

U Capital Morning Brief

30 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	914.13	5.83	0.64%	-6.17%	-	-	-
U Capital GCC 50 Index	1,291.67	-3.93	-0.30%	12.84%	-	-	-
U Capital MENA 200 Index	1,077.48	1.07	0.10%	8.28%	-	-	-
MSCI GCC Countries Index	531.23	-0.66	-0.12%	10.73%	14.68	1.70	4.0%
Muscat Securities Market	4,734.42	11.96	0.25%	-7.16%	11.81	1.00	5.1%
Saudi Stock Exchange	8,224.94	-23.53	-0.29%	13.82%	18.13	1.82	3.3%
Kuwait Stock Exchange	4,861.91	-20.54	-0.4%	NA	14.49	1.19	3.8%
Qatar Exchange	9,140.19	52.18	0.57%	7.24%	13.58	1.39	4.8%
Bahrain Stock Exchange	1,262.78	-0.31	-0.02%	-5.18%	8.07	0.78	6.5%
Dubai Financial Market	3,048.46	5.64	0.19%	-9.54%	10.46	1.13	6.0%
Abu Dhabi Exchange	4,685.44	-11.79	-0.25%	6.53%	12.51	1.35	5.2%
Beirut Stock Exchange	1,127.55	0.05	0.00%	-1.83%	5.68	0.70	8.7%
Palestine Stock Exchange	545.12	-0.75	-0.14%	-5.13%	13.30	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	18,304.46	-58.83	-0.32%	21.87%	22.51	2.42	1.8%
Amman General Index	2,181.20	-14.01	-0.64%	2.56%	16.22	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	30,737.8	1.53%	2.7%
KSE 100 Index	Pakistan	45,542.8	0.18%	12.5%
NSE Nifty 50	India	10,745.1	0.49%	2.0%
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)	0.756	1.322
British Pound (GBP)	1.378	0.726
Canadian Dollar (CAD)	0.778	1.285
Chinese Renminbi (CNH)	0.158	6.311
Egyptian Pound (EGP)	0.057	17.673
Euro (EUR)	1.213	0.825
Indian Rupee (INR)	0.015	62.250
Japanese Yen (JPY)	0.009	109.140
New Zealand Dollar (NZD)	0.707	1.414
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.635
Russian Ruble (RUB)	0.016	66.661
Singapore Dollar (SGD)	0.755	1.324
Turkish Lira (TRY)	0.247	4.052

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	74.1	-0.68%	12.7%
WTI Crude (per bbl)	67.9	-0.34%	12.3%
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)	1,321.2	-0.17%	1.4%
Silver (per oz)	16.5	-0.25%	-2.8%
Platinum (per oz)	909.5	-0.60%	-2.3%
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	2.47	37.7%
Saudi Arabia	2.38	25.3%
Kuwait	2.00	6.7%
Oman	2.16	13.4%
Qatar	2.65	0.2%
Bahrain	3.08	12.8%

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

OMR10 billion invested to future-proof Sultanate

Oman's government is investing more than OMR10 billion in a concerted effort to push forward the diversification of its economy. The move comes as Oman moves ahead with its Tanfeeth plans for economic diversification, which is predicted to create at least 20,000 new jobs in the near future, and thousands more as the plans pick up momentum.

Source: [Times of Oman](#)

GDP growth is picking up, says Ominvest Chairman

Omninvest Chairman Shaikh Khalid Muhammad al Zubair, during his speech at the Oman Economic Forum said: "In sharp contrast to the economic contraction in 2015 and 2016, Oman's economy is expected to grow at 3 per cent in 2018, as major recovery in oil prices take hold and the government's fiscal reforms and efforts for economic diversification begin to bear fruit." He added, "In view of these positive developments, Omani government has announced an expansionary budget for 2018 — spending is planned to grow by 7 per cent, as the government intends to push ahead with spending on crucial development projects and key social programmes."

