

U Capital Morning Brief

9 January 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	973.62	974.34	-0.72	-0.07%	-0.07%	-0.07%
U Capital GCC 50 Index	1,168.15	1,161.97	6.18	0.53%	2.05%	2.05%
U Capital MENA 200 Index	1,012.41	1,007.82	4.59	0.46%	1.74%	1.74%
MSCI GCC Countries Index	491.86	489.52	2.33	0.48%	2.52%	2.52%
Muscat Securities Market	5,107.97	5,119.18	(11.21)	-0.22%	0.17%	0.17%
Saudi Stock Exchange	7,310.26	7,317.65	(7.39)	-0.10%	1.16%	1.16%
Kuwait Stock Exchange	6,498.49	6,504.97	(6.48)	-0.10%	1.41%	1.41%
Qatar Exchange	8,975.82	8,751.20	224.62	2.57%	5.31%	5.31%
Bahrain Stock Exchange	1,320.40	1,318.76	1.64	0.12%	-0.85%	-0.85%
Dubai Financial Market	3,490.16	3,471.09	19.07	0.55%	3.56%	3.56%
Abu Dhabi Sec. Exchange	4,585.54	4,556.41	29.13	0.64%	4.25%	4.25%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD			
FTSE 100	United Kingdom	7,696.5	(27.71)	(0.36)	Brent Crude (per bbl) <i>Updated</i>	68.20	0.42	0.62
DAX	Germany	13,367.8	48.14	0.36	WTI Crude (per bbl) <i>Updated</i>	62.20	0.47	0.76
CAC 40	France	5,487.4	16.67	0.30	Oman Crude Oil (Last Closing)	65.40	0.18	0.28
United States					USD			
DJIA	USA	25,283.0	(12.87)	(0.05)	Gold 100 OZ (per oz)	1,318.86	(1.61)	(0.12)
S&P 500	USA	2,747.7	4.56	0.17	Silver (per oz)	17.12	(0.01)	(0.07)
NASDAQ	USA	7,157.4	20.83	0.29	Platinum (per oz)	966.45	(6.40)	(0.66)
Asia Pacific					USD			
NIKKEI 225	Japan	23,847.6	132.91	0.56	Copper, MT	7,125.00	4.00	0.06
HANG SENG	Hongkong	31,014.3	114.79	0.37	Aluminium, MT	2,175.00	(27.50)	(1.25)
Selected Middle East					USD			
Tunis Se Index	Tunis	6,309.9	44.82	0.72	Lead, MT	2,604.00	64.00	2.52
EGX 30 Index	Egypt	14,953.2	170.79	1.16	Zinc, MT	3,386.00	32.00	0.95
Blom Stock Index	Lebanon	1,156.9	(4.52)	(0.39)	Nickel, MT	12,535.00	10.00	0.08

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

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Cross Rate for Major Currencies*

Currency	Code	USD/1 Unit	Units/1 USD
Euro	EUR	1.197	0.836
British Pound	GBP	1.357	0.737
Japanese Yen	JPY	0.009	112.580
Chinese Renminbi	CNH	0.154	6.501
Indian Rupee	INR	0.016	63.480
Russian Ruble	RUB	0.018	56.990
Canadian Dollar	CAD	0.806	1.241
Australian Dollar	AUD	0.786	1.273

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 inflation rises marginally

The inflation rate in the Sultanate increased by 1.7 per cent in December 2017, compared with the same period in 2016, according to the latest data issued by the National Centre for Statistics and Information (NCSI). The latest data also suggests that December inflation increased 0.07 per cent compared with November 2017.

Source: [Times of Oman](#)

UAE VAT may increase jewelry prices in Oman

With the implementation of a five per cent value-added tax (VAT) in the UAE from January 1, the prices of gold and diamond jewelry in Oman could slightly increase in the coming months, according to industry executives. Local jewelry stores expect that VAT could make imports of bullion-based ornaments from the UAE a bit costlier going forward, though they are awaiting more clarity over the issue before raising the prices.

Source: [Muscat Daily](#)

PDO to drill over 600 new wells this year

Petroleum Development Oman (PDO) plans to drill in excess of 600 wells this year in line with a strategy to maintain activity levels notwithstanding the downturn that has forced the oil and gas sector to scale back capital expenditure and priorities spending.

Source: [Oman Observer](#)

ME's largest aquarium on target to open later this year in Oman

Al Jarwani Group's Oman Aquarium, located in the Mall of Muscat, will deliver on a strong and continued awareness and action for the protection of the country's environment. Oman Aquarium will ensure that current and future generations understand the importance of environmental awareness and education. Through informative and interactive teachings, they will teach school children of all ages and visitors the fine balance of our oceans.

