

# U Capital Morning Brief

11 December 2018

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	924.60	-13.87	-1.50%	-5.10%	-	-	-
U Capital GCC 50 Index	1,304.42	-4.10	-0.31%	13.96%	-	-	-
U Capital MENA 200 Index	1,043.33	-5.44	-0.52%	4.85%	-	-	-
MSCI GCC Countries Index	538.51	-2.52	-0.47%	12.24%	14.17	1.76	4.1%
Muscat Securities Market	4,503.49	-44.24	-0.97%	-11.68%	10.61	0.80	5.8%
Saudi Stock Exchange	7,819.67	-19.60	-0.25%	8.21%	16.88	1.75	3.5%
Kuwait Stock Exchange	5,163.46	-21.36	-0.41%	NA	15.44	1.25	3.8%
Qatar Exchange	10,555.81	-48.47	-0.46%	23.85%	15.60	1.58	4.1%
Bahrain Stock Exchange	1,317.82	0.38	0.03%	-1.04%	8.92	0.82	6.2%
Dubai Financial Market	2,499.93	-50.57	-1.98%	-25.82%	8.43	0.92	7.0%
Abu Dhabi Exchange	4,789.30	-47.15	-0.97%	8.89%	12.99	1.38	5.0%
Beirut Stock Exchange	958.19	-1.68	-0.18%	-16.58%	4.91	0.58	9.5%
Palestine Stock Exchange	524.96	-0.05	-0.01%	-8.64%	12.79	1.22	4.6%
Tunis Se Index	7,197.02	-201.86	-2.73%	14.57%	18.70	2.56	2.0%
EGX 30 Index	12,476.18	336.18	2.77%	-16.93%	11.47	1.41	2.4%
Amman General Index	1,829.89	-27.08	-1.46%	-13.96%	13.10	0.91	5.0%

\* 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		
<b>Europe</b>					<b>Currency</b>		
FTSE 100	UK	6,721.5	-0.83%	-12.6%	Australian Dollar (AUD)	0.721	1.388
DAX	Germany	10,622.1	-1.54%	-17.8%	British Pound (GBP)	1.258	0.795
CAC 40	France	4,742.4	-1.47%	-10.7%	Canadian Dollar (CAD)	0.746	1.340
<b>United States</b>					Chinese Renminbi (CNH)	0.145	6.904
DJIA	USA	24,423.3	0.14%	-1.2%	Egyptian Pound (EGP)	0.056	17.947
S&P 500	USA	2,637.7	0.18%	-1.3%	Euro (EUR)	1.137	0.880
NASDAQ	USA	7,020.5	0.74%	1.7%	Indian Rupee (INR)	0.014	72.236
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	113.100
NIKKEI 225	Japan	21,134.6	-0.41%	-7.2%	New Zealand Dollar (NZD)	0.688	1.453
HANG SENG	Hongkong	25,745.8	-0.01%	-13.9%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	39,115.8	-0.47%	-3.3%	Pakistani Rupee (PKR)	0.720	138.800
NSE Nifty 50	India	10,389.5	-0.94%	-1.3%	Russian Ruble (RUB)	0.015	66.648
SHANGHAI Composite	China	2,591.2	0.26%	-21.6%	Singapore Dollar (SGD)	0.728	1.373
KOSPI Index	South Korea	2,055.3	0.07%	-16.7%	Turkish Lira (TRY)	0.188	5.325

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	60.1	0.30%	-4.5%	UAE	2.92
WTI Crude (per bbl)	51.2	0.31%	-15.3%	Saudi Arabia	2.87
Oman Crude Oil (Last Closing)	58.7	-3.10%	-8.3%	Kuwait	2.13
OPEC (per bbl)	59.2	0.70%	-8.2%	Oman	2.77
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,246.6	0.17%	-4.3%	Qatar	2.80
Silver (per oz)	14.6	0.52%	-13.8%	Bahrain	3.80
Platinum (per oz)	782.7	-0.29%	-15.9%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	6,089	-0.91%	-16.0%		
Aluminium, MT	1,938	-0.87%	-14.6%		
Lead, MT	1,951	-2.23%	-21.6%		
Zinc, MT	2,575	-0.46%	-22.4%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.40	2.73	1m	2.40
5 year	100.76	2.71	3m	2.77
10 year	102.31	2.86	6m	2.89
30 year	104.81	3.13	1 year	3.10

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **Oman's retail sector expected to expand 9.3% in five years**

Retail sales across four Gulf countries are projected to increase by more than US\$24 billion over the next five years, with Oman's retail industry expected to rise 9.3 per cent during that period, according to global research firm Euromonitor International. Research from the company indicates that Oman's retail industry is worth \$10.3 billion and is forecast to steadily rise to \$11.3 billion by 2023. While store-based retail is expected to continue to dominate, with it currently accounting for \$10 billion of the overall market in Oman, non-store retail, including online shopping, is expected to grow by 68 per cent from 2018 to 2023.

