

U Capital Morning Brief

10 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	895.69	-5.92	-0.66%	-8.07%	-	-	-
U Capital GCC 50 Index	1,240.84	-20.99	-1.66%	8.40%	-	-	-
U Capital MENA 200 Index	1,037.99	-22.25	-2.10%	4.31%	-	-	-
MSCI GCC Countries Index	510.36	-7.88	-1.52%	6.38%	14.27	1.65	4.1%
Muscat Securities Market	4,676.49	-14.88	-0.32%	-8.29%	10.81	1.02	5.2%
Saudi Stock Exchange	7,878.29	-134.30	-1.68%	9.02%	17.66	1.74	3.3%
Kuwait Stock Exchange	4,907.66	10.20	0.21%	NA	14.39	1.23	3.8%
Qatar Exchange	8,824.26	-45.90	-0.52%	3.53%	13.13	1.35	5.0%
Bahrain Stock Exchange	1,271.05	-2.16	-0.17%	-4.56%	8.28	0.81	6.4%
Dubai Financial Market	2,889.70	-59.14	-2.01%	-14.25%	9.73	1.08	6.0%
Abu Dhabi Exchange	4,486.65	7.16	0.16%	2.01%	11.76	1.33	5.4%
Beirut Stock Exchange	1,131.01	0.52	0.05%	-1.53%	5.70	0.70	8.7%
Palestine Stock Exchange	546.44	-1.05	-0.19%	-4.90%	13.41	1.12	5.6%
Tunis Se Index	7,227.44	56.83	0.79%	15.05%	18.78	2.49	2.0%
EGX 30 Index	17,460.30	-354.15	-1.99%	16.25%	23.81	2.38	1.7%
Amman General Index	2,140.07	-21.14	-0.98%	0.62%	15.78	1.05	4.5%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,662.5	1.28%	-0.3%
DAX	Germany	12,943.1	0.24%	0.2%
CAC 40	France	5,534.6	0.23%	4.2%
United States				
DJIA	USA	24,542.5	0.75%	-0.7%
S&P 500	USA	2,697.8	0.97%	0.9%
NASDAQ	USA	7,339.9	1.00%	6.3%
Asia Pacific				
NIKKEI 225	Japan	22,490.1	0.36%	-1.2%
HANG SENG	Hongkong	30,765.1	0.75%	2.8%
KSE 100 Index	Pakistan	43,761.5	-0.07%	8.1%
NSE Nifty 50	India	10,749.1	0.07%	2.1%
SHANGHAI COMPOSITE	China	3,163.1	0.13%	-4.4%
SHANGHAI SHENZHEN CSI 300	China	3,874.0	0.06%	-3.9%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.747	1.340
British Pound (GBP)	1.356	0.737
Canadian Dollar (CAD)	0.779	1.283
Chinese Renminbi (CNH)	0.157	6.359
Egyptian Pound (EGP)	0.056	17.755
Euro (EUR)	1.186	0.843
Indian Rupee (INR)	0.015	63.215
Japanese Yen (JPY)	0.009	109.770
New Zealand Dollar (NZD)	0.691	1.447
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.865	115.610
Russian Ruble (RUB)	0.016	67.391
Singapore Dollar (SGD)	0.745	1.343
Turkish Lira (TRY)	0.233	4.298

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	77.8	0.73%	18.8%
WTI Crude (per bbl)	71.7	0.79%	18.7%
Oman Crude Oil (Last Closing)	74.3	2.85%	16.1%
OPEC (per bbl)	72.1	-0.46%	11.9%
Precious Metals			
Gold100 OZ (per oz)	1,314.1	0.11%	0.8%
Silver (per oz)	16.5	0.24%	-2.4%
Platinum (per oz)	915.6	0.11%	-1.6%
Other Metals			
Copper, MT	6,810	0.96%	-6.0%
Aluminium, MT	2,366	0.36%	4.3%
Lead, MT	2,292	0.17%	-7.9%
Zinc, MT	3,076	0.52%	-7.3%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.46	37.2%
Saudi Arabia	2.40	26.8%
Kuwait	2.00	6.7%
Oman	2.29	20.0%
Qatar	2.61	-1.6%
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	6.4
Bahrain	10/12/2028	8.1

Midswaps	Price	YTM %
3 year	99.86	2.7
5 year	99.63	2.8
10 year	99.09	3.0
30 year	97.13	3.1

USD Libor	Rate (%)	YTD
1m	1.93	23.3%
3m	2.35	38.8%
6m	2.52	37.4%
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

Oman's retail sector to generate 50,000 jobs

Oman's rapidly expanding retail sector could generate up to 54,000 jobs for the next generations of professionals, says a top retail advisor in the Sultanate. Maimunah Shebani, the founder and Managing Director of the Retail Agency, which looks to raise awareness of the advantages of the retail sector in Oman, in collaboration with government agencies, says the upcoming major retail projects in Oman could absorb large number of jobseekers and fresh graduates.

