

# U Capital Morning Brief

23 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	914.61	0.90	0.10%	-6.13%	-	-	-
U Capital GCC 50 Index	1,294.44	11.24	0.88%	13.08%	-	-	-
U Capital MENA 200 Index	1,079.71	7.15	0.67%	8.50%	-	-	-
MSCI GCC Countries Index	534.14	-2.04	-0.38%	11.33%	14.88	1.70	3.9%
Muscat Securities Market	4,761.05	1.40	0.03%	-6.63%	11.87	1.01	5.1%
Saudi Stock Exchange	8,256.60	-20.54	-0.25%	14.26%	18.17	1.82	3.2%
Kuwait Stock Exchange	4,862.59	-8.69	-0.2%	NA	14.62	1.19	4.8%
Qatar Exchange	9,155.55	-41.07	-0.45%	7.42%	13.32	1.37	4.8%
Bahrain Stock Exchange	1,301.08	-0.32	-0.02%	-2.30%	8.81	0.80	6.3%
Dubai Financial Market	3,079.51	-2.58	-0.08%	-8.62%	10.63	1.14	5.9%
Abu Dhabi Exchange	4,682.47	-24.09	-0.51%	6.46%	12.02	1.33	5.1%
Beirut Stock Exchange	1,137.53	-0.29	-0.03%	-0.96%	5.73	0.70	8.6%
Palestine Stock Exchange	550.05	-0.35	-0.06%	-4.27%	13.42	1.12	5.5%
Tunis Se Index	7,161.37	28.45	0.40%	14.00%	18.61	2.49	1.9%
EGX 30 Index	17,898.09	117.07	0.66%	19.17%	22.18	2.35	1.8%
Amman General Index	2,174.08	-11.88	-0.54%	2.22%	15.92	1.07	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,368.2	0.54%	-4.2%
DAX	Germany	12,540.5	-0.21%	-2.9%
CAC 40	France	5,412.8	0.39%	1.9%
<b>United States</b>				
DJIA	USA	24,462.9	-0.82%	-1.0%
S&P 500	USA	2,670.1	-0.85%	-0.1%
NASDAQ	USA	7,146.1	-1.27%	3.5%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	22,103.8	-0.26%	-2.9%
HANG SENG	Hongkong	30,310.2	-0.36%	1.3%
KSE 100 Index	Pakistan	45,232.1	-0.05%	11.8%
NSE Nifty 50	India	10,592.4	0.27%	0.6%
SHANGHAI COMPOSITE	China	3,068.3	-0.11%	-7.2%
SHANGHAI SHENZHEN CSI 300	China	3,761.8	0.02%	-6.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.768	1.302
British Pound (GBP)	1.402	0.714
Canadian Dollar (CAD)	0.784	1.275
Chinese Renminbi (CNH)	0.159	6.292
Egyptian Pound (EGP)	0.056	17.695
Euro (EUR)	1.227	0.815
Indian Rupee (INR)	0.015	61.387
Japanese Yen (JPY)	0.009	107.810
New Zealand Dollar (NZD)	0.721	1.388
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	66.190
Singapore Dollar (SGD)	0.759	1.317
Turkish Lira (TRY)	0.246	4.064

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	74.1	0.07%	12.7%
WTI Crude (per bbl)	68.4	0.01%	13.2%
Oman Crude Oil (Last Closing)	70.7	0.53%	10.5%
OPEC (per bbl)	71.0	2.26%	10.1%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,334.2	-0.10%	2.4%
Silver (per oz)	17.1	-0.23%	0.8%
Platinum (per oz)	927.5	0.16%	-0.3%
<b>Other Metals</b>			
Copper, MT	6,992	0.11%	-3.5%
Aluminium, MT	2,469	-0.64%	8.9%
Lead, MT	2,365	1.20%	-4.9%
Zinc, MT	3,233	0.29%	-2.6%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.46	37.2%
Saudi Arabia	2.35	23.7%
Kuwait	2.00	6.7%
Oman	2.07	8.4%
Qatar	2.65	0.2%
Bahrain	3.06	12.3%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.9
Abu Dhabi	10/11/2027	4.0
Qatar	6/2/2026	4.2
Saudi Arabia	3/4/2028	4.4
Oman	1/17/2028	6.2
Bahrain	10/12/2028	7.6

