

U Capital Morning Brief

24 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	878.46	3.91	0.45%	0.02%	-	-	-
U Capital GCC 50 Index	1,411.16	8.26	0.59%	7.75%	-	-	-
U Capital MENA 200 Index	1,106.82	3.99	0.36%	5.91%	-	-	-
MSCI GCC Countries Index	582.69	4.07	0.70%	8.33%	15.03	1.89	3.7%
Muscat Securities Market	4,152.70	-9.53	-0.23%	-3.96%	8.67	0.79	6.3%
Saudi Stock Exchange	8,708.66	68.14	0.79%	11.27%	19.41	1.95	3.2%
Kuwait Stock Exchange	5,519.03	56.99	1.04%	8.65%	15.57	1.34	3.6%
Qatar Exchange	9,953.72	-23.08	-0.23%	-3.35%	13.90	1.46	4.4%
Bahrain Stock Exchange	1,426.22	2.75	0.19%	6.65%	9.12	0.88	5.8%
Dubai Financial Market	2,628.74	-14.96	-0.57%	3.91%	8.38	0.96	5.2%
Abu Dhabi Exchange	5,127.45	29.13	0.57%	4.32%	14.35	1.47	4.8%
Beirut Stock Exchange	959.99	4.35	0.46%	-1.72%	4.90	0.58	9.5%
Palestine Stock Exchange	549.24	-0.98	-0.18%	3.76%	11.11	1.24	4.4%
Tunis Se Index	6,883.03	51.24	0.75%	-5.34%	17.66	2.42	2.1%
EGX 30 Index	14,782.81	58.41	0.40%	13.40%	16.58	1.47	2.0%
Amman General Index	1,960.45	-11.59	-0.59%	2.71%	13.43	0.98	4.9%

* 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	7,207.6	-2.01%	7.1%	Australian Dollar (AUD)	0.708	1.412
DAX	Germany	11,364.2	-1.61%	7.6%	British Pound (GBP)	1.321	0.757
CAC 40	France	5,269.9	-2.03%	11.4%	Canadian Dollar (CAD)	0.745	1.343
United States					Chinese Renminbi (CNH)	0.149	6.723
DJIA	USA	25,502.3	-1.77%	9.3%	Egyptian Pound (EGP)	0.058	17.287
S&P 500	USA	2,800.7	-1.90%	11.7%	Euro (EUR)	1.130	0.885
NASDAQ	USA	7,642.7	-2.50%	15.2%	Indian Rupee (INR)	0.014	68.985
Asia Pacific					Japanese Yen (JPY)	0.009	109.920
NIKKEI 225	Japan	21,627.3	0.09%	8.1%	New Zealand Dollar (NZD)	0.688	1.454
HANG SENG	Hongkong	29,113.4	0.14%	12.6%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	38,531.9	0.38%	4.0%	Pakistani Rupee (PKR)	0.714	140.246
NSE Nifty 50	India	11,456.9	-0.56%	5.5%	Russian Ruble (RUB)	0.015	64.660
SHANGHAI Composite	China	3,104.1	0.09%	24.5%	Singapore Dollar (SGD)	0.739	1.353
KOSPI Index	South Korea	2,187.0	0.09%	7.1%	Turkish Lira (TRY)	0.173	5.759

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)	67.0	-1.22%	23.4%		
WTI Crude (per bbl)	59.0	-1.57%	30.0%		
Oman Crude Oil (Last Closing)	66.8	-1.07%	24.9%		
OPEC (per bbl)	67.8	0.36%	31.5%		
Precious Metals					
Gold100 OZ (per oz)	1,313.7	0.33%	2.4%		
Silver (per oz)	15.4	-0.19%	-0.4%		
Platinum (per oz)	847.3	-1.64%	6.5%		
Other Metals					
Copper, MT	6,312	-1.70%	5.8%		
Aluminium, MT	1,903	0.18%	3.1%		
Lead, MT	2,032	-0.44%	0.5%		
Zinc, MT	2,815	-0.71%	14.1%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.38	2.24	1m	2.50
5 year	100.62	2.24	3m	2.61
10 year	101.63	2.44	6m	2.68
30 year	102.52	2.87	1 year	2.79

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: Strong performance encouraging movements at macro level

The MSM Index performed strongly during the past week, which also saw speculative activities targeting small cap companies, interest focusing on companies that paid dividends and some block deals as well.

