













U Capital Morning Brief

14 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	862.95	2.82	0.33%	-1.75%	-	-	-
U Capital GCC 50 Index	1,312.50	-5.79	-0.44%	0.22%	-	-	-
U Capital MENA 200 Index	1,036.27	-1.90	-0.18%	-0.84%	-	-	-
MSCI GCC Countries Index	529.33	-1.38	-0.26%	-1.59%	14.60	1.71	4.3%
Muscat Securities Market	 4,012.19	-1.36	-0.03%	-7.21%	8.11	0.79	6.8%
Saudi Stock Exchange	 7,631.02	-64.46	-0.84%	-2.50%	18.80	1.69	4.0%
Kuwait Stock Exchange	 6,607.40	19.01	0.29%	16.90%	14.17	1.35	3.7%
Qatar Exchange	 10,284.61	57.09	0.56%	-0.14%	14.76	1.55	4.1%
Bahrain Stock Exchange	 1,519.85	-3.19	-0.21%	13.65%	11.39	0.96	5.1%
Dubai Financial Market	 2,824.41	13.95	0.50%	11.65%	11.87	1.03	4.4%
Abu Dhabi Exchange	 5,088.13	14.64	0.29%	3.52%	15.26	1.45	4.9%
Beirut Stock Exchange	 784.13	0.75	0.10%	-19.72%	4.17	0.47	11.8%
Palestine Stock Exchange	 514.75	-1.21	-0.23%	-2.76%	12.22	1.18	4.6%
Tunis Se Index	 7,002.24	-6.50	-0.09%	-3.70%	19.55	2.34	2.1%
EGX 30 Index	 14,220.47	-81.80	-0.57%	9.09%	11.79	1.95	2.8%
Amman General Index	 1,830.77	5.05	0.28%	-4.09%	11.84	0.91	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	26,578.4	1.03%	2.8%
KSE 100 Index	Pakistan	34,475.7	0.00%	-7.0%
NSE Nifty 50	India	11,302.8	-0.02%	4.1%
SHANGHAI COMPOSITE	China	3,014.7	1.38%	20.9%
SHANGHAI SHENZHEN CSI 300	China	3,965.4	1.37%	31.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.679	1.473
British Pound (GBP)	1.261	0.793
Canadian Dollar (CAD)	0.757	1.321
Chinese Renminbi (CNH)	0.142	7.053
Egyptian Pound (EGP)	0.061	16.270
Euro (EUR)	1.103	0.906
Indian Rupee (INR)	0.014	64.206
Japanese Yen (JPY)	0.009	108.360
New Zealand Dollar (NZD)	0.632	1.583
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.641	156.275
Russian Ruble (RUB)	0.016	70.800
Singapore Dollar (SGD)	0.731	1.368
Turkish Lira (TRY)	0.170	5.894

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	60.2	-0.51%	9.2%
WTI Crude (per bbl)	54.4	-0.53%	19.8%
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)	1,485.8	-0.20%	15.9%
Silver (per oz)	17.6	0.14%	13.4%
Platinum (per oz)	893.4	-0.29%	12.3%
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	2.30	-18.8%
Saudi Arabia	2.31	-22.4%
Kuwait	2.88	24.3%
Oman	2.91	2.9%
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

Oman's crude production crosses 29mn barrels

Oman's total production of crude oil and condensate throughout September 2019 reached 29.18 million, with a daily average of 972,750 barrels. The total exported quantities of Oman crude oil during September 2019 reached 25.25 million barrels, with a daily average of 859,290 barrels, the Ministry of Oil and Gas said in its monthly report.

Source: [Times of Oman](#)

Value of traded real estate contracts reaches over RO173m till September

Abdullah bin Salim al Mukhaini, Secretary of the Real Estate Registry at the Ministry of Housing, said that the value of traded contracts during September 2019 stood at over RO173,307,000, while the collected fees amounted to over RO6,073,000. He added that the real estate activity involved 33,665 transactions that included sale, grant, inheritance, exchange, mortgage and mortgage redemption, usufruct and division transactions.

