

# U Capital Morning Brief

20 January 2019

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	861.79	-7.70	-0.89%	-2.65%	-	-	-
U Capital GCC 50 Index	1,386.98	5.90	0.43%	7.22%	-	-	-
U Capital MENA 200 Index	1,089.34	3.95	0.36%	5.42%	-	-	-
MSCI GCC Countries Index	573.37	-0.01	0.00%	6.60%	15.01	1.87	3.8%
Muscat Securities Market	4,236.75	-21.35	-0.50%	-2.01%	8.46	0.76	6.1%
Saudi Stock Exchange	8,448.02	41.55	0.49%	7.94%	18.27	1.88	3.3%
Kuwait Stock Exchange	5,237.42	12.27	0.23%	3.11%	15.42	1.26	3.8%
Qatar Exchange	10,787.75	25.96	0.24%	4.75%	15.86	1.61	4.1%
Bahrain Stock Exchange	1,341.22	1.50	0.11%	0.30%	8.71	0.84	6.1%
Dubai Financial Market	2,516.81	16.05	0.64%	-0.51%	7.59	0.92	7.3%
Abu Dhabi Exchange	4,985.30	2.67	0.05%	1.43%	13.40	1.44	4.8%
Beirut Stock Exchange	957.53	-13.16	-1.36%	-1.97%	4.85	0.57	9.5%
Palestine Stock Exchange	530.22	1.33	0.25%	0.16%	13.24	1.22	4.5%
Tunis Se Index	7,251.62	3.12	0.04%	-0.28%	18.71	2.55	2.0%
EGX 30 Index	13,482.99	-27.28	-0.20%	3.43%	12.37	1.53	2.2%
Amman General Index	1,914.35	-4.56	-0.24%	0.29%	13.47	0.94	5.0%

\* 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
			%	%	Currency		
<b>Europe</b>					<b>Australian Dollar (AUD)</b>	0.717	1.396
FTSE 100	UK	6,968.3	1.95%	3.6%	<b>British Pound (GBP)</b>	1.287	0.777
DAX	Germany	11,205.5	2.63%	6.1%	<b>Canadian Dollar (CAD)</b>	0.754	1.326
CAC 40	France	4,875.9	1.70%	3.1%	<b>Chinese Renminbi (CNH)</b>	0.147	6.803
<b>United States</b>					<b>Egyptian Pound (EGP)</b>	0.056	17.917
DJIA	USA	24,706.4	1.38%	5.9%	<b>Euro (EUR)</b>	1.136	0.880
S&P 500	USA	2,670.7	1.32%	6.5%	<b>Indian Rupee (INR)</b>	0.014	71.188
NASDAQ	USA	7,157.2	1.03%	7.9%	<b>Japanese Yen (JPY)</b>	0.009	109.780
<b>Asia Pacific</b>					<b>New Zealand Dollar (NZD)</b>	0.674	1.484
NIKKEI 225	Japan	20,666.1	1.29%	3.3%	<b>Omani Rial (OMR)</b>	2.598	0.385
HANG SENG	Hongkong	27,090.8	1.25%	4.8%	<b>Pakistani Rupee (PKR)</b>	0.719	138.885
KSE 100 Index	Pakistan	39,306.5	0.16%	6.0%	<b>Russian Ruble (RUB)</b>	0.015	66.279
NSE Nifty 50	India	10,907.0	0.02%	0.4%	<b>Singapore Dollar (SGD)</b>	0.736	1.359
SHANGHAI Composite	China	2,596.0	1.42%	4.1%	<b>Turkish Lira (TRY)</b>	0.188	5.328
KOSPI Index	South Korea	2,124.3	0.82%	4.1%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>				<b>UAE</b>	2.87
Brent Crude (per bbl)	62.7	2.48%	16.5%	<b>Saudi Arabia</b>	2.97
WTI Crude (per bbl)	53.8	3.32%	18.5%	<b>Kuwait</b>	2.50
Oman Crude Oil (Last Closing)	62.6	2.88%	16.9%	<b>Oman</b>	2.84
OPEC (per bbl)	59.6	0.18%	15.7%	<b>Qatar</b>	2.90
<b>Precious Metals</b>				<b>Bahrain</b>	3.95
Gold100 OZ (per oz)	1,281.8	-0.80%	-0.1%		
Silver (per oz)	15.3	-1.21%	-1.0%	<b>GCC Latest 10-Yr Government Bond Yields</b>	
Platinum (per oz)	797.6	-1.55%	0.2%		
<b>Other Metals</b>					
Copper, MT	6,052	1.00%	1.5%		
Aluminium, MT	1,870	0.65%	1.3%		
Lead, MT	1,998	1.78%	-1.1%		
Zinc, MT	2,580	1.30%	4.6%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.72	2.60	1m	2.51
5 year	100.01	2.62	3m	2.76
10 year	102.91	2.79	6m	2.85
30 year	105.38	3.10	1 year	3.03

Source: Bloomberg

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

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## OMAN ECONOMIC & CORPORATE NEWS

### **U Capital: Market declines despite good set of results**

Despite relatively good performance by a number of leading companies and banking sector organisations, the market declined during the week, largely due to GCC institutional selling. Trading remained below the required level as investors ignored the strengthened macro and micro factors, attractive multiples and good corporate profitability numbers.

