

U Capital Morning Brief

29 January 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	860.64	-3.19	-0.37%	-2.78%	-	-	-
U Capital GCC 50 Index	1,411.26	17.99	1.27%	9.09%	-	-	-
U Capital MENA 200 Index	1,108.47	13.46	1.21%	7.28%	-	-	-
MSCI GCC Countries Index	579.28	5.53	0.96%	7.70%	15.18	1.88	3.7%
Muscat Securities Market	4,159.94	-6.44	-0.15%	-3.79%	8.31	0.74	6.2%
Saudi Stock Exchange	8,623.93	114.50	1.35%	10.19%	18.59	1.92	3.3%
Kuwait Stock Exchange	5,177.65	-19.78	-0.38%	1.93%	15.30	1.24	3.8%
Qatar Exchange	10,704.73	36.59	0.34%	3.94%	15.57	1.59	4.1%
Bahrain Stock Exchange	1,379.27	-11.62	-0.84%	3.14%	8.83	0.86	5.9%
Dubai Financial Market	2,570.94	31.30	1.23%	1.63%	7.73	0.94	5.4%
Abu Dhabi Exchange	5,051.07	30.46	0.61%	2.77%	13.57	1.46	4.8%
Beirut Stock Exchange	946.62	-0.16	-0.02%	-3.08%	4.79	0.56	9.6%
Palestine Stock Exchange	528.25	0.68	0.13%	-0.21%	13.01	1.23	4.5%
Tunis Se Index	7,201.41	-14.46	-0.20%	-0.97%	18.58	2.53	2.0%
EGX 30 Index	13,911.34	94.24	0.68%	6.72%	12.76	1.58	2.2%
Amman General Index	1,945.70	1.82	0.09%	1.93%	13.69	0.96	4.9%

* 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
			%	%	Currency		
Europe					Currency Cross Rates		
FTSE 100	UK	6,747.1	-0.91%	0.3%	Australian Dollar (AUD)	0.716	1.396
DAX	Germany	11,210.3	-0.63%	6.2%	British Pound (GBP)	1.315	0.760
CAC 40	France	4,888.6	-0.76%	3.3%	Canadian Dollar (CAD)	0.754	1.326
United States					Chinese Renminbi (CNH)	0.148	6.761
DJIA	USA	24,528.2	-0.84%	5.1%	Egyptian Pound (EGP)	0.057	17.629
S&P 500	USA	2,643.9	-0.78%	5.5%	Euro (EUR)	1.143	0.875
NASDAQ	USA	7,085.7	-1.11%	6.8%	Indian Rupee (INR)	0.014	71.115
Asia Pacific					Japanese Yen (JPY)	0.009	109.260
NIKKEI 225	Japan	20,550.2	-0.48%	2.7%	New Zealand Dollar (NZD)	0.684	1.462
HANG SENG	Hongkong	27,413.2	-0.59%	6.1%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	40,399.5	-0.05%	9.0%	Pakistani Rupee (PKR)	0.721	138.700
NSE Nifty 50	India	10,649.8	-0.11%	-2.0%	Russian Ruble (RUB)	0.015	66.268
SHANGHAI Composite	China	2,583.9	-0.50%	3.6%	Singapore Dollar (SGD)	0.739	1.353
KOSPI Index	South Korea	2,173.0	-0.20%	6.5%	Turkish Lira (TRY)	0.188	5.329

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	
	USD	%	%			
Oil						
Brent Crude (per bbl)	60.0	0.17%	11.6%	UAE	2.87	
WTI Crude (per bbl)	52.1	0.25%	14.8%	Saudi Arabia	2.97	
Oman Crude Oil (Last Closing)	59.7	-3.02%	11.5%	Kuwait	2.56	
OPEC (per bbl)	60.9	1.13%	18.1%	Oman	2.84	
Precious Metals						
Gold100 OZ (per oz)	1,303.7	0.03%	1.7%	Qatar	2.93	
Silver (per oz)	15.7	-0.01%	1.6%	Bahrain	3.95	
Platinum (per oz)	814.4	0.26%	2.4%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,002	-0.89%	0.6%		Maturity date	YTM, %
Aluminium, MT	1,867	-2.76%	1.1%	Kuwait	3/20/2027	3.52
Lead, MT	2,078	-1.47%	2.8%	Abu Dhabi	10/11/2027	3.52
Zinc, MT	2,680	0.26%	8.6%	Qatar	6/2/2026	3.66
				Saudi Arabia	3/4/2028	4.15
				Oman	1/17/2028	7.10
				Bahrain	10/12/2028	6.57

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.81	2.57	1m	2.50
5 year	100.24	2.57	3m	2.75
10 year	103.30	2.74	6m	2.83
30 year	106.11	3.06	1 year	3.03

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

PRIVATE SECTOR TO PLAY KEY ROLE TO REALISE 2040 VISION: OCCI CHIEF

Qais bin Mohammed al Yousef, chairman of the Oman Chamber of Commerce and Industry (OCCI), has said that the private sector has an important role to play in the realisation of Oman 2040 Vision. Yousef said, "The private sector plays an important role in many countries of the developed world by attracting investment and technology transfer that contributes to providing more job opportunities to the youth."

