

# U Capital Morning Brief

10 April 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	835.96	2.39	0.29%	-4.82%	-	-	-
U Capital GCC 50 Index	1,433.85	-4.35	-0.30%	9.48%	-	-	-
U Capital MENA 200 Index	1,119.38	-3.08	-0.28%	7.11%	-	-	-
MSCI GCC Countries Index	601.34	-0.73	-0.12%	11.80%	15.45	1.95	3.6%
Muscat Securities Market	3,971.72	0.13	0.00%	-8.14%	8.36	0.77	7.0%
Saudi Stock Exchange	9,047.58	9.61	0.11%	15.60%	20.35	2.03	3.2%
Kuwait Stock Exchange	5,725.47	-56.22	-0.97%	12.72%	16.27	1.43	3.5%
Qatar Exchange	10,217.92	-8.76	-0.09%	-0.79%	14.17	1.51	4.3%
Bahrain Stock Exchange	1,440.56	-5.92	-0.41%	7.72%	9.47	0.91	5.7%
Dubai Financial Market	2,801.96	4.88	0.17%	10.76%	10.02	1.02	4.8%
Abu Dhabi Exchange	5,076.03	0.57	0.01%	3.27%	14.23	1.45	4.8%
Beirut Stock Exchange	956.55	-8.62	-0.89%	-2.07%	5.07	0.59	10.4%
Palestine Stock Exchange	538.40	1.05	0.20%	1.71%	11.14	1.15	4.4%
Tunis Se Index	6,928.03	-39.66	-0.57%	-4.73%	17.88	2.43	2.1%
EGX 30 Index	15,088.55	-22.54	-0.15%	15.75%	16.32	1.50	2.1%
Amman General Index	1,899.39	2.87	0.15%	-0.49%	13.67	0.90	5.3%

World Markets	Country	Value	D/D	YTD	Currency Cross Rates	USD/1 Unit	Units/1 USD
			%	%	Currency		
<b>Europe</b>					<b>Currency</b>		
FTSE 100	UK	7,425.6	-0.35%	10.4%	Australian Dollar (AUD)	0.714	1.401
DAX	Germany	11,850.6	-0.94%	12.2%	British Pound (GBP)	1.307	0.765
CAC 40	France	5,436.4	-0.65%	14.9%	Canadian Dollar (CAD)	0.750	1.333
<b>United States</b>					Chinese Renminbi (CNH)	0.149	6.721
DJIA	USA	26,150.6	-0.72%	12.1%	Egyptian Pound (EGP)	0.058	17.322
S&P 500	USA	2,878.2	-0.61%	14.8%	Euro (EUR)	1.126	0.888
NASDAQ	USA	7,909.3	-0.56%	19.2%	Indian Rupee (INR)	0.014	69.170
<b>Asia Pacific</b>					Japanese Yen (JPY)	0.009	111.130
NIKKEI 225	Japan	21,655.0	-0.68%	8.2%	New Zealand Dollar (NZD)	0.675	1.481
HANG SENG	Hongkong	30,031.6	-0.42%	16.2%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	36,988.6	-0.30%	-0.2%	Pakistani Rupee (PKR)	0.708	141.398
NSE Nifty 50	India	11,666.8	-0.04%	7.4%	Russian Ruble (RUB)	0.015	64.916
SHANGHAI Composite	China	3,226.9	-0.39%	29.4%	Singapore Dollar (SGD)	0.739	1.354
KOSPI Index	South Korea	2,219.1	0.25%	8.7%	Turkish Lira (TRY)	0.176	5.695

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	
	USD	%	%			
<b>Oil</b>				UAE	2.94	
Brent Crude (per bbl)	70.7	0.08%	29.5%	Saudi Arabia	2.86	
WTI Crude (per bbl)	64.1	0.22%	41.2%	Kuwait	2.63	
Oman Crude Oil (Last Closing)	70.3	-0.57%	31.4%	Oman	2.82	
OPEC (per bbl)	70.3	1.90%	36.4%	Qatar	2.89	
<b>Precious Metals</b>				Bahrain	3.62	
Gold100 OZ (per oz)	1,302.2	-0.14%	1.5%	<b>GCC Latest 10-Yr Government Bond Yields</b>		
Silver (per oz)	15.2	-0.21%	-2.0%		<b>Maturity date</b>	<b>YTM, %</b>
Platinum (per oz)	890.2	-0.21%	11.9%	Kuwait	3/20/2027	3.22
<b>Other Metals</b>				Abu Dhabi	10/11/2027	3.25
Copper, MT	6,487	0.19%	8.8%	Qatar	6/2/2026	3.30
Aluminium, MT	1,878	0.37%	1.7%	Saudi Arabia	3/4/2028	3.58
Lead, MT	1,976	-0.78%	-2.3%	Oman	1/17/2028	6.45
Zinc, MT	2,861	-1.55%	16.0%	Bahrain	10/12/2028	5.71

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	99.90	2.29	1m	2.48
5 year	99.23	2.29	3m	2.58
10 year	101.20	2.49	6m	2.63
30 year	101.88	2.91	1 year	2.75

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 banking sector assets grows by 8%**

Oman's banking sector has achieved a notable 8 per cent growth in assets, reflecting its strong capacity to provide the funding requirements for all economic activities last year, including diversification initiatives for the productive sector.

