

U Capital Morning Brief

26 March 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	916.48	2.31	0.3%	-5.9%	-	-	-
U Capital GCC 50 Index	1,245.51	11.21	0.9%	8.8%	-	-	-
U Capital MENA 200 Index	1,054.02	4.42	0.4%	5.9%	-	-	-
MSCI GCC Countries Index	513.75	0.21	0.0%	7.1%	14.40	1.62	3.9%
Muscat Securities Market	4,802.56	1.63	0.0%	-5.8%	11.81	0.99	5.3%
Saudi Stock Exchange	7,842.63	1.69	0.0%	8.5%	17.52	1.72	3.0%
Kuwait Stock Exchange	6,631.91	-30.44	-0.5%	3.5%	15.08	1.01	5.7%
Qatar Exchange	8,752.66	-73.04	-0.8%	2.7%	13.54	1.27	5.0%
Bahrain Stock Exchange	1,334.96	1.05	0.1%	0.2%	8.87	0.81	6.1%
Dubai Financial Market	3,115.16	-34.37	-1.1%	-7.6%	10.95	1.13	5.7%
Abu Dhabi Exchange	4,615.27	37.43	0.8%	4.9%	11.86	1.30	5.1%
Beirut Stock Exchange	1,172.01	1.25	0.1%	2.0%	5.91	0.73	7.6%
Palestine Stock Exchange	577.70	-4.48	-0.8%	0.5%	13.99	1.17	4.8%
Tunis Se Index	7,038.91	-2.61	0.0%	12.1%	20.47	2.79	2.0%
EGX 30 Index	16,984.69	-79.89	-0.5%	13.1%	15.23	2.39	2.0%
Amman General Index	2,219.62	-0.97	0.0%	4.4%	16.19	1.07	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,921.9	-0.44%	-10.0%
DAX	Germany	11,886.3	-1.77%	-8.0%
CAC 40	France	5,095.2	-1.39%	-4.1%
United States				
DJIA	USA	23,533.2	-1.77%	-4.8%
S&P 500	USA	2,588.3	-2.10%	-3.2%
NASDAQ	USA	6,992.7	-2.43%	1.3%
Asia Pacific				
NIKKEI 225	Japan	20,512.1	-0.51%	-9.9%
HANG SENG	Hongkong	30,113.7	-0.63%	0.7%
KSE 100 Index	Pakistan	45,030.2	0.86%	11.3%
NSE Nifty 50	India	9,989.2	-0.09%	-5.1%
SHANGHAI COMPOSITE	China	3,100.9	-1.64%	-6.2%
SHANGHAI SHENZHEN CSI 300	China	3,841.0	-1.64%	-4.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.773	1.294
British Pound (GBP)	1.417	0.706
Canadian Dollar (CAD)	0.777	1.287
Chinese Renminbi (CNH)	0.159	6.310
Egyptian Pound (EGP)	0.057	17.632
Euro (EUR)	1.237	0.808
Indian Rupee (INR)	0.015	57.233
Japanese Yen (JPY)	0.010	104.940
New Zealand Dollar (NZD)	0.727	1.376
Omani Rial (OMR)	2.598	0.385
Pakistani Rupee (PKR)	0.866	115.450
Russian Ruble (RUB)	0.018	64.889
Singapore Dollar (SGD)	0.763	1.312
Turkish Lira (TRY)	0.252	3.976

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	70.3	-0.20%	6.4%
WTI Crude (per bbl)	65.6	-0.47%	8.5%
Oman Crude Oil (Last Closing)	67.0	1.98%	4.8%
OPEC (per bbl)	66.2	1.22%	2.7%
Precious Metals			
Gold100 OZ (per oz)	1,348.1	0.07%	3.5%
Silver (per oz)	16.6	0.20%	-2.0%
Platinum (per oz)	952.4	0.37%	2.4%
Other Metals			
Copper, MT	6,660	-0.52%	-8.1%
Aluminium, MT	2,051	-1.18%	-9.6%
Lead, MT	2,341	-1.14%	-5.9%
Zinc, MT	3,217	0.44%	-3.1%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.27	26.2%
Saudi Arabia	2.23	17.4%
Kuwait	2.00	6.7%
Oman	2.06	7.8%
Qatar	2.66	0.3%
Bahrain	3.05	11.9%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.8
Abu Dhabi	10/11/2027	3.9
Qatar	6/2/2026	4.0
Saudi Arabia	3/4/2028	4.3
Oman	1/17/2028	6.1
Bahrain	10/12/2028	7.5

