

U Capital Morning Brief

8 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	904.45	-4.50	-0.50%	-7.17%	-	-	-
U Capital GCC 50 Index	1,275.18	0.01	0.00%	11.40%	-	-	-
U Capital MENA 200 Index	1,061.24	-0.26	-0.02%	6.65%	-	-	-
MSCI GCC Countries Index	523.55	0.11	0.02%	9.13%	14.37	1.68	4.0%
Muscat Securities Market	4,711.73	-6.75	-0.14%	-7.60%	10.93	1.03	5.1%
Saudi Stock Exchange	8,117.42	3.55	0.04%	12.33%	17.72	1.78	3.3%
Kuwait Stock Exchange	4,889.76	9.00	0.2%	NA	14.42	1.23	3.8%
Qatar Exchange	8,983.79	75.76	0.85%	5.40%	13.37	1.38	4.9%
Bahrain Stock Exchange	1,278.61	2.82	0.22%	-3.99%	8.38	0.81	6.4%
Dubai Financial Market	2,962.84	-9.57	-0.32%	-12.08%	10.02	1.11	5.9%
Abu Dhabi Exchange	4,540.09	-20.29	-0.44%	3.22%	11.90	1.35	5.3%
Beirut Stock Exchange	1,131.34	0.00	0.00%	-1.50%	5.70	0.70	8.7%
Palestine Stock Exchange	547.86	-0.61	-0.11%	-4.65%	13.44	1.12	5.6%
Tunis Se Index	7,143.53	-0.02	0.00%	13.72%	18.55	2.46	2.1%
EGX 30 Index	17,523.15	-87.72	-0.50%	16.67%	24.70	2.38	1.7%
Amman General Index	2,165.12	5.38	0.25%	1.80%	15.97	1.07	4.4%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,567.1	0.86%	-1.6%
DAX	Germany	12,948.1	1.00%	0.2%
CAC 40	France	5,531.4	0.28%	4.1%
United States				
DJIA	USA	24,357.3	0.39%	-1.5%
S&P 500	USA	2,672.6	0.35%	0.0%
NASDAQ	USA	7,265.2	0.77%	5.2%
Asia Pacific				
NIKKEI 225	Japan	22,507.1	0.18%	-1.1%
HANG SENG	Hongkong	30,346.0	1.17%	1.4%
KSE 100 Index	Pakistan	44,384.9	0.03%	9.7%
NSE Nifty 50	India	10,734.1	0.17%	1.9%
SHANGHAI COMPOSITE	China	3,165.1	0.91%	-4.3%
SHANGHAI SHENZHEN CSI 300	China	3,883.7	1.29%	-3.7%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.750	1.334
British Pound (GBP)	1.355	0.738
Canadian Dollar (CAD)	0.775	1.291
Chinese Renminbi (CNH)	0.157	6.365
Egyptian Pound (EGP)	0.057	17.695
Euro (EUR)	1.191	0.839
Indian Rupee (INR)	0.015	62.922
Japanese Yen (JPY)	0.009	109.070
New Zealand Dollar (NZD)	0.701	1.426
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	67.268
Singapore Dollar (SGD)	0.748	1.337
Turkish Lira (TRY)	0.233	4.287

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	75.4	-1.01%	15.1%
WTI Crude (per bbl)	69.9	-1.23%	15.6%
Oman Crude Oil (Last Closing)	72.6	0.69%	13.5%
OPEC (per bbl)	71.0	0.47%	10.1%
Precious Metals			
Gold100 OZ (per oz)	1,311.3	-0.22%	0.6%
Silver (per oz)	16.4	-0.14%	-2.9%
Platinum (per oz)	910.0	-0.14%	-2.2%
Other Metals			
Copper, MT	6,826	-0.01%	-5.8%
Aluminium, MT	2,350	3.57%	3.6%
Lead, MT	2,318	2.57%	-6.8%
Zinc, MT	3,055	1.60%	-8.0%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.57	43.1%
Saudi Arabia	2.40	26.6%
Kuwait	2.00	6.7%
Oman	2.29	20.0%
Qatar	2.65	-0.1%
Bahrain	3.10	13.8%

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	4.3
Saudi Arabia	3/4/2028	4.5
Oman	1/17/2028	6.5
Bahrain	10/12/2028	8.0

Midswaps	Price	YTM %
3 year	99.27	2.6
5 year	99.81	2.8
10 year	98.30	3.0
30 year	97.67	3.1

USD Libor	Rate (%)	YTD
1m	1.93	23.2%
3m	2.37	39.8%
6m	2.52	37.2%
1 year	2.78	31.8%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Major Oman tourism drive opens borders to 3 more nations

Citizens of Iran, Russia and China have been added to the list of nationalities that can enter the Sultanate on a tourist visa without an Omani sponsor, the Royal Oman Police (ROP) has said. The ROP said in a statement on Monday: "Addition of the Republic of Iran, the Federal Republic of Russia and the People's Republic of China to the list of countries that can benefit from a tourist visa to enter Oman without a local sponsor."

