

U Capital Morning Brief

23 October 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	913.00	3.26	0.36%	-6.29%	-	-	-
U Capital GCC 50 Index	1,305.73	5.99	0.46%	14.07%	-	-	-
U Capital MENA 200 Index	1,044.28	3.54	0.34%	4.94%	-	-	-
MSCI GCC Countries Index	534.03	2.82	0.53%	11.31%	13.50	1.73	4.1%
Muscat Securities Market	4,454.75	1.72	0.04%	-12.64%	10.20	0.80	6.1%
Saudi Stock Exchange	7,648.64	-11.57	-0.15%	5.84%	16.05	1.71	3.7%
Kuwait Stock Exchange	4,986.86	-10.83	-0.22%	NA	14.58	1.25	4.0%
Qatar Exchange	10,274.45	120.24	1.18%	20.54%	15.98	1.56	4.3%
Bahrain Stock Exchange	1,322.63	0.57	0.04%	-0.68%	8.87	0.84	6.2%
Dubai Financial Market	2,747.39	11.91	0.44%	-18.48%	7.34	1.01	6.2%
Abu Dhabi Exchange	4,956.20	13.12	0.27%	12.68%	13.13	1.45	4.8%
Beirut Stock Exchange	979.92	-4.55	-0.46%	-14.68%	5.19	0.62	9.3%
Palestine Stock Exchange	528.19	0.57	0.11%	-8.07%	12.06	1.18	4.6%
Tunis Se Index	7,500.51	-5.68	-0.08%	19.40%	19.54	2.67	1.9%
EGX 30 Index	13,646.26	121.59	0.90%	-9.14%	12.91	2.36	2.3%
Amman General Index	1,969.57	1.14	0.06%	-7.39%	13.73	1.00	4.7%

* 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
Europe			%	%	Currency		
FTSE 100	UK	7,042.8	-0.10%	-8.4%	Australian Dollar (AUD)	0.706	1.416
DAX	Germany	11,524.3	-0.26%	-10.8%	British Pound (GBP)	1.296	0.772
CAC 40	France	5,053.3	-0.62%	-4.9%	Canadian Dollar (CAD)	0.764	1.310
United States					Chinese Renminbi (CNH)	0.144	6.948
DIJA	USA	25,317.4	-0.50%	2.4%	Egyptian Pound (EGP)	0.056	17.916
S&P 500	USA	2,755.9	-0.43%	3.1%	Euro (EUR)	1.146	0.873
NASDAQ	USA	7,468.6	0.26%	8.2%	Indian Rupee (INR)	0.014	73.786
Asia Pacific					Japanese Yen (JPY)	0.009	112.570
NIKKEI 225	Japan	22,044.8	-2.53%	-3.2%	New Zealand Dollar (NZD)	0.654	1.528
HANG SENG	Hongkong	25,605.1	-2.11%	-14.4%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,156.3	-0.50%	-5.7%	Pakistani Rupee (PKR)	0.746	133.897
NSE Nifty 50	India	10,204.9	-0.39%	-3.1%	Russian Ruble (RUB)	0.015	65.245
SHANGHAI Composite	China	2,619.5	-1.33%	-20.8%	Singapore Dollar (SGD)	0.724	1.381
KOSPI Index	South Korea	2,107.8	-2.49%	-14.6%	Turkish Lira (TRY)	0.176	5.683

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	2.60	44.8%
Brent Crude (per bbl)	79.6	-0.34%	25.0%	Saudi Arabia	2.74	44.4%
WTI Crude (per bbl)	69.2	-0.22%	14.6%	Kuwait	2.00	6.7%
Oman Crude Oil (Last Closing)	79.2	0.27%	23.8%	Oman	2.75	44.3%
OPEC (per bbl)	78.2	-0.13%	21.2%	Qatar	2.81	6.3%
Precious Metals				Bahrain	3.70	35.8%
Gold100 OZ (per oz)	1,224.0	0.17%	-6.1%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	14.5	-0.14%	-14.2%		Maturity date	YTM, %
Platinum (per oz)	818.7	-0.48%	-12.0%	Kuwait	3/20/2027	3.9
Other Metals				Abu Dhabi	10/11/2027	4.1
Copper, MT	6,242	0.35%	-13.9%	Qatar	6/2/2026	4.0
Aluminium, MT	2,007	0.20%	-11.5%	Saudi Arabia	3/4/2028	4.5
Lead, MT	2,006	0.70%	-19.4%	Oman	1/17/2028	6.2
Zinc, MT	2,656	1.14%	-20.0%	Bahrain	10/12/2028	7.0

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.75	3.0	1m	2.28	45.9%
5 year	99.30	3.0	3m	2.48	46.2%
10 year	97.50	3.2	6m	2.72	48.3%
30 year	93.13	3.4	1 year	3.02	43.4%

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 mandates banks for 7-year dollar sukuk sale

The government of Oman has hired banks to arrange a global investor call ahead of a planned sale of dollar-denominated sukuk, or Islamic bonds, a document issued by one of the banks leading the deal showed on Monday. Gulf International Bank, HSBC, JPMorgan, KFH Capital and Standard Chartered Bank have been mandated as joint lead managers and book runners for the potential sale.

