

U Capital Morning Brief

2 April 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	915.26	-7.07	-0.77%	-6.06%	-	-	-
U Capital GCC 50 Index	1,241.83	-7.87	-0.63%	8.49%	-	-	-
U Capital MENA 200 Index	1,049.10	-4.20	-0.40%	5.43%	-	-	-
MSCI GCC Countries Index	511.27	-2.84	-0.55%	6.57%	14.34	1.62	4.0%
Muscat Securities Market	4,737.17	-36.34	-0.76%	-7.10%	12.18	1.00	5.1%
Saudi Stock Exchange	7,800.88	-69.99	-0.89%	7.95%	17.09	1.71	3.3%
Kuwait Stock Exchange	4,945.90	-	-	-	-	-	-
Qatar Exchange	8,669.04	95.05	1.11%	1.71%	13.30	1.26	5.0%
Bahrain Stock Exchange	1,303.14	-15.26	-1.16%	-2.15%	9.19	0.80	6.2%
Dubai Financial Market	3,136.36	27.83	0.90%	-6.93%	11.05	1.14	5.7%
Abu Dhabi Exchange	4,583.53	-1.87	-0.04%	4.21%	11.77	1.30	5.2%
Beirut Stock Exchange	1,186.35	6.75	0.57%	3.29%	5.98	0.73	7.5%
Palestine Stock Exchange	563.40	-2.17	-0.38%	-1.95%	13.61	1.14	4.9%
Tunis Se Index	7,142.65	31.58	0.44%	13.70%	20.76	2.83	1.9%
EGX 30 Index	17,595.88	145.73	0.84%	17.16%	15.27	2.32	1.9%
Amman General Index	2,222.73	-10.53	-0.47%	4.51%	16.50	1.10	4.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,056.6	0.17%	-8.2%
DAX	Germany	12,096.7	1.31%	-6.4%
CAC 40	France	5,167.3	0.72%	-2.7%
United States				
DJIA	USA	24,103.1	1.07%	-2.5%
S&P 500	USA	2,640.9	1.38%	-1.2%
NASDAQ	USA	7,063.4	1.64%	2.3%
Asia Pacific				
NIKKEI 225	Japan	21,515.9	0.27%	-5.5%
HANG SENG	Hongkong	30,093.4	0.24%	0.6%
KSE 100 Index	Pakistan	45,491.3	-0.15%	12.4%
NSE Nifty 50	India	10,138.2	0.24%	-3.7%
SHANGHAI COMPOSITE	China	3,174.5	0.18%	-4.0%
SHANGHAI SHENZHEN CSI 300	China	3,903.2	0.12%	-3.2%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Currency		
Australian Dollar (AUD)	0.768	1.303
British Pound (GBP)	1.404	0.712
Canadian Dollar (CAD)	0.776	1.289
Chinese Renminbi (CNH)	0.159	6.272
Egyptian Pound (EGP)	0.057	17.639
Euro (EUR)	1.232	0.812
Indian Rupee (INR)	0.015	57.131
Japanese Yen (JPY)	0.009	106.330
New Zealand Dollar (NZD)	0.723	1.383
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.867	115.575
Russian Ruble (RUB)	0.017	65.178
Singapore Dollar (SGD)	0.763	1.311
Turkish Lira (TRY)	0.253	3.959

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	69.7	0.53%	6.0%
WTI Crude (per bbl)	65.2	0.35%	7.9%
Oman Crude Oil (Last Closing)	66.1	0.82%	3.4%
OPEC (per bbl)	66.1	-1.12%	2.5%
Precious Metals			
Gold100 OZ (per oz)	1,329.8	0.36%	2.1%
Silver (per oz)	16.4	0.39%	-3.0%
Platinum (per oz)	939.1	0.75%	0.9%
Other Metals			
Copper, MT	6,714	0.74%	-7.4%
Aluminium, MT	2,005	-1.11%	-11.6%
Lead, MT	2,395	-1.24%	-3.7%
Zinc, MT	3,274	-0.30%	-1.4%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.31	28.4%
Saudi Arabia	2.28	20.0%
Kuwait	2.00	6.7%
Oman	2.10	10.0%
Qatar	2.66	0.6%
Bahrain	3.06	12.1%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.7
Abu Dhabi	10/11/2027	3.8
Qatar	6/2/2026	4.0
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	5.9
Bahrain	10/12/2028	7.5

Midswaps	Price	YTM %
3 year	99.91	2.4
5 year	99.59	2.6
10 year	99.91	2.8
30 year	100.17	3.0

USD Libor	Rate (%)	YTD
1m	1.88	20.4%
3m	2.31	36.4%
6m	2.45	33.5%
1 year	2.66	26.4%

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

OMAN ECONOMIC & CORPORATE NEWS

Supreme Council of Planning organizes forum on Oman Vision 2040 at Nizwa

The Supreme Council for Planning organized an introductory forum on Oman Vision 2040 and the time frame of Oman Initiative at Nizwa Cultural Centre in the Governorate of A'Dakhiliyah on Sunday. The forum comes as part of the communication initiatives to achieve social partnership and was held under the patronage of Sheikh Dr. Khalifa bin Hamad Al Saadi, Governor of A'Dakhiliyah.

