

U Capital Morning Brief

12 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	926.75	2.15	0.23%	-4.88%	-	-	-
U Capital GCC 50 Index	1,304.83	0.41	0.03%	13.99%	-	-	-
U Capital MENA 200 Index	1,043.79	0.46	0.04%	4.89%	-	-	-
MSCI GCC Countries Index	539.22	0.71	0.13%	12.39%	14.19	1.76	4.0%
Muscat Securities Market	4,497.64	-5.85	-0.13%	-11.80%	10.60	0.80	5.8%
Saudi Stock Exchange	7,838.94	19.27	0.25%	8.48%	16.92	1.75	3.5%
Kuwait Stock Exchange	5,171.31	7.85	0.15%	NA	15.46	1.25	3.8%
Qatar Exchange	10,482.14	-73.67	-0.70%	22.98%	15.49	1.57	4.2%
Bahrain Stock Exchange	1,317.89	0.08	0.01%	-1.04%	8.92	0.82	6.2%
Dubai Financial Market	2,535.46	35.53	1.42%	-24.77%	8.55	0.93	7.0%
Abu Dhabi Exchange	4,815.91	26.61	0.56%	9.49%	13.07	1.39	5.0%
Beirut Stock Exchange	958.36	0.17	0.02%	-16.56%	4.91	0.59	9.5%
Palestine Stock Exchange	524.46	-0.50	-0.10%	-8.72%	12.78	1.22	4.6%
Tunis Se Index	7,284.38	87.36	1.21%	15.96%	18.93	2.59	2.0%
EGX 30 Index	12,664.41	188.23	1.51%	-15.68%	11.65	1.43	2.4%
Amman General Index	1,800.97	-28.92	-1.58%	-15.32%	12.89	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							
FTSE 100	UK	6,806.9	1.27%	-11.5%	Australian Dollar (AUD)	0.722	1.386
DAX	Germany	10,780.5	1.49%	-16.5%	British Pound (GBP)	1.251	0.799
CAC 40	France	4,806.2	1.35%	-9.5%	Canadian Dollar (CAD)	0.748	1.338
United States							
DJIA	USA	24,370.2	-0.22%	-1.4%	Chinese Renminbi (CNH)	0.145	6.885
S&P 500	USA	2,636.8	-0.04%	-1.4%	Egyptian Pound (EGP)	0.056	17.912
NASDAQ	USA	7,031.8	0.16%	1.9%	Euro (EUR)	1.133	0.883
Asia Pacific							
NIKKEI 225	Japan	21,585.8	2.06%	-5.2%	Indian Rupee (INR)	0.014	71.968
HANG SENG	Hongkong	26,142.2	1.42%	-12.6%	Japanese Yen (JPY)	0.009	113.430
KSE 100 Index	Pakistan	38,796.0	-0.16%	-4.1%	New Zealand Dollar (NZD)	0.689	1.452
NSE Nifty 50	India	10,668.6	1.13%	1.3%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,597.5	0.13%	-21.5%	Pakistani Rupee (PKR)	0.720	138.896
KOSPI Index	South Korea	2,081.1	1.37%	-15.7%	Russian Ruble (RUB)	0.015	66.370
					Singapore Dollar (SGD)	0.728	1.373
					Turkish Lira (TRY)	0.187	5.357

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	60.9	1.11%	-3.4%	UAE	2.90
WTI Crude (per bbl)	52.3	1.18%	-13.5%	Saudi Arabia	2.88
Oman Crude Oil (Last Closing)	58.9	0.36%	-7.9%	Kuwait	2.13
OPEC (per bbl)	59.7	0.88%	-7.4%	Oman	2.78
				Qatar	2.83
				Bahrain	3.80
Precious Metals					
Gold100 OZ (per oz)	1,244.6	0.11%	-4.5%	GCC Latest 10-Yr Government Bond Yields	
Silver (per oz)	14.6	0.38%	-13.7%		
Platinum (per oz)	786.4	0.10%	-15.5%		
Other Metals					
Copper, MT	6,168	1.30%	-14.9%		
Aluminium, MT	1,939	0.05%	-14.5%		
Lead, MT	1,975	1.23%	-20.6%		
Zinc, MT	2,590	0.58%	-22.0%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.59	2.77	1m	2.42
5 year	100.59	2.75	3m	2.78
10 year	102.08	2.88	6m	2.88
30 year	104.72	3.13	1 year	3.08

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

CBO issues treasury bills worth OMR53.5mn

Oman's central bank raised OMR53.5 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from December 12, 2018 until January 9, 2019. The average accepted price reached 99.821 for every OMR100, and the minimum accepted price arrived at 99.820 per OMR100.