Source: [Oman Observer](#)

### **Private deposits at banks in Oman fall slightly**

Private deposits at commercial banks in the Sultanate at the end of October 2018 decreased slightly by 0.33 per cent to OMR12.43 billion compared to OMR12.47 billion during the corresponding period last year, according to a monthly statistical bulletin published by the Central Bank of Oman. The gross value for these deposits at the end of October 2018 includes time deposits that stood at OMR4,063.20 million, savings deposits of OMR4,503 million and demand deposits of OMR3,602.10 million, the report further added.

Source: [Times of Oman](#)

### **1,705 household activities registered in 2018**

The Ministry of Commerce and Industry (MoCI) said that the number of household activities registered from the beginning of January until the end of December 2018 was 1,705. These activities included 35 activities of sewing and stitching women's abayas; 37 activities of drying and packing dates, grapes and figs and making their products; 27 activities of packaging and wrapping of gifts; 19 from the field of renting of dresses and footwear (Including wedding dresses);

Source: [Times of Oman](#)

### **Omani-Chinese ties move to a higher level**

Omani-Chinese relations have been developing significantly in the last 40 years, with China having emerged as the biggest trade partner of Oman. The two countries have had fruitful cooperation in the area of politics, economy, investment and culture. In May 2018, His Majesty Sultan Qaboos and President Xi Jinping jointly announced the establishment of strategic partnership between the two countries. It took the bilateral relationship to a higher level and drew a grand blueprint for the future development of bilateral relationship.

Source: [Oman Observer](#)

### **Shomookh complex for mining industries soon**

Ahmed bin Zayed al Mahrami, Chairman of Bin Zayed International Investment Group, and Board of Directors of Shomookh Mining Industries Company said that the construction of the projects of Shomookh Complex for Mining Industries and Duqm Commercial Tourism Gate will begin in the first quarter of 2019. He hoped that the first phase of the projects would be completed in the last quarter of the current year. In an interview with Duqm Economist magazine, to be released on Sunday, Al Mahrami indicated that the said complex in the Special Economic Zone in Duqm (SEZD) is the first of its kind in the Sultanate.

Source: [Oman Observer](#)

### **Oman Drydock posts 30pc jump in ship repair orders**

Oman Drydock Company (ODC) — a subsidiary of the government's logistics development arm ASYAD Group — handled a total of 130 vessels at its ship repair yard in Duqm last year, which was 30 per cent higher than the previous year's tally. The sizable uptick in vessels calling at ODC for maintenance and repair services underscores its growing appeal as a one-stop, integrated ship repair yard in the region.

Source: [Oman Observer](#)

### **New Escrow Law will buoy investor confidence in Oman real estate sector**

The Oman Real Estate Association (ORA), the umbrella grouping of leading property developers, investors and brokers in the Sultanate, has broadly welcomed the new Escrow Law that seeks to safeguard funds paid by investors in off-plan properties. Royal Decree 30/2108 promulgating the Law on Escrow Accounts for Real Estate Development Projects was issued last November — setting in place legislation to protect funds received by developers in off-plan properties. Units offered for sale in real estate projects before they are constructed are known as off-plan properties.

Source: [Oman Observer](#)

### **OVER 18% JUMP IN ALLOTMENT OF RESIDENTIAL PLOTS IN 2018**

The Ministry of Housing allotted 36,733 residential plots across the country till the end of December 2018, an increase of 18.5 per cent as compared to the same period in 2017. The Ministry of Housing allotted 30,995 housing plots in 2017. Among various governorates, residential plot allotment was the highest in the Governorate of Dakhliyah, with about 9,037 plots

allotted during the January-December period of 2018, up by 9.1 per cent compared to the same period of 2017. Residential plot allotment was the lowest in the Governorate of Musandam, with just 15 plots allotted during the 12-month period of 2018, a decline of 98.78 per cent over the same period last year.

Source: [Muscat Daily](#)

#### **Disclosure: Oman National Engineering & Investment Co**

Rural Areas Electricity company (Tanweer) has awarded ONEIC the contract for Power Supply to the fishery zone in Walayat Duqm for the sum of OMR 378,357 for 150 days.

Source: [MSM](#)

### **MIDDLE EAST ECONOMIC & CORPORATE NEWS**

#### **Aldar Properties' Alreeman project generates AED 1.6bn in sales**

Aldar Properties has announced that the sales of its Alreeman project in Alshamkha had reached AED 1.6 billion. The demand on the project was huge due to the attractive location of the offered lands, Aldar said in a statement. Early in January, Aldar Properties launched the the AED 2 billion Alreeman development, which is located in close proximity to the Abu Dhabi International Airport.

