

# U Capital Morning Brief

27 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	863.83	7.05	0.82%	-2.42%	-	-	-
U Capital GCC 50 Index	1,393.27	4.88	0.35%	7.70%	-	-	-
U Capital MENA 200 Index	1,095.01	4.34	0.40%	5.97%	-	-	-
MSCI GCC Countries Index	572.58	-0.01	0.00%	6.46%	15.01	1.87	3.7%
Muscat Securities Market	4,180.14	14.17	0.34%	-3.32%	8.35	0.75	6.2%
Saudi Stock Exchange	8,434.89	-31.21	-0.37%	7.77%	18.29	1.88	3.3%
Kuwait Stock Exchange	5,241.45	4.87	0.09%	3.19%	15.49	1.26	3.8%
Qatar Exchange	10,712.39	62.08	0.58%	4.01%	15.73	1.59	4.1%
Bahrain Stock Exchange	1,374.16	12.53	0.92%	2.76%	8.93	0.86	5.9%
Dubai Financial Market	2,514.36	-2.64	-0.10%	-0.61%	7.56	0.92	5.6%
Abu Dhabi Exchange	5,019.16	48.35	0.97%	2.12%	13.49	1.45	4.8%
Beirut Stock Exchange	946.78	0.49	0.05%	-3.07%	4.79	0.56	9.6%
Palestine Stock Exchange	527.82	-0.35	-0.07%	-0.29%	13.00	1.23	4.5%
Tunis Se Index	7,215.87	12.52	0.17%	-0.77%	18.62	2.54	2.0%
EGX 30 Index	13,506.65	32.10	0.24%	3.61%	12.40	1.53	2.2%
Amman General Index	1,947.37	2.65	0.14%	2.02%	13.70	0.96	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	6,809.2	-0.14%	1.2%	Australian Dollar (AUD)	0.718	1.392
DAX	Germany	11,281.8	1.36%	6.8%	British Pound (GBP)	1.320	0.758
CAC 40	France	4,925.8	1.11%	4.1%	Canadian Dollar (CAD)	0.757	1.322
<b>United States</b>					Chinese Renminbi (CNH)	0.148	6.754
DJIA	USA	24,737.2	0.75%	6.0%	Egyptian Pound (EGP)	0.056	17.888
S&P 500	USA	2,664.8	0.85%	6.3%	Euro (EUR)	1.141	0.877
NASDAQ	USA	7,164.9	1.29%	8.0%	Indian Rupee (INR)	0.014	71.175
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	109.550
NIKKEI 225	Japan	20,773.6	0.97%	3.8%	New Zealand Dollar (NZD)	0.684	1.462
HANG SENG	Hongkong	27,569.2	1.65%	6.7%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	40,264.8	-0.06%	8.6%	Pakistani Rupee (PKR)	0.719	138.855
NSE Nifty 50	India	10,780.6	-0.64%	-0.8%	Russian Ruble (RUB)	0.015	65.997
SHANGHAI Composite	China	2,601.7	0.39%	4.3%	Singapore Dollar (SGD)	0.739	1.353
KOSPI Index	South Korea	2,177.7	1.52%	6.7%	Turkish Lira (TRY)	0.190	5.272

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	61.6	0.90%	14.6%	UAE	2.93
WTI Crude (per bbl)	53.7	1.05%	18.2%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	61.5	0.72%	15.0%	Kuwait	2.56
OPEC (per bbl)	60.2	-0.50%	16.8%	Oman	2.83
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,303.2	1.71%	1.6%	Qatar	2.93
Silver (per oz)	15.7	2.79%	1.6%	Bahrain	3.95
Platinum (per oz)	818.2	1.87%	2.8%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	6,056	2.26%	1.5%		
Aluminium, MT	1,920	1.56%	4.0%		
Lead, MT	2,109	1.64%	4.4%		
Zinc, MT	2,673	1.25%	8.4%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.75	2.59	1m	2.50
5 year	100.12	2.60	3m	2.75
10 year	103.13	2.76	6m	2.83
30 year	106.00	3.07	1 year	3.03

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: MSM30 closes week down by 1.34 per cent**

The first half of the week was impacted by selling pressures. Then we noted partial recovery on in selected shares — especially the telecom sector. Trades remain calm, as we believe investors are waiting for additional factors such as dividends.

