

U Capital Morning Brief

21 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 | 856.44 | 1.44 | 0.17% | -2.49% | - | - | - |
| U Capital GCC 50 Index | 1,389.17 | 3.29 | 0.24% | 6.07% | - | - | - |
| U Capital MENA 200 Index | 1,098.14 | 5.40 | 0.49% | 5.08% | - | - | - |
| MSCI GCC Countries Index | 572.36 | 5.26 | 0.93% | 6.41% | 14.64 | 1.86 | 3.7% |
| Muscat Securities Market | 4,053.94 | -2.96 | -0.07% | -6.24% | 8.38 | 0.77 | 6.4% |
| Saudi Stock Exchange | 8,567.24 | 50.64 | 0.59% | 9.46% | 18.61 | 1.92 | 3.3% |
| Kuwait Stock Exchange | 5,232.11 | 11.45 | 0.22% | 3.00% | 14.69 | 1.25 | 3.8% |
| Qatar Exchange | 10,077.82 | 95.57 | 0.96% | -2.15% | 14.36 | 1.49 | 4.3% |
| Bahrain Stock Exchange | 1,405.29 | 12.69 | 0.91% | 5.09% | 9.29 | 0.87 | 5.8% |
| Dubai Financial Market | 2,632.08 | 66.23 | 2.58% | 4.05% | 8.39 | 0.97 | 5.3% |
| Abu Dhabi Exchange | 5,060.89 | 25.76 | 0.51% | 2.97% | 14.17 | 1.44 | 4.8% |
| Beirut Stock Exchange | 939.17 | -9.00 | -0.95% | -3.85% | 4.74 | 0.55 | 9.7% |
| Palestine Stock Exchange | 542.80 | -0.56 | -0.10% | 2.54% | 11.41 | 1.22 | 4.4% |
| Tunis Se Index | 7,161.69 | 26.15 | 0.37% | -1.51% | 18.44 | 2.52 | 2.0% |
| EGX 30 Index | 15,213.54 | 57.70 | 0.38% | 16.71% | 14.58 | 1.50 | 1.9% |
| Amman General Index | 1,983.92 | 2.93 | 0.15% | 3.93% | 13.35 | 0.99 | 4.8% |

* Kuwait YTD data is not available as the Index was reconstituted in April'18

Result: The data is not available as the index was reconstructed in April 2020

| World Markets | Country | Value | D/D | YTD | Currency Cross Rates | | |
|--------------------|-------------|----------|--------|-------|--------------------------|------------|-------------|
| Europe | | | % | % | Currency | USD/1 Unit | Units/1 USD |
| FTSE 100 | UK | 7,228.6 | 0.69% | 7.4% | Australian Dollar (AUD) | 0.712 | 1.406 |
| DAX | Germany | 11,402.0 | 0.82% | 8.0% | British Pound (GBP) | 1.304 | 0.767 |
| CAC 40 | France | 5,196.0 | 0.69% | 9.8% | Canadian Dollar (CAD) | 0.758 | 1.319 |
| United States | | | | | Chinese Renminbi (CNH) | 0.149 | 6.697 |
| DJIA | USA | 25,954.4 | 0.24% | 11.3% | Egyptian Pound (EGP) | 0.057 | 17.569 |
| S&P 500 | USA | 2,784.7 | 0.18% | 11.1% | Euro (EUR) | 1.135 | 0.882 |
| NASDAQ | USA | 7,489.1 | 0.03% | 12.9% | Indian Rupee (INR) | 0.014 | 71.088 |
| Asia Pacific | | | | | Japanese Yen (JPY) | 0.009 | 110.770 |
| NIKKEI 225 | Japan | 21,528.1 | 0.44% | 7.6% | New Zealand Dollar (NZD) | 0.683 | 1.464 |
| HANG SENG | Hongkong | 28,749.4 | 0.84% | 11.2% | Omani Rial (OMR) | 2.597 | 0.385 |
| KSE 100 Index | Pakistan | 40,179.8 | -0.25% | 8.4% | Pakistani Rupee (PKR) | 0.721 | 138.600 |
| NSE Nifty 50 | India | 10,742.5 | 0.07% | -1.1% | Russian Ruble (RUB) | 0.015 | 65.638 |
| SHANGHAI Composite | China | 2,788.3 | 0.98% | 11.8% | Singapore Dollar (SGD) | 0.740 | 1.352 |
| KOSPI Index | South Korea | 2,232.9 | 0.14% | 9.4% | Turkish Lira (TRY) | 0.188 | 5.319 |

