

U Capital Morning Brief

15 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	952.75	952.75	0.00	0.00%	-0.27%	-2.21%
U Capital GCC 50 Index	1,185.26	1,183.93	1.33	0.11%	-2.69%	3.55%
U Capital MENA 200 Index	1,024.54	1,023.73	0.81	0.08%	-2.07%	2.96%
MSCI GCC Countries Index	493.74	493.40	0.34	0.07%	-2.77%	2.91%
Muscat Securities Market	5,005.87	5,003.67	2.20	0.04%	0.12%	-1.83%
Saudi Stock Exchange	7,419.71	7,412.56	7.15	0.10%	-3.01%	2.68%
Kuwait Stock Exchange	6,777.38	6,670.31	107.07	1.61%	1.34%	5.76%
Qatar Exchange	9,060.67	8,987.51	73.16	0.81%	-1.56%	6.30%
Bahrain Stock Exchange	1,342.39	1,352.96	(10.57)	-0.78%	-0.61%	0.80%
Dubai Financial Market	3,336.12	3,341.46	(5.34)	-0.16%	-1.72%	-1.01%
Abu Dhabi Sec. Exchange	4,588.86	4,600.40	(11.54)	-0.25%	-0.29%	4.33%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD			
FTSE 100	United Kingdom	7,214.0	45.96	0.64	Brent Crude (per bbl) <i>Updated</i>	64.85	0.50	0.78
DAX	Germany	12,339.2	142.66	1.17	WTI Crude (per bbl) <i>Updated</i>	61.24	0.65	1.07
CAC 40	France	5,165.3	56.02	1.10	Oman Crude Oil (Last Closing)	61.50	1.55	2.59
United States					USD			
DJIA	USA	24,893.5	253.04	1.03	Gold 100 OZ (per oz)	1,354.32	3.63	0.27
S&P 500	USA	2,698.6	35.69	1.34	Silver (per oz)	16.91	0.05	0.30
NASDAQ	USA	7,143.6	130.11	1.86	Platinum (per oz)	1,003.13	6.73	0.68
Asia Pacific					USD			
NIKKEI 225	Japan	21,485.3	312.52	1.48	Copper, MT	7,163.00	175.00	2.50
HANG SENG	Hongkong	31,115.4	599.83	1.97	Aluminium, MT	2,177.50	38.50	1.80
Selected Middle East					USD			
Tunis Se Index	Tunis	6,586.3	2.17	0.03	Lead, MT	2,579.00	18.00	0.70
EGX 30 Index	Egypt	14,806.0	76.20	0.52	Zinc, MT	3,567.50	97.50	2.81
Blom Stock Index	Lebanon	1,173.4	14.80	1.28	Nickel, MT	14,100.00	650.00	4.83

Source: Bloomberg, U Capital- at 8:30AM Muscat time

Source: Bloomberg, U Capital- at 8:30AM Muscat time

Cross Rate for Major Currencies*

Currency	Code	USD/1 Unit	Units/1 USD
Euro	EUR	1.246	0.803
British Pound	GBP	1.401	0.714
Japanese Yen	JPY	0.009	106.570
Chinese Renminbi	CNH	0.159	6.300
Indian Rupee	INR	0.016	63.906
Russian Ruble	RUB	0.018	56.712
Canadian Dollar	CAD	0.801	1.249
Australian Dollar	AUD	0.793	1.261

Source: Bloomberg Note: all prices/indices are updated till 8:30 AM Muscat time.* markets are closed on Saturday and Sunday

OMAN ECONOMIC & CORPORATE NEWS

FDI in Oman rises 13% to touch RO8.3bn

Total foreign direct investments (FDI) in Oman rose 13.3 per cent during the first three quarters of 2017 and reached to RO8.32bn compared to RO7.16bn in the same period of the previous year, according to statistics released by the National Centre for Statistics and Information (NCSI). The sultanate received around RO1.16bn of FDI inflows during the year ended September 30, 2017. The UK, with its total direct investments of RO3.51bn at the end of the third quarter of 2017, ranked as the top country in terms of FDI into Oman. The UK's total FDI in Oman stood at RO3.04bn a year ago.

