

U Capital Morning Brief

6 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	877.83	8.22	0.94%	-0.05%	-	-	-	-
U Capital GCC 50 Index	1,384.43	-4.83	-0.35%	5.71%	-	-	-	-
U Capital MENA 200 Index	1,093.05	-1.56	-0.14%	4.59%	-	-	-	-
MSCI GCC Countries Index	573.13	-2.13	-0.37%	6.56%	14.71	1.86	3.7%	
Muscat Securities Market	4,165.98	12.73	0.31%	-3.65%	8.68	0.80	6.2%	
Saudi Stock Exchange	8,561.37	-4.05	-0.05%	9.39%	18.86	1.92	3.3%	
Kuwait Stock Exchange	5,293.10	20.39	0.39%	4.20%	15.00	1.28	3.7%	
Qatar Exchange	10,010.24	-107.86	-1.07%	-2.80%	13.98	1.47	4.4%	
Bahrain Stock Exchange	1,414.33	1.75	0.12%	5.76%	9.06	0.87	5.8%	
Dubai Financial Market	2,636.80	-6.71	-0.25%	4.23%	8.40	0.97	5.3%	
Abu Dhabi Exchange	5,087.34	-14.19	-0.28%	3.50%	14.25	1.45	4.7%	
Beirut Stock Exchange	973.55	17.38	1.82%	-0.33%	4.92	0.57	9.3%	
Palestine Stock Exchange	543.98	0.47	0.09%	2.76%	11.20	1.23	4.4%	
Tunis Se Index	7,086.56	-43.62	-0.61%	-2.55%	18.16	2.49	2.0%	
EGX 30 Index	14,728.38	-86.80	-0.59%	12.98%	9.83	1.46	2.0%	
Amman General Index	1,983.97	0.44	0.02%	3.94%	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		
Europe			%	%	Currency	USD/1 Unit	Units/1 USD
FTSE 100	UK	7,183.4	0.69%	6.8%	Australian Dollar (AUD)	0.703	1.422
DAX	Germany	11,620.7	0.24%	10.1%	British Pound (GBP)	1.314	0.761
CAC 40	France	5,297.5	0.21%	12.0%	Canadian Dollar (CAD)	0.748	1.337
United States					Chinese Renminbi (CNH)	0.149	6.724
DJIA	USA	25,806.6	-0.05%	10.6%	Egyptian Pound (EGP)	0.057	17.488
S&P 500	USA	2,789.7	-0.11%	11.3%	Euro (EUR)	1.130	0.885
NASDAQ	USA	7,576.4	-0.02%	14.2%	Indian Rupee (INR)	0.014	70.539
Asia Pacific					Japanese Yen (JPY)	0.009	111.780
NIKKEI 225	Japan	21,579.3	-0.68%	7.8%	New Zealand Dollar (NZD)	0.677	1.478
HANG SENG	Hongkong	29,022.3	0.21%	12.3%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	39,834.5	0.33%	7.5%	Pakistani Rupee (PKR)	0.721	139.000
NSE Nifty 50	India	11,034.1	0.42%	1.6%	Russian Ruble (RUB)	0.015	65.760
SHANGHAI Composite	China	3,082.9	0.94%	23.6%	Singapore Dollar (SGD)	0.737	1.358
KOSPI Index	South Korea	2,171.6	-0.35%	6.4%	Turkish Lira (TRY)	0.186	5.390

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates			Current Rate %
	USD	%	%	UAE	Saudi Arabia	Kuwait	
Oil							
Brent Crude (per bbl)	65.4	-0.71%	20.4%				2.89
WTI Crude (per bbl)	56.1	-0.74%	23.6%				2.91
Oman Crude Oil (Last Closing)	66.0	0.55%	23.3%				2.69
OPEC (per bbl)	64.9	-0.70%	25.8%				2.82
Precious Metals							
Gold100 OZ (per oz)	1,287.4	-0.04%	0.4%				2.93
Silver (per oz)	15.1	-0.24%	-2.6%				2.93
Platinum (per oz)	832.1	-0.66%	4.6%				3.87
Other Metals							
Copper, MT	6,478	1.08%	8.6%				
Aluminium, MT	1,874	-0.05%	1.5%				
Lead, MT	2,101	-0.57%	4.0%				
Zinc, MT	2,780	1.05%	12.7%				

