

U Capital Morning Brief

28 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	881.5	-0.59	-0.07%	-9.53%	-	-	-
U Capital GCC 50 Index	1,274.6	-6.49	-0.51%	11.35%	-	-	-
U Capital MENA 200 Index	1,051.6	-6.00	-0.57%	5.68%	-	-	-
MSCI GCC Countries Index	520.7	-2.92	-0.56%	8.53%	14.59	1.70	4.0%
Muscat Securities Market	4,567.0	2.53	0.06%	-10.44%	11.36	0.99	5.4%
Saudi Stock Exchange	7,972.1	-65.76	-0.82%	10.32%	17.91	1.77	3.3%
Kuwait Stock Exchange	4,847.0	7.97	0.16%	NA	14.39	1.24	4.0%
Qatar Exchange	8,992.8	-56.38	-0.62%	5.51%	13.39	1.38	4.9%
Bahrain Stock Exchange	1,263.2	0.05	0.00%	-5.15%	8.24	0.82	6.5%
Dubai Financial Market	2,932.1	-22.37	-0.76%	-13.00%	9.44	1.11	5.8%
Abu Dhabi Exchange	4,536.8	-64.27	-1.40%	3.15%	12.13	1.36	5.3%
Beirut Stock Exchange	1,122.4	-2.29	-0.20%	-2.28%	5.62	0.68	8.8%
Palestine Stock Exchange	541.1	-0.18	-0.03%	-5.83%	13.15	1.19	5.6%
Tunis Se Index	7,614.8	67.72	0.90%	21.22%	19.53	2.65	2.0%
EGX 30 Index	16,648.5	14.50	0.09%	10.85%	36.04	2.63	1.8%
Amman General Index	2,102.6	-7.63	-0.36%	-1.14%	16.13	1.04	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,730.3	0.18%	0.6%
DAX	Germany	12,938.0	0.65%	0.2%
CAC 40	France	5,542.6	-0.11%	4.3%
United States				
DJIA	USA	24,753.1	-0.24%	0.1%
S&P 500	USA	2,721.3	-0.24%	1.8%
NASDAQ	USA	7,433.9	0.13%	7.7%
Asia Pacific				
NIKKEI 225	Japan	22,459.2	0.04%	-1.3%
HANG SENG	Hongkong	30,757.8	0.55%	2.8%
KSE 100 Index	Pakistan	42,160.3	0.20%	4.2%
NSE Nifty 50	India	10,670.1	0.61%	1.3%
SHANGHAI Composite	China	3,139.1	-0.07%	-5.1%
KOSPI Index	South Korea	2,479.0	0.74%	0.5%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.758	1.320
British Pound (GBP)	1.334	0.750
Canadian Dollar (CAD)	0.771	1.298
Chinese Renminbi (CNH)	0.157	6.382
Egyptian Pound (EGP)	0.056	17.840
Euro (EUR)	1.173	0.853
Indian Rupee (INR)	0.015	62.245
Japanese Yen (JPY)	0.009	109.540
New Zealand Dollar (NZD)	0.696	1.437
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.864	115.615
Russian Ruble (RUB)	0.016	67.416
Singapore Dollar (SGD)	0.747	1.338
Turkish Lira (TRY)	0.214	4.664

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	75.2	-1.65%	14.8%
WTI Crude (per bbl)	66.2	-2.45%	9.6%
Oman Crude Oil (Last Closing)	74.5	-3.28%	16.4%
OPEC (per bbl)	76.6	0.25%	18.9%
Precious Metals			
Gold100 OZ (per oz)	1,297.3	-0.33%	-0.4%
Silver (per oz)	16.5	-0.20%	-2.7%
Platinum (per oz)	902.7	0.13%	-3.0%
Other Metals			
Copper, MT	6,885	0.07%	-5.0%
Aluminium, MT	2,263	-0.79%	-0.2%
Lead, MT	2,439	-2.23%	-2.0%
Zinc, MT	3,051	0.56%	-8.1%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.47	37.7%
Saudi Arabia	2.44	28.4%
Kuwait	1.94	3.3%
Oman	2.31	21.0%
Qatar	2.63	-0.5%
Bahrain	3.20	17.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.9
Abu Dhabi	10/11/2027	4.0
Qatar	6/2/2026	4.2
Saudi Arabia	3/4/2028	4.3
Oman	1/17/2028	6.0
Bahrain	10/12/2028	8.4

Midswaps	Price	YTM %
3 year	100.05	2.6
5 year	99.93	2.8
10 year	99.52	2.9
30 year	100.64	3.1

