

U Capital Morning Brief

27 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	921.78	5.30	0.58%	-5.39%	-	-	-
U Capital GCC 50 Index	1,250.53	5.02	0.40%	9.25%	-	-	-
U Capital MENA 200 Index	1,055.12	1.10	0.10%	6.03%	-	-	-
MSCI GCC Countries Index	514.86	1.11	0.22%	7.31%	14.44	1.62	4.0%
Muscat Securities Market	4,758.42	-44.14	-0.92%	-6.68%	11.74	0.98	5.4%
Saudi Stock Exchange	7,857.46	14.83	0.19%	8.73%	17.58	1.73	3.0%
Kuwait Stock Exchange	6,624.26	-7.65	-0.12%	3.37%	15.36	1.08	5.7%
Qatar Exchange	8,711.91	-40.75	-0.47%	2.21%	13.48	1.26	5.0%
Bahrain Stock Exchange	1,325.63	-9.33	-0.70%	-0.46%	8.79	0.80	6.2%
Dubai Financial Market	3,103.80	-11.36	-0.36%	-7.90%	10.91	1.13	5.7%
Abu Dhabi Exchange	4,651.05	35.78	0.78%	5.74%	11.95	1.31	5.1%
Beirut Stock Exchange	1,174.55	3.78	0.32%	2.26%	5.92	0.73	7.6%
Palestine Stock Exchange	574.33	-3.37	-0.58%	-0.04%	13.91	1.17	4.8%
Tunis Se Index	7,048.68	9.77	0.14%	12.21%	20.48	2.79	2.0%
EGX 30 Index	17,104.34	119.65	0.70%	13.88%	15.34	2.40	2.0%
Amman General Index	2,220.98	1.36	0.06%	4.43%	16.23	1.07	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	6,888.7	-0.48%	-10.4%
DAX	Germany	11,787.3	-0.83%	-8.8%
CAC 40	France	5,066.3	-0.57%	-4.6%
United States				
DJIA	USA	24,202.6	2.84%	-2.1%
S&P 500	USA	2,658.6	2.72%	-0.6%
NASDAQ	USA	7,220.5	3.26%	4.6%
Asia Pacific				
NIKKEI 225	Japan	21,226.9	2.22%	-6.8%
HANG SENG	Hongkong	30,826.5	0.91%	3.0%
KSE 100 Index	Pakistan	45,101.8	0.06%	11.4%
NSE Nifty 50	India	10,158.3	0.27%	-3.5%
SHANGHAI COMPOSITE	China	3,164.0	0.97%	-4.3%
SHANGHAI SHENZHEN CSI 300	China	3,912.8	0.85%	-2.9%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.774	1.292
British Pound (GBP)	1.423	0.703
Canadian Dollar (CAD)	0.779	1.283
Chinese Renminbi (CNH)	0.160	6.250
Egyptian Pound (EGP)	0.057	17.635
Euro (EUR)	1.245	0.803
Indian Rupee (INR)	0.015	57.165
Japanese Yen (JPY)	0.009	105.630
New Zealand Dollar (NZD)	0.729	1.372
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.868	115.300
Russian Ruble (RUB)	0.018	64.779
Singapore Dollar (SGD)	0.765	1.307
Turkish Lira (TRY)	0.252	3.968

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	70.3	0.24%	6.4%
WTI Crude (per bbl)	65.8	0.40%	8.9%
Oman Crude Oil (Last Closing)	66.5	-0.79%	3.9%
OPEC (per bbl)	66.4	0.30%	3.0%
Precious Metals			
Gold100 OZ (per oz)	1,354.0	0.05%	3.9%
Silver (per oz)	16.7	0.23%	-1.2%
Platinum (per oz)	958.5	0.60%	3.0%
Other Metals			
Copper, MT	6,602	-0.87%	-8.9%
Aluminium, MT	2,052	0.07%	-9.5%
Lead, MT	2,387	1.96%	-4.0%
Zinc, MT	3,261	1.35%	-1.8%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.31	28.7%
Saudi Arabia	2.24	18.3%
Kuwait	2.00	6.7%
Oman	2.06	7.9%
Qatar	2.68	1.1%
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	99.81	2.4
5 year	99.93	2.6
10 year	99.16	2.8
30 year	98.39	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

