













U Capital Morning Brief

13 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	860.13	-7.20	-0.83%	-2.07%	-	-	-
U Capital GCC 50 Index	1,318.29	0.19	0.01%	0.66%	-	-	-
U Capital MENA 200 Index	1,038.17	0.71	0.07%	-0.66%	-	-	-
MSCI GCC Countries Index	530.71	0.02	0.00%	-132.95%	14.64	1.72	4.3%
Muscat Securities Market	 4,013.55	-26.31	-0.65%	-7.17%	8.13	0.79	6.8%
Saudi Stock Exchange	 7,695.48	-20.41	-0.26%	-1.68%	18.96	1.70	3.9%
Kuwait Stock Exchange	 6,588.39	18.74	0.29%	16.56%	14.12	1.35	3.7%
Qatar Exchange	 10,227.52	29.95	0.29%	-0.69%	14.68	1.54	4.2%
Bahrain Stock Exchange	 1,523.04	5.11	0.34%	13.89%	11.41	0.96	5.1%
Dubai Financial Market	 2,810.46	0.51	0.02%	11.10%	11.82	1.03	4.4%
Abu Dhabi Exchange	 5,073.49	20.20	0.40%	3.22%	15.22	1.45	4.9%
Beirut Stock Exchange	 784.13	0.75	0.10%	-19.72%	4.17	0.47	11.8%
Palestine Stock Exchange	 515.96	2.37	0.46%	-2.53%	12.25	1.19	4.6%
Tunis Se Index	 7,002.24	-6.50	-0.09%	-3.70%	19.55	2.34	2.1%
EGX 30 Index	 14,302.27	119.57	0.84%	9.72%	11.85	1.96	2.8%
Amman General Index	 1,825.72	1.10	0.06%	-4.35%	11.81	0.90	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,247.1	0.84%	7.7%
DAX	Germany	12,511.7	2.86%	18.5%
CAC 40	France	5,665.5	1.73%	19.8%
United States				
DJIA	USA	26,816.6	1.21%	15.0%
S&P 500	USA	2,970.3	1.09%	18.5%
NASDAQ	USA	8,057.0	1.34%	21.4%
Asia Pacific				
NIKKEI 225	Japan	21,798.9	1.15%	8.9%
HANG SENG	Hongkong	26,308.4	2.34%	1.8%
KSE 100 Index	Pakistan	34,475.7	1.32%	-7.0%
NSE Nifty 50	India	11,305.1	0.63%	4.1%
SHANGHAI COMPOSITE	China	2,973.7	0.88%	19.2%
SHANGHAI SHENZHEN CSI 300	China	3,911.7	0.96%	29.9%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.679	1.472
British Pound (GBP)	1.267	0.791
Canadian Dollar (CAD)	0.757	1.320
Chinese Renminbi (CNH)	0.141	7.081
Egyptian Pound (EGP)	0.061	16.295
Euro (EUR)	1.104	0.906
Indian Rupee (INR)	0.014	64.217
Japanese Yen (JPY)	0.009	108.290
New Zealand Dollar (NZD)	0.634	1.577
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.641	156.275
Russian Ruble (RUB)	0.016	71.018
Singapore Dollar (SGD)	0.729	1.373
Turkish Lira (TRY)	0.170	5.883

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	60.5	2.39%	9.7%
WTI Crude (per bbl)	54.7	2.15%	20.5%
Oman Crude Oil (Last Closing)	61.4	3.38%	14.8%
OPEC (per bbl)	58.7	0.10%	13.9%
Precious Metals			
Gold100 OZ (per oz)	1,489.1	-0.33%	16.1%
Silver (per oz)	17.6	0.22%	13.3%
Platinum (per oz)	896.0	-0.33%	12.6%
Other Metals			
Copper, MT	5,796	0.26%	-2.8%
Aluminium, MT	1,722	-1.77%	-6.7%
Lead, MT	2,182	1.07%	8.0%
Zinc, MT	2,419	1.30%	-1.9%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.31	-18.6%
Saudi Arabia	2.31	-22.4%
Kuwait	2.88	24.3%
Oman	2.91	3.2%
Qatar	2.60	-10.5%
Bahrain	2.95	-25.3%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.2
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	6.1
Bahrain	12/10/2028	5.3

Midswaps	Price	YTM %
3 year	99.45	1.6
5 year	99.74	1.6
10 year	99.06	1.7
30 year	101.22	2.2

