

U Capital Morning Brief

12 April 2018

Market Indices	Current Close		Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	Point	%	%	(x)	(x)	%
U Capital Oman 20 Index	921.13	1.12	0.12%	-5.46%	-	-	-	-
U Capital GCC 50 Index	1,254.30	-5.65	-0.45%	9.58%	-	-	-	-
U Capital MENA 200 Index	1,055.15	-2.90	-0.27%	6.03%	-	-	-	-
MSCI GCC Countries Index	515.36	-4.09	-0.79%	7.42%	14.39	1.63	4.1%	
Muscat Securities Market	4,789.63	2.17	0.05%	-6.07%	12.33	1.01	5.0%	
Saudi Stock Exchange	7,802.74	-148.68	-1.87%	7.98%	17.22	1.72	3.3%	
Kuwait Stock Exchange	4,889.05	17.95	0.4%	NA	15.03	1.19	4.7%	
Qatar Exchange	9,015.15	7.92	0.09%	5.77%	13.41	1.32	4.9%	
Bahrain Stock Exchange	1,288.82	0.86	0.07%	-3.22%	8.72	0.79	6.3%	
Dubai Financial Market	3,132.97	43.17	1.40%	-7.04%	11.05	1.14	5.8%	
Abu Dhabi Exchange	4,689.74	-22.10	-0.47%	6.62%	12.04	1.33	5.0%	
Beirut Stock Exchange	1,173.79	-8.56	-0.72%	2.20%	5.92	0.73	7.7%	
Palestine Stock Exchange	555.92	-1.53	-0.27%	-3.25%	13.43	1.13	5.3%	
Tunis Se Index	7,011.95	-18.98	-0.27%	11.62%	19.48	2.69	2.0%	
EGX 30 Index	17,943.96	246.64	1.39%	19.47%	15.57	2.37	1.8%	
Amman General Index	2,217.81	3.51	0.16%	4.28%	15.20	1.09	4.7%	

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,257.1	-0.13%	-5.6%
DAX	Germany	12,294.0	-0.83%	-4.8%
CAC 40	France	5,277.9	-0.56%	-0.7%
United States				
DJIA	USA	24,189.5	-0.90%	-2.1%
S&P 500	USA	2,642.2	-0.55%	-1.2%
NASDAQ	USA	7,069.0	-0.36%	2.4%
Asia Pacific				
NIKKEI 225	Japan	21,663.2	-0.11%	-4.8%
HANG SENG	Hongkong	30,827.9	-0.23%	3.0%
KSE 100 Index	Pakistan	46,576.7	0.19%	15.1%
NSE Nifty 50	India	10,428.5	0.11%	-1.0%
SHANGHAI COMPOSITE	China	3,189.0	-0.60%	-3.6%
SHANGHAI SHENZHEN CSI 300	China	3,911.9	-0.67%	-3.0%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Currency		
Australian Dollar (AUD)	0.775	1.291
British Pound (GBP)	1.417	0.706
Canadian Dollar (CAD)	0.794	1.259
Chinese Renminbi (CNH)	0.159	6.276
Egyptian Pound (EGP)	0.057	17.676
Euro (EUR)	1.236	0.809
Indian Rupee (INR)	0.015	62.602
Japanese Yen (JPY)	0.009	106.900
New Zealand Dollar (NZD)	0.736	1.359
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	65.390
Singapore Dollar (SGD)	0.764	1.310
Turkish Lira (TRY)	0.242	4.136

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	72.2	0.25%	9.8%
WTI Crude (per bbl)	67.1	0.40%	11.0%
Oman Crude Oil (Last Closing)	69.0	1.25%	7.8%
OPEC (per bbl)	67.0	2.87%	3.9%
Precious Metals			
Gold100 OZ (per oz)	1,349.6	-0.28%	3.6%
Silver (per oz)	16.6	-0.26%	-1.8%
Platinum (per oz)	927.2	-0.45%	-0.4%
Other Metals			
Copper, MT	6,950	0.07%	-4.1%
Aluminium, MT	2,250	2.23%	-0.8%
Lead, MT	2,409	0.71%	-3.2%
Zinc, MT	3,238	-0.15%	-2.4%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.40	33.8%
Saudi Arabia	2.31	21.9%
Kuwait	2.06	10.0%
Oman	2.15	12.6%
Qatar	2.66	0.4%
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	4.2
Oman	1/17/2028	6.0
Bahrain	10/12/2028	7.3

Midswaps	Price	YTM %
3 year	99.80	2.4
5 year	99.48	2.6
10 year	99.77	2.8
30 year	100.14	3.0

USD Libor	Rate (%)	YTD
1m	1.89	21.1%
3m	2.34	38.1%
6m	2.47	34.3%
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

Freezones and industrial estates poised to be future income sources for Oman

Freezones and the economic zone of Duqm, the industrial cities and the main ports of Suhar, Salalah and Duqm possess great potential for huge foreign investments and are all poised to be sources of major national income in future, according to Yahya bin Saeed al Jabri (pictured), Chairman of the Special Economic Zone at Duqm (SEZAD).

