	EUR	1.230	0.813
British Pound	GBP	1.397	0.716
Japanese Yen	JPY	0.009	106.890
Chinese Renminbi	CNH	0.158	6.326
Indian Rupee	INR	0.015	64.729
Russian Ruble	RUB	0.018	56.522
Canadian Dollar	CAD	0.792	1.263
Australian Dollar	AUD	0.784	1.275

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: Pressures weigh on market performance; trades up on company's disclosures.

The market was under pressures especially from foreign institutional investors either for profit gain or desire to shift among regional markets which also witnessed news regarding companies' results and dividends. Trades have improved in the previous week getting support from disclosures by key listed companies regarding dividends or news in addition to large deals on selective shares. The MSM30 index ended the week down by 0.89% at 4,972.01. The Industrial sub Index was the only gainer as it closed up by 0.35% while both the Financial and the Services indices closed down by 1.46% and 0.58% respectively. The MSM Shariah Index closed down by 0.4%.

Source: [Muscat Daily](#)

Omantel plans to raise \$2b from bond market

Oman Telecommunications Company (Omantel), the largest telecommunication service provider in the Sultanate, plans to issue \$2 billion dollar-denominated bonds in the international markets. The board also decided to invite the company's shareholders to an extra-ordinary general meeting to be held along with the annual general meeting to discuss and approve issuing a guarantee for the issuance of a denominated bond issue not exceeding \$2 billion in the international capital markets by a subsidiary of Omantel.

Source: [Times of Oman](#)

Potential for large-scale castor oil-bean farming in Oman

The commissioning and commercial launch next month of Oman's only sebacic acid production project at the Special Economic Zone (SEZ) in Duqm is set to kickstart the mass farming of castor oil-beans — the primary source of sebacic acid and a host of value-added derivatives. Sebacic Oman, the company behind the Duqm venture, sees the potential for an estimated 66,000 hectares of local farmland to be brought under castor oil-bean cultivation to provide the basic raw material for the project.

Source: [Oman Observer](#)

Meethaq joins hands with Hydrocarbon Finder to finance oil and gas project

Meethaq, the pioneer of Islamic banking in Oman from Bank Muscat, and Hydrocarbon Finder E&P LLC (HCF) signed an Islamic project financing facility for the development of oil and gas fields in Oman's Block 7 operated by HCF. The facilities agreement was signed by Sulaiman al Harthy, deputy chief executive officer - Meethaq Islamic Banking, and Brig Gen (ret'd) Sulaiman al Adawi, chairman of S&T Group on behalf of HCF, a press release said.

Source: [Muscat Daily](#)

Aqualia, Majis set up new joint venture to manage water facilities at Sohar port

Spanish hydro-technology firm Aqualia recently signed a joint venture (JV) agreement with Majis Industrial Services to manage and operate water installations in the Port of Sohar. The new JV will be known as Oman Sustainable Water Services SAOC. 'It (new JV) will undertake operations and maintenance for 20 years of seawater intake plants, production and supply of drinking and process water, the collection and network of cooling water', Majis Industrial Services said in a statement posted on its website.

Source: [Muscat Daily](#)

Multi-purpose port in Masirah

A study is under way for setting up a multi-purpose port in the Wilayat of Masirah under the supervision of the Ministry of Agriculture and Fisheries. The port will include a fishing harbour as well as tourism and commercial ports, and will constitute one of the major infrastructures for the tourism, economic and entertainment sectors.

Source: [Oman Observer](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia's MSCI inclusion to be 'independent' of Aramco listing

Global index compiler MSCI's decision on whether to upgrade Saudi Arabia to emerging market (EM) status will be "independent" of the stock market's ability to absorb the listing of Saudi Aramco, Reuters reported on Thursday, citing Robert Ansari, head of MSCI for the Middle East. "If the Aramco IPO happens, where it lists, what and how it lists is independent of what MSCI will do to classify," Ansari told reporters at a financial conference in Abu Dhabi, when asked if the two issues were linked.