Source: [Times of Oman](#)

### **Bus production at Duqm plant to begin 2020**

Spread over 100,000 sqm, the Karwa Motors bus manufacturing plant will start production of buses in the second half of 2020. According to official sources, the manufacturing and assembly plant in Duqm will be well-equipped to produce around 1,000 a year. Karwa Motors is a joint venture partnership between Mowasalat, Qatar national transport company, with a 70 per cent equity stake and Oman Investment Fund (OIF) with the remaining 30 per cent stake.

Source: [Oman Observer](#)

### **Total inks pact for Block 12**

Energy supermajor Total has announced that it has signed a Heads of Agreement (HoA) with Oman's Ministry of Oil and Gas (MOG) for the award to Total of an exploration licence for Block 12 with significant prospective gas resources. Under the terms of this HoA, both parties will finalise in the coming months, on an exclusive basis, a definitive agreement that will grant to Total 100 per cent working interest and operatorship of the exploration Block 12, located in Central Oman.

Source: [Oman Observer](#)

### **Oman's maiden salt refinery weighs expansion**

Barely a year since it came into operation, Duqm Salt — the Sultanate's first integrated salt refinery — is weighing plans to expand the capacity of its manufacturing complex in Mahout in Al Wusta Governorate to cater to strong domestic demand for the commodity.

Source: [Oman Observer](#)

### **Oman continues its participation at WSIS forum**

The Sultanate's participation in the World Summit on the Information Society (WSIS) forum in Geneva, as a partner with the International Telecommunication Union (ITU) and a number of international organisations affiliated with the United Nations, continues for the third consecutive day. The forum was officially inaugurated on Monday morning under the patronage of Houlin Zhao, the Secretary-General of the International Telecommunication Union (ITU).

Source: [Times of Oman](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Mideast Stocks: Dubai continues rally, most major Gulf markets mixed**

Dubai's stock market edged up on Tuesday stretching its rally for the ninth consecutive session, aided by its industrial and financial shares, while trading was mixed across other major Gulf markets. The Dubai index closed 0.2 percent higher, with Emirates Integrated Telecommunications DU.DU rising 1.6 percent. Dubai Investments rose 2 percent to reach its highest level since November. On Sunday, the firm signed an \$86 million contract with ABB Industries to commission a new Dubai Electricity and Water Authority substation.

Source: [Zawya](#)

### **Shareholders back latest restructuring plan for Dubai's Drake & Scull**

Heavily-indebted contracting firm Drake & Scull has said that its board has passed a restructuring plan that will allow the company to continue trading. A notice informing the Dubai Financial Market (DFM) of resolutions passed at a company board meeting on Monday stated that a restructuring plan approved by its chairman was backed by a majority of attendees, who also gave approval for the "continuation of the company in carrying out business".

Source: [Zawya](#)

### **Riyad Bank likely to pay zakat at 12% – CEO**

Riyad Bank is expected to pay zakat ranging from 11% to 12% of its net profits, the lender's CEO Tareq Al Sadhan told Al Arabiya. The Saudi bank reached a settlement on the zakat issue with the General Authority of Zakat and Tax (GAZT), bringing the Islamic levy to the rates prior to 2007, El-Sadhan added on the sidelines of the World Economic Forum (WEF) held in Jordan.

Source: [Mubasher](#)

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**Saudi Arabia making headway in diversifying its energy sources: GE**

“The Saudi Energy Forum 2019 is an important platform to highlight the transformational changes in the energy sector and how Saudi Arabia can leverage existing opportunities to achieve higher levels of efficiency and productivity. With the Saudi Vision 2030 envisaging a remarkable shift in energy production and consumption, the Kingdom is making significant headway in diversifying its energy sources to include a mix of traditional and alternative fuel sources and enhancing energy efficiency.”

Source: [Saudi Gazette](#)

**Accor reveals roadmap to hasten MEA growth**

Accor, the world’s leading augmented hospitality group, is mapping out its blueprint for accelerated growth in the Middle East & Africa (MEA) at this week’s Arabian Hotel Investment Conference (AHIC) 2019. The rapidly-expanding Group currently operates over 260 properties with 60,000+ rooms across 36 countries in the region. With more than 20 projects opening in 2019 alone, the Group is highlighting strong development opportunities for its unrivalled portfolio of residences, extended-stay and lifestyle brands, as well as the growth potential for all-inclusive luxury resorts, at the annual hospitality industry forum in Ras Al Khaimah on April 9-11, 2019.

