

# U Capital Morning Brief

4 September 2018

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	879.16	15.66	1.81%	-9.76%	-	-	-
U Capital GCC 50 Index	1,305.87	14.75	1.14%	14.08%	-	-	-
U Capital MENA 200 Index	1,059.21	8.91	0.85%	6.44%	-	-	-
MSCI GCC Countries Index	536.92	-0.87	-0.16%	11.91%	13.62	1.74	4.1%
Muscat Securities Market	4,427.65	-7.88	-0.18%	-13.17%	10.67	0.88	6.2%
Saudi Stock Exchange	7,942.43	27.36	0.35%	9.91%	17.46	1.79	3.6%
Kuwait Stock Exchange	5,096.27	-41.91	-0.82%	NA	14.81	1.29	3.9%
Qatar Exchange	9,799.83	-64.19	-0.65%	14.98%	14.55	1.48	4.5%
Bahrain Stock Exchange	1,334.53	-2.22	-0.17%	0.21%	9.01	0.85	6.1%
Dubai Financial Market	2,829.58	-12.21	-0.43%	-16.04%	7.54	1.05	6.0%
Abu Dhabi Exchange	4,937.69	-2.25	-0.05%	12.26%	12.99	1.46	4.9%
Beirut Stock Exchange	995.53	-4.50	-0.45%	-13.32%	5.27	0.63	9.8%
Palestine Stock Exchange	541.04	0.81	0.15%	-5.84%	12.60	1.17	4.5%
Tunis Se Index	8,351.59	-66.90	-0.79%	32.95%	21.72	2.97	1.7%
EGX 30 Index	15,821.92	-30.44	-0.19%	5.35%	13.49	2.48	2.2%
Amman General Index	1,983.90	0.18	0.01%	-6.72%	14.61	1.02	4.6%

World Markets	Country	Value	D/D	YTD
			%	%
<b>Europe</b>				
FTSE 100	UK	7,504.6	0.97%	-2.4%
DAX	Germany	12,346.4	-0.14%	-4.4%
CAC 40	France	5,413.8	0.13%	1.9%
<b>United States</b>				
DJIA	USA	25,964.8	-0.09%	5.0%
S&P 500	USA	2,901.5	0.01%	8.5%
NASDAQ	USA	8,109.5	0.26%	17.5%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	22,671.3	-0.16%	-0.4%
HANG SENG	Hongkong	27,721.2	0.03%	-7.3%
KSE 100 Index	Pakistan	41,666.3	0.20%	3.0%
NSE Nifty 50	India	11,576.1	-0.05%	9.9%
SHANGHAI Composite	China	2,719.2	-0.06%	-17.8%
KOSPI Index	South Korea	2,313.5	0.28%	-6.2%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.723	1.383
British Pound (GBP)	1.286	0.777
Canadian Dollar (CAD)	0.763	1.310
Chinese Renminbi (CNH)	0.146	6.832
Egyptian Pound (EGP)	0.056	17.934
Euro (EUR)	1.161	0.862
Indian Rupee (INR)	0.014	71.189
Japanese Yen (JPY)	0.009	111.130
New Zealand Dollar (NZD)	0.660	1.514
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.805	124.198
Russian Ruble (RUB)	0.015	68.119
Singapore Dollar (SGD)	0.729	1.373
Turkish Lira (TRY)	0.151	6.631

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	78.1	-0.09%	21.9%
WTI Crude (per bbl)	70.1	0.37%	16.0%
Oman Crude Oil (Last Closing)	76.3	0.71%	19.3%
OPEC (per bbl)	75.7	0.03%	17.5%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,200.1	-0.08%	-7.9%
Silver (per oz)	14.5	-0.10%	-14.4%
Platinum (per oz)	788.9	0.02%	-15.2%
<b>Other Metals</b>			
Copper, MT	5,967	-0.13%	-17.7%
Aluminium, MT	2,097	-1.32%	-7.5%
Lead, MT	2,120	2.02%	-14.8%
Zinc, MT	2,463	0.24%	-25.8%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.60	44.7%
Saudi Arabia	2.61	37.8%
Kuwait	2.06	10.0%
Oman	2.47	29.4%
Qatar	2.65	0.1%
Bahrain	3.53	29.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.7
Abu Dhabi	10/11/2027	3.8
Qatar	6/2/2026	3.9
Saudi Arabia	3/4/2028	4.1
Oman	1/17/2028	6.2
Bahrain	10/12/2028	7.9