USD Libor	Rate (%)	YTD
1m	1.98	26.3%
3m	2.32	36.8%
6m	2.48	35.1%
1 year	2.73	29.6%

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 first salt refinery set to come into operation

Duqm Salt, a first of its kind project that produces industrial salt from seawater, will be officially inaugurated on July 23, 2018, in celebration of the Sultanate's 48th Renaissance Day. Located at Bentoot in the Wilayat of Mahout in Wusta Governorate, the plant is managed by Global Integrated Engineering Company, a subsidiary of Al-Ghalbi International Engineering & Contracting LLC (Al Ghalbi), 100 per cent Omani company. In this interview, Ali bin Sulayem bin Saleh al Junaibi, (pictured) Chairman of Al Ghalbi, says the project exemplifies the Group's commitment to In-Country Value (ICV) development, given its importance in meeting the requirements of local oilfield companies.

Source: [Oman Observer](#)

Storm forces Dhofar utility to suspend water production

Sembcorp Salalah Power and Water Co SAOG, which operates a major Independent Water and Power Project (IWPP) near Mirbat in Dhofar Governorate, says it has temporarily suspended production of potable water citing disruptions caused by Cyclone Mekunu. The plant currently accounts for the bulk of potable water supply to Salalah and other parts of the governorate, although in the event of disruptions of this nature, the Directorate General of Water in Dhofar, can bring a number of groundwater wells into production.

Source: [Oman Observer](#)

INSURERS GEAR UP FOR CYCLONE MEKUNU CLAIMS

As the Omani authorities are working on plans to recover from the devastating effects of Cyclone Mekunu in Dhofar region, insurance companies are gearing up to handle the expected surge in claims. Oman's insurance regulator the Capital Market Authority (CMA) has requested all the insurance companies to expedite the process for settling the claims for the losses suffered due to the cyclone. In this regard, H E Sheikh Abdullah al Salmi, executive president of the CMA held an emergency meeting with the insurance firms on Sunday.

Source: [Muscat Daily](#)

BUSINESS INTERVIEW: 'OMAN WILL PLAY A STRATEGIC ROLE IN EXPANDING REGIONAL TRADE'

The International Road Transport Union's (IRU) secretary general, Umberto de Pretto believes that Oman will soon grant access to UN TIR (Transports Internationaux Routiers or International Road Transports) which will boost trade between the GCC countries and will help Oman in branding itself as a logistics hub in near future. In an emailed interview with Muscat Daily, Pretto talked about how TIR can help in improving connectivity among the GCC countries.

Source: [Muscat Daily](#)

Sohar Port and Freezone signs agreement with Opal

Sohar Port and Freezone has joined hands with the Oman Society for Petroleum Services (Opal) to promote road safety awareness and safe driving techniques, and to collaborate on the adoption of Opal Road Safety Standards in the Port and Freezone area. The Memorandum of Understanding (MoU) was signed on May 20 at the head office of Sohar Port and Freezone here by the CEO Sohar Port, Mark Geilenkirchen; and CEO Sohar Freezone and DCEO Sohar Port Jamal Aziz; with Musallam Al Mandhari, CEO Opal.

Source: [Times of Oman](#)

Alizz Islamic Bank signs pact with trade union body

Reinforcing its position as Oman's most dynamic and innovative Islamic banking institution, Alizz Islamic Bank recently signed a memorandum of understanding (MoU) with the General Federation of Oman Trade Unions (GFOTU) to provide bank benefits and facilities to the union and its affiliates. Saleh Mubarak Al Khaduri, Head of Government Banking and Institutional Sales, Alizz Islamic Bank, signed the agreement on behalf of the bank and Nabhan Al Battashi, chairman of GFOTU, signed on behalf of the federation.

Source: [Times of Oman](#)

Firms told to disclose damages after Mekunu

Muscat Securities Market (MSM) has issued a circular calling on public shareholding companies to disclose the damage caused by cyclone Mekunu. The cyclone hit Dhofar and Al Wusta governorates on Saturday, May 26, but the effects were felt even before it made landfall. The strong winds and heavy rain resulted in the death of four people, besides damaging roads, and public and private property. "We would like to inform you that Dhofar Cattle Feed Company at Salalah was affected... the roof of warehouses storing raw materials for the feed mill is damaged," said Sheikh Salim Al Kathiri, GM Operation.

