

U Capital Morning Brief

14 November 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	920.79	0.00	0.00%	-5.49%	-	-	-
U Capital GCC 50 Index	1,301.73	-6.32	-0.49%	13.72%	-	-	-
U Capital MENA 200 Index	1,045.49	-3.05	-0.29%	5.06%	-	-	-
MSCI GCC Countries Index	534.86	-2.11	-0.39%	11.48%	13.90	1.72	4.1%
Muscat Securities Market	4,467.28	-12.34	-0.28%	-12.39%	10.50	0.79	5.8%
Saudi Stock Exchange	7,750.95	-24.04	-0.31%	7.26%	16.63	1.73	3.6%
Kuwait Stock Exchange	5,101.77	-1.86	-0.04%	NA	15.01	1.24	3.9%
Qatar Exchange	10,314.62	-100.38	-0.96%	21.02%	15.25	1.54	4.2%
Bahrain Stock Exchange	1,304.96	-3.40	-0.26%	-2.01%	8.87	0.82	6.3%
Dubai Financial Market	2,775.51	-27.37	-0.98%	-17.64%	9.01	1.02	6.3%
Abu Dhabi Exchange	4,966.79	12.55	0.25%	12.92%	13.14	1.44	4.9%
Beirut Stock Exchange	973.59	-11.39	-1.16%	-15.23%	5.10	0.61	9.3%
Palestine Stock Exchange	528.37	-0.35	-0.07%	-8.04%	12.07	1.17	4.6%
Tunis Se Index	7,253.16	-13.85	-0.19%	15.46%	18.89	2.58	2.0%
EGX 30 Index	13,543.64	-134.72	-0.98%	-9.82%	15.36	2.38	2.2%
Amman General Index	1,957.01	13.25	0.68%	-7.98%	13.75	0.98	4.7%

* 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
Europe			%	%	Currency		
FTSE 100	UK	7,053.8	0.01%	-8.2%	Australian Dollar (AUD)	0.722	1.386
DAX	Germany	11,472.2	1.30%	-11.2%	British Pound (GBP)	1.299	0.770
CAC 40	France	5,101.9	0.85%	-4.0%	Canadian Dollar (CAD)	0.755	1.324
United States					Chinese Renminbi (CNH)	0.144	6.948
DJIA	USA	25,286.5	-0.40%	2.3%	Egyptian Pound (EGP)	0.056	17.915
S&P 500	USA	2,722.2	-0.15%	1.8%	Euro (EUR)	1.129	0.886
NASDAQ	USA	7,200.9	0.00%	4.3%	Indian Rupee (INR)	0.014	72.131
Asia Pacific					Japanese Yen (JPY)	0.009	113.930
NIKKEI 225	Japan	21,778.3	-0.15%	-4.3%	New Zealand Dollar (NZD)	0.678	1.476
HANG SENG	Hongkong	25,713.6	-0.35%	-14.1%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	40,910.4	-0.60%	1.1%	Pakistani Rupee (PKR)	0.746	133.950
NSE Nifty 50	India	10,572.7	-0.09%	0.4%	Russian Ruble (RUB)	0.015	68.129
SHANGHAI Composite	China	2,654.0	-0.03%	-19.8%	Singapore Dollar (SGD)	0.725	1.380
KOSPI Index	South Korea	2,066.3	-0.24%	-16.3%	Turkish Lira (TRY)	0.182	5.483

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates		Current Rate %
	USD	%	%			
Oil				UAE		2.72
Brent Crude (per bbl)	65.3	-0.34%	3.1%	Saudi Arabia		2.80
WTI Crude (per bbl)	55.4	-0.48%	-8.3%	Kuwait		2.13
Oman Crude Oil (Last Closing)	65.0	-6.61%	1.6%	Oman		2.78
OPEC (per bbl)	69.8	1.35%	8.3%	Qatar		2.83
				Bahrain		3.65
Precious Metals				GCC Latest 10-Yr Government Bond Yields		
Gold100 OZ (per oz)	1,202.4	0.02%	-7.7%		Maturity date	YTM, %
Silver (per oz)	14.0	0.10%	-17.3%			
Platinum (per oz)	837.2	-0.28%	-10.0%	Kuwait	3/20/2027	3.91
Other Metals				Abu Dhabi	10/11/2027	4.09
Copper, MT	6,073	0.40%	-16.2%	Qatar	6/2/2026	4.03
Aluminium, MT	1,936	-0.33%	-14.7%	Saudi Arabia	3/4/2028	4.52
Lead, MT	1,952	1.19%	-21.5%	Oman	1/17/2028	6.40
Zinc, MT	2,489	-0.30%	-25.0%	Bahrain	10/12/2028	7.19

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.76	3.0	1m	2.31
5 year	99.46	3.0	3m	2.61
10 year	99.84	3.1	6m	2.86
30 year	100.31	3.4	1 year	3.13

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Nama Holding conducts road shows in London

Nama Holding has organised road shows in London on the partial privatisation of two companies of the group, Oman Electricity Transmission Company (OETC) and Muscat Electricity Distribution Company (MEDC). The road shows were held on November 12 and will continue until November 13 in London, while the same will be conducted on November 19 in Muscat. The privatisation initiatives for OETC and MEDC are being conducted in line with the government's directives to proceed with the partial privatisation of electricity transmission, distribution and supply companies in the Sultanate.

