

U Capital Morning Brief

26 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	0.00	0.00%	-6.03%	-	-	-
U Capital GCC 50 Index	1,293.76	-6.54	-0.50%	13.02%	-	-	-
U Capital MENA 200 Index	1,077.88	-4.18	-0.39%	8.32%	-	-	-
MSCI GCC Countries Index	532.21	-3.23	-0.60%	10.93%	14.78	1.70	4.0%
Muscat Securities Market	4,740.72	-21.29	-0.45%	-7.03%	11.82	1.00	5.1%
Saudi Stock Exchange	8,233.05	-82.37	-0.99%	13.93%	18.18	1.82	3.2%
Kuwait Stock Exchange	4,889.64	21.92	0.5%	NA	14.75	1.20	3.8%
Qatar Exchange	9,113.03	21.70	0.24%	6.92%	13.28	1.38	4.8%
Bahrain Stock Exchange	1,269.20	-13.24	-1.03%	-4.69%	8.59	0.78	6.4%
Dubai Financial Market	3,026.32	-7.95	-0.26%	-10.20%	10.42	1.12	6.0%
Abu Dhabi Exchange	4,671.09	-18.11	-0.39%	6.20%	12.16	1.33	5.1%
Beirut Stock Exchange	1,127.10	-3.99	-0.35%	-1.87%	5.68	0.70	8.7%
Palestine Stock Exchange	546.64	-1.68	-0.31%	-4.86%	13.33	1.12	5.6%
Tunis Se Index	7,141.13	-3.46	-0.05%	13.68%	18.40	2.47	1.9%
EGX 30 Index	18,121.96	41.26	0.23%	20.66%	22.31	2.39	1.8%
Amman General Index	2,192.08	5.60	0.26%	3.07%	16.22	1.08	4.6%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,379.3	-0.62%	-4.0%
DAX	Germany	12,422.3	-1.02%	-3.8%
CAC 40	France	5,413.3	-0.57%	1.9%
United States				
DJIA	USA	24,083.8	0.25%	-2.6%
S&P 500	USA	2,639.4	0.18%	-1.3%
NASDAQ	USA	7,003.7	-0.05%	1.5%
Asia Pacific				
NIKKEI 225	Japan	22,318.0	0.46%	-2.0%
HANG SENG	Hongkong	30,108.6	-0.68%	0.6%
KSE 100 Index	Pakistan	45,750.0	0.07%	13.0%
NSE Nifty 50	India	10,582.2	0.11%	0.5%
SHANGHAI COMPOSITE	China	3,089.2	-0.92%	-6.6%
SHANGHAI SHENZHEN CSI 300	China	3,774.7	-1.41%	-6.4%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.757	1.320
British Pound (GBP)	1.394	0.717
Canadian Dollar (CAD)	0.779	1.284
Chinese Renminbi (CNH)	0.158	6.321
Egyptian Pound (EGP)	0.057	17.707
Euro (EUR)	1.218	0.821
Indian Rupee (INR)	0.015	62.414
Japanese Yen (JPY)	0.009	109.310
New Zealand Dollar (NZD)	0.706	1.416
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	66.858
Singapore Dollar (SGD)	0.753	1.328
Turkish Lira (TRY)	0.245	4.080

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	74.5	0.69%	13.3%
WTI Crude (per bbl)	68.4	0.60%	13.3%
Oman Crude Oil (Last Closing)	70.4	0.01%	10.0%
OPEC (per bbl)	71.3	1.18%	10.7%
Precious Metals			
Gold100 OZ (per oz)	1,323.9	0.06%	1.6%
Silver (per oz)	16.6	0.13%	-2.1%
Platinum (per oz)	910.9	-0.01%	-2.1%
Other Metals			
Copper, MT	7,008	-0.07%	-3.3%
Aluminium, MT	2,245	0.81%	-1.0%
Lead, MT	2,306	-0.17%	-7.3%
Zinc, MT	3,135	-2.40%	-5.5%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.37	31.8%
Saudi Arabia	2.36	24.7%
Kuwait	1.94	3.3%
Oman	2.16	13.4%
Qatar	2.65	0.2%
Bahrain	3.06	12.3%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	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	6.4
Bahrain	10/12/2028	7.7

Midswaps	Price	YTM %
3 year	99.27	2.6
5 year	99.59	2.8
10 year	97.66	3.0
30 year	95.95	3.2

USD Libor	Rate (%)	YTD
1m	1.90	21.4%
3m	2.36	39.4%
6m	2.52	37.0%
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

Multinationals take note: tax changes in Oman and considerations for foreign investors

Under the new rules and Omani tax authorities' formal guidance, payments for services performed wholly outside of Oman will attract a 10 percent withholding tax in Oman. Normally, service providers resident in a country with which Oman has concluded a double tax treaty would see such withholding tax reduced to 0 percent, provided certain conditions be met.