Source: [Mubasher](#)

#### **Kuwaiti oil minister calls sector spending plans 'optimistic': newspaper**

Kuwaiti oil minister Khaled al-Fadhel wants the funds allocated by the oil sector for spending within the 2040 strategy to be reconsidered, Al Rai newspaper reported on Saturday. The minister said he is not against expansion in the oil sector but described the funds, estimated at 150 billion Kuwaiti dinars (\$495 billion), as "optimistic", al-Fadhel said.

Source: [Zawya](#)

#### **ACWA Power plans to double water desalination and power generation capacity in 5 years**

ACWA Power, a global leader in water desalination and power generation, successfully wrapped up its presence at the 12th edition of the World Future Energy Summit (WFES), which took place on Jan. 14-17, 2019 as part of Abu Dhabi Sustainability Week (ADSW).

Source: [SG](#)

#### **Masdar forms new JV to strengthen foothold in Europe**

Masdar Clean Energy and Finland's Taaleri Energia has signed an agreement to create a joint venture (JV) aimed at developing renewable energy projects in Central and Eastern Europe. The new JV will add to the company's collaboration in the Western Balkans, allowing for more cooperation in the development of onshore wind and solar photovoltaic projects, according to a company statement.

Source: [Mubasher](#)

#### **UAE and Saudi Arabia unveil seven point co-operation plan including new cryptocurrency**

The UAE and Saudi Arabia have unveiled a landmark agreement that will see the two countries co-operate in the development of a joint cryptocurrency, a form of customs union and a plan to ensure goods and supplies flowed in the event of a crisis.

Source: [The National](#)

#### **UAE, Saudi Arabia agree plan for joint cryptocurrency**

The UAE and Saudi Arabia have agreed new plans to collaborate on key sectors such as cryptocurrencies, civil aviation and small and medium-sized enterprises (SMEs). The Executive Committee of the Saudi-Emirati Coordination Council agreed seven initiatives at its first meeting in Abu Dhabi to follow up on the execution of the Strategy of Resolve.

Source: [Arabian Business](#)

#### **Saudi Aramco in 'serious' talks to buy Russian LNG project stake: Al-Falih**

State oil giant Saudi Aramco is in 'serious' talks to buy a stake in Novatek's Arctic LNG project, the Kingdom's Energy Minister Khalid Al-Falih said on Thursday. "The deal's price and terms have not yet been determined, but I hope an agreement can be reached this year," Al-Falih noted, adding, "Aramco is exploring several liquefied natural gas (LNG) investments in USA, Russia and Australia."

Source: [Argaam](#)

### **National Electricity Transmission manufactures first Saudi power transformers**

National Electricity Transmission Co. has finished producing the first batch of Saudi-made power transformers through the Saudi power transformers factory, Saudi Press Agency (SPA) reported. The plant produced nine 67-MVA transformers, which will be installed to support the high-voltage power network.

Source: [Argaam](#)

### **Mena economic growth to remain stable in 2019: S&P**

The economic growth in Mena is expected to remain broadly stable at 2.8 percent on average in 2019, weighted by nominal GDP, compared with 2.6 percent in 2018, S&P Global Ratings noted in its 'Mena Sovereign Rating Trends 2019' published yesterday.

Source: [TPQ](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **China set to post slowest growth in 28 years in 2018, more stimulus seen**

China is expected to report on Monday that economic growth cooled to its slowest in 28 years in 2018 amid weakening domestic demand and bruising U.S. tariffs, adding pressure on Beijing to roll out more support measures to avert a sharper slowdown.

Source: [Reuters](#)

### **Paris informs Tokyo it wants Renault and Nissan to integrate: Nikkei**

A French government delegation has informed Tokyo that it would seek an integration of Renault (RENA.PA) and Nissan (7201.T), most likely under the umbrella of a single holding company, the Nikkei reported on Sunday. The delegation, which included French government-designated Renault director Martin Vial, also said that it wanted to name Nissan's next chairman, according to the report. Nissan was not immediately available for comment.

Source: [Reuters](#)

### **China offers 6-year import boost in trade talks with US: Sources**

China offered U.S. trade negotiators a six-year boost in imports, officials familiar with the matter tell CNBC. China pegged its proposal to buy more U.S. goods through 2024 to President Donald Trump's hopes of being re-elected to a second term in 2020, the sources told CNBC.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Oil up on OPEC output cuts, hopes of easing US/China trade tensions**

Oil prices rose on Friday after a report from the Organization of the Petroleum Exporting Countries (OPEC) showed its production fell sharply last month, easing fears about prolonged oversupply. A report by the Wall Street Journal on Thursday saying that Washington was considering lifting some or all tariffs imposed on Chinese imports also buoyed financial markets, including oil, analysts said.

Source: [Zawya](#)