

# U Capital Morning Brief

26 December 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	886.63	-3.97	-0.45%	-9.00%	-	-	-	-
U Capital GCC 50 Index	1,295.02	-25.36	-1.96%	13.13%	-	-	-	-
U Capital MENA 200 Index	1,034.53	-20.31	-1.96%	3.96%	-	-	-	-
MSCI GCC Countries Index	530.88	-4.62	-0.86%	10.65%	13.97	1.73	4.1%	
Muscat Securities Market	4,312.94	-32.94	-0.76%	-15.42%	10.16	0.77	6.0%	
Saudi Stock Exchange	7,717.75	-46.76	-0.60%	6.80%	16.66	1.72	3.6%	
Kuwait Stock Exchange	5,066.06	-30.43	-0.60%	NA	15.15	1.23	3.9%	
Qatar Exchange	10,233.88	-133.66	-1.29%	20.07%	15.13	1.53	4.3%	
Bahrain Stock Exchange	1,313.00	-0.42	-0.03%	-1.41%	8.88	0.82	6.2%	
Dubai Financial Market	2,467.35	7.01	0.28%	-26.79%	8.32	0.91	7.1%	
Abu Dhabi Exchange	4,800.70	-16.82	-0.35%	9.15%	13.03	1.39	5.0%	
Beirut Stock Exchange	977.18	-7.60	-0.77%	-14.92%	5.01	0.60	9.3%	
Palestine Stock Exchange	526.43	1.56	0.30%	-8.38%	12.83	1.22	4.5%	
Tunis Se Index	7,171.03	-31.93	-0.44%	14.16%	18.62	2.55	2.0%	
EGX 30 Index	12,670.63	-113.81	-0.89%	-15.64%	11.63	1.43	2.4%	
Amman General Index	1,903.58	-28.04	-1.45%	-10.49%	13.62	0.95	4.8%	

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

World Markets	Country	Value	D/D	YTD	Currency Cross Rates		
Europe					Currency	USD/1 Unit	Units/1 USD
FTSE 100	UK	6,686.0	-0.52%	-13.0%	Australian Dollar (AUD)	0.704	1.420
DAX	Germany	10,633.8	0.00%	-17.7%	British Pound (GBP)	1.271	0.787
CAC 40	France	4,626.4	-1.45%	-12.9%	Canadian Dollar (CAD)	0.735	1.361
<b>United States</b>					Chinese Renminbi (CNH)	0.145	6.896
DJIA	USA	21,792.2	-2.91%	-11.8%	Egyptian Pound (EGP)	0.056	17.920
S&P 500	USA	2,351.1	-2.71%	-12.1%	Euro (EUR)	1.142	0.876
NASDAQ	USA	6,192.9	-2.21%	-10.3%	Indian Rupee (INR)	0.014	69.918
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	110.400
NIKKEI 225	Japan	19,283.5	0.65%	-15.3%	New Zealand Dollar (NZD)	0.673	1.485
HANG SENG	Hongkong	25,651.4	-0.40%	-14.3%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,308.9	0.00%	-5.3%	Pakistani Rupee (PKR)	0.715	138.940
NSE Nifty 50	India	10,663.5	-0.84%	1.3%	Russian Ruble (RUB)	0.015	68.654
SHANGHAI Composite	China	2,504.3	-0.02%	-24.3%	Singapore Dollar (SGD)	0.729	1.372
KOSPI Index	South Korea	2,026.1	-1.41%	-17.9%	Turkish Lira (TRY)	0.189	5.280

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>					
Brent Crude (per bbl)	50.4	-0.20%	-20.0%	UAE	2.92
WTI Crude (per bbl)	42.8	0.59%	-29.2%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	50.1	-6.88%	-21.7%	Kuwait	2.25
OPEC (per bbl)	53.9	-2.19%	-16.4%	Oman	2.80
<b>Precious Metals</b>				Qatar	2.92
Gold100 OZ (per oz)	1,272.6	0.24%	-2.3%	Bahrain	3.95
Silver (per oz)	14.8	0.49%	-12.4%		
Platinum (per oz)	788.6	0.35%	-15.2%		
<b>Other Metals</b>					
Copper, MT	5,956	-0.59%	-17.8%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
Aluminium, MT	1,893	-0.84%	-16.5%	Maturity date	YTM, %
Lead, MT	1,985	1.02%	-20.2%	Kuwait	3.55
Zinc, MT	2,474	-1.12%	-25.5%	Abu Dhabi	3.67
				Qatar	3.73
				Saudi Arabia	4.30
				Oman	7.25
				Bahrain	6.90