Source: [Muscat Daily](#)

Tenders worth RO 54 million approved

The Tender Board on Wednesday held its 1st meeting for 2018 under the chairmanship of Dr Rasheed bin Al Safi al Huraibi, Chairman of the Tender Board. The Board approved RO 54,851,471 million worth tenders and additional works for the following development projects: Establishing the Building the Civil Service Employees Pension Fund at Airport Heights in the Governorate of Muscat at RO 16,851,856, Construction of water drainage channels on the Sultan Qaboos Highway in Al Khuwair, Stage One for Muscat Municipality at RO 3,301,699, Renewal of lease contract of the building of the Directorate General of Roads and Land Transport at Al Asala Towers for the Ministry of Transport and Communications at RO 921,823, Contracting for production of TV series for the Public Authority for Radio and Television at RO 864,410, supply of technicians for operation and maintenance of devices and equipment at health units of the Ministry of Health in the Governorate of Dhofar at RO 664,529,

Source: [Oman Observer](#)

GlassPoint weighs solar mirror manufacturing plant in Oman

GlassPoint Solar, a partner with Petroleum Development Oman (PDO) in the establishment of a world-scale solar plant at Amal in south Oman, is weighing plans to invest in a manufacturing plant in the Sultanate dedicated to the fabrication of large curved mirrors at the heart of its giant solar oilfield ventures. The initiative, when implemented, is expected to position the Sultanate as a key source of curved mirrors for GlassPoint's solar oilfield projects in Oman and the wider Middle East region. Additionally, the proposed plant will ramp up the California-based company's contribution to local content development linked to its award-winning solar thermal technology for oilfield applications.

Source: [Oman Observer](#)

Sultanate crude oil production rises in January 2018

The Sultanate's total crude oil and condensates production during January 2018 stood at 29,978,550 barrels, a daily average by 967,050 barrels, according to the monthly report issued by the Ministry of Oil and Gas. The total quantities of crude oil exported abroad during January 2018 stood at 25,064,578 barrels, a daily average of 808,535 barrels, comprising a rise by 1.90 per cent compared to December 2017 when calculating the daily average. With the beginning of 2018, the demand for Omani crude oil by China grew by 26.55 per cent, compared with the quantities in December 2017.

Source: [Oman Observer](#)

F&M Middle East signs strategic MoU with ASTAD

Oman's leading design consultants, F&M Middle East Engineering Consultancy LLC, recently signed a memorandum of understanding (MoU) with Qatar-based project management consultants, ASTAD. The MoU not only paves the way for joint strategic objectives towards delivering projects but also extends mutual business opportunities in engineering consultancy, construction management, design and project management. The signing ceremony was held at the F&M Middle East office in Muscat, which also serves as the regional headquarters of the firm, a press release said.

Source: [Muscat Daily](#)

OMAN CEMENT: Invitation for Analyst & Investor Meeting

There will be an interactive session to present the highlight of the performance of the company during the year 2017 at Sheraton Hotel, Ruwi, Muscat at 2 PM on 15.02.2018. All stakeholders are invited, and can confirm their participation at deepakdiskshit@omacement.com.

Source: [MSM](#)

Note: Kindly see the proposed dividend announcements of MSM on the last page

MIDDLE EAST ECONOMIC & CORPORATE NEWS

CMA mulls four IPO requests, says chairman

Saudi Arabia's Capital Market Authority (CMA) is currently reviewing four requests for initial public offerings from firms looking to list on the main and parallel markets, CMA Chairman Mohammed El-Kuwaiz told Argam in an exclusive interview. The market regulator is also seeing increased interest from foreign financial institutions and qualified investors that are eyeing access to the Saudi market, he said. The CMA and Saudi Stock Exchange (Tadawul) announced major changes last month, including a relaxation of regulatory qualification

requirements for institutional foreign investors. On market infrastructure, Tadawul has announced changes to the independent custody model and allowed asset managers to aggregate orders. These decisions took effect as of Jan. 21.

