

U Capital Morning Brief

31 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	841.00	-1.81	-0.21%	-13.68%	-	-	-
U Capital GCC 50 Index	1,348.44	2.22	0.16%	17.80%	-	-	-
U Capital MENA 200 Index	1,088.95	0.68	0.06%	9.43%	-	-	-
MSCI GCC Countries Index	552.09	0.57	0.10%	15.07%	14.01	1.79	3.9%
Muscat Securities Market	4,320.46	-17.90	-0.41%	-15.27%	10.45	0.86	6.3%
Saudi Stock Exchange	8,309.37	1.95	0.02%	14.99%	17.84	1.86	3.3%
Kuwait Stock Exchange	5,214.58	-7.94	-0.15%	NA	15.45	1.32	3.7%
Qatar Exchange	9,651.77	21.38	0.22%	13.24%	14.35	1.46	4.6%
Bahrain Stock Exchange	1,370.50	0.97	0.07%	2.91%	8.62	0.87	6.0%
Dubai Financial Market	2,965.51	23.70	0.81%	-12.00%	9.40	1.10	5.7%
Abu Dhabi Exchange	4,846.25	14.03	0.29%	10.18%	12.63	1.43	5.0%
Beirut Stock Exchange	1,039.94	-2.96	-0.28%	-9.46%	5.61	0.63	9.4%
Palestine Stock Exchange	539.25	-0.63	-0.12%	-6.15%	12.87	1.18	4.5%
Tunis Se Index	8,324.30	16.14	0.19%	32.51%	21.73	2.96	1.7%
EGX 30 Index	15,297.02	-81.09	-0.53%	1.85%	11.55	2.51	2.3%
Amman General Index	2,014.29	-6.91	-0.34%	-5.29%	15.01	1.00	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,700.9	-0.01%	0.2%
DAX	Germany	12,798.2	-0.48%	-0.9%
CAC 40	France	5,491.2	-0.37%	3.4%
United States				
DJIA	USA	25,306.8	-0.57%	2.4%
S&P 500	USA	2,802.6	-0.58%	4.8%
NASDAQ	USA	7,630.0	-1.39%	10.5%
Asia Pacific				
NIKKEI 225	Japan	22,556.1	0.01%	-0.9%
HANG SENG	Hongkong	28,574.6	-0.55%	-4.5%
KSE 100 Index	Pakistan	43,556.6	0.00%	7.6%
NSE Nifty 50	India	11,288.3	-0.28%	7.2%
SHANGHAI Composite	China	2,868.2	-0.03%	-13.3%
KOSPI Index	South Korea	2,291.6	-0.08%	-7.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.742	1.347
British Pound (GBP)	1.313	0.762
Canadian Dollar (CAD)	0.766	1.306
Chinese Renminbi (CNH)	0.146	6.834
Egyptian Pound (EGP)	0.056	17.896
Euro (EUR)	1.171	0.854
Indian Rupee (INR)	0.015	62.256
Japanese Yen (JPY)	0.009	111.170
New Zealand Dollar (NZD)	0.682	1.466
Omani Rial (OMR)	2.597	0.386
Pakistani Rupee (PKR)	0.816	125.000
Russian Ruble (RUB)	0.016	68.620
Singapore Dollar (SGD)	0.734	1.362
Turkish Lira (TRY)	0.204	4.892

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	74.6	-0.55%	15.1%
WTI Crude (per bbl)	69.8	-0.54%	15.4%
Oman Crude Oil (Last Closing)	73.6	-0.07%	15.0%
OPEC (per bbl)	73.7	0.10%	14.3%
Precious Metals			
Gold100 OZ (per oz)	1,220.6	-0.07%	-6.3%
Silver (per oz)	15.5	-0.14%	-8.7%
Platinum (per oz)	829.2	0.09%	-10.9%
Other Metals			
Copper, MT	6,250	-0.75%	-13.8%
Aluminium, MT	2,094	1.11%	-7.7%
Lead, MT	2,153	0.37%	-13.4%
Zinc, MT	2,557	-1.50%	-23.0%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.46	36.9%
Saudi Arabia	2.61	37.6%
Kuwait	2.06	10.0%
Oman	2.48	29.8%
Qatar	2.64	-0.2%
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	3.9
Qatar	6/2/2026	3.9
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	5.9
Bahrain	10/12/2028	8.0

Midswaps	Price	YTM %
3 year	99.66	2.7
5 year	99.63	2.8
10 year	99.38	2.9
30 year	100.92	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

Bank Dhofar and National Bank of Oman in talks for latest GCC banking merger

Bank Dhofar and National Bank of Oman will discuss a potential merger that could create a new financial institution in Oman with \$20 billion (Dh74bn) in assets. The board of Bank Dhofar gave the nod in its July 29 meeting and “resolved to commence discussions with National Bank of Oman to explore the possibility of a merger between the two entities”, the lender said in a regulatory filing to Muscat Securities Market, where its shares are traded.

