

U Capital Morning Brief

1 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	815.54	815.54	0.00%	-7.15%	-	-	-
U Capital GCC 50 Index	1,410.90	1,410.90	0.27%	7.73%	-	-	-
U Capital MENA 200 Index	1,090.35	1,090.35	0.31%	4.33%	-	-	-
MSCI GCC Countries Index	590.66	1.83	0.31%	9.82%	15.31	1.97	4.0%
Muscat Securities Market	3,884.91	-6.15	-0.16%	-10.15%	7.68	0.78	7.1%
Saudi Stock Exchange	8,821.76	25.15	0.29%	12.71%	19.63	1.97	3.4%
Kuwait Stock Exchange	5,832.13	19.48	0.34%	14.82%	16.49	1.51	3.4%
Qatar Exchange	10,455.67	11.19	0.11%	1.52%	14.69	1.60	5.7%
Bahrain Stock Exchange	1,471.04	2.74	0.19%	10.00%	10.76	0.95	5.1%
Dubai Financial Market	2,658.63	32.57	1.24%	5.09%	11.83	1.00	4.6%
Abu Dhabi Exchange	4,979.95	-11.74	-0.24%	1.32%	14.76	1.47	5.0%
Beirut Stock Exchange	865.67	5.47	0.64%	-11.37%	4.47	0.50	11.5%
Palestine Stock Exchange	519.83	-2.32	-0.44%	-1.80%	11.56	1.20	4.6%
Tunis Se Index	7,149.00	83.49	1.18%	-1.69%	19.18	2.40	2.0%
EGX 30 Index	14,100.74	93.75	0.67%	8.17%	15.31	1.34	2.5%
Amman General Index	1,880.11	3.63	0.19%	-1.50%	11.60	0.93	5.4%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,425.6	0.31%	10.4%
DAX	Germany	12,398.8	1.04%	17.4%
CAC 40	France	5,539.0	0.83%	17.1%
United States				
DJIA	USA	26,600.0	0.28%	14.0%
S&P 500	USA	2,941.8	0.58%	17.3%
NASDAQ	USA	8,006.2	0.48%	20.7%
Asia Pacific				
NIKKEI 225	Japan	21,714.9	2.06%	8.5%
HANG SENG	Hongkong	28,542.6	-0.28%	10.4%
KSE 100 Index	Pakistan	33,969.4	0.20%	-8.4%
NSE Nifty 50	India	11,857.1	0.58%	9.2%
SHANGHAI Composite	China	3,036.3	1.93%	21.8%
KOSPI Index	South Korea	2,130.9	0.01%	4.4%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.699	1.430
British Pound (GBP)	1.268	0.788
Canadian Dollar (CAD)	0.763	1.311
Chinese Renminbi (CNH)	0.146	6.839
Egyptian Pound (EGP)	0.060	16.700
Euro (EUR)	1.132	0.883
Indian Rupee (INR)	0.015	68.908
Japanese Yen (JPY)	0.009	108.340
New Zealand Dollar (NZD)	0.670	1.493
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.635	160.026
Russian Ruble (RUB)	0.016	63.735
Singapore Dollar (SGD)	0.739	1.354
Turkish Lira (TRY)	0.175	5.727

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	66.4	2.49%	20.8%
WTI Crude (per bbl)	59.9	2.43%	31.9%
Oman Crude Oil (Last Closing)	64.3	-0.23%	20.1%
OPEC (per bbl)	65.6	0.02%	27.3%
Precious Metals			
Gold100 OZ (per oz)	1,391.0	-1.31%	8.5%
Silver (per oz)	15.2	-0.63%	-1.8%
Platinum (per oz)	833.7	-0.14%	4.8%
Other Metals			
Copper, MT	5,993	0.07%	0.5%
Aluminium, MT	1,800	0.56%	-2.5%
Lead, MT	1,932	-0.46%	-4.4%
Zinc, MT	2,495	0.81%	1.1%