Source: [JDSUPRA](#)

Tourist arrivals to generate RO 2 bn in 'visitor exports' by 2028

International tourist arrivals are forecast to soar to 4.77 million visitors by 2028, generating as much as RO 2.137 billion in 'visitor exports' for the local economy, according to a new report by the World Travel & Tourism Council (WTTC), a London-based institution representing the world's leading private sector Travel & Tourism businesses. This compares with around RO 1.034 billion in visitor exports — described as a key component of the direct contribution of travel and tourism — generated in 2017, the report said.

Source: [Oman Observer](#)

Intl firms in fray for electric vehicles' study

A number of international firms have signaled their desire to compete for a consultancy contract to advise the Authority for Electricity Regulation Oman (AER) — the regulator for the power and water industry — on the development of a framework to support the adoption of Electric Vehicles in the Sultanate.

Source: [Oman Observer](#)

BIZOMAN FORUM TO START ON MAY 7

With a view to discuss the probable opportunities in the current challenging economic environment, business leaders from across Oman along with senior government officials from various ministries will meet during May 7-8 at the BizOman Forum. Held under the theme of 'Opportunity in Challenge', the two-day BizOman Forum will take place at the InterContinental Muscat.

Source: [Muscat Daily](#)

Oman Ministry of Tourism Ends Arabian Travel Market 2018 Participation on a High Note

The Sultanate of Oman's Ministry of Tourism has successfully concluded its participation at the Arabian Travel Market (ATM) 2018 held recently in Dubai, noting the remarkable interest of visitors in the country's most competitive tourism features that highlight Oman's leadership as a global tourism destination. Many visitors in the Oman pavilion noted their admiration for the leisure opportunities in the Sultanate's diverse natural, geographical, and historical sites that reflect the heritage and authenticity of the Omani culture.

Source: [Al Bawaba](#)

Oman- Sohar Aluminium outlines ICV growth opportunities at Vendor Symposium 2018

More than 190 local companies and small-medium enterprises (SMEs) attended Sohar Aluminium's 'Vendor Symposium' 2018 in Sohar and Muscat. In line with the company's strategy to boost its In-Country Value (ICV) contributions, the two-day event outlined upcoming projects and business opportunities for 2018, and raised awareness about Sohar Aluminium's tendering procedures and environment, health, and safety requirements.

Source: [MenaFN](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Here are key targets of Saudi Arabia's privatization program

The Saudi Council of Economic and Development Affairs on Tuesday approved the Kingdom's privatization program, which targets public-private partnership (PPP) investments worth SAR 24-28 billion. Argaam has compiled a list of the main targets under the privatization program for 2020.

Source: [Argaam](#)

Saudi privatization program targets \$11 bln in non-oil revenues by 2020

The Saudi Council of Economic and Development Affairs on Tuesday approved the Kingdom's privatization program, which aims to generate SAR 35 billion-40 billion (\$11 billion) in non-oil revenue by the year 2020. The private sector will be encouraged to provide certain services and build assets in some sectors, namely educational buildings and new medical cities under the new program, according to a government document seen by Argaam.

Source: [Argaam](#)

VAT refund scheme for UAE tourists gets the nod

The Federal Tax Authority (FTA) on Wednesday approved a refund scheme for tourists under which outlets and points of sales across the UAE will be connected to the refund system. During its fifth meeting, the FTA said the number of businesses registered for VAT had surged to 281,000 while 637 have registered for excise tax.

Source: [Zawya](#)

Saudi inflation starts to edge down as VAT impact lessens

Saudi Arabia's inflation rate has started to slowly decline as the impact of value-added tax (VAT) and subsidy cuts introduced at the start of the year begin to lessen. Consumer prices rose by 2.8 percent year on year in March, according to official statistics released on April 24, compared to a rate of 2.9 percent in February. Inflation leapt to 3 percent year-on-year in the immediate aftermath of the introduction of a 5 percent VAT charge in January.

Source: [Zawya](#)

Dubai to become leading Sukuk-listing hub through new agreement

Dubai Islamic Economy Development Centre (DIEDC) today announced its collaboration with Nasdaq Dubai to design and implement new initiatives that complement Dubai's success in emerging as a leading global Sukuk-listing hub. DIEDC outlined plans for developing the Sukuk market and increasing sukuk issuances and listings in Dubai to boost economic growth.

