

# U Capital Morning Brief

15 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	917.47	-3.32	-0.36%	-5.83%	-	-	-
U Capital GCC 50 Index	1,292.56	-9.17	-0.71%	12.92%	-	-	-
U Capital MENA 200 Index	1,039.53	-5.96	-0.57%	4.46%	-	-	-
MSCI GCC Countries Index	529.57	-5.29	-0.99%	10.38%	13.83	1.71	4.1%
Muscat Securities Market	4,459.57	-7.71	-0.17%	-12.55%	10.48	0.78	5.8%
Saudi Stock Exchange	7,659.88	-91.07	-1.17%	6.00%	16.42	1.71	3.6%
Kuwait Stock Exchange	5,101.77	-1.86	-0.04%	NA	14.99	1.24	3.9%
Qatar Exchange	10,199.08	-115.54	-1.12%	19.66%	15.08	1.52	4.3%
Bahrain Stock Exchange	1,310.51	5.55	0.43%	-1.59%	8.86	0.82	6.2%
Dubai Financial Market	2,776.38	0.87	0.03%	-17.62%	9.48	1.02	6.3%
Abu Dhabi Exchange	5,021.18	54.39	1.10%	14.16%	13.51	1.45	4.8%
Beirut Stock Exchange	979.50	5.90	0.61%	-14.72%	5.13	0.61	9.3%
Palestine Stock Exchange	529.60	1.23	0.23%	-7.83%	12.10	1.18	4.6%
Tunis Se Index	7,272.91	19.75	0.27%	15.78%	18.94	2.59	1.9%
EGX 30 Index	13,487.20	-56.44	-0.42%	-10.20%	15.30	2.37	2.2%
Amman General Index	1,962.38	5.37	0.27%	-7.73%	13.79	0.98	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
			%	%	Currency		
<b>Europe</b>					Australian Dollar (AUD)	0.728	1.374
FTSE 100	UK	7,033.8	-0.28%	-8.5%	British Pound (GBP)	1.301	0.769
DAX	Germany	11,412.5	-0.52%	-11.7%	Canadian Dollar (CAD)	0.756	1.323
CAC 40	France	5,068.9	-0.65%	-4.6%	Chinese Renminbi (CNH)	0.144	6.932
<b>United States</b>					Egyptian Pound (EGP)	0.056	17.919
DJIA	USA	25,080.5	-0.81%	1.5%	Euro (EUR)	1.134	0.882
S&P 500	USA	2,701.6	-0.76%	1.0%	Indian Rupee (INR)	0.014	72.110
NASDAQ	USA	7,136.4	-0.90%	3.4%	Japanese Yen (JPY)	0.009	113.460
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.680	1.470
NIKKEI 225	Japan	21,729.7	-0.53%	-4.5%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	25,760.9	0.42%	-13.9%	Pakistani Rupee (PKR)	0.746	133.986
KSE 100 Index	Pakistan	41,165.9	0.40%	1.7%	Russian Ruble (RUB)	0.015	67.035
NSE Nifty 50	India	10,580.1	0.04%	0.5%	Singapore Dollar (SGD)	0.727	1.376
SHANGHAI Composite	China	2,650.5	0.69%	-19.9%	Turkish Lira (TRY)	0.183	5.462
KOSPI Index	South Korea	2,065.8	-0.11%	-16.3%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	
	USD	%	%			
<b>Oil</b>				UAE	2.80	
Brent Crude (per bbl)	65.9	-0.35%	4.1%	Saudi Arabia	2.80	
WTI Crude (per bbl)	56.0	-0.46%	-7.3%	Kuwait	2.13	
Oman Crude Oil (Last Closing)	65.7	1.05%	2.7%	Oman	2.77	
OPEC (per bbl)	67.0	-4.02%	3.9%	Qatar	2.79	
<b>Precious Metals</b>				Bahrain	3.68	
Gold100 OZ (per oz)	1,211.8	0.07%	-7.0%			
Silver (per oz)	14.2	0.25%	-16.3%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
Platinum (per oz)	835.2	-0.01%	-10.2%		Maturity date	YTM, %
<b>Other Metals</b>				Kuwait	3/20/2027	3.97
Copper, MT	6,090	0.28%	-16.0%	Abu Dhabi	10/11/2027	4.08
Aluminium, MT	1,943	0.39%	-14.3%	Qatar	6/2/2026	4.05
Lead, MT	1,953	0.05%	-21.5%	Saudi Arabia	3/4/2028	4.53
Zinc, MT	2,502	0.52%	-24.6%	Oman	1/17/2028	6.49
				Bahrain	10/12/2028	7.23

