

# U Capital Morning Brief

25 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	918.57	3.27	0.36%	-5.72%	-	-	-
U Capital GCC 50 Index	1,288.45	5.60	0.43%	12.56%	-	-	-
U Capital MENA 200 Index	1,038.06	3.06	0.29%	4.32%	-	-	-
MSCI GCC Countries Index	530.48	-0.01	0.00%	10.57%	13.89	1.71	4.1%
Muscat Securities Market	4,453.30	1.18	0.03%	-12.67%	10.50	0.79	5.8%
Saudi Stock Exchange	7,607.32	92.96	1.24%	5.27%	16.36	1.70	3.7%
Kuwait Stock Exchange	5,082.42	1.93	0.04%	NA	15.13	1.23	3.9%
Qatar Exchange	10,328.48	35.66	0.35%	21.18%	15.27	1.54	4.2%
Bahrain Stock Exchange	1,323.21	8.82	0.67%	-0.64%	8.95	0.83	6.2%
Dubai Financial Market	2,754.91	-1.78	-0.06%	-18.25%	9.29	1.01	6.4%
Abu Dhabi Exchange	4,984.75	13.87	0.28%	13.33%	13.52	1.44	4.8%
Beirut Stock Exchange	965.19	-1.31	-0.14%	-15.97%	5.05	0.60	9.4%
Palestine Stock Exchange	526.36	-0.63	-0.12%	-8.39%	12.03	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	13,675.37	-55.75	-0.41%	-8.95%	12.38	1.56	2.2%
Amman General Index	1,943.06	-9.38	-0.48%	-8.64%	13.66	0.97	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)	0.723	1.383
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)	0.755	1.324
CAC 40	France	4,947.0	0.18%	-6.9%	Chinese Renminbi (CNH)	0.144	6.945
<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	70.698
NASDAQ	USA	6,939.0	-0.48%	0.5%	Japanese Yen (JPY)	0.009	112.960
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.678	1.475
NIKKEI 225	Japan	21,646.6	0.65%	-4.9%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	25,927.7	-0.35%	-13.3%	Pakistani Rupee (PKR)	0.747	134.000
KSE 100 Index	Pakistan	40,869.3	-0.01%	1.0%	Russian Ruble (RUB)	0.015	66.218
NSE Nifty 50	India	10,526.8	-0.69%	0.0%	Singapore Dollar (SGD)	0.727	1.375
SHANGHAI Composite	China	2,579.5	-2.49%	-22.0%	Turkish Lira (TRY)	0.189	5.287
KOSPI Index	South Korea	2,057.5	-0.60%	-16.6%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>				UAE	2.82
Brent Crude (per bbl)	58.8	-6.07%	-7.1%	Saudi Arabia	2.82
WTI Crude (per bbl)	50.4	-7.71%	-16.6%	Kuwait	2.06
Oman Crude Oil (Last Closing)	58.7	-7.35%	-8.3%	Oman	2.80
OPEC (per bbl)	62.1	-0.40%	-3.7%	Qatar	2.80
<b>Precious Metals</b>				Bahrain	3.75
Gold100 OZ (per oz)	1,223.2	-0.35%	-6.1%		
Silver (per oz)	14.3	-1.46%	-15.7%		
Platinum (per oz)	843.5	-0.59%	-9.3%		
<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	100.11	2.8	1m	2.32
5 year	100.04	2.9	3m	2.69
10 year	100.73	3.0	6m	2.89
30 year	101.39	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

### U Capital: MSM30 closes slightly higher

Last week was short due to the Islamic and National Day holidays, which impacted trades. MSM30 closed the week slightly up by 0.06 per cent. The Financial Index closed up by 0.06 per cent while both the Services Index and the Industrial Index closed down by 0.22 per cent and 0.04 per cent respectively. The MSM Shariah Index also closed up by 0.15 per cent w-o-w.

Source: [Oman Observer](#)

### Broad money supply rises by 2.4 per cent

Broad money supply M2 (M1 plus quasi-money) of banks in Oman stood at OMR16.5 billion as of the end of August 2018 and grew by 2.4 per cent during the same period. Monetary aggregates as of the end of August 2017, the narrow money stock (M1) registered a year-on-year (YoY) marginal increase of 0.3 per cent to OMR5.1 billion.

