








U Capital Morning Brief

22 February 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	955.28	953.75	1.53	0.16%	-0.01%	-1.95%
U Capital GCC 50 Index	1,199.23	1,200.42	-1.19	-0.10%	-1.54%	4.77%
U Capital MENA 200 Index	1,031.24	1,031.64	-0.40	-0.04%	-1.43%	3.63%
MSCI GCC Countries Index	498.35	498.50	-0.14	-0.03%	-1.86%	3.87%
 Muscat Securities Market	4,987.37	5,000.48	(13.11)	-0.26%	-0.25%	-2.19%
 Saudi Stock Exchange	7,505.62	7,506.09	(0.47)	-0.01%	-1.89%	3.87%
 Kuwait Stock Exchange	6,701.31	6,680.52	20.79	0.31%	0.20%	4.58%
 Qatar Exchange	9,119.01	9,098.64	20.37	0.22%	-0.93%	6.99%
 Bahrain Stock Exchange	1,351.66	1,344.57	7.09	0.53%	0.07%	1.50%
 Dubai Financial Market	3,285.64	3,270.34	15.30	0.47%	-3.20%	-2.51%
 Abu Dhabi Sec. Exchange	4,583.67	4,577.79	5.88	0.13%	-0.40%	4.21%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					Commodity Prices*			
					USD USD %			
FTSE 100	United Kingdom	7,281.6	34.80	0.48	Brent Crude (per bbl) <i>Updated</i>	64.91	(0.52)	(0.79)
DAX	Germany	12,470.5	(17.41)	(0.14)	WTI Crude (per bbl) <i>Updated</i>	61.02	(0.66)	(1.07)
CAC 40	France	5,302.2	12.31	0.23	Oman Crude Oil (Last Closing)	62.50	0.15	0.24
United States								
DJIA	USA	24,797.8	(166.97)	(0.67)	Gold100 OZ (per oz)	1,323.92	(0.49)	(0.04)
S&P 500	USA	2,701.3	(14.93)	(0.55)	Silver (per oz)	16.49	(0.03)	(0.16)
NASDAQ	USA	7,218.2	(16.08)	(0.22)				
Asia Pacific								
NIKKEI 225	Japan	21,681.5	(287.44)	(1.31)	Platinum (per oz)	990.56	(0.41)	(0.04)
HANG SENG	Hongkong	31,095.8	(336.12)	(1.07)	Copper, MT	7,119.00	29.00	0.41
Selected Middle East								
Tunis Se Index	Tunis	6,590.4	19.88	0.30	Aluminium, MT	2,201.00	16.00	0.73
EGX 30 Index	Egypt	15,244.5	25.23	0.17	Lead, MT	2,554.00	(44.00)	(1.69)
Blom Stock Index	Lebanon	1,177.9	5.92	0.51	Zinc, MT	3,541.00	(9.00)	(0.25)
					Nickel, MT			
					13,845.00			
					235.00			
					1.73			

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	1.228	0.815
British Pound	GBP	1.391	0.719
Japanese Yen	JPY	0.009	107.390
Chinese Renminbi	CNH	0.158	6.338
Indian Rupee	INR	0.015	64.985
Russian Ruble	RUB	0.018	56.752
Canadian Dollar	CAD	0.788	1.269
Australian Dollar	AUD	0.781	1.281

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's non-oil exports surge by 28% to OMR2.6b

The value of Oman's non-oil exports touched OMR2,600.8 million in the first 10 months of 2017, 28.2 per cent up from the OMR2,028.4 million registered in the same January to October period of the previous year. A major recovery in energy prices indirectly helped the country strengthen its non-oil export revenue as well. Since prices of several petrochemical products are positively correlated to the global prices of energy, Oman could immensely gain from a rise in oil prices.

Source: [Times of Oman](#)

Sohar Port inks deal with Dutch firm

A Memorandum of Understanding (MoU) was signed between Sohar Port and Freezone and Netherlands-based Strukton International for the development of a revolutionary waste water treatment plant at the port. The agreement was signed on the sidelines of the visit of Sigrid Kaag, Minister of Foreign Affairs and Minister for Foreign Trade and Development for the Netherlands, and Laetitia van Asch, Ambassador of the Netherlands to Oman.

Source: [Times of Oman](#)

100% excise tax on tobacco, energy drinks from June

Oman will raise taxes on tobacco, alcohol, soft drinks and energy drinks from June, according to the National Tobacco Control Committee (NTCC) rapporteur. Increasing taxes on fast food is also on the agenda as authorities are looking to control the spread of Non-Communicable Diseases (NCDs) which have risen sharply in the sultanate over the last few years.

