

U Capital Morning Brief

9 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	870.89	-1.94	-0.22%	-10.61%	-	-	-
U Capital GCC 50 Index	1,346.82	-3.64	-0.27%	17.66%	-	-	-
U Capital MENA 200 Index	1,088.90	-2.21	-0.20%	9.43%	-	-	-
MSCI GCC Countries Index	553.60	-1.27	-0.23%	15.39%	14.05	1.80	3.9%
Muscat Securities Market	4,435.72	-11.99	-0.27%	-13.01%	8.98	0.89	6.2%
Saudi Stock Exchange	8,210.29	-32.53	-0.39%	13.62%	17.82	1.84	3.4%
Kuwait Stock Exchange	5,287.15	8.10	0.15%	NA	15.53	1.33	3.7%
Qatar Exchange	9,961.55	-12.42	-0.12%	16.87%	15.04	1.51	4.4%
Bahrain Stock Exchange	1,346.06	-2.13	-0.16%	1.08%	1.38	0.85	6.1%
Dubai Financial Market	2,948.65	-2.42	-0.08%	-12.50%	9.36	1.10	5.7%
Abu Dhabi Exchange	4,925.61	14.42	0.29%	11.99%	12.96	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	546.70	2.29	0.42%	-4.85%	13.00	1.19	4.4%
Tunis Se Index	8,374.47	-3.79	-0.05%	33.31%	21.87	2.98	1.7%
EGX 30 Index	15,862.86	101.31	0.64%	5.62%	11.42	2.44	2.4%
Amman General Index	1,988.59	0.59	0.03%	-6.50%	14.54	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)	0.744	1.344
FTSE 100	UK	7,776.7	0.75%	1.2%	British Pound (GBP)	1.288	0.777
DAX	Germany	12,633.5	-0.12%	-2.2%	Canadian Dollar (CAD)	0.768	1.302
CAC 40	France	5,501.9	-0.35%	3.6%	Chinese Renminbi (CNH)	0.147	6.821
United States					Egyptian Pound (EGP)	0.056	17.864
DJIA	USA	25,583.8	-0.18%	3.5%	Euro (EUR)	1.161	0.861
S&P 500	USA	2,857.7	-0.03%	6.9%	Indian Rupee (INR)	0.015	65.551
NASDAQ	USA	7,888.3	0.06%	14.3%	Japanese Yen (JPY)	0.009	110.790
Asia Pacific					New Zealand Dollar (NZD)	0.668	1.497
NIKKEI 225	Japan	22,612.6	-0.14%	-0.7%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	28,614.5	0.90%	-4.4%	Pakistani Rupee (PKR)	0.805	124.237
KSE 100 Index	Pakistan	42,712.1	-0.07%	5.5%	Russian Ruble (RUB)	0.015	68.559
NSE Nifty 50	India	11,476.0	0.23%	9.0%	Singapore Dollar (SGD)	0.734	1.363
SHANGHAI Composite	China	2,793.0	1.78%	-15.5%	Turkish Lira (TRY)	0.188	5.315
KOSPI Index	South Korea	2,296.4	-0.22%	-6.9%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	72.5	0.33%	12.6%	UAE	2.55	42.1%
WTI Crude (per bbl)	67.0	0.12%	10.9%	Saudi Arabia	2.61	37.5%
Oman Crude Oil (Last Closing)	71.1	-3.09%	11.2%	Kuwait	2.00	6.7%
OPEC (per bbl)	72.6	0.43%	12.6%	Oman	2.49	30.5%
				Qatar	2.66	0.3%
				Bahrain	3.53	29.4%
Precious Metals						
Gold100 OZ (per oz)	1,215.1	0.10%	-6.7%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	15.5	0.27%	-8.7%		Maturity date	YTM, %
Platinum (per oz)	835.0	0.44%	-10.3%	Kuwait	3/20/2027	3.7
Other Metals						
Copper, MT	6,173	-0.03%	-14.8%	Abu Dhabi	10/11/2027	3.9
Aluminium, MT	2,106	3.34%	-7.1%	Qatar	6/2/2026	3.9
Lead, MT	2,137	-0.56%	-14.1%	Saudi Arabia	3/4/2028	4.2
Zinc, MT	2,612	0.46%	-21.3%	Oman	1/17/2028	6.1
				Bahrain	10/12/2028	8.1

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.98	2.8	1m	2.07	32.4%
5 year	99.63	2.8	3m	2.34	38.2%
10 year	99.33	3.0	6m	2.52	37.3%
30 year	100.30	3.1	1 year	2.82	34.0%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman's oil output estimated at 30mn in July

The monthly report issued by the Ministry of Oil and Gas (MOG) indicated that the Sultanate's production of crude oil and condensate throughout July 2018 amounted to 30.24 million barrels, with a daily average of 975,500 barrels. The total exported quantities of Oman crude oil during July 2018 has reached 24.08 million barrels, with a daily average of 776,800 barrels.

