













U Capital Morning Brief

9 October 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	869.03	5.29	0.61%	-1.06%	-	-	-
U Capital GCC 50 Index	1,331.96	-0.65	-0.05%	1.70%	-	-	-
U Capital MENA 200 Index	1,046.10	-1.00	-0.10%	0.10%	-	-	-
MSCI GCC Countries Index	537.21	-1.00	-0.19%	-12.14%	14.83	1.75	4.3%
Muscat Securities Market	 4,035.96	9.71	0.24%	-6.66%	8.21	0.79	6.8%
Saudi Stock Exchange	 7,832.93	-45.30	-0.58%	0.08%	19.32	1.73	3.9%
Kuwait Stock Exchange	 6,603.97	-1.41	-0.02%	16.84%	14.19	1.36	3.7%
Qatar Exchange	 10,271.86	-27.17	-0.26%	-0.26%	14.74	1.56	4.2%
Bahrain Stock Exchange	 1,517.72	-1.32	-0.09%	13.49%	11.37	0.96	5.1%
Dubai Financial Market	 2,796.58	-6.50	-0.23%	10.55%	11.76	1.02	4.4%
Abu Dhabi Exchange	 5,070.19	-5.30	-0.10%	3.16%	15.21	1.44	4.9%
Beirut Stock Exchange	 784.65	5.46	0.70%	-19.67%	4.17	0.47	11.8%
Palestine Stock Exchange	 513.51	-3.58	-0.69%	-2.99%	12.19	1.18	4.6%
Tunis Se Index	 7,022.42	-3.05	-0.04%	-3.43%	19.61	2.35	2.1%
EGX 30 Index	 14,348.57	-83.15	-0.58%	10.07%	11.83	1.96	2.8%
Amman General Index	 1,825.50	-1.58	-0.09%	-4.36%	11.79	0.90	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,143.2	-0.76%	6.2%
DAX	Germany	11,970.2	-1.05%	13.4%
CAC 40	France	5,456.6	-1.18%	15.3%
United States				
DJIA	USA	26,164.0	-1.19%	12.2%
S&P 500	USA	2,893.1	-1.56%	15.4%
NASDAQ	USA	7,823.8	-1.67%	17.9%
Asia Pacific				
NIKKEI 225	Japan	21,442.4	-0.68%	7.1%
HANG SENG	Hongkong	25,716.8	-0.68%	-0.5%
KSE 100 Index	Pakistan	33,391.9	-0.25%	-9.9%
NSE Nifty 50	India	11,117.3	-0.08%	2.3%
SHANGHAI COMPOSITE	China	2,909.5	-0.14%	16.7%
SHANGHAI SHENZHEN CSI 300	China	3,825.4	-0.32%	27.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.674	1.484
British Pound (GBP)	1.221	0.819
Canadian Dollar (CAD)	0.751	1.332
Chinese Renminbi (CNH)	0.140	7.150
Egyptian Pound (EGP)	0.061	16.292
Euro (EUR)	1.096	0.912
Indian Rupee (INR)	0.014	65.195
Japanese Yen (JPY)	0.009	107.130
New Zealand Dollar (NZD)	0.631	1.585
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.640	156.574
Russian Ruble (RUB)	0.015	71.123
Singapore Dollar (SGD)	0.724	1.382
Turkish Lira (TRY)	0.171	5.839

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	58.0	-0.41%	5.2%
WTI Crude (per bbl)	52.4	-0.44%	15.4%
Oman Crude Oil (Last Closing)	58.7	0.09%	9.8%
OPEC (per bbl)	59.1	0.85%	14.6%
Precious Metals			
Gold100 OZ (per oz)	1,506.7	0.07%	17.5%
Silver (per oz)	17.8	0.24%	14.7%
Platinum (per oz)	893.8	0.42%	12.3%
Other Metals			
Copper, MT	5,676	-0.81%	-4.9%
Aluminium, MT	1,752	0.32%	-5.1%
Lead, MT	2,145	-2.01%	6.1%
Zinc, MT	2,298	0.39%	-6.9%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.29	-19.1%
Saudi Arabia	2.32	-22.1%
Kuwait	2.88	24.3%
Oman	2.90	2.5%
Qatar	2.60	-10.5%
Bahrain	3.02	-23.6%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.2
Abu Dhabi	11/10/2027	2.3
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	6.0
Bahrain	12/10/2028	5.2

Midswaps	Price	YTM %
3 year	99.98	1.4
5 year	100.70	1.4
10 year	100.84	1.5
30 year	104.83	2.0

