

U Capital Morning Brief

25 October 2018

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	916.26	0.00	0.00%	-5.96%	-	-	-
U Capital GCC 50 Index	1,298.98	8.44	0.65%	13.48%	-	-	-
U Capital MENA 200 Index	1,281.98	243.93	19.03%	28.83%	-	-	-
MSCI GCC Countries Index	524.72	-3.65	-0.69%	9.37%	13.06	1.70	4.2%
Muscat Securities Market	4,462.76	3.40	0.08%	-12.48%	10.22	0.80	6.1%
Saudi Stock Exchange	7,512.52	-37.25	-0.49%	3.96%	15.52	1.68	3.7%
Kuwait Stock Exchange	5,033.91	32.93	0.66%	NA	14.60	1.26	3.9%
Qatar Exchange	10,152.62	-111.45	-1.09%	19.11%	15.04	1.53	4.3%
Bahrain Stock Exchange	1,316.38	-4.78	-0.36%	-1.15%	8.82	0.83	6.2%
Dubai Financial Market	2,738.01	-15.06	-0.55%	-18.76%	7.31	1.01	6.2%
Abu Dhabi Exchange	4,926.29	-44.02	-0.89%	12.00%	13.04	1.43	4.9%
Beirut Stock Exchange	980.95	-0.31	-0.03%	-14.59%	5.19	0.62	9.3%
Palestine Stock Exchange	527.29	-0.84	-0.16%	-8.23%	12.04	1.17	4.6%
Tunis Se Index	7,361.66	-76.65	-1.03%	17.19%	19.17	2.62	1.9%
EGX 30 Index	13,246.39	-333.21	-2.45%	-11.80%	12.53	2.29	2.3%
Amman General Index	1,969.86	0.22	0.01%	-7.38%	13.74	1.00	4.7%

* 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
Europe			%	%	Currency		
FTSE 100	UK	6,963.0	0.11%	-9.4%	Australian Dollar (AUD)	0.707	1.414
DAX	Germany	11,191.6	-0.73%	-13.4%	British Pound (GBP)	1.288	0.776
CAC 40	France	4,953.1	-0.29%	-6.8%	Canadian Dollar (CAD)	0.768	1.302
United States					Chinese Renminbi (CNH)	0.144	6.950
DIJA	USA	24,583.4	-2.41%	-0.5%	Egyptian Pound (EGP)	0.056	17.947
S&P 500	USA	2,656.1	-3.09%	-0.7%	Euro (EUR)	1.141	0.877
NASDAQ	USA	7,108.4	-4.43%	3.0%	Indian Rupee (INR)	0.014	73.280
Asia Pacific					Japanese Yen (JPY)	0.009	112.090
NIKKEI 225	Japan	21,383.3	-3.21%	-6.1%	New Zealand Dollar (NZD)	0.652	1.534
HANG SENG	Hongkong	24,761.2	-1.98%	-17.2%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	39,666.9	1.01%	-2.0%	Pakistani Rupee (PKR)	0.753	132.037
NSE Nifty 50	India	10,112.6	-1.10%	-4.0%	Russian Ruble (RUB)	0.015	65.673
SHANGHAI Composite	China	2,565.7	-1.44%	-22.4%	Singapore Dollar (SGD)	0.724	1.380
KOSPI Index	South Korea	2,050.9	-2.22%	-16.9%	Turkish Lira (TRY)	0.175	5.720

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	2.66	48.1%
Brent Crude (per bbl)	75.6	-0.74%	18.8%	Saudi Arabia	2.74	44.7%
WTI Crude (per bbl)	66.2	-0.94%	9.5%	Kuwait	2.06	10.0%
Oman Crude Oil (Last Closing)	76.2	-0.04%	19.1%	Oman	2.77	45.2%
OPEC (per bbl)	77.1	-2.00%	19.6%	Qatar	2.80	5.9%
Precious Metals				Bahrain	3.70	35.8%
Gold100 OZ (per oz)	1,236.6	0.23%	-5.1%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	14.7	0.36%	-13.0%		Maturity date	YTM, %
Platinum (per oz)	831.8	0.19%	-10.6%	Kuwait	3/20/2027	3.9
Other Metals				Abu Dhabi	10/11/2027	4.1
Copper, MT	6,179	-0.27%	-14.7%	Qatar	6/2/2026	4.0
Aluminium, MT	1,997	-0.20%	-11.9%	Saudi Arabia	3/4/2028	4.5
Lead, MT	2,005	-0.57%	-19.4%	Oman	1/17/2028	6.2
Zinc, MT	2,663	-0.22%	-19.8%	Bahrain	10/12/2028	7.1

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.96	2.9	1m	2.28	45.8%
5 year	99.66	2.9	3m	2.49	47.0%
10 year	98.06	3.1	6m	2.75	49.6%
30 year	93.81	3.3	1 year	3.03	44.0%

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 \$150m Barka Marina project set to open by 2021

Oman has laid the foundation stone for its Barka Marina project, a 11.5 hectare development that is valued at OR50 million (\$130 million). As part of the construction program, deep foundations in commercial areas of the scheme are 70 percent complete, Construction Week Online reported, citing Oman News Agency.

