

# U Capital Morning Brief

21 March 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	877.09	12.76	1.45%	-0.14%	-	-	-
U Capital GCC 50 Index	1,404.31	21.27	1.51%	7.23%	-	-	-
U Capital MENA 200 Index	1,104.24	14.12	1.28%	5.66%	-	-	-
MSCI GCC Countries Index	578.61	0.51	0.09%	7.58%	14.93	1.88	3.7%
Muscat Securities Market	4,162.23	5.74	0.14%	-3.74%	8.69	0.79	6.3%
Saudi Stock Exchange	8,640.52	-18.43	-0.21%	10.40%	19.26	1.94	3.3%
Kuwait Stock Exchange	5,462.04	47.70	0.88%	7.53%	15.43	1.33	3.6%
Qatar Exchange	9,976.80	19.77	0.20%	-3.13%	13.93	1.46	4.3%
Bahrain Stock Exchange	1,423.46	3.14	0.22%	6.45%	9.11	0.88	5.8%
Dubai Financial Market	2,643.70	2.27	0.09%	4.50%	8.43	0.97	5.1%
Abu Dhabi Exchange	5,098.32	18.94	0.37%	3.73%	14.27	1.46	4.8%
Beirut Stock Exchange	955.19	-6.28	-0.65%	-2.21%	4.88	0.58	9.5%
Palestine Stock Exchange	550.22	0.16	0.03%	3.94%	11.13	1.24	4.3%
Tunis Se Index	6,787.52	-43.06	-0.63%	-6.66%	17.41	2.38	2.1%
EGX 30 Index	14,724.40	78.87	0.54%	12.95%	16.48	1.46	2.0%
Amman General Index	1,972.04	11.78	0.60%	3.31%	13.49	0.98	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		
<b>Europe</b>					Australian Dollar (AUD)	0.715	1.399
FTSE 100	UK	7,291.0	-0.45%	8.4%	British Pound (GBP)	1.321	0.757
DAX	Germany	11,603.9	-1.57%	9.9%	Canadian Dollar (CAD)	0.752	1.330
CAC 40	France	5,382.7	-0.80%	13.8%	Chinese Renminbi (CNH)	0.150	6.685
<b>United States</b>					Egyptian Pound (EGP)	0.058	17.291
DJIA	USA	25,745.7	-0.55%	10.4%	Euro (EUR)	1.143	0.875
S&P 500	USA	2,824.2	-0.29%	12.7%	Indian Rupee (INR)	0.015	68.830
NASDAQ	USA	7,729.0	0.07%	16.5%	Japanese Yen (JPY)	0.009	110.510
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.692	1.445
NIKKEI 225	Japan	21,608.9	0.20%	8.0%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	29,373.2	0.18%	13.6%	Pakistani Rupee (PKR)	0.718	139.050
KSE 100 Index	Pakistan	38,547.8	-0.17%	4.0%	Russian Ruble (RUB)	0.016	63.863
NSE Nifty 50	India	11,521.1	-0.10%	6.1%	Singapore Dollar (SGD)	0.742	1.347
SHANGHAI Composite	China	3,106.8	0.52%	24.6%	Turkish Lira (TRY)	0.184	5.430
KOSPI Index	South Korea	2,183.3	0.28%	7.0%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	68.6	0.12%	26.3%	UAE	2.78
WTI Crude (per bbl)	60.2	-0.07%	32.5%	Saudi Arabia	2.89
Oman Crude Oil (Last Closing)	68.3	1.24%	27.7%	Kuwait	2.69
OPEC (per bbl)	67.3	0.57%	30.5%	Oman	2.81
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,318.4	0.45%	2.8%	Qatar	2.87
Silver (per oz)	15.6	0.61%	0.5%	Bahrain	3.83
Platinum (per oz)	869.2	0.81%	9.2%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	6,457	-0.03%	8.2%		
Aluminium, MT	1,937	-0.46%	4.9%		
Lead, MT	2,045	0.32%	1.2%		
Zinc, MT	2,863	1.60%	16.1%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.12	2.34	1m	2.49
5 year	100.22	2.33	3m	2.61
10 year	100.86	2.53	6m	2.67
30 year	100.56	2.97	1 year	2.81

Source: Bloomberg

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

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## OMAN ECONOMIC & CORPORATE NEWS

### **Oman reports increase in reserves of oil and gas**

The Sultanate saw a rise in oil and gas reserves last year, the Ministry of Oil and Gas has announced. The Ministry of Oil and Gas said in a press conference today: "The Sultanate's reserves of oil in 2018 amounted to four billion and 791 million barrels, recording an increase of 51 million barrels compared to 2017." "While the gas reserves in the same year were 23.93 trillion cubic feet, around 0.96 trillion cubic feet of gas has been added," the ministry added.

