

# U Capital Morning Brief

27 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	885.24	-1.52	-0.17%	-9.14%	-	-	-
U Capital GCC 50 Index	1,293.64	-6.51	-0.50%	13.01%	-	-	-
U Capital MENA 200 Index	1,033.29	-6.85	-0.66%	3.84%	-	-	-
MSCI GCC Countries Index	530.56	-0.32	-0.06%	10.59%	13.96	1.73	4.1%
Muscat Securities Market	4,326.15	13.21	0.31%	-15.16%	10.20	0.77	6.0%
Saudi Stock Exchange	7,710.93	-6.82	-0.09%	6.71%	16.65	1.72	3.6%
Kuwait Stock Exchange	5,059.27	-6.79	-0.13%	NA	15.13	1.23	3.9%
Qatar Exchange	10,222.98	-10.90	-0.11%	19.94%	15.11	1.53	4.3%
Bahrain Stock Exchange	1,318.30	5.30	0.40%	-1.01%	8.92	0.82	6.2%
Dubai Financial Market	2,468.85	1.50	0.06%	-26.74%	8.33	0.91	7.1%
Abu Dhabi Exchange	4,817.11	16.41	0.34%	9.52%	13.07	1.39	5.0%
Beirut Stock Exchange	968.41	-8.77	-0.90%	-15.69%	4.96	0.59	9.4%
Palestine Stock Exchange	527.13	0.70	0.13%	-8.26%	12.84	1.22	4.5%
Tunis Se Index	7,171.42	0.39	0.01%	14.16%	18.63	2.55	2.0%
EGX 30 Index	12,840.16	169.53	1.34%	-14.51%	11.78	1.45	2.4%
Amman General Index	1,906.89	3.31	0.17%	-10.34%	13.65	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	6,686.0	-0.52%	-13.0%	Australian Dollar (AUD)	0.706	1.416
DAX	Germany	10,633.8	0.00%	-17.7%	British Pound (GBP)	1.266	0.790
CAC 40	France	4,626.4	-1.45%	-12.9%	Canadian Dollar (CAD)	0.736	1.359
United States					Chinese Renminbi (CNH)	0.145	6.895
DJIA	USA	22,878.5	4.98%	-7.4%	Egyptian Pound (EGP)	0.056	17.920
S&P 500	USA	2,467.7	4.96%	-7.7%	Euro (EUR)	1.138	0.879
NASDAQ	USA	6,554.4	5.84%	-5.1%	Indian Rupee (INR)	0.014	70.269
Asia Pacific					Japanese Yen (JPY)	0.009	110.940
NIKKEI 225	Japan	20,049.7	3.74%	-11.9%	New Zealand Dollar (NZD)	0.672	1.487
HANG SENG	Hongkong	25,808.5	0.60%	-13.7%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,218.1	-0.24%	-5.6%	Pakistani Rupee (PKR)	0.720	138.929
NSE Nifty 50	India	10,729.9	0.62%	1.9%	Russian Ruble (RUB)	0.015	68.701
SHANGHAI Composite	China	2,512.2	0.55%	-24.0%	Singapore Dollar (SGD)	0.729	1.373
KOSPI Index	South Korea	2,032.9	0.24%	-17.6%	Turkish Lira (TRY)	0.190	5.279

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>				UAE	2.86
Brent Crude (per bbl)	54.3	-0.29%	-13.8%	Saudi Arabia	2.97
WTI Crude (per bbl)	46.1	-0.35%	-23.8%	Kuwait	2.25
Oman Crude Oil (Last Closing)	54.0	7.72%	-15.6%	Oman	2.83
OPEC (per bbl)	53.9	-2.19%	-16.4%	Qatar	2.92
<b>Precious Metals</b>				Bahrain	3.95
Gold100 OZ (per oz)	1,270.0	0.23%	-2.5%		
Silver (per oz)	15.0	-0.02%	-11.3%		
Platinum (per oz)	801.1	0.48%	-13.9%		
<b>Other Metals</b>					
Copper, MT	5,956	-0.59%	-17.8%		
Aluminium, MT	1,893	-0.84%	-16.5%		
Lead, MT	1,985	1.02%	-20.2%		
Zinc, MT	2,474	-1.12%	-25.5%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.07	2.60	1m	2.51
5 year	101.08	2.64	3m	2.81
10 year	102.84	2.79	6m	2.89
30 year	106.45	3.05	1 year	3.05

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### OMINVEST: Acquisition of Additional Shareholding in National Finance Company SAOG

Ominvest disclosed that it has increased its shareholding in National Finance Co. to 34.6% after getting the approval from the Central Bank of Oman and Capital Market Authority.

