

U Capital Morning Brief

12 February 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	867.91	-0.01	0.00%	-1.96%	-	-	-
U Capital GCC 50 Index	1,387.27	-22.93	-1.65%	7.24%	-	-	-
U Capital MENA 200 Index	1,095.46	-18.84	-1.72%	6.02%	-	-	-
MSCI GCC Countries Index	571.25	-4.57	-0.79%	6.21%	14.73	1.85	3.7%
Muscat Securities Market	4,141.54	-16.95	-0.41%	-4.21%	8.42	0.74	6.3%
Saudi Stock Exchange	8,543.39	-29.82	-0.35%	9.16%	18.08	1.91	3.3%
Kuwait Stock Exchange	5,214.26	9.27	0.18%	2.65%	15.18	1.24	3.8%
Qatar Exchange	10,302.41	-138.80	-1.33%	0.03%	14.99	1.53	4.2%
Bahrain Stock Exchange	1,398.65	-11.00	-0.78%	4.59%	9.51	0.87	5.8%
Dubai Financial Market	2,496.35	-33.37	-1.32%	-1.32%	7.64	0.91	5.6%
Abu Dhabi Exchange	5,046.46	-35.55	-0.70%	2.67%	13.55	1.45	4.8%
Beirut Stock Exchange	936.51	-0.40	-0.04%	-4.12%	4.68	0.55	9.7%
Palestine Stock Exchange	536.77	-0.48	-0.09%	1.40%	13.22	1.25	4.5%
Tunis Se Index	7,141.80	-21.05	-0.29%	-1.79%	18.39	2.51	2.0%
EGX 30 Index	14,784.82	20.88	0.14%	13.42%	14.13	1.46	2.0%
Amman General Index	1,974.16	10.40	0.53%	3.42%	13.89	0.97	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							
FTSE 100	UK	7,129.1	0.82%	6.0%	Australian Dollar (AUD)	0.708	1.413
DAX	Germany	11,014.6	0.99%	4.3%	British Pound (GBP)	1.287	0.777
CAC 40	France	5,014.5	1.06%	6.0%	Canadian Dollar (CAD)	0.752	1.329
United States							
DJIA	USA	25,053.1	-0.21%	7.4%	Chinese Renminbi (CNH)	0.147	6.792
S&P 500	USA	2,709.8	0.07%	8.1%	Egyptian Pound (EGP)	0.057	17.621
NASDAQ	USA	7,307.9	0.13%	10.1%	Euro (EUR)	1.128	0.886
Asia Pacific							
NIKKEI 225	Japan	20,863.7	2.61%	4.2%	Indian Rupee (INR)	0.014	70.950
HANG SENG	Hongkong	28,122.4	-0.09%	8.8%	Japanese Yen (JPY)	0.009	110.570
KSE 100 Index	Pakistan	40,501.8	0.44%	9.3%	New Zealand Dollar (NZD)	0.673	1.486
NSE Nifty 50	India	10,889.3	0.00%	0.2%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,668.5	0.55%	7.0%	Pakistani Rupee (PKR)	0.721	138.943
KOSPI Index	South Korea	2,192.1	0.52%	7.4%	Russian Ruble (RUB)	0.015	65.834
					Singapore Dollar (SGD)	0.736	1.359
					Turkish Lira (TRY)	0.190	5.274

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	62.0	0.75%	14.7%	UAE	2.85
WTI Crude (per bbl)	52.7	0.61%	16.1%	Saudi Arabia	2.95
Oman Crude Oil (Last Closing)	61.9	-0.91%	15.6%	Kuwait	2.63
OPEC (per bbl)	61.4	-0.32%	19.1%	Oman	2.84
				Qatar	2.89
				Bahrain	3.95
Precious Metals					
Gold100 OZ (per oz)	1,308.6	0.03%	2.0%	GCC Latest 10-Yr Government Bond Yields	
Silver (per oz)	15.7	0.24%	1.6%		
Platinum (per oz)	788.4	0.22%	-0.9%		
Other Metals					
Copper, MT	6,150	-0.97%	3.1%		
Aluminium, MT	1,880	-0.05%	1.8%		
Lead, MT	2,046	-1.66%	1.2%		
Zinc, MT	2,644	-2.22%	7.2%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.03	2.49	1m	2.50
5 year	100.02	2.50	3m	2.70
10 year	99.53	2.68	6m	2.74
30 year	99.72	3.02	1 year	2.94

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 inks pact for classification system

The Capital Market Authority (CMA) on Monday signed an agreement at the CMA premises with the National Records and Archives Authority on the adoption of a classification system and schedules for keeping records and maintaining confidentiality. The agreement was signed by Sheikh Abdullah Salim Al Salmi, Executive President of CMA, and Dr Hamed Mohammed Al Dhawyani, Chairman of the National Records and Archives Authority.

