

# U Capital Morning Brief

13 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	877.88	-4.46	-0.51%	-0.83%	-	-	-
U Capital GCC 50 Index	1,367.09	26.86	1.96%	5.68%	-	-	-
U Capital MENA 200 Index	1,080.57	15.89	1.47%	4.58%	-	-	-
MSCI GCC Countries Index	562.63	-0.03	-0.01%	4.60%	14.80	1.84	3.9%
Muscat Securities Market	4,310.56	-0.20	0.00%	-0.30%	10.17	0.77	6.0%
Saudi Stock Exchange	8,210.16	63.48	0.78%	4.90%	17.79	1.83	3.4%
Kuwait Stock Exchange	5,218.72	41.01	0.79%	2.74%	15.55	1.26	3.8%
Qatar Exchange	10,658.22	123.09	1.17%	3.49%	15.76	1.59	4.1%
Bahrain Stock Exchange	1,341.72	3.45	0.26%	0.33%	8.72	0.84	6.1%
Dubai Financial Market	2,545.65	5.90	0.23%	0.63%	7.72	0.94	7.2%
Abu Dhabi Exchange	4,962.37	9.13	0.18%	0.96%	13.33	1.43	4.9%
Beirut Stock Exchange	972.12	-0.87	-0.09%	-0.47%	4.93	0.58	9.3%
Palestine Stock Exchange	529.71	1.03	0.19%	0.07%	13.22	1.22	4.5%
Tunis Se Index	7,190.33	50.49	0.71%	-1.12%	18.55	2.53	2.0%
EGX 30 Index	13,367.44	1.86	0.01%	2.54%	12.30	1.52	2.3%
Amman General Index	1,921.65	0.40	0.02%	0.67%	13.62	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		
<b>Europe</b>					<b>Currency Cross Rates</b>		
FTSE 100	UK	6,918.2	-0.36%	2.8%	Australian Dollar (AUD)	0.722	1.386
DAX	Germany	10,887.5	-0.31%	3.1%	British Pound (GBP)	1.284	0.779
CAC 40	France	4,781.3	-0.51%	1.1%	Canadian Dollar (CAD)	0.754	1.327
<b>United States</b>					Chinese Renminbi (CNH)	0.148	6.760
DJIA	USA	23,996.0	-0.02%	2.9%	Egyptian Pound (EGP)	0.056	17.933
S&P 500	USA	2,596.3	-0.01%	3.6%	Euro (EUR)	1.147	0.872
NASDAQ	USA	6,971.5	-0.21%	5.1%	Indian Rupee (INR)	0.014	70.495
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	108.480
NIKKEI 225	Japan	20,359.7	0.97%	1.7%	New Zealand Dollar (NZD)	0.683	1.463
HANG SENG	Hongkong	26,667.3	0.55%	3.2%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	39,049.1	-0.11%	5.3%	Pakistani Rupee (PKR)	0.719	138.852
NSE Nifty 50	India	10,795.0	-0.25%	-0.6%	Russian Ruble (RUB)	0.015	66.897
SHANGHAI Composite	China	2,553.8	0.74%	2.4%	Singapore Dollar (SGD)	0.739	1.353
KOSPI Index	South Korea	2,075.6	0.60%	1.7%	Turkish Lira (TRY)	0.183	5.464

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	60.5	-1.95%	12.4%	UAE	2.90
WTI Crude (per bbl)	51.6	-1.90%	13.6%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	60.0	-1.74%	12.0%	Kuwait	2.44
OPEC (per bbl)	59.5	2.13%	15.4%	Oman	2.84
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,287.5	0.07%	0.4%	Qatar	2.92
Silver (per oz)	15.6	0.19%	0.7%	Bahrain	3.95
Platinum (per oz)	810.0	-1.28%	1.8%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	5,942	0.20%	-0.4%		
Aluminium, MT	1,836	-1.34%	-0.5%		
Lead, MT	2,002	1.32%	-0.9%		
Zinc, MT	2,492	1.26%	1.0%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.95	2.52	1m	2.51
5 year	100.45	2.53	3m	2.79
10 year	103.64	2.70	6m	2.86
30 year	106.67	3.03	1 year	3.02

Source: Bloomberg

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

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## OMAN ECONOMIC & CORPORATE NEWS

### **U Capital: MSM ends in green but cautious sentiment prevails**

Modest trades and cautious sentiment prevailed in the local stock market during the past week, despite positive announcements from some companies on their financial performance for the year 2018 in addition to government announcements. MSM30 closed the week up by 0.82 per cent at 4,310.56.

