

U Capital Morning Brief

19 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	953.59	955.91	-2.32	-0.24%	-0.19%	-2.12%
U Capital GCC 50 Index	1,196.94	1,185.30	11.64	0.98%	-1.73%	4.57%
U Capital MENA 200 Index	1,029.86	1,024.13	5.73	0.56%	-1.56%	3.49%
MSCI GCC Countries Index	497.11	497.16	-0.05	-0.01%	-2.11%	3.61%
Muscat Securities Market	5,014.41	5,016.62	(2.21)	-0.04%	0.29%	-1.66%
Saudi Stock Exchange	7,508.44	7,510.47	(2.03)	-0.03%	-1.85%	3.90%
Kuwait Stock Exchange	6,720.97	6,764.28	(43.31)	-0.64%	0.50%	4.88%
Qatar Exchange	9,079.43	9,027.71	51.72	0.57%	-1.36%	6.52%
Bahrain Stock Exchange	1,332.51	1,339.72	(7.21)	-0.54%	-1.34%	0.06%
Dubai Financial Market	3,292.05	3,330.44	(38.39)	-1.15%	-3.01%	-2.32%
Abu Dhabi Sec. Exchange	4,582.48	4,577.42	5.06	0.11%	-0.43%	4.18%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD USD %			
FTSE 100	United Kingdom	7,294.7	59.89	0.83	Brent Crude (per bbl) <i>Updated</i>	65.42	0.59	0.91
DAX	Germany	12,452.0	105.79	0.86	WTI Crude (per bbl) <i>Updated</i>	62.50	0.82	1.33
CAC 40	France	5,281.6	59.06	1.13	Oman Crude Oil (Last Closing)	62.00	0.47	0.76
United States					Gold100 OZ (per oz)			
DJIA	USA	25,219.4	19.01	0.08	Silver (per oz)	16.69	0.03	0.16
S&P 500	USA	2,732.2	1.02	0.04	Platinum (per oz)			
NASDAQ	USA	7,239.5	(16.97)	(0.23)	Copper, MT	7,233.00	51.00	0.71
Asia Pacific					Aluminium, MT			
NIKKEI 225	Japan	22,117.1	396.37	1.82	Lead, MT	2,613.00	(5.00)	(0.19)
HANG SENG	Hongkong	31,115.4	599.83	1.97	Zinc, MT	3,575.00	5.00	0.14
Selected Middle East					Nickel, MT			
Tunis Se Index	Tunis	6,572.9	(8.79)	(0.13)		13,920.00	(230.00)	(1.63)
EGX 30 Index	Egypt	15,045.6	79.63	0.53				
Blom Stock Index	Lebanon	1,166.8	0.00	0.00				

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	1.242	0.806
British Pound	GBP	1.403	0.713
Japanese Yen	JPY	0.009	106.390
Chinese Renminbi	CNH	0.159	6.306
Indian Rupee	INR	0.016	64.215
Russian Ruble	RUB	0.018	56.410
Canadian Dollar	CAD	0.797	1.254
Australian Dollar	AUD	0.792	1.263

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

Oman Gas working with banks on \$1b bridge loan

State-owned Oman Gas Co. is working with a group of banks to raise a bridge loan of slightly over \$1 billion, which will later be refinanced via a US dollar bond issue, sources familiar with the matter said. The natural gas transport company, which was bought by state-owned Oman Oil Company in 2013, will use the financing for capex purposes and to purchase assets from the government, the sources said. One of the sources said the loan talks were at an early stage with "a lot of building blocks" still needed before it can be completed.

Source: [Times of Oman](#)

Oman's insurance sector to record over 10% growth in 2018, says S&P

Oman's insurance sector will record the strongest year-on-year growth in 2018 of more than ten per cent, due to the introduction of new compulsory medical cover for expatriates, S&P Global Ratings said in a report released on Sunday. Despite ongoing regulatory and competitive challenges in the insurance sector in the GCC countries, credit conditions for rated insurers will remain strong and broadly stable in 2018, S&P said in its report 'Gulf insurers: The gap between big and small insurers could widen in 2018'. 'We forecast that the insurance sector in Oman will record the strongest year-on-year growth in 2018 of more than ten per cent, due to the introduction of new compulsory medical cover for expatriates', it said.