Source: [Times of Oman](#)

270km Batinah expressway opened for traffic movement

The Ministry of Transport and Communications (MoTC) on Monday opened the Batinah Expressway for traffic movement. The 270km road begins at the end of Muscat Expressway in Halban, Muscat and ends in Khatmat Milaha in the wilayat of Shinas in North Batinah. Speaking on the occasion, H E Dr Ahmed bin Mohammed bin Salim al Futaisi, Minister of Transport and Communications said, "Batinah Expressway is an addition to the economic and social system in the sultanate, the largest among all roads in the country ever built by the ministry till date."

Source: [Muscat Daily](#)

Liwa Plastics to open in 2020

The large-scale Liwa Plastics will be opened in 2020, said Salim bin Nasser al Afi, Under-Secretary, Ministry of Oil and Gas. He was speaking to reporters after the inauguration of the fifth edition of Oman Plast 2018 at the Oman Convention and Exhibition Centre on Monday. According to him, the plastic industry augurs well for small and medium enterprises in the Sultanate. "Many of the plastic products are generally small in size. The investment required for starting such businesses is comparatively less," he said.

Source: [Oman Observer](#)

Oman's MSM updates on Annual Revision of MSM Shariah Index Constituents

* OMAN FISHERIES AND OMAN REFRESHMENT JOINED MSM SHARIAH INDEX CONSTITUENTS FOR 2018

* ASAFFA FOODS AND TAKAFUL OMAN INSURANCE LEAVED MSM SHARIAH INDEX CONSTITUENTS FOR 2018

Source: [Reuters](#)

Omani human capital enabler of all key sectors, says Ominvest Chairman

Ominvest Chairman Shaikh Khalid Muhammad al Zubair while addressing an elite audience of an event organized by Al Roya Economic Forum said, as technology is set to displace traditional low-skill jobs, it will create many-fold more high-skill jobs — such as programmers, data scientists and computer engineers. Therefore, we need extraordinary efforts — well coordinated between the public and private sectors — to transform our schools and colleges and provide world's finest education to our youth in the areas of Science, Technology, Engineering and Math (STEM) fields.

Source: [Oman Observer](#)

'Oman's tax environment competitive'

More than four-fifths (83 per cent) of respondents in a survey described Oman's tax environment as competitive or very competitive on a global scale. The Business Barometer: Oman CEO Survey carried out by the Oxford Business Group (OBG). However, almost half (48 per cent) of the executives interviewed said they expected the rise in corporate tax from 13 per cent to 15 per cent to negatively affect both business confidence and foreign direct investment, the report said.

Source: [Times of Oman](#)

Oman working with McKinsey to integrate refining, petrochemical assets

Oman is working with consultancy McKinsey & Co to integrate its refining and petrochemical industries into one entity, a senior Omani official and a financial source familiar with the matter said. "The work is being carried out by McKinsey. It is not finished yet," the senior official told Reuters on condition of anonymity. In recent years, Gulf countries have looked at ways to shake-up their oil firms, including privatizations, to make them more efficient during a period of low oil prices.

Source: [Reuters](#)

Omran, AccorHotels ink deal for new hotel

Oman Tourism Development Company (Omran), leading hotel developer and owner mandated to develop the Sultanate's tourism industry, has on Monday announced the signing of a management agreement with AccorHotels, the world's leading travel and lifestyle group, to open the first ibis Styles in Oman. The 280-room economy ibis Styles Muscat will be strategically located within the new state-of-the-art Oman Convention & Exhibition Center (OCEC) master development in Madinat Al Irfan.

Source: [Times of Oman](#)

Second OBG Business Barometer: Oman CEO survey published

One year after the successful launch of the first Oman CEO Survey, reforms aimed at boosting revenue have been given a mixed reception by executives interviewed for the second edition of the Business Barometer: Oman CEO Survey carried out by Oxford Business Group (OBG).

Source: [Zawya](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC airport construction projects total \$49bn

The GCC aviation sector will continue to ride high due to large airport construction projects with estimated total value of 95 listed projects reaching \$49 billion (Dh180 billion) in May 2018, according to BNC Network, a leading project intelligence provider in the Middle East and North Africa (Mena) region. Among these, 68 projects worth \$45 billion (Dh165 billion) are airport terminal projects while 27 projects worth more than \$3 billion (Dh11 billion) involves hanger, runway and ancillary facilities, said a statement from BNC Network.

