

U Capital Morning Brief

10 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	881.72	-4.17	-0.47%	-0.40%	-	-	-
U Capital GCC 50 Index	1,354.86	11.73	0.87%	4.73%	-	-	-
U Capital MENA 200 Index	1,074.14	8.53	0.79%	3.95%	-	-	-
MSCI GCC Countries Index	557.08	4.92	0.89%	3.57%	14.65	1.82	3.9%
Muscat Securities Market	4,310.76	-0.09	0.00%	-0.30%	10.16	0.77	6.0%
Saudi Stock Exchange	8,146.68	89.64	1.11%	4.09%	17.64	1.82	3.4%
Kuwait Stock Exchange	5,177.71	-0.70	-0.01%	1.93%	15.43	1.25	3.8%
Qatar Exchange	10,535.13	76.28	0.73%	2.29%	15.58	1.57	4.2%
Bahrain Stock Exchange	1,338.27	5.94	0.45%	0.08%	8.69	0.84	6.1%
Dubai Financial Market	2,539.75	11.03	0.44%	0.40%	7.71	0.94	7.2%
Abu Dhabi Exchange	4,953.25	26.20	0.53%	0.78%	13.31	1.43	4.9%
Beirut Stock Exchange	977.09	0.00	0.00%	0.04%	4.95	0.58	9.3%
Palestine Stock Exchange	528.68	-1.14	-0.22%	-0.13%	13.20	1.22	4.5%
Tunis Se Index	7,164.11	-42.72	-0.59%	-1.48%	18.48	2.52	2.0%
EGX 30 Index	13,365.58	-37.12	-0.28%	2.53%	12.29	1.52	2.3%
Amman General Index	1,921.25	-5.13	-0.27%	0.65%	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					Australian Dollar (AUD)	0.718	1.392
FTSE 100	UK	6,906.6	0.66%	2.7%	British Pound (GBP)	1.278	0.782
DAX	Germany	10,893.3	0.83%	3.2%	Canadian Dollar (CAD)	0.756	1.323
CAC 40	France	4,813.6	0.84%	1.8%	Chinese Renminbi (CNH)	0.147	6.793
United States					Egyptian Pound (EGP)	0.056	17.917
DJIA	USA	23,879.1	0.39%	2.4%	Euro (EUR)	1.156	0.865
S&P 500	USA	2,585.0	0.41%	3.1%	Indian Rupee (INR)	0.014	70.546
NASDAQ	USA	6,957.1	0.87%	4.8%	Japanese Yen (JPY)	0.009	107.930
Asia Pacific					New Zealand Dollar (NZD)	0.678	1.475
NIKKEI 225	Japan	20,173.5	-1.33%	0.8%	Omani Rial (OMR)	2.598	0.385
HANG SENG	Hongkong	26,559.5	0.37%	2.8%	Pakistani Rupee (PKR)	0.718	138.914
KSE 100 Index	Pakistan	39,123.3	0.51%	5.5%	Russian Ruble (RUB)	0.015	66.735
NSE Nifty 50	India	10,848.7	-0.06%	-0.1%	Singapore Dollar (SGD)	0.740	1.351
SHANGHAI Composite	China	2,550.1	0.23%	2.3%	Turkish Lira (TRY)	0.182	5.481
KOSPI Index	South Korea	2,067.1	0.11%	1.3%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil				UAE	2.93
Brent Crude (per bbl)	61.0	-0.80%	13.3%	Saudi Arabia	2.97
WTI Crude (per bbl)	51.9	-0.95%	14.2%	Kuwait	2.44
Oman Crude Oil (Last Closing)	60.5	4.98%	13.1%	Oman	2.83
OPEC (per bbl)	56.1	-0.57%	8.9%	Qatar	2.90
Precious Metals				Bahrain	3.95
Gold100 OZ (per oz)	1,295.7	0.17%	1.0%		
Silver (per oz)	15.7	-0.05%	1.6%	GCC Latest 10-Yr Government Bond Yields	
Platinum (per oz)	827.0	0.14%	3.9%		
Other Metals					
Copper, MT	5,958	0.88%	-0.1%		
Aluminium, MT	1,853	-0.64%	0.4%		
Lead, MT	1,971	0.15%	-2.5%		
Zinc, MT	2,492	0.28%	1.0%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.97	2.51	1m	2.52
5 year	100.45	2.53	3m	2.78
10 year	103.66	2.70	6m	2.85
30 year	107.31	3.00	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

Tender Board awards more than RO 92 million worth projects

The Tender Board today held its first meeting of the year and awarded RO 92,320,464 worth of tenders for the following projects and additional works: Construction of connections, interchanges and bridges as part of the 7th package of Al Batinah Expressway for the Ministry of Transport and Communications (RO 81,302,465).