Source: [Times of Oman](#)

### **CBO becomes full member of Islamic Financial Services Board**

The Central Bank of Oman (CBO) has confirmed that it has become a full member of the Islamic Financial Services Board (IFSB), an international organisation that promotes sound Islamic banking and sets standards and principles for Islamic financial institutions. The announcement comes after the Central Bank of Oman had approached the IFSB to upgrade its membership from observer member to full member, thereby enhancing CBO's efforts to develop the Islamic banking sector in the Sultanate.

Source: [Times of Oman](#)

### **Standard grade petrol output in Oman up 41% until October**

The production of standard grade petrol (M-91) by Omani refineries has seen a robust 41 per cent jump to touch 11.92 million barrels during the first 10 months of 2018, over the same period of last year. However, the output of super grade petrol (M-95) declined by 22 per cent to 9.96 million barrels during January-October period of this year, according to data released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

### **Oman Post expects to break even in three years**

Oman Post, part of Asyad Group — the nation's logistics flagship, has vowed to emerge as a commercially viable company within the next three years, as it prepares to end its longstanding dependence on government subsidy to fund its operations. According to Oman Post CEO Abdulmalik al Balushi, revenue growth will be underpinned by a projected upsurge in ecommerce, value addition across the postal supply chain, and the rollout of an array of postal logistics services.

Source: [Oman Observer](#)

### **New aluminium composite plant to support ICV generation**

Oman's first aluminium composite panel manufacturing plant was inaugurated at Misfah Industrial Area on the outskirts of Muscat at the weekend. The manufacturing unit is the latest diversification of the Mohammed Riaz & Partners group, a leading building materials company that has already diversified into retail with its Home Mart International Chain of Malls and food with its Salaam foods division.

Source: [Oman Observer](#)

### **GROWING TRADE WITH QATAR BOOSTS OMAN'S NON-OIL EXPORTS**

Oman's non-oil exports recorded a robust growth in the first seven months of this year as strong demand from Qatar lifted overall value of the sultanate's exports and re-exports. The sultanate's non-oil exports surged more than 30 per cent to RO2.38bn during January-July period of 2018 against RO1.82bn recorded in the same period a year ago. Oman's non-oil exports to Qatar jumped by 178 per cent to RO254.6mn in the first seven months of this year from RO91.7mn in the previous year, the statistics released by the National Centre for Statistics and Information (NCSI) showed.

Source: [Muscat Daily](#)

### **Oman sovereign fund eyes defensive sectors amid risks for global economy**

Oman Investment Fund (OIF) may target defensive sectors such as healthcare and insurance in the short-term as more downside risks emerge for global economy, its chief strategy officer said. "In the portion of our portfolio that is more exposed to public markets, we want to play defensively," Fabio Scacciavillani, chief strategy officer of the fund, told Reuters on the sidelines of a conference in Doha. "We think we are in a late cycle stage of growth globally. We won't see any acceleration in growth in the near future and let's say the risks are on the downside."

Source: [Reuters](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Egypt enjoys best day in two years, oil pressures Gulf**

Egypt's blue-chip index rose on Monday for its biggest one-day gain in two years, after the country's annual inflation dipped. Real estate continued to weigh on Dubai. Egypt's annual urban consumer price inflation dipped to 15.7 percent in November from 17.7 percent in October, the official statistics agency CAPMAS said on Monday, exceeding analysts' expectations.

Source: [Zawya](#)

### **Uthmaniyah Capital: GCC Petrochemicals performed "significantly well compared to last year", report says**

Shares in petrochemical companies in the six member states of the Gulf Cooperation Council (GCC) performed better this year than in 2017 and the outlook looks decent for 2019, according to a report released this week. Uthmaniyah Capital said in a report sent to the media

on Monday that the relatively better performance of oil prices this year led petrochemical shares to have a stronger 2018 compared to 2017.

Source: [Zawya](#)

#### **Qatar considers selling dollar bonds for benchmark purposes only**

Qatar does not need to raise debt through international bonds next year because its budget forecasts an economic surplus, but it might issue dollar debt to provide a pricing benchmark to government-related entities that plan to sell bonds, a finance ministry official said.

