

U Capital Morning Brief

2 May 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	911.42	-1.43	-0.16%	-6.45%	-	-	-
U Capital GCC 50 Index	1,282.05	-6.37	-0.49%	12.00%	-	-	-
U Capital MENA 200 Index	1,069.67	-4.07	-0.38%	7.49%	-	-	-
MSCI GCC Countries Index	526.31	-3.09	-0.58%	9.70%	14.51	1.69	4.0%
Muscat Securities Market	4,731.27	2.22	0.05%	-7.22%	11.81	1.00	5.1%
Saudi Stock Exchange	8,158.06	-50.81	-0.62%	12.89%	17.83	1.80	3.3%
Kuwait Stock Exchange	4,884.94	3.88	0.1%	NA	14.48	1.20	3.8%
Qatar Exchange	9,014.32	-97.65	-1.07%	5.76%	13.41	1.38	4.9%
Bahrain Stock Exchange	1,257.88	-4.90	-0.39%	-5.54%	8.04	0.78	6.5%
Dubai Financial Market	3,030.75	-35.21	-1.15%	-10.07%	10.32	1.13	5.7%
Abu Dhabi Exchange	4,673.31	3.79	0.08%	6.25%	12.27	1.39	5.2%
Beirut Stock Exchange	1,129.01	1.47	0.13%	-1.70%	5.69	0.70	8.7%
Palestine Stock Exchange	538.02	-7.10	-1.30%	-6.36%	13.15	1.10	5.7%
Tunis Se Index	7,124.53	-0.41	-0.01%	13.41%	18.35	2.46	2.0%
EGX 30 Index	18,295.57	-8.89	-0.05%	21.82%	25.61	2.48	1.7%
Amman General Index	2,191.52	10.32	0.47%	3.04%	16.25	1.08	4.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,520.4	0.15%	-2.2%
DAX	Germany	12,612.1	0.25%	-2.4%
CAC 40	France	5,520.5	0.68%	3.9%
United States				
DJIA	USA	24,099.1	-0.27%	-2.5%
S&P 500	USA	2,654.8	0.25%	-0.7%
NASDAQ	USA	7,130.7	0.91%	3.3%
Asia Pacific				
NIKKEI 225	Japan	22,433.0	-0.33%	-1.5%
HANG SENG	Hongkong	30,614.8	-0.62%	2.3%
KSE 100 Index	Pakistan	45,373.1	-0.26%	12.1%
NSE Nifty 50	India	10,725.3	-0.13%	1.8%
SHANGHAI COMPOSITE	China	3,070.2	-0.39%	-7.2%
SHANGHAI SHENZHEN CSI 300	China	3,750.1	-0.18%	-7.0%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.750	1.334
British Pound (GBP)	1.360	0.735
Canadian Dollar (CAD)	0.779	1.284
Chinese Renminbi (CNH)	0.157	6.362
Egyptian Pound (EGP)	0.056	17.657
Euro (EUR)	1.200	0.834
Indian Rupee (INR)	0.015	62.971
Japanese Yen (JPY)	0.009	109.770
New Zealand Dollar (NZD)	0.701	1.427
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	116.000
Russian Ruble (RUB)	0.016	66.771
Singapore Dollar (SGD)	0.748	1.337
Turkish Lira (TRY)	0.243	4.112

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	73.2	0.05%	11.7%
WTI Crude (per bbl)	67.5	0.36%	11.7%
Oman Crude Oil (Last Closing)	70.3	-2.17%	9.8%
OPEC (per bbl)	71.2	0.34%	10.5%
Precious Metals			
Gold100 OZ (per oz)	1,309.0	0.38%	0.5%
Silver (per oz)	16.3	0.78%	-3.8%
Platinum (per oz)	896.6	0.22%	-3.6%
Other Metals			
Copper, MT	6,745	-0.91%	-6.9%
Aluminium, MT	2,260	0.22%	-0.4%
Lead, MT	2,293	-1.16%	-7.8%
Zinc, MT	3,052	-2.40%	-8.0%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.53	41.1%
Saudi Arabia	2.39	25.8%
Kuwait	2.00	6.7%
Oman	2.16	13.4%
Qatar	2.64	-0.1%
Bahrain	3.08	12.8%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	4.0
Abu Dhabi	10/11/2027	4.1
Qatar	6/2/2026	4.2
Saudi Arabia	3/4/2028	4.4
Oman	1/17/2028	6.2
Bahrain	10/12/2028	7.7

Midswaps	Price	YTM %
3 year	99.26	2.6
5 year	99.70	2.8
10 year	98.09	3.0
30 year	97.36	3.1

USD Libor	Rate (%)	YTD
1m	1.91	22.1%
3m	2.36	39.5%
6m	2.51	36.7%
1 year	2.77	31.5%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Huge market for medical insurance in Oman

Oman represents a huge market for insurance providers, according to Arthur Cozad, CEO of Cigna Insurance Middle East, one of the largest firms of its kind in the region. In an exclusive interview with the Times of Oman, Cozad detailed Cigna's strong heritage of excellence in the region, its future, and that of the medical insurance industry, as more markets and opportunities open up.

