

U Capital Morning Brief

30 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	894.53	7.90	0.88%	-8.19%	-	-	-
U Capital GCC 50 Index	1,298.64	3.62	0.28%	13.45%	-	-	-
U Capital MENA 200 Index	1,037.66	3.13	0.30%	4.28%	-	-	-
MSCI GCC Countries Index	533.45	0.03	0.01%	11.19%	14.03	1.74	4.1%
Muscat Securities Market	4,344.47	18.32	0.42%	-14.80%	10.24	0.78	6.0%
Saudi Stock Exchange	7,749.32	38.39	0.50%	7.24%	16.74	1.73	3.6%
Kuwait Stock Exchange	5,071.31	12.04	0.24%	NA	15.17	1.23	3.9%
Qatar Exchange	10,287.70	64.72	0.63%	20.70%	15.21	1.54	4.3%
Bahrain Stock Exchange	1,322.20	3.91	0.30%	-0.71%	8.94	0.83	6.2%
Dubai Financial Market	2,469.49	0.64	0.03%	-26.72%	8.33	0.91	7.1%
Abu Dhabi Exchange	4,831.23	14.12	0.29%	9.84%	13.11	1.40	5.0%
Beirut Stock Exchange	976.75	2.90	0.30%	-14.96%	5.00	0.60	9.3%
Palestine Stock Exchange	528.16	1.03	0.20%	-8.08%	12.87	1.23	4.5%
Tunis Se Index	7,259.67	56.95	0.79%	15.57%	18.86	2.58	2.0%
EGX 30 Index	12,984.21	144.05	1.12%	-13.55%	11.92	1.47	2.3%
Amman General Index	1,910.22	3.33	0.17%	-10.18%	13.67	0.95	4.8%

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

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
Europe			%	%	Currency	USD/1 Unit	Units/1 USD
FTSE 100	UK	6,734.0	2.27%	-12.4%	Australian Dollar (AUD)	0.705	1.421
DAX	Germany	10,559.0	1.71%	-18.3%	British Pound (GBP)	1.270	0.787
CAC 40	France	4,678.7	1.74%	-11.9%	Canadian Dollar (CAD)	0.733	1.364
United States					Chinese Renminbi (CNH)	0.145	6.882
DJIA	USA	23,062.4	-0.33%	-6.7%	Egyptian Pound (EGP)	0.056	17.914
S&P 500	USA	2,485.7	-0.12%	-7.0%	Euro (EUR)	1.144	0.874
NASDAQ	USA	6,584.5	0.08%	-4.6%	Indian Rupee (INR)	0.014	69.946
Asia Pacific					Japanese Yen (JPY)	0.009	110.270
NIKKEI 225	Japan	20,014.8	-0.31%	-12.1%	New Zealand Dollar (NZD)	0.672	1.491
HANG SENG	Hongkong	25,504.2	0.10%	-14.8%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	37,167.0	-1.81%	-8.2%	Pakistani Rupee (PKR)	0.722	138.885
NSE Nifty 50	India	10,859.9	0.74%	3.1%	Russian Ruble (RUB)	0.014	69.541
SHANGHAI Composite	China	2,493.9	0.44%	-24.6%	Singapore Dollar (SGD)	0.732	1.366
KOSPI Index	South Korea	2,041.0	0.62%	-17.3%	Turkish Lira (TRY)	0.190	5.273

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				UAE	2.96
Brent Crude (per bbl)	53.2	0.91%	-15.0%	Saudi Arabia	2.98
WTI Crude (per bbl)	45.3	1.61%	-25.0%	Kuwait	2.31
Oman Crude Oil (Last Closing)	52.2	0.58%	-18.5%	Oman	2.81
OPEC (per bbl)	53.9	-2.19%	-16.4%	Qatar	2.93
Precious Metals				Bahrain	3.95
Gold100 OZ (per oz)	1,281.1	0.42%	-1.7%		
Silver (per oz)	15.4	0.97%	-9.2%		
Platinum (per oz)	790.5	-0.75%	-15.0%		
Other Metals					
Copper, MT	5,997	0.18%	-17.2%		
Aluminium, MT	1,845	-0.35%	-18.7%		
Lead, MT	2,062	1.63%	-17.1%		
Zinc, MT	2,440	-2.20%	-26.5%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.37	2.50	1m	2.52
5 year	100.33	2.56	3m	2.80
10 year	103.50	2.72	6m	2.87
30 year	106.91	3.02	1 year	3.01

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Volatility and caution are factors in investment decisions

The volatile performance of the financial market was the result of conflicting factors, including the movement of investors between regional markets, high volatility in the oil market, ratings actions, and local macro and company news. It was noted that local and foreign institutional investors were net sellers and the market registered some special deals.

