

U Capital Morning Brief

27 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	897.95	-9.77	-1.09%	-7.84%	-	-	-
U Capital GCC 50 Index	1,280.31	6.71	0.52%	11.85%	-	-	-
U Capital MENA 200 Index	1,030.59	3.71	0.36%	3.57%	-	-	-
MSCI GCC Countries Index	526.85	2.43	0.46%	9.81%	13.79	1.69	4.2%
Muscat Securities Market	4,393.06	-32.39	-0.73%	-13.85%	10.35	0.78	5.9%
Saudi Stock Exchange	7,528.90	16.33	0.22%	4.19%	16.23	1.68	3.7%
Kuwait Stock Exchange	5,095.66	17.87	0.35%	NA	15.27	1.24	3.9%
Qatar Exchange	10,356.62	105.00	1.02%	21.51%	15.31	1.55	4.2%
Bahrain Stock Exchange	1,326.86	3.65	0.28%	-0.36%	8.98	0.83	6.1%
Dubai Financial Market	2,727.41	-11.97	-0.44%	-19.07%	9.20	1.00	6.5%
Abu Dhabi Exchange	4,971.43	24.95	0.50%	13.03%	13.49	1.44	4.8%
Beirut Stock Exchange	962.02	-3.17	-0.33%	-16.24%	5.04	0.60	9.4%
Palestine Stock Exchange	528.38	0.30	0.06%	-8.04%	12.07	1.17	4.6%
Tunis Se Index	7,259.94	-45.55	-0.62%	15.57%	18.86	2.58	2.0%
EGX 30 Index	13,049.12	-104.43	-0.79%	-13.12%	12.25	1.48	2.3%
Amman General Index	1,930.43	-5.51	-0.28%	-9.23%	13.62	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		
Europe					Australian Dollar (AUD)	0.723	1.383
FTSE 100	UK	7,036.0	1.20%	-8.5%	British Pound (GBP)	1.281	0.781
DAX	Germany	11,354.7	1.45%	-12.1%	Canadian Dollar (CAD)	0.755	1.325
CAC 40	France	4,995.0	0.97%	-6.0%	Chinese Renminbi (CNH)	0.144	6.942
United States					Egyptian Pound (EGP)	0.056	17.830
DJIA	USA	24,640.2	1.46%	-0.3%	Euro (EUR)	1.134	0.882
S&P 500	USA	2,673.5	1.55%	0.0%	Indian Rupee (INR)	0.014	70.871
NASDAQ	USA	7,081.9	2.06%	2.6%	Japanese Yen (JPY)	0.009	113.510
Asia Pacific					New Zealand Dollar (NZD)	0.677	1.477
NIKKEI 225	Japan	21,992.0	0.81%	-3.4%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	26,351.6	-0.09%	-11.9%	Pakistani Rupee (PKR)	0.744	133.970
KSE 100 Index	Pakistan	40,847.2	0.16%	0.9%	Russian Ruble (RUB)	0.015	67.105
NSE Nifty 50	India	10,625.5	-0.03%	0.9%	Singapore Dollar (SGD)	0.727	1.375
SHANGHAI Composite	China	2,586.7	0.42%	-21.8%	Turkish Lira (TRY)	0.191	5.244
KOSPI Index	South Korea	2,100.5	0.84%	-14.9%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				UAE	2.85
Brent Crude (per bbl)	60.4	-0.08%	-4.5%	Saudi Arabia	2.83
WTI Crude (per bbl)	51.5	-0.33%	-14.8%	Kuwait	2.13
Oman Crude Oil (Last Closing)	60.2	2.50%	-6.0%	Oman	2.79
OPEC (per bbl)	60.3	-2.92%	-6.5%	Qatar	2.82
Precious Metals				Bahrain	3.75
Gold100 OZ (per oz)	1,222.3	0.01%	-6.2%		
Silver (per oz)	14.2	0.14%	-15.9%	GCC Latest 10-Yr Government Bond Yields	
Platinum (per oz)	843.7	0.02%	-9.3%		
Other Metals					
Copper, MT	6,189	-0.29%	-14.6%		
Aluminium, MT	1,952	0.13%	-14.0%		
Lead, MT	1,943	-1.27%	-21.9%		
Zinc, MT	2,487	-1.27%	-25.1%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.05	2.9	1m	2.32
5 year	99.95	2.9	3m	2.69
10 year	100.59	3.1	6m	2.89
30 year	101.20	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