Source: [Oman Observer](#)

GALFAR ENGINEERING AND CON. - Disclosure

Galfar has been awarded the tender no. (ssdc/t/p/02/2017) for "operation & maintenance of Salalah waste water system & treated effluent supply network "for five years by Salalah sanitary drainage services co. saoc vide letter of award no: ssdc/a-323/77/2018 dated 7th January 2018 and received on 8th January 2018 for a total sum of ro. 12,981,675/- (rial omani twelve million nine hundred eighty-one thousand and six hundred seventy-five - inclusive contingencies). we expect reasonable income from this project.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Goldman, Citi Are in the Lead for Top Roles in Aramco IPO

Saudi Arabian Oil Co. is set to appoint banks including Goldman Sachs Group Inc. and Citigroup Inc. to help manage its initial public offering, people familiar with the matter said, as the state-owned crude producer pushes ahead with what could be the world's largest share sale. JPMorgan Chase & Co., HSBC Holdings Plc and Morgan Stanley, which have been advisers on the share sale, are also expected to be named as global coordinators, the people said, asking not to be identified because the information is private. Some banks pitching for roles on the IPO are tentatively valuing the company at between \$1 trillion and about \$1.5 trillion, they said.

Source: [Bloomberg](#)

Extra's sales hit record high; market share crosses 13%

United Electronics Co. (Extra) has reported its highest ever sales, on both an annual and quarterly basis, chief executive Mohamed Galal told Argaam. The retailer's sales in Q4 2017 reached SAR 1.6 billion, rising 16.3 percent year-on-year (YoY). For fiscal year 2017, the company reported SAR 4.2 billion in sales, a 12.1 percent YoY increase, he said.

Source: [Argaam](#)

Al Rajhi REIT offers quality assets that ensure sustainable income for investors: CEO

Al Rajhi Capital's chief executive officer Gaurav Shah said Al Rajhi REIT seeks to ensure sustainable streams of income for investors over the medium to long terms, given its high-quality portfolio of constituent assets. The fund is offering part of its assets in initial public offering (IPO) in Saudi Arabia till January 14. Out of a total asset worth of SAR 1.621 billion, Al Rajhi REIT is floating 42.67 million units at SAR 10 each.

Source: [Argaam](#)

Saudi Aramco said to plan wage hike after royal orders

Saudi Arabian Oil Co. (Saudi Aramco) plans to increase wages for its staff in a move aimed at cushioning the impact of rising prices and additional levies, Bloomberg reported. Aramco will pay "eligible employees" an extra SAR 1,000 (\$267) a month for one year beginning in January, the state-owned oil firm told Bloomberg.

Source: [Bloomberg](#)

Bahrain's Alba sets new record with 2017 production volume

Bahrain-headquartered aluminum smelter, Aluminum Bahrain (Alba) has announced that its production volume for 2017 is the highest annual production recorded in the company's history. In a statement, the company said that its 2017 production volume hit 981,016 metric tons per annum (mtpa), 1% higher compared to 2016. Commenting on the company's new record, Tim Murray, chief executive officer (CEO) of Alba, said: "Alba's record-breaking production speaks volumes about our resilience and determination to achieve excellence against all odds.

Source: [Construction Week](#)

Bahrain raises gasoline prices to improve state finances

Bahrain raised gasoline prices on Monday to bring them closer to international levels, state news agency BNA reported, quoting the National Oil and Gas Authority. Octane 91 sold for 140 fils (37 U.S. cents) a litre, up from 125 fils, while Octane 95 sold for 200 fils, up from 160 fils. Prices will remain among the lowest in the world.

Source: [Zawya](#)

Jadwa REIT Saudi eyes SAR 130 mln leasing income in 2018

Jadwa REIT Saudi seeks to generate SAR 129.96 million in leasing income throughout 2018, from which to distribute up to 90 percent, the fund manager said in the listing memo. This sum will make up a total return of 8.39 percent on initial assets, and a net return of 7.3 percent for the first year of trading.

Source: [Argaam](#)

Dubai's three-day property festival to kick off in April

Dubai is set to host a property festival from April 9 to 11 which will be a one-stop-shop for real estate stakeholders. End-users and investors can interact with developers, brokerages, banks, property auction houses and legal consultants at the event to be held at the Dubai World Trade Centre.

Source: [Zawya](#)

DP World expects 10% growth in 2017 gross container volumes

DP World, the world's fourth-biggest port operator, expects gross container volumes in 2017 to grown 10 per cent on the back of a strong revival of the global trade. "The recovery of global trade in 2017 has been stronger than expected and we are pleased to have outperformed market growth once again," DP World group chairman and chief executive Sultan Ahmed Bin Sulayem said in a statement on Sunday. "We are on course to deliver approximately 10 per cent growth in gross volumes for 2017, and look forward to continued growth in 2018."

