

# U Capital Morning Brief

9 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	901.61	-2.84	-0.31%	-7.46%	-	-	-
U Capital GCC 50 Index	1,261.83	-13.35	-1.05%	10.24%	-	-	-
U Capital MENA 200 Index	1,060.24	-1.00	-0.09%	6.55%	-	-	-
MSCI GCC Countries Index	518.24	-5.31	-1.01%	8.02%	14.49	1.67	4.0%
Muscat Securities Market	4,691.37	-20.36	-0.43%	-8.00%	10.86	1.02	5.1%
Saudi Stock Exchange	8,012.59	-104.83	-1.29%	10.88%	17.96	1.77	3.3%
Kuwait Stock Exchange	4,897.46	7.70	0.16%	NA	14.35	1.23	3.8%
Qatar Exchange	8,870.16	-113.63	-1.26%	4.07%	13.20	1.36	5.0%
Bahrain Stock Exchange	1,273.21	-5.41	-0.42%	-4.39%	8.33	0.81	6.4%
Dubai Financial Market	2,948.84	-14.00	-0.47%	-12.50%	9.97	1.11	5.9%
Abu Dhabi Exchange	4,479.49	-60.60	-1.33%	1.84%	11.75	1.33	5.4%
Beirut Stock Exchange	1,130.48	-0.86	-0.08%	-1.57%	5.70	0.70	8.7%
Palestine Stock Exchange	547.49	-0.37	-0.07%	-4.71%	13.43	1.12	5.6%
Tunis Se Index	7,170.61	27.08	0.38%	14.15%	18.63	2.47	2.0%
EGX 30 Index	17,814.45	291.30	1.66%	18.61%	25.11	2.41	1.7%
Amman General Index	2,161.21	-3.91	-0.18%	1.62%	15.94	1.06	4.4%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,565.8	-0.02%	-1.6%
DAX	Germany	12,912.2	-0.28%	0.0%
CAC 40	France	5,521.9	-0.17%	3.9%
<b>United States</b>				
DJIA	USA	24,360.2	0.01%	-1.5%
S&P 500	USA	2,671.9	-0.03%	-0.1%
NASDAQ	USA	7,266.9	0.02%	5.3%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	22,422.9	-0.38%	-1.5%
HANG SENG	Hongkong	30,525.2	0.40%	2.0%
KSE 100 Index	Pakistan	44,170.9	0.31%	9.1%
NSE Nifty 50	India	10,722.4	0.04%	1.8%
SHANGHAI COMPOSITE	China	3,163.2	0.06%	-4.4%
SHANGHAI SHENZHEN CSI 300	China	3,877.2	-0.04%	-3.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.744	1.345
British Pound (GBP)	1.353	0.739
Canadian Dollar (CAD)	0.772	1.295
Chinese Renminbi (CNH)	0.157	6.371
Egyptian Pound (EGP)	0.057	17.730
Euro (EUR)	1.185	0.844
Indian Rupee (INR)	0.015	63.215
Japanese Yen (JPY)	0.009	109.490
New Zealand Dollar (NZD)	0.697	1.436
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	67.340
Singapore Dollar (SGD)	0.745	1.342
Turkish Lira (TRY)	0.231	4.329

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	76.7	2.43%	17.1%
WTI Crude (per bbl)	70.6	2.26%	16.9%
Oman Crude Oil (Last Closing)	72.2	-0.56%	12.8%
OPEC (per bbl)	72.5	2.06%	12.4%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,310.9	-0.28%	0.6%
Silver (per oz)	16.4	-0.21%	-2.9%
Platinum (per oz)	912.9	-0.03%	-1.9%
<b>Other Metals</b>			
Copper, MT	6,745	-1.19%	-6.9%
Aluminium, MT	2,358	0.32%	3.9%
Lead, MT	2,288	-1.29%	-8.0%
Zinc, MT	3,060	0.16%	-7.8%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.39	33.0%
Saudi Arabia	2.40	26.8%
Kuwait	2.00	6.7%
Oman	2.29	20.0%
Qatar	2.64	-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	99.88	2.7
5 year	99.66	2.8
10 year	98.02	3.0
30 year	97.33	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

### OMAN is considering IPO of AIRPORTS MGMT CO.: NATIONAL

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Source: [Bloomberg News Alert](#)

### CBO issues treasury bills worth OMR30m

Oman's central bank raised OMR30 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 91 days, from May 9 until August 8, 2018. The average accepted price reached 99.615 for every OMR100, and the minimum accepted price arrived at 99.615 per OMR100. Whereas the average discount rate and the average yield reached 1.54423 per cent and 1.55020 per cent, respectively. The interest rate on the Repo operations with CBO is 2.428 per cent for the period from May 8, 2018 to May 14, 2018 while the discount rate on the Treasury Bills Discounting Facility with CBO is 3.178 per cent, for the same period.

