

U Capital Morning Brief

28 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 | 919.99 | 5.30 | 0.58% | -5.57% | - | - | - |
| U Capital GCC 50 Index | 1,253.41 | 5.02 | 0.40% | 9.50% | - | - | - |
| U Capital MENA 200 Index | 1,056.20 | 1.10 | 0.10% | 6.14% | - | - | - |
| MSCI GCC Countries Index | 517.37 | 2.52 | 0.49% | 7.84% | 14.51 | 1.63 | 4.0% |
| Muscat Securities Market | 4,759.29 | 0.87 | 0.02% | -6.67% | 11.97 | 0.99 | 5.2% |
| Saudi Stock Exchange | 7,942.54 | 85.08 | 1.08% | 9.91% | 17.49 | 1.74 | 3.2% |
| Kuwait Stock Exchange | 6,619.33 | -4.93 | -0.07% | 3.30% | 15.37 | 1.08 | 5.7% |
| Qatar Exchange | 8,693.98 | -17.93 | -0.21% | 2.00% | 13.45 | 1.26 | 5.0% |
| Bahrain Stock Exchange | 1,327.33 | 1.70 | 0.13% | -0.33% | 8.80 | 0.81 | 6.2% |
| Dubai Financial Market | 3,092.85 | -10.95 | -0.35% | -8.23% | 10.90 | 1.12 | 5.8% |
| Abu Dhabi Exchange | 4,611.75 | -39.30 | -0.84% | 4.85% | 11.85 | 1.30 | 5.1% |
| Beirut Stock Exchange | 1,182.64 | 8.09 | 0.69% | 2.97% | 5.96 | 0.73 | 7.5% |
| Palestine Stock Exchange | 562.68 | -11.65 | -2.03% | -2.07% | 13.62 | 1.14 | 4.9% |
| Tunis Se Index | 7,084.48 | 35.80 | 0.51% | 12.78% | 20.58 | 2.81 | 2.0% |
| EGX 30 Index | 17,270.43 | 166.09 | 0.97% | 14.99% | 15.50 | 2.43 | 2.0% |
| Amman General Index | 2,223.65 | 2.67 | 0.12% | 4.55% | 16.61 | 1.08 | 4.5% |

| World Markets | Country | Value | D/D | YTD | Currency Cross Rates | USD/1 Unit | Units/1 USD |
|---------------------------|----------|----------|--------|-------|--------------------------|------------|-------------|
| | | | % | % | Currency | | |
| Europe | | | | | Australian Dollar (AUD) | 0.769 | 1.301 |
| FTSE 100 | UK | 7,000.1 | 1.62% | -8.9% | British Pound (GBP) | 1.420 | 0.704 |
| DAX | Germany | 11,970.8 | 1.56% | -7.3% | Canadian Dollar (CAD) | 0.776 | 1.288 |
| CAC 40 | France | 5,115.7 | 0.98% | -3.7% | Chinese Renminbi (CNH) | 0.160 | 6.268 |
| United States | | | | | Egyptian Pound (EGP) | 0.057 | 17.600 |
| DJIA | USA | 23,857.7 | -1.43% | -3.5% | Euro (EUR) | 1.241 | 0.806 |
| S&P 500 | USA | 2,612.6 | -1.73% | -2.3% | Indian Rupee (INR) | 0.015 | 57.517 |
| NASDAQ | USA | 7,008.8 | -2.93% | 1.5% | Japanese Yen (JPY) | 0.009 | 105.500 |
| Asia Pacific | | | | | New Zealand Dollar (NZD) | 0.727 | 1.376 |
| NIKKEI 225 | Japan | 20,881.3 | -1.98% | -8.3% | Omani Rial (OMR) | 2.597 | 0.385 |
| HANG SENG | Hongkong | 30,288.8 | -1.64% | 1.2% | Pakistani Rupee (PKR) | 0.867 | 115.450 |
| KSE 100 Index | Pakistan | 44,957.3 | -0.06% | 11.1% | Russian Ruble (RUB) | 0.017 | 64.999 |
| NSE Nifty 50 | India | 10,121.8 | -0.61% | -3.9% | Singapore Dollar (SGD) | 0.765 | 1.308 |
| SHANGHAI COMPOSITE | China | 3,129.3 | -1.18% | -5.4% | Turkish Lira (TRY) | 0.251 | 3.983 |
| SHANGHAI SHENZHEN CSI 300 | China | 3,849.8 | -1.62% | -4.5% | | | |

