

U Capital Morning Brief

18 February 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	855.24	-10.90	-1.27%	-2.63%	-	-	-
U Capital GCC 50 Index	1,387.35	-4.72	-0.34%	5.93%	-	-	-
U Capital MENA 200 Index	1,095.60	-3.46	-0.32%	4.83%	-	-	-
MSCI GCC Countries Index	570.56	-0.72	-0.13%	6.08%	14.63	1.85	3.7%
Muscat Securities Market	4,076.88	-32.46	-0.79%	-5.71%	8.43	0.78	6.4%
Saudi Stock Exchange	8,592.01	-34.27	-0.40%	9.78%	18.66	1.93	3.3%
Kuwait Stock Exchange	5,188.05	-9.33	-0.18%	2.14%	14.70	1.24	3.8%
Qatar Exchange	10,010.54	69.04	0.69%	-2.80%	14.26	1.48	4.4%
Bahrain Stock Exchange	1,380.72	8.74	0.64%	3.25%	9.34	0.86	5.9%
Dubai Financial Market	2,549.93	16.32	0.64%	0.80%	8.13	0.94	5.5%
Abu Dhabi Exchange	5,069.07	32.65	0.65%	3.13%	14.17	1.45	4.8%
Beirut Stock Exchange	945.41	0.00	0.00%	-3.21%	4.77	0.56	9.6%
Palestine Stock Exchange	542.57	1.56	0.29%	2.50%	13.35	1.27	4.4%
Tunis Se Index	7,106.05	31.55	0.45%	-2.28%	18.29	2.50	2.0%
EGX 30 Index	15,198.89	214.43	1.43%	16.59%	14.55	1.50	1.9%
Amman General Index	1,981.12	-0.92	-0.05%	3.79%	14.11	0.99	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	USD/1 Unit	Units/1 USD
			%	%	Currency		
Europe							
FTSE 100	UK	7,236.7	0.55%	7.6%	Australian Dollar (AUD)	0.715	1.398
DAX	Germany	11,299.8	1.89%	7.0%	British Pound (GBP)	1.291	0.774
CAC 40	France	5,153.2	1.79%	8.9%	Canadian Dollar (CAD)	0.756	1.323
United States							
DJIA	USA	25,883.3	1.74%	11.0%	Chinese Renminbi (CNH)	0.148	6.764
S&P 500	USA	2,775.6	1.09%	10.7%	Egyptian Pound (EGP)	0.057	17.552
NASDAQ	USA	7,472.4	0.61%	12.6%	Euro (EUR)	1.131	0.884
Asia Pacific							
NIKKEI 225	Japan	21,276.0	1.79%	6.3%	Indian Rupee (INR)	0.014	71.404
HANG SENG	Hongkong	28,322.7	1.51%	9.6%	Japanese Yen (JPY)	0.009	110.530
KSE 100 Index	Pakistan	40,486.7	0.00%	9.2%	New Zealand Dollar (NZD)	0.689	1.452
NSE Nifty 50	India	10,665.7	-0.55%	-1.8%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,730.3	1.79%	9.5%	Pakistani Rupee (PKR)	0.722	138.855
KOSPI Index	South Korea	2,207.5	0.52%	8.2%	Russian Ruble (RUB)	0.015	66.287
					Singapore Dollar (SGD)	0.738	1.355
					Turkish Lira (TRY)	0.189	5.281

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	66.2	-0.03%	22.6%	UAE	2.90
WTI Crude (per bbl)	55.8	0.36%	22.9%	Saudi Arabia	2.94
Oman Crude Oil (Last Closing)	66.7	1.77%	24.7%	Kuwait	2.63
OPEC (per bbl)	64.3	2.13%	24.7%	Oman	2.84
Precious Metals					
Gold100 OZ (per oz)	1,323.6	0.16%	3.2%	Qatar	2.89
Silver (per oz)	15.8	0.17%	2.1%	Bahrain	3.93
Platinum (per oz)	805.9	-0.25%	1.3%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	6,188	0.83%	3.7%		
Aluminium, MT	1,859	0.49%	0.7%		
Lead, MT	2,078	2.01%	2.8%		
Zinc, MT	2,653	2.39%	7.5%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.03	2.49	1m	2.48
5 year	100.03	2.49	3m	2.68
10 year	99.67	2.66	6m	2.75
30 year	100.13	2.99	1 year	2.91

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman tenders 6 Blocks under 2019 Licensing Round

The Ministry of Oil & Gas yesterday tendered out six Oil & Gas Blocks as part of the 2019 Oman Licensing Round. Blocks 58, 70, 73, 74, 75 and 76 were previously part of the prolific Block 6 currently operated by majority-government-owned Petroleum Development Oman (PDO), which was obliged to relinquish these blocks due to statutory license rules, the Ministry said in its tender announcement. "All blocks are aligned along known play trends and structures are mapped in each.

