

U Capital Morning Brief

8 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	872.83	3.97	0.46%	-10.41%	-	-	-
U Capital GCC 50 Index	1,350.46	2.60	0.19%	17.98%	-	-	-
U Capital MENA 200 Index	1,091.11	1.80	0.17%	9.65%	-	-	-
MSCI GCC Countries Index	554.87	1.08	0.20%	15.65%	14.08	1.81	3.9%
Muscat Securities Market	4,447.71	27.37	0.62%	-12.78%	9.01	0.89	6.1%
Saudi Stock Exchange	8,242.82	12.69	0.15%	14.07%	17.87	1.85	3.4%
Kuwait Stock Exchange	5,279.05	20.00	0.38%	NA	15.50	1.33	3.7%
Qatar Exchange	9,973.97	40.75	0.41%	17.02%	15.05	1.51	4.4%
Bahrain Stock Exchange	1,348.19	-4.21	-0.31%	1.24%	8.55	0.86	6.1%
Dubai Financial Market	2,951.07	-26.71	-0.90%	-12.43%	9.36	1.10	5.7%
Abu Dhabi Exchange	4,911.19	27.65	0.57%	11.66%	12.92	1.45	4.9%
Beirut Stock Exchange	1,031.87	-12.72	-1.22%	-10.16%	5.46	0.65	9.4%
Palestine Stock Exchange	544.41	-0.64	-0.12%	-5.25%	12.94	1.18	4.5%
Tunis Se Index	8,378.26	6.77	0.08%	33.37%	21.88	2.98	1.7%
EGX 30 Index	15,761.55	115.99	0.74%	4.94%	10.53	2.42	2.5%
Amman General Index	1,988.00	-22.91	-1.14%	-6.53%	14.52	1.01	4.6%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe					Australian Dollar (AUD)	0.743	1.347
FTSE 100	UK	7,718.5	0.71%	0.4%	British Pound (GBP)	1.295	0.772
DAX	Germany	12,648.2	0.40%	-2.1%	Canadian Dollar (CAD)	0.766	1.306
CAC 40	France	5,521.3	0.81%	3.9%	Chinese Renminbi (CNH)	0.146	6.829
United States					Egyptian Pound (EGP)	0.056	17.900
DJIA	USA	25,628.9	0.50%	3.7%	Euro (EUR)	1.162	0.860
S&P 500	USA	2,858.5	0.28%	6.9%	Indian Rupee (INR)	0.015	63.494
NASDAQ	USA	7,883.7	0.31%	14.2%	Japanese Yen (JPY)	0.009	111.260
Asia Pacific					New Zealand Dollar (NZD)	0.676	1.480
NIKKEI 225	Japan	22,667.5	0.00%	-0.4%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	28,368.8	0.42%	-5.2%	Pakistani Rupee (PKR)	0.805	124.245
KSE 100 Index	Pakistan	42,745.0	-0.03%	5.6%	Russian Ruble (RUB)	0.016	68.646
NSE Nifty 50	India	11,403.4	0.12%	8.3%	Singapore Dollar (SGD)	0.733	1.364
SHANGHAI Composite	China	2,770.5	-0.32%	-16.2%	Turkish Lira (TRY)	0.191	5.237
KOSPI Index	South Korea	2,302.9	0.12%	-6.7%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	74.6	-0.04%	15.9%	UAE	2.57	43.2%
WTI Crude (per bbl)	69.2	0.10%	14.6%	Saudi Arabia	2.61	37.5%
Oman Crude Oil (Last Closing)	73.4	1.21%	14.7%	Kuwait	2.00	6.7%
OPEC (per bbl)	72.3	0.28%	12.1%	Oman	2.48	29.7%
				Qatar	2.63	-0.5%
				Bahrain	3.53	29.4%
Precious Metals						
Gold100 OZ (per oz)	1,213.6	0.21%	-6.9%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	15.4	0.27%	-9.0%		Maturity date	YTM, %
Platinum (per oz)	830.8	0.13%	-10.7%	Kuwait	3/20/2027	3.8
Other Metals						
Copper, MT	6,175	0.68%	-14.8%	Abu Dhabi	10/11/2027	3.9
Aluminium, MT	2,038	-0.24%	-10.1%	Qatar	6/2/2026	3.9
Lead, MT	2,149	1.61%	-13.6%	Saudi Arabia	3/4/2028	4.2
Zinc, MT	2,600	1.21%	-21.7%	Oman	1/17/2028	6.1
				Bahrain	10/12/2028	8.1

