

U Capital Morning Brief

2 July 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	809.45	809.45	-0.75%	-7.84%	-	-	-
U Capital GCC 50 Index	1,412.63	1,412.63	0.12%	7.86%	-	-	-
U Capital MENA 200 Index	1,100.70	1,100.70	0.95%	5.32%	-	-	-
MSCI GCC Countries Index	592.27	1.61	0.27%	10.12%	10.83	1.39	5.5%
Muscat Securities Market	3,876.04	-8.87	-0.23%	-10.35%	7.65	0.78	7.1%
Saudi Stock Exchange	8,852.69	30.93	0.35%	13.11%	19.70	1.97	3.4%
Kuwait Stock Exchange	5,842.70	10.57	0.18%	15.02%	16.54	1.51	3.4%
Qatar Exchange	10,560.13	104.46	1.00%	2.54%	14.84	1.62	4.1%
Bahrain Stock Exchange	1,475.62	4.59	0.31%	10.35%	10.78	0.95	5.1%
Dubai Financial Market	2,673.68	15.05	0.57%	5.69%	11.90	1.00	4.6%
Abu Dhabi Exchange	4,978.56	-1.39	-0.03%	1.29%	14.76	1.47	5.0%
Beirut Stock Exchange	856.83	-8.84	-1.02%	-12.28%	4.43	0.50	11.6%
Palestine Stock Exchange	520.47	0.64	0.12%	-1.68%	11.57	1.20	4.6%
Tunis Se Index	7,177.48	28.48	0.40%	-1.30%	19.44	2.41	2.0%
EGX 30 Index	14,100.74	93.75	0.67%	8.17%	15.31	1.34	2.5%
Amman General Index	1,867.85	-12.26	-0.65%	-2.15%	11.51	0.92	5.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Australian Dollar (AUD)	0.698	1.432
FTSE 100	UK	7,497.5	0.97%	11.4%	British Pound (GBP)	1.264	0.791
DAX	Germany	12,521.4	0.99%	18.6%	Canadian Dollar (CAD)	0.762	1.313
CAC 40	France	5,567.9	0.52%	17.7%	Chinese Renminbi (CNH)	0.146	6.867
United States					Egyptian Pound (EGP)	0.060	16.700
DJIA	USA	26,717.4	0.44%	14.5%	Euro (EUR)	1.129	0.886
S&P 500	USA	2,964.3	0.77%	18.2%	Indian Rupee (INR)	0.015	68.961
NASDAQ	USA	8,091.2	1.06%	21.9%	Japanese Yen (JPY)	0.009	108.330
Asia Pacific					New Zealand Dollar (NZD)	0.668	1.498
NIKKEI 225	Japan	21,777.3	0.22%	8.8%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	28,919.2	1.32%	11.9%	Pakistani Rupee (PKR)	0.637	160.026
KSE 100 Index	Pakistan	33,956.1	-0.12%	-8.4%	Russian Ruble (RUB)	0.016	62.973
NSE Nifty 50	India	11,840.2	-0.21%	9.0%	Singapore Dollar (SGD)	0.738	1.356
SHANGHAI Composite	China	3,043.4	-0.05%	22.0%	Turkish Lira (TRY)	0.177	5.645
KOSPI Index	South Korea	2,122.2	-0.35%	4.0%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	
	USD	%	%			
Oil						
Brent Crude (per bbl)	65.0	-0.05%	18.4%	UAE	2.61	
WTI Crude (per bbl)	59.0	-0.19%	29.9%	Saudi Arabia	2.71	
Oman Crude Oil (Last Closing)	63.8	-0.75%	19.2%	Kuwait	2.69	
OPEC (per bbl)	65.6	-0.02%	27.3%	Oman	2.87	
Precious Metals						
Gold100 OZ (per oz)	1,392.7	0.62%	8.6%	Qatar	2.73	
Silver (per oz)	15.2	0.33%	-1.9%	Bahrain	3.12	
Platinum (per oz)	837.4	0.61%	5.3%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	5,955	-0.64%	-0.2%			
Aluminium, MT	1,794	-0.33%	-2.8%			
Lead, MT	1,906	-1.35%	-5.7%			
Zinc, MT	2,462	-1.32%	-0.2%			
GCC Latest 10-Yr Government Bond Yields						
				Maturity date	YTM, %	
				Kuwait	20/03/2027	2.50
				Abu Dhabi	11/10/2027	2.55
				Qatar	02/06/2026	2.74
				Saudi Arabia	04/03/2028	3.15
				Oman	17/01/2028	6.20
				Bahrain	12/10/2028	5.78