Source: [Oman Observer](#)

GDP SET TO GROW BY 3.5 PER CENT

Oman's GDP will grow by more than 3.5 per cent, while the economy will grow at a greater pace, Dr Ali bin Masoud al Sunaidy, Minister of Commerce and Industry, has said. Speaking at Oman Economic and Free Zone Summit 2018, organised by the Special Economic Zone of Duqm (SEZAD) and Free Zone Watch (FZW) here on Wednesday.

Source: [Oman Observer](#)

Health cover for all is on the way in Oman

Medical insurance will become mandatory in Oman's private sector, but it will take time to implement fully, according to a senior member of the Oman Chamber of Commerce and Industry.

Source: [Times of Oman](#)

OMAN INVESTMENT AND FINANCE: Award of Contract for Recovery and Defaulters Management Services

Muscat Electricity Distribution Company SAOC (MEDC) has awarded to OIFC the contract No. 17/2017 for recovery and defaulters management services at Zone 3 (Wilyat Seeb), through their letter 10th April 2018 we received today. The contract value is R.O. 1,055,340 and the duration of the contract is three (3) years with effect from 16 April 2018 to 15 April 2021. OIFC expects reasonable profits out of this contract.

Source: [MSM](#)

Fixed broadband subscription surges 5.5% in first two months: NCSI

The sultanate's fixed broadband Internet subscription surged by 5.5 per cent to 368,046 in the first two months of 2018. The total number of Internet subscribers in the sultanate, excluding active mobile broadband services, rose by 5.4 per cent to 370,428 during January-February, according to the latest data released by the National Centre for Statistics and Information (NCSI).

Source: [Muscat Daily](#)

SME registrations slip 34% from Jan-Feb this year: NCSI

The new registrations of small and medium enterprises (SMEs) in the sultanate witnessed a marked fall from January-February compared to the same period last year.

Source: [Muscat Daily](#)

Growing trade links to open opportunities for Oman companies

The strengthened air and maritime links between Qatar and Oman has opened up more business opportunities for Omani companies, especially in the industry, transport and food security, which could aid the growth and development of both the economies, according to a top official of Manateq (Economic Zones Company, Qatar).

Source: [Gulf Times](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

DXB ENTERTAINMENTS SAYS 1Q VISITS AT 851K

Visits at 851k in 1Q vs 796k a year ago, DXB Entertainments says in statement to Dubai stock exchange.

* Expects warmer 2Q to deliver lower visitation than the cooler months of 1Q

** Sees 4Q delivering the highest numbers due to peak tourist season

** "Visitor numbers are steadily increasing as we continue to focus on our core markets of GCC residents, annual pass holders and international visitation"

Source: [Bloomberg News Alert](#)

Brief: Emaar Properties (EMAAR UH) May Sell Shares in India, Hotel Units Within Three Years

Source: [Bloomberg News Alert](#)

Air Arabia starts direct flights from Egypt's Sohag to Kuwait

The low-cost carrier Air Arabia Egypt has launched its direct flights from the Egyptian governorate Sohag to Kuwait. This step comes in line with Air Arabia Egypt's strategy to expand its destinations network to reach several areas in the region, according to a recent statement.

Source: [Mubasher](#)

Dana Gas plans to raise production in Iraqi Kurdistan

Mohammed Head of Investor Relations ovaries Dana Gas Company, said his company plans to increase its production of oil and gas condensate in the Kurdistan region of Iraq between 20 to 25 %. He added that the increase in production in Iraqi Kurdistan will be by the end of this year or early 2019 at the latest after the completion of the expansion of gas treatment facilities and the rehabilitation of wells producing oil, according to the newspaper.

Source: [Mubasher](#)

Saudi Arabia completes pricing for \$11bln bond issue

Saudi Arabia's ministry of finance has completed the "successful pricing" of \$11 billion in bonds split into three tranches, it said on Wednesday. The transaction was the kingdom's third international issuance under its global medium-term note programme. It issued \$4.5 billion in seven-year notes, \$3 billion in 12-year notes and \$3.5 billion in 31-year notes.

Source: [Zawya](#)

Qatar economy 'more accessible' to world post-blockade, says Sheikh Ahmed

The blockade on Qatar since June 2017 has presented the country with an opportunity to make its economy "more accessible to the world, and bolster its trade relations," particularly with the US, said HE the Minister of Economy and Commerce Sheikh Ahmed bin Jassim bin Mohamed al-Thani.

