

U Capital Morning Brief

22 April 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	828.74	-0.14	-0.02%	-5.64%	-	-	-
U Capital GCC 50 Index	1,458.85	8.04	0.55%	11.39%	-	-	-
U Capital MENA 200 Index	1,133.41	3.93	0.35%	8.45%	-	-	-
MSCI GCC Countries Index	615.35	3.00	0.49%	14.41%	15.72	2.00	3.7%
Muscat Securities Market	3,984.45	4.16	0.10%	-7.85%	8.28	0.77	6.9%
Saudi Stock Exchange	9,239.67	43.14	0.47%	18.05%	20.79	2.08	3.2%
Kuwait Stock Exchange	5,800.53	-5.46	-0.09%	14.19%	16.32	1.47	3.4%
Qatar Exchange	10,355.45	7.26	0.07%	0.55%	14.34	1.54	4.2%
Bahrain Stock Exchange	1,446.35	0.17	0.01%	8.16%	9.44	0.92	5.7%
Dubai Financial Market	2,820.78	6.87	0.24%	11.50%	9.96	1.03	4.8%
Abu Dhabi Exchange	5,346.30	54.30	1.03%	8.77%	14.83	1.51	4.6%
Beirut Stock Exchange	911.76	-32.84	-3.48%	-6.65%	4.67	0.54	10.9%
Palestine Stock Exchange	531.07	-0.02	0.00%	0.32%	10.67	1.21	4.7%
Tunis Se Index	6,945.24	3.07	0.04%	-4.49%	18.13	2.34	2.1%
EGX 30 Index	14,838.63	-37.74	-0.25%	13.83%	16.45	1.47	2.1%
Amman General Index	1,900.50	1.36	0.07%	-0.44%	12.59	0.93	5.2%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Currency		
FTSE 100	UK	7,459.9	-0.15%	10.9%	Australian Dollar (AUD)	0.714	1.401
DAX	Germany	12,222.4	0.57%	15.8%	British Pound (GBP)	1.299	0.770
CAC 40	France	5,580.4	0.31%	18.0%	Canadian Dollar (CAD)	0.748	1.336
United States					Chinese Renminbi (CNH)	0.149	6.717
DJIA	USA	26,559.5	0.42%	13.9%	Egyptian Pound (EGP)	0.058	17.166
S&P 500	USA	2,905.0	0.16%	15.9%	Euro (EUR)	1.124	0.890
NASDAQ	USA	7,998.1	0.02%	20.5%	Indian Rupee (INR)	0.014	69.781
Asia Pacific					Japanese Yen (JPY)	0.009	111.920
NIKKEI 225	Japan	22,207.0	0.03%	11.0%	New Zealand Dollar (NZD)	0.667	1.498
HANG SENG	Hongkong	29,963.3	-0.54%	15.9%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	37,335.0	0.09%	0.7%	Pakistani Rupee (PKR)	0.707	141.401
NSE Nifty 50	India	11,665.9	-0.74%	7.4%	Russian Ruble (RUB)	0.016	64.060
SHANGHAI Composite	China	3,225.4	-1.39%	29.3%	Singapore Dollar (SGD)	0.737	1.357
KOSPI Index	South Korea	2,212.9	-0.14%	8.4%	Turkish Lira (TRY)	0.171	5.832

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	73.9	2.65%	35.4%	UAE	2.85
WTI Crude (per bbl)	65.7	2.67%	44.7%	Saudi Arabia	2.86
Oman Crude Oil (Last Closing)	71.8	0.94%	34.1%	Kuwait	2.69
OPEC (per bbl)	70.8	1.00%	37.4%	Oman	2.83
Precious Metals					
Gold100 OZ (per oz)	1,279.3	0.31%	-0.2%	Qatar	2.87
Silver (per oz)	15.1	0.52%	-2.8%	Bahrain	3.58
Platinum (per oz)	906.9	0.42%	14.0%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	6,476	-1.22%	8.6%		
Aluminium, MT	1,867	0.92%	1.1%		
Lead, MT	1,941	-0.26%	-4.0%		
Zinc, MT	2,767	-1.86%	12.2%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.73	2.34	1m	2.48
5 year	98.86	2.37	3m	2.58
10 year	100.52	2.57	6m	2.63
30 year	100.66	2.97	1 year	2.75

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

MAZOOON DAIRY PLANS TO EXPAND HERD SIZE TO 25,000 COWSO

Mazoon Dairy is one of the largest projects in Oman. Mazoon Dairy Company was established in 2015 as a closed joint stock company between Oman Food Investments Co and other government investment and pension funds in Oman with a total capital of RO100mn. In an exclusive interview with Muscat Daily, Dr Arjun Subramanian, chief executive officer of Mazoon Dairy spoke about the company's future expansion plans.