| Commodity Prices | Price | D/D | YTD | GCC 3m Interbank Rates | Current Rate % | YTD % |
|-------------------------------|-------|--------|------|------------------------|----------------|-------|
| | USD | % | % | | | |
| Oil | | | | UAE | 2.31 | 28.7% |
| Brent Crude (per bbl) | 69.6 | -0.74% | 5.3% | Saudi Arabia | 2.26 | 19.0% |
| WTI Crude (per bbl) | 64.6 | -0.95% | 7.0% | Kuwait | 2.00 | 6.7% |
| Oman Crude Oil (Last Closing) | 66.2 | -0.45% | 3.5% | Oman | 2.06 | 7.9% |
| OPEC (per bbl) | 66.8 | 0.62% | 3.6% | Qatar | 2.66 | 0.3% |
| | | | | Bahrain | 3.05 | 11.9% |

| Precious Metals | Price | D/D | YTD | GCC Latest 10-Yr Government Bond Yields | Maturity date | YTM, % |
|---------------------|---------|--------|-------|-----------------------------------------|---------------|--------|
| | | % | % | | | |
| Gold100 OZ (per oz) | 1,344.3 | -0.06% | 3.2% | Kuwait | 3/20/2027 | 3.8 |
| Silver (per oz) | 16.5 | 0.08% | -2.3% | Abu Dhabi | 10/11/2027 | 3.9 |
| Platinum (per oz) | 944.6 | 0.06% | 1.5% | Qatar | 6/2/2026 | 4.0 |
| Other Metals | | | | Saudi Arabia | 3/4/2028 | 4.3 |
| Copper, MT | 6,649 | 0.71% | -8.3% | Oman | 1/17/2028 | 6.0 |
| Aluminium, MT | 2,045 | -0.34% | -9.8% | Bahrain | 10/12/2028 | 7.6 |
| Lead, MT | 2,406 | 0.80% | -3.3% | | | |
| Zinc, MT | 3,275 | 0.44% | -1.3% | | | |

| Midswaps | Price | YTM % | USD Libor | Rate (%) | YTD |
|----------|-------|-------|-----------|----------|-------|
| 3 year | 99.98 | 2.4 | 1m | 1.88 | 20.0% |
| 5 year | 99.65 | 2.6 | 3m | 2.29 | 35.5% |
| 10 year | 99.77 | 2.8 | 6m | 2.45 | 33.6% |
| 30 year | 99.34 | 3.0 | 1 year | 2.67 | 26.8% |

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

CBO issues treasury bills worth OMR11m

Oman's central bank raised OMR11 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from 28 March until September 26, 2018. The average accepted price reached 99.185 for every OMR100, and the minimum accepted price arrived at 99.000 per OMR100. Whereas the average discount rate and the average yield reached 1.63539 per cent and 1.64914 per cent, respectively.

Source: [Times of Oman](#)

Oman LNG revenues climb to \$2.196 bn in 2017

Oman LNG has reported revenues totalling \$2.196 billion in 2017, up from the previous year's tally of \$1.925 billion — an increase attributed in part to additional feed gas arriving from BP Oman's recently launched Khazzan development in central Oman. Net Income After Tax (NIAT) amounted to \$642 million for the year, versus \$566 million in 2016. The uptick was reflective of the modest increase in oil prices last year compared to 2016, the company said in its 2017 Annual Report issued here yesterday.

Source: [Oman Observer](#)

Consultant to study regulatory framework for electric vehicles in Oman

Seeking to prepare the Sultanate for the advent of Electric Vehicles (EV), the Authority for Electricity Regulation Oman (AER) is inviting international consultants to participate in a competitive tender for advisory services linked to the development of a regulatory framework necessary to support the growth of this eco-friendly mode of transportation in Oman. The initiative is a key part of a broader strategy by the Omani government to support a transition to sustainable energy sources, not only for electricity generation, but other usages as well.

Source: [Oman Observer](#)

6th Oman Economic Forum Tackles Sustainable Economic Development and Public-Private Partnership

The Ministry of Commerce and Industry in cooperation with Al-Iktissad Wal-Aamal Co. is organizing the 6th edition of Oman Economic Forum on April 29 & 30, 2018, at Oman Convention and Exhibition Center. The forum comes at a time when there is a significant improvement in the economic outlook, and an increase in government spend on industrial and infrastructure projects, healthcare, housing, and education, and in an ongoing effort to raise the contribution of non-oil sectors to the economy. The forum is expected to host around 500 participants including officials, investors and specialists from the public and private sectors from the Sultanate and the region.

Source: [ONA](#)

RO28 Million Company for Dates Production, and Packing

An RO28 Million Oman Dates Production and Packing Company was inaugurated today at the Ministry of Agriculture and Fisheries announced to buy dates products from farmers, re-packaging, processing, packing and selling them in local markets or export. The ceremony was sponsored by Dr. Fuad bin Jaafar al- Sagwani, Minister of Agriculture and Fisheries, who said that the palm tree is important in the Omani social heritage, and the Omani man has been associated with the palm tree since ancient times, as well as the economic importance of the palm tree, adding that it is the first crop among fruits with more than 8 million date palm trees in the Sultanate.