Source: [Gulf Times](#)

Rising oil prices to ease funding pressures on GCC banks: Moody's

Funding pressure on banks in the Gulf Cooperation Council (GCC) countries is easing as government deposits increase in the wake of rising oil prices, Moody's Investors Service said in a new report.

Source: [Argaam](#)

Worst behind, UAE economy returning to growth

The UAE has been resilient to the impact of the prolonged oil price slump. Following the recent rise in oil prices to over \$60 (Dh220) per barrel, there is a sense that the worst is behind the UAE's economy and confidence is gradually returning, according to Institute of International Finance (IIF).

Source: [Gulf News](#)

UAE achieves '98.8 per cent VAT compliance': Federal Tax Authority

Nearly 100 per cent of companies in the UAE that were obliged to pay value added tax (VAT) have since registered to do so, according to Khalid Al Bustani, director general of the Federal Tax Authority (FTA).

Source: [Gulf News](#)

Saudi Aramco signed these 8 deals with French firms

Saudi Aramco signed on Tuesday a number of memorandums of understanding (MoUs) with French companies, including a deal with Total to build a petrochemical complex in Jubail worth \$9 billion.

Source: [Argaam](#)

UAE's Sharjah Islamic Bank launches \$500mln sukuk

United Arab Emirates' Sharjah Islamic Bank has launched \$500 million sukuk with a spread set at 150 basis points over mid-swaps, a document from one of the banks leading the deal showed.

Source: [Reuters](#)

Dubai's DAMAC starts marketing dollar sukuk in 6% area

Dubai real estate developer DAMAC has launched a \$400 million, five-year sukuk with a 6.625 percent yield, a document from one of the banks leading the Islamic bond issue showed. The sukuk was marketed on Wednesday with an initial price guidance in the 6 percent area.

Source: [Salaam Gateway](#)

Seef Properties awards Bahrain mixed-use project contract

Seef Properties, a leading integrated real estate company in Bahrain, has appointed Kuwaiti Manager Holding Company (KMC Holding) as the main contractor for its BD50.2-million (\$133 million) mixed-use development project 'Liwan.'

Source: [Zawya](#)

Kuwait's NBK has plans to increase stake in Islamic lender at right price- Sky News Arabia

National Bank of Kuwait (NBK) has plans to increase its stake in Islamic lender Boubyan Bank if there is an opportunity at the right price and time, NBK's chief executive Isam al-Sager was quoted as saying on Tuesday.

Source: [Reuters](#)

Egypt aims to issue dollar-denominated Eurobonds worth \$6-\$7 bln in 2018/19 –minister

Egypt aims to issue dollar-denominated Eurobonds worth \$6 to \$7 billion in the 2018/19 fiscal year that begins in July, finance minister Amr El Garhy said on Wednesday.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian markets largely lower amid global uncertainty

Asian stocks fell Thursday as Syria tensions and hawkish statements from the Federal Reserve prompted caution among investors while China's Commerce Ministry kept trade tensions simmering.

Source: [Market Watch](#)

Fed minutes: 'All' members see higher GDP and inflation, and more rate hikes

The Federal Open Market Committee released the minutes from its March meeting. The summary of the meeting noted that "all participants" expected both the economy to strengthen and inflation to rise "in coming months." There were some misgivings about the latest rate hike from "a couple" members. The group viewed a trade war as holding "downside risks" to the U.S. economy

Source: [CNBC](#)

World Bank raises 2018 East Asia growth forecast, says tighter policy likely needed

The World Bank on Thursday raised its growth forecast for East Asia and Pacific for 2018, but it said the region's economies may need to adopt tighter monetary policy and larger fiscal buffers to guard against short-term risks.

Source: [Zawya](#)

COMMODITIES NEWS

Gold off 11-week highs after Fed signals more U.S. rate hikes

Gold eased off multi-week highs on Thursday as minutes from the Federal Reserve's last policy meeting raised expectations of a faster pace of U.S. rate hikes, but concerns about possible U.S. military action against Syria limited losses.

Source: [Zawya](#)

Oil markets tense on Middle East crisis, but rising U.S. supplies weigh

Oil markets remained tense on Thursday on concerns of a military escalation in Syria, but prices were some way off Wednesday's 2014 highs as bulging American supplies weighed. Brent crude futures were at \$71.98 per barrel at 0016 GMT, down 8 cents from their last close.