Source: [Times of Oman](#)

Omani rial exchange rate index up by more than 3% in 2018

The Omani rial's effective exchange rate index rose by 3.2 per cent to 104.3 points as of the end of September 2018 compared to 101.1 points in the same month in 2017, indicating the currency has enhanced purchasing power. According to the preliminary data released by the National Centre for Statistics and information (NCSI), broad money supply rose by 2.6 per cent

Source: [Times of Oman](#)

Share of renewables to reach 20 per cent of power capacity by 2030

Burgeoning investments in renewable energy projects — harnessing solar, wind and waste-to-energy resources — are expected to ramp up the contribution of renewables to around 20 per cent of total generation capacity in the Sultanate by 2030, up from 10 per cent by 2025 as mandated by the Omani government.

Source: [Oman Observer](#)

Fish exports to contribute RO 1.3 billion to Oman's GDP in 2023

Fish exports currently make up Oman's second-largest natural resource and are forecast to contribute RO 1.3 billion to the country's gross domestic product in 2023. This was revealed during the Omani Fish Exports event organised by the Ministry of Agriculture and Fisheries and the Oman Aviation Group (OAG) at the new cargo terminal in Muscat yesterday.

Source: [Oman Observer](#)

BUSINESS INTERVIEW: 'FUEL STATIONS COULD BECOME AN ENGINE OF GROWTH FOR SMES'

In an interview with Muscat Daily, Eng Mohammed Farid al Darwish, chief executive officer of Al Maha Petroleum Products Marketing Company, said that the company is working on a number of initiatives to make its fuel stations attractive destination for shopping and other pleasure activities.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Banks propel Egypt gain, Dubai recoups some losses

Egypt's blue-chip index continued to gain on Tuesday after enjoying its biggest one-day gain in two years in the last session, while Dubai recovered partially from five-year lows, lifted by gains in real estate shares. The Egyptian index rose 1.5 percent with gainers outnumbering losers by one to five as bank stocks rose.

Source: [Reuters](#)

Saudi banks close to deal with authorities on Islamic tax: sources

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: [Reuters](#)

Saudi cement sales drop 9% in November

The aggregate sales of 17 Saudi cement firms fell 9 percent to 3.45 million tons in November 2018, compared to 3.80 million tons in the same month last year, according to data compiled by Argaam. Twelve cement producers reported lower sales, led by Northern Province Cement with a 62 percent slump year-on-year (YoY) during the same month. City Cement came second with a 41 percent fall.

Source: [Argaam](#)

Baker Hughes to build new oilfield services facility in SPARK

Baker Hughes, a GE company, plans to build a new oilfield services (OFS) facility in King Salman Energy Park (SPARK), the company said in a statement on Tuesday. Work has already begun on the first phase of the facility, expected to open by the end of 2019. The facility will reach full capacity by 2021-22, the statement added.

Source: [Argaam](#)

Arabian Pipes wins SAR 49m deal from Aramco

Arabian Pipes Company on Tuesday announced winning a six-month contract at a value of over SAR 49 million to provide steel pipes to the state-owned Saudi Arabian Oil Co, known internationally as Saudi Aramco. The firm will offer oil country tubular goods (OCTG) pipes for the largest international oil firm starting from the second quarter of 2019

Source: [Mubasher](#)

Saudi CMA fines four firms for violating disclosure rules

Saudi Arabia's Capital Market Authority (CMA) has imposed a fine of SAR 20,000 each on Al Alamiya Cooperative Insurance Co., Saudi Arabian Amiantit Co., Saudi Cable Co. and Arabian Pipes Co. for violating corporate disclosure rules, the market regulator said on Tuesday.
Source: [Argaam](#)

Alafco inks \$553m leasing contract

Aviation Lease and Finance (Alafco) has signed a leasing contract valued at \$553 million (KWD 168.2 million) for five new A320Neo Airbus planes with Scandinavian Airlines System. Alafco noted that confidential negotiations are still ongoing between the buyer and purchaser, the Kuwaiti company noted on Tuesday.
Source: [Mubasher](#)

Saudi Arabia's \$106bn retail industry forecast to grow 12.3% by 2023

Retail sales across four Gulf countries are projected to increase by more than \$24 billion over the next five years, with an estimated growth rate of 12.3% in Saudi Arabia, according to new research from Euromonitor International. Euromonitor's report revealed that Kuwait, Oman, Saudi Arabia and the UAE are all set to capitalize on the rise of consumerism
Source: [Saudi Gazette](#)

Saudi warns VAT deadline for businesses with SAR375,000+ in revenue fast approaching

Saudi Arabia's General Authority for Zakat and Income Tax on Tuesday warned companies with revenues exceeding SAR375,000 that they have less than 10 days to register for value added tax (VAT). The kingdom introduced the 5 per cent VAT rate on January 1 but it only applied to businesses with revenues exceeding SAR1m in its first year.
Source: [Gulf Business](#)

Doha Bank to cut construction exposure

Contractors have been hit hard by the slump in the Gulf's construction market as governments had to cut back on project spending following the 2014/2015 fall in oil prices Bankers have said that they expect the tiny but wealthy country's banking sector to see further consolidation after the merger of Barwa Bank and the International Bank of Qatar earlier this year
Source: [Arab News](#)

