

U Capital Morning Brief

28 June 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	881.4	3.04	0.35%	-9.53%	-	-	-
U Capital GCC 50 Index	1,300.1	-0.51	-0.04%	13.58%	-	-	-
U Capital MENA 200 Index	1,064.0	0.65	0.06%	6.92%	-	-	-
MSCI GCC Countries Index	535.7	0.55	0.10%	11.66%	14.25	1.76	3.9%
Muscat Securities Market	4,576.7	6.55	0.14%	-10.25%	11.39	0.99	5.4%
Saudi Stock Exchange	8,317.3	18.38	0.22%	15.10%	18.74	1.85	3.2%
Kuwait Stock Exchange	4,906.3	0.73	0.01%	NA	14.60	1.26	3.9%
Qatar Exchange	8,928.7	33.53	0.38%	4.76%	13.30	1.37	4.9%
Bahrain Stock Exchange	1,306.3	4.24	0.33%	-1.91%	8.52	0.85	6.3%
Dubai Financial Market	2,814.9	-21.12	-0.74%	-16.47%	9.06	1.07	6.0%
Abu Dhabi Exchange	4,544.7	-21.11	-0.46%	3.32%	12.15	1.36	5.3%
Beirut Stock Exchange	1,056.5	-6.34	-0.60%	-8.02%	5.70	0.64	9.3%
Palestine Stock Exchange	541.0	-0.99	-0.18%	-5.85%	13.06	1.19	5.0%
Tunis Se Index	8,064.6	37.73	0.47%	28.38%	21.23	2.88	1.8%
EGX 30 Index	16,176.4	-21.03	-0.13%	7.71%	16.57	2.59	2.7%
Amman General Index	2,074.4	-4.35	-0.21%	-2.46%	15.65	1.03	4.4%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe					Currency		
FTSE 100	UK	7,621.7	1.11%	-0.9%	Australian Dollar (AUD)	0.736	1.360
DAX	Germany	12,348.6	0.93%	-4.4%	British Pound (GBP)	1.311	0.763
CAC 40	France	5,327.2	0.87%	0.3%	Canadian Dollar (CAD)	0.750	1.334
United States					Chinese Renminbi (CNH)	0.151	6.620
DJIA	USA	24,117.6	-0.68%	-2.4%	Egyptian Pound (EGP)	0.056	17.903
S&P 500	USA	2,699.6	-0.86%	1.0%	Euro (EUR)	1.156	0.865
NASDAQ	USA	7,445.1	-1.54%	7.8%	Indian Rupee (INR)	0.015	63.232
Asia Pacific					Japanese Yen (JPY)	0.009	110.320
NIKKEI 225	Japan	22,256.1	-0.08%	-2.2%	New Zealand Dollar (NZD)	0.678	1.475
HANG SENG	Hongkong	28,498.1	0.50%	-4.7%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	41,826.9	0.25%	3.3%	Pakistani Rupee (PKR)	0.824	121.546
NSE Nifty 50	India	10,654.5	-0.16%	1.2%	Russian Ruble (RUB)	0.016	68.915
SHANGHAI Composite	China	2,819.9	0.24%	-14.7%	Singapore Dollar (SGD)	0.731	1.369
KOSPI Index	South Korea	2,320.6	-0.92%	-6.0%	Turkish Lira (TRY)	0.216	4.629

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
Oil						
Brent Crude (per bbl)	77.5	-0.10%	19.1%	UAE	2.44	35.7%
WTI Crude (per bbl)	72.5	-0.30%	20.1%	Saudi Arabia	2.58	36.2%
Oman Crude Oil (Last Closing)	75.4	1.48%	17.8%	Kuwait	2.00	6.7%
OPEC (per bbl)	72.7	0.75%	12.8%	Oman	2.38	24.5%
Precious Metals						
Gold 100 OZ (per oz)	1,251.9	-0.03%	-3.9%	Qatar	2.64	-0.3%
Silver (per oz)	16.1	0.28%	-4.9%	Bahrain	3.50	28.4%
Platinum (per oz)	855.9	-0.25%	-8.0%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,693	-0.31%	-7.7%		Maturity date	YTM, %
Aluminium, MT	2,176	0.86%	-4.1%	Kuwait	3/20/2027	3.8
Lead, MT	2,436	1.04%	-2.1%	Abu Dhabi	10/11/2027	4.0
Zinc, MT	2,876	1.27%	-13.3%	Qatar	6/2/2026	4.1
				Saudi Arabia	3/4/2028	4.2
				Oman	1/17/2028	6.4
				Bahrain	10/12/2028	8.7

