

U Capital Morning Brief

10 September 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	892.85	3.53	0.40%	-8.36%	-	-	-
U Capital GCC 50 Index	1,287.60	-3.72	-0.29%	12.49%	-	-	-
U Capital MENA 200 Index	1,046.11	-3.89	-0.37%	5.13%	-	-	-
MSCI GCC Countries Index	528.77	1.39	0.26%	10.21%	13.46	1.72	4.1%
Muscat Securities Market	4,453.56	21.00	0.47%	-12.66%	10.96	0.80	6.1%
Saudi Stock Exchange	7,729.07	41.31	0.54%	6.96%	16.99	1.74	3.7%
Kuwait Stock Exchange	5,138.55	-10.87	-0.21%	NA	15.06	1.30	3.8%
Qatar Exchange	9,770.43	-56.41	-0.57%	14.63%	14.51	1.47	4.5%
Bahrain Stock Exchange	1,343.53	3.65	0.27%	0.89%	9.07	0.85	6.1%
Dubai Financial Market	2,842.67	16.07	0.57%	-15.65%	7.57	1.06	6.0%
Abu Dhabi Exchange	4,918.08	-0.24	0.00%	11.81%	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	542.85	0.99	0.18%	-5.52%	12.62	1.20	4.5%
Tunis Se Index	8,117.57	214.48	2.71%	29.22%	21.08	2.89	1.7%
EGX 30 Index	15,740.06	-63.11	-0.40%	4.80%	13.40	2.47	2.2%
Amman General Index	2,005.82	6.10	0.31%	-5.69%	14.76	1.03	4.5%

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	22,330.9	0.10%	-1.9%
HANG SENG	Hongkong	26,733.9	-0.89%	-10.6%
KSE 100 Index	Pakistan	40,898.9	0.02%	1.1%
NSE Nifty 50	India	11,506.4	-0.71%	9.3%
SHANGHAI Composite	China	2,685.3	-0.63%	-18.8%
KOSPI Index	South Korea	2,288.3	0.29%	-7.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.711	1.407
British Pound (GBP)	1.291	0.775
Canadian Dollar (CAD)	0.758	1.319
Chinese Renminbi (CNH)	0.146	6.874
Egyptian Pound (EGP)	0.056	17.909
Euro (EUR)	1.154	0.866
Indian Rupee (INR)	0.014	72.316
Japanese Yen (JPY)	0.009	110.960
New Zealand Dollar (NZD)	0.652	1.535
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.809	124.500
Russian Ruble (RUB)	0.014	69.912
Singapore Dollar (SGD)	0.724	1.381
Turkish Lira (TRY)	0.156	6.421

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	77.3	0.57%	20.7%
WTI Crude (per bbl)	68.2	0.59%	12.8%
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)	1,193.0	-0.25%	-8.4%
Silver (per oz)	14.1	-0.45%	-16.7%
Platinum (per oz)	779.8	-0.39%	-16.2%
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	2.47	37.5%
Saudi Arabia	2.63	38.4%
Kuwait	2.06	10.0%
Oman	2.48	29.8%
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	99.95	2.8
5 year	99.69	2.8
10 year	99.47	2.9
30 year	98.06	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

Suwaik Port to serve as hub for dhow traffic

Suwaik Port, newly opened to commercial traffic earlier this month, will serve as a new hub for dhow-based maritime cargoes serving the capital and North and South Al Batinah governorates of the Sultanate, according to a high-level official of Asyad Group — the nation's logistics development flagship. Nabil bin Salim al Bimani, Group Chief, Ports and Free-zones, said the facility will primarily cater to dhows and small cargo vessels plying general cargoes such as fruits, vegetables and livestock. Strategically located roughly halfway between Muscat and Suhar, this facility forms part of a network of 'Small and Medium Ports' that will play an integral role in the achievement of Oman's logistics ambitions.

Source: [Oman Observer](#)

Health insurance sector grows 26 per cent annually

The Capital Market Authority (CMA) will host the 12th Middle East Conference for Health Insurance during September 24-25, 2018, with a large number of international experts expected to be in attendance. The opening session will be held under the auspices of Dr Ali Masoud al Sunaidi, Minister of Commerce and Industry. The event is being against a backdrop of robust growth in the health insurance sector – averaging 26 per cent over the past five years. Furthermore, health insurance premiums account for a 30 per cent share of total insurance premiums collected so far this year – a trend that is expected to surge as Oman prepares to introduce compulsory health care insurance for the private sector, as well as for tourists and visitors.

Source: [Oman Observer](#)

Sohar port and free zone upgrades pilot vessels

Sohar Port and Freezone recently signed an agreement with Svitzer, which is part of the Danish business conglomerate A P Moller, for the upgrade of their pilot vessels fleet and to provide round-the-clock operational support for ship movements in and around the rapidly growing port. The agreement was signed at the Sohar head office. Mark Geilenkirchen, CEO of Sohar Port and Freezone, signed the agreement on behalf of Sohar, while Svitzer was represented by Karim Cordahi, country manager of Svitzer Oman.

