

U Capital Morning Brief

16 January 2019

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	869.49	-12.23	-1.41%	-1.78%	-	-	-
U Capital GCC 50 Index	1,381.08	26.22	1.90%	6.76%	-	-	-
U Capital MENA 200 Index	1,085.39	11.25	1.04%	5.04%	-	-	-
MSCI GCC Countries Index	569.34	3.69	0.65%	5.85%	14.96	1.86	3.9%
Muscat Securities Market	4,279.87	-28.87	-0.67%	-1.01%	8.54	0.76	6.1%
Saudi Stock Exchange	8,347.25	76.70	0.93%	6.65%	18.09	1.86	3.4%
Kuwait Stock Exchange	5,234.51	6.97	0.13%	3.05%	15.60	1.26	3.8%
Qatar Exchange	10,762.99	91.43	0.86%	4.51%	15.91	1.60	4.1%
Bahrain Stock Exchange	1,340.12	-3.67	-0.27%	0.21%	8.71	0.84	6.1%
Dubai Financial Market	2,490.55	-36.73	-1.45%	-1.55%	7.56	0.92	7.4%
Abu Dhabi Exchange	4,983.42	-15.80	-0.32%	1.39%	13.39	1.44	4.8%
Beirut Stock Exchange	970.69	-1.43	-0.15%	-0.62%	4.92	0.58	9.4%
Palestine Stock Exchange	528.28	-3.00	-0.56%	-0.20%	13.19	1.21	4.5%
Tunis Se Index	7,172.97	-17.36	-0.24%	-1.36%	18.50	2.52	2.0%
EGX 30 Index	13,447.12	111.37	0.84%	3.16%	12.37	1.53	2.2%
Amman General Index	1,918.91	-2.59	-0.13%	0.53%	13.60	0.94	4.9%

* 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		
Europe					Currency Cross Rates		
FTSE 100	UK	6,895.0	0.58%	2.5%	Australian Dollar (AUD)	0.720	1.389
DAX	Germany	10,891.8	0.33%	3.2%	British Pound (GBP)	1.285	0.778
CAC 40	France	4,786.2	0.49%	1.2%	Canadian Dollar (CAD)	0.754	1.327
United States					Chinese Renminbi (CNH)	0.148	6.773
DJIA	USA	24,065.6	0.65%	3.2%	Egyptian Pound (EGP)	0.056	17.925
S&P 500	USA	2,610.3	1.07%	4.1%	Euro (EUR)	1.141	0.877
NASDAQ	USA	7,023.8	1.71%	5.9%	Indian Rupee (INR)	0.014	71.006
Asia Pacific					Japanese Yen (JPY)	0.009	108.510
NIKKEI 225	Japan	20,428.2	-0.62%	2.1%	New Zealand Dollar (NZD)	0.681	1.468
HANG SENG	Hongkong	26,775.2	-0.22%	3.6%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	39,614.2	0.00%	6.9%	Pakistani Rupee (PKR)	0.720	138.908
NSE Nifty 50	India	10,918.5	0.29%	0.5%	Russian Ruble (RUB)	0.015	66.962
SHANGHAI Composite	China	2,568.9	-0.06%	3.0%	Singapore Dollar (SGD)	0.738	1.355
KOSPI Index	South Korea	2,102.9	0.27%	3.0%	Turkish Lira (TRY)	0.183	5.451

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	60.5	-0.16%	12.5%	UAE	2.93
WTI Crude (per bbl)	52.0	-0.19%	14.6%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	60.2	2.48%	12.6%	Kuwait	2.50
OPEC (per bbl)	58.4	-2.68%	13.3%	Oman	2.81
Precious Metals					
Gold100 OZ (per oz)	1,289.3	-0.01%	0.5%	Qatar	2.94
Silver (per oz)	15.6	-0.04%	0.5%	Bahrain	3.95
Platinum (per oz)	799.2	-0.06%	0.4%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	5,920	0.39%	-0.8%		
Aluminium, MT	1,845	0.93%	-0.1%		
Lead, MT	1,968	-0.76%	-2.6%		
Zinc, MT	2,456	-1.13%	-0.4%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.95	2.52	1m	2.51
5 year	100.43	2.53	3m	2.78
10 year	103.53	2.71	6m	2.85
30 year	105.81	3.08	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

Utico secures \$400 million investment deal with Majis

The UAE's leading private utility, Utico, on Tuesday announced signing an investment agreement with Majis Industrial Services, a Government of Oman owned entity, with an investment deal value of US\$400 million. Stating the details of the investment at a news conference on the sidelines of the World Future Energy Summit in Abu Dhabi (WFES 2019), Utico spokespeople said the deal was arranged by Emirates NBD Capital, exclusive financial advisor to Utico on this deal.