Source: [Times of Oman](#)

### Oman GDP jumps by more than 15% in second quarter

The Sultanate's Gross Domestic Product (GDP) at current prices recorded a growth of 15.1 per cent, while the value added of non-oil activities increased by 5.1 per cent and those of oil by 37.1 per cent, according to data released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

### ASAAS to add travel business to its RO1 billion investment portfolio

Muscat National Development & Investment Company (ASAAS), one of Oman's largest investment and real estate development firms, plans to add an inbound tour operating business to its diverse portfolio of investments. The new entity will be primarily tasked with driving international tourists and holidaymakers into Oman, thereby supplementing a tourism supply chain being developed by ASAAS in support of the Sultanate's increasingly vibrant tourism industry, according to a top official.

Source: [Times of Oman](#)

### PRODUCER PRICES IN OMAN JUMP 27% IN Q3 ON HIGHER COST OF OIL AND GAS

Oman's producer price index-based inflation rose 26.9 per cent in the third quarter of this year over the same period of last year, mainly driven by a surge in oil and gas prices. Prices of oil and gas products increased 32.2 per cent in the third quarter of 2018, while prices of non-oil products rose 5.1 per cent over the same period of the previous year, according to the statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Muscat Daily](#)

### Islamic banks provide OMR3.4bn financing

Islamic banking entities provided financing to the extent of OMR3.4 billion as of the end of August 2018, recording an increase of 17.2 per cent over that a year ago, according to the bulletin released by the Central Bank of Oman. The total deposits held with Islamic banks and windows also registered a significant increase to OMR3.1 billion in August 2018 from OMR2.8 billion as of the end of August 2017.

Source: [Times of Oman](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Fitch affirms Saudi credit rating at 'A+' with stable outlook

Fitch Ratings has affirmed Saudi Arabia's credit rating at "A+" with a stable outlook, it said in a statement. Fitch increased its estimate for the growth of the Kingdom's economy in 2018 by 2.2 percent compared to 1.8 percent in its previous report in June.

Source: [Argaam](#)

### Here's what affects Saudi sovereign ratings as government entities raise debt

Government-related entities (GREs) in Saudi Arabia have recently raised or are likely in the near future to raise significant amounts of debt, prompting questions by investors about the possible implications for sovereign ratings.

Source: [Argaam](#)

### MidEast appetite for European property grows: Savills

Middle East investors are seeking property investment opportunities across Europe, as Chinese investment into the continent slows, international real estate advisor Savills noted in its recent report. European real estate is seen as a good investment by those Middle Eastern investors and asset managers looking at growing their international property portfolios, the report added.

Source: [Argaam](#)

### Gulf cement firms' profits fall on heated competition in 9M

Twenty-four cement companies across the GCC have disclosed their financial results for the first nine months of 2018, logging \$251 million in combined profits, a sharp fall of 59.8% year-on-year from \$625.2 million, data compiled by Mubasher showed. The main reason for this drop was, as many companies have said, was the ongoing strong competition, which in turn resulted in lower sales, weak demand, and higher general and administrative expenses.

Source: [Mubasher](#)

#### **Saudi King launches SAR 85bn Waad Al Shamal project**

Saudi King Salman bin Abdulaziz Al Saud on Thursday has laid the foundation stone of Waad Al Shamal project at a value of SAR 85 billion. Waad Al Shamal project will include mining, energy, and logistics services industries. The project is an unprecedented development project, Saudi oil minister Khalid Al-Falih stated.

Source: [Mubasher](#)

#### **Ma'aden's subsidiary signs two financing deals worth SAR 1.9 billion**

The Saudi Arabian Mining Company (Ma'aden) announced that Ma'aden Waad Al Shamaal Phosphate, a subsidiary, signed on Thursday two financing agreements with the Saudi Industrial Development Fund (SIDF) to complete the construction of the project's plants as per the company's financing plan. In a statement to Tadawul, Ma'aden said that the value of the two financing agreements amounted to SAR 1.9 billion (\$506 million).

Source: [Economies](#)

#### **UAE to introduce long-term visa system**

The UAE Cabinet approved long-term visa system for investors, entrepreneurs, specialized talents and researchers in the fields of science, knowledge and outstanding students to facilitate business and create an attractive and encouraging investment environment for the growth of business for investors, entrepreneurs and professional talents.

