

# U Capital Morning Brief

26 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	907.72	-10.85	-1.20%	-6.83%	-	-	-
U Capital GCC 50 Index	1,273.60	-14.85	-1.17%	11.26%	-	-	-
U Capital MENA 200 Index	1,026.88	-11.18	-1.09%	3.19%	-	-	-
MSCI GCC Countries Index	524.42	-6.06	-1.14%	9.31%	13.74	1.69	4.2%
Muscat Securities Market	4,425.45	-27.85	-0.63%	-13.21%	10.43	0.79	5.9%
Saudi Stock Exchange	7,512.57	-94.75	-1.25%	3.96%	16.19	1.68	3.7%
Kuwait Stock Exchange	5,077.79	-4.63	-0.09%	NA	15.21	1.23	3.9%
Qatar Exchange	10,251.62	-76.86	-0.74%	20.28%	15.15	1.53	4.3%
Bahrain Stock Exchange	1,323.21	8.82	0.67%	-0.64%	8.95	0.83	6.2%
Dubai Financial Market	2,739.38	-15.53	-0.56%	-18.71%	9.24	1.01	6.4%
Abu Dhabi Exchange	4,946.48	-38.27	-0.77%	12.46%	13.42	1.43	4.9%
Beirut Stock Exchange	965.19	0.00	0.00%	-15.97%	5.05	0.60	9.4%
Palestine Stock Exchange	528.08	1.72	0.33%	-8.09%	12.07	1.17	4.6%
Tunis Se Index	7,305.49	-7.39	-0.10%	16.30%	18.98	2.60	1.9%
EGX 30 Index	13,153.55	-521.82	-3.82%	-12.42%	11.83	1.50	2.3%
Amman General Index	1,935.94	-7.12	-0.37%	-8.97%	13.61	0.97	4.8%

\* 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)	0.725	1.380
FTSE 100	UK	6,952.9	-0.11%	-9.6%	British Pound (GBP)	1.281	0.780
DAX	Germany	11,192.7	0.49%	-13.4%	Canadian Dollar (CAD)	0.757	1.321
CAC 40	France	4,947.0	0.18%	-6.9%	Chinese Renminbi (CNH)	0.144	6.939
<b>United States</b>					Egyptian Pound (EGP)	0.056	17.915
DJIA	USA	24,286.0	-0.73%	-1.8%	Euro (EUR)	1.134	0.882
S&P 500	USA	2,632.6	-0.66%	-1.5%	Indian Rupee (INR)	0.014	70.423
NASDAQ	USA	6,939.0	-0.48%	0.5%	Japanese Yen (JPY)	0.009	113.230
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.679	1.473
NIKKEI 225	Japan	21,781.7	0.63%	-4.3%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	26,367.1	1.69%	-11.9%	Pakistani Rupee (PKR)	0.747	134.000
KSE 100 Index	Pakistan	40,869.3	0.00%	1.0%	Russian Ruble (RUB)	0.015	66.215
NSE Nifty 50	India	10,534.1	0.07%	0.0%	Singapore Dollar (SGD)	0.728	1.374
SHANGHAI Composite	China	2,587.0	0.29%	-21.8%	Turkish Lira (TRY)	0.189	5.293
KOSPI Index	South Korea	2,080.7	1.13%	-15.7%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	59.7	1.53%	-5.7%	UAE	2.85
WTI Crude (per bbl)	50.9	0.93%	-15.8%	Saudi Arabia	2.83
Oman Crude Oil (Last Closing)	58.7	-7.35%	-8.3%	Kuwait	2.13
OPEC (per bbl)	62.1	-0.40%	-3.7%	Oman	2.79
<b>Precious Metals</b>					
Gold100 OZ (per oz)	1,224.2	0.09%	-6.1%	Qatar	2.78
Silver (per oz)	14.3	0.45%	-15.3%	Bahrain	3.75
Platinum (per oz)	844.7	0.14%	-9.2%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
<b>Other Metals</b>					
Copper, MT	6,207	-0.77%	-14.4%		
Aluminium, MT	1,949	0.13%	-14.1%		
Lead, MT	1,968	-1.33%	-20.9%		
Zinc, MT	2,519	-2.44%	-24.1%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.09	2.8	1m	2.32
5 year	99.99	2.9	3m	2.69
10 year	100.67	3.0	6m	2.89
30 year	101.38	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

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## OMAN ECONOMIC & CORPORATE NEWS

### MACRO INDICATORS SHOW RECOVERY OF OMANI ECONOMY: H E RAHBI

H E Talal bin Sulaiman al Rahbi, deputy secretary general of the Supreme Council for Planning affirmed that the macroeconomic indicators show the recovery of the Omani economy in the first half of 2018. Oman's gross domestic product (GDP) at current prices reached about RO15bn in the first half of this year, achieving a growth rate of over 15 per cent.

