













U Capital Morning Brief

19 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	862.97	2.95	0.34%	-1.75%	-	-	-
U Capital GCC 50 Index	1,333.10	6.98	0.53%	1.79%	-	-	-
U Capital MENA 200 Index	1,047.15	2.59	0.25%	0.20%	-	-	-
MSCI GCC Countries Index	541.40	0.73	0.14%	0.66%	14.91	1.76	4.2%
Muscat Securities Market	 4,015.99	14.51	0.36%	-7.12%	8.18	0.79	6.8%
Saudi Stock Exchange	 7,821.23	50.68	0.65%	-0.07%	19.43	1.73	3.9%
Kuwait Stock Exchange	 5,502.28	-106.63	-1.90%	8.32%	13.64	1.31	3.8%
Qatar Exchange	 10,539.59	68.76	0.66%	2.34%	15.23	1.58	4.1%
Bahrain Stock Exchange	 1,489.37	-24.56	-1.62%	11.37%	11.16	0.94	5.2%
Dubai Financial Market	 2,823.56	-26.11	-0.92%	11.61%	11.87	1.03	4.4%
Abu Dhabi Exchange	 5,156.07	-14.59	-0.28%	4.90%	15.45	1.47	4.8%
Beirut Stock Exchange	 791.67	-0.54	-0.07%	-18.95%	4.21	0.48	11.7%
Palestine Stock Exchange	 516.96	1.51	0.29%	-2.34%	11.66	1.19	4.6%
Tunis Se Index	 7,125.38	20.24	0.28%	-2.01%	19.59	2.38	1.6%
EGX 30 Index	 14,745.10	-7.35	-0.05%	13.11%	12.36	2.02	2.7%
Amman General Index	 1,816.13	1.63	0.09%	-4.86%	11.47	0.89	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,314.1	-0.09%	8.7%
DAX	Germany	12,389.6	0.14%	17.3%
CAC 40	France	5,620.7	0.09%	18.8%
United States				
DJIA	USA	27,147.1	0.13%	16.4%
S&P 500	USA	3,006.7	0.03%	19.9%
NASDAQ	USA	8,177.4	-0.11%	23.2%
Asia Pacific				
NIKKEI 225	Japan	22,061.9	0.46%	10.2%
HANG SENG	Hongkong	26,421.9	-1.24%	2.2%
KSE 100 Index	Pakistan	31,672.6	0.37%	-14.6%
NSE Nifty 50	India	10,756.0	-0.78%	-1.0%
SHANGHAI Composite	China	2,985.7	0.00%	19.7%
KOSPI Index	South Korea	2,075.7	0.24%	1.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.679	1.473
British Pound (GBP)	1.248	0.801
Canadian Dollar (CAD)	0.752	1.329
Chinese Renminbi (CNH)	0.141	7.102
Egyptian Pound (EGP)	0.061	16.338
Euro (EUR)	1.104	0.906
Indian Rupee (INR)	0.014	71.248
Japanese Yen (JPY)	0.009	107.920
New Zealand Dollar (NZD)	0.631	1.585
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.641	156.256
Russian Ruble (RUB)	0.016	64.189
Singapore Dollar (SGD)	0.725	1.379
Turkish Lira (TRY)	0.176	5.692

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	63.7	0.09%	15.6%
WTI Crude (per bbl)	58.2	0.21%	28.2%
Oman Crude Oil (Last Closing)	62.9	-1.90%	17.5%
OPEC (per bbl)	67.9	2.20%	31.7%
Precious Metals			
Gold100 OZ (per oz)	1,495.3	0.09%	16.6%
Silver (per oz)	17.7	-0.29%	14.3%
Platinum (per oz)	930.4	-0.21%	16.9%
Other Metals			
Copper, MT	5,814	-0.12%	-2.5%
Aluminium, MT	1,786	-0.36%	-3.3%
Lead, MT	2,071	0.73%	2.5%
Zinc, MT	2,320	-1.23%	-6.0%

GCC 3m Interbank Rates	Current Rate %
UAE	2.35
Saudi Arabia	2.38
Kuwait	2.81
Oman	2.90
Qatar	2.72
Bahrain	2.99

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.24
Abu Dhabi	11/10/2027	2.30
Qatar	02/06/2026	2.32
Saudi Arabia	04/03/2028	2.83
Oman	17/01/2028	5.91
Bahrain	12/10/2028	5.20

Midswaps	Price	YTM %
3 year	99.43	1.70
5 year	98.05	1.66
10 year	98.58	1.78
30 year	100.55	2.23

USD Libor	Rate (%)
1m	2.06
3m	2.16
6m	2.09
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

MoCI and ITA to bring latest e-commerce tech to Oman

Oman's Ministry of Commerce and Industry (MoCI) and the Information Technology Authority (ITA) will together ensure that Oman keeps track of the latest e-commerce developments in the market, to ensure that the country can adapt to such changes accordingly. The announcement was made at the Oman e-commerce conference, which saw the participation of more than 40 local and international companies, as well as 50 speakers from different countries.

