

U Capital Morning Brief

17 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	909.89	-16.86	-1.85%	-6.61%	-	-	-
U Capital GCC 50 Index	1,319.96	15.13	1.15%	15.31%	-	-	-
U Capital MENA 200 Index	1,051.92	8.13	0.77%	5.71%	-	-	-
MSCI GCC Countries Index	542.69	-1.25	-0.23%	13.11%	14.28	1.77	4.0%
Muscat Securities Market	4,416.90	-31.21	-0.70%	-13.38%	10.41	0.79	5.9%
Saudi Stock Exchange	7,908.07	-6.22	-0.08%	9.43%	17.05	1.77	3.5%
Kuwait Stock Exchange	5,159.59	9.92	0.19%	NA	15.43	1.25	3.8%
Qatar Exchange	10,496.50	40.36	0.39%	23.15%	15.52	1.57	4.2%
Bahrain Stock Exchange	1,319.32	-0.90	-0.07%	-0.93%	8.93	0.83	6.2%
Dubai Financial Market	2,556.68	-42.37	-1.63%	-24.14%	8.62	0.94	6.9%
Abu Dhabi Exchange	4,831.15	-30.39	-0.63%	9.84%	13.11	1.40	5.0%
Beirut Stock Exchange	962.64	0.00	0.00%	-16.19%	4.93	0.59	9.4%
Palestine Stock Exchange	523.32	-1.39	-0.26%	-8.92%	12.75	1.22	4.6%
Tunis Se Index	7,283.20	6.28	0.09%	15.94%	18.93	2.59	2.0%
EGX 30 Index	12,992.06	-4.83	-0.04%	-13.50%	11.91	1.47	2.3%
Amman General Index	1,843.02	13.82	0.76%	-13.34%	13.19	0.92	5.0%

* 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							
FTSE 100	UK	6,845.2	-0.47%	-11.0%	Australian Dollar (AUD)	0.718	1.394
DAX	Germany	10,865.8	-0.54%	-15.9%	British Pound (GBP)	1.258	0.795
CAC 40	France	4,853.7	-0.88%	-8.6%	Canadian Dollar (CAD)	0.747	1.338
United States							
DJIA	USA	24,100.5	-2.02%	-2.5%	Chinese Renminbi (CNH)	0.145	6.898
S&P 500	USA	2,600.0	-1.91%	-2.8%	Egyptian Pound (EGP)	0.056	17.913
NASDAQ	USA	6,910.7	-2.26%	0.1%	Euro (EUR)	1.131	0.884
Asia Pacific							
NIKKEI 225	Japan	21,528.9	0.72%	-5.4%	Indian Rupee (INR)	0.014	71.788
HANG SENG	Hongkong	26,102.4	0.03%	-12.8%	Japanese Yen (JPY)	0.009	113.460
KSE 100 Index	Pakistan	38,585.7	0.00%	-4.7%	New Zealand Dollar (NZD)	0.679	1.473
NSE Nifty 50	India	10,858.8	0.49%	3.1%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,594.0	0.01%	-21.6%	Pakistani Rupee (PKR)	0.720	138.898
KOSPI Index	South Korea	2,073.9	0.22%	-16.0%	Russian Ruble (RUB)	0.015	66.826
					Singapore Dollar (SGD)	0.727	1.375
					Turkish Lira (TRY)	0.186	5.369

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	60.4	0.12%	-4.2%	UAE	2.93
WTI Crude (per bbl)	51.3	0.29%	-15.0%	Saudi Arabia	2.89
Oman Crude Oil (Last Closing)	59.3	-1.90%	-7.3%	Kuwait	2.13
OPEC (per bbl)	58.7	-0.90%	-9.0%	Oman	2.76
				Qatar	2.85
				Bahrain	3.80
Precious Metals					
Gold100 OZ (per oz)	1,237.9	-0.06%	-5.0%	GCC Latest 10-Yr Government Bond Yields	
Silver (per oz)	14.6	0.00%	-14.0%		
Platinum (per oz)	784.5	-0.36%	-15.7%		
Other Metals					
Copper, MT	6,132	-0.38%	-15.4%		
Aluminium, MT	1,926	-0.31%	-15.1%		
Lead, MT	1,949	-0.03%	-21.7%		
Zinc, MT	2,543	-0.90%	-23.4%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.70	2.73	1m	2.46
5 year	100.65	2.73	3m	2.80
10 year	102.00	2.89	6m	2.90
30 year	104.44	3.15	1 year	3.10

