

U Capital Morning Brief

19 November 2018

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings (x)	Price to Book (x)	Div Yield
			Index	Point	%	%	%
U Capital Oman 20 Index	915.30	2.21	0.24%	-6.05%	-	-	-
U Capital GCC 50 Index	1,282.85	-8.35	-0.65%	12.07%	-	-	-
U Capital MENA 200 Index	1,035.00	-3.50	-0.34%	4.01%	-	-	-
MSCI GCC Countries Index	524.91	-6.48	-1.22%	9.41%	13.74	1.69	4.2%
Muscat Securities Market	4,452.12	1.56	0.04%	-12.69%	10.49	0.79	5.8%
Saudi Stock Exchange	7,496.91	-165.26	-2.16%	3.74%	16.11	1.67	3.7%
Kuwait Stock Exchange	5,088.85	-12.92	-0.25%	NA	15.05	1.23	3.9%
Qatar Exchange	10,297.06	82.87	0.81%	20.81%	15.22	1.54	4.2%
Bahrain Stock Exchange	1,310.88	1.72	0.13%	-1.56%	8.87	0.82	6.2%
Dubai Financial Market	2,778.76	2.38	0.09%	-17.55%	9.39	1.02	6.3%
Abu Dhabi Exchange	5,055.46	34.28	0.68%	14.94%	13.72	1.46	4.8%
Beirut Stock Exchange	973.43	-4.95	-0.51%	-15.25%	5.10	0.61	9.3%
Palestine Stock Exchange	528.31	-1.29	-0.24%	-8.05%	12.07	1.17	4.6%
Tunis Se Index	7,294.99	8.50	0.12%	16.13%	18.99	2.60	1.9%
EGX 30 Index	13,968.80	287.13	2.10%	-6.99%	13.13	2.44	2.2%
Amman General Index	1,963.49	-2.06	-0.10%	-7.68%	13.80	0.99	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		
Europe			%	%	Currency	USD/1 Unit	Units/1 USD
FTSE 100	UK	7,013.9	-0.34%	-8.8%	Australian Dollar (AUD)	0.731	1.369
DAX	Germany	11,341.0	-0.11%	-12.2%	British Pound (GBP)	1.282	0.780
CAC 40	France	5,025.2	-0.17%	-5.4%	Canadian Dollar (CAD)	0.760	1.317
United States					Chinese Renminbi (CNH)	0.144	6.937
DJIA	USA	25,413.2	0.49%	2.8%	Egyptian Pound (EGP)	0.056	17.916
S&P 500	USA	2,736.3	0.22%	2.3%	Euro (EUR)	1.140	0.877
NASDAQ	USA	7,247.9	-0.15%	5.0%	Indian Rupee (INR)	0.014	72.024
Asia Pacific					Japanese Yen (JPY)	0.009	112.760
NIKKEI 225	Japan	21,777.5	0.45%	-4.3%	New Zealand Dollar (NZD)	0.685	1.461
HANG SENG	Hongkong	26,290.1	0.41%	-12.1%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	41,345.3	-0.78%	2.2%	Pakistani Rupee (PKR)	0.744	133.950
NSE Nifty 50	India	10,706.9	0.23%	1.7%	Russian Ruble (RUB)	0.015	65.985
SHANGHAI Composite	China	2,685.1	0.22%	-18.8%	Singapore Dollar (SGD)	0.728	1.374
KOSPI Index	South Korea	2,092.1	-0.01%	-15.2%	Turkish Lira (TRY)	0.187	5.354

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates			Current Rate %
	USD	%	%				
Oil				UAE			2.85
Brent Crude (per bbl)	67.3	0.81%	6.3%	Saudi Arabia			2.81
WTI Crude (per bbl)	57.2	1.24%	-5.4%	Kuwait			2.13
Oman Crude Oil (Last Closing)	66.2	-0.03%	3.5%	Oman			2.80
OPEC (per bbl)	65.3	1.19%	1.3%	Qatar			2.76
Precious Metals				Bahrain			3.68
Gold100 OZ (per oz)	1,219.4	-0.17%	-6.4%				
Silver (per oz)	14.4	-0.25%	-15.1%				
Platinum (per oz)	843.8	-0.20%	-9.3%				
Other Metals							
Copper, MT	6,205	0.34%	-14.4%				
Aluminium, MT	1,940	0.57%	-14.5%				
Lead, MT	1,998	3.58%	-19.7%				
Zinc, MT	2,606	1.16%	-21.5%				

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	3/20/2027	3.98
Abu Dhabi	10/11/2027	4.06
Qatar	6/2/2026	4.06
Saudi Arabia	3/4/2028	4.51
Oman	1/17/2028	6.55
Bahrain	10/12/2028	7.28

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.07	2.9	1m	2.30
5 year	99.96	2.9	3m	2.64
10 year	100.50	3.1	6m	2.86
30 year	101.11	3.3	1 year	3.12

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 targets Iran for stronger bilateral relations

Oman was revealed by a parliament member to be targeting Iran as a stronger partner in areas of trade and business. Oman and Iran have been experiencing remarkable ties over the years, noted Omani parliament member Tofiq al-Lawati. However, the official stressed, the deficiency of direct sea route between Oman and Iran is affecting the development of trade exchanges between the two sides.

