

U Capital Morning Brief

6 December 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	942.59	-1.95	-0.21%	-3.25%	-	-	-
U Capital GCC 50 Index	1,315.87	-6.41	-0.49%	14.96%	-	-	-
U Capital MENA 200 Index	1,052.71	-4.83	-0.46%	5.79%	-	-	-
MSCI GCC Countries Index	542.51	-3.14	-0.58%	13.08%	14.27	1.77	4.0%
Muscat Securities Market	4,552.30	17.67	0.39%	-10.73%	10.73	0.81	5.7%
Saudi Stock Exchange	7,883.63	-21.49	-0.27%	9.10%	17.02	1.76	3.5%
Kuwait Stock Exchange	5,153.69	12.72	0.25%	NA	15.42	1.25	3.8%
Qatar Exchange	10,589.98	-12.86	-0.12%	24.25%	15.65	1.58	4.1%
Bahrain Stock Exchange	1,322.28	-3.65	-0.28%	-0.71%	8.95	0.83	6.2%
Dubai Financial Market	2,632.15	-43.72	-1.63%	-21.90%	8.88	0.97	6.7%
Abu Dhabi Exchange	4,830.38	-67.77	-1.38%	9.82%	13.11	1.40	5.0%
Beirut Stock Exchange	966.28	-5.58	-0.57%	-15.87%	4.95	0.59	9.4%
Palestine Stock Exchange	523.84	-0.91	-0.17%	-8.83%	12.76	1.22	4.6%
Tunis Se Index	7,366.72	-42.86	-0.58%	17.27%	19.14	2.62	1.9%
EGX 30 Index	12,586.74	-38.00	-0.30%	-16.20%	11.61	1.43	2.4%
Amman General Index	1,864.39	-5.48	-0.29%	-12.34%	13.34	0.93	4.9%

* 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							
FTSE 100	UK	6,921.8	-1.44%	-10.0%	Australian Dollar (AUD)	0.723	1.384
DAX	Germany	11,200.2	-1.19%	-13.3%	British Pound (GBP)	1.273	0.786
CAC 40	France	4,944.4	-1.36%	-6.9%	Canadian Dollar (CAD)	0.747	1.339
United States							
DJIA	USA	25,027.1	-3.10%	1.2%	Chinese Renminbi (CNH)	0.145	6.883
S&P 500	USA	2,700.1	-3.24%	1.0%	Egyptian Pound (EGP)	0.056	17.938
NASDAQ	USA	7,158.4	-3.80%	3.7%	Euro (EUR)	1.135	0.881
Asia Pacific							
NIKKEI 225	Japan	21,381.5	-2.45%	-6.1%	Indian Rupee (INR)	0.014	71.029
HANG SENG	Hongkong	26,117.3	-2.62%	-12.7%	Japanese Yen (JPY)	0.009	112.640
KSE 100 Index	Pakistan	39,189.5	-0.31%	-3.2%	New Zealand Dollar (NZD)	0.687	1.456
NSE Nifty 50	India	10,662.5	-1.12%	1.3%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,615.8	-1.28%	-20.9%	Pakistani Rupee (PKR)	0.722	138.400
KOSPI Index	South Korea	2,065.0	-1.73%	-16.3%	Russian Ruble (RUB)	0.015	66.552
					Singapore Dollar (SGD)	0.730	1.370
					Turkish Lira (TRY)	0.186	5.369

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	
	USD	%	%			
Oil						
Brent Crude (per bbl)	61.0	-0.88%	-3.1%	UAE	2.88	
WTI Crude (per bbl)	52.3	-1.06%	-13.4%	Saudi Arabia	2.85	
Oman Crude Oil (Last Closing)	60.5	-1.42%	-5.4%	Kuwait	2.13	
OPEC (per bbl)	61.1	0.86%	-5.2%	Oman	2.78	
				Qatar	2.80	
				Bahrain	3.75	
Precious Metals						
Gold100 OZ (per oz)	1,239.7	0.19%	-4.9%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	14.5	-0.21%	-14.6%		Maturity date	YTM, %
Platinum (per oz)	795.6	-0.60%	-14.5%	Kuwait	3/20/2027	3.81
Other Metals						
Copper, MT	6,175	-0.55%	-14.8%	Abu Dhabi	10/11/2027	3.92
Aluminium, MT	1,969	-0.25%	-13.2%	Qatar	6/2/2026	3.92
Lead, MT	1,983	-1.20%	-20.3%	Saudi Arabia	3/4/2028	4.35
Zinc, MT	2,618	1.12%	-21.1%	Oman	1/17/2028	6.43
				Bahrain	10/12/2028	7.00