Source: [Argaam](#)

PIF's InoChem inks SAR 900 mln loan deal with SIDF

Khair's Inorganic Chemical Industries Co (InoChem) has signed a SAR 900 million loan agreement with the Saudi Industrial Development Fund (SIDF) to build an industrial complex in Ras Al Khair Industrial City. The new complex will produce two grades of soda ash (light and dense) and two grades of calcium chloride (77 percent and 94 percent) with a total capacity of 600,000 tons per year, the company said in a statement. The project will supply its products to vital industries and operations in the Kingdom, such as oil and gas, glass manufacturing, and synthetic detergents manufacturing, which currently import these products, said InoChem's Chief Executive Officer, Abdulaziz Yahya Al-Muaiyyad.

Source: [Argaam](#)

Bahrain's Ibdar Bank to manage \$1bn sukuk issue for Saudi developer

Saudi Arabia-based Salman Abdullah Bin Saedan Real Estate Group plans to issue the first tranche of its \$1 billion sukuk in the coming period, Reuters reported, citing Ibdar Bank, the sukuk arranger. Saedan will allocate sukuk returns to investing in affordable social housing projects across the kingdom, which have been lacking recently. The sukuk issue will be listed on the Irish Stock Exchange, Ibdar Bank's senior executive director capital markets and treasury Iqbal Daredia told the news agency, noting that the issue may also be listed on Nasdaq Dubai.

Source: [Mubasher](#)

Mobily to focus on boosting revenue from data: CEO

Etihaad Etisalat Co. (Mobily) plans to focus on increasing revenues from the data segment, which is growing rapidly, the chief executive Ahmed Abou Doma told Argaam on Wednesday. The telecom operator has been working on boosting sales of pre-paid bundles, improving customer service, and introducing more attractive data packages to offset the negative impact of lower revenue from international calls, tough competition, and a wider economic slowdown, the CEO said. Investors in a Dubai fun-park operator have been on a ride of a less amusing kind with shares of DXB Entertainments PJSC slumping this week to the lowest level since they started trading in 2014. The company is struggling to attract visitors and its debt is mounting. The stock is down almost 70 percent since an August 2016 peak, reached before the company opened the Dubai Parks & Resorts theme park, its main attraction. Since then, maintaining the flow of tourists has not been an easy task.

Source: [Argaam](#)

Govts need to adopt integrated plan to create jobs

The labor market across the GCC and globally is changing dramatically and the nature of new jobs being created does not always match the skills-set of the existing labor pool. This is according to Deloitte and the World Government Summit's latest report, Winner Takes All: The Race to Adopt an Integrated Approach to Job Creation in the Future Age of Work. The report proposes tools to navigate the transformation of work and create the jobs of the future. "Governments have not always had effective policies in solving inequality through employment whilst simultaneously ensuring economic growth. There have always been disconnects, in principle and in practice," said Julian Hawkins, Consulting CEO at Deloitte in the Middle East. "Whereas their negative effects were sufficiently minor, and/or not adequately politically sensitive to require urgent attention, this is no longer the case as the disconnect is widening and the political, economic, social and ethical impacts are more tangible".

Source: [Saudi Gazette](#)

Over half of GCC family businesses confident about prospects for '18: KPMG

The GCC's family businesses have shown confidence in their prospects for 2018, as they begin to adapt to the 'new norm of lower oil prices and the impact of geopolitical developments, according to KPMG's recently published 'GCC Family Business Survey 2017.

The report analyses the thoughts of over 40 senior members of family businesses from the six GCC countries, on trends and issues affecting the sector. On the report, Yacoub Hobeika (pictured), Head of Family Business for KPMG in Qatar commented: 'In the GCC, perhaps more than anywhere else world-wide, family businesses form the backbone of the economy. Fifty-seven percent of those surveyed suggesting that they are confident about their business' prospects in the coming 12 months and we can take this sentiment as a positive indicator for the region's economic conditions.