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	100.11	2.6	1m	2.10	34.4%
5 year	99.61	2.7	3m	2.34	37.9%
10 year	100.34	2.8	6m	2.50	36.2%
30 year	102.94	3.0	1 year	2.77	31.5%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Omran, MAF ink pact for RO 5 billion development

Oman Tourism Development Company (Omran), the executive arm of the Government of Oman for the development of the tourism sector and Majid Al Futtaim (MAF), the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa, and Asia, yesterday announced a strategic partnership to develop the western area of Madinat Al Irfan. The joint venture will see the development of a vibrant mixed-use community that will serve as the new urban center for Muscat. The announcement was made at a signing ceremony and joint press conference today at the Oman Convention & Exhibition Centre in Muscat, which was attended by members of the Royal Family, high-level government officials and senior leadership of Omran and Majid Al Futtaim.

Source: [Oman Observer](#)

Mining authority announces launch of copper project in Oman

Public Authority for Mining (PAM), apex body for mining activities in Oman, on Monday announced the launch of a copper mining project in the wilayat of Mudhaibi. Speaking to media at the inaugural event, Eng Hilal bin Mohammed al Busaidi, CEO of PAM said, "Oman is starting copper production after a gap of 14 years, and the development confirms the economic importance of this metal (copper) in the sultanate. The copper mining project comes as a result of strong cooperation, and there will be a lot of similar projects in the future."

Source: [Muscat Daily](#)

Privatization of state-owned power subsidiaries progressing

Nama Group — the holding company of state-owned electricity generation, procurement, transmission, distribution and supply subsidiaries — says it is commencing the "market-sounding" phase of a multi-stage process aimed at achieving the privatizing of its transmission, distribution and supply assets. Eng Omar Khalfan al Wahaibi (pictured), Chief Executive Officer, said the keenly anticipated privatization process is well under way with a consortium of advisers having already completed the Phase 1 of the program.

Source: [Oman Observer](#)

Oman antimony roaster project nears completion

London based Tri-Star Resources has announced that Oman Antimony Roaster project is nearing completion and the production is likely to start later this summer. Located in Sohar Freezone, Oman antimony roaster is being developed by Strategic and Precious Metal Processing LCC (SPMP), where Tri Star Resources has a 40 per cent stake. The remaining 60 per cent is held by Oman Investment Fund and DNR Industries, a part of Dubai-based Dutco Group.

Source: [Muscat Daily](#)

Oman to procure new solar, wind projects at yearly intervals

Driven by a commitment to ensuring a minimum 10 per cent share of power generation capacity from renewable energy (RE) resources, Oman Power and Water Procurement Company (OPWP) — the sole offtaker of electricity and water output — says it will procure new large-scale solar photovoltaic (PV) and even wind-based Independent Power Projects (IPPs) on an annual basis over the next seven years. This ambitious transition to renewables based power generation, supplemented by clean coal and Waste-to-Energy (WTE) capacity as well, is set out in the company's 7-Year Statement issued here yesterday.

Source: [Oman Observer](#)

Right Issue of Equity Shares and Mandatorily Convertible Bonds

Dhofar Insurance Company SAOG (Company) is pleased to announce that the issue of equity shares (Shares) and mandatorily convertible bonds (Bonds) aggregating RO 7 million has been completed as approved by the shareholders in the EGM dated 18th January 2018. The Capital Market Authority has approved the allotment for Rights Issue and ensuing Private Placement of Shares and Bonds on 26th June 2018. The details of the allotment are as follows: Rights issue of Shares: OMR 1,629,222.400 against an issue size of OMR 2,000,000, Private placement of the unsubscribed Rights Shares: OMR 370,777.600.