Source: [Muscat Daily](#)

Diversification efforts take center stage in 2018 report on Oman

Oman's efforts to broaden its economic base by channeling investment into sectors identified as ripe for development are given wide-ranging analysis in a new report just produced by the global research and consultancy firm Oxford Business Group (OBG).

Source: [Muscat Daily](#)

20 firms to compete for Oman's first large-scale solar project

The Authority for Electricity Regulation Oman (AER) has issued preliminary confirmation to bidders participating in the solar project to confirm they satisfy the Authority's Appropriate Person Criteria. Confirmation of compliance is a legal requirement for any entity to hold a license issued by the Authority.

Source: [Oman Observer](#)

NATIONAL BANK OF OMAN - Resignation of NBO Chief Executive Officer

The Board of Directors of the National Bank of Oman would like to announce that Mr. Ahmed Jafar Al Musalmi, the Chief Executive Officer, has submitted his resignation due to personal reasons. The Board of Directors at its meeting held on February 21, 2018 has accepted the resignation and accordingly his last working day with the Bank will be on May 17, 2018. Pursuant to Mr Al-Musalmi's resignation, the Board resolved to appoint Sayyid Wasfi Jamshid Al Said, as Acting Chief Executive Officer with immediate effect i.e. 21 February 2018.

Source: [MSM](#)

Court expat money to keep it in Oman

Omanis are giving their country a financial thumbs-up by investing in the Sultanate while expat investments are dropping, government data reveals. Shares bought by Omanis in 2017 grew by nearly 10 per cent to more than OMR870million compared to 2016, but non-Arab expat investments dropped by 5 per cent to just over OMR60 million.

Source: [Times of Oman](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia's real estate deals hit SAR 12.5 bln last month

The value of real estate transactions in Saudi Arabia in the month ending Feb. 16 (Jumada Al-Awwal) dropped by 25 percent YoY and 64 percent month-on-month to SAR 12.48 billion, Saudi Justice Ministry's data showed. However, the data showed that, for the last six months (from the beginning of Hijri year on Sept. 21), the value of property deals rose 10 percent, or SAR 9.2 billion, to SAR 102.6 billion, compared to the same period a year earlier.

Source: [Argaam](#)

Saudi Arabia's Samba, Alawwal underline banking upturn

Saudi Arabian banks showed more evidence of improving results on Wednesday with stronger fourth-quarter performances from two of the kingdom's larger lenders. Of the seven main Saudi banks to report so far, all have posted higher profits for the quarter, although few have done enough to beat market forecasts.

Source: [Zawya](#)

Saudi's SABIC secures \$3 billion 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.

Source: [Reuters](#)

SMEs to have more stake in private health sector

Minister of Health Dr. Tawfiq Al-Rabiah approved the executive regulations to help private health firms improve services and facilities, the Saudi Press Agency reported on Wednesday. The minister approved the regulations after making drastic amendments and bringing new health services and activities under its purview. According to the regulations, there will be an enhanced contribution of small and medium enterprises (SMEs) in the private health sector.

Source: [Saudi Gazette](#)

Saudi sovereign fund is said to seek 15% stake in Accor's unit

Saudi Arabia's sovereign wealth fund is in talks to buy a 15 per cent stake in Accor SA's property business in a transaction that could value the unit at about €6.2 billion (Dh2.7 billion, \$7.64 billion), according to people familiar with the matter. Public Investment Fund, known as PIF, is buying a stake alongside Singapore's state-owned GIC Pte, French asset manager Amundi SA and US real estate investment trust Colony NorthStar Inc, the people said, asking not to be identified as the information is private.

Source: [Gulf News](#)

Bahrain will go ahead with value-added tax, finance minister says

Bahrain will go ahead with imposing a value-added tax to strengthen state finances, Minister of Finance Sheikh Ahmed bin Mohammed al-Khalifa said on Wednesday, after domestic political opposition slowed the plan. "We'll be working with parliament on VAT and aim to have everything set up by the end of 2018," Sheikh Ahmed told an investment conference in Manama, without giving a firm date for when the tax would be launched.

Source: [Reuters](#)

Bahrain's sovereign fund in talks to invest in SoftBank's Vision Fund: CEO

Bahrain's sovereign wealth fund Mumtalakat is in early talks to invest in Softbank Group's private equity fund that aims to target the technology sector, its chief executive said. Mumtalakat could join other Gulf state funds such as the Public Investment Fund, Saudi Arabia's main sovereign wealth fund, and Abu Dhabi's Mubadala, who have invested in SoftBank's \$93 billion private equity Vision Fund.

