

U Capital Morning Brief

18 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	903.33	-13.44	-1.47%	-7.28%	-	-	-
U Capital GCC 50 Index	1,268.26	2.23	0.18%	10.80%	-	-	-
U Capital MENA 200 Index	1,032.97	-0.03	0.00%	3.81%	-	-	-
MSCI GCC Countries Index	522.29	3.82	0.74%	8.86%	13.29	1.70	4.2%
Muscat Securities Market	4,515.94	-47.26	-1.04%	-11.44%	11.11	0.81	6.0%
Saudi Stock Exchange	7,609.65	139.84	1.87%	5.30%	16.71	1.71	3.7%
Kuwait Stock Exchange	5,132.33	-2.55	-0.05%	NA	15.07	1.30	3.8%
Qatar Exchange	9,832.68	-109.35	-1.10%	15.36%	14.60	1.48	4.5%
Bahrain Stock Exchange	1,338.98	-2.23	-0.17%	0.55%	9.04	0.85	6.1%
Dubai Financial Market	2,752.13	-21.96	-0.79%	-18.34%	7.33	1.02	6.2%
Abu Dhabi Exchange	4,882.85	-82.90	-1.67%	11.01%	12.89	1.45	4.9%
Beirut Stock Exchange	980.01	0.95	0.10%	-14.68%	5.19	0.62	9.3%
Palestine Stock Exchange	540.49	-0.54	-0.10%	-5.93%	12.56	1.20	4.5%
Tunis Se Index	7,919.50	-28.96	-0.36%	26.07%	20.55	2.82	1.8%
EGX 30 Index	14,650.97	-104.66	-0.71%	-2.45%	13.29	2.30	2.4%
Amman General Index	1,998.43	6.63	0.33%	-6.03%	14.71	1.03	4.6%

* Kuwait YTD data is not available as the Index was reconstituted in April'18

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
Europe			%	%	Currency		
FTSE 100	UK	7,302.1	-0.03%	-5.0%	Australian Dollar (AUD)	0.719	1.391
DAX	Germany	12,096.4	-0.23%	-6.4%	British Pound (GBP)	1.315	0.760
CAC 40	France	5,348.9	-0.07%	0.7%	Canadian Dollar (CAD)	0.767	1.305
United States					Chinese Renminbi (CNH)	0.146	6.867
DIJA	USA	26,062.1	-0.35%	5.4%	Egyptian Pound (EGP)	0.056	17.915
S&P 500	USA	2,888.8	-0.56%	8.0%	Euro (EUR)	1.169	0.855
NASDAQ	USA	7,895.8	-1.43%	14.4%	Indian Rupee (INR)	0.014	72.530
Asia Pacific					Japanese Yen (JPY)	0.009	112.010
NIKKEI 225	Japan	23,434.5	1.48%	2.9%	New Zealand Dollar (NZD)	0.659	1.518
HANG SENG	Hongkong	26,732.7	-0.74%	-10.7%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	40,576.5	0.11%	0.3%	Pakistani Rupee (PKR)	0.805	124.252
NSE Nifty 50	India	11,376.3	-0.01%	8.0%	Russian Ruble (RUB)	0.015	68.063
SHANGHAI Composite	China	2,648.5	-0.12%	-19.9%	Singapore Dollar (SGD)	0.729	1.371
KOSPI Index	South Korea	2,307.7	0.20%	-6.5%	Turkish Lira (TRY)	0.158	6.324

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil				UAE	2.63	46.6%
Brent Crude (per bbl)	77.6	-0.58%	21.2%	Saudi Arabia	2.64	39.1%
WTI Crude (per bbl)	68.6	-0.48%	13.5%	Kuwait	1.94	3.3%
Oman Crude Oil (Last Closing)	76.3	-0.10%	19.2%	Oman	2.49	30.3%
OPEC (per bbl)	76.1	-0.54%	18.0%	Qatar	2.65	0.0%
Precious Metals				Bahrain	3.58	31.2%
Gold100 OZ (per oz)	1,198.3	-0.26%	-8.0%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	14.1	-0.32%	-16.5%		Maturity date	YTM, %
Platinum (per oz)	799.8	-0.05%	-14.0%	Kuwait	3/20/2027	3.7
Other Metals				Abu Dhabi	10/11/2027	3.9
Copper, MT	5,945	-0.47%	-18.0%	Qatar	6/2/2026	3.9
Aluminium, MT	2,032	-0.54%	-10.4%	Saudi Arabia	3/4/2028	4.3
Lead, MT	2,071	1.62%	-16.7%	Oman	1/17/2028	6.0
Zinc, MT	2,320	-0.60%	-30.1%	Bahrain	10/12/2028	7.9

