

U Capital Morning Brief

13 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	925.06	-1.69	-0.18%	-5.05%	-	-	-
U Capital GCC 50 Index	1,309.19	4.36	0.33%	14.37%	-	-	-
U Capital MENA 200 Index	1,047.42	3.63	0.35%	5.26%	-	-	-
MSCI GCC Countries Index	542.21	2.98	0.55%	13.01%	14.26	1.77	4.0%
Muscat Securities Market	4,482.46	-15.18	-0.34%	-12.10%	10.56	0.80	5.8%
Saudi Stock Exchange	7,890.09	51.15	0.65%	9.19%	17.04	1.76	3.5%
Kuwait Stock Exchange	5,151.46	-19.85	-0.38%	NA	15.40	1.25	3.8%
Qatar Exchange	10,433.56	-48.58	-0.46%	22.41%	15.42	1.56	4.2%
Bahrain Stock Exchange	1,320.22	2.33	0.18%	-0.86%	8.93	0.83	6.2%
Dubai Financial Market	2,573.45	37.99	1.50%	-23.64%	8.68	0.94	6.8%
Abu Dhabi Exchange	4,837.57	21.66	0.45%	9.98%	13.13	1.40	5.0%
Beirut Stock Exchange	957.23	-1.13	-0.12%	-16.66%	4.90	0.58	9.5%
Palestine Stock Exchange	524.39	-0.07	-0.01%	-8.74%	12.78	1.22	4.6%
Tunis Se Index	7,293.18	8.80	0.12%	16.10%	18.95	2.59	2.0%
EGX 30 Index	12,856.83	192.42	1.52%	-14.40%	11.82	1.45	2.4%
Amman General Index	1,811.20	10.23	0.57%	-14.84%	12.96	0.90	5.1%

* 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	6,880.2	1.08%	-10.5%	British Pound (GBP)	1.262	0.792
DAX	Germany	10,929.4	1.38%	-15.4%	Canadian Dollar (CAD)	0.749	1.336
CAC 40	France	4,909.5	2.15%	-7.6%	Chinese Renminbi (CNH)	0.146	6.870
United States					Egyptian Pound (EGP)	0.056	17.946
DJIA	USA	24,527.3	0.64%	-0.8%	Euro (EUR)	1.137	0.880
S&P 500	USA	2,651.1	0.54%	-0.8%	Indian Rupee (INR)	0.014	71.570
NASDAQ	USA	7,098.3	0.95%	2.8%	Japanese Yen (JPY)	0.009	113.480
Asia Pacific					New Zealand Dollar (NZD)	0.686	1.457
NIKKEI 225	Japan	21,832.2	1.07%	-4.1%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	26,494.3	1.18%	-11.4%	Pakistani Rupee (PKR)	0.720	138.912
KSE 100 Index	Pakistan	38,311.8	0.03%	-5.3%	Russian Ruble (RUB)	0.015	66.393
NSE Nifty 50	India	10,805.9	0.64%	2.6%	Singapore Dollar (SGD)	0.729	1.371
SHANGHAI Composite	China	2,639.3	1.43%	-20.2%	Turkish Lira (TRY)	0.187	5.343
KOSPI Index	South Korea	2,098.0	0.74%	-15.0%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	
	USD	%	%			
Oil						
Brent Crude (per bbl)	60.4	0.47%	-4.0%	UAE	2.92	
WTI Crude (per bbl)	51.4	0.39%	-15.0%	Saudi Arabia	2.88	
Oman Crude Oil (Last Closing)	59.0	0.08%	-7.9%	Kuwait	2.13	
OPEC (per bbl)	58.6	-1.93%	-9.2%	Oman	2.78	
Precious Metals						
Gold100 OZ (per oz)	1,244.8	-0.07%	-4.5%	Qatar	2.84	
Silver (per oz)	14.8	0.07%	-12.9%	Bahrain	3.80	
Platinum (per oz)	806.2	0.34%	-13.4%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,140	-0.45%	-15.3%		Maturity date	YTM, %
Aluminium, MT	1,939	0.00%	-14.5%	Kuwait	3/20/2027	3.71
Lead, MT	1,976	0.08%	-20.6%	Abu Dhabi	10/11/2027	3.83
Zinc, MT	2,570	-0.77%	-22.6%	Qatar	6/2/2026	3.88
				Saudi Arabia	3/4/2028	4.36
				Oman	1/17/2028	6.67
				Bahrain	10/12/2028	6.97

