

U Capital Morning Brief

5 September 2018

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	884.76	21.26	2.46%	-9.19%	-	-	-
U Capital GCC 50 Index	1,315.90	24.78	1.92%	14.96%	-	-	-
U Capital MENA 200 Index	1,067.22	16.92	1.61%	7.25%	-	-	-
MSCI GCC Countries Index	540.02	3.09	0.58%	12.56%	13.71	1.76	4.1%
Muscat Securities Market	4,429.19	1.54	0.03%	-13.14%	10.67	0.88	6.2%
Saudi Stock Exchange	7,968.24	25.81	0.32%	10.27%	17.52	1.79	3.6%
Kuwait Stock Exchange	5,132.67	36.40	0.71%	NA	15.07	1.30	3.8%
Qatar Exchange	9,820.18	20.35	0.21%	15.21%	14.58	1.48	4.5%
Bahrain Stock Exchange	1,338.49	3.97	0.30%	0.51%	9.03	0.85	6.1%
Dubai Financial Market	2,837.17	7.59	0.27%	-15.81%	7.56	1.05	6.0%
Abu Dhabi Exchange	4,983.98	46.29	0.94%	13.31%	13.12	1.48	4.8%
Beirut Stock Exchange	989.86	-5.67	-0.57%	-13.82%	5.24	0.62	9.8%
Palestine Stock Exchange	540.79	-0.25	-0.05%	-5.88%	12.60	1.17	4.5%
Tunis Se Index	8,289.74	-61.85	-0.74%	31.96%	21.49	2.95	1.7%
EGX 30 Index	15,922.96	101.04	0.64%	6.02%	13.58	2.50	2.2%
Amman General Index	1,991.14	7.24	0.36%	-6.38%	14.66	1.02	4.6%

World Markets	Country	Value	D/D	YTD
Europe				
FTSE 100	UK	7,457.9	-0.62%	-3.0%
DAX	Germany	12,210.2	-1.10%	-5.5%
CAC 40	France	5,342.7	-1.31%	0.6%
United States				
DJIA	USA	25,952.5	-0.05%	5.0%
S&P 500	USA	2,896.7	-0.17%	8.3%
NASDAQ	USA	8,091.2	-0.23%	17.2%
Asia Pacific				
NIKKEI 225	Japan	22,639.6	-0.26%	-0.6%
HANG SENG	Hongkong	27,512.1	-1.65%	-8.0%
KSE 100 Index	Pakistan	41,786.7	0.00%	3.2%
NSE Nifty 50	India	11,490.9	-0.26%	9.1%
SHANGHAI Composite	China	2,725.3	-0.92%	-17.6%
KOSPI Index	South Korea	2,310.8	-0.21%	-6.3%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.719	1.391
British Pound (GBP)	1.286	0.778
Canadian Dollar (CAD)	0.759	1.318
Chinese Renminbi (CNH)	0.146	6.854
Egyptian Pound (EGP)	0.056	17.830
Euro (EUR)	1.160	0.862
Indian Rupee (INR)	0.014	71.583
Japanese Yen (JPY)	0.009	111.540
New Zealand Dollar (NZD)	0.656	1.526
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.805	124.252
Russian Ruble (RUB)	0.015	68.118
Singapore Dollar (SGD)	0.726	1.377
Turkish Lira (TRY)	0.150	6.677

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	77.8	-0.45%	21.6%
WTI Crude (per bbl)	69.4	-0.73%	14.8%
Oman Crude Oil (Last Closing)	76.6	0.38%	19.8%
OPEC (per bbl)	75.8	0.04%	17.5%
Precious Metals			
Gold100 OZ (per oz)	1,194.0	0.22%	-8.4%
Silver (per oz)	14.2	0.03%	-16.4%
Platinum (per oz)	780.1	0.21%	-16.2%
Other Metals			
Copper, MT	5,815	-2.55%	-19.8%
Aluminium, MT	2,062	-1.67%	-9.1%
Lead, MT	2,077	-2.05%	-16.5%
Zinc, MT	2,416	-1.93%	-27.2%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	2.63	46.8%
Saudi Arabia	2.62	38.0%
Kuwait	2.00	6.7%
Oman	2.48	30.1%
Qatar	2.65	0.1%
Bahrain	3.53	29.4%

