

U Capital Morning Brief

3 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	858.98	-9.12	-1.06%	-2.97%	-	-	-
U Capital GCC 50 Index	1,405.11	0.51	0.04%	8.62%	-	-	-
U Capital MENA 200 Index	1,109.59	3.12	0.28%	7.38%	-	-	-
MSCI GCC Countries Index	577.72	-0.03	-0.01%	7.41%	15.08	1.87	3.7%
Muscat Securities Market	4,166.47	-49.29	-1.17%	-3.64%	8.31	0.74	6.2%
Saudi Stock Exchange	8,559.95	-23.68	-0.28%	9.37%	18.38	1.90	3.3%
Kuwait Stock Exchange	5,205.99	2.54	0.05%	2.49%	15.38	1.25	3.8%
Qatar Exchange	10,720.31	0.91	0.01%	4.09%	15.75	1.59	4.1%
Bahrain Stock Exchange	1,391.42	-1.04	-0.07%	4.05%	9.01	0.87	5.9%
Dubai Financial Market	2,567.59	29.03	1.14%	1.50%	7.74	0.94	5.4%
Abu Dhabi Exchange	5,044.85	40.01	0.80%	2.64%	13.41	1.45	4.8%
Beirut Stock Exchange	949.06	2.50	0.26%	-2.83%	4.75	0.56	9.6%
Palestine Stock Exchange	531.12	1.01	0.19%	0.33%	13.08	1.24	4.5%
Tunis Se Index	7,234.31	-27.74	-0.38%	-0.51%	18.67	2.55	2.0%
EGX 30 Index	14,126.68	33.28	0.24%	8.37%	12.96	1.60	2.1%
Amman General Index	1,951.62	-2.70	-0.14%	2.24%	13.73	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		
Europe					Australian Dollar (AUD)	0.725	1.380
FTSE 100	UK	7,020.2	0.74%	4.3%	British Pound (GBP)	1.308	0.764
DAX	Germany	11,180.7	0.07%	5.9%	Canadian Dollar (CAD)	0.763	1.310
CAC 40	France	5,019.3	0.53%	6.1%	Chinese Renminbi (CNH)	0.148	6.757
United States					Egyptian Pound (EGP)	0.057	17.660
DJIA	USA	25,063.9	0.26%	7.4%	Euro (EUR)	1.146	0.873
S&P 500	USA	2,706.5	0.09%	8.0%	Indian Rupee (INR)	0.014	71.255
NASDAQ	USA	7,263.9	-0.25%	9.5%	Japanese Yen (JPY)	0.009	109.500
Asia Pacific					New Zealand Dollar (NZD)	0.690	1.451
NIKKEI 225	Japan	20,788.4	0.07%	3.9%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	27,930.7	-0.04%	8.1%	Pakistani Rupee (PKR)	0.724	138.250
KSE 100 Index	Pakistan	41,112.7	0.77%	10.9%	Russian Ruble (RUB)	0.015	65.495
NSE Nifty 50	India	10,893.7	0.58%	0.3%	Singapore Dollar (SGD)	0.741	1.350
SHANGHAI Composite	China	2,618.2	1.30%	5.0%	Turkish Lira (TRY)	0.192	5.209
KOSPI Index	South Korea	2,203.5	-0.06%	8.0%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	62.8	3.14%	16.2%	UAE	2.90
WTI Crude (per bbl)	55.3	2.73%	21.7%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	63.2	3.88%	18.0%	Kuwait	2.56
OPEC (per bbl)	61.2	0.43%	18.7%	Oman	2.83
Precious Metals					
Gold100 OZ (per oz)	1,317.7	-0.27%	2.7%	Qatar	2.93
Silver (per oz)	15.9	-0.96%	2.7%	Bahrain	3.95
Platinum (per oz)	824.1	0.29%	3.6%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	6,139	-0.49%	2.9%		
Aluminium, MT	1,883	-1.41%	2.0%		
Lead, MT	2,127	0.71%	5.2%		
Zinc, MT	2,777	2.13%	12.6%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.03	2.49	1m	2.51
5 year	99.98	2.50	3m	2.73
10 year	103.77	2.69	6m	2.79
30 year	106.83	3.03	1 year	2.96

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Start of dividend season; Trades are still weak

The dividend announcements season has started. However, trades are still weak which reflects cautious sentiment among investors. MSM30 closed the week down by 0.33 per cent at 4,166.47. All sub-indices ended down led by the Industrial Index (-1.78 per cent) then the Financial Index (-0.4 per cent) and the Services Index (-0.23 per cent). The MSM Shariah Index also closed down by 1.91 per cent w-o-w.

Source: [Oman Observer](#)

Tenders for new industrial cities' to be floated this year

The Sultanate will celebrate this year's Industry Day next week to commemorate the visit of His Majesty Sultan Qaboos bin Said to Rusayl Industrial City on February 9, 1991. The Sultanate's Industry Day this year comes at a time that the Public Establishment for Industrial Estates (Madayn) is witnessing rising growth rates in various fields, stressed Hilal bin Hamad Al Hasani, Chief Executive Officer of Madayn.

Source: [Times of Oman](#)

Pacts signed for Duqm power and water project

Siemens has received a large order to supply the Duqm Integrated Power and Water Project (DIPWP) with gas and steam turbines, long-term power generation services and digital solutions. Total order volume of the contract is in the range of €200mn (approximately RO88mn), representing Siemens' largest contract in Oman, the company on Tuesday said in a press statement on its website.

Source: [Muscat Daily](#)

Raysut Cement inks pact to upgrade clinker cooler for savings

Raysut Cement Company (RCC), Oman's largest cement manufacturer today said it is upgrading its clinker cooler technology to increase savings in its production. RCC has signed an agreement with Oman-based Ayoki Engineering LLC for the upgradation of the company's clinker cooler line 3 at Salalah. As an EPC contractor, Ayoki will source all the equipment for the clinker cooler upgrade from IKN GmbH, Germany, a statement from Raysut said.