GCC 3m Interbank Rates	Current Rate %
UAE	2.58
Saudi Arabia	2.71
Kuwait	2.69
Oman	2.87
Qatar	2.71
Bahrain	3.12

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.54
Abu Dhabi	11/10/2027	2.60
Qatar	02/06/2026	2.77
Saudi Arabia	04/03/2028	3.23
Oman	17/01/2028	6.37
Bahrain	12/10/2028	5.86

Midswaps	Price	YTM %
3 year	100.01	1.75
5 year	99.77	1.80
10 year	103.05	2.03
30 year	106.77	2.55

USD Libor	Rate (%)
1m	2.40
3m	2.32
6m	2.20
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

Tender issued for construction of sixth building in KOM

Shumookh Investment and Services Company, the investment arm of the Public Establishment for Industrial Estates (Madayn) has announced a tender for construction of the sixth building (KOM 6) in the Knowledge Oasis Muscat (KOM). Announcing the tender Eng. Musallam Al Hudaifi, Chief Executive Officer of Shumookh Investment said that it encourages local factories and companies, entrepreneurs and SMEs to take part in the construction process and offer their services in the fields of supply and implementation.

Source: [Times of Oman](#)

NBC inks incubation deal with local firm

The National Business Centre (NBC), which pertains to the Public Establishment for Industrial Estates (Madayn), signed on Sunday an incubation agreement with Ashal for Education and Business. The company will benefit from the incentives and services offered by NBC for small and medium enterprises (SMEs).

Source: [Times of Oman](#)

RfP for rollout of Sahim-II rooftop solar PV in Oct

The Authority for Electricity Regulation Oman (AER) plans to launch — in the fourth quarter of this year — the competitive process for interested private developers to bid for contracts to install solar PV systems atop residential buildings under its landmark Sahim-II initiative. The Sahim-II programme envisions the roll-out of small-scale solar PV systems on the rooftops of potentially up to 3,000 residential buildings in Muscat Governorate in the first tranche.

Source: [Oman Observer](#)

DP WORLD SAYS IN TALKS TO ACQUIRE TOPAZ ENERGY

DP World Plc is in discussions to acquire Renaissance Group Subsidiary Topaz Energy and Marine in what would be the Dubai-based company's first venture into the oil and gas sector. 'We are aware of the recent speculation regarding a possible acquisition of Topaz Energy and can confirm that DP World is in discussions with the relevant parties in respect of this matter', DP World said in a disclosure filed to the Dubai Financial Market on Sunday.

Source: [MD](#)

Fish landing rises by 4.7% at the end of February 2019

The total quantity of fish landed in the Sultanate reached 94,978 tons by the end of February 2019 compared to 90,743 tons during the same period of 2018, which is a rise of 4.7%, according to statistics released by the National Centre for Statistics and Information (NCSI). Traditional fishing practices in the Sultanate contributed to 93,886 tons of fish landings till the end of February 2019, constituting an increase of 4.8% over 89,577 tons in 2018. The total value of the fish stock was OMR49.911 million in 2019, representing a growth of 38.8% over OMR35.949 million in 2018.

Source: [NCSI](#)

Oman invites consultancy bids for independent water projects

Oman Power and Water Procurement Company (OPWP) has invited bids for providing legal consultancy services for the procurement of five Independent Water Projects (IWP). "A maximum of five projects could be awarded under this tender where one or more than one bidder may be selected to provide the required services for the development of IWPs for the next two years," OPWP said in a public invite. Tender documents can be purchased until 11 July 2019 and the last submission date is 8 August 2019 as per the invite.

Source: [Zawya](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MENA fund managers continue to increase investments in Kuwait: Poll

Middle Eastern funds plan to continue increasing their investments in Kuwait over the next three months, while largely keeping their exposure to other countries in the region at current levels, according to a Reuters poll. A third of the managers who took part in the poll said they would increase investment in Egypt, and the same proportion said they would decrease investment in Qatar. Six of the 11 fund managers polled said they would increase their investments in Kuwait, continuing a trend from previous months.