Source: [Times of Oman](#)

### **One year on: New airport flying high on global map**

Since opening its doors a year ago, Muscat's award winning International Airport has welcomed 15 million passengers, an increase of 9.6 per cent. Times of Oman looks back at some of its major achievements in 2018. Opened on March 20, 2018, Muscat International Airport was built over a floor area of approximately 580,000 sqm and has the capacity to serve 20 million passengers per year, with an expansion potential of up to four times that number. "Since opening, it has welcomed over 15 million passengers amounting to an increase of 9.6 per cent," according to a statement from Oman Airports.

Source: [Times of Oman](#)

### **Market value of Oman Oil & Orpic Group to rise to \$30bn by 2030**

Oman Oil & Orpic Group, an energy powerhouse resulting from the recent integration of Oman Oil Company and Orpic, seeks to ramp up the market capitalisation of its combined assets to \$30 billion by the year 2030, up from around \$16 billion presently. The ambitious target, according to a senior official of the Group, is part of a slew of "aspirations and objectives" set by the newly integrated Group in line with a strategy to deliver sustainability and business excellence.

Source: [Oman Observer](#)

### **PDO outlines production growth plans**

Omani oil and gas ministry and India's Accord Group have signed a \$3.85 billion deal to build an oil refinery in Sri Lanka. Located in 585 acres, the new refinery's production capacity is expected to reach 200,000 barrels per day (bpd). "The refinery, construction of which is expected to begin on 24 March and be completed in 44 months, is set to produce 9 million metric tonnes of refined products a year for export from the Hambantota port," Reuters reported citing Sri Lankan officials.

Source: [Times of Oman](#)

### **OMAN'S 11 OUTSTANDING PROJECTS RECEIVE PRESTIGIOUS AWARDS**

A total of 11 outstanding projects have been selected as the national winners for Oman by the MEED Projects Awards, in association with Mashreq. Among the big winners was the Renaissance Village Duqm Project by Renaissance Services Co, which was recognised as the national winner in the Residential Project of the Year as well as Social,

Source: [Muscat Daily](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Petrochemicals companies hold back Saudi as rival markets firm**

Saudi Arabia's stock market dropped on Wednesday as petrochemical companies slid amid falling oil prices while rival markets were mostly lifted by financial stocks. The Saudi index eased 0.2 percent from the multi-year closing high hit after it entered FTSE Russell's emerging-market index on Monday.

Source: [Zawya](#)

### **SABIC signs construction contracts with 9 companies in Saudi Arabia**

Saudi Basic Industries Corp (SABIC) signed contracts with nine construction companies, out of which eight are based in the Kingdom, the petrochemicals giant said in a statement on Wednesday. The contracts, signed in Jubail, are designed for Saudi site projects as part of the transformation journey with respect to KSA site projects procurement and execution, the statement said.

Source: [Saudi Gazette](#)

### **Here's everything you wanted to know about Saudi Arabia's 'wellbeing' mega projects**

Saudi Arabia's King Salman launched four wellbeing projects, worth SAR 86 billion (\$23 billion), in Riyadh on Monday, a statement from Riyadh Development Authority (ADA) said. The four wellbeing projects - King Salman Park, Sports Boulevard, Green Riyadh, and Riyadh Art - will complement the Saudi Vision 2030's "Quality of Life" Program and are aligned with the UN Sustainable Development Goals, to create sustainable cities and communities, while driving urgent action against climate change.

Source: [Argaam](#)

### **Yanbu Cement likely to see higher demand, says CEO**

Yanbu Cement is expected to see higher demand over the coming period, due to its adjacency to the government's giant projects, CNBC Arabia has reported, citing chief executive Ahmed bin Abduh Zugail. "Q1 2019 witnessed lower demand for cement, compared to a year earlier," Zugail noted, expecting Saudi Arabia to see stronger cement demand after summer holidays and the Hajj season.

Source: [Argaam](#)

### **Tadawul expects SAR 2.5 bln passive inflows after FTSE inclusion: CEO**

The potential inclusion of Saudi Stock Exchange (Tadawul) in FTSE Russell Emerging Market (EM) index will lead to passive inflows of nearly SAR 2.5 billion in second tranche of inclusion, Khalid Al Hussan chief executive officer of Tadawul told Argaam in an exclusive on Tuesday. The expected passive inflows would represent 15 percent of the market weight in the second phase of the Kingdom's inclusion in the index.

