













U Capital Morning Brief

2 August 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	844.43	4.97	0.59%	-13.33%	-	-	-
U Capital GCC 50 Index	1,348.85	-3.14	-0.23%	17.84%	-	-	-
U Capital MENA 200 Index	1,089.29	-1.83	-0.17%	9.47%	-	-	-
MSCI GCC Countries Index	555.71	2.38	0.43%	15.83%	14.12	1.81	3.8%
Muscat Securities Market	 4,340.57	4.02	0.09%	-14.88%	10.49	0.87	6.3%
Saudi Stock Exchange	 8,288.98	-5.85	-0.07%	14.71%	17.84	1.86	3.2%
Kuwait Stock Exchange	 5,179.67	12.08	0.23%	NA	15.27	1.31	3.7%
Qatar Exchange	 9,976.51	151.40	1.54%	17.05%	15.07	1.51	4.4%
Bahrain Stock Exchange	 1,353.45	-4.89	-0.36%	1.63%	8.52	0.86	6.1%
Dubai Financial Market	 2,978.54	22.59	0.76%	-11.62%	9.46	1.11	5.7%
Abu Dhabi Exchange	 4,845.35	-14.10	-0.29%	10.16%	12.63	1.43	5.0%
Beirut Stock Exchange	 1,039.70	0.00	0.00%	-9.48%	5.52	0.65	9.4%
Palestine Stock Exchange	 537.87	0.88	0.16%	-6.39%	12.84	1.18	4.5%
Tunis Se Index	 8,422.13	13.33	0.16%	34.07%	22.00	3.00	1.7%
EGX 30 Index	 15,670.18	89.99	0.58%	4.33%	11.84	2.57	2.2%
Amman General Index	 2,007.65	-0.17	-0.01%	-5.60%	15.12	1.01	4.5%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	7,652.9	-1.24%	-0.5%	Australian Dollar (AUD)	0.738	1.355
DAX	Germany	12,737.1	-0.53%	-1.4%	British Pound (GBP)	1.310	0.763
CAC 40	France	5,498.4	-0.23%	3.5%	Canadian Dollar (CAD)	0.768	1.301
United States					Chinese Renminbi (CNH)	0.146	6.833
DIJA	USA	25,333.8	-0.32%	2.5%	Egyptian Pound (EGP)	0.056	17.874
S&P 500	USA	2,813.4	-0.10%	5.2%	Euro (EUR)	1.165	0.859
NASDAQ	USA	7,707.3	0.46%	11.6%	Indian Rupee (INR)	0.015	63.041
Asia Pacific					Japanese Yen (JPY)	0.009	111.570
NIKKEI 225	Japan	22,476.2	-1.21%	-1.3%	New Zealand Dollar (NZD)	0.678	1.476
HANG SENG	Hongkong	27,683.1	-2.32%	-7.5%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	42,959.8	0.34%	6.1%	Pakistani Rupee (PKR)	0.807	123.900
NSE Nifty 50	India	11,279.3	-0.59%	7.1%	Russian Ruble (RUB)	0.016	68.408
SHANGHAI Composite	China	2,755.2	-2.45%	-16.7%	Singapore Dollar (SGD)	0.733	1.365
KOSPI Index	South Korea	2,272.9	-1.48%	-7.9%	Turkish Lira (TRY)	0.200	4.990

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	2.55	42.1%
Brent Crude (per bbl)	72.5	0.18%	12.6%	Saudi Arabia	2.61	37.6%
WTI Crude (per bbl)	67.8	0.15%	12.2%	Kuwait	2.06	10.0%
Oman Crude Oil (Last Closing)	70.9	-2.35%	10.9%	Oman	2.48	29.8%
OPEC (per bbl)	73.6	0.12%	14.2%	Qatar	2.64	-0.1%
				Bahrain	3.50	28.4%
Precious Metals				GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Gold100 OZ (per oz)	1,218.5	0.21%	-6.5%	Kuwait	3/20/2027	3.8
Silver (per oz)	15.4	0.18%	-9.1%	Abu Dhabi	10/11/2027	3.9
Platinum (per oz)	819.4	0.20%	-11.9%	Qatar	6/2/2026	3.9
Other Metals				Saudi Arabia	3/4/2028	4.3
Copper, MT	6,172	-2.03%	-14.8%	Oman	1/17/2028	6.0
Aluminium, MT	2,052	-1.39%	-9.5%	Bahrain	10/12/2028	8.0
Lead, MT	2,126	-1.32%	-14.5%			
Zinc, MT	2,555	-2.67%	-23.0%			

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.59	2.8	1m	2.08	33.1%
5 year	99.47	2.9	3m	2.35	38.6%
10 year	99.00	3.0	6m	2.53	37.7%
30 year	100.05	3.1	1 year	2.83	34.2%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Duqm Port offers 100 hectares of land for logistics

Port of Duqm, which also serves as the landlord of vast tracts of land earmarked for industrial and logistics activities port, says it is opening up a further 100 hectares of new real estate for investment. It follows the successful uptake of almost all of the 65 hectares of land offered by the port authority under the first stage of a multiphase plan to create industrial and logistics clusters in areas that fall under the port's jurisdiction.

