

# U Capital Morning Brief

11 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	920.01	-4.41	-0.48%	-5.57%	-	-	-
U Capital GCC 50 Index	1,259.95	-2.45	-0.19%	10.07%	-	-	-
U Capital MENA 200 Index	1,058.05	-1.51	-0.14%	6.33%	-	-	-
MSCI GCC Countries Index	519.44	-0.24	-0.05%	8.27%	14.55	1.65	4.0%
Muscat Securities Market	4,787.46	-40.43	-0.84%	-6.11%	12.32	1.01	5.0%
Saudi Stock Exchange	7,951.42	-24.03	-0.30%	10.03%	17.52	1.75	3.2%
Kuwait Stock Exchange	4,871.10	8.17	0.2%	NA	14.97	1.19	4.7%
Qatar Exchange	9,007.23	70.46	0.79%	5.68%	13.40	1.31	4.9%
Bahrain Stock Exchange	1,287.96	0.55	0.04%	-3.29%	8.71	0.79	6.4%
Dubai Financial Market	3,089.80	7.67	0.25%	-8.32%	10.88	1.12	5.9%
Abu Dhabi Exchange	4,711.84	46.60	1.00%	7.13%	12.10	1.33	5.0%
Beirut Stock Exchange	1,182.35	-0.44	-0.04%	2.94%	5.96	0.73	7.5%
Palestine Stock Exchange	557.45	0.37	0.07%	-2.98%	13.47	1.13	5.2%
Tunis Se Index	7,030.93	-109.68	-1.54%	11.92%	19.67	2.71	2.0%
EGX 30 Index	17,697.32	286.73	1.65%	17.83%	15.36	2.33	1.8%
Amman General Index	2,214.30	-16.51	-0.74%	4.12%	15.16	1.09	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,266.8	1.00%	-5.5%
DAX	Germany	12,397.3	1.11%	-4.0%
CAC 40	France	5,307.6	0.84%	-0.1%
<b>United States</b>				
DJIA	USA	24,408.0	1.79%	-1.3%
S&P 500	USA	2,656.9	1.67%	-0.6%
NASDAQ	USA	7,094.3	2.07%	2.8%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	21,713.3	-0.39%	-4.6%
HANG SENG	Hongkong	30,995.3	0.86%	3.6%
KSE 100 Index	Pakistan	46,706.0	0.49%	15.4%
NSE Nifty 50	India	10,376.2	-0.25%	-1.5%
SHANGHAI COMPOSITE	China	3,217.5	0.85%	-2.7%
SHANGHAI SHENZHEN CSI 300	China	3,956.3	0.74%	-1.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.775	1.290
British Pound (GBP)	1.419	0.705
Canadian Dollar (CAD)	0.794	1.260
Chinese Renminbi (CNH)	0.159	6.276
Egyptian Pound (EGP)	0.057	17.675
Euro (EUR)	1.237	0.809
Indian Rupee (INR)	0.015	63.044
Japanese Yen (JPY)	0.009	107.050
New Zealand Dollar (NZD)	0.735	1.360
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	65.093
Singapore Dollar (SGD)	0.764	1.309
Turkish Lira (TRY)	0.243	4.116

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	70.7	-0.46%	7.5%
WTI Crude (per bbl)	65.3	-0.31%	8.1%
Oman Crude Oil (Last Closing)	68.1	3.37%	6.4%
OPEC (per bbl)	65.1	0.42%	1.0%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,342.1	0.21%	3.0%
Silver (per oz)	16.6	-0.01%	-2.1%
Platinum (per oz)	932.3	0.23%	0.2%
<b>Other Metals</b>			
Copper, MT	6,945	1.68%	-4.2%
Aluminium, MT	2,201	2.90%	-3.0%
Lead, MT	2,392	0.29%	-3.8%
Zinc, MT	3,243	1.00%	-2.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.41	34.0%
Saudi Arabia	2.30	21.4%
Kuwait	2.00	6.7%
Oman	2.15	12.6%
Qatar	2.65	0.0%
Bahrain	3.06	12.3%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.8
Abu Dhabi	10/11/2027	3.9
Qatar	6/2/2026	4.1
Saudi Arabia	3/4/2028	4.3
Oman	1/17/2028	5.9
Bahrain	10/12/2028	7.2

Midswaps	Price	YTM %
3 year	99.80	2.4
5 year	99.45	2.6
10 year	99.64	2.8
30 year	99.75	3.0

USD Libor	Rate (%)	YTD
1m	1.90	21.3%
3m	2.34	38.0%
6m	2.47	34.5%
1 year	2.70	28.3%

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### Oman crude jumps 3% as Brent rises to \$70

The price of Oman crude jumped by nearly three per cent to US\$66.64 per barrel at the Dubai Mercantile Exchange (DME) on Tuesday. A DME statement said that the price of Oman crude rose by US\$1.92 or 2.96 per cent on Tuesday from Monday's price at US\$64.72 per barrel, Oman News Agency reported.

