













U Capital Morning Brief

8 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	863.74	2.01	0.23%	-1.66%	-	-	-
U Capital GCC 50 Index	1,332.61	-8.12	-0.61%	1.75%	-	-	-
U Capital MENA 200 Index	1,047.10	-2.57	-0.24%	0.19%	-	-	-
MSCI GCC Countries Index	538.21	-2.61	-0.48%	6.39%	14.86	1.75	4.3%
Muscat Securities Market	 4,026.25	-0.68	-0.02%	-6.88%	8.19	0.79	6.8%
Saudi Stock Exchange	 7,878.23	-84.54	-1.06%	0.66%	19.43	1.74	3.9%
Kuwait Stock Exchange	 6,605.38	59.35	0.91%	16.86%	14.19	1.36	3.7%
Qatar Exchange	 10,299.03	-14.81	-0.14%	0.00%	14.77	1.56	4.1%
Bahrain Stock Exchange	 1,519.04	7.06	0.47%	13.59%	11.38	0.96	5.1%
Dubai Financial Market	 2,803.08	21.65	0.78%	10.80%	11.78	1.03	4.4%
Abu Dhabi Exchange	 5,075.49	39.54	0.79%	3.26%	15.23	1.45	4.9%
Beirut Stock Exchange	 779.19	-2.96	-0.38%	-20.23%	4.14	0.47	11.9%
Palestine Stock Exchange	 517.09	-0.23	-0.04%	-2.32%	12.28	1.19	4.6%
Tunis Se Index	 7,025.47	-6.53	-0.09%	-3.39%	19.56	2.34	2.1%
EGX 30 Index	 14,431.72	213.91	1.50%	10.71%	11.98	1.97	2.7%
Amman General Index	 1,827.08	4.55	0.25%	-4.28%	11.74	0.91	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,197.9	0.59%	7.0%
DAX	Germany	12,097.4	0.70%	14.6%
CAC 40	France	5,521.6	0.61%	16.7%
United States				
DJIA	USA	26,478.0	-0.36%	13.5%
S&P 500	USA	2,938.8	-0.45%	17.2%
NASDAQ	USA	7,956.3	-0.33%	19.9%
Asia Pacific				
NIKKEI 225	Japan	21,596.5	1.03%	7.9%
HANG SENG	Hongkong	25,990.9	0.67%	0.6%
KSE 100 Index	Pakistan	33,872.2	0.68%	-8.6%
NSE Nifty 50	India	11,126.4	-0.43%	2.4%
SHANGHAI COMPOSITE	China	2,927.8	0.78%	17.4%
SHANGHAI SHENZHEN CSI 300	China	3,855.4	1.07%	28.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.675	1.482
British Pound (GBP)	1.230	0.813
Canadian Dollar (CAD)	0.752	1.329
Chinese Renminbi (CNH)	0.140	7.126
Egyptian Pound (EGP)	0.061	16.275
Euro (EUR)	1.098	0.911
Indian Rupee (INR)	0.014	64.963
Japanese Yen (JPY)	0.009	107.390
New Zealand Dollar (NZD)	0.632	1.583
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.641	156.629
Russian Ruble (RUB)	0.015	71.023
Singapore Dollar (SGD)	0.724	1.380
Turkish Lira (TRY)	0.171	5.845

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	58.7	0.57%	6.4%
WTI Crude (per bbl)	53.0	0.55%	16.8%
Oman Crude Oil (Last Closing)	58.7	-0.10%	9.7%
OPEC (per bbl)	58.6	1.09%	13.7%
Precious Metals			
Gold100 OZ (per oz)	1,491.6	-0.14%	16.3%
Silver (per oz)	17.4	0.00%	12.5%
Platinum (per oz)	882.1	0.47%	10.9%
Other Metals			
Copper, MT	5,722	1.40%	-4.1%
Aluminium, MT	1,746	1.57%	-5.4%
Lead, MT	2,189	1.34%	8.3%
Zinc, MT	2,289	-0.48%	-7.2%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.30	-18.9%
Saudi Arabia	2.32	-21.9%
Kuwait	2.88	24.3%
Oman	2.90	2.7%
Qatar	2.56	-11.9%
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	2.7
Oman	17/01/2028	6.0
Bahrain	12/10/2028	5.2