Source: [Muscat Daily](#)

Al Raffd, ASYAD Sign MoU to Support SMEs

Al Raffd Fund and Oman International Logistics Group (ASYAD) signed a memorandum of understanding (MoU) to enhance the participation and growth of successful SMEs in the logistics sector, which contribute to the national economy. The memo was signed by Tariq bin Sulaiman al- Farsi, CEO of Al Raffd Fund and Abdul Rahman bin Salim al- Hatimi, CEO of ASYAD at ASYAD's headquarters in Muscat.

Source: [ONA](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Saudi market reverses some losses after last week's plunge

Gulf stock markets closed on a positive note on Sunday, reversing some of their losses earlier in the day. The Saudi index in particular ended up gaining 0.6 percent, after having plunged last week on foreign investors' concerns over emerging markets volatility.

Source: [Zawya](#)

Baraka Group expects to offer shares in 2019 to fund expansion plans –CEO

Al Baraka Banking Group will likely offer shares in 2019 to fund its international expansion plans, its chief executive told Al Arabiya TV in an interview on Sunday. The Bahrain-based bank plans to expand in China, Indonesia, East Africa and Morocco, CEO Adnan Yousuf said. Al Baraka last year issued \$400 million of tier one sukuk, or Islamic bonds, which would cover some of the costs of its expansion, Yousuf said.

Source: [Zawya](#)

Saudi Chemical to transfer explosives business to subsidiary

Saudi Chemical Co.'s board of directors recommended on Sunday to transfer the explosives business to its wholly-owned subsidiary Saudi Chemical Company Limited, the firm said in a statement to Tadawul. The move aims to lift the risk concerning the explosives segment off the mother company and restrict it only to the subsidiary, the statement said.

Source: [Argaam](#)

SAMA: 37 finance firms operating in Saudi Arabia

The Saudi Arabian Monetary Authority (SAMA), the kingdom's central bank, said that the number of finance firms operating in Saudi Arabia by the end of 2017 reached 37 firms, compared to 34 in 2016.

Source: [Argaam](#)

One in three Saudi firms expect over 10% growth in 2018: EY

Middle-market businesses in Saudi Arabia are "significantly more optimistic" about revenue growth and business opportunities this year than last year, with 33 percent of the firms expecting in excess of 10 percent growth in 2018, according to the annual EY Growth Barometer. However, six in ten firms are targeting a growth of 6 to 10 percent, a 24-percentage point increase compared to last year's survey.

Source: [Argaam](#)

Shuaa Capital to boost stake in Kuwait's Amwal to 87.22%

Abu Dhabi-based investment bank Shuaa Capital plans to boost its stake in Kuwait's Amwal International Investment Company to 87.22 per cent. The Dubai-listed bank said in a statement sent to the Dubai Financial Market that shareholders owning over 128 million shares, representing 70.91 per cent of Amwal's shares, have responded to its tender and submitted their applications to sell the shares. The deal is subject to a final review from the Kuwait Clearing Company and confirmation from the Capital Markets Authority of Kuwait, it said on Sunday.

Source: [Khaleej Times](#)

Qatar to expand natural gas sector by 30%

Qatar is planning to expand the natural gas sector by 30%, energy and industry minister Mohammed bin Saleh Al Sada has said, giving no specific timeframe for this objective. German investors have the opportunity to make their foray into the gas-rich nation or expand their existing ventures in Qatar, Al Sada noted on the sidelines of the Qatar-Germany Business and Investment Forum (QGBIF).

Source: [Mubasher](#)

Qatar Manufacturing signs memorandum of understanding with Glass Global of Germany

Qatar Industrial Manufacturing Company has announced was signed with GLASSGLOBAL, a German consulting firm specialized in providing technical and advisory services to the glass industry worldwide. The agreement aims to establish a general framework for technical cooperation between the two companies to complete the evaluation of the feasibility of a project to produce glass containers in Qatar and to provide technical advice to the project through reviewing and evaluating the technical offers from the equipment suppliers and then participate in supervising the implementation of the project through out commissioning and start-up.

Source: [QE](#)

AL MEERA signs a contract with Qatar Rail Company

Al Meera consumer goods company has signed a contract with Qatar Rail company to occupy a number of convenience stores in the red and green lines in Doha Metro.

Source: [QE](#)

Qatar First Bank issues a supplementary disclosure on signing one of its subsidiaries a contract to sell its full stake in memorial co.