Source: [Muscat Daily](#)

Jabal Akhdhar sees 226,000 tourists in winter

More than 226,000 tourists visited Jabal Akhdhar, the preferred destination in winter, in 2018. It is one of the most important tourist spots in Oman that sees a surge in the number of visitors every year, especially from Europe. A couple from London, who were visiting the country for the first time, said they were here to enjoy the "wonderful winter weather". "We spent a wonderful time and will definitely visit again," they said.

Source: [Oman Observer](#)

Four labour complexes to house 40,000 workers in Oman

Special "cities" for around 40,000 workers will be set up across Oman in a span of two years as part of efforts to provide accommodation to blue collar workers in the country. The main concept of these cities is not only focused on providing accommodation, but to also function as entertainment areas for foreign workers.

Source: [Times of Oman](#)

Oxy to bring low-carbon tech to Oman's oilfield sector

Occidental Petroleum — the largest independent producer of oil and gas in the Sultanate — has pledged to introduce pioneering low carbon electricity generation and carbon capture and sequestration technologies that promise to add further value to Enhanced Oil Recovery (EOR) operations and to Oman's energy sector in general.

Source: [Oman Observer](#)

Sharakah and HSBC Bank Oman sign pact to support SMEs

Sharakah, one of Oman's first SME development initiatives that was incorporated by Royal Decree in 1998, signed a cooperation agreement yesterday with HSBC Bank Oman to assess and provide support for sustainability to ten small and medium enterprises (SMEs).

Source: [Oman Observer](#)

Ahli Bank's Board of Directors proposed dividend

The Board of Directors of Ahli Bank has proposed a cash dividend of 10% (10 baizas per share) and a stock dividend of 5% (5 baizas per share), subject to regulatory and shareholder approvals.

Source: [MSM](#)

ACWA Power: Further update on GT-1 Technical Fault incident

The company has disclosed that the repair activities on GT-1 have been successfully completed. The plant is now back to its full capacity.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Banks Propel Saudi, most Gulf markets up

Saudi Arabia's stock market rose on Monday aided by rising bank shares, while Dubai was lifted as most of its real estate stocks rebounded. The Saudi Arabia index was up 0.6 percent with Al Rajhi Bank adding 1.2 percent and the country's largest lender, National Commercial Bank (NCB), gaining 0.8 percent. NCB had last week reported a 3.5 percent increase in its fourth-quarter net profit.

Source: [Zawya](#)

Saudi's Maaden to sign several deals today: official

Saudi Arabian Mining Company (Maaden) will sign several deals, including a memorandum of understanding (MoU) with Boeing to develop the industry of aluminum used in airplane manufacturing, Khaled Alohal, Maaden's vice president for Corporate Strategic Affairs, told Al-Ekhbariya channel.

Source: [Argaam](#)

NEOM's construction to begin in a few months: CEO

Construction works on the NEOM project are set to begin within the next few months, Nazmi Al Nasr, the project's chief executive officer told Argaam in an exclusive interview. "The project is halfway in terms of developing strategies for each sector separately, in addition to an integrated strategy for the entire project," Nasr said on the sidelines of the National Industrial Development and Logistics Program (NIDLP) launch ceremony.

Source: [Argaam](#)

Saudi signs \$54.4 bln of deals, offers manufacturing incentives

Saudi Arabia said on Monday it had signed agreements worth 204 billion riyals (\$54.4 billion) and offered fresh incentives to attract capital as part of a 10-year programme that would help diversify the economy of the world's top oil exporter, Reuters reports.

Source: [ME Monitor](#)

Saudi Arabia to lay cornerstone of \$3 bln Jizan petrochemicals complex tomorrow

Saudi Arabia will tomorrow lay the foundation stone of the petrochemicals complex in Jizan, Abdulaziz Abdul Karim, Deputy Minister of Energy for Industrial Affairs, told Akhbaar24. "The project will cost more than \$3 billion (SAR 11.25 billion) and will be developed by China's Pan-Asia Co.

Source: [Argaam](#)

Saudi transport authority to work with private sector to boost logistics industry: official

The Saudi Public Transport Authority (PTA) is working with the private sector to boost the logistics industry across the Kingdom, facilitate doing business, and reduce time and costs, chairman Rumaih Al Rumaih told Argaam on Monday. "The authority is mulling various initiatives in the railways, port, airport, and road sectors to develop logistic services," Al Rumaih added on the sidelines of the launch ceremony of the National Industrial Development and Logistics Program (NIDLP).