Source: [Times of Oman](#)

Technology seen transforming Oman's banking sector

Oman's banking sector remains in a fairly robust position underpinned by strong asset growth, and innovation through technology, which is enabling the industry to improve operational efficiency, augment revenue and reduce risk, and enhance customer experience, the first edition of the KPMG Oman banking perspectives report has revealed. This is despite certain challenges that banks have had to face as a result of emerging technology and new regulations. To address these challenges, banks are exploring new solutions to grow and diversify their business, including harnessing artificial intelligence (AI), Blockchain and FinTech to grow their bottom-line.

Source: [Times of Oman](#)

PDO plans to invest \$20bn by 2021 to sustain long-term output

Petroleum Development Oman (PDO) is planning to invest more than US\$20bn in exploration and production activities by 2021 as the company aims to sustain its long-term hydrocarbon output. 'For 2018, the current capital budget is US\$4.1bn including approximately US\$85mn of presently identified savings in oil capital expenditure and US\$60mn gas capital expenditure', PDO said in its annual Sustainability Report released on Monday. 'PDO plans to invest more than US\$20bn up to 2021 to sustain its long-term hydrocarbon output. At the same time, we continue to work on providing our shareholders with proposals for alternative financing options', PDO said in the report

Source: [Muscat Daily](#)

Real Estate Transactions touch Ro776.3mn In Q1

Real estate market in the sultanate continues to recover with sales showing a robust growth in the first quarter of 2018 compared to last year. Rise in oil prices and the recovery in economic activity have an impact on the real estate market as well. As an indication of the market trend, the total value of property transactions in the January-March period of this year increased by 6.8 per cent to RO776.3mn, from RO726.8mn in the same period of last year, according to the monthly statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Muscat Daily](#)

Oman plans 6 new solar, wind power projects

Adding new momentum to its nascent renewables energy program, Oman has unveiled plans for six new solar and wind powered projects aimed at delivering a total of around 2,650 megawatts (MW) of renewables based capacity by the year 2024. The proposed new schemes are a further addition to Oman's maiden power and water projects — a 50 MW wind farm in Dhofar being implemented by the Rural Areas Electricity Company (RAECO) and the Abu Dhabi Energy Future Company (Masdar); and a 500 MW utility-scale solar photovoltaic (PV) project [Ibri II Solar IPP] planned at Ibri in Dhahirah Governorate.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

SABIC announces the latest developments on study the establishment of a joint venture for industries promoting petrochemicals with ExxonMobil Corporation in the US Gulf Coast

Referring to the declaration of the Saudi Basic Industries Corporation (SABIC), circulated on April 19, 2017, on progress in the study of the establishment of a joint venture petrochemical industries with one of the companies of ExxonMobil in the US Gulf Coast and the selection of land in the county of San Patricio in Texas as a site for the project: SABIC declares on Tuesday, May 1, 2018, that the parties reached the decision to create a joint venture petrochemical industries in the US Gulf Coast, based on the project feasibility.

Source: [Tadawul](#)

Wafa gets 'final warning' from SAMA to comply with requirements

Saudi Indian Company for Cooperative Insurance (Wafa Insurance) has received a final warning from the Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank and insurance market regulator, regarding compliance with the required solvency margin by the Sep. 30, 2018 deadline.

Source: [Argaam](#)

Outlook for Saudi healthcare sector 'positive' in 2018, says Batterjee

The outlook for Saudi Arabia's healthcare sector is "very positive" during 2018, Sobhi Batterjee, president and chief executive of Saudi German Hospitals Group, told Arabian Business on Tuesday. The healthcare industry needs huge and long-term investments, he said, describing the sector as "quicksand", which sucks in unprofessional investors.