Source: [Oman Observer](#)

National Finance's Board of Directors proposes cash dividend of 12.5%

National Finance's Board of Directors has proposed a cash dividend of 12.5% of outstanding share capital as at Dec 31st 2018.

Source: [MSM](#)

Al Jazeera Steel Products' Board of Directors proposes cash dividend of 16%

Al Jazeera Steel Products' Board of Directors has proposed a cash dividend of 16% of outstanding share capital as at Dec 31st 2018.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast insurance companies well capitalized to offset regional risks: report

Insurance companies rated by AM Best in the Middle East and Africa (MEA) remain generally "very well capitalized" despite the economic and political challenges, the US-based credit rating agency, which focuses on the insurance industry, said in a recent report.

Source: [Argaam](#)

Investor appetite for GCC debt to remain strong in 2019: report

Demand for hard currency bond and sukuk issuances in the Middle East and North Africa (MENA) region will remain high after total issuances last year reached \$84 billion, according to a recent white paper. Investor appetite is likely to remain strong in 2019, as Gulf Cooperation Council (GCC) bonds are included in the JP Morgan Emerging Market Bond Index series and regional governments sustain ambitious reform agendas, the paper co-authored by Emirates NBD Asset Management, Kamco Investment Company and Fisch Asset Management, said.

Source: [Argaam](#)

UAE economy a well-oiled growth machine

Non-oil growth in the UAE will expand further in 2019 and 2020 on the back of fiscal stimulus and fast-track preparations for Expo 2020 Dubai, and the momentum is also expected to strengthen further in the coming years, the International

Monetary Fund said in its latest note. The global financial institution has predicted that the non-oil sector will grow faster in 2019 than the oil sector despite some recovery in crude prices.

Source: [Zawya](#)

UAE and Saudi bourses collaborate for dual listings

Abu Dhabi Securities Exchange (ADX) and Saudi Stock Exchange (Tadawul) have signed an agreement to strengthen bilateral cooperation in the dual listing of securities in Saudi and UAE financial markets. The agreement falls within the framework of cooperation between the two countries and the Saudi-Emirati Coordination Council, which seeks to achieve a common vision of integration between the two countries and bolster bilateral cooperation on key issues and common concerns.

Source: [Zawya](#)

Qatar Petroleum, Exxon plan \$10bn LNG project in US

Qatar Petroleum and Exxon Mobil Corp are expected to launch \$10 billion project to expand a liquefied natural gas (LNG) export facility in Texas. ConocoPhillips, a holder of a 12.4% stake in the facility, is planning to sell its stakes to both companies, informed sources told Reuters. Qatar Petroleum holds a 70% stake in the US facility, while Exxon owns only 17.4% stake.

Source: [Mubasher](#)

Saudi port IPO in pipeline, says economic zone boss

Saudi Arabia's King Abdullah Port aims to be one of the world's largest shipping hubs, with a possible share sale set to spur its expansion, an executive told Arab News. The port, on the Red Sea coast, is currently the Kingdom's second largest, with container volumes having grown by more than a third last year.

Source: [Arab News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Fed pause validates market fears about U.S. growth

While the U.S. Federal Reserve's indication it is done raising interest rates - for now - has fueled stock gains, investors worry the U.S. central bank's pledge is a double-edged sword and implicit confirmation of the markets' lingering anxiety about growth. Fed Chairman Jerome Powell said on Wednesday that U.S. economic growth is "solid" and expected to continue. But in a sharp reversal of their stance just six weeks ago, Powell said the Fed has "the luxury of patience" in deciding whether to raise rates again.

Source: [Zawya](#)

China's services sector moderates in January but still solid: Caixin PMI

China's sprawling services sector maintained a solid pace of expansion in January even though growth moderated slightly, a private survey showed on Sunday, offering continued support for the world's second-largest economy as manufacturing cools.

Source: [Reuters](#)

Dow rises after strong jobs report, posts 6-week winning streak

The Dow Jones Industrial Average posted slight gains on Friday after the U.S. government released jobs growth data that easily beat expectations. The 30-stock Dow rose 64.22 points to 25,063.89 as Chevron, Exxon Mobil and Merck all closed higher. The Dow also posted its sixth straight week of gains, its longest since November 2017. The S&P 500 closed 0.1 percent higher at 2,706.53 as gains in the energy and tech sectors offset losses in consumer discretionary. The Nasdaq Composite declined 0.25 percent to 7,263.87 as Amazon shares fell.

Source: [CNBC](#)

May says to seek 'pragmatic' Brexit solution in Brussels

Prime Minister Theresa May said she would seek a "pragmatic solution" to a parliamentary impasse over the terms on which Britain leaves the European Union when she tries to reopen talks with Brussels. May, writing in The Sunday Telegraph newspaper, shed little light on how she intended to solve the issue that has provoked most opposition from her lawmakers, post-Brexit arrangements for the border between the United Kingdom and Ireland.

Source: [Reuters](#)

COMMODITIES NEWS

Baker Hughes Upbeat About 2019

Baker Hughes, a GE company sees a bright year ahead for its businesses, underpinned by solid growth in key oil and gas regions like the Middle East and the North Sea and an acceleration of liquefied natural gas (LNG) project approvals. Unlike its closest competitors Schlumberger and Halliburton, Baker Hughes has less exposure to the softening in the North American pressure pump drilling market. So the GE company provided an upbeat outlook for 2019—brighter than the forecasts of its rivals—when it announced 2018 figures this week.

Source: [Oil Price](#)

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