

U Capital Morning Brief

24 December 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	886.76	-12.46	-1.41%	-8.98%	-	-	-
U Capital GCC 50 Index	1,300.15	-25.64	-1.97%	13.58%	-	-	-
U Capital MENA 200 Index	1,040.14	-17.54	-1.69%	4.53%	-	-	-
MSCI GCC Countries Index	533.10	-2.64	-0.49%	11.12%	14.03	1.74	4.1%
Muscat Securities Market	4,336.18	-0.66	-0.02%	-14.96%	10.22	0.77	6.0%
Saudi Stock Exchange	7,730.58	-22.78	-0.29%	6.98%	16.68	1.73	3.6%
Kuwait Stock Exchange	5,092.57	-3.99	-0.08%	NA	15.23	1.23	3.9%
Qatar Exchange	10,332.77	-79.74	-0.77%	21.23%	15.27	1.54	4.2%
Bahrain Stock Exchange	1,314.17	0.22	0.02%	-1.32%	8.89	0.82	6.2%
Dubai Financial Market	2,478.71	-31.10	-1.24%	-26.45%	8.36	0.91	7.1%
Abu Dhabi Exchange	4,817.13	-38.81	-0.80%	9.52%	13.07	1.39	5.0%
Beirut Stock Exchange	984.78	5.01	0.51%	-14.26%	5.04	0.60	9.2%
Palestine Stock Exchange	524.87	0.07	0.01%	-8.65%	12.79	1.22	4.6%
Tunis Se Index	7,206.36	2.95	0.04%	14.72%	18.72	2.56	2.0%
EGX 30 Index	12,947.35	-190.23	-1.45%	-13.79%	11.88	1.46	2.3%
Amman General Index	1,931.62	-11.32	-0.58%	-9.18%	13.82	0.96	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	6,721.2	0.14%	-12.6%	Australian Dollar (AUD)	0.706	1.417
DAX	Germany	10,633.8	0.21%	-17.7%	British Pound (GBP)	1.267	0.789
CAC 40	France	4,694.4	0.04%	-11.6%	Canadian Dollar (CAD)	0.737	1.357
United States							
DJIA	USA	22,445.4	-1.81%	-9.2%	Chinese Renminbi (CNH)	0.145	6.904
S&P 500	USA	2,416.6	-2.06%	-9.6%	Egyptian Pound (EGP)	0.056	17.920
NASDAQ	USA	6,333.0	-2.99%	-8.3%	Euro (EUR)	1.139	0.878
Asia Pacific							
NIKKEI 225	Japan	20,166.2	-1.11%	-11.4%	Indian Rupee (INR)	0.014	70.150
HANG SENG	Hongkong	25,580.0	-0.67%	-14.5%	Japanese Yen (JPY)	0.009	111.090
KSE 100 Index	Pakistan	38,251.0	0.04%	-5.5%	New Zealand Dollar (NZD)	0.674	1.484
NSE Nifty 50	India	10,754.0	-1.81%	2.1%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,518.1	0.07%	-23.9%	Pakistani Rupee (PKR)	0.720	138.949
KOSPI Index	South Korea	2,056.8	-0.23%	-16.6%	Russian Ruble (RUB)	0.015	68.913
					Singapore Dollar (SGD)	0.729	1.373
					Turkish Lira (TRY)	0.188	5.315

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	54.4	1.13%	-13.6%	UAE	2.87
WTI Crude (per bbl)	46.1	1.01%	-23.8%	Saudi Arabia	2.96
Oman Crude Oil (Last Closing)	53.8	-0.92%	-15.9%	Kuwait	2.25
OPEC (per bbl)	53.9	-2.19%	-16.4%	Oman	2.83
				Qatar	2.90
				Bahrain	3.95
Precious Metals					
Gold100 OZ (per oz)	1,263.6	0.59%	-3.0%	GCC Latest 10-Yr Government Bond Yields	
Silver (per oz)	14.7	0.54%	-13.2%		
Platinum (per oz)	792.3	0.41%	-14.9%		
Other Metals					
Copper, MT	5,991	-0.15%	-17.3%		
Aluminium, MT	1,909	-0.16%	-15.8%		
Lead, MT	1,965	-0.66%	-21.0%		
Zinc, MT	2,502	-1.50%	-24.6%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.02	2.62	1m	2.51
5 year	101.09	2.64	3m	2.82
10 year	102.88	2.79	6m	2.91
30 year	106.73	3.03	1 year	3.07

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

MoF official says private sector should take lead in boosting economic growth

Oman's future economic transformation should be led by the private sector, a Ministry of Finance official (MoF) has said. The official said this will help in the diversification process, reduce dependence on the hydrocarbon sector and accelerate non-oil economic activities. Speaking to Muscat Daily on the sidelines of a workshop highlighting Oman's budget held by the Government Communication Centre in coordination with the Ministry of Finance, Khalid Saif al Busaidi, an official at the Ministry of Finance, said, "The government is supporting the private sector to be the leader of economic growth, be the provider of jobs and many services.