Qatar First Bank disclosed regarding the disclosure of the regarding one of Qatar First Bank's ("QFB") subsidiaries signing a conditional sale agreement to sell all its shares in İSTANBUL MEMORIAL SAĞLIK YATIRIMLARI A.Ş ("Memorial"). Memorial is leading hospital operator in Turkey. The deal was consummated at a valuation of US\$ 30 million which is very close to QFB's book value. It should be noted that the purchase price will be paid on a deferred basis in US Dollars.

Source: [QE](#)

Kuwait follows Saudi Arabia in FTSE's EM listing

Borsa Kuwait has emerged as the new darling of global investors, Bloomberg News said. Kuwaiti stocks have outperformed most of their Persian Gulf peers since MSCI, the leading provider of investment decision support tools worldwide, said in June that it might announce the upgrade of the nation to emerging-market status next year, joining the ranks of Saudi Arabia, the UAE, and Qatar, the New York-based agency noted.

Source: [Mubasher](#)

1,416 new companies registered in August in Qatar

The Ministry of Economy and Commerce issued the business process report for August 2018, showing that 1,416 new companies have been registered in the month. According to the report, the number of new major business records reached 972, while the number of new sub-registries reached 444 records.

Source: [TPQ](#)

Majid Al Futtaim aims to grow real estate arm to match its malls, hospitality business

Majid Al Futtaim plans to grow its real estate division to rival its malls and hospitality divisions in terms of revenue and profit. Hawazen Esber, CEO of MAF Communities told Arabian Business: "We are very established in terms of shopping malls and retail, so now we want to grow our communities business to be eventually as big as the other businesses. We're happy to be a boutique developer, but with the biggest impact possible."

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian shares on slippery slope as Trump ups ante in trade war

Asian shares started the week in the red on Monday, faltering for the eighth straight day while the dollar climbed as U.S. President Donald Trump raised the stakes in the heated trade dispute with China.

Source: [Reuters](#)

Swinging at Putin with Sanctions, U.S. May Whack Emerging World

If U.S. sanctions flip Russia to basket case from haven, a fresh stampede from emerging markets could be in the cards, according to some investors and analysts. On Thursday, Russian officials in Moscow basked in the glow of their balance sheet and the central bank chief gave a speech at the International Monetary Fund in Washington on her successful experience managing past crises. Meanwhile, government bonds and the ruble breached the lowest levels in more than two years.

Source: [Bloomberg](#)

Stronger U.S. economy may warrant 'restrictive' rates: Boston Fed's Rosengren

When Boston Federal Reserve Bank President Eric Rosengren switched from advocating low interest rates to tighter monetary policy, he argued it was time to start crawling back toward "normal" rates even with 5 percent unemployment and weak growth and inflation.

Source: [Reuters](#)

Crypto Wipeout Deepens to \$640 Billion as Ether Leads Declines

The cryptocurrency bear market plumbed a fresh 10-month low, led by a tumble in Bitcoin's biggest rival. Ether slumped 8.1 percent from its level at 5 p.m. New York time on Friday, according to Bloomberg composite pricing. Bitcoin lost 2 percent, while the market capitalization of digital assets tracked by CoinMarketCap.com shrank to \$196 billion, down about \$640 billion from its January peak.

Source: [Bloomberg](#)

Political resistance isn't stopping Chinese investors from snapping up property around the world

Mainland Chinese commercial and residential property investment is expected to increase 3 to 8 percent this year from a year ago, said Juwai, an online Chinese real estate portal. Mainland Chinese buyers are not to be blamed for real estate price surges in major cities, and it was just their "bad luck" to be more visible than domestic players, said Juwai CEO Carrie Law. Policymakers may shift their resistance to mainland Chinese real estate investment when they decide they need more investment, Law said.

Source: [CNBC](#)

COMMODITIES NEWS

Oil Demand Seen Peaking by 2023 While Climate Targets Missed

Within 20 years, oil use will have long since peaked, renewables and natural gas will account for about half of energy supply and the cost of keeping the lights on will plummet. But that still won't be enough to meet climate goals, according to a forecast from energy and maritime services company DNV GL Group AS. Even with crude oil demand expected to fall from 2023 and total energy consumption over the globe to peak 12 years after that, the world will probably warm 2.6 degrees Celsius, DNV said. That's 0.6 degrees above the level a consensus of scientists say the world will need to stay beneath to avoid catastrophic climate change, which could impact the Earth's habitability.

Source: [Bloomberg](#)

Oil climbs as U.S. drilling stalls, Washington sanctions against Iran loom

Oil prices rose on Monday as U.S. drilling for new production stalled and as the market eyed tighter conditions once Washington's sanctions against Iran's crude exports kick in from November.

Source: [Reuters](#)

Ubhar Capital SAOC (U Capital)



Website: www.u-capital.net

PO Box 1137

PC 111, Sultanate of Oman

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net



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