

U Capital Morning Brief

21 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	953.75	953.96	-0.21	-0.02%	-0.17%	-2.11%
U Capital GCC 50 Index	1,200.42	1,200.12	0.30	0.02%	-1.45%	4.87%
U Capital MENA 200 Index	1,031.64	1,032.32	-0.68	-0.07%	-1.39%	3.67%
MSCI GCC Countries Index	498.50	499.23	-0.73	-0.15%	-1.83%	3.90%
Muscat Securities Market	5,000.48	5,007.52	(7.04)	-0.14%	0.01%	-1.94%
Saudi Stock Exchange	7,506.09	7,528.24	(22.15)	-0.29%	-1.88%	3.87%
Kuwait Stock Exchange	6,680.52	6,711.04	(30.52)	-0.45%	-0.11%	4.25%
Qatar Exchange	9,098.64	9,106.77	(8.13)	-0.09%	-1.15%	6.75%
Bahrain Stock Exchange	1,344.57	1,332.73	11.84	0.89%	-0.45%	0.97%
Dubai Financial Market	3,270.34	3,298.07	(27.73)	-0.84%	-3.65%	-2.96%
Abu Dhabi Sec. Exchange	4,577.79	4,579.48	(1.69)	-0.04%	-0.53%	4.08%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD USD %			
FTSE 100	United Kingdom	7,246.8	(0.89)	(0.01)	Brent Crude (per bbl) <i>Updated</i>	64.65	(0.60)	(0.92)
DAX	Germany	12,487.9	102.30	0.83	WTI Crude (per bbl) <i>Updated</i>	61.08	(0.70)	(1.13)
CAC 40	France	5,289.9	33.68	0.64	Oman Crude Oil (Last Closing)	62.35	0.20	0.32
United States					Gold100 OZ (per oz)			
DJIA	USA	24,964.8	(254.63)	(1.01)	Silver (per oz)	16.41	(0.04)	(0.25)
S&P 500	USA	2,716.3	(15.96)	(0.58)	Platinum (per oz)			
NASDAQ	USA	7,234.3	(5.16)	(0.07)	Copper, MT	7,090.00	(28.00)	(0.39)
Asia Pacific					Aluminium, MT			
NIKKEI 225	Japan	21,897.2	(25.46)	(0.12)	Lead, MT	2,598.00	23.00	0.89
HANG SENG	Hongkong	31,153.4	279.76	0.91	Zinc, MT	3,550.00	(5.00)	(0.14)
Selected Middle East					Nickel, MT			
Tunis Se Index	Tunis	6,570.5	8.32	0.13		13,610.00	20.00	0.15
EGX 30 Index	Egypt	15,219.3	61.14	0.40				
Blom Stock Index	Lebanon	1,172.0	4.58	0.39				

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	1.232	0.812
British Pound	GBP	1.398	0.715
Japanese Yen	JPY	0.009	107.790
Chinese Renminbi	CNH	0.158	6.344
Indian Rupee	INR	0.015	64.915
Russian Ruble	RUB	0.018	56.552
Canadian Dollar	CAD	0.790	1.266
Australian Dollar	AUD	0.785	1.274

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

His Majesty the Sultan issues five Royal decrees

His Majesty Sultan Qaboos bin Said yesterday issued five Royal decrees, as follows: Royal Decree No. 8/2018 on the promulgation of the national payments systems law. Article (1) enforces the provisions of the National Payments Systems Law attached to this decree. Article (2) cancels all that contradicts this decree or contravenes with its provisions. Article (3) says that this decree shall be published in the Official Gazette and enforced on the day following the elapsing of 30 days from its date of publishing in the Official Gazette.

Source: [Times of Oman](#)

General cargo volumes hit new monthly peak at Salalah Port

After handling record volumes of 13.58 million metric tons in 2017, Port of Salalah continued to deliver a strong performance in January 2018 by handling 1.55 million metric tons, breaking its previous monthly volume record set just over six months ago. Port of Salalah CEO Andrew Dawes said: "Our general cargo services business delivered strong growth in January thanks to the plans our commercial team has in place to help our customers improve their supply chain efficiency. This growth trajectory is being recognized here in the Sultanate and regionally as best-in-class.

Source: [Oman Observer](#)

Galfar wins RO23mn arbitration against Haya Water, shares jump 17%

Galfar Engineering and Contracting Company on Tuesday announced that it has won an arbitration award totaling over RO23mn against Haya Water regarding a dispute over Seeb sewage project. In a disclosure to Muscat Securities Market (MSM), Galfar said, 'We would like to inform our esteemed shareholders and investors that an arbitration award was issued in the second of the four arbitration proceedings between Galfar Engineering and Contracting SAOG (claimant) and Oman Wastewater Services Company SAOC / Haya Water (defendant) in respect of the disputed claims between the parties in Seeb sewage project contract-3'.

