

U Capital Morning Brief

29 November 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	900.89	4.52	0.50%	-7.53%	-	-	-
U Capital GCC 50 Index	1,288.01	5.88	0.46%	12.52%	-	-	-
U Capital MENA 200 Index	1,036.02	4.10	0.40%	4.11%	-	-	-
MSCI GCC Countries Index	530.83	2.23	0.42%	10.64%	13.89	1.71	4.1%
Muscat Securities Market	4,395.94	9.07	0.21%	-13.79%	10.36	0.78	5.9%
Saudi Stock Exchange	7,632.50	59.02	0.78%	5.62%	16.46	1.70	3.6%
Kuwait Stock Exchange	5,127.43	7.10	0.14%	NA	15.34	1.24	3.8%
Qatar Exchange	10,329.61	-26.06	-0.25%	21.19%	15.27	1.54	4.2%
Bahrain Stock Exchange	1,324.87	4.53	0.34%	-0.51%	8.96	0.83	6.2%
Dubai Financial Market	2,685.13	-14.47	-0.54%	-20.32%	9.06	0.99	6.6%
Abu Dhabi Exchange	4,881.04	-79.00	-1.59%	10.97%	13.24	1.41	4.9%
Beirut Stock Exchange	973.39	12.63	1.31%	-15.25%	5.10	0.61	9.3%
Palestine Stock Exchange	527.74	-0.47	-0.09%	-8.15%	12.59	1.20	4.5%
Tunis Se Index	7,260.82	13.21	0.18%	15.58%	18.86	2.58	2.0%
EGX 30 Index	13,309.49	95.54	0.72%	-11.38%	12.50	1.51	2.3%
Amman General Index	1,895.88	-21.70	-1.13%	-10.86%	13.40	0.94	4.9%

* Kuwait YTD data is not available as the Index was reconstituted in April'18

World Markets					Currency Cross Rates		
	Country	Value	D/D	YTD	Currency	USD/1 Unit	Units/1 USD
Europe							
FTSE 100	UK	7,004.5	-0.18%	-8.9%	Australian Dollar (AUD)	0.732	1.367
DAX	Germany	11,298.9	-0.09%	-12.5%	British Pound (GBP)	1.285	0.778
CAC 40	France	4,983.2	0.00%	-6.2%	Canadian Dollar (CAD)	0.754	1.326
United States					Chinese Renminbi (CNH)	0.144	6.934
DJIA	USA	25,366.4	2.50%	2.6%	Egyptian Pound (EGP)	0.056	17.915
S&P 500	USA	2,743.8	2.30%	2.6%	Euro (EUR)	1.139	0.878
NASDAQ	USA	7,291.6	2.95%	5.6%	Indian Rupee (INR)	0.014	70.029
Asia Pacific					Japanese Yen (JPY)	0.009	113.260
NIKKEI 225	Japan	22,334.4	0.71%	-1.9%	New Zealand Dollar (NZD)	0.687	1.457
HANG SENG	Hongkong	26,646.8	-0.13%	-10.9%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	40,720.0	0.05%	0.6%	Pakistani Rupee (PKR)	0.744	134.048
NSE Nifty 50	India	10,820.0	0.85%	2.7%	Russian Ruble (RUB)	0.015	66.963
SHANGHAI Composite	China	2,609.0	0.28%	-21.1%	Singapore Dollar (SGD)	0.730	1.370
KOSPI Index	South Korea	2,116.9	0.41%	-14.2%	Turkish Lira (TRY)	0.192	5.215