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.95	2.8	1m	2.08	33.1%
5 year	99.59	2.8	3m	2.34	38.3%
10 year	99.20	3.0	6m	2.52	37.3%
30 year	100.22	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

Omantel signs pact with Oman's first blockchain company

Omantel, the first and leading provider of integrated telecommunications services in the Sultanate, has recently signed a memorandum of understanding (MoU) with Blockchain Solutions & Services (BSS) for mutual cooperation between the two companies which include availing the smart solutions offered by BSS in logistic and commercial operations.

Source: [Times of Oman](#)

CBO issues treasury bills worth OMR42mn

Oman's central bank raised OMR42 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from Wednesday until September 5, 2018. The average accepted price reached 99.843 for every OMR100, and the minimum accepted price arrived at 99.840 per OMR100. Whereas the average discount rate and the average yield reached 2.04692 per cent and 2.05014 per cent, respectively.

Source: [Times of Oman](#)

OPWP PLANS TWO NEW WATER PROJECTS IN AL BATINAH REGION

Oman Power and Water Procurement Company (OPWP) on Tuesday initiated the per-qualification process for developers to set-up two new independent water projects (IWPs) in Al Batinah region. The two proposed water desalination plants will have a combined capacity to produce 250,000 cubic meters of water per day and will be located at North Al Batinah and Barka. In a statement on its website, OPWP announced the qualification process for developers through the launch of a request for qualification (RFQ) tender.

Source: [Muscat Daily](#)

HE Al Oufi says Tanfeedh recommends merging electricity with oil, gas sectors

"There are two important recommendations for the energy outputs implemented by the National Program for Enhancing Economic Diversification "Tanfeedh". The first is to merge electricity sector with oil and gas sectors. The second is to allocate gas to the local industries and projects and to develop proper plans that allow investors to be aware of the procedures for getting the required quantities of gas," said Eng Salim bin Nasser al Oufi, Undersecretary of the Ministry of Oil and Gas in statements to reporters while patronizing over the handing over ceremony of PDO In Country Value (ICV) Awards.

Source: [Zawya](#)

Sultanate to raise crude production

The Sultanate may raise its oil production in the next six months in accordance with the recent OPEC agreement, Salim bin Nasser al Oufi, Under-Secretary, Ministry of Oil and Gas, has said. Speaking to reporters at a ceremony held for presenting PDO's In Country Value (ICV) awards, he said this agreement was made to cover the deficit by countries that failed to produce their allotted quota. The Sultanate is contributing to the efforts made to fill this deficit.

Source: [Oman Observer](#)

Salalah Port braces for impact from trade war

Port of Salalah is warning that an impending trade war between the United States and major economic powers, combined with Washington's decision to reinstate sanctions against Iran, will negatively impact its operations — both on the Container and General Cargo sides of its business. The looming challenges threaten to compound Salalah Port's woes as it continues to grapple with the devastating aftermath of Cyclone Mekunu, which ravages the hub and indeed large swathes of Dhofar's coast.

Source: [Oman Observer](#)

Disclosure: Oman National Engineering & Investment Co.

The company has been awarded a tender worth OMR 1.1 million for a period of 360 days commencing on 16/8/2018, for construction of 33kV and 11 kV feeders for Hamim, Qatar Al Awamer and Saieh Al Maidein Primary substation in Al Dakhiliyah Governorate.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Middle East demand for world bank financing rises to \$6.3bn in 2018

The World Bank responded to strong demand from countries in the Middle East and North Africa (MENA) region for development finance, global expertise and innovation during the financial year that ended on June 30, 2018. In addition to US\$6.3bn in new financial commitments during the past financial year, the bank also delivered a wide range of analytical products to help MENA countries transform their economies, and lay the foundations for inclusive growth and job creation.

Source: [Muscat Daily](#)

Saudi Aramco, Malaysia's Petronas said to approach banks for \$8 bln loan

State-run Saudi Aramco and Malaysia's Petronas have approached banks to replace a short-term \$8 billion loan raised in March with a long-term financing at nearly the same value, Reuters reported Monday, citing banking sources familiar with the matter.