Source: [MSM](#)

OMAN NATIONAL ENGINE. INVT.: Extension of Tender

With great pleasure, I would like to inform our esteemed shareholders and investors that the Directorate General of Water Dhofar has extended, on 27/6/2018, the contract of water meter reading and billing and collection (Tender 11/2011) made with Oman National Engineering & Investment Company SAOG (ONEIC) for a period for one year commencing on 1/1/2019 and ending on 31/12/2019.

Source: [MSM](#)

11,000 jobs for Omanis coming in sales sector, Shura hears

The sales and distribution sector will provide 11,000 jobs for Omanis over the next three years, officials said during a meeting with the Shura Council on Tuesday. Members of the Youth and Human Resources Committee at the Shura Council met with the representative of the Omanization Committees in the sales and distribution sector, in addition to companies that work in the sector.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Bahrain bond pressure eases on Gulf support pledge

Pressure eased on Bahrain's bonds and currency on Wednesday after pledges of financial support from Saudi Arabia, the UAE and Kuwait. Analysts, however, stressed the need for further economic reforms from the Manama government to tackle the country's rising debt burden. Bahrain has the highest public debt to GDP ratio in the Gulf.

Source: [Arab News](#)

Bahrain Steel says Anglo declared force majeure on contract after spills

Anglo American has suspended a contract to supply Bahrain Steel with iron ore, the Gulf-based company said, in the latest headache for the miner's troubled Brazilian project after spills from a pipeline that carries the commodity to port. The contract is worth nearly \$1 billion (£0.7 billion) annually, according to Reuters calculations using average realized prices reported by Anglo for its Minas Rio mine last year.

Source: [Euro News](#)

Qatar's trade surplus surges 39.5% in May

Qatar's foreign merchandise trade balance, which is the difference between total exports and imports, in May 2018 showed a surplus of QR14.9bn that was QR4.2bn or 39.5 percent higher than same month previous year. The surplus has increased by nearly QR0.1bn or 0.5 percent compared to April 2018, according to a report on trade balance released yesterday by the Ministry of Development Planning and Statistics.

Source: [TPQ](#)

Qatar sells \$9.3bn local bonds, Sukuk in 2017 – QCB

The Qatar Central Bank (QCB) revealed that the Qatari government had sold QAR 33.9 billion (\$9.31 billion) in local bonds and Sukuk in 2017 as part of its strategy to regulate liquidity. Issues included QAR 15.4 billion (\$4.23 billion) in Sukuk and QAR 18.4 billion (\$5 billion) in bonds, data released by the QCB showed on Wednesday. Ten-year issues, for both Sukuk and bonds, made up the largest portion, 61.5%, of the issues, totally QAR 20.8 billion, while seven-year issues amounted to QAR 9.6 billion, five-year issues reached QAR 2.85 billion, and three-year issues stood at QAR 550 million last year.

Source: [Mubasher](#)

Moody's assigns Counterparty Risk Ratings to 11 banks in the Kingdom of Saudi Arabia

Bank Al-Jazira -- Moody's assigns Counterparty Risk Ratings to 11 banks in the Kingdom of Saudi Arabia Moody's Investors Service has today assigned Counterparty Risk Ratings (CRR) to 11 rated banks in the Kingdom of Saudi Arabia: Al Rajhi Bank; Alawwal Bank; Arab National Bank; Bank Al-Jazira; Bank AlBilad; Banque Saudi Fransi; National Commercial Bank; Riyadh Bank; Samba Financial Group; Saudi British Bank and The Saudi Investment Bank.

Source: [Moody's](#)

MIDEAST STOCKS-Real estate, construction drag Dubai down, Saudi rises

Real estate and construction companies continued to weigh on the Dubai market on Wednesday as Drake & Scull (DSI) extended losses and the Abu Dhabi market also dropped. DSI shares plunged 10 percent for a third consecutive day to close at 0.73 dirhams (\$0.19) per share, its lowest ever. The shares are down 68 percent so far this year as retail investors have offloaded the stock amid concerns about its business outlook and investors worried about the outcome of an investigation into its former management team.