Source: [Muscat Daily](#)

Power regulator to assess impact of higher tariffs on large users

The Authority for Electricity Regulations Oman (AER) will conduct a study to assess the impact of Cost Reflective Tariffs (CRT) on industrial, commercial and government customers in the Sultanate, one-year since these subsidy-free electricity rates came into effect early last year. The study, elements of which will be pursued in collaboration with the Ministry of Commerce and Industry, will primarily look at how large consumers of electricity have coped with these new tariffs. It also aims to identify any drive towards energy conservation and management, as well as efficient power utilization that the higher tariffs have helped achieve among these consumer segments. "Following the completion of a full year from the implementation of Cost-Reflective Tariffs, the study will assess how different categories of consumers (Industrial, Government and Commercial) have responded to the new tariffs. We will also explore possible refinements to the CRT," said the Authority in its Forward Programme setting out its objectives for the current year.

Source: [Oman Observer](#)

World Stock Exchanges Conference from Feb 27

The 13th edition of the World Stock Exchanges Conference will start on February 27 at the Shangri-La Hotel Muscat under the patronage of Dr Ali bin Masoud al Sunaidy, Minister of Commerce and Industry, and Deputy Chairman of the Supreme Council for Planning. The 2-day conference will be organised by Terrappin in cooperation with Muscat Securities Market (MSM). Ahmed bin Saleh al Marhoon, Director-General of MSM, said that the conference will bring together a number of officials and experts working in the stock exchanges, investment companies, investment funds, related institutions and those interested in developing the securities industry.

Source: [Oman Observer](#)

PEIE Begins Participation at Gulfood 2018 in Dubai

The Public Establishment for Industrial Estates (PEIE) began its participation at the 23rd edition of one of the world's largest annual food and hospitality events – Gulfood 2018, in Dubai. The exhibition, which is being held during the period from 18 to 22 February at Dubai World Trade Centre, is featuring 120 national pavilions, which comprise more than 5,000 local, regional and international companies. Heads of states, ministers, government officials and representatives of trade associations are expected to visit the exhibition this year.

Source: [Oman News](#)

OMAN TELECOMMUNICATION: Preliminary unaudited financial results for the Year ended 31 December 2017

Oman Telecommunications Company S.A.O.G (Omantel. MSM: OTEL), is pleased to announce preliminary unaudited financial results for the Year ended 31st December 2017. Following the acquisition of a controlling stake in Mobile Telecommunications Company K.S.C.P (Zain group) the Group results include Zain Group results for the period from 15 November 2017 to 31 December 2017. Group revenue recorded an increase of 44.7% and reached RO 751.7 Mn compared to RO 519.3 Mn of the corresponding period of 2016. The increase is mainly on account of the consolidation of Zain's revenue, which contributed RO 219.6 Mn to the total revenue.

Source: [MSM](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Riyad Bank urged to pay SAR 3.5 bln extra zakat levy

Riyad Bank said it would have to pay an additional zakat claim of SAR 3.5 billion for the years 2008-2013, after the zakat authority applied a new accounting method to the long-term investments of banks, according to the lender's financial statements seen by Argaam. The Saudi General Authority of Zakat and Tax (GAZT) informed the bank of the additional zakat demands worth SAR 3.5 billion, which is higher than

the originally estimated figure. The difference is attributable to the application of a new interpretation by GAZT. Other banks operating in Saudi Arabia are subject to the same interpretation, and have yet to announce positions and any additional demands issued by GAZT.

