








U Capital Morning Brief

1 March 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	956.70	953.82	2.88	0.30%	0.14%	-1.81%
U Capital GCC 50 Index	1,183.15	1,193.49	-10.34	-0.87%	-2.86%	3.36%
U Capital MENA 200 Index	1,018.09	1,025.53	-7.44	-0.73%	-2.69%	2.31%
MSCI GCC Countries Index	491.43	496.10	-4.67	-0.94%	-3.23%	2.43%
 Muscat Securities Market	5,003.37	4,993.16	10.21	0.20%	0.07%	-1.88%
 Saudi Stock Exchange	7,418.80	7,465.47	(46.67)	-0.63%	-3.02%	2.66%
 Kuwait Stock Exchange	6,772.83	6,770.30	2.53	0.04%	1.27%	5.69%
 Qatar Exchange	8,653.32	8,929.50	(276.18)	-3.09%	-5.99%	1.52%
 Bahrain Stock Exchange	1,369.90	1,365.81	4.09	0.30%	1.42%	2.87%
 Dubai Financial Market	3,244.12	3,286.48	(42.36)	-1.29%	-4.43%	-3.74%
 Abu Dhabi Sec. Exchange	4,597.66	4,599.22	(1.56)	-0.03%	-0.10%	4.53%

Source: Bloomberg

World Markets*	Country	Value	Change	D/D	Commodity Prices*	Price	Change	D/D
				%		USD	USD	%
Europe					Brent Crude (per bbl) <i>Updated</i>	64.68	(0.04)	(0.06)
FTSE 100	United Kingdom	7,231.9	(50.54)	(0.69)	WTI Crude (per bbl) <i>Updated</i>	61.71	0.09	0.15
DAX	Germany	12,435.9	(54.88)	(0.44)	Oman Crude Oil (Last Closing)	61.82	(1.93)	(3.03)
CAC 40	France	5,320.5	(23.44)	(0.44)				
United States					Gold 100 OZ (per oz)	1,314.43	(4.00)	(0.30)
DJIA	USA	25,029.2	(380.83)	(1.50)	Silver (per oz)	16.37	(0.05)	(0.30)
S&P 500	USA	2,713.8	(30.45)	(1.11)				
NASDAQ	USA	7,273.0	(57.35)	(0.78)	Platinum (per oz)	976.94	(6.37)	(0.65)
Asia Pacific					Copper, MT	6,931.00	(90.00)	(1.28)
NIKKEI 225	Japan	21,737.2	(331.83)	(1.50)	Aluminium, MT	2,132.00	(15.00)	(0.70)
HANG SENG	Hongkong	30,917.2	72.44	0.23	Lead, MT	2,502.00	(74.00)	(2.87)
Selected Middle East					Zinc, MT	3,447.50	(39.50)	(1.13)
Tunis Se Index	Tunis	6,698.5	7.06	0.11	Nickel, MT	13,790.00	(55.00)	(0.40)
EGX 30 Index	Egypt	15,472.7	(50.19)	(0.32)				
Blom Stock Index	Lebanon	1,165.5	(7.82)	(0.67)				

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	1.219	0.820
British Pound	GBP	1.375	0.727
Japanese Yen	JPY	0.009	106.800
Chinese Renminbi	CNH	0.158	6.341
Indian Rupee	INR	0.015	65.166
Russian Ruble	RUB	0.018	56.343
Canadian Dollar	CAD	0.779	1.284
Australian Dollar	AUD	0.773	1.294

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

Sultanate to establish new PPP Authority

Oman will shortly establish a dedicated authority to oversee the implementation of the government's keenly awaited Public-Private-Partnership (PPP) initiative for executing infrastructure and other civil projects in the Sultanate, a top official announced here yesterday. Sayyid Khalid bin Hilal al Busaidy, (pictured) Minister of Diwan of Royal Court, said a new PPP law coupled with a regulatory framework, will also be issued to govern the establishment of the proposed PPP Authority.

