

U Capital Morning Brief

25 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	915.50	1.68	0.18%	-6.03%	-	-	-
U Capital GCC 50 Index	1,300.30	-0.34	-0.03%	13.60%	-	-	-
U Capital MENA 200 Index	1,082.06	-2.33	-0.21%	8.74%	-	-	-
MSCI GCC Countries Index	535.44	-2.70	-0.50%	11.60%	14.83	1.70	3.9%
Muscat Securities Market	4,762.01	5.98	0.13%	-6.61%	11.87	1.01	5.1%
Saudi Stock Exchange	8,315.42	-19.93	-0.24%	15.07%	18.31	1.84	3.2%
Kuwait Stock Exchange	4,867.72	9.03	0.2%	NA	14.69	1.20	4.7%
Qatar Exchange	9,091.33	-66.24	-0.72%	6.66%	13.19	1.38	4.8%
Bahrain Stock Exchange	1,282.44	-16.16	-1.24%	-3.70%	8.68	0.79	6.4%
Dubai Financial Market	3,034.27	-27.70	-0.90%	-9.96%	10.47	1.12	6.0%
Abu Dhabi Exchange	4,689.20	-4.27	-0.09%	6.61%	12.22	1.33	5.1%
Beirut Stock Exchange	1,131.13	0.04	0.00%	-1.52%	5.70	0.70	8.7%
Palestine Stock Exchange	548.32	0.99	0.18%	-4.57%	13.37	1.12	5.5%
Tunis Se Index	7,144.59	-19.86	-0.28%	13.73%	18.39	2.48	1.9%
EGX 30 Index	18,121.96	41.26	0.23%	20.66%	22.43	2.38	1.8%
Amman General Index	2,186.48	-2.31	-0.11%	2.81%	16.15	1.08	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,425.4	0.36%	-3.4%
DAX	Germany	12,550.8	-0.17%	-2.8%
CAC 40	France	5,444.2	0.10%	2.5%
United States				
DJIA	USA	24,024.1	-1.74%	-2.8%
S&P 500	USA	2,634.6	-1.34%	-1.5%
NASDAQ	USA	7,007.4	-1.70%	1.5%
Asia Pacific				
NIKKEI 225	Japan	22,193.8	-0.39%	-2.5%
HANG SENG	Hongkong	30,378.9	-0.84%	1.5%
KSE 100 Index	Pakistan	45,931.0	0.10%	13.5%
NSE Nifty 50	India	10,591.7	-0.21%	0.6%
SHANGHAI COMPOSITE	China	3,119.3	-0.31%	-5.7%
SHANGHAI SHENZHEN CSI 300	China	3,832.4	-0.29%	-4.9%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.758	1.320
British Pound (GBP)	1.397	0.716
Canadian Dollar (CAD)	0.779	1.285
Chinese Renminbi (CNH)	0.159	6.307
Egyptian Pound (EGP)	0.057	17.700
Euro (EUR)	1.222	0.819
Indian Rupee (INR)	0.015	61.597
Japanese Yen (JPY)	0.009	109.070
New Zealand Dollar (NZD)	0.709	1.410
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	66.664
Singapore Dollar (SGD)	0.754	1.326
Turkish Lira (TRY)	0.245	4.088

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	73.9	0.00%	12.3%
WTI Crude (per bbl)	67.7	0.00%	12.0%
Oman Crude Oil (Last Closing)	70.3	-1.21%	9.9%
OPEC (per bbl)	70.5	0.21%	9.4%
Precious Metals			
Gold100 OZ (per oz)	1,327.2	-0.24%	1.9%
Silver (per oz)	16.7	-0.21%	-1.5%
Platinum (per oz)	926.5	-0.52%	-0.4%
Other Metals			
Copper, MT	7,013	1.00%	-3.2%
Aluminium, MT	2,227	-2.96%	-1.8%
Lead, MT	2,310	-0.43%	-7.1%
Zinc, MT	3,212	-0.53%	-3.2%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.38	32.8%
Saudi Arabia	2.36	24.2%
Kuwait	2.00	6.7%
Oman	2.16	13.4%
Qatar	2.65	0.3%
Bahrain	3.06	12.3%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	4.0
Abu Dhabi	10/11/2027	4.1
Qatar	6/2/2026	4.2
Saudi Arabia	3/4/2028	4.4
Oman	1/17/2028	6.3
Bahrain	10/12/2028	7.6

Midswaps	Price	YTM %
3 year	99.26	2.6
5 year	98.49	2.8
10 year	97.89	3.0
30 year	96.56	3.2

USD Libor	Rate (%)	YTD
1m	1.90	21.3%
3m	2.36	39.3%
6m	2.52	36.9%
1 year	2.77	31.4%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

25,000 Omani jobs target hit - policy is 'ongoing': Ministry

The policy of providing jobs for Omanis ahead of expats will continue even after the government target of 25,000 jobs is reached, an official at the Ministry of Manpower (MoM) has revealed. The MoM announced that 24,945 Omanis had now found work, after it introduced a ban on hiring expats in 87 professions in January this year and set a target of 25,000 jobs for Omanis by May.