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	3/20/2027	3.45
Abu Dhabi	10/11/2027	3.52
Qatar	6/2/2026	3.55
Saudi Arabia	3/4/2028	4.07
Oman	1/17/2028	6.70
Bahrain	10/12/2028	6.16

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.97	2.51	1m	2.48
5 year	99.35	2.52	3m	2.61
10 year	99.31	2.71	6m	2.68
30 year	98.55	3.08	1 year	2.88

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

RO 300 million worth industrial mineral projects on anvil in Oman

Oman's mining authorities have identified investment opportunities worth over RO 300 million that are linked to the exploitation and commercialization of the Sultanate's prolific industrial mineral resources. These minerals include gypsum, limestone, gabbro, marble, kaolin, quartz, clay, basalt, potash and dolomite — non-metallic resources that are found in relative abundance in the Sultanate and extensively used in the industrial, construction and urbanization sectors.

Source: [Oman Observer](#)

Oman ranks high in logistics competitiveness

The Sultanate of Oman has improved its logistics competitiveness, ranking 12th globally and fourth for business fundamentals, according to the 2019 Agility Emerging Markets Logistics Index. In Agility's 10th annual ranking of 50 leading emerging markets, a broad gauge of competitiveness based on logistics strength and business fundamentals, Gulf countries outperform most others.

Source: [Times of Oman](#)

SURVEY FINDS MOST BUSINESSES IN OMAN UNDERSTAND CHALLENGES OF VAT

A majority of persons from Oman's business community believe that they understand challenges associated with the likely implementation of value-added tax (VAT) in the sultanate, a survey conducted by global consultancy firm EY revealed.

Source: [Muscat Daily](#)

Bank Muscat revises dividend upwards, shares rise

Shares in Bank Muscat rose on Tuesday after the bank said it will revise its dividends for 2018. Bank Muscat announced to the exchange on Tuesday that its board of directors had revised the cash dividend for last year to 35 percent from its previously proposed level of 30 percent, and decided to distribute 5 percent as bonus shares (stock dividend).

Source: [Zawya](#)

EU to include UAE, Oman in tax haven blacklist

The EU has reportedly added 10 new jurisdictions to a draft tax haven blacklist including the UAE and Oman. Since more than a year, the list was put to target jurisdictions that are non-cooperative on tax matters. The EU envoys are expected to agree on the new list on Wednesday, an official told Reuters.

Source: [Mubasher](#)

Moody's downgrades Oman's rating to Ba1, outlook negative

Moody's Investors Service ("Moody's") has today downgraded the long-term issuer and senior unsecured bond ratings of the Government of Oman to Ba1 from Baa3. The outlook remains negative. The key driver of the downgrade is Moody's expectation that the scope for fiscal consolidation will remain more significantly constrained by the government's economic and social stability objectives than it had previously assessed.

Source: [Moody's](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Qatar hits 2-month low, major Gulf markets down

The Qatar stock market slid to a two-month low on Tuesday, weighed down by its blue-chips, while major Gulf bourses fell across the board, mostly pressured by financial shares. Qatar's index fell 1.1 percent, with Vodafone Qatar losing 3.2 percent after approving a regulatory decision to reduce the nominal value of its shares to 1 riyal each.

Source: [Zawya](#)

Bahraini market prepares for strong competition at Gulf Property Show

The Bahraini real estate sector is expected to face tough competition from overseas rivals at Gulf Property Show, the event's organising managing director Jubran Abdulrahman said. The Gulf Property Show is planned to showcase international developments in the UAE, Kuwait, Jordan, Cyprus, Germany, Turkey, Egypt, and the UK, according to an official statement.

Source: [Mubasher](#)

Al Yamamah Steel awarded contract, shares outperform Tadawul

Saudi Arabia's Al Yamamah Steel Industries announced on Monday that it has been awarded a contract to supply steel structures to a major solar project in Dubai. The company said it has signed a contract to supply solar structures to the Dubai Solar Park Project- Phase IV with Europea de Construcciones Metalicas.

