

U Capital Morning Brief

16 September 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	868.42	2.79	0.32%	-1.13%	-	-	-
U Capital GCC 50 Index	1,324.26	-12.91	-0.97%	1.11%	-	-	-
U Capital MENA 200 Index	1,046.62	-8.92	-0.85%	0.15%	-	-	-
MSCI GCC Countries Index	538.59	-5.25	-0.97%	0.14%	14.86	1.75	4.2%
Muscat Securities Market	4,021.14	0.98	0.02%	-7.00%	8.19	0.79	6.8%
Saudi Stock Exchange	7,749.46	-82.34	-1.05%	-0.99%	19.22	1.72	3.9%
Kuwait Stock Exchange	5,725.31	-20.29	-0.35%	12.71%	14.19	1.36	3.7%
Qatar Exchange	10,394.90	-66.75	-0.64%	0.93%	15.02	1.56	4.2%
Bahrain Stock Exchange	1,535.55	-11.08	-0.72%	14.83%	11.50	0.97	5.1%
Dubai Financial Market	2,869.84	-18.55	-0.64%	13.44%	12.06	1.05	4.3%
Abu Dhabi Exchange	5,073.86	-22.23	-0.44%	3.23%	15.20	1.45	4.9%
Beirut Stock Exchange	796.71	-1.18	-0.15%	-18.43%	4.24	0.48	11.6%
Palestine Stock Exchange	518.69	-1.66	-0.32%	-2.01%	11.70	1.20	4.6%
Tunis Se Index	7,117.41	-3.06	-0.04%	-2.12%	19.57	2.38	1.6%
EGX 30 Index	15,023.23	-87.14	-0.58%	15.25%	12.60	2.05	2.6%
Amman General Index	1,807.11	13.67	0.76%	-5.33%	11.62	0.87	5.7%

World Markets	Country	Value	D/D	YTD
			%	%
Europe				
FTSE 100	UK	7,367.5	0.31%	9.5%
DAX	Germany	12,468.5	0.47%	18.1%
CAC 40	France	5,655.5	0.22%	19.5%
United States				
DJIA	USA	27,219.5	0.14%	16.7%
S&P 500	USA	3,007.4	-0.07%	20.0%
NASDAQ	USA	8,176.7	-0.22%	23.2%
Asia Pacific				
NIKKEI 225	Japan	21,988.3	1.05%	9.9%
HANG SENG	Hongkong	27,073.7	-1.02%	4.8%
KSE 100 Index	Pakistan	31,658.1	0.56%	-14.6%
NSE Nifty 50	India	11,024.9	-0.46%	1.5%
SHANGHAI Composite	China	3,034.4	0.10%	21.7%
KOSPI Index	South Korea	2,056.9	0.38%	0.8%

Currency Cross Rates	USD/1 Unit	Units/1 USD
Australian Dollar (AUD)	0.687	1.455
British Pound (GBP)	1.247	0.802
Canadian Dollar (CAD)	0.756	1.324
Chinese Renminbi (CNH)	0.142	7.064
Egyptian Pound (EGP)	0.061	16.382
Euro (EUR)	1.107	0.903
Indian Rupee (INR)	0.014	71.508
Japanese Yen (JPY)	0.009	107.830
New Zealand Dollar (NZD)	0.639	1.566
Omani Rial (OMR)	2.597	0.385
Pakistani Rupee (PKR)	0.642	156.330
Russian Ruble (RUB)	0.016	64.350
Singapore Dollar (SGD)	0.728	1.374
Turkish Lira (TRY)	0.175	5.730

Commodity Prices	Price	D/D	YTD
	USD	%	%
Oil			
Brent Crude (per bbl)	66.3	10.08%	20.4%
WTI Crude (per bbl)	59.8	8.99%	31.6%
Oman Crude Oil (Last Closing)	59.4	-0.30%	10.9%
OPEC (per bbl)	60.5	-2.53%	17.4%
Precious Metals			
Gold100 OZ (per oz)	1,504.4	1.06%	17.3%
Silver (per oz)	17.9	2.53%	15.4%
Platinum (per oz)	953.3	0.50%	19.8%
Other Metals			
Copper, MT	5,975	2.43%	0.2%
Aluminium, MT	1,810	0.39%	-2.0%
Lead, MT	2,106	1.40%	4.2%
Zinc, MT	2,385	1.62%	-3.3%