Source: [Muscat Daily](#)

Stronger oil prices offset lower energy production in Oman

Stronger oil prices offset lower energy production in Oman, as the government moved to accelerate fiscal reforms and broaden its revenue base. Oil output fell 3.7% year-on-year (y-o-y) in the first 10 months of 2017, with production averaging 970,000 barrels per day (bpd), down from 1m bpd in the same period of 2016. However, an improvement in average prices saw oil earnings rise 32%, according to the National Centre for Statistics and Information (NCSI). Bolstered by a 10.7% increase in gas revenues to October, the higher hydrocarbons earnings helped Oman narrow its budget deficit to OR3.2bn (\$8.3bn) by the end of October, down from OR4.8bn (\$12.5bn) in the same period the previous year.

Source: [Zawya](#)

Oman's Golden Group lists 50 mn Rials debut Sukuk

Omani conglomerate Golden Group has listed its first sale of Islamic bonds, or sukuk, raising 50 million Rials (\$130 million) via a 5-year deal, according to an exchange filing. The company set up a 200 million Rials Sukuk program last year, part of a small but growing list of corporates opting to use sharia-compliant financing in the Sultanate. Golden Group, which has interests in construction, real estate, hospitality and logistics, hired the Islamic banking unit of Bank Dhofar to arrange the sukuk. The first tranche pays a profit rate of 6.5 percent.

Source: [Reuters](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi's SABIC secures \$3bn syndicated bridge loan: sources

Saudi Basic Industries Corp (SABIC), the world's fourth-biggest petrochemicals company, has recently secured a \$3 billion bridge loan, sources told Reuters on Tuesday. The facility was raised to meet SABIC's ongoing financial requirements, one of the sources said. The sources declined to give further details on the lenders or the tenor of the loan and asked not to be identified because the matter is not yet public. SABIC officials did not immediately respond to Reuters request for comment.

Source: [Zawya](#)

Saudi Arabia issues 7.22b riyals of domestic Sukuk

Saudi Arabia's finance ministry issued 7.22 billion riyals (\$1.93 billion; Dh1.55 billion) of domestic Sukuk in its monthly sale by re-opening an issue originally made last month, the ministry said on Tuesday. It sold 5.37 billion riyals of five-year Sukuk, 1.70 billion riyals of seven-year Sukuk and 150 million riyals of 10-year Sukuk. Last month, the ministry sold 5.85 billion riyals of domestic Sukuk.

Source: [Gulf News](#)

Maaden subsidiary MPC closes SAR 3.5 bln Sukuk

Saudi Arabian Mining Company's (Maaden) subsidiary Maaden Phosphate Company (MPC) has successfully completed its SAR 3.5 billion (\$933.3 million) Sukuk offering, the company said in a statement to Tadawul on Tuesday. The proceeds will be used to replace a portion of

MPC's existing debt, it added. The offering – consisting of 3,500 certificates with a nominal value of SAR 1 million each – was a single class unsecured instrument denominated in Saudi riyals and privately offered to commercial banks and financial institutions.

Source: [Argaam](#)

Dubai's real estate slump to last until 2020 — S&P

Property prices in Dubai could decline by 10 to 15 percent over the next two years, hit by new supply, geopolitical risks and the introduction of value added-tax in the UAE, S&P Global Ratings' analysts said on Tuesday. The grim prediction came after Dubai residential prices fell by 5 to 10 percent in 2017, and the weak property market has also begun to hurt earnings of the emirate's top property developers. "We believe this correction will continue at least for this year and next, before prices stabilize in 2020 at the earliest," said Sapna Jagtiani, S&P's credit analyst for corporate and real estate ratings.

Source: [Arab News](#)

Dubai Islamic Bank lists \$1bn Sukuk on Nasdaq Dubai

Dubai Islamic Bank (DIB), the largest Islamic Bank in the UAE, rang the market-opening bell today to celebrate the listing of a \$1 billion Sukuk on Nasdaq Dubai. The Sukuk is the first benchmark dollar-denominated Sukuk from a GCC issuer in 2018 and provides significant support for the domestic and international growth strategy of DIB.