Source: [Oman Observer](#)

Entrepreneurship can tackle workforce imbalance in Oman's construction sector

Promoting entrepreneurship and small business development in the construction industry — a major employment generator albeit dominated by blue-collar expat workers — is pivotal to enabling Omanis to harnessing the business and economic potential of this sector, according to prominent industry figure.

Source: [Oman Observer](#)

Oman to issue visas via mobile app

Oman is working on a new online initiative which will allow travellers to the sultanate to obtain visas via a mobile app, a report said. The new visa service, as well as other services, will be made available on the Royal Oman Police (ROP) app, said a report in Times of Oman. The initiative is part of ROP's efforts to improve its online services, it said.

Source: [GDN](#)

Dentons advises OOCEP on Khazzan stake sale

Global legal firm Dentons has advised Oman Oil Company Exploration & Production LLC (OOCEP), the exploration arm of the state-owned Oman Oil Company SAOC, on the sale of a 10 per cent stake in the giant Khazzan gas onshore field and project to Malaysia's Petronas.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Property stocks hurt Dubai, industrials lift Egypt

The Dubai stock market reversed course to slide on Tuesday as its property shares fell, while Egypt's blue-chip index gained for a fifth straight session, aided by its industrial stocks. Dubai's index fell 0.2 percent after rising for three straight sessions. Dubai's largest listed developer Emaar Properties dipped 1.3 percent, while its unit Emar Development lost 2.8 percent.

Source: [Zawya](#)

Saudis Boost Oil Reserves Ahead of Aramco's Planned IPO

Saudi Arabia published the first audit of its vast oil reserves since it nationalized its energy industry about 40 years ago, saying its reserves total 268.5 billion, slightly more than the 266.3 billion figure that the government published previously.

Source: [Bloomberg](#)

Boubyan Petrochemical to buy 20.4% stake in Kuwait Foundry

Kuwait-based Boubyan Petrochemical on Wednesday announced that it has reached a deal with Al Khair National for Stocks and Real Estate Company to acquire a stake in Kuwait Foundry at a value of KWD 6.6 million. Boubyan Petrochemical will buy 31.44 million shares, representing 20.43% of Kuwait Foundry at 210 fils per share, according to a statement to Boursa Kuwait.

Source: [Mubasher](#)

Saudi economy to grow 2% in 2019, says World Bank

The World Bank expects the Saudi economy to grow by 2.1 percent during 2019, the same growth rate estimated by the bank in June 2018. The bank also expects the Kingdom's economy to rise by 2.2 percent within the coming two years, the bank said in its World Economic Outlook Report issued on Tuesday.

Source: [Argaam](#)

Saudi Aramco to issue bonds in Q2 2019, list in 2021: energy minister

Saudi Aramco IPO will issue bonds in the second quarter of 2019, Saudi Arabia's energy minister said on Wednesday. The Saudi oil giant has considered issuing bonds to help finance its planned acquisition of a controlling stake in petrochemical maker SABIC. The deal is expected to involve the purchase of all or nearly all of the 70 percent stake in SABIC held by the Public Investment Fund (PIF), the kingdom's top sovereign wealth fund. That implies a deal value of roughly \$70 billion, though the acquisition price has not been made public yet.

Source: [Zawya](#)

UAE private sector activity dips, but optimism remains strong

Non-oil private sector activity in the UAE slowed in December 2018 due to decline in output and new orders, according to the Emirates NBD Purchasing Managers' Index (PMI). "The PMI for the UAE dipped from 55.8 in November to 54.0 in December. This marked the slowest pace of expansion in the non-oil private sector since October 2016, and has weighed on the 2018 average, which finished the year at 55.5, from 56.1 in 2017. Output fell from 60.1 to 58.8 and new orders from 61.0 to 58.3," said Daniel Richards, Mena economist at Emirates NBD.

Source: [Zawya](#)

Struggling Abraaj Gets 70% of Nigerian Firm by Converting Loan

Abraaj Group, the private-equity firm that collapsed after defaulting on debt, will get a 70 percent stake in C&I Leasing Plc by converting a \$10 million loan into equity in the Nigerian company. "Abraaj knows that pulling out \$10 million will be detrimental to the growth of the business, so rather than cash out, they decided to convert," C&I Chief Executive Officer Andrew Otike-Odibi said by phone from Lagos. Once done, C&I plans a rights issue or an initial public offering that may dilute Abraaj's stake to about 30 percent, he said.

