

# U Capital Morning Brief

10 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	862.75	-15.08	-1.75%	-1.77%	-	-	-
U Capital GCC 50 Index	1,366.82	-17.61	-1.29%	4.36%	-	-	-
U Capital MENA 200 Index	1,081.09	-11.96	-1.11%	3.45%	-	-	-
MSCI GCC Countries Index	565.09	0.01	0.00%	5.06%	14.50	1.83	3.8%
Muscat Securities Market	4,112.92	-40.50	-0.98%	-4.88%	8.56	0.79	6.4%
Saudi Stock Exchange	8,479.16	-55.00	-0.64%	8.34%	18.73	1.90	3.3%
Kuwait Stock Exchange	5,309.69	4.02	0.08%	4.53%	14.95	1.29	3.7%
Qatar Exchange	9,781.18	-103.03	-1.04%	-5.03%	13.66	1.44	4.5%
Bahrain Stock Exchange	1,408.92	-1.91	-0.14%	5.36%	9.03	0.87	5.8%
Dubai Financial Market	2,594.52	-31.61	-1.20%	2.56%	8.27	0.96	5.4%
Abu Dhabi Exchange	4,914.39	-62.80	-1.26%	-0.01%	13.77	1.40	5.0%
Beirut Stock Exchange	973.65	0.00	0.00%	-0.32%	4.92	0.57	9.3%
Palestine Stock Exchange	544.59	0.70	0.13%	2.88%	11.22	1.23	4.4%
Tunis Se Index	7,079.39	-37.18	-0.52%	-2.64%	18.15	2.49	2.0%
EGX 30 Index	14,904.03	260.94	1.78%	14.33%	16.70	1.48	2.0%
Amman General Index	1,987.78	3.30	0.17%	4.14%	13.57	0.99	4.8%

\* 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)	0.705	1.419
FTSE 100	UK	7,104.3	-0.74%	5.6%	British Pound (GBP)	1.302	0.768
DAX	Germany	11,457.8	-0.52%	8.5%	Canadian Dollar (CAD)	0.745	1.342
CAC 40	France	5,231.2	-0.70%	10.6%	Chinese Renminbi (CNH)	0.149	6.731
<b>United States</b>					Egyptian Pound (EGP)	0.057	17.448
DJIA	USA	25,450.2	-0.09%	9.1%	Euro (EUR)	1.124	0.890
S&P 500	USA	2,743.1	-0.21%	9.4%	Indian Rupee (INR)	0.014	70.149
NASDAQ	USA	7,408.1	-0.18%	11.6%	Japanese Yen (JPY)	0.009	111.170
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.680	1.470
NIKKEI 225	Japan	21,025.6	-2.01%	5.1%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	28,228.4	-1.91%	9.2%	Pakistani Rupee (PKR)	0.716	139.000
KSE 100 Index	Pakistan	38,950.2	-0.88%	5.1%	Russian Ruble (RUB)	0.015	66.282
NSE Nifty 50	India	11,035.4	-0.21%	1.6%	Singapore Dollar (SGD)	0.737	1.359
SHANGHAI Composite	China	2,969.9	-4.40%	19.1%	Turkish Lira (TRY)	0.184	5.440
KOSPI Index	South Korea	2,137.4	-1.31%	4.7%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	65.7	-0.84%	21.0%	UAE	2.76
WTI Crude (per bbl)	56.1	-1.04%	23.5%	Saudi Arabia	2.90
Oman Crude Oil (Last Closing)	66.1	-0.90%	23.4%	Kuwait	2.69
OPEC (per bbl)	65.6	0.81%	27.2%	Oman	2.85
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,298.4	0.99%	1.2%	Qatar	2.89
Silver (per oz)	15.3	2.11%	-1.0%	Bahrain	3.85
Platinum (per oz)	818.3	0.42%	2.8%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	6,395	-0.44%	7.2%		
Aluminium, MT	1,872	0.43%	1.4%		
Lead, MT	2,090	-0.71%	3.4%		
Zinc, MT	2,711	-0.88%	9.9%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.18	2.44	1m	2.49
5 year	99.74	2.43	3m	2.60
10 year	99.97	2.63	6m	2.68
30 year	99.77	3.01	1 year	2.86

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

### **U Capital: Drop in performance amid calm trades: MSM30**

The domestic financial market started well last week with the support of speculators and focused on stocks that saw dividends before. However, a wave of calm and pressure descended on the market in the wake of a ratings report on Oman.

