

U Capital Morning Brief

3 December 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	912.91	1.15	0.13%	-6.30%	-	-	-
U Capital GCC 50 Index	1,303.81	15.31	1.17%	13.90%	-	-	-
U Capital MENA 200 Index	1,043.33	6.33	0.61%	4.85%	-	-	-
MSCI GCC Countries Index	537.92	4.95	0.93%	12.12%	14.15	1.76	4.1%
Muscat Securities Market	4,417.92	5.86	0.13%	-13.36%	10.41	0.79	5.9%
Saudi Stock Exchange	7,845.02	142.03	1.84%	8.56%	16.93	1.75	3.5%
Kuwait Stock Exchange	5,110.90	1.69	0.03%	NA	15.25	1.24	3.9%
Qatar Exchange	10,316.96	-47.58	-0.46%	21.04%	15.25	1.54	4.2%
Bahrain Stock Exchange	1,332.07	3.26	0.24%	0.03%	9.01	0.83	6.1%
Dubai Financial Market	2,668.66	-16.47	-0.61%	-20.81%	9.00	0.98	6.6%
Abu Dhabi Exchange	4,770.08	-110.96	-2.27%	8.45%	12.94	1.38	5.1%
Beirut Stock Exchange	980.94	-0.74	-0.08%	-14.59%	5.02	0.60	9.3%
Palestine Stock Exchange	525.32	-1.80	-0.34%	-8.57%	12.80	1.22	4.5%
Tunis Se Index	7,304.08	44.22	0.61%	16.27%	18.97	2.60	2.0%
EGX 30 Index	13,150.08	-169.42	-1.27%	-12.44%	12.22	1.49	2.3%
Amman General Index	1,860.57	-2.56	-0.14%	-12.52%	13.32	0.93	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					Currency		
FTSE 100	UK	6,980.2	-0.83%	-9.2%	Australian Dollar (AUD)	0.736	1.358
DAX	Germany	11,257.2	-0.36%	-12.9%	British Pound (GBP)	1.277	0.783
CAC 40	France	5,003.9	-0.05%	-5.8%	Canadian Dollar (CAD)	0.757	1.321
United States					Chinese Renminbi (CNH)	0.145	6.909
DJIA	USA	25,538.5	0.79%	3.3%	Egyptian Pound (EGP)	0.056	17.912
S&P 500	USA	2,760.2	0.82%	3.2%	Euro (EUR)	1.135	0.881
NASDAQ	USA	7,330.5	0.79%	6.2%	Indian Rupee (INR)	0.014	69.993
Asia Pacific					Japanese Yen (JPY)	0.009	113.490
NIKKEI 225	Japan	22,591.0	1.07%	-0.8%	New Zealand Dollar (NZD)	0.691	1.448
HANG SENG	Hongkong	27,217.3	2.68%	-9.0%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	39,803.1	-1.72%	-1.7%	Pakistani Rupee (PKR)	0.726	139.062
NSE Nifty 50	India	10,918.5	0.38%	3.7%	Russian Ruble (RUB)	0.015	67.090
SHANGHAI Composite	China	2,663.5	2.91%	-19.5%	Singapore Dollar (SGD)	0.731	1.368
KOSPI Index	South Korea	2,131.9	1.67%	-13.6%	Turkish Lira (TRY)	0.193	5.182

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	62.5	5.08%	-0.8%	UAE	2.67
WTI Crude (per bbl)	53.7	5.44%	-11.1%	Saudi Arabia	2.84
Oman Crude Oil (Last Closing)	59.0	-0.96%	-7.8%	Kuwait	2.13
OPEC (per bbl)	58.1	-1.96%	-9.9%	Oman	2.78
Precious Metals					
Gold100 OZ (per oz)	1,225.2	0.22%	-6.0%	Qatar	2.84
Silver (per oz)	14.3	0.95%	-15.5%	Bahrain	3.75
Platinum (per oz)	811.3	1.53%	-12.8%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	6,198	-0.23%	-14.5%		
Aluminium, MT	1,958	0.93%	-13.7%		
Lead, MT	1,971	2.07%	-20.8%		
Zinc, MT	2,542	2.91%	-23.4%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.03	2.86	1m	2.35
5 year	99.97	2.88	3m	2.74
10 year	100.67	3.05	6m	2.89
30 year	100.84	3.33	1 year	3.12