Source: [Zawya](#)

#### **Saudi Arabia, UAE consolidate strategic ties**

Crown Prince Muhammad Bin Salman, deputy premier and minister of defense, arrived in Abu Dhabi on Thursday evening in the first leg of a tour that will take him to a number of Arab states. At Abu Dhabi airport, the Crown Prince was received by Sheikh Muhammad Bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi and deputy supreme commander of the UAE Armed Forces.

Source: [Zawya](#)

#### **Value of Mena M&As hit 8-year high at \$45bln**

The value of merger and acquisition (M&A) transactions with any Middle Eastern and North African involvement rose to an eight-year high \$45.1 billion in the first nine months of 2018, 65 per cent more than the value recorded during the same period in 2017. Data released by Refinitiv shows that deals with a Middle Eastern and North African target reached an all-time high rising to \$27.1 billion, up 89 per cent from the same period in 2017 while inter-Mena or domestic deals were also up 106 per cent from the same 2017 period.

Source: [Zawya](#)

#### **Dana Gas increased Kurdistan production capacity by 30%**

Dana Gas and its partner Crescent Petroleum have announced a 30% increase in production capacity at the Khor Mor field in the Kurdistan Region of Iraq, which the companies jointly operate on behalf of Pearl Petroleum. This increase delivers much-needed gas supply to fuel power plants in the region, and marked a major milestone as the companies commemorate 10 years of continuous production in the region in a special ceremony with the Kurdistan Regional Government in Erbil.

Source: [Oil&Gas](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **Euro set for biggest weekly drop in a month on PMI data**

The euro slumped half a percent on Friday on signs that economic growth could be slowing across the euro zone with worries about Brexit and Italy's budget negotiations also weighing on the single currency. A steep drop in oil prices on Friday fueled a risk-off wave across the board, setting the dollar on track for its biggest weekly rise in a month.

Source: [CNBC](#)

#### **China grants market access to two more foreign financial institutions: regulator**

China has given the go-ahead for two more foreign financial institutions to set up local subsidiaries, the country's banking and insurance regulator said in a notice on Sunday, bringing the total number of approvals to 12. German insurer Allianz (ALVG.DE) will be permitted to establish China's first foreign insurance holding company, and Hong Kong's Chi Yu Bank has also been approved to set up a branch in Shenzhen, the China Banking and Insurance Regulatory Commission (CBIRC) said.

Source: [Reuters](#)

#### **China economic growth seen slowing to 6.3 percent next year: economists**

China's economic growth is expected to hit 6.6 percent this year and slow to 6.3 percent in 2019 as the country struggles with challenges relating to trade and structural reform, economists from Beijing's Renmin University said in a report. The predictions, published by the news service of the China Academy of Social Sciences late on Saturday, are in line with the median forecast in a poll of 73 economists by Reuters last month, with China under increasing pressure from a trade war with the United States.

Source: [Reuters](#)

#### **Clashing with Trump, U.S. government report says climate change will batter economy**

Climate change will cost the U.S. economy hundreds of billions of dollars by the end of the century, hitting everything from health to infrastructure, according to a government report issued on Friday that the White House called inaccurate.

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil prices will average \$81 in 2019, says Fitch

Oil prices will average \$81 per barrel next year, Fitch Solutions Macro Research said in its latest report. Crude prices will recover to average \$74.50 a barrel this year, the consultancy noted, ruling out any "sustained correction in prices."

Source: [Argaam](#)

### As Oil Plunges, the Real OPEC Meeting Will Be at Next Week's G20

For the oil market, it looks like the real OPEC meeting will come a week ahead of schedule. The cartel is set to meet on Dec. 6 in Vienna, but days earlier the key decision makers are set to gather on the sidelines of the G20 summit in Buenos Aires in a meeting that may well decide the direction of oil prices in 2019.

Source: [Bloomberg](#)

### Oil tumbles more than 7% to \$50.42, now down more than 30% in 7 weeks

The latest wave of energy market selling comes amid escalating concerns about an increase in global supply and a slowdown in economic growth. OPEC and non-OPEC members meeting in Vienna on Dec. 6 are expected to start curtailing output. The value of a barrel of oil has tumbled about 20 percent this month, adding to a seven-week streak of consecutive losses.

Source: [CNBC](#)

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