Source: [Oman Observer](#)

### **Average price of oil in Oman rises 9%**

The average price of a barrel of Omani crude oil rose by 9 per cent at the end of January 2019 to US\$66.30 per barrel compared to US\$60.80 per barrel at the end of January 2018, according to preliminary statistics from the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

### **CBO signs key pact with Qatari financial centre**

In its endeavour to strengthen its banking relations, share experiences and establish strong cooperation relationships in the fields of banking supervision and surveillance, the Central Bank of Oman (CBO) has signed a Memorandum of Understanding (MoU) with Qatar Financial Center Regulatory Authority (QFCRA).

Source: [Times of Oman](#)

### **Marginal decline seen in narrow money supply**

With regard to monetary aggregates, narrow money stock (M1) registered a year on year (YoY) marginal decline of 0.3 per cent to OMR5 billion at the end of December 2018, according to the bulletin issued by the Central Bank of Oman (CBO).

Source: [Times of Oman](#)

### **SME Fund and OBB sign agreement to support SMEs**

INMA (Oman Academy for SMEs and SME Development Fund) and Oman Broadband (OBB) entered into an agreement to extend support to the various SME's by creating Business Ecosystem in the telecom sector in order to accelerate and support sustainable development of the sector centric SMEs.

Source: [Oman Observer](#)

### **Expanding flour mill capacity reinforces food security goals**

Flour milling capacity in the Sultanate has soared to around 3,300 metric tonnes per day, bolstered by the launch of Sohar Flour Mill in January this year — a significant uptick that bodes well for Oman's goals to be food-secure, according to figures released by mill-owners.

Source: [Oman Observer](#)

### **Gulf International Chemicals' Board proposes dividend**

The company's Board has proposed a cash dividend of 5% of its capital ( 5 baiza per share) subject to shareholder and regulatory approval at the AGM on the 25<sup>th</sup> of March 2019.

Source: [MSM](#)

### **Kuwait, Oman may host FIFA World Cup games in 2022**

FIFA is currently considering Kuwait and Oman to be unified hostesses of some matches for the 2022 World Cup, in case the tournament will be staged in Qatar, the New York Times reported The World Cup will be expanded to 48 teams in 2026 instead of 32, but FIFA president Gianni Infantino recommended bringing forward the enlarged format to 2022, New York Times noted.

Source: [Zawya](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Property weighs on Dubai, most major Gulf markets fall**

Dubai stocks fell on Thursday when its property firms declined, while bank shares hurt the Saudi market. Saudi Arabia's index was down 0.7 percent, with Al Rajhi Bank shedding 1.2 percent and the country's largest bank, National Commercial Bank, declined 1.5 percent.

Source: [Zawya](#)

### **Saudi says large quantities of gas discovered in Red Sea**

Saudi Arabia discovered large quantities of gas in the Red Sea, the kingdom's news agency reported, citing energy minister Khalid Al Falih. Saudi Aramco will conduct an investment feasibility study of the project and accordingly intensify exploration

over the next two years, Mr Al Falih said on March 7 during an inspection tour of projects in King Salman International Complex for Maritime Industries and Services in Ras Al Khair Industrial City.

Source: [The National](#)

#### **Al-Falih: King Salman Complex will increase GDP, lower imports**

Saudi Arabia's Minister of Energy, Industry and Mineral Resources Khalid al-Falih said the King Salman International Complex for Maritime Industries and Services in Ras al-Khair, a port town currently under development on the eastern coast of Saudi Arabia, will increase the country's gross domestic product (GDP) by \$4.53 billion (17 billion riyals) and lower its imports.