Source: [Times of Oman](#)

Raysut Cement seeks to ramp up domestic, international footprint

Raysut Cement Company, the Sultanate's biggest cement manufacturer, says it is exploring prospects for the expansion of its facilities in Suhar and Duqm ports, as well as green-field investment opportunities in East Africa. This comes on top of the majority government-owned company's newly unveiled plans to establish a major cement plant in the East European state of Georgia — a final investment decision for which is anticipated next month.

Source: [Oman Observer](#)

Salalah Free Zone attracts \$60m new investments

On an eventful day, Salalah Free Zone rolled out work procedure for the setting up of four companies on Wednesday. Besides laying the foundation for manufacturing unit of Fortune Bio Organic LLC, the SFZ authorities signed two MoUs and one usufruct agreement with Asterix Reinforced Limited, Oman Pen and Paper Industries Limited, and Gulf Tech Industries LLC respectively.

Source: [Oman Observer](#)

Cut power bills by 40 per cent via rooftop solar: AER

The Authority for Electricity Regulation Oman (AER) has approved an incentive-based tariff system that will enable residential customers to slash their annual electricity bills by around 40 per cent when they install grid-connected solar photovoltaic (PV) systems on their rooftops, a high-level official has revealed.

Source: [Oman Observer](#)

Oman will make efforts for peace, stability in the region

The Foreign Ministry yesterday issued a statement about the US decision to withdraw from the nuclear deal signed between Iran and P5+1 Group in 2015, which was approved by the UN Security Council. The statement reads as follows: "The Sultanate has followed the developments of the US decision to withdraw from the nuclear deal between Iran and P5+1 Group in 2015, which was approved by a UN Security Council Resolution.

Source: [Times of Oman](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Qatar's Commercial Bank hires banks for first public bond since Gulf dispute

Commercial Bank COMB.QA, Qatar's third-largest lender by assets, has mandated banks to arrange a series of fixed-income investor meetings ahead of a potential U.S. dollar-denominated bond. The planned transaction would be the first public bond issue by a Qatari bank since a political dispute erupted in June last year between Qatar, Saudi Arabia, the United Arab Emirates, Bahrain and Egypt.

Source: [Reuters](#)

Qatar's real estate deal value at QR4bn in Q1,2018

The combined value of Qatar's real estate transactions in the first quarter of this year (Q1, 2018) reached over QR4bn, witnessing a marginal decline compared to the corresponding period last year, mainly due to a fall in prices of real estate properties. However, the decline in prices led to corrections in rentals almost across the country making residential, commercial and retail spaces more affordable and competitive, noted a latest report.

Source: [TPQ](#)

Dubai's Emirates Group says profit up 67% to \$1.1 billion

Emirates airline reported a sharp increase in annual profit on Wednesday and said it would be careful not to flout competition rules as it explores a closer relationship with rival Etihad Airways. The airline will continue looking at ways to operate "more efficiently," including working with Abu Dhabi's Etihad as long as it is not against the law or in breach of competition rules, Chairman Sheikh Ahmed bin Saeed al-Maktoum told reporters.

Source: [Arab News](#)

DGCX opts for new trading & clearing technology

The Dubai Gold and Commodities Exchange (DGCX), a fully-owned subsidiary by the Dubai Commodities Clearing Corporation (DCCC), has upgraded its integrated trading and clearing solution from Cinnober to the latest version of the TRADExpress platform. This step aims at enhancing and increasing the speed of DGCX's business development capabilities, according to an official statement released on Wednesday.

Source: [Mubasher](#)

Saudi Arabia's Ground Handling Logistics hires banks for IPO in 2019

Saudi Arabia's Ground Handling Logistics, a Riyadh-based airport services provider, is seeking to raise more than 1 billion Saudi riyals (Dh979 million) by floating 30 per cent of its shares on the kingdom's Tadawul exchange by next year. The company has appointed banks including Al Ahli Bank, Alinma Investment Bank and Riyadh Bank to help manage its initial public offering, Maher Al Nahdi, chief executive of Ground Handling Logistics, told The National on the sidelines of an airports exhibition in Dubai on Monday.

Source: [The National](#)

Saudi Arabia will not act alone to fill any Iran oil shortfall - OPEC source

Saudi Arabia is monitoring the impact of the U.S. withdrawal from the Iran nuclear deal on oil supplies and is ready to offset any shortage but it will not act alone to fill the gap, an OPEC source familiar with the kingdom's oil thinking said. U.S. President Donald Trump on Tuesday abandoned a nuclear deal with Iran and announced the "highest level" of sanctions against the OPEC member.

Source: [Reuters](#)

Saudi Arabia's Council of Economic and Development Affairs approves Financial Sector's Development Program 2020

The Saudi Council of Economic and Development Affairs (CEDA), has formally approved the Financial Sector Development Program, one of the main programs under the umbrella of the Saudi Vision 2030. The program's objectives include creating a diversified and effective financial services sector to support the development of the national economy, diversifying its sources of income, and stimulate savings, finance, and investment by addressing the sector's challenges.