Source: [Business Standard](#)

SGRF's backing for lithium project stresses Oman's sustainability goals

Plans by the State General Reserve Fund (SGRF), a sovereign wealth fund of the Sultanate of Oman, to make a "strategic investment" in a lithium mining project in Mexico in Central America attest to the Sultanate's broad commitment to sustainability, say market observers. In July, Bacanora Lithium plc, the London-listed lithium exploration and development company, announced that it had agreed a conditional strategic investment of \$65 million from SGRF as part of a funding package for the development of an initial 17,500 tonnes per annum (tpa) lithium carbonate (Li₂CO₃) operation at the Sonora Lithium Project in Mexico.

Source: [Oman Observer](#)

9 firms prequalify for Barka, N Batinah water projects

A total of nine international companies (and their joint venture partners) are competing for a licence to build a pair of large water desalination plants of an aggregate capacity of around 250,000 cubic metres /day (equivalent to 55 million imperial gallons per day MIGD) at Barka and North Al Batinah Governorate. Oman Power and Water Procurement Company (OPWP) — the sole procurer of all new power generation and water desalination capacity in the Sultanate — named the contenders as follows: (i) International Company for Water and Power Projects (ACWA Power) (ii) Cobra Instalaciones Y Servicio SA (iii) China Geo-Engineering Corporation Branch, Al Fairuz Trading & Contracting Co and Hyflux (iv) International Power SA (IPSA) (v) GS Inima Environment SA (vi) SUEZ International (vii) Valoriza Agua SL (viii) Veolia Middle East, and (ix) UTICO FZC, FCC Aqualia, SA, and Majis Industrial Service SAOC.

Source: [Oman Observer](#)

Affordable housing project in Barka begins

The foundation stone for the Barka integrated residential project was laid on Monday. This is the first-ever project being developed in cooperation with the Supreme Council of Planning and the Ministry of Housing to provide affordable houses to Omani nationals. Foundation stone for the project was laid by Shaikh Saif bin Mohammed al Shabibi, Minister of Housing. Speaking on the occasion, the minister said the project, an alternative to allocation of government land, is presently providing houses to citizens residing in governorates of Muscat and South Al Batinah. "These projects will help government reduce the number of people in the land distribution waitlist at the Ministry of Housing," he said.

Source: [Oman Observer](#)

Oman Tourism backs Muscat Food Festival

The Oman Ministry of Tourism has announced its support for the much-talked-about food festival Muscat Eat, which is back for its second season this November. To be held from November 15 to 17, 2018 at the Al Mouj Golf (GCM Lawn), Muscat Eat will feature authentic traditional Omani cuisines alongside the most popular dishes in the world.

Source: [GDN](#)

OMANEXPO SEES POSITIVE GROWTH PROSPECTS FOR ITS EAST AFRICA EVENTS

After a successful conclusion of its back-to-back Infra East Africa Expo and East Africa Utilities Expo and Conference at the Kenyatta International Convention Center, Nairobi, Kenya, Oman's biggest exhibitions and conferences organiser Omanexpo is riding high on favourable growth prospects for these shows as well as on the East Africa region's construction, transport infrastructure, utilities and waste management sectors.

Source: [Muscat Daily](#)

Oman Express Logistics Market 2018-2022

The International Express Segment Dominated Oman Express Logistics Market with a Massive Revenue Share of More than 50% in the year 2017. Oman Express Logistics Market Outlook to 2022 - By International and Domestic Express provides a comprehensive analysis of express logistics services in Oman.

Source: [Business Insider](#)

CEOs in UAE, Oman bullish on outlook despite challenges

Chief executive officers from the UAE and Oman are highly optimistic about the future prospects of their businesses than many of their global counterparts, with more than half predicting growth over the next three years, according to KPMG's 2018 CEO Outlook Survey. The results of the study found that despite challenges posed by both global and regional headwinds, business optimism is high both countries although there has been a dip in confidence in the business environment.

Source: [Gulf News](#)

Number of GCC investors in Oman property rises

The number of GCC citizens purchasing property in Oman has risen by nearly 17.63 percent compared to the previous year, according to new data from the country's National Centre for Statistics and Information (NCSI). According to a report in the Times of Oman, NCSI

data shows a that 1,038 Gulf nationals purchased property in the Sultanate through August, compared to 855 during the same time period in 2017.