Source: [Bloomberg](#)

BRIEF: Al Safwa Mubasher Launches Single Stock Futures Trading At Nasdaq Dubai

Al Safwa Mubasher Financial Services Sfwamubasher.Du : * Al Safwa Mubasher Launches Single Stock Futures Trading At Nasdaq Dubai

Source: [Reuters](#)

UAE to be fastest growing GCC economy in 2019: IIF

The UAE will be the fastest growing economy in the GCC region this year along with Oman, driven by non-oil sector, Dh50 billion Abu Dhabi stimulus package and projects linked to Expo 2020 Dubai, according to a new report released on Wednesday. The Institute of International Finance (IIF) analysts projected the UAE's real GDP to grow 3.1 per cent in 2019 compared to 2.9 per cent estimated for 2018. But growth is projected to slow down to 2.7 per cent in 2020. Nominal GDP is estimated to increase from \$434 billion (Dh1.592 trillion) in 2018 to \$444 billion (Dh1.629 trillion) in 2019 and \$458 billion (Dh1.681 trillion) in 2020.

Source: [Khaleej Times](#)

BRIEF: Reem Investments Unit Enters Into Construction Contract To Develop Residential Tower

Reem Investments Reem.Ad : * Unit Reem Developers Enters Into Construction Contract With Engineering Construction And Development * Under Contract To Develop Residential Tower In Reem Island, Abu Dhabi

Source: [Reuters](#)

Egypt's banks to direct \$2.8bln in loans to SMEs this year: AISME chair

Banks will direct 50 billion Egyptian pounds (\$2.79 billion) of funding to small and medium-sized enterprises (SMEs) in 2019, an 66.7 percent increase on the 30 billion pounds directed towards the sector last year, according to the chairman on an industry trade body. Eng Alaa El Sakaty, chairman of Egypt's Association of Investors for Small and Medium Enterprises (AISME), told Zawya in an exclusive interview on Tuesday that the total amount of loans extended to SMEs under an initiative by the Central Bank of Egypt (CBE) had reached 180 billion pounds by the end of 2018.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Windfall From Turkey's Central Bank to Boost Cash Buffers

The Turkish central bank's bigger-than-expected profit in 2018 will be used to boost the government's cash buffers and improve the flow of liquidity in the economy -- a move that could help the ruling AK Party as municipal elections approach. The amount to be transferred to the Treasury is estimated at 37 billion liras (\$6.7 billion), nearly double the government's forecast for the year, Treasury and Finance Minister Berat Albayrak told a meeting of the MUSIAD business association on Wednesday.

Source: [Bloomberg](#)

Fed 'can afford to be patient' about future rate hikes, FOMC minutes show

Federal Reserve officials acknowledged that the policy path ahead is "less clear" after approving an interest rate hike at their December meeting. Minutes released from the meeting showed the rate hike came with reluctance from a few members who thought the lack of inflationary pressures argued against another increase.

Source: [CNBC](#)

Fitch warns of possible cut to US triple-A rating if shutdown continues

A stalemate between President Donald Trump and congressional Democrats over a spending package to fund nine government agencies entered its 19th day on Wednesday. It comes at a time when lawmakers are deeply divided over the president's demand for money for a border wall.

Source: [CNBC](#)

Dollar weak on expectations of no 2019 Fed hikes; Aussie slips

The dollar weakened versus major peers such as the euro and yen on Thursday due to growing expectations the Federal Reserve will pause its rate tightening cycle this year. Minutes from the Fed's Dec. 18-19 meeting revealed that several policymakers were in favor of the US central bank keeping rates steady this year. Broader market sentiment turned slightly cautious in Asian trade as markets waited for concrete evidence that progress is being made in U.S.-China trade talks.

Source: [Reuters](#)

Asia shares check rally as US-China trade talks, Fed policy in focus

Asian shares took a breather on Thursday after an extended rally, as markets awaited more news on U.S.-China trade talks that have raised hopes of a deal to avert an all-out trade war between the economic giants. MSCI's broadest index of Asia-Pacific shares outside Japan lost 0.2 percent, reversing course after briefly touching a near four-week high early in the session. Australian shares eased 0.3 percent, while Japan's Nikkei was down 1.4 percent by the midday break.

Source: [Reuters](#)

COMMODITIES NEWS

US crude surges 5.2%, settling at \$52.36, on Saudi output cuts and US-China trade talks

Oil prices rip higher, rebounding sharply on OPEC production cuts and U.S.-China trade talks. Saudi Energy Minister reaffirms that the kingdom's oil production and exports will fall in coming months. Crude futures briefly pared morning gains after data showed a big jump in U.S. fuel stockpiles.

Source: [CNBC](#)