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman signs agreements worth \$65mn

The Ministry of Oil and Gas has signed two new Exploration and Production Sharing Agreement (EPSA) worth \$65 million for having the rights to explore and develop the concession Blocks 51 and 65. The agreements were signed by Dr Mohammed bin Hammad Al Rumhy, Minister of Oil and Gas with Occidental of Oman (OO) for the concession Block 51 that occupies an area of 10,133 square kilometres. However, the agreement for the concession Block 65 is a joint venture with OO and Oman Oil Company Exploration and Production (OOCEP) that occupies an area of 1,230 square kilometers.

Source: [Times of Oman](#)

SV PITTIE SOHAR TEXTILES TO COMMENCE YARN PRODUCTION IN RECORD TIME

SV Pittie Sohar Textiles launched their textile cluster in Sohar with the inauguration of the company's cotton yarn production unit No 1 by H H Sayyid Taimur bin Asad bin Tariq al Said on Thursday. SV Pittie Sohar Textiles is the subsidiary of ShriVallabh Pittie Group - one of the largest manufacturers of cotton yarn in India and a global leader in this sector.

Source: [Muscat Daily](#)

Oman awards Blocks 51, 65 to Oxy, OOCEP

Occidental of Oman, the local subsidiary of Occidental Petroleum (Oxy), yesterday signed Exploration and Production Sharing Agreements (EPSA) for two new hydrocarbon blocks, effectively ramping up its expanding portfolio of upstream investments in the Sultanate. Under the EPSA pacts, Oxy Oman acquires a 100 per cent interest in Block 51, covering a 10,133 sq km area in the northeast of the country. Separately, a joint venture of Oxy Oman and Oman Oil Company Exploration & Production (OOCEP) has been awarded Block 65, a small 1230 sq km concession located in the interior of Oman.

Source: [Oman Observer](#)

Seismic survey contract awarded for Oman's largest offshore block

The partnership of Eni Oman BV (a subsidiary of Italian energy major Eni) and Oman Oil Company Exploration and Production (OOCEP) — wholly owned by Oman Oil Company — has appointed the Norwegian-headquartered marine geophysical services provider Shearwater GeoServices to undertake a major seismic survey of the Sultanate's biggest offshore concession — Block 52 — extending beyond Oman's southern and southeastern coast. The contract award marks a new thrust by the Eni-OOCEP partnership to unlock the hydrocarbon potential of the mammoth 90,790 sq kilometre block.

Source: [Oman Observer](#)

Pact signed to launch blockchain-as-a-service

eChain and BIOS Middle East have signed a memorandum of understanding (MoU) to co-market and implement a framework of blockchain-as-a-service and blockchain-enabled cloud services. VeChain is a global leading public blockchain platform focusing on enterprise adoption while BIOS Middle East is the UAE's leading Managed Cloud Provider.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks-Qatar gains on QAMCO debut, most Gulf markets fall

Gulf shares ended mostly lower on Sunday, hurt by a fall in global markets on Friday, but Qatar shares bucked the trend after a successful debut of Qatar Aluminium Manufacturing Co (QAMCO). Qatar shares closed 0.4 percent higher as shares of QAMCO opened at 18.00 riyals, nearly 80 percent above their initial public offer price of 10.10 riyals, capping a successful run for Qatar's biggest equity listing this year. The shares later eased to 13.01 riyals.

Source: [Zawya](#)

SABIC, SCA sign pact to share contracting best practices

Saudi Basic Industries Corp. (SABIC), one of the largest petrochemicals company, and the Saudi Contractors Authority (SCA) on Sunday signed a memorandum of understanding (MoU) to enhance the collaboration and sharing of the knowhow in the construction industry. The construction sector is the second largest non-oil sector in the Kingdom and the contracting industry is an integral part of this field.