Source: [Muscat Daily](#)

Spot market set to pave way for merchant electricity generation

The region's first electricity spot market, which is slated to come into operation in the Sultanate in 2020, is expected to spawn the growth of 'merchant generation capacity' — power producers that are not covered by Power Purchase Agreements (PPAs) with Oman Power and Water Procurement Company (OPWP), the sole buyer of electricity under the Sector Law.

Source: [Oman Observer](#)

Bausher 1 project construction work commences

Haya Water recently began the construction work in Bausher 1 aiming to establish a Waste Water and Treated Water Networks. The total cost of the project is OMR7 million and was awarded to the Ghantoot Transport and General Construction Company.

Source: [Times of Oman](#)

Oman Flour Mills bags Best Arab Company award in food sector

Oman Flour Mills Company has won the Best Arab Company award in the food sector in the Arab world for 2018 at a function held in Marrakech, Morocco, organised by the Supreme Committee of Arab Best.

Source: [Muscat Daily](#)

CMA organises workshop on insurance products

The Capital Market Authority (CMA) has organised a workshop on insurance products on Sunday attended by a number of CMA's officers and representatives of Insurance companies "We endeavour to organise this workshop to explain the procedures and mechanisms for approval of insurance products by emphasising on the key requirements for approval of each product to ease the approval process for marketing in the Omani market which achieve two objectives, developing the products offered in the Omani market and to ensure high quality products to encourage innovation in offering insurance products in the local market beside providing efficient protection for policyholders," Ahmed Ali Al Mamari, Vice President for Insurance sector, said.

Source: [Times of Oman](#)

6,128 applications received for trademarks, licences

The Ministry of Commerce and Industry (MoCI) said that the number of applications for trademarks, commercial licences and commercial agencies during the second quarter of 2018 reached 6,128.

Source: [Times of Oman](#)

Tethys Oil to acquire minority interest in Mukhaizna oilfield

Swedish listed international energy firm Tethys Oil has entered into an agreement to acquire a two per cent participating interest in Block 53 onshore Oman from Total E&P Oman, a wholly-owned subsidiary of Total SA (Total). Block 53 holds the Mukhaizna oilfield, the single largest producing oil field in Oman with a gross production in excess of 100,000 bpd. The acquisition is subject to government approval and the waiver of partner pre-emption rights. "We welcome this opportunity which, if completed, will be a valuable complement to our existing asset base and underscores our long-term commitment to the Sultanate of Oman," comments Tethys Oil's managing director Magnus Nordin.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Emaar Properties sells \$596m prime hospitality assets

Leading UAE developer Emaar Properties said it has sold some of its prime hospitality assets worth Dh2.19 billion (\$596 million) in line with its new regional strategy. The proceeds of the sales will be used to fund commercial properties that generate a higher return on investment (ROI), said the top Dubai developer in a statement to the Dubai Financial Market.

Source: [Trade Arabia](#)

ACWA, ECOHZ partner to empower local communities

ACWA Power, a water desalination and power generation firm, recently collaborated with a key player in energy sector, ECOHZ, which offers global renewable energy solutions to businesses, organizations and electricity providers, to empower local women and support communities in Morocco.

Source: [Arab News](#)

UAE to finalise ICO regulations by 2019

The move will provide businesses with a secured option to raise capital through crowdfunding with the help of blockchain technology. Regulations for initial coin offering (ICO) will be introduced in the UAE by the end of the first half of 2019, according to the country's Securities and Commodities Authority (SCA), which has approved the offerings as securities.

Source: [Arabian Business](#)

Ajman Bank plans \$1.5 billion Sukuk program

Ajman Bank intends to issue a Sukuk program worth \$1.5 billion, with the first tranche at \$350 million as a minimum, while the other tranches will be defined as needed, according to the bank's bourse statement. The proposal will be looked into by the bank's upcoming general assembly meeting.