Source: [Zawya](#)

Dubai tourism has room to grow

Hotel room supply in Dubai is set to reach 132,000 by the end of 2019 as the hospitality sector remains on track to record strong growth with occupied room nights expected to reach 35.5 million next year, a study by Dubai's Department of Tourism and Commerce Marketing said. While occupied room nights is set to post a 10.2 per cent compound annual growth rate over the next 24 months, room supply is predicted to grow at a two-year CAGR of 11.1 per cent, the study said.

Source: [Khaleej Times](#)

New \$1.1bn Dubai mega mall to be Middle East's biggest

Master developer Nakheel has signed a contract for the construction of Deira Mall, its new shopping, dining and entertainment destination with a total development value of Dh6.1 billion - and the biggest mall in the Middle East. Nakheel confirmed that [UNEC] United Engineering Construction will build the mall, the UAE's largest in terms of leasable space, under a contract worth Dh4.2 billion - one of Dubai's highest-value construction contracts awarded for a single project of late. Construction will begin in Q1 this year, with completion in 2021.

Source: [Zawya](#)

Bahrain's economic growth expected to accelerate

Bahrain's central bank governor said on Tuesday that the country's economic growth might accelerate because of the recovery of oil prices since mid-2017, but he warned that the government needed to be careful about its budget deficit. Rasheed Mohammed Al Maraj, speaking at an investment conference in Bahrain, also said it was only a matter of time before Bahrain introduced a value-added tax to strengthen state revenues. Bahrain's state finances are among the weakest of the six Gulf Arab oil-exporting states, and all three big credit rating agencies assess Bahraini debt as "junk." The International Monetary Fund projected the government would run a deficit of 11.9 per cent of gross domestic product this year

Source: [Times of Oman](#)

Qatar pumps \$43bn to help banks after boycott – S&P

Qatar has injected around \$43 billion in 2017 as an action to support Qatari banks after a Saudi-led boycott resulted in a sharp drop in deposits, S&P Global Ratings said in a report released Tuesday. Qatari government-controlled companies pumped cash into the financial system after around \$22 billion of deposits flowed out of the country in the period between June and December on the back of Qatar's diplomatic dispute, which began in June, Mohamed Damak, S&P's senior director for financial services, said.

Source: [Mubasher](#)

Qatar's Commercial Bank agrees to sell stake in UAE's UAB to Tabarak

Commercial Bank, Qatar's third largest bank by assets, has agreed, in principle, to sell its 40 percent stake in Abu Dhabi-listed United Arab Bank UAB.AD to United Arab Emirates-based Tabarak Investment, sources told Reuters on Tuesday. The sale will be finalized shortly with a formal announcement to be made next month, the sources said, declining to be named as the matter is not yet public. Commercial Bank is exiting the UAE at a time when Qatar faces off against Saudi Arabia, United Arab Emirates, Bahrain and Egypt in a regional diplomatic and commercial rift.

Source: [Zawya](#)

Qatar's trade balance surplus with Japan rises 38.6% in January

Qatar's trade balance surplus with Japan surged 38.6% year-on-year in January 2018, according to the Japanese Ministry of Finance's monthly bulletin on Monday. The trade balance surplus between the two nations amounted to JPY 131.9 billion (\$1.23 billion) in the first month of the year, the official data showed. Exports of the world's biggest exporter of liquefied natural gas (LNG) to Japan jumped 37.1% year-on-year to JPY 144.71 billion (\$1.36 billion) in January.

Source: [Mubasher](#)

Qatar Airways targets expansion strategy to 'defeat' regional blockade

Qatar's flagship airline is embarking on a strategy of expansion in part to counter losses borne by the regional embargo imposed on it in 2017 by several neighboring states. Qatar Airways CEO Akbar Al-Baker told CNBC on Tuesday that he would bring an end to the "illegal" blockade through a policy of increased flight frequencies. "We are focusing everywhere in the world, we've been increasing frequencies into Eastern Europe, Southeast Asia, increasing our network into the sub-continent, so we are going all over the place," he said. "We are very determined to make sure that this illegal blockade is defeated in a very, very strong way."

Source: [Yahoo](#)

Natural gas agreement will not harm Egypt – Expert

The agreement between Dolphinus Holdings and Israel to import \$15 billion worth of natural gas will not be a burden on the Egyptian economy, according to Ramadan Abou El-Ela, a professor at the Faculty of Petroleum and Mining Engineering in Suez University. Abou El-Ela told Mubasher that the agreement is limited to the state of Israel and the Egyptian company, noting that it has nothing to do with Egypt's production.

