

U Capital Morning Brief

9 June 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	824.54	-1.16	-0.14%	-6.12%	-	-	-
U Capital GCC 50 Index	1,362.32	38.82	2.93%	4.02%	-	-	-
U Capital MENA 200 Index	1,067.09	23.89	2.29%	2.11%	-	-	-
MSCI GCC Countries Index	576.96	-0.01	0.00%	7.27%	14.26	1.88	4.0%
Muscat Securities Market	3,941.82	4.99	0.13%	-8.83%	7.76	0.78	7.0%
Saudi Stock Exchange	8,516.48	102.60	1.22%	8.81%	19.45	1.89	3.5%
Kuwait Stock Exchange	5,764.59	38.95	0.68%	13.49%	16.29	1.49	3.4%
Qatar Exchange	10,319.33	151.19	1.49%	0.20%	14.50	1.58	4.2%
Bahrain Stock Exchange	1,434.62	-0.59	-0.04%	7.28%	10.49	0.92	5.3%
Dubai Financial Market	2,620.33	20.63	0.79%	3.58%	11.64	0.99	5.1%
Abu Dhabi Exchange	5,003.59	137.41	2.82%	1.80%	14.53	1.47	5.0%
Beirut Stock Exchange	852.43	-3.48	-0.41%	-12.73%	4.34	0.49	11.6%
Palestine Stock Exchange	526.87	1.44	0.27%	-0.47%	10.27	1.20	4.6%
Tunis Se Index	7,081.27	28.47	0.40%	-2.62%	18.35	2.38	2.1%
EGX 30 Index	13,787.80	97.08	0.71%	5.77%	14.89	1.32	2.7%
Amman General Index	1,806.52	0.21	0.01%	-5.36%	11.08	0.89	5.8%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,331.9	0.99%	9.0%
DAX	Germany	12,045.4	0.77%	14.1%
CAC 40	France	5,364.1	1.62%	13.4%
United States				
DJIA	USA	25,983.9	1.02%	11.4%
S&P 500	USA	2,873.3	1.05%	14.6%
NASDAQ	USA	7,742.1	1.66%	16.7%
Asia Pacific				
NIKKEI 225	Japan	20,884.7	0.53%	4.3%
HANG SENG	Hongkong	26,965.3	0.26%	4.3%
KSE 100 Index	Pakistan	35,505.3	-1.31%	-4.2%
NSE Nifty 50	India	11,870.7	0.23%	9.3%
SHANGHAI Composite	China	2,827.8	-1.17%	13.4%
KOSPI Index	South Korea	2,072.3	0.16%	1.5%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.700	1.428
British Pound (GBP)	1.274	0.785
Canadian Dollar (CAD)	0.754	1.327
Chinese Renminbi (CNH)	0.144	6.944
Egyptian Pound (EGP)	0.060	16.780
Euro (EUR)	1.133	0.882
Indian Rupee (INR)	0.014	69.470
Japanese Yen (JPY)	0.009	108.190
New Zealand Dollar (NZD)	0.667	1.501
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.677	148.100
Russian Ruble (RUB)	0.015	64.841
Singapore Dollar (SGD)	0.734	1.362
Turkish Lira (TRY)	0.172	5.831

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	63.3	2.63%	15.3%
WTI Crude (per bbl)	54.0	2.66%	18.9%
Oman Crude Oil (Last Closing)	61.8	2.71%	15.5%
OPEC (per bbl)	60.9	-0.26%	18.1%
Precious Metals			
Gold100 OZ (per oz)	1,340.8	0.41%	4.6%
Silver (per oz)	15.0	0.82%	-3.1%
Platinum (per oz)	807.0	0.28%	1.4%
Other Metals			
Copper, MT	5,799	-0.15%	-2.8%
Aluminium, MT	1,764	-0.68%	-4.4%
Lead, MT	1,832	-3.07%	-9.4%
Zinc, MT	2,484	-0.76%	0.7%