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	3/20/2027	3.7
Abu Dhabi	10/11/2027	3.9
Qatar	6/2/2026	3.9
Saudi Arabia	3/4/2028	4.2
Oman	1/17/2028	6.3
Bahrain	10/12/2028	8.0

Midswaps	Price	YTM %
3 year	100.06	2.7
5 year	99.88	2.8
10 year	99.77	2.9
30 year	98.66	3.1

USD Libor	Rate (%)	YTD
1m	2.11	34.9%
3m	2.32	36.7%
6m	2.54	38.0%
1 year	2.84	34.7%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Oman Won't Tap International Bond Market Until 2019 as Oil Rises

Oman sees no need to return to the international bond market until 2019 as higher oil prices let the sultanate avoid more debt sales this year, according to a state official. The average crude price of \$67 a barrel, compared with the budgeted oil price of \$50, has reduced the need to borrow to cover the budget deficit in 2018, the official said. The sultanate was expected to raise \$7.5 billion from debt sales in 2018 to help meet spending requirements, according to data from the International Monetary Fund. However, it only sold \$6.5 billion of bonds in January and didn't return to the market. The country has raised \$18 billion from the sale of dollar bonds since the start of 2016, data compiled by Bloomberg show.

Source: [Bloomberg](#)

Investors line up for tourism projects in Oman's Duqm special zone

More than 20 applicants have lined up to invest in tourism projects in Duqm, according to a senior official from Al Wusta governorate. The total area over which these projects would be spread is more than 2.8 million square metres, according to Nasser bin Marhoon bin Fadhil Al Abdali Al Wusta's Director of Tourism. The applications are for setting up tourism projects in the Special Economic Zone of Duqm.

Source: [Times of Oman](#)

CBO issues treasury bills worth OMR6.5mn

Oman's central bank raised OMR6.5 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from September 5 until October 3, 2018. The average accepted price reached 99.481 for every OMR100, and the minimum accepted price arrived at 99.840 per OMR100. Whereas the average discount rate and the average yield reached 2.07067 per cent and 2.07397 per cent, respectively.

Source: [Times of Oman](#)

Sohar Port signs pact to upgrade pilot vessels fleet

Sohar Port and Freezone, recently signed an agreement with Svitzer, which is part of the Danish business conglomerate A.P. Moller, for the upgrade of their pilot vessels fleet and to provide round-the-clock operational support for ship movements in and around the rapidly growing port. The agreement was signed on September 3 at the Sohar Port head office. Mark Geilenkirchen, the CEO of Sohar Port and Freezone, signed the agreement on behalf of Sohar Port, while Svitzer was represented by Karim Cordahi, Country Manager of Svitzer Oman.

Source: [Times of Oman](#)

Textile printing industry set to grow to \$2.66bn by 2021

The textile printing industry has come of age and is rapidly growing across the globe and the Middle East region. Oman houses thousands of retail destinations, including several high-end furniture brands and these numbers are on the rise. According to Smithers Pira, the UK-based market intelligence, testing and consulting firm, this industry is slated to grow to US\$2.66 billion by 2021. The key objective of textile printing is to produce fabric with an attractive design and defined pattern.

Source: [Times of Oman](#)

Oman Broadband, Asian Bank sign RO 92m financing pact

Oman Broadband signed RO92 million financing agreement with the Asian Bank to invest in infrastructure and to finance its projects. The agreement was signed by Said bin Hamdoon al Harthy, Undersecretary of the Ministry of Transport and Communications for Port and Maritime Affairs, Chairman of the Board of Directors of Oman Broadband. The signing ceremony was sponsored by Dr Ahmed bin Mohammed al Futaisi, Minister of Transport and Communications.

Source: [Oman Observer](#)

Oman to develop four ports for cruise ships

All major ports in the Sultanate will receive vessels of all sizes in October, marking the start of the season of cruise ships that will continue until the end of April 2019. The cruise ship market is an important pillar for the growth of the tourism movement, which will contribute effectively to maximize its economic returns and enhance its contribution to increase income and diversify its sources. The Ministry of Tourism plays a major role in the development of this sector to promote the Sultanate as a destination for cruise ships, in coordination with the government agencies and private sector companies, and also in coordination with the cruise ships by providing facilities, permits and joint promotional campaigns.