Source: [Argaam](#)

Careem acquires online restaurant listing platform RoundMenu , to trial food delivery

Dubai-based ride-sharing company Careem which competes with Uber, acquired RoundMenu, a restaurant listing and food ordering platform that operates across the Arab world, its chief executive said. "Yes we have acquired RoundMenu," Mudassir Sheikha told The National. He declined to specify the size of the acquisition. The purchase of RoundMenu "is part of a wider investment into the food delivery category," Careem said in a separate statement. The acquisition will help Careem compete with Uber Eats which was started by the California-based company across the UAE, Egypt and Saudi Arabia - the largest markets in the Middle East and North Africa. Food delivery service Deliveroo from London also competes with both entities.

Source: [The National](#)

CMA, Taaqem adopt international standards for REIT valuation

The Saudi Capital Market Authority (CMA) and Saudi Authority for Accredited Valuers (Taaqem) have approved the international valuation standards for REIT real estate units, Al Eqtisadiyah newspaper reported. We have adopted the international standards applicable to REITs, and approved valuers will have to issue their valuations of REITs' real estate units accordingly, the newspaper quoted Taaqem's Deputy Secretary General, Sultan Al Jorjas, as saying.

Source: [Argaam](#)

Al Khodari amends capital hike recommendation to SAR 458 mln

Abdullah A. M. Al-Khodari Sons Company's (Al-Khodari) board of directors has amended a capital hike recommendation to SAR 458 million through the issuance of new shares, it said in a bourse statement on Sunday. The capital increase aims to settle liabilities to vendors and major shareholder Abdullah A.M. Al Khodari Sons Investment Holding Company. The board recommended a capital hike of up to SAR 250 million, whereby new shares will be granted to vendors in order to settle all or part of the company's outstanding payments.

Source: [Argaam](#)

In boost to reform, Saudi Arabia's cabinet approves bankruptcy law

Saudi Arabia's cabinet has approved a bankruptcy law, sources familiar with the matter said on Sunday, giving a boost to efforts to make the kingdom more enticing to investors. Modern bankruptcy legislation does not currently exist in Saudi Arabia, creating difficulties for struggling companies seeking to restructure debt with creditors since the 2009 global financial crisis and, more recently, the dip in oil prices.

Source: [Zawya](#)

Egypt aims to sell Eurobonds worth \$3-\$4 bln in 2018-2019 fiscal year

Egypt aims to sell Eurobonds worth \$3-4 billion in the 2018-2019 fiscal year which begins in July, deputy finance minister Ahmed Kouchouk told the Saudi-owned Al Arabiya television network on Sunday. Egypt raised \$4 billion (Dh14.7 billion) in a dollar-denominated Eurobond sale that closed late on Tuesday, the finance ministry said, in bonds issued in five, 10- and 30-year tenors. The finance ministry is set to begin talks this month with European banks to issue euro-denominated Eurobonds expected to valued at €1-1.5 billion and sold next April, Finance Minister Amr El Garhy told Reuters on Wednesday.

Source: [Gulf News](#)

QNB sells a stake in the Egyptian unit, raises its capital

Qatar National Bank (QNB) hired CI Capital to advise it on the sale of a small stake in its Egyptian unit (QNB Alahli), according to the bank's statement to the Egyptian Exchange on Sunday. QNB plans to reduce its 97.125 percent stake in QNB Alahli to 95 percent. The bank clarified that the sale is intended to comply with the rules of listing on the Egyptian Exchange, which requires that the free float shall not be less than 5 percent.

Source: [Egypt Today](#)

KSA's US Treasury holdings hit \$147.4bn in December

Saudi Arabia raised its holdings of the US Treasuries by 43.4% year-on-year or \$44.6 billion in December 2017. The kingdom's holdings of the US' bonds and treasury bills (T-bills) amounted to \$147.4 billion during the last month of 2017, compared to SAR 102.8 billion in the same period a year earlier, according to US Department of the Treasury's (USD) data. On a monthly basis, Saudi holdings of the US debt instruments inched down 0.1% in December compared to a month before. China is the largest foreign holder of US government debt with \$1.185 trillion, while Saudi Arabia came first among the GCC peers and the oil-rich nation ranked 11th internationally.

