

U Capital Morning Brief

14 January 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	876.10	-6.24	-0.71%	-1.03%	-	-	-
U Capital GCC 50 Index	1,373.16	32.93	2.40%	6.15%	-	-	-
U Capital MENA 200 Index	1,083.85	19.17	1.77%	4.89%	-	-	-
MSCI GCC Countries Index	566.13	3.50	0.62%	5.26%	14.89	1.85	3.9%
Muscat Securities Market	4,304.19	-6.37	-0.15%	-0.45%	9.16	0.77	6.0%
Saudi Stock Exchange	8,291.66	81.50	0.99%	5.94%	17.97	1.85	3.4%
Kuwait Stock Exchange	5,233.46	14.74	0.28%	3.03%	15.60	1.26	3.8%
Qatar Exchange	10,653.57	-4.65	-0.04%	3.44%	15.75	1.59	4.1%
Bahrain Stock Exchange	1,344.45	2.73	0.20%	0.54%	8.73	0.84	6.1%
Dubai Financial Market	2,537.68	-7.97	-0.31%	0.31%	7.70	0.94	7.2%
Abu Dhabi Exchange	4,968.68	6.31	0.13%	1.09%	13.35	1.44	4.9%
Beirut Stock Exchange	972.12	-0.87	-0.09%	-0.47%	4.93	0.58	9.3%
Palestine Stock Exchange	528.58	-1.13	-0.21%	-0.15%	13.19	1.22	4.5%
Tunis Se Index	7,190.33	50.49	0.71%	-1.12%	18.55	2.53	2.0%
EGX 30 Index	13,525.83	158.39	1.18%	3.76%	12.44	1.54	2.2%
Amman General Index	1,920.68	-0.97	-0.05%	0.62%	13.62	0.94	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	6,918.2	-0.36%	2.8%	Australian Dollar (AUD)	0.719	1.392
DAX	Germany	10,887.5	-0.31%	3.1%	British Pound (GBP)	1.284	0.779
CAC 40	France	4,781.3	-0.51%	1.1%	Canadian Dollar (CAD)	0.753	1.328
United States					Chinese Renminbi (CNH)	0.148	6.763
DJIA	USA	23,996.0	-0.02%	2.9%	Egyptian Pound (EGP)	0.056	17.933
S&P 500	USA	2,596.3	-0.01%	3.6%	Euro (EUR)	1.147	0.872
NASDAQ	USA	6,971.5	-0.21%	5.1%	Indian Rupee (INR)	0.014	70.631
Asia Pacific					Japanese Yen (JPY)	0.009	108.140
NIKKEI 225	Japan	20,359.7	0.97%	1.7%	New Zealand Dollar (NZD)	0.681	1.469
HANG SENG	Hongkong	26,299.2	-1.38%	1.8%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	39,185.3	0.32%	5.7%	Pakistani Rupee (PKR)	0.720	138.852
NSE Nifty 50	India	10,730.2	-0.60%	-1.2%	Russian Ruble (RUB)	0.015	66.883
SHANGHAI Composite	China	2,539.6	-0.56%	1.8%	Singapore Dollar (SGD)	0.739	1.353
KOSPI Index	South Korea	2,062.7	-0.62%	1.1%	Turkish Lira (TRY)	0.182	5.489

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)	59.8	-1.06%	11.2%		
WTI Crude (per bbl)	51.1	-1.03%	12.4%		
Oman Crude Oil (Last Closing)	60.0	-1.74%	12.0%		
OPEC (per bbl)	59.5	2.13%	15.4%		
Precious Metals					
Gold100 OZ (per oz)	1,290.7	0.25%	0.6%		
Silver (per oz)	15.6	-0.18%	0.5%		
Platinum (per oz)	808.5	-0.19%	1.6%		
Other Metals					
Copper, MT	5,942	0.20%	-0.4%		
Aluminium, MT	1,836	-1.34%	-0.5%		
Lead, MT	2,002	1.32%	-0.9%		
Zinc, MT	2,492	1.26%	1.0%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.95	2.52	1m	2.51
5 year	100.45	2.53	3m	2.79
10 year	103.64	2.70	6m	2.86
30 year	106.67	3.03	1 year	3.02

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

CMA launches whistle-blowing window

The Capital Market Authority (CMA) launched a whistle-blowing window on its website on Wednesday. The move aims to upgrade the capital market and insurance sectors and protect participants from unfair and unsound practices. The window is meant to be an easy and swift channel of communication between CMA and all the participants of the entities regulated by CMA in the capital and insurance sectors, where they can report any violations, irregularities, unethical acts, suspicious acts or malpractices that might be detrimental to the performance and stability of the sectors.