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.09	1.72	1m	2.40
5 year	99.89	1.77	3m	2.32
10 year	103.23	2.01	6m	2.20
30 year	106.98	2.54	1 year	2.18

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

HM Sultan Qaboos bin Said issues five royal decrees

His Majesty Sultan Qaboos bin Said issued five royal decrees on Monday.

Royal Decree 50/2019 issued the Foreign Capital Investment Law, which aims to alter the protection that foreign investors have in Oman and the regulation governing foreign investment.

Royal Decree 51/2019 issued the Privatisation Law.

Royal Decree 52/2019 issued the Law for Partnership Between the Public and Private Sectors.

Royal Decree 53/2019 issued the new Bankruptcy Law, which aims to protect all parties involved when a company goes bankrupt.

Royal Decree 54/2019 establishes the Public Authority for Privatisation and Partnership and its structure.

Source: [Times of Oman](#)

Omanis got highest regional wage growth over past decade

Omani employees have enjoyed the highest growth of wages among Arab countries over the past 10 years, a new report by the country's Majlis Ad Dawla (State Council) has shown. The report, which is called the Study for Integrated Standard of Living and Productivity, reviewed the change in salaries and productivity at work, as well as standards of living in Oman.

Source: [Times of Oman](#)

Local firms urged to tap new talent as board directors

The Capital Market Authority (CMA) has encouraged competent professionals to make the most of the opportunity opened up recently to offer their services as directors on the board of directors of companies listed on the Muscat Securities Market (MSM). The initiative, according to a high-level official, is aimed at supporting the infusion of new talent into the boards of public listed companies, which could potentially translate into opportunities for enhanced business growth, product and service innovation, and increased profitability.

Source: [Oman Observer](#)

Zubair SEC's 'Tajribati' session showcases SME success stories

As part of its 'Tajribati' dialogue initiative, Zubair Small Enterprises Centre (Zubair SEC) organized a session that highlighted the success stories of various small businesses in Nizwa. The special 'Tajribati' session was held as part of the four-day exhibition for small businesses organized by Bank Muscat Najahi and Zubair SEC at Nizwa Grand Mall recently, and featured actual participants in the exhibition.

Source: [Oman Observer](#)

Oman to correct job status of over 16,000 expat workers

The ministry recently called on 67 employers owning 1,479 establishments with 8,228 expatriate workers to correct their job status as part of the move to regulate the job market. It said that 22 employers running 1,100 firms and employing 2,599 expatriates have spoken to its officials to solve the job status of these employees. MoM also said that it has not been able to reach 23 employers owning 862 firms with 5,175 expatriate workers.

Source: [Zawya](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi economy continues to grow, credit to private sector at new high

The Saudi Arabian economy continued to strengthen in May, recent data released by SAMA revealed. Credit to the private sector rose by the fastest annual pace in two and a half years (+3.5% y-o-y; +1.5% m-o-m) in May, while bank claims to the public sector also climbed (+22.0% y-o-y; +0.9% m-o-m) in the same month.

Source: [SG](#)

Saudi CITC says telecom complaints down 8% in Q1 2019

Saudi Arabia's Communications and Information Technology Commission (CITC) published a rating index for telecommunication service providers in terms of complaints received in the first quarter of 2019. The total number of complaints dropped 8 percent year-on-year (YoY) in Q1 2019.