Source: [Muscat Daily](#)

Rising LNG supplies to fuel global gas demand: BP

Global natural gas demand is projected to grow nearly 50 per cent by 2040, but gas producers are unlikely to reap a windfall from this upsurge due to the competitive price environment governing gas exports, according to a top executive of energy giant BP. Spencer Dale, Chief Economist, said the outlook remains robust for natural gas, which along with renewables — chiefly solar and wind — are set to be the fastest growing sources of primary energy over the next 20 years.

Source: [Oman Observer](#)

Oman's Shumookh Investment plans \$400 million steel plant

Shumookh Investment and Services (SIS), the investment arm of the wholly Omani government-owned Public Establishment for Industrial Estates (Madayn), says it plans to set up a major steel project in the Sultanate with an investment totalling around \$400 million.

Source: [Oman Observer](#)

Non-oil activities continue to gain traction: CBO

Non-oil economic activities continue to gain traction with sustained policy efforts and increased participation of private sector, the Central Bank of Oman (CBO) affirmed in its newly published monthly review for February 2019. Inflationary conditions remained benign and headline inflation stood at 0.2 per cent in February 2019, as compared to 0.8 per cent a year ago.

Source: [Oman Observer](#)

PDO showcases Lean programme to CBO delegation

Petroleum Development Oman (PDO) hosted a senior delegation from the Central Bank of Oman (CBO) to share best practice on PDO's Lean Continuous Improvement programme. The executive management team led by CBO President Taher bin Salim Al Amri attended a full day engagement which shed light on PDO's Lean Transformation journey and how employees from across the business are engaged in making small improvements, every day that deliver significant benefit for the organisation as whole.

Source: [Times of Oman](#)

Duqm Refinery awards GBP 39.2m contracts to Douglas OHI

Muscat-based Duqm Refinery and Petrochemical Industries Company has awarded two contracts to Douglas OHI with a combined value of GBP 39.2 million. Douglas OHI, a joint venture (JV) of Interserve Group Ltd., will establish a refinery and petrochemical complex in the Duqm Special Economic Zone (SEZAD) in Duqm, Al Wusta Governorate.

Source: [Mubasher](#)

Once A-Rated at S&P, Oman Now Risks Descending Deeper Into Junk

S&P Global Ratings started a 12-month countdown for Oman to steady its public finances and stop loading up on external debt -- or risk an even deeper descent into junk. Rated A by S&P as recently as four years ago, the company put the sultanate on notice on Friday by cutting the outlook to negative while affirming its debt score at BB, two levels below investment grade and on par with Paraguay and Serbia. Both Fitch Ratings and Moody's Investors Service have Oman one notch higher than S&P.

Source: [Bloomberg](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Tadawul to extend closing auction on April 30 ahead of FTSE tranche 2 inclusion

The Saudi Stock Exchange (Tadawul) will extend the closing auction session to 20 minutes (instead of 10 minutes) on April 30 only, the exchange said in a statement on Sunday.

Source: [Argaam](#)

Dar Al Arkan to redeem \$400 mln sukuk

Saudi Arabia's Dar Al Arkan Real Estate Development Company, will redeem its \$400 million (SAR 1.5 billion) 2019 sukuk by using internal cash reserves, the developer said in a statement on Sunday. The sukuk, listed on Irish Stock Exchange and NASDAQ Dubai, is due to mature on May 28, 2019.

Source: [Argaam](#)

Aramco to buy Shell's 50% stake in Saudi refining joint venture for \$631m

Saudi Aramco will acquire Royal Dutch Shell's 50 percent stake in their Saudi refining joint venture SASREF for \$631 million, the two companies said on Sunday. The purchase, which is part of Aramco's strategy to expand its downstream operations, will be completed later this year, they said in a joint statement.