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.57	2.78	1m	2.43
5 year	100.49	2.77	3m	2.78
10 year	101.83	2.91	6m	2.88
30 year	104.27	3.15	1 year	3.09

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

'Manufacturing to be Oman's engine of growth in future'

Oman is aiming to make manufacturing a future engine of growth, according to a senior official at the Ministry of Commerce and Industry. "Manufacturing has come a long way from what it was 40 years ago. From a few companies producing some staple food, clothing, jewellery and some repair shops, today, we have large modern refineries, cement plants, steel and aluminium mills,"

Source: [Times of Oman](#)

Land lease pact for soft drink factory signed

Salalah Free Zone signed a usufruct (land lease) agreement for setting up a factory for soft drinks and juices ' Zamzam Cola', whose foreign investment stands at \$15 million. As per the usufruct agreement, a soft drinks and juices factory will be set up with a capacity of 200 million bottles per annum.

Source: [Times of Oman](#)

FISHERIES EXPORTS TO CONTRIBUTE RO1.3BN TO OMAN'S GDP IN 2023: MOAF

Fisheries exports are expected to contribute RO1.3bn to Oman's gross domestic product in 2023, the Ministry of Agriculture and Fisheries (MoAF) has said. Oman's annual fish production is 347,541 tonnes and the country exported more than 176,711 tonnes in 2017. MoAF is now developing an integrated country-wide value chain to boost exports from sea to international markets in less than 36 hours.

Source: [Muscat Daily](#)

Tender for large-scale solar rooftop rollout in first half of 2019

A tender for the installation of rooftop solar systems on an initial batch of 3,000 residential buildings in the Sultanate will be floated in the first half of 2019, the Authority for Electricity Regulation Oman (AER) announced here yesterday. The project is part of the National Solar Energy Initiative, dubbed 'Sahim',

Source: [Oman Observer](#)

Tethys Oil kicks off Block 49 seismic campaign

Swedish energy firm Tethys Oil has announced the launch of a seismic campaign targeted the wholly-owned and operated Block 49 located in the southwest of the country on the Sultanate's border with Saudi Arabia. The seismic campaign marks a key milestone in an initial three-year work programme drawn up by the company to help unlock the hydrocarbon potential

Source: [Oman Observer](#)

What a Difference \$10 Billion Makes to Gulf's Weakest Link

Bahrain and Oman are the most vulnerable economies in the Gulf, but one has a \$10 billion bailout package and the other is on its own. That's why the bonds of Bahrain, whose dwindling foreign-currency reserves fueled concern this year that its currency's peg to the dollar may be at risk, became 2018's best performers in the six-nation GCC after Saudi Arabia and other rich allies came to the rescue in October.

Source: [Bloomberg](#)

National Finance: Invitation to attend Ordinary General Meeting

The company has invited shareholders to attend its OGM on 30th December, 2018, to consider and approve the proposal of distributing cash dividend of 5.54% and stock dividend of 2.77% on the share capital as at September 30, 2018.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Emaar's leap lifts Dubai, banks boost Egypt

The Dubai stock market rose sharply on Wednesday, boosted by blue chip Emaar Properties, while Egypt gained for a third straight day on rebounding bank shares. In Dubai, which has been languishing at five-year lows partly because of weak real estate prices, the index added 1.5 percent, its biggest gain in 2-1/2 months.