Source: [The National](#)

Orpic, Oman GAS sign pact

Oman Oil Refineries and Petroleum Industries Company (Orpic) today signed an agreement with Oman Gas Company for the operation and maintenance of the LNG Extraction Plan and the associated pipelines – a package of Liwa Plastic Industries Complex. The agreement signing ceremony was held under the auspices of Dr Ali bin Masud al Sunaidi, Minister of Commerce and Industry in the presence of a number of public and private sectors’ officials.

Source: [Oman Observer](#)

Muscat Insurance Co. undergoes re-branding

Muscat Insurance Company (MIC) unveiled its new global branding on Sunday as part of a bid to bring to life MIC’s role as a trusted partner to its customers. The new branding includes an updated visual identity, logo, and tagline, and marks the most visible change to the MIC since its inception in 1995. The insurance company prides itself on being one of the largest providers of commercial and personal insurance products in Oman.

Source: [Times of Oman](#)

Oman’s minister visits GlassPoint HQ in California

HE Dr. Ali bin Masoud Al Sunaidi, Oman’s Minister of Commerce and Industry, recently toured GlassPoint’s headquarters and lab facilities in California, USA. Welcoming HE Dr. Al Sunaidi was GlassPoint’s Chief Technology Officer Pete von Behrens and other members of the company’s leadership team. Representatives from the Oman Technology Fund, including Chief Executive Officer Yousuf Al Harthy and Venture Investment Leader Mohammed Al Rasbi, accompanied Dr Al Sunaidi. The delegation had an up-close look at GlassPoint’s solar energy innovations and how the technology can be further utilised within the Sultanate.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Property lifts Dubai, Saudi lacklustre on valuation concerns

Strong earnings by Emaar Malls lifted Dubai shares and selective buying in top blue-chip companies helped Qatar rebound from early losses, as most Gulf markets ended in positive territory. The region's biggest stock market, Saudi Arabia, ended flat as investors tried to digest quarterly earnings and were cautious about valuations for top companies after the index's nearly 15 percent rise so far this year.

Source: [Zawya](#)

Tadawul publishes its annual report: "EXPANSION AND DIVERSIFICATION"

The report provides details on Tadawul’s performance during 2017, during which Tadawul ranked as the 25th largest stock market of the World Federation of Exchanges, with a market capitalization of \$451 billion at the end of 2017. Furthermore, the report reveals Tadawul's significant growth in net income reaching 129.8 million SAR by 31 December 2017, with an increase of 543% over the previous year and a 74% increase in revenues totaling 545.4 million SAR compared to 2016.

Source: [Tadawul](#)

Saudi finance ministry to ink deals to finance development projects tomorrow

Saudi Arabia’s Ministry of Finance is expected to sign new agreements for financing development projects Tuesday morning, under the auspices of Hamad Al-Bazai, the Vice Finance Minister. Moreover, Tariq Alshuhayeb, the deputy minister for revenues at the Ministry of Finance, will hold a press conference on Tuesday.

Source: [Argaam](#)

Saudi banks' deposits shrink as government pulls back funds

Deposits at Saudi Arabian banks have shrunk as the government withdraws emergency funds injected when oil prices slumped, although weak loan demand makes a liquidity crunch unlikely. Eight of the top 12 Saudi banks reported lower deposits in their second-quarter earnings, released over the past couple of weeks.

Source: [Reuters](#)

Alandalus gets building permit for SAR 1 bln Jeddah hospital

Alandalus Property Co. on Monday said it has received the building permit from Jeddah Municipality for its SAR 1.15 billion hospital in Jeddah, which is being developed in joint venture with Dr. Sulaiman Al-Habib Medical Group. The building permit has been granted in the name of West Jeddah Hospital Co, it said in a statement to Tadawul. The general administration of Health Affairs in Jeddah has also given its preliminary approval. Source: [Argaam](#)

Dubai hotels record 230% growth in profit per room

Hotels in Dubai recorded triple-digit profit growth per room in June but total gross operating profit in the first-half were nearly nine per cent below the same period last year, according to HotStats figures released on Monday. Hotels in Dubai recorded 230 per cent year-on-year growth in profit per room, which is a staggering increase, but from a very low base, at just \$1.93, and represented an uplift of just \$4.83, it said.

Source: [Zawya](#)

Expo 2020 signs deal to boost Chinese presence in UAE

Expo 2020 Dubai is expecting a significant boost in Chinese visitor and business presence after signing an agreement with the China-Arab International Cooperation Committee (CAICC) to promote the global destination in the most populous country. Under the agreement, the two entities will work together to encourage Chinese businesses to take full advantage of the many opportunities available before and during Expo 2020 Dubai.

