

U Capital Morning Brief

30 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	842.81	-1.27	-0.15%	-13.49%	-	-	-
U Capital GCC 50 Index	1,346.22	-1.78	-0.13%	17.61%	-	-	-
U Capital MENA 200 Index	1,088.27	0.07	0.01%	9.36%	-	-	-
MSCI GCC Countries Index	551.52	-1.84	-0.33%	14.95%	13.99	1.79	3.9%
Muscat Securities Market	4,338.36	2.45	0.06%	-14.92%	10.49	0.87	6.3%
Saudi Stock Exchange	8,307.42	-60.28	-0.72%	14.96%	17.84	1.85	3.3%
Kuwait Stock Exchange	5,222.52	-3.51	-0.07%	NA	15.47	1.32	3.7%
Qatar Exchange	9,630.39	22.50	0.23%	12.99%	14.18	1.45	4.6%
Bahrain Stock Exchange	1,369.53	1.63	0.12%	2.84%	8.62	0.87	6.0%
Dubai Financial Market	2,941.81	-6.99	-0.24%	-12.71%	9.32	1.09	5.8%
Abu Dhabi Exchange	4,832.22	-11.97	-0.25%	9.86%	12.59	1.43	5.0%
Beirut Stock Exchange	1,042.90	4.31	0.41%	-9.20%	5.63	0.63	9.3%
Palestine Stock Exchange	539.88	-1.36	-0.25%	-6.04%	13.03	1.19	4.5%
Tunis Se Index	8,308.16	84.32	1.03%	32.26%	21.69	2.96	1.7%
EGX 30 Index	15,378.11	178.82	1.18%	2.39%	11.61	2.52	2.3%
Amman General Index	2,021.20	-2.03	-0.10%	-4.96%	15.13	1.00	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,701.3	0.50%	0.2%
DAX	Germany	12,860.4	0.40%	-0.4%
CAC 40	France	5,511.8	0.57%	3.7%
United States				
DJIA	USA	25,451.1	-0.30%	3.0%
S&P 500	USA	2,818.8	-0.66%	5.4%
NASDAQ	USA	7,737.4	-1.46%	12.1%
Asia Pacific				
NIKKEI 225	Japan	22,564.1	-0.67%	-0.9%
HANG SENG	Hongkong	28,608.9	-0.67%	-4.4%
KSE 100 Index	Pakistan	42,786.5	0.00%	5.7%
NSE Nifty 50	India	11,289.9	0.10%	7.2%
SHANGHAI Composite	China	2,868.9	-0.16%	-13.3%
KOSPI Index	South Korea	2,292.2	-0.12%	-7.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.739	1.353
British Pound (GBP)	1.311	0.763
Canadian Dollar (CAD)	0.765	1.308
Chinese Renminbi (CNH)	0.146	6.843
Egyptian Pound (EGP)	0.056	17.894
Euro (EUR)	1.165	0.858
Indian Rupee (INR)	0.015	62.784
Japanese Yen (JPY)	0.009	111.150
New Zealand Dollar (NZD)	0.679	1.472
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.783	127.865
Russian Ruble (RUB)	0.016	68.741
Singapore Dollar (SGD)	0.734	1.363
Turkish Lira (TRY)	0.206	4.860

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	74.3	0.00%	14.7%
WTI Crude (per bbl)	68.9	0.28%	14.0%
Oman Crude Oil (Last Closing)	73.7	-0.47%	15.1%
OPEC (per bbl)	73.6	1.03%	14.2%
Precious Metals			
Gold100 OZ (per oz)	1,220.1	-0.25%	-6.4%
Silver (per oz)	15.4	-0.51%	-9.0%
Platinum (per oz)	823.0	-1.07%	-11.6%
Other Metals			
Copper, MT	6,297	0.10%	-13.1%
Aluminium, MT	2,071	0.19%	-8.7%
Lead, MT	2,145	-0.88%	-13.8%
Zinc, MT	2,596	0.46%	-21.8%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.50	39.0%
Saudi Arabia	2.61	37.6%
Kuwait	2.06	10.0%
Oman	2.48	29.8%
Qatar	2.64	-0.3%
Bahrain	3.50	28.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.7
Abu Dhabi	10/11/2027	3.8
Qatar	6/2/2026	3.9
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	5.9
Bahrain	10/12/2028	7.9