Source: [Reuters](#)

Saudi steel prices rise 15%, cement drops 0.2% in 9M 2018

Saudi Arabian banks are expected to reach a deal with Islamic tax authorities before the end of the year to resolve a dispute over increased liabilities, banking sources say. Banks have been at loggerheads with the authorities since at least the start of the year over additional payments of zakat - the name of the tax - for years going back as far as 2002.

Source: [Argaam](#)

Emirate of Ajman plans debut international bond

Ajman, the smallest emirate in the seven-member UAE federation, plans to sell its first U.S. dollar-denominated bond next year, a government official told Reuters. Governments in the Gulf have increasingly relied on foreign funding over the past few years as the region's economy has slowed down following a slump in oil prices.

Source: [Zawya](#)

Kuwait CMA nods to Marakez capital hike

Real Estate Trade Centers (Marakez) announced that the Capital Markets Authority (CMA) approved for the company to increase its capital by KWD 550,000. The capital of Marakez will be raised to KWD 14 million, according to a bourse disclosure on Wednesday.

Source: [Mubasher](#)

Kuwait's Agility in strategic partnership with Suez Canal Authority

Agility Public Warehousing has a strategic partnership with Suez Canal Authority, the CEO of Agility Tarek Sultan told CNBC Arabia. The company, which is listed on both Boursa Kuwait and the Dubai Financial Market (DFM), is currently conducting an in-depth study to make good use of the opportunities available in Egypt

Source: [Mubasher](#)

BRIEF: Boubyan Petrochemical Updates On Financial Impact Of Al Kout Acquisition

Boubyan Petrochemical Company Bpcc.Kw : Financial Impact Of Al Kout's Classification From Associate Co To Subsidiary Resulted In Profit Of 1.1 Million Dinars

Source: [Zawya](#)

BRIEF: Coast Investment And Development Says Al-Khair To sell Partial Stake in Co

Coast Investment And Development Co Kscp Coas.Kw :

* Says Al-Khair National For Stocks & Real Estate Signs Deal To Sell 185 Million Shares Of Co, Representing 29.6 Percent To National International Holding

* Deal Is Priced At 34 Fils Per Share

Source: [Zawya](#)

BRIEF: Kuwait Finance House Updates On Abraaj Water Divestment

Kuwait Finance House Kfh.Kw :

* Subsidiary Of Kfh Group Has Divested In Technology Bottling Company (Abraaj Water) By 92 Percent

* Total Value Of Transaction Amount Is 20.1 Million Dinars, Which Resulted In Profit Of 3.4 Million Dinars For Kfh Group

Source: [Zawya](#)

Dubai's DAE signs new \$535m revolving credit facility

Dubai Aerospace Enterprise (DAE) announced on Wednesday that it has signed a new four-year unsecured revolving credit facility arranged by Emirates NBD as sole mandated lead arranger and bookrunner. The initial commitment of \$535 million is from a group of eight regional banks, DAE said in a statement.

Source: [Arabian Business](#)

MIDF, Al Rajhi Bank's unit in talks over possible merger

The Malaysian Industrial Development Finance (MIDF) is in talks with Al Rajhi Bank's subsidiary in Malaysia, over a potential merger, informed sources said. If completed, the consolidation will create a new international bank offering Islamic sharia-compliant services, sources told Bloomberg News.

Source: [Mubasher](#)

UAE interbank rates have dropped on good liquidity -central bank

Interbank rates in the United Arab Emirates have edged down in the last three months because of good liquidity in the money market, central bank chief Mubarak Rashed al-Mansoori said on Wednesday. He told reporters on the sidelines of a fintech conference that UAE banks were attracting money from overseas, while government deposits in banks had increased.

Source: [Zawya](#)

UAE tourism sector at 11% of GDP

Tourism and travel sector in the UAE accounts for 11.3% of the country's GDP for 2017, which is equivalent to more than AED 154 billion, according to a report from the World Travel and Tourism Council. The share is expected to increase up to 4.9% by the end of 2018, accompanied by a compounded annual growth rate (CAGR) of 3.9% until 2028, according to the Emirati economic ministry.