Source: [Oman Observer](#)

Oman to set energy efficiency specs for home appliances

Having already put in place energy efficiency standards for air-conditioners, the Sultanate has embarked on the process of formulating corresponding standards for four key categories of household electrical appliances and fixtures: refrigerators, water heaters, LED lights, and washing machines. The latest initiative is being spearheaded by the Authority for Electricity Regulation Oman (AER), which has been mandated by the Council of Ministers to promote energy efficiency and conservation practices in the Sultanate.

Source: [Oman Observer](#)

Authority issues mandatory health insurance regulations for Oman

The Capital Market Authority (CMA) has issued regulations underpinning the Health Insurance Scheme (Dhamani) to private sector workers, residents and visitors to the Sultanate. Abdullah Salim al Salmi, Executive President of the Capital Market Authority said: "The issuance of the decision represents an advanced step in the readiness of the legislative structure and legal frameworks, which is one of the five steps adopted by the Authority in the implementation of the Dhamani project."

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](#)

Dubai's rents dipping as supply rises

Have you seen your apartment rent go down by 10 per cent or more in the last 12 months? That's the average rental drop in the Dubai residential property space during this period. This allows a tenant to lease a studio in Business Bay from Dh40,000, and at Dh35,000 and over if the location preference is for Dubai Marina.

Source: [Gulf News](#)

Dafza contributes 12% to Dubai's foreign trade in first half of 2019

The Dubai Airport Freezone Authority's (Dafza) foreign trade reached 12 per cent in the first half of the year, confirming the success of its plans to enhance its role in Dubai and to establish its presence among the free zones as one of the most developed, advanced and distinguished at the national and regional levels, officials said. The results of the first half of 2019 confirmed the success of Dafza in achieving high growth rates compared to the same period last year, where it achieved a growth of 8 per cent in the total value of foreign trade which exceeded Dh78 billion, an increase of Dh5.7 billion.

Source: [Gulf News](#)

Abu Dhabi real estate market close to bottoming out, says expert

The downward corrections witnessed in Abu Dhabi's real estate industry during the second quarter appear to have slowed in the Q3 suggesting the market could be close to bottoming out, said a report by leading international real estate services firm Chestertons. Sales prices and rental rates have marginally declined during Q3 with the average apartment sales price declining 1% with villas showing no movement, stated the expert in its "Observer: Abu Dhabi Market Report Q3 2019" report.
Source: [GDN](#)

Arabtec share prices jump 9% as merger talks progress

Share prices of Arabtec Holding jumped nearly 9 per cent on Sunday after media reports said the construction company had hired banks to advise on its merger with Trojan Holding. Arabtec's share prices ended at Dh1.96 — an 8.89 per cent increase, to reach their highest closing price since early May. The stock was the among the most actively traded on the Dubai bourse.
Source: [Gulf News](#)

Saudi Arabia opens new logistics zone in Jeddah

Saudi Arabia launched on Sunday a new logistics zone open to private investors in the Red Sea port city of Jeddah, as part of a wider industrial initiative to diversify the economy away from oil and create jobs for Saudis. The Al-Khomra zone — which will support activities around shipping, freight distribution and transport of goods — extends over 2.3 million square meters in Jeddah, home to one of the Kingdom's largest ports.
Source: [Arab News](#)

When will Saudi Arabia launch Aramco IPO?

The most important question asked by all investors worldwide - especially in Saudi Arabia - is when the initial public offering (IPO) of Saudi Aramco will take place. Given the massive importance of the long-awaited IPO and strong investor interest, a series of reports and forecasts have been recently issued about the expected share sale date and stake size in the local and international markets.
Source: [Argaam](#)

Economic experts shrug off lower interest impact on Saudi economy

Saudi Arabia's economy is unlikely to be impacted by lower interest rates, two economic experts told Argaam on the sidelines of the Euromoney Saudi Arabia Conference 2019 last month. Talaat Hafez, Secretary General of the Media and Banking Awareness Committee of Saudi Banks, said policy rate cuts will not hurt the Saudi economy, and if any, it will be a "very marginal impact".
Source: [Argaam](#)