Source: [Times of Oman](#)

Value of traded realty contracts at RO 235 mn in Dec

Abdullah bin Salim al Mukhaini, Secretary of the Real Estate Registry at the Ministry of Housing, said that the value of traded contracts during December 2018 stood at RO 235,308,000, while the collected fees amounted to RO 7,644,000. He added that the real estate activity involved 34,698 transactions that included sale, grant, inheritance, exchange, mortgage and mortgage redemption, usufruct and division transactions.

Source: [Oman Observer](#)

Oman oil price spike to shore up sentiment

A steep 20 per cent rally in the price of the Oman Oil Future Contract over the past fortnight has lifted the benchmark above the \$58 per barrel oil price assumption adopted by the government for 2019 State Budget — a spike that promises to bring added cheer to the economy at the start of the year. Oman's benchmark crude traded at \$61.54 per barrel on the Dubai Mercantile Exchange (DME) on Friday, January 11, 2019, the highest it has reached since international oil prices suffered a steep drop last month — the result of a combination of geopolitical tensions and market factors.

Source: [Oman Observer](#)

Big potential for electric public transportation in Oman: Expert

Public transportation based on Electric Vehicles (EV) has significant promise in the Sultanate, provided the relevant policymakers and government authorities initiate the requisite regulatory and market-stimulating measures to support the introduction of carbon-free mobility systems, according to a Muscat-based sustainable solutions expert.

Source: [Oman Observer](#)

SEZD SIGNS 70 USUFRUCT AGREEMENTS IN 2018

The number of usufruct agreements signed by the companies with the Special Economic Zone in Duqm (SEZD) reached 70 deals in 2018. The agreements covered sectors such as industrial, residential and commercial, logistics, tourism and fisheries activities in Duqm. The number of companies registered at the commercial register of SEZD increased to 186 in 2018, a rise of 17 companies compared to 2017 figures, according to a recent report published by the investors services division of SEZD.

Source: [Muscat Daily](#)

DUQM AIRPORT SET TO OFFICIALLY OPEN TODAY

The Ministry of Transport and Communications (MoTC) will officially declare open the Duqm Airport on Monday under the patronage of H E Sayyid Hamoud bin Faisal al Busaidi, Minister of Interior. The airport occupies a total area of 27,386sq m and has an estimated capacity of half a million passengers a year with the potential to expand to increase it to 2mn a year.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi shares lead Gulf market gains

Most Gulf markets closed in positive territory on Sunday but trading volumes were thin as investors awaited company results reporting that will begin this week. In Egypt, the index gained 1.2 percent, but Global Telecom Holding plunged 7 percent after announcing earlier on Sunday its plan to convert outstanding shareholder loans of \$370.6 million plus accrued interest into equity.

Source: [Arab News](#)

Dallah Healthcare gets CMA nod for capital hike

Saudi Arabia's Capital Market Authority (CMA) on Sunday approved Dallah Healthcare Company's request to increase its capital from SAR 590 million to SAR 750 million, through issuance of one bonus share for every 3.69 existing shares owned by the shareholders. The capital hike will be financed by transferring SAR 160 million from statutory reserve to the company's capital.

Source: [Argaam](#)

Saudi Aramco to 'soon' unveil fuel stations in the Kingdom

State oil giant Saudi Aramco will unveil branded fuel stations in the local market soon, the company said on in a statement on Sunday. The fuel stations will have modern self-serve pumps, with credit/debit card payment options, as well as convenience stores and restaurants.

Source: [Argaam](#)

Al Rajhi begins merger talks with Malaysian financial institution

Al Rajhi Bank has announced that it is entering negotiations to discuss the possibility of merging one of its wholly-owned companies, Al Rajhi Banking and Investment Corp (Malaysia) and Malaysian Industrial Development Finance Bhd (MIDF). The bank said in a statement on Tadawul today that the proposal came after obtaining initial approvals from the Saudi Arabian Monetary Agency (SAMA) and Bank Negara Malaysia (Central Bank of Malaysia).

Source: [Argaam](#)

Cost of Living Index: Dubai now a more affordable city

Thanks to persistent decline in rents, reduced government fees and fines, and freezing of school fees, Dubai has become even more affordable in 2019 compared to the previous year with rentals and prices of groceries and restaurants declining on a year-on-year basis. According to the latest Cost of Living Index data by Numbeo, which collects databases about cities and countries worldwide, Dubai is rated as the 217th costliest city in the world in 2019 compared to 210th in the previous year - helped by a fall in inflation, a stronger dirham and a substantial increase in purchasing power of residents.

