

U Capital Morning Brief

23 May 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	880.9	-1.61	-0.18%	-9.59%	-	-	-
U Capital GCC 50 Index	1,279.0	16.99	1.35%	11.74%	-	-	-
U Capital MENA 200 Index	1,056.5	11.14	1.07%	6.17%	-	-	-
MSCI GCC Countries Index	523.1	3.46	0.67%	9.03%	14.62	1.70	4.0%
Muscat Securities Market	4,579.2	-16.35	-0.36%	-10.20%	11.68	1.01	5.3%
Saudi Stock Exchange	8,044.7	48.24	0.60%	11.32%	18.54	1.82	3.2%
Kuwait Stock Exchange	4,891.6	-17.48	-0.36%	NA	14.54	1.25	3.9%
Qatar Exchange	8,993.2	49.47	0.55%	5.51%	13.39	1.38	4.9%
Bahrain Stock Exchange	1,265.5	-2.45	-0.19%	-4.97%	8.26	0.82	6.5%
Dubai Financial Market	2,973.1	26.02	0.88%	-11.78%	9.57	1.13	5.7%
Abu Dhabi Exchange	4,526.6	68.28	1.53%	2.91%	12.10	1.35	5.3%
Beirut Stock Exchange	1,127.6	-0.82	-0.07%	-1.82%	5.65	0.68	8.7%
Palestine Stock Exchange	540.5	0.81	0.15%	-5.94%	13.27	1.10	5.7%
Tunis Se Index	7,405.9	16.80	0.23%	17.89%	19.04	2.58	2.1%
EGX 30 Index	16,657.7	-123.25	-0.73%	10.91%	35.96	2.63	1.8%
Amman General Index	2,126.1	-2.38	-0.11%	-0.03%	15.89	1.05	4.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe					Currency		
FTSE 100	UK	7,877.5	0.23%	2.5%	Australian Dollar (AUD)	0.755	1.325
DAX	Germany	13,169.9	0.71%	2.0%	British Pound (GBP)	1.341	0.746
CAC 40	France	5,640.1	0.05%	6.2%	Canadian Dollar (CAD)	0.778	1.285
United States					Chinese Renminbi (CNH)	0.157	6.366
DJIA	USA	24,834.4	-0.72%	0.5%	Egyptian Pound (EGP)	0.056	17.910
S&P 500	USA	2,724.4	-0.31%	1.9%	Euro (EUR)	1.177	0.850
NASDAQ	USA	7,378.5	-0.21%	6.9%	Indian Rupee (INR)	0.015	61.223
Asia					Japanese Yen (JPY)	0.009	110.470
NIKKEI 225	Japan	22,693.5	-1.15%	-0.3%	New Zealand Dollar (NZD)	0.691	1.448
HANG SENG	Hongkong	30,925.1	-1.00%	3.4%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	42,850.7	0.24%	5.9%	Pakistani Rupee (PKR)	0.865	115.623
NSE Nifty 50	India	10,497.8	-0.37%	-0.3%	Russian Ruble (RUB)	0.016	68.203
SHANGHAI Composite	China	3,188.3	-0.81%	-3.6%	Singapore Dollar (SGD)	0.746	1.342
KOSPI Index	South Korea	2,473.7	0.33%	0.3%	Turkish Lira (TRY)	0.209	4.775

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
Oil						
Brent Crude (per bbl)	79.1	-0.63%	20.8%	UAE	2.44	35.8%
WTI Crude (per bbl)	71.9	-0.40%	19.0%	Saudi Arabia	2.43	27.9%
Oman Crude Oil (Last Closing)	77.1	0.36%	20.5%	Kuwait	1.94	3.3%
OPEC (per bbl)	76.2	-0.34%	18.2%	Oman	2.31	21.0%
Precious Metals						
Gold 100 OZ (per oz)	1,292.2	0.08%	-0.8%	Qatar	2.63	-0.5%
Silver (per oz)	16.6	0.05%	-2.3%	Bahrain	3.20	17.4%
Platinum (per oz)	905.7	-0.19%	-2.7%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,979	1.45%	-3.7%		Maturity date	YTM, %
Aluminium, MT	2,270	-0.44%	0.1%	Kuwait	3/20/2027	4.0
Lead, MT	2,475	2.70%	-0.5%	Abu Dhabi	10/11/2027	4.1
Zinc, MT	3,056	-1.55%	-7.9%	Qatar	6/2/2026	4.3
				Saudi Arabia	3/4/2028	4.5
				Oman	1/17/2028	6.2
				Bahrain	10/12/2028	8.5

