

U Capital Morning Brief

29 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	908.30	-7.20	-0.79%	-6.77%	-	-	-
U Capital GCC 50 Index	1,293.76	1.84	0.14%	13.02%	-	-	-
U Capital MENA 200 Index	1,077.88	-1.47	-0.14%	8.32%	-	-	-
MSCI GCC Countries Index	531.89	-0.05	-0.01%	10.86%	14.70	1.70	4.0%
Muscat Securities Market	4,722.46	-18.26	-0.39%	-7.39%	11.78	1.00	5.1%
Saudi Stock Exchange	8,248.47	15.42	0.19%	14.14%	18.20	1.82	3.2%
Kuwait Stock Exchange	4,882.45	-7.19	-0.1%	NA	14.53	1.20	3.8%
Qatar Exchange	9,088.01	-25.02	-0.27%	6.62%	13.15	1.38	4.8%
Bahrain Stock Exchange	1,263.08	-6.12	-0.48%	-5.15%	8.16	0.78	6.5%
Dubai Financial Market	3,042.82	16.50	0.55%	-9.71%	10.45	1.13	6.0%
Abu Dhabi Exchange	4,697.23	26.20	0.56%	6.79%	12.21	1.34	5.2%
Beirut Stock Exchange	1,127.55	0.05	0.00%	-1.83%	5.68	0.70	8.7%
Palestine Stock Exchange	545.87	-0.77	-0.14%	-5.00%	13.31	1.11	5.6%
Tunis Se Index	7,124.94	11.74	0.17%	13.42%	18.36	2.46	2.0%
EGX 30 Index	18,363.29	241.33	1.33%	22.27%	22.61	2.43	1.8%
Amman General Index	2,195.21	3.13	0.14%	3.22%	16.33	1.08	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,502.2	1.09%	-2.4%
DAX	Germany	12,580.9	0.64%	-2.6%
CAC 40	France	5,483.2	0.54%	3.2%
United States				
DJIA	USA	24,311.2	-0.05%	-1.7%
S&P 500	USA	2,669.9	0.11%	-0.1%
NASDAQ	USA	7,119.8	0.02%	3.1%
Asia Pacific				
NIKKEI 225	Japan	22,467.9	0.66%	-1.3%
HANG SENG	Hongkong	30,280.7	0.91%	1.2%
KSE 100 Index	Pakistan	45,542.8	0.18%	12.5%
NSE Nifty 50	India	10,692.3	0.70%	1.5%
SHANGHAI COMPOSITE	China	3,082.2	0.23%	-6.8%
SHANGHAI SHENZHEN CSI 300	China	3,756.9	0.04%	-6.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.758	1.319
British Pound (GBP)	1.378	0.726
Canadian Dollar (CAD)	0.780	1.283
Chinese Renminbi (CNH)	0.158	6.319
Egyptian Pound (EGP)	0.057	17.698
Euro (EUR)	1.213	0.824
Indian Rupee (INR)	0.015	62.156
Japanese Yen (JPY)	0.009	109.050
New Zealand Dollar (NZD)	0.709	1.412
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.864	115.635
Russian Ruble (RUB)	0.016	66.661
Singapore Dollar (SGD)	0.756	1.324
Turkish Lira (TRY)	0.247	4.043

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	74.6	-0.13%	13.5%
WTI Crude (per bbl)	68.1	-0.13%	12.7%
Oman Crude Oil (Last Closing)	71.1	0.17%	11.2%
OPEC (per bbl)	71.0	0.71%	10.1%
Precious Metals			
Gold100 OZ (per oz)	1,323.4	0.49%	1.6%
Silver (per oz)	16.5	-0.05%	-2.5%
Platinum (per oz)	915.0	0.78%	-1.7%
Other Metals			
Copper, MT	6,797	-2.41%	-6.2%
Aluminium, MT	2,223	-2.29%	-2.0%
Lead, MT	2,346	0.43%	-5.7%
Zinc, MT	3,121	-0.45%	-6.0%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.54	41.4%
Saudi Arabia	2.37	25.0%
Kuwait	2.00	6.7%
Oman	2.16	13.4%
Qatar	2.65	0.1%
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	99.31	2.6
5 year	99.77	2.8
10 year	98.25	3.0
30 year	97.59	3.1

USD Libor	Rate (%)	YTD
1m	1.91	21.9%
3m	2.36	39.2%
6m	2.52	37.2%
1 year	2.78	32.0%

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Lackluster trading while investors await further company disclosures

The MSM saw weak trading activity after the end of the results season (other than Omantel), as investors moved to other markets which have recently seen acceleration in result announcements. As investors await further disclosures, calm investments activities prevailed in the stock market during the previous week. The MSM30 ended the week down by 0.78 per cent at 4722.46.