Midswaps	Price	YTM %
3 year	100.20	1.4
5 year	100.44	1.4
10 year	100.41	1.6
30 year	103.89	2.1

USD Libor	Rate (%)	YTD
1m	1.98	-21.0%
3m	2.03	-27.8%
6m	1.95	-32.2%
1 year	1.85	-38.3%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Public-Private Partnership Forum discusses efficiency, job creation

Oman's Public-Private Partnership Forum began yesterday, bringing together hundreds of experts who will explore opportunities for partnerships in Oman. Partnerships are a crucial part of raising the efficiency of services for people in Oman and creating jobs in the private sector.

Source: [Times of Oman](#)

CMA issues Mandatory Health Insurance regulations

The Executive President of the Capital Market Authority (CMA) has issued the regulations underpinning the Health Insurance Scheme (Dhamani) due to be rolled out in the Sultanate. Decision 78/2019, enshrined the guidelines for Health Insurance in Oman, were compiled in collaboration with the concerned entities tasked with preparing the legislative and regulatory infrastructure for the Dhamani health insurance scheme for employees of the private sector, the residents and visitors to Oman, said the Authority in press statement.

Source: [Oman Observer](#)

Health Ministry unveils PPP projects in Oman

A dialysis centre, secondary hospital and central laboratory are among a number of initiatives proposed by Oman's Ministry of Health for implementation under the Public Private Partnership (PPP) model. Details about the projects were unveiled at the PPP Oman Forum 2019, which opened at the Oman Convention and Exhibition Centre here on Monday.

Source: [Oman Observer](#)

Implementing Greenfield Cement Project in Georgia

The UAB-based Pioneer Cement Industries ("Pioneer Cement") a subsidiary of Raysut Cement is in the process of setting up an integrated cement plant with annual capacity of 1.2MT in Georgia, Eastern Europe, at an estimated cost of USD 200mn. Construction work is set to begin on 15th Nov 2019.

Source: [MSM](#)

Oman ranked first in the Middle East in key index

The Sultanate is ranked first in the Middle East and 9th at the global level among 20 growing countries in terms of global trade, according to the Standard Chartered Trade 20 Index. The report said that the Sultanate is on an upward trajectory and is advancing at a rapid pace, thanks to many regional trade agreements and liberal policies that succeeded in moving away from its reliance on oil.

Source: [Decypha](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Fitch downgrades Saudi Aramco to 'A' after attacks on oil facilities

Fitch on Monday downgraded Saudi Aramco by one notch after attacks last month on two production facilities, putting the rating of the state-owned oil giant at par with the one of Saudi Arabia, which the agency downgraded on September 30. Aramco — the world's largest oil company and the most profitable — obtained its first credit rating of A+ by Fitch in April ahead of its inaugural public bond issue.

Source: [Business Standard](#)

Osool & Bakheet issues Q3 2019 forecast for listed firms, banks

Osool and Bakheet Investment Co. has issued Q3 2019 earnings estimates for several Tadawul-listed companies and banks under its coverage. Among petrochemical firms, Saudi Basic Industries Corp. (SABIC) is expected to report a 64 percent year-on-year (YoY) profit drop to SAR 2.22 billion. In the banking sector, Al Rajhi Bank is forecast to report net profit of SAR 2.5 billion in Q3, a decline of 3 percent YoY.