Source: [Mubasher](#)

Al Rajhi Bank proposes SAR 2.5/shr dividends for H2-17

Al Rajhi Bank's board of directors recommended the distribution of SAR 4.06 billion in cash dividends with a dividend per share of SAR 2.5, representing 25% of the share's par value, according to a statement to the Saudi Stock Exchange (Tadawul). The Tadawul-listed bank stated that dividends will be distributed among shareholders of record by the end of the second trading day following the maturity date.

The maturity and dividends distribution dates will be specified later, the statement showed. The bank's net profits jumped 19.83% to SAR 2.45 billion in the fourth quarter of 2017, from SAR 2.05 billion in the same period a year earlier.

Source: [Mubasher](#)

Public-private partnership to boost Saudi Arabia's health sector

A Royal approval has been given for the public-private sector partnership in the health sector. This is part of a number of decisions of the Saudi Health Council approved by Custodian of the Two Holy Mosques King Salman. The decisions include the issuance of visas for foreign scientists and experts in line with an earlier ruling of the Council of Ministers.

Source: [Zawya](#)

Nasdaq Dubai launches Abu Dhabi, Dubai equity index futures

In a move that could attract fresh money to the United Arab Emirates' equity markets, the Nasdaq Dubai exchange launched futures contracts on Sunday covering the main indexes of the country's two main stock markets in Abu Dhabi and Dubai. The futures provide exposure to the General Index .ADI of the Abu Dhabi Securities Exchange and the equivalent index .DFMGI at Dubai Financial Market DFM.DU , giving investors new opportunities to hedge.

Source: [Zawya](#)

BRIEF-Naeem Holding Gets Egyptian Regulator's Approval For DFM Listing

Naeem Holding For Investments:

* Obtains Financial Regulatory Authority Approval For Dual Listing Of Co On Dubai Financial Market

Source: [Reuters](#)

Moody's: Strong growth in core income drives higher quarterly profits at UAE's largest banks

Strong growth in net interest, as well as fee and commission income, helped the four largest banks in the United Arab Emirates report higher net profit in the fourth quarter despite higher provisioning and operating costs, says Moody's Investors Service in a report published today. Moody's report, which was published today focuses on key takeaways from the Q4 2017 results of the four largest banks in the United Arab Emirates(UAE): First Abu Dhabi Bank PJSC (FAB, Aa3/Aa3 Stable, a3), Emirates NBD PJSC (ENBD, A3/A3 Stable, ba1), Abu Dhabi Commercial Bank (ADCB, A1/A1 Stable, baa3) and Dubai Islamic Bank PJSC (DIB, A3/ A3 Stable, ba2). The banks accounted for around 62% of UAE banking sector assets as of December 2017. "The four largest UAE banks delivered a solid rise in net profits in the final quarter of 2017," said Nitish Bhojnagarwala, a Vice President at Moody's. "This was largely driven by higher business volumes and recent interest rates hikes, which generated higher recurring income, both in the form of net interest income and fees and commissions."

Source: [Moody's](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Japan's export growth is pointing to a continued recovery

Japan's exports grew in January for a 14th straight month led by brisk shipments of China-bound hybrid cars and electronics parts, a sign solid global demand for Japanese goods continued to underpin growth in the world's third largest economy. Ministry of Finance (MOF) data showed on Monday that exports grew 12.2 percent in January from a year earlier, following a 9.3 percent year-on-year gain in the previous month. The result handily beat a 10.3 percent increase expected by economists in a Reuters poll.

Source: [CNBC](#)

Dollar finds traction after steep fall, holds above three-year lows

The dollar found some traction on Monday following last week's steep fall and managed to hold above a three-year low against a basket of currencies. The dollar index against a group of six major peers was mostly steady at 89.081 after enjoying a modest bounce on Friday following its descent to 88.253, its lowest since December 2014. The U.S. currency has been weighed down by a variety of factors this year, including concerns that Washington might pursue a weak dollar strategy and the perceived erosion of its yield advantage as other countries start to scale back easy monetary policy.