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.72	2.7	1m	1.96	25.4%
5 year	99.37	2.9	3m	2.33	37.5%
10 year	98.50	3.1	6m	2.50	36.0%
30 year	98.64	3.2	1 year	2.77	31.2%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

TAAGEER FINANCE: CMA approval for closure of Bonds Issue of Taageer Finance Company

In continuation to the approval of the shareholders at the Extra Ordinary General Meeting (EGM) held on 18 December 2017 for the issue of Unsecured, Non-Convertible, Sub-ordinated Bonds through Private subscription for an amount RO 5,000,000 (plus a green shoe (additional) option of RO 2,500,000). Taageer Finance Company SAOG is pleased to inform that the Bonds subscription has been closed for an amount of RO 6.150 Million and the approval of Capital Market Authority (CMA) has been received vide its letter reference HSM/1255/2018 dated 22-05-2018.

Source: [MSM](#)

CBO issues treasury bills worth OMR12.77m

Oman's central bank raised OMR12.77 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 182 days, from Wednesday until November 21, 2018. The average accepted price reached 98.906 for every OMR100, and the minimum accepted price arrived at 98.800 per OMR100. Whereas the average discount rate and the average yield reached 2.19454 per cent and 2.21917 per cent, respectively.

Source: [Times of Oman](#)

CBO ISSUES ADVISORY TO NBFCs ON FRAUD RISKS

The Central Bank of Oman (CBO) issued an advisory on fraud risk management to all licensed finance and leasing companies, also known as non-banking finance companies (NBFCs). In a circular addressed to all NBFCs operating in Oman, the CBO noted that although globalization of financial services, innovations in technology and the increasing ease of carrying out financial transactions have augured well for the financial system, it has nonetheless thrown up the challenge of protecting the sanctity of the system from the nefarious attacks of fraudsters.

Source: [Muscat Daily](#)

Oxy Oman signs contracts with two local firms

Occidental Oman (Oxy Oman) has signed two oil field service contracts with local Omani companies as part of its in-country value (ICV) strategy that aims to maximise the company's contribution to social and sustainable economic development in the country. The signing ceremony was held at Oxy Oman headquarters in Al Ghubra. Stephen Kelly, President and General Manager of Oxy Oman; Sayyed Mohammed bin Ali Al Said, CEO of Value Engineering Centre (VEC); and Khamis Al Hinai, CEO of Hormuz Energy Services (HES), were the signatories.

Source: [Times of Oman](#)

Majlis Office reviews projects of ministrie

Majlis Ash'shura Office held its 17th regular meeting of the third annual sitting (2017-2018) under the chairmanship of Shaikh Khalid bin Hilal al Maawali, Chairman of Majlis Ash'shura. During the meeting, the Office reviewed the Council of Ministers' letter on the annual reports for a number of ministries for 2017 which included a summary of the achievements achieved in 2017, the progress made in implementing the ministries' projects, the key plans and strategies developed by them and statistics.

Source: [Oman Observer](#)

GALFAR RECEIVES MOTC APPRECIATION CERTIFICATE FOR AL BATINAH EXPRESSWAY PROJECT

Galfar Engineering & Contracting Co received a certificate of appreciation from the Ministry of Transport and Communications (MoTC) for its outstanding and effective contribution to the completion of Al Batinah Expressway project (packages one and three). Over many years Galfar has demonstrated its exalted capability in undertaking challenging projects and has contributed in the development of the sultanate by building roads across the length and breadth of the country, a press release said.

Source: [Muscat Daily](#)

ALARA RESOURCES GETS LICENSE FOR COPPER PROJECT IN OMAN

Australia-based mining firm Alara Resources Ltd announced that it has received the mining license from Omani authorities for its joint-venture Al Hadeetha copper project in the sultanate. Al Hadeetha copper project is being operated by Al Hadeetha Resources LLC, a joint venture between Alara Resources and Al Hadeetha Investments LLC, a privately owned Omani company. The joint venture was formed in 2011 for the purpose of exploring and developing mineral zones in the sultanate.