Source: [Oman Observer](#)

Report on Duqm re-gasification unit to be submitted soon

A consortium of two global energy consultants, Navigant Consulting and Tractebel Engie, is expected to submit a detailed feasibility study on setting up a floating storage re-gasification unit (FSRU) in Duqm to the Special Economic Zone Authority in Duqm (Sezad) within a month, Reggy Vermeulen, chief executive officer of the Port of Duqm, told the Times of Oman in an interview. The FSRU is a specially refitted vessel designed to store, transport, and regasify liquefied natural gas (LNG).

Source: [Times of Oman](#)

Batinah Expressway to open by April-end

The Ministry of Transport and Communications has unveiled its plans for the current year, including the opening of the Duqm Airport terminal. The government will also focus on the doubling of Rusayl-Bidbid road, the seventh package of Batinah Expressway and Batinah Highway and Dibba-Khasab road project. Al Batinah Express Expressway (packages 2, 3, 4 and 5) is expected to open for traffic by the end of April this year. The government said the work on the Suhar-Buraimi railway line will commence in coordination with other GCC countries and is awaiting a status update from them on that front.

Source: [Oman Observer](#)

State council delegation visits PDO's landmark projects

Petroleum Development Oman (PDO) on Wednesday hosted a delegation from the State Council on an official visit to two of the company's leading energy saving projects in the south of its concession area. The eminent group was led by the Honourable Dr Suad Mohamed Ali Sulaiman al Lawati, vice chairperson of the State Council, and included around 30 members of the State Council. The party also included officials from the Diwan of Royal Court and Ministry of Defence. The guests were accompanied by a senior PDO management team led by Oil South petroleum engineering manager Sultan al Shidhani, according to a press release.

Source: [Muscat Daily](#)

NATIONAL FINANCE: Status on Rights Issue of RO 27.635 million

To inform you that the Rights Issue has been closed at the subscribed amount of RO 27,623,377.189 which represents 99.96% of the issue value of RO 27,635,200. The listing of the shares with the Muscat Securities Market and increasing the paid-up capital of the company with the Ministry of Commerce and Industry will be completed shortly.

Source: [MSM](#)

AL HASSAN ENGINEERING: Letter of Award from PDO

The Company is pleased to announce that it has signed today 28th February 2018 for the Letter of Award from PDO for the EPC Works of Haima West Combined Cycle Power Project for OMR 17.6 million (excluding Long lead items of OMR 13.8 million). The execution period will be of 36 months starting from February 2018. The Company expects reasonable income from this project.

Source: [MSM](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Aramco to study building steel sheets plant in Ras Al Khair

Saudi Arabian Oil Co. (Saudi Aramco) has signed a memorandum of understanding (MoU) with Japan-based Nippon Steel and Sumitomo Metal Corporation (NSSMC), Sumitomo Corporation, and Sumitomo Corporation Saudi Arabia Ltd. to study the feasibility of establishing a steel sheets plant in Ras Al Khair. Establishing the plant will reduce costs, cut distribution time, and provide better services to the local market, Ahmad Al Sa'adi, Aramco's senior vice president of technical services, said in a company statement today.

Source: [Argaam](#)

Al Jouf Cement says export deal with SIECO effective

Al Jouf Cement on Wednesday said in a bourse statement that the export deal signed with Saudi Industrial Export Co. (SIECO) came into effect on Feb. 26. The related financial impact is expected to show in Q1 2018, the cement producer added. Last November, Al Jouf closed a deal with SIECO to export 72,000 tons of cement to Jordan annually.

