

# U Capital Morning Brief

6 February 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	870.29	-4.49	-0.52%	-1.69%	-	-	-
U Capital GCC 50 Index	1,409.21	4.10	0.29%	8.93%	-	-	-
U Capital MENA 200 Index	1,113.33	4.84	0.43%	7.75%	-	-	-
MSCI GCC Countries Index	581.45	4.57	0.79%	8.10%	15.12	1.88	3.7%
Muscat Securities Market	4,169.13	2.83	0.07%	-3.58%	8.42	0.74	6.2%
Saudi Stock Exchange	8,623.92	103.28	1.21%	10.19%	18.44	1.91	3.3%
Kuwait Stock Exchange	5,222.38	16.56	0.32%	2.81%	15.39	1.25	3.8%
Qatar Exchange	10,715.29	-12.24	-0.11%	4.04%	15.64	1.59	4.1%
Bahrain Stock Exchange	1,403.69	6.14	0.44%	4.97%	9.07	0.88	5.8%
Dubai Financial Market	2,542.82	13.64	0.54%	0.52%	7.67	0.93	5.5%
Abu Dhabi Exchange	5,137.30	9.21	0.18%	4.52%	13.53	1.47	4.7%
Beirut Stock Exchange	943.17	-5.89	-0.62%	-3.44%	4.72	0.56	9.6%
Palestine Stock Exchange	532.66	-0.28	-0.05%	0.63%	13.12	1.24	4.5%
Tunis Se Index	7,207.74	-29.59	-0.41%	-0.88%	18.60	2.54	2.0%
EGX 30 Index	14,733.11	367.05	2.55%	13.02%	13.94	1.46	2.0%
Amman General Index	1,964.53	2.42	0.12%	2.92%	13.82	0.97	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>					Australian Dollar (AUD)	0.715	1.398
FTSE 100	UK	7,177.4	2.04%	6.7%	British Pound (GBP)	1.296	0.772
DAX	Germany	11,368.0	1.71%	7.7%	Canadian Dollar (CAD)	0.761	1.315
CAC 40	France	5,083.3	1.66%	7.5%	Chinese Renminbi (CNH)	0.148	6.763
<b>United States</b>					Egyptian Pound (EGP)	0.057	17.628
DJIA	USA	25,411.5	0.68%	8.9%	Euro (EUR)	1.140	0.877
S&P 500	USA	2,737.7	0.47%	9.2%	Indian Rupee (INR)	0.014	71.548
NASDAQ	USA	7,402.1	0.74%	11.6%	Japanese Yen (JPY)	0.009	109.810
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.687	1.455
NIKKEI 225	Japan	20,910.7	0.30%	4.5%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	27,990.2	0.21%	8.3%	Pakistani Rupee (PKR)	0.723	138.288
KSE 100 Index	Pakistan	41,614.4	0.00%	12.3%	Russian Ruble (RUB)	0.015	65.620
NSE Nifty 50	India	11,010.4	0.70%	1.4%	Singapore Dollar (SGD)	0.739	1.353
SHANGHAI Composite	China	2,618.2	1.30%	5.0%	Turkish Lira (TRY)	0.192	5.200
KOSPI Index	South Korea	2,203.5	-0.06%	8.0%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	62.0	-0.02%	14.7%	UAE	2.89
WTI Crude (per bbl)	53.7	0.00%	18.2%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	62.2	-1.13%	16.2%	Kuwait	2.56
OPEC (per bbl)	62.3	2.28%	20.9%	Oman	2.84
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,313.7	-0.13%	2.4%	Qatar	2.92
Silver (per oz)	15.8	-0.28%	2.0%	Bahrain	3.95
Platinum (per oz)	817.8	-0.11%	2.8%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	6,233	1.05%	4.5%		
Aluminium, MT	1,922	0.16%	4.1%		
Lead, MT	2,102	-1.22%	4.0%		
Zinc, MT	2,741	-2.14%	11.1%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.02	2.50	1m	2.51
5 year	99.96	2.51	3m	2.73
10 year	103.66	2.70	6m	2.80
30 year	106.72	3.03	1 year	2.98

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

### **CBO issues treasury bills worth OMR30mn**

Oman's central bank raised OMR30 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from February 6, 2019 until May 8, 2019. The average accepted price reached 99.374 for every OMR100, and the minimum accepted price arrived at 99.320 per OMR100. Whereas the average discount rate and the average yield reached 2.51021 per cent and 2.52604 per cent, respectively.

