













# U Capital Morning Brief

10 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	867.33	-1.70	-0.20%	-1.25%	-	-	-
U Capital GCC 50 Index	1,318.10	-13.86	-1.04%	0.64%	-	-	-
U Capital MENA 200 Index	1,037.46	-8.64	-0.83%	-0.73%	-	-	-
MSCI GCC Countries Index	530.77	-6.44	-1.20%	-131.79%	14.65	1.72	4.3%
Muscat Securities Market	 4,039.86	3.90	0.10%	-6.57%	8.18	0.79	6.8%
Saudi Stock Exchange	 7,715.89	-117.04	-1.49%	-1.42%	19.02	1.71	3.9%
Kuwait Stock Exchange	 6,569.65	-34.32	-0.52%	16.23%	14.11	1.35	3.7%
Qatar Exchange	 10,197.57	-74.29	-0.72%	-0.98%	14.63	1.54	4.2%
Bahrain Stock Exchange	 1,517.92	0.20	0.01%	13.51%	11.37	0.96	5.1%
Dubai Financial Market	 2,809.95	13.37	0.48%	11.08%	11.81	1.03	4.4%
Abu Dhabi Exchange	 5,053.29	-16.90	-0.33%	2.81%	15.16	1.44	4.9%
Beirut Stock Exchange	 784.56	-0.09	-0.01%	-19.68%	4.17	0.47	11.8%
Palestine Stock Exchange	 513.59	0.08	0.02%	-2.98%	12.20	1.18	4.6%
Tunis Se Index	 7,014.00	-8.42	-0.12%	-3.54%	19.58	2.35	2.1%
EGX 30 Index	 14,182.70	-165.87	-1.16%	8.80%	11.75	1.94	2.8%
Amman General Index	 1,824.62	-0.88	-0.05%	-4.41%	11.80	0.90	5.6%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,166.5	0.33%	6.5%
DAX	Germany	12,094.3	1.04%	14.5%
CAC 40	France	5,499.1	0.78%	16.2%
<b>United States</b>				
DJIA	USA	26,346.0	0.70%	12.9%
S&P 500	USA	2,919.4	0.91%	16.5%
NASDAQ	USA	7,903.7	1.02%	19.1%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	21,491.0	0.16%	7.4%
HANG SENG	Hongkong	25,729.2	0.18%	-0.5%
KSE 100 Index	Pakistan	33,523.7	0.00%	-9.6%
NSE Nifty 50	India	11,261.9	-0.45%	3.7%
SHANGHAI COMPOSITE	China	2,930.3	0.19%	17.5%
SHANGHAI SHENZHEN CSI 300	China	3,848.8	0.14%	27.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.675	1.482
British Pound (GBP)	1.223	0.818
Canadian Dollar (CAD)	0.751	1.332
Chinese Renminbi (CNH)	0.141	7.118
Egyptian Pound (EGP)	0.061	16.295
Euro (EUR)	1.099	0.910
Indian Rupee (INR)	0.014	64.892
Japanese Yen (JPY)	0.009	107.480
New Zealand Dollar (NZD)	0.631	1.584
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.640	156.389
Russian Ruble (RUB)	0.015	71.019
Singapore Dollar (SGD)	0.725	1.379
Turkish Lira (TRY)	0.170	5.869

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	58.2	-0.17%	5.6%
WTI Crude (per bbl)	52.5	-0.21%	15.6%
Oman Crude Oil (Last Closing)	58.9	0.19%	10.0%
OPEC (per bbl)	58.5	-0.95%	13.5%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,508.6	0.19%	17.6%
Silver (per oz)	17.8	0.60%	15.1%
Platinum (per oz)	891.3	-0.12%	12.0%
<b>Other Metals</b>			
Copper, MT	5,684	0.15%	-4.7%
Aluminium, MT	1,744	-0.43%	-5.5%
Lead, MT	2,130	-0.70%	5.4%
Zinc, MT	2,291	-0.30%	-7.1%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.26	-20.4%
Saudi Arabia	2.31	-22.2%
Kuwait	2.88	24.3%
Oman	2.90	2.7%
Qatar	2.64	-9.2%
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	2.8
Oman	17/01/2028	6.0
Bahrain	12/10/2028	5.2