Source: [Times of Oman](#)

Salalah port records significant growth in container and cargo volumes

Port of Salalah recorded significant growth in volumes at its container terminal and general cargo terminal during the first half of 2018. The port's container terminal handled 1.76mn TEUs (twenty-foot equivalent units) during the first six months of 2018, which is a ten per cent increase against the same period of last year. Its general cargo terminal handled 7.59mn tons of cargo during the first half of this year, an increase of 12 per cent compared to the same period of 2017.

Source: [Muscat Daily](#)

Oman's oil output hits 30.24mn barrels in July

Oman's crude oil and condensates production in July reached to 30.24mn barrels, with a daily average output of 975,500 barrels, according to the monthly report issued by the Ministry of Oil and Gas. Oman's oil exports during July reached 24.08mn barrels, with daily average exports of 776,800 barrels. China imported 83.51 per cent of total exported quantities of Omani crude during July. Imports by Japan increased 2.3 per cent in July compared to June.

Source: [Muscat Daily](#)

China top market for Omani crude exports in July

China retained its dominant position as the leading destination for Omani crude exports in July, the Ministry of Oil and Gas (MOG) stated in its monthly report. Of total exports of 24.080 million barrels during the month, China's share was 83.51 per cent, representing a negligible 0.04 per cent decline over the previous month's figure.

Source: [Oman Observer](#)

Salalah tourist numbers soar during Khareef season

The number of visitors to Salalah during the Khareef season reached 444,700 at the end of the sixth week (from June 21 to August 1), an increase of 47.1 per cent compared to the 302,296 visitors recorded in the same period in 2017. According to the latest statistics released by the (NCSI), the number of visitors who arrived by land during the end of the sixth week increased 81 per cent to 360,379 visitors, which is a rise of 58.7 per cent compared to 227,114 visitors during the same period of 2017.

Source: [Trade Arabia](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Abu Dhabi hits four-year high, Saudi slips amid Canada row

Abu Dhabi's stock market touched four-year highs on Wednesday, helped by bank stocks, while Saudi Arabia's dipped amid a diplomatic row with Canada. First Abu Dhabi Bank climbed by 0.7 percent. Other banks also rose, with Abu Dhabi Islamic Bank up 1.8 percent and Union National Bank rising by 2.8 percent. Banks are expected to be among the beneficiaries of a 50 billion dirham (\$13.6 billion) plan announced by Abu Dhabi in June to revitalize the economy.

Source: [Zawya](#)

Saudi gov't strives to meet Vision 2030 job forecasts

Saudi government is struggling to keep unemployment in check, aiming at decreasing it by creating more jobs for nationals, pursuant to the crown prince's, Mohammed bin Salman, so-called Vision 2030 to wean the kingdom's economy off oil returns. As the unemployment rate among Saudis increases to 12.9% while about 250,000 nationals enter the job market annually, the government has become so desperate about the possibility to achieve bin Salman's 9% jobless rate in 2020.

Source: [Mubasher](#)

Saudi budget deficit narrows to 7.36b riyals in Q2 -finance ministry

Saudi Arabia's budget deficit narrowed to 7.36 billion Saudi riyals (\$1.96 billion) in the second quarter from 34.3 billion riyals in the first quarter, the finance ministry said. The kingdom, which is working on a number of economic reforms aimed at diversifying its oil-reliant economy, has forecast a deficit of 195 billion riyals or 7.3 per cent of gross domestic product (GDP) this year, down from 230 billion last year. It aims to balance its budget by 2023.

Source: [Gulf News](#)

Saudi CMA approves price stabilization mechanism for IPOs

Saudi Arabia's Capital Market Authority (CMA) has approved the price stabilization mechanism draft for initial public offerings (IPOs), it said in a statement on Wednesday. The new mechanism aims to regulate the price stabilization activities for the shares of newly listed companies on the Saudi Stock Exchange after the IPO.

Source: [Argaam](#)

Saudi CMA to amend regulations for loss-making firms

Saudi Capital Market Authority (CMA) approved on Wednesday the amendment of paragraph (C) of Article 5 of Procedures and Instructions Related to listed firms with accumulated losses of 20 percent or more of their capital. The amendment clarifies the periods to be announced by the company in accordance with Article 150 of the Companies Law, the authority added.

Source: [Argaam](#)

Saudi Arabia is selling off its Canadian assets as row intensifies, report says

Saudi Arabia's diplomatic spat with Canada looks set to escalate following a report that the Middle Eastern country has instructed its brokers to sell Canadian assets. Now the Financial Times has reported that the Saudi central bank and state pension funds have instructed third party asset managers to sell Canadian bonds, stocks and cash. The selling is said to have begun on Tuesday.

Source: [CNBC](#)

Dubai attracts \$21.66bn FDI into technology sector

Dubai has attracted \$21.66 billion (Dh80 billion) worth of foreign direct investment in high-end technology transfers in three years, mainly from the European Union and the US. According to Dubai's Department of Economic Development (DED), 860 projects created more than 54,000 jobs in the technology sector during January 2015 to March 2018 period as the emirate remained focused on attracting FDI to transform itself into a knowledge-based economy.