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Software giants look to host data in Oman as new center launched

Well known companies like Microsoft, Facebook, Oracle and SAP are expected to consider Oman for hosting as the country's largest data centre opens in Jabel Akhdar. This comes data centre hosting services company Datamount has announced the launch of Oman's largest commercial data centre at Jabel Akhdar which will generate nearly 100 direct and indirect employment opportunities.

Source: [Times of Oman](#)

16 million passengers at Muscat airport likely by 2018 end: OAMC CEO

Some 16 million passengers are expected to arrive at Muscat's new international airport by the end of 2018, making it a record year for the Sultanate, Oman's top airport official has said, after receiving one of the world's most prestigious air travel awards. The airport was awarded the "Best Leading Airport 2018" at the World Travel Awards.

Source: [Times of Oman](#)

State Council Expanded Economic Committee discusses 2019 draft budget

The State Council Expanded Economic Committee held its 1st meeting of the fourth sitting of the sixth term under the chair of Sheikh Mohammed bin Abdullah al Harthy, Chairman of the Committee. During the meeting, the Committee discussed the draft state budget for 2019 and the report of Majlis A'Shura on it. It also discussed the bases and estimates on which the 2019 fiscal year's budget is made and the items associated with it, such as the state revenues and public expenditures. It also discussed a number of economic and financial aspects, as well as the analysis of the statistics on the Sultanate's financial position for 2019.

Source: [Oman Observer](#)

Drop in real estate deals till end of October 2018

The overall activity in the real estate market was dull in the first 10 months of 2018, compared to the same period last year. The total value of property transactions in the Sultanate till the end of October 2018 declined by 2.5% to reach RO2.2 billion from RO2.3 billion for the same period of 2017, as indicated by the preliminary statistics issued by National Center for Statistics and information (NCSI).

Source: [Oman Observer](#)

Oman to offer six new oil blocks for investment

Oman has announced plans to offer six new oil and gas blocks for investment as part of the 2019 Licensing Round due to be unveiled in the first quarter of next year. The new blocks — distributed across the play fairway onshore Oman — underscore sustained investor confidence in the Sultanate's upstream energy sector, according to a high-level official of the Ministry of Oil and Gas. Dr Saleh al Anboori (pictured), Director-General of Planning and Studies, identified the new acreage on offer as Blocks 70, 73, 74, 75, 76 and 58.

Source: [Oman Observer](#)

Al Madina to develop logistics complex at Duqm Port

Under the patronage of Yahya bin Saeed Al Jabri, Chairman of the Special Economic Zone Authority at Duqm SEZAD and attended by Major General Retired Hassan Ihsan al Naseeb, Chairman of Al Madina Logistics Duqm Company and a number of officials, Al Madina Logistics Duqm Company and Duqm Port Company signed a land investment agreement at the Logistics Complex of Duqm Port in Al-Wusta .

Source: [Oman Observer](#)

HIGHER REVENUES REDUCE OMAN'S DEFICIT BY 36% IN FIRST NINE MONTHS OF 2018

Oman's budget deficit dropped 36.1 per cent to RO1.91bn during January-September period of 2018 due to a surge in government revenues driven by higher oil income. The sultanate's budget deficit for the same period of 2017 was much higher at RO3bn, according to the latest statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Muscat Daily](#)

AUCTIONS ANNOUNCED TO BUILD SERVICE STATIONS ON ADAM-THUMRAIT ROAD, BATINAH EXPRESSWAY

As part of plans to create integrated service stations on the Batinah Expressway and Adam-Thumrait road, the Ministry of Housing has announced auctions that will start on Tuesday. The sites identified for auctions include four on the Batinah Expressway (two locations in the wilayat of Suwaiq, one in Saham and one in Liwa), and three on the Adam-Thumrait road (two in Haima and one in Muqshin). The Ministry of Housing has set terms for successful bidders, which include signing long-term land usufruct agreements for 50 years (renewable).