Midswaps	Price	YTM %
3 year	100.16	2.7
5 year	100.05	2.7
10 year	100.14	2.9
30 year	99.48	3.0

USD Libor	Rate (%)	YTD
1m	2.11	35.1%
3m	2.32	37.0%
6m	2.54	38.0%
1 year	2.84	34.8%

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

### OMAN'S FINANCIAL SECTOR NEEDS FURTHER CONSOLIDATION: CMA CHIEF

Oman's financial sector needs further consolidation to create bigger and stronger institutions to be able to withstand the competition from regional and international players, according to the executive president of the Capital Market Authority (CMA). "I believe we need bigger and stronger institutions in Oman, not only in financial sector but in all the corporate sectors. We hope to see fewer and bigger financial institutions and encourage mergers and acquisitions in the sector," H E Abdullah bin Salim al Salmi told Muscat Daily in an interview.

Source: [Muscat Daily](#)

### CBO TO LAUNCH RO150MN GOVT BONDS ISSUE

The Central Bank of Oman (CBO) has announced the new issue (number 58) of the government development bonds (GDB). The size of the new bonds issue is fixed at RO150mn with a maturity period of seven years. The issue will be open for subscription from September 11 to September 20, while the auction will be held on September 23. The issue settlement date will be September 25. The bonds will carry a coupon rate of 5.75 per cent per annum. Interest on the new bonds will be paid semiannually on March 25 and September 25 every year until maturity date on September 25, 2025.

Source: [Muscat Daily](#)

### GlassPoint, PDO launch new tech centre

GlassPoint Solar, the leading supplier of solar energy to the oil and gas industry, has launched SolarISE, a new technology centre in partnership with Petroleum Development Oman (PDO). SolarISE, standing for Solar Research, Innovation and Sustainability in Energy, is a joint initiative formed to develop and test next generation solar technologies in the oilfield environment. The centre will focus on continuous cost reduction, including new concepts and designs to reduce material costs, ease oilfield integration and automate operations. It will also pilot and evaluate solutions for using solar energy for other industrial processes in Oman and around the world.

Source: [Times of Oman](#)

### Paring deficit 2019's priority

The Ministry of Finance (MoF) has issued guidelines to all the ministries, government departments and public sector institutions for the submission of finance proposals for the budget 2019, reported the Oman newspaper, sister publication of the Observer. As per the guidelines, all the government and public sector units, while submitting their financial plans, should not increase the scope of their budget and instead focus on ways to rationalise expenditure and rearrange priorities in line with the available financial resources. The main focus while preparing the general budget 2019 will be on reducing the deficit (keeping it within the safe limits), reducing the level of public debt and rationalising public expenditure, among others.

Source: [Oman Observer](#)

### Oil prices are unlikely to rise above \$80 this year, Oman minister says

Oil prices are unlikely to break out of the mid-\$70 level, Oman's oil and gas minister told CNBC Monday, adding that he thought prices were currently "fair." "I think for the rest of this year we should see stability between \$70 and the high 70s (dollars a barrel), or low 70s to high 70s," HE Mohammed bin Hamad Al Rumhy, said.

Source: [CNBC](#)

### JINDAL STEEL WILL SEEK TO SELL ABOUT 30% OF OMAN UNIT, SAYS NAVEEN JINDAL

India's Jindal Steel & Power Ltd will seek to progressively sell about 30 per cent of its Oman unit over two to three years, and this may partly be achieved through an initial public offer, the chairman of the company has said. The company will engage with potential buyers in December and hopes to conclude a deal by March, chairman Naveen Jindal said in an interview as reported by Bloomberg. Jindal Steel & Power Ltd is considering a breakup plan as part of a restructuring to help trim its US\$6bn debt pile and boost investor confidence in a company that was once India's biggest steelmaker by market value.