Source: [Zawya](#)

Six hotel chains boosting their presence in Saudi Arabia

As Saudi Arabia ramps up tourism and entertainment spending under its economic reform plans, hotel operators are rushing to boost presence in the country to capitalize on anticipated growth in demand. According to a report in February by Tophotel projects, as many as 84 hotels out of the 143 under construction in Saudi Arabia are set to open this year, adding 27,281 rooms to the market.

Source: [Argaam](#)

Kuwait Energy starts producing natural gas from field in southern Iraq

Kuwait Energy PLC started on Wednesday producing natural gas from Siba, the first gasfield to be brought on stream in the south of Iraq, an Iraqi oil executive told Reuters. Siba began producing gas at an initial rate of 25 million cubic feet (mcf) a day, which should rise gradually to 100 mcf/d by the end of the year, said Kareem Abd Oda, the director general of the joint venture established by Iraq and Kuwait Energy to develop the field.

Source: [Gulf News](#)

SAMA said to be forming committee on Saudi Oger's debt restructuring

Saudi Arabia is setting up a committee for restructuring the debt of the financially-troubled construction group Saudi Oger, Reuters reported on Wednesday, citing unnamed sources familiar with the matter. The Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank has recently informed lenders that a committee will be set up to handle claims related to Saudi Oger.

Source: [Argaam](#)

Qatar Airways confirms "substantial" annual loss, blames regional row

Qatar Airways made a "substantial" loss in its last financial year because of a regional dispute that has banned the airline from four Arab countries, its chief executive said on Wednesday without revealing the extent of the losses.

Source: [Wall Street Paper](#)

Saudi's Olayan says IPO depends on market conditions

Saudi Arabian billionaire Lubna Olayan said Wednesday that the timing for floating parts of her family's business, one of the kingdom's largest conglomerates, depends on market conditions and the economic situation. "We had four quarters of negative GDP growth which impacted many private businesses," Olayan told a business conference in Riyadh.

Source: [Daily Star](#)

Saudi falls for second day, property stocks weigh on Dubai

Saudi Arabia's stock index fell for a second consecutive day on Wednesday as investors dumped blue-chip stocks, while property stocks dragged down Dubai's market. The Saudi index closed 1.0 percent lower after hitting a more than two-year high earlier in the week. Saudi Basic Industries, the largest stock, was a big contributor to the decline, falling 0.9 percent. Banks Samba Financial Group and National Commercial Bank also weighed on the index, falling 3.2 percent and 1.3 percent, respectively.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia stocks rise as U.S. earnings prop up Wall Street, dollar solid

Asian stocks rose on Thursday as robust corporate earnings helped Wall Street quell concerns about the surge in U.S. bond yields, while the dollar hovered near 3-1/2-month highs against a basket of currencies.

Source: [Reuters](#)

Facebook earnings: \$1.69 per share, vs. \$1.35 expected

Facebook reported quarterly earnings and revenue well above expectations on Wednesday. The number of daily users on the platform also bounced back, indicating steady engagement despite recent backlash surrounding the leak of personal information to firms such as Cambridge Analytica. Shares jumped about 6 percent after the results were released.

Source: [CNBC](#)

Everyone's watching the 10-year yield, but this is the real rate that matters

Investors have been fascinated with the rise of the 10-year Treasury yield above 3 percent, but the 2-year note is probably telling a more interesting story. With market volatility on the rise, the shorter-duration note's 2.5 percent yield makes for an attractive risk-free alternative to stocks. Investors over the past month have taken \$868 million out of ETFs that focus on U.S. stocks while pouring \$5.2 billion into funds that trade in short-duration bonds.

Source: [CNBC](#)

COMMODITIES NEWS

Sinopec plans to extend cuts in Saudi crude oil imports to June, July – officials

China's Sinopec, Asia's largest refiner, plans to continue to cut their Saudi Arabian crude oil purchases for June and July loadings, after slashing May shipments by 40 percent, two senior executives from the company's trading arm Unipetec said on Tuesday. The Unipetec executives, who declined to be identified as they are not authorized to speak to the media, said the reductions in May followed state oil company Saudi Aramco's decision to raise its official selling prices (OSP) for Arab Light crude which made the grade uncompetitive against other crude

Source: [ET](#)

Oil prices rise on Iran sanctions worries, falling Venezuelan output

Oil prices rose on Thursday, supported by an expectation that the United States will re-impose sanctions against Iran, a decline in output in Venezuela and ongoing strong demand.

Source: [Reuters](#)