Source: [CNBC](#)

Asia trades higher; Nikkei up 1.1%, Kospi up 0.9% and ASX up 0.4%

Asian markets rose in morning trade on Monday, after the U.S.'s S&P 500 extended its winning streak on Friday to six days. Markets in the Greater China region remain closed for the Lunar New Year holiday. Japan's Nikkei 225 rose 1.13 percent in early trade, while the Topix index was up 1.2 percent. South Korea's Kospi index gained 0.87 percent. Meanwhile, after the first hour of trade, Australia's ASX 200 reversed early losses to trade up 0.36 percent. The heavily weighted financial subindex rose 0.39 percent, while the energy sector fell 1.07 percent and materials fell 0.12 percent.

Source: [Money Control](#)

COMMODITIES NEWS

Oil extends gains, but upside limited as dollar edges up

Oil prices extended gains on Monday, but the increases were limited as the dollar recaptured some ground after touching its lowest level in more than three years on Friday. U.S. West Texas Intermediate crude for March delivery was up 5 cents, or 0.1 percent, at \$61.73 a barrel by 2348 GMT, after rising 4.2 percent last week.

Source: [Zawya](#)

Gold prices inch up on weaker dollar

Gold prices edged up on Monday on a softer U.S. dollar and as investors bought the yellow metal as a hedge against inflation. Spot gold rose 0.2 percent to \$1,350.51 an ounce at 0120 GMT. It hit a three-week high of \$1,361.76 on Friday. The metal rose 2.4 percent last week, its best weekly gain since the week ended Sept. 1.

Source: [Zawya](#)

