

U Capital Morning Brief

25 November 2019

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	865.53	-2.77	-0.32%	-1.46%	-	-	-
U Capital GCC 50 Index	1,344.82	0.32	0.02%	2.68%	-	-	-
U Capital MENA 200 Index	1,050.38	-4.91	-0.47%	0.51%	-	-	-
MSCI GCC Countries Index	547.25	-2.42	-0.44%	1.75%	15.59	1.76	4.2%
Muscat Securities Market	4,081.41	-1.30	-0.03%	-5.60%	7.70	0.75	7.4%
Saudi Stock Exchange	7,999.57	-63.04	-0.78%	2.21%	20.56	1.77	3.8%
Kuwait Stock Exchange	6,701.05	20.31	0.30%	18.55%	14.34	1.35	3.7%
Qatar Exchange	10,253.54	-13.73	-0.13%	-0.44%	14.89	1.52	4.2%
Bahrain Stock Exchange	1,505.55	-0.10	-0.01%	12.58%	11.31	0.94	5.2%
Dubai Financial Market	2,687.30	3.02	0.11%	6.23%	10.67	0.96	4.4%
Abu Dhabi Exchange	5,041.23	-0.50	-0.01%	2.57%	15.50	1.41	4.9%
Beirut Stock Exchange	757.10	1.43	0.19%	-22.49%	4.02	0.45	12.2%
Palestine Stock Exchange	523.64	-1.05	-0.20%	-1.08%	12.43	1.21	4.5%
Tunis Se Index	6,936.31	1.56	0.02%	-4.61%	19.54	2.35	2.1%
EGX 30 Index	14,050.16	-44.42	-0.32%	7.78%	11.99	1.83	2.4%
Amman General Index	1,793.46	2.09	0.12%	-6.04%	11.65	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,326.8	1.22%	8.9%
DAX	Germany	13,163.9	0.20%	24.7%
CAC 40	France	5,893.1	0.20%	24.6%
United States				
DJIA	USA	27,875.6	0.39%	19.5%
S&P 500	USA	3,110.3	0.22%	24.1%
NASDAQ	USA	8,519.9	0.16%	28.4%
Asia Pacific				
NIKKEI 225	Japan	23,258.2	0.63%	16.2%
HANG SENG	Hongkong	27,062.5	1.76%	4.7%
KSE 100 Index	Pakistan	37,843.3	-0.23%	2.1%
NSE Nifty 50	India	11,975.3	0.51%	10.2%
SHANGHAI COMPOSITE	China	2,895.5	0.35%	16.1%
SHANGHAI SHENZHEN CSI 300	China	3,861.3	0.29%	28.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.679	1.472
British Pound (GBP)	1.285	0.778
Canadian Dollar (CAD)	0.752	1.330
Chinese Renminbi (CNH)	0.142	7.035
Egyptian Pound (EGP)	0.062	16.121
Euro (EUR)	1.102	0.907
Indian Rupee (INR)	0.014	63.850
Japanese Yen (JPY)	0.009	108.740
New Zealand Dollar (NZD)	0.642	1.557
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.643	155.282
Russian Ruble (RUB)	0.016	71.671
Singapore Dollar (SGD)	0.733	1.364
Turkish Lira (TRY)	0.175	5.716

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	63.6	0.25%	15.0%
WTI Crude (per bbl)	57.9	0.17%	27.5%
Oman Crude Oil (Last Closing)	64.1	-1.16%	19.9%
OPEC (per bbl)	63.7	2.35%	23.5%
Precious Metals			
Gold100 OZ (per oz)	1,461.7	0.00%	14.0%
Silver (per oz)	17.0	-0.20%	9.5%
Platinum (per oz)	896.1	0.54%	12.6%
Other Metals			
Copper, MT	5,855	0.45%	-1.8%
Aluminium, MT	1,739	0.29%	-5.8%
Lead, MT	1,966	0.41%	-2.7%
Zinc, MT	2,305	0.52%	-6.6%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.17	-23.6%
Saudi Arabia	2.23	-24.9%
Kuwait	2.75	18.9%
Oman	2.80	-1.1%
Qatar	2.34	-19.6%
Bahrain	2.78	-29.5%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.4
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.9
Oman	17/01/2028	5.6
Bahrain	12/10/2028	4.9

Midswaps	Price	YTM %
3 year	100.05	1.6
5 year	99.41	1.6
10 year	99.83	1.8
30 year	103.41	2.2

USD Libor	Rate (%)	YTD
1m	1.70	-32.0%
3m	1.92	-31.7%
6m	1.91	-33.7%
1 year	1.91	-36.3%

Source: Bloomberg

Note: All values are updated at 9:00 AM Muscat Time. Markets are closed on Saturday and Sunday

OMAN ECONOMIC & CORPORATE NEWS

Sultanate announces Omani Rial Sovereign Sukuk Programme

The Government of Sultanate of Oman acting through the Ministry of Finance has mandated Bank Muscat (including its Shariah compliant window, Meethaq Islamic Banking), Bank Nizwa and Alizz Islamic Bank as Issue Managers to establish an Omani Rial Sovereign Sukuk Programme and the launch of the first Sukuk issuance under the Programme.