Source: [Oman Observer](#)

Four media channels to be launched in Sultanate soon

The publication of print media has decreased by 10 per cent in 2017, compared to the previous year, whereas the use of electronic media channels stood at 61 per cent compared to only 39 per cent, according to a statement by the Ministry of Information. Delivering a statement at the Majlis Ash'shura, HE Dr Abdulmunim bin Mansour al Hasani, Minister of Information, said that the ministry is dealing with the challenges in the sector by activating strategic partnership between media and various sectors of the society and institutions based on the general policy of media.

Source: [Oman Observer](#)

12 prequalified for Oman's maiden solar project

Twelve international consortiums have been prequalified to participate in a competitive tender to implement Oman's first utility scale solar PV project — a 500 MW scheme planned at Ibri in Dhahirah Governorate. Oman Power and Water Procurement Company (OPWP), the wholly government owned off-taker of electricity and water capacity which is also overseeing the competitive process, named the prequalified parties as follows

Source: [Oman Observer](#)

Investors being lined up for Khasab, Shinas ports

The Ministry of Transport and Communications says it is hopeful of clinching a deal with a partnership of Omani and international investors in the development of Khasab and Shinas ports located in the north of the Sultanate. Talks are under way with a partnership of Omani private sector firms and investors from the Far East that have evinced interest in harnessing the economic and investment potential of Khasab Port in Musandam Governorate and Shinas Port in North Al Batinah Governorate, according to Said bin Hamdoon al Harthy, Under-Secretary for Ports and Maritime Affairs — Ministry of Transport and Communications.

Source: [Oman Observer](#)

BRIEF-Bank Dhofar Board Approves Increase of Core Equity Tier 1 Capital

Board Approves Raising Of Core Equity Tier 1 Capital of an Amount Up to 55 Million Rials By Way Of Rights Issue of Ordinary Shares

Source: [Reuters](#)

Renaissance Wins Rials 47.9 Million MOH Services Contract

After a full competitive tender process, Ministry of Health (MoH) has awarded contracts valued at Rials 47.962 Million (USD 124.7 Million) over 3 years to Renaissance Services SAOG subsidiary Tawoos Industrial Services Company SAOC (Tawoos). This award is for provision of Catering, Cleaning, Laundry and Pest Control Services to various Ministry of Health Hospitals and Extended Health Centres. The contract start date is 1st June 2018. Tawoos was already the major provider of services to MoH, but this award marks another significant increase in Tawoos market share of the Health Sector.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Foreigners turn net sellers of Saudi equities for first time this year

Foreign investors turned net sellers of Saudi Arabian stocks last week for the first time this year, exchange data showed on Sunday, as fund managers became increasingly concerned about rich valuations. Foreign portfolio funds have been flooding into the kingdom ahead of Riyadh's expected inclusion in global emerging market indexes next year. In the week through April 19, foreigners bought a net \$384 million of equities, a record sum.

Source: [Zawya](#)

SABIC's loss-making subsidiaries turn to profit in Q1: CEO

SABIC's chief executive officer Yousef Al Benyan told Argaam that his company's loss-making subsidiaries, Hadeed and Ibn Rushd turned to profit in Q1 2018, posting roughly SAR 80 million and SAR 50 million respectively. Hadeed, a steelmaker wholly owned by SABIC, underwent a restructuring after incurring SAR 1.4 billion net loss in 2017 alone. While long-time, loss-making Ibn Rushd turned to profitability after reducing its capital from SAR 8.51 billion to SAR 2 billion to write-off accumulated losses.

Source: [Argaam](#)

NBM debuts trading on Saudi parallel market today

The shares of the National Building & Marketing Co. (NBM) debuted trading today on Saudi parallel stock market (Nomu)(Ticker 9510), thereby raising the number of shares listed on the burgeoning SME stock market to ten. The company, incorporated in Riyadh in 1990, sells building materials and equipment, and manufactures reinforcing steel with an annual output capacity of 100,000 tons.

Source: [Argaam](#)

ADFG and Jabal Omar Development enter strategic partnership

Abu Dhabi Financial Group, which manages more than \$6 billion in assets, and one of Saudi Arabia's largest traded real estate companies Jabal Omar Development will explore opportunities for property development in the kingdom to expand their footprint in the growing market.