Source: [CNBC](#)

UAE resilience: Banks' assets hit \$734bln in 2017

The UAE-based banks' total assets surged to US\$ 734 billion (AED2.693 trillion) at the end of 2017 from AED 2.642 trillion by the end of Q3 in the same year, continuing to be on top of GCC-based banks in terms of assets for the third year running. The resilient solvency of UAE banks comes on the back of rapid economic growth in the country despite the global and regional economic slowdown.

Source: [Zawya](#)

New Islamic economy products unveiled in Dubai

Three new and unique solutions were launched in Dubai Wednesday at the 3rd Session: International Innovative Platform for Islamic Economy Products (IIPIEP 2018). The event, which was organized by Dubai Airport Freezone Authority (DAFZA) in cooperation with International Center of Islamic Economy (ICIE), helps to establish Dubai's leading position as the capital of Islamic Economy across the globe.

Source: [Saudi Gazette](#)

Full telecoms competition in the UAE inches closer after du launches nationwide TV service

Du has announced the availability of limited home internet and TV packages across the UAE, marking the beginning of full competition in the UAE's telecoms space 11 years after the second operator first launched services.

Source: [The National UAE](#)

Sharjah airport gets into expansion mode

Sharjah airport is planning a massive expansion of its passenger terminal in the next four years, which will increase the capacity of Sharjah International Airport to 20 million passengers by 2027. This was announced during the Smart Travel Initiative event held on Wednesday as part of the UAE Innovation Month being held in Sharjah from February 15 to 21.

Source: [Gulf News](#)

Aamal appoints liquidity provider

Aamal Company announced yesterday an agreement with The Group Securities Co. (The Group), a member of the Qatar Stock Exchange (QSE) authorized to provide specialist liquidity services in accordance with the Qatar Financial Markets Authority (QFMA) approved liquidity provision scheme. Through the obligation to provide constant bid and offer prices, the intention is to improve the liquidity of Aamal shares listed on the Qatar Stock Exchange by facilitating increased market depth and trading volumes.

Source: [TPQ](#)

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: [TPQ](#)

Qatar Development Bank to rejuvenate Tasdeer to further boost exports

Qatar Development Bank (QDB) has announced plans to enhance the level of participation in international exhibitions and other export promotion related activities to almost double this year compared to last year. The state-backed development agency, under its export promotion and development program - Tasdeer—is aiming to boost exports of local products and services by providing and facilitating market access to small and medium-sized enterprises (SMEs).

Source: [Yahoo](#)

Fitch Says Qatar Deficit Narrowing but Public Finance Risks Persist

Fitch says Qatar deficit narrowing but public finance risks persist. Fitch says recent data show Qatar's fiscal deficit is narrowing despite economic "boycott" that began in June.

Source: [Reuters](#)

Kuwait's NBK, KFH sign \$831 mln loan for Turkey's Limak for airport project

National Bank of Kuwait and Kuwait Finance House on Wednesday signed a 249.2 million dinars (\$831.3 million) syndicated loan facility for Turkey's business group Limak for the building of a new terminal at Kuwait airport.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Fed minutes: All signs pointing to more rate hikes ahead

Federal Reserve officials see increased economic growth and an uptick in inflation as justification to continue to raise interest rates gradually, according to minutes from the central bank's latest meeting. Though the policymaking Federal Open Market Committee chose not to hike its target rate at the Jan. 30-31 gathering, members indicated clearly that the path ahead for rates was higher.

Source: [CNBC](#)

Broadcom cuts Qualcomm offer to \$117 billion after new NXP deal

Microchip maker Broadcom Ltd (AVGO.O) cut its bid for Qualcomm Inc (QCOM.O) on Wednesday by 4 percent to \$117 billion as it objected to Qualcomm's decision to raise its own bid for NXP Semiconductors NV (NXPI.O) to \$44 billion. Qualcomm responded that Broadcom had made "an inadequate offer even worse," setting up a showdown on March 6, when Qualcomm shareholders are scheduled to elect an 11-member board and decide whether to hand control to a slate of six nominees put forward by Broadcom.

Source: [Reuters](#)

GE eyes \$4 billion in asset sales, has no plans to sell stock: CFO

General Electric Co has "line of sight" on the first \$4 billion in asset sales under its plans for \$20 billion in disposals, the company's chief financial officer said on Wednesday, while dismissing talk about selling shares to raise capital.

Source: [Reuters](#)

UK Productivity growth strongest since financial crisis

The UK has seen the strongest two quarters of productivity growth since the recession of 2008, according to the latest data. Output per hour rose 0.8% in the three months to December, the Office for National Statistics said. It follows growth of 0.9% in the previous period. There was also a better than expected rise in wages. Excluding bonuses, earnings rose by 2.5% year-on-year.