Source: [Argaam](#)

Saudi c.bank's foreign securities holdings fall as Riyadh mobilizes funds

The foreign securities holdings of Saudi Arabia's central bank fell sharply in January in a sign that the government may be mobilizing money for investment projects this year, official data showed on Wednesday. After rising for three straight months, the bank's net foreign assets edged down to \$486.7 billion last month from \$488.9 billion in December. They shrank by 5.8 percent from a year earlier. The government has been gradually liquidating the reserves, which peaked at \$737 billion in August 2014, to cover a budget deficit caused by low oil export receipts. The vast majority of the assets are believed to be denominated in U.S. dollars.

Source: [Reuters](#)

UAE Central Bank's foreign currency assets up 12.1% in January 2018

Total currency assets held by the UAE Central Bank, CBUAE, abroad reached AED 326 billion in January, an increase of 12.1 per cent over the same month in 2017, when they stood at AED 290.7 bn, according to official figures. The surge in the Central Bank's foreign assets were driven by the rise in current account balances and deposits with banks abroad from AED 129.8 bn in January 2017 to AED 254.9 bn in January 2018. The foreign assets exclude CB's Reserve Tranche Position (RTP) and Special Drawing Rights holdings with the International Monetary Fund.

Source: [Zawya](#)

PE firm Abraaj suspends fundraising for \$6bn new fund: sources

Dubai-based private equity firm Abraaj has suspended fundraising for a new \$6 billion fund, sources familiar with the matter said, as the firm began a review of its business following a dispute with some of its investors in a healthcare fund. The fund had its first close of about \$3 billion last year, but has paused fresh fundraising during a recent review of the structure of the business, they said.

Source: [Zawya](#)

Etisalat to invest Dh3.6b in 2018 in modernizing networks: CEO

Etisalat this year is keen to invest heavily in modernization of mobile and fiber-optic networks, infrastructure development and future technologies. Saleh Al Abdooli, Group Chief Executive Officer, says the company's strategy is "driving the digital future to empower societies", in an interview during the Mobile World Congress in Barcelona.

Source: [Gulf News](#)

Dubai Duty Free eyeing \$3bn in sales by 2022 as airport expands

Dubai Duty Free (DDF) expects sales to grow by more than half to \$3 billion by 2022 as Dubai International Airport, the world's busiest for international travel, boosts capacity to meet a rise in tourist arrivals, its chief executive said. "We are planning to reach \$3bn [in sales] and 9000 staff [by 2022]," thanks to "expansion of traffic and penetration and the number of people we sell to," Colm McLoughlin said in an interview with The National.

Source: [The National UAE](#)

Mannai gets approval to issue \$600m bonds

The shareholders of Mannai Corporation yesterday gave their approval to all the items on the agenda of the meeting, including the Board's proposal to issue bonds worth \$600m (about QR2.18bn). The company is raising funds for general corporate purposes, including, but not limited to, the refinancing of existing debts. The bonds will constitute perpetual instruments with no fixed maturity date, redeemable at the company's will option on certain specified dates.

Source: [TPQ](#)

Bahrain real estate watchdog ready to start operations

Bahrain's Real Estate Regulatory Authority (Rera) is all set to launch its operations from tomorrow (March 1). The kingdom's Bahrain's real estate watchdog will initially focus on the licensing of real estate service providers and off-plan sale projects. The regulatory panel will be responsible for licensing all real estate professionals, including developers, brokers and sales agents, as well as all developments, including the advertising of off-plan projects, said its top official. Rera's launch is a significant milestone in the kingdom's efforts to strengthen the rules governing real estate brokerage, property valuation, real estate property management, and owners' associations and gated communities, remarked its CEO Shaikh Mohammed bin Khalifa Al Khalifa while speaking at a press conference.

Source: [Gulf Base](#)

Egypt's Banque Misr targets 10b pound stake sales to boost growth

Banque Misr wants to raise 10 billion Egyptian pounds (Dh2 billion, \$568 million) through the sale of stakes in four companies and two banks, including Cairo Amman Bank, to boost liquidity, its Vice Chairman, Atef El Maghraby, said in an interview. Talks to sell Banque Misr's 10.78 per cent stake in Cairo Amman are preliminary, and the deal is expected to be finalized this year, Al Maghraby said in an interview. While several investors have shown an interest, no offers have yet been extended, he said. The bank — Egypt's second largest state-run lender — looking to sell part of its 100 per cent stake in Banque Du Caire, which the government has targeted for listing on the Egyptian stock exchange, he said.