Source: [Arab News](#)

Saudi's SABIC eyes 50 pct stake in ONGC's west India petchem plant: Sources

Saudi Basic Industries Corp. (SABIC), the world's No. 4 petrochemical company, wants to buy about half of the \$4.6-billion Indian petchem project backed by Oil and Natural Gas Corp. (ONGC), two sources familiar with the matter said. ONGC is a majority shareholder in ONGC Petro Additions Ltd. (OPaL), which operates India's biggest petrochemical plant in western Gujarat state.

Source: [Arab News](#)

Saudi's PIF announces plans for second investment conference

Saudi Arabia's Public Investment Fund (PIF) has announced plans for a second international investment conference in the kingdom later this year. The first Future Investment Initiative in Riyadh last October drew headlines thanks to a high profile speaker list and the announcement of \$500bn mega city Neom, an urban oasis powered by solar energy and supported by robots.

Source: [Gulf Business](#)

MIDEAST STOCKS-Saudi market hits 3-week low as geopolitical tensions weigh

Saudi stocks closed at their lowest level in more than three weeks, while most other Gulf markets were weak, as geopolitical tensions weighed on the market. The Saudi index dropped 1.7 percent to 7878 points, its lowest level since April 15. Blue-chips Al Rajhi Bank and National Commercial Bank dropped 2.3 percent and 2.2 percent respectively.

Source: [Reuters](#)

MENA tourism industry to reach \$350bn by 2027

The travel and tourism industry in the Middle East and North Africa (MENA) region is expected to reach \$350 billion by 2027, according to MENA Research Partners. Saudi Arabia and the UAE are expected to register a compound annual growth rate (CAGR) of 5% over the next 10 years. Currently, the UAE and KSA account for around 50% of the MENA tourism market, the research firm noted in its report on Wednesday.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia stocks rise as crude oil extends rally on Iran worries

Asian stocks rose on Thursday, with energy shares leading the way as crude oil prices bolted higher after U.S. President Donald Trump's decision to pull out of a nuclear deal with Iran. MSCI's broadest index of Asia-Pacific shares outside Japan advanced 0.4 percent, while Japan's Nikkei climbed 0.1 percent. South Korea's KOSPI rose 0.4 percent and Shanghai edged up 0.3 percent.

Source: [Reuters](#)

Dollar rise a "paradigm shift" for emerging market investment-IIF

A surging dollar is likely to hit foreign investment into emerging markets this year, the Institute of International Finance said on Wednesday, cutting its capital inflow forecast for this year by \$43 billion to \$1.22 trillion.

Source: [WN](#)

EU rushes to arrange crisis meeting with Iran over nuclear deal

The European Union is scrambling to arrange a crisis meeting with Iran after Donald Trump pulled out of the nuclear agreement, as the Iranian president Hassan Rouhani said Europe had a "very limited opportunity" to save the deal. A day after the US president broke with

the landmark 2015 agreement and warned he would seek to hit European businesses that continued to trade with Tehran, the EU vowed to take steps to immunize firms from any US sanctions.

Source: [The Guardian](#)

RBS reaches \$4.9 billion deal to settle US mortgage bond probe

The Royal Bank of Scotland said on Wednesday it had reached an agreement in principle with the U.S. Department of Justice that includes a \$4.9 billion civil penalty to resolve potential claims over mortgage-backed securities issued from 2005 to 2008. The bank said in a statement that \$3.46 billion of the proposed penalty will be covered by existing provisions, with the rest to come from an incremental charge of \$1.44 billion in 2018's second quarter.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices hit highest in years as markets adjust to looming sanctions on Iran

Crude oil prices reached news highs today after United States plans to impose new sanctions on Iran. Brent crude futures hit their strongest at 77.76 dollars per barrel. WTI crude futures trade at news highs at 71.75 dollars per barrel, its highest level since November 2014.

Source: [Money Control](#)

Gold edges down on firm dollar, US bond yields

Gold prices nudged lower on Thursday as the dollar held near its 2018-peak on firm U.S. bond yields, with investors also keeping an eye out for any further impact from U.S. President Donald Trump's decision to pull out of a nuclear deal with Iran. U.S. gold futures GCcv1 for June delivery slipped 0.1 percent to \$1,311.40 per ounce. The dollar held firm on Thursday after the 10-year U.S. bond yield rose back to the psychologically important 3 percent mark and investors looked to U.S. consumer price data due later to show

Source: [NASDAQ](#)

We will work with major producers to offset oil supply shortage — Saudi Energy Minister

Saudi Arabia's Energy Minister Khalid Al-Falih said on Wednesday the Kingdom will work closely with major OPEC and non-OPEC producers as well as key oil consumers to lessen the impact of any supply shortages after US withdrawal from the Iran nuclear deal. "Following the US withdrawal from Iran (nuclear) deal, I would like to confirm our commitment to oil market stability for the benefit of producers & consumers," Falih wrote on his official twitter account.

Source: [Arab News](#)