Source: [Times of Oman](#)

Haya Water and Gantoot sign waste, treated water agreement

Haya Water signed an agreement with Gantoot for Transport and Construction Company (Gantoot) which aims to establish waste and treated water networks and to connect buildings in Bausher 1. The agreement was signed on behalf of Haya Water by Mohsin bin Mohammed al Shaikh, Muscat Municipality Chairman, Haya Water's Chairman, and Mohammed bin Ali al Balushi, the Chief Financial Officer on behalf of the Gantoot.

Source: [Oman Observer](#)

CBO issues treasury bills worth OMR18mn

Oman's central bank raised OMR18 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from January 16, 2019 (Wednesday) until February 13, 2019. The average accepted price reached 99.813 for every OMR100, and the minimum accepted price arrived at 99.810 per OMR100. Whereas the average discount rate and the average yield reached 2.44058 per cent and 2.44516 per cent, respectively.

Source: [Times of Oman](#)

IPOs, REITs and M&As to buoy Muscat Securities Market in 2019

A trio of Initial Public Offerings (IPOs), coupled with the anticipated introduction of the Mandatory Health Insurance scheme as well as the potential for new listings linked to Real Estate Investment Trusts (REITs), are expected to stimulate the share market in the Sultanate in 2019, according to a Muscat-based market analyst. Hettish Karmani, Head of Research at U Capital — a leading investment banking platform in the Sultanate, said the outlook for the Muscat Securities Market (MSM) is promising going into 2019, in comparison with the relative lacklustre performance of the bourse last year.

Source: [Oman Observer](#)

Saudi Arabia in talks with the UAE, Oman for natural gas pipeline: Al-Falih

Saudi Arabia is in talks with the UAE, Oman and other neighboring states to build an interconnected natural gas pipeline, media reports have said, citing the Kingdom's Energy Minister Khalid Al-Falih. "This network is a part of greater connectivity between regional economies," Al-Falih said on the sidelines of the World Future Energy Summit (WFES) being held in Abu Dhabi. "We plan to lift the whole region of the Middle East and Africa (MEA) through shared investment and resources," he added.

Source: [Argaam](#)

Japan, India boost Oman crude imports in Dec

China remained the largest buyer of Omani crude in December 2018, although Japan and India reported an uptick in imports, the Ministry of Oil and Gas said in its monthly report. China accounted for 87.23 per cent of Oman's total exports of 20.022 million barrels in December 2018, registering a decline of 4.41 per cent over the previous month. Japan and India, on the other hand, boosted their respective shares to 7.76 per cent and 5 per cent in December.

Source: [Oman Observer](#)

Oman's oil production tops 30mn barrels

Oman's production of crude oil and condensate throughout December 2018 amounted to 30.75 million barrels, with a daily average of 992,192 barrels, the latest monthly report issued by the Ministry of Oil and Gas (MOG) indicated. The total exported quantities of Oman crude oil during December 2018 reached 2,002 million barrels, with a daily average of 645,890 barrels.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

L&T consortium wins big Saudi Aramco projects deal

India's top engineering and construction firm Larsen & Toubro (L&T) said its hydrocarbon engineering unit, in consortium with Subsea 7, has won order for two projects from state oil giant Saudi Aramco. As per the deal, L&T Hydrocarbon

Engineering will provide engineering, procurement, construction and installation (EPCI) services for three oil production deck manifolds and subsea pipelines in Zuluf and Berri Fields of Saudi Aramco.

Source: [Trade Arabia](#)

First Abu Dhabi Bank raises \$850m through sukuk

First Abu Dhabi Bank (FAB), the largest lender in the United Arab Emirates, has raised \$850 million in Islamic bonds, a document issued by one of the banks leading the deal showed on Tuesday. The five-year sukuk offer buyers 130 basis points over mid-swaps, 20 basis points below the indicative price FAB proposed when it started marketing the notes.

Source: [Zawya](#)

Dubai Ruler in Talks to Buy Some of Europe's Most Famous Luxury Hotels

Turkish billionaire Ferit Sahenk is in talks to sell some of Europe's most famous luxury hotels to the investment firm owned by Dubai's ruler as part of a debt restructuring, people with knowledge of the matter said. The discussions involve properties including the historic Capri Palace in Italy, the Aldrovandi Villa Borghese in Rome and Istanbul's Grand Hyatt, the people said, asking not to be identified because the talks are private.

Source: [Bloomberg](#)

Saudi Arabia to create renewable energy hub of more than 200 GW capacity: Al-Falih

In order to push greener energy, Saudi Arabia is planning to create a renewable energy hub with the capacity to generate more than 200 gigawatts (GW) of electricity, Energy Minister Khalid Al-Falih said. "Over the next decade, we'll create in the Kingdom a global hub of renewable energy capability of the size of more than 200GW, spanning the entire value chain from local manufacturing, project development, domestically and abroad," Al-Falih said during his speech at the ongoing World Future Energy Summit (WFES) in Abu Dhabi.