Source: [Oman Observer](#)

Oman's insurance market set to reach \$1.3 billion in 2024

Oman's insurance market is estimated to reach \$1.3 billion in 2024, registering a compounded annual growth rate (CAGR) of 2.7 per cent from 2019, according to the GCC Insurance Industry report published by Alpen Capital (ME) Limited, a Dubai-headquartered investment banking advisory firm. The life segment is estimated to grow at a CAGR of 6.1 per cent while the non-life segment is estimated to grow at a CAGR of 2.1 per cent between 2019 and 2024. Growth in life segment is expected to be the highest in the region and is supported by rising population, which is projected to grow at a CAGR of 3.1 per cent between 2019 and 2024.

Source: [Oman Observer](#)

Oman Gas gears up for role as Transmission System Operator

A Royal Decree conferring upon Oman Gas Company (OGC) the status of 'Transmission System Operator' (TSO) of the Sultanate's natural gas network is anticipated before the end of this year, according to a top official of the wholly government-owned entity. Sultan al Burtmani, Acting Executive Managing Director of OGC, said the company is currently undergoing a transformation in preparation for its new mandate as the nation's sole independent gas transmission system owner and operator (Gas TSO).

Source: [Oman Observer](#)

Shaleem Petroleum acquires Weatherford International Oman

Shaleem Petroleum Company last week signed an agreement to acquire Weatherford International Oman. This included the relocation of all business and equipment of the company and its staff of more than 300 Omani employees. The signing of the agreement was held under the patronage of H E Dr Mohammed bin Hamad al Rumhi, Minister of Oil and Gas, in the presence of a number of honourable members of the State Council, members of Majlis A'Shura and some of officials and executives in the public and private sectors.

Source: [Muscat Daily](#)

Haya Water signs agreements with 10 SMEs

Haya Water has recently signed agreements with 10 Small and Medium Enterprises (SMEs) to connect residential units to Al Amerat main sewage treatment plant. The pacts aim to supporting and enhancing the role played by SMEs in the local market. The agreements were signed on behalf of Haya Water by Eng. Hussain bin Hasan Abdulhussain, the company's CEO and by the 10 SMEs owners.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Saudi snaps five days of gains with most Gulf markets subdued

The Saudi Arabian stock market snapped a five-day rising streak on Sunday with lenders taking a breather after riding high on a lending boom related to Saudi Aramco's public listing. Other markets in the region were mostly lower as concerns surrounding global trade persisted. To help local Saudis to buy Aramco shares, banks are marketing loans, with some offering four times the usual lending limit, two financial sources told Reuters earlier this month.

Source: [Zawya](#)

Al Rajhi Bank tops MSCI Tadawul 30 Index heavy weights

The Saudi Stock Exchange (Tadawul) disclosed the top ten companies on the MT30 by the end of September 2019. The ten companies account for 72.26% of the index, compared to 74.16% last May. Al Rajhi Bank was the largest weighted stock on the index with 15.02%, compared to 15% by the end of May. Major petrochemical producer, SABIC moved down to the second place with a 13.37% weight, compared to 15.07% in May. National Commercial Bank (NCB) came third with 10.71%.

Source: [Argaam](#)

Saudi CMA-Investor Association integration likely to launch mutual initiatives: ElKuwaiz

The integration between the Capital Market Authority (CMA) and the retail investor protection association is expected to launch various initiatives, mainly to increase retail investor awareness and protect their rights, CMA Chairman Mohammed ElKuwaiz said in a statement. "We are committed to supporting the retail investor protection association, to achieve its objectives as an independent civil society entity," ElKuwaiz said.

Source: [Argaam](#)

Tadawul among top 10 markets after Aramco IPO – CEO

Listing the Saudi Arabian Oil Company (Saudi Aramco) on the Saudi Stock Exchange (Tadawul) will help attract more liquidity and foreign investments, according to Saudi Capital Market Authority (CMA) Chairman Mohammed bin Abdullah Elkuwaiz. Net foreign investments entering the Saudi market since the beginning of the year exceeded SAR 82 billion, Elkuwaiz said during an event organized on Sunday by the Riyadh Chamber.

