

U Capital Morning Brief

10 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	924.42	-4.06	-0.44%	-5.12%	-	-	-
U Capital GCC 50 Index	1,262.40	9.92	0.79%	10.29%	-	-	-
U Capital MENA 200 Index	1,059.56	5.41	0.51%	6.48%	-	-	-
MSCI GCC Countries Index	519.69	2.17	0.42%	8.32%	14.55	1.64	4.0%
Muscat Securities Market	4,827.89	6.70	0.14%	-5.32%	12.43	1.02	5.0%
Saudi Stock Exchange	7,975.45	7.01	0.09%	10.37%	17.54	1.76	3.2%
Kuwait Stock Exchange	4,862.93	-11.22	-0.2%	NA	14.89	1.18	4.7%
Qatar Exchange	8,936.77	154.94	1.76%	4.85%	13.31	1.29	4.9%
Bahrain Stock Exchange	1,287.41	2.92	0.23%	-3.33%	8.71	0.79	6.4%
Dubai Financial Market	3,082.13	11.04	0.36%	-8.54%	10.86	1.12	5.9%
Abu Dhabi Exchange	4,665.24	62.36	1.35%	6.07%	11.98	1.32	5.1%
Beirut Stock Exchange	1,182.79	0.00	0.00%	2.98%	5.96	0.73	7.5%
Palestine Stock Exchange	557.08	-2.48	-0.44%	-3.05%	13.46	1.13	5.2%
Tunis Se Index	7,140.61	-42.97	-0.60%	13.67%	20.22	2.77	1.9%
EGX 30 Index	17,410.59	-99.06	-0.57%	15.92%	15.11	2.29	1.9%
Amman General Index	2,230.81	15.70	0.71%	4.89%	15.28	1.10	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,194.8	0.15%	-6.4%
DAX	Germany	12,261.8	0.17%	-5.1%
CAC 40	France	5,263.4	0.10%	-0.9%
United States				
DJIA	USA	23,979.1	0.19%	-3.0%
S&P 500	USA	2,613.2	0.33%	-2.3%
NASDAQ	USA	6,950.3	0.51%	0.7%
Asia Pacific				
NIKKEI 225	Japan	21,832.6	0.71%	-4.1%
HANG SENG	Hongkong	30,574.5	1.14%	2.2%
KSE 100 Index	Pakistan	46,599.8	0.06%	15.1%
NSE Nifty 50	India	10,423.2	0.42%	-1.0%
SHANGHAI COMPOSITE	China	3,154.3	0.51%	-4.6%
SHANGHAI SHENZHEN CSI 300	China	3,879.5	0.69%	-3.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.773	1.294
British Pound (GBP)	1.413	0.708
Canadian Dollar (CAD)	0.788	1.269
Chinese Renminbi (CNH)	0.159	6.292
Egyptian Pound (EGP)	0.057	17.689
Euro (EUR)	1.232	0.812
Indian Rupee (INR)	0.015	60.655
Japanese Yen (JPY)	0.009	107.100
New Zealand Dollar (NZD)	0.733	1.365
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.866	115.618
Russian Ruble (RUB)	0.017	64.908
Singapore Dollar (SGD)	0.763	1.311
Turkish Lira (TRY)	0.246	4.070

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	69.0	0.54%	4.9%
WTI Crude (per bbl)	63.8	0.63%	5.6%
Oman Crude Oil (Last Closing)	65.9	2.41%	2.9%
OPEC (per bbl)	64.8	-0.55%	0.5%
Precious Metals			
Gold100 OZ (per oz)	1,333.7	-0.20%	2.4%
Silver (per oz)	16.5	-0.16%	-2.8%
Platinum (per oz)	935.0	0.25%	0.5%
Other Metals			
Copper, MT	6,830	0.90%	-5.8%
Aluminium, MT	2,139	4.75%	-5.7%
Lead, MT	2,385	-0.33%	-4.1%
Zinc, MT	3,211	-0.65%	-3.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.46	37.2%
Saudi Arabia	2.29	21.0%
Kuwait	2.00	6.7%
Oman	2.15	12.6%
Qatar	2.66	0.6%
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	99.84	2.4
5 year	99.45	2.6
10 year	99.56	2.8
30 year	99.38	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

Foundation stone laid for \$1bn Salalah projects

Oman Oil Company (OOC), the Sultanate's investment arm in the oil and gas sector and energy-related projects, celebrated laying the foundation stone for both the Salalah LPG and the Salalah Ammonia projects.