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.25	2.54	1m	2.51
5 year	101.44	2.56	3m	2.81
10 year	103.39	2.73	6m	2.89
30 year	107.59	2.99	1 year	3.05

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### OPWP to study gas imports for power sector

The Oman Power and Water Procurement Company (OPWP) — the nation's single buyer of electricity and water output — is set to shortly commission an international consultant to study the potential for natural gas imports for the Sultanate's electricity sector. The move is in line with a broader thrust by the Omani government to secure an increasingly larger share of the nation's gas resources for value-adding economic sectors, such as downstream industries and manufacturing, and thereby enhance job creation for Omani nationals, drive GDP growth, and bolster socioeconomic development in general.

Source: [Oman Observer](#)

### Seezad inks optic fibre network pact

The Special Economic Zone Authority in Duqm (Sezad) on Tuesday signed a Memorandum of Understanding (MoU) with Oman Broadband Company (OBC) to provide infrastructure for optic fibre network at the Special Economic Zone at Duqm (SEZD) to ensure providing high speed internet service by licensed communication service providers in the Sultanate. The agreement was signed by Yahya bin Said Al Jabri, Sezad Chairman and Said bin Hamdoon Al Harthy, Undersecretary of the Ministry of Transport and Communications for Ports and Maritime Affairs, Chairman of the OBC Board of Directors.

Source: [Times of Oman](#)

### Petrofac secures \$115m PDO contract for co-gen project

The UK-based engineering giant, Petrofac, has announced that it has secured a contract valued at around \$115 million for the development of the Qarn Alam Co-Generation Project in central Oman. The contract is the latest in a series of awards clinched by Petrofac in Oman and the second to be secured under a 10-year Framework Agreement with Petroleum Development Oman (PDO), signed in 2017 to provide Engineering, Procurement and Construction Management (EPCm) Support Services for PDO's major oil and gas projects.

Source: [Oman Observer](#)

### Haya Water to finance school bus tracking systems

Within the framework of corporate social responsibility and care, Haya Water signed an agreement with the Ministry of Education to finance the installation of tracking system for school buses.

Source: [Times of Oman](#)

### Residential plot allotments in Oman rise by almost 13 per cent

The Ministry of Housing has allotted a total of 32,876 residential plots across the Sultanate till the end of November 2018, which is an increase of 12.77 per cent over the same period last year. Among various governorates, residential housing plot allotment in the Governorate A'Dakhliyah registered the highest, with about 7,933 plots were allotted in A'Dakhliyah during the January-November period of 2018, up by 1.5 per cent compared to 7,816 plots in the same period of 2017.

Source: [Times of Oman](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Saudi Electricity secures SAR 2.4 bln Murabaha loan from SAMBA

Saudi Electricity Co. (SEC) has inched a SAR 2.4 billion worth of a Murabaha loan facility agreement with SAMBA Financial Group (SAMBA), the Saudi utility provider said in a bourse filing today. The unsecured loan facility has a tenor of five years and will be directed to finance the company's corporate purposes and other capital expenditure.

Source: [Argaam](#)

### Empower settles loans worth \$728 million early

The Emirates Central Cooling Systems Corporation (Empower) on Tuesday announced that it has prepaid three loan installments of \$157.5 million (Dh580 million) prior to their maturity. With these prepayments and payment of DIB facility of \$128 million, Empower has fully settled its term loan facilities for a total amount of \$728 million (Dh2.67 billion) and the company will have zero debt on its books at the end of the year.

Source: [Khaleej Times](#)

### Zain, Saudi Telecom ink deal to provide FTTH broadband services

Mobile Telecommunications Company Saudi Arabia (Zain Saudi) has inked a memorandum of understanding (MoU) with Saudi Telecom Co. (STC) to extend fiber to the home (FTTH) broadband services to households across the Kingdom. Zain Saudi will capitalize on STC's infrastructure to deploy the FTTH broadband services, the telco said in a statement.

Source: [Argaam](#)

### Bahrain plans big investment in road infrastructure projects

Bahrain is set to expand its domestic transport infrastructure network, utilising extensive multinational funding to target its road network to relieve chronic congestion, according to a report. The announcement that the Bahraini government will tender the country's first metro project in 2019 offers significant upside to our transport infrastructure outlook and mirrors metro project initiatives in other GCC countries, stated Fitch Solutions Macro Research in its 2019 review for Bahrain.

