

U Capital Morning Brief

20 June 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	883.5	-3.48	-0.39%	-9.32%	-	-	-
U Capital GCC 50 Index	1,303.4	-14.82	-1.12%	13.87%	-	-	-
U Capital MENA 200 Index	1,068.5	-11.62	-1.08%	7.37%	-	-	-
MSCI GCC Countries Index	536.2	-1.07	-0.20%	11.75%	14.19	1.75	3.9%
Muscat Securities Market	4,589.3	-6.72	-0.15%	-10.00%	11.42	0.99	5.3%
Saudi Stock Exchange	8,270.5	26.49	0.32%	14.45%	18.64	1.84	3.2%
Kuwait Stock Exchange	4,826.7	-16.01	-0.33%	NA	14.36	1.24	4.0%
Qatar Exchange	9,097.9	17.67	0.19%	6.74%	13.55	1.40	4.8%
Bahrain Stock Exchange	1,307.3	11.48	0.89%	-1.83%	8.53	0.85	6.3%
Dubai Financial Market	2,939.3	-43.25	-1.45%	-12.78%	9.46	1.12	5.8%
Abu Dhabi Exchange	4,561.6	-26.63	-0.58%	3.71%	12.20	1.37	5.3%
Beirut Stock Exchange	1,077.3	-2.04	-0.19%	-6.21%	5.40	0.65	9.1%
Palestine Stock Exchange	548.2	0.68	0.12%	-4.60%	13.23	1.21	4.9%
Tunis Se Index	7,948.8	74.48	0.95%	26.54%	19.96	2.77	1.8%
EGX 30 Index	16,067.8	-153.16	-0.94%	6.98%	16.57	2.61	2.5%
Amman General Index	2,097.4	-2.80	-0.13%	-1.38%	15.83	1.04	4.4%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,603.9	-0.36%	-1.1%
DAX	Germany	12,678.0	-1.22%	-1.9%
CAC 40	France	5,390.6	-1.10%	1.5%
United States				
DJIA	USA	24,700.2	-1.15%	-0.1%
S&P 500	USA	2,762.6	-0.40%	3.3%
NASDAQ	USA	7,725.6	-0.28%	11.9%
Asia Pacific				
NIKKEI 225	Japan	22,385.1	0.48%	-1.7%
HANG SENG	Hongkong	29,588.4	0.41%	-1.1%
KSE 100 Index	Pakistan	43,660.6	-0.05%	7.9%
NSE Nifty 50	India	10,726.6	0.15%	1.9%
SHANGHAI Composite	China	2,890.7	-0.59%	-12.6%
KOSPI Index	South Korea	2,365.9	1.10%	-4.1%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.739	1.353
British Pound (GBP)	1.316	0.760
Canadian Dollar (CAD)	0.753	1.328
Chinese Renminbi (CNH)	0.154	6.480
Egyptian Pound (EGP)	0.056	17.860
Euro (EUR)	1.157	0.864
Indian Rupee (INR)	0.015	63.857
Japanese Yen (JPY)	0.009	110.150
New Zealand Dollar (NZD)	0.690	1.449
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.828	121.700
Russian Ruble (RUB)	0.016	68.133
Singapore Dollar (SGD)	0.737	1.357
Turkish Lira (TRY)	0.210	4.753

Commodity Prices	Price	D/D	YTD
		USD	%
Oil			
Brent Crude (per bbl)	75.3	0.28%	15.6%
WTI Crude (per bbl)	65.3	0.35%	8.1%
Oman Crude Oil (Last Closing)	72.6	-0.55%	13.4%
OPEC (per bbl)	71.1	-2.34%	10.3%
Precious Metals			
Gold100 OZ (per oz)	1,274.0	-0.05%	-2.2%
Silver (per oz)	16.3	0.13%	-3.6%
Platinum (per oz)	862.3	-0.69%	-7.3%
Other Metals			
Copper, MT	6,840	-1.78%	-5.6%
Aluminium, MT	2,171	-2.19%	-4.3%
Lead, MT	2,415	-0.76%	-2.9%
Zinc, MT	3,002	-2.12%	-9.6%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.49	38.9%
Saudi Arabia	2.52	33.1%
Kuwait	2.00	6.7%
Oman	2.36	23.8%
Qatar	2.64	-0.2%
Bahrain	3.50	28.4%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	3/20/2027	3.9
Abu Dhabi	10/11/2027	4.1
Qatar	6/2/2026	4.2
Saudi Arabia	3/4/2028	4.4
Oman	1/17/2028	6.6
Bahrain	10/12/2028	9.2