Source: [Zawya](#)

New horizon: Saudi franchise market 'worth \$15bln'

Saudi Arabia has acquired 50 per cent of the franchise market value in the Middle East and Africa estimated at \$30 billion, said organisers of the upcoming Saudi International franchise Expo 2019, in Riyadh. The second edition of the event is being held in strategic partnership with Monshaat from February 4 to 6 at Riyadh International conferences and Exhibition Centre.

Source: [Zawya](#)

BRIEF: Egypt's Madinet Nasr Updates On Sodic's Potential Acquisition Of Co

Madinet Nasr For Housing And Development Mnhd.Ca :

* Updates On Sodic's Potential Acquisition Of Co

* Says Fra Approves Upto 60 Days Extension For Sodic To Complete Due Diligence And Fair Value Study

Source: [Zawya](#)

BRIEF: Orascom Construction Sees Revenue Of \$3 Bln To \$3.5 Bln By 2018

Orascom Construction Oc.Di :

* Sees Revenue Of \$3 Billion To \$3.5 Billion By End Of 2018

* Sees Project Under Construction Of \$4 Billion To \$4.5 Billion By End Of 2018

Source: [Zawya](#)

BRIEF: Masraf Al Rayan Invites Shareholders Meeting To Review Amendment Of Shares Nominal Value

Masraf Al Rayan Mark.Qa :

* Invites Shareholders Meeting On Jan 28 To Review Amendment Of The Nominal Value Of Masraf Al Rayan Shares

Source: [Zawya](#)

Dubai's DP World in \$500m deal to buy Chile port firm

The Dubai-based DP World is set to buy a 71.3 percent stake in the Chilean port services firm Puertos y Logistica, known as Pulogsa. The move will give DP World exposure to several terminals in Chile, with Pulogsa holding a long-term concession for Puerto Central (PCE) in San Antonio, as well as owning and operating Puerto Lirquen (PLQ) terminal.

Source: [Arab News](#)

Saudi Aramco Will Probably Issue \$10 Billion Bond for Sabic Deal

Saudi Aramco could tap the bond market for about \$10 billion to help fund the acquisition of petrochemicals giant Saudi Basic Industries Corp., according to the country's Energy Minister Khalid Al-Falih. The kingdom will decide in the "next few weeks" about the size of the proposed bond, though the offering would not be "huge," Al-Falih told reporters in Abu Dhabi. "It will be probably in about the 10 billion range."

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China's exports shrink most in 2 years, raising risks for global economy

China's exports unexpectedly fell the most in two years in December and imports also contracted, pointing to further weakness in the world's second-largest economy in 2019 and deteriorating global demand. Adding to policymakers' worries, data on Monday also showed China posted its biggest trade surplus with the United States on record in 2018, which could prompt President Donald Trump to turn up the heat on Beijing in their cantankerous trade dispute.

Source: [Reuters](#)

Asia shares, U.S. stock futures slide as China's exports slump jolts investors

Asian shares and U.S. stock futures skidded on Monday after a shock contraction in Chinese exports pointed to deepening cracks in the world's second-biggest economy and raised fears of a sharper slowdown in global growth and corporate profits.

Source: [Reuters](#)

A multibillion-dollar deal is creating one of the world's largest real estate investment managers

Major Asian real estate developer CapitaLand said on Monday it has entered into an agreement to buy two wholly owned units from Ascendas-Singbridge, a subsidiary of Singapore investor Temasek, in a cash and stock deal. If the deal is approved, the new entity would become Asia's largest diversified real estate group, according to CapitaLand. Its combined assets under management would exceed 116 billion Singapore dollars (\$85.79 billion), which would put it among the top 10 real estate investment managers globally, CapitaLand said.

Source: [CNBC](#)

Traders Suddenly Dare to Believe in an Emerging-Market Rally

It's a measure of how the climate has changed so quickly for emerging markets that this week's interest-rate decision in Turkey, an event that would have had traders on tenterhooks six months ago, is being anticipated with a virtual shrug. Far from encapsulating the vulnerability of the developing economies as it did last year, the lira's torrid start to 2019 is doing little to take the sheen off the growing sense of recovery seeping through emerging markets.

Source: [Bloomberg](#)

COMMODITIES NEWS

Oil slides on China trade slump, but crude imports remain high

Oil prices fell by almost 1 percent on Monday, with Brent crude slipping below \$60 per barrel, after Chinese data showed weakening imports and exports in the world's biggest trading nation and second-largest crude oil consumer. International Brent crude oil futures were at \$59.91 per barrel at 0403 GMT, down 57 cents, or 0.9 percent from their last close.

Source: [Reuters](#)



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