Source: [MenaFN](#)

Abu Dhabi's VPS Healthcare in IPO talks, eyeing London listing

Abu Dhabi-based VPS Healthcare is planning an initial public offering as it looks to tap new markets such as Saudi Arabia and expand into data-driven preventive health care, its chairman said. "We have IPO plans. This is a hot topic and we will announce it very soon," Dr Shamsheer Vayalil, also managing director of VPS, told The National. "The drivers [for IPO] are our aspirations to grow internationally. We want to be a homegrown brand that competes globally – we want to be the Emirates and Etihad of healthcare," he said, referring to the UAE's flag carriers. The company has appointed advisors to plan a potential IPO on the London Stock Exchange – where rival UAE healthcare provider NMC Health is listed.

Source: [The National](#)

Russia eyes multi-million-dollar Saudi investment deals, Aramco IPO

Russia is seeking to finalise multi-million-dollar investment deals with Saudi Arabia in the next three months including partnerships with state oil giant Aramco, Russia's top state investment officer said on Wednesday. Russian banks and a Russian-Chinese investment fund are also keen to take part in Aramco's initial public offering (IPO), the head of the Russian Direct Investment Fund, Kirill Dmitriev, told reporters, reiterating comments he made last month. The move is aimed at strengthening energy ties between the two major oil producers. Dmitriev told Reuters last month that there was great interest in the Aramco IPO from Russian pension funds and Chinese partners.

Source: [Reuters](#)

Citigroup Hired for First Saudi Arabia Deal After Reopening

Citigroup Inc. won its first local mandate in Saudi Arabia as the U.S. lender returns to the kingdom after a 13-year absence. The bank is advising budget carrier FlyNas LLC on its initial public offering along with Morgan Stanley and NCB Capital, people familiar with the matter said. The airline, partly owned by Prince Alwaleed Bin Talal's Kingdom Holding Co., plans to sell shares by the end of the year or early 2019, the people said, asking not to be identified because the information is private.

Source: [Bloomberg](#)

Egypt issues \$4 billion in Eurobonds

Egypt has raised \$4 billion in a dollar-denominated Eurobond sale that closed late on Tuesday, the finance ministry said, part of a drive to plug its budget deficit and boost dollar holdings as it pursues an IMF-backed reform programme. The bonds were issued in five, 10- and 30-year tenors at 5.58 pct, 6.59 pct and 7.9 pct, respectively - prices on par with Eurobonds it sold last May. The issuance attracted \$12 billion in bids, and were sold "despite the instability of the global market, which reflects the great confidence in the Egyptian economic reform programme," Finance Minister Amr El Garhy told Reuters.

Source: [Reuters](#)

Egypt's GDP growth registers 5% in Q4: Planning Ministry

Egypt's gross domestic product (GDP) rose 5 percent in the fourth quarter of fiscal year 2016/17, up from 4.5 percent in the year-ago period, Minister of Planning announced Wednesday. Minister Hala el-Saeed attributed the growth to the telecommunication, construction and trade sectors. There is an improvement in the foreign trade balance in the aforementioned period compared to negative indications in the same period of the previous year, Saeed said. As for the whole fiscal year of 2016/2017, it ended at 4.2 percent, up from 4 percent in the previous fiscal year.

Source: [Egypt Today](#)

\$30 Billion Pledged in Kuwait at Summit to Rebuild Iraq

International donors pledged \$30 billion to help rebuild Iraq after the war against the Islamic State group, Kuwait announced Wednesday, overcoming Western doubts and donor fatigue over Mideast crises to help the battle-ravaged nation. While falling short of an estimated \$88.2 billion needed to rebuild Iraq, it easily surpassed the \$20 billion Iraqi officials initially said they needed to begin their difficult work. While much of the larger donations came in the form of loans, Iraq remains an oil-rich nation and such debts can be forgiven by the countries and institutions offering them. The pledges, if followed through with funding, could give Iraq a chance to dig itself out of the rubble left by the Islamic State group and the chaos that followed the 2003 U.S.-led invasion that toppled dictator Saddam Hussein.

