








U Capital Morning Brief

18 March 2018

GCC Market Indices	Current Close	Previous Close	Change	D/D	MTD	YTD
	Index	Index	Point	%	%	%
U Capital Oman 20 Index	913.83	916.49	-2.66	-0.29%	-4.48%	-6.21%
U Capital GCC 50 Index	1,199.23	1,237.09	-37.86	-3.06%	1.36%	4.77%
U Capital MENA 200 Index	1,031.24	1,048.07	-16.83	-1.61%	1.29%	3.63%
MSCI GCC Countries Index	509.27	509.27	0.01	0.00%	3.79%	6.15%
 Muscat Securities Market	4,896.93	4,894.60	2.33	0.05%	-2.13%	-3.97%
 Saudi Stock Exchange	7,744.68	7,775.42	(30.74)	-0.40%	4.39%	7.17%
 Kuwait Stock Exchange	6,760.23	6,748.32	11.91	0.18%	-0.19%	5.50%
 Qatar Exchange	8,847.79	8,750.32	97.47	1.11%	2.25%	3.81%
 Bahrain Stock Exchange	1,355.51	1,360.53	(5.02)	-0.37%	-1.05%	1.79%
 Dubai Financial Market	3,197.30	3,167.22	30.08	0.95%	-1.44%	-5.13%
 Abu Dhabi Sec. Exchange	4,542.74	4,519.12	23.62	0.52%	-1.19%	3.28%

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>	66.21	1.09	1.67
FTSE 100	United Kingdom	7,164.1	24.38	0.34	WTI Crude (per bbl) <i>Updated</i>	62.34	1.15	1.88
DAX	Germany	12,389.6	44.02	0.36	Oman Crude Oil (Last Closing)	63.55	1.17	1.88
CAC 40	France	5,282.8	15.49	0.29				
United States					Gold 100 OZ (per oz)	1,314.35	(5.50)	(0.42)
DJIA	USA	24,946.5	72.85	0.29	Silver (per oz)	16.35	(0.06)	(0.34)
S&P 500	USA	2,752.0	4.68	0.17				
NASDAQ	USA	7,482.0	0.25	0.00	Platinum (per oz)	950.10	(4.87)	(0.51)
Asia Pacific					Copper, MT	6,888.00	(32.00)	(0.46)
NIKKEI 225	Japan	21,676.5	(127.44)	(0.58)	Aluminium, MT	2,085.00	0.00	0.00
HANG SENG	Hongkong	31,502.0	(39.13)	(0.12)	Lead, MT	2,383.00	(27.00)	(1.12)
Selected Middle East					Zinc, MT	3,260.00	25.00	0.77
Tunis Se Index	Tunis	6,932.1	84.53	1.23	Nickel, MT	13,625.00	(5.00)	(0.04)
EGX 30 Index	Egypt	16,999.1	117.38	0.70				
Blom Stock Index	Lebanon	1,171.7	0.00	0.00				

Source: Bloomberg, U Capital- at 8:30AM Muscat time

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Cross Rate for Major Currencies*

Currency	Code	USD/1 Unit	Units/1 USD
Euro	EUR	1.229	0.814
British Pound	GBP	1.394	0.717
Japanese Yen	JPY	0.009	106.010
Chinese Renminbi	CNH	0.158	6.326
Indian Rupee	INR	0.015	64.940
Russian Ruble	RUB	0.017	57.493
Canadian Dollar	CAD	0.764	1.310
Australian Dollar	AUD	0.771	1.296

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

U Capital: Services sector led the market decline

Market remained under pressure despite buying interest seen from foreign investors; however investors from GCC exited the market at a significant rate. Trading values and volumes however picked up during the week considerably by 58.5% and 32.1% respectively. The MSM30 is currently at its eight-month low at 4896.9 and ended the week down by 0.67%.

Source: [Muscat Daily](#)

Oman central bank raises rate on capital deposits to 1.5 pct from 1.0 pct

Oman's central bank said on Thursday it has raised the interest rate it offers on capital deposits — deposits which banks and other financial firms are required to keep at the central bank — by 0.5 percentage point to 1.5 percent.