Source: [Muscat Daily](#)

Omani oil minister says he believes there is consensus for output cuts

Omani Energy Minister Mohammed bin Hamad al-Rumhy said on Sunday that he believed there was a consensus among OPEC oil producers that oil output should be cut. Asked if he thinks there is a consensus for a cut, he told reporters: "I think so, yes. We enjoyed the benefits of cuts." He added Oman was ready to join any cuts decided by OPEC and its allies next week. "Of course, we have always been a champion of cutting."

Source: [Zawya](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi rises on bank gains, blue chips pull Qatar down

Saudi Arabia's stock market rose early on Sunday, backed by gains in banking shares after Alinma Bank proposed a higher annual dividend, while blue chips pulled Qatar's index down. United Arab Emirates markets were closed for public holiday, while other Gulf markets were mixed in lacklustre trade. The Saudi index rose 1.1 percent in the first 55 minutes as Alinma Bank surged 4.1 percent after proposing a 1.0 riyal dividend for 2018, up from 0.8 riyal for 2017. Al Rajhi Bank rose 1.2 percent, and petrochemical giant SABIC added 1.0 percent.

Source: [Business Recorder](#)

Maaden starts commercial production at phosphate plant

Saudi Arabian Mining Company (Maaden) on Sunday said it has commenced commercial production at its diammonium phosphate plant from today (Dec.2). The Waad Al Shamal Phosphate Company will gradually ramp-up its production until it reaches three million tons in annual capacity, the mining major said in a statement to Tadawul. The financial impact on earnings will be recognized in Q4 2018 results.

Source: [Argaam](#)

Wafa to file for financial restructuring under the new bankruptcy law

Saudi Indian Cooperative Insurance Co.'s (Wafa) board of directors has decided to file for financial restructuring under chapter 4 of the new bankruptcy law to avoid liquidation and protect shareholders interest, the insurer said in a bourse statement. The decision was made to grant the company more time to complete the capital hike requirements and procedures or change its activity and cut capital, the statement added

Source: [Argaam](#)

MESC signs debt-restructuring agreement with banking consortium

Middle East Specialized Cables Co. (MESC) has inked a debt-rescheduling agreement with a consortium of banks that includes Alawwal Bank, Arab National Bank, Banque Saudi Fransi, Riyad Bank and The Saudi British Bank, the company said in a bourse filing. Under the agreement, the credit facility tenure will be extended until April 30, 2019, instead of Oct. 31, 2018. A total of SAR 268.9 million will be rescheduled.

Source: [Argaam](#)

UAE registers credit growth of 3.9% in October

Gross credit growth in the UAE rose by 0.5 per cent month on month in October, supporting a rise in the yearly growth rate to 3.9 per cent year on year. According to UAE Central Bank data, the private corporate sector was largely behind the pick-up in credit growth in October in absolute terms - up Dh10.6 billion - with loans to the government sector also increasing - up Dh2.8 billion.

Source: [Zawya](#)

Saudi's AHAB turns to new bankruptcy law to settle with creditors

Conglomerate Ahmad Hamad Algosaihi and Brothers (AHAB) has become the first company to file for a settlement under Saudi Arabia's new bankruptcy law, seeking to resolve the kingdom's longest-running and largest debt dispute. The company hopes the move will help to bring a conclusion to creditor talks that have rumbled on since AHAB and Saad Group defaulted on about \$22 billion of debt in 2009.

