

U Capital Morning Brief

12 March 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	857.80	-4.95	-0.58%	-2.34%	-	-	-
U Capital GCC 50 Index	1,357.70	-9.12	-0.67%	3.67%	-	-	-
U Capital MENA 200 Index	1,075.77	-5.32	-0.49%	2.94%	-	-	-
MSCI GCC Countries Index	561.76	-1.33	-0.24%	4.44%	14.42	1.82	3.8%
Muscat Securities Market	4,085.44	-4.76	-0.12%	-5.51%	8.51	0.78	6.4%
Saudi Stock Exchange	8,426.29	-39.46	-0.47%	7.66%	18.62	1.89	3.3%
Kuwait Stock Exchange	5,290.23	1.84	0.03%	4.15%	14.88	1.28	3.7%
Qatar Exchange	9,744.22	-24.82	-0.25%	-5.39%	13.61	1.43	4.5%
Bahrain Stock Exchange	1,406.34	0.51	0.04%	5.17%	9.01	0.87	5.8%
Dubai Financial Market	2,591.89	13.75	0.53%	2.46%	8.26	0.96	5.4%
Abu Dhabi Exchange	4,870.40	-1.69	-0.03%	-0.91%	13.63	1.39	5.1%
Beirut Stock Exchange	976.41	2.75	0.28%	-0.04%	4.94	0.57	9.3%
Palestine Stock Exchange	544.88	0.40	0.07%	2.93%	11.22	1.23	4.4%
Tunis Se Index	7,039.80	-39.59	-0.56%	-3.19%	18.04	2.47	2.0%
EGX 30 Index	15,098.12	117.50	0.78%	15.82%	16.88	1.50	2.0%
Amman General Index	1,984.96	-2.09	-0.11%	3.99%	13.55	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					Currency Cross Rates		
FTSE 100	UK	7,130.6	0.37%	6.0%	Australian Dollar (AUD)	0.707	1.415
DAX	Germany	11,543.5	0.75%	9.3%	British Pound (GBP)	1.321	0.757
CAC 40	France	5,266.0	0.66%	11.3%	Canadian Dollar (CAD)	0.746	1.340
United States					Chinese Renminbi (CNH)	0.149	6.721
DJIA	USA	25,650.9	0.79%	10.0%	Egyptian Pound (EGP)	0.057	17.434
S&P 500	USA	2,783.3	1.47%	11.0%	Euro (EUR)	1.125	0.889
NASDAQ	USA	7,558.1	2.02%	13.9%	Indian Rupee (INR)	0.014	69.651
Asia Pacific					Japanese Yen (JPY)	0.009	111.340
NIKKEI 225	Japan	21,533.6	1.93%	7.6%	New Zealand Dollar (NZD)	0.684	1.462
HANG SENG	Hongkong	28,919.1	1.46%	11.9%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,957.3	0.09%	5.1%	Pakistani Rupee (PKR)	0.722	139.000
NSE Nifty 50	India	11,283.1	1.03%	3.9%	Russian Ruble (RUB)	0.015	65.969
SHANGHAI Composite	China	3,075.7	1.61%	23.3%	Singapore Dollar (SGD)	0.737	1.356
KOSPI Index	South Korea	2,155.7	0.82%	5.6%	Turkish Lira (TRY)	0.184	5.435

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				GCC Latest 10-Yr Government Bond Yields	
Brent Crude (per bbl)	66.8	0.27%	22.9%		
WTI Crude (per bbl)	57.0	0.41%	25.6%		
Oman Crude Oil (Last Closing)	66.9	1.29%	25.0%		
OPEC (per bbl)	64.8	-1.20%	25.7%		
Precious Metals					
Gold100 OZ (per oz)	1,296.8	0.26%	1.1%		
Silver (per oz)	15.4	0.58%	-0.6%		
Platinum (per oz)	826.2	0.96%	3.8%		
Other Metals					
Copper, MT	6,407	0.19%	7.4%		
Aluminium, MT	1,847	-1.34%	0.1%		
Lead, MT	2,075	-0.72%	2.7%		
Zinc, MT	2,738	1.00%	11.0%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.09	2.47	1m	2.49
5 year	99.60	2.46	3m	2.60
10 year	99.73	2.66	6m	2.68
30 year	99.23	3.04	1 year	2.86

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Private power plan in Oman could cut bills for all

Electricity bills in Oman could soon be even cheaper after two of the country's biggest power suppliers announced plans to privatize. Nama Holding has announced that both Muscat Electricity Distribution Company (MEDC), and Oman Electricity Transmission Company (OETC) will be partially privatized, and in addition to providing cheaper electricity to Oman's residents and citizens, company bosses and economists say issues faced by customers could also be resolved in a faster and more efficient manner.

Source: [Times of Oman](#)

Interest Rates Rise As Credit Growth Picks Up

Interest rates on bank lending and deposits in Oman slightly increased in December, following the four rate increases by the US Federal Reserve in 2018. The weighted average interest rate on Omani rial deposits increased to 1.899 per cent in December 2018 from 1.667 per cent a year ago, while the weighted average Omani rial lending rate increased to 5.329 per cent from 5.203 per cent in the same month of the previous year.

Source: [Muscat Daily](#)

Contribution of fisheries sector to GDP likely to hit RO 730million

The Sultanate is ranked among the top countries in fight against illegal, unreported and unregulated (IUU) fishing, and is classified as Category 5, which represents the high level of application of small-scale measures to access fisheries resources and markets, according to the results of FAO's 2018 assessment for member states' implementation of the Code of Good Conduct.

