

# U Capital Morning Brief

12 December 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	846.11	-2.03	-0.24%	-3.67%	-	-	-
U Capital GCC 50 Index	1,352.62	11.00	0.82%	3.28%	-	-	-
U Capital MENA 200 Index	1,060.57	6.73	0.64%	1.48%	-	-	-
MSCI GCC Countries Index	554.38	2.68	0.49%	3.07%	15.83	1.78	4.1%
Muscat Securities Market	4,014.04	-3.57	-0.09%	-7.16%	7.58	0.74	7.4%
Saudi Stock Exchange	8,133.72	67.30	0.83%	3.92%	20.96	1.79	3.7%
Kuwait Stock Exchange	7,042.97	-1.89	-0.03%	24.60%	15.01	1.42	3.5%
Qatar Exchange	10,339.36	22.37	0.22%	0.39%	15.01	1.53	4.1%
Bahrain Stock Exchange	1,555.16	5.39	0.35%	16.29%	12.56	0.97	5.0%
Dubai Financial Market	2,713.57	25.96	0.97%	7.27%	10.77	0.97	4.3%
Abu Dhabi Exchange	5,040.23	20.10	0.40%	2.55%	15.50	1.41	4.9%
Beirut Stock Exchange	762.58	-0.73	-0.10%	-21.93%	4.05	0.46	12.1%
Palestine Stock Exchange	524.40	-0.49	-0.09%	-0.94%	12.12	1.19	4.5%
Tunis Se Index	6,993.62	-22.90	-0.33%	-3.82%	19.71	2.37	2.1%
EGX 30 Index	13,427.22	-81.80	-0.61%	3.00%	11.50	1.76	2.5%
Amman General Index	1,805.95	5.37	0.30%	-5.39%	12.19	0.88	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,216.3	0.03%	7.3%
DAX	Germany	13,146.7	0.58%	24.5%
CAC 40	France	5,860.9	0.22%	23.9%
<b>United States</b>				
DJIA	USA	27,911.3	0.11%	19.6%
S&P 500	USA	3,141.6	0.29%	25.3%
NASDAQ	USA	8,654.1	0.44%	30.4%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	23,454.1	0.26%	17.2%
HANG SENG	Hongkong	26,980.3	1.26%	4.4%
KSE 100 Index	Pakistan	40,626.9	0.22%	9.6%
NSE Nifty 50	India	11,954.4	0.37%	10.1%
SHANGHAI COMPOSITE	China	2,920.4	-0.14%	17.1%
SHANGHAI SHENZHEN CSI 300	China	3,896.9	-0.15%	29.4%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.688	1.453
British Pound (GBP)	1.322	0.756
Canadian Dollar (CAD)	0.760	1.317
Chinese Renminbi (CNH)	0.142	7.030
Egyptian Pound (EGP)	0.062	16.121
Euro (EUR)	1.114	0.897
Indian Rupee (INR)	0.014	63.279
Japanese Yen (JPY)	0.009	108.570
New Zealand Dollar (NZD)	0.658	1.519
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.645	155.005
Russian Ruble (RUB)	0.016	70.691
Singapore Dollar (SGD)	0.737	1.356
Turkish Lira (TRY)	0.172	5.803

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	64.0	0.42%	15.6%
WTI Crude (per bbl)	58.9	0.17%	29.6%
Oman Crude Oil (Last Closing)	64.4	-1.01%	20.3%
OPEC (per bbl)	65.7	0.14%	27.4%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,474.9	0.01%	15.0%
Silver (per oz)	16.9	0.20%	9.0%
Platinum (per oz)	939.7	-0.02%	18.1%
<b>Other Metals</b>			
Copper, MT	6,156	0.92%	3.2%
Aluminium, MT	1,760	0.28%	-4.7%
Lead, MT	1,937	1.57%	-4.2%
Zinc, MT	2,222	-0.25%	-9.9%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.23	-21.4%
Saudi Arabia	2.24	-24.8%
Kuwait	2.75	18.9%
Oman	2.80	-0.9%
Qatar	2.26	-22.1%
Bahrain	2.72	-31.2%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.3
Abu Dhabi	11/10/2027	2.4
Qatar	02/06/2026	2.4
Saudi Arabia	04/03/2028	2.8
Oman	17/01/2028	5.5
Bahrain	12/10/2028	4.6