Source: [Argaam](#)

UAE central bank says to support Invest Bank with all available liquidity facilities

The central bank of the United Arab Emirates (UAE) said on Sunday it stood ready to extend "all the available liquidity facilities" to struggling Invest Bank. The central bank said in a statement it had been working with the bank and the government of Sharjah to develop a plan to strengthen the lender's capital base.

Source: [Zawya](#)

SHUAA Capital acquires Kuwait's Amwal to drive expansion roadmap

SHUAA Capital, has announced the commencement of its post-acquisition integration and consolidation efforts with Kuwait based Amwal International Investment Company, Amwal, following the recent completion of the public tender process, and Amwal shareholders' General Assembly that was held on 12th December 2018. As part of the outcome of the General Assembly, Amwal announced a new Board of Directors, consisting of Bader Al Reizhan, Fawad Tariq Khan, Khaleefa Al Mheiri, Oliver Lee, Ali Tariq, Adil Mustafa and Abdullah Galadari.

Source: [Zawya](#)

STC sets new dividend policy as of Q4 2018

Saudi Telecom Co.'s (STC) board of directors today approved a three-year dividend policy as of Q4 2018, the telecom operator said in a bourse filing. The new dividend policy is subject to the approval of the upcoming general meeting. According to the new policy, STC will pay a fixed minimum dividend of SAR 1 a share per quarter for the next three years as of Q4 2018.

Source: [Argaam](#)

SABIC signs new agreements to boost local content

Petrochemical producer Saudi Basic Industries Corp. (SABIC) signed a partnership agreement with the Social Development Bank to finance small projects under its Nusaned initiative, the company said in a statement on Thursday. A memorandum of understanding (MoU) was also signed with Riyadh Bank to develop a financing product to support industrial projects under the same initiative, the statement said.

Source: [Argaam](#)

Qatar considering increasing its stake in Deutsche Bank –Handelsblatt

Qatar is considering increasing its stake in Deutsche Bank, newspaper Handelsblatt reported on Sunday. The Qatari royal family already holds a 6.1 percent stake in Deutsche Bank, according to Deutsche Bank's website. Qatar controls over 9 percent, once derivative positions are taken into consideration, Handelsblatt said.

Source: [Channel News](#)

BRIEF: Warba Bank Closes Share Capital Increase

Warba Bank Warb.Kw :

- * Bank's Offering For Share Capital Increase Has Been Completed And Subscribed In Full Number Of Shares
- * Says Share Capital Increase Will Enhance Bank's Regulatory Capital Ratio And Provide Additional Funding Amounting 90 Million Dinars

Source: [Zawya](#)

BRIEF: Gulf Investment House Board Approves Sale Of Stake In Arkan Al Kuwait Real Estate

Gulf Investment House Gihk.Kw :

- * Board Approves Offer By A Financial Institution To Buy Co's Entire Stake In Arkan Al Kuwait Real Estate For 5.5 Million Dinars
- * A Loss Of 3.5 Million Dinars From Stake Sale Will Be Reported In Q4 2018

Source: [Zawya](#)

BRIEF: Orascom Investment To Provide Services To Visitors Of Pyramids Of Giza

Orascom Investment Holding Oih.Ca :

- * Signs Agreement With Supreme Council Of Antiquities To Provide Services To Visitors Of Pyramids Of Giza
- * Will Set Up A New Company To Provide Services
- * Supreme Council Of Antiquities Will Get A Fixed Amount Of Over 10 Percent Annually Or 50 Percent Of New Co's Net Profit, Whichever Higher

Source: [Zawya](#)

Qatar unveils design of biggest stadium for 2022 World Cup

Qatar has revealed the design of Lusail Stadium as part of its preparation for the 2022 FIFA World Cup. Situated at the heart of the Lusail Marina—15km north from Doha, the stadium will be used for the opening and final matches of the 2022 World Cup. "It has now been eight years since we won the rights to host the 2022 FIFA World Cup and we told the world to expect amazing. With this stunning design of our showpiece stadium, I am proud today to once again be delivering on that promise," Hassan Al Thawadi, secretary general of the Supreme Committee for Delivery and Legacy (SC), said.