Source: [Times of Oman](#)

### **FRENCH BUSINESS DELEGATION VISITS SPECIAL ECONOMIC ZONE IN DUQM**

H E Yahya bin Said al Jabri, chairman of the Special Economic Zone Authority of Duqm (SEZAD) on Monday received in Duqm a French delegation comprising 21 representatives from the public and private sectors headed by H E Renaud Salins, French Ambassador to Oman. The two-day French delegation's visit to the Special Economic Zone in Duqm aims at establishing an alliance of French companies, which included four major French investors and technology providers.

Source: [Muscat Daily](#)

### **Private sector invited to develop four fishery ports**

Seeking to build on its success in attracting private investment in the development of its fishery harbours in Taqah (Dhofar Governorate) and Barka (South Al Batinah Governorate), Oman's Ministry of Agriculture and Fisheries is now offering up four additional fishing ports for investment under the Public-Private-Partnership (PPP) model.

Source: [Oman Observer](#)

### **New hotels to accommodate increasing tourist numbers**

With Oman experiencing sustained growth in tourism arrivals, recent years have seen the concurrent expansion of lodging options. Indeed, between 2013 and 2017 the number of hotels increased by 35 per cent, according to the National Centre for Statistics and Information (NCSI). Alternative accommodation — such as aparthotels and short-term holiday lets — is also becoming more visible in the market.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Egypt continues winning streak, banks boost Saudi**

Egypt's blue-chip share index rose sharply on Tuesday boosted by major lender Commercial International Bank after its strong fourth-quarter earnings, while banks also lifted Saudi Arabia's stock market. Egypt's blue-chip index gained for a ninth straight session, climbing 2.6 percent with 27 of its 30 stocks rising. The country's biggest lender Commercial International Bank jumped 3.9 percent after it reported fourth-quarter net profit after interest of 2.56 billion Egyptian pounds (\$146 million) compared to 1.87 billion pounds a year ago.

Source: [Zawya](#)

### **New QSE rules seen market-positive, to boost transparency – DirectFN IR head**

The Qatar Stock Exchange (QSE) recently unveiled a set of investor relations (IR) regulations that are meant to support transparency for listed companies. On Monday, the Qatar Financial Markets Authority (QFMA) approved requirements for investor relation practices, or IR rules, that would be an integral part of QSE.

Source: [Mubasher](#)

### **Qatar's Commercial Bank to issue kangaroo bonds – CEO**

Qatar's Commercial Bank expects to issue around 200-250 million Australian dollar-denominated bonds in the next few months, its chief executive said on Tuesday. The bank will issue the so-called "kangaroo" bonds at the end of the first quarter or in the second quarter, said Joseph Abraham.

Source: [Zawya](#)

### **Bank lending remains key financing tool in GCC: NBK**

Bank lending is still a leading financing instrument for megaprojects in the GCC countries, general manager of foreign corporate, oil and trade finance group of the National Bank of Kuwait (NBK) said. "The region's banks have more liquidity and the debt capital market for the energy sector, and energy companies in specific, provides inherent advantages that include fixed interest rates, flexibility in financings and a wider lending base," Pradeep Handa added, during his participation at the Fifth GCC Energy Strategy Forum held in Kuwait.

Source: [Mubasher](#)

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### **6 Saudi, UAE banks to participate in launching digital currency**

Six Saudi and Emirati banks will participate in the launch of the common digital currency project “Aber” over the coming period, the UAE Central Bank (UAECB) said. The joint venture (JV) is set to be completed within 12 months, the UAECB added. On 29 January, the UAECB and the Saudi central bank, which is known as the Saudi Arabian Monetary Authority (SAMA), announced the launch of the common digital currency project.

Source: [Mubasher](#)

### **Bahrain's budget deficit down 35% in 2018 year/year**

Bahrain’s budget deficit dropped 35 percent in 2018 compared to a year earlier, the finance minister said on Monday. Bahrain’s finances have been hit hard by a slump in oil prices in 2014 and it has been struggling to cut government spending while avoiding public anger over austerity measures. Bahrain released a 33-page fiscal plan last year after signing an agreement with its Gulf neighbours to fix its debt-burdened finances and abolish its budget deficit by 2022. Manama had projected a \$3.5 billion budget deficit in 2018.