Source: [Argaam](#)

Saudi government to hand over 25 schools to private sector

Saudi Arabian authorities on Tuesday ordered the handover of 25 state-run schools to be run by private sector companies as part of economic reforms designed to ease pressure on the state's finances. Riyadh announced last week that it aimed to generate 35 billion to 40 billion riyals (\$9 billion to \$11 billion) of non-oil state revenues from privatizations by 2020, and an official overseeing that process told Reuters that school buildings would feature in some of the first deals.

Source: [Zawya](#)

Saudi hit by valuation woes, Drake & Scull hurts Dubai

Saudi stocks slid 0.6 percent on Tuesday as concerns grew about rich valuations for blue-chip stocks after the region's biggest stock market hit a more than a two-year high last week. Most Gulf markets were lower with Dubai and Qatar both falling more than 1 percent. Al Rajhi Bank dropped 1.9 percent despite reporting a 7.3 percent rise in first-quarter net profit on Tuesday, marking the ninth quarter of earnings growth in a row.

Source: [Reuters](#)

Strata eyes Saudi Arabia, Far East to build global supply chain

Strata, Mubadala Investment Company's aerospace manufacturing unit, is evaluating expansion in the Far East through another plane-parts supplier and is in talks with Saudi Arabian firms to outsource work to the kingdom as it seeks to build a global network of suppliers. Strata, which has \$7.5 billion worth of orders from Boeing and Airbus until 2030, is negotiating with companies in Malaysia and China, where it has identified and visited suppliers, Ismail Abdulla, the chief executive of Strata told The National.

Source: [The National](#)

Mubadala to establish Abu Dhabi tech hub in 2019

Mubadala Investment Company will establish a technology hub in Abu Dhabi next year in a bid to attract leading tech companies to the oil-rich emirate, its venture capital head said on Tuesday. Abu Dhabi's state investor, which has committed \$15bn to the SoftBank Vision Fund, has said it is looking at new investment opportunities and will invest in companies that operate out of the tech hub.

Source: [Gulf Business](#)

GFH acquires majority stake in ENTERTAINER

GFH Financial Group yesterday announced the signing of a landmark deal to acquire a majority stake in the ENTERTAINER, the region's leading incentives provider and lifestyle app. The ENTERTAINER, which was founded in 2001 in the UAE, has developed a strong merchant partner network in the GCC and beyond based on its longstanding relationships and market-leading technology.

Source: [GDN](#)

UAE bank assets rise 1% in March

The Central Bank of the United Arab Emirates reported a rise in the Emirati banking sector's total assets by 0.9% or AED 25 billion to a total AED 2.72 trillion by the end of the first quarter of 2018. Bank loans in the United Arab Emirates grew by 2% by the end of March, according to the monthly report of the UAE's Central Bank. Loans amounted to AED 1.6081 trillion in March, compared to AED 1.5754 trillion for the same period in 2017.

Source: [Mubasher](#)

Damac names KAMCO joint lead manager for \$400m Sukuk issue

KAMCO Investment Company has announced that it acted as a joint lead manager for Damac Properties' \$400 million 5-year sukuk sale, according to a company statement released on Tuesday. In April, Damac launched an AED 1.47 billion sukuk issuance, with a 6.625% yield.

Source: [Mubasher](#)

Qatar Investment Authority considers sale of European hotels

Qatar's sovereign wealth fund is weighing the sale of three European hotels operated by InterContinental, according to people with knowledge of the matter. Qatar Investment Authority has yet to appoint brokers for a possible sale of the properties in Cannes, Amsterdam and Frankfurt, the people told Bloomberg, asking not to be identified. A final decision about a sale has yet to be made, they said.

Source: [The National](#)

Billionaire B R Shetty prepares for money exchange IPO

Middle East billionaire Bavaguthu Raghuram Shetty hired Evercore to advise on a potential initial public offering for his financial-services company, according to people with knowledge the matter, as he seeks to expand a sprawling empire built on offering money transfers and currency-exchange services.

Source: [The National](#)

Umm Al Houl plant due to open in October

Qatar's mega Umm Al Houl Power Plant is expected to be operational in October 2018. After completing 99 percent of the project works, the QEWC is now involved in the final preparations before the launch of the project, Qatar Electricity and Water Company (QEWC) General Manager and Managing Director Fahad bin Hamad Al Mohammadi has said.

Source: [TPQ](#)

Qatar stock exchange listed companies reported qr 10.95 billion net profits for the 1st quarter of 2018

All listed companies at Qatar Stock Exchange (45 companies) have disclosed their financial statements results for the 1st quarter ended March 31, 2018. The combined net profit of all companies as of March 31, 2018 amounted to QR 10.95 Billion versus QR 10.64 Billion for the corresponding period in 2017, with an increase of 2.95%. The financial statements for all listed companies can be found on Qatar Stock Exchange website. Qatar Stock Exchange would like to thank all listed companies for their efforts in enhancing the disclosure and transparency principles.

