

U Capital Morning Brief

1 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	839.46	-1.54	-0.18%	-13.84%	-	-	-
U Capital GCC 50 Index	1,351.99	3.55	0.26%	18.11%	-	-	-
U Capital MENA 200 Index	1,091.12	2.17	0.20%	9.65%	-	-	-
MSCI GCC Countries Index	553.33	1.24	0.23%	15.33%	14.05	1.80	3.9%
Muscat Securities Market	4,336.55	16.09	0.37%	-14.96%	10.49	0.87	6.3%
Saudi Stock Exchange	8,294.83	-14.54	-0.17%	14.79%	17.83	1.86	3.3%
Kuwait Stock Exchange	5,167.59	-46.99	-0.90%	NA	15.24	1.30	3.7%
Qatar Exchange	9,825.11	173.34	1.80%	15.27%	14.84	1.49	4.5%
Bahrain Stock Exchange	1,358.35	-12.15	-0.89%	2.00%	8.55	0.86	6.0%
Dubai Financial Market	2,955.95	-9.56	-0.32%	-12.29%	9.40	1.09	5.7%
Abu Dhabi Exchange	4,859.45	13.20	0.27%	10.48%	12.66	1.44	4.9%
Beirut Stock Exchange	1,039.70	-0.23	-0.02%	-9.48%	5.48	0.64	9.4%
Palestine Stock Exchange	536.99	-2.26	-0.42%	-6.54%	12.82	1.18	4.5%
Tunis Se Index	8,408.80	84.50	1.02%	33.86%	21.96	2.99	1.7%
EGX 30 Index	15,580.19	283.17	1.85%	3.74%	11.78	2.56	2.2%
Amman General Index	2,007.82	-6.47	-0.32%	-5.59%	14.95	1.00	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,748.8	0.62%	0.8%
DAX	Germany	12,805.5	0.06%	-0.9%
CAC 40	France	5,511.3	0.37%	3.7%
United States				
DJIA	USA	25,415.2	0.43%	2.8%
S&P 500	USA	2,816.3	0.49%	5.3%
NASDAQ	USA	7,671.8	0.55%	11.1%
Asia Pacific				
NIKKEI 225	Japan	22,742.7	0.85%	-0.1%
HANG SENG	Hongkong	28,575.5	-0.03%	-4.5%
KSE 100 Index	Pakistan	42,940.5	0.50%	6.1%
NSE Nifty 50	India	11,385.4	0.25%	8.1%
SHANGHAI Composite	China	2,867.3	-0.32%	-13.3%
KOSPI Index	South Korea	2,303.4	0.35%	-6.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.741	1.349
British Pound (GBP)	1.310	0.763
Canadian Dollar (CAD)	0.768	1.302
Chinese Renminbi (CNH)	0.146	6.833
Egyptian Pound (EGP)	0.056	17.859
Euro (EUR)	1.168	0.856
Indian Rupee (INR)	0.015	62.522
Japanese Yen (JPY)	0.009	111.960
New Zealand Dollar (NZD)	0.679	1.472
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.807	124.193
Russian Ruble (RUB)	0.016	68.544
Singapore Dollar (SGD)	0.734	1.362
Turkish Lira (TRY)	0.203	4.930

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	73.9	-0.39%	14.8%
WTI Crude (per bbl)	68.4	-0.55%	13.2%
Oman Crude Oil (Last Closing)	72.7	-1.96%	13.6%
OPEC (per bbl)	73.5	-0.22%	14.1%
Precious Metals			
Gold100 OZ (per oz)	1,221.2	-0.26%	-6.3%
Silver (per oz)	15.5	-0.30%	-8.6%
Platinum (per oz)	835.8	-0.33%	-10.2%
Other Metals			
Copper, MT	6,300	0.80%	-13.1%
Aluminium, MT	2,081	-0.62%	-8.2%
Lead, MT	2,155	0.07%	-13.4%
Zinc, MT	2,625	2.66%	-20.9%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.62	45.9%
Saudi Arabia	2.61	37.6%
Kuwait	2.06	10.0%
Oman	2.48	29.8%
Qatar	2.64	-0.2%
Bahrain	3.50	28.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.7
Abu Dhabi	10/11/2027	3.9
Qatar	6/2/2026	3.9
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	5.9
Bahrain	10/12/2028	7.9