Midswaps	Price	YTM %
3 year	99.27	2.6
5 year	98.55	2.8
10 year	98.08	3.0
30 year	96.97	3.2

USD Libor	Rate (%)	YTD
1m	1.90	21.3%
3m	2.36	39.2%
6m	2.51	36.7%
1 year	2.76	31.0%

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 TELECOMMUNICATION - Issuance of bonds - News Correction

Following the revised disclosure on 19th April 2018, Oman Telecommunications Company S.A.O.G. ("Omantel") would like to rectify the following for Bonds Issuance: "The longer US\$900m 2028 bond is paying an annual coupon of 6.625% and the shorter US\$600m 2023 bond is paying an annual coupon of 5.625%".

Source: **MSM**

### Oman to showcase its IT prowess at COMEX 2018

The 28th edition of COMEX 2018 will start today at the Oman Convention and Exhibition Centre. The six-day event, held under the patronage of the Information Technology Authority (ITA), is the biggest Information Technology, telecom and technology show and is expected to showcase the latest IT technologies in Oman. Divided into three principle areas – government, business and retail – COMEX aims to showcase all that is new and on offer to raise productivity and efficiency for end users. This year, COMEX Business is highlighting a number of key industries that form part of Oman's Five Year Plan – manufacturing, tourism, transport and logistics, as well as oil & gas, healthcare and education.

Source: **Times of Oman**

### Omran wins national Leisure, Tourism Project of Year award

Oman Tourism Development Company (Omran) won the Leisure and Tourism Project of the Year at the national level for its project Crowne Plaza of Oman Convention and Exhibition Centre (OCEC). Demonstrating high standards for the sustainable development of the Sultanate's tourism infrastructure that reflects its rapidly growing hospitality sector, Crowne Plaza-OCEC is the first world-class hospitality component of OCEC, housing an impressive selection of state-of-the-art facilities.

Source: **Times of Oman**

### Seven new hotels to add 1,851 rooms in Dhofar this year

Seven new hotels will add 1,851 hotel rooms by the end of 2018 in Dhofar, the Ministry of Tourism announced on Sunday at the Arabian Travel Market in Dubai. The addition of 1,851 rooms will meet the rising demand, with a total of 3,346 rooms available in Salalah and its adjoining areas. The Ministry of Tourism took part in the Arabian Travel Market, which began on April 22 at the Dubai World Trade Centre.

Source: **Times of Oman**

### Oman's OPWP seeks consultant for Dhofar Wind Power Project

As construction work begins in earnest on Oman's first wind farm in Dhofar Governorate, the country's offtaker of the project's capacity – the Oman Power and Water Procurement Company (OPWP) – is preparing to appoint a qualified consultancy firm to ensure that the landmark venture meets with, among other goals, the electricity's sector's robust standards.

Source: **Oman Observer**

### Bond and sukuk listings bolster MSM debt market

As many as 26 bond and sukuk issuances have been listed on the Muscat Securities Market (MSM) as of December-end 2017, underscoring the growing role of the debt as well as the equity markets in supporting economic growth in the Sultanate, a key banking sector executive has stressed. Sohail Niazi (pictured), Chief Executive – Maisarah, the Islamic Banking window of BankDhofar, underlined the increasingly pivotal role of the capital markets as a source of finance for the public and private sectors amid ongoing fiscal and economic challenges.