Source: [Times of Oman](#)

Salalah Beach Resort: Hotel Operation Affected Due To Cyclone "Mekunu"

This is to inform that due to the effect of cyclone "Mekunu", the Hotel, Hilton Salalah Resort, has had various damages and hence the hotel is currently closed for normal operations until further notice. We are currently in the process of assessing the damages and are working closely with our insurance companies. The Management is confident that most of the costs / losses including Loss of Profit will be covered under our various insurance policies.

Source: [MSM](#)

SALALAH PORT SERVICES

Salalah Port suffered extensive damages by the recent cyclone Mekunu. Recovery and salvage operations are ongoing. It is expected to take a minimum of 72 hours to make the Port safe and will update you when the Port resume operations. Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Red Sea tourism project incorporated as closed joint stock firm

The Red Sea tourism project has been incorporated closed joint-stock company, wholly owned by the Public Investment Fund (PIF), the Ministry of Culture and Information said in a statement on Sunday. John Pagano has been appointed the chief executive officer of The Red Sea Development Company (TRSDC), the statement added. Pagano joins TRSDC from London's Canary Wharf Group, where he was the managing director (development).

Source: [Argaam](#)

Tadawul applies changes to opening and closing price mechanism

The Saudi Stock Exchange (Tadawul) will implement changes to its opening and closing price mechanism as of today, May 27, Mohammed Al Rumaih, chief sales and marketing officer at Tadawul, told Argaam. Changes to the methodology for determining opening and closing prices apply to both the Main Market and Nomu - Parallel Market. These include moving from a Volume Weighted Average Price (VWAP) to an auction method for determining closing prices, and enhancing the opening price auction in line with practices adopted by most other major markets.

Source: [Argaam](#)

Robust project activity spurs UAE's non-oil GDP

A moderate acceleration in real non-oil GDP growth for the UAE is well on track in 2018, with stronger project activity counterbalancing the impact of the introduction of VAT on consumers and corporates, according to analysts at a leading bank. Project awards, a leading indicator of investment activity, were strong in the UAE in the first quarter, albeit across the GCC the total value of project awards contracted, an updated version of the UAE Economic Chartbook by Abu Dhabi Commercial Bank (ADCB) said.

Source: [Zawya](#)

Saudi Steel Shareholder Group Sign MoU to Consider Stake Sale

A group of Saudi Steel Pipe shareholders enters into a non-binding MoU with a strategic investor to start talks to sell 45% to 49% stake in the company, according to a statement. Investor to conduct commercial and legal due diligence.

* MoU expires Aug. 31

Source: [Bloomberg](#)

Abu Dhabi's VPS Healthcare Said to Hire Rothschild for IPO

VPS Healthcare LLC hired Rothschild & Co. to advise on a potential initial public offering in London, according to people with knowledge of the matter. The Abu Dhabi-based healthcare provider could sell shares as early as next year, some of the people said, asking not to be identified because the matter is private. A final decision hasn't been made and the company may decide not to proceed with a sale, they said. A spokesman for Rothschild declined to comment.

Source: [Bloomberg](#)

DANA GAS GETS \$40M FROM EGYPT

Dana Gas PJSC ("Company"), the Middle East's largest regional natural gas company, has received \$40 million (AED 146.8m) from the Egyptian Government towards paying down its receivables. With this payment Dana Gas has received a total of \$88.8 million (AED 325.9m) from Egypt during 2018.

Source: [ADX](#)

DP WORLD CLOSES DEAL ACQUIRE COSMOS AGENCIA MARITIMA IN PERU

DP World announces the acquisition of Cosmos Agencia Marítima S.A.C. (CAM)1 for \$315.72million. Based in Peru, CAM owns a fully integrated logistics service business (Neptunia S.A and Triton Transport S.A) that offers end-to-end solutions to its customers. The logistics division offers an integrated platform of solutions in activities related to foreign trade, product storage and distribution, as well as freight services that facilitate development and implementation of industry specific projects.

Source: [DP World](#)

Kuwait plan to get tough on construction violators

Director General of Kuwait Municipality Eng Ahmad Al- Manfouhi has confirmed coordination with the Ministry of Justice to block the transactions of those proven to have violated construction regulations in the Municipality and some governmental institutions starting from July 1, reports Al-Anba daily. Speaking to the daily, Al- Manfouhi revealed the Municipality removed 40 construction violations according to the final rulings. He pointed out that the coordinated efforts of the Municipality, Public Prosecution and Interior Ministry is considered a model of cooperation among ministries and other State institutions.

