













U Capital Morning Brief

15 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	864.51	1.56	0.18%	-1.57%	-	-	-
U Capital GCC 50 Index	1,310.06	-2.44	-0.19%	0.03%	-	-	-
U Capital MENA 200 Index	1,033.96	-2.31	-0.22%	-1.06%	-	-	-
MSCI GCC Countries Index	528.90	-0.43	-0.08%	-1.67%	14.59	1.71	4.3%
Muscat Securities Market	 4,013.92	1.73	0.04%	-7.17%	8.03	0.79	6.8%
Saudi Stock Exchange	 7,599.06	-31.96	-0.42%	-2.91%	18.72	1.68	4.0%
Kuwait Stock Exchange	 6,601.57	-5.83	-0.09%	16.79%	14.15	1.35	3.7%
Qatar Exchange	 10,404.12	119.51	1.16%	1.02%	14.93	1.57	4.1%
Bahrain Stock Exchange	 1,521.20	1.35	0.09%	13.76%	11.40	0.96	5.1%
Dubai Financial Market	 2,839.21	14.80	0.52%	12.23%	11.95	1.04	4.3%
Abu Dhabi Exchange	 5,087.98	-0.15	0.00%	3.52%	15.26	1.45	4.9%
Beirut Stock Exchange	 773.07	-11.06	-1.41%	-20.85%	4.11	0.46	11.9%
Palestine Stock Exchange	 517.48	2.73	0.53%	-2.24%	12.29	1.19	4.6%
Tunis Se Index	 7,009.72	7.48	0.11%	-3.60%	19.57	2.34	2.1%
EGX 30 Index	 14,180.76	-39.71	-0.28%	8.78%	12.24	1.94	2.8%
Amman General Index	 1,824.33	-6.44	-0.35%	-4.43%	11.80	0.90	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,213.5	-0.46%	7.2%
DAX	Germany	12,486.6	-0.20%	18.3%
CAC 40	France	5,643.1	-0.40%	19.3%
United States				
DJIA	USA	26,787.4	-0.11%	14.8%
S&P 500	USA	2,966.2	-0.14%	18.3%
NASDAQ	USA	8,048.6	-0.10%	21.3%
Asia Pacific				
NIKKEI 225	Japan	22,197.8	1.83%	10.9%
HANG SENG	Hongkong	26,506.2	-0.06%	2.6%
KSE 100 Index	Pakistan	34,252.8	0.20%	-7.6%
NSE Nifty 50	India	11,391.6	0.44%	4.9%
SHANGHAI COMPOSITE	China	2,991.9	-0.53%	20.0%
SHANGHAI SHENZHEN CSI 300	China	3,936.5	-0.42%	30.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.678	1.476
British Pound (GBP)	1.263	0.792
Canadian Dollar (CAD)	0.756	1.323
Chinese Renminbi (CNH)	0.141	7.075
Egyptian Pound (EGP)	0.062	16.270
Euro (EUR)	1.103	0.907
Indian Rupee (INR)	0.014	64.294
Japanese Yen (JPY)	0.009	108.330
New Zealand Dollar (NZD)	0.630	1.587
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.641	156.135
Russian Ruble (RUB)	0.016	71.294
Singapore Dollar (SGD)	0.730	1.369
Turkish Lira (TRY)	0.169	5.921

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	58.9	-0.78%	6.8%
WTI Crude (per bbl)	53.2	-0.67%	17.2%
Oman Crude Oil (Last Closing)	60.4	-1.68%	12.9%
OPEC (per bbl)	61.0	3.82%	18.2%
Precious Metals			
Gold100 OZ (per oz)	1,494.1	0.06%	16.5%
Silver (per oz)	17.7	0.30%	14.3%
Platinum (per oz)	892.9	-0.06%	12.2%
Other Metals			
Copper, MT	5,818	0.38%	-2.5%
Aluminium, MT	1,720	-0.12%	-6.8%
Lead, MT	2,131	-2.34%	5.4%
Zinc, MT	2,420	0.04%	-1.9%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.28	-19.8%
Saudi Arabia	2.31	-22.4%
Kuwait	2.88	24.3%
Oman	2.91	2.8%
Qatar	2.65	-8.8%
Bahrain	2.95	-25.3%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.3
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.3
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	6.0
Bahrain	12/10/2028	5.3