Source: **Oman Observer**

### Smart Cities to boost Oman's IT market

Smart Cities investment is boosting Oman's IT market to a record-high of OMR122 million by 2019, industry experts announced on Sunday ahead of Comex Oman, running from April 23-28. Supporting Oman Future Vision 2040 transformation goals, public and private sectors are investing in Smart City initiatives to transform citizen experiences, and enhance productivity and national economic competitiveness. With these Smart Cities initiatives, Oman's IT market is set to grow by 9 per cent to a record high of OMR122 million by 2019, according to a recent report by BMI Research.

Source: **Times of Oman**

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Arab countries finalize regional payment system

Arab countries have finalized plans to create an independent, regional cross-border payments system after current arrangements were hit by a rise in compliance costs and downsizing by some international banks. At present, many cross-border payments and settlements among Arab countries are carried out by correspondent banks, which act as agents for foreign financial institutions that do not have a local presence in a given country.

Source: **Times of Oman**

#### **Dubai residential rents stabilise for first time in over two years**

Residential rents across Dubai registered no change during the first quarter of 2018, helping improve the annual rate of change to -3.1 per cent, from -7.7 per cent at the end of last year, according to leading international real estate consultancy, Cluttons. This marks the first stable quarter for rents in the emirate in over two years.

Source: [Times of Oman](#)

#### **Dubai Parks and Resorts and Dubai Airports sign exclusive agreement to feature the theme park destination in DXB**

The agreement aims to showcase the diversity of Dubai's world-class entertainment offer amongst international transit and inbound travelers

- The partnership will assert Dubai Parks and Resorts' position as the region's largest integrated theme park destination and reaffirm Dubai Airports' commitment to making DXB a destination in itself
- Dubai Parks and Resorts and Dubai Airports to support the achievement of the Dubai Tourism Vision 2020 goals through driving visitor growth

Source: [DFM](#)

#### **Arabtec Engineering Services wins AED 433 million Infrastructure Project from Dubai Municipality**

Arabtec Holding PJSC ("Arabtec" or "Group"), a leading contractor for social and economic infrastructure, today announced that its subsidiary, Arabtec Engineering Services ("AES") has been awarded an infrastructure project from Dubai Municipality for the DS188 Jebel Ali Industrial Sewerage and Drainage System for AED 433 million. The project will commence in May 2018 for a duration of 30 months.

Eng. Amin Shahin, CEO of AES commented: "We are pleased and honored to continue working for the Dubai Municipality whom we are privileged to have worked for over the last twenty-one years".

Source: [DFM](#)

#### **Amanat increases payout by AED 11.4 MN at Annual General Meeting**

Amanat Holdings PJSC ("Amanat"), the GCC's largest healthcare and education investment company, today announced that it has concluded its annual general meeting ("General Meeting") on April 22, 2018. The Board report for the Company's activities and financial position, balance sheet and the profit and loss account for the fiscal year ending 31 December 2017 were approved. Additionally, the General Meeting also approved an increase of the payout for the fiscal year ending 31 December 2017. Prior to the General Meeting, the Board had proposed to distribute cash dividends of 1.50% of the nominal value for each share (1.5 fils per one share).

Source: [DFM](#)

#### **ADNOC Distribution awarded operating license in Saudi Arabia**

ADNOC Distribution, the UAE's largest fuel and convenience retailer, has been awarded a license to own, operate and manage fuel service stations in the Kingdom of Saudi Arabia. The Ministry of Municipal and Rural Affairs (MOMRA), which regulates the Kingdom's fuel station industry, issued the award during a signing ceremony in Riyadh on Sunday.

