

# U Capital Morning Brief

7 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	832.59	-7.58	-0.91%	-5.21%	-	-	-
U Capital GCC 50 Index	1,429.00	14.80	1.04%	9.11%	-	-	-
U Capital MENA 200 Index	1,113.00	2.80	0.25%	6.50%	-	-	-
MSCI GCC Countries Index	600.25	3.62	0.60%	11.60%	15.45	1.95	3.6%
Muscat Securities Market	3,939.54	-21.45	-0.54%	-8.89%	8.30	0.76	7.9%
Saudi Stock Exchange	9,063.88	78.40	0.87%	15.81%	20.36	2.03	3.1%
Kuwait Stock Exchange	5,731.91	49.93	0.88%	12.84%	16.27	1.43	3.4%
Qatar Exchange	10,189.56	27.99	0.28%	-1.06%	14.18	1.50	4.3%
Bahrain Stock Exchange	1,419.30	0.74	0.05%	6.13%	9.33	0.89	5.8%
Dubai Financial Market	2,776.29	15.81	0.57%	9.75%	9.93	1.01	4.9%
Abu Dhabi Exchange	5,032.19	-16.80	-0.33%	2.38%	14.11	1.44	4.9%
Beirut Stock Exchange	965.17	0.00	0.00%	-1.19%	5.12	0.60	10.3%
Palestine Stock Exchange	538.38	1.47	0.27%	1.71%	11.14	1.15	4.4%
Tunis Se Index	6,967.69	27.30	0.39%	-4.18%	17.99	2.45	2.1%
EGX 30 Index	15,247.81	49.97	0.33%	16.97%	16.49	1.51	2.1%
Amman General Index	1,908.49	-5.58	-0.29%	-0.02%	13.81	0.93	5.2%

\* 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		
<b>Europe</b>					Australian Dollar (AUD)	0.711	1.407
FTSE 100	UK	7,446.9	0.61%	10.7%	British Pound (GBP)	1.304	0.767
DAX	Germany	12,009.8	0.18%	13.7%	Canadian Dollar (CAD)	0.747	1.338
CAC 40	France	5,476.2	0.23%	15.8%	Chinese Renminbi (CNH)	0.149	6.712
<b>United States</b>					Egyptian Pound (EGP)	0.058	17.325
DJIA	USA	26,425.0	0.15%	13.3%	Euro (EUR)	1.122	0.892
S&P 500	USA	2,892.7	0.46%	15.4%	Indian Rupee (INR)	0.014	69.230
NASDAQ	USA	7,938.7	0.59%	19.6%	Japanese Yen (JPY)	0.009	111.730
<b>Asia Pacific</b>					New Zealand Dollar (NZD)	0.673	1.485
NIKKEI 225	Japan	21,807.5	0.38%	9.0%	Omani Rial (OMR)	2.597	0.385
HANG SENG	Hongkong	29,936.3	-0.17%	15.8%	Pakistani Rupee (PKR)	0.708	141.308
KSE 100 Index	Pakistan	37,521.8	0.02%	1.2%	Russian Ruble (RUB)	0.015	65.357
NSE Nifty 50	India	11,666.0	0.59%	7.4%	Singapore Dollar (SGD)	0.738	1.355
SHANGHAI Composite	China	3,246.6	0.94%	30.2%	Turkish Lira (TRY)	0.178	5.626
KOSPI Index	South Korea	2,209.6	0.14%	8.3%			

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
<b>Oil</b>				UAE	2.90
Brent Crude (per bbl)	70.3	1.35%	28.9%	Saudi Arabia	2.86
WTI Crude (per bbl)	63.1	1.58%	38.9%	Kuwait	2.69
Oman Crude Oil (Last Closing)	70.2	1.40%	31.1%	Oman	2.81
OPEC (per bbl)	68.8	-0.52%	33.4%	Qatar	2.91
				Bahrain	3.68

