

U Capital Morning Brief

25 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	858.96	2.52	0.29%	-2.20%	-	-	-
U Capital GCC 50 Index	1,387.48	-1.69	-0.12%	5.94%	-	-	-
U Capital MENA 200 Index	1,097.84	-0.30	-0.03%	5.05%	-	-	-
MSCI GCC Countries Index	572.34	-1.39	-0.24%	6.41%	14.62	1.86	3.7%
Muscat Securities Market	4,053.36	-2.21	-0.05%	-6.25%	8.38	0.77	6.4%
Saudi Stock Exchange	8,513.27	-34.21	-0.40%	8.77%	18.47	1.91	3.3%
Kuwait Stock Exchange	5,251.07	18.96	0.36%	3.38%	14.75	1.27	3.8%
Qatar Exchange	10,190.14	-1.36	-0.01%	-1.06%	14.52	1.51	4.3%
Bahrain Stock Exchange	1,415.46	10.62	0.76%	5.85%	9.13	0.88	5.8%
Dubai Financial Market	2,668.64	34.95	1.33%	5.49%	8.51	0.98	5.2%
Abu Dhabi Exchange	5,139.67	41.56	0.82%	4.57%	14.40	1.47	4.7%
Beirut Stock Exchange	938.07	-0.98	-0.10%	-3.96%	4.73	0.55	9.7%
Palestine Stock Exchange	541.26	0.10	0.02%	2.25%	11.38	1.21	4.4%
Tunis Se Index	7,185.67	10.44	0.15%	-1.18%	18.50	2.53	2.0%
EGX 30 Index	14,955.58	-191.13	-1.26%	14.73%	14.14	1.47	2.0%
Amman General Index	1,984.32	3.83	0.19%	3.96%	13.35	0.99	4.8%

* 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)	0.715	1.399
FTSE 100	UK	7,178.6	0.16%	6.7%	British Pound (GBP)	1.307	0.765
DAX	Germany	11,457.7	0.30%	8.5%	Canadian Dollar (CAD)	0.761	1.314
CAC 40	France	5,215.9	0.38%	10.3%	Chinese Renminbi (CNH)	0.150	6.687
United States					Egyptian Pound (EGP)	0.057	17.539
DJIA	USA	26,031.8	0.70%	11.6%	Euro (EUR)	1.134	0.882
S&P 500	USA	2,792.7	0.64%	11.4%	Indian Rupee (INR)	0.014	70.994
NASDAQ	USA	7,527.5	0.91%	13.4%	Japanese Yen (JPY)	0.009	110.680
Asia Pacific					New Zealand Dollar (NZD)	0.687	1.456
NIKKEI 225	Japan	21,540.9	0.54%	7.6%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	28,914.3	0.31%	11.9%	Pakistani Rupee (PKR)	0.722	138.700
KSE 100 Index	Pakistan	39,924.7	-0.22%	7.7%	Russian Ruble (RUB)	0.015	65.373
NSE Nifty 50	India	10,801.4	0.09%	-0.6%	Singapore Dollar (SGD)	0.741	1.350
SHANGHAI Composite	China	2,922.0	4.20%	17.2%	Turkish Lira (TRY)	0.188	5.321
KOSPI Index	South Korea	2,231.0	0.02%	9.3%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	66.9	-0.31%	23.8%	UAE	2.85
WTI Crude (per bbl)	57.1	-0.19%	25.8%	Saudi Arabia	2.92
Oman Crude Oil (Last Closing)	67.3	0.00%	25.7%	Kuwait	2.63
OPEC (per bbl)	66.5	0.80%	29.0%	Oman	2.83
Precious Metals					
Gold100 OZ (per oz)	1,330.9	0.20%	3.8%	Qatar	2.92
Silver (per oz)	16.0	0.31%	3.1%	Bahrain	3.90
Platinum (per oz)	848.1	0.65%	6.6%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	6,478	1.54%	8.6%		
Aluminium, MT	1,913	0.42%	3.6%		
Lead, MT	2,075	0.44%	2.7%		
Zinc, MT	2,724	1.53%	10.4%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.09	2.47	1m	2.48
5 year	100.11	2.48	3m	2.65
10 year	99.72	2.66	6m	2.71
30 year	99.64	3.02	1 year	2.89

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's Majis inks RO 45m deal to finance expansion

Majis Industrial Services (MIS), a wholly Omani government-owned water services utility, yesterday signed a facility agreement with Ahlibank Oman covering a RO 45 million term loan to finance the purchase of a minority stake in leading UAE-based utility Utico, as well to drive its growth ambitions. The agreement was inked at a ceremony held at Hormuz Grand Muscat Hotel yesterday.

Source: [Oman Observer](#)

Raysut Cement eyes acquisition of Sohar Cement

Raysut Cement Company SAOG, the Sultanate's largest cement manufacturer, has announced that it has signed a letter of intent (LoI) with the shareholders of Sohar Cement Factory LLC, a limited liability company registered in the Sultanate of Oman, with respect to the purchase of all its shares. This was revealed by Ghose Jotirmoy Pratul Krishina, Chief Executive Officer of Raysut Cement, in a filing to the Muscat Securities Market (MSM) yesterday.