Source: [Times of Oman](#)

National Gas Oman partners with Petredec for India terminal project

National Gas Company, Oman, has signed a partnership agreement with Petredec, global LPG and other fuels trading & shipping conglomerate to partner in its Indian subsidiary for setting up a large refrigerated LPG import and storage facility in the southeastern part of India. This project is in line with National Gas Company's vision to expand its footprint into newer geographies.

Source: [Times of Oman](#)

OMAN POST HIGHLIGHTS ROLE OF POSTAL SERVICES WITHIN E-COMMERCE SECTOR

Chief executive officer of Oman Post, member of the Asyad Group, participated at the Oman e-Commerce Conference 2019, hosted by the Ministry of Commerce and Industry, a press release said. Under the theme 'Everything Online', Abdulmalik Albalushi highlighted the pivotal role of postal services within the dynamic e-commerce sector and the importance of nurture meaningful collaborations among all stakeholders.

Source: [Muscat Daily](#)

Omran plans privatization of hotel portfolio

Omran — the state-owned tourism investment, development and management group — plans to offer part of its expanding portfolio of hospitality assets for private investment in line with the Omani government's broader privatisation strategy. The move, although still in the preliminary stages, will allow for the private sector to acquire some of these state-owned assets, thereby generating funds that the government could use to invest in other strategic initiatives, according to Peter Walichnowski (pictured), CEO — Omran Group.

Source: [Oman Observer](#)

Aviation sector's contribution to Omani economy projected at RO 1.4 bn by 2040

The contribution of Oman's aviation industry, as an enabler of the nation's pivotal tourism and logistics sectors, is projected to surge in value terms to RO 1.4 billion by the year 2040, up from RO 170 million in 2016, according to the head of Oman Airports. Shaikh Aimen al Hosni (pictured), CEO, said the company — part of Oman Aviation Group — continues to leverage investments made by the Omani government in the development of modern airports and other associated infrastructure to add value to the national economy.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi budget revenue not affected by Aramco's attacks: Al-Jadaan

Saudi budget's revenue will not be affected by the terrorist attacks on Aramco facilities, Al Arabiya TV reported, citing the Minister of Finance, Mohammed Al-Jadaan. "Crude output is expected to grow 2.9 to 3 percent this year," Al-Jadaan said, adding that gross expenditure growth reached 6.3 percent during H1 2019, while non-oil revenue rose 14.4 percent during the same period. "I don't expect value-added tax (VAT) to be elevated in 2020 and we should coordinate with the Gulf Cooperation Council in this regard", he said on the sidelines of the Euromoney Saudi Arabia 2019.

Source: [Argaam](#)

Samba seeks to expand network by 40% in two years, says Chairman

Samba Financial Group is seeking to expand its network by 30-40 percent over the next two years, given the boom currently taking place in the Kingdom, CNBC Arabia has reported, citing Chairman Ammar Al Khudairi during the currently-convened Euromoney Conference Saudi Arabia 2019. "Samba has expansion plans in all segments, including financing retailers, corporates, small-and-medium firms, in addition to introducing new banking services," he added.

Source: [Argaam](#)

Saudi and UAE cut key rates following Fed, Kuwait stands pat

The central banks of Saudi Arabia and the United Arab Emirates cut their key interest rates on Wednesday, following the U.S. Federal Reserve decision to slash rates for the second time this year. Kuwait's central bank, meanwhile, kept its benchmark

rate unchanged at 3%. Its currency, the dinar, is pegged to an undisclosed weighted basket of international currencies, unlike other Gulf countries whose currencies are pegged to the U.S. dollar. The Saudi Arabian Monetary Authority (SAMA) cut its repo rate, used to lend money to banks, to 250 basis points (bps) from 275 bps, and the reverse repo, the rate at which commercial banks deposit money with the central bank, by the same margin to 200 bps.