Source: [MenaFN](#)

Oman's growth provides jobs to 33,000 Omanis

The Sultanate today is celebrating the 48th National Day of the country. While Oman Daily Observer and its sister publications at the Oman Establishment for Press, Publication and Advertising join the citizens and residents to extend sincere greetings and congratulations to His Majesty, we also pray to the Almighty to continue bestowing the blessings upon the country's beloved leader.

Source: [Zawya](#)

'Oman's GDP to grow by 2.5% in 2019'

Economists in Oman have predicted that the country's Gross domestic product (GDP) is expected to grow by 2.5 per cent in 2019, adding to the festive cheer of National Day, thereby allowing for increased spending and saving levels among locals and expats in the Sultanate. The rising value of oil and natural gas has risen significantly in the January-September period compared with the same period last year, resulting in a low fiscal deficit and a higher trade surplus from January to June, according to Dr CK Anchan, an investment advisor in the Sultanate.

Source: [Times of Oman](#)

3 international groups bid for Ibri solar project

Three consortiums led by prominent international energy developers have submitted firm bids for the Omani government's mandate to build the Sultanate's first large utility scale solar photovoltaic-based Independent Power Project. According to Oman Power and Water Procurement Company (OPWP) – the sole procurer of new electricity generation and related water desalination capacity – bids have been received from the following three groups: (i) Abu Dhabi future Energy Company PJSC (Masdar), Total Solar and Jinko Power (HK) Company Limited; (ii) International Company for Water and Power Projects (ACWA Power), Gulf Investment Corporation (GIC) and Alternative Energy Projects Company; and (iii) Marubeni Corporation, Oman Gas Company (OGC), Nebras Power QPSC, and Bawhan Renewable Energy Company LLC.

Source: [Oman Observer](#)

Madayn spinoff to manage Oman's industrial parks starting in 2019

Oman Investment and Development Holding Company, the newly established development arm of the Public Establishment for Industrial Estates — rebranded as Madayn recently — will assume management of the nation's network of industrial parks starting from 2019. The new spin-off was set up by Madayn with a mandate to enhance the investment appeal of Oman's nine industrial parks. As part of its administrative and operational remit, the new subsidiary has been tasked with developing the support infrastructure and facilities at various industrial estates, as well as streamlining and improving operational processes. The ultimate objective is to support the creation of efficient and competitive hubs for manufacturing-related investment in the Sultanate.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast stocks: Saudi hits one-month low on negative sentiment, Qatar Fuel rebounds

Saudi Arabia's stock market fell to a one-month low on Sunday as banks led blue-chip declines amid negative investor sentiment, while Qatar firmed, helped by a rebound in Qatar Fuel shares. United Arab Emirates markets were closed for a religious holiday, while other bourses closed mixed in lacklustre trade. The Saudi index fell 2.2 percent, with 165 declining stocks out of 180 being traded and only 11 stocks advancing.

Source: [Zawya](#)

UAE banks benefit from US Fed rate rises

With the dirham pegged to the US dollar, the actions of the US central bank have a direct impact on interest rates charged by UAE banks. With another Fed rate hike potentially on the horizon in December, analysts said the Gulf country's banks could find it harder to keep ramping up the cost of borrowing.

Source: [Arab News](#)

UAE tourists can claim VAT refunds from today

Tourists visiting the UAE have a reason for joy as the government has set no minimum limit for tourists' VAT refund, which will come into effect from Sunday, November 18. Gary Byrne, director of new markets and group strategic partnership at Planet, said the daily maximum VAT refund for tourists has been capped at Dh10,000 in cash. But if the refund claim exceeds that amount, then the funds will be transferred electronically to the tourist.

Source: [Khaleej Times](#)

Saudi Arabia's SABIC and NCB sign deal to finance small businesses

The National Commercial Bank (NCB) has signed a memorandum of understanding with the Saudi Basic Industries Corporation (SABIC) to help boost the financing of small and medium enterprises (SMEs). The move will help develop local industries through financing and refinancing entrepreneurs, Asharq Al-Awsat newspaper reported.

Source: [Arab News](#)

UAE Central Bank's autonomy to set caps on real estate welcomed

The UAE Central Bank recently lifted the 20 per cent cap on real estate lending as a percentage of the total deposits of banks. However, a new ceiling on lending has not been put in place, Abdul Aziz Al Ghurair, chairman of the UAE Banks Federation, said. The fixed 20 per cent cap has now been replaced with a more flexible policy whereby the central bank may choose to impose restrictions on the banking sectors' loans to the real estate sector, depending on its views on the health of the property sector in the economy.

Source: [Zawya](#)

Saudi launches \$19bn second phase of private sector incentive plan

Saudi Arabia has launched the second phase of a private sector incentive plan with 17 initiatives totalling SAR72bn (\$19.18bn). The announcement comes as growth in the private sector remains relatively sluggish linked to higher fees, new taxes and Saudisation plans that have forced firms in some sectors to cut foreign workers.