Source: [Zawya](#)

UAE's ADNOC mulls downstream opportunities abroad with Aramco – sources

Abu Dhabi National Oil Co (ADNOC) is in talks with several partners, including Saudi Aramco, for possible downstream joint ventures abroad, particularly in Asia, industry sources with knowledge of the matter told Reuters. The Abu Dhabi state energy company wants to increase its crude refining capacity by 60 percent and boost petrochemical production.

Source: [Shafaqna](#)

Shale gas discoveries can alter Gulf's energy equations

The GCC states harbour in addition to their large oil wealth huge quantities of shale oil and gas, with the estimates ranging between 700-800 billion barrels. These vary in terms of depth and the cost of extraction from one region to another.

Source: [Gulf News](#)

MSM Net Profit OMR, '000

Financial Sector	1Q'17	4Q'17	1Q'18	QoQ	YoY
BANKMUSCAT SAOG	44,230	46,561	44,810	-3.8%	1.3%
Banking Sub Sector	44,230	46,561	44,810	-3.8%	1.3%
NATIONAL FINANCE CO	1,479	3,205	2,644	-17.5%	78.8%
Leasing Sub Sector	1,479	3,205	2,644	-17.5%	78.8%
FINANCIAL SERVICES CO.	89	(86)	30	135.4%	-66.0%
DHOFAR INTL DEVELOPMENT	11,190	3,433	2,086	-39.2%	-81.4%
AL SHARQIYA INVEST HOLDING	358	(101)	434	531.7%	21.1%
Investment & Brokerage Sub Sector	11,638	3,247	2,551	-21.4%	-78.1%
Total Financial Sector	57,347	53,013	50,005	-5.7%	-12.8%
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%
OMAN EUROPE FOODS INDUSTRIES	12	(99)	(5)	95.0%	-141.7%
DHOFAR CATTLEFEED	(197)	(1,791)	(123)	93.1%	37.6%
DHOFAR POULTRY	73	(28)	69	347.3%	-5.3%
Food & Beverage Industry Sub Sector	1,472	3,594	2,675	-25.6%	81.7%
OMAN CEMENT CO	2,212	1,945	3,240	66.6%	46.4%
Cement Sub Sector	2,212	1,945	3,240	66.6%	46.4%
OMAN CHROMITE	102	200	143	-28.4%	40.1%
AL-FAJAR AL-ALAMIA CO	(96)	904	589	-34.8%	715.8%
Mining Sub Sector	7	1,104	732	-33.7%	10989.4%
NATL ALUMINIUM PRODUCTS	(163)	355	342	-3.6%	309.8%
AL-ANWAR CERAMIC TILES CO	549	407	369	-9.5%	-32.9%
Construction Materials Support Sub Sector	386	762	711	-6.7%	84.0%
PACKAGING CO LTD	341	(5)	46	1108.7%	-86.4%
MAJAN GLASS COMPANY	(266)	(45)	(592)	-1211.5%	-122.5%
Paper, Glass & Packaging	75	(50)	(545)	-996.8%	-829.7%
Total Industrial Sector	4,152	7,354	6,812	-7.4%	64.1%

Services Sector	1Q'17	4Q'17	1Q'18	QoQ	YoY
GULF HOTELS (OMAN) CO LTD	588	701	854	21.9%	45.3%
AL BATINAH HOTELS	(115)	(58)	(100)	-72.6%	12.8%
HOTELS MANAGEMENT CO INTERNA	1,241	1,262	1,650	30.7%	32.9%
SAHARA HOSPITALITY	625	644	534	-17.1%	-14.6%
Tourism & Hospitality Sub Sector	2,339	2,549	2,938	15.3%	25.6%
SALALAH PORT SERVICES	(1,020)	2,445	1,739	-28.9%	270.5%
Logistics Sub Sector	(1,020)	2,445	1,739	-28.9%	270.5%
MAJAN COLLEGE	436	502	458	-8.8%	5.0%
OMAN EDUCATION & TRAINING IN	258	597	571	-4.2%	121.8%
Education & Training Sub Sector	693	1,098	1,029	-6.3%	48.4%
AL KAMIL POWER CO	4	722	427	-40.9%	10575.0%
OMAN NATIONAL ENGINEERING AN	454	364	213	-41.6%	-53.2%
SMN POWER HOLDING	(1,088)	1,971	1,088	-44.8%	200.0%
Energy Sub Sector	(630)	3,057	1,728	-43.5%	374.3%
RENAISSANCE SERVICES	(2,483)	(27,014)	668	102.5%	126.9%
Diversified Services Sub Sector	(2,483)	(27,014)	668	102.5%	126.9%
Total Services Sector	(1,100)	(17,865)	8,101	145.3%	836.3%
Total Market	60,399	42,502	64,918	52.7%	7.5%

Source: Bloomberg, U Capital

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



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