Midswaps	Price	YTM %
3 year	99.90	1.4
5 year	100.54	1.4
10 year	100.48	1.6
30 year	103.94	2.1

USD Libor	Rate (%)	YTD
1m	1.94	-22.5%
3m	2.01	-28.4%
6m	1.96	-31.7%
1 year	1.89	-37.2%

Source: Bloomberg

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

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## 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. Darwish bin Ismail Al Balushi,, the Minister Responsible for Financial Affairs, said in a speech: "The convention of this Forum is a practical reflection of the Royal directives of His Majesty Sultan Qaboos bin Said to support and enhance the role of private sector in the development efforts as being an essential and effective partner in the economic development.

Source: [Times of Oman](#)

### NBO shareholders approve capital-raising plan

National Bank of Oman (NBO) held its Extraordinary General Meeting (EGM) with shareholders at the bank's head office in Azaiba. The principal agenda item was the approval of the bank's capital raising plan over the next five years, which includes issuances of additional Tier-1 capital in the region of US\$300 million (and/or OMR equivalent) and Tier 2 capital in the region of OMR50 million (and/or USD equivalent).

Source: [Times of Oman](#)

### New hub to unlock potential of \$20bn hydrogen economy in Oman

The Ministry of Oil and Gas has proposed the setting up of a working group to jumpstart the development of a low-carbon and sustainable hydrogen economy in the Sultanate. Salim bin Nasser al Aufi, Under-Secretary, said the working group, initially led by the ministry, will seek to bring together all of the stakeholders — government, academic institutions, R&D organisations, Oil & Gas operators, industries and petrochemical companies — thereby paving the way for the creation of a Hydrogen Centre or hub to spearhead the development of a hydrogen economy for the Sultanate.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi Arabia climbs up in WEF's global competitiveness ranking

Saudi Arabia has jumped three notches from last year to rank as one of the most competitive economies in the Arab region, according to the latest Global Competitiveness Report 2019 by the Geneva-based World Economic Forum (WEF). The Kingdom, the largest Arab economy, jumped three places to 36th, out of 141 countries, in the WEF's annual ranking with a score of 70 out of 100.

Source: [Argaam](#)

### eXtra's retail portfolio records outstanding performance in Q3 2019, says CEO

United Electronics Co. (eXtra) has recorded an outstanding performance as regards its retail operations in Q3 2019, Chief Executive Officer, Mohamed Galal told Argaam. "Despite the fact that electronics and home appliances market in Saudi Arabia was nearly muted over the first seven months of this year, eXtra boosted its market share by 20 percent to 16.9 percent during this period, compared to 14.1 percent in year-earlier period," Galal added.

Source: [Argaam](#)

### Saudi German Hospital inks SAR 350m loans with Emirates NBD, Bank Albilad

Middle East Healthcare Company (Saudi German Hospitals) has signed two Shari'a compliant facility agreements with Emirates NBD and Bank Albilad valued at SAR 350 million. The first deal was signed with Emirates NBD with a total value of SAR 150 million, and it will be allocated for financing the working capital, according to a filing to the Saudi Stock Exchange (Tadawul) on Wednesday.

Source: [Mubasher](#)

### 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](#)

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**How Dubai's new cultural visas could spark the economy supporting creative businesses**

Art doesn't just nourish the soul; it feeds the economy. With that in mind, analysts and entrepreneurs in the creative industry have heaped praise on Dubai's latest plan to introduce a cultural visa, stating that it won't just boost the talent pool but will also fuel economic growth. The new initiative, which will benefit artists, authors and innovators, was recently announced by Sheikh Mohammad bin Rashid Al Maktoum, Prime Minister and Ruler of Dubai. As part of a "new cultural vision," a creative free zone will also be set up in Al Quoz, and Dubai's approximately 6,000 arts and culture companies will be used to help position Dubai as a "global art destination."