Midswaps	Price	YTM %
3 year	99.94	2.6
5 year	99.92	2.8
10 year	99.86	2.9
30 year	101.97	3.0

USD Libor	Rate (%)	YTD
1m	2.08	33.2%
3m	2.32	37.2%
6m	2.50	35.9%
1 year	2.77	31.6%

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's oil production hits 30mn barrels

Oman's crude oil and condensate production in May 2018 amounted to 30.03 million barrels, with a daily average of 969,000 barrels, according to the latest monthly report issued by the Ministry of Oil and Gas. In the meanwhile, the total exported quantities of Oman crude oil in May 2018 have reached 24.18 million, with a daily average of 780,225 barrels.

Source: [Times of Oman](#)

Muscat to serve as link between Asia and Africa: Oman Air CEO

Oman Air is keen to promote Muscat as linkage for flights between Africa and East Asia. It is working on offering more flights to countries in both continents. Currently we have four flights per week to China, mainly to Guangzhou. But, we want to increase the frequency to daily. At the same time we are talking to Chinese authorities to provide air connectivity to other cities in China such as Beijing and Shanghai. We have also plans to increase flights to other Asian countries," said Eng Abdul Aziz Saud al Raisi, chief executive officer, Oman Air.

Source: [Muscat Daily](#)

Majlis Ash'shura meet debates tax on select goods

Majlis Ash'shura members on Tuesday discussed imposition of tax on select goods, amendment of Article 4 of residence law for foreigners and the amendment of social housing law. At the 24th regular session of third annual sitting (2017-2018) of the eighth term, Shaikh Nasser bin Ali al Mahrooqi, Secretary-General of the council, said the council also discussed the establishment of pilot gas stations in the various wilayats. The members discussed the establishment of a center for measuring performance promptness and quality assurance in government agencies.

Source: [Oman Observer](#)

Housing plot allotments grow by 32 per cent

The Ministry of Housing has allotted 17,447 plots across the country in the first five months of 2018, up by 32 per cent over the same period of last year. With a phenomenal growth in allotment of plots, the housing sector is expected to prop up in the coming months. Among various governorates, residential housing plot allotments in the Governorate of Al Dakhiliyah rose by 18.1 per cent to 3,794 during January till May, 2018, compared to merely 3,213 residential plot allotments in the same period of 2017, according the monthly statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Oman Observer](#)

HE Dr Rumhy to address OPEC International Seminar today

Oman's Minister of Oil and Gas, HE Dr Mohammed bin Hamed al Rumhy, is among a roster of international dignitaries due to address the inaugural session of the 7th OPEC International Seminar, which opens in Vienna today. The two-day forum, billed as an exclusive gathering for high-ranking representatives from government, business, science and academia, will preface a keenly anticipated meeting of OPEC and Non-OPEC producers which takes place in the Austrian capital during June 22-23, 2018.

Source: [Oman Observer](#)

Oman floats tender for 500MW solar project

Prominent global energy corporations are among 12 companies invited by the Omani government to compete for a license to build the Sultanate's first utility-scale solar PV Independent Power Project (IPP). The Oman Power and Water Procurement Company (OPWP), the sole procurer of new capacity under the Sector Law, announced on Tuesday that a Request for Proposals (RfP) has been issued to each of the 12 international companies prequalified to participate in the competitive tender.

Source: [Oman Observer](#)

MSM CIRCULARS / DECISIONS - List of Shariah Compliant Companies According to the Financial Statements of the First Quarter, 2018

Kindly see last page.

Source: [MSM](#)

Myanmar emerges as key importer of Oman crude

Myanmar lifted 13.75 per cent of Oman's total crude exports during May 2018, emerging as the second most important destination for Omani crude. China remained the dominant importer, lifting 73.90 per cent of total exports aggregating 24.186 million barrels in May. Japan, with a 6.31 per cent share, and India (4.15 per cent) were notable markets too, as was Malaysia (2.07 per cent). Oil and condensate production totaled 30.039 million barrels in May, according to the monthly report of the Ministry of Oil and Gas (MOG). Daily production averaged 780,225 barrels, the report said.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

A \$600 Billion Decision Looms for Saudis, Argentina on MSCI Nod

Two nations divided by geography -- and united by a history of financial protectionism -- embarked on a journey toward more transparent markets three years ago. Today, they'll learn whether foreign investors are ready to embrace their tales of transformation.