Source: [Times of Oman](#)

### CBO Annual Bankers' Meeting focuses on assets quality, SME financing

The Central Bank of Oman (CBO) on Tuesday held the Annual Bankers' Meeting under the chairmanship of HE Tahir bin Salim al Amri, executive president of the central bank. The meeting was attended by chief executives and senior management officials of banks operating in Oman, according to a press release issued by the CBO. The meeting was organized by the CBO to highlight its pivotal role in organizing, supervising, regulating and developing the monetary and financial system with focus on the banking sector.

Source: [Muscat Daily](#)

### PDO, Phaze Ventures partner to help energy startups

Petroleum Development Oman (PDO) has partnered with Omani investment group Phaze Ventures to set up a new platform to boost local energy startups and attract companies from around the world to the sultanate. The 'SparkLabs Energy Accelerator', to be hosted in Oman, is an intensive six-month program designed by global business incubator group SparkLabs. The program offers startups funding, co-working space and mentorship to help grow their businesses, and develop cutting-edge products and services for the energy sector.

Source: [Muscat Daily](#)

### Work on \$1bn waterfront could start before year-end

Construction work on the estimated \$1 billion Mina Sultan Qaboos Waterfront development in Muscat is expected to commence before the end of the year, subject, of course, to the requisite approvals and permits coming through in a timely fashion, according to a top official of Omran, the wholly government-owned tourism investment and development arm. Peter Walichnowski, CEO Omran, said its joint venture partner in the project, DAMAC International, is in charge of delivering the iconic integrated tourism port and lifestyle destination.

Source: [Oman Observer](#)

### NMC Healthcare reveals plans for Oman

New Medical Centre ((NMC), a leading healthcare group originating from the UAE and spread across the region and Latin American countries, has revealed it's ambitious plans for the Sultanate at an event held at the Kempinski on Monday. Primarily, the group which was the first from the region to be listed at the London Stock Exchange is set to become the largest healthcare provider in the Sultanate of Oman through sharing its global expertise with a local experience with its clientele.

Source: [Oman Observer](#)

### Forum focuses on challenges and opportunities in Oman

Over 150 delegates discussed the challenges and opportunities within the Sultanate's economy during the BizOman Forum. The event was held at the InterContinental Hotel in Muscat under the patronage of Talal bin Sulaiman Al Rahbi, Secretary General of the Supreme Council for Planning. Al Rahbi said, "The Ninth Five Year Plan, of which we are now in the third year, is underway, and most of the execution has happened within the first two years of the five-year plan."

Source: [Times of Oman](#)

### \$190b invested in Oman's construction sector

The construction sector in Oman is witnessing robust activities, with the value of the 2,410 active projects exceeding US\$190 billion in April 2018, according to BNC Network, the largest project intelligence provider in the Middle East and North Africa (Mena) region. Among these, 1,840 projects worth \$61 billion were urban construction, while 70 projects worth \$39 billion were in the oil and gas sector and 150 projects worth \$32 billion were in the transport sector.

Source: [Times of Oman](#)

### NATIONAL SECURITIES - Selling of Investment for a related party

The Company sold yesterday its stake in QBG Securities LLC, an Omani limited liability company to a related party with an agreed value amounting to RO 17,598 (seventeen thousand five hundred and ninety-eight Omani Riyals) after taking the necessary approvals from the Audit Committee and the Board of Directors. This investment is classified in the Company's books as an available-for-sale investment and its carrying value in the audited financial statements of the Company as at 31 December 2017 was RO 15,349 (RO fifteen thousand three hundred forty-nine Omani Rials), This will have a positive impact on the company's financial results.

Source: [MSM](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### MIDEAST STOCKS-Gulf markets slip on Iran worries, Egypt rebounds from drop

Gulf stock markets fell on Tuesday with Saudi Arabia, Qatar and Abu Dhabi losing over 1 percent each as investors turned cautious ahead of U.S. President Donald Trump's announcement later in the day about the fate of the Iran nuclear deal. But the Egyptian index rose, closing 1.7 percent higher, as the market rebounded after dropping 2.9 percent last week on profit-taking.

Source: [Reuters](#)

### Moody's launches operations in Saudi Arabia

Moody's Investors Service on Tuesday announced the official launch of its operations in Saudi Arabia. The ratings agency had received the commencement letter from the Capital Markets Authority (CMA) on Sunday allowing it to conduct rating activities in the Kingdom. Last week, Moody's appointed Mahmoud Totonji as general manager and head of relationship management, in Saudi Arabia.