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				UAE	2.80
Brent Crude (per bbl)	59.2	0.71%	-6.5%	Saudi Arabia	2.83
WTI Crude (per bbl)	50.8	0.99%	-16.0%	Kuwait	2.13
Oman Crude Oil (Last Closing)	58.6	-1.55%	-8.4%	Oman	2.77
OPEC (per bbl)	59.1	-0.40%	-8.4%	Qatar	2.83
Precious Metals				Bahrain	3.75
Gold100 OZ (per oz)	1,225.4	0.34%	-6.0%		
Silver (per oz)	14.4	0.29%	-15.2%		
Platinum (per oz)	829.5	0.54%	-10.9%		
Other Metals					
Copper, MT	6,200	1.28%	-14.4%		
Aluminium, MT	1,932	0.08%	-14.8%		
Lead, MT	1,925	0.84%	-22.6%		
Zinc, MT	2,452	0.70%	-26.1%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.17	2.82	1m	2.35
5 year	100.20	2.83	3m	2.71
10 year	100.86	3.03	6m	2.88
30 year	101.09	3.32	1 year	3.13

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 TO RAISE RO100MN VIA DEVELOPMENT BONDS ISSUE

The Central Bank of Oman (CBO) has announced the 59th issue of the government development bonds worth RO100mn with a maturity period of five years. The bonds issue will carry a coupon rate of five per cent per annum, the CBO said in a statement on Wednesday. The development bonds are financial instruments issued by the CBO on behalf of Oman's government to provide an investment outlet for the surplus resources available in the economy and also to finance capital expenditure of various development projects envisage in the sultanate's five-year development plans.

Source: [Muscat Daily](#)

PDO exploring solar-to-hydrogen opportunities

Majority government-owned Petroleum Development Oman (PDO), the largest producer of oil and gas in the Sultanate, is weighing opportunities in solar-to-hydrogen conversion — part of an array of options it is keenly exploring in line with its pursuit of renewable energy resources, as well as carbon mitigation technologies. Also known as solar-hydrogen, the process involves the use of electricity generated by solar photovoltaic panels to power an electrolyze, a device that splits water (H2O) into its elemental components hydrogen (H2) and oxygen (O2).

Source: [Oman Observer](#)

Port Sohar's Terminal 3 crosses new milestone

A terminal at the Sohar Port and Freezone has handled more than three million Twenty-Foot Equivalent Unit (TEUs) containers since beginning operations in 2014. The news was announced by Hutchison Ports Sohar, which manages the container terminal otherwise known as Terminal 3. TEU is used to measure a ship's cargo carrying capacity. The world's largest container ships can carry in excess of 14,000 TEUs.

Source: [Times of Oman](#)

Experts discuss impact of new tax regulations

Recent developments in the local, regional and global tax environment, including a growing focus on transparency and technological demands, are putting pressure on organizations to adapt to new norms. Against this backdrop, KPMG organized the KPMG MESA Tax Conference to discuss issues and challenges currently facing tax functions in the Gulf Cooperation Council.

Source: [Times of Oman](#)

Oman needs to make substantial reforms to its economy: ICAEW

Oman's economic outlook remains for an improvement in 2018, underpinned by an easing in oil output cuts and ramp-up in gas production, which both facilitate an increase in government spending, according to a report released by the Institute of Chartered Accountants in England and Wales (ICAEW).

Source: [Muscat Daily](#)

Oman oil production rises to 995,300 bpd in October: Ministry

Oman's production of crude oil and petroleum condensates rose to an average of 995,300 barrels per day in October, the oil ministry said on Twitter on Wednesday. The sultanate's production was 990,200 bpd in September. Oman is not a member of the Organization of the Petroleum Exporting Countries.

Source: [Economic Times](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Banks drag down Abu Dhabi, petrochemicals lift Saudi index

Banks led the Abu Dhabi stock market sharply lower on Wednesday, while Saudi Arabia gained on the back of a rise in petrochemical shares. Abu Dhabi's index fell 1.6 percent, with much of the loss coming in the final 10 minutes of trade. First Abu Dhabi Bank, the largest lender in the United Arab Emirates, declined 2.6 percent and Abu Dhabi Commercial Bank shed 2.2 percent. But Abu Dhabi National Hotels gained 6.9 percent. It said on Tuesday that it had acquired five hotels in Dubai from Emaar Properties, which edged up 0.2 percent.