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.73	2.8	1m	2.16	38.4%
5 year	99.34	2.9	3m	2.34	37.9%
10 year	98.98	3.0	6m	2.57	39.8%
30 year	97.41	3.1	1 year	2.88	36.7%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Destination Duqm: New airport inaugurate

With Duqm's new airport now open, projects at the heart of Oman's future economic powerhouse are all set to speed up, further driving the Sultanate's economic expansion. As the Sultanate moves away from conventional sources of oil and gas, massive development projects have been planned in Duqm and other areas of the country, generating tens of thousands of jobs for the next generation of young professionals.

Source: [Times of Oman](#)

Oman's GDP grows by 6.5% in first quarter of 2018

The Sultanate's Gross Domestic Product (GDP) has grown by 6.5 per cent during the first quarter of 2018, according to the Supreme Council of Planning (SCP). "Oman's economy maintained positive growth in various sectors and the rise in the GDP by 6.5 per cent is due to an increase in total oil activities. Crude oil activities rose by 1.1 per cent, while gas activities increased by 100 per cent," the SCP said.

Source: [Times of Oman](#)

Study highlights Oman's transition to post-oil economy

The development of Duqm Port and Special Economic Zone in Duqm (SEZD) is at the forefront of Oman's efforts to transition to a post-oil economy, a recent economic study published by the Middle East Institute in Washington said. Themed "Oman's Transition to a Post-Oil Economy: Arching Toward Asia," the study praised the model of economic transition management being pursued by the Sultanate's government in a bid to achieve economic welfare via combining free trade and attracting foreign investments.

Source: [Times of Oman](#)

Oman crude oil averages \$72.64/b in August

The average price for Oman Crude Oil Future Contracts at the Dubai Mercantile Exchange (DME) witnessed a price drop by 0.7 per cent in August, compared with corresponding figures for July, according to the monthly report of the Ministry of Oil and Gas (MOG). The official selling price for Oman crude oil during August 2018, for the delivery month of October 2018, settled at \$72.64, which was lower by 53 cents compared with July trading prices. The trading price ranged between \$70.00 per barrel and \$76.29 per barrel, the report said.

Source: [Oman Observer](#)

CMA rolls out e-system for insurance related complaints

The Capital Market Authority (CMA) yesterday launched an electronic application designed to help policy-holders follow up on their insurance-related complaints. With the launch of the new system, all complaints will be processed electronically and their movement tracked through the various departments of the insurers in question, and the CMA as well.

Source: [Oman Observer](#)

Oman's oil output reaches 30.2mn barrels in august

Oman's total production of crude oil and condensate reached to 30.2mn barrels in August 2018 with a daily average output of 974,500 barrels, according to the monthly report released by the Ministry of Oil and Gas. Total exports of Omani crude reached 25.2mn barrels during August, accounting for more than 83 per cent of the production, Oman News Agency reported.

Source: [Muscat Daily](#)

MSM - List of Shariah Compliant Companies according to the Financial statements of the Second Quarter 2018

MSM announced the list of Shariah compliant companies whose performance & financial activities has satisfied the requirements of AAOIFI of compliance with Islamic Investment Principles.

Source: [Details on Last Page of this Report](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Visa law fails to lift Dubai but Saudi rebounds from low

Middle East stock markets mostly fell on Monday because of U.S.-China trade tensions, with Dubai sliding despite a new visa policy designed to support slumping real estate prices. Saudi Arabia's market, however, rebounded after a five-day slide. The United Arab Emirates announced visa rules allowing retired expatriates to stay in the country with renewable five-year visas, which could encourage them to buy homes or make other investments. The government also introduced lower electricity tariffs for the industrial sector.