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.27	2.78	1m	2.38
5 year	100.55	2.76	3m	2.74
10 year	102.11	2.88	6m	2.90
30 year	104.61	3.14	1 year	3.13

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

\$4.6 billion financing signed for Duqm Refinery

Duqm Refinery announced its project's financial close at a gala dinner held at the Intercontinental Hotel Muscat. Achieving a multi-source project financing for the Duqm Refinery project was a major milestone for the project. Speaking on the occasion, the President of Kuwait Petroleum International and Chairman of Duqm Refinery, Nabil Bourisli, said: This achievement reflects the strength and stability of the Omani and Kuwaiti economies.

Source: [Oman Observer](#)

Three focus areas in Oman's 2040 industry plan

The Ministry of Commerce and Industry has announced the three main fields that the industrial strategy of 2040 — aimed at enhancing the competitiveness and growth of the industrial sector and raising the level of technology in manufacturing — will focus on. Sami bin Salem Al Sahib, Director General of the Directorate General of Industry in the Ministry, said, "The industrial strategy will focus on three main areas: the sectors that rely on local resources; the capital-intensive sectors, such as the manufacture of electrical equipment, machinery, cables, electrical connectors, furniture, etc; and the sectors that rely on knowledge, research and development."

Source: [Times of Oman](#)

PROPERTY TRANSACTIONS DECLINE; RO72.1MN COLLECTED AS FEES

The overall activity in the real estate market was dull in the first ten months of 2018, compared to the same period last year, with the total value of transactions till the end of October declining to RO2.2bn from RO2.3bn for the same period of 2017. As per the National Centre for Statistics and information (NCSI) figures, the sultanate's government collected RO72.1mn as real estate transaction fees during the January-October period this year, 6.8 per cent higher compared to the same period of last year.

Source: [Muscat Daily](#)

New initiative to boost partnerships in Oman

In line with the orientation and strategy of the Sultanate to implement e-governance and develop the digital society, the Omani Authority for Partnership for Development (OAPFD) launched the PFD system on Wednesday. The system will facilitate the implementation of the PFD programme and its projects. More than 30 government entities and companies (contractors) who are obliged to implement the PFD programme attended the launch ceremony.

Source: [Times of Oman](#)

Al Hassan Engg: Signing of Preliminary Agreement

Al Hassan Engineering has announced that it has signed a preliminary agreement with Iranian company Omran Maroon Engineers Co. to bid jointly for projects. Any successful outcome of this partnership will be duly disclosed on the MSM.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Dubai dives on real estate, oil hurts major Gulf markets

The Dubai stock market fell to its lowest in nearly three years on Wednesday, pulled down by real estate stocks, while most major Middle Eastern markets slid on falling oil prices. Oil prices were pulled down by a decline across financial markets, as concern about global growth and evidence of greater crude supply wiped out half of this week's gains.

Source: [Zawya](#)

Saudi Shoura approved draft law to strengthen PIF role in achieving Vision 2030 goals

The Shoura Council on Wednesday approved the draft Public Investment Fund (PIF) law aimed at strengthening the role of PIF toward achieving the objectives of the Kingdom's Vision 2030. It will also enable PIF to become one of the largest sovereign funds in the world, enjoying financial and administrative independence.

Source: [Saudi Gazette](#)

Warba Bank Gets CBK Approval For Al-Sayer Group To Increase Stake In Bank

WARBA BANK WARB.KW :

* RECEIVES CBK APPROVAL ON APPLICATION OF AL-SAYER GROUP HOLDING TO INCREASE ITS SHARE CAPITAL IN BANK FROM 10.01 PERCENT TO 15 PERCENT

Source: [Zawya](#)

Saudi Arabia launches SAR 1.5bn transport projects

Saudi Arabia's Eastern Province governor Saud bin Nayef on Wednesday has announced laying the foundation stone for nine projects for roads and transportation at a value of SAR 1.5 billion. The projects will be carried out in Hafar Al-Batin, Qaryat al-Ulya, Nariyah, Khafji, Jubail, Qatif, Ras Tanura, and Abqaiq regions. On a related note, the ministry is currently implementing 37 projects for roads with a cost of SAR 3.5 billion, the minister Nabeel M Al-Amudi said in a statement.

