

U Capital Morning Brief

3 July 2018

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
U Capital Oman 20 Index	878.7	-1.36	-0.15%	-9.81%	-	-	-
U Capital GCC 50 Index	1,303.8	-7.34	-0.56%	13.90%	-	-	-
U Capital MENA 200 Index	1,064.9	-6.14	-0.57%	7.01%	-	-	-
MSCI GCC Countries Index	535.2	-3.52	-0.65%	11.55%	14.24	1.76	3.9%
Muscat Securities Market	4,556.0	-4.49	-0.10%	-10.65%	11.34	0.99	5.4%
Saudi Stock Exchange	8,275.0	-64.88	-0.78%	14.51%	18.67	1.85	3.2%
Kuwait Stock Exchange	4,904.2	9.69	0.20%	NA	14.62	1.26	3.9%
Qatar Exchange	9,142.3	28.05	0.31%	7.26%	13.62	1.40	4.8%
Bahrain Stock Exchange	1,309.6	-4.00	-0.30%	-1.66%	8.54	0.85	6.3%
Dubai Financial Market	2,829.2	-35.26	-1.23%	-16.05%	9.11	1.07	6.0%
Abu Dhabi Exchange	4,577.0	-44.11	-0.95%	4.06%	12.26	1.39	5.2%
Beirut Stock Exchange	1,052.2	-4.22	-0.40%	-8.39%	5.68	0.64	9.4%
Palestine Stock Exchange	547.1	5.43	1.00%	-4.78%	13.20	1.21	4.9%
Tunis Se Index	8,066.2	7.10	0.09%	28.41%	20.98	2.87	1.8%
EGX 30 Index	16,362.6	14.04	0.09%	8.94%	16.29	2.62	2.7%
Amman General Index	2,069.7	6.32	0.31%	-2.68%	15.48	1.03	4.4%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,547.9	-1.17%	-1.8%
DAX	Germany	12,238.2	-0.55%	-5.3%
CAC 40	France	5,276.8	-0.88%	-0.7%
United States				
DJIA	USA	24,307.2	0.15%	-1.7%
S&P 500	USA	2,726.7	0.31%	2.0%
NASDAQ	USA	7,567.7	0.76%	9.6%
Asia Pacific				
NIKKEI 225	Japan	21,626.5	-0.95%	-5.0%
HANG SENG	Hongkong	28,133.8	-2.94%	-6.0%
KSE 100 Index	Pakistan	41,636.7	-0.27%	2.9%
NSE Nifty 50	India	10,661.5	0.04%	1.2%
SHANGHAI Composite	China	2,741.1	-1.24%	-17.1%
KOSPI Index	South Korea	2,266.4	-0.22%	-8.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.734	1.363
British Pound (GBP)	1.313	0.762
Canadian Dollar (CAD)	0.758	1.320
Chinese Renminbi (CNH)	0.149	6.728
Egyptian Pound (EGP)	0.056	17.894
Euro (EUR)	1.163	0.860
Indian Rupee (INR)	0.015	63.425
Japanese Yen (JPY)	0.009	110.860
New Zealand Dollar (NZD)	0.670	1.493
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.823	121.510
Russian Ruble (RUB)	0.016	68.921
Singapore Dollar (SGD)	0.728	1.373
Turkish Lira (TRY)	0.216	4.620

Commodity Prices	Price	D/D	YTD
		USD	%
Oil			
Brent Crude (per bbl)	77.7	0.54%	20.0%
WTI Crude (per bbl)	74.5	0.82%	23.3%
Oman Crude Oil (Last Closing)	74.5	-2.68%	16.4%
OPEC (per bbl)	74.3	2.23%	15.3%
Precious Metals			
Gold100 OZ (per oz)	1,238.4	-0.30%	-5.0%
Silver (per oz)	15.8	-0.35%	-6.7%
Platinum (per oz)	801.2	-2.33%	-13.9%
Other Metals			
Copper, MT	6,523	-1.55%	-10.0%
Aluminium, MT	2,098	-1.64%	-7.5%
Lead, MT	2,386	-1.00%	-4.1%
Zinc, MT	2,822	-1.12%	-15.0%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.49	38.9%
Saudi Arabia	2.60	37.2%
Kuwait	2.00	6.7%
Oman	2.40	25.9%
Qatar	2.67	0.8%
Bahrain	3.50	28.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.8
Abu Dhabi	10/11/2027	4.0
Qatar	6/2/2026	4.1
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	6.5
Bahrain	10/12/2028	8.6

