

U Capital Morning Brief

9 September 2018

Market Indices	Current Close		Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	Point	%	%	(x)	(x)	%
U Capital Oman 20 Index	889.32	5.08	0.57%	-8.72%	-	-	-	-
U Capital GCC 50 Index	1,291.32	1.07	0.08%	12.81%	-	-	-	-
U Capital MENA 200 Index	1,050.00	1.48	0.14%	5.52%	-	-	-	-
MSCI GCC Countries Index	527.38	-0.04	-0.01%	9.92%	13.40	1.71	4.2%	
Muscat Securities Market	4,432.56	3.11	0.07%	-13.07%	10.91	0.80	6.2%	
Saudi Stock Exchange	7,687.76	-31.34	-0.41%	6.39%	16.90	1.73	3.7%	
Kuwait Stock Exchange	5,149.42	6.20	0.12%	NA	15.10	1.30	3.8%	
Qatar Exchange	9,826.84	-3.48	-0.04%	15.29%	14.59	1.48	4.5%	
Bahrain Stock Exchange	1,339.88	4.62	0.35%	0.61%	9.04	0.85	6.1%	
Dubai Financial Market	2,826.60	8.16	0.29%	-16.13%	7.53	1.05	6.0%	
Abu Dhabi Exchange	4,918.32	-9.60	-0.19%	11.82%	12.94	1.46	4.9%	
Beirut Stock Exchange	986.35	-0.95	-0.10%	-14.12%	5.22	0.62	9.2%	
Palestine Stock Exchange	541.86	0.85	0.16%	-5.69%	12.62	1.17	4.5%	
Tunis Se Index	8,117.57	214.48	2.71%	29.22%	21.08	2.89	1.7%	
EGX 30 Index	15,803.17	52.23	0.33%	5.22%	13.45	2.48	2.2%	
Amman General Index	1,999.72	0.28	0.01%	-5.97%	14.73	1.03	4.6%	

World Markets	Country	Value	D/D	YTD
Europe			%	%
FTSE 100	UK	7,277.7	-0.56%	-5.3%
DAX	Germany	11,959.6	0.04%	-7.4%
CAC 40	France	5,252.2	0.16%	-1.1%
United States				
DIJA	USA	25,916.5	-0.31%	4.8%
S&P 500	USA	2,871.7	-0.22%	7.4%
NASDAQ	USA	7,902.5	-0.25%	14.5%
Asia Pacific				
NIKKEI 225	Japan	22,307.1	-0.80%	-2.0%
HANG SENG	Hongkong	26,973.5	-0.01%	-9.8%
KSE 100 Index	Pakistan	40,854.8	-1.00%	0.9%
NSE Nifty 50	India	11,589.1	0.45%	10.1%
SHANGHAI Composite	China	2,702.3	0.40%	-18.3%
KOSPI Index	South Korea	2,281.6	-0.26%	-7.5%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Currency		
Australian Dollar (AUD)	0.711	1.407
British Pound (GBP)	1.292	0.774
Canadian Dollar (CAD)	0.760	1.316
Chinese Renminbi (CNH)	0.146	6.869
Egyptian Pound (EGP)	0.056	17.913
Euro (EUR)	1.155	0.866
Indian Rupee (INR)	0.014	71.736
Japanese Yen (JPY)	0.009	110.990
New Zealand Dollar (NZD)	0.653	1.531
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.808	124.150
Russian Ruble (RUB)	0.014	69.919
Singapore Dollar (SGD)	0.725	1.379
Turkish Lira (TRY)	0.156	6.409

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	76.8	0.43%	20.0%
WTI Crude (per bbl)	67.8	-0.03%	12.1%
Oman Crude Oil (Last Closing)	75.3	0.31%	17.7%
OPEC (per bbl)	74.5	-0.89%	15.6%
Precious Metals			
Gold100 OZ (per oz)	1,196.2	-0.31%	-8.2%
Silver (per oz)	14.2	0.14%	-16.3%
Platinum (per oz)	783.0	-1.07%	-15.9%
Other Metals			
Copper, MT	5,933	0.09%	-18.1%
Aluminium, MT	2,070	1.47%	-8.7%
Lead, MT	2,078	2.04%	-16.5%
Zinc, MT	2,420	-0.86%	-27.1%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.63	46.2%
Saudi Arabia	2.62	38.4%
Kuwait	2.06	10.0%
Oman	2.48	30.1%
Qatar	2.65	0.1%
Bahrain	3.53	29.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.7
Abu Dhabi	10/11/2027	3.8
Qatar	6/2/2026	3.9
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	6.2
Bahrain	10/12/2028	8.0

Midswaps	Price	YTM %
3 year	99.94	2.8
5 year	99.67	2.8
10 year	99.45	2.9
30 year	98.03	3.1

USD Libor	Rate (%)	YTD
1m	2.13	36.2%
3m	2.33	37.6%
6m	2.54	38.3%
1 year	2.85	35.1%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: MSM30 continues posting gains with increased interest in key scrips

The general index has maintained its upward trend during the past week with the support of the institutional presence and improved investment appetite as the positive macroeconomic developments continue. The listing of Dhofar Generating Company supported volumes and values of trading. MSM30 ended the week up by 0.3 per cent at 4,432.56. Both the Industrial Index and the Services Index closed up by 0.52 per cent and 0.1 per cent respectively while the Financial Index ended the week on flat basis.