Source: [Mubasher](#)

Alkhabeer real estate fund nets \$63mln in IPO

Alkhabeer Capital, a prominent asset management company specialising in alternative investments in Saudi Arabia, has announced the successful closing of the initial public offering of its newly-launched Alkhabeer REIT Fund. The Fund was oversubscribed at 104 per cent and raised over SR247 million (\$66 million) from a total of 25,124 individuals and institutional subscribers participating in the IPO.

Source: [Zawya](#)

Saudi's SABIC raises stake in Ar-Razi to 75%, renews JSMC partnership

Saudi Arabia's SABIC said on Wednesday it had signed an agreement with the Japan Saudi Arabia Methanol Company (JSMC), renewing its partnership in the Saudi Methanol Company (Ar-Razi) for another 20 years. Under the agreement, SABIC will raise its stake in Ar-Razi to 75 percent by purchasing half of JSMC's share, which represents 25 percent of all Ar-Razi shares, reducing JSMC's stake in Ar-Razi to 25 percent, the company said in a statement.

Source: [Zawya](#)

Abu Dhabi banks' income rises 3% in 9 months

Net income for commercial and Islamic banks operating in the emirate of Abu Dhabi grew by 3.2% year-on-year in the first nine months of 2018 to AED 23.7 billion from AED 23 billion, data released by the Statistics Centre - Abu Dhabi (SCAD) showed. Net income from investment for Abu Dhabi banks grew 18.7% year-on-year to AED 3.84 billion between January and September, SCAD said, noting that Islamic banks accounted for 15% of this value.

Source: [Zawya](#)

Foreign firms submit requests to invest in Saudi transport sector: PTA chairperson

The Saudi Public Transport Authority (PTA) has received applications from foreign firms to invest in the local land transport sector, Al-Eqtisadiyah newspaper reported, citing PTA Chairman Rumaih Al Rumaih. "The Public Transport Authority and the Saudi Arabian General Investment Authority will award contracts to investors with strong track record, so as to enhance the quality of services," Al Rumaih said.

Source: [Argaam](#)

Al Sorayai stock sees a negotiated deal on Wednesday

Al Sorayai Trading and Industrial Group Co. saw a negotiated deal on its stock today, where over 533,500 shares were privately traded at a negotiated price of SAR 13.12 per share against an official price of SAR 14.60. 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](#)

Mobily inks SAR 1.1 bln facility with European ECAs

Etiihad Etisalat Co. (Mobily) signed on Dec. 4 a 10-year credit facility worth around SAR 1.1 billion with several export credit agencies (ECAs) to upgrade its network, the telco said in a statement to Tadawul. The creditors include Deutsche Bank (DB), JP Morgan (JPM), the Swedish Export Credit Corporation (SEK) and Finnish Export Credit Ltd (FEC).

Source: [Argaam](#)

Sahara plans 5% dividend for Q2 2018

Sahara Petrochemical Co.'s board of directors has recommended a 5 percent cash dividend for the second quarter of 2018, at SAR 0.50 per share, amounting to SAR 219.4 million.

Source: [Argaam](#)

Foreign flows favor Qatar over Saudi Arabia stocks

Foreign stock investors have made clear which side of the Saudi Arabia-versus-Qatar conundrum they favor, at least in 2018. Overseas institutional investors were net buyers of about \$2.3 billion of shares traded on Doha's bourse this year, more than triple the foreign flows into Riyadh, according to stock-exchange data compiled by Bloomberg. Inflows have picked up in Qatar this year after several large-cap companies announced they were easing limits on foreign ownership, prompting an adjustment of their weighting in benchmarks used by emerging-market fund managers.

Source: [Daily Star](#)

GCC banks' outlook stable as operating conditions improve and capital buffers strengthen

The outlook for Gulf Cooperation Council (GCC) banking systems remains stable, reflecting their improving operating conditions, weakening but still solid loan performance and strong capital, Moody's Investors Service said in a report Wednesday. Moody's 2019 Outlook expresses the rating agency's expectation of how banks' creditworthiness will evolve over the next 12 to 18 months in the GCC.