Source: [Times of Oman](#)

Omanization in insurance sector must reach 70 per cent: Ministry

Omanization in the insurance sector must reach 70 per cent by the end of this year, according to the Ministry of Manpower. The ministry has issued a decision specifying the percentage of nationals in private sector establishments in the insurance sector. Decision No. 113/2018 determines the percentage of national manpower for the years 2018, 2019, and 2020.

Source: [Times of Oman](#)

Construction begins for \$300mn cotton yarn plant in Sohar

The construction work has commenced for a major cotton yarn manufacturing project which is being set up by India's ShriVallabh Pittie Group (SVP) with a total investment of US\$300mn at Sohar Free Zone. SV Pittie Sohar Textiles (FZC) LLC had signed a land lease agreement with Sohar Port and Free Zone a few months ago and the company is setting up the first phase of the unit at an investment of US\$150mn. Bank Sohar is the finance partner for the project.

Source: [Muscat Daily](#)

Oilfield firms must comply with 'transferability clause'

Oman's Ministry of Oil and Gas has warned that it will crack down on companies that attempt to circumvent their obligations under Article 48 of the Oman Labour Law, which mandates employers to redeploy their national staff within or outside their organization when a contract or project comes to an end. The Ministry's Under-Secretary, Salim bin Nasser al Aafi (pictured), issued the warning at a recent forum hosted by the Oman Society for Petroleum Services (OPAL).

Source: [Oman Observer](#)

ONEX Kicks off

5-day Oman National Products Exhibition (ONEX), organized by the East Coast for Organizing Exhibitions, opened today evening at the Holiday Inn Hotel. The opening ceremony was patronized over by Sheikh Ali bin Nasser al- Mahrouqi, Secretary General of Majlis A'Shura, who praised the organization of the exhibition, which highlighted the efforts of the local industries, expressing his admiration for what he saw of diversity, technology, high quality and affordable prices.

Source: [Oman News](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi debt instruments to debut on Tadawul Apr. 8

The Saudi Stock Exchange (Tadawul) said in a statement on Sunday that listing and trading government debt instruments will begin Apr. 8. The announcement followed the Capital Market Authority's (CMA) approval of listing and trading debt instruments issued by the Saudi government.

Source: [Argaam](#)

Saudis to list riyal government bonds on exchange next Sunday

Saudi Arabia authorities said on Sunday they would list local currency government bonds on the Saudi Stock Exchange on April 8, part of efforts to spur secondary market trading of debt and strengthen state finances. The Capital Market Authority said over 204.4 billion riyals (\$54.5 billion) of riyal bonds with maturities of five, seven and 10 years would be available to trade, including floating- and fixed-rate bonds and Islamic instruments.

Source: [Reuters](#)

Bahrain discovers largest oilfield in decades

Bahrain said on Sunday it had discovered the country's largest oilfield in decades, located off the west coast of the kingdom, according to state news agency BNA. The new tight oil and deep gas resource is expected to contain many times the amount of oil produced by Bahrain's existing oilfields, as well as large amounts of gas, BNA reported.

Source: [Gulf Business](#)

Batelco launches new network to service GCC area

Batelco, the Bahraini leading digital solutions provider, announced on Sunday the launch of Batelco Gulf Network (BGN), an international cable system providing the GCC region with an additional option for both regional and international connectivity solutions.

Source: [Mubasher](#)

Bahrain's annual GDP growth slows in Q4

Bahrain's real gross domestic product grew 3.4 percent year-on-year in the fourth quarter of 2017 after an upwardly revised expansion of 4.1 percent in the third quarter, data from the Central Informatics Organisation showed on Sunday. BAHRAIN GDP (real) Q4/17 Q3/17 Q2/17 Q1/17 pct change year/year 3.4 4.1 4.0 4.1 pct change quarter/quarter -2.8 1.6 1.7 3.0

Source: [KITCO](#)

Dubai's Damac to hire Barclays, HSBC for possible sukuk – sources

Damac Properties hired banks including Barclays and HSBC Bank for a possible sale of US dollar-denominated Islamic bonds, according to people familiar with the matter. The second-largest listed real estate developer in Dubai is expected to hire more banks to arrange the debt sale, which may happen as soon as this month, said the people, who asked not to be identified as the matter is private.

Source: [Arabian Business](#)

VODAFONE Qatar announces the completion of the previously announced transaction in relation to vodafone and qatar foundation

Vodafone Qatar (the "Company" or "Vodafone Qatar") on 27 February 2018 concerning the entry by Qatar Foundation for Education, Science and Community Development ("Qatar Foundation") into a conditional Share Purchase Agreement with Vodafone Europe B.V. ("Vodafone Europe"), whereby Qatar Foundation agreed to purchase from Vodafone Europe shares representing 51% of the share capital of Vodafone and Qatar Foundation LLC ("Private Founder") (the "Transaction"). The Transaction was completed on 29 March 2018 and the Private Founder is now 100% owned by Qatar Foundation whose direct and indirect shareholding in Vodafone Qatar is now 50% (having increased from its previous level of 27.05%).