Source: [Oman Observer](#)

Al Aرامي Walkway Project to be ready by 2020

Al-Raid Group celebrated the laying of the foundation stone of the Al-Aرامي Walkway Project in Al-Sawmahan area in the Wilayat of Barka on an area of 140,000 square meters the construction work of which is expected to take about 20 months and will be ready for launch in November 2020. The Walkway is part of Al-Raid Group's portfolio of retail, leisure and tourism projects with an allocation of nearly RO 400 Million to invest in these sectors over the next five years, and expected to contribute thousands of direct and indirect jobs to job seekers.

Source: [Oman Observer](#)

Oman to host gas summit in 2020

In 2020, Muscat will host the prestigious International Gas Union's (IGU) 16th International Gas Research Conference (IGRC 2020) in collaboration with Oman LNG and the Oman Conference and Exhibition Centre (OCEC), attracting many senior-level executives and technical gas experts from the global gas industry. The conference will be hosted in the Middle East for the first time.

Source: [Times of Oman](#)

OMAN FLOUR MILLS, SALALAH MILLS RECEIVE WHEAT SUBSIDY

Oman's government has released the balance amount of subsidy on wheat to Oman Flour Mills Company and Salalah Mills Company. 'Oman Flour Mills is pleased to announce that the government has released the balance amount of RO2.6mn towards final payment of wheat subsidy receivable', Oman Flour Mills said in a disclosure to the Muscat Securities Market (MSM) on Thursday.

Source: [Muscat Daily](#)

OMAN'S BUDGET DEFICIT FALLS TO LOWEST LEVEL IN FOUR YEARS

Oman's public finances are continuing to improve with the sultanate's budget deficit for the full year 2018 falling to the lowest level in four years. According to the preliminary estimates of the closing of the government finance accounts for fiscal year 2018, Oman's budget deficit last year decreased to RO2.7bn against RO3bn estimated in 2018 budget, Oman News Agency reported.

Source: [Muscat Daily](#)

Scope of payments subject to Withholding Tax widened in Oman

New Executive Regulations issued by the Ministry of Finance last week, pursuant to amendments introduced to the Omani Income Tax Law, now expand the ambit of Withholding Tax to include a range of payments, according to tax experts.

Source: [Oman Observer](#)

Capital Intelligence cuts Oman's sovereign rating to BBB-, revises outlook

Capital Intelligence (CI) announced lowering Oman's long-term foreign currency (LTFC) rating to "BBB-" from "BBB". The international credit rating agency also revised Oman's outlook to "stable" from "negative", it said in a statement. Meanwhile, the sovereign's short-term foreign currency (STFC) and short-term local currency (STLC) ratings were affirmed at "A3" with a "stable" outlook.

Source: [Mubasher](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi banking sector outlook 'positive' on resilient economy: interview

The outlook for banks in Saudi Arabia remains positive for 2019, supported by a modest loan and deposit growth as the economy continues to improve, Muhammad Faisal Potrik, head of research at Riyadh Capital, told Argaam in an exclusive interview.

Source: [Argaam](#)

FTSE Russel index to include 7 Qatari-listed firms

The Qatar Stock Exchange (QSE) on Sunday announced that seven listed companies will be included in the FTSE Russell's index starting from 14 March. Mesaieed Petrochemical Holding, Qatar Fuel (Woqod), Qatar Insurance, Qatari Investors Group, Al Khaleej Takaful, Qatar First Bank (QFB), and Widam Food will be included in the indexes, according to FTSE Russell's March 2019 semi-annual review.

Source: [Mubasher](#)

Saudi equities make up 75% of PIF's assets, says fund's chief

Saudi Arabia's sovereign wealth fund has four folds of investment, of which local equities represent three quarters of its assets under management, the fund's chief has said. "The four folds of investments that we have in Saudi by the sovereign fund are Saudi equities, and that represents 75 percent of our assets under management, the giga-projects like NEOM, Red Sea and Qiddiya... then we have real estate and infrastructure, and finally we have the sector development," Yasir Al-Rumayyan, managing director of the kingdom's Public Investment Fund (PIF), said at a conference in Abu Dhabi.

