

# U Capital Morning Brief

25 September 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	901.00	-1.53	-0.17%	-7.52%	-	-	-
U Capital GCC 50 Index	1,279.00	-1.35	-0.11%	11.74%	-	-	-
U Capital MENA 200 Index	1,040.00	-1.83	-0.18%	4.51%	-	-	-
MSCI GCC Countries Index	528.80	-0.60	-0.11%	10.22%	13.46	1.72	4.1%
Muscat Securities Market	4,453.27	-33.15	-0.74%	-12.67%	10.96	0.80	6.1%
Saudi Stock Exchange	7,768.31	38.66	0.50%	7.50%	17.09	1.74	3.7%
Kuwait Stock Exchange	5,089.68	-3.65	-0.07%	NA	14.95	1.29	3.9%
Qatar Exchange	9,731.65	-37.26	-0.38%	14.18%	14.45	1.47	4.5%
Bahrain Stock Exchange	1,356.13	4.69	0.35%	1.83%	9.16	0.86	6.0%
Dubai Financial Market	2,753.29	-8.65	-0.31%	-18.30%	7.33	1.02	6.2%
Abu Dhabi Exchange	4,888.79	-3.37	-0.07%	11.15%	12.91	1.45	4.9%
Beirut Stock Exchange	970.03	0.92	0.09%	-15.54%	5.13	0.61	9.4%
Palestine Stock Exchange	536.35	-0.72	-0.13%	-6.65%	12.47	1.19	4.5%
Tunis Se Index	7,842.61	27.17	0.35%	24.85%	20.40	2.80	1.8%
EGX 30 Index	14,200.68	-60.57	-0.42%	-5.45%	12.88	2.24	2.5%
Amman General Index	1,989.35	-5.70	-0.29%	-6.46%	14.64	1.02	4.6%

\* Kuwait YTD data is not available as the Index was reconstituted in April'18

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
<b>Europe</b>			%	%	<b>Currency</b>		
FTSE 100	UK	7,458.4	-0.42%	-3.0%	Australian Dollar (AUD)	0.724	1.380
DAX	Germany	12,350.8	-0.64%	-4.4%	British Pound (GBP)	1.311	0.763
CAC 40	France	5,476.2	-0.33%	3.1%	Canadian Dollar (CAD)	0.772	1.296
<b>United States</b>					Chinese Renminbi (CNH)	0.146	6.863
DIJA	USA	26,562.1	-0.68%	7.5%	Egyptian Pound (EGP)	0.056	17.910
S&P 500	USA	2,919.4	-0.35%	9.2%	Euro (EUR)	1.175	0.851
NASDAQ	USA	7,993.2	0.08%	15.8%	Indian Rupee (INR)	0.014	72.803
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	112.850
NIKKEI 225	Japan	23,914.3	0.20%	5.0%	New Zealand Dollar (NZD)	0.664	1.506
HANG SENG	Hongkong	27,499.4	-1.62%	-8.1%	Omani Rial (OMR)	2.591	0.385
KSE 100 Index	Pakistan	41,035.7	0.07%	1.4%	Pakistani Rupee (PKR)	0.807	124.252
NSE Nifty 50	India	11,024.7	0.52%	4.7%	Russian Ruble (RUB)	0.015	65.849
SHANGHAI Composite	China	2,772.1	-0.91%	-16.2%	Singapore Dollar (SGD)	0.732	1.366
KOSPI Index	South Korea	2,339.2	0.68%	-5.2%	Turkish Lira (TRY)	0.163	6.132

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
<b>Oil</b>				UAE	2.62	45.9%
Brent Crude (per bbl)	81.4	0.26%	27.2%	Saudi Arabia	2.65	39.9%
WTI Crude (per bbl)	72.2	0.17%	19.5%	Kuwait	1.94	3.3%
Oman Crude Oil (Last Closing)	80.7	3.99%	26.1%	Oman	2.49	30.5%
OPEC (per bbl)	77.1	-0.06%	19.6%	Qatar	2.68	1.0%
<b>Precious Metals</b>				Bahrain	3.58	31.2%
Gold100 OZ (per oz)	1,199.3	0.01%	-8.0%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
Silver (per oz)	14.3	-0.05%	-15.9%		Maturity date	YTM, %
Platinum (per oz)	829.0	0.24%	-10.9%	Kuwait	3/20/2027	3.8
<b>Other Metals</b>				Abu Dhabi	10/11/2027	3.9
Copper, MT	6,353	-0.16%	-12.3%	Qatar	6/2/2026	3.9
Aluminium, MT	2,060	-1.48%	-9.2%	Saudi Arabia	3/4/2028	4.3
Lead, MT	2,044	0.25%	-17.8%	Oman	1/17/2028	5.9
Zinc, MT	2,564	2.72%	-22.7%	Bahrain	10/12/2028	7.7