Source: [Oman Observer](#)

CBO: Oman's nominal GDP grows 15.3 per cent during Jan-Sep 2018

The Sultanate's nominal GDP registered an accelerated nominal growth of 15.3 per cent during the first nine months of 2018 (January-September) versus 8.0 per cent during the corresponding period of 2017, underscoring the steady expansion of the economy, the Central Bank of Oman (CBO) announced in its latest monthly report.

Source: [Oman Observer](#)

Total credit extended witnesses 6% growth

The banking sector in Oman continued to witness reasonable growth and supported the economic diversification initiatives by meeting the credit needs of all segments in the economy.

Source: [Times of Oman](#)

SPMP Secures Short-Term Funding For Sohar Project, Mulls Stock Market Listing

Tri-Star Resources, the UK-based mining and minerals processing company, on Wednesday announced that a significant short-term funding has been agreed for Strategic & Precious Metals Processing LLC (SPMP) which owns the antimony-gold processing facility in Sohar.

Source: [Muscat Daily](#)

SGRF signs logistics pact with Djibouti

The State General Reserve Fund (SGRF) has signed a Memorandum of Agreement (MoA) with Djibouti Ports and Free Zones Authority, in the presence of Ismail Omar Guelleh, President of Djibouti.

Source: [Times of Oman](#)

Residential plot allotment falls 31.5 per cent

The Ministry of Housing has allotted a total of 4,377 residential plots across the Sultanate till the end of February 2019, which is a decrease of 31.5 per cent over the same period of last year, according to statistics released by the National Centre for Statistics and Information (NCSI).

Source: [Oman Observer](#)

Non-oil activities continue to gain traction

The non-oil economic activities continue to gain traction with sustained policy efforts and increased participation of private sector. Inflationary conditions remained benign and headline inflation stood at 0.2 per cent in January 2019, much lower as compared to 1.1 per cent a year ago.

Source: [Times of Oman](#)

Oman LNG weighs capacity expansion

Oman LNG, which operates a three-train Liquefied Natural Gas complex at Qalhat, is exploring an upgrade of its plant aimed at supporting an incremental increase in its capacity, according to a high-level official.

Source: [Oman Observer](#)

Oman Oil & Orpic Group targets \$250m worth of quick wins

The newly integrated Oman Oil & Orpic Group has its sights on generating \$250 million worth of additional value to the Group through the implementation of 'quick-win' initiatives during 2019.

Source: [Oman Observer](#)

Fitch downgrades four Omani banks

Fitch Ratings has downgraded National Bank of Oman (NBO), Sohar International Bank (SIB) and Bank Dhofar's long-term issuer default rating (IDR) to BB from BB+ with a stable outlook. Additionally, the rating agency also downgraded Bank Muscat's long-term issuer default rating (IDR) to BB+ from BBB- also with a stable outlook.

Source: [Islamic Business & Finance](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi retail sector to recover in 2019 on government stimulus and consumer spending

Saudi Arabia's retail sector is expected to rebound in 2019 from last year, when consumer spending was dented from the introduction of 5 per cent VAT and higher energy prices, according to a new report.