Source: [Zawya](#)

Foreign investments in Saudi Arabia grow 9.4%, reach \$434.68bln

Foreign investments in Saudi Arabia grew by about 9.4 percent during the first quarter of the year to reach SR1.63 trillion, business daily Al-Eqtisadiyah reported on Saturday quoting indicators of the Saudi Arabian Monetary Authority (SAMA). According to SAMA, the growth rate of 9.4 percent represented SR139.3 billion in the first quarter of 2019. It said the annual increase of the foreign investments has reached 19.7 percent worth SR268 billion.

Source: [Zawya](#)

Saudi Buying of U.S. Treasuries Has Soared Since Trump Election

After aggressively culling its holdings of U.S. government debt for most of 2016, Saudi Arabia has amassed an even larger position since Trump's election in November that year. Based on the latest reported figures, the nation nearly doubled its ownership of Treasuries to \$177 billion. No major foreign creditor has ramped up its lending to the U.S. faster.

Source: [Bloomberg](#)

Expats' remittances in Saudi Arabia fall 21.6% in May

Remittances by expatriates living in Saudi Arabia retreated SAR 2.76 billion, or 21.64%, year-on-year in May, according to data from the Saudi Arabia Monetary Authority (SAMA). Remittances by expats in the oil-rich kingdom declined to SAR 9.99 billion (\$2.66 billion) in the fifth month of 2019, compared to SAR 10.723 billion (\$2.85 billion) in the same month a year earlier. Month-on-month, remittances slid by SAR 730 million, or 6.8%, from April.

Source: [Zawya](#)

GACA launches online economic licensing services

The General Authority of Civil Aviation (GACA), in collaboration with Meras Platform, has launched the first phase of the online economic licensing services related to air transportation in the Kingdom, the Saudi Press Agency reported quoting the GACA sources. This was in continuation with GACA's efforts to provide the best electronic services in accordance with the latest technological developments.

Source: [SG](#)

Saudi POS transactions rise 21% in May 2019

Point-of-sale (POS) transactions in Saudi Arabia saw a 21 percent year-on-year (YoY) increase to SAR 27.8 billion in May, figures from the Saudi Arabian Monetary Authority (SAMA) showed. Data showed that 127 million transactions were processed through nearly 382,200 points-of-sales and automated teller machines (ATMs) in shopping malls, retail stores, and pharmacies among others.

Source: [Argaam](#)

RAKBANK, RAK Insurance sign credit protection deal

RAKBANK has signed a five-year Group Credit Protection agreement with RAK Insurance designed to provide financial protection to their borrowers and credit card holders. The agreement is backed by Munich Re, one of the world's leading reinsurers. Peter England, the CEO of RAKBANK, said, "The bank is delighted to sign this five-year agreement, offering customers a number of services as part of the credit protection programme."

Source: [Zawya](#)

Kuwait Foundry reports profits from \$6m loan repayment

Kuwait Foundry has realised a profit of nearly KWD 42,720 from Foulath Holding's loan settlement. The loan is valued at \$6.041 million (KWD 1.83 million) of which Kuwait Foundry has a 5% share, according to a bourse disclosure on Sunday. Repaying this loan will result in an increase of KWD 1.83 million in Kuwait Foundry's cash which will be registered in the income statements as on the expected date of receiving the debt settlement value; 1 July 2019.

Source: [Mubasher](#)

Mashaer posts KWD 1.375m profit from tax settlement with Saudi GAZT

Mashaer Holding Co. announced that its final tax settlement with Saudi General Authority of Zakat and Tax (GAZT) will deliver profits of KWD 1.375 million (\$4.6 million). The impact of this settlement will be realised in the company's second-quarter financials, Mashaer said in a statement to Boursa Kuwait on Sunday.

Source: [Mubasher](#)

SAMI inks deal with S.Korean Hanwha to set up JV in Saudi Arabia

Saudi Arabian Military Industries (SAMI) announced signing a memorandum of agreement (MoA) with South Korean Hanwha Group's three units; namely Hanwha Corporation, Hanwha Defense, and Hanwha Systems, Saudi Press Agency (SPA) reported on Sunday. The agreement aims to explore the possibility of establishing a joint venture company (JVC) in the kingdom. The proposed JVC is set to be established as a limited liability company named as SAMI-Hanwha Munitions Systems LLC to be based in Riyadh.

