








U Capital Morning Brief

10 January 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	969.30	973.62	-4.32	-0.44%	-0.51%	-0.51%
U Capital GCC 50 Index	1,166.78	1,168.15	-1.37	-0.12%	1.93%	1.93%
U Capital MENA 200 Index	1,012.75	1,012.41	0.34	0.03%	1.77%	1.77%
MSCI GCC Countries Index	491.45	491.86	-0.41	-0.08%	2.43%	2.43%
 Muscat Securities Market	5,106.28	5,107.97	(1.69)	-0.03%	0.14%	0.14%
 Saudi Stock Exchange	7,290.96	7,310.26	(19.30)	-0.26%	0.89%	0.89%
 Kuwait Stock Exchange	6,518.99	6,498.49	20.50	0.32%	1.73%	1.73%
 Qatar Exchange	9,002.46	8,975.82	26.64	0.30%	5.62%	5.62%
 Bahrain Stock Exchange	1,315.17	1,320.40	(5.23)	-0.40%	-1.24%	-1.24%
 Dubai Financial Market	3,503.44	3,490.16	13.28	0.38%	3.96%	3.96%
 Abu Dhabi Sec. Exchange	4,593.11	4,585.54	7.57	0.17%	4.43%	4.43%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
				%		USD	USD	%
Europe								
FTSE 100	United Kingdom	7,731.0	34.51	0.45	Brent Crude (per bbl) <i>Updated</i>	69.18	0.35	0.51
DAX	Germany	13,385.6	17.81	0.13	WTI Crude (per bbl) <i>Updated</i>	63.48	0.52	0.83
CAC 40	France	5,523.9	36.52	0.67	Oman Crude Oil (Last Closing)	66.28	0.88	1.35
United States								
DJIA	USA	25,385.8	102.80	0.41	Gold 100 OZ (per oz)	1,310.48	(2.39)	(0.18)
S&P 500	USA	2,751.3	3.58	0.13	Silver (per oz)	16.93	(0.04)	(0.24)
NASDAQ	USA	7,163.6	6.19	0.09	Platinum (per oz)	959.30	(6.65)	(0.69)
Asia Pacific								
NIKKEI 225	Japan	23,835.9	(15.36)	(0.06)	Copper, MT	7,102.00	(23.00)	(0.32)
HANG SENG	Hongkong	31,223.2	211.78	0.68	Aluminium, MT	2,152.50	(22.50)	(1.03)
Selected Middle East								
Tunis Se Index	Tunis	6,268.8	(41.07)	(0.65)	Lead, MT	2,545.00	(59.00)	(2.27)
EGX 30 Index	Egypt	15,159.4	206.20	1.38	Zinc, MT	3,335.00	(51.00)	(1.51)
Blom Stock Index	Lebanon	1,160.2	3.25	0.28	Nickel, MT	12,695.00	160.00	1.28

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	1.194	0.838
British Pound	GBP	1.353	0.739
Japanese Yen	JPY	0.009	112.270
Chinese Renminbi	CNH	0.153	6.529
Indian Rupee	INR	0.016	63.668
Russian Ruble	RUB	0.018	57.007
Canadian Dollar	CAD	0.802	1.247
Australian Dollar	AUD	0.783	1.278

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

U Capital: MSM30 Index declines 11.82 percent in 2017

Muscat Securities Market (MSM) ended the year 2017 on negative note with the index declining by 11.82 per cent to close at 5099.28 compared to 5,782.71 at the end of December 2016. The MSM30 reached its highest level close during the year on February 22 at 5867.46 while the lowest level close touched was 4889.28 on August 17. Values closed up 3.5 per cent to RO 0.992 billion while the volumes dropped by 7.7 per cent at RO 4.27 billion.

Source: [Oman Observer](#)

Compliance of MSM-listed firms growing: CMA

Compliance of listed companies in disclosing information on the Muscat Securities Market (MSM) is growing in recent months following stringent action against firms that violate disclosure and transparency norms. After a series of disciplinary action against companies, especially suspension of trading, the managements are more careful in disclosing information. "If a company fails to disclose (information), we suspend it from trading because we do not want investors to trade blindly.