Source: [Oman Observer](#)

Oman Downstream Expo to Focus on Government Strategy to Increase Sector Growth

While the government continues to focus its efforts on reducing its long-standing dependence on oil, the apparent recovery of oil prices of late is seen to play a crucial role in financing these efforts, placing the sector in a position poised for growth.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS- Gulf stocks hit by global market weakness, IPOs boost Egypt

Gulf markets ended lower on Sunday, weighed down by weak global markets and a drop in oil price, but Egyptian stocks defied the trend, gaining on the back of positive momentum generated by the initial public offering of a state-owned company.

Source: [Reuters](#)

Saudi sets benchmark for mega utility projects: Almar CEO

Water demand in Saudi Arabia is expected to reach 10 million cubic meters per day (m³/day) by 2024, with overall investment in the sector reaching \$6 billion. In an exclusive interview with Argaam, Carlos Cosin, CEO of Almar Water Solution, says desalination is likely to meet close to 70 percent of this volume (6.6 million m³/day), with most of the new capacity produced by projects involving the private sector.

Source: [Argaam](#)

First firm for commercial helicopter operation launched

The Public Investment Fund (PIF) announced on Monday the launch of Helicopter Company, the first national commercial helicopter operator in Saudi Arabia. The company will provide private transportation services within the main cities of Saudi Arabia as well as tourist trips to various attractions around the Kingdom.

Source: [Saudi Gazette](#)

SABB receives SAMA approval on Alawwal merger

Saudi British Bank (SABB) has obtained the approval of the Saudi Arabian Monetary Authority (SAMA), the Kingdom's central bank, on its potential merger with Alawwal Bank. SABB also confirmed its intention to proceed with the implementation of the merger with Alawwal. "We expect the transaction to be complete during H1 2019," SABB said in a bourse filing.

Source: [Argaam](#)

DIFC's wealth and asset management sector hits at \$424bln

The size of the wealth and asset management sector at the Dubai International Financial Centre (DIFC) stands at \$424 billion, equivalent to roughly 30 per cent of the combined gross domestic product of all GCC countries.

Source: [Zawya](#)

Saudi Aramco's board to meet to approve SABIC bond plan

Saudi Aramco's board is set to meet this week in Saudi Arabia where it will approve a bond issuance plan that will likely help finance a potential acquisition of a strategic stake in Saudi petrochemicals maker SABIC, industry sources said.

Source: [Gulf Business](#)

UL, Saudi Telecom Company sign MoU

UL and Saudi Telecom Company (STC) have announced a Memorandum of Understanding (MoU) to establish a testing facility in Saudi Arabia. The Center of Excellence (CoE) will be set up in Riyadh inside STC labs and will offer testing for various products across the 'Fiber to the Home' (FTTH) ecosystem.

Source: [Gulf Today](#)

Saudi Real Estate Refinance Company mulls \$2.3 billion Sukuk issuance

Saudi Arabia's first mortgage-refinancing firm is set to debut in the bond market with a plan to raise as much as SAR 8.5 billion (\$2.3 billion) this year as the Kingdom seeks to expand home ownership. Fabrice Susini, the CEO of Saudi Real Estate Refinance Company (SRC), said that the company will tap domestic and international debt buyers with Islamic bonds. The refinance firm aims to fund around 80 per cent of its assets with debt or loans, Susini said.

Source: [Islamic Business](#)

Bahrain's Bapco to trade in more petroleum products by 2023 as it expands refinery

Bahrain's \$4 billion expansion of its oil refinery will see it begin to sell and trade more petroleum products in the Gulf and Asia by early 2023, according to the CEO of state-owned oil company Bapco. Pete Bartlett said the expansion is on track to be finalised in March, and will increase the capacity of the Sitra oil refinery by 34.8% from 267,000 barrels per day (bpd) to 360,000 bpd, he told Reuters.

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Pound soars, Asian shares rally after Brexit deal changes

The pound jumped and Asian shares rallied on Tuesday after the European Commission agreed to changes in a Brexit deal ahead of a vote in the British parliament on a divorce agreement.

Source: [Reuters](#)

China's yuan 'may already be overvalued' and is set to move lower, Nomura says

The Chinese yuan is probably already overvalued against the U.S. dollar and any efforts by President Donald Trump's team to lock in that level as part of trade negotiations will likely backfire, according to Japanese financial firm Nomura.

Source: [CNBC](#)

China markets get off to strong start; pound jumps as Theresa May secures Brexit concession

Asian stocks got off to a strong start in Tuesday early trade, on the back of a strong performance in U.S. markets overnight as tech shares turned in strong gains. That snapped a five-day losing streak on Wall Street. After falling in the last eight sessions, the pound rose by as much as 1.1 percent and hit the day's high of \$1.317, according to Reuters.

Source: [CNBC](#)

COMMODITIES NEWS

OPEC to Be Squeezed by U.S. Shale Until Mid-2020s, IEA Says

OPEC's loss of market power to what was once its biggest customer will continue until the middle of the next decade as U.S. shale oil thrives. By 2024, the Organization of Petroleum Exporting Countries' capacity to pump crude will actually shrink because of declines in Iran and Venezuela, according to the International Energy Agency.

Source: [Bloomberg](#)

Saudi Arabia to Extend Deep Oil Output Cuts Into April

Saudi Arabia will supply its clients with significantly less oil than they requested in April, extending deeper-than-agreed production cuts into a second month, a Saudi official familiar with the policy said. The move is the latest sign Riyadh is

determined to regain control of the oil market as prices remain well below the level that many OPEC members need to cover their government spending.

Source: **Bloomberg**

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