Source: [Arab News](#)

KAEC seeks 'foreign ownership' for residential properties

Saudi Arabia's King Abdullah Economic City (KAEC) is working closely with the government to allow foreigners to own residential properties within the city, according to a senior company executive.

Source: [Argaam](#)

Dubai's economic growth will accelerate in 2019 and 2020

Dubai's economic growth will accelerate in 2019 and 2020, with tourism, logistics, transport, wholesale and retail sectors replacing the real estate as main growth driver next year, official data showed. Data released by Dubai Economy on Sunday showed that Dubai's GDP grew 1.94 per cent last year but it will pick up to 2.1 per cent this year and 3.8 per cent next year before easing to 2.8 per cent in 2021.

Source: [Zawya](#)

Over 20,000 units likely to enter Dubai market in 2019

The real estate sector in Dubai has witnessed more than 20,000 units entering the market during 2018, head of consulting at Chestertons MENA Ivana Vucinic said, according to TimeOut Dubai. The new units have resulted in a softening trend across the sales and rental sectors for both apartments and villas in Dubai over 2019, Vucinic added.

Source: [Mubasher](#)

GIB converts Saudi branches into SAR 7.5bn incorporated bank

Bahrain-based Gulf International Bank (GIB) on Sunday announced the completion of converting its branches in Saudi Arabia into a locally incorporated lender to be headquartered in the Saudi Eastern Province.

Source: [Mubasher](#)

NBK to increase its share market in Egyptian retail sector

The National Bank of Kuwait (NBK) is focusing on increasing its market share in Egypt, according to CEO of NBK Essam Saker. He added in a statement that the expanding will be in the retail sector – as an example- through transferring the bank's expertise in providing technological solutions to the biggest market in the region in terms of population.

Source: [Egypt Today](#)

Bahrain King Reinstates Citizenship of 551 Amid Mass Trials

Dubai, United Arab Emirates (AP) -- Bahrain's king on Sunday reinstated the citizenship of 551 people convicted and stripped of their nationality amid a series of mass trials conducted as part of a yearslong crackdown on dissent. The surprise royal order gave no explanation for King Hamad bin Isa Al Khalifa's decision, other than to say that he had the final authority in such cases.

Source: [Bloomberg](#)

Dubai's Escape From Its Economic Funk Hinges on Retail, Tourism

Dubai is looking to retail and tourism to break free of its weakest economic expansion in almost a decade. Growth in the city's gross domestic product is set to accelerate to 2.1 percent in 2019 and 3.8 percent the following year before slowing to 2.8 percent in 2021, according to projections released on Sunday by the emirate's department of economic development. GDP expanded only 1.9 percent in 2018, substantially below forecasts made by the International Monetary Fund.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Huawei first-quarter revenue grows 39 percent to \$27 billion amid heightened U.S. pressure

Huawei Technologies said on Monday its first-quarter revenue jumped 39 percent to 179.7 billion yuan (\$26.81 billion), in the Chinese technology firm's first-ever quarterly results.

Source: [Reuters](#)

Dollar firm in thin post-holiday trade, loonie up as oil prices jump

The dollar edged up against key peers such as the euro and the yen on Monday, boosted by the relative strength of the U.S. economy, while losing ground against the Canadian dollar following a rise in crude oil prices.

Source: [Reuters](#)

Strong stock and bond markets at odds over global growth

It looks like something has to give in global markets. Stocks and bonds around the world have rallied atypically together since the start of the year, rewarding investors both bullish and bearish on the direction of global growth.

Source: [Reuters](#)

Stocks Mixed in Holiday-Hit Trading; Oil Advances: Markets Wrap

Stocks in Asia fluctuated Monday as the Easter holiday weekend continued in many countries. Crude oil pushed higher on a report over Iranian oil waivers. Chinese stocks and bonds fell as investors wagered future monetary policy stimulus will be limited, while shares in Japan and Korea swung between gains and losses.

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil prices jump more than 2 percent as U.S. set to end Iran import sanction waivers

Oil prices rallied by more than 2 percent on Monday to levels not seen since November 2018 as a Reuters source familiar with the matter confirmed a report that Washington is set to announce all imports of Iranian oil must end or be subject to sanctions.

Source: [Reuters](#)