Source: [Times of Oman](#)

Oman to lead GCC in GDP growth in 2019, says IMF forecast

The International Monetary Fund (IMF) has forecast that the Sultanate will register the highest growth rates in GDP among the GCC states in 2019. In its report titled 'Economic Outlook for Middle East', the IMF forecast that the Sultanate will post the highest growth rate in GDP with 4.2 per cent followed by Kuwait 3.8 per cent, U.A.E 3 per cent, Bahrain 2.3 per cent and Saudi Arabia 1.7 per cent.

Source: [Times of Oman](#)

Oman Food unveils ambitious marketing, logistics strategies

The state-owned Oman Food Investment Holding Company (OFIC), which has been mandated to implement the Omani government's food security strategies, is firming up plans to establish, on the one hand, a fruit and vegetable marketing outfit, and on the other, countrywide food logistics networks.

Source: [Oman Observer](#)

Visa agreement allows tourists from 33 countries to enter Oman for free

Visitors from 33 countries can enter Oman without a visa, thanks to the joint visa agreement between Oman and Qatar. According to the Royal Oman Police, this agreement was done "to stimulate the tourism sector between the two countries, and to facilitate tourist exchange through the issuance of joint tourist visas, according to a list approved by both sides."

Source: [Times of Oman](#)

Groundbreaking Ceremony of Duqm Refinery On Thursday

Duqm Refinery and Petrochemical Industries Company will celebrate its groundbreaking ceremony on Thursday, under the auspices of H H Sayyid Haitham bin Tariq al Said, Minister of Heritage and Culture. The event will be attended by senior officials and representatives from Oman and Kuwait, a press release said.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC Islamic banks' financial profiles to stabilize this year: S&P Global Ratings

Islamic banks in the GCC countries should see their financial profiles stabilize through 2018, absent any materialization of geopolitical risks, S&P Global Ratings said in a report released on Tuesday. "We also anticipate that Islamic banks' asset quality will stabilize by mid-year 2018 with the exception of Qatari banks, where we still see some increasing risks," said Mohamed Damak, global head of Islamic finance at S&P Global Ratings.

Source: [Muscat Daily](#)

Bahrain's Alba seeks exemption to U.S. aluminum tariffs- CEO

Aluminum Bahrain (Alba), owner of one of the world's largest aluminum smelters, is seeking an exemption from U.S. tariffs, its chief executive said on Tuesday. "We are in the process of doing that application," Tim Murray told Reuters on the sidelines of a conference in London.

Source: [Zawya](#)

BARWA REAL ESTATE intends to make a recommendation to its EGM to approve the raising of FOL to 49%

Barwa Real Estate's BOD intends to invite the Company's shareholders to attend an Extraordinary General Assembly meeting to approve increasing the percentage of non-Qatari ownership in the Company's capital to 49% instead of 25% as per the related laws and regulations and subject to the approval of the Ministry of Economy and Commerce.

Source: [QE](#)

Saudi soft after hitting multi-year high, property hurts Dubai

Saudi Arabia's stock index fell back on Tuesday as many blue chips were seen as fully valued or expensive after the market hit a more than two-year high the previous day. Other Gulf markets were mixed, with property stocks dragging Dubai lower. The Saudi index ended 0.2 percent lower, remaining near levels last seen in August 2015. The index is up 15 percent this year because of inflows of foreign funds and strong corporate earnings.

Source: [Reuters](#)

Saudi finance ministry sells 5 bln riyals of domestic sukuk

Saudi Arabia's government sold 5.0 billion riyals (\$1.33 billion) of domestic sukuk in its sixth monthly offer of domestic sukuk, the Ministry of Finance said on Monday. The ministry sold 3.8 billion riyals of five-year sukuk, 750 million riyals of seven-year and 450 million riyals of 10-year.

Source: [Reuters](#)

Tasnee plans to issue SAR 2 bn sukuk, says CEO

National Industrialization Co. (Tasnee) is planning a new sukuk worth SAR 2 billion that will mature H1 2019, chief executive Mutlaq Al-Morished told Argam in an exclusive interview on Tuesday. The company will either pay interest to sukuk holders or reoffer Islamic bonds to the same holders or any other potential investors. It will offer three, five and ten-year Sukuk, according to Tasnee chief financial officer Fawaz Al-Fawaz.

Source: [Argam](#)

King Salman to launch Qiddiya project tomorrow

King Salman will launch the construction of Al-Qiddiya entertainment megacity project in Riyadh on Wednesday, Saudi Press Agency (SPA) reported. The first phase of the Al-Qiddiya entertainment, sports and cultural destination is expected to be completed by 2022.