Midswaps	Price	YTM %
3 year	99.99	2.6
5 year	99.46	2.7
10 year	100.16	2.9
30 year	102.72	3.0

USD Libor	Rate (%)	YTD
1m	2.09	33.6%
3m	2.34	37.9%
6m	2.50	36.2%
1 year	2.76	31.2%

Source: Bloomberg

Note: All values are updated at 9:00 AM Muscat Time. Markets are closed on Saturday and Sunday

OMAN ECONOMIC & CORPORATE NEWS

Khazaen awards OMR2.6mn consultancy contract

Khazaen Economic City (KEC), the master developer of the first integrated economic city in northern Oman, has appointed Atkins, a member of the SNC-Lavalin Group, as a lead consultant for Khazaen's master planning, design and supervision work, for OMR2.6 million. "We are delighted to appoint Atkins as the lead consultant for Khazaen. This is a demonstration of our approach of entering partnerships with global firms with a proven track record in delivering truly outstanding projects and also implementing true in country value," Eng. Kalat G. Al Bulooshi, Chairman of KEC said.

Source: [Times of Oman](#)

Global experts to discuss future of the logistics sector

Industry leaders from around the world will be visiting Muscat this November to attend the highly-anticipated International Road Union (IRU) World Congress. The three-day global logistics conference will be held between November 6 and 8, and is expected to unite global experts, government officials, and business executives to discuss the future of the logistics sector. The theme for the 2018 event will be "Innovation on the Move." The conference will be held under the patronage of His Highness Sayyid Asaad bin Tariq Al Said, Deputy Prime Minister for International Relations and Cooperation Affairs and Personal Representative to His Majesty.

Source: [Times of Oman](#)

Roll-out of Sultanate's integrated public transportation system in stages

A strategy for the implementation of an integrated public transportation system for the Sultanate continues to be rolled out in a phased manner in line with an approved master-plan, according to a high-level official of the Ministry of Transport and Communications. Eng Salim bin Mohammed al Nuaimi (pictured), Transport Under-Secretary at the Ministry of Transport and Communications, said the strategy has already led to the introduction of nine bus routes by state-owned bus operator Mwasalat within Muscat, with a further 17 routes launched outside of the capital city.

Source: [Oman Observer](#)

OCCI Receives Saudi Trade Delegation

Qais bin Mohammed al-Yousef, Chairman of Oman Chamber of Commerce and Industry (OCCI) received today an economic delegation from the Kingdom of Saudi Arabia (KSA) under the chair of Jabir bin Minwir al-Meshal, Director General of Public Relations and Commercial Attaché at the Ministry of Commerce and Investment in the KSA.

Source: [ONA](#)

Galfar Engineering - Arbitration Award On Construction Contract of Al Ansab STP

would like to inform our esteemed Shareholders and Investors that an arbitration award in favour of Galfar has been issued on Thursday 28th June 2018 in the 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 the Construction Contract of Al Ansab Sewage treatment plant, concluded on 25 December 2004. The operative portion of the Award reads as follows:

- Defendant is obligated to refund OMR 2,074,331/560 () to the Claimant.
- Defendant is obligated to pay the Claimant an amount of OMR 558,535/080 () as bank interest at the rate of 6.5% on the entitled amount (OMR 2,074,331/560) from the date of 08/05/2014 up to the date of Award.
- Defendant shall bear the cost and fee of Arbitration proceedings. (Ended).

The total awarded amount is OMR 2,635,866/640. This is a gain to the company, subject to receipt of money.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

SADAFCO ANNOUNCES THE ACQUISITION OF MLEKOMA sp Z.o.o (POLAND).

SADAFCO is pleased to report, further to our announcements on 10 Oct 2017 and 30 April 2018 that after completion of legal and financial due diligence, the Share Purchase Agreement has been signed on 2nd July 2018 to enable SADAFCO (through SADAFCO Poland, a newly formed 100 % owned subsidiary) to acquire an initial stake of 76% of Mlekoma Sp z.o.o and its subsidiary Foodexo sp.z o.o (Mlekoma Group). The purchase price has been agreed at an enterprise value of 120Mln PLN (Polish Zloty), equivalent to approximately SAR 120Mln. In addition, the existing management board of Mlekoma (the new minority shareholders), have agreed to continue in their roles managing the company. The price will be settled by SADAFCO in cash.