Source: [Reuters](#)

Oman Banks Association holds annual general meeting

The Oman Banks Association held its annual general meeting (AGM) recently at Bank Muscat's head office. The meeting saw presentations on the Oman Banks Association's 2017 activities, and an action plan for 2018. Resolutions were also approved for 2017's audited financial statements, the 2018 budget, and the appointment of external auditors for the next financial year.

Source: [Times of Oman](#)

Oman's oil production touches 27m barrels

Oman's crude oil and condensate production for February 2018 reached 27,075,580 barrels, with a daily average of 966,985 barrels, according to the monthly report issued by the Ministry of Oil and Gas.

Source: [Times of Oman](#)

MOODY'S LOWERS OMAN'S RATING TO BAA3

Moody's Investors Service on Friday lowered the long-term issuer and senior unsecured bond ratings of the government of Oman to Baa3 from Baa2. The outlook remains negative, the ratings agency said.

Source: [Muscat Daily](#)

Muscat, Salalah airports record over 1.4mn passengers till January end

The total number of passengers using the Muscat and Salalah airports at the end of January stood at 1,434,950. The number of flights landing and departing from the two airports was 9,294.

Source: [Muscat Daily](#)

Algal bloom hits Barka water plant of SMN Power

A burgeoning outbreak of Red Tide — massive blooms of microscopic organisms of phytoplankton in seawater — has disrupted water production at the Barka II desalination plant of SMN Power Holding SAOG, the company said in a filing with the Capital Market Authority (CMA) on Thursday.

Source: [Oman Observer](#)

Sukuk market sees strong growth in the Sultanate

The sukuk (Islamic bonds) segment of the Islamic banking and finance industry in the Sultanate continues to register strong demand fuelled in part by regulation that is conducive to the growth of sharia-compliant financing instruments, according to a high-ranking official of the Capital Market Authority (CMA).

Source: [Oman Observer](#)

Industrial companies expect better growth in 2018

Higher oil prices and the implementation of infrastructure projects in the Sultanate and other Gulf Cooperation Council (GCC) countries have made many industrial companies optimistic about seeing better growth this year.

Source: [Times of Oman](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia remains world's largest Islamic finance market: Moody's

Saudi Arabia remains the largest market for Islamic finance in the world, with Islamic financing assets totaling \$292 billion in the first nine months of 2017, Moody's Investors Service said in a report.

Source: [Argaam](#)

Qatar Exchange makes highest weekly gain in 2 years

The Qatar Exchange saw a positive performance last week, as the main index made its biggest gains since January 2016, with the market capital growing by QAR 35.77 billion. The main index surged this week by 6.49% to end the week at 9,308.38 points, gaining a total of 539.45 points.

Source: [Mubasher](#)

Govt said to take 35% stake in Binladin Group: report

The Saudi government is expected to take a 35 percent stake in construction giant Saudi Binladin Group (SBG) as part of a financial settlement with state authorities, Reuters reported on Thursday, citing sources familiar with the matter.

Source: [Argaam](#)

Saudi Arabia to lead regional IPO activity in 2018: EY

Initial public offering (IPO) activity in the Middle East and North Africa (MENA) region is poised for stronger growth in 2018, with Saudi Arabia being the bright spot, consultancy firm EY said in a new report on Wednesday.

Source: [Argaam](#)

Bahrain Counts on Fintech, Saudi Ties to Revive Indebted Economy

Bahrain FinTech Bay is part of the kingdom's drive to revive its reputation as the Middle East's top banking and business center. After the plunge of oil prices in 2014, state revenues fell, credit ratings fell and debt soared. Large debts still pose a risk as interest rates rise, but Bahrain is starting to see initial signs of recovery

Source: [Islamic Finance](#)

DP World says Djibouti incident could hurt Africa investment

The Dubai state-owned port operator is facing twin political challenges in Africa. Djibouti abruptly ended its contract to run the Doraleh Container Terminal last month and Somalia's parliament voted this week to ban the company.

Source: [Africa News](#)

Dana Gas plans \$47 mln capex in Egypt this year

United Arab Emirates-based energy firm Dana Gas will spend \$47 million in Egypt this year but any new investments will be made only if the country pays some of the money it owes, Dana's chief executive said on Thursday. Abu Dhabi-listed Dana has been struggling to recover payments from Egypt, with total "receivables" related to oil and gas production standing at \$228 million.