Source: [Zawya](#)

#### **Now It Looks Like Dubai Has Too Many Private Schools**

Dubai's school market is turning in favor of parents, according to Knight Frank. "The education sector in Dubai is now at a tipping point, with aggressive marketing and tuition fee discounts symptomatic of an oversupply of schools," according to a report. Education providers are facing further pressure with the addition of 13 schools in the current academic year, bringing the total number of private schools to 207.

Source: [Bloomberg](#)

#### **Saudi reviews fees on foreign workers after exodus**

Saudi Arabia is reviewing its policy of imposing fees on foreign workers after an exodus of expats over the last year and a half, according to reports. Bloomberg cited sources as confirming the fees are unlikely to be cancelled altogether but a ministerial committee is looking to modify or restructure them. A decision on the matter following the review, which is designed to match the government's fiscal needs with the abilities of the private sector, is expected in the coming weeks.

Source: [Gulf Business](#)

#### **ENOC plans to build 45 service stations in Saudi Arabia in the next 5 years**

ENOC Group, a wholly-owned entity of the Government of Dubai, has announced major expansion plans to build 45 new service stations in the Kingdom of Saudi Arabia over the next five years. The Group's plans are aligned with the Ministry of Municipal and Rural Affairs' plan, which aim for the construction of over 1,200 petrol stations across the Kingdom. All 45 ENOC service stations will be strategically built on the Kingdom's vast network of highways that inter-connect the 13 provinces and serve as a major logistics and trade land-corridor; connecting the Kingdom to the rest of the GCC and the Middle East region. Over the next two years, ENOC's plan will focus on building stations in the Central Region, mainly Riyadh and the Eastern province.

Source: [Saudi Gazette](#)

#### **Bahrain's fixed broadband prices fall by 82% between 2013 and 2018**

The Telecommunications Regulatory Authority (TRA) has published its latest Market Indicators Reports. They include the market indicators in Bahrain, the Arab price benchmarking study and the residential market survey. The TRA said Bahrain's telecommunications sector witnesses continuous competition and achievements in providing diverse and high quality services to residential and businesses users.

Source: [Telecom paper](#)

#### **Qatar to achieve budgetary surplus in 2019**

The Minister of Finance H E Ali Shareef Al Emadi said yesterday that Qatar's next general national budget for fiscal year 2019, which is to be announced within a few days, will have an estimated surplus. With the surplus budget Qatar will see increase in budgetary allocations for capital expenditure and spending in several key sectors, including infrastructure and social sectors such as healthcare, education and others.

Source: [TPQ](#)

#### **Qatar to buy 10% stake in Exxon's Mozambique blocks**

Qatar Petroleum agrees to buy a 10% participating interest in three of Exxon Mobil's (NYSE:XOM) offshore exploration blocks in Mozambique's Angoche and Zambezi basins; financial terms are not disclosed. The ownership group consortium also would include affiliates of XOM with a 50% percent stake, and Rosneft (OTCPK:RNFTF) and Empresa Nacional de Hidrocarbonetos each with 20%. Qatar plans to strengthen energy partnerships with the U.S., says the country's minister of state for energy affairs after a meeting with U.S. Secretary of Energy Perry.

Source: [Seeking Alpha](#)

#### **Qatar's aviation industry booming, says minister**

The aviation industry and transport sector in Qatar has witnessed a "development boom" under the the wise leadership, HE the Minister of Transport and Communications Jassim Seif Ahmed al-Sulaiti said Monday. Delivering the opening speech at the 5th Global Aviation Training and TRAINAIR PLUS Symposium, the minister said one of the prominent developments in the aviation industry is Hamad International Airport (HIA) which has become one of the best airports in the world in terms of competence, service and comfort for passengers.

Source: [Gulf Times](#)

#### **Bahrain airport BAH's new passenger terminal to open in Q3 2019**

Bahrain International Airport's (BAH) under-construction passenger terminal building has made major progress, with operational readiness tests to begin on the new facility in February 2019. State-held aviation operator, Bahrain Airport Company (BAC), which is

developing the project, said the terminal building's functions, systems, and procedures will be tested in accordance with its Q3 2019 launch deadline.

Source: [Construction Week](#)

#### **ADFG's Goldilocks raises stake in Dubai-listed insurance firm Salama**

Goldilocks Investment Company, an indirect subsidiary of Abu Dhabi Financial Group (ADFG), has increased its beneficial ownership in Dubai-listed Islamic Arab Insurance Company, known as Salama, to 14.1 percent, it said on Sunday. The move reflected Goldilocks' and ADFG's bullish outlook on the insurance sector in the United Arab Emirates, Goldilocks said.