Source: [Zawya](#)

Investcorp net income rises 4% to \$125 million

Investcorp, a global provider and manager of alternative investment products, on Wednesday announced its results for the year ending June 30, 2018 (FY 2018), showing a continued growth momentum and healthy levels of activity in all dimensions across business lines. The aggregate net income increased four per cent year-on-year to \$125 million (FY2017: \$120 million), with fully diluted earnings per share increasing by four per cent to \$1.30 (FY17: \$1.25). The income for the second half of FY18 was \$70 million (FY17: \$72 million). The board is proposing a full year dividend of \$0.24 per ordinary share (FY17: \$0.24 per share).

Source: [Times of Oman](#)

Aramco IPO pullback risks Saudi investor sentiment – report

The possible abandonment of an international listing of a share in Saudi Aramco will likely cause international investors to question Saudi Arabia's commitment to economic reforms, according to a new report from Fitch Solutions Macro Research. According to Fitch, the likelihood of the IPO – originally announced in early 2016 – has “sharply declined” in recent months, with multiple reports indicating that the IPO may be delayed until 2019 or possibly not happening at all.

Source: [Arabian Business](#)

What Now for Saudi Arabia's Planned \$2 Trillion Fund?

Saudi Arabia is now looking for Plan B to propel its sovereign wealth fund into the ranks of global giants. The initial plan was to raise at least \$100 billion through an initial public offering of a small stake in Saudi Aramco, the state-owned oil company, in the second half of 2018. Though the IPO is not going ahead as originally planned, the nation's Public Investment Fund still hopes to control more than \$2 trillion by 2030.

Source: [Bloomberg](#)

Bahrain Duty Free profit surges 33pc

Bahrain Duty Free Shop Complex achieved a net profit of BD1,880,158 during the second quarter of 2018, compared with BD1,412,094 during the second quarter of the previous year, with an increase of 33.1 per cent. A statement issued after a meeting of the company's board of directors yesterday said the company also achieved an operating profit in the second quarter of BD1,477,248 compared with BD1,314,006 in the same period of last year, an increase of 12.4pc.

Source: [GDN](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Canadian dollar gets whacked after Saudi Arabia reportedly starts dumping the country's assets 'no matter the cost'

The Canadian dollar slid Wednesday after the Financial Times reported that Saudi Arabia had begun selling off its holdings of the country's bonds, stocks, and cash. The divestment came after Canada's foreign ministry condemned the kingdom's arrest of a prominent women's rights activist. Saudi Arabia's national airline suspended flights to and from Toronto on Tuesday.

Source: [Business Insider](#)

Japan says Mazda, Suzuki, Yamaha Motor carried out improper testing

Japanese automakers Mazda, Suzuki and Yamaha conducted improper fuel economy and emissions tests on their vehicles, the country's transport ministry said. The findings were the results of internal investigations ordered after improper testing at Subaru and Nissan Motor.

Source: [CNBC](#)

Asia markets traded mostly higher with Chinese shares gaining

Asia markets were mostly positive on Thursday, with Chinese mainland indices gaining more than 1 percent each. China said on Wednesday that it will impose a 25 percent charge on \$16 billion worth of American goods. That announcement followed after the U.S. Trade Representative's office released a finalized list of \$16 billion worth in Chinese goods that will be hit with tariffs, taking effect on Aug. 23.

Source: [CNBC](#)

Trump administration slaps more sanctions on Russia

The Trump administration will impose more sanctions on Russia under a chemical and biological warfare law following the poisoning of a former Russian agent and his daughter in the UK earlier this year, the State Department announced Wednesday. In a statement Wednesday, State Department spokeswoman Heather Nauert said the US had made this decision on Monday, and accused Russia of violating international law. The statement anticipated the sanctions would go into effect around Aug. 22 in line with the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991.

Source: [CNN](#)

China's July factory inflation slows but consumer prices accelerate

China factory price inflation cooled in July but not as much as expected, amid a wider slowdown in economic growth as Beijing remains locked in a heated trade dispute with Washington. However, consumer inflation picked up from the previous month, largely due to a rise in non-food prices, official data showed on Thursday.

Source: [CNBC](#)

COMMODITIES NEWS

Oil tumbles on slowing Chinese demand, U.S.-China trade spat

Oil prices slid about 3 percent on Wednesday as a trade dispute between the United States and China escalated further and after Chinese import, data showed a slowdown in energy demand. Brent crude LCOc1 futures fell \$2.37 to settle at \$72.28 a barrel, a 3.17 percent loss. U.S. West Texas Intermediate (WTI) crude CLc1 futures fell \$2.23 to settle at \$66.94 a barrel, a 3.22 percent loss. The session low of \$66.32 was the lowest since June 22.

Source: [Reuters](#)

Gold prices stable as dollar extends losses vs yen

Gold prices were steady early Thursday, after gaining for two straight sessions, as the dollar extended losses versus the yen.

* Spot gold was up 0.1 per cent at \$1,214.92 an ounce at 0111 GMT, having gained 0.2 per cent in the previous session.

* U.S. gold futures were up 0.1 per cent at \$1,222.4 an ounce.

* The yen was broadly higher on Thursday on trade tensions and on revelations the Bank of Japan is under pressure to move away from its accommodative policy

Source: [Economic Times](#)

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