Source: [Reuters](#)

Al Ma'athar REIT seeks to acquire property worth SAR 552 mln

Al Ma'athar REIT Fund has signed agreement to acquire new real estate assets across Saudi Arabia for a total consideration of SAR 552 million, according to a bourse filing. The agreement, subject to regulatory approvals, will be financed via sharia-compliant bank facility of SAR 234 million, and issuance of 32.6 million new shares. The fund manager is in talks to secure the financing portion from a local lender.

Source: [Argaam](#)

Tasnee eyes growth, shareholder returns post-divestment: CEO

Saudi Arabia's National Industrialization Company (TASNEE) plans to create debt capacity for strategic growth and returns to the shareholders post-divestment, Mutlaq Al-Morished, the company's CEO said. "We have improved earnings before interest, taxes, depreciation and amortization (EBITDA) since 2015 despite the cyclical downturn in oil prices," Al-Morished added in his speech at the 13th annual GPCA Forum in Dubai.

Source: [Argaam](#)

SADAFCO plans 20% dividend for FY 2018/2019

Saudia Dairy & Foodstuff Co.'s (SADAFCO) board of directors has recommended a 20 percent cash dividend for the fiscal year of 2018/2019, at SAR 2 per share, amounting to SAR 65 million.

Source: [Argaam](#)

Bahrain's Investcorp acquires \$311mln multi-family properties in US

Investcorp on Wednesday announced the acquisition of several new multi-family properties in the United States. The properties, totaling six, house a combined 2,876 units, the Bahrain-based investment firm said, noting that the value of the deal was \$311 million.

Source: [Zawya](#)

Brookfield Is in Talks to Invest in Dubai's Property Developer Meraas

Brookfield Asset Management Inc. is in early talks for an investment in Dubai property developer Meraas Holding, according to people with knowledge of the matter, in a deal that would signal a vote of confidence in the emirate's ailing property market. The Canadian firm is weighing options that would give it control of some retail properties from Meraas, including entering into a joint venture for those developments, the people said, declining to be identified as the deliberations are confidential.

Source: [Bloomberg](#)

Value parks to boost chemical clusters development in Saudi Arabia: official

Value parks act as the main catalysts for the chemical clusters development, integrating Saudi Arabia's full value proposition for chemical investors, said Dr. Aabed Al-Saadoun, Deputy Minister for Company Affairs, Ministry of Energy, Industry and Mineral Resources. "The value proposition of these value parks is world-class infrastructure, competitive access for raw and other materials, zone-specific incentives, and supporting enablers such as financing facility.

Source: [Argaam](#)

Saudi Arabia sees first bank merger in two decades

Saudi Arabia's banking sector is on track to see its first merger in nearly two decades amid efforts to expand credit growth into targeted sectors, which comes as lenders across the board are poised to benefit from higher interest margins. On October 4 Saudi British Bank (SABB) and Alawwal Bank announced their boards had approved a binding agreement to merge the two institutions, creating what will be Saudi Arabia's third-largest bank.

Source: [Zawya](#)

Bahrain readies austerity push, keeping wary eye on opposition

Bahrain's new parliament is expected to swiftly pass sensitive austerity measures needed to secure a Gulf aid package, but the U.S.-allied government may implement the belt-tightening in stages to avoid provoking public anger. The Sunni-led authorities have kept a lid on dissent since a Shi'ite uprising in the island kingdom in 2011 was quelled with the help of neighboring Saudi Arabia, which fears instability in Bahrain will encourage unrest among its own Shi'ite minority.

Source: [Reuters](#)

Saudi Arabia nabs new China oil demand, challenges Russia's top spot

Saudi Arabia is set to expand its market share in China this year for the first time since 2012, with demand stirred up by new Chinese refiners pushing the kingdom back into contention with Russia as top supplier to the world's largest oil buyer. Saudi Arabia, the biggest global oil exporter, has been surpassed by Russia as top crude supplier to China the past two years as private "teapot" refiners and a new pipeline drove up demand for Russian oil.