Source: [Oman Observer](#)

3rd telecom operator to be named early 2019

The third mobile communication operator in the Sultanate will be announced in early 2019, said Yousef bin Abdullah al Balushi, Deputy CEO for Spectrum Management Affairs, Telecommunication Regulatory Authority (TRA). The licensing process for the third operator (local partners) is in the final stages, he said during a draw organised by TRA for awarding telecom frequencies for the domain 3,400-3,700 megahertz. Each mobile operator will get 100 megahertz of frequency, which they can use for offering 5G telecom services in the country.

Source: [Oman Observer](#)

OTC signs agreements to build, lease and manage telecom towers

Oman Tower Company (OTC) has signed two pacts with Omantel and Ooredoo to build, lease and manage assets of towers in the sultanate. In a statement to Oman News Agency, Eng Kharousi said that the Oman Tower Company will build the towers to be leased to the two operators Omantel and Ooredoo, as well as the third operator when founded.

Source: [Muscat Daily](#)

Oman's electricity production rises to meet growing demand

Oman's total electricity production until the end of September 2018 rose by 2.2 per cent to reach 29,169.1 GW per hour compared to the end of the same month in 2017, which saw a total production of 28,554.3 GW per hour, according to statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

Privatisation and PPP to gain traction in 2019 Budget

Notwithstanding the steep decline in global oil prices over the past month, the price of Omani crude is expected to average out at around \$68 per barrel this year — a figure that will have a positive bearing on the choice of a suitable benchmark price on which the 2019 State Budget will be based, according to a Muscat-based analyst.

Source: [Oman Observer](#)

Solar-powered sewage plant starts operations in Oman

Operations at the new Quriyyat sewage plant, that uses solar energy, has started today. The plant uses solar power for the treatment of sewage instead of electricity and it aims to reduce the emission of carbon dioxide. Solar energy produced after the completion of the project is estimated to be around 100 kilowatts per day, Hussain bin Hassan Abdul Hussain, chief executive of Haya Water said. The capacity of solar energy produced daily covers 80 per cent of the energy consumed by the plant.

Source: [Times of Oman](#)

Ministry allots over 32,000 housing plots

The Ministry of Housing allotted a total of 32,876 residential plots across the sultanate till the end of November, which is an increase of 12.77 per cent over the same period last year. Among various governorates, residential housing plot allotment in the Governorate of Dakhliyah registered the highest. About 7,933 plots were allotted in Dakhliyah during the January-November period of 2018, up by 1.5 per cent compared to 7,816 plots in the same period of 2017.

Source: [Muscat Daily](#)

Water output up by almost 6% in first nine months

Water production of the Sultanate at the end of September 2018 reached 351.3 million cubic metres, a rise of 5.7 per cent from the end of September 2017, when it was 332.3 million cubic metres, according to National Centre for Statistics and Information (NCSI) figures.

Source: [Times of Oman](#)

Omantel Share of Market Stands at 56 Percent

Talal bin Said al-Ma'amari, CEO of Omantel said that Omantel share of the market now stands at 56% and that the company's 4G network now covers 92% of the inhabited areas at the different wilayats. He affirmed that 4G technologies meet the needs of individuals at least for the coming three years. "Omantel investments at the 4G over the past three years stood at RO120 million or 24% of the total revenues of the company during the same period," he added in a statement to Oman News Agency (ONA).

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Real Estate Refinance Sets Up \$2.93bn Sukuk Program

Saudi Real Estate Refinance Co., a unit of the kingdom's sovereign wealth fund, set up an 11 billion-riyal (\$2.93 billion) Islamic bond program to increase liquidity in the country's mortgage market. HSBC Saudi Arabia has been appointed as the sole arranger and bookrunner for the riyal-denominated program, the company said in a statement. Sukuk will be issued through multiple tranches.

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

Union Properties Board Approves Buying up to 10% of Shares

The Company BOD approve the purchase of the company shares at rate not exceeding 10% of the paid up capital.