Source: [Oman Observer](#)

\$7 billion Duqm Refinery foundation stone laid

The foundation stone for \$7 billion Duqm Refinery Project, a joint venture between Oman Oil Company (OOC) and Kuwait Petroleum Corporation (KPC), was laid on Thursday under the patronage of His Highness Sayyid Haitham bin Tariq Al Said, Minister of Heritage and Culture. Eng. Essam bin Saud Al Zadjali, CEO of OOC, said that the project would create between 900 and 1,000 direct job opportunities.

Source: [Times of Oman](#)

Average price of Oman crude surges 25% in Q1

Average price of Oman's crude oil increased 24.8 per cent during the first quarter of 2018 to US\$62.9 per barrel compared with US\$50.4 per barrel in the corresponding period of 2017, according to statistics released by the National Centre for Statistics and Information (NCSI). The statistics showed that the sultanate's total crude and condensates exports stood at 72.64mn barrels during the three months ended March 31, 2018, showing a decline of 2.8 per cent from the end of March 2017 when the total exports stood at 74.75mn barrels.

Source: [Muscat Daily](#)

PDO to invest over \$20bn up to 2021 in hydrocarbon production

Petroleum Development Oman (PDO), the biggest oil and gas producer of the Sultanate, envisions an investment of over \$20 billion up to 2021 to help sustain long-term hydrocarbon production, the majority government-owned company said in its newly released Sustainability Report for 2017. The figure is largely in trend with capital expenditure (capex) and operating expenditure (opex) levels of the company over the past several years. PDO's capex totalled around \$5.8 billion in 2017, while opex was pegged at \$1.8 billion, representing a reduction of around \$700 million from the 2017 expenditure projected a year earlier.

Source: [Oman Observer](#)

Duqm Refinery eyes global markets for fuel exports

Countries in Europe, Far East and even Africa are seen as potential markets for the prodigious quantities of clean petroleum fuels that will be produced once the new Duqm Refinery comes on stream in 2021, according to a top official of the landmark project. Jacobus Nieuwenhuijze, Acting CEO and Project Director, said Duqm's geographical location overlooking the Indian Ocean offers strategic advantages in accessing key markets for the refined petroleum products that will begin flowing from the refinery in just over three years from now.

Source: [Oman Observer](#)

Total deposits at Omani banks reach OMR22 billion

The banking sector in the Sultanate continued to witness reasonable growth and supported the economic diversification initiatives including credit needs of all segments with added emphasis towards the small and medium enterprise (SME) sector. The Central Bank of Oman (CBO) issued several regulatory amendments to boost liquidity and credit to create a stimulating business environment to spur growth in the economy. The combined balance sheet of conventional and Islamic banks (other depository corporations) taken together, provides a complete overview of the financial intermediation taking place in the banking system in the Sultanate.

Source: [Times of Oman](#)

140 ENTITIES PARTICIPATE IN COMEX UNDER EOMAN

Organised by OITE Trade Fairs and supported by ITA, the eOman pavilion concluded its activities at the 28th edition of Comex 2018 exhibition that focused on ICT industry under the theme 'New Horizon'; 140 government and private entities participated under the umbrella of eOman pavilion and the business section while the shoppers section continued until April 28.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

King Salman launches multi-billion dollar Al-Qiddiya entertainment project

King Salman will inaugurate today the Al-Qiddiya entertainment, sports and cultural project in Riyadh. Al-Qiddiya is expected to contribute around SAR 17 billion to the Kingdom's GDP by 2030 and to provide 57,000 jobs. Crown Prince Mohammed bin Salman had first revealed the project in April 2017. The 334-square meter amusement park is located one-hour away from King Khalid International Airport and 40 minutes from downtown Riyadh.

Source: [Argaam](#)

Jabal Omar, Abu Dhabi Financial Group ink MoU on real estate partnerships

Jabal Omar Development Co. and Abu Dhabi Financial Group (ADFG) signed a memorandum of understanding (MoU) on real estate development partnerships in Madinah, Makkah and neighboring cities, ADFG said in a statement. "ADFG exists already in Saudi Arabia through Shuaa Capital. This opportunity is compatible with the firm's strategy to expand into the Saudi market," said Jassim Alseddiqi, chief executive officer of ADFG.