Midswaps	Price	YTM %
3 year	99.59	2.8
5 year	99.50	2.9
10 year	99.17	3.0
30 year	100.56	3.1

USD Libor	Rate (%)	YTD
1m	2.08	33.1%
3m	2.34	38.3%
6m	2.53	37.7%
1 year	2.82	33.9%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

CBO issues treasury bills worth OMR 58mn

A tender of the government treasury bills (issue number 477) was held at the Central Bank of Oman (CBO) this week. Total value of allotted treasury bills amounted to RO58mn, for a maturity period of 91 days, from today until October 31. Average accepted price reached RO99.481 for every RO100 bill while minimum accepted price arrived at RO99.42. Average discount rate and average yield reached 2.0836 per cent and 2.0945 per cent, respectively.

Source: [Muscat Daily](#)

OGC SIGNS AGREEMENT WITH ORPIC TO OPERATE LNG EXTRACTION PLANT AND PIPELINES

Oman Oil Refineries and Petroleum Industries Co (Orpic) signed an agreement with Oman Gas Company (OGC) for the operation and maintenance of the LNG extraction plant and the associated pipelines – a package of Liwa Plastic Industries Complex (LPIC) project. The agreement signing ceremony was held on Monday under the auspices of H E Dr Ali bin Masoud bin Ali al Sunaidy, Minister of Commerce and Industry, in the presence of a number of public and private sector officials. The agreement was signed by Ahmed al Jahdami, CEO of Orpic and Sultan bin Hamad al Bartamani, acting executive general manager of OGC.

Source: [Muscat Daily](#)

Potable water losses fall by 12pc in 2017

The Public Authority for Electricity and Water (Diam) has reported significant gains in the reduction of the copious amounts of potable water that is unaccounted for at various points along the utility's ever expanding transmission, distribution and supply system. Water losses – also known as Unaccounted for Water (UFW) or Non-Revenue Water (NRW) – were reduced by around 12 per cent in 2017 over corresponding figures for 2016, PAEW Chairman Mohammed bin Abdullah al Mahrouqi said.

Source: [Oman Observer](#)

Oman Air Cargo sees 25% surge in business in H1 2018 with Muscat's new facility

Oman Air Cargo 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-meter, air-conditioned warehouse with the capacity to handle 350,000 tons of cargo per annum – a substantially larger capacity than the previous cargo facility. With this upgraded terminal facility, the cargo division of the airline has seen 25 percent increase in cargo volume in the first half of 2018 as compared to the same period in 2017.

Source: [Stat Times](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC bonds, Sukuk issuance rises 10%

The aggregate primary issuance of bonds and sukuk by Gulf Cooperation Council (GCC) entities, including central bank local issuances and GCC sovereign and corporate issuances, in the first half of 2018 increased by 9.64 per cent to US\$95.25 billion compared with the same period in 2017, a new report revealed. Qatar led the GCC in terms of total value raised from issuances, according to the Kuwait Financial Centre (Markaz) in its recent research report, "GCC Bonds and Sukuk Market Survey."

Source: [Times of Oman](#)

Prince Mohammed to head new committee for hydrocarbon affairs

Saudi Arabia's cabinet approved on Tuesday forming a higher committee for hydrocarbons, to be headed by Crown Prince Mohammed bin Salman, the state news agency SPA said. The higher committee for hydrocarbon affairs will be responsible for all hydrocarbon-related issues. It will comprise the energy minister as well as the ministers of trade, finance, as well as economy and planning, the report added.

