

U Capital Morning Brief

22 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	854.41	-10.58	-1.24%	-3.48%	-	-	-
U Capital GCC 50 Index	1,387.41	0.43	0.03%	7.25%	-	-	-
U Capital MENA 200 Index	1,090.04	0.70	0.06%	5.49%	-	-	-
MSCI GCC Countries Index	570.61	0.43	0.07%	6.09%	14.88	1.86	3.9%
Muscat Securities Market	4,179.08	-23.60	-0.56%	-3.35%	8.35	0.75	6.2%
Saudi Stock Exchange	8,402.04	18.52	0.22%	7.35%	18.07	1.87	3.4%
Kuwait Stock Exchange	5,250.08	0.08	0.00%	3.36%	15.51	1.26	3.8%
Qatar Exchange	10,722.14	-38.09	-0.35%	4.11%	15.74	1.60	4.1%
Bahrain Stock Exchange	1,349.86	2.24	0.17%	0.94%	8.77	0.84	6.0%
Dubai Financial Market	2,498.82	-14.01	-0.56%	-1.22%	7.51	0.91	7.3%
Abu Dhabi Exchange	4,955.74	-19.57	-0.39%	0.83%	13.32	1.43	4.9%
Beirut Stock Exchange	948.22	-9.31	-0.97%	-2.92%	4.80	0.56	9.6%
Palestine Stock Exchange	528.32	-0.41	-0.08%	-0.19%	13.01	1.23	4.5%
Tunis Se Index	7,261.27	9.65	0.13%	-0.14%	18.74	2.55	2.0%
EGX 30 Index	13,574.99	130.78	0.97%	4.14%	12.46	1.54	2.2%
Amman General Index	1,934.31	17.35	0.91%	1.34%	13.61	0.95	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					Australian Dollar (AUD)	0.714	1.401
FTSE 100	UK	6,970.6	0.03%	3.6%	British Pound (GBP)	1.288	0.777
DAX	Germany	11,136.2	-0.62%	5.5%	Canadian Dollar (CAD)	0.751	1.332
CAC 40	France	4,867.8	-0.17%	2.9%	Chinese Renminbi (CNH)	0.147	6.815
United States					Egyptian Pound (EGP)	0.056	17.918
DJIA	USA	24,706.4	1.38%	5.9%	Euro (EUR)	1.136	0.880
S&P 500	USA	2,670.7	1.32%	6.5%	Indian Rupee (INR)	0.014	71.311
NASDAQ	USA	7,157.2	1.03%	7.9%	Japanese Yen (JPY)	0.009	109.460
Asia Pacific					New Zealand Dollar (NZD)	0.673	1.487
NIKKEI 225	Japan	20,588.2	-0.63%	2.9%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	26,921.5	-1.01%	4.2%	Pakistani Rupee (PKR)	0.715	138.835
KSE 100 Index	Pakistan	39,515.5	-0.07%	6.6%	Russian Ruble (RUB)	0.015	66.392
NSE Nifty 50	India	10,914.5	-0.43%	0.5%	Singapore Dollar (SGD)	0.735	1.360
SHANGHAI Composite	China	2,591.4	-0.73%	3.9%	Turkish Lira (TRY)	0.187	5.337
KOSPI Index	South Korea	2,112.0	-0.59%	3.5%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				UAE	2.93
Brent Crude (per bbl)	62.3	-0.78%	15.7%	Saudi Arabia	2.97
WTI Crude (per bbl)	53.4	-0.69%	17.7%	Kuwait	2.56
Oman Crude Oil (Last Closing)	62.2	-0.50%	16.3%	Oman	2.85
OPEC (per bbl)	60.9	2.13%	18.1%	Qatar	2.90
Precious Metals				Bahrain	3.95
Gold100 OZ (per oz)	1,277.7	0.14%	-0.4%		
Silver (per oz)	15.2	-0.50%	-1.9%	GCC Latest 10-Yr Government Bond Yields	
Platinum (per oz)	790.2	-0.83%	-0.7%		
Other Metals					
Copper, MT	5,981	-1.17%	0.3%		
Aluminium, MT	1,852	-0.96%	0.3%		
Lead, MT	2,013	0.75%	-0.4%		
Zinc, MT	2,588	0.31%	4.9%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.79	2.58	1m	2.51
5 year	100.15	2.59	3m	2.76
10 year	103.14	2.76	6m	2.85
30 year	105.75	3.08	1 year	3.03