Source: [Times of Oman](#)

SGRF achieves highest returns since 1980

Abdul Salam bin Mohammed Al Morshedi, CEO of the State General Reserve Fund (SGRF), said that SGRF has achieved the highest returns since its establishment 38 years ago. He said that the recent withdrawals due to the low oil prices did not affect its investment commitments and none of its assets is sold to support the deficit. He added that SGRF has maintained its annual rate of return at 7 per cent, an increase of nearly 200 per cent or more of its size since its inception.

Source: [Times of Oman](#)

CBO issues treasury bills worth OMR53mn

Oman's central bank raised OMR53 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from November 14 until December 12, 2018. The average accepted price reached 99.829 for every OMR100, and the minimum accepted price arrived at 99.825 per OMR100. Whereas the average discount rate and the average yield reached 2.22960 per cent and 2.23342 per cent, respectively.

Source: [Times of Oman](#)

Job challenges, solutions for SMEs discussed

The National Business Centre (NBC), which falls under the umbrella of the Public Establishment for Industrial Estates (Madayn), on Tuesday organised a Reyooq discussion event, which highlighted employment challenges and solutions for the Small and Medium Enterprises (SMEs). The event comes along the lines of the Global Entrepreneurship Week (GEW 2018), which kicked off early this week.

Source: [Times of Oman](#)

GlassPoint, Occidental of Oman sign major pact

The draft law on Selective Goods Tax was approved on Tuesday during a joint session of Majlis Ash'shura and the State Council. The new tax is expected to rake in a revenue of RO 100 million. Based on the Royal directives of His Majesty Sultan Qaboos, the joint session was held to discuss the areas of disagreement on the draft law. The session was presided over by Dr Yahya bin Mahfoudh al Mantheri, Chairman of the State Council, and Shaikh Khalid bin Hilal al Maawali, Chairman of the Majlis Ash'shura.

Source: [Oman Observer](#)

Sultanate has 20 per cent of the world's lunar meteorites

The Sultanate possesses 20 per cent of the world's lunar meteorites. It is the third country in the world in terms of the mass of lunar meteorites on its territories, according to Dr Ahmed bin Dhofar al Rawas, professor of physics at Sultan Qaboos University and visiting professor at the College of Arts and Applied Sciences (CAAS), Dhofar University.

Source: [Oman Observer](#)

3 new hospitals to be built at RO 269m

All preparations have begun for the construction of three hospitals in the Sultanate — Sultan Qaboos Hospital, Salalah, Suwaiq Hospital and Khasab Hospital. Dr Ahmed Mohammed al Saidi, Minister of Health, said the companies that have won bids for construction have started moving their equipment to the designated sites. The three hospitals, he said, will serve significant objectives as they will provide high-quality diagnostic, therapeutic and rehabilitation services for different medical cases in three governorates.

Source: [Oman Observer](#)

Oman announces investor for Seeb tourism project

The Ministry of Tourism announced on Tuesday that it has accepted a proposal by Bin Sheikh Holding Company for the establishment of a tourist attraction in Seeb. In October 2017, the ministry launched a public contest for investors for a tourism project in Seeb aimed at recreating old Omani markets and traditional lanes. The project, which will include restaurants, cafes and shops on land No 277 in Seeb, will be developed under usufruct agreement renewable for 50 years.

Source: [Oman Observer](#)

PEIE UNVEILS ITS NEW BRAND IDENTITY 'MADAYN'

The Public Establishment for Industrial Estates (PEIE) on Monday unveiled its new brand identity at an event organised to celebrate its silver jubilee at Oman Convention and Exhibition Centre under the auspices of H E Dr Ali bin Masoud bin Ali al Sunaidy, Minister of Commerce and Industry. Along with H E Sunaidy, a number of senior officials from various government departments and private organisations attended the event, a press release said.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Gulf falls as Trump comment trips up oil; Dubai and Qatar sharply lower

Most Gulf stock markets fell on Tuesday, with Saudi Arabia marginally lower and Dubai and Qatar sharply down, after oil prices retreated on comments by U.S. President Donald Trump pressuring OPEC not to go ahead with a supply cut. Brent oil hovered near multi-month lows under \$70 a barrel following a decline for a record 11th consecutive session amid softening demand, and after Trump said he hoped there would be no oil output reductions.

Source: [Zawya](#)

'Multiple and intertwined risks' cloud outlook for the Middle East and its neighbors, IMF says

Oil producing countries in the Middle East could benefit from higher crude prices in 2019, but regional uncertainties weigh on growth. A new report from the International Monetary Fund encouraged countries in the MENAP region to introduce more reforms that would diversify their economies away from oil. Rising oil prices could weaken the resolve of oil exporters to continue reforms.