Source: [Zawya](#)

**Affordability in Dubai driving five-year high in villa and townhouse sales**

Villa and townhouse sales in Dubai hit a five-year high in the first three quarters of 2019 driven by the introduction of affordable housing to the emirate, according to the latest statistics from Property Finder. The year through to the end of September saw 5,812 villa and townhouse transactions registered in Dubai – while the number of cumulative transactions in the first three quarters of the year surpassed the volume of villa and townhouse deals for the whole of 2017 and 2018.

Source: [Decypha](#)

**Madayn and Al Raffd Fund sign cooperation agreement**

A cooperation agreement was signed on Tuesday between the Public Establishment for Industrial Estates – Madayn and Al Raffd Fund within the scope of Madayn's Masar Investment Window project. The agreement was inked by Hilal bin Hamad Al Hasani, CEO of Madayn, and Tariq bin Suleiman Al Farsi, CEO of Al Raffd Fund. The agreement comes within Madayn's framework of signing a set of cooperation agreements with a number of bodies in Oman, in implementation of the Royal Decree no. 32/2015 promulgating the system (law) of the Public Establishment for Industrial Estates – Madayn.

Source: [Decypha](#)

**Mideast Stocks: Financials drag most of Gulf lower, Saudi underperforms**

Most major Gulf markets traded in the red on Wednesday with weakness in banking shares weighing and Saudi Arabian stocks underperforming their regional peers. Saudi Arabia's index fell 1.5%. Al Rjahi Bank declined 2.5% and the Country's biggest lender National Commercial Bank slid 2.2%. Saudi Basic Industries (SABIC) shed 1.8%, extending losses following its downgrade by Fitch on Monday.

Source: [Zawya](#)

**INTERNATIONAL ECONOMIC & CORPORATE NEWS****Chinese tourism growth slows as overseas travel loses its luster**

The seven-day vacation from Oct. 1 to Oct. 7 is dubbed "Golden Week" in China since it is one of the few major Government-mandated holidays in a country where personal vacation days are few. Official data showed domestic tourism and sales grew at a slower pace than previous years. However, Chinese mobile payments giant Alipay said average total spend per user traveling overseas increased 15% to about 2,500 (\$350).

Source: [CNBC](#)

**A Third of the World's Consumers Are Suddenly Nervous to Spend**

Down the street from Mumbai's grand colonial-era Royal Opera House, Deepak Gurnaney sits in his small electronics shop in front of rows of flat screen TVs flashing Hindi-soap operas, while his four staff play with their phones. There are no customers. The 68-year-old used to need a machine to count the cash brought in by the business his father founded, and a warehouse nearby to keep enough stock. With business down 25% the past two years, he's got rid of both.

Source: [Bloomberg](#)

**Asian stocks swoon on signs of prolonged U.S.-China standoff**

Asian stocks fell the most in a week on Wednesday as the United States and China is broadening dispute over trade and foreign policy showed little sign of coming to an end, weighing on global economic growth. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.44%. Chinese shares .CSI300 fell 0.47% after briefly touching a five-week low. Australian shares were down 0.76%.

Source: [Reuters](#)

**U.S. weighing China currency pact as part of partial trade deal: Bloomberg**

The United States is weighing a currency pact with China as part of a partial deal that could see a planned tariff hike next week being suspended, Bloomberg reported bloom.bg/35vnu7g on Wednesday, citing people familiar with the talks. The White House is looking to roll out a formerly agreed currency pact with China as part of what it regards as a first-phase

agreement with Beijing, according to the report, which added that it will be followed by further talks on issues like forced technology transfers and intellectual property.

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil prices fall as hopes for U.S.-China trade progress wilt

Oil prices fell on Thursday on concerns of lower fuel demand as talks this week between the United States and China, the world's two largest oil users, are not expected to help end the trade war between them, adding to anxieties about the global economy. China, the world's biggest oil importer, has lowered their expectations for talks on Thursday and Friday to end the 15-month-old trade dispute with the United States. U.S. President Donald Trump is set to raise the tariff rate on about \$250 billion of Chinese goods to 30% from 25% on Oct. 15 if some signs of progress are not seen.

Source: [Reuters](#)