Source: [Gulf Business](#)

Bahrain to IPO three logistics-linked companies in two years, minister says

Bahrain intends to sell stakes in at least three companies in the next two years on its stock exchange as the smallest Arabian Gulf economy seeks to boost government revenue, the country's transportation and telecommunications minister said on Sunday.

Source: [The National](#)

Viva City to build world's largest sports mall in Dubai

Dubai-based investor Viva City is set to develop the world's largest commercial sports mall, Sport Society, at a strategic location in the emirate close to the Deira City Centre. Unveiling the plans, Viva City said the new venture has been designed to be a global architectural icon that elevates the UAE's reputation and achievements at various levels as well as to meet the aspirations of the residents and tourists.

Source: [Trade Arabia](#)

Dubai RTA launches \$161mln smart traffic systems expansion project

The Roads and Transport Authority, RTA, in Dubai, has announced plans for a AED590 million project to expand its smart traffic systems. The project entails upgrading and expanding the smart traffic systems in Dubai by providing an integrated infrastructure of smart traffic systems in the Emirate, and the construction of a new traffic management system.

Source: [Zawya](#)

Saudi Arabia to build 19,000 homes under Sakani scheme: report

Saudi Arabia has announced plans to construct more than 19,000 residential units in major areas of the Kingdom for beneficiaries of its Sakani scheme, reported Arab News. The Housing Ministry, represented by the Sakani programme, has already signed five agreements with four real estate development companies for the setting up of these villas and townhouses, the report stated.

Source: [Argaam](#)

Amanat Holding Q3 loss due to recent acquisitions: CFO

Dubai-listed Amanat Holdings' financial position is very strong and the reported loss for Q3 is non-recurring due to the recent acquisitions, CFO Dawod Al-Ghoul told Argaam. The quarterly results were temporarily impacted by including the full consolidation of the recent majority stakes acquired in the Royal Hospital for Women in Bahrain, as well as Middlesex University Dubai, he said.

Source: [Argaam](#)

A Haven for Money in the Middle East, Dubai Is Losing Its Shine

Ever since the first gleaming towers sprang out of the desert, Dubai has gotten used to rapid change. It's no stranger to boom-and-bust. What's happening now is different: a slow bleed. The city's iconic builders are plowing ahead. Cranes are everywhere. But no one is sure who'll occupy all that new retail and office space.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian Stocks Mixed on Trade; Treasuries Steady: Markets Wrap

Asian stocks kicked the week off in lackluster fashion as U.S.-China trade tensions showed no sign of improvement over the weekend. The greenback steadied with Treasuries, while U.S. equity futures slipped. Tension between Chinese President Xi Jinping and U.S. Vice President Mike Pence quashed optimism that relations would improve at Group of 20 meetings starting next week as the Asia-Pacific Economic Cooperation failed to agree on a joint statement for the first time in its history.

Source: [Bloomberg](#)

Global problems threaten emerging economies but some are on firmer ground than others: Moody's

A slew of potential problems are confronting the world's emerging economies, but many of those countries appear resilient enough to weather the storm. Ratings agency Moody's said in a report Thursday that the outlook for emerging markets will be "broadly stable" in 2019.

Source: [CNBC](#)

Brace for corporate defaults as Chinese firms with dollar debts are 'under increasing pressure'

Defaults in Chinese offshore corporate dollar bonds are set to increase, experts say. While there's little indication that increased pressure on offshore dollar repayment could trigger a broader crisis, the situation should be closely monitored for spillover threats, they say. Tai Hui, chief market strategist for Asia Pacific at J.P. Morgan Asset Management in Hong Kong, says he is "watchful" for spillover effects into the broader economy.

Source: [CNBC](#)

Stocks post steep weekly losses as Facebook, Amazon and Apple shares struggle

Stocks posted sharp weekly losses on Friday after a strong downturn in technology shares. The S&P 500 fell 1.6 percent this week, while the Dow Jones Industrial Average and Nasdaq Composite both declined more than 2 percent. Technology, the biggest sector in the S&P 500 by market cap, was the second-worst performer this week, falling 2.5 percent. The sector dropped following a 5.4 percent decline in Apple. Wall Street analysts worry iPhone sales will slow down. Tech-related shares like Amazon and Netflix were also down 7 percent and 5.7 percent, respectively. Sharp losses in Nvidia dragged down the chips sector and the overall tech sector on Friday.

Source: [CNBC](#)

COMMODITIES NEWS

Oil rises on expected OPEC cut, but markets remain wary

The Organization of the Petroleum Exporting Countries (OPEC), de-facto led by Saudi Arabia, is pushing for the producer cartel and its allies to cut 1 million to 1.4 million barrels per day (bpd) of supply. Despite Monday's gains, crude prices remain almost a quarter below their recent peaks in early October, weighed down by surging supply and a slowdown in demand growth.

Source: [CNBC](#)



Ubhar Capital SAOC (U Capital)

Ominvest Business Centre
Building no. 95
Way no. 501
Airport Heights
Tel: +968 2494 9000
Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.