Source: [Argaam](#)

IMF says economic growth in Kuwait to strengthen on the back of oil prices

The International Monetary Fund said on Monday Kuwait's non-oil growth is projected to increase to about 3.5 percent in 2020, from 2.5 percent last year, as higher oil prices will boost capital spending. "The mission has assumed an average oil price of \$57 per barrel in 2019–20, increasing to \$60 per barrel over the medium term," the IMF said in a statement at the end of an official staff visit to the OPEC member.

Source: [Zawya](#)

ENBD REIT seeks to cut share capital

ENBD REIT (CEIC) PLC, formerly known as Emirates Real Estate Fund Limited, announced plans to reduce its share capital. ENBD REIT, which is managed by Emirates NBD Asset Management, is seeking the confirmation of the court regarding the capital reduction and that the distributable reserve created by the said reduction of share capital is distributable, according to an official statement.

Source: [Zawya](#)

Bankers see central bank behind surprise rise of Egyptian pound

The Egyptian pound strengthened slightly against the U.S. dollar on Monday, after a nearly 2 percent rise on Sunday, and bankers attributed the increase to central bank intervention. The pound was trading at 17.68 to the dollar at midday on Monday, up from 17.75 pounds on Sunday. The pound had previously traded at around 17.95 to the dollar.

Source: [Zawya](#)

Aramco Could Stagger Payments for Sabic Deal, Oil Minister Says

Saudi Aramco could stagger payments for the acquisition of chemical giant Sabic, offering flexibility in how to finance the largest deal in the kingdom's history, energy minister Khalid Al-Falih said. Aramco is close to agreeing on the purchase of a 70 percent stake in Sabic from the Public Investment Fund for as much as \$70 billion. The state-run oil company carries almost no debt, but plans an unprecedented international bond issue in the second-quarter and has also asked banks to submit proposals for loans.

Source: [Bloomberg](#)

Aster DM Healthcare to invest in UAE and Saudi, but staying out of Egypt on currency concerns – chairman

Aster DM Healthcare, a major private sector healthcare company based in the United Arab Emirates, plans to invest 250 million dirhams (\$68.1 million) in new projects in its home market over the next two years, as well as expanding its hospital in Saudi Arabia, the company's chairman and managing director has said.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia Stocks Drop as Earnings Fade, Trade in Focus: Markets Wrap

Asian stocks declined Tuesday on growing concerns the trade war with China is hitting corporate profits. Shares posted modest losses across the region, with technology stocks underperforming after a reminder that U.S.-China tensions are deep seated: American prosecutors filed criminal charges against Huawei Technologies Co., China's largest smartphone maker.

Source: [Bloomberg](#)

Yen gains on trade tensions, investors await Fed

The yen strengthened versus its peers on Tuesday, as investors took refuge in safe-haven assets after the U.S. Justice Department charged China's Huawei Technologies Co Ltd with fraud, ratcheting up U.S.-Sino trade tensions.

Source: [Reuters](#)

China wants to boost loans to small businesses. Tech companies may be the answer

As Beijing struggles to balance a crackdown on high debt levels with maintaining growth, Chinese leaders have publicly announced support for privately-run companies. As China lacks a standardized credit system, roughly 80 percent of the nearly 90 million small and micro-sized enterprises don't have a credit with a bank, according to Tencent-backed WeBank.

Source: [CNBC](#)

More Chinese provinces cut growth targets in 2019, in a sign of deepening gloom

At least 23 provinces in China cut their economic growth targets for 2019. This was in comparison to 17 provinces setting lower annual targets in 2018. Only one province, Hubei, raised its target. China's economy grew 6.6 percent last year, in line with the government's target of around 6.5 percent.

Source: [CNBC](#)

COMMODITIES NEWS

Saudis Pledge Even Deeper Oil Cuts in February Under OPEC+ Deal

Saudi Arabia expects to reduce oil output once again in February and pump for six months at levels "well below" the production limit it accepted under OPEC's oil-cuts accord, Energy Minister Khalid Al-Falih said. The world's biggest exporter targeted production of 10.2 million barrels a day in January and is aiming to pump about 10.1 million in February, he said.

Source: [Bloomberg](#)

Oil Holds Near \$52 as Venezuela Sanctions Largely Shrugged Off

Oil held near \$52 a barrel as renewed concern over slowing global growth largely outweighed U.S. sanctions against Venezuela's state oil company. Futures were little changed in New York after dropping 3.2 percent in the previous session. The Donald Trump administration issued new sanctions on Venezuela's PDVSA that effectively block the regime of President Nicolas Maduro from exporting crude to the U.S. On Monday, more American companies warned of slowing growth in China and elsewhere, while more talks on trade between the U.S. and China are scheduled this week.

Source: [Bloomberg](#)