

U Capital Morning Brief

30 January 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	949.64	946.91	2.73	0.29%	-2.53%	-2.53%
U Capital GCC 50 Index	1,218.17	1,213.44	4.73	0.39%	6.42%	6.42%
U Capital MENA 200 Index	1,048.23	1,044.93	3.30	0.32%	5.34%	5.34%
MSCI GCC Countries Index	508.04	506.37	1.67	0.33%	5.89%	5.89%
Muscat Securities Market	5,002.69	4,991.38	11.31	0.23%	-1.89%	-1.89%
Saudi Stock Exchange	7,568.36	7,538.38	29.98	0.40%	4.73%	4.73%
Kuwait Stock Exchange	6,672.95	6,629.11	43.84	0.66%	4.13%	4.13%
Qatar Exchange	9,450.07	9,411.53	38.54	0.41%	10.87%	10.87%
Bahrain Stock Exchange	1,344.54	1,342.32	2.22	0.17%	0.96%	0.96%
Dubai Financial Market	3,455.24	3,464.14	(8.90)	-0.26%	2.53%	2.53%
Abu Dhabi Sec. Exchange	4,626.42	4,631.86	(5.44)	-0.12%	5.18%	5.18%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
Europe					USD USD %			
FTSE 100	United Kingdom	7,671.5	5.99	0.08	Brent Crude (per bbl) <i>Updated</i>	68.96	(0.50)	(0.72)
DAX	Germany	13,324.5	(15.69)	(0.12)	WTI Crude (per bbl) <i>Updated</i>	64.86	(0.70)	(1.07)
CAC 40	France	5,521.6	(7.56)	(0.14)	Oman Crude Oil (Last Closing)	66.70	(0.45)	(0.67)
United States					Gold100 OZ (per oz)			
DJIA	USA	26,439.5	(177.23)	(0.67)	Silver (per oz)	17.14	(0.03)	(0.16)
S&P 500	USA	2,853.5	(19.34)	(0.67)	Platinum (per oz)			
NASDAQ	USA	7,466.5	(39.27)	(0.52)	Copper, MT	7,085.00	0.00	0.00
Asia Pacific					Aluminium, MT			
NIKKEI 225	Japan	23,295.3	(338.63)	(1.43)	Lead, MT	2,602.00	9.00	0.35
HANG SENG	Hongkong	32,552.4	(441.58)	(1.34)	Zinc, MT	3,550.00	72.00	2.07
Selected Middle East					Nickel, MT			
Tunis Se Index	Tunis	6,403.0	17.15	0.27		13,805.00	155.00	1.14
EGX 30 Index	Egypt	15,369.1	57.98	0.38				
Blom Stock Index	Lebanon	1,176.2	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	1.237	0.808
British Pound	GBP	1.404	0.712
Japanese Yen	JPY	0.009	108.780
Chinese Renminbi	CNH	0.158	6.342
Indian Rupee	INR	0.016	63.700
Russian Ruble	RUB	0.018	56.320
Canadian Dollar	CAD	0.809	1.236
Australian Dollar	AUD	0.807	1.239

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

Three Omani firms plan to set up REIT fund

Three Omani companies are planning to establish real estate investment trust (REIT) fund, following the market regulator's announcement of a new regulation for real estate focused funds. These companies are expected to float funds to raise capital from the investing public this year, according to highly placed sources at the Capital Market Authority (CMA).

Source: [Times of Oman](#)

OMR100m pact signed for Muscat hospital

A new state-of-the-art 300-bed hospital will open in Muscat by the end of 2020, the officials said. An agreement was signed between Elixir United Investment and Italian design firm Seeing International on Monday to begin the concept design phase of the estimated OMR100m facility. The hospital will have some of the most sophisticated machinery and a comprehensive facility, according to officials.

Source: [Times of Oman](#)

Sohar Port and Freezone records robust growth in 2017

Despite volatility in the global maritime sector, Sohar Port and Freezone once again posted a year of consistent growth with an average of over 1mn tonnes of cargo handled by the port every week in 2017. Containers traffic rose 36 per cent last year compared to 2016, while dry bulk throughput increased 25 per cent year-on-year, according to a press release. Sohar Port received 3,075 vessel calls in 2017, marking a significant increase of 17 per cent, despite the continued global trend towards consolidation and larger ships.

Source: [Muscat Daily](#)

Al Duqm refinery project among 10 promising projects in the Gulf

Al Duqm Refinery Project received a regional tribute in the annual briefing of Middle East magazine as one of the ten most important and promising projects in the Gulf region in the oil sector at the Dubai Marina Hotel last week. Al Duqm Refinery is one of the largest projects in the region in terms of economic cost estimated at \$8 billion and extends over an area of 90,000 hectares and one of the largest promising projects in the Sultanate in the energy sector, with 230,000 barrels of production capacity expected per-day when completed.