Oman central bank eases lending ratio curb, some banks may lend more

Oman's central bank said on Monday that from April 1, commercial banks would factor in their local interbank money market positions when calculating lending ratios, a step that could enable some of them to boost lending to companies. The new policy, introduced at the request of some lenders, will let banks use liquidity more efficiently and stimulate activity in the interbank money market, the central bank said in a statement.

Source: [Reuters](#)

Oman's healthcare spending to reach \$4.9b

From an estimated \$3.2 billion in 2017, current healthcare expenditure in Oman is expected to grow at a compounded annual growth rate (CAGR) of 9.1 per cent to \$4.9 billion in 2022, according to the GCC Healthcare Industry report published by Alpen Capital, an investment banking advisory firm. The second-fastest growth in the region is attributable to rapidly rising population, the roll-out of mandatory insurance during the year and rising cost of care.

Source: [Times of Oman](#)

PDO signs contracts with five Omani firms

Petroleum Development Oman (PDO) has Omanized its hoist fleet for the first time in its history after agreeing contracts with five local companies worth more than \$800 million. The company signed the 10-year deals at the Oil and Gas West Asia (OGWA) Exhibition and Conference at a special ceremony held under the auspices of Mohammed Al Zubair, His Majesty's Adviser for Economic Planning Affairs. The five Omani firms — Abraj Energy Services, MB Petroleum Services, Cactus Premier Drilling Services, BaOmar Oil Field Services and Mideast Integrated Drilling & Well Services Company (Midwesco) — will provide work-over services on wells in PDO's concession area, including modification, repair and maintenance, suspension and abandonment.

Source: [Times of Oman](#)

Raysut Cement inaugurates new packing machine

Raysut Cement Company, the regional leader and largest producer of cement in Oman, recently inaugurated its new state of the art fully automatic packing machine. The new packer, installed by a leading European equipment manufacturer, now doubles the packing capacity of Raysut Cement's Salalah plant which has a clinker capacity of three million tons per year. This additional capacity will enable an additional one million tons per year bagged cement supply into Raysut Cement's export markets of Yemen, Somalia and East Africa. The total investment for this expansion was OMR1.5 million.

Source: [Times of Oman](#)

Al Hassan bags \$35mn contract from Petrofac

Al Hassan Engineering Co has been awarded a US\$35mn contract by Petrofac for Salalah LPG project package-2. 'The company has signed on Sunday the letter of award from Petrofac for the construction of civil, mechanical, electrical and instrumentation works of Salalah LPG project package-2 for approximately US\$35mn', Al Hassan said in a filing to the Muscat Securities Market on Monday. The project period will be of approximately 22 months. Al Hassan said it expects a reasonable income from this project.

Source: [Muscat Daily](#)

OFIC to invest RO 38 million in soybean project

The Oman Food Investment Holding Company (OFIC), which is implementing a large portfolio of strategically important ventures in support of the Sultanate's food security goals, has announced the formal launch of its soybean production plant with an investment of around RO 38 million.

Source: [Oman Observer](#)

Suhail Bahwan acquires Jazeera Steel stake

Global Investment House (Global), Kuwait announced that its alternative asset management arm, Global Capital Management (GCM), has concluded a successful exit of its controlling stake in Al Jazeera Steel Products Company, an Omani company listed on Muscat Securities Market.