Precious Metals	Price	D/D	YTD	GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
		%	%			
Gold100 OZ (per oz)	1,291.8	-0.04%	0.7%	Kuwait	3/20/2027	3.21
Silver (per oz)	15.1	-0.28%	-2.5%	Abu Dhabi	10/11/2027	3.26
Platinum (per oz)	901.1	0.27%	13.3%	Qatar	6/2/2026	3.34
<b>Other Metals</b>				Saudi Arabia	3/4/2028	3.65
Copper, MT	6,401	-0.78%	7.3%	Oman	1/17/2028	6.46
Aluminium, MT	1,890	-0.26%	2.4%	Bahrain	10/12/2028	5.86
Lead, MT	1,986	-0.43%	-1.8%			
Zinc, MT	2,922	0.86%	18.4%			

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.24	2.29	1m	2.47
5 year	99.16	2.31	3m	2.59
10 year	101.13	2.50	6m	2.64
30 year	101.92	2.90	1 year	2.75

Source: Bloomberg

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

## OMAN ECONOMIC & CORPORATE NEWS

### **U Capital: MSM30 ends the week down on ex-dividend trades**

The local financial market witnessed pressure last week — which was limited to three trading days due to 'Al Isra'a Wal Miraj' holidays, ex-dividends trades, investor cautiousness and investor movements before the end of March. The MSM30 ended the week down by 1.65 per cent at 3,939.54. The Industrial Index was the only survivor as it went up by 1.39 per cent while both the Services Index and the Financial Index went down by 1.5 per cent and 1.34 per cent respectively. The MSM Shariah Index closed up by 0.62 per cent w-o-w.

Source: [Oman Observer](#)

### **CBO to Launch 60th Issue of Government Development Bonds by Auction Method**

The Central Bank of Oman (CBO) announced the new issue of Government development bonds. The size of the new issue is fixed at RO 100 million with a maturity period of 7 years and will carry a coupon rate of 5.75% p.a. The issue will be open for subscription from 11 to 21 April 2019 while the auction will be held on "Tuesday" 23 April 2019. The issue settlement date will be on Sunday, 28 April 2019. Interest on the new bonds will be paid semi-annually on 28 October and 28 April every year until maturity date on 28 April 2026.

Source: [ONA](#)

### **New Mining Law authorizes seizure of undeveloped concessions**

Mining licence holders are liable to forfeit their rights to their concessions if they fail to make the requisite initial investments in exploration or prospecting activities under the newly enacted Oman Mining Law — a measure that will end the longstanding practice of many licensees accused of permanently holding on these assets while doing little to harness this national wealth.

Source: [Oman Observer](#)

### **Oman targets first oil from Masirah Block this year**

Oil production from Block 50 off Masirah Island — home to Oman's first offshore discovery off the east coast — is slated to commence before the end of this year, according to a key shareholder in the license. It follows the successful completion of feasibility and concept studies centring on the landmark GA South discovery well, attesting to the commercial potential of the find first made in 2014, said Singapore-based Rex International Holding, which holds a dominant share of the equity in Masirah Oil Limited (MOL) — the joint venture license holder of Block 50.

Source: [Oman Observer](#)

### **State Council Approves Projects and Recommendations**

The State Council today approved the recommendations of the Joint Committee of the State Council and Majlis A'Shura on articles of difference in the "Statistics and Information Law" and "Draft Law of the GCC Unified System Regulating the Activity of Private Companies and Institutions Operating in Express Mail and Parcels". The Council also approved the proposal submitted by the Committee on Culture, Media and Tourism on "The Role of Omani Drama in Society (theater as a model)".

Source: [ONA](#)

### **242 licenses issued for professional services in 2018**

The number of licenses for individual engineering consultancies, translation, accounting, auditing and other consulting offices, issued during between the beginnings of January until the end of December 2018, reached to 242. The Professional Offices Licensing Department of the Ministry of Commerce and Industry said that there were 91 licenses issued for individual engineering consulting offices, 19 for translation offices, 20 for accounting and auditing offices, 90 for other consultancy licenses and 22 for Omani companies.

Source: [Times of Oman](#)

### **Suhar Refinery Improvement Project Officially Inaugurated**

Oman Oil and Orpic Group on Sunday officially inaugurated one of its strategic growth projects; the Suhar Refinery Improvement Project (SRIP), under the auspices of H E Dr Mohammed bin Hamed al Rumhi, Minister of Oil and Gas. The inauguration ceremony was held in the presence of a number of ministers, representatives of the State Council and Shura Council along with senior officials from Daelim of South Korea and UK-based Petrofac as well as community leaders.

