













U Capital Morning Brief

18 September 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	860.02	-5.67	-0.65%	-2.08%	-	-	-
U Capital GCC 50 Index	1,326.12	-11.46	-0.86%	1.26%	-	-	-
U Capital MENA 200 Index	1,044.56	-9.41	-0.89%	-0.05%	-	-	-
MSCI GCC Countries Index	540.67	-3.24	-0.60%	0.52%	14.92	1.76	4.2%
Muscat Securities Market	 4,001.48	-7.45	-0.19%	-7.45%	8.15	0.79	6.9%
Saudi Stock Exchange	 7,770.55	-56.62	-0.72%	-0.72%	19.27	1.72	3.9%
Kuwait Stock Exchange	 5,608.91	-23.88	-0.42%	10.42%	13.91	1.33	3.8%
Qatar Exchange	 10,470.83	-40.75	-0.39%	1.67%	15.13	1.57	4.2%
Bahrain Stock Exchange	 1,513.93	-10.40	-0.68%	13.21%	11.34	0.96	5.1%
Dubai Financial Market	 2,849.67	-28.37	-0.99%	12.65%	11.98	1.04	4.3%
Abu Dhabi Exchange	 5,170.66	9.93	0.19%	5.20%	15.49	1.47	4.8%
Beirut Stock Exchange	 792.22	4.16	0.53%	-18.89%	4.21	0.48	11.7%
Palestine Stock Exchange	 515.45	-2.66	-0.51%	-2.63%	11.63	1.19	4.6%
Tunis Se Index	 7,105.14	-11.43	-0.16%	-2.29%	19.54	2.37	1.6%
EGX 30 Index	 14,752.45	-217.79	-1.45%	13.17%	12.37	2.02	2.7%
Amman General Index	 1,814.50	4.95	0.27%	-4.94%	11.61	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,320.4	-0.01%	8.8%
DAX	Germany	12,372.6	-0.06%	17.2%
CAC 40	France	5,615.5	0.24%	18.7%
United States				
DJIA	USA	27,110.8	0.13%	16.2%
S&P 500	USA	3,005.7	0.26%	19.9%
NASDAQ	USA	8,186.0	0.40%	23.4%
Asia Pacific				
NIKKEI 225	Japan	21,963.4	-0.17%	9.7%
HANG SENG	Hongkong	26,797.5	0.03%	3.7%
KSE 100 Index	Pakistan	31,814.4	-0.30%	-14.2%
NSE Nifty 50	India	10,825.4	0.07%	-0.3%
SHANGHAI Composite	China	2,989.8	0.39%	19.9%
KOSPI Index	South Korea	2,072.2	0.48%	1.5%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.685	1.460
British Pound (GBP)	1.249	0.801
Canadian Dollar (CAD)	0.754	1.326
Chinese Renminbi (CNH)	0.141	7.085
Egyptian Pound (EGP)	0.061	16.362
Euro (EUR)	1.107	0.904
Indian Rupee (INR)	0.014	71.501
Japanese Yen (JPY)	0.009	108.210
New Zealand Dollar (NZD)	0.634	1.578
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.642	156.383
Russian Ruble (RUB)	0.016	64.377
Singapore Dollar (SGD)	0.727	1.375
Turkish Lira (TRY)	0.175	5.703

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	64.5	-0.15%	17.0%
WTI Crude (per bbl)	59.0	-0.52%	30.0%
Oman Crude Oil (Last Closing)	64.1	-5.60%	19.8%
OPEC (per bbl)	66.4	10.68%	28.9%
Precious Metals			
Gold100 OZ (per oz)	1,501.9	0.04%	17.1%
Silver (per oz)	17.9	-0.53%	15.7%
Platinum (per oz)	941.3	-0.02%	18.3%
Other Metals			
Copper, MT	5,821	-0.83%	-2.4%
Aluminium, MT	1,792	-0.06%	-2.9%
Lead, MT	2,056	-1.96%	1.7%
Zinc, MT	2,349	-0.68%	-4.8%

GCC 3m Interbank Rates	Current Rate %
UAE	2.40
Saudi Arabia	2.39
Kuwait	2.88
Oman	2.91
Qatar	2.73
Bahrain	2.99

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.26
Abu Dhabi	11/10/2027	2.30
Qatar	02/06/2026	2.35
Saudi Arabia	04/03/2028	2.84
Oman	17/01/2028	5.94
Bahrain	12/10/2028	5.19

Midswaps	Price	YTM %
3 year	99.49	1.68
5 year	98.09	1.66
10 year	98.42	1.80
30 year	99.59	2.27

USD Libor	Rate (%)
1m	2.04
3m	2.15
6m	2.08
1 year	2.07

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

1.5MN VEHICLE INSURANCE POLICIES IN 2018: NCSI

Vehicle insurance policies registered in 2018 witnessed an increase of 7.4 per cent compared to the previous year. According to the National Centre for Statistics and Information (NCSI), 1.5mn vehicle insurance policies were registered in 2018. Meanwhile, new registrations of government vehicles fell by 89.7 per cent in June 2018, compared to the same period of 2017.