Source: [Oman Observer](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi-US deals worth \$400bn set to create 750,000 jobs

As many as 750,000 jobs are expected to be created in Saudi Arabia and the United States following the signing of landmark agreements worth a total of more than \$400 billion in 10 key sectors during the ongoing visit of Crown Prince Muhammad Bin Salman, deputy premier and minister of defense. These vital sectors including defense and oil are identified for attracting investments as part of a vibrant economic partnership program in line with the Kingdom's Vision 2030.

Source: [Saudi Gazette](#)

BRIEF-Moody's Says Saudi Arabia Raises Key Interest Rates, Credit Positive for Banks

Moody's says Saudi Arabia raises key interest rates, a credit positive for banks.

Source: [Reuters](#)

UAE Central Bank assets rise to \$108.5bln in 12 months

The total assets of UAE Central Bank rose to AED398.6 billion in twelve months until February 2018, up by more than AED33.78 billion. The assets were AED364.82 billion in the same period of 2017, according to the Central Bank Bulletin. The Central Bank's balance sheet went up by AED 7 billion in February, from a total of AED391.54 billion in January. The growth in Central Bank's assets is attributed to the increase in banks' deposits, up by AED25.68 billion in annual terms, and by AED11.42 in monthly term, leading the total balance to jump to AED102.64 billion by the end of February.

Source: [Zawya](#)

Abraaj may sell part of investment management business -sources

Private equity firm Abraaj Group is considering selling part of its investment management business as it seeks to stem the fallout from a dispute with investors in one of its funds, three sources familiar with the matter said. Dubai-based Abraaj is in early stage talks with several possible buyers, the sources said, with one source saying Abu Dhabi Financial Group was among them and another source saying Abraaj had received interest from international financial firms.

Source: [Reuters](#)

Dubai retailer Marka posts \$65m losses in 2017

Marka, which has exclusive rights to manufacture and sell Real Madrid products in the Gulf region, has reported total revenue of AED99.6 million and a net loss of AED242.1 million (\$65.8 million) for 2017. The struggling retailer, which is embarking on an ongoing cost control program, has failed to turn a profit since being established in 2014.

Source: [Arabian Business](#)

Abu Dhabi awards \$3.5bn in contracts to Samsung Engineering to boost refining capabilities

Abu Dhabi National Oil Company (Adnoc) awarded two contracts to South Korea's Samsung Engineering worth \$3.5 billion to help process other crude grades as the company looks to free up its flagship Murban grade for export markets.

Source: [The National UAE](#)

DXB Entertainments restructures Dubai theme park debt

DXB Entertainments (DXBE) has confirmed the restructuring of its 4.2 billion dirham (£1.1 billion) debt facility it used to finance phase one of Dubai Parks and Resorts, one of the largest theme parks in the Arabian Gulf. The company has secured a three-year moratorium on principal repayments and covenant testing with its lenders. It will continue to pay interest on the debt as required under the original agreement, according to a filing to the Dubai stock exchange. The company is also planning to enter into a AED1.2bn convertible instrument financing structure with its majority shareholder Meraas.

Source: [Arab News](#)

Qatar to invest \$19bn in Turkey this year

The senior officials from the Qatar Financial Centre (QFC) took part in the 7th Uludag Economy Summit, which was held in Uludag, Turkey, from March 23 to 24. The meeting, organized by Capital and Economist magazines, brought together more than 1,300 delegates from around the world to discuss global and local economic topics. Qatar has announced that it will invest \$19bn in Turkey in 2018.

Source: [TPQ](#)

English court refuses to hear Dana Gas's appeal in Sukuk dispute

Dana Gas has lost an attempt to overturn English court rulings that backed creditors' demands for the repayment of \$700 million of Islamic bonds, the UAE company said on Monday. The English Court of Appeal refused an application by the United Arab Emirates (UAE) company to appeal the November 2017 and February 2018 English High Court orders. Dana Gas last year shocked the global Islamic finance industry when it stopped payments on its Sukuk, which matured in October, saying that because of changes in the interpretation of Islamic finance rules the bond had become unlawful in the UAE.