Source: [Forex TV](#)

Shams inks MoU to acquire stake in Hemaia Group

Tourism Enterprise Co. (Shams) signed on Feb. 14 a memorandum of understanding (MoU) to acquire part of stakeholders' shares in unlisted firm Hemaia Group, Shams said in a statement to Tadawul. Under the extendable 90-day MoU, Shams will buy shares owned by the following stakeholders:

Source: [Argaam](#)

Saudi crown prince begins Asia tour with \$20bn Pakistan investment pledge

Crown Prince Mohammed bin Salman on Sunday said Saudi Arabia has signed investment agreements worth \$20 billion during his high-profile visit to Pakistan, where tensions were flaring up with nuclear-armed rival India. Kicking off his tour of South Asia and China with a far higher Pakistan investment than expected, the crown prince said the \$20 billion figure represents only the start of an economic tie-up that would bring the historic Muslim allies even closer.

Source: [Zawya](#)

Dubai hotel supply jumps 9.3% ahead of Expo 2020

US-based hotel market data company STR Inc said that hotel supply in Dubai increased by 9.3% in January while demand rose by 3.9%. The growing hotel supply in the emirate ahead of the Expo 2020 mega event was impacted by occupancy and room rates last month, according to STR's preliminary January data for Dubai.

Source: [Zawya](#)

Agility in talks with Swiss Panalpina for joint investment plans

Agility Public Warehousing announced that it is currently in initial negotiations with the international Switzerland-based Panalpina logistics for considering available partnership agreements between the two entities in the logistics sector. Agility, listed on both Bursa Kuwait and the Dubai Financial Market (DFM), clarified that no final agreement has been reached, according to a bourse statement on Sunday.

Source: [Mubasher](#)

IPO of remaining 50% of Kuwaiti bourse seen in Q4 2019 or Q1 2020

The initial public offering for the remaining 50 percent of shares in the Kuwaiti bourse will take place in the fourth quarter of 2019 or the first quarter of 2020, said Abdulaziz Al-Marzouq, commissioner of the Capital Markets Authority and vice chairman of the bourse's privatization committee. On Thursday, a consortium led by Kuwait's National Investment Co. and including the Athens bourse won a tender to acquire 44 percent of the Kuwait stock exchange.

Source: [Arab News](#)

TASI's liquidity logs 30-session low at Sunday's close

The Saudi Stock Exchange (Tadawul) finished Sunday's trading activities in the red after its benchmark the Tadawul All Share Index (TASI) tumbled 34.27 points, or 0.4%, to 8,592.01 points. TASI's liquidity reached SAR 1.88 billion, its lowest turnover in 30 sessions, or since 3 January, and down from SAR 2.34 billion on Thursday, while trading volume fell to 77.33 million shares, compared to 92.49 million.

Source: [Mubasher](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dollar weakens as trade deal hopes buoy riskier assets; Aussie, kiwi firm

The dollar fell versus a basket of its peers on Monday as rising expectations of a U.S.-Sino trade deal led investors to shift away from the safety of the greenback into riskier assets.

Source: [Reuters](#)

Asia bulls dare to hope on trade talks, stimulus

Asian share markets bounced broadly on Monday as investors dared to hope for both progress at Sino-U.S. trade talks in Washington this week and more policy stimulus from major central banks.

Source: [Reuters](#)

US Treasury yields steady as US-China trade deadline looms

U.S. government debt yields held steady on Friday as market participants continued to monitor trade talks between China and the U.S. and awaited fresh data. At around 4 p.m. ET, the yield on the benchmark 10-year Treasury note, which moves inversely to price, was slightly higher at 2.663 percent, while the yield on the 30-year Treasury bond was lower at 2.993 percent.

Source: [CNBC](#)

Specter of Idiosyncratic Risks Returns to Haunt Emerging Markets

With the U.S.-China trade dispute dominating headlines this year, idiosyncratic risks in emerging markets have played second fiddle to concerns over global growth. Not anymore. South Africa, Nigeria, Thailand and Russia each gave money managers a reminder of how quickly local issues can flare up over the past week. It happened just as some investors were starting to ask if the emerging-market trade was getting overcooked.

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil hits three-month high on OPEC cuts, U.S. sanctions on Iran, Venezuela

Oil prices rose to their highest levels since November last year on Monday, lifted by OPEC-led supply cuts and U.S. sanctions on Iran and Venezuela.

Source: [Reuters](#)