Omani firms' non-oil exports up by \$2bn

Oman's local firms exported non-oil commodities worth \$8.2 billion in 2017, up from \$6.2 billion in 2016, according to recent government figures. The figures highlight the growing importance of the Sultanate's non-oil exports, which will take centre stage at the upcoming Oman Export Week.

Source: [Times of Oman](#)

Oman Oil owned Oxea to invest in Duqm SEZ

Global chemicals giant Oxea, a wholly-owned subsidiary of Oman Oil Company (OOC) — the Omani government's energy investment vehicle — is set to make a significant foray into the Sultanate through investments in a major petrochemicals complex planned downstream of the Duqm Refinery project currently under construction at the Special Economic Zone (SEZ) in Duqm. The US-headquartered Oxea plans to set up a plant manufacturing oxo chemicals, which are used in a wide range of products of everyday personal, commercial and household use, according to an article in the latest edition of Duqm Economist, the newsletter of the Duqm SEZ Authority.

Source: [Oman Observer](#)

Real estate occupancy dips to 70 per cent on oversupply

A widening demand-supply gap in the real estate sector, spurred by a proliferation of new residential developments, has adversely impacted occupancy levels now averaging 70 per cent in the capital region, according to the Chairman of the Oman Real Estate Association (ORA). Hassan Mohammed Juma al Lawati (pictured) said the slump in occupancy trends has been driven by a combination of factors aided in significant part by the downturn in the economy.

Source: [Oman Observer](#)

BUSINESS INTERVIEW: 'OUR GOAL IS TO MAKE OMAN A FAVOURITE BUSINESS DESTINATION FOR INVESTORS'

Asyad, which was established by the Omani government as part of its initiative to transform Oman into an international logistics hub, recently co-hosted the International Road Transport Union (IRU) World Congress, one of the largest business events to be ever organized in Oman.

Source: [Muscat Daily](#)

Oman Export Week to build on overseas trade success

Exporting continues to grow across Oman, according to recent government figures with local firms exporting \$8.2bn worth of non-oil commodities in 2017, up from \$6.2bn in 2016. Commenting on the increasing contribution of non-oil exports to GDP, Taleb al Makhmari (pictured), Marketing & Media Director General at Ithraa — Oman's investment promotion and export development agency — and organiser of the upcoming Oman Export Week said: "Internationally-engaged, businesses and entrepreneurs are doing great work right across the Sultanate, reaping the rewards of trading with global customers and creating jobs and powering economic growth for the nation."

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Egypt falls for fifth day, banks boost Qatar

Egypt's blue-chip stock index fell for a fifth straight day on Monday, while Saudi Arabia edged up as oil prices rebounded moderately after plunging nearly 8 percent at the end of last week. The Egyptian index, which had plunged 3.8 percent on Sunday, fell a further 0.8 percent on Monday with the country's biggest lender, Commercial International Bank (COMI), losing 1.8 percent.

Source: [Zawya](#)

Arab world needs \$230bn to achieve goals

The Arab world needs \$230 billion to achieve the sustainable development goals (SDGs) by 2030, while the world will require \$5-7 trillion, Minister of Civil Service Shaikh Khalid bin Omar al Marhoon has said. "The world also needs 470 million jobs if SDGs are to be achieved by 2030," Al Marhoon said at a two-day conference titled 'The Role of Arab Governments in Achieving Sustainable Development Goals for 2030', which began here on Monday.