Source: [Muscat Daily](#)

AER ISSUES TECHNICAL ADVISORY TENDER FOR SAHIM 2 INITIATIVE

The Authority for Electricity Regulation (AER) has issued a request for proposal tender to appoint an experienced technical advisor to provide input to the authority's planning, execution and technical/financial modelling of Sahim 2 rooftop PV initiative. AER has identified areas of expertise expected from well qualified technical advisors for provision of services and advice for renewable energy projects and specifically privately funded domestic PV rooftop schemes, a press release said.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Emirates NBD boosts Dubai; Abu Dhabi, Saudi stocks also up

Dubai's Emirates NBD closes up 8.4 percent amid Deal to buy Turkish bank bolsters stock. Arabtec also up after Egypt contract win Saudi index recovers to close 0.6 percent up. In Qatar, Commercial Bank and Doha Bank defy downgrade

Source: [Reuters](#)

IMF Staff Completes 2018 Article IV Mission to Saudi Arabia

Growth is expected to pick-up this year and over the medium-term as reforms take hold. Good progress is being made in implementing the ambitious reform program. The primary challenges for the government are to sustain the implementation of reforms, achieve the fiscal targets it has set, and resist the temptation to re-expand government spending in line with higher oil prices. The VAT is a milestone achievement in strengthening the tax culture and tax administration of the country.

Source: [IMF](#)

Dar Al-arkan Real Estate Development Company Announces Repayment of Its Islamic Sukuk (2018 Series 1 Mtn) Due 24th Of May 2018 Amounting to Sar 1.687 Bn (Us\$450m)

Dar Al-arkan Real-Estate Development Company (DAAR) is pleased to announce that it has completed the repayment of its SAR 1.687 bn (US\$450m) Sukuk (2018 series 1 mtn), due on Thursday 24th of May 2018. It is worth noting that the company bought back part of the Islamic Sukuk amounted to SAR 381 mn (US\$101.7m) during 2017 and 2018, the remaining principal is SAR 1.306 bn (US\$348.3m). DAAR transferred the remaining principal and profit to the designated account and the Sukuk account holders will receive funds on Thursday 24th of May 2018.

Source: [Tadawul](#)

Saudi telecom regulator rejects Go's request for unified license

Ethihad Atheeb Telecommunication Co. (Go) said the Communications and Information Technology Commission (CITC) rejected the company's request to get the unified telecom license. The unified license allows operators to offer integrated telecom services including landline. The regulator's board of directors rejected Go's request, but allowed the company to re-file for the license in the future, the company said in a stock market filing today.

Source: [Argaam](#)

Alawwal merger to boost SABB's corporate, retail lending

Saudi British Bank's (SABB) merger with Alawwal Bank will increase its lending in the corporate and retail segments, ensuring the new entity is well-placed to capitalize on the Kingdom's economic reforms, an analyst told Argaam. "SABB has been geared on its repositioning for Vision 2030. They want to be exposed to sectors that will benefit from the stimulus plan and Vision 2030," said Edmond Christou, Middle East Analyst for Bloomberg Intelligence.

Source: [Argaam](#)

Assets of foreign banks in Saudi Arabia hit SAR 90 bln by 2017-end: SAMA

The asset volume of the foreign banks operating in the Kingdom reached SAR 90.1 billion by the end of fiscal year 2017, Al-Eqtisadiyah Newspaper reported, citing Ahmed Alkholifey, the Saudi Arabian Monetary Authority's (SAMA) Governor. The lending portfolio of foreign banks stood at SAR 39.5 billion, while the volume of deposits amounted to SAR 46.4 billion.

Source: [Argaam](#)

UAE's M3 rises 0.5%, total assets slide 0.2% in April - C. bank

Money supply (M3) in the UAE grew 0.5% to AED 1.534 trillion in April 2018 from AED 1.527 trillion in March. Also, M1 rose 1.3% to AED 517.4 billion last month versus AED 510.6 billion a month earlier, according to a report released by Central Bank of the UAE (CBUAE). M2 increased by 1.5% month-on-month to AED 1.3 trillion in April, while total assets of operating banks in the UAE, including bankers' acceptances, declined 0.2% month-on-month to AED 2.712 trillion in the fourth month of 2018.