Source: [Argaam](#)

CMA seeks public opinion on amending REITs, closed-end funds' rules

Saudi Arabia's Capital Market Authority (CMA) has called on the public to share their opinions by March 9 on amending the rules of the Real Estate Investment Traded Funds (REITs) and the Closed-End Investment Funds. The amendments to REITs' rules are aimed to enhance investor protection and boost investments in these funds, the market regulator said in a statement on Tadawul on Thursday. Under the new rules, a mechanism was developed for funds' capital hike and the minimum limit for launching a new fund was raised to SAR 500 million from SAR 100 million.

Source: [Argaam](#)

Saudi telcos get go-ahead to build wireless stations in residential areas

Saudi Arabia's telecom operators have recently received the greenlight to set up wireless stations in residential areas, Al-Eqtisadiyah newspaper reported, citing Majed Al Mezyed, deputy governor for technical and spectrum affairs at the Communications and Information Technology Commission (CITC). The move will help telecom operators improve 4G and 5G services and coverage. Lack of wireless stations was one of the reasons behind variance in internet speeds in large cities, Al Mezyed said on the sidelines of launching the 5G services.

Source: [Argaam](#)

Abraaj announces internal changes, change in leadership

Abraaj has announced a number of changes to its governance and operating model, alongside the appointment of a new leadership team. AIML and Abraaj Holdings will be separated and independently managed, the company said in a statement issued on Friday 23 February. The fund management business will continue to oversee the operations of all of Abraaj's funds globally on behalf of leading institutional investors and manage a portfolio of investee businesses across Asia, Africa, Middle East, Turkey and Latin America.

Source: [Mubasher](#)

Whopping 551 million commuters used Dubai public transport in 2017

Mass transit means in Dubai transported a whopping 551.7 million riders in 2017, with daily ridership clocking 1.51 million. The Dubai Metro accounted for 36 per cent of the total commuters, followed by taxis (32 per cent), and public buses (28 per cent). The month of March recorded the highest number of commuters, with over 49 million riders transported. The breakdown per mode (for March) was as follows: Dubai Metro - 18 million riders; taxis - 15.677 million; buses - 13.534 million; marine transit means - 1.288 million, and Dubai Tram - 561,000.

Source: [Zawya](#)

BRIEF: DIB Says upto 1.65 Bln New Shares to be Offered at 45 Pct Discount

Dubai Islamic Bank:

- * Shareholders Authorize Board to Decide Date of Issuance of up to 1.65 Billion New Shares
- * New Shares Will Be at Discount Price of 45 Percent to Market Price Prevailing at Date Decided by Board

Source: [Reuters](#)

Djibouti seizes control of DP World's container terminal

Djibouti has seized control of a container terminal run by Dubai-based port operator DP World, the latest move in a long-running legal dispute over the facility in the East African nation. The nationalization of the Doraleh Container Terminal in Djibouti comes as the United Arab Emirates' interests across East Africa now also include a series of military bases allowing it to project power into the Red Sea and the crucial Bab el-Mandeb strait. A statement on behalf of President Ismail Omar Guelleh's office issued Thursday said the government had "decided to proceed with the unilateral termination of the concession contract ... awarded to DP World."

Source: [ABC News](#)

BRIEF-Qatar Islamic Bank Shareholders Renew, Increase Sukuk Limit

Qatar Islamic Bank Qpsc:

- * Shareholders Approves to Renew 7.5 Billion Riyals Limit for Additional Tier 1 Perpetual Sukuk of Which 4 Billion Riyals Is Utilized
- * Shareholders Approves to Increase Limit of DIB Sukuk Program In USD To \$4 Billion Instead Of \$3 Billion

Source: [Reuters](#)

Qatar's public sector loans boost credit 1% in January

Qatari loans rose 1.08% month-on-month to QAR 920.97 billion (\$252.99 billion) in January 2018, a report released by Qatar Central Bank (QCB) on Thursday. Year-on-year, loans hiked 7.8% in 2017 compared to 2016. The QCB attributed the monthly increase to the private and public sectors' loans. The public sector's loans rose 2.2% to QAR 367.55 billion in January from QAR 359.50 billion in December 2017, while the private sector's loans inched up 0.4% month-on-month to QAR 532.69 billion.