Source: [ONA](#)

29,226 seats allotted for students at higher education institutes for 2018-19

The number of seats available for students at public higher education institutions, internal scholarships, scholarships sponsored by the private sector at private higher education institutions and foreign scholarships for the academic year 2018-19 is 29,226. This was announced by H E Dr Abdullah bin Mohammed al Sarmi, Undersecretary in the Ministry of Higher Education at an event on Tuesday. Some 500 internal scholarships have been allocated to study educational majors at private universities namely Sharqiyah, Nizwa, Sohar and Dhofar.

Source: [Muscat Daily](#)

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

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudis to repay contractors on state projects for increased expat fees

The Saudi cabinet announced on Tuesday it plans to reimburse contractors on government projects agreed before December 2016 for increased expat fees, according to a statement by Saudi Press Agency. The cabinet said the finance ministry plans to reimburse contractors who entered into agreements with the government before December 2016, when the kingdom announced plans to increase fees paid by the companies for expatriate employees.

Source: [Gulf News](#)

Yanbu Cement expects SAR 150 mln in revenue from export deal

Yanbu Cement's revenue from the newly-announced export deal is forecast to reach SAR 150 million through until Mar. 2019, the company's general manager, Ahmed Zugail, told Argam in an exclusive on Tuesday. The agreement was concluded with a Middle Eastern producer of cement, clinker and industrial materials, which will distribute cement in Egypt, Yemen and East Africa.

Source: [Argam](#)

Farm Superstores signs SAR 100 mln facility

Saudi Marketing Co. (Farm Superstores) has inked a SAR 100 million loan facility with Banque Saudi Fransi (BSF), the company said in a bourse filing. The loan tenure extends from March 21, 2018 to June 29, 2018. The loan facility, covered by a promissory note, will go for paying the capital expenses pertaining to opening new stores.

Source: [Argaam](#)

Saudi, US companies sign 36 MoUs

Apart from high ranking government officials, more than 200 leading economic figures and business leaders from Saudi Arabia and the United States participated in the second edition of the Saudi-US CEO Forum held in New York on Tuesday. The forum, with the theme of "An era of Transformation: From Vision to Implementation," was organized by the Saudi Center for Strategic Partnerships on the sidelines of the current state visit of Crown Prince Muhammad Bin Salman, deputy premier and minister of defense, to the United States.

Source: [Saudi Gazette](#)

SRC injects another SR1 billion into Saudi housing finance market

The Saudi Real Estate Refinance Company (SRC) continued its mission of helping develop the mortgage market for consumers with the injection of a notional amount of SR 1 billion with Amlak International. In SRC's first refinancing deal of 2018, the agreement with Amlak includes portfolio acquisition and a short-term financing (murabaha deal). This financing works as a warehousing facility that permits Amlak to extend and widen its ability to lend in the future.

Source: [Saudi Gazette](#)

Emirates NBD Lifts Foreign Ownership Limit to 20%

Emirates NBD shareholders approved lifting its foreign ownership limit to 20% from 5% at its general assembly meeting. Also got approval to increase the bank's share capital by up to AED7.35 billion through the issuance of new shares for a subscription price per share at no less than 10% discount to the market price.

Source: [Bloomberg News Alert](#)

UAE healthcare provider NMC raises \$2 billion loan - sources

United Arab Emirates' healthcare provider NMC Health has raised a \$2 billion loan which will be used for general corporate purposes and partly to refinance existing debt, sources familiar with the matter said. The fundraising, completed earlier this month, was provided by a consortium of banks including Citi, JPMorgan and Standard Chartered, the sources said.

Source: [Reuters](#)

UAE banks draw down Dh6.8 bn in CDs from Central Bank

UAE banks removed Dh6.8 billion from certificates of deposits held with the Central Bank in the first two months of the year, according to official data. As a result of the draw-down, the level of certificates of deposits dropped to Dh128.3bn at the end of February from Dh132.4bn at the end of January. At the end of December, outstanding CDs stood at Dh135.1bn. At the same time, gross credit rose by Dh12bn in the January and February period, the Central Bank reported.

Source: [The National UAE](#)

Qatar's trade surplus at QR14.1bn

Qatar's trade balance showed a surplus of nearly QR 14.1bn, an increase of about QR 2.7bn or 23.7 percent in February 2018, on Year-on-Year. In February the total exports of goods (including exports of goods of domestic origin and re-exports) amounted to around QR 22.4bn, showing an increase of 14 percent from a year ago, according to preliminary numbers released by the Ministry of Development Planning and Statistics (MDPS).