Source: [Zawya](#)

Dubai Tourism: Holiday home operators see status quo as Emaar deadline ends

As the Emaar deadline for holiday home operators to leave Downtown Dubai expires on September 19, the key word that emerged after talks with Dubai Tourism was status quo. The operators, who met the regulator on September 18 afternoon, were optimistic about finding a solution to end the uncertainty created by Emaar Properties who on September 4 issued a notice to the industry players to cease their operations in Downtown Dubai by September 19.

Source: [Zawya](#)

Petrochem shares surge on Saudi Tadawul on improved feedstock supplies

Petrochemical firms that are listed on the Saudi Stock Exchange (Tadawul) said on Wednesday that there has been an improvement in feedstock supplies from Saudi Aramco following Saturday's attacks. The benchmark Tadawul All Share Index (TASI) rose 0.48 percent by midday on Wednesday. The materials index, on which all petrochemical firms are listed, was up 0.55 percent.

Source: [Al Arabiya](#)

Saudi Islamic finance penetration to rise to 80% of loans over next 18 months

Saudi Arabia is expected to see a rise in Islamic finance penetration over the next 12 to 18 months, according to Moody's Investors Service. The ratings agency predicts that Islamic finance penetration in the kingdom to increase to 80 percent of system-wide loans from 77 percent in 2018. Demand from retail and corporate clients in the Islamic finance sector is set to grow as the Saudi regulatory authorities promote the industry's growth through supportive regulatory framework, according to Moody's report.

Source: [Zawya](#)

Mideast Stocks: Saudi stocks gain on oil supply restoration hopes

Saudi Arabia's stock market rebounded on Wednesday, on back of financial and petrochemical shares after the kingdom's energy minister said that full oil production would be restored by end of September. Saudi Energy Minister Prince Abdulaziz bin Salman on Tuesday sought to reassure markets, saying the kingdom would restore its lost oil production by month-end, having returned supplies to the levels they were prior to the weekend attacks on Aramco's plants in Abqaiq and Khurais.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dollar rallies as cautious Fed clouds rate-cut outlook

The dollar stood tall on Thursday after the U.S. Federal Reserve cut rates by 25 basis points, as expected, but its chairman signaled a higher bar for future rate cuts. The greenback touched a seven-week high of 108.47 against the Japanese yen JPY= and stood just below that in Asian morning trade. It also rose on the Swiss franc CHF=, hitting a three-month high, and climbed against other major currencies.

Source: [Reuters](#)

Powell Stresses Solid U.S. Outlook After Fed Cuts Rates Again

Federal Reserve policy makers lowered their main interest rate for a second time this year and Chairman Jerome Powell said that "moderate" policy moves should be sufficient to sustain the U.S. expansion. "We took this step to help keep the U.S. economy strong in the face of some notable developments and to provide insurance against ongoing risks," Powell told reporters Wednesday after the Fed cut its benchmark rate by a quarter percentage point to a range of 1.75% to 2%. "Weakness in global growth and trade policy have weighed on the economy."

Source: [Bloomberg](#)

Asia stocks mostly edge higher as Fed cuts rate; Bank of Japan keeps monetary policy steady

Asia stocks mostly edged higher in Thursday afternoon trade. The U.S. Federal Reserve on Wednesday cut its overnight rate by 25 basis points to a range of 1.75% to 2%, a move that was widely expected. The central bank, however, appeared divided on further action for the year. The Bank of Japan (BoJ) kept monetary policy steady on Thursday. In an expected move, the BoJ maintained its short-term interest rate target at -0.1% and a pledge to guide 10-year government bond yields around 0%.

Source: [CNBC](#)

COMMODITIES NEWS

Oil Steadies as Saudis Pledge Swift Return of Lost Production

Oil held its decline from the dramatic spike earlier in the week as supply assurances from Saudi Arabia and the International Energy Agency calmed the market after the devastating weekend attacks. Futures in New York were little changed after paring around half of Monday's 15% surge over the last two days. The damaged Abqaiq oil facility is now operating at around 40% of its pre-attack levels and output should be fully restored by the end of the month, according to Saudi Aramco Chief Executive Officer Amin Nasser. Meanwhile, IEA Executive Director Fatih Birol said the global oil market remains well supplied with ample stockpiles.

Source: [Bloomberg](#)

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