Midswaps	Price	YTM %
3 year	99.63	2.8
5 year	99.57	2.8
10 year	99.28	3.0
30 year	100.67	3.1

USD Libor	Rate (%)	YTD
1m	2.08	32.8%
3m	2.34	38.3%
6m	2.53	37.7%
1 year	2.82	33.9%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman hires Standard Chartered to raise \$1.2bn in debt

Oman is seeking to raise as much as US\$1.2bn to finance infrastructure at the country's Duqm Special Economic Zone. Standard Chartered Plc is working as global coordinator to help Oman's debt management office raise the funds that could be backed by the World Bank's Multilateral Investment Guarantee Agency (MIGA), according to an official at the Ministry of Finance. Oman may raise the financing through a loan or bond with a potential maturity of 15 to 20 years, said the official, asking not to be identified.

Source: [Muscat Daily](#)

CBO launches Islamic liquidity management project

A kick off meeting for the Islamic Liquidity Management Project was held between the Central Bank of Oman (CBO) and Thomson Reuters at the CBO premises. This meeting comes in light of the selection of Thomson Reuters to develop innovative solutions and tools for liquidity management in the Islamic banking sector in accordance with Sharia and Islamic rulings.

Source: [Times of Oman](#)

Duqm Drydock plans to expand activities to contribute to national economy

Eng Said bin Hamoud al Maawali, CEO of Oman Drydock Company, said: "We are planning to increase the number of drydock activities in Duqm, one of the best drydocks in the region". Eng al Maawali said in an interview published today in Duqm Economic magazine by the Special Economic Zone Authority in Duqm (SEZAD) for July 2018, "The plan of the company until 2040 includes increasing the number of activities from about 3 activities to 11 activities, including: the construction and repair of offshore platforms for oil production and the manufacture of steel structures used in the oil fields, repairing warships and manufacturing specialized vessels, such as large sea fishing vessels, towing boats, maintenance and repair of large yachts and converting vessels from one use to another and many other activities".

Source: [Oman Observer](#)

Suhar to host Oman's first hazardous waste project

Be'ah, the Sultanate's solid waste management authority, has selected Suez, the French-based international water and wastewater utility giant, to operate a hazardous waste treatment and disposal complex in Suhar — the first of its kind of Oman. The facility, which is tipped to evolve into a national hub for hazardous waste treatment, will also be weighed for its potential to support a unique Waste-to-Energy scheme in future stages of its development.

Source: [Oman Observer](#)

BP inks supply chain pact in boost for Duqm SEZ

Energy major BP has awarded a new contract to Sumitomo Corporation Tubular Solutions Oman LLC (SCTSO) for supply chain services which will result in a further boost to the expanding Duqm Special Economic Zone (SEZAD). Building local content into our supply chain is a key focus area in BP's procurement strategy and this contract will secure manufacture of piping and casing from Omani steel securing in-country pipe and casing support services.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Five sectors boost QSE at Sunday's closing

The Qatar stock exchange (QSE) ended Sunday's trading session in the green, encouraged by the growth of five sectors. The general index rose 41.33 points, or 0.45%, to finish at 9,200.10 points. The bourse's liquidity increased to QAR 190.94 million on Sunday from QAR 176.41 million on Thursday, while the trading volume went up to 8.57 million shares against 6.43 million in the previous session.

Source: [Mubasher](#)

S&P affirms Qatar's ratings at 'AA-/A1-+'

Standard and Poor's (S&P) announced that it has confirmed Qatar's long and short-term foreign and local currency sovereign ratings at "AA-/A-1+" with a negative outlook, according to the international credit rating agency's statement. The New York-based ratings agency noted that the decision reflects its expectation that the Qatari government will continue to actively manage the boycott while preserving Qatar's core rating strengths, including its strong public sector balance sheet.