Source: [The National](#)

DSI's board chooses convertible sukuk to increase capital; elects new chairman

Drake and Scull International's (DSI) board has opted for the issuance of sukuk convertible to shares as a means to increase the company's capital instead of the partnership option. The UAE-based developer's board will contact compatible government authorities to obtain a permission to issue the convertible sukuk to be able to invite DSI's general assembly to discuss the matter, according to a bourse statement released on Sunday.

Source: [Mubasher](#)

Aramco oil reserves found slightly higher than reported: report

Saudi Aramco's oil reserves were found by an independent external audit to be higher than the reported levels, Reuters reported, citing sources familiar with the matter. The audit, a key part of preparatory work for the oil giant's initial public offering (IPO), has found the proven oil reserves to be at least 270 billion barrels, sources said. This is higher than the 260.8 billion barrels reported by Aramco in its 2016 annual review.

Source: [Argaam](#)

Mideast's largest economic forum aims to attract investors at all levels

More than 59 local and international speakers will share their expertise at the first Makkah Region Economic Forum (MREF), the largest economic forum in the Middle East, which will be held at the Ritz-Carlton Hotel on May 6-7. Dr. Hesham Al-Faleh, head of the forum's executive committee, said preparations for the event began in full swing immediately after Makkah Gov. Prince Khaled Al-Faisal ordered the formation of a supervisory committee headed by the deputy governor of the Makkah region, Prince Abdullah bin Bandar.

Source: [Arab News](#)

Port operator DP World now firmly in Hyperloop business

The Dubai-based port operator DP World put its name Sunday on the Hyperloop technology it has already spent millions of dollars to develop as work continues to make it operational across the grand plans of its designers. The cargo system being designed alongside possible passenger service by Virgin Hyperloop One will be called the DP World Cargo speed, the port operator's CEO and chairman Sultan Ahmed bin Sulayem told journalists and others gathered for a glitzy announcement alongside billionaire Richard Branson.

Source: [San Antonio](#)

What makes Dubai's real estate market of today so different from 2008

In September 2008 the first Dubai off-plan property boom came to a sudden stop with the arrival of the global financial crisis. This proved a double whammy for the local economy that was rescued by a \$20 billion emergency package from Abu Dhabi later the following year. This year a similar, though much smaller and shorter, second boom in off-plan property sales also ended, albeit with a big correction and not a sudden stop.

Source: [The National](#)

Taameer Real Estate exits 2 units in Morocco at \$16m

Taameer Real Estate Investment has announced signing an agreement to sell its entire stakes in Morocco-based subsidiaries Ram Three Real Estate and Boulevard Hotel Co at a combined value of MAD 150 million (\$16.2 million). The two units will be sold to Bin Otaiba Investment Group after implementing the conditions that the two parties had agreed upon, according to a statement to Boursa Kuwait on Sunday.

Source: [Mubasher](#)

Kuwait's PPI rises 17.3% in Q1-18

The Producer Prices Index (PPI) in Kuwait went up 17.3% in the first quarter of 2018, according to data issued by the Kuwait Central Statistical Bureau on Sunday. Kuwait's PPI reached 89.5 points in the three-month period ended March 2018, compared to Q4-17. The

index for the extractive industries group rose 19.63%, due to a 19.52% increase in the index of oil extraction prices, the state-run bureau noted.

Source: [Mubasher](#)

Mesaieed raises individual ownership to 2% - QCSD

Qatar Central Securities Depository (QCSD) on Sunday announced that Mesaieed Petrochemical Holding Company (MPHC) would increase individual ownership limit to 2%. The new decision will be put into effect as of Monday 30 April 2018, according to QCSD's recent statement to the Qatar Stock Exchange (QSE). Moreover, the company is also expected to announce its financial results for the first quarter of 2018 on Monday.