Source: [MD](#)

## MIDDLE EAST ECONOMIC & CORPORATE NEWS

### **Saudi Arabia prepares to launch SMEs bank**

Saudi Arabia has approved to conduct a study in cooperation with the World Bank on establishing a bank for small and medium enterprises (SMEs), Asharq Al-Awsat reported, citing Majid Al-Qasabi, Minister of Commerce and Investment. Elsewhere, the ministry will launch the Saudi Business Center, which provides one-stop shop business services, in less than a month, he said during the recent Biban Eastern Forum.

Source: [Argaam](#)

### **Saudi CMA issues financial restructuring procedures under bankruptcy law**

Saudi Arabia's Capital Market Authority (CMA) issued on April 3 the procedures of applying for financial restructuring under the bankruptcy law. The issuer of Tadawul-listed securities must immediately disclose to both the authority and the public all related developments and state their impact on the business or the issuer's financial position, the market regulator said on its website.

Source: [Argaam](#)

### **Saudi Arabia in cooperation talks with S. Korean car manufacturers: report**

Saudi Arabia is in advanced cooperation talks with South Korean car manufacturers, including Hyundai, economy minister Mohammad Al Tuwaijri told Yonhap News Agency. During an official visit to South Korea to attend the second edition of the Saudi-Korean Vision 2030 Committee meeting held in Seoul, Al Tuwaijri said that the Kingdom shall offer the suitable system, infrastructure, power and locations for South Korean companies wishing to enter the Saudi market.

Source: [Argaam](#)

### **Saudi Aramco to offer \$16 billion in contracts to small, medium businesses: Arabiya**

Saudi Aramco will offer 140 contracts worth 60 billion riyals (\$16 billion) to small and medium-sized enterprises (SMEs) in the kingdom, the Al Arabiya TV website reported on Saturday. Aramco is working with the government to boost cooperation with SMEs as it spends 170 billion riyals on different services a year, Mohammed bin Ayed al-Shamri, deputy director of procurement and supply, was quoted as saying.

Source: [Reuters](#)

### **First Abu Dhabi Bank, Abu Dhabi Islamic Bank deny merger talks**

Abu Dhabi Islamic Bank and First Abu Dhabi Bank denied on Thursday they were in merger talks after a news report said the emirate was considering combining them. Citing unnamed sources, Bloomberg reported on Wednesday that Abu Dhabi was considering merging the two lenders to create the Gulf region's largest lender. First Abu Dhabi Bank, the largest lender in the United Arab Emirates, in a bourse filing said it "strongly denies the report issued by Bloomberg on the potential merger".

Source: [Reuters](#)

### **UAE private sector growth picks up in March: PMI**

Growth in the United Arab Emirates' non-oil sector picked up in March after slowing to a 28-month low last month, a survey showed on Sunday. The seasonally adjusted Emirates NBD UAE Purchasing Managers' Index (PMI), which covers manufacturing, services, and provides an overview of the non-oil private sector economy, rose to 55.7 in March from 53.4 a month earlier.

Source: [Zawya](#)

### **Sharjah issues 18% more trade licenses in Q1**

Sharjah Economic Development Department (SEDD) on Saturday announced that it issued 1,464 licenses in first quarter of 2019 compared to 1,240 in the same quarter last year, reflecting an increase of 18 per cent. In a statement, the department said the number of renewals increased from 13,514 in 2018 to 14,425 in the first quarter of 2019, at an increment rate of seven per cent to reach a total of 15,889 licenses in 2019 compared to 14,754 in 2018 with a total growth of eight per cent. This shows the interest of the investors in the emirate and highlights the growth of the economy in various sectors.

Source: [Zawya](#)

### **UAE Takaful firms' profits driven by better rules, oversight - regulator**

Moves to cap wakala (agency) fees and improved oversight of underwriting policies have helped Islamic insurance, or takaful, firms in the United Arab Emirates maintain profitability, an official from the country's insurance authority has said. Speaking at the World Takaful & InsurTech Conference in Dubai this week, Ahmed Mohammed Nagy, a consulting actuary at the UAE Insurance Authority, said that the financial results of the country's 12 takaful firms showed a 26 percent increase in net profit on the back of a 4 percent growth in gross premiums.