Source: [Argaam](#)

Leejam's IPO starts at SR52 per share

The retail offering of Leejam Sports Company's IPO starts today. Leejam Sports Company is the owner and operator of fitness centers under the "Fitness Time" brand. The Capital Market Authority ("CMA") recently approved Leejam's application for an offering of 15.7 million shares (representing 30% of the company's share capital) to the public. The retail subscription period will run for seven days from Wednesday (Aug. 1) and end Aug. 7. During this period, individual investors will have the opportunity to subscribe to 1,571,501 shares (representing 10% of the total offered shares in the IPO) at a price of SR52 per share.

Source: [Saudi Gazette](#)

Saudi Finance ministry inks deals to fund 17 projects worth SAR 756 mln

Saudi Arabia's Ministry of Finance signed on Tuesday new agreements for financing 17 health, education and hotel projects, at a total value of SAR 755.8 million and total investments of SAR 1.5 billion. The deal was inked by Tariq Alshuhayeb, the deputy minister for revenues at the Ministry of Finance, in the presence of a number of project owners and officials from various ministries and government bodies.

Source: [Argaam](#)

Saudi Arabia's PIF said to raise \$6-8 bln in first loan

Saudi Arabia's Public Investment Fund (PIF) is planning to raise between \$6 billion and \$8 billion from banks to help support the Kingdom's economic transformation plans, Reuters reported, citing sources familiar with the matter. The PIF issued a request for proposals to banks

several weeks ago about raising money for a syndicated loan, but the deal not expected to close before September, sources told the news agency.

Source: [Argaam](#)

Funds' confidence in UAE equities returning, bullish on Kuwait

Fund managers' confidence in United Arab Emirates stock markets is returning after being damaged by the planned liquidation of Dubai-based private equity firm Abraaj, while funds remain very positive on Kuwait, a monthly Reuters poll showed on Tuesday. Forty-six percent of funds now expect to raise allocations to UAE equities in the next three months and only 8 percent to reduce them, according to the poll of 13 leading Middle East fund managers, conducted in the past week.

Source: [Zawya](#)

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](#)

Nasdaq Dubai names 12 firms with \$229bn market capitalization for Saudi futures

Nasdaq Dubai named on Tuesday 12 Saudi listed companies, with a combined market value of 859 billion Saudi riyals (Dh841.3bn), for which it plans to launch futures as the bourse expands its offerings beyond UAE stocks. The companies, some of them among the largest businesses in the Middle East, are active in sectors from real estate and petrochemicals to banking and transport, Nasdaq Dubai said in a statement. These companies account for 43 per cent of the Saudi stock exchange, or Tadawul, as the largest Arab equities market is known, it added.

Source: [The National](#)

Is Saudi Aramco now mulling Plan B in IPO saga?

Saudi Arabia sought to raise billions through a historic Aramco IPO to remake its oil-dependent economy, but with those efforts floundering the state-owned giant is mulling what analysts call a risky Plan B. The plan to float around five percent of Aramco -- expected to be the world's largest stock sale -- forms the cornerstone of a reform program envisaged by Crown Prince Mohammed bin Salman to wean the economy off its reliance on oil.

Source: [Arabian Business](#)

QFC new business inflow increases by 69% in H1, 2018

With a sharp rise in the number of new Qatar Financial Centre (QFC)- licensed businesses over the last few months, the Doha-based centre has emerged as one of the leading and fastest-growing onshore business and financial centres in the world. The QFC Authority announced yesterday that it has witnessed a remarkable 69 percent increase in new firms registered under it during the first six month of this year (H1, 2018) ended June 30, compared to the corresponding period last year (H1, 2017). The total number of firms on the QFC platform was recorded as 532 firms as of June 30, 2018.

Source: [TPQ](#)

Banks weigh on Saudi and Dubai, as Qatar rebound continues

Shares of blue chip banks and petrochemical companies weighed on the Saudi stock market on Tuesday, while Qatar's benchmark index continued to recover. Saudi Arabia, the region's biggest stock market, ended down 0.2 percent. The index's two biggest market movers, Al-Rajhi Bank and petrochemicals giant SABIC, both shed 0.5 percent. Riyadh Bank and Saudi British Bank (SABB) also closed down 1.1 percent and 1.6 percent respectively.