Source: [Oman Observer](#)

MSM signs MoU to develop capital market sector in Oman

Muscat Securities Market (MSM) and London-based Hayat Capital signed a memorandum of understanding (MoU) to provide advisory services for the development of the capital market sector in the Sultanate.

Source: [Oman Observer](#)

OMAN INFLATION INCHES UP IN MARCH

Oman's annual inflation – based on consumer price index (CPI) – marginally increased by 0.1 per cent in March compared to the same month inflation rate in the previous year, according to the statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Muscat Daily](#)

The Sultanate Takes Part in Annual Investment Meeting in Dubai

The Sultanate represented by the Ministry of Commerce and Industry has taken part in the three-day Dubai Annual Investment Meeting, which started today under the theme ' World Leaders Dialogue: Sustainable Development Management Through Foreign Direct Investment (FDI).

Source: [Oman News Agency](#)

Official of French Tourism Companies Commend Sultanate's Tourism Potential

Representatives of more than 200 French tour operators participating in the ninth meeting of the French Selector International company expressed their admiration for the tourist attractions of the Sultanate's governorates.

Source: [Oman News Agency](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

UAE most diversified economy in the region

The UAE remains the most diversified economy in the region and introduction of value added tax (VAT) is a step in right direction, said David Mann, global chief economist of Standard Chartered Bank, in Dubai on Monday at the launch of its global focus report.

Source: [Zawya](#)

As Crown Prince visits, Saudi Aramco to sign \$10bln of deals in France

Saudi Aramco will sign eight deals worth \$10 billion with French firms on Tuesday, the chief executive of the state-run oil giant said on Monday - the main contracts expected to be sealed during Crown Prince Mohammed bin Salman's visit to France.

Source: [Zawya](#)

Stake sale in Al Arabia Co meets cost price - Warba Insurance

Kuwait-based Warba Insurance on Monday announced it had completed the sale of its entire stake in Al Arabia Company for Real Estate Development at cost price.

Source: [Mubasher](#)

GCC economies to see revival in GDP growth in 2018

Broad-based pick-up in economic growth is expected across Gulf Cooperation Council (GCC) countries in 2018, with most economies seeing an uptick, according to economists at Standard Chartered.

Source: [Gulf News](#)

Amanat looks to invest outside GCC

Dubai-listed investment company Amanat Holdings says its new strategy will focus exclusively on healthcare and education sectors, but it will look beyond the Gulf Cooperation Council (GCC).

Source: [Gulf News](#)

EU, GCC two-way trade peaks at EUR143bn

Two-way trade between GCC countries and the European Union has exceeded EUR143bn in recent years, according to a senior official of the European Union visiting the UAE to attend the Annual Investment Meeting taking place in Dubai from April 9 to 11, 2018.

Source: [CBN ME](#)

Kuwait to become first GCC state to impose remittance tax

A bill to impose a tax on remittances by expatriates based upon their income levels has been approved by the Parliamentary Financial and Economic Affairs Committee of Kuwait.

Source: [Times of Oman](#)

Qatar's Got Enough Bond Friends to Shrug off Sanctions

The rumblings that Qatar would return to international bond markets after a hiatus of nearly two years have been going on for some time, and as Gadfly noted in October, the nation was conspicuous by its absence from a debt sale bonanza in the region.