Source: [Gulf News](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Spotify's IPO is not like other IPOs

The streaming music company filed paperwork on Wednesday for a \$1 billion initial public offering. The company expects to trade on the New York Stock Exchange under the ticker "SPOT." In an unusual move, Spotify plans to list shares directly on a stock exchange without relying on underwriters to help assess demand and set a price. As a result, Spotify says "the trading volume and price of our ordinary shares may be more volatile."

Source: [CNN](#)

Asian Stocks Slide, Dollar Hits Six-Week High as Powell Revives Fed Rate Fears

Asian stocks fell on Thursday after Wall Street marked its worst monthly performance in two years as the impact from new Federal Reserve chief Jerome Powell's hawkish-sounding comments reverberated across the broader risk asset markets. Investors have been on edge in recent weeks amid concerns higher interest rates in advanced economies, led by the United States, could dent world growth. Powell, in his first public appearance as head of the Fed, had vowed on Tuesday at a congressional hearing to prevent the economy from overheating while sticking with a plan to gradually raise interest rates.

Source: [Reuters](#)

Africa has world's second-fastest banking growth and profitability: McKinsey

Africa has emerged as the world's No. 2 banking market in terms of growth and profitability, according to a study by management consulting firm McKinsey and Company. Low banking penetration and income levels, as well as economies that are largely cash-based and viewed as a high credit risk, have long been considered major obstacles to the development of the continent's banking sector. But the McKinsey report released on Wednesday -- drawing on performance data from 35 of Africa's leading banks and surveys of banking executives and customers -- said the number of banked Africans grew from 170 million in 2012 to nearly 300 million last year.

Source: [Reuters](#)

Former Mexican President says Trump unlikely to walk away from Nafta

It's unlikely that U.S. President Donald Trump's administration will walk away from the North America Free Trade Agreement (Nafta) as has been threatened by the American leader since his election campaign and the country is unlikely to build a wall on the border with its southern neighbor to stem the flow of illegal immigrants, Mexico's former president said.

Source: [The National UAE](#)

Bitcoin edges lower, then pares some losses, after news that SEC is probing cryptocurrencies

Bitcoin slipped on Wednesday following news that the U.S. Securities and Exchange Commission is probing the cryptocurrency market. The Wall Street Journal reported Wednesday evening ET that, as part of that investigation, the SEC has issued "scores of subpoenas" to obtain information from technology companies and advisers tied to the digital currency markets. The commission is looking into the structuring of initial coin offerings, which aren't required to adhere to the strict regulations that apply to public offerings, the Journal said, citing sources.

Source: [CNBC](#)

COMMODITIES NEWS

Oil extends declines on US inventory build

Oil prices extended declines on Thursday after official data showed a larger-than-expected increase in US crude inventories and a surprise build in gasoline stocks. US West Texas Intermediate crude for April delivery was down 11 cents at \$61.53 a barrel by 0100 GMT after settling down \$1.37. New front-month London Brent crude for May delivery was down 16 cents at \$64.57, having ended down \$1.79. The April contract expired on Wednesday, settling down 85 cents at \$65.78. Some industry sources said Wednesday's decline was also due to profit-taking by market participants at the end of the month after oil hit a three-week high earlier this week.

Source: [CNBC](#)

Gold prices fall on strong dollar

Gold prices dipped on Thursday, pulled down as the dollar remained strong following comments from Federal Reserve Chairman Jerome Powell that fanned concerns of faster-than-expected hikes in U.S. interest rates.