Source: [Zawya](#)

#### **Dubai Islamic Bank: Invitation to Shareholders to Subscribe for Capital Increase**

Dubai Islamic Bank (DIB.DFM)'s ordinary general meeting (OGM) approved raising the bank's capital by 33.33% through rights issue. The bank's capital will be increased from AED4,942.2mn into AED6,589.6mn. The new shares will be issued at an issue price of AED3.11/share, reflecting the nominal value of AED1 per new share and a share premium of 2.11/share. The eligibility for this rights issue will be for DIB's registered shareholders as of 13 May 2018. (Hany Amer) Source: Company Press Release

Source: [DFM](#)

#### **Aldar Properties begins delivery of units on the island of Nariel and the countryside**

Aldar Properties, the UAE's leading real estate developer, has announced the start of the unit delivery phase in the Nile Island and Al Murif project. Aldar Properties said in a statement on Saturday that it is making significant progress in the construction work in its other ongoing development projects, particularly in the Yas Island project, where construction is taking place

Source: [Mubasher](#)

#### **Abraaj Said to Delay Hospital IPO as Firm Pursues CIRA Disposal**

Abraaj Group, roiled by allegations of misused money, is delaying the initial public offering or sale of its North African hospitals business while it seeks to resolve issues with investors, according to people with knowledge of the matter. The Middle East's largest buyout firm will delay the sale, which was originally planned for the first half, until October, the people said, asking not to be identified because the matter is private. Separately, the company is now in advanced talks to dispose of its 35 percent holding in Egyptian school operator CIRA.

Source: [Bloomberg](#)

#### **Theme-Park Owner's Scary Dubai Stock Drop May Get Even Worse**

Theme-park owner DXB Entertainments PJSC, whose stock has tumbled more than 30 percent this year, could be poised for a deeper slide starting next month. The shares have already slumped almost 3.6 times more than Dubai's equity benchmark as the operator of a Legoland and a Bollywood-inspired attraction reorganizes debt and visitor numbers fall short of targets. That may worsen if the decline in market value prompts MSCI Inc. to cut the stock from its emerging-market index next month.

Source: [Bloomberg](#)

### **Emaar Hospitality to expand overseas – CEO**

Emaar Hospitality Group, a subsidiary of Emaar Properties, plans to expand its hotel business with more than 30 projects in the UAE, Bahrain, Turkey, and the Maldives, CEO Olivier Harnisch said. Harnisch remarked that the group has 12 hotels and three destinations for hotel apartments in Dubai under its three brands, according to Emarat Al Youm newspaper.

Source: [Mubasher](#)

### **Saudi Central Bank to Drain Liquidity to Counter Fed, Libor Rise**

Saudi Arabia's central bank plans to drain excess liquidity from the banking system to mitigate pressure on the riyal's peg to the dollar as U.S. interest rates rise, Governor Ahmed Abdulkarim Alkholifey said. The Saudi Arabian Monetary Authority, as the central bank is known, will allow some deposits placed with commercial banks in 2016 to mature without rolling them over, he said, boosting a key interbank rate for riyals that has lagged Libor, its London equivalent for dollars, and raised the prospect of capital flight.

Source: [Bloomberg](#)

### **STC most valuable brand in Saudi; SABIC fastest growing**

Saudi Arabia's biggest telecom operator Saudi Telecom Co. (STC) emerged as the most valuable brand in the Kingdom, with a value of \$6.7 billion, the inaugural list of top 25 Saudi brands by consultancy Brand Finance showed. "STC is firmly focused on introducing and investing in the latest digital technologies such as cybersecurity, cloud computing, Internet of Things, data analytics and digital identity; positioning itself as regional leader in the technologies of the new economy," the UK-based consultancy said.

Source: [Argaam](#)

### **SAPTCO inks SAR 100 mln contract with Jeddah Metro**

Saudi Public Transport Co. (SAPTCO) signed today a SAR 100 million contract with Jeddah Metro Co. to support the rollout of a new bus service in the city, the firm said in a statement to Tadawul. The project will replace the existing public buses and upgrade the quality of public transport services, it said. Financial impact of the five-year contract is expected to show on Q1 results, SAPTCO said

Source: [Argaam](#)

### **'Talks to sell 70 percent of Kuwait's Global Investment House underway'**

Negotiations are under way to sell 70 per cent of the shares of Kuwait's Global Investment House, two company officials said at a shareholder meeting on Sunday. Talks are ongoing, said deputy chief executive Sulaiman M. Al Rubaie at the company's annual general meeting in Kuwait. The party that is interested in buying the stake is not a current investor in Global Investment House, chief executive Abdul Wahab Al Halabi said after the meeting ended.