UAE's Emirates Steel refinances \$650 million of debt with new loan, sukuk – sources

Emirates Steel, the largest steel producer in the United Arab Emirates, has refinanced \$650 million of debt with a new loan and sukuk or Islamic bond, sources close to the transaction told Reuters. The company owned by Abu Dhabi's Senaat, a state-owned investor in the emirate's industrial sector, raised \$1.3 billion in credit facilities in 2014, due in 2022.
Source: [Reuters](#)

UAE's Al Zorah project downsized in face of real estate slowdown

Ambitions for the \$60 billion Al Zorah real estate project have been scaled down as the United Arab Emirates experiences a widespread real estate slump, two executives involved in the project said on Tuesday. Al Zorah, located along the coastline of the UAE emirate of Ajman, will aim to accommodate some 50,000 people, down from an original goal of 200,000, Oussama Kabbani, the chief operating officer of Lebanese developer Solidere International Ltd, said.
Source: [Reuters](#)

Goldilocks fund buys 18.32 pct stake in Dubai-listed Gulf Navigation

Goldilocks Investment Co, an indirect subsidiary of Abu Dhabi Financial Group (ADFG), has acquired an 18.32 percent stake in Dubai-listed Gulf Navigation Holding, the company said late Monday. The stake purchase is the latest investment by Goldilocks, who has been buying stakes in companies it sees as "undervalued" or in financial difficulties.
Source: [Reuters](#)

Goldilocks Investment buys 29.5 pct stake in Dubai-listed Takaful Emarat

Goldilocks Investment Co, an indirect subsidiary of Abu Dhabi Financial Group (ADFG), has acquired a 29.5 percent stake in Dubai-listed Takaful Emarat Insurance, it said on Tuesday. It is the third in a series of recent acquisitions by Goldilocks which said on Sunday it had increased its ownership in Dubai-listed Islamic Arab Insurance Company, known as Salama, to 14.1 percent.
Source: [Reuters](#)

Australia overtakes Qatar as top global LNG exporter

Australia has become the largest exporter of liquefied natural gas (LNG) in the world, overtaking Qatar for the first time, according to data published on Monday. Australia shipped 6.79 million tons of LNG in November while Qatar exported 6.2 million tons, according to Refinitiv Eikon, the financial data arm of Thomson Reuters.
Source: [Arab News](#)

BRIEF: Boubyan Bank Contributes \$200 Mln To Duqm Refinery Project Financing

Boubyan Bank Bouk.Kw: Inked \$200 Million Finance Deal Representing Bank's Share In Syndicated Finance Deal Of \$4.6 Billion For Duqm Refinery Project In Oman
Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks run with Sino-U.S. trade hopes; sterling hamstrung by politics

Asian stock markets rallied on Wednesday as U.S. President Donald Trump sounded upbeat about a trade deal with China, while sterling struggled with the risk of an imminent party coup against British Prime Minister Theresa May. In an interview with Reuters, Trump said talks were taking place with Beijing by phone and he would not raise tariffs on Chinese imports until he was sure about a deal.

Source: [Reuters](#)

Disney again makes history with takings above \$7bn for 2018

Walt Disney Studios is again ending the year on a high note, posting more than \$7 billion in global box office earnings, thanks to hits such as "Black Panther" and "Avengers: Infinity War." "This is only the second time in history any studio has surpassed the \$7 billion mark, after Disney's own industry-record 2016 global gross of \$7.6 billion," the company said in a statement on Monday.

Source: [Arab News](#)

Stocks, Yuan Rise on U.S.-China Trade Optimism: Markets Wrap

Asian equities climbed with U.S. and European stock futures and the offshore yuan following positive signs on the outlook for U.S.-China trade talks. Equity benchmarks rose in Japan, Hong Kong and South Korea, and the Aussie ticked higher.

Source: [Bloomberg](#)

UniCredit's Turkish Unit Is Biggest Drain on Italian Bank's Funds

Turkey's economic woes may cost UniCredit SpA more than 1.5 billion euros (\$1.7 billion) this year after the Italian bank's venture in the country sought funds for a second time in eight months. Italy's biggest bank plans to buy about 40 percent of the \$1 billion in additional Tier 1 bonds that Turkish unit Yapi Kredi is planning to sell

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil rises more than 1 pct on OPEC-led supply cuts, trade talk hopes

Oil prices climbed by more than 1 percent on Wednesday, lifted by expectations that an OPEC-led supply cut announced last week for 2019 would stabilise markets as well as hopes that long-running Sino-American trade tensions could ease. Disruptions to Libyan oil exports after local militia seized the country's biggest oil field, El Sharara, were also buoying prices, traders said.

Source: [NASDAQ](#)

Gold eases from 5-month peak as dollar firms

Gold edged lower on Monday as the dollar firmed, but stock market volatility and chances of a slower pace of U.S. interest rate hikes in 2019 kept bullion close to a 5-month peak scaled earlier in the session. Spot gold was down 0.4 percent at \$1,242.82 per ounce

Source: [CNBC](#)