Source: [Muscat Daily](#)

### Watchdog claws back over OMR59,000 for consumers

Over OMR59,000 has been recovered by the consumer watchdogs so far in 2018, from five areas. The Public Authority for Consumer Protection (PACP) managed to recover OMR59,255 for consumers in Barka, Rustaq, Seeb, Izki and Dhahira within the first four months of this year.

Source: [Times of Oman](#)

### Remittances from Oman set to rise

Oman has always been one of the top destinations that has continued to attract employment seekers from across the world. This, in turn, means a hot remittance "send" market. In fact, outward remittances from the country as a fraction of total GDP are among the highest globally. Remittances to developing countries are expected to rise by 3.7% in 2018 and Instant Cash,

Source: [Times of Oman](#)

### Majlis Ash'shura Office meets

The Majlis Ash'shura Office held its thirteenth meeting of the third annual sitting (2017-2018) of the eighth term under the chairmanship of Khalid bin Hilal al Maawali, Chairman of Majlis Ash'shura.

Source: [Oman Observer](#)

### Omani-Qatari joint entrepreneurs meeting begins in Doha today

The Omani-Qatari joint entrepreneurs meeting begins today in the Qatari capital Doha under the patronage of Dr Mohammed bin Saleh al Sada, Minister of Energy and Industry in the State of Qatar.

Source: [Oman Observer](#)

### Duqm projects to ignite new opportunities for Oman Shipping

Oman Shipping Company (OSC), the nation's principal marine transportation services provider, is keenly eyeing opportunities associated with multibillion dollar investments in a mega refinery and proposed petrochemicals cluster planned in Duqm Special Economic Zone (SEZ).

Source: [Oman Observer](#)

### Raysut Cement inaugurates new packing facility

Raysut Cement Company, the largest producer of cement in Oman, on Tuesday announced the commencement of operations of its new state-of-the-art fully automatic packing facility.

Source: [Muscat Daily](#)

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

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Moody's: GCC Islamic banks more profitable than conventional peers for second year running in 2017

The profitability of Islamic banks' in the Gulf cooperation Council (GCC) region will outpace that of their conventional peers for the second consecutive year in 2017 on the back of stronger margins and resilient cost of risk, says Moody's Investors Service in a report published today. Islamic banks became more profitable than their conventional counterparts did in 2016 after trailing for five years.

Source: [Moody's](#)

### Saudis Are Said to Start Bond Sale as Qataris Meet Investors

Saudi Arabia will probably beat Qatar, its neighbor and political rival, to the international debt market with a three-part dollar bond sale as it seeks to fund its budget deficit.

Source: [Bloomberg](#)

### Saudi banks' loan growth to start upward trend in 2018: SABB chief

Bank lending to the private sector in Saudi Arabia will steadily return to growth in 2018, backed by higher oil prices and increased government spending, the managing director of Saudi British Bank (SABB) 1060.SE told Reuters.

Source: [Reuters](#)

### Sharjah FDI hits \$1.6bn; GDP surges 5% in 2017

Sharjah's foreign direct investment (FDI) in a range of sectors skyrocketed 102% year-on-year in 2017, registering \$1.622 billion (AED 5.97 billion), Sharjah FDI Office (Invest in Sharjah), the investment promotion arm of the emirate's government, has said.

Source: [Mubasher](#)

#### **Dubai unveils FDI initiative for sustainable activities**

Dubai announced on Tuesday the launch of a global initiative aimed at channelling foreign direct investment (FDI) to sustainable development activities to help economies to benefit from.

Source: [Zawya](#)

#### **SACO eyes new stores openings, GCC expansion: CEO**

Saudi Company for Hardware (SACO) seeks to open around 14 new stores over the next three years, with four set to open in 2018, chief executive Sameer Al-Hamidi told Argam.