Source: [Oman Observer](#)

Committee reviews tourism projects

The Steering Committee for the Tourism Sector on Monday held its 14th meeting under the chairmanship of Ahmed bin Nasser al Mehrzi, Minister of Tourism, and reviewed a number of topics and the ongoing 14 initiatives since the conclusion of 'Tanfeedh' labs. During the meeting, the representatives of the National Center for Statistics and the Ministry of Manpower reviewed the efforts made after the seminar, which was held in cooperation with the Ministry of Tourism in coordination with the three parties to reach a consensus on the basic concepts of the tourism sector.

Source: [Oman Observer](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

DXB Entertainments Says Restructuring 'Substantially' Completed

Operational restructuring "substantially completed" with theme parks and retail & hospitality divisions combined, the company says in a statement.

* Ahmad Hussain appointed deputy CEO and Ahmed AlRayyes chief commercial officer

* Had 796,000 visits in 4Q, the highest quarterly visitation to date and an increase of 66% on 3Q

* All rides and attractions at Dubai Parks & Resorts were fully open to the public from 4Q

* CEO Mohamed Almulla: "During 2017, we recorded close to 2.3 million visits, with the fourth quarter delivering our highest visitation to date, a clear sign of progress against our strategic plan and a reflection of the new pricing and marketing strategy implemented in September last year".

Source: [Bloomberg News Alert](#)

Dubai's Biggest Bank Confirms Talks With Sberbank on Turkey Unit

Dubai's Emirates NBD PJSC confirmed it started talks with Sberbank PJSC to potentially acquire the Russian lender's wholly-owned Turkish unit Denizbank AS. Talks are at a "very preliminary stage and there is no certainty that any transaction will be entered into," Dubai's biggest lender said in a statement on Tuesday. "Emirates NBD routinely evaluates potential opportunities in different markets and a further announcement will only be made if there is a material development." Sberbank, which has been under U.S. and European Union sanctions since 2014, bought Dexia SA's Turkish unit Denizbank for about \$3.5 billion in 2012.

Source: [Bloomberg News Alert](#)

UAE food firm Agthia's CEO bullish on buying in Saudi Arabia

Abu Dhabi-listed food and beverage firm Agthia Group is planning to expand aggressively in the Kingdom of Saudi Arabia (KSA) in the next three years, its chief executive has said. "Most of our investments are currently going into Saudi. For the next three years, we aim to increase investments in Saudi," Tariq Al Wahedi, chief executive officer of Agthia told Zawya in an interview during Abu Dhabi Sustainability Week earlier this month.

Source: [Zawya](#)

Dubai issues law on Innovation Dirham Fee

The Vice President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum, has issued Law No. 01 of 2018 on the Knowledge Dirham Fee, and Law No. 02 of 2018 about the Innovation Dirham Fee. As per Law No. 01 of 2018, the Knowledge Dirham Fee will be levied on all transactions for government services in Dubai including federal government services whose revenues are allocated to the Public Treasury of the Government of Dubai.

Source: [Zawya](#)

Dubai Islamic Bank Calls AGM to Approve Capital Increase

DUBAI ISLAMIC BANK:

* CALLS AGM ON FEB 21 TO APPROVE BORAD PROPOSAL ON CAPITAL INCREASE

* CALLS AGM TO APPROVE BORAD PROPOSAL OF PAID-UP CAPITAL INCREASE UPTO 1.65 BILLION DIRHAMS THROUGH ISSUANCE OF UPTO 1.65 BILLION NEW SHARES

Source: [Salaam Gateway](#)

ADIA plans to expand India presence, hire country head

Abu Dhabi Investment Authority (ADIA), the world's second largest sovereign wealth fund, is set to expand its India presence by hiring a new country head and eventually setting up an office here, two people aware of the development said. ADIA, which manages assets worth \$792 billion (about Rs50.3 trillion), has mandated global recruitment firm Egon Zehnder to find a head for its Indian operations, the first of the two people said on condition of anonymity, adding discussions are on with a handful of private equity veterans and infrastructure specialists.

Source: [Live Mint](#)

Qatar non-oil exports hit \$5bn in 2017

Qatar's non-oil private-sector exports reached QAR 18.1 billion (\$5 million) during 2017, according to Qatar Chamber's monthly report. The total value of non-oil exports dropped 13% year-on-year to QAR 1.3 billion in December 2017, the report showed on Monday. Non-oil exports of the private sector slid 27.6% month-on-month in December from QAR 12.8 billion a month earlier.