Source: [Reuters](#)

Kuwait's Mabaneh to secure \$1.3 billion financing for Riyadh mall

Kuwait's Mabaneh is set to sign more than 5 billion Saudi riyals (\$1.33 billion) worth of financing from banks to develop The Avenues Riyadh shopping mall, Chief Executive Waleed Alsharian said on Monday. The agreement is with a consortium of Saudi, United Arab Emirates, and Kuwaiti banks, he told reporters after a shareholder meeting.

Source: [Reuters](#)

Builder of Kuwait's \$4.6bn airport revives IPO

Limak Investments, which is part of a group building Istanbul's new six-runway airport, is considering an initial public offering later this year or next, rekindling a plan it shelved in 2011 after equity markets tumbled. "We are looking for the right window to move forward," chairwoman Ebru Özdemir said in an interview with Bloomberg TV in Kuwait.

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

This international market is primed to benefit if a U.S.-China trade war erupts

The threat of a trade war between the U.S. and China grew more pronounced last week and there could be a winner from the fallout if tensions escalate, says one strategist. "One of the bigger beneficiaries of that would be Germany — Germany and Europe broadly," Gina Sanchez, CEO of Chantico Global, told CNBC's "Trading Nation" on Friday. "European trade with China has been on the rise for the past 10 years."

Source: [CNBC](#)

GM says South Korean unit will file for bankruptcy if no union concessions by April 20

General Motors said its loss-making South Korean operations would file for bankruptcy if its union did not agree to cut labor costs by April 20, heaping pressure on workers and the South Korean government to swiftly agree a rescue plan.

Source: [Reuters](#)

Alibaba and Ford unveil car vending machine in Guangzhou

Chinese e-commerce giant Alibaba Group and US car maker Ford have unveiled an unstaffed car vending machine in China's southern city Guangzhou. The machine stands about five-storays tall and contains 42 cars, of various models, including the Ford Explorer SUV and Mustang. Alibaba said users of Tmall, Alibaba's flagship online shopping platform, with good credit scores can buy a car from the machine, without any human help, in under 10 minutes

Source: [CNBC](#)

COMMODITIES NEWS

Gold's supply chain is coming to the Blockchain

Physical gold is coming to the digital gold rush known as Blockchain technology — and one company is working to ensure that it's responsibly sourced. That's according to a U.S.-based financial technology company, Emergent Technology Holdings, that is hoping to digitally encode the gold supply chain using Blockchain tech in the first half of this year.

Source: [CNBC](#)

Denmark faces dilemma over Russian gas pipeline

Denmark is under pressure to rule on whether a new Russian pipeline supplying gas to Germany can be built near its Baltic coast, a decision that puts it in the line of fire from friend and foe alike.

Source: [Reuters](#)

Oil prices rise on Middle East tension, global market recovery

Oil prices rose on Tuesday, pushed up by concerns that tensions in the Middle East could lead to supply disruptions. Hopes that behind-the-scenes talks between the United States and China will prevent a looming trade war between the world's two biggest economies also supported global markets, including crude oil futures.

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%	
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%	4.3%		26/03/2018	176.3%	Yes
VISION INSURANCE SAOC	14.0%	0.014	76.8%	9.0%		26/03/2018	76.8%	Yes
NATIONAL LIFE & GENERAL INSU	15.9%	0.016	50.0%	5.0%		28/03/2018	50.0%	
OMINVEST	15.0%	0.015	51.1%	3.8%	10%	27/03/2018	85.1%	
DHOVAR 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%	Yes
A'SAFFA FOODS SAOG	20.0%	0.020	55.5%	3.4%		29/03/2018	55.5%	
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%	Yes
OMAN CABLES INDUSTRY	45.0%	0.045	59.0%	4.0%		26/03/2018	59.0%	Yes
Total Market			59.0%	5.7%			71.2%	

Source: MSM

For Ex-Dividend: Red Represents Ex-Dividend Today

Ubar 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 Ubar 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.