

U Capital Morning Brief

11 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	918.65	-2.0	-0.22%	-5.71%	-	-	-
U Capital GCC 50 Index	1,302.01	-0.8	-0.06%	13.75%	-	-	-
U Capital MENA 200 Index	1,047.48	-2.1	-0.20%	5.26%	-	-	-
MSCI GCC Countries Index	536.40	-1.3	-0.25%	11.80%	13.64	1.74	4.1%
Muscat Securities Market	4,508.67	-8.7	-0.19%	-11.58%	11.11	0.81	6.1%
Saudi Stock Exchange	7,834.79	-70.0	-0.88%	8.42%	16.52	1.76	3.6%
Kuwait Stock Exchange	5,092.45	-11.0	-0.22%	NA	14.90	1.28	3.9%
Qatar Exchange	9,964.37	124.2	1.26%	16.91%	15.41	1.53	4.4%
Bahrain Stock Exchange	1,320.80	-3.5	-0.26%	-0.82%	8.92	0.84	6.2%
Dubai Financial Market	2,810.63	32.8	1.18%	-16.60%	7.50	1.04	6.0%
Abu Dhabi Exchange	5,014.53	-6.0	-0.12%	14.01%	13.24	1.49	4.8%
Beirut Stock Exchange	981.08	-2.7	-0.27%	-14.58%	5.19	0.62	9.3%
Palestine Stock Exchange	529.87	-0.6	-0.11%	-7.78%	12.19	1.18	4.6%
Tunis Se Index	7,581.43	23.2	0.31%	20.69%	19.82	2.70	1.9%
EGX 30 Index	13,621.23	32.5	0.24%	-9.31%	12.94	2.36	2.4%
Amman General Index	1,966.66	-7.9	-0.40%	-7.53%	13.70	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	7,145.7	-1.27%	-7.1%	Australian Dollar (AUD)	0.707	1.414
DAX	Germany	11,712.5	-2.21%	-9.3%	British Pound (GBP)	1.322	0.756
CAC 40	France	5,206.2	-2.11%	-2.0%	Canadian Dollar (CAD)	0.766	1.305
United States					Chinese Renminbi (CNH)	0.144	6.942
DIJA	USA	25,598.7	-3.15%	3.6%	Egyptian Pound (EGP)	0.056	17.912
S&P 500	USA	2,785.7	-3.29%	4.2%	Euro (EUR)	1.156	0.865
NASDAQ	USA	7,422.1	-4.08%	7.5%	Indian Rupee (INR)	0.013	74.400
Asia Pacific					Japanese Yen (JPY)	0.009	112.180
NIKKEI 225	Japan	22,591.0	-3.89%	-0.8%	New Zealand Dollar (NZD)	0.648	1.544
HANG SENG	Hongkong	25,207.0	-3.76%	-15.7%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,615.9	-0.47%	-4.6%	Pakistani Rupee (PKR)	0.747	134.000
NSE Nifty 50	India	10,186.9	-2.61%	-3.3%	Russian Ruble (RUB)	0.015	66.886
SHANGHAI Composite	China	2,607.4	-4.34%	-21.2%	Singapore Dollar (SGD)	0.723	1.382
KOSPI Index	South Korea	2,151.7	-3.45%	-12.8%	Turkish Lira (TRY)	0.165	6.071