Source: [Trade Arabia](#)

### **Saudi: GAB collects SR9bn in revenue**

The General Auditing Bureau (GAB) collected and handed to the Public Treasury SR9 billion during the last fiscal year. This figure marks a four-fold increase from what was achieved in the previous fiscal year. The information was contained in the 58th annual GAB report for the fiscal year 1438/1439 presented to Custodian of the Two Holy Mosques King Salman on Tuesday.

Source: [Saudi Gazette](#)

### **Saudi: Expat fees being reviewed - Minister**

Minister of Commerce and Investment Majid Al-Qassabi said they have completed a study to review expat fees. It will soon be presented to the Council of Ministers, Al Arabiya English quoted him as saying in an interview with Rotana Khalijiya on Monday. Qassabi said the Cabinet will look into the advantages and challenges that the issue poses, and will announce the decision within a month.

Source: [Saudi Gazette](#)

### **No VAT on financial services, says Bahrain bank**

The Central Bank of Bahrain (CBB) has confirmed that Article 54 of the Value Added Tax Law (VAT Law) provides that provision of financial services specified by the Regulation shall be exempt from the application of VAT. This exemption shall not apply in respect of specifically specified fees, commissions or commercial discounts, a statement said.

Source: [Trade Arabia](#)

### **Abu Dhabi Global Market seeks to streamline auditing industry**

The Registration Authority of Abu Dhabi Global Market (ADGM) and the Ministry of Economy have agreed to cooperate more with respect to the registration and supervision of auditors with the aim of promoting high standards of financial audits in the UAE.

Source: [Khaleej Times](#)

### **UAE inflation falls further in November**

Annual inflation in the UAE dropped to 1.3 per cent in November from 1.6 per cent in October because of a weak housing market, figures from the statistics agency showed. Housing and utility costs fell 5.3 per cent from a year ago in November. Food and beverage prices rose 1.8 per cent while transport costs increased 8.8 per cent because of rising domestic gasoline prices

Source: [Khaleej Times](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Trump calls Fed 'only problem' in US economy**

President Donald Trump blasted the Federal Reserve on Monday, describing it as the "only problem" for the US economy, as top officials convened to discuss the growing rout in stock markets caused in part by the president's attacks on the central bank. Stocks fell again amid concern about slowing economic growth, the government shutdown and reports that Trump had discussed firing Federal Reserve Chairman Jerome Powell, whom he has repeatedly criticised for raising interest rates. US stocks have dropped sharply in recent weeks on concerns over weaker economic growth. The S&P 500 index was on pace for its biggest percentage decline in December since the Great Depression.

Source: [Oman Observer](#)

### **Trump says U.S. government shutdown to last until agreement on border wall**

U.S. President Donald Trump on Tuesday said the partial shutdown of the federal government was going to last until his demand for funds to build a wall on the U.S.-Mexico border is met. The U.S. government partially shut down on Saturday, and there is not yet any sign of tangible efforts to reopen agencies closed by a political impasse over Trump's demand for border wall funds

Source: [Reuters](#)

### **BoJ Minutes: Global economy to grow firmly on whole with increasing disparities**

In the minutes of October 30/31 BoJ meeting, there consensus that the global economies continued to grow "firmly on the whole" However, there had been "increasing disparities of growth" among countries and regions. Some members urged to pay attention to slowing pace of improvement in business sentiments, as seen in PMIs in "declining trend". One member noted due to trade friction and rising US interest rates, overseas economies were "beginning to level off".

Source: [Action Forex](#)

## COMMODITIES NEWS

### Oil in London Dips Below \$50 as Market Chaos Counters OPEC+ Cuts

Oil in London fell below \$50 a barrel for the first time since July 2017 as broader financial market turmoil and worries over U.S. supply countered signs the OPEC+ coalition may extend or deepen output cuts. Futures fell as much as 1.1 percent, after Monday's 6.2 percent drop. Russian Energy Minister Alexander Novak tried to reassure investors, saying the market will be more stable in the first half of 2019 due to the deal between OPEC and its allies to cut output and producers will react if the situation changes. Meanwhile, S&P 500 Index futures swung between gains and losses Wednesday and the benchmark U.S. gauge is at the brink of sliding into a bear market.

Source: [Bloomberg](#)