Source: [Argaam](#)

Saudi petrochemical stocks under pressure despite index rise

Saudi petrochemical stocks ended Thursday's trading on the downside after some disappointing earnings, but key banking and property stocks helped the index close slightly higher. Other Gulf markets were mixed. The Saudi index closed 0.2 percent up at 8,248 points, hovering near the level last seen in August 2015.

Source: [Reuters](#)

Saudi CMA amends instructions for listed-firms

The Saudi Capital Market Authority (CMA) published on Thursday amendments to the instructions for listed companies. For a period of 30 days, the authority is also seeking opinions of investors, specialists and interested parties on the new amendments, the market regulator said on its website. The amendments aim to boost transparency and disclosure rules on the market, in order to help investors make informed decisions.

Source: [Argaam](#)

Abulmohsin Alhokair group for tourism and development announces signing a JV agreement

Abulmohsin Alhokair group for tourism and development announces signing a JV agreement to establish and operate Cinemas in Kingdom of Saudi Arabia with Cinepolis and Al Tayer group on 25th of April, 2018. Cinepolis is the fourth largest international cinema operator and the largest in Latin America as it operates 652 movie theater in 14 country all over the world. Al Tayer group is one of the largest well-known companies in United Arab Emirates.

Source: [Mubasher](#)

Aramco, Sabic sign up KBR for \$20bn oil-to-chemicals scheme

Saudi Aramco and Sabic, partners in a planned oil to chemicals project said to be the world's biggest, have awarded the US engineering firm KBR a project management contract to develop the scheme, the companies said on Thursday. "With the addition of KBR to the project, Saudi Aramco and Sabic are confident that the right parties are now in place to see the project through its initial phases and the inclusion of a high proportion of local content," said Aramco chief executive and president Amin Nasser.

Source: [The National](#)

Saudi General Authority for Zakat and Tax publishes a VAT import/export guide

The General Authority for Zakat and Tax (GAZT) published a helpful guide on its treatment of imported and exported goods and services subject to Value Added Tax (VAT) under the GCC Unified VAT Agreement and VAT Law and Implementing Regulations. The guide, which covers all VAT articles and by-laws related to imports and exports, clarifies the transitional provisions imposed on the importation of goods and services between GCC countries, as well as how to deduct the input tax and the taxable obligations.

Source: [Zawya](#)

Optimism among Dubai businesses rise

Confidence among Dubai businesses increased in the first quarter of 2018 and executives are even more optimistic about the second quarter, thanks to rising oil prices and brighter global economic prospects, as well as better sales, profits and new orders for local firms. According to a Department of Economic Development (DED) survey released on Saturday, the Composite Business Confidence Index improved 5.5 points to 116.7 in the quarter compared to 111.2 during the same period last year.

Source: [Zawya](#)

Emaar Hospitality targets Gulf nationals and millennial travelers

Dubai-based Emaar Hospitality, the operator of the Address, Vida and Rove hotel brands in the United Arab Emirates and other countries, is targeting its efforts on attracting both younger visitors and travellers from neighbouring Gulf markets into its properties, its chief executive has said. Olivier Harnisch, the CEO of Emaar Hospitality, the hotel management arm of Dubai-based Emaar Properties, said in a press conference on Sunday at the Arabian Travel Market (ATM) exhibition and conference that his company has set several priority areas for the coming period.

Source: [Zawya](#)

Sukuk banks on oil's recovery

The recovery in oil prices will have a positive effect on the general business environment across the Gulf region in general and the sukuk market in particular as it will help ease funding woes of investors, senior bankers say. Talking to Khaleej Times on the sidelines of the Bonds, Loans and Sukuk Middle East conference, senior bankers of Noor Bank said higher oil revenue injects more cash into the system, which increases the funding available to support regional growth.

Source: [Khaleej Times](#)

DP World holds live virtual annual general meeting

GLOBAL trade enabler DP World has staged the first ever live virtual Annual General Meeting for shareholders at its headquarters in Jebel Ali. Shareholders were connected by a live webcast and telephone conference facility across the region and the world in order to cast their votes on the re-election of Board members and to be briefed on the company's recent performance and growth strategy.