Source: [Mubasher](#)

BRIEF-Doha Bank Seeks Shareholders Approval for EMTN Bonds Issue

Doha Bank:

- * Calls Shareholders Meeting On March 7 To Approve Issuance Of Debt Notes "Bonds" Using Doha Bank EMTN Programme
- * Says Bonds Issue To Be In Varying Amounts Which Would, In Aggregate, Not Exceed The EMTN Programme Valuing \$2 Billion
- * Says No Single Deal Of Bonds Issue Would Exceed \$1 Billion
- * Says Bonds Issue Would Be In Various Currencies Including Us Dollar, Australian Dollar, Yen, Swiss Francs, Sterling Pound
- * Bonds' Varying Maturities Not To Exceed 30 Years

Source: [Reuters](#)

S&P reaffirms Kuwait's rating, expect economic growth

Standard & Poor's (S&P) has reaffirmed Kuwait's rating of "AA/A-1+", with a stable outlook. The ratings agency expects the Kuwaiti economy to return to growth in 2018, according to a research note issued on Saturday. "Kuwait's large government and external net asset positions will continue to afford the authorities space to gradually consolidate government finances," the report noted.

Source: [Mubasher](#)

Bahrain's Batelco expects profit rebound, M&A activity in 2018

Bahrain Telecommunications Co (Batelco) is anticipating profit of 40 to 45 million dinars in 2018 and is on the lookout for acquisition opportunities in the telecoms and digital spaces, its executives said on Thursday. They were speaking on a media conference call after the company, with operations across 14 countries, slumped to a 21.7 million dinars (\$57.6 million) loss during the fourth quarter, compared to a net profit of 5.2 million dinars in the same period of last year.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks climb, gold suffers as rate-hike worries ease

Shares rose broadly worldwide on Friday, with strong technology stocks and a retreat in Treasury yields lifting Wall Street, while gold had its biggest weekly loss this year as investors shrugged off concerns about interest rate hikes. The dollar edged higher as investors positioned for a more aggressive Federal Reserve to raise U. S. interest rates three times this year.

Source: [Business Standard](#)

With \$116 billion cash, Buffett says Berkshire needs 'huge' deals

Warren Buffett on Saturday lamented his inability to find big companies to buy and said his goal is to make "one or more huge acquisitions" of non-insurance businesses to bolster results at his conglomerate Berkshire Hathaway Inc. In his annual letter to Berkshire shareholders, Buffett said finding things to buy at a "sensible purchase price" has become a challenge and is a major reason Berkshire is awash with \$116 billion of low-yielding cash and government bonds.

Source: [Reuters](#)

Dropbox files for \$500m IPO

Data-sharing business Dropbox Inc on Friday filed for an initial public offering of up to \$500 million with the U.S. Securities and Exchange Commission. The San Francisco-based company, which started as a free service to share and store photos, music and other large files, competes with much larger technology firms such as Alphabet Inc's Google, Microsoft Corp and Amazon.com Inc as well as cloud-storage rival Box Inc. It plans to have its common stock listed on Nasdaq under the ticker symbol "DBX." In its regulatory filing, Dropbox reported 2017 revenue of \$1.11 billion, up 31 percent from \$844.8 million a year earlier.

Source: [The News](#)

With rates low, Fed officials fret over next U.S. recession

Federal Reserve policymakers are fretting that they could face the next U.S. recession with an arsenal of policies little different from that used in the last downturn but robbed of much of their punch because interest rates are still low. In the midst of an unprecedented leadership transition, Fed officials are publicly debating how to prepare for the next downturn.

Source: [Zawya](#)

COMMODITIES NEWS

Oil climbs with support from Libyan outage, Saudi comments

Oil prices rose on Friday to their highest in more than two weeks, supported by the shutdown of the El Feel oilfield in Libya and upbeat comments from Saudi Arabia that an OPEC-led effort to cut stockpiles is working. El Feel produces 70,000 barrels per day of crude. Production in OPEC member Libya has been running at about 1 million bpd, although it remains volatile due to unrest.