Source: [Mubasher](#)

SABBOUR launches EGP 32bn project in Mostakbal City

Al Ahly for Real Estate Development (SABBOUR) and El Mostakbal for Urban Development have launched the 578-acre City of Odessa project in El Mostakbal "Future" City with EGP 32 billion in investment. The Egypt-based real estate firm is planning to establish a multi-use residential complex in Mostakbal City, managing director Ahmed Sabbour said in a press conference on Tuesday. The complex is projected to embrace 12,000 families and to be comprised of a small number of residential units, he added.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

General Motors is proposing a \$2.8 billion investment to save its ailing South Korean unit

General Motors (GM) has proposed a \$2.8 billion fresh investment in South Korea over the next 10 years as part of its plan to restructure embattled Korean unit, according to a South Korean senior government official. The official with direct knowledge of the matter added that the U.S. car maker had requested South Korea to inject funds into GM Korea, in which the country's state bank also holds a stake.

Source: [CNBC](#)

Bitcoin's bouncing back, here are the next big catalysts for the cryptocurrency

The cryptocurrency surged Tuesday, closing in on the \$12,000 level. One bitcoin bull says progress on the regulatory front could send it even higher. According to CNBC "Fast Money" trader Brian Kelly, Tuesday's rally is the result of more crypto-friendly attitudes by government regulators. Not only did Wyoming on Monday pass a bill relaxing securities law for some tokens, the South Korean government, which had previously vowed to crack down on cryptocurrency trading, said it would "support" and even "encourage" crypto operations so long as they were "normal" transactions.

Source: [CNBC](#)

Asia stocks dip, dollar recovery continues as yields rise

Stock markets dipped after a long winning run on Wall Street ended overnight, while the dollar gained momentum on Wednesday as yields on US Treasury debt headed for highs not seen in four years. MSCI's broadest index of Asia-Pacific shares outside Japan lost 0.15 percent. Japan's Nikkei shed 0.2 percent. Australian stocks were down 0.05 percent and South Korea's KOSPI fell 0.4 percent.

Source: [Money Control](#)

COMMODITIES NEWS

Oil prices fall as U.S. dollar firms

Oil prices fell on Wednesday, weighed down as the U.S. dollar moved further away from three-year lows hit last week. U.S. West Texas Intermediate (WTI) crude futures were at \$61.37 a barrel at 0144 GMT, down 42 cents, or 0.7 percent, from their last settlement. Brent crude futures had dropped 36 cents, or 0.6 percent, from their last close to \$64.89 per barrel. Wang Tao, Reuters technical commodity analyst, said Brent could fall into a range of \$63.92-\$64.41 per barrel, as suggested by its wave pattern and a projection analysis.

Source: [Zawya](#)

One year on, OPEC gets closer to original target of oil cut pact

OPEC is closing in on its goal of reducing oil inventories held by industrialized nations to their five-year average, the original target of a supply-cutting pact with Russia and others, figures from the group's head of research showed on Tuesday. Oil stocks in developed OECD economies, which were 340 million barrels above the five-year average in January 2017, were just 74 million barrels above that level last month, Ayed Al Qahtani, OPEC's head of research, told a conference.

Source: [Reuters](#)