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.85	2.9	1m	2.31
5 year	99.62	3.0	3m	2.62
10 year	100.02	3.1	6m	2.86
30 year	100.30	3.4	1 year	3.13

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

### HM HAILS ALL ROUND PROGRESS

His Majesty Sultan Qaboos presided over the Council of Ministers' meeting at Beit Al Baraka on Wednesday evening. His Majesty the Sultan started the meeting by praising Allah for the growth and prosperity bestowed on Oman appealing to Allah to continue such blessings for the nation and the citizens. Then, His Majesty reviewed local, regional and international conditions. On the domestic front, His Majesty the Sultan expressed his satisfaction with the efforts made by the government and all sectors of the state to continue the comprehensive development march in all parts of the country and to maintain the social aspects for the citizens.

Source: [Oman Observer](#)

### CMA suspends top auditing firm

Capital Market Authority (CMA) on Tuesday suspended audit firm KPMG from auditing entities regulated by CMA for a period of one year. This decision does not affect the engagements where the firm has already been appointed. In such cases, the firm can continue in the capacity of auditor and discharge its contractual obligations. The legal and regulatory provisions in Oman grant KPMG a legal right to appeal against this decision before independent appellate authority.

Source: [Times of Oman](#)

### Phase 1 of Oman's top leisure destination to kick off in 3 months

Construction work on the first phase of Hayy Al Sharq, billed as the largest entertainment and leisure destination in the Sultanate, will commence at a site in Barka within the next three months, according to a top official representing the project's promoters. Eng Khalid al Yahmadi (pictured), CEO of Muscat National Development & Investment Company (ASAAS), said the mega project development will add to Oman's tourism appeal.

Source: [Oman Observer](#)

### Education sector in Oman sees robust growth

The number of private schools in Oman has grown at a compound annual growth rate (CAGR) of 5.5 per cent between 2011 and 2016, while public schools recorded a CAGR of 0.9 per cent during the same period, according to a new report. The GCC Education Industry report published by Alpen Capital, an investment banking advisory firm, said that public schools in Oman accounted for over 78 per cent of the K-12 enrollments in 2016. However, private sector enrollments increased at a CAGR of 8.3 per cent between 2011 and 2016 compared to only 1.2 per cent in public schools.

Source: [Times of Oman](#)

### OMAN HOTELS & TOURISM COMPANY RECEIVES ISO 9001:2015 CERTIFICATE

Oman Hotels & Tourism Company announced that it has received the International Accreditation Certificate ISO 9001:2015. ISO is the International Standardization Organization, which assists in the improvement of business processes and responsible for the development of international standards for products, services, systems and conformity assessment procedures. The ISO system is a tool or a means of correcting errors and ensuring that they do not recur, and has a positive impact on investment, market share, sales growth and profit margins, as well as achieving competitive advantage.

Source: [Muscat Daily](#)

### OOMCO, Nafath launch new initiative called 'Solar'

Oman Oil Marketing Company (OOMCO), in partnership with Nafath Renewable Energy, has launched a new initiative called "Solar". This is a joint initiative to build portable solar science labs to educate students across Oman on how sustainable solar energy is more resilient and cost effective. Under the supervision of the Ministry of Education, over 500 students in schools within Muscat, North and South Al Batinah and South Al Sharqiyah regions will benefit from four of these state-of-the-art facilities, encouraging them to explore solar technology and its potential use to build a better tomorrow for the Sultanate.

Source: [Times of Oman](#)

### 3 new hospitals to be built at RO 269m

All preparations have begun for the construction of three hospitals in the Sultanate — Sultan Qaboos Hospital, Salalah, Suwaiq Hospital and Khasab Hospital. Dr Ahmed Mohammed al Saidi, Minister of Health, said the companies that have won bids for construction have started moving their equipment to the designated sites. The three hospitals, he said, will serve significant objectives as they will provide high-quality diagnostic, therapeutic and rehabilitation services for different medical cases in three governorates.

Source: [Oman Observer](#)

### Oman to generate \$260m a year through tax on unhealthy products

Oman could bring in at least OMR100m (\$259.7m) a year by implementing a selective tax on unhealthy products including cigarettes, soft drinks and energy drinks, an official has said. Times of Oman cited the head of the economic and financial committee at the consultative Shura Council as saying the tax, which has already been implemented in the UAE and Saudi Arabia, would have a positive impact on the sultanate's coffers.