Source: [Zawya](#)

Dubai's corporate earnings propel growth rate in GCC

A remarkable 21.5 per cent jump in Dubai's corporate earnings year-to-date has propelled the GCC aggregate corporate earnings growth to 12.1 per cent, data released by a leading global financial group revealed on Monday. Dubai's corporates recorded the highest rate of growth in the GCC. Compared to the growth rate of 6.5 per cent in 2017, corporate earnings in Dubai recorded an exceptional surge to account for 8.5 per cent of the emirate's gross domestic product.

Source: [Zawya](#)

Abu Dhabi-based Aldar's unit to issue USD-denominated Sukuk

Aldar Investment Properties LLC, a 100% owned subsidiary of Aldar Properties, is planning to issue a five- to ten-year fixed rate US dollar denominated Sukuk. The investment unit will begin the roadshow and meetings to issue "the New Aldar Investments Sukuk" in the Middle

East, Europe and Asia as of 18 September 2018, Aldar Properties said in a filing to the Abu Dhabi Securities Exchange (ADX) on Monday. "The outcome of the issue is subject to market conditions and further announcements regarding the Sukuk will follow in due course", according to the filing.

Source: [Zawya](#)

Abu Dhabi's Mubadala to sell 25% of Spain's Cepsa in IPO

Spain's Cepsa will sell a stake of about 25 per cent in an initial public offering that sources close to the matter expect to value the company at around EUR10bn (\$11.6bn), making it one of the largest oil company listings in a decade. The listing, expected in the fourth quarter, will be for a 25 per cent stake prior to any green shoe option whereby more shares could be sold depending on demand, according to the company, owned by Abu Dhabi state investor Mubadala.

Source: [Gulf Business](#)

Saudi Arabia shuns Tesla, invests \$1 billion in rival Lucid Motors (TSLA)

Tesla slid as much as 2% Monday after Saudi Arabia's public-investment firm announced a \$1 billion investment in rival Lucid Motors. The kingdom's Public Investment Fund had previously been in talks with Tesla around the time of its exploration of going private. Musk said in a blog post explaining his "funding secured" tweet that it was after a meeting with Saudi officials when he felt "no other decision makers were needed and that they were eager to proceed." Sixteen days after the tweet, Tesla announced it would stay public.

Source: [Business Insider](#)

Saudi Red Sea Development Company announces the formation of advisory board

The Red Sea Development Company, owned by the Public Investment Fund and responsible for executing the Red Sea Project, has announced the formation of its advisory board, which includes 12 international experts in business, tourism, sustainability and environmental conservation.

Source: [Arab News](#)

SRMG, Bloomberg to launch 'Bloomberg Asharq' news service

Saudi Research and Marketing Group (SRMG), the Middle East's biggest publishing group, and Bloomberg, the global business and financial information and news leader, have launched Bloomberg Asharq, a new multi-platform Arabic-language business and financial news service.

Source: [Argaam](#)

Saudi Cable Company sells entire stake in Turkish group

Saudi Cable Company said it has signed an agreement to sell the company's entire stake in Demirer Kablo, a leading manufacturer of the high and extra high voltage energy cables in Turkey, to Chinese group Jiangsu Zongitan Technology (ZTT). All necessary approvals have been obtained from relevant authorities in Turkey and China, said the Saudi Cable Company in its filing to Tadawul. The signing of the shareholding transfer agreement has already been completed and control of the entity has been passed to the new owners, it added.

Source: [GDN](#)

Saudi's Public Investment Fund closes \$11bn debut loan

Saudi Arabia's Public Investment Fund said on Monday it had taken out an \$11bn international syndicated loan, the first commercial borrowing by the kingdom's top sovereign wealth fund. "This is the first step in incorporating loans and debt instruments into PIF's long-term funding strategy," the fund's managing director Yasir al-Rumayyan said in a statement.