Source: [Times of Oman](#)

OTF Techween invests \$1mn in start-ups

OTF Techween, one of Oman Tech Fund's investment programmes, is all set to participate along with 20 tech start-ups from the 1st and 2nd cohorts at the STEP Conference in Dubai, which will be held between February 13 and 14, 2019. "We have selected the 3rd cohort of tech start-ups and successfully invested around US\$1 million in the 1st and 2nd cohorts.

Source: [Times of Oman](#)

Plan to integrate Oman aviation sector with Ocean Economy

Oman Aviation Group (OAG), the civil aviation infrastructure and logistics investment arm of the Omani government, plans to formulate a strategy designed to integrate the sector with commercial opportunities spawned by the development of an Ocean Economy in the Sultanate. The announcement came at the inaugural session of the 'Ocean Economy and Future Technology Conference', which opened at the Oman Convention and Exhibition Centre here yesterday.

Source: [Oman Observer](#)

OVERSUPPLY CONTINUES TO IMPACT PROPERTY RENTS, PRICES

Rents and prices in Oman's residential property market are expected to decline further this year as the market continues to be oversupplied with apartment blocks, according to a new report released by real estate consultancy and chartered surveying firm Cavendish Maxwell. 'Muscat's residential market continues to be oversupplied with apartment blocks, while there is still a gap for high-quality villas and townhouses.

Source: [Muscat Daily](#)

Shell Oman Marketing announces Tender Award of Oman Air Aviation Fuel Supply

The company has received a letter of intent regarding the recent tender to supply Oman Air with aviation fuel with a volume share of 50% commencing 1st Marh 2019 for a period of 2 years. This represents a significant increase from previous 20% position of Shell Omn.

Source: [MSM](#)

Al Anwar Ceramics' Board of Directors proposes 6% cash dividend

The Board of Directors of the company has proposed 6% cash dividend on outstanding share capital as at the end of FY18, which is subject to regulatory and shareholder approvals at the Annual General Meeting of the company on 21st March 2019.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Oil prices weigh on most Gulf markets; Dubai, Qatar lead losses

Weak oil prices led to falls in most Gulf stock markets on Monday, while Qatar and Dubai were dragged lower by their blue-chip bank stocks. Qatar's index fell 1.3 percent as the Middle East's largest lender Qatar National Bank slid 5.2 percent, its biggest intraday loss since June 2017. The stock gained more than 65 percent last year after QNB announced plans to lift its foreign ownership ceiling to 49 percent from 25 percent.

Source: [Zawya](#)

Saudi hospitality sector offers many investment opportunities: Knight Frank

Saudi Arabia's hospitality sector offers attractive business opportunities for investors with the right product mix, Ali Manzoor, partner, Hospitality & Leisure, Knight Frank, told Argam in an exclusive. While the market continues to be more inclined towards luxury and upper upscale hotels, occupancy rates are expected to see "minimal" slump this year, with a "slightly sharper" decline in the average room rate, he noted.

Source: [Argam](#)

Investcorp acquires controlling stake in US technology talent development company

Investcorp, the Bahrain firm that counts Mubadala Investment Company as its biggest shareholder, bought a controlling stake in US technology talent development company Revature for an undisclosed sum. "Investcorp has so far been very successful

in the investments made in the education and IT staffing sectors,” said Hazem Ben-Gacem, co-chief executive of Investcorp, on Monday. “Through our prior investments in US companies we have built a strong knowledge base and solid understanding on the demand drivers and this is why we see great potential with a company like Revature.”

Source: [The National](#)

UAE won't take sides in trade war between US and China: Mansouri

The UAE should stay away from the trade war between the US and China and not take sides with anyone, said UAE Minister of Economy Sultan bin Saeed Al Mansouri. While speaking at a panel discussion about the outlook on global trade at the World Government Summit on Monday, Al Mansouri alerted that the trade war between the world's top two economies will harm “all of us”.

Source: [Khaleej Times](#)

Emaar unveils key phase of Dubai Expo 2020 villas

Leading UAE developer Emaar has announced the launch of the Phase Three of Expo Golf Villas, a limited collection of three and four-bedroom premium villas located right next to an 18-hole championship golf course near Expo 2020 site in Dubai. The Emaar move comes following the sell-out response to the launch of its first two phases.

Source: [GDN](#)

Saudi Arabia working on “huge program” to extend broadband: official

Saudi Arabia is currently working on a “huge program” to extend broadband to all homes by 2025, said Fahad Al Mubarak, ex-Governor of the Saudi Arabian Monetary Agency (SAMA). “The Kingdom of Saudi Arabia has invested heavily in digital infrastructure – and what we see in the country is phenomenal,” he said, speaking at a panel discussion at the World Government Summit (WGS) in Dubai.