Source: [Zawya](#)

### **Regulation of interest eyed in Kuwait**

Responding to complaints of pensioners, the National Assembly turned its gaze to the Banking Union which took a single-handed decision to freeze the seven months pension of retirees as payment for loans taken from banks. MP Ahmed Al-Fadel said the Assembly did not struggle in passing the Early Retirement Law and ease the financial burdens of senior citizens, "only for banks to assume the right to put their hands on the money of these citizens." He pointed out that since their pensions are still being paid, banks should simply continue deducting monthly installments.

Source: [Arab Times Online](#)

## **INTERNATIONAL ECONOMIC & CORPORATE NEWS**

### **Norway's \$1 Trillion Fund Told to Sell Emerging Market Bonds**

Norway's \$1 trillion sovereign wealth fund got the go-ahead to cut government and corporate bonds from emerging markets in an overhaul of its \$310 billion fixed-income holdings. The decision, announced on Friday by the Finance Ministry, comes after more than a year of deliberation. The fund will cut bonds from 10 emerging market countries in its index, including Mexico, South Korea, Russia and Poland, and will also be limited in its investments in emerging markets outside the index, such as Brazil and Indonesia.

Source: [Bloomberg](#)

### **U.S. Jobs Rebound Reassures on Growth But Comes With Caveats**

The U.S. labor market sprang back to hit the Federal Reserve's sweet spot, alleviating some concern about a deeper downturn. Better-than-expected hiring in March and unemployment hovering near a five-decade low signal worker demand remains robust even as employers confront economic crosscurrents. Wage gains eased, reinforcing the Fed's message that interest rates are on hold, while the payrolls figures indicate February's weakness was an anomaly.

Source: [Bloomberg](#)

### **Deutsche Bank Middle East CEO admits market sentiment is poor for Gulf economies**

Market sentiment is not great for Gulf states at the moment, Deutsche Bank's Middle East and Africa CEO said Saturday, acknowledging the concerns that investors have held about the region in recent years. "The private sector across the region, frankly, is still, sentiment-wise, not feeling too positive," Jamal Al Kishi told CNBC's Hadley Gamble, discussing his economic outlook at the World Economic Forum on the Middle East and North Africa in Amman, Jordan. "The economy has hit a soft patch following the collapse of crude prices."

Source: [CNBC](#)

### **Dow climbs more than 150 points, S&P 500 posts first 6-day winning streak in over a year**

The Dow Jones Industrial Average and S&P 500 rose on Thursday as investors awaited for more news on a potential trade deal between China and the U.S. The 30-stock Dow closed 166.50 points higher at 26,384.63, led by a 2.9% gain in Boeing. The S&P 500 climbed 0.2% to 2,879.39, notching its first six-day winning streak since February 2018, as the materials and energy sectors outperformed. The Nasdaq Composite, however, posted a 0.1% loss and closed at 7,891.78 as Tesla shares were under pressure.

Source: [CNBC](#)

### **Theresa May reaches out to Jeremy Corbyn in a bid to break Brexit deadlock**

U.K. Prime Minister Theresa May and the leader of the main opposition party, Jeremy Corbyn, meet on Friday for the third consecutive day of talks in a bid to break the current Brexit deadlock. The two leaders, who have fought bitterly for months over Britain's future, are now trying to agree a deal that can then be negotiated with the rest of the EU.

Source: [CNBC](#)

## **COMMODITIES NEWS**

### **Tightening supplies drive oil to best quarterly performance in 10 years**

Oil prices closed out March with their best quarterly performance since 2009, with Brent and WTI rising by 27 percent and 32 percent, respectively, in 1Q19. Benchmark Brent crude ended March at \$68.4/bbl, having traded sideways in the \$66-68 range for most of the month. The US marker, West Texas Intermediate (WTI), hit \$60 last week for the first time since November 2018.

Source: [Kuwait Times](#)

### DME mulls adding Mideast crudes for Oman contract delivery –sources

Dubai Mercantile Exchange (DME) is considering adding other Middle East crude grades for delivery to its Oman crude oil contract, trade sources said on Friday. The move is aimed at raising the contract's liquidity and to buffer the contract from price spikes that could be caused by a surge in Chinese demand for Oman oil, the trade sources said. China buys most of the Oman's crude oil. A surge in crude demand from the world's largest oil importer caused Oman crude futures to spike in September.

Source: [HSN](#)

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