Source: [Mubasher](#)

Saudi industrial entities' electricity bill hits SAR 8.5bn in 2017

The consumption of Saudi Industrial facilities from water, electricity, and fuel reached SAR 50.8 billion during 2017, according to a recent survey by the General Authority for Statistics (GASTAT). The entities consumed electricity and water at a value of SAR 8.57 billion, and SAR 1.7 billion, respectively, the industrial survey report added. The report further noted that entities bought kerosene at SAR 16.84 billion, while natural gas purchases amounted to SAR 12.1 billion, followed by diesel consumption with SAR 10.97 billion, and gasoline at SAR 568.76 million.

Source: [Mubasher](#)

Kuwait non-oil exports rise 25% in November; Qatar tops list

Kuwait's non-oil exports grew in November by 25.2% to KWD 13.4 million (\$44.01 million) from KWD 7.9 million (\$25.95 million) a year earlier, data released by the Ministry of Commerce and Industry showed on Sunday. Arab nations made up 83% of Kuwait's exports with KWD 11.1 million, the ministry revealed, indicating that Qatar was topped the list of countries importing from Kuwait with KWD 4.3 million. Saudi Arabia ranked second with KWD 2.6 million in imports from Kuwait, followed by Iraq at third with KWD 1 million.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Ten years on, Fed's long, strange, trip to zero redefined central banking

Whatever the acronym, when the U.S. Federal Reserve dropped its policy rate to near zero on Dec. 16, 2008, to counter a full-scale economic crisis, it ushered in what the central bank's chairman at the time, Ben Bernanke, called "the end of the old regime."

Source: [Reuters](#)

Asian shares hobbled by mounting risks to global growth

Asian share markets began the week on a cautious note after soft economic data from China and Europe added to evidence of cooling global growth and reinforced anxiety over the broadening impact of international trade frictions.

Source: [Reuters](#)

China's \$20 Billion New Egypt Capital Project Talks Fall Through

Talks between Egypt and Chinese builder CFLD for a \$20 billion development in the new administrative capital have fallen through over disagreements on how to share revenue from the project, Egyptian officials said. Two years of tough negotiations came to an end after Egyptian authorities sent a response to the final proposal by the Shanghai-listed China Fortune Land Development Co. on developing 15,000 acres (6,070 hectares) over 25 years in the new capital east of Cairo.

Source: [Bloomberg](#)

Shipping costs from China to the US have more than doubled as trade war sparks a 'bonanza'

Freight prices for containers going from China to the U.S. have surged over 100 percent from a year ago as of the beginning of December, according to data from Freightos, an online freight marketplace. The world's two largest economies have been locked in a tit-for-tat tariff fight in the last year, levying duties on each other's imports worth hundreds of billions of dollars in the last few months. The trend of surging freight shipping prices is unlikely to last as China's November trade data showed slowing growth in exports.

Source: [CNBC](#)

The global stock market sell-off was 'not an isolated event' — expect more sharp falls next year

The Bank of International Settlements (BIS), an umbrella group for the world's central banks, warned on Sunday that a normalization of monetary policy is likely to trigger a flurry of sharp sell-offs over the coming months. "The market tensions we saw during this quarter were not an isolated event," Claudio Borio, head of the monetary and economic department at the BIS, said in the report.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices rise, but global economic concerns weigh

Oil prices climbed on Monday after U.S. drilling activity fell to its lowest level in about two months, but increasing concerns about weaker growth in major economies kept a lid on gains. International Brent crude oil futures were at \$60.37 per barrel at 0134 GMT, up 9 cents, or 0.2 percent, from their last close. U.S. West Texas Intermediate (WTI) crude futures were at \$51.44 per barrel, up 24 cents, or 0.5 percent.

Source: [CNBC](#)