Source: [Zawya](#)

U.S. adds more duties on biodiesel from Argentina, Indonesia

The U.S. Commerce Department on Wednesday piled on more import duties on biodiesel from Argentina and Indonesia, adding anti-dumping duties of 60.44 percent to 276.65 percent to already steep anti-subsidy duties on the fuels.

Source: [Reuters](#)

Saudis See Oil Output Cuts Easing in 2019

OPEC and its allies including Russia may next year ease the crude-output curbs that have helped prices recover from the worst crash in a generation, according to Saudi Arabia's oil minister. With the market moving toward equilibrium and bloated inventories shrinking, the next step for global producers will be to phase out the reductions, Khalid Al-Falih told reporters in New Delhi on Saturday. The nations taking part in the supply curbs are currently studying what a crude re-balancing will entail, and will announce their next steps once that's analyzed, he said.

Source: [Bloomberg](#)

Gold heads for biggest weekly loss this year as dollar bounces

Gold eased on Friday, heading towards its biggest weekly decline in 2-1/2 months, as the dollar climbed from last week's three-year low on the back of higher Treasury yields. Spot gold was down 0.1 percent at \$1,330.51 an ounce at 1240 GMT, its fifth losing session in six. U.S. gold futures were flat at \$1,332.90 an ounce. Spot prices have shed 1.4% this week, their biggest weekly decline since early December.

Source: [Reuters](#)

MSM Proposed Dividends*

Company Name	Cash Div %	Cash DPS, OMR	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date	Total Payout	Ex-Dividend
BANKMUSCAT SAOG	30%	0.030	46.0%	7.4%	5%		53.6%	
BANK DHOFAR SAOG	12%	0.012	56.9%	5.8%	8%	27/03/2018	94.8%	
BANK SOHAR	5%	0.005	35.2%	3.2%	10%		105.7%	
NATIONAL BANK OF OMAN SAOG	15%	0.015	52.8%	7.2%	5%	25/03/2018	70.4%	
HSBC BANK OMAN	6%	0.006	59.6%	5.2%			59.6%	
AHLI BANK	10%	0.010	53.4%	6.2%	5%		80.2%	
Banking Sector			49%	5.9%			67.7%	
OMAN UNITED INSURANCE CO	30%	0.030	89.7%	7.9%		29/03/2018	89.7%	
NATIONAL LIFE & GENERAL INSU	16%	0.016	50.2%	5.0%		28/03/2018	50.2%	
AL AHLIA INSURANCE CO SAOC	27%	0.027	73.1%	7.5%		22/03/2018	73.1%	
OMAN QATAR INSURANCE CO	8%	0.008	42.7%	5.4%		21/03/2018	42.7%	
Insurance Sector			56%	4.2%			55.9%	
MUSCAT FINANCE	8%	0.008	55.1%	7.0%	5%	25/03/2018	89.5%	
UNITED FINANCE CO	4%	0.004	56.2%	2.8%			56.2%	
AL-OMANIYA FINANCIAL SERVICE	17%	0.017	67.4%	6.2%	3%		79.3%	
TAAGEER FINANCE	10%	0.010	53.9%	8.3%			53.9%	
Leasing Sector			35%	4.0%			42.9%	
Total Financial Sector			45.9%	4.9%			62.3%	
SWEETS OF OMAN	20%	0.020	64.5%	1.5%		14/03/2018	64.5%	
OMAN REFRESHMENT CO	75%	0.075	34.7%	3.8%		27/02/2018	34.7%	
SALALAH MILLS CO	50%	0.050	66.5%	3.8%			66.5%	
A'SAFFA FOODS SAOG	20%	0.020	62.5%	3.5%		29/03/2018	62.5%	
Food & Beverage Sector			48%	3.0%			48.1%	
OMAN CEMENT CO	30%	0.030	103.5%	7.5%			103.5%	
RAYSUT CEMENT CO	29%	0.029	83.9%	3.6%		13/3/2018	83.9%	
Cement Sector			95%	5.4%			95.3%	
MUSCAT THREAD MILLS CO	5%	0.005	40.1%	5.5%	5%	06/03/2018	80.2%	
Textiles Sector			40%	5.5%			80.2%	
OMAN CHROMITE	16%	0.160	87.6%	4.4%		5/3/2018	87.6%	
Mining Sector			53%	0.9%			53.5%	
AL-ANWAR CERAMIC TILES CO	6%	0.006	98.3%	4.6%		21/03/2018	98.3%	
AL JAZEERA STEEL PRODUCTS CO	24%	0.024	63.6%	7.5%			63.6%	
Construction Materials Support			65%	4.5%			65.1%	
OMAN PACKAGING	20%	0.020	63.9%	7.1%		01/03/2018	63.9%	
COMPUTER STATIONERY INDS	7%	0.007	75.0%	2.7%		6/3/2018	75.0%	
Paper, Glass & Packaging			103%	2.8%			102.9%	
NATIONAL DETERGENT CO SAOG	45%	0.045	91.9%	6.9%		12/3/2018	91.9%	
Chemicals			37%	1.7%			36.5%	
NATIONAL PHARMACEUTICAL	5%	0.005	31.2%	4.7%		22/02/2018	31.2%	Yes
Pharmaceuticals			31%	4.7%			31.2%	
OMAN CABLES INDUSTRY	45%	0.045	59.0%	4.0%			59.0%	
Electical & Mechanical			41%	3.0%			41.0%	
Total Industrial Sector			143.4%	3.5%			143.7%	