Source: [TPQ](#)

FITCH DOWNGRADES OOREDOO TO 'A-'; OUTLOOK STABLE

Ooredoo announces that Fitch has downgraded Ooredoo to "A-" with stable outlook from "A" watch negative outlook. Fitch stated that the assignment of the rating followed a change of methodology. However, the credit rating agency noted an improved risk profile of Ooredoo.

Source: [QE](#)

QIIB to issue \$400-500m Sukuk

The CEO of Qatar International Islamic Bank (QIIB) said that the second tranche of the mudarabah Sukuk will be issued at a total value between \$400 to 500 million. Abdulbasit Al Shaibei added that the decision comes after studying international market developments to ensure proper pricing. QIIB's ordinary general meeting (OGM) recently approved the distribution of cash dividends at QAR 4 per share, or 40% of the company's capital.

Source: [Mubasher](#)

Kuwait's Agility Seeks Shareholder Approval for Foreign Listing

Listing on condition that stocks to be listed shall not exceed 40% of capital throughout listing period, Agility says in statement to Dubai stock exchange. General assembly meeting on April 11

Source: [Bloomberg News Alert](#)

Boursa Kuwait to start market segmentation

Boursa Kuwait is set to implement the second phase of the market's strategic reformation. The first phase, implemented last year, set the bourse on the path with the introduction of T+3 settlement cycle in May of last year and then the promotion to 'secondary emerging market status (commencing September 2018) by FTSE Russell. Now Boursa Kuwait will introduce from 1 April 2018, market segmentation. Specifically, market segmentation will divide the market into three segments: Premier Market, Main Market and Auction Market. Segmentation will be based on certain criteria related to liquidity, market capitalization, price to par ratio, years of operations plus disclosure and compliance with the terms and conditions of listing.

Source: [Kuwait Times](#)

Morocco not planning to sell Maroc Telecom stake - finance minister

Morocco is not planning to sell its remaining 30 percent stake in Maroc Telecom, its finance minister said on Tuesday, adding that the government had not yet made a decision on other potential privatisations. Maroc Telecom, the North African country's largest telecoms operator, is controlled by the United Arab Emirates' Etisalat Group.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Greece wins €6.7bn loan as part of third ESM bailout instalment

Europe's bailout fund on Tuesday approved a €6.7 billion (Dh29.56bn) loan instalment to Greece as part of its third international rescue program, with payment of the first €5.7bn expected this week. The European Stability Mechanism said the approval came after the Greek government completed a series of required reforms. The funds will be used to service public debt and clear domestic arrears.

Source: [The National UAE](#)

China preparing list of retaliatory tariffs on U.S. imports: Global Times

China will soon announce a list of retaliatory tariffs on United States exports to China to counter an expected announcement from the United States of proposed new tariffs on Chinese imports, the Global Times said Wednesday. The Chinese list will target a large number of major U.S. imports to China, said the English-language editorial. The widely-read state run Global Times is run by the ruling Communist Party's official People's Daily, although its stance does not necessarily equate with Chinese government policy.

Source: [Reuters](#)

China claims Kim Jong Un has agreed to denuclearize Korean Peninsula

China said on Wednesday it won a pledge from North Korean leader Kim Jong Un to denuclearize the Korean peninsula during a meeting with President Xi Jinping, who pledged in return that China would uphold its friendship with its isolated neighbor. After two days of speculation, China announced on Wednesday that Kim had visited Beijing and met Xi during what the official Xinhua news agency called an unofficial visit from Sunday to Wednesday

Source: [CNBC](#)

COMMODITIES NEWS

OPEC, Russia consider 10-20-year oil cooperation- Saudi Crown Prince

OPEC is seeking a long-term deal to cooperate on oil output controls with Russia and other non-OPEC producers, said Saudi Crown Prince Mohammed bin Salman. "We are working to shift from a year-to-year agreement to a 10-20 year agreement," the crown prince told Reuters in an interview in New York.

Source: [Zawya](#)

Oil prices fall on surprise U.S. inventory rise; China crude volatile

Oil prices fell on Wednesday, with Brent dropping back below \$70 per barrel and U.S. West Texas Intermediate crudes dipping below \$65, pulled down by a report of increasing U.S. crude inventories that surprised many traders.

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% | Yes |
| BANK SOHAR | 5.0% | 0.005 | 35.2% | 3.3% | 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% | Yes |
| OMAN UNITED INSURANCE CO | 30.0% | 0.030 | 89.7% | 9.3% | | 29/03/2018 | 89.7% | |
| 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% | Yes |
| DHOFAR INTL DEVELOPMENT | 15.0% | 0.015 | 351.6% | 4.9% | | 27/03/2018 | 351.6% | 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% | |
| 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



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