Midswaps	Price	YTM %
3 year	100.01	1.6
5 year	99.34	1.6
10 year	99.56	1.8
30 year	103.16	2.2

USD Libor	Rate (%)	YTD
1m	1.74	-30.6%
3m	1.89	-32.8%
6m	1.88	-34.7%
1 year	1.93	-35.7%

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's economy gets going

The Supreme Council for Planning (SCP) has said that the sultanate's non-oil activities have jumped from RO17.7bn in 2015 to RO19.5bn in 2018 while the value of oil activities have grown from RO11.6bn in 2015 to about RO12bn in 2018. The SCP on Wednesday discussed several issues concerning the country's economy, public and private investments and key economic projects. The fourth meeting of SCP was held under H E Dr Ali bin Masoud bin Ali al Sunaidy, Minister of Commerce and Industry and the Deputy Chairman, in the presence of other SCP members.

Source: [Muscat Daily](#)

### Oman's crude production tops 29mn barrels

Oman's crude oil and condensates production stood at 29.15 million (29,151,120) barrels during November 2019 with a daily average of 971,704 barrels. The monthly report issued by the Ministry of Oil and Gas pointed out that the total exported quantities of Oman crude oil during November 2019 reached 28.85 million barrels, with a daily average of 961,926 barrels.

Source: [Times of Oman](#)

### 11 solar-diesel hybrid projects to be developed as one IPP in Oman

The Rural Areas Electricity Company (Tanweer), a subsidiary of The Electricity Holding Company (Nama Group), says it intends to award a contract for the development of 11 small-scale solar PV-diesel hybrid projects, distributed across its sprawling license in the Sultanate, to one successful developer for implementation as an Independent Power Project (IPP). The announcement came at the Oman Sustainable Energy and Technology Summit, which concluded at the Crowne Plaza Muscat Hotel on Tuesday.

Source: [Oman Observer](#)

### \$26 million oilfield equipment repair plant inaugurated in Nizwa

Under the auspices of Dr Mohammed bin Hamad al Rumhy, Minister of Oil and Gas, Petroleum Development Oman (PDO) in collaboration with Schlumberger Oman & Co LLC celebrated on Wednesday the inauguration of the Oman Assembly, Repair and Testing (ART) Centre in Nizwa Industrial City. Showcasing an investment valued at \$26 m for the facility and equipment, the Oman ART Centre specialises in producing artificial lift equipment for the oil and gas industry, including electrical submersible pumps (ESPs), gauges and accessories. In addition, the facility will provide maintenance of ESP components, tools and power cables.

Source: [Oman Observer](#)

### China lifts 93 per cent of Oman's November 2019 crude exports

China remained the top destination for Omani crude exports during November 2019, lifting 92.99 per cent of total exports of 28.857 million barrels during the month, the Ministry of Oil and Gas said. Exports inched up 1.03 per cent over the previous month. Shipments to Japan rose 0.27 per cent to account for a 3.55 per cent share of November exports. The balance 3.46 per cent share was lifted by India.

Source: [Oman Observer](#)

### Oman stresses commitment to Public Private Partnerships

The Sultanate, represented by the Public Authority for Privatization and Partnership (PAPP), participated in the Public-Private Partnership Forum for the Middle East and North Africa, currently under way in the United Arab Emirates. The two-day forum is considered one of the most important platforms that brings together more than 400 participants from various countries in addition to investors from the private sector and stakeholders to discuss progress and development in the laws and regulations of the partnership between the public and private sectors, as well as highlighting the challenges and opportunities to activate and finance partnership projects.