Source: [Muscat Daily](#)

### OMAN SHIPPING REPORTS STRONG PERFORMANCE ON ORPIC, OTI DEALS

Oman Shipping Co (OSC) reported strong performance in domestic markets following the long-term deals with Oman Oil Refineries and Petroleum Industries Co (Orpic) and Oman Trading International (OTI). OSC's growth in the region is being driven by a 20-year contract to transport condensate for Orpic and a 15-year deal transporting methanol for OTI from Salalah Methanol plant, according to a press release.

Source: [Muscat Daily](#)

### Move to regulate 'chaotic' contracting sector

The Oman Society of Contractors (OSC), the umbrella organisation of construction firms in the Sultanate, says it is working with government authorities to overhaul the contracting sector which, with around 40,000 registered companies, is contributing to "chaos" in the industry.

Source: [Oman Observer](#)

### Shura discusses state general budget for 2019 report

Majlis A'Shura today held its second annual session of the fourth annual sitting 2018-2019 of the 8th term 2015-2019 under the chair of Khalid bin Hilal al Maawali, Chairman of Majlis A'Shura. During the session, Majlis A'Shura discussed the report of the Economic and Financial Committee on the draft state general budget for the fiscal year 2019, which was referred from the government as per the provision of articles 90 and 91 of Majlis A'Shura Internal Regulations.

Source: [Oman Observer](#)

### Young Omanis represent 46.7%

The Sultanate had a total of 1.2 million youth in the age group 18 to 29 years by the middle of 2017, of which Omani youth accounted for 46.7 per cent, according to the data released by the National Centre for Statistics and Information (NCSI). The ratio of Omani youth in the age group was close to what it was between 2013 and 2017, when there were 103 males for every 100 females.

Source: [Oman Observer](#)

### Deal to reinforce environmental surveillance signed

In an effort to ensure better environmental surveillance in the area, the Ministry of Environment and Climate Affairs has signed an agreement with Sohar Industrial Port Company and Sohar Port and Freezone. "The goal of this agreement is to reinforce the system for environmental surveillance in the surrounding area," the Ministry of Environment and Climate Affairs said in a statement.

Source: [Times of Oman](#)

### Voltamp Power inks pact to boost transformer manufacturing in Oman

Voltamp Power, a publicly traded company listed on the Muscat Securities Market, has signed a technology collaboration agreement with Tatung of Taiwan covering the design and production of 220 kV and 400 kV Class power transformers in the Sultanate. The agreement was signed by Ahmed al Subhi, Director of Voltamp Power LLC, and Frank Shiue, Vice President of Tatung Co. The deal allows for Voltamp to extend and upgrade its capabilities in the design and manufacture of 220 kV Class and 400 kV Class power transformers.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Alkhabeer REIT targets 7 income-yielding assets in Saudi Arabia

Sharia-compliant Alkhabeer REIT targets an asset base of seven income-yielding real estate properties in prime locations in Riyadh, Jeddah, and Tabuk. Assets include offices, residential units, and retail space on a 139,760 square meters (sq m) of built-up areas (BUAs). Alkhabeer REIT offered 24 percent of assets at a total value of SAR 237 million. It targets an annual return of 9 percent, to be paid on a quarterly basis.

Source: [Argaam](#)

### M&A deals in MENA double to \$10 bln in Q3 2018: EY

The value of merger and acquisition (M&A) deals in the MENA region increased by 105 percent year-on-year (YoY) to \$10 billion in the third quarter of 2018 from \$4.9 billion, consultancy firm EY said in its latest report. Deal value remained consistent YoY, but volume declined by three percent to 107 deals compared with 110 deals in Q3 2017. The GCC deals represented 79 percent (\$7.9 billion) of the total MENA deal value, and 73 percent of deal volume.

Source: [Argaam](#)

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**Nadec's stock sees negotiated deal on Sunday**

National Agricultural Development Co. (NADEC) saw a negotiated deal on its stock today, where over 38,500 shares were privately traded at a negotiated price of SAR 26.85 per share against an official price of SAR 27.70. A negotiated deal involves a stock purchase based on a bargain between buyers and sellers, apart from market price. The negotiated price does not impact directly on market price.

Source: [Argaam](#)

**Dubai Investments expands healthcare portfolio**

Dubai Investments announced that it has expanded its healthcare portfolio with a 20 percent stake in an equity partnership in the AED465 million Clemenceau Medical Centre, a new development which will offer specialty care across multiple disciplines in Dubai Healthcare City Phase 2.