Source: [Oman Observer](#)

Public auction for fuel stations to be announced soon

A meeting was held to make preparations for the public auction of some public sites that have been allocated for different uses. The public auction committee for the government lands held a meeting on Wednesday under the chair of Eng. Seif bin A'amir Al Shaqsi, Undersecretary of the Ministry of Housing and Head of the Committee. The public auction is expected to begin within the coming few months. The meeting discussed the procedures for the public auction on the government lands which include the integrated petrol stations on the main roads starting from Al Batinah Expressway.

Source: [Times of Oman](#)

China Petroleum Engineering's unit signs contract for about \$321mn with Oman Tank Terminal Company

China Petroleum Engineering's says unit signs crude oil park project contract for about \$321 million with Oman Tank Terminal Company.

Source: [Yahoo Finance](#)

Oman Air Cargo launches upgraded cargo hub

Oman Air Cargo, the cargo division of Oman Air — the National Carrier of the Sultanate of Oman — is now setting globally competitive logistics standards with its upgraded cargo hub facility at the new Muscat International Air Cargo Terminal. The new cargo facility features a 22,780 square-metre, air-conditioned warehouse with the capacity to handle 350,000 tons of cargo per annum — a substantially larger capacity than the previous cargo facility.

Source: [Oman Observer](#)

Haya Water completes Al Ansab treatment plant expansion project

The Ministry of Education has finalized the transfer administrative procedures for 872 school teachers as per the available vacancies. Mustafa bin Ali bin Abdullatif, Under-Secretary of the Ministry of Education for Administrative and Financial Affairs, said "due to rapid increase in the number of teachers during the last few years and due to Omanization, a high percentage in some educational curriculum, the ministry was forced to appoint some teachers nearer to their homes."

Source: [Oman Observer](#)

Record tourist numbers as Omanis support Khareef post Mekunu

Cyclone Mekunu may have wreaked havoc across Dhofar Governorate two months ago, but the global spotlight on southern Oman has had a welcome side effect—a record number of visitors. The number of people visiting Salalah during the tourist season has increased by 49 per cent just two months after the cyclone wreaked havoc, according to the latest data from the National Centre for Statistics and Information (NCSI). "As of July 31, 2018, there were 426,935 visitors in Salalah, compared with 286,616 visitors during the same period in 2017," said the NCSI.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Bank sector gains send Qatar to highest close for 14 months

Qatar overtakes Saudi Arabia as best performing Gulf market. Property and bank sector shares boost Dubai. Saudi flat, under pressure from banks, petrochemicals. Egypt hits 3-week high

Source: [Reuters](#)

Quest for size has GCC banks rushing to seal takeover deals

After a long lull, deals between Gulf banks are kicking up a gear. Lenders across the region are undergoing their biggest shake up since 2007, with almost a dozen of them involved in takeovers or mergers over the past two years. The companies are bulking up to cope with dwindling government revenues following a drop in oil prices that squeezed deposits. They're also combining operations in a market seen as overbanked for the population size.

Source: [Muscat Daily](#)

Restructuring of real estate sector & development of its mechanisms tied to decisions taken by Central Bank of Kuwait

Secretary of Kuwait Real Estate Union Qais Al-Ghanim says the restructuring of the real estate sector and development of its mechanisms are linked to the decisions taken by the Central Bank of Kuwait (CBK). He stressed that the future of real estate sector is determined by the bank's financing of the projects.

Source: [Arab Times](#)

Zain H1 net profit rises 5% to KD 86.4 mn

Zain Group, a leading mobile innovator with operations in eight markets across the Middle East and Africa, announces its consolidated financial results for the six months to 30 June 2018. Zain served 47.4 million customers at the end of the period, reflecting a 5% increase year-on-year (Y-o-Y). In 2018, Zain applied the new IFRS 9 and IFRS 15 accounting standards that negatively impacted the company's key financial indicators, particularly EBITDA. For the first six months of 2018 (H1), the Group's consolidated revenues remained stable at KD 503 million (\$1.67 billion). The Group's consolidated EBITDA for the period reached KD 169 million (\$563 million), down 20% Y-o-Y in KD terms, reflecting an EBITDA margin of 34%. Consolidated net income increased 5% Y-o-Y to reach KD 86.4 million (\$287 million).

Source: [Arab Times](#)

Saudi Aramco awards \$300 mln housing contract to Turkey's Kolin

Saudi Arabian Oil Co. (Saudi Aramco) has awarded Turkey's Kolin Construction a \$300 million construction contract for a housing project in the Eastern Province, according to MEED. Under the contract, the Turkish company will carry out the site development of Increment 2 for the South Dhahran Home Ownership Program (SDHOP), known as Ajyal. The entire SDHOP has a budgeted value of \$5.5 billion.