Source: [Oman Observer](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi Aramco shares surge 10% as historic IPO begins trading

Shares of the state-owned oil company rose to 35.2 Saudi riyals (\$9.38) from 32 riyals in early deals in Riyadh, up 10% and hitting their daily limit. The price gives Aramco a valuation of \$1.88 trillion and makes it the largest listed company in the world. Aramco's public debut, which listed 1.5% of its shares locally on the Saudi Tadawul, is the largest on record — topping the \$25 billion Alibaba raised when it went public in September 2014.

Source: [CNBC](#)

### **Tadawul announces Aramco's fast entry to TASI on Dec. 18**

The Saudi Stock Exchange (Tadawul) announced on Wednesday the fast entry of Saudi Arabian Oil Company (Saudi Aramco) to Tadawul All Share Index (TASI) and Energy Industry Group Index, as of the start of trading on Wednesday, Dec. 18, 2019. On Dec. 1, Tadawul updated its indices methodology for the development and management of Tadawul equity indices, Argaam reported.

Source: [Argaam](#)

### **Saudi Electricity subscribers to hit 11 mln by 2021, says CEO**

Saudi Electricity Co.'s (SEC) number of subscribers increased to more than 9.6 million, the Saudi Press Agency (SPA) reported, citing CEO Fahad bin Hussein Al-Sudairi. The number of subscribers is expected to reach 11 million by 2021, Al-Sudairi added on the sidelines of the opening of the Saudi Arabia Smart Grid Conference (SASG 2019). The 9th edition of SASG 2019 started on Tuesday Dec. 10, 2019 and will end on Thursday Dec. 12, 2019.

Source: [Argaam](#)

### **Middle East airlines set for rebound**

The global airline industry is forecast to record a net profit of \$29.3 billion in 2020, building on a net profit of \$25.9 billion expected in 2019, the International Air Transport Association (IATA) said on Wednesday. The umbrella trade body of more than 250 airlines said if the predicted target could be achieved, 2020 would mark the industry's 11th consecutive year in the black. The \$25.9 billion profit projection given for in 2019 has been revised downward from a \$28 billion forecast made in June.

Source: [Khaleej Times](#)

### **Dubai's jobs growth gains momentum**

Companies more upbeat around future output predictions, with level of sentiment improving to 4-month high. Employment growth in Dubai was at the strongest pace in nearly two years in November as the outlook for 2020 appeared more optimistic with companies expecting new projects to fuel the economy in time for the Expo, according to latest data from a monthly survey in Dubai's non-oil private sector.

Source: [Khaleej Times](#)

### **Saudi Arabia ready to issue new international bonds as soon as January**

Saudi Arabia might issue new international bonds as soon as January, as part of plans to raise \$32 billion worth of debt next year, a senior finance ministry official told Reuters. Local issues are expected to account for 55 per cent of the total debt issuance plan, and the remainder will be raised internationally, Fahad al-Saif, who heads the kingdom's debt management office (DMO), said in an interview.

Source: [Economic Times](#)

### **Saudi Minister of Finance says no more taxes, fees in 2020**

Minister of Finance Mohammed Al-Jadaan has assured that the Saudi government has no intention to change expatriates fees, in an interview with Al-Arabiya. Al-Jadaan said that Saudi Arabia has made resounding achievements in 2019, while expressing the hope of seeing more growth in 2020, noting that the government's objective is very clear, and aims to enable the private sector, being a key partner to achieving Saudi Vision 2030.

Source: [Saudi Gazette](#)

### **Saudi's planned spending cut will help achieve balanced budget target: Moody's**

Moody's Investors Service said that Saudi Arabia's planned expenditure cuts will support the kingdom's achievement of its challenging balanced budget objective by 2023. Saudi had already announced plans to secure a balanced budget by 2023 by closing budget deficit. The kingdom on Monday released its 2020 budget, indicating expected total expenditure of 1.02 trillion Saudi riyals (\$272 billion) compared to a forecast for actual expenditure of 1.048 trillion riyals in 2019.