| Commodity Prices | Price | D/D | YTD | GCC 3m Interbank Rates | | Current Rate % |
|-------------------------------|---------|--------|-------|---|---------------|----------------|
| | USD | % | % | | | |
| Oil | | | | UAE | | 2.89 |
| Brent Crude (per bbl) | 67.2 | 0.21% | 24.4% | Saudi Arabia | | 2.93 |
| WTI Crude (per bbl) | 57.4 | 0.47% | 26.5% | Kuwait | | 2.63 |
| Oman Crude Oil (Last Closing) | 67.2 | 1.02% | 25.5% | Oman | | 2.84 |
| OPEC (per bbl) | 65.8 | -0.36% | 27.6% | Qatar | | 2.89 |
| | | | | Bahrain | | 3.92 |
| Precious Metals | | | | GCC Latest 10-Yr Government Bond Yields | | |
| Gold100 OZ (per oz) | 1,340.0 | 0.11% | 4.5% | | Maturity date | YTM, % |
| Silver (per oz) | 16.0 | -0.21% | 3.4% | Kuwait | 3/20/2027 | 3.42 |
| Platinum (per oz) | 825.6 | -0.21% | 3.8% | Abu Dhabi | 10/11/2027 | 3.47 |
| Other Metals | | | | Qatar | 6/2/2026 | 3.55 |
| Copper, MT | 6,405 | 1.36% | 7.4% | Saudi Arabia | 3/4/2028 | 3.99 |
| Aluminium, MT | 1,868 | 0.65% | 1.2% | Oman | 1/17/2028 | 6.75 |
| Lead, MT | 2,041 | 0.99% | 1.0% | Bahrain | 10/12/2028 | 6.39 |
| Zinc, MT | 2,698 | 1.54% | 9.4% | | | |

| Midswaps | Price | YTM % | USD Libor | Rate (%) |
|----------|--------|-------|-----------|----------|
| 3 year | 100.04 | 2.49 | 1m | 2.48 |
| 5 year | 100.04 | 2.49 | 3m | 2.64 |
| 10 year | 99.66 | 2.67 | 6m | 2.74 |
| 30 year | 99.86 | 3.01 | 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 NEW FOREIGN INVESTMENT LAW MAY ALLOW 100% OWNERSHIP'

The sultanate's government is planning to bring a new Foreign Capital Investment Law, which may allow foreign companies or individuals to increase their ownership in local companies up to 100 per cent, according to a senior industry official. "Under the proposed new law, which is not released yet, among other things the key change will be the removal of restriction on foreign ownership of companies in Oman. We already have a law to cover the sector but that has some restrictions," Ahmed Amor al Esry, managing partner at EY Oman told Muscat Daily on the sidelines of an event last week.

Source: [Muscat Daily](#)

Ministry amplifies clarity on various Income Tax Law provisions

The much awaited amendments to the Executive Regulations (ER) of the Oman Income Tax Law (ITL) was issued by the Ministry of Finance, vide Ministerial Decision (MD) 14/2019 published in the Official Gazette on February 10, 2019. The amendments attempt to provide further clarity on a number of matters on which provisions were previously introduced through amendment to ITL, way back in February 2017.

Source: [Times of Oman](#)

Pact signed for integrated gas project in Oman

Total, the Ministry of Oil and Gas of the Sultanate of Oman (MOG), Oman Oil Company (OOC), Shell and Petroleum Development Oman (PDO) have signed an Interim Upstream Agreement to further explore and develop in 2019 the gas resources of the Greater Barik area (northern part of Block 6 located onshore in the central west region of Oman).

Source: [Times of Oman](#)

Rakiza Infrastructure Fund open to partnerships with equity investors

Oman Infrastructure Fund (Rakiza), set up by the State General Reserve Fund (SGRF) last year, has invited international financial investors to partner with it in the implementation of infrastructure projects across a number of strategic sectors in the Sultanate. Rakiza's Chief Executive Officer, Muneer al Muneeri (pictured), said the Fund — the first of its kind in the Sultanate — has been uniquely structured to enable foreign equity investors to explore opportunities in Oman's infrastructure "growth story".

Source: [Oman Observer](#)

Disclosure: Al Maha Petroleum Products

The company has disclosed on MSM that its net profit of 2018 has been reduced from OMR 5.769mn to OMR 5.149mn, on account of change in treatment of deferred tax computed on the impairment of receivables recognized as per IFR 9 and as advised by external auditors of the company.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Sudden Surge in Dubai Stocks Lifts Index Near Resistance Level

Dubai's main stock gauge is a whisper away from a resistance level that has held for more than a year. The DFM General Index closed at 2,632.08 on Wednesday, about 4 points below its 100-day moving average. That's thanks to the gauge's 2.6 percent rise on Wednesday, which not only was the biggest since 2016, but also the sixth day of gains, extending the measure's rising streak to the longest in more than a year.

Source: [Bloomberg](#)

Saudi Aramco, RDIF agree terms of investment in Russian firm

Saudi Aramco and the Russian Direct Investment Fund (RDIF), Russia's sovereign wealth fund, have agreed on the main terms of investment in Novomet Group, one of Russia's largest developers and producers of submersible equipment for the oil industry, RDIF said in a statement.