Source: [Zawya](#)

### **Record Foreign Buying of Saudi Stocks as Khashoggi Woes Fade**

Foreigners made their highest net purchases of Saudi shares on record last month as the inclusion of local stocks in major benchmarks outweighed concerns sparked by the killing of Jamal Khashoggi. Investors from outside the country and the Gulf were net buyers of around 4.4 billion riyals (\$1.17 billion) of Saudi-listed stocks in January, the most for a single month since data became available in 2015.

Source: [Bloomberg](#)

### **BRIEF: Emirates NBD Calls Shareholders Meeting To Discuss Issuance Of Non-Convertible Securities**

EMIRATES NBD ENBD.DU : \* CALLS SHAREHOLDERS MEETING ON FEB 20 TO APPROVE BOARDS' PROPOSALS WITH RESPECT TO NON-CONVERTIBLE SECURITIES TO BE ISSUED BY BANK \* SAYS SHAREHOLDERS TO UNDERTAKE UPDATE ON EMIRATES NBD BANK AND EMIRATES NBD GLOBAL FUNDING LIMITED \$12.5 BILLION EURO MEDIUM TERM NOTE PROGRAMME

Source: [Zawya](#)

### **Qatar Petroleum, Exxon invest in \$10 billion Texas LNG project**

Qatar Petroleum and Exxon Mobil Corp said on Tuesday they are investing in a \$10 billion project to expand a liquefied natural gas (LNG) export plant in Texas, as companies race to meet global demand for the fuel.

Source: [Reuters](#)

### **VEON says aims to buy out Egypt's Global Telecom for \$600mln**

Telecoms operator VEON Ltd said on Tuesday it intends to offer 5.30 Egyptian pounds (\$0.3005) per share for the 42.3 percent of Cairo-listed Global Telecom Holding it does not already own. The offer for the stake in Global, formerly known as Orascom, represents a 20 percent premium to its closing price on Monday and is worth \$600 million.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **China says U.S. report on its WTO compliance lacks factual basis**

China opposes a report by the U.S. Trade Representative’s office on its World Trade Organization (WTO) compliance, the commerce ministry said, saying it is inconsistent with the facts. The report was based on U.S. domestic law rather than WTO agreements and multilateral rules, the ministry said in a statement late on Tuesday.

Source: [Reuters](#)

### **Fed gives banks more stress test information, unveils 2019 scenarios**

The Federal Reserve moved on Tuesday to make its stress testing of large banks more transparent, providing financial firms significantly more information about how their portfolios would perform under potential economic shocks. During the 2019 round of stress tests and going forward, big banks will know “significantly more” information about the models the U.S. central bank uses to test banks’ books, including how hypothetical loans perform under the tests and more detailed information about the Fed’s models.

Source: [Reuters](#)

### **Disney beats on earnings and revenue, reports streaming subscriber growth**

Disney reported fiscal first-quarter earnings per share and revenue that topped analyst estimates.

On the company's post-earnings conference call, CEO Bob Iger said that ESPN+ doubled its subscribers to 2 million in the past five months. Disney launched the sports streaming service ESPN+ last year and plans to launch Disney+, a streaming

service of its movies and original programming, later this year. If its deal for Fox closes, it will also have a larger stake in streaming service Hulu.

Source: [CNBC](#)

### **Asian Stocks Edge Up; Aussie Sinks on RBA Tweak: Markets Wrap**

Asian stocks saw another muted session Wednesday, with trading becalmed by Lunar New Year holidays. Australia's dollar tumbled, along with its bond yields, after the central bank chief signaled a shift to a neutral stance on policy after long flagging prospective tightening at some point.

Source: [Bloomberg](#)

## **COMMODITIES NEWS**

### **Oil ticks higher, market eyes U.S. State of the Union address**

Oil prices edged higher for the first time in three sessions on Wednesday, although concerns over the outlook for the global economy capped gains. U.S. West Texas Intermediate (WTI) crude futures were at \$53.74 per barrel at 0153 GMT, up 8 cents from their last settlement. They closed down 1.7 percent on Tuesday.

Source: [Reuters](#)

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