Source: [Muscat Daily](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### Abu Dhabi Commercial Bank says in merger talks with two rivals

Abu Dhabi Commercial Bank (ADCB) said it is in early merger talks with Union National Bank and Al Hilal Bank, which could potentially form a lender with \$113 billion in assets. Abu Dhabi, the oil-rich capital of the United Arab Emirates, has been revamping its economy and pressing ahead with consolidating state-owned entities after two years of low oil prices weighed heavily on its revenues.

Source: [Zawya](#)

### Saudi private-sector growth in August is fastest this year: PMI

Growth in Saudi Arabia's non-oil private sector edged up in August to its fastest rate this year, a survey of companies showed on Tuesday, suggesting a long-awaited recovery of the economy may have begun.

Source: [Reuters](#)

### UAE private-sector growth slows in August as employment slumps: PMI

Expansion of the United Arab Emirates' non-oil private sector slowed to a five-month low in August as total employment shrank for the first time on record, a survey of companies showed on Tuesday.

Source: [Reuters](#)

### **Expat remittances from Saudi Arabia rise 8% in July**

Remittance outflows by expatriates in Saudi Arabia rose 8 percent year-on-year (YoY) to SAR 12.18 billion in July, data issued by the Saudi Arabian Monetary Authority (SAMA) showed. Compared to June, expat remittances increased by 15 percent, or around SAR 1.57 billion.

Source: [Argaam](#)

### **Al Akaria seals framework agreement with state security**

Saudi Real Estate Co. (Al Akaria) has inked a framework agreement with the Presidency of State Security to provide integrated realty services, according to a bourse filing. These services would include managing projects, undertaking infrastructure developments, in addition to operation and maintenance services. Al Akaria would also manage the facilities of the presidency projects all over 100 sites in the Kingdom.

Source: [Argaam](#)

### **Dubai's Emirates Investment Bank to strike new deals in GCC: CEO**

Emirates Investment Bank (EIBank) is working on completing new investment transactions in the GCC states in different sectors, namely the food and beverage (F&B), healthcare and education sectors, the CEO of the Dubai-based lender has said. The independent private bank is looking forward to reaping the fruit of these deals in the coming period in a bid to ensure achieving the highest value for its clients, Khaled Sifri told Mubasher in an interview.

Source: [Zawya](#)

### **Banking sector the dominate factor on the Qatar stock market – data**

Qatar's stock market performance over the last 13 years has been strongly linked to movement in the banking sector, according to data from Thomson Reuters Eikon. Data extracted on Monday found the performance of the Qatar Exchange General index (.QSI) and the Thomson Reuters Qatar Banking and Investment Services index (.TRXFLDQAPF1) between May 2005 and September 2018 had a correlation coefficient of + 0.983.

Source: [Zawya](#)

### **Aramco IPO suspension to impede Saudi economic diversification scheme - Moody's**

The delay of state-run Saudi Aramco's local and international initial public offerings (IPOs) is expected to take its toll on the oil-rich kingdom's economic diversification plan, Moody's Investors Service said in a report on Monday. The Saudi government had previously announced that it would raise around \$100 billion, or 13% of the GCC nation's 2018 gross domestic product (GDP), from the share sale of the world's largest oil producer.

Source: [Mubasher](#)

### **(Kuwait) CMA Oks raising Warba Bank's capital by 50%**

Warba Bank on Monday announced that it has obtained the approval of the Capital Market Authority's (CMA) on increasing its capital by 50%. The Kuwaiti bank's capital will reach KWD 150 million from KWD 100 million, while its shares will hike to 500 million shares from 100 million shares, according to the lender statement to Boursa Kuwait.