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	2.70	50.6%
Brent Crude (per bbl)	81.6	-1.81%	28.2%	Saudi Arabia	2.73	44.1%
WTI Crude (per bbl)	71.9	-1.71%	19.0%	Kuwait	2.00	6.7%
Oman Crude Oil (Last Closing)	82.4	-2.45%	28.7%	Oman	2.67	39.9%
OPEC (per bbl)	83.2	1.58%	29.0%	Qatar	2.79	5.5%
Precious Metals				Bahrain	3.75	37.6%
Gold100 OZ (per oz)	1,193.1	-0.14%	-8.4%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	14.3	-0.13%	-15.7%		Maturity date	YTM, %
Platinum (per oz)	816.9	-0.78%	-12.2%	Kuwait	3/20/2027	3.9
Other Metals				Abu Dhabi	10/11/2027	4.1
Copper, MT	6,239	-0.84%	-13.9%	Qatar	6/2/2026	4.1
Aluminium, MT	2,047	-0.44%	-9.7%	Saudi Arabia	3/4/2028	4.4
Lead, MT	1,910	-1.34%	-23.2%	Oman	1/17/2028	6.2
Zinc, MT	2,629	-1.83%	-20.8%	Bahrain	10/12/2028	7.0

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.54	2.9	1m	2.29	46.2%
5 year	99.48	3.0	3m	2.42	42.9%
10 year	97.69	3.2	6m	2.63	43.1%
30 year	93.64	3.3	1 year	2.96	40.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

VAT preparations likely to get momentum as Govt. looks to introduce it in sept 2019

Preparatory activities for introducing value added tax (VAT) in Oman is likely to gather momentum soon as the authorities are planning to implement the new tax regime from September 2019. "Setting a target date of September 2019 allows businesses get time to plan the changes they need to make to their business processes," Alkesh Joshi, tax partner at Ernst & Young (EY) Oman, said.

Source: [Muscat Daily](#)

Swedish retail giant Ikea plans to expand into Oman

Ikea plans to expand into Oman as part of plans to enter about a dozen new markets in the coming years, as the Swedish furniture giant aims to reach a total of 3 billion potential customers by 2025. The company will open stores in Chile, Columbia and Peru through a new Ikea franchisee called Falabella as part of its first foray into South America, Inter Ikea said in an emailed statement on Wednesday.

Source: [Arabian Business](#)

Inflation increases by 0.78% in September 2018

The rate of inflation in the Sultanate of Oman in September 2018 increased by 0.78% compared to the same month of 2017, according to the latest data released by the Centre on consumer price indices. It also showed that the inflation rate decreased by 0.11% compared to August 2018. The rise in the price index in September 2018 compared to the same month in 2017 led to a rise in prices in major groups such as housing, water, electricity, gas and other fuels by 0.59%, transport by 5.67%, restaurants and hotels by 0.63%, miscellaneous items and services by 0.87% and education by 4.9%.

Source: [NCSI](#)

NBC hosts open day for Riyadh, Al Raffd Fun

The National Business Centre (NBC), which falls under the umbrella of the Public Establishment for Industrial Estates (PEIE), on Wednesday organised an open day event at the Public Authority for SME Development (Riyada). The open day event aimed at spreading awareness about the services offered by NBC through a premier platform set up for budding Omani entrepreneurs. The event briefed the audience on the objectives of NBC, which comprise facilitating and supporting the growth of investable ideas into successful businesses; building entrepreneurial skills through dedicated and focused training, coaching and mentoring; and providing business support facilities.

Source: [Times of Oman](#)

Operations in Salalah Port Suspended Due to Tropical Condition Luban

Due to the developments of the tropical condition (Luban) in the Arabian Sea and the weather forecasts, the operations at Salalah Port were put on hold, said Mohammed bin Ufai al-Ma'ashani, Director General of Corporate Affairs in Salalah Port. "The Port management has taken all procedures and necessary precautions to limit the potential damage by following up and analyzing the data on the tropical condition by the relevant authorities," he added.

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Qatar jumps to test technical barrier, Saudi petchems slip

Qatar's stock market jumped in morning trade on Wednesday on the back of banks, causing its main index to test technical resistance, while Saudi Arabia edged down as petrochemical firms fell. The Qatari index surged 1.4 percent to 9,975 points, testing technical resistance at 10,003-10,028 points, where the market peaked in August and September.