Source: [Times of Oman](#)

Tanmia acquires 32 per cent stake in Awasr

Oman National Investments Development Company (Tanmia) has signed an agreement with Awasr to acquire a 32 percent stake in the Omani based company. Awasr, Oman's first 100 per cent fibre-optic network service provider, has, within a span of two years, established its mark in the business of Internet as a fastest growing provider with a reach and network that has introduced choice, ease and convenience for customers from all walks of life.

Source: [Times of Oman](#)

Crystal Lagoons to target Oman's growing tourism sector

Crystal Lagoons has identified Oman's burgeoning hospitality and tourism market which, according to the World Travel and Tourism Council, is expected to see investment of upwards of \$1.7billion by 2026, as a key area for expansion in the Middle East. The cutting-edge technology has already proven to be a major success in the GCC, particularly in Oman.

Source: [Times of Oman](#)

Electricity regulator plans to appoint Omani energy auditors

Oman will appoint local energy auditors to support government's energy efficiency objectives, which is in line with the Authority for Electricity Regulation's (AER) priority area this year. Energy Services Companies (ESC) will ensure that sectors targeted for such audits have reasonable power demand and offer insights into ways this demand can be curtailed.

Source: [Times of Oman](#)

New Muscat International Airport to offer enhanced passenger experience: Official

Touted as the single largest infrastructure undertaking ever in Oman, the new Muscat International Airport has its goal clear: offering an enhanced passenger experience. From reducing the number of processing points, to a central baggage system, the airport promises to offer an advanced screening system as well. According to the Oman Airports Management Company (OAMC) the aim is to get the new airport in worlds' top 20 list by 2020.

Source: [Muscat Daily](#)

Tender for Phase 1 of rooftop solar PV rollout by middle of 2018

A tender for the first phase of an ambitious plan to install solar PV systems on the rooftops of residential buildings in the Sultanate is likely to be floated by the middle of this year, high level officials of the Authority for Electricity Regulation Oman (AER) announced here yesterday.

Source: [Oman Observer](#)

Move to make Sultanate electric car-friendly

In a landmark development, the Authority for Electricity Regulation Oman (AER) has announced plans to develop the technical and regulatory groundwork necessary to enable the introduction and growth in the usage of electric vehicles (EV) in the Sultanate. The move, according to a top official, is in keeping with the government's broader strategy to support a transition to sustainable energy sources.

Source: [Oman Observer](#)

National Life and General Insurance Company conducts channel and business partners meet

National Life and General Insurance Company (NLGIC) organized a business meeting of all its channel and business partners on January 7 at Sheraton Oman Hotel, Ruwi where the leadership team shared the agenda and plan for the year ahead and new products and services on the anvil. The meet was attended by around 120 people including top insurance brokers, agencies along and the company's leadership team.

Source: [Muscat Daily](#)

For 4Q17/2017 initial results of MSM listed companies, kindly see the last page of the report.

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC banking sector to stabilize in 2018, says S&P Global

Banks in the Gulf are expected to see their financial position stabilize this year as they reap the benefits of some regional economic improvement, according a report from the ratings agency S&P Global. "2018 will mark the stabilization of the financial profiles and performance of GCC banks, after two years of significant pressure," the report said. Most of the banks in the region rated by the agency have a "stable" outlook, with the exception of Qatari institutions which have "negative" outlooks due to the continued uncertainty surrounding the boycott on the country imposed by a Saudi Arabia-led coalition of Arab states.

Source: [Arab News](#)

Aramco invites global banks to pitch for IPO listing roles

Saudi Arabian Oil Co. (Saudi Aramco) has invited international banks, who are seeking to act as global coordinators in the oil firm's proposed initial public offering (IPO), for meetings later this month, Reuters reported, citing banking sources familiar with the matter. Executives from Citigroup, Goldman Sachs and Deutsche Bank are among the teams invited for the meetings that are likely to be held by the end of January or early February at Aramco's headquarter in Dhahran.