Source: [Muscat Daily](#)

Vision 2040 strategy to secure developed nation status for Oman

Oman's ambitious Vision 2040 strategy, first unveiled last year, seeks to catapult the Sultanate into the ranks of the world's most 'developed nations', a top government official said here yesterday. Dr Yousuf Hamad al Balushi, Chief Economist of the Vision 2040 taskforce, said the blueprint targets economic growth of around 5 per cent annually over the 2021 – 2040 timeframe. This compares with average growth of 7.5 per cent during the 1970 – 1995 period, and corresponding average estimated growth of 3.5 per cent during the 1995 – 2020 span.

Source: [Oman Observer](#)

Foreign investments in Oman exceed OMR16.2bn

The total volume of foreign investments in Oman reached OMR16.23 billion at the end of 2017, compared to OMR15.45 billion at the end of 2016, according to a news survey. This amount represents a 5.9 per cent increase and a 60 per cent of Oman's gross domestic product (GDP), according to the data generated from the Foreign Investments Survey conducted by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

Oman's Majis to establish solar PV at SOHAR Port

Majis Industrial Services, Oman's leading water solutions provider, has signed an agreement with Unicorn International to supply and install a photovoltaic (PV) solar power plant for Majis' facilities at SOHAR Port, at an investment value of OMR 0.5 million. Unicorn will install a 1.30MWpPV plant, expected to be operational by the end of 2020, introducing best-in-class solar energy technology to SOHAR. Unicorn will deploy 3,600 solar modules and 15 solar inverters to generate 2,350 million kWh of energy per year.

Source: [Times of Oman](#)

MOODY'S AFFIRMS DEPOSIT RATINGS OF BANKDHOFAR

Moody's Investors Service has affirmed the Ba1/Not Prime long-term and short-term local currency deposit ratings of BankDhofar. Moody's also affirmed the bank's long and short-term foreign currency deposit ratings at Ba2/Not Prime, according to a statement released by the ratings agency. It said BankDhofar's Ba2 long-term foreign currency deposit rating is constrained by the relevant country ceiling and the outlook on the long-term deposit ratings remains negative.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi contracts rise 101% to \$30 billion in H1 2019

Contracts worth \$17.2 billion (SR64.3 billion) were awarded in Saudi Arabia during Q2 2019 – marking a 32% hike over Q1 2019 figures – with H1 2019 contract awards in Saudi Arabia valued at \$30.2 billion (SR113.2 billion), 101% higher than H1 2018 figures, according to US-Saudi Arabian Business Council's (USSABC) Contract Awards Index for the second quarter of 2019, which found that the oil and gas segment led all sectors with contract awards worth \$12.7 billion (SR47.7 billion), followed by real estate and military with contracts respectively worth \$1.4 billion (SR5.1 billion) and \$835m (SR3.1 billion) as published in the latest issue of Construction Week Online.

Source: [SG](#)

Terrorist attack won't stall Aramco's IPO as it starts in 12 months: Al-Rumayyan

Aramco's initial public offering (IPO) won't be stalled by the terrorist attack that targeted two of the firm's facilities on Saturday, Aramco's Chairman Yasir Al-Rumayyan said. The IPO will take place at any time within the next 12 months, he said in a joint press conference with the Energy Minister this evening. Al-Rumayyan hailed the firm's capabilities and ability to rapidly regain full power.

Source: [Argaam](#)

Interest rate cuts may drive growth of economic activities, says SAMA governor

Interest rate cuts will be a driver for growth of economic activities, which will lead to an expansionary fiscal policy, Ahmed Alkholifey, governor of the Saudi Arabian Monetary Authority (SAMA) said on Tuesday. "We are monitoring global interest rates," Alkholifey said in response to a question by Argaam during a press conference, adding, "If interest rates are lowered, this will be an impetus for growth in the economy." Interest rates may be cut and they may also increase by 25-50 basis points (bps), he added.