Source: [Oman Observer](#)

Saudi Aramco signs 31 commercial deals worth \$27.5 bln with suppliers

Saudi Aramco has signed 31 commercial deals, worth \$27.5 billion, at its fourth annual In-Kingdom Total Value Add (IKTVA) program, the state-run oil giant said in a statement on Monday. "Companies that have invested here are ideally positioned to benefit further with our signing last month of SAR 125 billion in business at the Future Investment Initiative in Riyadh, much of which will have a direct impact on IKTVA.

Source: [Argaam](#)

Saudi Arabia set to launch King Salman Energy Park soon, says Al-Falih

Saudi Arabia will soon launch the King Salman Energy Park (SPARK) project, Energy Minister Khalid Al-Falih told Al-Arabiya TV on Monday, without further details. Upon inauguration, several agreements and memorandums of understanding will be inked by state-run Saudi Aramco and Saudi Basic Industries Corp (SABIC) with other service producers and manufacturers in the energy sector.

Source: [Argaam](#)

Saudi Electricity to set up power generation subsidiary

Saudi Electricity plans to establish a power generation subsidiary, pending shareholder approval, a step viewed by analysts as a sign the state-controlled power giant is pushing ahead with a long-awaited restructuring. The company, the Gulf's largest utility, said in a bourse filing on Monday that it called shareholders for a meeting on December 18 "to vote on the establishment of a power generation subsidiary," without giving further details.

Source: [Energy World](#)

Crown Prince, Bahrain's King inaugurate new Aramco-BAPCO oil pipeline

Crown Prince Muhammad Bin Salman, deputy premier and minister of defense, and Bahrain's King Hamad Bin Isa Al Khalifa inaugurated on Monday the new oil pipeline, constructed in collaboration between Saudi Aramco and Bahrain's Petroleum Company (BAPCO). The new oil pipeline will pump at a current rate of 320,000 barrels per day, with a maximum capacity of 350,000 bpd, with a length of 110 km, connecting the Saudi Abqaiq factories in the Eastern Province with the Bahraini BAPCO refineries.

Source: [Saudi Gazette](#)

Kuwait Central Bank sets up 'test space' for fintech

Kuwait's Central Bank has issued regulatory guidelines for companies wishing to experiment with new financial technology products and services, it said on Monday. Kuwait's regulatory testing framework, known as a 'sandbox', will include four phases, with representatives from local banks joining a central bank taskforce to assess the products and services being proposed.

Source: [Arab Times](#)

UAE bank lending accelerates in October, deposits edge down

Annual bank lending growth in the United Arab Emirates accelerated slightly in October, central bank figures showed. Bank deposits shrank 0.4 percent month-on-month to 1.721 trillion dirhams in October, as resident deposits fell 1 percent to 1.508 trillion dirhams and non-resident deposits increased 3.7 percent to 213.1 billion dirhams.

Source: [Zawya](#)

Abu Dhabi's Al Hilal Bank uses blockchain to sell sukuk in secondary market

Abu Dhabi's Al Hilal Bank has executed the world's first sukuk transaction using blockchain technology, it said on Monday. The Islamic bank used the distributed ledger technology, best known as the underpinning of crypto-currency Bitcoin, to sell and settle in the secondary market a small portion of its \$500 million five-year sukuk, issued in September.

Source: [Arab News](#)

Saudi Arabia targets \$64B in mining revenue by 2030

Saudi Arabia aims to raise the kingdom's mining revenues to \$64 billion from \$17 billion by 2030, Energy Minister Khalid al-Falih said on Monday. Mining vast untapped reserves of bauxite, phosphate, gold, copper and uranium is key to the Saudi Arabia's efforts to diversify its economy away from hydrocarbons. Studies indicate that the level of the likely geological reserves in the kingdom exceed \$1 trillion, Falih told a mining conference in Cairo.