Source: [Oman Observer](#)

PDO seeks nod to boost crude output to 680,000 bpd

Petroleum Development Oman (PDO) says it plans to ramp up crude production in the coming years to 680,000 barrels per day (bpd), up from the current level of just over 600,000 bpd. The company's Managing Director, Raoul Restucci (pictured), said the new target is being enabled by the strident pace of activity levels being witnessed across its Block 6 licence, notwithstanding the constrained fiscal environment triggered by the international oil price slump in 2014.

Source: [Oman Observer](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

MIDEAST STOCKS-Abu Dhabi up on bank merger, U.S. trade disputes weigh elsewhere

Abu Dhabi shares rallied on Tuesday after Abu Dhabi Commercial Bank (ADCB) said it was exploring potential merger talks with two other lenders, while regional markets were muted amid continued U.S. trade disputes with other countries. ADCB said on Monday it was in early merger talks with Union National Bank (UNB) and Al Hilal Bank that could potentially form a lender with \$113 billion in assets.

Source: [Zawya](#)

Tadawul to launch exchange-traded derivatives in H1 2019

The Saudi Stock Exchange (Tadawul) will introduce exchange-traded derivatives in the first half of 2019, it said in a statement on Tuesday. "The introduction of derivatives is part of the Vision 2030 Financial Sector Development Program. This reflects Tadawul's ongoing commitment to create new opportunities for investors and to increase institutional investors' participation in the Saudi market," said Khalid Al Hussan, chief executive officer, Tadawul.

Source: [Argaam](#)

Aramco IPO suspension to impede Saudi economic diversification scheme - Moody's

The delay of state-run Saudi Aramco's local and international initial public offerings (IPOs) is expected to take its toll on the oil-rich kingdom's economic diversification plan, Moody's Investors Service said in a report on Monday. The Saudi government had previously announced that it would raise around \$100 billion, or 13% of the GCC nation's 2018 gross domestic product (GDP), from the share sale of the world's largest oil producer.

Source: [Mubasher](#)

Saudi bank loans to public and private sectors hit SAR 1.47 trln in July

Bank loans issued to Saudi Arabia's public and private sectors reached SAR 1.476 trillion by the end of July, compared to SAR 1.467 trillion in the year-earlier period, new figures from the Kingdom's central bank revealed. Private sector lending rose by one percent year-on-year (YoY) to SAR 1.432 trillion during the month. Meanwhile, the value of loans issued to the public sector decreased 12 percent YoY to SAR 45 billion in July

Source: [Argaam](#)

Saudi Arabia denies plans to introduce expat remittance fee

Saudi Arabia's Ministry of Finance has denied rumours swirling in social media that the kingdom is set to impose fees on remittances by expatriate workers. In a statement carried on the state-run Saudi Press Agency, the ministry said that it "categorically denies [the rumours] and affirms its commitment to support the free movement of capital through official channels in accordance with best international standards and practices."

Source: [Arabian Business](#)

Dubai's Emirates Investment Bank to strike new deals in GCC: CEO

Emirates Investment Bank (EiBank) is working on completing new investment transactions in the GCC states in different sectors, namely the food and beverage (F&B), healthcare and education sectors, the CEO of the Dubai-based lender has said. The independent private bank is looking forward to reaping the fruit of these deals in the coming period in a bid to ensure achieving the highest value for its clients, Khaled Sifri told Mubasher in an interview.

Source: [Zawya](#)

VAT refund for UAE tourists to start in November

The UAE's Federal Tax Authority has appointed Planet as its exclusive tax refund operator for the Tourist Refund Scheme which will be rolled out in November 2018. "The FTA has announced that from November 2018, eligible tourists will be able to receive a proportion of the VAT as a refund when they shop at registered stores," said an invitation sent to retailers and tax consultancies across the UAE by the FTA and the Dubai Chamber of Commerce and Industry to brief them about how to register for the tourist refund scheme.

Source: [Khaleej Times](#)

Banking sector the dominate factor on the Qatar stock market

Qatar's stock market performance over the last 13 years has been strongly linked to movement in the banking sector, according to data from Thomson Reuters Eikon. Data extracted on Monday found the performance of the Qatar Exchange General index (.QSI) and the Thomson Reuters Qatar Banking and Investment Services index (.TRXFLDQAPF1) between May 2005 and September 2018 had a correlation coefficient of + 0.983.