Source: [Argaam](#)

Retail subscription for Leejam's IPO ends today

Retail subscription for Leejam Sports Co.'s IPO will end today, Tuesday, Aug. 7. The company is offering 15.72 million shares in the IPO that started on Wednesday Aug. 1. Ninety percent of the IPO shares were offered to institutional investors, covered by 8.3 times, while 1.57 million shares, or 10 percent, were offered to retail investors at a share price of SAR 52, set by the book-building process.

Source: [Argaam](#)

Saudi sovereign fund PIF has bought a below 5% stake in Tesla: source

Public Investment Fund, Saudi Arabia's sovereign wealth fund, has bought a minority stake in Tesla at just below 5 percent, a source familiar with the matter said on Tuesday. PIF did not immediately respond to a Reuters query for comment, while Tesla declined to comment. The source declined to be identified because the stake purchase is not public. PIF, one of the world's biggest sovereign wealth funds with \$250 billion in assets, also has a stake in Uber as it has identified technology as a key area for investment.

Source: [Zawya](#)

Saudi group plans \$1bn medical city in Egypt

Saudi-based Atraba Integrated Holding has announced plans to build an integrated medical city project over a sprawling 500,000-sq-km area in Egypt at an initial investment of \$1 billion, said a report. The project financing and fund company is looking to partner with local players on the project, reported Daily News Egypt, citing Saudi investor Fawaz Mohammed Bashraheel, also the chairperson of Atraba Integrated Holding,

Source: [GDN](#)

L'azurde acquires Saudi Arabia franchisee for TOUS brand

L'AZURDE Company for Jewelry, the largest gold and diamonds jewelry designer, manufacturer, wholesale and retail distributor in the Middle East, announced Tuesday it has signed the Share Purchase Agreement (SPA) to acquire 100% of the equity of Izdiad Commercial Company of Arabia (Izdiad), the KSA franchisee of the TOUS international jewelry brand.

Source: [SG](#)

Abu Dhabi's non-oil exports to US jump 95% in 4 months

Non-oil exports of Abu Dhabi to the US jumped by 94.8% year-on-year in the first four months of 2018 to record AED 860 billion from AED 441 million. On the other hand, the emirate's exports of aluminum and iron and steel rose by 22% in the January-April period of this year, according to a report issued by the Statistics Centre Abu Dhabi (SCAD). Aluminum exports grew 22.9% to AED 1.90 billion at the end of April, compared to AED 1.34 billion in the same period a year earlier.

Source: [Zawya](#)

Dubai's DP World acquires Danish logistics firm Unifeeder

DP World, one of the world's largest port operators, said on Tuesday it had acquired 100 percent of Unifeeder Group, a Danish logistics company, for 660 million euros (\$762.6 million). The acquisition from Nordic Capital Fund VIII and certain minority shareholders will boost DP World's presence in the global supply chain and broaden its product offering to its customers, shipping lines and cargo owners, DP World said.

Source: [Zawya](#)

Agthia mulls acquisition opportunities in North Africa and Asia by 2021

Abu Dhabi-listed food and drinks firm Agthia Group is mulling acquisition opportunities in North Africa and Asia by 2021 as part of a plan to expand its footprint beyond the Middle East, its chief executive said on Tuesday. The company is also studying acquisition targets in Saudi Arabia with a ticket size of 500 million riyals (Dh489.6m) to 1.5 billion riyals and expects to close a deal by year-end or the first quarter of 2019, Tariq Al Wahedi told The National. The purchases will help grow its market share to become the No 2 food company in the kingdom, up from its current ranking of sixth biggest player.

Source: [The National](#)

MIDEAST STOCKS-Abu Dhabi hits multi-year high, Saudi shrugs off diplomatic row

Gulf stocks mostly rose on Tuesday, with the Abu Dhabi exchange hitting its highest level since 2014 and Saudi Arabia's exchange shrugging off a diplomatic row with Canada. The Abu Dhabi index reversed a small correction earlier in the day to close 0.6 percent higher at 4,911 points, its highest in four years. Blue chip First Abu Dhabi Bank gained 1.8 percent, followed by Union National Bank, up 1.7 percent.