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

Saudi: Value of 5 halala coin transactions soars over SR2.12m in November

The value of transactions of 5 halala coins has increased markedly to over SR2.12 million by the end of November, 2018. This figure registered an increase of 1,796 percent compared to SR111,761 at the end of Nov. 2017, according to a recent report of the Saudi Arabian Monetary Agency (SAMA).

Source: [**Saudi Gazette**](#)

Russian Direct Investment Fund close to equipment deal with Saudi Aramco

Russia's Direct Investment Fund (RDIF) is finalising a deal to supply pumping equipment to Saudi Aramco, CEO Kirill Dmitriev told Russian media outlets. "Right now, we have finalised the main parameters of the November deal to supply Russian-made pumping equipment to Saudi Aramco and other companies, and Saudi Aramco will become an investor in this project," he said. Dmitriev added that a number of potential investments for Saudi Aramco in Russia are currently being considered.

Source: [**Oil and Gas**](#)

Dubai's mega solar park project on fast track

Construction work on the fourth phase of the Mohammed bin Rashid Al Maktoum Solar Park has advanced further with the completion of 128 pillars of the project's solar tower, said the Dubai Electricity and Water Authority (Dewa). This is part of Dewa's continuous efforts to accelerate Dubai's transformation into a global clean and renewable energy hub and its shift towards solar energy. The fourth phase of the Park is the largest single-site investment project in Concentrated Solar Power (CSP) in the world based on the Independent Power Producer (IPP) model.

Source: [**Trade Arabia**](#)

Burgan Bank issues \$328m bonds in Kuwait market

Burgan Bank, the second largest local conventional bank by assets size in Kuwait, has announced that it has successfully issued a KD100 million (\$328.3 million) bonds in the local market. The bonds have a three-year tenor, and carry a fixed interest rate of 4.125 per cent every year, said a statement from Burgan Bank.

Source: [**Trade Arabia**](#)

Libyan energy revenue dips to \$2.4 bn

Libya's oil and gas revenue dipped to \$2.4 billion in November from \$2.87 billion in October, but full-year revenue is expected to surge by 76 percent to \$24.2 billion, state oil firm NOC said on Friday.

Source: [**Arab News**](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Trade wars cost US, China billions of dollars each in 2018

The US-China trade war resulted in billions of dollars of losses for both sides in 2018, hitting industries including autos, technology — and above all, agriculture. Broad pain from trade tariffs outlined by several economists shows that, while specialised industries including US soybean crushing benefited from the dispute, it had an overall detrimental impact on both of the world's two largest economies.

Source: [**Gulf News**](#)

Trump says 'big progress' on possible China trade deal

U.S. President Donald Trump said on Twitter on Saturday that he had a "long and very good call" with Chinese President Xi Jinping and that a possible trade deal between the United States and China was progressing well. As a partial shutdown of

the U.S. government entered its eighth day, with no quick end in sight, the Republican president was in Washington, sending out tweets attacking Democrats and talking up possibly improved relations with China.

Source: [Reuters](#)

UK to spend over \$130 million on ferries to cope with no-deal Brexit

The British government will spend more than 100 million pounds (\$130 million) chartering extra sea ferries to ease cross-Channel congestion if the United Kingdom fails to secure a trade deal before leaving the European Union next year. Just three months before the United Kingdom is due to leave the world's largest bloc, the risk of a no-deal Brexit is rising — the nightmare scenario for many businesses, which are now planning for an economic shock.

Source: [Arab News](#)

USA: Jobless claims signal labor market strength, consumer confidence tumbles

The number of Americans filing applications for jobless benefits fell marginally last week in a sign of labor market strength, with claims appearing to stabilize after drifting higher in recent months. Initial claims for state unemployment benefits dropped 1,000 to a seasonally adjusted 216,000 for the week ended Dec. 22, the Labor Department said on Thursday.

Source: [CNBC](#)

US home price growth slowed in October

U.S. home price growth slowed in October, a likely consequence of higher mortgage rates having worsened affordability and causing sales to fall. The S&P CoreLogic Case-Shiller 20-city home price index rose 5 percent from a year earlier, down from an annual gain of 5.2 percent in September. That's down from a 5.5 percent yearly gain in the previous month.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices steady near year-and-a-half lows ahead of New Year

Oil prices steadied on Friday after a week of volatile trading ahead of the New Year holiday, supported by a rise in U.S. equity markets but pressured by worries about a global glut of crude. Brent crude LCOc1 futures rose 4 cents to settle at \$52.20 a barrel, off the session high of \$53.80 a barrel.

Source: [Reuters](#)