Source: [Zawya](#)

SASCO will franchise new operators to pursue expansions: CEO

Saudi Automotive Services Co. (SASCO) will grant franchises to operators seeking expansions in new area untapped by the company, chief executive officer, Riyadh Al-Malik, told Argam's sister site Akhbaar24.com. Each franchisee will be responsible for full area management. Individual operators will be only franchised within the cities, where SASCO operates, as the company seeks to maintain quality control and offer various logistic services to investors. "SASCO is focusing on offering franchises inside cities.

Source: [Argam](#)

Saudi Industrial Export Co. appoints Alkhair Capital as rights issue lead manager

Saudi Industrial Export Co. (SIECO) has appointed Alkhair Capital Saudi as the underwriter and lead manager of its SAR 54 million capital hike through a rights issue, the firm said in a statement. SIECO's shareholders approved yesterday the capital increase, which aims to support the company's financial position and develop its business and activities, Argam reported. The rights trading period will run from Oct. 15 until Oct. 22, while the subscription period will be until Oct. 25.

Source: [Argam](#)

Al Hokair Group eyes expansion in Saudi hospitality sector

Saudi Arabia's Al Hokair Group is planning to strengthen its foothold in the Kingdom's booming hospitality sector next year, the company said in a statement. "Our hospitality side of the business is rapidly growing, and we aim to consolidate our presence further in this SAR 80 billion marketplace," said Sami Al Hokair, chairman, Al Hokair Group. "We are seeing a tremendous growth in demand and based on the high occupancy rates in our hotels, and we aim to further enhance our market presence."

Source: [Argam](#)

Saudi Arabia regulatory laws consolidation to woo investment

Achieving Saudi Arabia's ambitious Vision 2030 requires consolidation of regulations in order to attract foreign investment, create new jobs and transfer private sector skills to the public sector. This was the consensus during accountancy and finance body ICAEW's Corporate Finance Faculty roundtable about how Saudi business is evolving to support a thriving economy. The event was held at the Saudi Standards, Metrology and Quality Organization (SASO) in Riyadh, in partnership with the Saudi Organization for Certified Public Accountants (SOCPA) and in association with award-winning data room provider Drooms.

Source: [SG](#)

Saudi Aramco, Bapco face growing demand for energy in Bahrain

Saudi Aramco and Bahrain Petroleum Company (Bapco) announced on Tuesday the successful operation of the AB-4 crude oil pipeline as part of a new phase of the Aramco-Bahrain crude oil pipeline strategy to meet the growing demand for energy in Manama. The new 112 kilometer-long pipeline can transport up to 350,000 barrels of crude oil per day. It starts from Saudi Aramco facilities in Abqaiq and ends at Bapco refinery in Bahrain, Saudi state TV Al-Ekhbariya reported.

Source: [Arab News](#)

Dubai Parks and Resorts' 33% surge in visitors fails to push DXBE stock price

DXB Entertainments (DXBE) announced in a statement to the exchange on Wednesday it "attracted over 1.96 million visits during the first nine months of 2018, an increase of 33 percent compared to the same period last year." Issam Kassabieh, senior financial analyst at Menacorp Financial Services, told Zawya by email: "Increasing the number of visitors is positive for the company, but we still need to wait and see what would the average ticket price be (total admission revenues/total visitors).

Source: [Zawya](#)

Dubai boosts regional smart cities spend to \$2.3 billion

The UAE's government-led Smart City projects are driving regional Smart Cities spend to reach a record-high of \$2.3 billion by 2021, and using technology innovations to transform people's daily lives, industry experts announced ahead of GITEX Technology Week. As countries across the Middle East ramp up their Smart Cities developments – especially the UAE, along with continued momentum in Oman and Egypt – the Middle East and Africa Smart Cities market is set to grow by 83 percent from \$1.26 billion in 2018 to \$2.3 billion by 2021, according to IDC.