USD Libor	Rate (%)	YTD
1m	1.94	-22.5%
3m	2.01	-28.3%
6m	1.96	-31.8%
1 year	1.87	-37.9%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Omran appoints U Capital as adviser for privatisation of hotel assets

Oman Tourism Development Company (Omran), the Sultanate's executive arm for tourism development and the largest developer and owner of hotels in Oman, has appointed Ubhar Capital ('U Capital') as its adviser to study the privatisation of some of its major hotels. Peter Walichnowski, Omran CEO said: "It's part of Omran's strategy to support the government's privatisation agenda and we will study the opportunity to offer shares in a new hotel investment company managed by Omran to allow local and foreign investors to participate in the growth of the Oman tourism sector. Funds which are released by selling shares in the hotel company can be re-invested in new projects in the tourism sector."

Source: [Times of Oman](#)

SMEs significant for attracting foreign investments to Oman: Ithraa CEO

The presence of Small and Medium Enterprises (SMEs) in Oman is a potential draw for foreign investors and companies hoping to do business in Oman, according to the CEO of the Public Authority for Investment Promotion and Export Development (Ithraa). Azzan Al Busaidi, the CEO of Ithraa, told Times of Oman that there is a definite link between growing SMEs in the Sultanate and attracting foreign investment, when asked about the role of SMEs in drawing investors for Public-Private Partnerships and whether Ithraa makes an effort to introduce investors to Omani SMEs.

Source: [Times of Oman](#)

PPP forum concludes

The two-day Oman Public-Private Partnership Forum, organised by the Supreme Council for Planning (SCP) in collaboration with the Public Authority for Privatisation and Partnership (PAPP), concluded at Oman Convention and Exhibition Centre, on Tuesday. The first session on the concluding day discussed the financing of partnership projects and discussed the development of alternative financing structure for projects and Islamic finance. The second session focussed on the future of public-private partnership. The third session reviewed projects and opportunities.

Source: [Oman Observer](#)

Agreements to strengthen telecom sector in Sultanate

Oman Tower Company on Tuesday signed two main partnership agreements with Omani-Qatari Telecommunications Company (Ooredoo) under the auspices of Sayyid Khalifa bin Al Murtadha al Busaidi, Governor of Musandam, in the presence of Dr Hamad bin Salim al Rawahi, Executive Chairman of the Telecommunications Regulatory Authority (TRA), and the Chief Executive Officer of the Omani Information and Communications Technology (OICT).

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Aramco IPO prospectus to be filed by end of the month, report says

Saudi Aramco, the world's biggest oil producer, is expected to file its IPO prospectus by the end of the month, people familiar with the matter told the Wall Street Journal. The prospectus will reportedly first be published in Arabic on Oct. 25 and then in English two days later, according to a timeline seen by the Journal.

Source: [CNBC](#)

A look at Saudi pension fund's investments in 2018

The Saudi Public Pension Agency (PPA) has issued its annual investment report for 2018, which showed Saudi companies topping the list of investments with 22.6 percent. Meanwhile, the emerging markets stocks accounted for 20.9 percent of the total investments, whereas investments in properties, and domestic infrastructure stood at 6.7 percent. "The PPA seeks to boost investments' returns in the long term to fund pension liabilities, given market risks," according to the report.

Source: [Argaam](#)

AlKhodari expects SAR 37 mln loss on terminating a contract by Ministry of Transport

Abdullah A. M. Al-Khodari Sons Co. said it was notified by the Ministry of Transport on Tuesday that the contract to build the Assfan to Axial Road in Al Jouf region has been terminated due to the cancellation of the project from the ministry's budget. About 2% of the total project value has been billed, while the financial impact of the contract termination is a loss of approximately SAR 36.8 million, the company said in a bourse statement.

Source: [Argaam](#)

Saudi mining giant Ma'aden renews focus on gold, aims to produce 250,000 ounces annually

Saudi Arabia's state-run mining firm, Ma'aden, faces a tough task to achieve its goal of more than doubling its gold output by 2025, while higher costs are also hurting production margins. But with prices for the yellow metal in the ascendant, the

company's decision to invest heavily in opening new gold mines looks a smart move. Founded in 1997 by royal decree, Ma'aden's three main divisions are phosphate, aluminium and gold. In the first half of 2019, phosphate and aluminium accounted for 49 and 42 percent of sales revenue, with gold generating the remaining 9 percent.