USD Libor	Rate (%)	YTD
1m	1.91	-23.5%
3m	2.00	-28.7%
6m	1.98	-31.3%
1 year	1.96	-34.9%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: MSM30 index retreats on slower market activity

The MSM 30 Index retreated this week on slower market activity, with reduced turnover and volume on weekly basis. Omani and foreign investors absorbed the selling pressure from GCC and Arab investors, and were net buyers of about \$2.46 million worth of securities. The MSM30 Index dropped 0.31 per cent this week to close at 4013.55. Within the sub-indices, the Industrial Index dropped the most by 1.18 per cent w-o-w, followed by the Services Index which dropped by 0.74 per cent. The Financial Index was the only index that advanced this week, gaining 0.11 per cent w-o-w. The Shariah Index closed down by 0.42 per cent.

Source: [Oman Observer](#)

Oman has potential to be global hydrogen exporter

A preliminary study undertaken by a pair of German organisations has underscored the Sultanate's potential to evolve into a world-scale producer of green hydrogen fuel, with an export capacity that can outstrip current oil exports by a factor of ten. The findings of the pre-study, jointly undertaken by the world-renowned Technical University of Munich (TUM) in collaboration with Hydrogen Rise AG, a German firm specialising in hydrogen fuel technologies, were presented at the 1st Oman Hydrogen Symposium held at the German University of Technology in Oman (GUtech) last week.

Source: [Oman Observer](#)

Mazoon Dairy launches region's first biogas plant

Mazoon Dairy Company has commenced operations of the first-of-its-kind biogas plant in the region in Al Sinainah, which uses waste from cows to produce gas that is used as alternative energy to operate some facilities at the factory. The switching on of the plant took place in the presence of Dr Hamad bin Said al Afi, Minister of Agriculture and Fisheries, and the Board of Directors.

Source: [Oman Observer](#)

Oman's pavilion at Dubai Expo 2020 to showcase SMEs

Dr Ali bin Masoud Al Sunaidi, Minister of Commerce and Industry, met with Reem bint Ibrahim Al Hashemi, UAE Minister of State for International Cooperation and Director General of Expo 2020 Dubai, on the sidelines of laying the foundation stone for Sultanate's pavilion at Expo 2020 Dubai on Thursday. The leaders discussed ways to boost the Sultanate as well as Small and Medium Enterprises (SMEs) participation at the expo at this stage and in the first half of next year.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia needs \$26 bln investment in healthcare sector

Saudi Arabia will require an investment of \$16.2 billion to \$26.3 billion to add between 29,000 and 47,500 hospital beds by 2030, according to a report by Colliers. The assumptions are based on the Kingdom and world average of 2.3 and 2.7 beds per 1,000 person, respectively. Though one of the key challenges faced while establishing quality hospitals is the high funding requirement, the consultancy said that creating more REIT funds will help bridge the funding gap.

Source: [Argaam](#)

Saudi cold storage market gains as consumer spending rises

Saudi Arabia's cold chain market sector will grow at a CAGR of 11.2 percent by 2023, given the rise in demand for dairy, meat and pharmaceuticals, consultancy firm Ken Research said in a recent report. The market is increasing largely due to growth in modern retail stores, growth in demand and consumption of perishable products and rising pharmaceutical imports in the Kingdom, it noted.

Source: [Argaam](#)

GCC banks to maintain stable credit ratings

GCC banks will successfully navigate a less-than-favourable macroeconomic environment in 2020 supported by their solid financial profiles, a leading global ratings agency said. "We believe that GCC banks' financial profiles will remain stable in 2020, absent any unexpected shocks. In our view, the two main sources of latent risk for GCC banks are geopolitical risk and a significant drop in oil prices, with the former including a potential full-scale military intervention in the region and the latter a weaker global economy," S&P Global Ratings said in a report.

Source: [Khaleej Times](#)

GCC banks to maintain stable financial profiles - S&P

Rated banks in the Gulf Cooperation Council (GCC) are set to maintain stable financial profiles in 2020, barring any major increase in geopolitical risk or a sharp fall in oil prices, Standard & Poor's Global Ratings said in a report Wednesday. "In our view, GCC banks will successfully navigate a less-than-favourable macroeconomic environment in 2020 supported by their solid financial profiles," the report said. S&P expects GCC economies to show modestly stronger economic growth in 2020 after a dip in 2019 when the recent attack on Saudi Aramco facilities weighed on Saudi Arabia's growth.