Midswaps	Price	YTM %
3 year	99.89	2.4
5 year	100.06	2.6
10 year	99.34	2.8
30 year	98.52	3.1

USD Libor	Rate (%)	YTD
1m	1.88	19.9%
3m	2.29	35.3%
6m	2.45	33.3%
1 year	2.67	26.6%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oil and gas to drive rising Oman GDP

Oman's real GDP growth will accelerate over 2018 and 2019 on the back of rising oil and gas exports, which will have a positive effect on domestic demand, according to a new report from BMI Research. In its report, BMI forecasts that real GDP growth will reach 3.2 percent in 2018 and 3.6 percent in 2019, up from an estimated 0.6 percent in 2017.

Source: [Arabian Business](#)

MOT temporarily suspends receiving applications for investment on government tourism lands

The Ministry of Tourism (MoT) will stop receiving new applications for investment on government tourism lands for all governorates from April 1 to June 30, 2018. The ministry stated that it is currently upgrading its technical system and working on the new organizational structure of its divisions. MoT said that it is preparing master plans for the governorates of Muscat, Dhofar, Dakhliyah, Musandam and South Sharqiyah. "As a result, we will stop receiving new applications for investment on government tourism lands for all governorates from April 1 to June 30," MoT stated in its announcement.

Source: [Muscat Daily](#)

CMA forum to focus on insurance sector

The Capital Market Authority (CMA) will organize 'Human Resources Forum' for insurance sector at the Shangri-La Hotel under the patronage of Abdullah Salim Al Salmi, executive president. The forum will be attended by employees of insurance companies, brokers and agents as well as officials, academics and interest's persons. The forum aims to emphasize CMA's vision for Omanization based on empowering 'Tamkeen' the national cadres working for the sector in various roles rather than operational roles through direct communication with the managements and human resources managers and reviewing the opportunities and challenges.

Source: [Times of Oman](#)

Daleel Petroleum achieves record oil production

Daleel Petroleum, which operates Block 5 in Dhahirah Governorate, says it achieved its highest production rate of 49,309 barrels per day (bpd) of crude in 2017. Additionally, gas output from the field has been boosted to 12 million standard cubic feet per day following the commissioning of a second gas train last year. The disclosures came in a report issued at the Annual Media Briefing hosted by the Ministry of Oil & Gas last week.

Source: [Oman Observer](#)

2,000 Omani fishermen join fuel subsidy scheme

Around 2,000 Omani fishermen have so far signed up to be part of the National Subsidy System, joining an estimated 233,000 nationals currently receiving subsidized fuel under a government-funded scheme designed to mitigate the effects of rising fuel prices on economically disadvantaged sections of the Omani community.

Source: [Oman Observer](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

\$77bn worth projects under commercial bid evaluation in region: MEED

There are more than 570 individual projects worth more than \$77bn under commercial bid evaluation in the region, and more than \$109bn if this is extended to contracts tendered, almost the same as the value of deals let in 2017 as a whole, MEED's GCC Projects Forecast noted yesterday. According to the MEED, one of the unanticipated benefits of the projects slump since 2016 has been the growth in the backlog of awaited projects.

Source: [TPQ](#)

Tadawul's FTSE inclusion may attract inflows up to \$5 bln: analysts

Index complier FTSE Russell is expected to announce this week its decision on Saudi Stock Exchange's (Tadawul) possible inclusion as a Secondary Emerging market within FTSE Global Equity Index Series (GEIS). Analysts forecast that a positive update could lead to inflows of between \$4 billion and \$5 billion. The expectation is already beginning to reflect on Tadawul, with the benchmark index logging the highest year-to-date within GCC markets of 7.4 percent as of March 21.

