

# U Capital Morning Brief

9 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	928.48	1.99	0.21%	-4.70%	-	-	-
U Capital GCC 50 Index	1,252.48	11.63	0.94%	9.42%	-	-	-
U Capital MENA 200 Index	1,054.15	8.55	0.82%	5.93%	-	-	-
MSCI GCC Countries Index	517.52	0.38	0.07%	7.87%	14.50	1.64	4.0%
Muscat Securities Market	4,821.19	22.29	0.46%	-5.45%	12.40	1.02	5.0%
Saudi Stock Exchange	7,968.44	15.08	0.19%	10.27%	17.47	1.75	3.2%
Kuwait Stock Exchange	4,874.15	32.21	0.7%	NA	15.00	1.18	4.7%
Qatar Exchange	8,781.83	-11.08	-0.13%	3.03%	13.08	1.27	5.0%
Bahrain Stock Exchange	1,284.49	1.59	0.12%	-3.55%	8.69	0.79	6.4%
Dubai Financial Market	3,071.09	-12.28	-0.40%	-8.87%	10.82	1.11	5.9%
Abu Dhabi Exchange	4,602.88	-85.69	-1.83%	4.65%	11.82	1.30	5.2%
Beirut Stock Exchange	1,182.79	0.00	0.00%	2.98%	5.96	0.73	7.5%
Palestine Stock Exchange	559.56	0.78	0.14%	-2.61%	13.52	1.14	5.2%
Tunis Se Index	7,140.61	-42.97	-0.60%	13.67%	20.50	2.81	1.9%
EGX 30 Index	17,410.59	-99.06	-0.57%	15.92%	15.11	2.30	1.9%
Amman General Index	2,215.11	-2.01	-0.09%	4.15%	15.17	1.09	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,183.6	-0.22%	-6.6%
DAX	Germany	12,241.3	-0.52%	-5.2%
CAC 40	France	5,258.2	-0.35%	-1.0%
<b>United States</b>				
DJIA	USA	23,932.8	-2.34%	-3.2%
S&P 500	USA	2,604.5	-2.19%	-2.6%
NASDAQ	USA	6,915.1	-2.28%	0.2%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	21,688.4	0.56%	-4.7%
HANG SENG	Hongkong	30,371.0	1.76%	1.5%
KSE 100 Index	Pakistan	46,631.8	-0.03%	15.2%
NSE Nifty 50	India	10,380.7	0.48%	-1.4%
SHANGHAI COMPOSITE	China	3,142.6	0.37%	-5.0%
SHANGHAI SHENZHEN CSI 300	China	3,865.5	0.28%	-4.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.769	1.300
British Pound (GBP)	1.410	0.710
Canadian Dollar (CAD)	0.783	1.277
Chinese Renminbi (CNH)	0.159	6.297
Egyptian Pound (EGP)	0.057	17.689
Euro (EUR)	1.228	0.815
Indian Rupee (INR)	0.015	58.092
Japanese Yen (JPY)	0.009	107.020
New Zealand Dollar (NZD)	0.730	1.370
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.866	116.000
Russian Ruble (RUB)	0.017	64.905
Singapore Dollar (SGD)	0.762	1.313
Turkish Lira (TRY)	0.248	4.040

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	67.4	0.42%	2.4%
WTI Crude (per bbl)	62.3	0.42%	3.1%
Oman Crude Oil (Last Closing)	64.3	-1.83%	0.5%
OPEC (per bbl)	65.2	1.09%	1.1%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,332.5	-0.08%	2.3%
Silver (per oz)	16.4	0.23%	-3.0%
Platinum (per oz)	921.7	0.46%	-0.9%
<b>Other Metals</b>			
Copper, MT	6,769	-0.69%	-6.6%
Aluminium, MT	2,042	1.64%	-10.0%
Lead, MT	2,393	0.50%	-3.8%
Zinc, MT	3,232	-0.15%	-2.6%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.38	32.6%
Saudi Arabia	2.29	20.6%
Kuwait	2.00	6.7%
Oman	2.15	12.6%
Qatar	2.65	0.3%
Bahrain	3.06	12.3%

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	7.2

Midswaps	Price	YTM %
3 year	99.88	2.4
5 year	99.51	2.6
10 year	99.63	2.8
30 year	99.31	3.0

USD Libor	Rate (%)	YTD
1m	1.90	21.3%
3m	2.34	38.0%
6m	2.47	34.6%
1 year	2.71	28.5%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **Majlis Al Shura seminar to discuss Oman's economy**

Majlis Al Shura will hold a seminar on “Challenges to the National Economy within the framework of the Ninth Five-Year Plan” at Oman Council Building in Al Bustan in the presence of a number of heads of permanent committees, Majlis members and interested persons in economic affairs in the Sultanate.