Source: [Saudi Gazette](#)

**Aramco sells \$12bln bonds out of record \$100bln demand**

Saudi Aramco is set to raise \$12 billion with its first international bond issue after receiving more than \$100 billion in orders, a record breaking vote of market confidence for the oil giant which has faced investor concerns about government influence over the company. State-owned Aramco's bond issue, split into maturities ranging from three to 30 years, is seen as a gauge of potential investor interest in the Saudi company's eventual initial public offering.

Source: [Zawya](#)

**IMF cuts global growth forecast, sees UAE growing in 2019-20**

The International Monetary Fund (IMF) on Tuesday (April 9) revised down the growth forecast for the UAE and the global economy, blaming China's declining growth, increased trade tension between the US and China and euro economy losing more momentum than expected. In its latest World Economic Outlook, the IMF predicted that the UAE's real GDP grew 1.7 per cent in 2018 but the growth will pick up to 2.8 per cent in 2019 and 3.3 per cent in 2020. This prediction is lower than its October 2018 forecast when IMF had projected 2.9 per cent growth for 2018 and 3.7 per cent for 2019.

Source: [Zawya](#)

**Qatar plan for further stake in Deutsche Bank has stalled: sources**

A plan by Qatar's sovereign wealth fund to make a significant investment in Deutsche Bank has stalled, according to two people with knowledge of the matter. The Qatar Investment Authority (QIA) approached financial regulators months ago to seek approval to buy a big stake in Germany's largest lender, the people said. Qatar's royal family already holds a combined 6.1 percent stake in Deutsche Bank.

Source: [Reuters](#)

**Burj Khalifa Developer Recovers While Traders Get Picky**

Investors in the United Arab Emirates’s stock markets are marking a clear distinction on how they see some of the biggest listed real estate companies weathering the stormy times ahead. Emaar Properties PJSC, the developer of Dubai’s Burj Khalifa, and Aldar Properties PJSC in Abu Dhabi, have gained this year as better-than-expected results and appealing dividends attracted investors. Damac Properties PJSC, on the other hand, has extended its declines with more outflows on the radar.

Source: [Bloomberg](#)

**INTERNATIONAL ECONOMIC & CORPORATE NEWS****Uber Seeks About \$10 Billion in Year’s Biggest IPO**

Investors could get their first look at hundreds of pages of detailed information about Uber Technologies Inc. as soon as Thursday, as the ride-hailing giant gears up to publicly file for an initial public offering. The global ride-hailing company will kick off a road show to market shares to potential investors this month and would begin trading publicly in May, said people familiar with the matter, who asked not to be identified because the information is private. Uber is seeking to raise about \$10 billion, one of the people said.

Source: [Bloomberg](#)

**The US could be locked in a ‘Forever Trade War’ that no one sees coming**

While some think a U.S.-China trade deal will sound the “all clear” signal for markets and the economy, there are signs we could be in for a longer battle. If the target is giving U.S. industries protection to redevelop and gain market share back from

China and other low-cost competitors, temporary tariffs won't work. Capital will only flow to these industries if it believes its protections from cheap foreign goods is permanent, not temporary.

Source: [CNBC](#)

#### **Morgan Stanley to become top shareholder in China funds venture with stake increase**

Morgan Stanley has won an auction to buy an additional 5.5 percent stake in its China mutual funds joint venture, in a deal that will make it the top shareholder of Morgan Stanley Huaxin Fund Management Co. The Wall Street bank, which currently owns 37.4 percent in Shenzhen-based Morgan Stanley Huaxin, won the bid on March 30 to buy the additional stake for 25.04 million yuan (\$3.73 million), according to the auction notice on Taobao.com.

Source: [Reuters](#)

#### **Global trade tension, growth worries underpin yen; Brexit summit in focus**

The safe-haven yen remained in demand on Wednesday as investor caution prevailed due to fresh U.S.-Europe trade tensions and the International Monetary Fund's downgrade of its global economic outlook.

Source: [Reuters](#)

### **COMMODITIES NEWS**

#### **Oil edges higher amid tightening global supply, gains capped by economic slowdown**

Oil prices crept higher on Wednesday, supported by supply cuts by producer club OPEC and U.S. sanctions against oil exporters Iran and Venezuela, but restricted by expectations that an economic slowdown could soon dent fuel consumption. International benchmark Brent futures were at \$70.66 per barrel at 0158 GMT, up 5 cents from their last close.

Source: [Reuters](#)