Source: [Egypt Today](#)

Qatar General Insurance to place Dubai branch into run-off

Qatar General Insurance and Reinsurance Company (QGIRCO) has announced that it is to cease issuing any new insurance policies from its branch in Dubai, United Arab Emirates (UAE) and begin the process of placing the business into run-off. The news follows the company's decision to exit the insurance market in Dubai, which it first disclosed in December 2017. Nasdaq speculated that the move could be related to a regional shift that began in June 2017 when Saudi Arabia, the United Arab Emirates, Egypt and Bahrain cut diplomatic and trade links with Qatar.

Source: [Reinsurance News](#)

Kuwait Petroleum eyes turning al-Zour into a commercial refinery- KUNA

Kuwait Petroleum Co has prepared a study to transform its al-Zour refinery into a commercial one to increase its profitability, state news agency KUNA said on Monday.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia mood soured by Trump tariff threat, oil slips anew

Asian share markets struggled to extend a global rebound on Tuesday after U.S. President Donald Trump seemed to quash hopes of a trade truce with China, dampening risk appetite across the region. Japan's Nikkei .N225 managed to eke out a 0.1 percent gain, and Chinese blue-chips .CSI300 added 0.6 percent.

Source: [Reuters](#)

Euro bond traders, platforms trigger Plan B for no-deal Brexit

London-based bond trading platforms and investment banks running European governments' debt sales are accelerating plans to move business across the Channel, fearing a no-deal Brexit will leave them unable to serve continental clients. In the latest high-profile move,

the London Stock Exchange said last week that its MTS Cash platform would shift a fifth of its trading volume — which averages 13.4 billion euros (\$15.3 billion) a day — to Milan. Trading in British government bonds will stay in London.

Source: [Reuters](#)

Whether it's a hollow truce or a handshake agreement, the G-20 will likely hurt the yuan

U.S. President Donald Trump and Chinese President Xi Jinping are expected to meet at this week's G-20 summit in Argentina to discuss trade. Most global macro and currency strategists contacted by CNBC are not optimistic of a breakthrough at the meeting. "I am expecting a fudge — an announcement of some sort of agreement that isn't very robust when scrutinized," says Westpac's Sean Callow.

Source: [CNBC](#)

A weak US could hit recovery of emerging markets, Morgan Stanley says

A lot of money that goes into buying assets in emerging markets come from the U.S. — and a slowdown in economic activity stateside could drag down those markets, said Gokul Laroia, Morgan Stanley's co-head of global equities and co-CEO for Asia Pacific. The bank on Sunday upgraded stocks in emerging economies from "underweight" to "overweight" for 2019, while U.S. equities were downgraded to "underweight." "What I am not entirely convinced of is whether or not we see absolute outperformance in the context of a declining U.S., that hasn't really happened too many times before and it's not obvious to me that it can happen," said Laroia.

Source: [CNBC](#)

Trump suggests US could slap 10% tariffs on iPhones and laptops imported from China

President Donald Trump suggested he could place a 10 percent tariff on iPhones and laptops imported from China, in an interview with the Wall Street Journal published Monday. He also said it's "highly unlikely" that he would delay an increase in tariffs from 10 percent to 25 percent on Jan. 1, just four days before a summit with Chinese President Xi. Apple stock was down nearly 2 percent in after-hours trading.

Source: [CNBC](#)

COMMODITIES NEWS

Oil Dips After Biggest Gain in Two Months as OPEC Talks in Focus

Oil fell after rising the most in almost two months as major oil exporters prepare to discuss output policy amid rising price volatility. Futures in New York lost as much as 1 percent after a 2.4 percent gain Monday. All eyes are on this week's G20 meeting in Argentina, which will include Saudi Crown Prince Mohammed Bin Salman and Russian President Vladimir Putin, before OPEC meets next week in Vienna. Meanwhile, U.S. crude inventories are seen falling for the first time in 10 weeks in a Bloomberg survey before government data Wednesday.

Source: [Bloomberg](#)

Gold edges lower as dollar holds steady

Gold prices inched lower on Tuesday as the dollar steadied amid fears of a slowdown in global economic growth and increasing pessimism due to a likely worsening of U.S-China trade dispute ahead of the G20 meet.

Source: [Reuters](#)