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Energy summit facilitates deals valued at \$10.5bn

Deals valued at US\$10.5 billion to be implemented across 20 countries were facilitated at the World Future Energy Summit (WFES), a key enabler of Abu Dhabi Sustainability Week 2019 (ADSW), during its four-day run at the Abu Dhabi National Exhibition Centre (ADNEC).

Source: [Times of Oman](#)

Oman LNG clocks new safety record

With safety as the centrepiece of its operations, Oman LNG has announced a remarkable milestone of thirty million man-hours worked without a Lost-Time Injury (LTI). The new record reflects nearly three thousand and two hundred days (30 million man-hours) or almost nine complete calendar years without casualty to any of its personnel, signposting the company's continuing vigorous attention to the safety and health of employees and contractors.

Source: [Times of Oman](#)

SULTANATE'S FIRST WIND ENERGY PROJECT TO BE OPERATIONAL BY Q3

In a major milestone for the sultanate's renewable energy industry, the first two of total 13 turbines at the 50MW Dhofar Wind Farm have been installed. Sultanate's and Gulf region's first large-scale commercial wind energy project, the Dhofar Wind Farm is expected to become operational by the third quarter of 2019 with all 13 turbines scheduled to be installed by March.

Source: [Muscat Daily](#)

Land in 10 locations up for private investments

In a move to expand private sector role in the economy, the Ministry of Regional Municipalities and Water Resources is offering vast areas of land in 10 locations for investment and development. According to an announcement made at the Investment Opportunities Forum 2019 on Monday,

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia's top investment company looks to its home market

The company founded by Saudi Arabia's most prominent global investor plans to spend more of its money at home. Kingdom Holding CEO Talal Ibrahim Al Maiman said Monday the firm plans to spend \$1 billion in Saudi Arabia over the next six months as the country attempts to repair its reputation with foreign investors after the murder of journalist Jamal Khashoggi.

Source: [CNN](#)

Tenaris completes stake acquisition in Saudi Steel Pipe Company

Saudi Steel Pipe Co. said that Tenaris Saudi Arabia Co. Ltd. (Tenaris) has successfully completed the proposed acquisition of 47.79 percent stake from Rabiah & Nassar Group and other shareholders through a private transaction. Tenaris and Rabiah & Nassar Group have agreed on a reduction in the purchase price payable to the latter, in consideration for the waiver of certain agreed conditions.

Source: [Argaam](#)

Orascom consortium to build Dammam sanitation project

Saudi Arabia's National Center for Privatization and PPP signed an agreement with Metito-Mowah-Orascom consortium to implement Dammam sanitation treatment station, the center said on its Twitter account on Monday. The project, the center's third privatization initiative, aims to recycle treated sanitation water using environment-friendly technologies.

Source: [Argaam](#)

New salary policy for private sector announced in Saudi Arabia

The Human Resources Development Fund (HRDF) in Saudi Arabia will provide 30 per cent of the salaries of male and female Saudis working in private sector establishments in the first year in order to stimulate localization, raising the participation of male and female citizens in the labour market and provide them with skills needed.

Source: [Zawya](#)

Petrochemicals giant SABIC isn't worried about China's growth slowdown

The Middle East's largest public company is expanding its investments in China despite an expected slowdown in the country's economic growth, its CEO said Monday. Investors and analysts have raised concern over China's growth outlook,

which has been dampened by weakened domestic demand and the trade war with Washington that's hit exports. SABIC, the fourth-largest petrochemicals producer in the world, plans to keep investing in China.