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](#)

UAE economy minister expects further reduction in federal fees

The UAE economy minister expects more government entities to reduce federal fees. “There were positive measures in that aspect (reduction of federal fees), whether at the Ministry of Human Resources and Emiratization 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](#)

Non-founding foreign investments rise to 6.01% last week

Non-founding foreign investors – namely swap holders, residents and qualified foreign investors (QFIs) – increased their ownership in the Saudi Stock Exchange (Tadawul) to 6.01 percent in the week ending Oct. 3, from 5.99 percent in the previous week, on net purchases worth SAR 950 million, market data showed. Ownership of non-founding foreign investors, who do not include strategic partners, hit an all-time high last week.

Source: [Argaam](#)

Why Saudi Aramco’s IPO Is No Ordinary Share Sale

It makes more profit than any other company in the world, but is it the most valuable? The answer could come as soon as November, when Saudi Aramco is finally set to go ahead with a mammoth initial public offering. The delayed share sale is part of a grand vision to reshape Saudi Arabia’s economy by the kingdom’s controversial Crown Prince Mohammed bin Salman. It’s no ordinary IPO, and not just because of its size.

Source: [Bloomberg](#)

Orascom Construction seals \$1.3bn contracts in Q3

Orascom Construction Plc has signed new contracts worth \$1.3 billion during the third quarter of 2019, rising by 150% year-on-year and 39% quarter-on-quarter. During the first nine months of 2019, total new awards stood at \$2.7 billion, registering a 79% growth from \$1.5 billion in the year-ago period, the company said in a statement to the Egyptian Exchange (EGX) on Monday. Projects in Egypt accounted for 75% of total new awards in Q3-19 as the company continued to strengthen its leading position in the transportation sector. A consortium including Orascom Construction will design, establish, and operate and maintain two monorail lines in Egypt.

Source: [Decypha](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China joins Asian shares in cautious advance ahead of trade talks

Asian shares inched up on Tuesday, with Chinese shares making modest gains after a week-long holiday, though investors remained cautious over U.S.-China trade talks after President Donald Trump said a quick trade deal was unlikely. Japan’s Nikkei climbed 1.0% while MSCI’s broadest index of Asia-Pacific shares outside Japan rose 0.73%, led by gains in tech shares in South Korea and Taiwan.

Source: [Reuters](#)

Hong Kong Exchanges and Clearing drops \$39 billion offer to buy London Stock Exchange

Hong Kong’s bourse on Tuesday dropped its unsolicited \$39 billion bid for London Stock Exchange Group (LSE). The Hong Kong bourse concedes it hadn’t won over LSE management for a move that could have transformed both global financial services businesses. In a statement on Tuesday, Hong Kong Exchanges and Clearing (HKEX), said it still believed the combination of the two exchanges would be “strategically compelling”

Source: [CNBC](#)

China services sector growth falls to 7-month low, private survey shows

The Caixin/Markit services purchasing managers’ index (PMI) fell to 51.3 last month, the weakest since February, versus August’s 52.1. It has stayed above the 50-point that separates growth from contraction on a monthly basis since late 2005. The fall was in line with the marginal drop in the official non-manufacturing PMI published by the National Bureau of Statistics.

Source: [CNBC](#)

Samsung Electronics says third-quarter profit seen down 56%, beats expectations

South Korean tech giant Samsung Electronics on Tuesday reported its third-quarter operating profit likely tumbled 56%, hurt by a downturn in global memory chip prices but slightly better than analysts had anticipated. The world’s biggest semiconductor firm by revenue has struggled since late last year as a weak global economy and slower spending from data center customers ended a two-year boom in the memory chip market where Samsung rakes in around two thirds of its entire profit.

Source: [Reuters](#)

COMMODITIES NEWS

Crude Surrenders Gains as Trade Talks Loom, Demand Woes Deepen

Oil surrendered the biggest gains in more than two weeks amid conflicting signals about economic growth, energy demand and geopolitical stability. Futures settled little changed in New York on Monday. At one point during the session, crude climbed \$1.25 a barrel, presenting explorers with an opportunity to lock in prices for future output through hedges.

Source: [Bloomberg](#)

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