Source: [Mubasher](#)

Stock of residential units touches 288,100 in Qatar

With a mix of 775 new apartments and villas during the second quarter of this year, the total number of residential units in Qatar reached 288,100 by the end of June 30, 2018. However, the additional supply of residential units to the existing stock during the period led to a decline in capital values, both yearly as well as quarter-on-quarter. The second quarter 2018 ValuStrat Price Index (VPI) for the residential sector displayed overall 10.9 percent annual and 4.5 percent quarterly declines in capital values. Villas and freehold apartments saw quarterly price drops of 5.2 percent and 1.1 percent respectively.

Source: [TPQ](#)

GFH Financial Group settles \$200m Sukuk

GFH Financial Group has announced that it fully paid the amount of \$200 million Sukuk. Drawn in 2007, the facility, which is scheduled to be paid in several tranches with its final maturity in July 2018, was settled by GFH after the Dubai- and Bahrain-, and Kuwait-listed company made a \$34 million payment, according to a bourse statement.

Source: [Mubasher](#)

Saudi banks' aggregate profit down 3% in June

Saudi-listed banks reported a 3 percent decrease year-on-year (YoY) in aggregate net profit to SAR 3.16 billion in June 2018, Saudi Arabian Monetary Authority (SAMA) data showed. The sector's aggregate earnings grew by 8 percent YoY to SAR 24.1 billion year to date. The data covers 12 listed banks and 15 foreign banks operating in Saudi Arabia.

Source: [Argaam](#)

Saudi Basic Industries Q2 net profit jumps 81 pct, beats estimates

Saudi Basic Industries Corp (SABIC), the world's fourth-biggest petrochemicals company, reported an 81 percent leap in second-quarter net profit on Sunday, citing higher selling prices and a jump in sales volumes. SABIC made a net profit of 6.70 billion riyals (\$1.79 billion) in the three months to June 30, up from 3.71 billion riyals in the year-earlier period, it said in a bourse statement.

Source: [Reuters](#)

Saudi Chemical to enter new markets soon, says CEO

Saudi Chemical Co. expects to establish a presence in Europe and the United States over the coming three years, CEO Mohammed Al-Badr told Argaam. The Tadawul-listed company will also enter new GCC markets, especially Kuwait and the United Arab Emirates, in the next six months, he said. Saudi Chemical reported a net profit of SAR 27.82 in the second quarter, a decline of 2.5 percent year-on-year (YoY) mainly due to a decline in sales of explosives, which have higher profit margins, as well as an increase in financial charges.

Source: [Argaam](#)

SIECO aims to double sulphur, cement exports by year-end: CEO

Saudi Industrial Export Co. (SIECO) expects its volume of exports to exceed 160,000 tons of sulphur and 100,000 tons of cement by the end of the year, chief executive Hazem Fahd Al-Dosari told Argaam. The Saudi-listed firm exported around 70,000 tons of sulphur from state-run Saudi Aramco during the first six months of the year, representing 60 percent of the firm's income, in addition to exporting 40,000 tons of cement, Al-Dosari said in a phone interview on Sunday.

Source: [Argaam](#)

SABIC 'well placed' to finance US venture with ExxonMobil: Al-Benyan

Saudi Basic Industries Corp (SABIC) is well-placed to finance its US-based venture with ExxonMobil at the lowest cost, backed by its solid financial position and strong credit rating, recently affirmed by Fitch Ratings at "A+", CEO Yousef Al-Benyan told Argaam on Sunday. The petrochemical giant and its partners are still studying the best financing options for the new facility. Commenting on Saudi Aramco's interest in acquiring the Public Investment Fund's (PIF) stake in SABIC, Al-Benyan said, "it's only a matter between an investor and SABIC's shareholder."

Source: [Argaam](#)

What Now for Saudi Arabia's Planned \$2 Trillion Fund?

Saudi Arabia is now looking for Plan B to propel its sovereign wealth fund into the ranks of global giants. The initial plan was to raise at least \$100 billion through an initial public offering of a small stake in Saudi Aramco, the state-owned oil company, in the second half of 2018. Though the IPO is not going ahead as originally planned, the nation's Public Investment Fund still hopes to control more than \$2 trillion by 2030.