Midswaps	Price	YTM %
3 year	99.53	1.5
5 year	99.90	1.5
10 year	99.44	1.7
30 year	102.11	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

Musandam Power Company IPO set for next month

Musandam Power Company (MPC), which owns and operates the first gas-powered power plant in Musandam Governorate, will offer 40 per cent of its share capital in the form of an Initial Public Offering (IPO) via a listing on the Muscat Securities Market next month. It follows a decision by the Capital Market Authority (CMA) approving MPC's prospectus for the IPO, which will be offered in two stages as part of a 'book building' process – the first time it has been deployed in an IPO issued on the Muscat bourse, according to a Muscat-based market analyst.

Source: [Oman Observer](#)

Bank Muscat and OHB sign OMR 50 million financing agreement

Bank Muscat, the flagship financial services provider in the Sultanate and Oman Housing Bank (OHB), the Sultanate's nodal housing finance institution, has entered into a long term financing agreement. Under the agreement, Bank Muscat has committed to providing up to OMR 50 million in long-term financing to support OHB's core business of providing mortgage loans, especially to the low and medium-income group of Omani citizens. The agreement was signed by Sheikh Waleed K. Al Hashar, chief executive officer, Bank Muscat, and Adnan Haider Darwish, general manager, OHB at the Bank Muscat head office recently.

Source: [Times of Oman](#)

World Bank lowers Oman's GDP growth forecast for this year

The World Bank has revised down its forecasts for Oman's real GDP growth to 0.3 per cent for 2019 from an earlier estimate of 1.2 per cent growth in April, mainly due to capped oil output by the OPEC+ agreement. 'Following a recovery of 2.2 per cent in 2018, Oman's real GDP growth is estimated to decelerate to 0.3 per cent in 2019 as oil production remains capped by the OPEC+ production cut agreement,' the World Bank said in its report released on Friday.

Source: [Muscat Daily](#)

Oman's producer price-based inflation falls

Oman's producer price index (PPI)-based inflation fell by 1.3 per cent in the second quarter of 2019 compared to the same period of last year due to a fall in oil and gas prices, according to the latest statistics released by the National Centre for Statistics and Information (NCSI). The price of oil and gas products fell by 0.9 per cent, and those of non-oil products fell by 3.3 per cent in the second quarter of 2019, over the same period of last year.

Source: [Times of Oman](#)

China ramps up imports of Omani crude in September

Omani crude exports to China jumped 22.46 per cent m-o-m to 77.96 per cent of total exports of 25.778 million barrels during September 2019, the Ministry of Oil and Gas said in its monthly report. This uptick came at the cost of exports to Japan (7.27 per cent), Myanmar (2.12 per cent) and India (1.94 per cent), which reported notable declines in their imports of Omani crude in September versus figures for August. Demand from South Korea (9.16 per cent) and Tanzania (1.55 per cent) grew during September, the report said.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Japanese firm bags major contract for Saudi desalination plants

Japanese conglomerate Toray Industries has announced that it has received ROMEMBRA reverse osmosis (RO) membrane orders for Shuaibah 3 Extension 2 and Shuaibah 4 desalination plants in Saudi Arabia. The supply of RO membrane as well as the technical services will be provided by the firm's local subsidiary, Toray Membrane Middle East (TMME).