Source: [Zawya](#)

Qatar Airways to wait one year before deciding on India venture

Qatar Airways will wait for 'another 12 months' to decide on setting up an airline in India as it seeks clarity on 'ambiguous' foreign ownership norms, its chief Akbar Al Baker said Tuesday. The comments come less than three months after Baker said that the Gulf carrier would soon be moving an application to launch a full-service airline in India for domestic operations.

Source: [Arabian Business](#)

Kuwait, World Bank ink 2-yr business improvement deal

Kuwait Direct Investment Promotion Authority (KDIPA) has signed an agreement on Tuesday with the World Bank Group for the second phase of the technical cooperation project to improve the business environment. The aim is to support the continuous efforts by the Kuwaiti government to develop the business environment and the needed legislative reforms, through the two-year agreement, in line with the Kuwait National Development Plan (New Kuwait 2035).

Source: [Mubasher](#)

Bahrain Is Said to Raise \$500 Million in Private Bond Placement

Bahrain, which is talks with its Gulf allies for an aid program, raised \$500 million from a private placement of bonds, according to people familiar with the matter. The notes were priced at 330 basis points above three-year midswaps, the people said, asking not to be identified because the details are private. Government officials didn't return calls outside of business hours on Tuesday.

Source: [Bloomberg News Alert](#)

How Bahrain aims to open economy further to foreign firms

Bahrain has reportedly approved plans for foreign companies to set up subsidiaries which will be able to do business without local partners. The country's Cabinet, chaired by Prime Minister Prince Khalifa bin Salman Al Khalifa, endorsed the new regulation on Monday as part of efforts to boost the national economy, local media reported. According to reports, the move comes two years after Bahrain approved 100 percent business ownership in certain sectors.

Source: [Arabian Business](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Australia's economy storms ahead to best growth in six years

Australia's economy grew 3.4 percent year-over-year in the second quarter of 2018, handily beating market forecasts of 2.8 percent. The growth was fueled by demand for homes and infrastructure, and higher consumer spending as a result of rapid population growth in Australia. The latest GDP print marks the country's 27th year without a recession.

Source: [CNBC](#)

Amazon becomes world's second company to be valued at \$1tn

Amazon has become the second company to be valued by Wall Street at \$1tn, a matter of weeks after Apple reached the milestone first. On Tuesday, a rise in the share price of Amazon, which is listed on the Nasdaq stock exchange in the US, briefly took it above the trillion-dollar watermark for the first time. Crossing the \$1tn threshold marks the latest chapter in an astonishing story of growth for the company, founded by businessman Jeff Bezos in Seattle in 1994.

Source: [The Guardian](#)

Asia markets decline in morning trade after weak Wall Street performance

Asia markets were largely negative in morning action after Wall Street posted losses on its first trading day of the month, and as emerging markets sold off overnight. Japan's Nikkei 225 traded down by 0.26 percent in the morning, with the real estate sector seeing a loss of 1.76 percent. South Korea's Kospi was also trading lower by 0.15 percent, with industry heavyweight Samsung Electronics falling by 1.15 percent.

Source: [CNBC](#)

Dollar steady on lingering trade, emerging market worries

The dollar firmed on Tuesday as investors bid up safe haven assets amid tensions around global trade and strains in emerging market currencies, while the Australian dollar pared losses after Australia's central bank kept interest rates on hold.

Source: [Reuters](#)

COMMODITIES NEWS

Saudi Arabia aims to keep crude in \$70 to \$80 band: sources

Saudi Arabia wants oil to stay between \$70 and \$80 a barrel for now as the world's biggest crude exporter strikes a balance between maximizing revenue and keeping a lid on prices until U.S. congressional elections, OPEC and industry sources said. After announcing the flotation of Saudi Aramco in 2016, the kingdom began pushing for higher crude prices partly to help maximize the valuation of the state oil company ahead of an initial public offering (IPO), originally scheduled for 2018.

Source: [Zawya](#)

Oil dips as U.S. storm threat eases; Iran sanctions loom

Oil prices fell on Wednesday, partly reversing a strong jump from the previous day, as the impact of a tropical storm on U.S. Gulf coast production was not as strong as initially expected. U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$69.47 per barrel at 0139 GMT, down 40 cents, or 0.6 percent, from their last settlement. International Brent crude futures LCOc1 fell 16 cents, or 0.2 percent, to \$78.01 a barrel.

Source: [Reuters](#)

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