Source: [GDN Online](#)

Saudi Arabia's Q1 budget deficit at \$9.15bn- fin ministry

Saudi Arabia's budget deficit in the first quarter of 2018 stood at 34.3 billion Saudi riyals (\$9.15 billion), at around 18 percent of the total forecast budget deficit for this year, the finance ministry said on Monday. Total revenues in the first quarter reached 166.3 billion riyals, up 15 percent from the same period last year, the ministry said in a statement posted on its Website.

Source: [Zawya](#)

Saudi bankers expect 'slower' lending growth in 2018: report

Banks in Saudi Arabia are preparing for "muted lending growth" in 2018, Reuters reported, citing analysts and bankers. While the International Monetary Fund is expecting the Saudi economy to grow 1.8 percent this year, local bankers are worried that their assets are shrinking as loans get repaid and new borrowing opportunities dry up. "Vision 2030 is in the future, but we're dealing with the reality of now. We're having to be more careful, and client demand is weak anyway," a Saudi banker told Reuters.

Source: [Argaam](#)

Saudi Arabia's banking sector sees 8.7pc net profit growth

The banking sector in Saudi Arabia maintained a year-on-year growth in 2017 with 8.7 per cent growth in net profit and 0.4 per cent growth in total assets, according to KPMG's recently released version of the 'GCC listed banks results' report. The report, titled 'GCC Listed Bank Results: Shifting horizons', analyses the results of selected listed banks in GCC. It summarizes bank's results against selected key performance indicators for the year ending December 31, 2017, and compares these with the same information for the year ending Dec. 31, 2016.

Source: [GDN Online](#)

Zain files for capital cut, rights issue

Mobile Telecommunication Co. (Zain) has filed today for regulatory approval of its planned capital decrease and rights issue, the company said in a bourse statement. The filings were submitted to Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul). The company appointed Saudi Fransi Capital, Al Rajhi Capital and the Arab National Investment Co. as financial advisors. Zain will seek approvals from an extraordinary general assembly after securing regulatory approvals.

Source: [Argaam](#)

Al-Khodari renews SAR 75 mln Islamic credit facility

Abdullah A. M. Al-Khodari Sons Company (Al-Khodari) has renewed its existing SAR 75.91 million Islamic credit facilities agreement with Bank Albilad, it said in a statement to Tadawul on Monday. The credit facilities, which comprise 30 percent Murabaha loans and 50 percent of multi-purpose bonds, will fund the bonding commitments, working capital as well as capex requirements. The facilities are secured by promissory note and assignment of the contract proceeds of the financed projects.

Source: [Argaam](#)

QCSD amended the foreign ownership percentage of GULF INTERNATIONAL SERVICES COMPANY TO 49%

Qatar Central Securities Depository (QCSD) announced that it had amended the foreign ownership percentage of Gulf International Services Company to become 49% of the company's capital, which is equal to (91,062,025) shares as of Tuesday 08/05/2018.

Source: [QE](#)

2,295 new companies registered in April in Qatar

The Ministry of Economy and Commerce (MEC) said yesterday that 2,295 new companies were registered in April 2018. According to the business process report, the number of new major business records reached 1,703 while the number of new sub-registries reached 592 records. Limited liability companies accounted for 63 percent of the major business registers, while the category of single owner limited liability companies in second place with 27 percent, and the individual institution came in third place with nine percent.

Source: [TPQ](#)

Kuwait urges private sector to invest in infrastructure projects

Kuwait urges private sector to invest in infrastructure projects Kuwait continues to create an encouraging investment climate for the private sector to invest in infrastructure projects, Deloitte's latest report "Doing Business Guide – Understanding Kuwait's Tax Position," revealed. The said the country "offers a series of potential benefits to foreign investors including income tax holidays up to 10 years, and exemptions from custom duties for importing relevant equipment and materials into the country."

Source: [Saudi Gazette](#)

Phase 3: UAE's TRA reduces GCC roaming rates

The UAE Telecommunication Regulatory Authority (TRA) on Monday announced a further reduction on roaming rates within GCC countries as part of phase 3. Taking to Twitter on Monday evening, the TRA tweeted that the local telecommunication operators have completed the third phase of reduction of roaming rates amongst GCC countries.

Source: [Khaleej Times](#)

Arabtec chief looks to do more with less by offloading business functions

For long-term shareholders of Arabtec Holding, the biggest contracting group in the United Arab Emirates, last year's share recapitalization was a bitter pill to swallow. After the company had endured nine successive quarterly losses, shareholders had to accept the cancellation of 3.4 billion of its 6.1 billion shares to wipe out the losses that had been accrued over the previous two years. They also had to subscribe to new shares being issued under a 1.5 billion UAE dirham (\$408.4 million) rights issue or face a further dilution of their stake.