Source: [Arabian Business](#)

Oman National Engineering And Investment Wins 7.1 Mln Rials Contract

OMAN NATIONAL ENGINEERING AND INVESTMENT CO SAOG ONES.OM : * WINS 7.1 MILLION RIALS CONTRACT FROM A'NAMA POULTRY COMPANY FOR CONSTRUCTION OF BROILER HOUSES * SAYS TO COMPLETE PROJECT BY MAY 31, 2020

Source: [Reuters](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Saudi institutions buy to arrest slide from Khashoggi death

Saudi Arabia's stock index recovered most of its earlier losses on Monday, with government-linked funds continuing to bolster the market as concerns about the killing of Saudi journalist Jamal Khashoggi weighed. The main index recovered to trade down only 0.2 percent after falling as much as 3.3 percent, similar to the previous session where it closed in positive territory despite an early sell-off. State-linked Saudi funds have been buying blue-chips in a support operation since the market plunged last week, according to analysts.

Source: [Zawya](#)

UAE says tourists can reclaim VAT from November 18

The UAE's Federal Tax Authority (FTA) has announced that tourists can request refunds of the Value Added Tax (VAT) incurred on their purchases from November 18. The country's Tax Refund for Tourists scheme – announced by the UAE cabinet earlier this year – will take effect in phases from next month, a statement said. The first phase will see the digital system of the scheme implemented at Abu Dhabi, Dubai and Sharjah International airports.

Source: [Gulf Business](#)

Tesla, Magic Leap, and other Saudi tech investments in 2018

Ahead of the 2018 edition of Future Investment Initiative (FII) starting tomorrow, Argaam has compiled a list of recent tech investments by Saudi Arabia, as the country explores new venues to diversify its economy. With global ambitions in mind, the Kingdom and its sovereign wealth fund have made several big-ticket investments in global tech companies over the past year, including electric vehicle manufacturers Tesla and Lucid Motors and augmented reality startup Magic Leap.

Source: [Argaam](#)

6 major tourism projects underway in Saudi Arabia

In the run-up to Riyadh's much-anticipated Foreign Investment Initiative (FII), set to take place from Oct. 23 to 25, Argaam has compiled a list of big-ticket tourism projects in Saudi Arabia that are part of the Kingdom's drive to transform its economy. While it hosts millions of pilgrims every year, Saudi Arabia has not historically been known as a major tourist destination. As it looks to reduce oil reliance and attract foreign investment, however, the world's top oil exporter has turned to tourism and to reshape its economy.

Source: [Argaam](#)

First Abu Dhabi Bank to start commercial banking in Saudi this year

First Abu Dhabi Bank (FAB), the largest lender in the United Arab Emirates by assets, said on Monday it will launch commercial banking operations in Saudi Arabia by the end of this year. The bank, which was granted a commercial banking licence in Saudi Arabia earlier this year, has been expanding its staff in the kingdom as it seeks to benefit from the government's drive to move the economy beyond oil revenues.

Source: [Reuters](#)

Maaden awards Daelim Industrial \$892 mln ammonia contract

Saudi Arabian Mining Company (Maaden) has awarded Daelim Industrial Co Ltd and Daelim Saudi Arabia Company Limited (Daelim Saudi Arabia) a SAR 3.35 billion worth of contract to construct a 1.1 million tpa ammonia plant at Ras al-Khair. The engineering, procurement and construction (EPC) contract is a part of Maaden's third phosphate complex at a cost of SAR 24 billion, the company said in a bourse filing.

Source: [Argaam](#)

Saudi to preserve riyal exchange rate stability - central bank chief

Saudi Arabia's monetary policy is to "preserve the stability" of the riyal's exchange rate, central bank governor Ahmed al-Kholifey told the newspaper Maal. The riyal is pegged at 3.75 to the dollar but the Saudi currency has come under pressure as a result of the killing of Jamal Khashoggi, a dissident journalist.

Source: [Reuters](#)

QR2.73bn Qamco IPO to hit market on October 30

QP is sole founder of Qatar Aluminum Manufacturing Company which has a proposed issued share capital of QR5.58bn of 558.01mn ordinary shares and one special share with nominal value of QR10 each The QR2.73bn initial public offering (IPO) of the proposed Qatar Aluminum Manufacturing Company (Qamco) will hit the market on October 30, offering 49% to citizens.

Source: [Gulf Times](#)

National Bank of Bahrain seeks to buy shares in rival Bahrain Islamic Bank

National Bank of Bahrain (NBB) is weighing an acquisition of shares in Bahrain Islamic Bank (BISB), the company said in a disclosure on Monday. The lender is “considering making a potential voluntary offer for issued shares in BISB”, the filing said, without specifying whether NBB would be buying a stake or a complete acquisition of BISB.