Source: [Mubasher](#)

UAE to start tourism tax refund scheme's Phase-2 on Sunday

The UAE's Federal Tax Authority (FTA) on Wednesday announced that it will begin the second phase of the Tax Refunds for Tourists Scheme on Sunday, 16 December. All preparations have been completed before launching phase two which will expand the scheme to 12 air, land and sea ports across the GCC country, the FTA added. On 18 November

Source: [Mubasher](#)

UAE's Aghthia looking at acquisitions in bid to hit 2020 revenue target, CEO says

Abu Dhabi-based food group Aghthia is studying potential acquisition targets in order to help it meet a target set by its chairman of reaching \$1 billion in revenue by the end of 2020, its CEO has said. The target, which was reiterated in the company's 2017 annual report by chairman Dhafer Ayed Al Ahbabi, is some way off being met as things stand, with revenue for the first nine months of 2018 declining by 5.2 percent to almost 1.49 billion dirhams (\$405.7 million).

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares surge as US-China trade thaw seen, sterling wobbles

Asian equity markets surged on Thursday on signs of easing Sino-U.S. trade tensions and expectations that China will step up efforts soon to support its cooling economy. After a quiet start, MSCI's broadest index of Asia-Pacific shares outside Japan was up more than 1 percent by midday, building on early gains made after British Prime Minister Theresa May survived a no-confidence vote.

Source: [Reuters](#)

Greater China shares higher by more than 1 percent, leading Asian markets

Shares in greater China jumped by mid-day on Thursday as Asian stocks broadly built on the momentum seen on Wall Street overnight. "Calm has finally returned to markets," analysts at Mizuho Bank wrote in a note. Trading in markets globally was volatile at the start of the week, but stabilized after news reports in recent days indicated an easing in tensions between the U.S. and China.

Source: [CNBC](#)

UK Prime Minister Theresa May wins confidence vote, but faces uphill battle to pass Brexit deal

May won the leadership challenge by 200 votes to 117 votes against her. The pound rose about 1 percent on the news. Winning on Wednesday is essentially a brief reprieve for May and she has an uphill battle to convince not only her own party MPs, but those among the opposition, to back the Brexit deal she has struck with Europe.

Source: [CNBC](#)

China's currency moves will be the best measure of how well trade talks are going between the US and China

China's currency has been firming against the dollar since just before President Donald Trump and China President Xi Jinping met in Buenos Aires, and strategists believe the behavior of the renminbi or yuan could be the best barometer for trade talks. China's central bank sets a daily exchange rate for the yuan based on recent prices

Source: [CNBC](#)

China's Rich Rush to Shelter \$1 Trillion From New Taxes

Wealthy Chinese are rushing to shelter assets and income in overseas trusts before new tax rules go into effect next month, including provisions that target offshore holdings. The Bank of Singapore has seen a 35 percent surge in Chinese clients interested in offshore trusts since the second half of 2018, according to Woon Shiu Lee, head of wealth planning at the bank.

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil Stays Below \$52 as Investors Remain Wary Over Supply Outlook

Oil traded below \$52 a barrel after U.S. crude inventories slid less than expected and added to concerns that the OPEC+ coalition's output cuts won't be enough to avert a supply glut. While futures in New York were clawing back on Thursday after falling 1 percent in the previous session, they are still down over 2 percent this week.

Source: [Bloomberg](#)

Gold edges lower, palladium hits record high

Gold prices dipped early on Thursday as the dollar steadied after declining from a near one-month high in the previous session, while palladium rose to a record high, trading at a premium to the bullion. Spot gold was down 0.1 percent at \$1,244.56 per ounce, as of 0124 GMT. U.S. gold futures were little changed at \$1,249.5 per ounce.

Source: [CNBC](#)

Kuwait, Saudis Close to Oil-Field Pact After U.S. Intervention

Saudi Arabia and Kuwait are close to restarting operations at oil fields in a disputed territory between the two countries after the U.S. intervened to broker an agreement, according to oil officials familiar with the discussions.

Source: [WSJ](#)