Source: [NASDAQ](#)

Some holders of Etihad-linked \$1.2 billion bonds brace for default: sources

Some holders of \$1.2 billion in bonds linked to Etihad Airways are seeking to appoint legal advisers to evaluate their options with respect to a potential default of the notes, sources familiar with the matter said.

Source: [Reuters](#)

Dubai's Emirates set to close \$600 mln sukuk

Dubai-based international airline Emirates has announced the execution of a \$600 million sukuk (Islamic finance issuance). ... The certificates are expected to be issued on 22 March 2018 and admitted into listing and trading on the regulated market of the Irish Stock Exchange and on NASDAQ

Source: [Brand Grid](#)

Aramco Gets Cool Response on IPO From U.S. Investors

In meetings in New York, fund managers push back on valuation Saudi officials were warned shale output may upset IPO plans Saudi Arabia's willingness to delay the initial public offering of state oil company Aramco to 2019 has several motivations, from regulatory risk to competing projects in the government's crowded agenda.

Source: [Peak Oil](#)

Saudi Arabia picks Citi, Goldman, HSBC, Morgan Stanley for new bond

Saudi Arabia has selected Citi, Goldman Sachs, HSBC and Morgan Stanley as the main banks that will arrange its next U.S. dollar bond issue, sources familiar with the matter said. The country is planning to borrow funds in the international debt capital markets soon, in what would be its fourth international public debt issue.

Source: [Economy News](#)

Saudis Raise Key Rate in First Move Since 2009 Ahead of Fed

Saudi Arabia preemptively raised its key interest rates on Thursday ahead of an expected tightening by the Federal Reserve. The kingdom increased its repurchase and reverse repurchase rates by 25 basis points each, to 225 and 175 basis points respectively, the Saudi Arabian Monetary Authority, known as SAMA, said in a statement.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China and Germany agree to work on steel overcapacity following US tariffs

German Chancellor Angela Merkel and Chinese President Xi Jinping discussed overcapacity in world steel markets and agreed on Saturday to work on solutions within G20. They also underscored the importance of multilateral cooperation on global trade, a pointed response to an accelerating shift away from multilateral action and institutions by the U.S. under Trump.

Source: [CNBC](#)

U.S. government to accept metals tariffs exclusion requests from Monday

The U.S. Commerce Department said it will begin accepting requests on Monday for product exclusions from President Donald Trump's new steel and aluminum import tariffs, but it could take up to 90 days for the agency to make determinations.

Source: [Reuters](#)

Take Five: World markets themes for the week ahead

Following are five big themes likely to dominate thinking of investors and traders in the coming week and the Reuters stories related to them. The U.S. Federal Reserve's first meeting with new head Jerome Powell at the helm takes place on Tuesday and Wednesday and an interest rate rise - this year's first - is seen as a done deal.

Source: [Reuters](#)

'Exhausted' Toys 'R' Us suppliers weigh options as huge retailer shuts

When Toys 'R' Us secured a \$3.1 billion bankruptcy loan in September, toy makers were reassured they would be paid for goods delivered to the company as it tried to emerge from Chapter 11.

Source: [Reuters](#)

COMMODITIES NEWS

Oil rallies for weekly gain as S&P ends losing skid

Oil prices finished the week at a gain after a big Friday rally, and U.S. stock indices ended flat-to-higher, to close a bumpy week on a high note. Crude prices had been on track for a weekly loss, but spiked on Friday as energy investors looked to cover short bets ahead of a televised interview Sunday by the U.S.

Source: [The Star](#)

Gold dips, down for week; market braces for Fed rate hike

Gold prices dipped on Friday and were set for their biggest weekly fall in three weeks on pressure from a stronger U.S. dollar and expectations that the U.S. Federal Reserve will raise interest rates next week for the first time this year.