Source: [Reuters](#)

Mena Real Estate nods to KWD 1.5m capital cut

The ordinary general meeting (OGM) of Mena Real Estate approved shrinking its capital by KWD 1.46 million which represents the value of the unsubscribed shares by the shareholders of Rasmal Holding Co. Mena Real Estate will reduce the capital to KWD 13.84 million from KWD 15.3 million, according to a bourse statement on Monday. The company added that maturity date is on 16 September 2019, while the distribution date will be 17 September 2019. It is noteworthy that Mena Real Estate incurred a loss of about KWD 731,780 in the fiscal year that ended on 31 March 2018, 249% higher than approximately KWD 209,580 in the same period last year.

Source: [Mubasher](#)

Moody's upgrades DP World's rating

Moody's Investors Service has upgraded the long-term issuer rating of DP World Limited (DPW) to Baa1 from Baa2. The outlook on all ratings is stable. Rehan Akbar, Moody's vice president - senior analyst, said: "Our decision to upgrade DP World's ratings reflects a strong track record in managing its business through industry cycles as well as achieving its growth ambitions, while maintaining a healthy financial profile."

Source: [GDN](#)

Disclosure: Amanat acquires Middlesex University Dubai for AED 369 million

Acquisition of Middlesex University Dubai is Amanat's sixth portfolio company and demonstrates commitment to a more active investment strategy.

Source: [DFM](#)

Downgraded Bahrain banks to find funding expensive

Rating agency Moody's Investors Service has downgraded four Bahraini banks in line with its recent downgrade of the Government of Bahrain's issuer rating to B2 from B1 with negative outlook. In its latest rating action, the rating agency downgraded the long-term local currency deposit ratings of Bank of Bahrain and Kuwait (BBK) to B2 from B1, and National Bank of Bahrain (NBB).

Source: [Gulf News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

20% interest rates, crashing capital markets: Trump's sanctions causing turmoil in Turkey

For the year, the Turkish lira is down nearly 40 percent against the U.S. dollar. The iShares MSCI Turkey exchange-traded fund (TUR), tracking Turkish stocks, is down 39 percent year to date. Turkey's 10-year bond fell to a record low on Tuesday, pushing its yield up to around 20 percent.

Source: [CNBC](#)

Asian Stocks Advance; Yuan Holds Post-PBOC Gains: Markets Wrap

Asian equities were broadly higher on Wednesday as investors looked past protectionism tussles and instead focused on U.S. stocks approaching fresh all-time highs. China's yuan extended gains triggered by further moves to stabilize the currency. Equity benchmarks in Japan, Hong Kong and South Korea headed higher, while stocks in China retreated. The S&P 500 Index closed at the highest level since its Jan. 26 peak. The New Zealand dollar rose on higher outlook for inflation as well as robust Chinese export growth.

Source: [Bloomberg](#)

India's Economy Is an Elephant That's Starting to Run, IMF Says

India is on track to hold its position as one of the world's fastest-growing economies as reforms start to pay off, according to the International Monetary Fund. The \$2.6 trillion economy was described by Ranil Salgado, the IMF's mission chief for India, as an elephant starting to run, with growth forecast at 7.3 percent in the fiscal year through March 2019 and 7.5 percent in the year after that. The nation accounts for about 15 percent of global growth, according to the Washington-based fund.

Source: [Bloomberg](#)

China's July exports rise more than expected despite U.S. tariffs

China's exports growth unexpectedly accelerated in July despite fresh U.S. tariffs, while its trade surplus with the United States remained near record highs as Beijing and Washington ramped up a bitter dispute that has rattled financial markets.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices end higher as Iran sanctions seen restraining global supplies

Crude-oil prices finished in positive territory Tuesday, with reinstated U.S. sanctions against Iran seen as a threat to global supplies, especially after Saudi Arabia's production has also recently contracted. On the New York Mercantile Exchange, West Texas Intermediate futures CLU8, +0.20% for September delivery rose 16 cents, or 0.2%, to \$69.17 a barrel. The settlement marked the highest level for the most-active contract since July 30, according to Dow Jones Market Data.

Source: [Market Watch](#)