* Spot gold was 0.2-percent lower at \$1,315.36 an ounce at 0106 GMT. Prices have fallen about 1 percent so far this week.

* U.S. gold futures were down 0.1 percent at \$1,316.7 per ounce.

Source: [CNBC](#)

MSM Proposed Dividends*

Company Name	Cash Div %	Cash DPS, OMR	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date	Ex-Dividend
BANKMUSCAT SAOG	30.0%	0.030	46.0%	7.2%	5%	18/03/2018	
BANK DHOFAR SAOG	12.0%	0.012	56.9%	5.7%	8%	27/03/2018	
BANK SOHAR	5.0%	0.005	35.2%	3.2%	10%		
NATIONAL BANK OF OMAN SAOG	15.0%	0.015	52.8%	7.2%	5%	25/03/2018	
HSBC BANK OMAN	5.7%	0.006	59.6%	5.1%			
AHLI BANK	10.0%	0.010	53.4%	6.2%	5%		
Banking Sector			48.8%	5.8%			
OMAN UNITED INSURANCE CO	30.0%	0.030	89.7%	7.9%		29/03/2018	
MUSCAT INSURANCE CO SAOG	5.0%	0.050	42.1%	5.9%	5%	21/03/2018	
VISION INSURANCE SAOC	14.0%	0.014	71.2%	8.9%			
NATIONAL LIFE & GENERAL INSU	15.9%	0.016	50.2%	5.0%		28/03/2018	
AL AHLIA INSURANCE CO SAOC	27.0%	0.027	73.1%	7.5%		22/03/2018	
OMAN QATAR INSURANCE CO	8.0%	0.008	42.7%	5.5%		21/03/2018	
Insurance Sector			65.9%	5.0%			
MUSCAT FINANCE	8.0%	0.008	55.1%	7.1%	5%	25/03/2018	
UNITED FINANCE CO	3.5%	0.004	56.2%	2.8%			
AL-OMANIYA FINANCIAL SERVICE	17.0%	0.017	67.4%	6.2%	3%		
TAAGEER FINANCE	10.0%	0.010	53.9%	8.3%			
Leasing Sector			35.5%	3.6%			
OMINVEST	15.0%	0.015	51.1%	3.7%	10%	27/03/2018	
Investment & Brokerage Sector			57%	2.3%			
Total Financial Sector			49.0%	5.2%			
SWEETS OF OMAN	20.0%	0.020	64.5%	1.5%		14/03/2018	
OMAN REFRESHMENT CO	75.0%	0.075	34.7%	3.8%		27/02/2018	Yes
SALALAH MILLS CO	50.0%	0.050	66.5%	3.8%			
A'SAFFA FOODS SAOG	20.0%	0.020	62.5%	3.4%		29/03/2018	
Food & Beverage Sector			48%	3.0%			
OMAN CEMENT CO	30.0%	0.030	103.5%	7.6%			
RAYSUT CEMENT CO	29.0%	0.029	99.7%	3.6%		13/3/2018	
Cement Sector			102%	5.4%			
MUSCAT THREAD MILLS CO	5.0%	0.005	40.1%	5.5%	5%	06/03/2018	
Textiles Sector			40%	5.5%			
OMAN CHROMITE	16.0%	0.160	87.6%	4.4%		5/3/2018	
Mining Sector			53%	0.9%			
AL-ANWAR CERAMIC TILES CO	6.0%	0.006	98.3%	4.6%		21/03/2018	
AL JAZEERA STEEL PRODUCTS CO	24.0%	0.024	63.6%	7.5%			
AL MAHA CERAMICS CO SAOC	27.0%	0.027	95.4%	8.8%		27/03/2018	
Construction Materials Support			85%	5.9%			
OMAN PACKAGING	20.0%	0.020	63.9%	7.1%		01/03/2018	
COMPUTER STATIONERY INDS	7.0%	0.007	75.0%	2.7%		6/3/2018	
Paper, Glass & Packaging			103%	2.8%			
GULF INTERNATIONAL CHEMICALS	14.5%	0.015	103.1%	6.3%		18/03/2018	
OMAN CHLORINE	15.0%	0.015	105.5%	3.4%		28/03/2018	
NATIONAL DETERGENT CO SAOG	45.0%	0.045	91.9%	6.9%		12/3/2018	
Chemicals			100%	4.6%			
NATIONAL PHARMACEUTICAL	5.0%	0.005	31.2%	4.7%		22/02/2018	Yes
Pharmaceuticals			31%	4.7%			
VOLTAMP ENERGY SAOG	15.0%	0.015	35.4%	3.0%	15%	26/03/2018	
OMAN CABLES INDUSTRY	45.0%	0.045	59.0%	4.0%			
Electical & Mechanical			52%	3.7%			
Total Industrial Sector			166.1%	3.8%			