Source: [Zawya](#)

### **Tadawul: Saudi Aramco's free float accounts for 1.67% of capital**

Saudi Aramco's free float shares represented 1.667% of capital, or 3.33 billion shares of 200 billion shares, data compiled by Saudi Stock Exchange (Tadawul) showed. Saudi Aramco floated 3 billion shares, or 1.5% of capital in an initial public offering (IPO), of which 1 billion shares were offered to retail subscribers. The final offer price was set at SAR 32. Saudi Aramco received on Tuesday a notification from Goldman Sachs Saudi Arabia, its IPO stabilizing manager that it may stabilize the offer of the following securities based on the price stabilization mechanism instructions.

Source: [Argaam](#)

### **Mideast Stocks: Aramco's stellar debut cheers Saudi shares; most Gulf indexes gain**

The Saudi Arabian stock market ended higher on Wednesday as shares of state-owned oil giant Aramco surged the maximum permitted 10% on their debut, while other major Gulf markets also rose. Shares of Saudi Arabian Oil Co (Aramco) soared to 35.2 riyals (\$9.39), up from the initial public offering (IPO) price of 32 riyals. If Aramco shares gain 10% on Thursday as well, it will exceed the \$2 trillion valuation coveted by Prince Mohammed. The company is expected to be included in the MSCI emerging markets index on Dec. 17.

Source: [Zawya](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Instant View: Fed stands pat on rates, expects no change in 2020**

The U.S. Federal Reserve on Wednesday held interest rates steady and signaled borrowing costs are likely to remain unchanged indefinitely, with moderate economic growth and low unemployment expected to continue through next year's presidential election.

Source: [Reuters](#)

### **'Eleventh hour' US-China trade deal could happen before tariffs kick in Sunday, analysts say**

There will be an "eleventh hour" announcement about a deal on Saturday night, says Kenny Polcari, senior market strategist at Slatestone Wealth. More tariffs — 15% on about \$160 billion in Chinese exports to the U.S. — are set to kick in on Sunday, as both economies remain locked in negotiations for a phase one trade deal. The Wall Street Journal reported Tuesday that both countries are taking steps to delay those tariffs set to take place on Sunday.

Source: [CNBC](#)

### **This is how sterling might trade on the UK's pivotal election night**

YouGov's final poll projected a 28-seat majority, considerably tighter than previous estimates, and indicated that neither a hung parliament nor a more comprehensive Conservative majority can be ruled out. While a Conservative majority is seen as the most sterling-positive result, the impact of various potential outcomes would likely be asymmetrical, with less pronounced gains on the market-friendly outcome and more meaningful losses should Labour surprise.

Source: [CNBC](#)

### **Asian shares climb on dovish Fed, but Brexit hurdle looms**

Asian stocks rose on Thursday to the highest in a month after the Federal Reserve signaled rate settings were likely to remain accommodative, but the imminent UK election and a deadline for Sino-U.S. trade talks kept investors cautious. The Fed kept interest rates unchanged, as expected, at its policy meeting on Wednesday but indicated interest rates would remain on hold, which nudged Wall Street stocks higher.

Source: [Reuters](#)

## **COMMODITIES NEWS**

### **Oil prices gain as OPEC revises deficit forecast**

Oil prices edged higher on Thursday with the market mood switching to relief as OPEC forecast a supply deficit next year, from doom and gloom over data showing a surprise increase in U.S. crude inventories. Brent futures LCOc1 rose 24 cents, or 0.4% to \$63.96 a barrel by 0242 GMT, after skidding 1% on Wednesday on the U.S. stocks build-up.

Source: [Reuters](#)

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