GCC 3m Interbank Rates	Current Rate %
UAE	2.73
Saudi Arabia	2.85
Kuwait	2.69
Oman	2.86
Qatar	2.83
Bahrain	3.23

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
Kuwait	20/03/2027	2.67
Abu Dhabi	11/10/2027	2.72
Qatar	02/06/2026	2.86
Saudi Arabia	04/03/2028	3.37
Oman	17/01/2028	6.48
Bahrain	12/10/2028	5.98

Midswaps	Price	YTM %
3 year	100.88	1.82
5 year	100.70	1.85
10 year	102.63	2.08
30 year	106.30	2.57

USD Libor	Rate (%)
1m	2.41
3m	2.45
6m	2.37
1 year	2.35

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 registers improvement but with modest trades

Moderate trades were seen during the two business days of the previous week prior to the start of the Eid holidays. The MSM30 ended the week up by 0.19 per cent at 3,941.82. The Industrial Index went up by 0.99 per cent while both the Services Index and the Financial Index closed down by 0.38 per cent and 0.21 per cent respectively. The MSM Shariah Index closed up by 0.43 per cent w-o-w.

Source: [Oman Observer](#)

E-SYSTEM FOR REGISTERING OF EXCISE TAX READY

The electronic system for registration of taxpayers subject to excise tax, which will be implemented from June 15, in terms of submitting the required tax returns and the subsequent paying of the tax due, is ready. SGT drafted the legislative requirements such as the executive regulation, which is expected to be issued within a short time as the law granted a period of 6 months to issue the executive regulation.

Source: [Times of Oman](#)

RO 150 million mega shrimp farm planned at Barr Al Hikman in Oman

Oman Aquaculture Development Company (OADC), a subsidiary of Oman Investment Fund (OIF) — a sovereign wealth fund of the Sultanate of Oman, is spearheading the development of a world-scale shrimp farm at Barr Al Hikman in Al Wusta Governorate. The ambitious project is the largest of a substantial portfolio of shrimp-based investments that OADC is making in driving the growth of a viable aquaculture industry in the Sultanate.

Source: [Oman Observer](#)

Thai business delegation to visit Oman on June 18

A high-profile business delegation specialised in construction and building materials from the Kingdom of Thailand will visit the Sultanate on June 18 to meet with potential Omani importers. The Oman Chamber of Commerce and Industry (OCCI) and Thai Trade Centre in Dubai will jointly organise a match-making business-to-business (B2B) meeting for Omani importers with their Thai counterparts at the premises of the chamber (Al Batinah Hall) between 9 am and 12 noon on June 18.

Source: [Oman Observer](#)

Oman to Impose 100% Tax on Tobacco, Alcohol Starting Next Week

Oman will introduce 100% tax on tobacco, alcohol and pork meat from June 15, as the sultanate follows other Gulf governments in trying to pare its reliance on oil revenue. Energy drinks will also be subject to a 100% levy and there will be a 50% tax on carbonated drinks, according to the Secretariat General for Taxation website. The new taxes could generate about 100 million Omani rial (\$260 million).

Source: [Bloomberg](#)

Oman's Duqm Refinery awards contract to British firm

Oman's Duqm Refinery and Petrochemicals Industries Company (DRPIC) has awarded a contract for the front end engineering design (Feed) work of its petrochemicals complex to Wood UK. The feed services comprise an NGL Extraction facility in central Oman and 230 kilometres pipelines, according to a company statement.

Source: [Mubasher](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

OPEC close to agree on extending oil cut deal: Al-Falih

The Organization of the Petroleum Exporting Countries (OPEC) is close to agreeing to extend the oil cut pact beyond June, although more talks were still needed with non-OPEC countries that were part of the production deal, Reuters reported on Friday, citing Energy Minister Khalid Al-Falih.