Saudi Paper files capital reduction request to regulator

Saudi Paper Manufacturing Co. (SPM) has submitted on Sunday to the Capital Market Authority (CMA) a request to cut capital, the company said in a bourse statement. Any relevant updates will be announced later, the statement added. The company's board of directors amended its recommendation to cut capital by 62.45 percent to SAR 92 million to offset losses in Q3 2019, Argaam reported.
Source: [Argaam](#)

Saudi NCLE signs MoU to fully acquire Al Khwarizmi Company

National Company for Learning and Education (NCLE) has signed a non-binding memorandum of understanding (MoU) with Al Khwarizmi Company for Education to acquire 100% of its shares. The deal is renewable and will be effective for 30 days as of the signing date, 10 October, according to a filing to the Saudi Stock Exchange (Tadawul) on Sunday. Under the deal, the financial value of the acquisition will be determined after completing the due diligence process.
Source: [Zawya](#)

Saudi Stocks Fall as Traders Prepare for Aramco's IPO: Inside EM

Saudi Arabia's benchmark equity index fell for a fifth session, as some traders prepare for Saudi Aramco's mammoth IPO by raising liquidity. Gauges from Dubai to Kuwait and Doha rose, with the Qatari benchmark advancing the most in the Gulf. An index tracking stocks from developing countries climbed 1.5% on Friday after two days of talks concluded with the U.S. and China agreeing on the outline of a partial trade accord.
Source: [Bloomberg](#)

Fitch affirms Warba Bank ratings at A+

Fitch Ratings affirmed Warba Bank's credit rating with a stable outlook on Long-Term Issuer Default Rating (IDRs) which is in line with its Support Rating Floor (SRF) of A+ which reflect the high credit quality and low risk of default. For Viability Rating

“VR”, Fitch rated Warba Bank at (BB-) which reflects the increasing market share (4.4 percent) in terms of assets by the end of the first half of the financial year 2019.

Source: [Kuwait Times](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China's imports and exports fell more than expected in September

China's U.S. dollar-denominated exports fell 3.2% in September from a year ago, while imports dropped 8.5% during the same period, Reuters reported on Monday, citing the Chinese customs. Economists polled by Reuters had expected Chinese exports to fall by 3% and imports to decline 5.2% in September compared to a year ago.

Source: [CNBC](#)

Stocks in Asia Advance After Trade Talks Progress: Markets Wrap

Asian stocks began the week with gains after signs of progress in U.S.-China trade negotiations, though sentiment was capped as investors voiced skepticism on the accord. Shares from Sydney to Hong Kong climbed after President Donald Trump said the two sides agreed to the outlines of a deal that could be signed as early as next month. S&P 500 futures gained after the U.S. equities gauge climbed to within 1.8% of a record on Friday.

Source: [Bloomberg](#)

Dollar holds near 2-1/2-month yen high on U.S.-China partial deal, pound stands tall

The dollar held near a 2 1/2-month high against the yen on Monday after Washington and Beijing announced progress towards a trade deal, while sterling hovered near a three-month peak on hopes for an orderly British exit from the European Union.

Source: [Reuters](#)

China's nine-month exports to U.S. down 10.7% in dollar terms

China's exports to the United States fell 10.7% from a year earlier in dollar terms in January-September, while U.S. imports dropped 26.4% during that period, a Chinese customs spokesman said on Monday. Trade frictions with the United States have led to some pressure on Chinese trade, although the latest Sino-U.S. trade talks have yielded favorable outcomes in some areas, customs spokesman Li Kuiwen told reporters.

Source: [Reuters](#)

COMMODITIES NEWS

Oil Drops After Biggest Gain in a Month as Trade Optimism Ebbs

Oil dropped after surging the most in almost a month on Friday on signs investors are skeptical that progress in the U.S.-China trade talks will improve a worsening global demand outlook. Futures in New York fell as much as 0.7% after closing up 2.2% in the previous session. Washington and Beijing made several concessions to reach a partial trade deal last week, and are aiming for a more comprehensive agreement before the end of the year.

Source: [Bloomberg](#)