Source: [Gulf Business](#)

6 sectors ripe for M&As in Saudi Arabia

As Saudi Arabia seeks to boost privatization and attract foreign investment under ambitious economic reforms, several industry sectors could see higher activity in terms of mergers and acquisitions (M&A), analysts told Argaam. While deal activity in 2018 and 2019 is not expected to be as high as 2013-15 levels, the outlook remains positive as companies adapt to "the new normal" in terms of growth potential in the current economic environment, said Imad Matar, Partner – Deals at PwC Middle East.

Source: [Argaam](#)

5% VAT 'a starting point' for GCC, says banking chief

Gulf Cooperation Council (GCC) states could see higher rates of value-added tax (VAT) in the future, with the current five percent rate applied in the United Arab Emirates (UAE) and Saudi Arabia seen as a 'starting point', according to one UAE banking executive. Pointing out that he was speaking in a personal capacity rather than for his employer, Emirates NBD, the bank's group financial controller, Asim Rashid, said: "My personal view is that five percent is a starting point. The governance and administration of VAT is not cheap.

Source: [Zawya](#)

Qatar Fund Is Near Investment in China's Top Online Lender

The Qatar Investment Authority is in advanced talks about an investment in Lufax, China's biggest online lender, as the sovereign wealth fund seeks to tap into the world's second-largest economy, people familiar with the matter said. QIA has been negotiating the potential purchase of a minority stake in Lufax, which is an arm of China's Ping An Insurance (Group) Co., according to the people. It could spend about \$500 million to \$1 billion, the people said, asking not to be identified because the matter is private.

Source: [Bloomberg](#)

Abu Dhabi Is Planning the Biggest Oil IPO in a Decade

Abu Dhabi is pushing ahead with an initial public offering for Spanish oil company Cia Espanola de Petroleos SAU, in what could be the largest such deal in a decade. The emirate's Mubadala Investment Co. will offer a stake of at least 25 percent in Cepsa in the fourth quarter, the state-owned investor said Monday in a statement. The Madrid-based refiner will list on Spanish exchanges.

Source: [Bloomberg](#)

Macquarie to buy Qatar-owned Aussie farms

Macquarie Group has agreed to buy most of the Australian farm portfolio of Qatar's Hassad Food, the agricultural arm of the country's sovereign wealth fund. Neither Macquarie nor Qatar's state-run news agency gave a price for the deal. The Australian Financial Review reported the deal was worth about \$300 million.

Source: [The Australian](#)

Moody's assigns Baa1 rating to Aldar Investment Properties LLC's Sukuk issuance; stable outlook

Moody's Investors Service ("Moody's") has today assigned a Baa1 rating to the proposed senior unsecured Sukuk certificates (the "Certificates") to be issued by Aldar Sukuk Ltd. (the "Issuer"), a special purpose vehicle established in the Cayman Islands by Aldar Investment Properties LLC ("Aldar Investments", Baa1 stable). The outlook on the rating is stable.

Source: [Moody's](#)

Abraaj Investors Prefer \$1 Actis Bid to Gulf Offers

Actis's \$1 bid for the Middle East and North Africa private equity operations of Abraaj Group is favored by investors in the funds, despite higher offers linked to Persian Gulf-based firms, according to people familiar with the matter. Investors in the Abraaj funds would prefer to see the assets sold to an international private equity firm as part of a liquidation of the company, the people said. The bid by London-based Actis is ranked ahead of offers from Abu Dhabi Financial Group and Kuwaiti logistics firm Agility, which is making a joint bid with Centerbridge Partners, the people said, asking not to be identified as the information is private.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Uber Is in Talks to Acquire Dubai Ride Hailing Firm Careem

Uber Technologies Inc. is in discussions to buy its Dubai-based rival Careem Networks FZ as the ride-hailing giant expands in the Middle East, people familiar with the matter said. A deal could value Careem at \$2 billion to \$2.5 billion, the people said, asking not to be identified because the talks are private. Negotiations are ongoing and Careem's management is working to convince the firm's shareholders of the merits of a deal, the people said. No final decisions have been made, and the companies may decide against the transaction, they said.