Source: [Tadawul](#)

Saudi competition authority approves NADEC acquisition of Al Safi Danone

The Saudi General Authority for Competition (GAC) approved Monday the economic concentration arising from the National Agriculture Development Co.'s (NADEC) acquisition of Al Safi Danone. In April, NADEC signed a final agreement to acquire 100 percent of Al Safi Danone Co. from Al Safi Holding Co. and Danone Dairy Investments Indonesia (DDII) through a share swap deal, according to data compiled by Argaam.

Source: [Argaam](#)

ACWA Power inaugurates 120 MW wind project in Morocco

Saudi-based ACWA Power has inaugurated a 120 megawatt (MW) wind farm in Morocco to supply clean power to large industrial companies, mainly operating in the cement sector, at competitive prices, it said in a statement. The \$170 million Khalladi wind farm is a privately funded investment financed with equity from ACWA Power and ARIF investment fund and long tenor debt, from the European Bank for Reconstruction and Development (EBRD) in collaboration with the Clean Technology Fund (CTF), and the Moroccan BMCE Bank of Africa (BMCE).

Source: [Argaam](#)

GGICO Obtains Regulatory Approval for its Capital Reduction

Gulf General Investment Co. PSC (GGICO), leading Investment Company listed in Dubai Financial Market (DFM), announced today further to the approval of the Capital Restructuring Program resolved upon by the shareholders at the General Assembly meeting on April 24, 2018, regulatory approval has been obtained and the designated date for the reduction of GGICO's share capital from AED 1,791,333,333 to AED 586,746,298 is Sunday July 15, 2018. The Entitlement Date (the last day of trading before restatement) will be Thursday July 12, 2018. The Ex-Date when the number of shares is reduced and the share price restated (prior to the commencement of trading) will be Sunday July 15, 2018 (or the first day of trading after the Entitlement Date).

Source: [DFM](#)

Amanat agrees to buy Middlesex University's Dubai campus

United Arab Emirates (UAE) education and healthcare investment firm Amanat Holdings said on Monday that it has agreed to acquire Middlesex University's campus in Dubai, which is partly owned by embattled private equity company Abraaj. Amanat entered into a share purchase agreement on an "arm's length basis" on June 8 to acquire the university's owner and operator, Middlesex Associates, from Mocha Education Holdings Limited, it said in a statement to the Dubai bourse. Amanat said that it had been told that Abraaj indirectly owns 6 percent of Middlesex Associates. The transaction is subject to terms, Amanat said, without elaborating.

Source: [Reuters](#)

Al Ahleia Insurance raises stake in Bahraini firm

Al Ahleia Insurance has increased its stake in Trade Union Insurance Company, a closed entity that is not listed on Bahrain Bourse (BHB). The Bursa Kuwait-listed company has raised its stake in the Bahraini firm by 36.99% to 57.94% from 20.95%, this increase represents 15.64 million shares.

Source: [Mubasher](#)

Insurance sector GWP grows 14.5% to QR14.4 bn in 2017: QCB report

Despite the systematic risks posed, the country's insurance sector continues to report healthy growth as gross written premium (GWP) accelerated by 14.5 percent in 2017 compared to 11.8 percent in 2016, a report by Qatar Central Bank (QCB) said. According to QCB's Financial Stability Report, the GWP in 2017 touched QR14.4 billion. The contribution of domestic contributors in the country was QR12.3 billion, while that of international branches was QR0.3 billion, the report said. "Though the gross income increased by 6.4 percent during 2017 as compared to the previous year, the net profit, though positive, recorded a sharp decline. This was largely due to hurricanes in the US and earthquake in Mexico leading to insurance and reinsurance claims on the largest insurer," the QCB report said.

Source: [Qatar Tribune](#)

Qatar banks' real estate credits slip by QR1.3bn

Qatar banks' total domestic loans and credit facilities to the local private sector has increased by QR4bn to QR488bn in May, compared to the previous month. Of this, QR145.4bn went to the real estate sector, down by QR1.3bn compared to April. QR127.1bn was provided for individuals' consumer loans (up by QR0.85bn), QR81.9bn for services (up by QR3.4bn) and QR69.6bn for trade (up by QR0.6bn). In addition, there were loans and facilities amounting to QR17.1bn for the non-banking financial sector. The total domestic private sector deposits at local banks decreased by about QR1.1bn to QR346.2bn, by the end of May, a reading of the banks' consolidated balance sheet figures by The Group analysts showed.