Source: [Argaam](#)

Saudi, UAE sovereign funds among world's largest

The kingdom's SAMA Foreign Holdings fund, which was placed sixth on the list, saw its asset value at \$515.6 billion in February. Elsewhere in the region, the Abu Dhabi Investment Authority (ADIA) ranked third on the list after Norway and China, with \$697 billion in assets. The Kuwait Investment Authority (KIA) claimed the fourth spot with assets worth \$592 billion, while Investment Corporation of Dubai placed 13th at \$233.8 billion.

Source: [Argaam](#)

Saudi Arabia would need oil at \$80-\$85 a barrel to balance budget: IMF official

A wave of privatisation deals in Saudi Arabia will raise \$10 billion by 2020 as the kingdom presses on with its economic transformation plan, according to a study by global law firm Hogan Lovells. Last year “was initially proposed to be the year when the first few key assets would come to market, however 2019 will see the process move into a new gear,” the report by global law firm Hogan Lovells said.

Source: [Zawya](#)

Saudi Arabia's crown prince launches mega tourism projects in ancient area of Al-Ula

Saudi Arabia's Crown Prince Mohammed bin Salman launched on Sunday mega tourism projects in Al-Ula, including a resort designed by a renowned French architect and a nature reserve, both called Sharaan. Jean Nouvel, the French architect who designed Louvre Abu Dhabi, will build a resort in the mountains of Al-Ula as part of a plan launched on Sunday night to transform the home of ancient civilizations into a destination for visitors from around the world.

Source: [Arab News](#)

Port paves way for ‘new era of economic affluence’ in Saudi Arabia

Saudi Arabia moved one step closer to its goal of becoming a global logistics hub with Crown Prince Mohammed bin Salman's launch of the King Abdullah Port in Rabigh on Monday. The port, part of King Abdullah Economic City, will make the Kingdom “a linking point of three continents, Asia, Europe and Africa,” the crown prince said at the launch.

Source: [Arab News](#)

Saudis Get Behind \$705 Million Project for Fellow Arab Monarchy

Saudi Arabia is bolstering efforts to shore up the economy of a fellow Arab monarchy with a 500 million-dinar (\$705 million) joint investment in Jordan. The Saudi Jordanian Investment Fund and the Aqaba Special Economic Zone Authority signed a memorandum of understanding on Sunday to establish, develop and manage a railway connecting Aqaba, on the Red Sea across from the Israeli city of Eilat, to a future dry port in the Ma'an governorate, according to a joint statement.

Source: [Bloomberg](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Markets shouldn't overreact even if there's no US-China trade deal

The U.S. has needlessly wasted two years on totally unproductive trade negotiations with China. A good trade agreement with Europe, Mexico, Canada and Japan would be much more important, as those economies are America's key markets and they make up nearly two-thirds of U.S. exports. Washington should realign its policy toward China on the basis of its new principle of "free, fair and reciprocal trade."

Source: [CNBC](#)

China's consumption growth in 2019 will likely slow further, says commerce ministry

Consumption growth in China is likely to slow further this year, a commerce ministry official said on Tuesday, adding that slower growth last year was due to "periodic" weak car sales and housing-related spending. However, retail sales this year would still be growing at a steady, relatively fast pace, Wang Bin, a commerce ministry official told reporters during a briefing.

Source: [CNBC](#)

Asian stocks edge up, U.S. futures rise on hope for no U.S. govt. shutdown

Asian shares edged up on Tuesday as investors hoped a new round of U.S.-China trade talks would help to resolve a dispute that's dented global growth and some corporate earnings. Improving market sentiment was news that U.S. lawmakers reached a tentative deal on border security funding that would avert another partial government shutdown due to start on Saturday. The S&P 500 e-mini futures were up more than 0.5 percent.

Source: [Reuters](#)

COMMODITIES NEWS

Sanctions, Opec cuts push Asia's sour crude prices above Brent

Middle-East oil benchmarks Dubai and DME Oman have nudged above prices for Brent crude, an unusual move as US sanctions on Venezuela and Iran along with output cuts by Opec tighten supply of medium to heavy sour oil, traders and analysts said. Sour crudes, mainly produced in the Middle East, Canada and Latin America, have a high sulphur content and are usually cheaper than Brent, the benchmark for low-sulphur oil in the Atlantic Basin. But Dubai spot prices and DME Oman crude futures for April.

Source: [Economic Times](#)

Gold slips as dollar bounces on global trade jitters

Gold prices fell on Monday as investors preferred the safety of the dollar in the face of mounting concerns that the U.S.-China trade dispute could slow global growth. Spot gold was 0.4 percent lower at \$1,308.18 per ounce at 2:13 p.m. EST (1913 GMT).

Source: [NASDAQ](#)