Source: [Oman Observer](#)

Liwa plastics complex to create 12,000 new jobs in Oman

A new industrial project in Liwa is expected to create up to 1,200 new jobs for talented workers in Oman, one of the companies involved in the project has said. The Liwa Industrial Plastics Complex (LPIC) is currently being set up in the town of Liwa—some 250km from the capital, Muscat—and a half-an-hour drive from the industrial city of Sohar, with the objective of reducing the country's dependency on money earned from oil and gas exports.

Source: [Times of Oman](#)

Banking sector credit in Oman grows by 6% till June 2018

The several regulatory amendments issued recently by the Central Bank of Oman (CBO) enabled more space for banks to extend credit for stimulating economic activities in the Sultanate. The combined balance sheet of conventional and Islamic banks and windows (other depository corporations) indicate that the total outstanding credit extended by other depository corporations (ODCs) increased by 6.1 per cent to OMR24.3 billion as at the end of June 2018.

Source: [Times of Oman](#)

Duqm Refinery launches Majlis series of community meetings

Duqm Refinery last week launched a series of community meetings (Majlis) under the auspices of Sheikh Mua'thad bin Mohammed Al Yaqoubi, Governor of Al Wusta. This event was organized as part of the project managements' strong belief that initiating positive interaction with the surrounding communities was one of the cornerstones for the success of the project.

Source: [Times of Oman](#)

Oman's producer price-based inflation rises

The Sultanate's producer price index (PPI)-based inflation rose by 17.7 per cent in the second quarter of 2018, over the same period of last year, mainly driven by a surge in oil and gas prices by 20.6 per cent and non-oil products prices by 5.5 per cent, according to the latest statistics released by the National Centre for Statistics and Information (NCSI).

Oman Oil, Gulf Energy sign deal for 326mw Duqm power project

Oman Oil Company, the sultanate's energy investment arm, through its subsidiary has signed a partnership agreement with Thailand-based Gulf Energy Development to develop Duqm independent power and water project. The agreement was signed by Eng Isam al Zadjali, CEO of Oman Oil, and Sarath Ratanavadi, CEO of Gulf Energy Development, Oman Oil announced in a tweet on Thursday.

Source: [Muscat Daily](#)

Rethink fixation on maximizing profits: HE Rumhy

With infrastructure spending by regional governments constrained by the ongoing economic downturn, the private sector must forgo their fixation on "maximization" of corporate profits and support investment that aids the "optimization of value to the ecosystem of the economy", according to Oman's Minister of Oil and Gas.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Saudi extends losses on emerging market turbulence

Saudi stocks extended losses on Thursday after a 3 percent plunge a day earlier, as investors were rattled by turbulence in emerging markets, while other Gulf markets were mixed with Dubai shares lifted by property stocks.

Source: [Reuters](#)

GCC may see \$300bln bank merger deals

The concept of merger has returned into focus in the GCC banking sector, as a group of banks in the region announced consolidation plans, which could create huge economic conglomerates that able to be competitive in a global scale.

Source: [Zawya](#)

SAIB shareholders to vote on buyback of JPMorgan's stake on Sept. 26

The Saudi Investment Bank (SAIB) invited on Thursday its shareholders to attend the extraordinary general assembly held on Sept. 26 to vote on the buyback of JPMorgan International Finance Limited's stake in the bank, it said in a statement to Tadawul.

Source: [Argaam](#)

Saudi Arabia could be vital to fuel oil's hazy future: S&P Global

Saudi Arabia could be an answer to the challenges awaiting the high sulfur fuel oil (HSFO) market once interest for this product wanes due to implementation of a global marine sulfur cap, an analysis by S&P Global Platts said.

Source: [Argaam](#)

Saudi set to spend \$1.1 trln on infrastructure by 2038: study

Saudi Arabia is likely to spend \$1.1 trillion in developing infrastructure from 2019-2038, while the UAE is expected to invest \$350 billion over a similar time frame, according to a recent study.

Source: [Argaam](#)

Billions worth of realty projects handed over in Dubai in 8 months

The Dubai Land Department (DLD) on Saturday said 1,000 investors received their properties through 900 transactions worth more than Dh12 billion (\$3.27 billion) during the first eight months of this year, demonstrating Dubai's distinctive position as a preferred international investment destination.

Source: [Zawya](#)

UAE to invest massive amounts in energy, utility and transportation sectors

Energy, utilities and transportation sectors in the UAE will see massive growth in the next two decades as the government will pump Dh1.3 trillion in the development of these sectors, analysts said. They said that the huge investment is expected to boost economic growth and create more jobs in the country.