Source: [QSE](#)

Alba Announces the financial close of EUR 204.5 million in Export Credit Financing

Aluminium Bahrain B.S.C. (Alba), home-base of the brownfield Line 6 Expansion Project, is pleased to announce that it has successfully closed the first part of 2nd tranche of EUR 204.5 million from Export Credit Agency (ECA) covered facilities to finance the Green Anode Plant, Gas Treatment Centres, Pot Tending Machines and Anode Bake Furnace as well as related equipment for Alba's Line 6 Expansion Project.

Source: [Bahrain Bourse](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

2-year yield hits highest level since September 2008 as Fed meeting begins

U.S. Treasury yields rose on Tuesday as a Federal Reserve monetary policy meeting got under way. The two-year note yield climbed to 2.504 percent and hit its highest level since September 2008, when it hit 2.542 percent. The yield on the benchmark 10-year Treasury note was also higher at 2.966 percent, while the yield on the 30-year Treasury bond rose to 3.129 percent. Bond yields move inversely to prices.

Source: [CNBC](#)

Asian shares steady, dollar near four-month high before Fed decision

Asian equities held steady on Wednesday, while the dollar traded near a four-month high as investors await the Federal Reserve's upcoming policy statement for clues on the future pace of U.S. monetary tightening. MSCI's broadest index of Asia-Pacific shares outside Japan was little changed, while Japan's Nikkei eased 0.2 percent and South Korea's KOSPI slipped 0.3 percent. Stephen Innes, head of trading in Asia-Pacific for Oanda in Singapore, said that in addition to focusing on the Fed's policy statement, equity investors may be turning cautious on the outlook for corporate profits, given potential cost pressures from recent rises in oil prices.

Source: [Reuters](#)

Apple will buy back up to \$100 billion worth of shares

Apple reported earnings on Tuesday for the fiscal second quarter, which has traditionally been the quarter when Apple announces capital return programs like share buybacks and dividends. Apple's gargantuan net income has piled up over the years. Nonetheless, Apple has steadily increased its dividends since its 2014 stock split.

Source: [CNBC](#)

Apple pops on earnings beat, strong guidance

Apple reported quarterly earnings and revenue on Tuesday that beat expectations, but sold fewer iPhones than expected. Shares rose as much 5 percent after hours, as investors digested the company's better-than-expected outlook for the current quarter, and a hefty capital return program. The soft iPhone sales were still up from a year ago, and Apple CEO Tim Cook said in a statement that customers "chose iPhone X more than any other iPhone each week in the March quarter."

Source: [CNBC](#)

COMMODITIES NEWS

Trading in gold and diamond exempted from VAT in UAE

In line with the UAE Government's efforts to ensure an efficient implementation of the Value Added Tax, VAT, while employing best international standards and maintaining the competitiveness of the local precious metals sector, the UAE Cabinet adopted a law to introduce the VAT Reversed Charge mechanism for investors in gold, diamond and precious metals. This step aims to maintain UAE's high ranking in the ease of doing business indicators, and allows investors in gold, diamond and precious metals to conduct business with ease.

Source: [Zawya](#)

Gold inches up after touching 4-month low

Gold prices edged up early Wednesday, having fallen almost one per cent in the previous session on the back of a stronger US dollar to hit their lowest level this year. Spot gold was up 0.2 per cent at \$1,306.51 per ounce at 0118 GMT. Gold fell to \$1,301.51 in the previous session, its lowest level since Dec. 29.

Source: [Economic Times](#)

Oil steady on Iran sanction worries, but surging U.S. supplies cap market

Oil prices were stable on Wednesday, supported by concerns that the United States may re-impose sanctions on major exporter Iran, although soaring U.S. supplies capped gains. Brent crude oil futures LCOc1 were at \$73.14 per barrel at 0148 GMT, virtually unchanged from their last close.

Source: [Reuters](#)

GCC to introduce \$169/ton tariff on iron, steel

The GCC counties are planning to impose a \$169 per ton tariff on iron and steel imports as of 15 May. The projected tariff will be imposed on “on clad, plated, or coated flat-rolled products of iron or non-alloy steel, of a width of 600 millimeters or more” in three years, according to an official statement published by the World Trade Organization (WTO). The new tariff will be decreased to \$153 per ton in the second year and then to \$137 in the third, the WTO reported.

Source: [Mubasher](#)