Source: [Argaam](#)

Saudi state budget, PIF spending to drive cement sector growth

Saudi Arabia's expansionary budget unveiled for 2018 and spending outlays by the Public Investment Fund (PIF) and National Development Fund are likely to drive the growth of cement sector in the years ahead, analysts say. Saudi Arabia announced last month its biggest ever budget for 2018, despite lower crude prices, with revenue at SAR 783 billion, public spending at SAR 978 billion, and a projected deficit of SAR 195 billion. The 2018 budget marks "the end of curtailed spending seen during 2014-17," Riyadh Capital said in a note to investors.

Source: [Argaam](#)

Saudi Arabia seen leading GCC bond bonanza in 2018

A new report from Bank of America Merrill Lynch advised clients and investors to "expect a busy period of Gulf Co-operation Council issuance" in the year ahead, with Saudi Arabia reportedly set to issue \$20 billion of bonds. This follows on from last year's three bond issues, the last of which came in late September, that totalled in excess of \$31.5 billion – with \$21.5 billion from international markets.

Source: [Arabian Business](#)

Saudi Arabia to allow foreigners to own up to 49% of listed stocks

Foreign investors will be allowed to own up to 49 percent of shares on the Saudi stock market, according to a document published by the local regulator. The Capital Market Authority (CMA) said that a single qualified foreign investor (QFI) would be allowed to hold as much as 10 percent of shares in a company or debt instrument.

Source: [Arab News](#)

UAE's ADNOC awards major contracts for sour gas mega project

UAE's Abu Dhabi National Oil Company (ADNOC) on Tuesday said it has awarded two Front End Engineering Design (FEED) contracts for its planned offshore ultra-sour gas mega project, covering Hail, Ghasha and Dalma fields. UK's Bechtel was awarded Hail & Ghasha FEED contract, while UAE-based TechnipFMC bagged the deal for Dalma, the company said in a statement. The project, in the north-western area of Abu Dhabi, is likely to meet nearly 20 percent of the UAE's gas demand by the second half of the next decade.

Source: [Argaam](#)

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](#)

UAE economic growth expected to rise to 3.9% in 2018

Growth of the United Arab Emirates' gross domestic product is expected to accelerate to 3.9 percent in 2018, a senior official of the Ministry of Economy said on Tuesday, citing a forecast by the central bank. Abdullah Al-Saleh, the ministry's undersecretary for foreign trade, was speaking at a business conference.

Source: [Arab News](#)

Abu Dhabi Commercial Bank issues \$540 million Formosa bond

Abu Dhabi Commercial Bank (ADCB), the emirate's second-largest bank by assets, raised \$540 million (Dh1.98 billion) through the sale of a Formosa bond, sources told Reuters on Tuesday. ADCB has been among the most active Gulf banks in the Formosa market in the past year or so. Formosa bonds are sold in Taiwan by foreign issuers and denominated in currencies other than the Taiwanese dollar.

Source: [Gulf News](#)

Abu Dhabi's ADNOC to raise \$3bn loan with Japan export credit agency

Abu Dhabi National Oil Co (ADNOC) plans to raise a \$3 billion syndicated loan with the participation of Japan's export credit agency, Japan Bank for International Cooperation, according to a source close to the matter. The loan would be the latest of a number of large funding exercises carried out by the Abu Dhabi oil giant over the past few months. ADNOC has chosen HSBC, Mizuho and Sumitomo Mitsui Banking Corp to arrange the planned debt facility, which is expected to have a five-year maturity, said the source.

Source: [Business Recorder](#)

DFM announces the list of securities eligible for Regulated Short Selling (RSS) trading

DFM today announced the list of securities eligible for trading as part of the Regulated Short Selling (RSS) Service. The DFM has recently launched this service as part of its efforts to provide market participants with new tools to further strengthen their trading activities, better utilize their resources and further enhance market liquidity.

Source: [DFM](#)

DP World to maintain about \$1bn capex for next three years

DP World expects to spend about US\$1 billion every year for the next three years as the world's fourth-biggest port operator looks to ramp up investments, add capacity and acquire new assets to strengthen its global footprint. "We are looking at about close to US\$1bn [in capital expenditure] from now to till 2020," DP World group chairman and chief executive Sultan Ahmed Bin Sulayem told The National in an interview in Dubai. "This is what is envisaged but of course our budget is flexible, depending on any businesses opportunities that we see."