Source: [Bloomberg](#)

PIF, Softbank hold talks with EPC contractors on mega solar project

Saudi Arabia's Public Investment Fund (PIF) and Japanese investment firm SoftBank have met engineering, procurement and construction (EPC) contractors to discuss their possible participation in a tender for projects under the first phase of \$200 billion solar program in the Kingdom, MEED reported, citing industry sources.

Source: [Argaam](#)

Saudi Arabia, Russia plan to invest \$2 bn in tech projects

Saudi Arabia and Russia intend to invest \$2 billion in technology projects by 2019, TASS has reported, citing head of the Russian Direct Investment Fund (RDIF) Kirill Dmitriev. Both parties increase investments in projects on creation and introduction of modern technologies, said Dmitriev.

Source: [Argaam](#)

Saudi banks profit to grow on lower provisioning: Moody's

The additional provisioning requirements for Saudi banks under IFRS 9 standards will remain "modest" in 2018 and result in higher net profits due to gradual economic recovery, Moody's Investors Service said in a new report.

Source: [Argaam](#)

U.A.E. Central Bank Joins Efforts to Boost Consumer Confidence

The United Arab Emirates set limits on some fees and commissions charged by banks as part of plans to help shore up the economy. The central bank capped fees and commissions charged on retail consumer-related banking services, including home loans and late fees for credit cards, it said in a statement. The ceiling will apply to 43 types of fees that will be reviewed annually. "Fee caps are being used as a tool to protect consumers from anti-competitive and unfair practices," the regulator said. "This includes ensuring that entities do not automatically default to using the maximum caps when the actual costs are lower and banks will have to justify their increased costs in order to increase fees."

Source: [Bloomberg](#)

eBay partners with Dubai billionaire for Middle East sales

ebay will sell products on a relatively new Middle Eastern e-commerce venture, founded by a Dubai billionaire, from the second half of this year, the venture said on Tuesday. eBay has agreed to list popular products from the United States and elsewhere on noon.com and its mobile app for online shoppers in Saudi Arabia and the United Arab Emirates, noon said in a statement.

Source: [Times of Oman](#)

Fitch: Abu Dhabi stimulus confirms fiscal adjustment is over

Abu Dhabi's new economic stimulus program will have limited sovereign credit impact given the sovereign's strong balance sheet and low fiscal break-even oil price, Fitch Ratings said. But it highlights the winding down of fiscal adjustment and suggests that the fiscal policy-making framework has seen little improvement during the period of low oil prices, despite sharp spending cuts and increases in non-oil revenue

Source: [Saudi Gazette](#)

UAE holds \$60bn US Treasuries

The UAE's holdings of US Treasuries have increased by \$500 million to \$59.7 billion in April. Since the beginning of the year, the GCC country's holdings of US Treasuries rose to \$59.7 billion in the fourth month of 2018, according to an official statement. Additionally, China topped the US Treasuries holders in April, with total holdings of \$1.181 trillion, followed by Japan with \$1.031 trillion in the same month.

Source: [Mubasher](#)

Talks over three-way Qatari bank merger collapse

Talks to merge three Qatari banks have ended after they were unable to reach an agreement, the lenders said in a joint statement on Thursday. Islamic lender Masraf Al Rayan and conventional lenders Barwa Bank and International Bank of Qatar (IBQ) have been in talks since December 2016 over a potential tie-up. "The three banks could not reach an agreement to complete the transaction," the lenders said in a bourse statement, without elaborating. Sources close to the matter told Reuters the talks stalled over the past year as shareholders could not agree on valuations and due to client concerns about the possibility of converting IBQ into an Islamic lender.

Source: [TPQ](#)

Reports predict mixed prospects for Kuwait, other oil-producing nations

Local and international economic reports have predicted positive and risky prospects for oil producing countries such as Kuwait, pointing out that at the moment things are moving forward towards improving the oil prices, continuing economic reform policies and programs, rising government investment spending and private sector growth, reports Annahar daily. The oil prices increased regional tensions, lax attention to economic reform programs, and the role of global oil production and its role in reducing the fiscal space of oil-exporting countries. The Gulf states are still positive.

Source: [Arab Times](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China stocks extend slump, temper Asian bounce as trade war anxiety grows

China's stock markets slumped on Wednesday, extending a rout from the previous day as the prospect of a full-blown Sino-U.S. trade war put a dampener on the rest of Asian equities, even as they managed a modest bounce.