Source: [Argaam](#)

Saudi logistics zones to attract SAR 7 bln investments: Mawani President

Investments in logistics zones in the Saudi ports and Al-Khomra are expected to reach nearly SAR 7 billion, Saad Al-Khalb, President of the Saudi Ports Authority (Mawani), told CNBC Arabia. "Container throughput growth at Saudi ports hit 12 percent in 2019. The Saudi ports handled 177 million tons of cargo, up 3 percent in the first eight months of 2019," Al-Khalb said. Yesterday, Saudi Minister of Transport, Nabeel Al-Amoudi, announced offering Al Khomra Logistics Zone Jeddah for investment to the private sector.

Source: [Argaam](#)

Dubai Financial Market implements new rules for loss-making firms

Dubai-listed companies with accumulated losses exceeding their capital would be required to submit reform plans to the regulator and the market. Dubai Financial Market (DFM) said in a statement that the new measures, mandated by the Securities and Commodities Authority (SCA), are aimed at boosting “operational efficiency and make investors aware of the financial conditions of listed firms.”

Source: [Zawya](#)

Abu Dhabi's residential capital values down 12.6%

Abu Dhabi's residential capital values for the third quarter fell 12.6 per cent over last year and 2.4 per cent over previous quarter as the residential rental values declined at a slower rate of 9.2 per cent annually, said a report by ValuStrat, a leading consulting firm based in Dubai. This was around 29.1% lower than Q1 2016, the base of the VPI (ValuStrat Price Index).

Source: [Zawya](#)

Saudi Arabia grants four investment licenses to Russian companies - Saudi minister

Saudi Arabia granted on Monday four investment licenses to Russian companies specializing in construction and real estate development, information technology, financial consulting, and architecture, the Saudi minister of commerce and investment said on Twitter. Minister Majid Abdullah al-Qasabi said that he participated in the Saudi-Russian CEOs forum, which coincided with the Russian president's visit to the Kingdom, and was attended by government officials, business executives and major companies in the two countries.

Source: [Reuters](#)

Saudi CMA approves IPO of Al-Mubarak Saudi Sovereign Sukuk Fund

The Saudi Capital Market Authority (CMA) approved the public offering of Arab National Investment Company's sukuk fund. The authority said in statement on Tadawul that the approval of the fund “should never be considered as a recommendation to subscribe in the fund”. The statement added that the approval only indicates that the legal requirements as per the Capital Market Law and its Implementing Regulations have been met.

Source: [Zawya](#)

Combined Group's branch in KSA wins KWD 10.7m tender

Combined Group Contracting Company announced that its branch in Saudi Arabia was awarded a tender worth KWD 10.746 million (nearly \$35.5 million) that covers civil works services of the fields in Wafra. This tender was offered by the Kuwait Gulf Oil Company (KGO) and Saudi Arabian Chevron through joint operations, Combined Group said in a filing on Monday.

Source: [Decypha](#)

KFH's board recommends full acquisition of AUB Bahrain

The board of Kuwait Finance House (KFH) recommended to the ordinary general meeting (OGM) to fully acquire the shares of Ahli United Bank – Bahrain (AUB Bahrain). The board advised the bank's OGM and the extraordinary general meeting (EGM) to assemble for considering the approval of the acquisition draft, KFH disclosed on Monday.

Source: [Decypha](#)

Kuwait's C.bank issues KWD 240m bonds

The Central Bank of Kuwait (CBK) issued bonds and related tawarruq worth KWD 240 million with a 3% rate on return. The bonds carry a maturity period of three months, CBK disclosed on Monday. Bonds and related Tawarruq are local bonds offered by the central bank to the banks working in the Kuwaiti financial sector to regulate the market's liquidity.

Source: [Mubasher](#)

UAE gold reserves hit AED 2.24bn in 8M

Gold reserves held with the Central Bank of the UAE (CBUAE) surged by 56.14% or AED 805 million at the end of August 2019 to AED 2.239 billion, compared to AED 1.434 billion at the end of July 2019, official data by the CBUAE showed. The central bank's reserves of the precious metal accounted for nearly 110.23% of its total assets amounting to AED 1.065 billion at the end of August 2019, according to Mubasher Statistics.