Source: [Mubasher](#)

Qatar, US reach agreement on subsidy spat with airlines

The United States and Qatar have reached a deal to resolve a years-old quarrel over alleged government subsidies to Persian Gulf airlines, as Qatar's government works to defuse tensions with the Trump administration. Seven individuals familiar with the deal say state-owned Qatar Airways will agree voluntarily to open up its accounting books. U.S. airlines say those records obscure billions of dollars in subsidies that leave them at a competitive disadvantage.

Source: [Business Insider](#)

Commercial Bank of Qatar Completed Cleaning Up Legacy Book

CEO Joseph Abraham sees good opportunities for growth in Qatari market, he said in an interview with Bloomberg TV.

* Says 4Q results reflect efforts made over past 18 months

* NOTE: Qatar Commercial Bank 2017 Net Profit Rise 20% from

Year Ago Link

* Outperformed market on loan growth

* Says consolidation in Qatar banking sector work in progress and Qatar's fundamentals remains strong

* Sees slight increase in funding costs on Qatar embargo by Saudi-led Arab nations

* Sees opportunities to grow business in Turkey

* Says talks with Tabarak "going strong" on UAB stake

* Commercial Bank of Qatar Extends Talks With Tabarak on UAB Stake Link

Source: [Bloomberg News Alert](#)

Al Farwaniya Property Developments LLC has signed a seven-year senior credit facility for a value of 457 million

Agility, through its subsidiary, United Projects for Aviation Services Company (UPAC), would like to announce that Al Farwaniya Property Developments LLC has signed a seven-year senior credit facility for a value of \$457 million with a consortium of regional and international banks: Abu Dhabi Commercial Bank (ADCB), Gulf Bank Kuwait, Noor Bank and Standard Chartered Bank, to finance the development of Reem Mall.

Source: [Agility](#)

Kuwait projects \$17bn deficit in 2018-19 budget

Kuwait on Monday announced a state budget for the year ending on March 31, 2019, projecting spending at 20 billion dinars (\$66.7 billion) and revenues at 15 billion dinars. The Kuwaiti finance minister said the budget would be based on an average oil price of \$50 per barrel, and that the deficit would be financed by borrowing and using reserves. The 5 billion dinar deficit would be before the transfer of 10 percent of revenues to Kuwait's sovereign wealth fund.

Source: [Arabian Business](#)

Bahrain's Ithmaar Bank plans aggressive expansion in Pakistan

Bahrain-based Ithmaar Bank plans to add more than 100 branches in Pakistan this year through its subsidiary Faysal Bank, to capitalize on the country's low penetration rate of banking services, a senior executive said. Ithmaar Bank owns 66 percent of Faysal Bank, whose contribution to the Islamic retail bank's overall balance sheet would likely grow to more than half as a result of the expansion, Ithmaar Deputy Chief Executive Abdul Hakeem Al-Mutawa told Reuters on Monday.

Source: [Arab News](#)

Arcapita appointed advisor to HSBC Saudi for \$150mIn logistics fund

Shariah-compliant investor Arcapita has been appointed as an advisor to HSBC Saudi Arabia for a \$150 million investment fund that will target logistics and warehouse assets in Saudi Arabia and the United Arab Emirates (UAE). Bahrain-based Arcapita will identify and assist in the financing and sale of assets, as well as provide services such as asset management, structuring and due diligence to HSBC's fund, it said in a statement on Monday.

Source: [Zawya](#)

Saudi's Tasnee Gets Approval for Sale of Cristal's Titanium Dioxide Business

National industrialization company JSC :

- * updates on unit Cristal's agreement to sell its domestic and international titanium dioxide business to Tronox
- * says received approval from general authority for competition in Saudi for the proposed acquisition to proceed
- * says to date, Australia, china, New Zealand, Turkey, South Korea, and Colombia have also approved the proposed

Source: [Reuters](#)

Saudi central bank bans MedGulf from issuing new insurance contracts

Saudi Arabia's central bank on Monday barred Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. (MedGulf) from issuing new insurance contracts until it increases its capital. The move comes as Saudi Arabia Monetary Authority (SAMA) continues to tighten compliance in the insurance sector.

Source: [Zawya](#)

GCC debt issuance hit \$70bn in 2017

The GCC's bond and sukuk market has grown by \$70 billion in 2017, with expectations of an increased investor appetite, according to a joint report released by Emirates NBD Asset Management (Dubai) and Fisch Asset Management (Zurich). In 2017, a series of events took place in the region that had an impact on the regional debt market, and their impact may last for 2018.

Source: [Mubasher](#)

Strong appetite for GCC credit forecast for 2018

Sustained investor appetite is expected in 2018 for corporate and sovereign bonds from the Arabian Gulf region, which achieved an all-time high issuance level of \$70 billion last year, a new report said. Non-GCC investors subscribed to nearly three-quarters of primary market deals despite regional political instability.