OMAN TELECOMMUNICATIONS CO	70.0%	0.070	65.9%	6.4%			
OOREDOO	42.0%	0.042	88.2%	7.8%		5/3/2018	
Telecom Sector			72%	6.8%			
GULF HOTELS (OMAN) CO LTD	30.0%	0.300	63.6%	2.9%		22/03/2018	
UBAR HOTELS & RESORTS	4.0%	0.004	47.0%	3.1%		20/03/2018	
HOTELS MANAGEMENT CO INT.	100.0%	1.000	116.1%	80.0%		12/3/2018	
SAHARA HOSPITALITY	15.0%	0.150	37.1%	6.3%	5%	27/02/2018	Yes
Tourism & Hospitality Sector			93%	5.9%			
SALALAH PORT SERVICES	15.0%	0.015	51.8%	2.5%		22/3/2018	
Logistics Sector			52%	2.5%			
SHELL OMAN MARKETING	85.0%	0.085	64.6%	4.9%			
OMAN OIL MARKETING COMPANY	60.0%	0.060	41.8%	4.1%		18/03/2018	
AL MAHA PETROLEUM PRODUCTS M	65.0%	0.065	89.5%	6.7%		15/03/2018	
NATIONAL GAS CO	5.0%	0.005	13.8%	1.7%	17%		
MUSCAT GASES COMPANY SAOG	72.0%	0.072	155.7%	12.9%		13/03/2018	
Oil & Gas Marketing Sector			63%	5.2%			
AL KAMIL POWER CO	25.0%	0.025	129.2%	8.0%		19/3/2018	
UNITED POWER	150.0%	1.500	409.9%	33.6%		8/3/2018	
PHOENIX POWER CO SAOG	6.2%	0.006	90.8%	4.5%		19/03/2018	
OMAN NATIONAL ENGINEERING AN	10.0%	0.010	48.0%	5.3%	10%	21/03/2018	
SMN POWER HOLDING SAOG	19.0%	0.019	56.3%	2.9%		22/3/2018	
SEMBCORP SALALAH POWER & WAT	13.1%	0.013	114.0%	5.8%		8/3/2018	
AL SUWADI POWER	9.0%	0.009	113.8%	6.4%		20/3/2018	
AL BATINAH POWER	9.0%	0.009	133.3%	6.5%		20/3/2018	
MUSCAT CITY DESALINATION	9.3%	0.009	n/m	5.8%		27/03/2018	Yes
Energy Sector			84%	4.4%			
AL JAZEERA SERVICES	15.0%	0.015	56.3%	8.9%		21/03/2018	
Diversified Commercial Services			-2%	0.5%			
Total Service Sector			92.4%	5.2%			
Total Market			65.7%	5.0%			

Source: MSM

For Ex-Dividend: Red Represents Ex-Dividend Today and grey represents Ex-dividend previously

*Includes Approved Dividends post-AGM

Ubhar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137

PC 111, Sultanate of Oman

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net



Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.