Source: [Argaam](#)

Dubai tourism growth slows in first half of 2018

The number of foreigners visiting Dubai, the Gulf's tourism hub, grew by 0.5 percent in the first half of 2018, a substantially slower rate than the 10.6 percent growth recorded a year earlier, official data showed on Wednesday. Dubai, which has spent billions building attractions including the world's tallest tower, hosted 8.1 million international overnight tourists in the six months to June 30, the tourism department said without giving a comparative figure.

Source: [Zawya](#)

\$13bn stimulus package 'to drive Abu Dhabi real estate market'

Although market conditions in Abu Dhabi remain relatively unchanged, the second quarter witnessed a major announcement by Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces Sheikh Mohamed bin Zayed Al Nahyan, introducing an economic stimulus package for Abu Dhabi to drive economic growth, said leading real estate expert JLL.

Source: [Zawya](#)

Capital, reserves of UAE banks hit \$90bn in Q2

The aggregate capital and reserves of banks operating in the UAE increased by 4.4 per cent, reaching Dh330.2 billion (\$90 billion) by the end of Q2 2018 compared to a 1.5 per cent increase at the end of the same period of 2017, a media report said. The total capital adequacy ratio showed an increase of 3.4 per cent during the second quarter of 2018, compared to a decrease of 0.5 per cent during the corresponding period of 2017, reported Emirates news agency, citing statistics from the Central Bank of the UAE.

Source: [Zawya](#)

MENA investment activity grows in H1 on record deals

The emerging ecosystem in the Middle East and North Africa (MENA) region registered a record number of transactions in the first six months of 2018, despite a drop in disclosed startup funding, data compiled by MAGNiTT, the largest data provider for startup information in the MENA region, showed. A total of 141 investments were executed in the first half of 2018, registering a year-on-year rise of 12%, according to the report.

Source: [Mubasher](#)

S&P reaffirms positive outlook credit ratings on Sharjah

Standard & Poor's (S&P) has reaffirmed Sharjah's BBB + sovereign credit ratings with a positive outlook. In a statement, S&P said that it expected the Emirate's economy to grow two per cent between 2018 and 2021 as well as the acceleration of GDP growth in 2018 based on the growth of business in the real estate and construction sectors.

Source: [Zawya](#)

Bahrain FDI grows 114% as reforms boost investment

FDI inflows to Bahrain grew 114% in 2017 to \$519 million, according to data released by the United Nations Conference on Trade and Development (UNCTAD), the fastest growth rate in the GCC. The rapid growth came in spite of a drop in global FDI of 23%. Growth in investment was supported by a number of major economic reforms in recent years – with UNCTAD citing Bahrain's amendments to its commercial companies law allowing 100% foreign ownership in additional sectors as an example of liberalization supporting FDI growth.

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Fed leaves rates unchanged but upgrades view of the US economy to 'strong'

The Federal Reserve upgraded its assessment of the U.S. economy Wednesday but decided to skip another interest rate increase for now. In a widely expected move, the central bank's policymaking Federal Open Market Committee voted unanimously to keep the target range for its benchmark rate at 1.75 percent to 2 percent. However, the committee is widely expected to approve an increase at the September meeting and a tweak in the language from the post-meeting statement could be a nod toward more monetary policy normalization.

Source: [CNBC](#)

Asian shares slide on fresh trade worries, bonds fragile

Asian stocks dropped on Thursday as the latest escalation in the Sino-U.S. trade war hit Chinese shares, while global bond markets were rattled by increased borrowing by Washington and Japan's new tolerance for higher yields.

Source: [Reuters](#)

Trump considers hiking proposed tariffs on \$200 billion in Chinese goods to 25%

President Donald Trump has told his top trade official to consider raising proposed tariffs on \$200 billion in Chinese goods to 25 percent from the 10 percent rate his administration is currently mulling, the administration announced Wednesday. The president's direction to U.S. Trade Representative Robert Lighthizer comes as the White House tries to use duties, among other tools, to push China to abandon alleged unfair practices and reach a potential new trade deal.

Source: [CNBC](#)

Apple just updated its share count, here's what it will take to hit \$1 trillion in market cap

Apple revealed an adjusted outstanding share count Wednesday. Investors had previously been looking for a share price of \$203.45 to hit the record market cap. Apple took a considerable lead over e-commerce giant Amazon in the race to become the first publicly traded U.S. company worth \$1 trillion.

Source: [CNBC](#)

COMMODITIES NEWS

Gold prices rise slightly on steady dollar

Gold inched higher in early trade on Thursday, recovering from its fall in the previous session when the U.S. Federal Reserve kept interest rates steady, as the dollar held steady.

* U.S. gold futures GCcv1 were, however, 0.1 percent lower at \$1,226.80 an ounce.

Source: [NASDAQ](#)

Oil steadies to trade higher after losses

Oil prices rose on Thursday, steadying after losses over the past two days from a surprise increase in U.S. crude inventories and renewed concerns over trade friction between the U.S. and China.

Source: [Reuters](#)

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