Source: [Argaam](#)

Dubai's Abraaj in talks to sell fund management unit to Colony Northstar

Dubai-based Abraaj group is reportedly in talks to sell a majority stake in its fund management business to US asset manager Colony Northstar Inc. The news comes following reports last month that Abu Dhabi state fund Mubadala had pulled out of talks to buy Abraaj's investment business amid allegations the company misused funds.

Source: [Gulf business](#)

Dubai Holding set to invest \$270m in new digital bank

Dubai Holding, the global investment holding company, has announced it will invest up to AED1 billion (\$270 million) over the next five years to launch a next generation digital bank for the UAE. The company said it already has plans to expand services across the Middle East and North Africa region, adding that the bank's first products are expected to debut in 2019.

Source: [Arabian Business](#)

Abu Dhabi Ports Signs a 30-year Deal with MSC to Build Terminal

Abu Dhabi Ports has signed a 30-year concession agreement with Mediterranean Shipping Company (MSC) to build a new container terminal at its Khalifa Port. Abu Dhabi, the capital of the United Arab Emirates (UAE), has spent billions developing the port, which opened in 2012, as part of ongoing efforts to diversify its oil-rich economy.

Source: [Marine Link](#)

Rosneft CEO Sechin says welcomes Qatar as direct shareholder

Rosneft (ROSN.MM) Chief Executive Igor Sechin said on Monday he welcomed Qatar as a direct shareholder in Rosneft, as the Qatari sovereign investment fund prepared to become the sole owner of a major stake in the Russian energy company. "The consortium presented by Qatar and Glencore was already a shareholder and now they have decided upon direct ownership (by Qatar). We welcome this direct ownership," Sechin said. He declined to say how much Qatar would pay under the deal.

Source: [Reuters](#)

Gulf markets sluggish despite oil price gains

Markets in the Gulf were sluggish on Monday as a surge in oil prices to more than three-year highs failed to lift stocks. Oil prices rose to their highest levels since late-2014 on Monday, lifted by Venezuela's deepening economic crisis and an upcoming decision on whether the United States will re-impose sanctions on Iran. The rise helped boost some Saudi Arabian petrochemical stocks. Yanbu National Petrochemicals rose 1.3 percent.

Source: [Reuters](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia Stocks Rise, Oil Slips Below \$70, Dollar Flat: Markets Wrap

Asian stocks climbed Tuesday, extending a gradual recovery after declines in recent weeks stoked by concerns about the vulnerabilities of emerging-markets in the face of higher U.S. yields, a stronger dollar and costlier energy prices. The dollar was little changed, and benchmark 10-year Treasury yields remained below 3 percent, though some developing markets still struggled -- Indonesia's rupiah tumbled to its weakest since 2015, and its government bonds slumped. Stocks in Japan advanced along with those in Australia, Hong Kong and South Korea.

Source: [Bloomberg](#)

China says last month's trade surplus with the US was nearly \$7 billion more than March's surplus

Last month saw major growth in China trade. China's April imports jumped 21.5 percent and its exports grew 12.9 percent against the prior year-ago period. Both of those figures, denominated in U.S. dollars, topped analysts' expectations: A Reuters poll had predicted 16 percent import growth and 6.3 percent export growth. Overall, China's April trade balance was a positive \$28.78 billion, topping a Reuters poll of \$24.7 billion.

Source: [CNBC](#)

Nestle Bets \$7 Billion on Starbucks to Revive Coffee Sales

In the third-biggest transaction in Nestle SA's 152-year history, the Swiss food giant will spend \$7.15 billion for the right to market Starbucks Corp. products from beans to capsules, marrying its international distribution network with the allure of arguably the biggest name in java. Nestle won't get any physical assets in the deal. Instead, Chief Executive Officer Mark Schneider is harnessing the name recognition of Starbucks, with its 28,000 outlets around the globe and massive draw in the U.S. Nestle has struggled there for years with its own products like Nespresso and Dolce Gusto.

Source: [Bloomberg](#)

COMMODITIES NEWS

Global crude oil prices fall as market awaits Trump decision on Iran

Oil prices retreated from 3-1/2 year highs on Tuesday as investors waited on an announcement by President Donald Trump on whether the United States will reimpose sanctions on Iran. Should Trump pull the United States out of a multi-nation agreement on Tehran's nuclear program, Iranian crude exports could be hit, adding to tightness in the oil market, which is coming back into balance after years of glut.

Source: [Economy Times](#)

Gold prices inch up on steady dollar

Gold prices rose slightly on Tuesday, after easing in the previous session, as the dollar held steady after marking a fresh 2018 peak. The dollar index .DXY, which measures the greenback against a basket of six major currencies, was little changed at 92.697 after hitting its best since December at 92.974 on Monday.

Source: [NASDAQ](#)