Source: [Emirates 24/7](#)

**UAE cabinet outlines details of long-term visa system- state news agency**

The United Arab Emirates Cabinet has outlined the details of a previously-announced decision to issue long-term visas for investors, entrepreneurs, talented individuals and outstanding students, according to Emirates News Agency, WAM. The announcement followed a cabinet decision in May to introduce a 10-year visa to investors and entrepreneurs, which was announced at the same time as a plan to allow foreign investors 100 percent ownership of onshore businesses.

Source: [Zawya](#)

**Abu Dhabi's FAB set for asset growth as cost synergies improve**

Bahrain-based investment bank SICO has raised its target price on First Abu Dhabi Bank, citing stronger conditions, but maintained its 'Neutral' rating on the stock, arguing that the benefits of the likely improvement in its performance has already been priced into its stock. A note published on Tuesday by banking analyst Chiradeep Ghose increased SICO's target price on FAB to 15 UAE dirhams (\$4.08) per share, up from 12 dirhams previously. The stock closed on Sunday down 8 fils to 14.40 dirhams per share.

Source: [Zawya](#)

**UAE lender UNB hires JPMorgan for merger talks: sources**

Abu Dhabi lender Union National Bank (UNB) UNB.AD has hired JPMorgan (JPM.N) to advise on its merger talks with Abu Dhabi Commercial Bank (ADCB) ADCB.AD, three sources familiar with the move said. The merger, which will also involve unlisted Al Hilal Bank, was announced by the banks in September and is the latest consolidation among state-owned companies in the United Arab Emirates' capital.

Source: [Reuters](#)

**Warba Bank share capital increase subscription starts today**

Warba Bank announced that the offering period in capital increase for exercising pre-emption right starts today, Nov 25th and ends on 9th Dec 2018. The total shares' value amounts KD 90MM (50 par value and 40 share premium); the subscription share price is 180 fils, including 100 fils par value and 80 fils share premium.

Source: [Arab Times](#)

**Aramco CEO Sees Sabic Stake, Refining Push as Keys to Growth**

Saudi Aramco aims to become a global refiner and chemical maker, seeking to profit from parts of the oil industry where demand is growing the fastest while also underpinning the kingdom's economic diversification.

Source: [Bloomberg](#)

**INTERNATIONAL ECONOMIC & CORPORATE NEWS****Brexit withdrawal agreement approved by EU leaders**

European Commission President Jean-Claude Juncker reiterated his sadness at the U.K.'s departure, telling reporters in the Belgian capital that it was a "tragedy." But he backed May's plan and said it was the best deal possible for Britain. Other European leaders also spoke favorably of the agreement, with Dutch leader Mark Rutte saying it was balanced on both sides.

Source: [CNBC](#)

**US-China trade war could create winners in Southeast Asia: Bain & Co**

The trade war between the U.S. and China is pushing many global companies to rethink their supply chains. Even if trade tensions eventually simmer, companies would still try and shift some of their supply chains to Southeast Asia, said Satish Shankar of Bain & Co. Bain predicts that as companies rethink their supply chains, small and medium enterprises in the region will adopt more technologies into their daily operations that could potentially unlock a \$1 trillion opportunity.

Source: [CNBC](#)

**Black Friday pulled in a record \$6.22 billion in online sales: Adobe Analytics**

Online sales Black Friday jumped 23.6 percent from a year ago, according to a new report from Adobe Analytics. The Friday after Thanksgiving this year was also the first day in history to see more than \$2 billion in sales stemming from smartphones. Cyber Monday sales online are expected to set a new record of \$7.8 billion, up nearly 18 percent from last year.

Source: [CNBC](#)

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**Dollar firmer as global growth concerns support flight-to-safety bid**

The dollar held broad gains on Monday as investors sought shelter in the world's most liquid currency on fears of a slowdown in global economic growth and as U.S.-Sino trade tensions sapped risk appetite.

Source: [Reuters](#)

**Stock Slump Wanes in Asia; Oil Prices Edge Higher: Markets Wrap**

Stocks began the last week of November on a positive footing, with most Asian benchmarks higher and U.S. equity futures advancing after last week's tumble. Oil prices also made a run at stabilizing, with West Texas crude putting some distance from the \$50 a barrel mark.

Source: [Bloomberg](#)

**COMMODITIES NEWS****Gold prices flat amid stronger dollar, investors look to G20 summit**

Gold prices were little changed on Monday with investors looking to a G20 meeting this week for signs of a thaw in the Sino-U.S. trade conflict, although a stronger dollar amid fears of a slowdown in global growth weighed on bullion.

\* Spot gold was little changed at \$1,222.36 per ounce at 0114 GMT.

Source: [Zawya](#)

**Oil prices stabilize after 'Black Friday' plunge**

Oil prices steadied on Monday after plunging nearly 8 percent in the previous session, but remain under pressure with Brent crude below \$60 per barrel amid weak fundamentals and struggling financial markets.

Source: [Reuters](#)