Source: [Argam](#)

Saudi finance ministry sells \$1.33bln of domestic sukuk

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Source: [Zawya](#)

Saudi privatization Program targets \$11 billion non-oil revenues by 2020

Saudi Arabia aims to generate 35 billion to 40 billion riyals (\$9 billion to \$11 billion) in non-oil revenues from its privatization Program by 2020.

Source: [CPI Financial](#)

Abu Dhabi's Mubadala and MIP to sell 50% stake in Abu Dhabi Terminals- statement

Abu Dhabi state investor Mubadala Investment Co and Mubadala Infrastructure Partners (MIP), an emerging markets infrastructure fund manager, have reached a deal to sell their combined 50 percent stake in Abu Dhabi Terminals to Abu Dhabi Ports, the remaining shareholder, for an undisclosed amount, the two companies said on Tuesday.

Source: [Zawya](#)

Emaar Properties to operate EGP 8bn hotels in Egypt – Alabbar

Emaar Misr, a subsidiary of UAE-based Emaar Properties, will operate some of the hotels in Marassi with more than EGP 8 billion in investments. The names of these hotels to be announced later, chairman of Emaar Properties Mohamed Alabbar said in a statement to the Egyptian Exchange (EGX) on Tuesday.

Source: [Mubasher](#)

Abu Dhabi's EGA on track for 2018 initial public offering

The initial public offering of Emirates Global Aluminum, the UAE's biggest industrial company outside the oil and gas sector, is on track for the second half of this year, as the company presses ahead to finish its \$3.3 billion Al Taweelah alumina refinery project in Abu Dhabi, its chief executive said. "We have decided to go for [the] IPO in 2018. We will let you know how much, where [later]," Abdulla Kalban, told a media briefing on Tuesday, without giving further details. The deal will depend on the market conditions, he said.

Source: [The National](#)

Abu Dhabi GDP hits AED 220m in Q4

Abu Dhabi's gross domestic product (GDP) surged 8.1% to AED 219.7 billion in the fourth quarter of 2017, compared to AED 203.3 billion in the year-ago period. During the last three months of 2017, Abu Dhabi's statistics center recorded a growth in oil- and non-oil sectors in the emirate, according to an official statement. Oil GDP reached AED 383 billion in Q4-17, up 16.7% from the comparative period in 2016.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Trade war with US could be the tipping point for China's \$14 trillion debt-ridden economy

Nearly 20 percent of China's exports go to the U.S. If a trade war ensues with the U.S., China's GDP growth would drop 0.5 percent and could continue to fall as things heat up, the IMF warns. China's debt-to-GDP has ballooned to more than 300 percent from 160 percent a decade ago. Chinese officials now warn of a financial-sector debt bubble that's waiting to burst.

Source: [CNBC](#)

Asian shares spooked by rising U.S. yields, cost worries

Asian shares fell on Wednesday as a rise in U.S. bond yields to 3 percent and warnings from bellwether U.S. companies of higher costs drove fears that corporate earnings growth may peak soon.

Source: [Reuters](#)

What it means for the market that the U.S. 10-year government bond yield hit 3%

By now, the average investor has heard that the U.S. 10-year government bond yield hit 3% early Tuesday for the first time in about four years. There are a number of ways to think about the recent development. However, here's what may be behind the rise in the benchmark yield, which is used as a barometer for borrowing costs for everything from car loans and home mortgages to corporate debt.

Source: [Market Watch](#)

Alphabet closes down nearly 5 percent, as Wall Street warns of less profitable near-term

Alphabet shed nearly 5 percent Tuesday after reporting first quarter earnings Monday. Analysts warned of a less profitable near-term for the tech giant. The company is building out its investment in cloud computing, placing it in more direct competition with Amazon and outlining a path forward for the company beyond advertising revenue.

Source: [CNBC](#)

Apple loses \$64 billion in stock value as Wall Street is in 'full panic mode' on iPhone demand

Apple's stock is cumulatively down 7.1 percent in the three trading sessions through Monday, wiping out \$63.9 billion of shareholder value. The decline was sparked by key Apple partner Taiwan Semiconductor Manufacturing's weaker-than-expected guidance Thursday morning.

Source: [CNBC](#)

COMMODITIES NEWS

Oil falls away from late-2014 highs as rising U.S. supplies cloud bull-run

Oil prices on Wednesday fell back from more than three-year highs reached the previous session as rising U.S. fuel inventories and production weighed on an otherwise bullish market.

Source: [Reuters](#)

Gold prices inch up as equities slide

Gold prices edged higher on Wednesday as most global stock markets fell and as the U.S. Dollar eased below an over three-month high hit in the previous session.

Source: [NASDAQ](#)