Source: [Argaam](#)

Saudi's NADEC agrees to acquire dairy competitor

Saudi Arabia's National Agricultural Development Co. (NADEC) has agreed to buy Al Safi Danone Company (ASD) in a deal that will help boost its business in the dairy industry in the Kingdom and extend its geographic reach, it said on Sunday. ASD, a producer of dairy and juice products, is a joint venture between Saudi Arabia's Al Safi Group of Companies and French food company Danone. The value of the transaction was not disclosed. Under the deal, NADEC will buy all the shares in ASD. In exchange, Al Safi shareholders will own 38.8 percent of NADEC.

Source: [Arab News](#)

US investments in Saudi Arabia reach \$56.40bln

The volume of US investments in the Saudi market until Feb. 2018 reached over SR207 billion, according to a report of the Saudi Arabian General Investment Authority (SAGIA). Some 373 American companies made investments in a wide range of areas such as the service, industry, real estate, scientific and technical sectors in the Kingdom. The industrial activities make up the lion's share of these investments with a total amount of SR193 billion for 95 projects while the service sector comes second with a financing of SR13.5 billions for 245 projects.
Source: [Zawya](#)

Qatar Fuel (WOQOD) to invest QR634m in new projects in '18

Qatar Fuel (WOQOD) has announced to make huge investment this year as part of expanding its operations in Qatar. The main distributor of retail petroleum products in the country is set to spend QR634m in developing new projects, with special focus in opening more fuel stations across the country, said a top official of the company yesterday.
Source: [TPQ](#)

UAE inflation eases in February after jumping on new tax

Inflation in the UAE eased slightly in February after jumping to a multi-year high in January when the government introduced a 5 per cent value-added tax (VAT), official data showed on Sunday. The annual inflation rate came down to 4.5 per cent last month from 4.8 per cent in January, which was the highest level since 2015. Month-on-month, consumer prices fell 0.2 per cent in February after surging 2.7 per cent in January.
Source: [Gulf News](#)

Dana Gas shares soar on its first cash dividend proposal

Shares of Dana Gas, the Sharjah company in midst of legal battles over the legality of its \$700 million sukuk, soared 8.3 per cent on Sunday on a proposed cash dividend for the first time in the company's trading history. The board has recommended distributing 5 per cent of the capital of the company as cash dividend for financial year 2017, the company said in a statement to the Abu Dhabi Securities Exchange where its shares are traded. The proposal is subject to approval from shareholders during a general assembly to be held on April 11.
Source: [The National UAE](#)

UAE, South Korea sign a number of trade agreements

A host of Memorandums of Understanding were signed between the UAE and South Korea on Sunday following a meeting between the two countries' leaders. His Highness Shaikh Mohammad Bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the UAE Armed Forces, and Moon Jae-in, President of South Korea, attended the signing of the agreements following a meeting.
Source: [The National UAE](#)

China's SAIC Motor plans factory in Egypt

SAIC Motor Corp, China's largest automaker, plans to build a factory in Egypt to supply markets in the Middle East and Africa, China's Xinhua News Agency reported, citing Egypt's trade minister. A delegation from SAIC had reviewed a new Egyptian investment law that encourages full-car manufacturing, rather than just assembly, Xinhua reported the minister as saying.
Source: [Reuters](#)

Bahrain's GFH Financial Group exits Dubai school investment

GFH Financial Group has announced that its 100 per cent owned subsidiary GFH Capital Limited has agreed to sell its 70 per cent stake in the Dubai-based Philadelphia Private School (PPS), which it acquired in October 2014, to well-known businessman Engineer Nashat Sahawaneh, the school's existing 30 per cent shareholder. PPS is a K-12 American curriculum school which was founded in 2006 and is valued at more than Dh130 million.
Source: [Zawya](#)

Egypt's Cottonil to expand in Saudi market

The head of Cottonil's franchisee company in Saudi Arabia, said that it currently has around 30 branches but plans to increase this to 50 this year and to 150-200 in 2019. Most of the stores are located in Riyadh and Jeddah, but there are others in Dammam and Khobar. "The Cottonil brand is popular and it is fit for the Saudi market. It is neither too expensive nor too cheap," Mohamed told Zawya.
Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