Source: [US News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Qualcomm meets Broadcom to discuss \$121 billion acquisition offer

Qualcomm Inc said on Wednesday it met with Broadcom Ltd earlier in the day to discuss the latter's revised \$121 billion bid, the first time the chipmakers have discussed what would be the technology sector's largest ever acquisition. The outcome of the meeting will determine whether Qualcomm, which has resisted Broadcom's takeover approach since November, will engage in negotiations or continue to defend itself by rallying its shareholders, who are scheduled to vote on March 6 on replacing the majority of its board with Broadcom nominees. Neither side commented on what transpired in the two-hour meeting. Qualcomm said in its statement its board would meet to determine its next steps.

Source: [Reuters](#)

Berkshire buys Teva, feels IBM blues as Apple becomes top investment

Warren Buffett's Berkshire Hathaway Inc (BRKa.N) on Wednesday disclosed a new stake in generic drugmaker Teva Pharmaceutical Industries Ltd (TEVA.TA) and said it bought more shares of Apple Inc (AAPL.O), which surpassed Wells Fargo & Co (WFC.N) as its largest common stock investment. Berkshire also nearly completed its yearlong exit from International Business Machines Corp (IBM.N), selling more than 94 percent of what was left from an investment Buffett has admitted was not among his best. In a regulatory filing detailing its U.S.-listed stock holdings as of Dec. 31, Berkshire reported owning about 18.9 million Teva American depositary receipts, worth about \$358 million.

Source: [Reuters](#)

Stocks Take U.S. Inflation Spike in Stride and Rally; Dollar on Defensive

Asian stocks gained on Thursday after Wall Street brushed aside strong U.S. inflation data and surged, in a move that also saw the dollar pinned at two-week lows even as Treasury yields jumped in anticipation of more rapid U.S. interest rate hikes. MSCI's broadest index of Asia-Pacific shares outside Japan rose 1 percent. Australian stocks climbed 0.9 percent and South Korea's KOSPI added 1.1 percent. Japan's Nikkei advanced 1.3 percent following three successive days of losses that took it to a four-month low the previous day.

Source: [Reuters](#)

COMMODITIES NEWS

Oil extends gains on Saudi commitment to cut, weak dollar

Oil prices on Thursday extended gains from the previous session, pushed up by a weak dollar and by comments from Saudi Arabia that it would rather see an undersupplied market than end a deal with OPEC and Russia to withhold production. U.S. West Texas Intermediate (WTI) crude futures were at \$61.02 a barrel at 0147 GMT, up 42 cents, or 0.7 percent from their last settlement, adding to a 2.4 percent gain in the previous session.

Source: [Zawya](#)

Gold holds steady near 2-1/2-week high as dollar dips

Gold prices held steady on Thursday, near the 2-1/2-week high hit in the previous session, supported by a weaker dollar and as investors bet on higher U.S. inflation after a faster-than-expected rise in consumer prices last month. Spot gold inched up 0.1 percent to \$1,351.96 an ounce, as of 0202 GMT. The bullion touched \$1,355.50 on Wednesday, its highest since Jan. 26. It also recorded its biggest one-day percentage gain of 1.6 percent, strongest since May 2017, in the previous session. U.S. gold futures were down 0.2 percent to \$1,355 per ounce.

Source: [CNBC](#)