Source: [Argaam](#)

Bahrain mandates banks for bond issue

Bahrain has mandated banks for a dual-tranche dollar-denominated bond issue, which would be its first since it obtained a \$10 billion aid package from its Gulf allies last year to avert a credit crunch. The kingdom is looking to issue seven-year Islamic bonds and 12-year conventional bonds, according to a document seen by Reuters .

Source: [GDN](#)

New investors lift Dubai's real estate transactions

Dubai witnessed significant increase in real estate transactions and investments in the first five months of 2019 with more than half - 57 per cent - of the fresh investments coming from new investors, official figures showed on Tuesday. The latest data reflects that the emirate's real estate is on course to surpass last year's investments and property deals. Total value of real estate transactions in the emirate grew 12 per cent to Dh106 billion compared to Dh95 billion in 2018, the Dubai Land Department said in its annual report.

Source: [Zawya](#)

Dubai's Emaar signs final terms for \$500m sukuk

Emaar Properties, the developer of the world's tallest tower, said on Tuesday it has signed the final terms related to the issuance of \$500 million in sukuk (Islamic bonds). The 10-year sukuk will have an annual return of 3.875 per cent, the company said, and are part of Emaar's \$2 billion bond issuance programme. The signing of terms follows meetings Emaar held with fixed income investors in Singapore, Hong Kong, and London on September 6.

Source: [Gulf News](#)

Jazeera Airways' monthly passenger numbers exceed quarter million

Jazeera Airways, Kuwait's leading low-cost airline, operating regionally and internationally, today reported its operational performance for the month of August 2019, announcing an 85 percent on-time performance with a high aircraft utilization of 14.38 hours.

Source: [KT](#)

UAE Retail Sector Value to Exceed \$71 Billion by 2021

The UAE retail sector will register compound annual retail growth (CAGR) of 4.9 percent until 2021 reaching a value exceeding \$71 billion, said a top official, citing forecasts from Dubai Chamber of Commerce & Industry.

Source: [Al Bawaba](#)

Mideast Stocks: Saudi leads losses as major Gulf markets slide

Saudi Arabian stocks fell in early trade on Tuesday amid fears of oil shortages following attacks on two of the country's key plants on Saturday that shut over 5% of global supply. Other major Gulf markets also slid. Saudi Arabia has shut down its crude oil pipeline to Bahrain and Saudi Aramco informed PetroChina that its loadings of light crude oil for October will be delayed by about 10 days.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS**U.S. Fed dusts off old play to soothe money markets**

The U.S. Federal Reserve on Tuesday injected billions of dollars into the financial system with a move it has not used in more than a decade to calm money markets, as lending dwindled partly due to huge payments for taxes and bond supply.

Source: [Reuters](#)

China state planner approves \$9.72 billion of fixed-asset investment projects in August

China's state planner said on Wednesday that it approved 68.9 billion yuan (\$9.72 billion) of fixed-asset investment projects in August. The National Development and Reform Commission (NDRC) approved a total of nine fixed-asset investment projects last month, spokeswoman Meng Wei told reporters in a news briefing.

Source: [Reuters](#)

Treasuries Rally on Eve of Fed Decision; Oil Sinks: Markets Wrap

Treasuries rallied and stocks eked out a gain a day before the Federal Reserve is expected to cut interest rates. Oil plunged as Saudi Arabia restarted the plant damaged in a weekend attack. Crude gave back some of Monday's 15% surge as Saudi officials said they had restored just under half the output lost at the Abqaiq plant, one of the world's biggest oil facilities.

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil Extends Drop as Saudi Output Restoration Calms Market Fears

Oil extended its pullback, after a dizzying start to the week, on signs Saudi Arabia is restoring production following a debilitating weekend attack on key installations. Brent futures edged lower in early Asia trade on Wednesday after tumbling 5.7% as Saudi Aramco said it had revived 41% of capacity at a key crude-processing complex days after a devastating aerial attack that wrecked vital equipment and rocked global energy markets. The global oil benchmark, which jumped to just shy of \$72 a barrel in reaction to the disruptions, was back to about \$64.

Source: [Bloomberg](#)

Saudi Arabia Partially Restores Output at Damaged Oil Plant

Saudi Arabia attempted to move beyond the worst oil disruption in its history, assuring the world that crude exports won't suffer, its damaged facility has partially restarted and that production capacity will be back to normal within months. The long-awaited update on Tuesday from the kingdom -- which before the strike pumped almost 10% of the world's oil -- gives the market much-needed clarity after days of speculation over how severe the damage was at Saudi Aramco's Abqaiq plant.

Source: [Bloomberg](#)