Source: [QE](#)

ALDAR AWARDS AED 1.3 BILLION MAIN CONTRACT FOR WATER'S EDGE ON YAS ISLAND

Aldar Properties PJSC ('Aldar'), Abu Dhabi's leading listed property development, investment and management company, has appointed Trojan General Contracting LLC as the main contractor for Water's Edge, its latest waterfront development on Yas Island. The AED 1.3 billion contract follows the award of the early works package to Dutch Foundation, who commenced work on site in February this year.

Source: [MENA Herald](#)

Qatar energy firms to raise foreign share ownership to 49 pct –QP

Foreign investors will be able to hold up to 49 percent of Qatar stock exchange-listed shares in three subsidiaries of Qatar Petroleum (QP) after limits on foreign ownership were lifted, the state-owned energy company said.

Source: [Economic Times](#)

Kingdom of Saudi Arabia closes US\$16bn loan – LPC

The Kingdom of Saudi Arabia has closed an increased US\$16bn syndicated loan that refinances a US\$10bn facility signed in 2016, according to banking sources. The deal, which closed on March 19, comprises a US\$8.35bn term loan and a US\$7.65bn murabaha financing.

Source: [Reuters](#)

Saudi Arabia's Jabal Omar tumbles on big annual loss

Shares in Saudi Arabian real estate developer Jabal Omar drop 4.3 percent to 48.30 riyals in early trade. Company reported annual net loss of 601 million riyals (\$160.2 million) compared to 76.7 million riyal profit in previous year; cited weak revenue from sales of residential units due to delays in obtaining marketing permits, and higher administrative and general expenses as it developed operations

Source: [KITCO](#)

Qatar boosted by rising ownership limits, Saudi edges down

Higher foreign ownership limits to lift Qatar stocks' EM weights. Second day of modest profit-taking in Saudi after FTSE decision. Jabal Omar drops after swinging to big annual loss. Kingdom Holding rises after proposing unchanged dividend. Kuwait divides market into three segments

Source: [Reuters](#)

Saudi Arabia eyes consolidating project consultancy services: report

Saudi Arabia is planning to issue tenders to consolidate consultancy services for government infrastructure projects in the coming months, Reuters reported, citing unnamed government sources. The request for proposals are being finalised and tendering, worth millions of dollars, is expected to start in coming months, with five-year contracts to be awarded by the end of 2018.

Source: [Argaam](#)

Saudi Arabia Emerging-Market Tag Comes with Sobering History

As Saudi Arabia celebrates its first ever emerging-market classification by a major index compiler, history suggests the market may be headed for a retreat. The Saudi stock benchmark advanced to the highest since 2015 last week before FTSE Russell said it's classifying the country as a secondary emerging market, with actual inclusion set to happen in stages starting a year from now. MSCI Inc., which has more investors tracking its emerging-market indexes, may make a similar decision in June.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia stocks start new quarter on front foot, dollar steady

Asian stocks began the new quarter on Monday with mild gains following a strong performance by global equities last week, while the dollar held steady ahead of key economic indicators. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.3 percent. South Korea's KOSPI gained 0.6 percent and Japan's Nikkei advanced 0.55 percent. Hong Kong's Hang Seng added 0.25 percent and Shanghai was up 0.4 percent.

Source: [Reuters](#)

Alphabet's bets on health tech are paying off as portfolio companies go public

Alphabet's venture capital investment arm, GV, has invested in nearly 60 life sciences companies since its founding in 2009. In the last year alone, the firm has seen five of its portfolio companies go public. Its portfolio company 23andMe is expected to file before the end of the year.

Source: [CNBC](#)

China announces its imposing new tariffs on 128 US products

China is implementing new tariffs on meat, fruit and other products from the U.S. as retaliation for American duties, heightening fears of a potential trade war between the world's two largest economies.

Source: [CNBC](#)

For Bond Traders, Stocks Are All That Truly Matters in Jobs Week

The U.S. jobs report was already playing second fiddle to inflation data in the minds of bond traders. But after last week's turbulence in technology stocks, it almost feels like an afterthought.

Source: [Bloomberg](#)

A closely watched indicator of China's economy falls short of expectations

Caixin, IHS Markit released China March manufacturing PMI that hit a four-month low of 51.0 in March. That metric focuses on smaller businesses in China compared to the official PMI reading, which was released on Saturday.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices rise on lower U.S. drilling activity, trade tension weighs

Oil prices rose on Monday, lifted by a drop in U.S. drilling activity as well as by expectations that the United States could re-introduce sanctions against Iran.

Source: [Reuters](#)

Gold rises on softer dollar, fresh trade worries

Gold prices rose on Monday after three consecutive sessions of falls as the dollar eased amid fresh concerns of trade tensions between the United States and China.

Source: [Reuters](#)