Source: [CNBC](#)

PIF-backed Noon.com plans to list in next four years: report

Regional e-commerce website Noon.com is planning to float on the stock market in a global cross-listing within the next four to five years, Arabian Business reported, citing company chairman Mohamed Alabbar. "This is an Arab company and the customers should enjoy the benefits, they should also have the chance to become shareholders. Listing the company is the least we can do," he said.

Source: [Argaam](#)

IMF: KSA reform program in right direction but needs to 'scale up'

Saudi Arabia's reform process is heading in the right direction, but the Kingdom needs to "scale up" in certain areas of the economy, according to the International Monetary Fund (IMF). The IMF's director for the Middle East and Central Asia, Jihad Azour, told journalists in Dubai that prospects for foreign direct investment — which the Kingdom has sought to attract in its strategy to get away from oil dependency — would benefit from more government measures to increase public sector involvement.

Source: [Arab News](#)

Kuwaiti stock market suspends operations on Wednesday due to bad weather

Kuwait's stock market will suspend work on Wednesday due to bad weather, it said on its website on Tuesday. "In accordance with the instructions of the Capital Market Authority, and due to bad weather conditions, Boursa Kuwait suspends its work one day, Wednesday, November 14, 2018", the stock market said in a statement on its website. Severe weather conditions in the Gulf state in recent days have also forced government institutions to suspend their work on Wednesday.

Source: [Zawya](#)

Mubadala to take investment decision on \$6bn Pakistan refinery

Mubadala's Petroleum and Petrochemicals division is finalising an investment decision on the planned Pak Arab Refinery in Pakistan by the end of 2019, a project that could cost up to \$6 billion (Dh22.04bn), its chief executive said on Monday. The hydrocarbons unit, which is a division of Abu Dhabi strategic investment fund Mubadala Investment Company, had earlier considered development of around 200,000 barrels per day of refining capacity, which has been since revised up, in the Pakistani port city of Karachi, with local developers.

Source: [The National](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia stocks shaken by plunge in crude oil, growth worries

Asian shares edged lower as investors fretted about slowing global growth with crude oil prices sinking on worries about weakening world demand and oversupply. US crude futures dived 7 percent the previous day, suffering their biggest one-day loss in more than three years. The contracts last stood at USD 55.72 per barrel following a descent to USD 54.75 overnight, their lowest since November 2017.

Source: [Money Control](#)

Greater China markets mixed as Asia stocks trade in negative territory

Markets in Greater China started the day in mixed territory, as shares in Australia, Japan and South Korea saw declines. Overnight on Wall Street, the major stock indexes saw a sell-off, with the Dow Jones Industrial Average plunging by more than 600 points.

Source: [CNBC](#)

Trump's tariff battle with China is spurring record dollar-yuan trading

Market uncertainty due to the ongoing trade dispute between the U.S. and China has spurred a jump in trading volumes for the dollar-yuan currency pair in recent months. That has prompted at a Singapore-based exchange to launch a new futures contract.

Source: [CNBC](#)

Global growth is slowing, and markets need to pay attention, IMF says

The threat of a slowdown among several big world economies could cause a "sudden reversal in global risk appetite," the IMF reported Tuesday. The IMF still sees overall global growth in 2018-2019 remaining steady with 2017 levels. The International Monetary Fund says China growth will steadily decline for a couple years, but it's optimistic about the Middle East.

Source: [CNBC](#)

COMMODITIES NEWS

Gold edges up as dollar drifts away from multi-month high

Gold prices inched up on Wednesday as the US dollar retreated from a 16-month high touched earlier in week, easing amid a surge in the euro and sterling on a draft Brexit agreement. Spot gold was up about 0.1 percent at \$1,202.55 per ounce at 0101 GMT. US gold futures were up 0.1 percent at \$1,203 per ounce.

Source: [Money Control](#)

Oil struggles to find footing after 7 pct slump, sentiment stays weak

Oil markets struggled to find their footing on Wednesday after plunging by 7 percent the previous session, with surging supply and the spectre of altering demand keeping investors on edge. U.S. West Texas Intermediate (WTI) crude oil futures were at \$55.54 per barrel at 0159 GMT, down 15 cents from their last settlement. International benchmark Brent crude oil futures LCOc1 were up 4 cents at \$65.51 per barrel. Markets fell by more than 7 percent the previous day. Crude oil has lost over a quarter of its value since early October in what has become one of the biggest declines since prices collapsed in 2014.

Source: [NASDAQ](#)

Al-Falih calls for 1 mbd global oil output cut

A global oil output cut of one million barrels per day (mbd) is needed in order to maintain balance, Saudi Energy Minister Khalid Al-Falih said on Monday at ADIPEC 2018 in Abu Dhabi. Saudi Arabia will take appropriate measures to keep oil inventories in a narrow band in the coming months to come into balance, he added.

Source: [Argaam](#)