Source: [Gulf Business](#)

KFH to decide on share pricing of Ahli United Bank merger

The Chief Executive of Kuwait Finance House (KFH) has announced that a decision on the share pricing of a potential merger with Bahrain's Ahli United Bank (AUB) will be reached within two weeks, reported Reuters. If the tie-up between KFH and Ahli United Bank materialises it will be the first cross-border merger between Gulf banks in recent years at a time when several other banks are consolidating.

Source: [Mubasher](#)

Al Salam Bank opens largest branch in Manama

Al Salam Bank-Bahrain on Monday announced the opening of its largest branch in the Bahraini capital of Manama. The newly-inaugurated headquarters will offer digital banking services to a wider scope of clients thanks to its location at the heart of Manama, the Bahrain-based and listed bank said in a bourse statement.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dow, S&P 500 fall as dollar rises, yield curve flat

U.S. stocks closed lower after choppy trade on Monday, as some investors showed signs of earnings season nerves, while political worries in Europe led the dollar to strengthen against the euro and sterling. The euro continued its slide on uncertainty over Italy's budget and the British pound fell on news that Brexit negotiations with the European Union over Northern Ireland remained in deadlock.

Source: [Reuters](#)

Asian shares buckle to European woes, Saudi anxieties

Asian shares fell on Tuesday as earnings season nerves in the U.S. dented Wall Street, while a cocktail of negative drivers from Saudi Arabia's diplomatic isolation to concerns over Italy's budget and Brexit talks depressed sentiment. Selling in the region erased gains made in the previous two sessions' rally, which were led by China stimulus hopes, with the MSCI's broadest index of Asia-Pacific shares outside Japan dropping 1.3 percent.

Source: [Reuters](#)

Dollar index near 2-week high on stronger safe haven bid

The dollar gained against its major peers on Tuesday, reining as the preferred safe haven currency as uncertainty over Brexit negotiations and Italy's free spending budget spooked investors away from the euro and sterling. British Prime Minister Theresa May on Monday said most of the country's deal to exit the EU has been agreed on but repeated her opposition to a EU proposal regarding the Irish border, according to excerpts from her statement to Parliament.

Source: [Economic Times](#)

Yen exerts safe-haven pulling power amid Brexit, Italian budget worries

The Japanese yen, a safe haven in uncertain times, firmed against the dollar on Tuesday, as the euro and sterling suffered due to doubts over Italy's budget spending and over British Prime Minister Theresa May's future with Brexit talks stalled. The dollar weakened 0.21 in Asian trade to JPY= trade at 112.55 yen JPY=, gaining as risk-shy investors retreated from Asia's main share markets.

Source: [Reuters](#)

China's Uber for Trucks Is Said Close to Up to \$1 Billion Round

Full Truck Alliance Group is close to securing as much as \$1 billion in new funds to replenish its war chest and jumpstart an expansion into driverless technology, according to people familiar with the matter. China's biggest online marketplace for long-haul deliveries is in advanced negotiations with new and existing backers including SoftBank Group Corp. and Tencent Holdings Ltd. on a funding that could hike its valuation by as much as 40 percent to \$9 billion, the people said, requesting not to be named discussing private deals. But that's lower than an initial target of \$10 billion, reflecting cooling sentiment toward tech companies, the people added.

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil Closes Below \$70 for Fourth Session as Stockpiles Accumulate

Crude settled below \$70 a barrel for a fourth straight session as Saudi Arabia backed away from using its oil wealth as a diplomatic hammer and American inventories expanded at the fastest pace in more than a year and a half. Futures added a nickel in New York on Monday. Saudi Arabian Energy Minister Khalid Al-Falih eased concern that the world's biggest oil exporter would withhold supplies to counter any punishment over the killing of regime critic Jamal Khashoggi.

Source: [Bloomberg](#)

Saudi Arabia Has No Plans to Repeat 1973 Oil Crisis, Falih Says

Saudi Arabia has no intention of using its oil wealth as a political tool in the controversy over the killing of journalist Jamal Khashoggi, and the kingdom plans to boost crude output again soon. "For decades we used our oil policy as a responsible economic tool and isolated it from politics," Energy Minister Khalid Al-Falih said in an interview with Russia's TASS news agency published on Monday. "So let's hope that the world would deal with the political crisis, including the one with a Saudi citizen in Turkey, with wisdom," he said.

Source: [Bloomberg](#)

Copper drops from 1-week top, aluminium rises for 2nd day

Copper prices ticked down on Tuesday, dropping from the previous session's one-week high and snapping two days of gains which were sparked by expectations of strong demand in China, the world's biggest consumer of industrial metals. Aluminium gained for a second session as the market was supported by lower global production.

Source: [Money](#)