Source: [Argaam](#)

Saudi market regulator approves Shuaa REIT IPO

Saudi Arabia's Capital Market Authority (CMA) has approved Shuaa Capital Saudi Arabia Company's request to offer, register and list units of Shuaa REIT on the Saudi Stock Exchange (Tadawul), it said in a statement on Tuesday. Details of the fund will be available on the CMA and fund managers' websites.

Source: [Argaam](#)

DP World buys back Britain-based P&O Ferries for \$421 mln

DP World has bought back British ferry and shipping freight operator P&O Ferries for 322 million pounds (\$421 million), more than a decade after it sold it. DP World acquired the British shipping and logistics company in 2006 but soon sold off some assets, including P&O Ferries to its major shareholder, state holding company Dubai World.

Source: [**NASDAQ**](#)

Amiantit recommends capital cut to offset losses

Saudi Arabian Amiantit Co.'s board of directors recommended a 44.53 percent capital reduction to SAR 640.63 million from SAR 1.155 billion to offset accumulated losses, the company said in a statement on Tadawul. The capital cut is pending approval from the general assembly and regulator.

Source: [**Argaam**](#)

UAE banking sector remains resilient: Sheikh Ahmed

The UAE economy, and the banking sector in particular, remained resilient in 2018, despite a challenging environment across global markets, said Sheikh Ahmed bin Saeed Al Maktoum, Chairman, Emirates NBD. Speaking at the bank's general assembly meeting, which approved a cash dividend of 40 per cent, Sheikh Ahmed said the UAE remained the most competitive economy in the Mena region last year, as the government continues to progress the country's positioning among the world's top business-friendly nations.

Source: [**Zawya**](#)

Union Insurance recommends 45% capital hike through bonus shares

Union Cooperative Insurance Co.'s board of directors has recommended a 45.45 percent capital hike to SAR 400 million from SAR 275 million through the issue bonus shares. The step aims to support the company's capital base, enhancing its ability to afford a greater share of premiums and planning new insurance products while maintaining an adequate solvency margin to withstand expansion plans in the near future.

Source: [**Argaam**](#)

Maaden allocates SAR 253 mln for mineral exploration in 2019: CEO

Saudi Arabian Mining Co. (Maaden) has earmarked SAR 253 million (\$67 million) for mineral explorations this year – the biggest budget in the Kingdom's mining sector, president and chief executive officer Darren Davis said in a statement on Wednesday.

Source: [**Argaam**](#)

Universal Studios, Nabil Foods partner in Saudi market

Manufacturer of frozen and chilled foods, Nabil Foods, will be introducing its new line of kid-friendly products in Saudi Arabia this year in partnership with Universal Studios. Established in 1945, the Jordan-based company currently houses over 700 employees across the Middle East and houses over ten production lines.

Source: [**Argaam**](#)

ENBD REIT Announces Share Buy-Back Programme

ENBD REIT (CEIC) PLC ("ENBD REIT"), the Shari'a compliant real estate investment trust managed by Emirates NBD Asset Management Limited, has announced that it will introduce a share buy-back programme, as part of its strategy to add value to shareholders holding equity at the current discounted share price level. The initiative aims to positively affect the liquidity of ENBD REIT's stock, in a market affected by limited trading volumes, while offering a level of protection to shareholders from disproportionate price movements.

Source: [**MENA Herald**](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS**Asia shares up on Fed outlook, Aussie dollar seesaws after jobs data**

Asian shares pulled ahead to fresh 4-1/2-month highs on Thursday after the U.S. Federal Reserve affirmed it would be "patient" on further interest rate rises and as Sino-U.S. trade talks hinted of progress towards a deal in their tariff war.

Source: [**Reuters**](#)

Fed wants balance sheet to align with rate policy: Daly

With the U.S. economy facing significant headwinds, the Federal Reserve should align its balance sheet policy with its new "patient" approach to interest rates, San Francisco Federal Reserve Bank President Mary Daly said on Wednesday.

Source: [**Reuters**](#)

Fitch may cut UK's 'AA' rating on Brexit uncertainty

Fitch Ratings may downgrade the United Kingdom's 'AA' debt rating based on growing uncertainty about the negotiations between Britain and the European Union over the nation's departure from the economic bloc next month. Fitch also said it may lower its 'AA' rating on the Bank of England if it cuts the UK's sovereign rating. UK's economic growth slowed to 0.2 percent in the fourth quarter in 2018 from 0.6 percent the quarter before.

Source: [**CNBC**](#)

US and China are said to be outlining deal to end trade war

Negotiators are drawing up six memorandums of understanding on structural issues: forced technology transfer and cyber theft, intellectual property rights, services, currency, agriculture and non-tariff barriers to trade. It includes a 10-item list of commodities and goods that China will buy.

Source: [**CNBC**](#)

COMMODITIES NEWS

Oil ticks over near 2019 highs amid OPEC cuts, but economic slowdown applies brakes

Oil prices hovered close to 2019 highs on Thursday, bolstered by OPEC-led supply cuts and U.S. sanctions on Venezuela and Iran, but were prevented from rising further by slowing growth in the global economy.

Source: [**Reuters**](#)