Source: [Gulf Business](#)

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## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks - Oil plunge hits Saudi, MSCI decisions drag down Qatar**

Saudi Arabia's stock market fell in early trade on Wednesday as a fresh plunge of oil prices triggered broad selling of blue chips, while Qatar dropped sharply after MSCI snubbed two of its major stocks in a semi-annual index review. Saudi Arabia's main index was down 0.8 percent after an hour, following oil's roughly 7 percent decline overnight. All 14 petrochemical stocks declined with the biggest, Saudi Basic Industries, losing 0.7 percent.

Source: [Zawya](#)

### **Here's what analysts are saying about Saudi's new REITs regulations**

New regulations for Real Estate Investment Traded Funds (REITs) in Saudi Arabia are set to enhance transparency and disclosures in the sector. The amendments will also protect investor interests, boost sentiment and confidence, and stimulate the offering of better products going forward. Argaam has discussed the new regulations with analysts and financial advisers in the Kingdom.

Source: [Argaam](#)

### **MISK Global Forum 2018 kicks off in Riyadh today**

The third edition of the MISK Global Forum 2018 opened its doors today, Nov. 14 at the Four Seasons Hotel, Riyadh. The two-day event titled "Future Skills" brings together world-class speakers, international partners, representatives of international youth organizations along with young leaders and executives, entrepreneurs and other top official in the public and private sectors.

Source: [Argaam](#)

### **Saudi PIF entertainment arm rebrands to SEVEN, names new CEO**

The Development and Investment Entertainment Co. (DIEC), a wholly-owned subsidiary of Saudi Arabia's Public Investment Fund (PIF), has been rebranded to Saudi Entertainment Ventures (SEVEN). Bill Ernest was appointed as SEVEN's new CEO, the Saudi Press Agency reported on Wednesday. Ernest has an experience of over 25 years in the entertainment sector.

Source: [Argaam](#)

### **DXB Entertainments weighing up "all feasible options" for Six Flags Dubai**

DXB Entertainments' strategic review of its phase 2 expansion project to bring a 2.6 billion UAE dirham (\$708 million) Six Flags theme park to Dubai involves "revisiting the assumptions that were made in the original business case just to ensure that going forward with the project will result in us continuing to deliver value to our shareholders", the theme park operator's chief financial officer has said.

Source: [Zawya](#)

### **UAE's NMC Healthcare seeks to raise \$400m with debut sukuk**

United Arab Emirates' healthcare provider NMC Healthcare has set the size of its first international sukuk issue at \$400 million, a document issued by one of the banks leading the deal showed. Earlier on Wednesday, the company was aiming to raise between \$300 million and \$350 million, a document from the same bank showed. Orders for the transaction topped \$1.1 billion, the document showed.

Source: [Zawya](#)

### **Trade relations with UAE will get stronger after Brexit: UK minister**

The UK pavilion reflects so much energy; "you can see it from the sky. Someone told me so. It's so big. It shows how important our presence in the UAE is for us," UK Minister of State for Trade and Export Promotion told Wam. "Fifty companies from all over the UK; from Scotland, Wales, Northern Ireland, and England, are participating. It shows how strong our partnership with the UAE is," Baroness Fairhead CBE added in an exclusive interview with Wam at Abu Dhabi International Petroleum Exhibition and Conference, ADIPEC.

Source: [Khaleej Times](#)

### **DP World named Nasdaq Dubai's biggest debt issuer**

Port operator DP World has been named Nasdaq Dubai's largest UAE debt issuer by value with eight issuances valued at more than \$7 billion. Sultan Ahmed Bin Sulayem, group chairman and CEO of DP World, rang the market-opening bell to celebrate the multi-currency listing on Nasdaq Dubai of four new debt listings. They comprise a 10 year \$1 billion US dollar sukuk and three conventional bonds of 30 years of \$1 billion, 8 years 750 million Euros, and 12 years £350 million respectively.

Source: [Arabian Business](#)

### **Abu Dhabi Commercial Bank picks Barclays to advise on merger**

Barclays has been appointed by Abu Dhabi Commercial Bank (ADCB) to advise on a potential merger plan involving Union National Bank (UNB) and Al Hilal Bank, banking sources told Reuters. The merger, announced by the banks in September, is the latest consolidation among state-owned companies in the United Arab Emirates' (UAE) capital.