MSM Proposed Dividends

Company Name	Cash Div %	Cash DPS, OMR	Proposed Cash OMR '000	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date	Total Payout
BANKMUSCAT SAOG	30%	0.030	81,281	46.0%	7.3%	5%		53.6%
BANK DHOFAR SAOG	12%	0.012	27,094	56.9%	5.7%	8%	27/03/2018	94.8%
BANK SOHAR	5%	0.005	8,923	35.2%	3.2%	10%		105.7%
NATIONAL BANK OF OMAN SAOG	15%	0.015	23,228	52.8%	7.1%	5%	25/03/2018	70.4%
HSBC BANK OMAN	6%	0.006	11,402	59.6%	5.3%			59.6%
AHLI BANK	10%	0.010	14,250	53.4%	6.2%	5%		80.2%
Banking Sector			166,178	49%	5.8%			67.7%
OMAN UNITED INSURANCE CO	30%	0.030	3,000	89.7%	8.1%		29/03/2018	89.7%
AL AHLIA INSURANCE CO SAOC	27%	0.027	2,700	73.1%	7.5%		22/03/2018	73.1%
OMAN QATAR INSURANCE CO	8%	0.008	800	42.7%	5.4%		21/03/2018	42.7%
MUSCAT CITY DESALINATION	9%	0.009	1,451	n/m	5.9%		27/03/2018	-482.2%
Insurance Sector			7,951	42%	2.9%			42.2%
MUSCAT FINANCE	8%	0.008	2,283	55.1%	7.0%	5%	25/03/2018	89.5%
UNITED FINANCE CO	4%	0.004	1,222	56.2%	2.8%			56.2%
AL-OMANIYA FINANCIAL SERVICE	17%	0.017	4,705	67.4%	6.2%	3%		79.3%
TAAGEER FINANCE	10%	0.010	2,536	53.9%	8.3%			53.9%
Leasing Sector			10,746	35%	4.0%			42.9%
Total Financial Sector			184,876	45.3%	4.8%			61.6%
SWEETS OF OMAN	20%	0.020	140	64.5%	1.5%		14/03/2018	64.5%
OMAN REFRESHMENT CO	75%	0.075	3,750	34.7%	3.8%		27/02/2018	34.7%
SALALAH MILLS CO	50%	0.050	2,669	66.5%	3.8%			66.5%
A'SAFFA FOODS SAOG	20%	0.020	2,400	62.5%	3.5%		29/03/2018	62.5%
Food & Beverage Sector			8,959	48%	3.0%			48.1%
OMAN CEMENT CO	30%	0.030	9,926	102.6%	7.4%			102.6%
Cement Sector			9,926	60%	3.4%			59.8%
MUSCAT THREAD MILLS CO	5%	0.005	76	40.1%	5.5%	5%	06/03/2018	80.2%
Textiles Sector			76	40%	5.5%			80.2%
OMAN CHROMITE	16%	0.160	480	87.6%	4.4%		5/3/2018	87.6%
Mining Sector			480	53%	0.9%			53.5%
AL-ANWAR CERAMIC TILES CO	6%	0.006	1,777	96.1%	4.6%		21/03/2018	96.1%
AL JAZEERA STEEL PRODUCTS CO	24%	0.024	2,998	63.6%	7.7%			63.6%
Construction Materials Support Sector			4,775	65%	4.6%			64.7%
OMAN PACKAGING	20%	0.020	649	63.9%	7.1%		01/03/2018	63.9%
COMPUTER STATIONERY INDS	7%	0.007	70	75.0%	2.7%		6/3/2018	75.0%
Paper, Glass & Packaging			719	103%	2.8%			102.9%
NATIONAL DETERGENT CO SAOG	45%	0.045	766	91.9%	6.9%		12/3/2018	91.9%
Chemicals			766	37%	1.7%			36.5%
NATIONAL PHARMACEUTICAL	5%	0.005	250	15.6%	4.7%		22/02/2018	15.6%
Pharmaceuticals			250	16%	4.7%			15.6%
OMAN CABLES INDUSTRY	45%	0.045	4,037	59.0%	4.0%			59.0%
Electical & Mechanical			4,037	41%	3.0%			41.0%
Total Industrial Sector			29,987	118.7%	2.9%			119.0%
OOREDOO	42%	0.042	27,340	88.2%	8.2%		5/3/2018	88.2%
Telecom Sector			27,340	88%	2.3%			88.2%
UBAR HOTELS & RESORTS	4%	0.004	200	42.9%	3.1%		20/03/2018	42.9%
HOTELS MANAGEMENT CO INT.	100%	1.000	3,000	116.1%	80.0%		12/3/2018	116.1%
SAHARA HOSPITALITY	15%	0.150	875	35.3%	6.0%	5%	27/02/2018	47.1%
Tourism & Hospitality Sector			4,075	73%	4.7%			78.3%
SHELL OMAN MARKETING	85%	0.085	8,331	64.6%	4.9%			64.6%
OMAN OIL MARKETING COMPANY	60%	0.060	3,710	41.8%	4.1%		18/03/2018	41.8%
AL MAHA PETROLEUM PRODUCTS M	65%	0.065	4,485	89.1%	6.5%		15/03/2018	89.1%
MUSCAT GASES COMPANY SAOG	72%	0.072	2,159	155.7%	12.5%		13/03/2018	155.7%
Oil & Gas Marketing Sector			18,685	62%	5.1%			61.5%
UNITED POWER	150%	1.500	1,600	409.2%	33.3%		8/3/2018	409.2%
PHOENIX POWER CO SAOG	6%	0.006	9,068	90.8%	4.4%			90.8%
SEMBCORP SALALAH POWER & WAT	10%	0.010	9,832	89.6%	4.6%			89.6%
Energy Sector			20,500	39%	2.0%			38.9%
Total Service Sector			70,600	83.3%	2.4%			83.6%
Total Market			285,463	55.1%	3.6%			68.0%

Source: MSM