Source: [Argaam](#)

CMA approves FAB's unit request for name change

First Abu Dhabi Investment Saudi Company has requested the Capital Markets Authority of Saudi Arabia (CMA) approval to change its name. The CMA has approved the Saudi company's request to change the company's name to "FAB Capital", according to an official statement. First Abu Dhabi Investment Saudi Company is subsidiary of the UAE's bank First Abu Dhabi Bank (FAB).

Source: [Mubasher](#)

TASI marks 6M high, Nomu surges 190 pts at Tuesday's close

The Saudi Stock Exchange (Tadawul) closed Tuesday's trading session in the green after its benchmark Tadawul All Share Index (TASI) surged 76.7 points, or 0.93%, to 8,347.25 points, recording its highest level in six months, or since 26 July 2018. TASI's trading volume reached 117 million shares, down from 121.6 million on Monday, while liquidity fell to SAR 3.16 billion (\$843.73 million), against SAR 3.2 billion (\$860 million). The utilities, banking, materials, and telecommunication services sectors went up 3.79%, 1.36%, 0.65%, and 0.15%, respectively.

Source: [Mubasher](#)

Qatar's non-oil exports grow 35% in 2018

Qatar's non-oil exports jumped 35.1% year-on-year to QAR 24.4 billion (\$6.7 billion) in 2018 from QAR 18.05 billion (\$4.98 billion) in the prior year, according to Qatar Chamber's (QC) report on Tuesday. In December, the value of the Persian Gulf nation's non-oil exports rose 62% to QAR 2.1 billion, against QAR 1.3 billion in the same month of 2017, the report said. Exports of the world's richest country per capita were directed to 68 countries in December 2018, against 67 countries in the prior month. The list included 12 Arab, 18 European, 17 Asian and 19 African nations.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Brexit bedlam: May's EU divorce deal crushed by 230 votes in parliament

British lawmakers defeated Prime Minister Theresa May's Brexit divorce deal by a crushing margin on Tuesday, triggering political chaos that could lead to a disorderly exit from the EU or even to a reversal of the 2016 decision to leave. After parliament voted 432-202 against her deal, the worst defeat in modern British history, opposition Labour Party leader Jeremy Corbyn promptly called a vote of no confidence in May's government, to be held at 1900 GMT on Wednesday.

Source: [Zawya](#)

Bank of Japan to Cut Inflation Forecast on Cheaper Oil

The Bank of Japan is almost certain to cut its inflation forecast for the fiscal year starting in April given the sharp fall in oil prices, according to people familiar with the matter. The government's decision to make pre-school education free adds to the case for the downgrade, which will be delivered at the end of the next board meeting on Jan. 23, the people said. Looming cuts to mobile phone charges darken the picture but are hard to quantify, they said.

Source: [Bloomberg](#)

China's foreign direct investment into the US dropped precipitously in 2018, data show

In 2018, Chinese foreign direct investment into the U.S. fell to just \$4.8 billion — a massive decline from \$29 billion in 2017 and \$46 billion in 2016, according to independent researcher the Rhodium Group. Including divestitures, Chinese net U.S. direct investment declined \$8 billion in 2018, according to the group. Yet as direct investment dramatically falls, venture capital funding from Chinese sources into the U.S. hit a new record high of \$3.1 billion, Rhodium said.

Source: [CNBC](#)

Brexit Pushes Britain to Brink as Government Fights for Survival

The U.K. stands at its most dangerous crossroads in decades after Parliament emphatically rejected Theresa May's Brexit deal and left her facing an uncomfortable vote to oust her government. The humiliating defeat on Tuesday evening, the biggest for any government in modern history, leaves May's divorce agreement with the European Union all but dead and opposition leader Jeremy Corbyn trying to force a general election. While May believes she will survive Wednesday's no-confidence vote, it's unclear how long she -- or her Brexit strategy -- will last.

Source: [Bloomberg](#)

COMMODITIES NEWS

OPEC+ Plans Review in Baku in March, Ministers' Meeting in April

OPEC and its allies plan to hold a meeting in March to assess their oil-production accord in Azerbaijan, and then ministers will gather to set policy in April, according to the organization's top official. The body that reviews the implementation of OPEC's supply cuts, the Joint Ministerial Monitoring Committee, will convene in the Azeri capital of Baku on March 17 to 18, Secretary-General Mohammad Barkindo said in a statement. Ministers will then meet in Vienna on April 17 to 18 to decide whether the cutbacks should be extended beyond their scheduled expiry in the summer.

Source: [Bloomberg](#)