Source: [Reuters](#)

UAE's Amanat buys Dubai school real estate assets for \$98m

Amanat Holdings, the GCC's largest healthcare and education investment company, has completed the acquisition of the real estate assets of North London Collegiate School (NLCS) Dubai. Amanat said it has purchased the real estate from PNC Investments, the parent company of the Sobha Group, for AED360 million (\$98 million). Additionally, Amanat has committed up to AED45 million towards the school's future expansion plans, it said in a statement.

Source: [Arabian Business](#)

IFA's subsidiary sells \$12m investment

International Financial Advisors (IFA) announced that its subsidiary, IFA Real Estate Services – Dubai, has completed an agreement to sell an investment valued at KWD 3.6 million (\$11.9 million), according to a bourse statement on Wednesday. IFA, which is listed on both Borsa Kuwait and the Dubai Financial Market (DFM), clarified that this transaction will generate a profit of nearly KWD 541,500 (\$1.8 million). This financial impact will be registered in the income statements of the second quarter of fiscal year 2018.

Source: [Mubasher](#)

Emaar Hospitality inks deal to open debut hotel in West Africa

Emaar Hospitality Group, the leisure division of Dubai-based real estate developer Emaar Properties, said on Wednesday it has signed an agreement with West African conglomerate Kalyan Group to open a hotel in Togo, marking Emaar's entry into sub-Saharan Africa. The premium hotel in the Togolese capital city of Lomé will operate under Emaar's Address Hotels and Resorts brand and is scheduled to open later this year.

Source: [The National UAE](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares flirt with 9-month low on mounting trade war fears

Asian stocks slumped to nine-month lows on Thursday on growing worries the US administration's approach to trade is harming global economic growth even as it appeared to be modifying its approach to curb Chinese investments in US technology firms. US oil prices hit a 3-1/2-year high as plunging US crude stockpiles compounded supply worries in a market already uncertain about Libyan exports, a production disruption in Canada and Washington's demands that importers stop buying Iranian crude.

Source: [Money Control](#)

Escalating trade threats are deepening the chill felt by Chinese dealmakers seeking US takeovers

So far this year, Chinese companies have spent just \$1.6 billion on U.S. assets, down almost 80 percent from the same period in the prior year. By contrast, the amount China has spent on European assets has risen 39 percent from last year to \$45.1 billion. One expert noted that issues around tech deals were not only a U.S.-China issue because European governments are also wary of China getting hold of key technology.

Source: [CNBC](#)

Chinese yuan fall sparks fear a trade war could turn into a currency war

China's currency hit a new six-month low against the dollar, spurring talk that trade wars could turn into a currency war. Analysts say it's unlikely China would intentionally devalue its currency, though it may have stopped preventing it from weakening trough on Tuesday.

Source: [CNBC](#)

COMMODITIES NEWS

Gold buying in Dubai rises up to 30% after prices dip to six-month low

With the price of gold dipping to a six-month low, Dubai's jewellery outlets have started to see an upswing in sales of up to 30 per cent in June after a prolonged lull. International gold price dropped to near \$1,260 an ounce on Thursday but climbed back during Friday's session as the dollar slipped from its 2018 high near 95.20. Jewellery outlets in the UAE witnessed a sudden pick-up in sales as non-residents preparing to return to their home countries for school holidays rushed to get the most out of the price advantage.

Source: [Zawya](#)

Oil dips but markets remain tight due to disruptions, record demand

U.S. oil prices dipped away from three-and-a-half year highs on Thursday amid high output from Russia, the United States and Saudi Arabia, although unplanned supply disruptions elsewhere and record demand stemmed a bigger decline. U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$72.54 a barrel at 0253 GMT, down 22 cents, or 0.3 percent from their last settlement. WTI hit its highest since November 2014 at \$73.06 per barrel in the previous session.

Source: [Reuters](#)