Source: [Business Recorder](#)

Qatar to award \$85bn worth of projects in coming years

Qatar is set to award an estimated \$85bn worth of planned projects in the coming years. Of these planned, but unawarded projects, about \$9.1bn worth projects are under study, \$31.7bn of projects are at some stage of tendering while \$44bn of projects are in designing stage.

Source: [TPQ](#)

Kuwait Foreign Petroleum Exploration Co to tap \$1bn for oil and gas projects

Kuwait Foreign Petroleum Exploration Co (Kufpec) is borrowing \$1.1 billion to spend on oil and natural gas projects as the company plans to expand its shale operations, chief executive Sheikh Nawaf Saud Al Sabah said. Sumitomo Mitsui Banking and Societe Generale were the joint lead arrangers of the five-year loan for Kufpec, a unit of state-run Kuwait Petroleum Corp (KPC), Mr Al Sabah said in Kuwait City. The new financing includes a two-year grace period and is in addition to \$3.5bn that Kufpec has borrowed from banks since 2013. The company will finish repaying the \$3.5bn next year, he said.

Source: [The National](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia Stocks Mixed, Japan's Bond Yields Head Higher: Markets Wrap

Asian equities were mixed as investors sifted through the latest news on the U.S.-China trade front and positive results from Apple Inc. Bonds fell as Japanese yields climbed higher after the central bank said it would allow more flexibility in yield movements.

Source: [Bloomberg](#)

U.S. Considers Higher Tariffs on \$200 Billion in Chinese Imports

The Trump administration is considering more than doubling its planned tariffs on \$200 billion in Chinese imports, ratcheting up pressure on Beijing to return to the negotiating table, three people familiar with the internal deliberations said. The U.S. imposed 25 percent tariffs on \$34 billion of Chinese products in early July, and the review period on another \$16 billion of imports ends Wednesday. President Donald Trump had threatened an additional \$200 billion with levies of 10 percent, a level the administration may raise to 25 percent in a Federal Register notice in coming days, one of the people said.

Source: [Bloomberg](#)

Apple delivers a strong earnings report and its shares pop

EPS grew by 40 percent year-over-year, and revenue grew by 17 percent year-over-year. The 41.3 million iPhones shipped during the third quarter is basically flat from the year-ago period, but the ASP of \$724 is a notable jump. The quarterly report comes after a market rout for major tech stocks.

Source: [CNBC](#)

It's in China's interest to reconsider its trade surplus with the US

Washington's apparent shift of emphasis from its unassailable trade argument to an uncertain legal battle about China's foreign trade policies and practices looks like an own goal. Upon reflection, Washington could soon recover. Some own goals during the recent World Cup ultimately led to a win.

Source: [CNBC](#)

COMMODITIES NEWS

Oil extends decline after biggest monthly slump in two years

Oil prices fell on Wednesday after industry data showed U.S. stockpiles of crude unexpectedly rose, starting the new month in negative territory after the largest monthly decline in two years in July. October Brent crude futures dropped 29 cents, or 0.4 percent, to \$73.92 a barrel by 0044 GMT, adding to a 1.8 percent loss in the previous session.

Source: [Money Control](#)

Gold steady ahead of Fed statement

Gold prices were steady early Wednesday, after slipping to a near two-week low in the previous session, as investors waited for the outcome of the U.S. Federal Reserve's monetary policy meeting for outlook on interest rates.

FUNDAMENTALS

* Spot gold was unchanged at \$1,223.45 an ounce at 0050 GMT, after hitting the lowest since July 19 at \$1,214.40 overnight.

* U.S. gold futures were 0.1 percent lower at \$1,222.40 an ounce.

Source: [Reuters](#)

Uthar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137

PC 111, Sultanate of Oman

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net



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