Source: [Times of Oman](#)

### **BP to develop Phase II of Khazzan gas field**

BP on Sunday announced that, together with its partner the Oman Oil Company Exploration & Production, has approved the development of Ghazeer, the second phase of the giant Khazzan gas field in Oman.

Source: [Times of Oman](#)

### **GCC VAT experience has valuable insights for Oman**

Saudi Arabia's experience in implementing Value Added Tax (VAT) — thus far a mixed bag of results — should provide instructive insights on how Omani authorities and businesses should get their act together and avoid some of the pitfalls faced by their Saudi counterparts, a key expert has pointed out.

Source: [Oman Observer](#)

### **Selective tax on luxury goods, harmful products**

The Ministerial Decision No 64/2018 issued to impose local taxes/ charges on goods and services was published in the official gazette on Sunday.

Source: [Oman Observer](#)

### **Energy, water expo and conference from April 30 to May 2; to highlight investment opportunities**

The Public Authority for Electricity and Water (Diam) in association with Omanexpo on Sunday announced that the 2018 edition of Oman Energy and Water Exhibition and Conference will be held at the Oman Convention and Exhibition Centre from April 30 to May 2.

Source: [Muscat Daily](#)

### **Oman plans 1,200MW clean-coal power project**

The Sultanate is firming up plans for the development of the nation's first Independent Power Project (IPP) based on clean-coal technology — adding to a diversifying energy mix that will include solar photovoltaic (PV) based renewables and potentially waste-to-energy schemes as well.

Source: [Oman Observer](#)

### **Muriya inks strategic pact with Omantel**

Muriya, Oman's largest and most diversified private real estate and tourism developer, has signed a strategic partnership with Omantel, the premier provider of integrated telecommunications services in the Sultanate.

Source: [Times of Oman](#)

### **Minister meets investors at Mazunah free zone**

Dr Ali bin Masoud Al Sunaidy, Minister of Commerce and Industry, and Chairman of the Free Zones Committee visited Al Mazunah Free Zone accompanied by Hilal bin Hamad Al Hasani, CEO of the Public Establishment for Industrial Estates (PEIE).

Source: [Times of Oman](#)

### **Global audit major handed suspension by Oman's CMA**

The Grievances Committee of Oman's Capital Market Authority (CMA) has endorsed a decision to suspend a major international auditing company for one year.

Source: [Times of Oman](#)

***Please find MSM-listed companies' Q1'18 initial results on the last page.***

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Saudi up, Kuwait rebounds; new ownership caps lift some Qatar stocks**

The Saudi Arabian stock market remained in positive territory on Sunday after rebounding late last week from several days of profit-taking, while a pullback by two blue chips dragged down Abu Dhabi.

Source: [Arab News](#)

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### Foreigners bought net \$229mln Saudi stocks last week

Foreign investors bought a net \$229 million of Saudi Arabian equities last week, exchange data showed on Sunday, indicating overseas demand remained strong despite a pull-back by the market index in the early part of the week.

Source: [Zawya](#)

### Saudi to focus foreign debt issues on dollar for now, official says

Saudi Arabia will focus on issuing bonds denominated in U.S. dollars and riyals this year but consider debt sales in other currencies over the longer term, the president of the kingdom's Debt Management Office said on Sunday.

Source: [Zawya](#)

### Saudi Aramco inks \$10 bln MoUs with Technip, Honeywell

State-run Saudi Aramco's US subsidiary Motiva Enterprises signed on Saturday two memorandums of understanding (MOUs) with Technip FMC and Honeywell UOP at a total value between \$8 billion and \$10 billion.

Source: [Argaam](#)

### Saudi tax authority asks firms to file Q1 VAT returns by April-end

The General Authority of Zakat and Tax (GAZT) has urged enterprises whose supplies of goods and services total SAR 40 million or less to file their value-added tax (VAT) returns for Q1 2018 by the end of this month.

Source: [Argaam](#)

### Saudi exchange counting on foreign funds to aid Aramco IPO, chief says

Saudi Arabia's stock exchange expects an influx of foreign funds to smooth the listing of national oil firm Saudi Aramco, despite concern among some analysts about whether the market can absorb the huge offer, the exchange's chief executive said on Sunday.

Source: [Zawya](#)

### Saudi taps France to develop multi-billion dollar open air museum

Saudi Arabia and France are set to agree on the initial development of a huge area of the Gulf kingdom to create a tourism project that showcases Saudi history, officials said.

Source: [Zawya](#)

### Flydubai is the fastest growing UAE and the largest in the region

Flydubai has recorded the fastest growth in seat capacity from Europe to the Middle East during the 2018 summer season, according to a recent report by the Asia-Pacific Center (KAPA).