Source: [TPQ](#)

Qatar's PPI edges up in May 2018

Ministry of Development Planning and Statistics (MDPS) has released the Monthly Producer Price Index (PPI) of the Industrial sector for May 2018. Producer price index covers goods relating to "Mining" (weight: 72.7 percent), "Manufacturing" (weight: 26.8 percent), and "Electricity & Water" (weight: 0.5 percent). With regard to Mining, the PPI of May 2018 showed an increase of 0.5 percent when compared with PPI of April 2017, primarily due to the increase of prices of "Crude petroleum and natural gas" with 0.5 percent. PPI of May recorded a considerable increase of 31.1 percent.

Source: [TPQ](#)

Dnata increases stake in Italian firm to 70%

Dnata, the air services provider, said on Monday it has exercised its option to acquire an additional 40 per cent share in Airport Handling, an Italian firm. The deal increases dnata's total interest in Airport Handling to 70 per cent. With majority representation on the board, dnata said it has already been managing day-to-day operations of the company since its original investment in 2016.

Source: [Gulf News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China turbulence knocks Asian shares to nine-month low as trade war fears grow

Chinese stocks went into a tail spin on Tuesday as turbulence gripped equity markets in Asia, which sank to nine-month lows as investors feared the Sino-U.S. trade row could derail a rare period of synchronized global growth. Chinese financial markets have been jittery ahead of a July 6 deadline, when the U.S. is set to slap tariffs on \$34 billion worth of Chinese goods that Beijing has vowed to match with tariffs on U.S. products.

Source: [Reuters](#)

Trump makes veiled WTO threat after EU warning on car tariffs

U.S. President Donald Trump warned the World Trade Organization on Monday that “we’ll be doing something” if the United States is not treated properly, just hours after the European Union said that U.S. automotive tariffs would hurt its own vehicle industry and prompt retaliation. Trump, speaking to reporters during a meeting with Dutch Prime Minister Mark Rutte at the White House, said, “The WTO has treated the United States very, very badly and I hope they change their ways.”

Source: [Reuters](#)

Dell moves to go public, spurns IPO

Dell Technologies Inc said on Monday it would pay \$21.7 billion in cash and stock to buy back shares tied to its interest in software company VMware Inc (VMW.N), returning the computer maker to the stock market without an initial public offering. Dell said the agreement values its equity at between \$61.1 billion and \$70.1 billion, more than twice the value of the \$24.9 billion deal that founder and Chief Executive Officer Michael Dell and buyout firm Silver Lake clinched to take the company private in 2013.

Source: [Reuters](#)

Over 800 cryptocurrencies are now dead as bitcoin is 70 percent off its record high

Cryptocurrency projects have been popping up left, right and center in the past 18 months, but over 800 of those are now dead, adding to comparisons between the current digital coin market and the dotcom bubble in 2000. New digital tokens are created via a process known as an initial coin offering (ICO) where a start-up can issue a new coin which investors can buy. The investor doesn't get an equity stake in the company, but the cryptocurrency that they buy can be used on the company's product. People usually buy into an ICO because the coins are cheap and could offer big returns in the future.

Source: [CNBC](#)

China's big bond experiment is about to go through a rough patch

One year ago, China made a major move to open up its domestic, or onshore, bond market. But the sector is now facing a trying time as investors brace for a greater number of payment defaults in the months ahead. That's coming at a time when the Chinese economy faces the threat of a further slowdown amid an escalating trade conflict with the U.S., which could rattle investors already cautious about putting money in yuan-denominated assets.

Source: [CNBC](#)

COMMODITIES NEWS

Kuwait, Saudi to resume output from Neutral Zone in 2019 - Toyo Engineering

Japan's Toyo Engineering Corp said on Monday that Khafji and Hout oilfields in Kuwait's jointly operated fields in the Neutral Zone with Saudi Arabia would resume output in 2019. The Japanese firm said it won a third renewal of General Engineering Services Agreement (GESA) from Al-Khafji Joint Operations (KJO), under which the two nations jointly operate Khafji and Hout Oil Fields.

Source: [Reuters](#)

Algeria Raises Production At Eastern Alrar Gas Field

Output at Algeria's Alrar gas field close to its border with Libya has risen to 24.7 from 16 million cubic metres per day following an extension of the field, the head of state energy firm Sonatrach said on Monday. CEO Abdelmoumen Ould Kaddour, who was officially inaugurating the field extension, is pushing to raise output at ageing gas fields as part of an effort to boost Algeria's revenue from hydrocarbons production. A number of gas projects, most of which are expansions of existing fields, have come online in 2017 and 2018, including at fields in Reggane and Timimoun.

Source: [Rig Zone](#)

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