Source: [Mubasher](#)

UAE's Majid Al Futtaim rules out slowdown in retail

Majid Al Futtaim (MAF) Properties, owner and operator of region's major shopping malls such as City Centre, Mall of the Emirates and the Carrefour franchise, has ruled out any slowdown in the retail sector as its portfolio continues to grow and it also enjoys close to 100 per cent occupancy, a senior official said on Sunday. "I don't think the retail market is slow.

Source: [Zawya](#)

Saudi Aramco won't breach maximum weight for firms in Saudi index: Argaam

Saudi Aramco's weighting in Saudi Arabia's main stock index once the oil giant has listed shares is not expected to breach the maximum limit set by the Gulf kingdom's Tadawul exchange, a senior executive said on Sunday. "There is a ceiling for the maximum weight any listed company on the Saudi index can reach, it will be around 15%. It is unlikely that Aramco's weight will reach the maximum level," Argaam financial website quoted Tadawul chief executive, Khalid al-Hussan, as saying.

Source: [Zawya](#)

UAE leads the GCC with highest insurance penetration

The UAE has the highest insurance penetration and density in the GCC as the industry is set for stronger growth led by the UAE and Saudi Arabia, according to a study by Alpen Capital (ME), a Dubai-headquartered investment banking advisory firm. The UAE recorded the highest insurance penetration and density at 2.9 per cent and \$1,194.7, respectively, in 2018. Insurance penetration in the region is expected to remain between 1.8 per cent and 1.9 per cent from 2019 to 2024, below the global average of 6.1 per cent, offering scope for growth in the sector. Insurance density in the region is expected to increase from \$502.9 in 2019 to \$555.8 in 2024.

Source: [Gulf News](#)

Creditors of UAE's Al Jaber consider enforcing debt claims: sources

Creditors of Abu Dhabi-based Al Jaber Group are considering enforcing claims against the owners of the group after delays in executing a restructuring agreement, the latest in a long-running debt dispute, two sources familiar with the matter said. Al Jaber, best known as a contractor but with interests across a range of sectors, has struggled since a construction downturn in the United Arab Emirates after the global financial crisis.

Source: [Reuters](#)

Dubai Economy Grew 2.1% in First Half of 2019, Says Media Office

Dubai's economy expanded 2.1% in the first half, driven by growth in transport and storage. Total gross domestic product reached 208.2 billion dirham (\$56.7 billion) during the first six months of this year, at constant prices compared to the same period last year, according to the Emirate's Media Office citing the Dubai Statistics Center.

Source: [Bloomberg](#)

Aramco Pitches to Investors in Dubai to Drum Up Support for IPO

Saudi Aramco officials met investors in Dubai on Sunday in a sales push for an initial public offering that could be the world's largest. The investor meetings are Aramco's first outside Saudi Arabia since the world's most profitable company said earlier this month it would sell 1.5% of its stock. Aramco executives including Chief Financial Officer Khalid Al-Dabbagh briefed potential investors on strategy and dividend plans, according to several participants who didn't want to be identified because the meetings were confidential.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia shares regain footing as mood swings on trade

Asian shares made guarded gains on Monday as investors dared to hope for some progress in the endless Sino-U.S. trade dispute, while the outperformance of recent U.S. economic data gave the dollar a leg up on its peers. MSCI's broadest index of Asia-Pacific shares outside Japan bounced 0.8%, after losing 0.4% last week. Japan's Nikkei firmed 0.9%, while Australian stocks rose 0.5% and Shanghai blue chips 0.4%.

Source: [Reuters](#)

Once ambitious to expand into the US, some Chinese firms are now scaling back

Many Chinese firms have announced partnerships in Southeast Asia, Europe, and even the Middle East. As the U.S.-China trade war drags on, Chinese tech companies continue to feel the "boundary," Zhang Song, managing director of software consultancy ThoughtWorks. Chinese companies like automaker Guangzhou Automobile Group, Chinese payment giant WeChat Pay and video-streaming platform iQiyi, have plans to expand in countries.

Source: [CNBC](#)

Dollar boosted by trade progress signs, Brexit promise lifts sterling

The dollar and export-focused currencies edged higher on Monday on broadly upbeat headlines about U.S.-China trade talks, while the pound climbed on hopes of an imminent Brexit and an end to years of political paralysis.

Source: [Reuters](#)

China's drive to be a world leader in technology could accelerate as its economy slows

China wants to be the world leader in artificial intelligence by 2030. A "decoupling" between the US and Chinese economies has accelerated its push towards self-sufficiency, says venture capitalist. China's economy is struggling with a slowdown and a trade war with the U.S.

Source: [CNBC](#)

COMMODITIES NEWS

Oil kicks off week with gains on fresh hopes for U.S.-China trade talks

Oil prices began the week on a brighter note on Monday, posting early gains as positive noises from Washington over the weekend rekindled optimism in global markets that the United States and China could soon sign a deal to end their bitter trade war.

Source: [Reuters](#)