Source: [Zawya](#)

CMA amends business profile of Saudi Venture Capital

The Capital Market Authority has amended the business profile of Saudi Venture Capital Investment Company, the market regulator said in a statement on Tuesday. The company's activities of dealing as an underwriter, managing investment funds, managing client portfolios and custody have been cancelled. It is now authorized to conduct dealing as principal, arranging and advising activities in the securities business, the statement added.

Source: [Argaam](#)

Abu Dhabi's Aldar hires banks for dollar sukuk

Aldar Investment Properties, a fully owned subsidiary of Abu Dhabi's largest developer Aldar Properties, has hired banks to arrange investor meetings ahead of a planned issue of U.S. dollar-denominated sukuk, or Islamic bonds, a document issued by one of the banks showed. Aldar, 37.3% indirectly owned by Abu Dhabi's sovereign wealth fund Mubadala, has mandated a group of banks including Dubai Islamic Bank, First Abu Dhabi Bank, HSBC and Standard Chartered to lead the potential deal.

Source: [Reuters](#)

UAE economy minister expects further reduction in federal services fees

The UAE economy minister expects more government entities to reduce federal services fees. "There were positive measures in that aspect (reduction of federal fees), whether at the Ministry of Human Resources and Emiratisation or the Ministry of Economy, and we expect this to happen in other ministries," Sultan bin Saeed Al Mansouri told reporters in Arabic, on the sidelines of an event in Abu Dhabi on Monday.

Source: [Zawya](#)

AlKhadari expects SAR 37 mln loss on terminating a contract by Ministry of Transport

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Source: [Argaam](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Powell says the Fed will start expanding its balance sheet 'soon' in response to funding issues

The Fed will start expanding its balance sheet again "soon," Chairman Jerome Powell said Tuesday. Trouble in overnight lending markets several weeks ago helped spur the the Fed into action. Pertaining to interest rates, Powell did not commit to a future course, saying the Fed will stay data dependent.

Source: [CNBC](#)

Nordic Lenders at Risk from Eastern Europe's Latest Tax on Banks

Nordic lenders are facing headwinds in the Baltic region they dominate as yet another eastern European nation weighs introducing a tax on banks. This time it's Lithuania, a European Union and euro area member, looking to follow Hungary, Poland and Romania in imposing a levy. The tax on assets of as much as 0.4%, to help fund social spending, could take force as early as next year, according to Prime Minister Saulius Skvernelis.

Source: [Bloomberg](#)

Asian stocks swoon on signs of prolonged U.S.-China standoff

Asian stocks fell the most in a week on Wednesday as the United States and China is broadening dispute over trade and foreign policy showed little sign of coming to an end, weighing on global economic growth. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.44%. Chinese shares .CSI300 fell 0.47% after briefly touching a five-week low. Australian shares were down 0.76%.

Source: [Reuters](#)

Thailand Looks to Rein in Baht as It Hits 6-Year High

The Bank of Thailand is considering imposing additional measures to rein in the currency amid further gains in the baht to a six-year high and worries about economic growth. The economy could be more sensitive to greater currency appreciation,

the Bank of Thailand said in minutes of the Sept. 25 monetary policy committee meeting published on Wednesday. This would be an “additional pressure” on softening domestic demand, particularly exported-related manufacturing and services, it said.
Source: [Bloomberg](#)

COMMODITIES NEWS

Oil prices extend slide to third straight day, U.S.-China trade doubts grow

Oil prices slipped for a third consecutive session on Wednesday as the prospect of the United States and China striking a trade deal in talks this week dimmed, raising uncertainties for global economic growth and oil demand. U.S. industry data showing a bigger-than-expected rise in stockpiles at the world’s top oil producer also depressed prices: Brent crude futures LCOc1 fell 27 cents, or 0.5%, to \$57.97 a barrel by 0148 GMT, while U.S. West Texas Intermediate crude CLc1 was at \$52.38, down 25 cents or 0.5%.

Source: [Reuters](#)

Investors Take Cover as Gold ETFs Post Longest Run in a Decade

As global tensions escalate, signs of a slowdown mount and equities decline, more investors are turning to gold. Worldwide holdings in bullion-backed exchange-traded funds have expanded for 17 days in a row, capping the longest run of inflows since 2009. The total stash now stands less than 35 tons away from a record set in 2012, according to the latest tally by Bloomberg. The consistent influx has come even as prices struggled to extend gains above \$1,500 an ounce in recent weeks.

Source: [Bloomberg](#)