Source: [Mubasher](#)

### **Qatar central bank sells 7.85 bln riyals of bonds, sukuk**

Qatar's central bank said on Monday it had sold 7.85 billion riyals (\$2.16 billion) of conventional bonds and sukuk. It sold 2.45 billion riyals of three-year conventional bonds and 1.0 billion riyals of three-year sukuk at a yield of 3.75 percent. It also sold 3.2 billion riyals of five-year conventional bonds and 1.2 billion riyals of five-year sukuk at 4.25 percent.

Source: [Salam Gateway](#)

### **Qatar Mulls Visa-Free Entry Scheme**

FIFA 2022 World Cup Qatar organizers said they would take a decision on whether to adopt Russia's Fan ID scheme when they meet with their Russian counterparts soon. The Fan ID, which was a personalised document that every match ticket-holder was required to have by the governing body, provided fans with visa-free entry to Russia at the 2018 tournament.

Source: [Al Bawaba](#)

### **World's farthest leaning manmade tower to have Abu Dhabi's first commercial helipad**

The world's farthest leaning manmade building will now have its own helipad after receiving clearance from the UAE's General Civil Aviation Authority (GCAA), making it the first commercial tower in Abu Dhabi to receive the licence. The helipad will be operated by ADNEC, the first to receive the licence of its kind in the UAE's capital. Abu Dhabi now has three buildings with helipads licences by the GCAA, out of seven commercially licensed in the UAE.

Source: [Arabian Business](#)

### **Transformational industries lift UAE non-oil GDP 11.8pc**

Transformational industries' contribution to non-oil GDP increased to 11.8 per cent by fixed prices until the end of 2017 from 11.7 per cent in 2016 and 11.5 per cent in 2015, a media report said. The growth reflects the significant achievements made by the transformational industries over the past five years, during which they have become a key pillar of the economic diversification plans, reported Emirates news agency Wam, citing the UAE Ministry of Economy's statistics.

Source: [GDN](#)

## INTERNATIONAL ECONOMIC & CORPORATE NEWS

### Asian shares hit by trade friction, emerging market tumult; dollar up

Asian shares fell and the dollar turned higher on Tuesday as the trade dispute between the United States and China threatened to escalate this week, and as emergency austerity measures in Argentina underscored the turbulence gripping emerging markets.

Source: [Reuters](#)

### China's mega banks are boasting higher profits, but investors still aren't buying their stocks

Hong Kong-listed shares of China's big four banks were mixed even though all of them reported higher profits and wider margins last week. Investors fear that Chinese authorities, facing a slowing economy and worsening tensions with the U.S., may abandon plans to deleverage and the banking industry could see bad debt pile up again.

Source: [CNBC](#)

### China clamps down on cryptocurrency speculation, but not blockchain development

Beijing is still trying to limit speculation in digital currencies roughly one year after banning their sales in "initial coin offerings." In August, authorities warned about risks from illegal fundraising activities under the guise of "cryptocurrencies," and at least one major business district in Beijing banned promotional cryptocurrency events. However, local Chinese government investment in the underlying blockchain technology stands at about \$3.57 billion since 2016, according to estimates published last week.

Source: [CNBC](#)

### Dollar steady on lingering trade, emerging market worries

The dollar firmed on Tuesday as investors bid up safe haven assets amid tensions around global trade and strains in emerging market currencies, while the Australian dollar pared losses after Australia's central bank kept interest rates on hold.

Source: [Reuters](#)

## COMMODITIES NEWS

### U.S. oil prices rise as Gulf oil rigs evacuated ahead of hurricane

U.S. oil prices rose on Tuesday, breaking past \$70 per barrel, after two Gulf of Mexico oil platforms were evacuated in preparation for a hurricane. U.S. West Texas Intermediate (WTI) crude futures were at \$70.05 per barrel at 0353 GMT, up 25 cents, or 0.4 percent from their last settlement. Anadarko Petroleum Corp said on Monday it had evacuated and shut production at two oil platforms in the northern Gulf of Mexico ahead of the approach of Gordon, which is expected to come ashore as a hurricane.

Source: [Reuters](#)



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