Source: [Argam](#)

#### **Tadawul to apply 'Market Making' Program by H1-end, says CEO**

The Saudi Stock Exchange (Tadawul) will implement the Market Making (MM) Program by the end of H1 2018, in addition to restructuring the market fees to boost liquidity, Al-Eqtisadiyah newspaper reported, citing Khalid Al Hussan, Tadawul's chief executive officer.

Source: [Argam](#)

#### **Saudi Arabia Raises \$11 Billion in Biggest EM Bond Sale of 2018**

Saudi Arabia beat estranged neighbor Qatar to the bond market, raising \$11 billion in the biggest dollar sale by an emerging market sovereign this year. The government sold \$4.5 billion worth of bonds due in 2025 at 140 basis points over similar-maturity U.S. Treasuries, \$3 billion of notes maturing in 2030 at 175 basis points over the similar benchmark and \$3.5 billion of 2049 bonds at 210 basis points.

Source: [Bloomberg](#)

#### **Unit 1 of UAE's Barakah power plant nears completion**

Construction works for Unit 1 of the UAE's Barakah Nuclear Energy Plant are nearing completion. Emirates Nuclear Energy Corporation (ENEC), which is developing the nuclear energy plant, said preparation is progressing as plan to achieve operational readiness for Unit 1, which is more than 96% complete.

Source: [Construction Week](#)

#### **DP World Sokhna inaugurates new EGP 3m customer service centre**

DP World Sokhna inaugurated a new customer service centre worth EGP 3m in Ain Sokhna. The announcement came at a ceremony attended by Mafouz Taha, vice chairperson of the Suez Canal Economic Zone and Xi Manding, managing director of Cosco Shipping Lines Egypt.

Source: [Egypt News](#)

#### **TASI falls, Nomu marks all-time high in 2018 Tuesday**

The Saudi Stock Exchange's Tadawul All Share Index (TASI) fell 0.3% or 24.03 points to close Tuesday's session at 7,951.42 points. By the end of the mid-week session, TASI's traded volume stood at 161.69 million shares, against 215.74 million on Monday, while liquidity tumbled to SAR 3.98 billion, from SAR 4.93 billion.

Source: [Mubasher](#)

#### **Aramco, France's Total ink \$5.2bn petrochemical complex in Saudi**

Saudi Aramco and French oil major Total signed a memorandum of understanding (MoU) for SAR 19.5 billion (\$5.2 billion) to establish a large petrochemical complex in the Kingdom.

Source: [Mubasher](#)

#### **Saudi firms ink \$12bn deals with French peers - Aramco**

State oil giant Saudi Aramco said that Saudi companies have signed eight agreements and memorandums of understanding (MoUs) with French counterparts at a combined value of \$12 billion.

Source: [Mubasher](#)

#### **Egypt plans deep cuts in energy subsidies, increases for food**

Egypt plans to cut fuel subsidies by a quarter and nearly halve those for electricity in the financial year starting in July, but will raise food subsidies slightly, a government document said, in a move that would reduce budget costs by \$2.4 billion.

Source: [Reuters](#)

### **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

#### **Fed's Kaplan projects 2 more rate hikes in 2018**

Robert Kaplan, President of the Federal Reserve Bank of Dallas, said he expects the bank to increase interest rate two more times in 2018. "2018 will be a relatively solid year for GDP growth," Kaplan said in an interview with Bloomberg TV interview from Beijing.

Source: [Mubasher](#)

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### **China's factory and consumer inflation in March slows in a sign of ebbing economic growth**

The producer price index (PPI) rose 3.1 percent in March from a year earlier, compared with 3.7 percent in February, the National Bureau of Statistics (NBS) said. The consumer price index (CPI) rose 2.1 percent from a year earlier, below expectations of 2.6 percent and slowing from February's gain of 2.9 percent. The core CPI, which strips out volatile food and energy prices, rose 2.0 percent in March, down from 2.5 percent in February.

Source: [CNBC](#)

### **China's Xi announces plans to 'open' China, including lowering tariffs on imported autos**

President Xi Jinping announces plans to open up China's economy, including lowering tariffs for autos and enforcing the legal intellectual property of foreign firms. Xi outlines his plans at the Boao Forum for Asia on the same day the World Trade Organization said China filed a complaint challenging President Donald Trump's tariffs on imported steel and aluminum.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil dips on rising U.S. supplies**

Oil prices on Wednesday eased away from 2014 highs reached the previous session as escalating Middle East tensions were offset by increasing inventories and production in the United States.