Source: [Mubasher](#)

Fitch affirms Nakilat's bonds rating

Fitch Ratings has affirmed Nakilat Inc's senior bonds and the junior bonds. The \$850m series A senior secured bonds due in 2033 has been affirmed at 'A+' with stable outlook. The \$300m series A subordinated second priority secured bonds due 2033 has been affirmed at 'A', also with stable outlook. The affirmations reflect the stable operating and financial performance of Nakilat and its close operational and strategic ties to the state of Qatar (AA/Stable), as assessed by Fitch's Parent and Subsidiary Linkage (PSL) criteria, the ratings agency noted yesterday.

Source: [TPQ](#)

Insurance comparison portal to launch in Bahrain

Bridge Insurance and Reinsurance Brokers has announced the launch of its operation in Bahrain, after obtaining the approval of the Central Bank of Bahrain (CBB). The company, which currently provides insurance brokerage and consultancy services, is in the process of launching Bahrain's first online insurance comparison portal, according to a statement issued on Tuesday.

Source: [Mubasher](#)

Real estate, banks boost QSE at Tuesday's close

The Qatar stock exchange (QSE) ended Tuesday's trading in the green, encouraged by the growth of four sectors, amid heavy liquidity. The general index rose 0.55%, or 49.47 points, to finish at 8,993.22 points. The bourse's liquidity increased to QAR 431.47 million on Tuesday from QAR 395.12 million on Monday, while the trading volume decreased to 9.11 million shares against 10.57 million in the previous session.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Kushner's Cadre Is in Talks with Saudi-Backed SoftBank Fund

Cadre, a real estate technology startup co-founded and partly owned by White House senior adviser Jared Kushner, is discussing an investment of at least \$100 million from a private fund that receives much of its capital from the governments of Saudi Arabia and the United Arab Emirates, according to people familiar with the discussions.

Source: [Bloomberg](#)

EMEA high yield bond issuance hikes in April – Moody's

The number of high yield bond issues has surged in April in the Europe, Middle East, and Africa (EMEA) region, supporting past leveraged loan volumes, after "several banner months", Moody's Investors Services said in a market update. The volume of high yield issuances jumped 87% and totalled \$17.2 billion last month up from \$9.2 billion in March, Moody's Investors Service stated late Monday. Refinancing made up 80% of high yield bond issues in April, "as many issuers are looking to refinance ahead of widening yields," Moody's associate managing director Peter Firth said.

Source: [Mubasher](#)

For the first time in 226 years, woman to lead the NYSE

The New York Stock Exchange for the first time in its 226-year history will be led by a woman. Stacey Cunningham, who started her career as a floor clerk on the NYSE trading floor, will become the 67th president of the Big Board. Cunningham, who is the chief operating officer for the NYSE Group, becomes president Friday.

Source: [Arab News](#)

Dollar edges up ahead of Fed minutes; Turkish lira tumbles

The dollar edged higher versus a basket of currencies on Wednesday, with investors awaiting the minutes of the Federal Reserve's last policy meeting for hints on the pace of further U.S. monetary tightening. The dollar index, which measures the currency against a basket of six major peers, rose 0.1 percent to 93.681. On Monday, the index set a five-month high of 94.058.

Source: [Zawya](#)

Wall St dips on latest U.S.-China comments, European shares rally

Global stock markets tipped downward on Tuesday as Wall Street investors locked in recent gains while taking a cautious view of fresh U.S.-China comments even as European shares approached four-month peaks and China moved to further open up its economy. U.S. President Donald Trump on Tuesday said he was not pleased with recent trade discussions with China, reversing optimism about a warming relationship between the world's two largest economies that led to a strong rally the prior session.

Source: [Zawya](#)

COMMODITIES NEWS

Gold edges up; market eyes China-U.S. trade talks, Fed minutes

Asian shares slip as investors weigh Trump's comments

Spot gold XAU= was up 0.1 percent at \$1,292.56 per ounce, as of 0329 GMT. U.S. gold futures GCc1 for June delivery were unchanged at \$1,291.90 per ounce. "We were quite steady this morning, but are running out of steam with dollar being quite firm," a Hong Kong-based trader said.

Source: [NASDAQ](#)

Oil dips as market eyes possible easing of OPEC supply curbs

Oil prices edged lower on Wednesday with the possibility of higher OPEC output weighing on the market, although geopolitical risks are expected to keep prices near multi-year highs. Brent LCOc1 futures fell 43 cents, or 0.5 percent, to \$79.14 a barrel by 0218 GMT, after climbing 35 cents on Tuesday. Last week, the global benchmark hit \$80.50 a barrel, the highest since November 2014.

Source: [NASDAQ](#)