OMAN TELECOMMUNICATIONS CO	70%	0.070	65.9%	6.3%		65.9%
OOREDOO	42%	0.042	88.2%	8.1%	5/3/2018	88.2%
Telecom Sector			72%	6.8%		72.1%
GULF HOTELS (OMAN) CO LTD	30%	0.300	64.6%	2.9%		64.6%
UBAR HOTELS & RESORTS	4%	0.004	47.0%	3.1%	20/03/2018	47.0%
HOTELS MANAGEMENT CO INT.	100%	1.000	116.1%	80.0%	12/3/2018	116.1%
SAHARA HOSPITALITY	15%	0.150	35.3%	6.0%	5% 27/02/2018	47.1%
Tourism & Hospitality Sector			92%	5.9%		97.5%
SALALAH PORT SERVICES	15%	0.015	51.5%	2.5%	22/3/2018	51.5%
Logistics Sector			52%	2.5%		51.5%
SHELL OMAN MARKETING	85%	0.085	64.6%	4.9%		64.6%
OMAN OIL MARKETING COMPANY	60%	0.060	41.8%	4.1%	18/03/2018	41.8%
AL MAHA PETROLEUM PRODUCTS M	65%	0.065	89.1%	6.5%	15/03/2018	89.1%
MUSCAT GASES COMPANY SAOG	72%	0.072	155.7%	13.1%	13/03/2018	155.7%
Oil & Gas Marketing Sector			62%	5.1%		61.5%
AL KAMIL POWER CO	25%	0.025	129.2%	8.0%	19/3/2018	129.2%
UNITED POWER	150%	1.500	414.0%	34.9%	8/3/2018	414.0%
PHOENIX POWER CO SAOG	6%	0.006	90.8%	4.4%		90.8%
OMAN NATIONAL ENGINEERING AN	10%	0.010	47.5%	5.3%	10%	95.0%
SMN POWER HOLDING SAOG	19%	0.019	56.3%	2.9%	22/3/2018	56.3%
SEMBCORP SALALAH POWER & WAT	13%	0.013	114.0%	5.8%	8/3/2018	114.0%
AL SUWADI POWER	9%	0.009	113.8%	6.4%	20/3/2018	113.8%
AL BATINAH POWER	9%	0.009	133.3%	6.5%	20/3/2018	133.3%
MUSCAT CITY DESALINATION	9%	0.009	n/m	5.9%	27/03/2018	-482.2%
Energy Sector			84%	4.4%		85.9%
AL JAZEERA SERVICES	15%	0.015	57.9%	8.9%		57.9%
Diversified Commercial Services			-2%	0.5%		-2.2%
Total Service Sector			92.2%	5.2%		93.0%
Total Market			62.8%	4.8%		74.1%

Source: MSM

*Includes Approved Dividends post-AGM

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