Source: [Argaam](#)

### SAICO gets CMA nod for capital hike

The Capital Market Authority (CMA) on Tuesday approved Saudi Arabian Cooperative Insurance Company's (SAICO) request to increase its capital from SAR 250 million to SAR 300 million, through the issuance of one bonus share for every five existing shares. The capital hike will be financed by transferring SAR 50 million from retained earnings to the company's capital, the market regulator said in a statement. Accordingly, SAICO's outstanding shares will increase from 25 million to 30 million shares.

Source: [Argaam](#)

### Alhokair Saudi mall developer secures \$1.9bln Islamic loan

Fawaz Abdulaziz Alhokair said one of its businesses had secured a 7.2 billion riyal (\$1.9 billion) Islamic loan, one of the first such facilities for a firm owned by an individual detained in Saudi Arabia's recent anti-corruption drive. The two-tranche financing for Arabian Centers Company will be used to refinance existing debt and to build new malls, Fawaz Abdulaziz Alhokair said in a statement on Tuesday, confirming what banking sources had earlier told Reuters.

Source: [Zawya](#)

### Saudi Prince, Developer, Swoop in to Buy Plaza Hotel

A Saudi Prince and a New York City-based real estate developer are matching a \$600 million deal to buy a controlling stake in Midtown's iconic Plaza Hotel, according to reports. Prince Al-Waleed Bin Talal's Kingdom Holdings and Ashkenazy Acquisition Corp. — which currently own 25 percent of the hotel — will exercise their right of first refusal to scoop up the remaining 75 percent, the New York Post first reported.

Source: [Patch](#)

### Dubai's listed firms meet Wall Street investors in New York

Dubai Financial Market has held a roadshow event to connect companies listed on its exchange to New York-based fund managers handling \$3 trillion worth of assets. The roadshow event saw 10 companies, including Emaar Properties, DP World, Damac Properties and DXB Entertainments, among others, holding one-on-one meetings with senior representatives from 16 fund managers. In total, some 82 meetings were held over a two-day event which concluded last Wednesday (May 2), a spokesman for DFM told Zawya.

Source: [Zawya](#)

### UAE gets record \$9bln FDI on high level of security

The UAE attracted \$9 billion worth of foreign investments last year due to high level of security in the country, says a senior government official at Ajman Conference for Sustainability and Sustainable Economy. Major General Shaikh Sultan bin Abdullah Al Nuaimi, Commander-in-Chief of Ajman Police, said the UAE ranked first among Arab countries to attract higher foreign direct investment (FDI).

Source: [Zawya](#)

### Manazel Real Estate: general assembly gives nod to Dh2.6b Sukuk

Manazel Real Estate said on Tuesday its general assembly authorized the board of directors to issue a Dh2.6 billion Sukuk for a period of 5-7 years. The Sukuk can be issued in the UAE or elsewhere. Manazel's general assembly also approved not to distribute the 2017 dividend, the company said in a filing on the Abu Dhabi Securities Exchange bourse's website.

Source: [4-Traders](#)

### KAMCO signs SPA with NCH Ventures to acquire 70% of Global

KAMCO Investment Company ("KAMCO"), a leading investment company with one of the largest AUMs in the region, signed a Sale and Purchase Agreement (SPA) with NCH Ventures S.P.C ("NCH"), a Bahrain domiciled entity representing the interests of more than 50 financial institutions. KAMCO will acquire 396,426,434 shares amounting to a 69.528% stake in Global Investment House ("Global"), after due diligence and requisite formalities are completed and agreed upon by both parties on all terms related to the acquisition.

Source: [Zawya](#)

### **Saad Al-Kaabi: Keeping Qatar's gas flowing under Gulf boycott**

When Qatar's Gulf neighbors and Egypt sought to isolate Doha with a boycott imposed last year, the nation's top energy official kept a cool head and ensured oil and gas exports barely felt a hiccup. Saad Al-Kaabi, a U.S.-educated engineer who rose the ranks to become chief executive of Qatar Petroleum (QP) in 2014, had a contingency plan to hand to maintain energy flows that account for 60 percent of the Arab nation's state revenues.

Source: [Reuters](#)

### **Qatar eyes stake in Newsmax**

The Qatari government has sought to acquire a major stake in Newsmax, the conservative media company run by President Donald Trump's friend Chris Ruddy, according to two people with knowledge of the talks. Qatari officials met with Newsmax representatives on multiple occasions this year, according to the people familiar with the dealings. Ruddy, reached for comment, declined to address specific questions, saying only "this is all false." A spokesman for the Qatari embassy also declined to comment.