Source: [Saudi Gazette](#)

Saudi private sector growth hits 11-month high in November: PMI

Saudi Arabia's non-oil private sector grew at its fastest rate for 11 months in November, in a sign that the economy may finally be recovering from austerity measures imposed at the start of 2018, a monthly survey of companies showed on Thursday. The private sector has been struggling all year with the impact of fuel price hikes, the introduction of a 5 percent value-added tax and higher fees for hiring foreign workers.

Source: [Reuters](#)

UAE private sector growth picks up slightly in November: PMI

Growth of the United Arab Emirates' non-oil private sector picked up slightly in November as employment rose faster, a survey of companies showed on Thursday. The seasonally adjusted Emirates NBD UAE Purchasing Managers' Index, which covers manufacturing and services, rose to 55.8 last month from 55.0 in October. A reading above 50 indicates expansion and below that, contraction.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS**Stocks Slide in Asia With U.S. Futures; Yen Gains: Markets Wrap**

Asian stocks slumped with U.S. futures, the Treasury yield curve edged closer toward inversion and the yen climbed on Thursday as the investor aversion to risk that's been prevalent for much of the quarter resumed. Losses deepened in afternoon trading, with the MSCI Asia Pacific Index on track for the worst back-to-back drop since October. Hong Kong shares were among the worst performers after the arrest of the chief financial officer of China tech giant Huawei Technologies Co. reignited concerns about U.S.-China tensions. Oil fell back below \$53 a barrel in New York. Yields on 10-year Treasuries dipped below 2.9 percent, bringing them all the nearer to two-year rates. With inversions widely seen as a red flag for a future recession, the trend has added to global investor jitters. The yuan resumed declines.

Source: [Bloomberg](#)

China November export growth seen slowing as global demand cools

China's export growth is expected to have cooled in November, although still in the double digits, as a slowing in global demand offset a months-long rush to ship goods to the United States ahead of a then-expected increase in tariffs. China's export growth is expected to have cooled in November, although still in the double digits, as a slowing in global demand offset a months-long rush to ship goods to the United States ahead of a then-expected increase in tariffs.

Source: [Reuters](#)

There may be more at stake than just trade concessions in the US-China tariff battle

The ongoing trade dispute between Washington and Beijing is as much about the South China Sea and Taiwan as it is about China's technological practices, according to the University of Arizona's Jeffrey Kucik. A lasting resolution to the trade war could require multiple compromises on these areas, he argued. Others warn that foreign policy matters could be affected as a result of President Donald Trump's trade policies.

Source: [CNBC](#)

US market sell-off set to continue as Dow futures fall more than 350 points

U.S. stock futures opened lower Wednesday amid lingering anxiety about a possible economic slowdown and continued murkiness around trade relations with China. On Wednesday evening, futures initially indicated that the Dow Jones Industrial Average would open 400 points lower. Dow futures fell as much as 486 points at their lows. As of 10:23 p.m., ET, the futures indicated that the Dow would open 373.07 points lower on Thursday.

Source: [CNBC](#)

COMMODITIES NEWS**Oil prices dip as stock markets slide, but trading tepid ahead of OPEC meeting**

OPEC is set to meet in Vienna, Austria, later on Thursday to decide its production policy.

Since early October, crude oil has lost around 30 percent of its value amid surging supply and concerns that an economic downturn will erode fuel demand.

Source: [CNBC](#)

Kuwait Says Long-Term Cooperation Agreement Expected Between OPEC, Non-OPEC Countries

Kuwait's oil ministry said on its Twitter account on Wednesday that a long-term cooperation agreement is expected to be signed between OPEC and non-OPEC countries. OPEC meets on Thursday in Vienna, followed by talks with allies such as Russia on Friday. The producer group's de facto leader, Saudi Arabia, has indicated a need for steep reductions in output from January but has come under pressure from U.S. President Donald Trump to push oil prices lower.

Source: [NY Times](#)

As the world's top oil producing nations meet, here are 5 issues on everyone's mind

The Organization of the Petroleum Exporting Countries has to ask for cuts in output, which won't be easy as some members want – or need – to keep output up. If OPEC cuts production as expected, it will face an angry American president. It gets even more complicated because the Saudis are working hard to minimize the political fallout from the recent CIA report implicating Saudi Arabia's crown prince in the killing of journalist Jamal Khashoggi.

Source: [CNBC](#)



Uhar Capital SAOC (U Capital)

Oinvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Uhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.