Source: [Mubasher](#)

### UK injunction restricts Dana Gas dividends in \$700 mln sukuk dispute

United Arab Emirates energy firm Dana Gas said on Sunday it had received a new injunction from the English High Court restricting its ability to pay dividends or increase its debt.

Source: [Reuters](#)

### UAE to remain attractive destination for foreign investment

The UAE, which has topped the Arab countries in terms of attracting new foreign investment projects, will continue to attract quality investments that serve its development objectives and achieve value-addition to the national economy, Sultan bin Saeed Al Mansouri, UAE Minister of Economy, said.

Source: [Zawya](#)

### Adnoc Distribution to expand into Dubai and Saudi Arabia in 2018

Adnoc Distribution, the UAE's biggest fuel distributor and convenience store operator, will open its first service stations in Dubai and Saudi Arabia this year, an expansion boosted by the removal of subsidies on fuel.

Source: [The National](#)

### Qatar announces comeback deal

The State of Qatar is set to make its first foray into the international bond markets since a spat with Doha's Gulf neighbors erupted last year. Qatar will meet investors in the UK and US from April 9 to April 11 ahead of issuing issue five, 10 and 30-year US dollar notes.

Source: [Reuters](#)

### Bursa Kuwait indices rise for 1st time since segmentation

Bursa Kuwait indices rose collectively at the closing of Sunday's trading session, registering the first green close since the segmentation of the market earlier this month.

Source: [Mubasher](#)

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### **Bursa Kuwait shows similar pre-segmentation trend Sunday – Analysis**

The indices of Bursa Kuwait closed Sunday's trading session in green territory in spite of thin liquidity and shrunk trading volume, narrowing down last week's losses, in line with launching the new indices, head of the training department at FXTM Company Nawaf Al Oun told Mubasher.

Source: [Mubasher](#)

### **Middle East Emerges as Possible Energy Winner in U.S.-China Spat**

The Middle East is emerging as a potential beneficiary of the brewing trade war between the U.S. and China as the Asian nation strikes back with retaliatory tariffs on American petrochemical products.

Source: [Bloomberg](#)

### **Warba Insurance sells stake in Al Arabia Co. at \$1.7m**

Warba Insurance on Sunday announced the sale of its entire stake in Al Arabia Company for Real Estate Development. The insurance company sold 100,000 shares in Al Arabia Co. for KWD 502,500 (\$1.7 million) to Bukhamseen Holding, according to the company's statement to Bursa Kuwait.

Source: [Mubasher](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **China is massively betting on coal outside its borders — even as investment falls globally**

China is still investing massively in coal projects outside its shores, notably in places linked to the Belt and Road project. One reason is to offload coal overcapacity as China cracks down on the polluting industry at home.

Source: [CNBC](#)

### **Stocks to retest correction lows as easy money disappears, Wall Street bear warns**

He's a Wall Street bear who sees more monster market moves coming — with the majority of them leaving stocks deep in the red. The Bleakley Advisory Group's Peter Boockvar warns there's more trouble brewing, because the era of easy money is ending, thanks to global central banks hiking borrowing costs.

Source: [CNBC](#)

### **No NAFTA deal in principle to be announced at Lima summit: sources**

Talks to rework the North American Free Trade Agreement (NAFTA) are not advanced enough for the United States, Mexico and Canada to announce a deal "in principle" at this month's Summit of the Americas in Lima, according to two people familiar with matter.

Source: [Reuters](#)

## **COMMODITIES NEWS**

### **Oil steadies after Friday's falls, but trade disputes still weigh**

Oil markets stabilised on Monday after slumping around 2 percent last Friday on the back of concerns of an intensifying trade dispute between the United States and China, as well as increased U.S. drilling activity.

Source: [Economic Times](#)

### **Gold slips as dollar firms, but trade war fears persist**

Gold prices fell slightly in early Asian trade on Monday as the dollar firmed on signs of easing tensions between the United States and North Korea, although the bullion was underpinned by continued concerns over U.S.-China trade spat.

Source: [Reuters](#)

### MSM Net Profit OMR, '000

	1Q'17	4Q'17	1Q'18	QoQ	YoY
OMAN REFRESHMENT CO	1,429	2,990	1,844	-38.3%	29.0%
NATIONAL MINERAL WATER	(98)	2,295	61	-97.3%	162.2%
PACKAGING CO LTD	341	(5)	46	1108.7%	-86.4%
HOTELS MANAGEMENT CO INTERNA	1,241	1,262	1,650	30.7%	32.9%
SAHARA HOSPITALITY	625	644	534	-17.1%	-14.6%
MAJAN COLLEGE	436	502	458	-8.8%	5.0%
OMAN EDUCATION & TRAINING IN	258	597	571	-4.2%	121.8%
OMAN NATIONAL ENGINEERING AN	454	364	213	-41.6%	-53.2%

Source: Bloomberg, U Capital

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