Source: [Reuters](#)

Merkel, Macron agree on euro zone budget

Chancellor Angela Merkel said she and French President Emmanuel Macron agreed on Tuesday to create a euro zone budget charged with boosting investment in the currency bloc and promoting economic convergence between its 19 member states. "We are opening a new chapter," Merkel said after talks with Macron on European reform ahead of a June 28-29 EU summit. She said euro zone reform was the toughest issue in their talks.

Source: [CNBC](#)

Apple is the big tech firm most at risk from a US-China trade war

China accounts for nearly 20 percent of Apple revenues and the company is arguably the most successful U.S. technology firm in China. Other FANGs Facebook, Netflix and Alphabet are more insulated as their operations are minimal in China.

Source: [CNBC](#)

COMMODITIES NEWS

OPEC and Allies' Gap on Oil Cuts Stretches to Widest Yet

With just a week to go until OPEC and non-OPEC nations meet in Vienna to consider the future of their 18-month-old pact to restrict global oil supplies, one detail has gotten somewhat lost in the noise: the two groups have never been so far apart in terms of complying with their current deal.

Source: [Bloomberg](#)

Oil prices gain on lower U.S. crude inventories, Libyan disruption

Oil prices recovered some day-earlier losses in Asia on Wednesday, supported by a drop in U.S. commercial crude inventories and the loss of storage capacity in oil producer Libya.

Source: [Reuters](#)

Another New 2018 Gold Price Low as Asian Buying Stays Weak

GOLD PRICES fell to new 2018 lows against a rising Dollar on Tuesday in London, hitting \$1274 per ounce as President Trump threatened to hit back at China's retaliation over last week's new US trade tariffs with extra charges on another \$200bn of Chinese imports.

Source: [Bullion Vault](#)

MSM CIRCULARS / DECISIONS - List of Shariah Compliant Companies According to the Financial Statements of the First Quarter, 2018

قائمة الشركات المتوافقة مع الشريعة للربع الأول من عام 2018			
List of Shariah Compliant Companies for Q1, 2018			
الاسم بالإنجليزية	الاسم بالعربية	الرمز	#
English Name	Arabic Name	Code	
AL ANWAR CERAMIC TILES	الأنوار للسيراميك	AACT	1
AL JAZEERA SERVICES	الجزيرة للخدمات	AJSS	2
AL MADINA TAKAFUL	المدينة تكافل	AMAT	3
ALMAHA CERAMICS	المها للسيراميك	AMCI	4
ALIZZ ISLAMIC BANK	بنك العز الإسلامي	BKIZ	5
BANK NIZWA	بنك نزوى	BKNZ	6
COMPUTER STATIONERY IND.	صناعة قرطاسية	CSII	7
DHOFAR BEVERAGES FOOD STUFF	ظفار للمطريات	DBCI	8
GULF INTERNATIONAL CHEMICALS	خليج للكيمياويات	GICI	9
GULF MUSHROOM PRODUCTS	الخليجية للفطر	GMPI	10
GULF STONES	محاجر الخليج	GSCI	11
AL KAMIL POWER	الكامل للطاقة	KPCS	12
MUSCAT GASES	مسقط للغازات	MGMC	13
MUSCAT THREAD MILLS	مسقط للخياوط	MTMI	14
NATIONAL BISCUIT INDUSTRIES	الوطنية بسكويت	NBII	15
NATIONAL REAL ESTATE DEV.& INV	الوطنية العقارية	NRED	16
OMAN CABLES INDUSTRY	صناعة الكابلات	OCAI	17
OMAN CHROMITE	الكروم العمانية	OCCI	18
OMAN CEMENT	اسمنت عمان	OCCI	19
OMAN FISHERIES	الأسماك العمانية	OFCI	20
OMAN FLOUR MILLS	المطاحن العمانية	OFMI	21
OMAN INT. MARKETING	الدولية للتسويق	OIMS	22
OMAN OIL MARKETING	النفط العمانية	OOMS	23
OMAN PACKAGING	العمانية للتغليف	OPCI	24
OOREDOO	أريديو	ORDS	25
RAYSUT CEMENT	ريسوت للأسمنت	RCCI	26
SAHARA HOSPITALITY	ضيافة الصحراء	SAHS	27
SHELL OMAN MARKETING	شل العمانية	SOMS	28
ASAFFA FOODS	الصفاء للأغذية	SPFI	29
SALALAH PORT SERVICES	صلالة للموانئ	SPSI	30
TAKAFUL OMAN INSURANCE	تكافل عمان للتأمين	TAOI	31
VOLTAMP ENERGY	فولتامب للطاقة	VOES	32