Source: [Politico](#)

### **Qatar Petroleum CEO says pushing ahead with expansion despite Gulf embargo**

State energy giant Qatar Petroleum will push ahead with its production expansion and foreign asset acquisition strategy to be on par with oil majors, despite a regional political and economic embargo on Doha, its chief executive said. QP [QATPE.UL], which produces 4.8 million barrels of oil equivalent per day (boed), aims to boost its output to 6.5 million boed in the next 8 years, and is expanding its upstream business abroad, particularly in the United States, CEO Saad Al-Kaabi told Reuters.

Source: [Euro News](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Trump Decision Puts Iran's \$200 Billion Energy Wish-List at Risk**

With Donald Trump set to announce a decision today on whether to re-impose U.S. sanctions on OPEC member Iran, \$200 billion in potential energy deals hang in the balance. That's the investment Iran needs in oil, natural gas and petrochemicals, Oil Minister Bijan Namdar Zanganeh has said. Since sanctions were eased as of January 2016, France's Total SA has been the only Western energy major to invest in Iran, pledging to spend \$1 billion at the giant South Pars gas field. Chief Executive Officer Patrick Pouyanne says Total will withdraw from the project if it doesn't get a waiver.

Source: [Bloomberg](#)

### **Dollar stands tall over euro, stabilizes after Iran developments**

The dollar stood tall over the euro on Wednesday as concerns about Italian political turmoil hurt the common currency, with the greenback stabilizing after briefly being stirred by U.S. President Donald Trump's decision to exit a nuclear deal with Iran. The euro was little changed at \$1.1867 after sliding as low as \$1.1838 overnight, its weakest since Dec. 22. The common currency was a shade lower at 129.400 yen and on its eighth session of losses, having plumbed a six-week low of 129.240 on Tuesday.

Source: [CNBC](#)

### **Asian Stocks Slip, Yields Rise, Oil Climbs on Iran: Markets Wrap**

Asian stocks slipped and crude oil climbed past \$70 in New York after President Donald Trump scrapped the nuclear deal with Iran. Treasury yields advanced toward 3 percent, helping stoke gains in the dollar against the yen. Equity benchmarks in Japan and South Korea dipped, while Hong Kong and Australian shares were little changed. The S&P 500 Index pared losses to close flat and U.S. futures were steady. West Texas crude rose after a volatile trading session Tuesday as traders digested what the Iran move means for energy supplies. The greenback rose for a fourth session. Indonesia's rupiah fell to a fresh 29-month low amid concerns about capital outflows from emerging markets.

Source: [Bloomberg](#)

### **Boeing may lose \$20 billion in aircraft deals as Trump to pull US out of Iran nuclear pact**

President Donald Trump announced Tuesday the U.S. will withdraw from a nuclear pact with Iran. Boeing has agreements with Iranian airlines for planes worth about \$20 billion at list prices. The world's largest aerospace company has said that it continues "to follow the U.S. government's lead" on the airplane deals.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil soars, shares rattled as Trump dumps Iran nuclear deal**

Crude oil prices jumped back to near 3 1/2-year highs on Wednesday after President Donald Trump pulled the United States out of an international nuclear deal with Iran, sparking worries about global oil supplies. Asian shares ticked down as renewed U.S. sanctions on Tehran were seen as disruptive for many companies that have deals with Iran. Trump's move is also seen as risking worsening already-tense relations between Iran and U.S. allies in the region.

Source: [Reuters](#)

### Gold prices dip as dollar regains footing

Gold prices slipped in early trade on Wednesday, as the dollar regained ground after briefly dipping earlier following US President Donald Trump's decision to pull out of the Iran nuclear deal. Spot gold fell 0.2 per cent to \$1,311.81 per ounce at 0111 GMT. US gold futures for June delivery slipped 0.1 per cent to \$1,312.40 per ounce.

Source: [Economic Times](#)

### Saudi Arabia hints it may raise oil output after U.S. quits Iran nuclear deal

Saudi Arabia indicated on Wednesday that it could raise its oil output to offset any potential supply shortage as a result of new sanctions on Tehran, after U.S. President Donald Trump said Washington was withdrawing from the Iran nuclear deal. Oil prices had been supported by expectations that Trump would pull out of the deal, which could hit Iranian crude exports and feed geopolitical tensions in the Middle East, home to one-third of the world's daily oil supply.

Source: [Economy Times](#)