Source: [Al Arabiya](#)

#### **DEWA inks MoU to build PV plant in Dubai**

Dubai Electricity and Water Authority (DEWA) has signed a memorandum of understanding (MoU) with Dubai Future Foundation (DFF) to design, construct, and operate a solar photovoltaic (PV) plant.

Source: [Mubasher](#)

#### **NBF plans to issue \$350m Tier 1 bonds**

The National Bank of Fujairah (NBF) is reportedly seeking to sell AED 1.3 billion (\$350 million) bonds. The state-owned bank plans to issue the Tier 1 bonds to increase its capital. "It seems to be good time but the question on everybody's mind is what is going to happen to interest rates," The National reported, citing NBF's CEO Vince Cook as saying.

Source: [Mubasher](#)

#### **Moody's affirms Bahrain, Sharjah moderate economic strength**

Despite a diversified economy in the UAE, Sharjah's economy "is exposed to macroeconomic volatility in the UAE federation; a 'High (+)' institutional strength, in line with Moody's assessment of the UAE, constrained by lack of transparency highlighted by the limited scope, timeliness, and frequency of economic and fiscal data," Moody's said in its report.

Source: [Zawya](#)

#### **Saudi oil minister says US, China driving oil demand, but not enough for an April OPEC policy change**

Saudi oil minister Khalid al-Falih said on Sunday that China and the U.S. would lead healthy global demand for oil this year but that it would be too early to change OPEC+ output policy at the group's next meeting in April. The group agreed to reduce supply by 1.2 million barrels per day for six months.

Source: [CNBC](#)

#### **SAMA joins International Association of Deposit Insurers**

The Saudi Arabian Monetary Authority (SAMA) has joined the International Association of Deposit Insurers (IADI), it said in a statement on Thursday. The step, which was approved by the Saudi cabinet in September 2018, aims to strengthen SAMA's relations with the international financial sectors and benefit from their experiences and practices.

Source: [Argaam](#)

#### **Saudi tax authority won't hike zakat for private sector**

Saudi Arabia's General Authority of Zakat & Tax ( The Authority ) has said it has no plans to raise zakat or tax fees on the private sector, as it continues to play its role in supporting economic development and following through with Saudi Vision 2030. The authority in a statement said there are "no current plans" to increase zakat levels in the private sector.

Source: [Argaam](#)

#### **SAIB shareholders to vote on buying Mizuho's full stake Mar. 28**

Saudi Investment Bank's (SAIB) shareholders will vote on acquiring Japanese Mizuho Corporate Bank Limited's full stake in the bank in the extraordinary general assembly meeting to be held on Mar. 28.

Source: [Argaam](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **Dollar retreats as US job growth turns cold, Swedish crown falls**

The dollar fell against most major currencies on Friday as data showed U.S. employers hired far fewer workers than forecast in February, although the jobless rate fell and wages grew more than expected.

Source: [CNBC](#)

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### Treasury yields whipsaw after jobs shortfall and strong wage gains

U.S. government debt yields gyrated on Friday after the Labor Department said the U.S. economy added far fewer jobs than expected, but wages moved higher in the month of February.

Source: [CNBC](#)

### China Feb new bank loans fall but policy support still on track

New bank loans in China fell sharply in February from a record the previous month, but the drop was likely due to seasonal factors, while policymakers continue to press lenders to help cash-strapped companies stay afloat.

Source: [Reuters](#)

## COMMODITIES NEWS

### Gold gains on bleak economic outlook; set for second weekly fall

Gold edged up on Friday as investors worried about a sharp slowdown in global growth after the European Central Bank (ECB) slashed growth outlook and weak Chinese data, but a rally in dollar kept bullion on track for its second weekly decline.

Source: [Zawya](#)