GCC 3m Interbank Rates	Current Rate %
UAE	2.32
Saudi Arabia	2.39
Kuwait	2.81
Oman	2.91
Qatar	2.78
Bahrain	2.99

GCC Latest 10-Yr Government Bond Yields	Maturity date	YTM, %
Kuwait	20/03/2027	2.17
Abu Dhabi	11/10/2027	2.25
Qatar	02/06/2026	2.31
Saudi Arabia	04/03/2028	2.76
Oman	17/01/2028	5.93
Bahrain	12/10/2028	5.06

Midswaps	Price	YTM %
3 year	99.25	1.76
5 year	97.63	1.75
10 year	97.56	1.90
30 year	97.42	2.37

USD Libor	Rate (%)
1m	2.02
3m	2.14
6m	2.07
1 year	2.05

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

STANDARD CHARTERED, OMAN SHIPPING SIGN \$110MN DEAL

Standard Chartered and Oman Shipping Company (OSC), a member of the Asyad Group, have announced a US\$110mn re-financing facility for three tanker vessels and two very large crude carriers (VLCCs). The signing ceremony took place at the Asyad headquarters and was attended by senior executives from Standard Chartered Oman, Asyad Group and Oman Shipping Company, according to a press statement.

Source: [Muscat Daily](#)

Vodafone's entry will be transformative for Oman's telecom sector

There is growing anticipation that the newly announced third telecom operator, anchored by global heavyweight Vodafone, will bring about a seismic shift in the Sultanate's telecom industry when commercial services are launched in the second half of next year. The transformational impacts, according to experts, will come not only in the form of cutting-edge technologies and services, but also competitive tariffs and enhanced quality-of-service standards.

Source: [Oman Observer](#)

Madayn signs deal for managing access to industrial cities

The Public Establishment for Industrial Estates (Madayn) has signed an agreement with Nafith Logistics Services, Oman in order to build and operate an access management system for all current and future industrial cities, on a long-term basis. The agreement was signed by Hilal bin Hamad al Hasani, CEO of Madayn, and Sameer Mubarak, Chairman of the Board of Nafith International.

Source: [Oman Observer](#)

OOMCO launches new portable container fuel station

Spearheading the future of Oman's fuel industry, Oman Oil Marketing Company (OOMCO) recently held its Commercial Container Event highlighting its latest innovative fuel solutions for businesses and announcing the launch of its new Portable Fuel Container Station. A service set to offer mobile fuel services to a wide range of industries across the Sultanate. "As part of our efforts to meet the needs of the growing number of development projects across the Sultanate, we're pleased to offer our new Portable Container Fuel Station, which can be delivered almost anywhere in Oman.

Source: [Oman Observer](#)

GALFAR REFUTES RUMOURS OF RO4MN FINANCIAL MISAPPROPRIATION

Responding to the news recently circulated in social media about a financial misappropriation at the company, Galfar Engineering & Contracting Company on Sunday clarified that the news is not true and no money has been misappropriated from the company. 'With regard to the news that an employee of Galfar misappropriated RO4mn, we would like to clarify that this news is not true. No money has been misappropriated from the company,' the company said in a statement to the Muscat Securities Market.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

These Saudi firms report feedstock supply shortage

Several Saudi-listed companies said some of their subsidiaries and plants in the Kingdom have seen a cut in feedstock supplies as of Sep. 14, 2019. Drone attacks sparked fires at two Saudi Aramco oil facilities in Abqaiq and Hijrat Khurais at 4am on Saturday, Sept. 14, Argam reported.

Source: [Argam](#)

Mideast Stocks - Saudi leads Gulf lower after attacks on oil plants

Saudi Arabian stocks dropped on Sunday with banking and petrochemical shares taking the biggest hit after attacks on two key Saudi oil plants a day earlier knocked out more than half of Saudi crude output. The drone attacks, which were claimed by Yemen's Houthi group, are likely to push up the oil price by \$5-10 per barrel when it opens on Monday. Crude may shoot up to \$100 per barrel if Saudi Arabia fails to return to its full oil supply capacity after Saturday's attacks on Aramco oil plants.

Source: [Zawya](#)

UAE banking sector shows steady growth in Q2: report

The overall operating income across the UAE's banking sector improved marginally from Q1 2019, largely driven by consolidation activity in the sector as the merger of ADCB with Al Hilal Bank and UNB completed in the spring, a report said. The headline figures also hide a disparity in terms of individual performances, which offset each other to produce only

marginal rates of change overall, added the latest UAE Banking Pulse for Q2 2019 released by leading global professional services firm Alvarez & Marsal (A&M).