Source: [NASDAQ](#)

MSM Proposed Dividends*

Company Name	Cash Div %	Cash DPS, OMR	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date	Total Payout	Ex-Dividend
BANKMUSCAT SAOG	30.0%	0.030	46.0%	7.3%	5%	18/03/2018	53.6%	
BANK DHOFAR SAOG	12.0%	0.012	56.9%	5.5%	8%	27/03/2018	94.8%	
BANK SOHAR	5.0%	0.005	35.2%	3.2%	10%	29/03/2018	105.7%	
NATIONAL BANK OF OMAN SAOG	15.0%	0.015	52.8%	7.2%	5%	25/03/2018	70.4%	
HSBC BANK OMAN	5.7%	0.006	59.6%	5.3%		29/03/2018	59.6%	
AHLI BANK	10.0%	0.010	53.4%	6.0%	5%	27/03/2018	80.2%	
Banking Sector			49%	5.8%			67.7%	
OMAN UNITED INSURANCE CO	30.0%	0.030	89.7%	7.9%		29/03/2018	89.7%	
MUSCAT INSURANCE CO SAOG	5.0%	0.050	33.1%	5.9%	5%	21/03/2018	66.3%	
AL MADINA TAKAFUL CO SAOC	4.0%	0.004	176.3%	4.4%		26/03/2018	176.3%	
VISION INSURANCE SAOC	14.0%	0.014	76.8%	9.2%		26/03/2018	76.8%	
NATIONAL LIFE & GENERAL INSU	15.9%	0.016	50.0%	5.0%		28/03/2018	50.0%	
AL AHLIA INSURANCE CO SAOC	27.0%	0.027	73.1%	7.4%		22/03/2018	73.1%	
OMAN QATAR INSURANCE CO	8.0%	0.008	42.7%	5.7%		21/03/2018	42.7%	
Insurance Sector			67%	5.3%			70.0%	
MUSCAT FINANCE	8.0%	0.008	56.4%	7.3%	5%	22/03/2018	91.7%	
AL-OMANIYA FINANCIAL SERVICE	17.0%	0.017	67.4%	6.2%	3%	19/03/2018	79.3%	
TAAGEER FINANCE	10.0%	0.010	53.9%	8.2%		22/03/2018	53.9%	
Leasing Sector			33%	3.2%			40.3%	
OMINVEST	15.0%	0.015	51.1%	3.8%	10%	27/03/2018	85.1%	
DHOFAR INTL DEVELOPMENT	15.0%	0.015	351.6%	4.8%		27/03/2018	351.6%	
AL SHARQIYA INVEST HOLDING	5.0%	0.005	84.8%	4.5%		20/03/2018	84.8%	
Investment & Brokerage Sector			80%	3.2%			118.6%	
Total Financial Sector			50.0%	5.3%			68.1%	
SWEEETS OF OMAN	20.0%	0.020	64.5%	1.5%		14/03/2018	64.5%	Yes
SALALAH MILLS CO	50.0%	0.050	66.8%	3.8%		26/03/2018	66.8%	
A'SAFFA FOODS SAOG	20.0%	0.020	55.5%	3.4%		29/03/2018	55.5%	
Food & Beverage Sector			43%	3.0%			42.6%	
OMAN CEMENT CO	30.0%	0.030	103.5%	7.5%		18/03/2018	103.5%	
RAYSUT CEMENT CO	29.0%	0.029	99.7%	3.6%		13/03/2018	99.7%	Yes
Cement Sector			102%	5.4%			102.1%	
MUSCAT THREAD MILLS CO	5.0%	0.005	42.1%	5.7%	5%	06/03/2018	84.2%	
OMAN CHROMITE	16.0%	0.160	87.6%	4.4%		5/3/2018	87.6%	Yes
AL-ANWAR CERAMIC TILES CO	6.0%	0.006	98.3%	4.9%		21/03/2018	98.3%	
AL JAZEERA STEEL PRODUCTS CO	24.0%	0.024	63.5%	7.4%		25/03/2018	63.5%	
AL MAHA CERAMICS CO SAOC	27.0%	0.027	98.6%	9.8%		27/03/2018	98.6%	
Construction Materials Support			86%	6.0%			85.9%	
OMAN PACKAGING	20.0%	0.020	63.9%	7.1%		01/03/2018	63.9%	Yes
COMPUTER STATIONERY INDS	7.0%	0.007	75.0%	2.7%		6/3/2018	75.0%	
Paper, Glass & Packaging			128%	2.8%			127.9%	
GULF INTERNATIONAL CHEMICALS	14.5%	0.015	92.3%	6.3%		18/03/2018	92.3%	
OMAN CHLORINE	15.0%	0.015	102.2%	3.4%		28/03/2018	102.2%	
NATIONAL DETERGENT CO SAOG	45.0%	0.045	91.9%	6.9%		12/3/2018	91.9%	Yes
Chemicals			97%	4.6%			96.7%	
NATIONAL PHARMACEUTICAL	5.0%	0.005	31.2%	4.7%		22/02/2018	31.2%	Yes
Pharmaceuticals			31%	4.7%			31.2%	
VOLTAMP ENERGY SAOG	15.0%	0.015	35.1%	3.1%	15%	26/03/2018	70.2%	
OMAN CABLES INDUSTRY	45.0%	0.045	59.0%	4.0%		26/03/2018	59.0%	
Electical & Mechanical			52%	3.8%			62.4%	
Total Industrial Sector			151.0%	3.8%			155.3%	