Source: [Bloomberg](#)

KAMCO issues KD 40m bond with 5-year tenure

KAMCO Investment Company, issued a KD 40 million, five-year tenure bond, with KAMCO and Gulf Bank as Joint Lead Managers and Arrangers for the debt securities issuance. The bond is comprised of two tranches: Fixed interest bonds with an interest rate of 6.00 percent, paid quarterly in arrears; and Floating interest bonds with an interest rate set at the discount rate declared by the Central Bank of Kuwait plus 2.75 percent paid quarterly in arrears, capped at 7.00 percent per annum.

Source: [Arab Times](#)

Emaar Malls profits grows 8% in H1 2018

Emaar Malls profits rose 8 percent in the first half of 2018 to AED 1.102 billion (\$300 million), the company announced on Sunday. The company reported profits of AED 1.021 billion (\$278 million over the same time period in 2017. According to the company's latest results, revenue for H1 2018 was AED 2.103 (\$573 million), a 29 percent increase over its H1 2017 revenue of AED 1.624 billion (\$442 million).

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Stocks Slip Amid Earnings Deluge; Yuan Retreats: Markets Wrap

Asian stocks began the week lower as investors questioned earnings results against lofty expectations and prepared for key policy meetings from the world's biggest central banks. The onshore yuan added to last week's slump, driven in part by China's moves to ease monetary conditions. Equities fell from Tokyo to Sydney. U.S. and U.K. equity futures signaled declines when trading begins in New York and London, after the S&P 500 Index closed weaker Friday.

Source: [Bloomberg](#)

The World's Fastest-Growing Economy Looks Like It's Got Momentum

The world's fastest growing major economy is showing signs of a recovery in animal spirits, suggesting India's mid-term outlook can weather global trade tensions and emerging market strains. A cross section of forward-looking indicators compiled by Bloomberg News show largely positive signs. Sentiment in the manufacturing and services sectors -- both of which make up nearly 80 percent of the \$2.6 trillion economy -- rebounded in June, with new orders picking up pace.

Source: [Bloomberg](#)

US ports are on the front line of Trump's trade war – and they're bracing for higher China tariffs

U.S. ports, which handle hundreds of billions of dollars in merchandise each year, will be the first to feel the pain if the Trump administration's trade war begins to slow the global economy. So, as the White House threatens to impose higher duties on \$200 billion worth of Chinese goods, port managers are bracing for the prospect of canceled shipments and lost jobs.

Source: [CNBC](#)

India stocks hit record highs as experts consider their 'safe haven' potential

India's benchmark S&P Bombay Stock Exchange has closed at a record high for the fourth day in a row. A range of factors have prompted emerging markets experts to consider Indian equities as a relative safe haven while trade tension between the U.S. and China hots up. These include growing domestic demand and Prime Minister Narendra Modi's bid for re-election next year. But, the rising price of oil and a weak rupee threaten this theory.

Source: [CNBC](#)

Alphabet is looking even better after Facebook's disappointing earnings

Alphabet and Facebook's back-to-back earnings highlighted their similarities, but also their glaring differences. While Facebook's near-term future seems to be all advertising, all the way, Alphabet has several other business models showing promise.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices mixed; Brent eases as trade tensions weigh

Oil prices were mixed on Monday with U.S. benchmark WTI nudging higher after four weeks of declines, while Brent began the week lower as the fallout from trade tensions weighed on markets.

Source: [Reuters](#)

Gold price eases on firm dollar ahead of central bank meetings

Gold prices slipped on Monday as the dollar stood tall against its peers ahead of key central bank meetings and U.S. inflation and payrolls data this week. Spot gold was down about 0.3 percent at \$1,219.91 an ounce at 0335 GMT. U.S. gold futures were 0.3 percent lower at \$1,219.10 an ounce. The dollar rose slightly in Asia against major rivals on Monday, as market participants awaited central bank meetings this week, which could set the near-term course for currencies.

Source: [Reuters](#)