Source: [Reuters](#)

Alinma Bank distributes share dividend for 2018

Bank Board of Directors has recommended the distribution of a share dividend for the 2018 fiscal year. After approval at the bank's next general assembly meeting in early 2019, shareholders will receive SR1.00 per share (10% of nominal value). The total disbursement will amount to SR1,489,967,444. This marks the fifth consecutive fiscal year in which Alinma has declared a dividend.

Source: [Saudi Gazette](#)

5 major banks represent UAE in Egyptian market

The UAE has always sought to strengthen its presence in the Egyptian market, and to expand it considerably. This was evident in recent years. UAE banks fought fierce competition with other foreign banks to acquire some of the Egyptian and European banks which were put up for sale. The number of UAE banks operating in the Egyptian market are five banks, namely Emirates NBD, First Abu Dhabi Bank, Abu Dhabi Islamic Bank (ADIB), Union National Bank-Egypt, and Mashreq.

Source: [MenaFN](#)

MSCI emerging-markets status inclusion of Saudi Arabia to attract \$40bln FDI to country's capital market

Post-oil Saudi Arabia successfully launched economic reforms that gained massive attention of global investor confidence. Opening of Saudi Arabia is a milestone for the Kingdom's economy, which brought a strategic \$90.29 billion investment and trade ties between Britain and Saudi Arabia implanted in coming years. Bilateral ties will have positive repercussions on the UAE and GCC market.

Source: [Zawya](#)

DOHA BANK INCLUDED IN THE FTSE4GOOD EMERGING INDEX

The selection reinforces Doha Bank's position as a global sustainability leader in Qatar, with strong Environmental, Social and governance (ESG) performance DOHA BANK has been selected in the FTSE4Good Emerging Index. The selection highlights DOHA BANK's continued leadership in environmental, social and governance (ESG) performance. DOHA BANK was rated above the threshold for companies in

emerging markets, as well as that of developed markets, by FTSE Russell. DOHA BANK was selected amongst 134 Financial Services companies from emerging markets, including China, Brazil, South Africa and GCC.

Source: [QE](#)

COURT JUDGEMENT ISSUED AGAINST BARWA REAL ESTATE FROM THE SUPREME COURT

Barwa Real Estate Company announced the issuance of a judgement from the Supreme Court in Qatar regarding the objection no. 423/2018 filed from Barwa against Panceltica for Ready Made Buildings Company "Under Liquidation".

Source: [QE](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dollar stumbles as U.S.-China trade truce revives risk taking

The dollar broadly weakened on Monday as investor demand for riskier assets rose after China and the United States agreed to a ceasefire in their trade war that has shaken global markets.

Source: [Reuters](#)

Asian shares rally on Sino-US trade truce, oil bounces

Asian shares rallied on Monday after U.S. and Chinese leaders brokered a truce in their trade conflict, a relief for the global economic outlook and a tonic for emerging markets. Trade-exposed currencies led the early gains, with the Australian dollar notching a four-month peak, while the dollar dropped to one-month lows against the yuan.

Source: [Channel News Asia](#)

Trump says China has agreed to cut tariffs on U.S.-made autos

U.S. President Donald Trump said on Sunday that China had agreed to "reduce and remove" tariffs on U.S. cars below the 40 percent level that Beijing is currently charging on American-made vehicles. A day after he and Chinese President Xi Jinping called a 90-day ceasefire in their trade war to allow time for negotiations, Trump said on Twitter

Source: [Reuters](#)

China media welcomes U.S. trade truce, markets surge

Chinese state media gave a cautious welcome on Monday to the trade war truce agreed by China and the United States at the weekend, as Chinese shares, commodities and the yuan currency surged even as uncertainty remains about the deal.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices soar after U.S., China suspend trade hostilities

Oil prices shot higher on Monday after the United States and China agreed a 90-day truce in their trade conflict and ahead of a meeting by producer club OPEC this week that is expected to result in a supply cut. U.S. West Texas Intermediate (WTI) crude futures CL1 were at \$53.38 per barrel at 0220 GMT, up \$2.45 per barrel, or 4.8 percent from their last close.

Source: [Zawya](#)