Source: [Reuters](#)

#### **UAE targets FDI into non-oil sectors**

The UAE will focus on manufacturing, transport, renewable energy, agriculture and water sector in the short term to attract foreign direct investment (FDI), senior UAE officials said on Monday. Currently real estate, healthcare and education sectors attract high level of foreign investment inflows.

Source: [Zawya](#)

#### **Abu Dhabi to Slash Welfare for Citizens Who Won't Work**

Unemployed citizens in oil-rich Abu Dhabi will no longer be able to rely on generous state benefits while they hold out for their dream jobs. Jobless citizens, who can receive monthly unemployment payments starting at 6,000 dirhams (\$1,634), will have to accept one of three job offers arranged by the state or risk losing the government's financial support, The National newspaper reported.

Source: [Bloomberg](#)

#### **The Board of Almarai Proposes to Pay a Cash Dividend for The Financial Year 2018**

The Board of Directors of Almarai Company, during its meeting on 10th December 2018, has recommended to the General shareholders Assembly a payment of dividend for the financial year 2018.

Board Resolution Date 2018-12-10 Corresponding to 1440-04-03

Total Amount of Dividend Distributed SAR 850 Million

Source: [Mubasher](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **EMERGING MARKETS-Emerging-market shares tumble on fears global slowdown**

Emerging-market shares dropped to a near three-week low on Monday amid weak data from the world's biggest economies, concern over tension between the United States and China and a potentially disastrous Brexit. Disappointing U.S. jobs data on Friday sent Wall Street more than 2 percent lower and the mood spread through developed and developing markets in Asia on Monday.

Source: [Reuters](#)

#### **UniCredit's Turkish Unit Is Biggest Drain on Italian Bank's Funds**

Turkey's woes may cost UniCredit SpA more than 1.5 billion euros (\$1.7 billion) this year after its local venture sought funds for a second time in eight months. Italy's biggest bank plans to buy about 40 percent of \$1 billion in additional Tier 1 bonds that Turkish unit Yapi Kredi is planning to sell, according to two people with knowledge of the plan. Koc Holding AS, the Italian lender's partner in the joint venture, is said to be buying the same amount.

Source: [Bloomberg](#)

#### **US and China discuss next stage of trade talks**

China and the United States discussed the road map for the next stage of their trade talks on Tuesday, during a telephone call between Chinese Vice Premier Liu He and U.S. Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer. Lighthizer said on Sunday that unless U.S.-China trade talks wrap up successfully by Mar. 1, new tariffs will be imposed, clarifying there is a "hard deadline" after a week of seeming confusion among Trump and his advisers.

Source: [CNBC](#)

#### **Pound near 20-month low on Brexit setback, dollar steadies after surge**

The pound languished near 20-month lows against the dollar on Tuesday after British Prime Minister Theresa May postponed a crucial vote on her Brexit deal, raising the risk of a chaotic exit from the European Union. May on Monday postponed a parliamentary vote, which was due to take place on Tuesday, on her Brexit deal to seek more concessions. The move stoked more uncertainty as Britain now faces Brexit without a deal, a last-minute agreement or another EU referendum.

Source: [Reuters](#)

### **COMMODITIES NEWS**

#### **OPEC and non-OPEC cooperation deal to be signed in three months –UAE**

A general cooperation agreement between OPEC and non-OPEC countries will be signed in three months' time in Saudi Arabia, the UAE's energy minister said on Monday. "By (the) end of March the document will be ready for signature," Suhail al-Mazrouei said at an event in Abu Dhabi of the cooperation agreement, which will be a forum with frequent meetings to work together to achieve market balance.

Source: [Zawya](#)

### Oil falls nearly 2 percent on stocks sell-off, pares OPEC deal gains

Oil fell nearly 2 percent on Monday, echoing the weakness in global stock markets as the focus returned to demand growth concerns and crude prices erased some of the gains made last week on an OPEC-led decision to cut output. A gauge of global equities stumbled, putting it on track for its fifth straight daily decline, as losses in Europe and Asia extended to Wall Street on new signs the U.S.-China trade spat was impacting world economic growth.

Source: [Reuters](#)

### Gold prices hold steady as stronger dollar weighs

Gold prices held steady early on Tuesday, supported by hopes that the US Federal Reserve could pause its rate hike cycle sooner than previously thought, but a stronger dollar amid Brexit worries weighed on the precious metal. - Spot gold was steady at \$1,244.71 per ounce, as of 0114 GMT. - U.S. gold futures were little changed at \$1,250.1 per ounce.

Source: [Money Control](#)