Source: [The National](#)

Riyadh faces 'affordable' housing challenge: Knight Frank

Housing affordability is a growing challenge in Riyadh due to a fast-rising population, Knight Frank said in a recent report. Rapid urbanization in Saudi Arabia has put "significant" pressures on housing markets in the Kingdom's urban centers, the research consultancy said in its recent "Urban Futures"

Source: [Argaam](#)

Saudi privatization plans seen to boost foreign investments: Deutsche Bank

Foreign investments are expected to improve in the Saudi stock market as a result of the government's privatization plans, Al-Eqtisadiyah reported, citing Christian Nolting, Chief Investment Officer for Deutsche Bank Wealth Management.

Source: [Argaam](#)

Qatar- Fitch affirms Commercial Bank's rating at 'A' with stable outlook

Fitch Ratings has affirmed Commercial Bank's Long-Term Issuer Default Rating (IDR) at 'A' with a stable outlook, short-term IDR at 'F1', viability rating (VR) was downgraded to 'bb+' from 'bbb'. According to Fitch, Commercial Bank's IDRs, Support Rating (SR) and Support Rating Floor (SRF) reflect the strong ability of Qatar to support its banks, as indicated by its rating (AA-/Stable).

Source: [MENA FN](#)

Qatar- Commercial Bank has \$2bn of maturities in 2019: CEO

We are unlikely to raise more than \$2bn this year. Probably, we will get into the market by the third quarter of 2019, says Joseph Abraham. Commercial Bank has \$2bn of maturities this year and will "renew and replace them" with fresh issuances for other forms of debt as required by its business and opportunities available, said Group CEO Joseph Abraham.

Source: [MENA FN](#)

2019 is a promising year for Saudi Arabia

In line with the National Transformation Program 2020 and the Saudi Vision 2030, the Eastern Province of Saudi Arabia has hosted the fifth edition of Al-Ahsa Investment Forum as part of the famed "Sharqiah Season", the first of many Saudi Seasons spearheaded by Crown Prince Mohammed Bin Salman.

Source: [Saudi Gazette](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Italy endorses China's Belt and Road plan in first for a G7 nation

Italy endorsed China's ambitious "Belt and Road" infrastructure plan on Saturday, becoming the first major Western power to back the initiative to help revive the struggling Italian economy.

Source: [Reuters](#)

China state planner says will continue reform in oil, rail and electric

China will continue reform of railway, oil and gas, and electricity industries and cut overcapacity in others, a vice chairman of the state planner said on Sunday.

Source: [Reuters](#)

Shock of Lira Crash Pushes Turks to Cushion Savings With Dollars

The stakes in Turkish elections this month could hardly be higher, if the behavior of local investors is anything to go by. Households and businesses scooped up another \$4 billion of hard currency last week, the most since 2012, driving their holdings to a fresh record.

Source: [Bloomberg](#)

Stock Bulls Getting Antsy as Fed's Magic Touch Is No Longer Enough

Investors are starting to doubt that Jerome Powell's magic dust can keep working miracles in equities. The U.S. Federal Reserve's remarkably dovish stance got a polite but restrained nod from markets on Wednesday after trade tensions and profit woes returned to center stage.

Source: [Bloomberg](#)

The bond market is flashing its biggest recession sign since before the financial crisis

The spread between 3-month and 10-year Treasury notes has fallen below 10 basis points for the first time since 2007. An inverted yield curve, where short-term yields are higher than their longer-term counterparts, is considered a reliable recession signal. The Federal Reserve this week said the U.S. economy is still strong but is facing challenges from global weakness.

Source: [CNBC](#)

Stocks End Week Lower Amid Hints of Slowing Growth: Markets Wrap

U.S. equities ended the week lower and Treasuries rose amid more signals that global growth is slowing. The dollar advanced against most major currencies, while the three-month/10-year yield curve inverted for the first time since 2007.

Source: [Bloomberg](#)

COMMODITIES NEWS

Flurry Of Bearish News Sends Oil Lower

U.S. West Texas Intermediate and international-benchmark Brent crude oil futures are trading lower on Friday, threatening to erase this week's gains just one day after the markets hit a four-month high.

Source: [Oil Price](#)

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