Source: [Bloomberg](#)

New U.S. trade action 'poisons' atmosphere, won't work on China: regulator

The United States trade actions against China will not work as China has ample fiscal and monetary policy tools to cope with the impact, a senior securities market official said on Tuesday.

Source: [Reuters](#)

U.S. stock futures, Asian shares slip as Trump puts new tariffs on China

Asian shares fell and copper prices eased on Tuesday after Washington announced new tariffs on Chinese imports, inflaming trade tensions between the world's two biggest economies.

Source: [Reuters](#)

Trump slaps tariffs on \$200 billion in Chinese goods, spares some consumer tech

U.S. President Donald Trump escalated his trade war with China on Monday, imposing 10 percent tariffs on about \$200 billion worth of Chinese imports, but sparing smart watches from Apple (AAPL.O) and Fitbit (FIT.N) and other consumer products such as bicycle helmets and baby car seats.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices drop as escalating trade war clouds demand outlook

Oil markets dropped on Tuesday as the latest escalation in the Sino-U.S. trade war clouded the outlook for demand, although concerns over tightening supply offered prices some support. Brent crude futures had declined 27 cents, or 0.35 percent, to \$77.78 per barrel by 0054 GMT. U.S. West Texas Intermediate (WTI) crude fell 32 cents, or 0.46 percent, to \$68.59 per barrel.

Source: [CNBC](#)

Gold slips as new U.S. tariffs on China lifts dollar

Gold prices inched lower early on Tuesday, after rising 0.6 percent in the previous session, as the dollar rose after the United States imposed a new round of tariffs on Chinese imports, aggravating global trade worries. * U.S. gold futures were down 0.2 percent at \$1,203.90.

Source: [NASDAQ](#)

قائمة الشركات المتوافقة مع الشريعة للربع الثاني من عام 2018			
List of Shariah Compliant Companies for Q2, 2018			
الاسم بالإنجليزية	الاسم بالعربية	الرمز	#
English Name	Arabic Name	Code	
A Saffa Foods	الصفاء للأغذية	SPFI	1
Al Anwar Ceramic Tiles	الأنوار للسيراميك	AACT	2
Al Izz Islamic Bank	بنك العز الإسلامي	BKIZ	3
Al Jazeera Services	الجزيرة للخدمات	AJSS	4
Al Kamil Power	الكامل للطاقة	KPCS	5
Al Madina Insurance	المدينة تكافل	AMAT	6
Al Maha Ceramics	المها للسيراميك	AMCI	7
Bank Nizwa	بنك نزوى	BKNZ	8
Computer Stationery Industry	صناعة قرطاسية	CSII	9
Dhofar Beverage and Food Stuff	ظفار للمطبات	DBCI	10
Gulf International Chemicals	خليج للكيمياويات	GICI	11
Gulf Mushroom Products	الخليجية للفطر	GMPI	12
Gulf Stone	محاجر الخليج	GSCI	13
Muscat Gases	مسقط للغازات	MGMC	14
Muscat Thread Mills	مسقط للخياط	MTMI	15
National Biscuit Industries Ltd.	الوطنية بسكويت	NBII	16
National Real Estate Dev and Inv	الوطنية العقارية	NRED	17
Oman Cables Industry	صناعة الكابلات	OCAI	18
Oman Cement	اسمنت عمان	OCOI	19
Oman Chromite	الكروم العمانية	OCCI	20
Oman Education and Trng Inv	العمانية التعليمية	OETI	21
Oman Fisheries	الأسماك العمانية	OFCI	22
Oman Flour Mills	المطاحن العمانية	OFMI	23
Oman International Marketing	الدولية للتسويق	OIMS	24
Omani Packaging	العمانية للتغليف	OPCI	25
OOREDOO	أريدو	ORDS	26
Raysut Cement	ريسوت للأسمنت	RCCI	27
Sahara Hospitality	ضيافة الصحراء	SAHS	28
Salalah Port Services	صلالة خدمات الموانئ	SPSI	29
Shell Oman Marketing	شل العمانية	SOMS	30
Takaful Oman Insurance	تكافل عمان للتأمين	TAOI	31