Source: [The National](#)

Dubai's Union Properties says close to selling Emicool stake

Dubai real estate developer Union Properties UPRO.DU is in the final stage of selling its entire stake in Emicool, a district cooling service provider, the company said on Tuesday. Union Properties has received several offers for the stake from United Arab Emirates-based companies, and will announce the buyer in coming days, it added.

Source: [Reuters](#)

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](#)

Doha Bank extends two-year loan facility, reduces size to \$400mn

Doha Bank, Qatar's fifth-biggest lender, has extended by one year a two-year, \$575 million bank loan that it had raised in December 2015, but has reduced the size of the facility to \$400 million, a bank official said on Tuesday.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares step back from 2007 peak, oil at 3-year high

Asian shares flinched from testing their 2007 record peak on Wednesday, as investors booked profits in high-tech shares while oil prices hit three-year highs due to production cuts and a fall in inventories.

Source: [Reuters](#)

Three rate hikes by the Fed in 2018 would be problematic for markets, expert says

The current bull run in markets would be derailed if the U.S. Federal Reserve hikes rates three times this year, investing expert Michael Yoshikami told CNBC on Wednesday. That prediction comes after the latest projections from the Federal Open Market Committee indicate three rate hikes for 2018. For one, Cleveland Fed President Loretta Mester, who will be a voting member on the FOMC this year, said she believes three to four hikes would be appropriate.

Source: [CNBC](#)

Kodak creating KodakCoin, its own cryptocurrency system

Kodak, which traces its roots to the early days of film-based photography, is getting into the digital licensing and cryptocurrency market as part of a partnership with WENN Digital. The companies are launching blockchain technology with KodakOne and KodakCoin. Blockchain is a ledger where transactions of digital currencies, like bitcoin, are recorded.

Source: [Arab News](#)

Global sukuk issuance looks 'uncertain' for 2018, says S&P Global

While 2017 was a bumper year for global sukuk issuance, the outlook for Islamic bonds remains "uncertain" for the coming year, according to ratings agency S&P Global. Global sukuk issuance in 2017 reached \$97.9 billion, an increase of 45.3 percent, from the \$67.4 billion recorded in 2016.

Source: [Arab News](#)

COMMODITIES NEWS

Oil price hits highest since May 2015 above \$68 on tighter market

Oil rose further above \$68 a barrel on Tuesday, touching its highest since May 2015, supported by OPEC-led production cuts and expectations US crude inventories fell for an eighth week. The Organization of the Petroleum Exporting Countries and allies including Russia are keeping supply limits in place in 2018, a second year of restraint, to reduce a price-denting glut of oil held in inventories.

Source: [Arab News](#)

Gold inches down on strong equities, higher US Treasury yields

Gold prices edged lower for a second session early on Wednesday, as a rally in equities and a surge in US treasury yields dented bullion's safe-haven appeal. Spot gold dipped 0.3 per cent to \$1,309.26 an ounce by 0049 GMT. Prices fell 0.6 per cent on Tuesday, its biggest one-day loss in a month. Last week, prices touched their highest since Sept. 15 at \$1,311.40

Source: [Economic Times](#)

MSM Net Profit OMR, '000

Financial Sector	4Q'16	3Q'17	4Q'17	QoQ	YoY	FY'16	FY'17	YoY
National Finance	2,103	1,006	3,205	218.6%	52.4%	6,349	7,020	10.6%
Taageer Finance	1,366	1,108	1,531	38.2%	12.1%	4,474	4,703	5.1%
Services Sector	4Q'16	3Q'17	4Q'17	QoQ	YoY	FY'16	FY'17	YoY
HOTELS MANAGEMENT CO INTERNA	1,063	(191)	1,262	759.9%	18.7%	1,877	2,583	37.7%
SALALAH PORT SERVICES	1,774	2,395	2,536	5.9%	43.0%	5,725	5,233	-8.6%
ACWA POWER BARKA SAOG	3,722	3,581	2,800	-21.8%	-24.8%	12,090	8,945	-26.0%
Total Market	10,028	7,899	11,334	43.5%	13.0%	30,514	28,484	-6.7%

Source: Bloomberg, U Capital

Note: Profit for the companies with Year-end in December