MSM Proposed Dividends

Company Name	Cash Div %	DPS, OMR	Proposed Cash OMR '000	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	Stock Div, (OMR'000)	AGM Date	Total Payout	Cash YoY
BANKMUSCAT SAOG	30%	0.030	81,281	46.0%	7.3%	5%	13,547			30%
BANK DHOFAR SAOG	12%	0.012	27,094	56.9%	5.7%	8%	18,063	27/03/2018		6%
BANK SOHAR	5%	0.005	8,923	35.2%	3.2%	10%	17,846			11%
NATIONAL BANK OF OMAN SAOG	15%	0.015	23,228	52.8%	7.0%	5%	7,743	25/03/2018		-1%
HSBC BANK OMAN	6%	0.006	11,402	59.6%	5.2%					14%
AHLI BANK	10%	0.010	14,250	53.4%	6.2%	5%	7,125			0%
Banking Sector			166,178	49%	5.8%		64,324		67.7%	16%
AL AHLIA INSURANCE CO SAOC	27.0%	0.027	2,700	73.1%	7.5%			22/03/2018		-
OMAN QATAR INSURANCE CO	8%	0.008	800	42.7%	5.4%			21/03/2018		-
MUSCAT CITY DESALINATION	9%	0.009	1,451	n/m	5.9%			27/03/2018		-
Insurance Sector			4,951	26%	1.8%		-		26.3%	-
MUSCAT FINANCE	8%	0.008	2,283	55.1%	7.0%	5%	1,427	25/03/2018		-14%
UNITED FINANCE CO	4%	0.004	1,222	56.2%	2.8%					-68%
AL-OMANIYA FINANCIAL SERVICE	17%	0.017	4,705	67.4%	6.2%	3%	830			3%
TAAGEER FINANCE	10%	0.010	2,536	53.9%	8.3%					5%
Leasing Sector			10,746	35%	4.0%		2,257		42.9%	-20%
Total Financial Sector			181,876	44.6%	4.7%		66,581		60.9%	16%
SWEETS OF OMAN	20%	0.020	140	69.6%	1.5%			14/03/2018		-50%
OMAN REFRESHMENT CO	75%	0.075	3,750	34.7%	3.8%			27/02/2018		-25%
SALALAH MILLS CO	50%	0.050	2,669	66.5%	3.8%					39%
Food & Beverage Sector			6,559	35%	2.2%		-		35.3%	-9%
OMAN CEMENT CO	30%	0.030	9,926	102.6%	7.3%					0%
Cement Sector			9,926	60%	3.4%		-		59.8%	0%
MUSCAT THREAD MILLS CO	5%	0.005	76	40.1%	5.5%	5%	76	06/03/2018		105%
Textiles Sector			76	40%	5.5%		76		80.2%	105%
OMAN CHROMITE	16%	0.160	480	87.6%	4.4%			5/3/2018		7%
Mining Sector			480	53%	0.9%		-		53.5%	7%
AL-ANWAR CERAMIC TILES CO	6%	0.006	1,777	96.1%	4.6%			21/03/2018		-25%
Construction Materials Support Sector			1,777	24%	1.7%		-		24.1%	-25%
OMAN PACKAGING	20%	0.020	649	63.9%	7.1%			01/03/2018		0%
PACKAGING CO LTD		0.000	-	0.0%	0.0%					-
COMPUTER STATIONERY INDS	7%	0.007	70	75.0%	2.7%			6/3/2018		-30%
MAJAN GLASS COMPANY		0.000	-	0.0%	0.0%					-
Paper, Glass & Packaging			719	134%	2.8%		-		133.9%	-4%
GULF INTERNATIONAL CHEMICALS		0.000	-	0.0%	0.0%					-
OMAN CHLORINE		0.000	-	0.0%	0.0%					-
NATIONAL DETERGENT CO SAOG	45%	0.045	766	91.9%	6.9%			12/3/2018		-10%
Chemicals			766	37%	1.7%		-		36.5%	-10%
NATIONAL PHARMACEUTICAL	5%	0.005	250	15.6%	4.7%			22/02/2018		-50%
Pharmaceuticals			250	16%	4.7%		-		15.6%	-50%
VOLTAMP ENERGY SAOG		0.000	-	0.0%	0.0%					-
OMAN CABLES INDUSTRY	45%	0.045	4,037	59.0%	4.0%					-47%
Electical & Mechanical			4,037	41%	3.0%		-		41.0%	-47%
Total Industrial Sector			24,589	98.0%	2.4%		76		98.3%	-17%
OOREDOO	42%	0.042	27,340	88.2%	8.1%			5/3/2018		-48.3%
Telecom Sector		0	27,340	88%	2.3%		-		88.2%	0%
UBAR HOTELS & RESORTS	4%	0.004	200	42.9%	3.1%			20/03/2018		0%
HOTELS MANAGEMENT CO INT.	100%	1.000	3,000	116.1%	80.0%			12/3/2018		33%
SAHARA HOSPITALITY	15%	0.150	875	35.3%	6.0%	5%	292	27/02/2018		0%
Tourism & Hospitality Sector			4,075	73%	4.7%		292		78.7%	23%
SHELL OMAN MARKETING	85%	0.085	8,331	64.6%	4.9%					-17%
OMAN OIL MARKETING COMPANY	60%	0.060	3,710	41.8%	4.1%			18/03/2018		1%
AL MAHA PETROLEUM PRODUCTS M	65%	0.065	4,485	89.1%	6.5%			15/03/2018		-35%
MUSCAT GASES COMPANY SAOG	72%	0.072	2,159	155.7%	12.5%			13/03/2018		140%
Oil & Gas Marketing Sector			18,685	62%	5.1%		-		61.5%	-13%
UNITED POWER	150%	1.500	1,600	409.2%	33.3%			8/3/2018		14%
PHOENIX POWER CO SAOG	6%	0.006	9,068	90.8%	4.6%					-22%
SEMBCORP SALALAH POWER & WAT	10%	0.001	983	9.0%	0.5%					-91%
Energy Sector			11,651	22%	1.2%		-		22.1%	-50%
Total Service Sector			61,751	72.9%	2.1%		292		73.2%	-18%
Total Market			268,216	51.8%	3.4%		66,949		64.7%	2%

Source: MSM



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