Source: [Zawya](#)

Abu Dhabi's NMC Health eyes boosting footprint in Saudi Arabia

NMC Health, the UAE-based healthcare operator, announced that it has signed an agreement to establish a joint venture (JV) in Saudi Arabia in a bid to expand in the kingdom. The deal was signed with Hassana Investment Company, the investment arm of the General Organisation for Social Insurance (GOSI) in Saudi Arabia, one of the largest pension funds in the world by assets under management, the company said in a statement.

Source: [Zawya](#)

Saudi cabinet approves cooperation MoUs with UAE

Saudi Arabia's Cabinet approved memorandums of understanding (MOUs) with the United Arab Emirates (UAE) to boost cooperation in various sectors, the official Saudi Press Agency reported on Tuesday. The preliminary deals were signed for cooperation in renewable energy, partnerships, production and industry, entrepreneurship, oil, gas, and petrochemicals.

Source: [Argaam](#)

GCC construction sector 'must embrace key changes'

GCC construction sector must embrace change through more balanced contractual relationships; greater stakeholder collaboration focused on delivery; a sensible approach to risk allocation; quicker ways to resolve disputes; innovative delivery models; and the adoption of global standards that will prove attractive to international project financiers and investors, said a report by leading advisory firm Deloitte.

Source: [Trade Arabia](#)

Saudi Arabia approves new competition law

Saudi Arabia's Cabinet has ratified the new competition law, after reviewing the recommendations submitted by the Council of Economic and Development Affairs and Shura Council, the official Saudi Press Agency reported on Tuesday.

Source: [Argaam](#)

Dubai Real-Estate Developers Cut Jobs in Past Weeks

Nakheel PJSC and Majid Al Futtaim Properties LLC, two of Dubai's biggest real-estate companies, cut jobs in the past weeks, people familiar with the matter said. State-controlled Nakheel, the developer of palm-shaped islands that teetered on the brink of default almost a decade ago, dismissed about 300 employees, the people said, asking not to be identified because the matter is private. It was part of the company's plan to consolidate its operations, one of the people said.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asian Stocks Trade Mixed; Dollar Pushes Higher: Markets Wrap

Asian stocks traded mixed Wednesday after their U.S. peers struggled to make headway in the absence of market-moving catalysts. The dollar gained for a sixth day. Shares in Japan and Korea slipped, while stocks in Australia, Hong Kong and China posted modest gains, after the S&P 500 Index closed little changed.

Source: [Bloomberg](#)

China Lowers Growth Target and Cuts Taxes as Economy Slows

China lowered its goal for economic growth and announced a major tax cut, as policymakers seek to pull off a gradual deceleration while grappling with a debt legacy and the trade standoff with the U.S. The gross domestic product growth target released Tuesday morning in Premier Li Keqiang's annual work report to the National People's Congress was set at a range of 6 to 6.5 percent for 2019.

Source: [Bloomberg](#)

Dollar hovers near two-week high, Aussie slips as economic growth slows

The dollar held gains against its peers on Wednesday, buoyed by better-than-expected data, while the Aussie took a knock after Australia's economic growth slowed last quarter.

Source: [Reuters](#)

U.S. new home sales at seven-month high; services sector picks up

Sales of new U.S. single-family homes rose to a seven-month high in December, but November's outsized jump was revised lower, pointing to continued weakness in the housing market.

Source: [Reuters](#)

COMMODITIES NEWS

OPEC Set To Push Back Oil Output Decision From April To June

OPEC will likely wait until June to decide how to proceed with the production cuts as the initially set date for review, April, could be too soon to assess how the cuts and the supply from exempted and sanctioned Iran and Venezuela would affect the oil market, Reuters reported on Monday, citing three OPEC sources.

Source: [Oil Price](#)

Oil Heads Lower After API Reports Large Crude Build

The American Petroleum Institute (API) reported a large surprise build in crude oil inventories of 7.29 million barrels for the week ending March 1, coming in way over analyst expectations that predicted that crude oil inventories would build by 388,000 barrels.

Source: [Oil Price](#)