Source: [BBC](#)

COMMODITIES NEWS

Oil prices fall on firmer U.S. dollar

Oil prices fell on Thursday, pulled down as a firmer dollar outweighed a report of a decrease in U.S. crude inventories. U.S. West Texas Intermediate (WTI) crude futures Clc1 were at \$61.12 a barrel at 0102 GMT, down 56 cents, or 0.9 percent, from their last settlement.

Source: [Reuters](#)

U.S. adds more duties on biodiesel from Argentina, Indonesia

The U.S. Commerce Department on Wednesday piled on more import duties on biodiesel from Argentina and Indonesia, adding anti-dumping duties of 60.44 percent to 276.65 percent to already steep anti-subsidy duties on the fuels.

Source: [Reuters](#)

MSM Proposed Dividends

Company Name	Cash Div %	Cash DPS, OMR	Proposed Cash OMR '000	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	Stock Div, (OMR'000)	AGM Date	Total Payout
BANKMUSCAT SAOG	30%	0.030	81,281	46.0%	7.3%	5%	13,547		53.6%
BANK DHOFAR SAOG	12%	0.012	27,094	56.9%	5.8%	8%	18,063	27/03/2018	94.8%
BANK SOHAR	5%	0.005	8,923	35.2%	3.3%	10%	17,846		105.7%
NATIONAL BANK OF OMAN SAOG	15%	0.015	23,228	52.8%	7.1%	5%	7,743	25/03/2018	70.4%
HSBC BANK OMAN	6%	0.006	11,402	59.6%	5.2%				59.6%
AHLI BANK	10%	0.010	14,250	53.4%	6.0%	5%	7,125		80.2%
Banking Sector			166,178	49%	5.9%		64,324		67.7%
OMAN UNITED INSURANCE CO	30%	0.030	3,000	89.7%	7.9%			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%	1,427	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%	830		79.3%
TAAGEER FINANCE	10%	0.010	2,536	53.9%	8.3%				53.9%
Leasing Sector			10,746	35%	4.0%		2,257		42.9%
Total Financial Sector			184,876	45.3%	4.8%		66,581		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	103.5%	7.5%				103.5%
Cement Sector			9,926	60%	3.4%		-		60.1%
MUSCAT THREAD MILLS CO	5%	0.005	76	40.1%	5.5%	5%	76	06/03/2018	80.2%
Textiles Sector			76	40%	5.5%		76		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%	7.5%				63.6%
Construction Materials Support			4,775	65%	4.5%		-		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	499	31.2%	4.7%			22/02/2018	31.2%
Pharmaceuticals			499	31%	4.7%		-		31.2%
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			30,235	120.1%	2.9%		76		120.4%
OOREDOO	42%	0.042	27,340	88.2%	8.2%			5/3/2018	88.2%
Telecom Sector		0	27,340	88%	2.3%		-		88.2%
GULF HOTELS (OMAN) CO LTD	30%	0.030	103	6.5%	0.3%				6.5%
UBAR HOTELS & RESORTS	4%	0.004	200	47.0%	3.1%			20/03/2018	47.0%
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%	292	27/02/2018	47.1%
Tourism & Hospitality Sector			4,178	76%	4.8%		292		80.8%
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%	13.1%			13/03/2018	155.7%
Oil & Gas Marketing Sector			18,685	62%	5.1%		-		61.5%
AL KAMIL POWER CO	25%	0.025	2,406	129.2%	8.0%			19/3/2018	129.2%
UNITED POWER	150%	1.500	1,604	410.1%	33.6%			8/3/2018	410.1%
ACWA POWER BARKA SAOG		0.000	-	0.0%	0.0%				-
PHOENIX POWER CO SAOG	6%	0.006	9,068	90.8%	4.4%				90.8%
OMAN NATIONAL ENGINEERING AN	10%	0.010	1,000	47.5%	5.2%	10%	1,000		95.0%
SEMBORP SALALAH POWER & WAT	13%	0.013	12,505	114.0%	5.8%			8/3/2018	114.0%
AL SUWADI POWER	9%	0.009	6,430	113.8%	6.3%			20/3/2018	113.8%
AL BATINAH POWER	9%	0.009	6,074	133.3%	6.5%			20/3/2018	133.3%
Energy Sector			39,087	74%	3.9%		1,000		76.0%
AL JAZEERA SERVICES	15%	0.015	3,459	218.2%	9.1%				218.2%
Diversified Commercial Services			3,459	-8%	1.9%		-		-8.4%
Total Service Sector			92,748	109.5%	3.2%		1,292		111.0%
Total Market			307,860	59.4%	3.9%		67,949		72.6%

Source: MSM

*Includes Interim dividends