Source: [Mubasher](#)

Aramco Appoints International Board Members Amid IPO Plans

Saudi Aramco, the world's biggest crude exporter, appointed new board members with experience in international oil and petrochemical businesses as it plans a possible overseas share sale in what could be a record initial public offering. Andrew Liveris, the outgoing chairman and chief executive officer of Dow Chemical Co., will join the board on July 1 when he retires from the U.S. chemicals producer, Aramco said Sunday in a statement. Saudi Arabian Oil Co., as Aramco is formally known, appointed Lynn Elsenhans, former chairwoman of Sunoco Inc., as the only woman on its board.

Source: [Bloomberg](#)

Egypt says Kuwait agreed 'in principle' to renew \$4bln in deposits- agency

Egypt's central bank governor said on Sunday Kuwait has agreed "in principle" to renew \$4 billion in deposits, state news agency MENA reported. Arab Gulf countries, including energy-rich Kuwait, have given Egypt billions of dollars in aid since 2013 when the army ousted Islamist President Mohamed Mursi following mass protests against his rule.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China says its manufacturing activity slowed down in April amid trade fight with the US

Activity in China's vast manufacturing sector eased in April, as export orders slowed in another sign of ebbing economic growth, while a simmering Sino-U.S. trade row heightened risks for the industrial sector. The official Purchasing Managers' Index (PMI) released on Monday fell to 51.4 in April, from 51.5 in March, but remained well above the 50-point mark that separates growth from contraction on a monthly basis. It marked the 21st straight month of expanding business conditions in China.

Source: [CNBC](#)

China and India are trying to write a new page of the world economy

The Sino-Indian summit last week could be a new departure for neighbors who realize there is no alternative to constructive political, economic and security engagement. China and India are part of a Eurasian institution that can make that possible. Those two countries could soon become the key drivers of global demand and output.

Source: [CNBC](#)

Asian shares climb as Korea tensions ease, earnings boom

Asian shares extended gains on Monday as tensions in the Korean Peninsula eased and first-quarter earnings shone, although some investors were cautious about the outlook amid the backdrop of a simmering U.S.-China trade dispute.

Source: [Reuters](#)

COMMODITIES NEWS

Saudis Big Push Against OPEC, Russia To Raise Oil Prices Could Lead To Worldwide Energy Market Crisis

Oil prices have continued to surge, setting new records, after multiple indicators that Saudi Arabia wants to push prices to \$100 per barrel in the coming months. This in turn could lead to a new crisis on the fragile worldwide energy market. Having learned a valuable lesson from its 2014-2016 trade war, Saudi Arabia has teamed up with a former foe, Russia, to control the future of the oil world. In January 2017, the Saudi led OPEC signed an agreement with Russia to better control the tempo of oil production. The alliance agreement quickly proved agreeable and profitable, and was extended on in January 2018 to January 2019.

Source: [LM News](#)

Russia gives tentative nod to Schlumberger's acquisition of EDC stake

Russia has given preliminary approval to a bid by U.S. oilfield services giant Schlumberger to acquire up to 49 percent of Russia's Eurasia Drilling Co (EDC), an unexpected decision given a chilling in U.S.-Russian relations.

Source: [Reuters](#)

Oil slips after U.S. rig count rises; Iran concerns cap downside

Singapore Oil prices edged lower on Monday as a rising rig count in the United States pointed to higher production, but prices held near more than three-year highs and were on track to rise for a second consecutive month. The oil complex has been driven by supply concerns amid prospects of the United States reimposing sanctions on Iran, while OPEC-led producers continue to withhold supplies.

Source: [Economic Times](#)

Gold inches up as dollar steadies after recent gains

Gold prices inched up early Monday as the U.S. dollar steadied after a recent run of gains weighed down by a decline in the benchmark U.S. 10-year Treasury yield.

* Spot gold XAU= rose 0.1 percent to \$1,323.20 per ounce at 0115 GMT.

* The dollar index .DXY , which touched a three-and-a-half month high of 91.986 on Friday, was little changed at 91.565. USD/

Source: [NASDAQ](#)