Source: [Tahawul](#)

DIB's 9-month profit up 12% on higher Islamic financing income

Dubai Islamic Bank (DIB) net profits for first 9 months of 2018 grew 12.1 per cent to Dh3.7 billion from Dh3.3 billion for the same period last year, thanks to higher income from Islamic financing. The bank's posted net profit of Dh1.26 billion for the third quarter of 2018 as compared to Dh1.16 billion for the same period last year, an increase of 8.6 per cent. Total income for the 9 months of 2018 was Dh8.53 billion, reflecting 13.6 per cent year-on-year increase, mainly driven by growth in income from Islamic financing that grew by 20.5 per cent to reach Dh6.9 billion from Dh5.72 billion for the same period in 2017.

Source: [Arabian Business](#)

Moody's affirms ratings of SABB, Alawwal

Moody's Investors Service has affirmed the local and foreign currency deposit ratings of Saudi British Bank (SABB) at A1/P-1 and Alawwal Bank at A3/P-2. The outlook on Alawwal's long-term deposit ratings was changed to positive, from stable, while the outlook on SABB's long-term deposit ratings was maintained at stable. The banks have entered into a binding merger agreement, which remains subject to regulatory and shareholder approvals and is expected to be completed in the first half of 2019.

Source: [Mubasher](#)

ADX to use Emirates ID number as one issued for investors

The Abu Dhabi Securities Exchange, ADX, has announced that it is to use the 15-digit National ID number as the official number issued for investors, both citizens and residents, as of 14th October. The move is part of Abu Dhabi Securities Market's initiatives to adopt the ID card in all its public transactions. The new structure replaces the previous one which involves the Exchange to issue a unique number for investors.

Source: [Zawya](#)

Saudi Looks to Petrochemicals for Its Next Big Projects

As Saudi Arabia looks to its oil reserves to underwrite a record share sale, even the kingdom's crown prince is backing a push into the industry's less glamorous corners -- refining and petrochemicals -- to ensure crude keeps paying the bills. State-run Saudi Aramco is working on more than \$100 billion of refining and chemical projects, according to Bloomberg calculations, and a pledge to invest in a \$9 billion complex with Total SA is just the latest step in this expansion. Such downstream investments "create huge opportunities for economic growth and jobs," according to Crown Prince Mohammed bin Salman.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia shares plummet after Wall Street rout; Shanghai at near four-year lows

Asian share markets sank in a sea of red on Thursday after Wall Street suffered its worst drubbing in eight months, a conflagration of wealth that could threaten business confidence and investment across the globe.

Source: [Reuters](#)

Dollar weakens, yen at October highs after U.S. stocks slide

The U.S. dollar, usually seen as a safe haven in turbulent times, surprised some currency strategists on Thursday by losing ground after spooked investors drove U.S. stocks to their worst fall in nearly eight months.

Source: [Reuters](#)

Bond market signaling 'sluggish or uncertain' growth ahead, Fed's Kaplan says

Dallas Fed President Robert Kaplan says the compression in bond market yields is a signal that investors are worried about long-term growth. All eyes in the market have been on the rising 10-year yield as an inflation indicator. Kaplan says the Fed should hike rates at least three more times before pausing to check where it stands relative to the "neutral" rate.

Source: [CNBC](#)

IMF's Lagarde warns trade, currency wars could be detrimental for growth

International Monetary Fund Managing Director Christine Lagarde on Thursday warned countries of the perils of a trade or a currency war, saying they could be detrimental to global growth and hurt "innocent bystanders."

Source: [Reuters](#)

COMMODITIES NEWS

Oil extends losses as other markets fall, inventories rise

Oil dropped on Thursday to extend big losses from the previous session as global stock markets suffered a rout, with crude prices also taking a hit from a weekly industry report showing U.S. crude inventories had risen more than expected. Supply worries also eased as Hurricane Michael likely spared oil assets from significant damage as it smashed into Florida, even as it caused injuries and widespread destruction.

Source: [CNBC](#)