Source: [Arabian Business](#)

Oman starts marketing dollar sukuk

The government of Oman has begun marketing a seven-year US dollar-denominated sukuk, or Islamic bond, according to IFR, a fixed-income news service. The paper is being marketed with initial price guidance of about 300 basis points over mid-swaps. The sukuk will be of benchmark size, which generally means upwards of \$500 million.

Source: [Gulf News](#)

Air cargo capacity to hit 1.5m tonnes by 2040

The Oman Aviation Group's (OAG) National Air Cargo Strategy aims to increase cargo tonnage to 780,000 tonnes by 2030 and 1.5 million tonnes by 2040. It also aims to attract new freight-related ancillary businesses to the region while increasing cargo loads for Oman Air and other airlines servicing the Sultanate. This was revealed at the Air Cargo In Focus event held at Muscat International Airport on Wednesday in the presence of Dr Ahmed bin Mohammed al Futaisi, Minister of Transport and Communications.

Source: [Oman Observer](#)

Khazzan Project, Sharakah support Omani SMEs

As many as 84 Omani start-ups have benefited from the Khazzan Project for SME Development since it was launched by BP Oman as part of its social investment programme in 2014. Sharakah, one of Oman's first SME development initiatives that was incorporated by Royal Decree in 1998, is collaborating with BP in providing mentoring support for the Omani start-ups funding under the Khazzan Project.

Source: [Oman Observer](#)

BSE gets Sebi's approval to launch Oman crude oil futures contract

India's stock market regulator the Securities and Exchange Board of India (Sebi) on Wednesday approved the Bombay Stock Exchange (BSE) to launch an Oman oil futures contract, the BSE said in a statement. The BSE Oman Crude Oil Futures Contract will be settled against the Dubai Mercantile Exchange (DME) Oman Crude Oil futures prices on the expiry day, it said.

Source: [Business Standard](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Company results lift Saudi market; Abu Dhabi, Dubai and Qatar slip

Saudi Arabia's stock market took a breather on Wednesday, rising modestly on the back of corporate earnings despite continued investor concern and sell-offs arising from the killing of Saudi journalist Jamal Khashoggi. The main index edged up by 0.2 percent in early trading, with banks and petrochemical shares gaining.

Source: [Zawya](#)

UAE online hiring records 27pc growth in Q3

The UAE online recruitment landscape has registered the highest growth in the region at 27 per cent in the third quarter (Q3) from Q2 this year as financial support by the government is strengthened across various sectors, a report said. The surge in online recruitment across the Emirates over the past three months coincides with the recently announced increase of Dh1.97 billion (\$536 million) for the current fiscal year allocated from the country's general reserves, according to the Q3 Monster Employment Index (MEI).

Source: [GDN](#)

UAE banks warned against loan instalment hikes

UAE banks should not deduct more than 50 percent of the salary to pay personal loan instalments to bank customers in the country, according to the country's Central Bank. In a statement to the Arabic-language Al-Ittihad newspaper, the Central Bank said that violations by banks would be "dealt with" in accordance with the Central Bank's regulations.

Source: [Arabian Business](#)

Saudi Aramco signs 15 strategic deals worth \$34bn

Saudi Aramco has signed 15 strategic and commercial collaborations valued at more than \$34 billion with 15 partner companies from eight countries at the Future Investment Initiative (FII) forum in Riyadh, Saudi Arabia. The memoranda of understanding (MoUs) reflect both Saudi Aramco's and the Kingdom's international partnership strategies and the determination to diversify the economy, enhance the domestic investment environment and boost employment opportunities.

Source: [Trade Arabia](#)

Masdar gives a glimpse of sustainable autonomous future in UAE

Masdar City, Abu Dhabi's flagship sustainable urban development, has embarked on the next phase of its sustainable mobility network and unveiled its first NAVYA autonomous vehicle. Capable of transporting up to 12 people, the 'Autonom Shuttle' was inaugurated in the presence of dignitaries representing the Department of Transport, Abu Dhabi Police, and the French Embassy.

Source: [Tahawul Tech](#)

Saudi Arabia awards \$14bn railway project contracts

Saudi government has signed three landmark agreements worth nearly \$14 billion for implementing mega railway projects on the sidelines of the Future Investment Initiative 2018 in Riyadh, said a report. Minister of Transport Nabil Al Amoudi, who is also chairman of the Board of the Public Transport Authority (PTA), signed the first agreement worth \$3.6 billion, with the Saudi-Spanish alliance, for implementing the second phase of Haramain High Speed Train Project, reported The Saudi Gazette.

Source: [GDN](#)

Saudi Arabia to cut wage bill to 45% of budget next year, crown prince says

Saudi Arabia could cut its public wage bill to 45 per cent of the kingdom's total budget next year despite growth in employment in the Arab world's biggest economy, its crown prince said on Wednesday. "The rate of spending, the capex is increasing and the salaries [the ratio of public wage in the budget] are decreasing," Mohammed Bin Salman told delegates at the Future Investment Initiative summit being held in Riyadh. "Three years ago, the rate of salaries to the budget was 50 per cent [and] we expect it next year to be 45 per cent [although] spending is increasing."