Source: [Oman Observer](#)

Oman Packaging's Board proposes dividend

The Board of Directors of the company has proposed a 15% cash dividend on the paid-up capital of the company as at Dec 31st, 2018., subject to regulatory and shareholder approvals at the AGM to be held on 3rd March 2019.

Source: [MSM](#)

Sembcorp Salalah's Board proposes dividend

The Board of Directors of the company has proposed a 3.4% cash dividend on the paid-up capital of the company as at Dec 31st, 2018., subject to regulatory and shareholder approvals at the AGM to be held on 12th March 2019.

Source: [MSM](#)

Al Jazeera Services' Board proposes dividend

The Board of Directors of the company has proposed a 10% cash dividend on the paid-up capital of the company as at Dec 31st, 2018., subject to regulatory and shareholder approvals at the AGM to be held on 21st March 2019.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks - Dubai lifted by Emaar Properties, Saudi hurt by banks

Dubai stocks rebounded on Sunday after falling in the previous session, helped by strong gains in market heavyweight Emaar Properties, while financials weighed on both the Saudi and Qatari markets. Dubai's index was up 0.4 percent, supported by Emaar Properties, which gained 2.6 percent.

Source: [Zawya](#)

SAMA governor rules out new bank mergers: report

Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank, does not see more bank mergers for now other than those already announced, Reuters reported, citing its governor Ahmed Al-Kholifey, on Sunday.

Source: [Argaam](#)

Saudi Electricity Co inks three tech cooperation MoUs with China

Saudi Electricity Co. signed three memorandums of understanding (MoU) with Chinese companies to cooperate in the fields of technological transformation, smart networks, digitalization, internet of things (IoT) and optical fibers.

Source: [Argaam](#)

Acwa-led consortium wins Bahrain 100MW solar project

A 100MW independent solar power plant in Bahrain will be delivered by a consortium comprising Acwa, Mitsui & Company and Al Moayyed. Bahrain's Electricity and Water Authority (EWA) awarded the contract after the Tender and Auction Board selected the Acwa-led group over other contenders.

Source: [ME Construction](#)

Sovereign borrowing in MENA to soar to \$136bln in 2019: S&P

Sovereign borrowing by 13 states in the Middle East and North Africa is set to rise by 20 percent this year, as states look to refinance long-term debt and cover fiscal deficits, a report by S&P Global Ratings found. The countries' long-term borrowing

is estimated to hit about \$136 billion in 2019 compared with \$109 billion in 2018, when issuances fell by 38 percent, the ratings agency said.

Source: [Zawya](#)

ADIB launches 100% capital protected equities basket note

Abu Dhabi Islamic Bank (ADIB) on Sunday announced that it has launched a 100% capital-protected equities basket note in companies with a superior work environment. The basket note aims to capture the outperformance of companies that have a motivated and productive workforce.

Source: [Mubasher](#)

Dubai Stocks Cross Resistance Level Held For a Year: Inside EM

Dubai's main stock index ended Sunday's session above a resistance level that it had held for over a year, boosted by continued gains for the biggest listed real-estate developer. The DFM General Index advanced for an eighth straight session, extending its longest winning streak in over a year. It has crossed above its 100-day moving average for the first time since Jan. 18, 2018.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

All the Ways China Influences Yuan, and How to Monitor Them

The U.S.'s proposed currency deal with China is casting the spotlight on Beijing's control of the yuan. Ensuring China doesn't depreciate its currency to soften the impact of U.S. tariffs has become a sticking point in trade negotiations, with officials yet to agree on the issue of enforcement.

Source: [Bloomberg](#)

Stocks Gain in Asia, Yuan Rises on Trade Optimism: Markets Wrap

Asian stocks climbed with U.S. futures and the yuan rose after U.S. President Donald Trump postponed the date for boosting tariffs on Chinese imports, in the latest sign of progress in bilateral trade talks. Chinese shares led the region higher after Trump said he will delay the March 1 deadline.

Source: [Bloomberg](#)

China shares surge as Trump offers tariff respite

A surge in Shanghai shares led Asia higher on Monday after U.S. President Donald Trump confirmed he would delay a planned hike in tariffs on Chinese imports as talks between the two sides made "substantial progress".

Source: [Reuters](#)

Treasury yields fall amid US-China trade talks

U.S. government debt yields fell on Friday as trade talks between the U.S. and China continued. The yield on the benchmark 10-year Treasury note fell to around 2.648 percent, while the yield on the 30-year Treasury bond dipped to 3.007 percent. Bond yields move inversely to prices.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices firm on hopes for US-China trade deal

President Donald Trump said on Sunday he would delay an increase in U.S. tariffs on Chinese goods originally scheduled for later this week thanks to progress in trade talks and said if progress continued, he and Chinese President Xi Jinping would seal a deal. Both the international benchmark Brent and U.S. crude futures contracts saw gains.

Source: [CNBC](#)

Gold inches up as dollar eases on China-US trade hopes, palladium hits record

Trump said on Sunday that he would delay an increase in tariffs on Chinese goods that had been scheduled for later this week, citing "substantial progress" in U.S.-China trade talks over the weekend. Spot palladium, which hit a record-high of \$1,505 per ounce in early trade, was up 0.3 percent at \$1,502.

Source: [CNBC](#)



Ubhar Capital SAOC (U Capital)

Oinvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.