Source: [Argaam](#)

### **Emaar Development's board proposes more than AED 1bn dividends**

Emaar Development's board on Wednesday recommended the distribution of 26% of the company's capital in cash dividends for 2018. The proposed dividends stood at around AED 1.04 billion, according to a bourse statement. The capital of Emaar Development, a subsidiary of Emaar Properties, reached AED 4 billion distributed on 4 billion shares.

Source: [Mubasher](#)

### **Saudis to seek \$20bn investments for planned tourism landmark**

Saudi Arabia is targeting up to \$20bn of investments through 2035 for a planned landmark tourism destination and will hold a global investor roadshow before the end of the year, the head of the project told Reuters. Al Ula, the site of an ancient civilisation in a remote northwestern corner of the country, is part of plans by the world's top crude exporter to diversify its economy away from oil and open up after decades of reclusion.

Source: [Gulf Business](#)

### **Saudi Arabia is giving its capital a \$23 billion makeover**

The project will include 84 miles of cycling track and a park that's quadruple the size of Central Park. Work will begin in the second-half of this year and will be completed between 2023 and 2030. The development is set to create 70,000 jobs, according to state news agency SPA.

Source: [CNBC](#)

### **Dubai-based GEMS Education said to bid for top Saudi school chain**

GEMS Education, the Dubai-based school operator backed by Blackstone Group LP, is in advanced talks to invest in Saudi Arabia's Maarif for Education & Training chain of schools, according to people with knowledge of the matter. The deal for the largest owner and operator of private schools in the kingdom could be worth about \$400 million, the people said, asking not to be identified because the discussions are private. Samba Capital is advising the owners who are seeking to sell all or part of the company, the sources said. A final decision hasn't been made and the company's plans could change, they said.

Source: [Gulf News](#)

### **Suez Canal Economic Zone has projects planned until 2030, say officials**

The new Suez Canal Economic Zone has a series of investments planned with a view to providing the necessary infrastructure required to attract potential investors into the space. The General Authority for the Suez Canal Economic Zone (SCZone)'s North region deputy head General Mohamed Baraya, and South region deputy head Admiral Mohamed Shabaan told Zawya on the sidelines of an official visit by Prime Minister Dr Mostafa Madbouly last week that a huge amount of infrastructure work is currently taking place.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Asian shares up on accommodative Fed; growth concerns linger**

Shares in Asia rose on Thursday after the U.S. Federal Reserve took a more accommodative stance at its policy meeting, but concerns over U.S.-China trade talks and slowing global growth capped broad gains and pulled some markets lower. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.5 percent. Chinese blue-chips, which spent the morning swinging between small losses and gains, were flat, while Seoul's Kospi added 1 percent as regulators announced plans to cut the stock transaction tax this year.

Source: [Reuters](#)

### Indonesia's Lion Air Starts Work on \$1 Billion IPO

Lion Air has started preparations for a domestic initial public offering, people with knowledge of the matter said, as Indonesia's biggest private carrier seeks to move past an October crash that triggered the crisis surrounding Boeing Co.'s 737 Max plane. The company is working with advisers on the planned share sale, which could take place as soon as this year, the people said. Lion Air has been discussing a fundraising target of around \$1 billion, though it hasn't set precise terms for the deal, the people said, asking not to be identified because the information is private.

Source: [Bloomberg](#)

### Fed Chair Powell says Chinese and European economies have slowed 'substantially'

Weakening overseas economies are acting as a deterrent to U.S. growth, Federal Reserve Chairman Jerome Powell says. "Just as strong global growth was a tailwind, weaker global growth can be a headwind to our economy," Powell says. Fed members continue to see the basic picture in the U.S. as good, Powell adds.

Source: [Bloomberg](#)

### Dollar flattened in rush to wager on Fed rate reversal

The dollar nursed heavy losses in Asia on Thursday after the Federal Reserve stunned markets by abandoning all plans to raise rates this year, a signal its three-year campaign to normalise policy might be at an end. Investors rushed to price in the prospect of rate cuts later this year, while benchmark Treasury yields dived to their lowest since early 2018.

Source: [Zawya](#)

## COMMODITIES NEWS

### Palladium scales new peak; gold up as Fed leaves rates steady

Palladium hit an all-time high on Wednesday on concerns over tight supplies of the autocatalyst metal, while gold reversed course to rise after the U.S. Federal Reserve kept interest rates unchanged. Spot palladium rose 0.6 percent to \$1,605.51 per ounce as of 2:25 p.m. EDT (1825 GMT), having earlier touched a record high of \$1,608.

Source: [Zawya](#)