Source: [Zawya](#)

SABIC says some subsidiaries see feedstock shortage

Saudi Basic Industries Corporation (SABIC) said in a bourse statement on Sunday that some of its subsidiaries in the Kingdom have seen a cut in feedstock supplies at an average of 49 percent as of Sept. 14. Saudi Kayan Petrochemical Co., which is 35 percent-owned by SABIC, has announced 50 percent drop in feedstock supplies to its plants on the same date. Feedstock supplies to Yanbu National Petrochemical Co.'s (Yansab) plants also decreased by 30 percent, both petrochemical producers said in separate statements.

Source: [Argaam](#)

Kuwait Finance offers to buy Ahli United in \$8.8b deal

Kuwait Finance House KSCP offered to buy Bahrain's Ahli United Bank BSC in an all-share deal that's valued at about \$8.8 billion. The Kuwaiti lender plans to issue 1 share for every 2.325581 shares of Ahli United, according to a statement. In January, the banks' advisers had recommended the same swap ratio. The combined entity will potentially become the Gulf's sixth-biggest lender with \$100 billion in assets and the deal value was based on the lenders' closing price on Thursday.

Source: [Gulf News](#)

UAE needs a new growth model for diversification: IIF

The UAE economy needs a new approach to diversification away from oil and faster growth in non-oil economy, according to the Institute of International Finance (IIF). "The UAE's construction and services-driven growth model has delivered strong economic development, as indicated by average non-oil growth of 6.4 per cent from 2000-2015. While this rapid growth has led to a substantial increase in foreign labour, progress towards diversification has remained limited," said Garbis Irdian, Chief Economist, Middle East and North Africa, IIF.

Source: [Gulf News](#)

Egypt expects several share offerings by end of year- official

Egypt expects two state companies and one private pharmaceuticals firm worth more than one billion Egyptian pounds (\$61.3 million) to make share offerings by the end of the year, an official at the Financial Regulatory Authority said on Sunday. One small company worth about 50 million Egyptian pounds was also expected to offer shares on the Nile Stock Exchange, which specialises in small and medium sized enterprises, said Sayed Abdel Fadeel, head of the authority's corporate finance department. He did not name the companies.

Source: [Zawya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Fed trades "remarkably positive" for "no precedents" after volatile year

A year ago, U.S. Federal Reserve Chair Jerome Powell held a "remarkably positive outlook" for an economy enjoying a "historically rare" combination of good news including low unemployment, steady inflation and strong growth that were all expected to continue. When the Fed meets this week, the discussion will be about just how badly that outlook has eroded, and whether officials should still describe themselves as simply tinkering with policies that are about right, or embarked on a more aggressive fight to keep the U.S. recovery on track.

Source: [Zawya](#)

It's 'very difficult' for China's economy to maintain 6% growth, says Premier Li Keqiang

Chinese Premier Li Keqiang said it is "very difficult" for China's economy to grow at a rate of 6% or more because of the high base from which it was starting and the complicated international backdrop. The world's No.2 economy faced "certain downward pressure" due to slowing global growth as well as the rise of protectionism and unilateralism, Li said in an interview with Russian media which was published on the Chinese government's website, gov.cn.

Source: [CNBC](#)

China's property investment growth at four-month high in August

China's property investment grew at its fastest pace in four months in August, a boon for the economy as other sectors weakened from the Sino-U.S. trade war and consumer demand slows.

Source: [Reuters](#)

COMMODITIES NEWS

Oil surges as Saudi attack focuses market on supply risks

Oil prices surged on Monday, with Brent crude posting its biggest intra-day percentage gain since the start of the Gulf War in 1991, after an attack on Saudi Arabian oil facilities on Saturday shut in the equivalent of 5% of global supply.

Source: [Reuters](#)

The Oil Market's Reaction to Saudi Arabian Attack in Five Charts

The record surge in Brent crude futures on Monday only tells part of the story of how the oil market is reacting to a strike on a Saudi Arabian oil facility that's removed about 5% of global supplies. Here are five charts that shed more light on the granular impact. Brent futures soared as much as \$11.73 a barrel in intraday trading, the biggest increase since the contract launched in 1988. The global benchmark surged as much as 19.48% in percentage terms, the biggest jump since the first Gulf War in 1991.

Source: [Bloomberg](#)

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