Source: [The National](#)

Qatar Re and Antares boost QIC growth as they target low volatility classes

Qatar Insurance (QIC) Group, which owns Qatar Re and Antares, posted improved profits for the first nine months of the year and solid growth driven by its reinsurance business. The company also detailed how, in response to soft pricing and other headwinds, it is repositioning its international operations towards low volatility classes whilst shedding under-priced (severity) business.

Source: [Intelligent Insurer](#)

Saudi Arabia is committed to economic reforms, says Prince Mohammed

Saudi Crown Prince Mohammed bin Salman on Wednesday reiterated his commitment to economic reforms, which are on track and showing results. "I ask everybody not to believe me, but look at the numbers. Numbers speak louder. If we look at the numbers for the past two to three years, see our non-oil revenues have tripled, the budget this year is the largest in Saudi history," he told the Future Investment Initiative 2018 in Riyadh.

Source: [Argaam](#)

Saudi cbank reviewing requests of four banks looking to branch out

The Saudi Arabian Monetary Authority (SAMA) is studying requests of four regional banks to open new branches across the Kingdom, SAMA Governor Ahmed Al-Kholifey told Al Arabiya TV. "Liquidity indicators monitored by SAMA are positive. Lending activity is also much better this year, when compared to 2017, particularly on the corporate loan level," he said on the sidelines of the Future Investment Initiative (FII) 2018 conference.

Source: [Argaam](#)

NMC Health, Hassana Investment sign agreement to build Saudi healthcare network

NMC Health said it has signed an agreement with Hassana Investment Company, the investment arm of the General Organization for Social Insurance (GoSI) of Saudi Arabia, to develop a pan Saudi Arabian network of world-class healthcare facilities. The memorandum of understanding targets a total investment of 6 billion Saudi riyals and the employment of up to 10,000 staff over the next five years, NMC said in a statement.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks crumble as global growth, U.S. earnings fears spook markets

Asian shares plunged on Thursday as hundreds of billions of dollars hemorrhaged from global markets after a rout in tech stocks inflicted the largest daily decline on Wall Street since 2011, wiping out all its gains for the year. Stock investors have become increasingly nervous about lofty equities valuations, a likely peak in corporate earnings momentum, faster rate hikes in the United States and an ongoing Sino-U.S. trade war that threatens to hurt world growth.

Source: [Reuters](#)

Yen strengthens as investors shun risk, euro attempts a comeback

The Japanese yen rose against the dollar on Thursday as a rout on Wall Street and weak European and U.S. economic data dented global risk sentiment, sending investors scurrying to safe-haven assets including government bonds. The yen, seen as a safety-bet during times of market turmoil and economic stress, advanced 0.2 percent to trade at 112.06 on the dollar on Thursday. Over the past week, nervousness around U.S. corporate earnings and geopolitical uncertainty added to heightened worries about global growth, Italy's free spending budget and Sino-U.S. trade tensions.

Source: [Reuters](#)

The US-China trade war is worrying investors more than what the Fed is doing, Art Hogan says

"I'm much more concerned about China and what that means in the long run than I am about what Fed Chairman Jay Powell's doing with monetary policy," says Art Hogan, chief market strategist at B. Riley FBR. "The market is trying to get their minds wrapped around what

kind of guidance we're going to get from companies like 3M, where they can't figure out what their input costs are going to be for 2019," Hogan says.

Source: [CNBC](#)

Ford CEO says restructuring is 'a massive undertaking' that must be 'very thoughtfully orchestrated'

Ford CEO Jim Hackett said the company is still determining what steps it needs to take to completely redesign itself. Ford is in the midst of a plan to restructure the company that is expected to cost at least \$11 billion dollars and take several years. But investors have grown impatient and frustrated with the level of detail Hackett and other Ford leadership have given about their plans. Ford's stock has lost about a third of its value this year.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices fall one percent amid global stock market slump

Oil prices fell by around one percent on Thursday, coming under pressure from sharp selloffs in global stock markets, with U.S. stocks posting the biggest daily decline since 2011 to wipe out the year's gains. Front-month Brent crude oil futures LCOc1 were at \$75.42 a barrel at 0043 GMT, 75 cents, or 1 percent, below their last close. U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$66.23 a barrel, 59 cents, or 0.9 percent, below their last settlement.

Source: [Reuters](#)

Top Chinese Refiners Not Booking Iranian Oil for November

China's largest refiners, state-held Sinopec and China National Petroleum Corporation (CNPC), haven't booked any crude oil cargoes from Iran for November due to fears that in doing so, they would be in breach of the U.S. sanctions on Iranian oil returning in less than two weeks, Reuters reported on Wednesday, quoting two people with direct knowledge of the plans. The key concern for the state-owned refiners is the uncertainty over whether Iran's Chinese customers would obtain waivers from the sanctions, Reuters's sources said.

Source: [Oil Price](#)