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.55	2.9	1m	2.22	41.7%
5 year	98.98	3.0	3m	2.37	40.0%
10 year	98.13	3.1	6m	2.59	41.1%
30 year	95.52	3.2	1 year	2.91	38.0%

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 economy to stabilise by 2019: Financial expert**

Oman's economy can expect to stabilise now that the oil price has risen to a four-year high, and is likely to stay at this level for the foreseeable future. One barrel of Omani oil is now worth more than \$80, marking a four-year high for the money oil now brings to the country. According to information from the Dubai Mercantile Exchange, one barrel of Omani oil rose to \$80.02, up from \$78.04 the day before. The recorded rise was \$1.98 in a single day, leading to the largest price per barrel since the recent oil glut began in 2015. According to Fabio Scacciavillani, Chief Economist of the Oman Investment Fund, the price of oil is expected to stay at this level for some time, owing to recent developments influencing it.

Source: [Times of Oman](#)

### **'National health insurance programme to cover 1 million employees in Oman'**

An upcoming national health insurance programme will be implemented in five stages and will include one million employees working in Oman's private sector, according to the Chief Executive Officer of the Capital Market Authority. "We have worked on a clear plan that started from three points: the progressive implementation of the health insurance system, reducing the cost of insurance coverage, and the creation of a unified health insurance document," said the Chief Executive Officer of the Capital Market Authority, Abdullah Al Salmi.

Source: [Times of Oman](#)

### **'Oman, Qatar to end barriers blocking smooth trade flow'**

The 'Made in Qatar' exhibition will be held from November 5 to 9 in Muscat, the Oman Chamber of Commerce and Industry (OCCI) and Qatar Chamber of Commerce and Industry (QCCI) have announced. There are around 155 institutions, and Qatar has contributed some fund in these companies. Dr Salim Al Junaibi, vice-chairman of OCCI, said that Omani-Qatari relations have witnessed significant progress in various fields, especially in the economic field, in order to enhance the joint ties between the two countries.

Source: [Times of Oman](#)

### **OMAN CRUDE HITS \$80 PER BARREL**

Dubai Mercantile Exchange (DME) said that Oman oil price for November delivery on Monday reached \$80.02. The DME statement said that the price of Oman oil rose \$1.98 from the price of last Friday, which was \$78.04. The average price of Oman oil for October delivery has stabilised at \$72.64, thus 53 cents per barrel lower than September delivery. Meanwhile, world oil prices jumped more than 2 per cent to a four-year high on Monday after Saudi Arabia and Russia ruled out any immediate increase in production despite calls by US President Donald Trump for action to raise global supply.

Source: [Oman Observer](#)

### **NBFCs FACE CHALLENGES AS ASSETS DECLINE AND NPLS RISE, SAYS CBO**

Oman's non-banking finance companies (NBFCs), also known as finance and leasing companies (FLCs), are undergoing challenging times as the slowdown in their assets growth, declining margins and increasing non-performing loans (NPLs) may put further pressure on profitability, according to the Central Bank of Oman (CBO). 'The economic slowdown and growth of Islamic banking appear to be taking a toll on the growths of NBFCs', CBO said in its financial stability report released on Thursday.

Source: [Muscat Daily](#)

### **CBO BOARD HOLDS THIRD MEETING OF 2018**

The Central Bank of Oman's (CBO) board of governors held its third meeting of the year on Sunday under the chairmanship of H E Sultan bin Salim bin Said al Habsi, deputy chairman of the board of governors. The meeting was held at the CBO headquarters. According to a press release, at the beginning of the meeting, the board reviewed the subjects on the agenda. It then studied the CBO report on the economic and financial developments in the sultanate. The board also discussed the CBO report on the volume of funding extended by the banking sector in the sultanate to the small and medium enterprises.

Source: [Muscat Daily](#)

### **A'SAFFA ISSUES STATEMENT TO CLEAR SOCIAL MEDIA BUZZ**

A'Saffa Foods has issued a statement following references in social media about a sample of the company's chicken taken from an outlet in Qatar testing positive for Salmonella. In its statement, A'Saffa Foods highlighted the fact that it is currently investigating the matter - the circumstances in which the sample were taken, their examination and the correctness of the procedures followed. The company has taken this step particularly in light of its compliance with all health practices and standards, biosecurity measures and procedures (GHP) as per HACCP and ISO guidelines, issued by relevant international organisations that are applied strictly at all stages of the A'Saffa Foods' production chain.

Source: [Muscat Daily](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Trade concerns weigh on Dubai DP World; Orascom Investment shines in Egypt**

Gulf stocks traded in negative territory on Monday, mirroring a dip in global market as concerns increased over a trade row between the United States and China. In Dubai, where the index shed 0.3 percent, contractor Drake and Scull International (DSI) continued to weigh on the index. Shares in the company dropped 2.6 percent, continuing their downward trend after DSI said this month its shareholders would meet on Sept. 27 to decide whether to dissolve it.