Source: [Zawya](#)

Shuaa to boost foothold in Saudi Arabia, Kuwait, Egypt

Shuaa Capital is seeking to collaborate with Saudi Arabia's Jabal Omar Development Company (JODC) to launch real estate investment trusts (REITs) in a bid to develop a slew of real estate projects in Mecca. The partnership with JODC is aimed at locating investment opportunities in the Saudi real estate market, Shuaa's CEO Tariq Khan told Mubasher.

Source: [Mubasher](#)

UAE, Middle East business confidence rebounds

The UAE and the Middle East as a whole are bucking global trends, with business confidence surging to its highest level since the second quarter of 2015. That's the finding of the latest Global Economic Conditions survey by the Association of Chartered Certified Accountants (Acca) and the Institute of Management Accountants (IMA). Within the UAE, confidence moved from a negative outlook in the first quarter to a positive one. The Middle East region remains negative, but has improved significantly.

Source: [Gulf News](#)

VAT refund for tourist to open UAE doors for further growth

United Arab Emirates is the most preferred tourist destination in the Middle East and to continue its positive momentum, tourists visiting the country will be entitled to claim back any Value Added Tax (VAT) payments they are charged. "The UAE has become a regional magnet for foreign investors and tourists, and the move to refund VAT, yet again shows UAE's strategic ability to drive the growth of the country," said Tejas Goenka, Executive Director, Tally Solutions - a leading international accounting and compliance software provider.

Source: [Saudi Gazette](#)

Egypt to repay \$6.3bln in foreign debt by end-2018: paper

Egypt will repay \$6.3 billion in foreign debt in the second half of 2018, financial newspaper al-Mal reported on Monday. Egypt's foreign debt reached \$82.9 billion at the end of December, according to central bank data released in May. The central bank was not immediately available for comment.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares slip on tech rout, focus shifts to BOJ

Asian share markets weakened on Tuesday, taking cues from the rout in global technology shares while the yen edged higher ahead of the Bank of Japan's rate review, at which it could flag a shift away from its massive monetary stimulus. Japan's Nikkei fell 0.5 percent. South Korea's Kospi index dipped 0.1 percent despite solid second-quarter results from Samsung Electronics which posted a 5.7 percent rise in profit. MSCI's broadest index of Asia-Pacific shares outside Japan was mostly unchanged at 543.23 as were Australian shares.

Source: [Reuters](#)

Walmart stumbles with its 'last mile' package delivery plan

Standing before an audience of 14,000 people last year, Walmart Inc executives described a radical plan to help it fend off Amazon.com Inc and other online delivery services from stealing its customers. Walmart's own store employees would bring online orders directly to shoppers' homes after completing their usual shifts of up to nine hours on the sales floors. Aiming to lower the retailer's shipping costs by tapping its massive workforce, the program was part of a multi-pronged strategy to boost its \$11.5 billion U.S. ecommerce business and tackle one of the biggest challenges in retail: the so-called "last mile" of delivering goods to online customers.

Source: [Reuters](#)

China manufacturing PMI falls short of expectations for July

China reported on Tuesday that factory activity was slightly lower than expected in July, with the official manufacturing Purchasing Manager's Index (PMI) coming in at 51.2. The Chinese manufacturing PMI had been forecast to fall to 51.3 in July from 51.5 in June, according to a poll of economists by Reuters. A reading above 50 indicates expansion, while a reading below that signals contraction.

Source: [CNBC](#)

It's in China's interest to reconsider its trade surplus with the US

Washington's apparent shift of emphasis from its unassailable trade argument to an uncertain legal battle about China's foreign trade policies and practices looks like an own goal. Upon reflection, Washington could soon recover. Some own goals during the recent World Cup ultimately led to a win.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices slip after OPEC output rise

Oil prices slipped on Tuesday after a report showed that OPEC production reached a 2018 high in the month of July, although the losses were limited as concerns about supply lingered. September Brent crude futures LCOc1 fell 7 cents to \$74.90a barrel by 0109 GMT, after rising 68 cents, or 0.9 percent, on Monday.

Source: [NASDAQ](#)

Gold prices buoyed by weaker dollar vs yen

Gold prices crept higher early on Tuesday, supported by the dollar's slight fall against the yen ahead of a monetary policy decision from the Bank of Japan.

* Spot gold was up 0.1 percent at \$1,222.28 an ounce at 0041 GMT.

* U.S. gold futures were about 0.1 percent higher at \$1,222.10 an ounce.

* The yen strengthened slightly against the dollar on Tuesday as investors awaited the outcome later in the day of a much-anticipated Bank of Japan monetary policy meeting.

Source: [Reuters](#)