Source: [MSM](#)

### Over 68,000 citizens recruited in Oman in 2018

The Ministry of Manpower and the Public Authority for Manpower Register (PAMR) announced that 64,386 citizens were recruited by the private sector companies and establishments and 4,125 citizens in the public sector during the past 12 months. The Ministry strives to provide job opportunities through its various directorates, departments and supporting bodies according to the targeted economic sectors through the collection of employment opportunities from the private sector establishments that are commensurate with the qualifications and specialties of jobseekers.

Source: [Oman Observer](#)

### Oman's first wind turbine installed in Dhofar

Masdar, the Abu Dhabi Future Energy Company, announced yesterday the installation of the first of 13 turbines at the 50 megawatt (MW) Dhofar Wind Farm. Located in Dhofar Governorate, the project is fully financed by Abu Dhabi Fund for Development (ADFD). The project follows an agreement signed in 2014 between Masdar and the Rural Areas Electricity Company of Oman (TANWEER). A Masdar-led consortium including GE and Spain's TSK is developing the Gulf region's first large-scale commercial wind farm.

Source: [Oman Observer](#)

### Metered orange and white taxis from next year

All orange and white taxis operating in Oman will have a metered system from next year, the country's Ministry of Transport and Communications has announced. According to a ministerial decree, this electronic meter system will come into effect in all orange and white taxis from June 2019 onwards. Customers will be charged 130 baisas per kilometre travelled, in addition to 300 baisas service charge, which will be activated when customers sit in the taxi. However, if the fares are less than OMR1, then a flat fare of OMR1 is applicable.

Source: [Times of Oman](#)

### Sanvira Industries to set up RO75mn petroleum coke plant in Sohar

Sanvira Industries Limited signed an agreement with Sohar Port and Freezone to set up a calcined petroleum coke plant with a total investment of RO75mn. The agreement was signed by H E Dr Mohammed Nasser Ali al Zaabi, chairman of the board at Sohar Port and Freezone and Rajiv Reddy, managing director of Sanvira Industries Limited on Sunday, according to a press release. This collaboration will see the creation of a calcined petroleum coke (CPC) plant in the Sohar Freezone area.

Source: [Muscat Daily](#)

### Oman voted as one of the top emerging travel destinations

Oman has been voted as one of the top emerging travel destinations in the continent of Asia (including Middle East), by five of the world's top travel influencers and bloggers. The awards were published last week on the travel website — Travel Lemming — which focuses on emerging and off-the-beaten path travel spots around the globe.

Source: [Times of Oman](#)

### Qatar Gets New Ferry Service to Oman, Easing Embargo's Effects

Iranian operator Karaneh Line is launching a new ferry service to help Qatari citizens travel with their cars to nearby Oman and Kuwait, without driving through Saudi territory. Since Saudi Arabia imposed an embargo on Qatar in 2017, overland travel to and from the Qatari peninsula has been restricted. The operator believes the ferry will be the first service of its kind for Qatar.

Source: [The Maritime Executive](#)

### Oman retailers set for busiest shopping spell

The Sultanate is home to more than two million expats. For many Asian, European and American residents in Oman, the festive season is one of the biggest celebrations of the year. The festive period also attracts an influx of holidaymakers eager to reap the benefits of a warmer climate. In December 2017 alone, Oman witnessed an 82.3 percent increase in the number of cruise tourists to the Sultanate compared to the previous month. Tourism in Oman grew by almost 5 percent in 2017, according to recent figures published by the Ministry of Tourism, and the Sultanate intends to boost annual international arrival numbers to 5 million by 2040. Furthermore, Muscat International Airport has the capacity to welcome 20 million visitors per year, with expansion plans to accommodate up to 48 million.