MSM Proposed Dividends

Company Name	Price, OMR	Cash Div %	DPS, OMR	Proposed Cash OMR '000	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date
BANKMUSCAT SAOG	0.408	30%	0.030	81,281	46.0%	7.4%	5.0%	
BANK DHOFAR SAOG	0.210	12%	0.012	27,094	56.9%	5.7%	8.0%	27/03/2018
BANK SOHAR	0.154	5%	0.005	8,923	35.2%	3.2%	10.0%	
NATIONAL BANK OF OMAN SAOG	0.210	15%	0.015	23,228	52.8%	7.1%	5.0%	25/03/2018
HSBC BANK OMAN	0.109	6%	0.006	11,402	59.6%	5.2%		
AHLI BANK	0.165	10%	0.010	14,250	53.4%	6.1%	5.0%	
Banking Sector				166,178	49%	5.8%		
OMAN QATAR INSURANCE CO	0.147	8%	0.008	800	42.7%	5.4%		21/03/2018
MUSCAT CITY DESALINATION	0.158	9%	0.009	1,451	n/m	5.9%		27/03/2018
Insurance Sector				2,251	12%	0.8%		
MUSCAT FINANCE	0.117	8%	0.008	2,283	55.1%	6.8%	5%	25/03/2018
UNITED FINANCE CO	0.127	4%	0.004	1,222	56.2%	2.8%		
AL-OMANIYA FINANCIAL SERVICE	0.276	17%	0.017	4,705	67.4%	6.2%	3%	
TAAGEER FINANCE	0.123	10%	0.010	2,536	53.9%	8.1%		
Leasing Sector				10,746	35%	3.9%		
Total Financial Sector				179,176	43.9%	4.6%		
SWEETS OF OMAN	1.340	20%	0.020	140	69.6%	1.5%		14/03/2018
OMAN REFRESHMENT CO	2.000	75%	0.075	3,750	34.7%	3.8%		27/02/2018
SALALAH MILLS CO	1.330	50%	0.050	2,669	66.5%	3.8%		
Food & Beverage Sector				6,559	35%	2.2%		
MUSCAT THREAD MILLS CO	0.091	5%	0.005	76	40.1%	5.5%	5.0%	06/03/2018
OMAN CHROMITE	3.640	16%	0.160	480	87.6%	4.4%		5/3/2018
AL-ANWAR CERAMIC TILES CO	0.132	6%	0.006	1,777	96.1%	4.5%		21/03/2018
OMAN PACKAGING	0.280	20%	0.020	649	63.9%	7.1%		01/03/2018
COMPUTER STATIONERY INDS	0.260	7%	0.007	70	75.0%	2.7%		6/3/2018
Paper, Glass & Packaging				719	134%	2.8%		
NATIONAL DETERGENT CO SAOG	0.652	45%	0.045	766	91.9%	6.9%		12/3/2018
Chemicals				766	37%	1.7%		
NATIONAL PHARMACEUTICAL	0.106	5%	0.005	250	15.6%	4.7%		22/02/2018
Pharmaceuticals				250	16%	4.7%		
OMAN CABLES INDUSTRY	1.130	45%	0.045	4,037	59.0%	4.0%		
Electical & Mechanical				4,037	41%	2.9%		
Total Industrial Sector				14,663	58.5%	1.4%		
OOREDOO	0.530	42%	0.042	27,340	88.2%	7.9%		5/3/2018
Telecom Sector				27,340	88%	2.3%		
UBAR HOTELS & RESORTS	0.129	4%	0.004	200	42.9%	3.1%		20/03/2018
HOTELS MANAGEMENT CO INT.	1.250	100%	1.000	3,000	116.1%	80.0%		12/3/2018
SAHARA HOSPITALITY	2.500	15%	0.150	875	35.3%	6.0%	5.0%	27/02/2018
Tourism & Hospitality Sector				4,075	73%	4.7%		
SHELL OMAN MARKETING	1.740	85%	0.085	8,331	64.6%	4.9%		
OMAN OIL MARKETING COMPANY	1.460	60%	0.060	3,710	41.8%	4.1%		18/03/2018
AL MAHA PETROLEUM PRODUCTS M	1.000	65%	0.065	4,485	89.1%	6.5%		15/03/2018
Oil & Gas Marketing Sector				16,526	54%	4.5%		
UNITED POWER	3.900	150%	1.500	1,662	2245.3%	38.5%		8/3/2018
PHOENIX POWER CO SAOG	0.135	6%	0.006	9,068	90.8%	4.6%		
SEMBCORP SALALAH POWER & WAT	0.224	10%	0.010	9,832	94.5%	4.6%		
Energy Sector				20,562	40%	2.0%		
Total Service Sector				68,503	81.6%	2.3%		
Total Market				262,342	50.7%	3.3%		

Source: MSM



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