Source: [Argaam](#)

INEOS to invest \$2 bln in Saudi petrochemical complex

Billionaire Jim Ratcliffe's petrochemicals company, INEOS will invest \$2 billion to build three plants in Saudi Arabia as part of Saudi Aramco and Total's petrochemical complex. INEOS' plants will be part of Saudi Aramco and Total's planned construction of a \$5 billion petrochemical complex called Project Amiral, which would supply more than \$4 billion of downstream derivatives and speciality chemicals, the company said in a statement.

Source: [Argaam](#)

Dubai's real estate transactions value tops \$9.25bln

The value of the total real estate transactions in Dubai surged to more than Dh34 billion () during the first five months of 2019, up 33 per cent from Dh24 billion last year, according to Dubai Land Department (DLD). The value of residential and commercial apartments' deals topped Dh17 billion, while land purchasing transactions amounted to Dh14 billion and villas deals stood at Dh3 billion, stated data released by DLD.

Source: [Zawya](#)

Saudi Arabia, Russia discuss more balancing of oil markets

Russian Energy Minister Alexander Novak said on Thursday that he and Saudi Energy Minister Khalid al Falih discussed how the countries could further balance oil markets. "We have discussed (the) situation on the market and agreed that we will cooperate further with the aim of balancing the market," he said.

Source: [Zawya](#)

Qatar needs to leverage FDI for 'new sector' devt

Qatar should develop a comprehensive strategy to attract foreign investment and pay attention to developing domestic technological capacity. Foreign partners can play a key role in supporting entry into new sectors. IMF said in its latest Qatar report on Qatar that countries like Qatar those are looking to adopt technological and methodological advances in sectors new to them have a significant advantage.

Source: [The Peninsula Qatar](#)

Qatar economy successfully adjusts to dual shocks: IMF

Qatar's economy has successfully absorbed the shocks from the 2014–16 drop in hydrocarbon prices and the 2017 diplomatic rift. The country's economic performance improved in 2018. Real GDP growth is estimated at 2.2 percent, up from 1.6 percent in 2017, International Monetary Fund (IMF) announced.

Source: [The Peninsula Qatar](#)

Dubai's DP World collaborates with Russia to develop northern sea route

DP World has signed an agreement with Russian Direct Investment Fund (RDIF), Rosatom, and Nornickel to launch a joint project to pursue the integrated development of the northern sea route (NSR).

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Two Epic Bull Markets Are Dueling Over the Fate of Global Growth

The front line pits risky assets like stocks against the safest securities, namely bonds, and it's there that the war is being fought now. The S&P 500 just had its best week since November. Yet in fixed income, Treasury yields are near the lowest levels in almost two years.

Source: [Bloomberg](#)

G-20 Reaches Compromise on Trade War Language in Statement Draft

Finance chiefs from the Group of 20 gathering in Japan agreed to trim a passage in their joint statement referring to trade, cutting language that states a "pressing need" to resolve the tensions. Instead, the communique will merely admit that tensions have escalated and refer to a consensus reached during a previous meeting in Buenos Aires to support international trade and investment, according to two officials familiar with details of the latest draft. The statement has yet to be published and details may still change.

Source: [Bloomberg](#)

Lawmakers seek Boeing documents about 'defective' safety alert on 737 Max

Lawmakers requested documents on Friday from Boeing about a faulty cockpit alert on the manufacturer's beleaguered 737 Max planes — an issue the company knew about for more than a year before informing regulators and didn't plan to fix for three years.

Source: [CNBC](#)

United Technologies nears deal to merge aerospace unit with Raytheon: source

United Technologies Corp is nearing a deal to merge its aerospace business with U.S. defense contractor Raytheon Co and form a new company worth well over \$100 billion, a person familiar with the matter said.

Source: [Reuters](#)

COMMODITIES NEWS

Iran has no plans to leave OPEC despite tensions: oil minister

Iran has no plans to leave the Organization of the Petroleum Exporting Countries despite being treated like an enemy by some fellow members, Oil Minister Bijan Zanganeh said in an interview published on Saturday.

Source: [Reuters](#)