Source: [Zawya](#)

#### **Saudi Arabia's ambitious new crown prince is reportedly hiding out on his superyacht, 'fearing for his security'**

Mohammed bin Salman, the 32-year-old crown prince of Saudi Arabia, has been touted as a reformer and embraced by the US. But Prince Mohammed's policies at home and abroad have reportedly angered people inside the kingdom. Amid what is reported to be growing ire with the crown prince, he is said to be spending more time on his superyacht for security.

Source: [Business Insider](#)

#### **Private equity investors weigh exit from UAE school operator GEMS-sources**

A group of private equity investors, including Fajr Capital, Blackstone and Bahrain's Mumtalakat, is weighing the sale of their combined stake in the emerging market business of UAE-based GEMS Education, three sources said. The consortium has held preliminary talks with investors about an outright sale of the more than 20 percent stake after GEMS shelved its plan to list the schools operator in London, which deprived them of an exit in their more than four-year old investment, the sources familiar with the talks said.

Source: [Reuters](#)

#### **Investment opportunities in spotlight**

The Bahrain Chamber of Commerce and Industry (BCCI) has invited the business community to attend an investment conference themed 'Hong Kong Investment Opportunities under the Belt and Road Initiatives'. To be held on Thursday from 9.

Source: [GDN](#)

#### **Dubai firm eyes expansion at Gulf Property Show mall event**

Dubai-based Homes 4 Life Real Estate is returning to Bahrain at the Gulf Property Show Mall event that takes place at The Avenues Bahrain from November 21 to 24 this year. An independent firm that specialises in the sale and rental of residential and commercial properties in UAE, Homes 4 Life Real Estate is an award-winning brokerage which has risen to become a leading player in just 10 years.

Source: [GDN](#)

#### **Union Properties denies merger reports as real estate stocks remain under pressure**

Union Properties (UPP) said in a statement issued to the Dubai Financial Market on Monday that it was "not considering any merger" after rumours had emerged about a potential tie-up with another Dubai-based developer. Following reports in Arabic media that the company had been assessing a tie-up with Dubai-based Deyaar Development, Union Properties said in its statement that "the management of the company would like to point out that it is currently not considering any merger and in the event that such merger exist(s), the company's management will follow the procedures prescribed by the laws, regulations and the disclosure and transparency rules".

Source: [Zawya](#)

#### **Top 10 Dubai communities which offer highest rental yield**

Despite decline in rentals and slowdown in overall real estate market, some section of Dubai's property market still offer decent rental yield of high single digit to investors. "With prices flattening, the capital appreciation at this point might seem less, but we expect long-term gains leading up to 2020," Luxhabitat said, adding that rental yields overall have fallen by a minimal of 0.20 per cent but investors can still benefit from an attractive rental yield of 6.23 per cent year-to-date on average.

Source: [Zawya](#)

#### **SABIC said to hire banks ahead of dollar bond issue**

Saudi Basic Industries Corp (SABIC) has hired banks to arrange a series of fixed-income investor meetings ahead of its proposed dual-tenor US dollar-denominated bond issue, Reuters reported, citing a bank document. The world's fourth-largest petrochemicals company has mandated BNP Paribas and Citi as global coordinators for the planned debt issue, along with HSBC, MUFG and Standard Chartered as joint lead managers.

Source: [Argaam](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **Beijing pushes ahead with opening up its financial sector despite trade tensions**

"I hope in three years' time, there will be a number of foreign ventures qualified for full-license, full-ownership operation in the financial sector," Premier Li Keqiang told a group of business leaders at a World Economic Forum conference. Recent financial reform efforts that Chinese authorities have taken include allowing individual foreign investors in the country to buy mainland-traded stocks, known as A shares, and removing limits of foreign holdings in banks.

Source: [CNBC](#)

#### **Asia stocks mixed following US political uncertainty, trade tensions**

Asia markets were mixed on Tuesday afternoon, following the Dow Jones Industrial Average's fall overnight amid political uncertainty in the U.S. Mainland China markets remained down following Monday's public holiday. The Shanghai composite was lower by 0.76 percent in the afternoon while the Shenzhen composite also slipped by around 0.68 percent.

Source: [CNBC](#)

## COMMODITIES NEWS

### Collapse of trade talks could have 'ripple effects' for oil: Al-Falih

The breakdown in trade talks between the US and China and ongoing tensions between their economies could have "ripple effects" for the oil market, Saudi energy minister Khalid Al-Falih said on Sunday. Noting that "everybody is concerned" about global trade tensions and the crisis in emerging markets, Al-Falih said he remained confident in the wisdom of global leaders and their ability to tackle current challenges.

Source: [Argaam](#)



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