Source: [Bloomberg](#)

Kuwait economy: Quick View - Kuwaiti economy contracted by 2.9% in 2017

According to preliminary figures released by the Central Statistical Bureau (CSB), Kuwait's economy shrunk by 2.9% in 2017 in real terms. The oil sector, which accounted for about 56% of total GDP in 2017, fell by 8% year on year and undermined overall growth. The fall was due to a drop in oil production to 2.71m barrels/day (b/d) in 2017 from 2.88m b/d in 2016, as Kuwait complied with the OPEC oil output cut deal agreed in November 2016 to support weak crude oil prices. However, the non-oil sector expanded by 4.6% year on year, moderating after growth of 5.3% in 2016.

Source: [Bloomberg News Alert](#)

Bahrain Shale Find Should Put Oil Market on Notice

Bahrain discovered the first oil on the Arab side of the Gulf in 1932. It took a long time for the small island to find anything of similar significance, but its recent announcement of an enormous shale oil resource under its shallow waters should not be underestimated: Commercial offshore shale oil production would be a first for the worldwide industry.

Source: [Bloomberg News Alert](#)

UAE Cabinet approves \$3bn for social assistance

The UAE cabinet has approved \$3 billion (AED11bn) in worth of social assistance for all low-income groups over the next three years, to be divided up into a number of categories.

Source: [Arabian Business](#)

Qatar Fund Brings \$20 Billion Home to Help Banks in Boycott

Qatar's sovereign wealth fund has repatriated about \$20 billion to help support the country's banks and ease the impact of the ongoing Saudi Arabian-led boycott.

Source: [Bloomberg](#)

Dubai's non-oil private sector sees business improvement in March despite job shedding – Emirates NBD

The emirate of Dubai enjoyed an improvement in business conditions in its non-oil private sector in March. Output and new work registered a "sharp growth" supporting the emirate as a whole. Despite that, "employment slipped into contraction for the first time since February last year," according to a new report released on Monday.

Source: [Mubasher](#)

Egypt issues 2 billion in euro-denominated bonds

Egypt has raised 2 billion euros in a dual-tranche euro-denominated bond sale that closed on Monday, the finance ministry said in a statement, its first issue in the currency since it began tapping international markets.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Chinese A.I. start-up raises a record \$600 million in funding round led by Alibaba

China's SenseTime said Monday that it had broken the record for the largest venture capital investment in the AI industry. The firm provides facial-recognition technology that can be used for things like bank card verification.

Source: [CNBC](#)

Companies in Asia are scrambling to issue bonds, but many investors just aren't biting

Some companies in Asia, especially lesser known non-investment grade firms, are having a hard time generating interest in new bond issues, say asset managers. Deals are also getting smaller. Investors are staying away from longer-term bonds, given expectations of higher interest rates. In response, companies are offering better terms.

Source: [CNBC](#)

The stock market cannot figure out Trump's trade policy

The stock market famously hates uncertainty, and the White House is producing a lot of it these days. Investors are struggling to understand conflicting messages on US trade policy with China and President Trump's erratic tweets.

Source: [CNN Money](#)

COMMODITIES NEWS

Oil markets rise on hopes that U.S. trade spat with China may ease

Oil markets rose for a second day on Tuesday on hopes that a trade dispute between the United States and China, the world's two biggest crude consumers, may be resolved without greater damage to the global economy.

Source: [Reuters](#)

MSM Net Profit OMR, '000

Financial Sector	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%
AL-ANWAR CERAMIC TILES CO	549	407	369	-9.5%	-32.9%
PACKAGING CO LTD	341	(5)	46		-86.4%
HOTELS MANAGEMENT CO INTERNA	1,241	1,262	1,650	30.7%	32.9%
SALALAH PORT SERVICES	(1,020)	2,445	1,739	-28.9%	270.5%
OMAN NATIONAL ENGINEERING AN	454	364	213	-41.6%	-53.2%

Source: Bloomberg, U Capital

Note: Profit for the companies with Year-end in December

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