Source: [Reuters](#)

### **IEA: Five-Year Average Oil Market Balance Within Sight**

The oil market balance as OPEC and allies set in their production cut deal—bringing inventories down to their five-year average—could be reached in two or three months or so, Neil Atkinson, head of the International Energy Agency's (IEA) oil industry and markets division, told Bloomberg Daybreak: Europe on Tuesday.

Source: [Oil Price](#)

### **Gold scores back-to-back bounce, buoyed by geopolitical tensions**

Gold prices climbed Monday, for a second session in a row, as U.S. tensions with Russia and China raised the metal's investment appeal despite strength in the U.S. stock market.

Source: [Market Watch](#)

## MSM Net Profit OMR, '000

Industrial Sector	1Q'17	4Q'17	1Q'18	QoQ	YoY
NATIONAL BISCUIT INDUSTRIES	253	227	829	265.8%	227.7%
OMAN REFRESHMENT CO	1,429	2,990	1,844	-38.3%	29.0%
NATIONAL MINERAL WATER	(98)	2,295	61	-97.3%	162.2%
DHOFAR CATTLEFEED	(197)	(1,791)	(123)	93.1%	37.6%
<b>Food &amp; Beverage Industry Sub Sector</b>	<b>1,399</b>	<b>3,621</b>	<b>2,606</b>	<b>-28.0%</b>	<b>86.2%</b>
OMAN CHROMITE	102	200	143	-28.4%	40.1%
<b>Mining Sub Sector</b>	<b>102</b>	<b>200</b>	<b>143</b>	<b>-28.4%</b>	<b>40.1%</b>
AL-ANWAR CERAMIC TILES CO	549	407	369	-9.5%	-32.9%
<b>Construction Materials Support Sub Sector</b>	<b>549</b>	<b>407</b>	<b>369</b>	<b>-9.5%</b>	<b>-32.9%</b>
PACKAGING CO LTD	341	(5)	46	1108.7%	-86.4%
MAJAN GLASS COMPANY	(266)	(45)	(592)	-1211.5%	-122.5%
<b>Paper, Glass &amp; Packaging</b>	<b>75</b>	<b>(50)</b>	<b>(545)</b>	<b>-996.8%</b>	<b>-829.7%</b>
<b>Total Industrial Sector</b>	<b>2,126</b>	<b>4,179</b>	<b>2,573</b>	<b>-38.4%</b>	<b>21.0%</b>
Services Sector	1Q'17	4Q'17	1Q'18	QoQ	YoY
HOTELS MANAGEMENT CO INTERNA	1,241	1,262	1,650	30.7%	32.9%
SAHARA HOSPITALITY	625	644	534	-17.1%	-14.6%
<b>Tourism &amp; Hospitality Sub Sector</b>	<b>1,866</b>	<b>1,906</b>	<b>2,184</b>	<b>14.6%</b>	<b>17.0%</b>
SALALAH PORT SERVICES	(1,020)	2,445	1,739	-28.9%	270.5%
<b>Logistics Sub Sector</b>	<b>(1,020)</b>	<b>2,445</b>	<b>1,739</b>	<b>-28.9%</b>	<b>270.5%</b>
MAJAN COLLEGE	436	502	458	-8.8%	5.0%
OMAN EDUCATION & TRAINING IN	258	597	571	-4.2%	121.8%
<b>Education &amp; Training Sub Sector</b>	<b>693</b>	<b>1,098</b>	<b>1,029</b>	<b>-6.3%</b>	<b>48.4%</b>
OMAN NATIONAL ENGINEERING AN	454	364	213	-41.6%	-53.2%
SMN POWER HOLDING	(1,088)	1,971	1,088	-44.8%	200.0%
<b>Energy Sub Sector</b>	<b>(634)</b>	<b>2,335</b>	<b>1,301</b>	<b>-44.3%</b>	<b>305.2%</b>
RENAISSANCE SERVICES	(2,483)	(27,014)	668	102.5%	126.9%
<b>Diversified Services Sub Sector</b>	<b>(2,483)</b>	<b>(27,014)</b>	<b>668</b>	<b>102.5%</b>	<b>126.9%</b>
<b>Total Services Sector</b>	<b>(1,577)</b>	<b>(19,230)</b>	<b>6,920</b>	<b>136.0%</b>	<b>538.7%</b>
<b>Total Market</b>	<b>548</b>	<b>(15,051)</b>	<b>9,493</b>	<b>163.1%</b>	<b>1631.9%</b>

Source: Bloomberg, U Capital

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



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