Source: [Oman Observer](#)

### **Narrow money supply increases in Oman**

With regard to monetary aggregates as of the end of October 2018, narrow money stock (M1), when measured on a year-on-year basis, registered an increase of 0.4 per cent to OMR5 billion, according to the bulletin published by the Central Bank of Oman (CBO). Quasi-money (rial Omani saving and time deposits, certificates of deposit issued by banks, margin deposits and foreign currency denominated deposits) witnessed a year-on-year growth of 5.3 per cent during the period.

Source: [Times of Oman](#)

### **Sezad signed 70 land lease pacts in 2018**

The number of usufruct (land lease) agreements signed in 2018 increased to 70. The agreements covered a number of sectors, such as industrial, residential and commercial, logistics, tourism and fisheries activities. The number of companies registered at the Commercial Register of the Special Economic Zone in Duqm (SEZD) increased to 186; an increase by 17 companies compared to 2017, according to a recent report published by the Investors Services Division at the SEZD.

Source: [Times of Oman](#)

### **Credit Bureau to strengthen Oman's appeal as investment destination**

The establishment of a National Credit Bureau, a partnership agreement for which was signed on Thursday, bodes well for the Sultanate's ambitions to emerge into a regional and global investment destination. Oman is currently placed 133rd among 190 countries around the world based on the World Bank's Ease of 'Getting Credit' Indicator. By establishing an international-class Credit Bureau, the Sultanate has the potential to dramatically improve its global standing as a destination for investment, according to a report by The National Programme for Enhancing Economic Diversification (Tanfeedh).

Source: [Oman Observer](#)

### **Tax credits, subsidies can help EV adoption in Oman**

Financial incentives in the form of tax exemptions, registration fee waivers and other subsidies could help fuel the uptake and promotion of Electric Vehicles (EV) in the Sultanate, according to the findings of a key study commissioned recently by the Authority for Electricity Regulation Oman (AER).

Source: [Oman Observer](#)

### **More than 320,000 e-transactions through 'Invest Easy' portal in 2018**

The Ministry of Commerce and Industry said that the number of electronic transactions done through "Invest Easy" portal from the beginning of January till the end of December 2018 reached to 320,811, which is a massive increase over 137,333 of the same period during 2017.

Source: [Oman Observer](#)

### **MINISTRY GETS 122 BIDS FOR FUEL STATIONS ON BATINAH EXPRESSWAY, ADAM-THUMRAIT ROAD**

The Ministry of Housing has announced that it received 122 bid requests for integrated fuel stations across Batinah Expressway and Adam-Thumrait road. Most of these are for setting up fuel stations in Suwaiq area, while Al Ghaftain in Haima has received the least number of requests. Apart from fuel stations, the facilities will include a mosque, car service centre, rest rooms, a shopping centre, restaurant, parks and parking lots that will stimulate economic activity through tourism.

Source: [Muscat Daily](#)

### **SMN Power announced delay of winter planned outage at Barka II Power**

The company announced interruption losses to be expected to be close to OMR 0.6mn.

Source: [MSM](#)

### **Al Madina Takaful announced reduction of Wakala fee from 20% to 14%**

The company disclosed that it has reduced its Wakala fee from 20% to 14% for the year ended Dec'18. This move will result in reduction of profit to shareholders and increase the surplus of the policy holders by an equal amount. No impact on profitability of the company as a whole.

Source: [MSM](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Saudi stocks continue to gain, rest of Gulf falls**

Saudi Arabia's stock market was the sole gainer in early trading on Thursday, with most major Gulf bourses sliding before corporate earnings announcements next week. Saudi's main index rose 0.4 percent, with petrochemical company Saudi Basic Industries adding 0.5 percent and Saudi British Bank rising 2.3 percent.

Source: [Zawya](#)

### **Nasdaq Dubai targets Egypt futures following Saudi launch**

Nasdaq Dubai is mulling the launch of a futures market covering Egyptian equities, following the launch of its Saudi equity futures market on Wednesday. The chief executive officer of the exchange, Hamed Ali, told Zawya in an interview that Nasdaq Dubai will follow up the launch of futures contracts on 12 Saudi equities with the rollout of its United Arab Emirates (UAE) MSCI index next week, a futures contract based on the Saudi market index "this year" and futures products targeting the Egyptian exchange at a later, unspecified date.

Source: [Zawya](#)

### **Saudi Arabia's construction sector to grow 5.5% this year: Fitch**

The GCC's construction sector is expected to outperform the Middle East and North Africa (MENA) region's average growth rate this year, Fitch Solutions said in a recent report. Saudi Arabia and the UAE will grow below the regional average at 5.5 percent and 6.4 percent, respectively, but remain strong on a global comparison.