Source: [Arab News](#)

### **Qatar economy growing despite crisis: IMF**

Qatar's economy is growing despite a bitter trade and diplomatic rift with neighbouring former allies, the IMF said Wednesday after a week-long visit to the Gulf state. The IMF predicted that real GDP would be above three per cent next year and stabilise annually at 2.7 per cent from 2020 until 2023, fuelled by gas exports, vast infrastructure projects and the hosting of football's World Cup 2022.

Source: [The Business Times](#)

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**QFC sees Qatar as gateway to \$2.1 trillion market**

Despite the ongoing blockade, Qatar has not only proved its resilience as a robust and vibrant economy, but has successfully reversed the economic impact of the unjust siege into opportunities. The country, with ambitious development strategies, is now emerging as a gateway to \$2.1 trillion regional market, noted a top official of the Qatar Financial Centre (QFC), yesterday.

Source: [TPQ](#)

**Qamco IPO oversubscribed 2.5 times**

Qatar Petroleum announced the successful closure of the Initial Public Offering (IPO) of shares representing 49% of the issued share capital of Qatar Aluminium Manufacturing Company Q.P.S.C ("QAMCO"). The offering comprised a total of 273,425,880 ordinary Shares, all of which were subscribed for during the IPO subscription period, which ran from Tuesday, 30 October 2018 until the close of business on Monday, 12 November 2018.

Source: [TPQ](#)

**Aramco may list downstream oil assets after acquiring chemical firm SABIC, strategists say**

Restructuring the Aramco listing along those lines may make it more appealing to potential investors who have voiced skepticism about Saudi Arabia's transparency. However, some analysts argue that splitting the business risks depriving Aramco of the competitive advantage an integrated business has to offer.

Source: [CNBC](#)

**INTERNATIONAL ECONOMIC & CORPORATE NEWS****Asia Stocks Whipsaw; Powell Downplays Volatility: Markets Wrap**

Asian stocks were mixed after another slide in U.S. equities overnight, with Federal Reserve Chairman Jerome Powell giving no indication recent volatility will play into the U.S. central bank's next policy decision. Oil prices held above their recent low. Japanese and Australian equities fell, while Hong Kong stocks found some support from Tencent Holdings Ltd. earnings that beat expectations.

Source: [Bloomberg](#)

**Central banks should consider issuing digital money, IMF's Lagarde says**

IMF Managing Director Christine Lagarde said central banks should "consider the possibility to issue digital currency" in a speech in Singapore on Wednesday. Lagarde said the nature of money is changing as demand for cash decreases around the world. Central banks and financial institutions could partner to address the risks of digital currencies, Lagarde said.

Source: [CNBC](#)

**Pound rebounds against the dollar as Theresa May secures support for Brexit deal**

"I firmly believe that the draft withdrawal agreement was the best that could be negotiated," May told reporters in London. "This is a decisive step which enables us to move on and finalize the deal in the days ahead." Sterling traded 0.2 percent higher at \$1.2999 as of 2:22 p.m. ET after breaking below \$1.29 earlier in the day.

Source: [CNBC](#)

**Trump's tariff battle with China is spurring record dollar-yuan trading**

Market uncertainty due to the ongoing trade dispute between the U.S. and China has spurred a jump in trading volumes for the dollar-yuan currency pair in recent months. That has prompted at a Singapore-based exchange to launch a new futures contract.

Source: [CNBC](#)

**Facing scrutiny, Facebook reportedly hired a PR firm that wrote negative articles about rivals Apple, Google**

Facebook expanded its work with Definers Public Affairs, a Washington public relations firm, in October 2017 after enduring a years-worth of external criticism over its handling of Russian interference on its social network. Definers Public Affairs wrote dozens of articles criticizing Google and Apple for their business practices while downplaying the impact of Russia's misinformation campaign on Facebook.

Source: [CNBC](#)

**German economy contracts in Q3 on weak foreign trade**

Germany's economy contracted for the first time since 2015 in the third quarter as global trade disputes and problems in the auto industry put the traditional growth engine of exports into reverse, raising concerns that a long expansion is faltering. Gross domestic product (GDP) in Europe's biggest economy fell 0.2 percent quarter-on-quarter, the Federal Statistics Office said on Wednesday.

Source: [Saudi Gazette](#)

**COMMODITIES NEWS****Oil prices resume decline on oversupply worries**

Oil prices fell on Thursday, pressured by rising supply going into a market in which consumption is expected to slow down amid a glum economic outlook. Front-month Brent crude oil futures LCOc1 were trading at \$65.90 per barrel at 0254 GMT, down 22 cents, or 0.3 percent, from their last close. U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$55.95, down 30 cents, or 0.5 percent.

Source: [Zawya](#)



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