Company Name	Cash Div %	Cash DPS, OMR	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date	Total Payout	Ex-Dividend
OMAN TELECOMMUNICATIONS CO	70.0%	0.070	65.9%	7.4%		22/3/2018	65.9%	
OOREDOO	42.0%	0.042	87.9%	9.0%		5/3/2018	87.9%	Yes
Telecom Sector			72%	7.8%			72.1%	
GULF HOTELS (OMAN) CO LTD	30.0%	0.300	63.6%	2.9%		22/03/2018	63.6%	
UBAR HOTELS & RESORTS	4.0%	0.004	47.0%	3.1%		20/03/2018	47.0%	
HOTELS MANAGEMENT CO INT.	100.0%	1.000	116.1%	80.0%		12/3/2018	116.1%	Yes
SAHARA HOSPITALITY	15.0%	0.150	37.1%	6.3%	5%	27/02/2018	49.5%	Yes
Tourism & Hospitality Sector			93%	5.9%			98.1%	
SALALAH PORT SERVICES	15.0%	0.015	51.8%	2.5%		22/3/2018	51.8%	
Logistics Sector			52%	2.5%			51.8%	
SHELL OMAN MARKETING	85.0%	0.085	64.6%	4.9%		22/03/2018	64.6%	
OMAN OIL MARKETING COMPANY	60.0%	0.060	41.8%	4.1%		18/03/2018	41.8%	
AL MAHA PETROLEUM PRODUCTS M	65.0%	0.065	89.5%	6.7%		15/03/2018	89.5%	Yes
NATIONAL GAS CO	5.0%	0.005	17.9%	1.7%	16.7%	21/03/2018	17.9%	
MUSCAT GASES COMPANY SAOG	72.0%	0.072	155.7%	12.9%		13/03/2018	155.7%	Yes
Oil & Gas Marketing Sector			64%	5.2%			63.6%	
AL KAMIL POWER CO	25.0%	0.025	129.2%	7.4%		19/3/2018	129.2%	
UNITED POWER	150.0%	1.500	419.2%	36.6%		8/3/2018	419.2%	Yes
PHOENIX POWER CO SAOG	6.2%	0.006	90.8%	4.5%		19/03/2018	90.8%	
OMAN NATIONAL ENGINEERING AN	10.0%	0.010	48.0%	5.3%	10%	21/03/2018	96.1%	
SMN POWER HOLDING SAOG	19.0%	0.019	56.3%	2.9%		22/3/2018	56.3%	
SEMBCORP SALALAH POWER & WAT	13.1%	0.013	114.0%	6.0%		8/3/2018	114.0%	
AL SUWADI POWER	9.0%	0.009	113.8%	6.5%		20/3/2018	113.8%	
AL BATINAH POWER	9.0%	0.009	133.3%	6.6%		20/3/2018	133.3%	
MUSCAT CITY DESALINATION	9.3%	0.009	n/m	6.1%		27/03/2018	n/m	Yes
Energy Sector			92%	4.4%			94.4%	
AL JAZEERA SERVICES	15.0%	0.015	56.3%	8.9%		21/03/2018	56.3%	
OMAN INVESTMENT & FINANCE	10.0%	0.010	88.6%	7.7%		11/3/2018	88.6%	Yes
Diversified Commercial Services			75%	1.6%			75.0%	
Total Service Sector			75.3%	5.6%			75.9%	
Total Market			62.3%	5.2%			74.2%	

Source: MSM

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

*Includes Approved Dividends post-AGM

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