Source: [Zawya](#)

Saudi MEPCO renews \$53.33m banking facility with Bank Albilad

Middle East Paper Company (MEPCO) has renewed a sharia-compliant banking facility agreement with Bank Albilad valued at SAR 200 million. The revolving facility is renewable every year on 11 July, according to MEPCO's statement to the Saudi Stock Exchange (Tadawul) on Thursday. MEPCO noted that the facility is secured by a promissory note, equivalent to facility value, in favour of the bank.

Source: [Zawya](#)

Volume of tourists' spending in Kingdom up 12% in 8 months

There has been an increase of 12 percent in the volume of spending, reaching SR77.3 billion, by tourists arrived in the Kingdom during the period from January to August this year, compared to the same period last year, according to a report of the Tourism Information and Research Center (MAS) under the Saudi Commission for Tourism and National Heritage (SCTH). The number of foreign tourist trips to the Kingdom during the period also registered an increase of 11 percent.

Source: [SG](#)

DEWA awards AED 1bn contract for new headquarters constructions

The Dubai Water and Electricity Authority (DEWA) has awarded AED 981.96 million contract for the construction of its new headquarters, Al-Shera'a, to a consortium comprising Ghantoot Transport & General Contracting and Ghantoot Gulf Contracting. Under the contract, the construction of the project will be completed within 30 months, according to a statement released on Saturday by Government of Dubai's media office.

Source: [Decypha](#)

Al Tasnim Cement expands its portfolio with state-of-the-art factory in Duqm

Al Tasnim's Cement Products Division has started its operations with an avant-garde facility in Duqm. Strategically located in the Al-Wusta Governorate, Duqm is slated to be Oman's next industrial centre. Spreading over 2,000sq.km in the area and boasting a strong coastline of 70km along the Arabian Sea, the Duqm Special Economic Zone will be one of the largest developments of its kind in the Middle East and North Africa. Al Tasnim Cement Products is a pioneer in exploring new means of technological advancements for producing durable ready-mix concrete.

Source: [Decypha](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

IMF warns of economic slowdown in 90% of countries

The new managing director of IMF, Kristalina Georgieva, has predicted slower growth across the globe this year. "In 2019, we expect slower growth in nearly 90 per cent of the world," Georgieva announced in her first major speech after assuming her position on October 1. "The global economy is now in a synchronized slowdown. This widespread deceleration means that growth this year will fall to its lowest rate since the beginning of the decade."

Source: [Zawya](#)

U.S. outlines 'Phase 1' trade deal with China, suspends October tariff hike

U.S. President Donald Trump on Friday outlined the first phase of a deal to end a trade war with China and suspended a threatened tariff hike, but officials on both sides said much more work needed to be done before an accord could be agreed. The emerging deal, covering agriculture, currency and some aspects of intellectual property protections, would represent the biggest step by the two countries in 15 months to end a tariff tit-for-tat that has whipsawed financial markets and slowed global growth.

Source: [Reuters](#)

Wall Street Week Ahead: Bruised U.S. banks expected to report third quarter earnings decline

The biggest U.S. banks are expected to kick off the earnings season on a sour note next week due to falling interest rates, which may have pressured net interest margins enough to cause the sector's first year-over-year earnings per share decline in three years. While strength in mortgage banking and cheap valuations could provide support to the S&P 500 bank index,

its performance depends on what reassurance executives provide on credit conditions, the outlook for loan growth and their ability to reduce deposit costs during their conference calls.

Source: [Reuters](#)

Sterling shoots higher following 'constructive' Brexit talks between UK and EU

U.K. Brexit secretary Stephen Barclay and the EU's Chief Negotiator for the United Kingdom Exiting the European Union, Michel Barnier, met in Brussels Friday morning. The talks follow a hastily arranged meeting between the U.K. and Irish leaders on Thursday afternoon. Sterling rose above \$1.26 on Brexit optimism.

Source: [CNBC](#)

COMMODITIES NEWS

Oil up nearly 4% for week on reported progress in U.S.-China trade talks, rise in Middle East tensions

Oil prices climbed Friday to tally a weekly gain of nearly 4%, as reported progress in U.S.-China trade negotiations eased worries about energy demand, and news of an explosion on an Iranian tanker fed tensions in the Middle East, raising the potential for crude-output disruptions in the region. West Texas Intermediate crude for November delivery climbed \$1.15, or 2.2%, to settle at \$54.70 a barrel on the New York Mercantile Exchange—a two-week high—with the front-month contract ending 3.6% higher for the week.

Source: [Oil & Gas 360](#)