Source: [Times of Oman](#)

### **VODAFONE Qatar signs an agreement**

An agreement signed by Vodafone Qatar and Qatari Diar Real Estate Investment Company sets Lusail City on course to become one of the most technologically advanced and connected cities in the world. The extensive agreement reinforces Vodafone Qatar's commitment to significantly grow its fixed line network across the country and will see the business build a world class telecommunications infrastructure in the truly visionary single development that is Lusail City. The landmark agreement was signed at Qatari Diar Visitor Center by Vodafone Qatar's CEO, Sheikh Hamad Abdulla Jassim Al-Thani and Mr. Nabeel Al Buenain the CEO of Qatari Diar Real Estate Investment Company.

Source: [QE](#)

### **Subsidiary of INVESTMENT HOLDING GROUP signs QAR 27 million contract**

Electromechanical Engineering that Investment Holding Group owns 68.5% of its shares, has signed a construction and electromechanical contract worth of 27,000,000 QAR ( twenty seven million Qatari Riyals), which shall be executed within thirteen months.

Source: [QE](#)

### **Qatar's IPI grows 2% in February**

Qatar's industrial production index (IPI) leaped 2% year-on-year in February to 103.9 points, compared to 101.9 points in the same period a year earlier, the Ministry of Development Planning and Statistics (MDPS) said in a statement. The manufacturing index of the world's biggest liquefied natural gas (LNG) exporter consists of three main components: Mining represents 83.6%, while manufacturing, electricity and water account for 15.2%, 0.7% and 0.5%, respectively.

Source: [Mubasher](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Asian stocks slip as investors digest US yields, Wall Street declines**

Asian stocks traded mostly lower on Monday, as investors kept an eye on rising U.S. Treasury yields and digested declines in technology stocks seen stateside. The Nikkei 225 shed 0.28 percent while the broader Topix was flat. Among sectors, insurers, banks and shippers traded in positive territory, while technology was a mixed bag. Elsewhere, the Kospi was off by 0.19 percent, with automakers and retailers declining as steelmakers climbed. In Australia, the S&P/ASX 200 advanced 0.41 percent as the financials subindex and gold producers led gains on the index.

Source: [CNBC](#)

### China's pharmaceutical industry is poised for major growth

China is the world's second-largest market for pharmaceuticals and the fastest emerging market for the sector. A burgeoning middle-class and rapidly-aging society presents vast opportunities for the industry. China wants to be an important innovator of pharmaceutical products.

Source: [CNBC](#)

### Amazon to double down on groceries; foray deeper into fresh produce in India

Amazon.com Inc expects groceries and household products to account for over half of its business in India in the next five years, as it moves to broaden offerings in the segment and foray into areas such as fresh produce. Amit Agarwal, the India head of Amazon, said in an interview on Friday that groceries and goods such as creams, soaps and cleaning products, were already the largest product category on Amazon in terms of number of units sold in India.

Source: [Reuters](#)

## COMMODITIES NEWS

### Oil steady as U.S. drilling tempers bullish sentiment

Oil prices were steady on Monday as a rising U.S. rig count pointed to further increases in American output, marking one of the few factors tamping back crude in an otherwise bullish environment.

Source: [Reuters](#)

### London aluminium rises sharply as Rusal rally returns

London aluminium prices rose by as much as 1.6 percent on Monday as a rally driven by supply concerns after the United States slapped sanctions on Russian producer United Company Rusal regained momentum. The metal had closed down in the previous two sessions but is still up by around 25 percent so far this month.

Source: [Reuters](#)