Source: [Mubasher](#)

DFM introduces new measures concerning loss-making companies

Dubai Financial Market (DFM) on Monday announced it will be executing the Securities and Commodities Authority's (SCA) new measures pertaining to loss-making companies of 20% and above of the issued capital based on the financial results of the third quarter 2019. This move highlights the joint efforts of the SCA, the DFM, and the listed companies to enhance

operational efficiency of listed companies as well as to make investors aware of the company's financial conditions, according to a press release.

Source: [Decypha](#)

Abu Dhabi Aviation nods to foreign ownership limits

Abu Dhabi Aviation Co, listed on the Abu Dhabi Securities Exchange (ADX), announced that its board of directors has approved that foreign investors shall not own more than 30% of the company's nominal shares. This came as a result of the company's general meeting that was held on Sunday, 13 October 2019, according to a bourse filing on Monday. It is worth noting that only UAE nationals had the right to own nominal shares in Abu Dhabi Aviation.

Source: [Zawya](#)

Russian investors eyeing Saudi Aramco listing - wealth fund chief

A number of Russian investors are interested in a planned initial public offering of Saudi Arabian state-owned oil company Saudi Aramco, Kirill Dmitriev, the chief executive officer of Russian sovereign wealth fund RDIF, told reporters on Sunday. global oil output deal between members of the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC countries would be discussed at talks in Riyadh.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia markets trade mixed as investors remain cautious over a US-China partial trade deal

Asia Pacific markets traded cautiously on Tuesday, following the previous day's rally, as new doubts emerged overnight about the partial U.S.-China trade deal. In South Korea, the KOSPI index added 0.15%. Japan's Nikkei 225 jumped 1.76% and the Topix index added 1.73% after Japanese markets were closed Monday for a public holiday.

Source: [CNBC](#)

The Brexit Threat to World Markets Remains Too Huge to Ignore

Never mind the dwindling no-deal odds and the almost desperate political optimism of recent days: For investors who remember the vortex that sucked in markets from Tokyo to Toronto three years ago, a hard Brexit remains a tail risk which is simply too big to ignore. The hope is still that Britain can strike a divorce agreement with the European Union which preserves trade ties and averts the kind of global market crash that accompanied the 2016 U.K. referendum.

Source: [Bloomberg](#)

Industrial earnings take center stage in third quarter with trade, economy in focus

Profit reports from big manufacturers and other industrial firms arriving this week will provide investors with a crucial corporate gauge of the U.S. economy's health and the fallout from trade tensions between Washington and Beijing. Third-quarter industrial sector earnings follow a closely watched survey earlier this month that showed U.S. manufacturing activity tumbled to a more than 10-year low in September.

Source: [Reuters](#)

European stocks close lower as US-China deal details remain vague; Brexit in focus

European stocks closed lower Monday as traders tracked developments in a crucial week for Brexit, while details of the partial trade accord between the U.S. and China remained hazy. The pan-European Stoxx 600 closed provisionally down around 0.5%, with basic resources stocks shedding over 2% to lead losses as almost all sectors and major bourses traded in negative territory.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices extend losses as weak China data compounds U.S.-China trade deal doubts

Oil prices dropped again on Tuesday after falling heavily in the previous session, as weak Chinese economic data for September added to lingering concerns about the feasibility of the U.S.-China trade deal announced by President Trump late last week. Brent crude futures LCOc1 fell 30 cents, or 0.5%, to \$59.067 barrel by 0142 GMT, while U.S. West Texas Intermediate (WTI) crude futures CLc1 was at \$53.38 a barrel, down 21 cents or 0.4%.

Source: [Reuters](#)

Gold holds steady ahead of crucial Brexit talks

Gold prices held steady below the \$1,500 per ounce level on Tuesday as markets braced for talks between Britain and the European Union that will determine how smooth Britain's departure will be from the trading bloc. Spot gold were flat at \$1,492.83 per ounce, as of 0105 GMT. U.S. gold futures were a shade lower at \$1,496.90.

Source: [CNBC](#)

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