Source: [Khaleej Times](#)

Qatar's gas reserves require expansion effort: Al-Sada

HE Minister of Energy and Industry Dr Mohammed bin Saleh al-Sada affirmed that Qatar's large gas reserves require an expansion effort, adding this is why Qatar has decided to increase this sector's growth by 30%. Al-Sada pointed out that this requires efforts in the field of finance and the provision of equipment and construction, considering that an opportunity and a suitable ground for German companies to invest in Qatar.

Source: [Gulf Times](#)

Oryx Communication to become first Qatari manufacturer of smart phones

The first Qatari factory to manufacture smartphone and other consumer electronic products is close to launch, Qatari businessman Sheikh Mohammed bin Hamad Al-Thani said Friday. The factory will manufacture laptops and tablets as well using the latest robotics technologies. The businessman was speaking on the sidelines of the Qatar-Germany Business and Investment Forum, which was inaugurated by HH the Amir Sheikh Tamim bin Hamad Al-Thani and German Chancellor Angela Merkel in the German capital Berlin.

Source: [TPQ](#)

Qatar eyes €10bn investment in Germany in next 5 years

Qatar is planning to invest €10bn in the German economy over the next five years, His Highness the Amir Sheikh Tamim bin Hamad al-Thani announced at the opening of the 9th Qatar-Germany Business and Investment Forum in Berlin on Friday.

Source: [MenaFN](#)

Qatari Diar seeks to expand its real estate portfolio in Germany

The CEO of Qatari Diar Real Estate Investment and Development Company Eng Abdullah Hamad al-Attiyah said that his company is participating in this year's forum because it wants to expand its real estate portfolio with German real estate developers.

He said that the German market was attractive to Qatari Diar, and confirm

Source: [Gulf Times](#)

Abu Dhabi insurer Adnic set to buy back 10pc shares

Abu Dhabi National Insurance Company (Adnic) said it has won approval from the UAE's Securities & Commodities Authority (SCA) for repurchasing 10 per cent of its shares.

Source: [GDN](#)

Batelco signs partnership deal with Dilmunia

Batelco, the leading digital solutions provider in Bahrain, said it has signed a partnership agreement with Dilmunia Mall Development Company for its unique family-centric retail and leisure destination, the Mall of Dilmunia.

Source: [GDN](#)

ITFC signs \$3b agreements to fund Egypt's main sectors

The International Islamic Trade Finance Corporation (ITFC) announced the signing of two new Agreements between ITFC & the Government of the Arab Republic of Egypt represented by the Egyptian General Petroleum Corporation (EGPC) and the General Authority for Supply Commodities (GASC) initiating the utilization of the 5th Framework agreement.

Source: [Saudi Gazette](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Apple says Trump's China tariffs are going to hurt the company

Trump's proposed tariffs on \$200 billion worth of Chinese goods would affect the Apple Watch and AirPods as well as adapters and chargers for a host of products. Apple said the tariffs would raise prices for consumers. Apple CEO Tim Cook had previously brushed off tariff concerns. Apple shares shed 1 percent just before market close Friday.

Source: [CNBC](#)

China's trade surplus with US grows to new record in August, adding fuel to trade war fire

China's trade surplus with the U.S. hit \$31.05 billion in August, up from \$28.09 billion in July, customs data showed on Saturday, surpassing the previous record set in June. Over the first eight months of the year, China's surplus with its largest export market has risen nearly 15 percent, adding to tensions in the trade relationship between the world's two largest economies.

Source: [CNBC](#)

UK wants deal on Brexit by November at latest – Lidington

Britain believes an orderly, agreed exit from the European Union is still the most likely outcome but time is running out and a deal should be done by November at the latest, cabinet office minister David Lidington said on Saturday.

Source: [Reuters](#)

Merkel targets debt reduction, investment as tax take 'very good'

Chancellor Angela Merkel said on Saturday Germany would reduce government debt and invest in employment and infrastructure to extend the economy's upswing and prepare for any downturn.

Source: [Reuters](#)

COMMODITIES NEWS

Emirates boss says oil price is too high and should be at \$52 per barrel

Emirates president Tim Clark says the oil is "hugely overpriced" and should be at \$52 per barrel. The airline boss says market levels for spot and oil futures suggested that oil had peaked in price for now.

Source: [CNBC](#)

US Rig Count Holds Steady as Oil Prices Slip

Baker Hughes reported no change to the number of active oil and gas rigs in the United States on Friday. Oil and gas rigs held at 1,048 according to the report, with the number of active oil rigs falling by 2 and the number of gas rigs increasing by 2.

Source: [Oil Price](#)

Gold slips as dollar gains after strong U.S. jobs data

Gold fell on Friday as the dollar resumed its rally versus a currency basket after stronger than expected payrolls data cemented expectations of a third interest rate.

Source: [NASDAQ](#)

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