Source: [Reuters](#)

Jordan cabinet approves \$13 billion budget for 2019

Jordan's cabinet approved on Wednesday a 9.25 billion dinar (Dh48 billion) budget for 2019 as part of a reform of public finances to ease the country's record debt burden and spur economic growth hit by conflict in the region, officials said. Finance minister Izzedin Kanakrieh said the budget, which will be sent to parliament for approval, envisaged a deficit equal to 2 percent of Jordan's gross domestic product.

Source: [The National](#)

Egypt to end dollar-guarantee mechanism for foreign investors

Egypt's central bank said on Wednesday it will end on Dec. 4 the use of a mechanism guaranteeing that foreign investors wanting to sell out of Egyptian securities could pull out their money in dollars, in a move to loosen its grip on investment flows. Egypt put the mechanism in place in March 2013 to ensure foreign investors would have access to foreign currency when they chose to withdraw from local securities. But analysts said its continued use had distorted the market.

Source: [Reuters](#)

Egypt Won't Seek Further Funding From IMF When Program Ends

Egypt won't ask for further funding from the International Monetary Fund when its \$12 billion program expires next year but is open to maintaining a looser relationship with the multilateral lender to reassure investors, Finance Minister Mohamed Maait said. "We are now in a position that we don't think we will need further funding from the IMF. That is number one," Maait said in an interview with Bloomberg Television.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia stocks advance, dollar struggles on signs of more cautious Fed

Asian stocks advanced on Thursday, tracking a surge on Wall Street, after the chairman of the U.S. Federal Reserve suggested it may nearing an end to its three-year rate tightening cycle, boosting interest in riskier assets.

Source: [Reuters](#)

Emerging shares hit near 10-day high on hopes of U.S.-China trade truce

Emerging market shares climbed to their highest in nearly ten days on Wednesday as Chinese stocks led Asian markets higher after the White House signalled that a truce was possible in its trade war with Beijing. White House economic adviser Larry Kudlow said on Tuesday that a meeting between U.S. President Donald Trump and his Chinese counterpart Xi Jinping at a G20 summit was an opportunity to "turn the page" on the dispute.

Source: [Reuters](#)

Asia trades higher after remarks by Fed's Powell gave US stocks a boost

Asia markets traded higher on Thursday morning ahead of a crucial meeting between President Donald Trump and Chinese leader Xi Jinping, which many are hoping would help to ease trade tensions. US stocks surged overnight, spurred by a remarks from Federal Reserve Chairman Jerome Powell who said he considers the central bank's benchmark interest rate to be near a neutral level — an important distinction from remarks he made less than two months ago.

Source: [CNBC](#)

Fed Chairman Powell now sees current interest rate level 'just below' neutral

Federal Reserve Chairman Jerome Powell said Wednesday he considers the central bank's benchmark interest rate to be near a neutral level, an important distinction from remarks he made less than two months ago. "Interest rates are still low by historical standards, and they remain just below the broad range of estimates of the level that would be neutral for the economy — that is, neither speeding up nor slowing down growth," Powell told The Economic Club of New York in a speech being closely watched in what has become a volatile financial marketplace.

Source: [CNBC](#)

COMMODITIES NEWS

Gold gains as US dollar weakens after cautious Fed speech

Gold prices rose as much as 1 percent on Wednesday from two-week lows as the US dollar tumbled after Federal Reserve Chairman Jerome Powell indicated that interest rates were near normal, soothing investor worries over the pace of rate hikes. Palladium prices hit a record high at \$1,186.30 per ounce.

Source: [Money Control](#)

Oil resumes sell-off as growing U.S. stockpiles feed oversupply fears

Oil prices fell about 2.5 percent on Wednesday after U.S. crude inventories rose for the 10th straight week to the highest in a year, adding to worries about a worldwide supply glut. Selling picked up just prior to the market's settlement, extending a sell-off that has cut prices by more than 30 percent since the beginning of October. U.S. crude CLC1 settled down \$1.27, or 2.5 percent, at \$50.29 a barrel, its lowest since Oct. 9, 2017. Brent crude LCOc1 ended \$1.45, or 2.4 percent, lower at \$58.76 a barrel.

Source: [NASDAQ](#)