Source: [Saudi Gazette](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Telecom regulator expands scope of unified license services for STC, Mobily, Zain Saudi

Saudi Arabia's Communications and Information Technology Commission (CITC) has approved to expand the scope of unified license services for Saudi Telecom Co. (STC), Etihad Etisalat Co. (Mobily) and Mobile Telecommunication Company Saudi Arabia (Zain Saudi). "The decision will enable the three mobile operators to offer all services under a single license, including mobile and fixed-line services, internet of things, artificial intelligence and digital application services," the telecom market regulator said in a statement.

Source: [Argaam](#)

### Arabtec Wins 222 Million-Dirham Villa Contract in Dubai

Arabtec Holding PJSC said its unit won a 222 million-dirham (\$60 million) contract to develop villas in Dubai. The company will construct 352 villas in Dubai Properties' Amaranta project, according to a statement. The works will start immediately for a duration of 20 months.

Source: [Bloomberg](#)

### Saudi Aramco creates fuel retail subsidiary

Saudi Aramco is establishing a domestic fuel retailing subsidiary as part of the national oil company's drive to expand beyond crude oil production into downstream businesses. The new firm, Saudi Aramco Retail Co, will create a network of filling stations within Saudi Arabia to sell automotive fuels, Aramco said on Wednesday, without giving details of the size, cost or time-frame for the network.

Source: [Arab News](#)

### Abu Dhabi to waive duties on industrial imports

Industrial inputs imported to Abu Dhabi will be immediately exempted from customs duties effective January 15, a media report said. Abu Dhabi Department of Economic Development (ADDED) and the General Administration of Customs in Abu Dhabi announced the tax waiver at a media briefing yesterday (December 26) as part of a stimulus provided by ADDED to the industry sector in the emirate, reported Emirates News Agency Wam.

Source: [Trade Arabia](#)

### LNG output surge of 43% by 2024 to drive Qatar's next development phase

Qatar's decision to step up annual liquefied natural gas (LNG) production capacity by 43% to 110mn tonnes within five years was among the energy sector highlights of 2018, a year in which the country also opted out of Organisation of the Petroleum Exporting Countries (Opec), which it joined in 1961, one year after the organisation's establishment. The new LNG capacity increase will further strengthen Qatar's leading position as the world's largest LNG producer and exporter, and will further boost Qatar Petroleum's (QP) strategic growth plan. This production jump is expected to have a great impact on Qatar's economic growth and help stimulate the country's local economy.

Source: [Gulf Times](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### Dow notches record point surge in dramatic rebound

The Dow Jones Industrial Average surged more than 1,000 points for the first time on Wednesday, leading a broad Wall Street rebound after a report that holiday sales were the strongest in years helped mollify concerns about the health of the economy.

Source: [Reuters](#)

### UK business confidence sinks to lowest in 18 months

Britain's business leaders have lost confidence in the health of the UK economy and worry more about the prospects for it in 2019 than at any time in the past 18 months, a leading corporate lobby group said on Thursday. In its monthly survey of members' views, undertaken in December as the political impasse over Brexit intensified, the Institute of Directors found confidence in the economy had sunk below the level recorded after the inconclusive general election of last year.

Source: [FT](#)

### China orders crackdown on domestic online financial information providers to keep 'economic order'

China's cyber watchdog has issued new regulations for domestic financial information providers, in an apparent crackdown on online content deemed detrimental to the country's financial stability as the economy slows. Financial information

providers are now not allowed to distort Chinese fiscal and monetary policies, disturb economic order or to harm the nation's interests, the Cyberspace Administration of China (CAC) said on Wednesday.

Source: **South China Morning**

## COMMODITIES NEWS

### Oil prices fall after jump the day before; glut, economy worries weigh

Oil fell on Thursday after soaring 8 percent in the previous session, as worries over a glut in crude supply and concerns over a faltering global economy pressured prices even as a stock market surge offered support.

Source: **Reuters**

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