Source: [Argaam](#)

Dammam Court says Al-Khodari's financial restructuring to be initiated

Abdullah A. M. Al-Khodari Sons Co. said in a bourse filing that Dammam commercial court issued a ruling today as regards initiating the company's financial restructuring under Saudi Arabia's new bankruptcy law. The financial restructuring procedure aims to facilitate reaching an agreement with creditors under the supervision of a financial restructuring secretary, the company said.

Source: [Argaam](#)

Saudi Arabia to issue first Eurobonds

Saudi Arabia will issue its first Euro-denominated bonds in two tranches, Reuters reported on Monday, citing a document issued by one of the banks arranging the deal. The oil-rich kingdom aims to issue bonds in two tranches of eight and 20 years. Goldman Sachs and Societe Generale have been appointed as global coordinators and bookrunners to arrange meetings with global investors.

Source: [Zawya](#)

SABIC raises stake in Ar-Razi to 75 per cent

SABIC, a Saudi Arabia-based petrochemical manufacturing company, has signed an agreement with the Japan Saudi Arabia Methanol Company (JSMC) to renew the partnership with the Saudi Methanol Company (Ar-Razi) for another 20 years. Under the agreement approved by regulatory bodies, SABIC will raise its stake in Ar-Razi to 75 per cent, reducing JSMC's shareholding in Ar-Razi to 25 per cent. JSMC will pay more than US\$1.3bn to SABIC for renewing the joint venture partnership, which SABIC will use, in part or whole, to finance the refurbishment of Ar-Razi's existing methanol plants or set up new ones.

Source: [Oil Review ME](#)

NBB plans regional expansion, aims to double debt advisory business to \$10bn

National Bank of Bahrain plans to increase the number of branches in the two biggest Arab economies – Saudi Arabia and the UAE – as the lender looks to double the size of its debt capital market and advisory business to \$10 billion (Dh36.72bn) in next two years and launch wealth management services in partnership with an international player.

Source: [The National](#)

Qatar-World Bank deal to stimulate private sector

The Qatar-World Bank Group partnership, signed on Saturday, is a milestone in Qatar's ongoing efforts to support the private sector. The partnership comes in the wake of the World Bank underlining the GCC nations' need to bolster their private sector. This agreement is a landmark for Qatar's business environment and will help strengthen and expand the private sector.

Source: [TPQ](#)

Dubai Financial Market has "healthy" IPO pipeline, says operations head

The Dubai Financial Market (DFM) has a healthy level of initial public offerings (IPOs) in its pipeline and expects its new real estate investment trust (REIT) platform to have promising growth prospects, its chief operating officer has told Zawya. "We have a healthy pipeline from the backlog of the past years and new potential issuers as well," Hassan Al Serkal, COO and head of the operations division of DFM told Zawya during an interview at the company's headquarters in Dubai.

Source: [Zawya](#)

CMA nods to Al Ahlia Insurance's capital cut

The Saudi Capital Market Authority (CMA) announced approving the request of Al Ahlia Insurance Company to slash its capital to SAR 123 million from SAR 160 million. Accordingly, the number of shares will be reduced to 12.3 million, compared to 16 million, according to a statement to the Saudi Stock Exchange (Tadawul) on Monday. The decision is subject to the approval of the insurance company's extraordinary general meeting (EGM), the statement added.

Source: [Decypha](#)

Aqar Real Estate's stock sees KWD 4m deals

Boursa Kuwait announced that a number of transactions totalling KWD 3.73 million were executed on the stock of Aqar Real Estate Investments. One of the transactions was executed on 10.793 million shares at a value of 75 fils per share or a total of nearly KWD 809,435. Another deal was executed on 27.766 million shares at 105 fils per share, with a total value of KWD 2.915 million, according to a bourse filing on Monday.