Source: [The National](#)

Kuwait Energy eyes London listing with Soco merger talks

Kuwait Energy may be on the brink of reviving its bid to list on the London Stock Exchange by merging with UK-based oil company Soco International. Soco confirmed that it is in talks to merge with Kuwait Energy in a deal which would finally give the Middle Eastern group a foothold in the UK market after repeatedly failing to take the company public.

Source: [Telegraph](#)

Kuwait to study implications of trading in Bitcoin currency

Ministry of Commerce and Industry is coordinating with Central Bank of Kuwait to study the implications of the electronic currency market trading in "Bitcoin". They discussed the market extensively to make a decision in light of the rapid developments in the virtual currency markets particularly Bitcoin, reports Aljarida daily quoting informed sources.

Source: [Arabtimes](#)

Gulf Bank, KAMCO and NBK Capital advise KIPCO on KWD 100mn issue

Gulf Bank, KAMCO Investment Company and NBK Capital acted as Joint Lead Managers for the Kuwait Projects Company (Holding) (KIPCO)'s KWD 100 million, senior unsecured dual-tranche bonds due December 2024. KAMCO, Gulf Bank and NBK Capital's joint press release highlights the senior unsecured bond issuance, with an issuer's rating of BBB- by Standard & Poor's Rating Services, is the only KWD-denominated corporate bond in 2017 and the first 7 year KWD denominated corporate bond issuance in Kuwait.

Source: [Arabtimes](#)

Aamal announces three major projects

Aamal Company, one of the region's fastest growing diversified companies, yesterday announced that via Senyar Industries Qatar Holding W.L.L., one of Qatar's leading industrial groups in which Aamal is a 50 percent shareholder, it will further diversify through the development of three major new industrial projects: a copper production facility; an aluminum production facility; and a drum production facility.

Source: [The Peninsula Qatar](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Investors poured \$235bln into emerging stocks, bonds in 2017: IIF

Foreign investors poured \$235 billion into emerging markets as they rallied strongly last year, allowing developing countries to add more than \$130 billion to their hard-currency reserves, the Institute of International Finance said on Monday. The \$235 billion "portfolio flow" figure was the best in three years and roughly a third higher than the \$152 billion seen in 2016, the IIF data showed.

Source: [Zawya](#)

Fund managers say bitcoin ETF proposals withdrawn due to SEC concern

Two U.S. companies shelved proposals to launch bitcoin exchange-traded funds, citing ongoing concerns by the Securities and Exchange Commission (SEC), filings showed. Staff at the regulatory agency "expressed concerns regarding the liquidity and valuation" of futures contracts based on the digital asset, according to one of the filings.

Source: [Reuters](#)

Trump could be interviewed within weeks in Russia probe: Washington Post

President Donald Trump could be interviewed within weeks as part of Special Counsel Robert Mueller's investigation of Russian interference in the 2016 U.S. presidential election, the Washington Post reported on Monday.

Source: [Reuters](#)

Investors are anticipating another 'connect' program for the Chinese market

Investors are eagerly awaiting another "connect" program that will allow them to invest in the Chinese market as exchange-traded funds become the next product to join the party, a China stocks expert said Tuesday. Following launches of the Shanghai- and Shenzhen-Hong Kong Connect programs in the last few years, Chinese regulators now have plans for international and mainland investors to trade in ETF products in the Special Administrative Region, Shanghai and Shenzhen, Hong Kong media reported. That could come as soon as 2018.

Source: [CNBC](#)

Asian shares, dollar steady, Nikkei rallies

Asian shares edged higher on Tuesday, approaching record highs after the S&P 500 extended its winning streak, while the dollar steadied against its major counterparts. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.1 per cent at 590.23, not far from its record peak of 591.50 scaled in November 2007.

Source: [Economic Times](#)

COMMODITIES NEWS

U.S. oil prices hit highest since 2015, but doubts loom over rally

U.S. oil prices hit their highest since 2015 again on Tuesday as speculators bet on further price rises amid OPEC-led production cuts and a dip in American drilling activity, though some warned the rally could run out of steam.

Source: [Reuters](#)

Gold prices ease on outlook for U.S. rate hikes

Gold prices inched down on Tuesday amid expectations for more U.S. interest rate hikes this year. Spot gold was down 0.1 percent at \$1,319 an ounce by 0314 GMT, after falling as far as \$1,315.40 early in the session. U.S. gold futures were mostly unchanged at \$1,320 an ounce.

Source: [NASDAQ](#)

OPEC won't react to small, short-lived oil supply disruptions: senior OPEC source

OPEC is monitoring unrest in Iran as well as Venezuela's economic crisis, but the group will only boost output if there are significant and sustained production disruptions from those countries, a senior OPEC source from a major Middle Eastern oil producer said.

Source: [Reuters](#)