Source: [CNBC](#)

Qatar Plans to Support Lebanon With \$500 Million Bond Buy

Qatar said on Monday it plans to buy \$500 million of Lebanese government bonds to help support one of the world's most indebted countries. Eurobonds rallied by the most since September. Lebanon's struggling economy needs a cash infusion to reassure bond holders still reeling from mixed remarks by officials about the possibility of debt restructuring this month.

Source: [Bloomberg](#)

Alba reaches Financial Close of c. US\$136 million in Export Credit Financing

Aluminium Bahrain B.S.C. (Alba), on the go to become the world's largest smelter, is pleased to announce that it has successfully closed by the end of 2018 the final instalment of the 2nd tranche in respect of the financing of Aba's Line 6 Expansion Project, consisting of c.US\$136 million and c. EUR90 million from Export Credit Agency (ECA) supported-facilities.

Source: [BNA](#)

UAE to approve long-term visa applications from February

The UAE will officially start accepting applications for 10-year residency visas for expatriates, investors and businesspeople from 3 February. "The implementation date [was] specified to be 3 February for the programme, and that is when applicants from across the UAE will be able to apply for the visas," Murtaza Khan, a partner at international immigration firm Fraggommen, said.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia Stocks, U.S. Futures Slip; Treasuries Edge Up: Markets Wrap

Asian stocks and U.S. futures dropped Tuesday as investors mulled the latest batch of headlines on global growth and trade, while Treasury yields edged lower. Without any direction offered from American markets that were shut for a holiday Monday, shares declined from Tokyo and Sydney to Shanghai and Seoul. News that the IMF was cutting its global growth forecast to the weakest in three years merely cemented an already downbeat mood.

Source: [Bloomberg](#)

IMF cuts global growth outlook for 2019

The International Monetary Fund (IMF) on Monday cut the growth outlook for the Middle East, North Africa, Afghanistan and Pakistan (Menaap) and the world economy for 2019 due to weaker oil prices and the trade war between the US and China.

Source: [Zawya](#)

Dollar holds firm as global growth concerns support safe-havens

The dollar hovered near 2-week highs against its peers on Tuesday as a slowdown in China's economy to 28-year lows fanned fresh worries over global growth and prompted investors to move into safe-haven currencies. Overnight, the International Monetary Fund (IMF) cut its 2019 and 2020 global growth forecasts, citing a bigger-than-expected slowdown in China and the eurozone, and said failure to resolve trade tensions could further destabilise a slowing global economy.

Source: [Reuters](#)

Tax cuts could be the 'front line' of China's fight against slowing growth, experts say

Tax cuts could be the "front line" of Beijing's defense against economic headwinds as policy-makers seeks to stimulate the slowing economy, said J.P. Morgan's chief China economist, Haibin Zhu. The challenges in China's economy are already starting to show, with Beijing reporting its slowest GDP growth in decades on Monday. Slashing value-added tax will be "important and significant" for investors, said Hao Zhou, senior emerging markets economist at Commerzbank.

Source: [CNBC](#)

Yuan's drop aligns it with China's cooling economy, easier policy

A surprising rally for China's yuan over the turn of the year has been cut short by widespread expectations that Beijing will ramp up policy easing in coming months to avert a sharper economic slowdown. The yuan CNY=CFXS has retreated to the weaker side of 6.8 per dollar this week, but is still up nearly 3 percent since early December on hopes that Washington and Beijing may be inching toward a trade deal.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices fall as economic growth worries spread

Oil prices fell on Tuesday as signs of a spreading global economic slowdown stoked concerns over future fuel demand. International Brent crude oil futures were at \$62.26 per barrel at 0410 GMT, down 48 cents, or 0.8 percent, from their previous close. U.S. West Texas Intermediate (WTI) crude futures were at \$53.44 per barrel, down 0.7 percent, or 36 cents.

Source: [Reuters](#)



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