Source: [Decypha](#)

National Investments' capital to shrink on CMA's letter

National Investments Co has received a letter from the Capital Markets Authority, issued with the date 26 June 2019, referring to modifications in the company's memorandum of association as well as articles of association. Upon this procedure of the CMA, the capital of National Investments will be reduced to KWD 79.786 million from KWD 87.621 million, the company said in a recent bourse filing.

Source: [Decypha](#)

KOC, Halliburton sign KD181 million contract

The Supreme Council for Planning and Development (SCPD) held a meeting Monday to discuss Kuwait Petroleum Corporation's (KPC) 2040 strategy. According to the Council's General Secretariat, the meeting, headed by SCPD's chairman as well as First Deputy Prime Minister and Minister of Defense Sheikh Nasser Sabah Al-Ahmad Al-Sabah, attended by Minister of Oil and Minister of Water and Electricity Dr Khaled Al-Fadhel and other council members, focused on the major and general themes of the strategy.

Source: [Arab Times](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

U.S. Proposes More Tariffs on EU Goods in Airbus-Boeing Spat

The U.S. added more products from the European Union to a list of goods it could hit with retaliatory tariffs in a long-running trans-Atlantic subsidy dispute between Boeing Co. and Airbus SE. Stock futures fell after the announcement.

Source: [Bloomberg](#)

Turkey Hooked on Stimulus as Budget Deficits Seen Stuck Over 3%

The spending spigot Turkey has kept open during the election season will push the budget deficit to double the official target this year as the economy sputters, according to analysts surveyed by Bloomberg. With the central bank on hold since last September, authorities have instead relied on fiscal stimulus to ride out Turkey's first recession in a decade.

Source: [Bloomberg](#)

Trump talk of easing Huawei ban lifts suppliers' shares despite doubts

U.S. President Donald Trump's decision to allow U.S. firms to sell "high tech" products to Huawei led Asian investors to snap up shares in suppliers to the Chinese smartphone maker on Monday, even as some experts wondered what had changed. Huawei was put on a U.S. list in May that restricts U.S. tech firms such as Alphabet Inc's (GOOGL.O) Google from doing business with the Chinese telecom network gear maker, viewed as a security risk by Washington amid trade tensions with Beijing.

Source: [Reuters](#)

Amazon plans to create 1,800 jobs in France in 2019

U.S. online retail giant Amazon (AMZN.O) said on Tuesday it will create 1,800 permanent contract positions this year in France, its largest European market after Britain and Germany. The increase will bring Amazon's total number of permanent staff to 9,300 by end 2019 and reflects the group's commitment to the French market where it has invested over 2 billion euros (\$2.26 billion) since 2010, the statement said.

Source: [Reuters](#)

COMMODITIES NEWS

Saudis Dig in for Shale Fight as OPEC Extends Cuts to 2020

Saudi Arabia, OPEC's dominant producer, pledged to keep doing the heavy lifting as the cartel was all but forced to extend its effort to counter the U.S. shale boom into a fourth year. After ministers from the Organization of Petroleum Exporting Countries settled on continuing production limits for another nine months, Saudi Oil Minister Khalid Al-Falih used the closing press conference to say the kingdom was willing to keep cutting more deeply than its quota commitment requires.

Source: [Bloomberg](#)

Iran oil minister Zanganeh calls for unity among Opec members

Members of the Organization of the Petroleum Exporting Countries (Opec) should have unity among themselves, Iran's oil minister Bijan Zanganeh was quoted as saying on Monday, adding that Tehran backed cooperation with non-Opec oil exporter states. "Without unity among members of Opec, it is meaningless to plan cooperation between Opec and non-Opec countries," Mr Zanganeh said in a report by Shana, the Iranian oil ministry news service, before leaving Tehran to attend Opec meeting in Vienna.

Source: [Business Times](#)

Ubhar Capital SAOC (U Capital)

Oinvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.