Source: [Oman Observer](#)

### **CMA DISCUSSES HEALTH INSURANCE SCHEME WITH OMANI CONTRACTORS**

The Capital Market Authority (CMA) held a meeting with representatives of the Omani Contractors Association to review main features of the proposed health insurance scheme for private sector employees. The proposed health insurance scheme for private sector employees, expatriates and visitors in Oman will be implemented in collaboration with the concerned entities, according to a press statement issued by the CMA.

Source: [Muscat Daily](#)

### **Oman-India trade logs billion dollar jump in five years**

The total volume of trade between Oman and India has increased by nearly a billion dollars in the last five years, data from the country's Ministry of External Affairs has shown. As India celebrates its 70th Republic Day, data shows that the value of bilateral trade between India and Oman for the financial year 2017-18 was \$6.703 billion (OMR2.58 billion), up from \$5.763 billion (OMR2.218 billion) for the year 2013-14, reflecting an increase of \$940.31 million (OMR361.87 million)

Source: [Times of Oman](#)

### **Sohar Port and Freezone looks forward to further growth**

Sohar Port and Freezone revealed its operating results for 2018, looked back at its 15 years of double digit growth and entered into new partnership agreements, signalling a strong start to 2019 at an event to celebrate its 15th anniversary. The event was attended by members of the management team, alongside Sohar Port and Freezone employees, strategic partners and valued customers.

Source: [Times of Oman](#)

### **331 industrial licences registered in Oman in 2018**

The Ministry of Commerce and Industry (MoCI) said that the number of industrial licences registered through the "Invest Easy" portal between January and December 2018 end reached 331. It was just 140 in 2017. Engineer Hamad bin Saeed Al Mamari, acting head of industrial registrations at the MoCI, said that the increase in the number of licences in 2018 over 2017 was due to the fact that many investors got it done through the "Invest Easy" portal.

Source: [Times of Oman](#)

### **4.6 pc rise in new private vehicles**

The year 2018 has been among the best in recent years in terms of the number of new private vehicles registered in the Sultanate. A total of 1,157,440 new private vehicles had been registered as of December 2018, a 4.6 per cent increase on a year-to-year basis from 2017, according to the National Centre for Statistics and Information (NCSI).

The figure was 1,106,728 in 2017, 70,706 in 2016 and 74,113 in 2015.

Source: [Oman Observer](#)

### **MSM Disclosure: Sahara Hospitality announces dividend**

The Board of Directors of the company has proposed cash dividend equivalent to 20% of the company's outstanding share capital for FY2018 ended 30<sup>th</sup> of November 2018, subject to shareholder and regulatory approval at the Annual General Meeting.

Source: [MSM](#)

### **MSM Disclosure: Taageer Finance announces dividend**

The Board of Directors of the company has proposed cash dividend equivalent to 10% of the company's outstanding share capital for FY 2018, subject to shareholder and regulatory approval at the Annual General Meeting.

Source: [MSM](#)

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## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Petchems hurt Saudi, Dubai weighed down by property stocks**

The Saudi stock market dropped on Thursday as weak oil prices pressured its petrochemical firms, while weakness in property stocks such as DAMAC Properties weighed on Dubai stocks. International Brent crude oil futures were at \$60.88 a barrel, down 0.4 percent from their last settlement. Saudi Arabia's index fell 0.4 percent, with industry heavyweight Saudi Basic Industries Corp sliding 0.7 percent.

Source: [Zawya](#)

### **UAE, Saudi among 'most attractive' MENA telecoms market: Fitch**

The Gulf Co-operation Council (GCC) countries remain the "most attractive" telecoms market in the Middle East and North Africa (MENA) region, supported by consumers' spending power, economic diversification, and investment into advanced technologies, Fitch Solutions said in a recent report.

Source: [Argaam](#)

### **Saudi Arabia to continue its growth plan regardless of oil prices: Al-Jadaan**

Saudi Arabia is prepared for all eventualities with regards to oil prices, as it intends to continue its growth plan regardless of the price, Saudi Finance Minister Mohammed Al-Jadaan told Bloomberg in an interview.

Source: [Argaam](#)

### **Saudi Arabia seeks to attract \$427 bln with industrial program**

Saudi Arabia aims to attract investment worth 1.6 trillion riyals (\$427 billion) through a national industrial development and logistics program, Energy Minister Khalid Al-Falih said on Saturday. He said Riyadh would announce projects in the program worth 70 billion riyals this coming Monday and that the program aims to boost industry, mining, energy and logistics.