U.S. sends China to-do list to reduce trade imbalance: WSJ

The United States asked China in a letter last week to cut the tariff on U.S. autos, buy more U.S.-made semiconductors and give U.S. firms greater access to the Chinese financial sector, the Wall Street Journal reported on Monday, citing unnamed sources. Alarm over a possible trade war between the world's two largest economies has chilled financial markets as investors foresee dire consequences should trade barriers go up due to President Donald Trump's bid to cut the U.S. deficit with China.
Source: [Reuters](#)

The United States needs multilateral talks with China — not tariffs, says S&P Global CEO

"Blunt force instruments" like tariffs won't go as far with China as talks will, said Douglas Peterson of financial services firm S&P Global, as the U.S. moves ahead with levies on Chinese imports. "Clearly there are aspects to access to the Chinese market that people have been frustrated with," Peterson acknowledged in a Sunday interview with CNBC. "On the other hand, I don't know if this is really the right approach to have ... the United States coming in unilaterally to put in place tariffs and sanctions on trade.

Source: [CNBC](#)

Japan Slowly Challenges China's Dominance as an Investor in Africa

Japan raised its investment to Africa in 2014 with a pledge of \$32 billion that included aid, loans and commercial projects over the following three years. From 2008 to 2012, the well-off East Asian country had put out just \$9 billion for Africa, geopolitical intelligence service Stratfor Enterprises says. Two years ago Japanese Prime Minister Shinzo Abe said in Kenya that another \$10 billion would be go toward an African infrastructure plan for advances in farming, energy, roads and ports. That amount was just one-third of a bigger amount that Japan and its companies will spend in Africa through 2019, this new report says.

Source: [Forbes](#)

COMMODITIES NEWS

Oil prices fall as U.S. trade dispute with China looms

Oil prices reversed earlier gains on Monday as concerns of a looming trade dispute between the United States and China weighed on global markets. The possibility of a full-blown trade war between the United States and China battered Asian shares on Monday. The falls came after U.S. President Donald Trump last week signed a memorandum that could impose tariffs on up to \$60 billion of imports from China.

Source: [Reuters](#)

Qatar proposes Russian companies develop gas fields in 2019-2020: RIA

Qatar has proposed that Russian companies take part in tenders for the further development of gas fields in 2019-2020, RIA news agency cited the Qatari envoy to Russia Fahad bin Mohammed Al-Attiyah as saying on Sunday. "Russian companies, like others, may try to win the tender, which will be announced," he is quoted as saying. Russian President Vladimir Putin will meet the Emir of Qatar in Moscow on March 26, the Kremlin said on Friday.

Source: [Reuters](#)

MSM Proposed Dividends*

Company Name	Cash Div %	Cash DPS, OMR	Cash Div payout, %	Cash Dividend Yield, %	Stock Dividend %	AGM Date	Total Payout	Ex-Dividend
BANK DHOFAR SAOG	12.0%	0.012	56.9%	5.4%	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%	Yes
HSBC BANK OMAN	5.7%	0.006	59.6%	5.4%		29/03/2018	59.6%	
AHLI BANK	10.0%	0.010	53.4%	6.0%	5%	27/03/2018	80.2%	
OMAN UNITED INSURANCE CO	30.0%	0.030	89.7%	8.6%		29/03/2018	89.7%	
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%	9.0%		26/03/2018	76.8%	
NATIONAL LIFE & GENERAL INSU	15.9%	0.016	50.0%	5.0%		28/03/2018	50.0%	
UNITED FINANCE CO	0.0%	0.000	0.0%	0.0%		29/03/2018	-	
OMINVEST	15.0%	0.015	51.1%	3.7%	10%	27/03/2018	85.1%	
DHOFAR INTL DEVELOPMENT	15.0%	0.015	351.6%	4.9%		27/03/2018	351.6%	
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%	
AL JAZEERA STEEL PRODUCTS CO	24.0%	0.024	63.5%	7.1%		25/03/2018	63.5%	Yes
OMAN CHLORINE	15.0%	0.015	102.2%	3.4%		28/03/2018	102.2%	
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%	
Total Market			65.9%	5.6%			78.1%	

Source: MSM

For Ex-Dividend: Red Represents Ex-Dividend Today

Ubar Capital SAOC (U Capital)

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