Source: [Argaam](#)

### **Saudi pharma exports 100 million units per year, says official**

Saudi pharmaceutical factories export around 100 million units per year, with a total value of SAR 500 million, Al-Eqtisadiyah reported, citing Faisal Al Dayel, chairman of the National Committee for Pharmaceutical Industries at the Council of Saudi Chambers (CSC).

Source: [Argaam](#)

### **Saudi banking sector ready to finance entertainment projects: Talaat Hafez**

The Saudi banking sector is expected to finance entertainment projects, Asharq Al-Awsat reported, citing Talaat Hafez, secretary-general of the Media and Banking Awareness Committee of Saudi Banks. As it enters 2019, the banking sector is more ready to finance all types of projects, he said, stressing that banks will continue to support the private sector, as well as economic and development projects.

Source: [Argaam](#)

### **Emaar Properties launches new project in Dubai Creek Harbour**

The five-star waterfront development will comprise 1, 2, 3 and 4-bedroom branded apartment, according to a company statement. The luxurious apartments will be serviced on demand by Address Hotels + Resorts, and owners will have a host of benefits including 5-year property management services by Emaar. The project's value was not revealed.

Source: [Mubasher](#)

### **'No direct tax on Expats and Kuwaitis'**

Secretary-General of the Supreme Council for Planning and Development Dr Khalid Mahdi affirmed that the issue of implementing taxes and reconsidering government services charges and fees listed in the development policies stipulated in the law did not target citizens and individuals directly.

Source: [Arab Times](#)

### **Saudi's non-oil growth will accelerate to 3.3% in 2019: IIF**

Saudi Arabia's non-oil real GDP growth is expected to accelerate to 3.3 percent this year from 1.8 percent in 2018, supported by the continued fiscal stimulus and the gradual recovery in private non-oil growth, Institute of International Finance (IIF) said in a new report.

Source: [Argaam](#)

### **Saudi Arabia to set up \$10 billion oil refinery in Pakistan**

Saudi Arabia plans to set up a \$10 billion oil refinery in Pakistan's deepwater port of Gwadar, the Saudi energy minister said on Saturday, speaking at the Indian Ocean port that is being developed with the help of China. Pakistan wants to attract investment and other financial support to tackle a soaring current account deficit caused partly by rising oil prices.

Source: [Reuters](#)

### Saudi Aramco revises local gasoline prices

State-owned Saudi Aramco has updated the prices of gasoline for the first quarter of 2019 as of today, Jan. 12, the oil firm said on its website. Aramco kept Octane 91 price unchanged at SAR 1.37 per liter for Q1, while it reduced Octane 95 to SAR 2.02 per liter from SAR 2.04 per liter in the previous quarter.

Source: [Argaam](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### Asia stocks crawl to 5-week high, yuan makes big weekly gains

Asian stocks inched up to five-week highs on Friday, after Chairman Jerome Powell reiterated the Federal Reserve will be patient about raising interest rates and news that trade talks between Washington and Beijing are moving to higher levels.

Source: [Zawya](#)

### Dollar slips on Fed chief's 'patient' comments

The dollar fell versus its major peers on Friday, as investors grew increasingly confident that the U.S. Federal Reserve may hit the pause button on monetary tightening this year. Fed Chairman Jerome Powell reiterated on Thursday the U.S. central bank has the ability to be patient on monetary policy given that inflation remains stable.

Source: [Zawya](#)

### US government shutdown enters 22nd day — the longest federal closure in country's history

A solution couldn't come soon enough for federal workers who got pay statements Friday but no pay. The shutdown became one for the record books once the clock struck midnight and the partial government closure entered its 22nd day.

Source: [CNBC](#)

### A crunch Brexit vote is coming that could trigger even more political chaos

Prime Minister Theresa May's Brexit deal faces virtually certain defeat on Tuesday. That leaves the prospect of a complete collapse of government, a disorderly exit from the bloc or even the entire Brexit process being scrapped altogether over the coming weeks. The United Kingdom is set to leave the European Union at 11:00 p.m. London time on March 29, 2019.

Source: [CNBC](#)

## COMMODITIES NEWS

### Oil prices expected to reach \$70 per barrel in 2019: UAE energy minister

UAE Energy Minister Suhail Al Mazroui expects oil prices to reach an average of \$70 per barrel in 2019, he said today on the sidelines of the Global Energy Forum 2019 in Abu Dhabi. These projections are based on the production cut agreement between OPEC and non-OPEC members came into effect early this month, he said.

Source: [Argaam](#)