Source: [Zawya](#)

Qatar Bans Goods from UAE, Saudi as Embargo Anniversary Approaches

Qatar said it was banning products originating from the United Arab Emirates, Saudi Arabia, Egypt and Bahrain, almost a year after those states imposed an embargo on Doha, accusing it of supporting terrorism. "Products originating from the blockading states, which as a result of the blockade cannot pass the Gulf Cooperation Council Customs Territory, have to undergo proper import inspections and customs procedures," a government statement said late on Saturday.

Source: [US News](#)

Bahrain sees 'no glimmer of hope' for ending Qatar crisis soon

Bahrain sees no resolution in sight to a diplomatic row between Qatar and its neighbors, which cut diplomatic and trade ties with the tiny Gulf Arab state nearly a year ago. "The information in our hands today does not indicate any glimmer of hope for a solution now, as the matter does not happen suddenly," Bahrain's Foreign Minister Sheikh Khalid bin Ahmad al-Khalifa told AlSharq Alawsat newspaper Sunday.

Source: [Daily Star](#)

MIDEAST STOCKS-Oil price dip pressures Saudi index

Saudi stocks slid below a key barrier on Sunday, hurt by the latest drop in oil prices and concerns over valuations of blue-chip companies, while property and banking shares slipped in Dubai and Abu Dhabi after big gains last week. The Saudi index dropped 0.8 percent to 7,972 points, below the psychological barrier of 8,000 points. Oil refiner Petro Rabigh fell 1.1 percent and property company Dar Al Arkan slid by 3.3 percent.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Global Sukuk issuances surge 44% to \$30bln in Q1

A total of \$12 billion (Dh44 billion) worth of Sukuk (Islamic bonds) was issued in March 2018, which brought global sukuk issuance to \$30 billion (Dh110 billion) in the first quarter of 2018 - a 44.4 per cent surge from \$20.8 billion (Dh76.3 billion) for the same period last year, according to RAM Ratings' latest statistics. The upswing was attributable to a boost from Saudi Arabia, whose issuances charted the highest growth, jumping to \$6.5 billion as at end-March 2018 as compared to \$184.8 million at the end of March 2017.

Source: [Zawya](#)

Samsung ordered to pay Apple \$539mln over patent breach

Samsung was ordered by the US district court in California to pay a total of \$539 million to Apple over patent infringements, bringing the seven-year legal battle to its final chapters. The case goes back to 2011 when Apple accused Samsung of copying design features from its products. The jury found on Wednesday that the South Korean company should pay the iPhone maker \$533.3 million for infringing three design patents in addition to \$5.3 million for violating two utility patents.

Source: [Zawya](#)

Abe defends Japanese automakers against US import probe

Japanese Prime Minister Shinzo Abe said on Monday he would seek to convince President Donald Trump of the crucial role his country's automakers play in boosting the U.S. economy. The Trump administration decided last week to begin a national security investigation into auto imports that could lead to new U.S. tariffs similar to those imposed on imported steel and aluminum. "Japanese automakers have created jobs and made huge contributions to the U.S. economy," Abe told parliament, when asked by a lawmaker how Japan would respond to the U.S. move.

Source: [CNBC](#)

China's box office recently beat the US, and is now on the cusp of a 'new growth cycle'

China's box office takings surpassed the U.S. in the beginning of the year and that's setting the Chinese film industry up for a "Hollywood moment," HSBC said in a May report. Box office revenues in China beat numbers out of North America in the first three months of this year, totaling 20.2 billion yuan (around \$3.17 billion), according to numbers from Variety. Revenues collected in North American cinemas, referring to both the U.S. and Canada, came in at \$2.85 billion during the same time frame, Variety said, citing data from ComScore.

Source: [CNBC](#)

COMMODITIES NEWS

Gold prices ease on renewed US-North Korea summit hopes

Gold prices eased on Monday, following their biggest weekly gain in six weeks, as US President Donald Trump revived hopes of his summit with North Korean leader Kim Jong-un, after cancelling the meeting last week. Spot gold was down 0.2 per cent at \$1,298.74 per ounce at 0044 GMT, while US gold futures for June delivery fell 0.4 per cent to \$1,298.30 per ounce.

Source: [Economic Times](#)

Oil sinks while stocks gain on North Korea, euro shaken by Italy

U.S. oil futures hit six-week lows on expectations major producers may ease output curbs on Monday, while Asian stocks and U.S. share futures gained on signs the United States and North Korea were still working towards holding a summit. The euro bounced back from a 6-1/2-month low after the Italian president rejected a eurosceptic as a key economy minister, but his move was seen as triggering a possible constitutional crisis and opening the prospect of fresh elections, keeping the single currency fragile.

Source: [Reuters](#)