Source: [SG](#)

### **Kuwait Finance House sees 90 pct profit jump after Bahrain deal**

Kuwait Finance House's (KFH) purchase of Bahrain's Ahli United Bank is expected to boost consolidated profit by more than 90 percent from the level in 2018, KFH said on Saturday. The two banks announced the deal on Thursday, the first major cross-border bank merger in the Gulf region in recent years.

Source: [Reuters](#)

### **Saudi-based SADAFCO's shares retreat after quarterly profits take a dip**

Shares in Saudia Dairy and Foodstuff Company (SADAFCO) fell on Thursday as the company reported an 8 percent drop in third quarter (Q3) 2018 net profit, for the three months period ended on December 31. The third quarter net profit after zakat and tax amounted to 53.6 million Saudi riyals (\$14.3 million) compared to 58.3 million Saudi riyals in Q3 2017, in line with Saudi Fransi Capital's estimates.

Source: [Zawya](#)

### **BRIEF-Union National Bank Board To Discuss Potential Three-Way Bank Merger On Jan 29**

Union National Bank:

\* Calls Board Meeting On January 29 To Discuss Update On Potential Merger And Acquisition Between Bank, Abu Dhabi Commercial Bank (Adcb) And Al Hilal Bank

Source: [Salaam Gateway](#)

### **BRIEF: Bahrain Islamic Bank Updates On Voluntary Offer From NBB For Bank Shares**

Bahrain Islamic Bank Bisb.Bh :

\* Updates On Non-Binding Notification Received From National Bank Of Bahrain

\* Board Established Committee That Is Composed Of Directors With No Interest Or Conflict With Nbb To Evaluate Offer, Once Received

Source: [Zawya](#)

### **Deutsche Bank to Get Qatari Commitment For More Funds**

Deutsche Bank AG has secured a commitment for additional investment from Qatar as the troubled German lender seeks to bolster its finances, according to people with knowledge of the matter. The investment is likely to be made through the Qatar Investment Authority, the country's sovereign wealth fund, the people said, asking not to be identified because the talks are private.

Source: [Bloomberg](#)

### **Egypt's MNHD and SODIC cancel merger plan over swap ratio dispute**

Egypt's Madinet Nasr for Housing and Development (MNHD) and Sixth of October Development and Investment Company (SODIC) announced on Wednesday that they have been unable to finalise talks on a proposed share swap offer that would have seen SODIC take a majority stake in MNHD, citing disagreement on the swap factor.

Source: [Zawya](#)

### **Saudis to Keep Aramco's Hold on Oil Intact Ahead of Share Sale**

Saudi Aramco plans to retain exclusive rights to develop Saudi Arabia's oil reserves even as the kingdom prepares a multi-billion dollar plan to open up to foreign investment. "There is no intention whatsoever to chip away at Aramco's exclusivity and its concession," Saudi Energy Minister Khalid Al-Falih told reporters on Saturday when asked whether the opening to international investors would extend to upstream oil and gas assets.

Source: [Bloomberg](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Emerging Asia Market Rebound in Sight With China, Trade Caveats**

This year is looking a little brighter for Asia's emerging-market assets amid prospects of a less aggressive Federal Reserve. But the U.S.-China trade war saga and its impact on growth will keep traders on their toes. That's according to 14 strategists, traders and investors surveyed by Bloomberg.

Source: [Bloomberg](#)

### **Why the Airbus-Boeing duopoly dominate 99% of the large plane market**

Airbus and Boeing dominate an already under competitive airline manufacturing industry. The duopoly owns the sky by making up 99% of global large plane orders, and those large plane orders make up more than 90% of the total plane market according to the Teal Group

Source: [CNBC](#)

### **The US is falling behind China in crucial race for AI dominance**

The star who stole the stage at the annual meeting of the World Economic Forum, which just ended here yesterday, wasn't the stuff of flesh and blood but of data-driven algorithms. US President Donald Trump, China's Xi Jinping, India's Narendra Modi, France's Emmanuel Macron and Great Britain's Theresa May were no shows at this gathering of global movers and shakers, occupied with more pressing matters at home.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Modest Rig Count Gain Caps Oil Prices**

Baker Hughes reported modest rise in the number of active oil and gas rigs in the United States this week. The total number of active oil and gas drilling rigs rose by 9 rigs, according to the report, with the number of active oil rigs increasing by 10 to reach 862 and the number of gas rigs decreasing by 1 to reach 197.

Source: [Oil Price](#)