Source: [Economies](#)

Advanced Petrochemical awards \$350 mln deal for South Korea plant

Advanced Petrochemical Co. has awarded an engineering, procurement and construction (EPC) contract worth \$350.6 million for the construction of 400,000 metric tons per annum polypropylene plant in the southern port city of Ulsan in South Korea. In a statement to Tadawul, the firm said that Ulsan Polypropylene Ltd., a joint venture between SK Advanced Ltd. and PolyMirae Ltd., signed on Dec. 21, 2018 a contract with SK Engineering & Construction Co. Ltd. to carry out EPC work to establish the polypropylene production plant.

Source: [Argaam](#)

Bahrain's annual GDP growth slows to 1.6% in Q3

Bahrain's annual growth in gross domestic product, adjusted for inflation, slowed in the third quarter of this year as both the oil and non-oil sectors lost momentum, the government's statistics website showed on Sunday. GDP grew 1.6 percent from a year earlier in the third quarter, slowing from 2.5 percent in the second quarter. The oil sector shrank 1.5 percent in the third quarter, while the non-oil sector grew 2.4 percent.

Source: [Zawya](#)

Saudi Arabia to privatize Jeddah airport by first half of 2019- authority

The Saudi General Authority of Civil Aviation (GACA) plans to appoint a private company to manage King Abdulaziz International Airport in Jeddah by the first half of next year, the authority confirmed to Zawya by email. Earlier this year, the GACA terminated a concession agreement with Singapore's Changi Airports International and Saudi Naval Services to operate the airport in Jeddah, after awarding the contract last year for a period of 20 years.

Source: [Zawya](#)

UAE economy will see robust growth in year ahead

The UAE's economic growth is set to accelerate next year as non-oil revenue expands on the back of government measures introduced in 2018 and higher spending, economists said. The UAE's economy, the Arab world's second largest, which grew 0.8 per cent in 2017, mainly due to oil output and price declines, is set to accelerate next year thanks to a slew of government measures aimed at propelling the non-oil sector, which contributes to over 70 per cent of the country's gross domestic product (GDP). The Central Bank of the UAE forecasts the economy will, as a result of the government reforms and measures, accelerate 4.2 per cent next year.

Source: [The National](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Treasury Secretary Mnuchin held calls with the CEOs of major banks to discuss the market turmoil

Treasury Secretary Steven Mnuchin held calls on Sunday with the heads of the six largest U.S. banks to shore up confidence in the U.S. financial system amid the recent market turmoil. "The banks all confirmed ample liquidity is available for lending to consumer and business markets," a statement from the Treasury said.

Source: [CNBC](#)

Hong Kong takes global crown for IPO volumes

A flurry of initial public offerings (IPOs) in Hong Kong propelled the financial centre to first place for IPO volumes globally, but next year is unlikely to see as many big-ticket listings. Companies raised a total of \$36.3 billion in Hong Kong listings this year, well ahead of New York Stock Exchange's \$28.9 billion, and a 174 per cent increase on year-on-year, according to Refinitiv data.

Source: [Oman Observer](#)

Stocks Trade Mixed, Yen Climbs as Caution Reigns: Markets Wrap

Asian shares were mixed and U.S. stock futures edged higher, while the yen advanced, as investors weighed news over the weekend that President Donald Trump has discussed firing Federal Reserve Chairman Jerome Powell as well as the impact of a partial U.S. government shutdown.

Source: [Bloomberg](#)

Elon Musk says Tesla to pay customers for missed tax credits

Tesla Inc (TSLA.O) chief executive Elon Musk said the electric car company will reimburse customers if delays to car deliveries cause them to miss out on a significant tax credit. Under a major tax overhaul passed by the Republican-controlled U.S. Congress late last year, incentives in the way of tax credits that lower the cost of electric vehicles are available for the first 200,000 such vehicles sold by an automaker. The tax credit is then reduced by 50 percent every six months until it phases out.

Source: [Reuters](#)

COMMODITIES NEWS

Oil market 'likely to rebalance early 2019': OPEC

Oil ministers from leading OPEC nations said Sunday they expect prices will arrest their recent slide and rebalance early next year, when a deal on new production cuts takes effect. Oil prices have shed more than 36 percent since early October to trade at \$54 per barrel, due to fears of oversupply and weak global demand.

Source: [Arab News](#)

UAE: oil producers to have extra meeting if output cuts "not enough"

If an agreed cut in oil output by 1.2 million barrels per day is not enough to balance the market, OPEC and allied producers will hold an extraordinary meeting and do what is necessary, the United Arab Emirates energy minister said on Sunday.

Source: [Arab News](#)



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