Source: [Decypha](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks Jump with Yuan on Trade Truce; Oil Surges: Markets Wrap

Stocks in Asia climbed along with U.S. equity futures and the yuan after the American and Chinese presidents reached a truce in the trade war and agreed to resume talks. Treasuries, gold and the yen declined. Futures on the S&P 500 climbed as much as 1.1% before the strength of the risk-on trade eased as Monday trading continued. China's offshore yuan rose and the Shanghai Composite gained 1.3%. Japanese shares also jumped, though South Korea's benchmark was little changed.

Source: [Bloomberg](#)

Turkey eyes C.bank's \$8bn legal reserve to shore up budget

Turkish government is reviving plans to tap the central bank's 46 billion lira (TRY) (\$7.97 billion) in legal reserves to prop up its ailing budget, while it weighs adjusting tax measures, Reuters reported. The central bank's funds were being considered to help reduce a swelling budget gap, which has widened by 225% in the first five months of this year, recording TRY 66.5 billion, A Treasury official and three other sources familiar with the plan told the news agency.

Source: [Mubasher](#)

China warns of long road ahead for deal with U.S. after ice-breaking talks

China and the United States will face a long road before they can reach a deal to end their bitter trade war, with more fights ahead likely, Chinese state media said after the two countries' presidents held ice-breaking talks in Japan.

Source: [Reuters](#)

New sales to China's Huawei to cover only widely available goods

President Donald Trump's decision to allow expanded sales of U.S. technology supplies to Chinese telecommunications giant Huawei will only apply to products widely available around the world, and leave the most sensitive equipment off limits, a top White House aide said on Sunday. "All that is going to happen is Commerce will grant some additional licenses where there is a general availability" of the parts the company needs, National Economic Council chairman Larry Kudlow said on "Fox News Sunday."

Source: [Reuters](#)

Russians Do Without as Government Squirrels Away \$100 Billion

Russia is getting a lot of credit on the global financial stage for diverting excess oil revenues into a rainy-day fund to protect the economy from the ups and downs of energy prices. But the policy isn't winning the Kremlin much popularity from consumers. The government has managed to save up more than \$100 billion under the fiscal rule since it was introduced in February 2017. That's reduced the country's vulnerability to oil prices, but it's also kept money away from ordinary Russians, struggling after half a decade of falling incomes.

Source: [Bloomberg](#)

Musk Seeking Tesla Deliveries Record Could Be a Double-Edged Sword

To understand why investors have soured on Tesla Inc. this year, consider one of the thousands of deliveries that took place last week as the electric-car maker was gunning for a record for the number of vehicles it handed over in a quarter. John Hanna, who splays his fandom for Elon Musk's companies on his Twitter profile, ordered a Model 3 Tuesday evening and drove it home the following afternoon.

Source: [Bloomberg](#)

Stocks relieved at trade truce, bonds step back

Stocks rallied and bonds retreated in Asia on Monday as a thaw in the Sino-U.S. trade dispute averted one threat to the global economy, leading investors to pare wagers on aggressive policy easing by the major central banks. The dollar firmed modestly on the safe-haven yen as Treasury yields rose and futures reined in bets for a half-point rate cut from the U.S. Federal Reserve this month.

Source: [Reuters](#)

COMMODITIES NEWS

Oil jumps on Saudi, Russia support for supply cuts

Oil prices rose more than \$1 a barrel on Monday after Saudi Arabia, Russia, Iraq backed an extension of supply cuts for another six to nine months ahead of an OPEC meeting this week. Front-month Brent crude futures for September touched an intraday high of \$66.14 a barrel and were up \$1.12, or 1.7%, at \$65.86 a barrel by 1252 GMT.

Source: [Reuters](#)

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](#)