Source: [Saudi Gazette](#)

London judge orders Dana Gas to hold dividends in English bank account

A London judge has ordered Dana Gas to pay any dividends into an English bank account where the funds must be held until a dispute over its \$700 million Islamic bond is resolved, sources familiar with the matter said. Friday's ruling is the latest twist in a complex legal battle taking place in courts in London and the United Arab Emirates which began last year when the UAE energy producer halted payments on \$700 million of Islamic bonds it said had become unlawful because of changes in Islamic finance.

Source: [Reuters](#)

Etisalat and CK Hutchison to merge mobile operations in Sri Lanka

Etisalat and Hong Kong-based CK Hutchison have agreed to merge their mobile telecommunications operations in Sri Lanka on Thursday, the Abu Dhabi Securities Exchange said. The statement said that Hutchison Telecommunications Lanka (Private) Limited (Hutch Lanka) and Etisalat Lanka (Private) Limited (ESL) will be in a better positioned to serve their Sri Lankan customers. The deal is part of Etisalat Group's stated strategy and ongoing efforts of portfolio optimisation.

Source: [Gulf News](#)

Qatar trade surplus jumps 45% to QR13.4 billion y-o-y in March

The Ministry of Development Planning and Statistics has released preliminary figures of the value of exports of domestic goods, re-exports, and imports for March 2018. The total exports of goods (including exports of goods of domestic origin and re-exports) amounted to around QR23.9 billion, showing an increase of 22 percent compared to March 2017, and an increase by 6.7 percent compared to February 2018. On other hand, the imports of goods in March 2018 amounted to around QR10.5 billion, showing an increase of 1.3 percent over March 2017. However, on a month-on-month (M-o-M) basis the imports increased by 26.4 percent.

Source: [Qatar Tribune](#)

Qatar's Al Khalij Bank Weighs Sale of French, U.A.E. Units

Qatar's Al Khalij Commercial Bank PQSC has hired Barclays PLC to advise on the sale of its businesses in France and the United Arab Emirates, according to people familiar with the matter. The Doha-based lender, which plans to retain only its Qatar business, is drawing interest from global banks and financial institutions from the region for the assets, the people said, asking not to be identified because the information is private.

Source: [Bloomberg](#)

GFH Appoints Al Ramz Capital LLC as Liquidity Provider (Market Maker)

GFH would like to inform its shareholders and the markets that it has signed an agreement with Al Ramz Capital LLC ("Al Ramz") to act as a liquidity provider (market maker) for GFH's shares in Dubai Financial Market ("DFM"). This appointment is based on the Central Bank of Bahrain's no objection, and the approval from the Dubai Financial Market and Al Ramz is expected to start its liquidity provision (market making) activities effective 26 April 2018.

Source: [DFM](#)

Egypt to get \$2bn tranche from IMF next June, July

The International Monetary Fund's (IMF) mission will arrive in Egypt on 1 May 2018 for the third review of the Egyptian economic reform programme. The review will be conducted over two weeks, and the delegation will meet with a number of ministers and government officials, Enterprise Press reported, citing deputy finance minister Mohamed Maait.

Source: [Mubasher](#)

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](#)

UK economy grinds to a halt

The British economy has stalled. GDP grew by just 0.1% in the first quarter of 2018 compared to the previous three months, representing the weakest expansion in more than five years. Economists were expecting growth of 0.3%, after a 0.4% expansion in the fourth quarter of 2017.

Source: [CNN](#)

Trump administration is likely to extend steel and aluminum tariff exemptions beyond May 1, sources say

The May 1 deadline for steel and aluminum tariff exemptions for U.S. allies is likely to be extended, according to sources who have been in discussions with the Trump administration. The extensions may vary in length for each country, based on the progress made in talks on this and other trade issues. For instance, Canada and Mexico would be granted an extension because they have made progress on steel and aluminum issues in NAFTA talks, which resume late next week.

Source: [CNBC](#)

COMMODITIES NEWS

Gold gains but remains vulnerable after Korean leaders meet

Gold edged higher on Friday but is likely to revisit five-week lows after the prospect of a Korean de-nuclearization deal eroded bullion's safe-haven appeal. The leaders of South and North Korea embraced after pledging on Friday to work for the "complete de-nuclearisation of the Korean peninsula".

Source: [NASDAQ](#)

Oil trades roughly flat, drawing support from concerns about US sanctions on Iran

Oil prices were roughly flat on Friday as the U.S. dollar strengthened. Brent was on pace for its third week of gains, fueled by concern that the United States will reimpose sanctions on Iran and disrupt supply. Concerns about market tightness have also been driven by the deteriorating political and economic situation in Venezuela.

Source: [CNBC](#)