Source: [The National](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia stocks off record highs as Wall St. flags, dollar firms on higher yields

Asian stocks retreated from record highs on Tuesday after a selloff in Apple shares knocked Wall Street lower, while the dollar found support as U.S. bond yields climbed to near four-year highs. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.5 percent after rising to an all-time high the previous day. Australian stocks shed 0.4 percent, South Korea's KOSPI lost 0.1 percent and Japan's Nikkei dropped 0.7 percent.

Source: [Today Online](#)

Blackstone in talks to buy majority stake in key Thomson Reuters unit: sources

U.S. private equity firm Blackstone Group LP is in advanced talks to buy an approximate 55 percent stake in the Financial and Risk business of Thomson Reuters Corp for more than \$17 billion, three sources familiar with the matter said on Monday. Thomson Reuters' board, the sources said, is expected to meet on Tuesday to discuss Blackstone's all-cash offer for the F&R business, which supplies news, data and analytics to banks and investment houses around the world. The unit contributes more than half of Thomson Reuters' annual revenues.

Source: [Zawya](#)

Apple's market value drops \$46 billion in a week on fears of plunging iPhone X demand

Apple shares dropped on Monday after a report that the company ordered a drastic cut in iPhone X production. Nikkei reported Monday that the tech giant told its suppliers to reduce iPhone X production to 20 million units for the first quarter from the more than 40 million units target Apple gave in November. The news agency cited weaker-than-expected sales results at the end of the holiday season as the reason for the move.

Source: [CNBC](#)

As China invests in Central Asian infrastructure, technology may get a boost

Many Chinese projects in Kyrgyzstan are focused on transportation — mostly railway lines and roads — but there's another sector that may catch Beijing's eye. The Central Asian state is one the poorest countries in the region, but it's home to a blossoming start-up culture. Two globally successful companies were born in the capital city of Bishkek: Mad Devs, a developer outsourcer that boasts clients from Silicon Valley to Singapore, and the tech-focused website MakeUseOf.com, which boasts millions of hits each month.

Source: [CNBC](#)

COMMODITIES NEWS

U.S. oil extends decline, weighed down by dollar, rising output

U.S. oil slipped on Tuesday, extending losses into a second session, as a strengthening dollar sapped demand for crude, while rising U.S. output helped dampen prices. U.S. West Texas Intermediate crude futures were 13 cents, or 0.2 percent, lower at \$65.43 at 0027 GMT. On Monday, they fell 58 cents, or 0.9 percent, to \$65.56 a barrel.

Source: [Economic Times](#)

Gold edges down on firmer dollar, higher bond yields

Gold slipped on Tuesday, extending losses into a second session, as the dollar strengthened against a basket of currencies and U.S. bond yields rose. Spot gold was down 0.1 percent at \$1,338.40 per ounce at 0051 GMT. It fell 0.7 percent on Monday. U.S. gold futures for February delivery fell 0.2 percent to \$1,337.60 per ounce. Gold prices have risen nearly 3 percent so far this month, largely due to weakness in the dollar. The greenback posted its sixth straight weekly fall last week, hitting a three-year low on Friday. A rise in the currency sent the yellow metal lower on Monday.

Source: [CNBC](#)

MSM Proposed Cash Dividends

Company Name	Price, OMR	Cash Div %	DPS, OMR	Proposed Cash OMR '000	Div payout	Dividend Yield	AGM Date
BANKMUSCAT SAOG	0.396	20%	0.020	54,187	30.6%	5.1%	
BANK DHOFAR SAOG	0.210	12%	0.012	27,094	56.9%	5.7%	27/03/2018
BANK SOHAR	0.156	5%	0.005	8,923	35.0%	3.2%	
NATIONAL BANK OF OMAN SAOG	0.213	15%	0.015	23,228	52.8%	7.0%	
HSBC BANK OMAN	0.121	6%	0.006	11,402	59.7%	4.7%	
AHLI BANK	0.166	10%	0.010	14,250	53.4%	6.0%	
TAAGEER FINANCE	0.125	10%	0.010	2,536	53.9%	8.0%	
OMAN REFRESHMENT CO	2.050	75%	0.075	3,750	35.0%	3.7%	27/02/2018
SALALAH MILLS CO	1.330	50%	0.050	2,669	66.5%	3.8%	
SAHARA HOSPITALITY	2.500	15%	0.150	87	3.5%	6.0%	
SHELL OMAN MARKETING	1.750	85%	0.085	8,330	64.6%	4.9%	
PHOENIX POWER CO SAOG	0.125	6%	0.006	9,068	90.8%	5.0%	

Source: Bloomberg