

U Capital Morning Brief

3 January 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	876.51	-10.90	-1.24%	-0.99%	-	-	-
U Capital GCC 50 Index	1,305.81	3.07	0.24%	0.94%	-	-	-
U Capital MENA 200 Index	1,041.66	1.35	0.13%	0.81%	-	-	-
MSCI GCC Countries Index	535.73	-0.98	-0.18%	-0.40%	14.09	1.75	4.1%
Muscat Securities Market	4,301.88	-31.51	-0.73%	-0.51%	10.14	0.77	6.1%
Saudi Stock Exchange	7,790.86	-7.53	-0.10%	-0.46%	16.82	1.74	3.6%
Kuwait Stock Exchange	5,109.62	30.06	0.59%	0.59%	15.23	1.23	3.9%
Qatar Exchange	10,280.34	-18.67	-0.18%	-0.18%	15.29	1.55	4.2%
Bahrain Stock Exchange	1,329.47	-7.79	-0.58%	-0.58%	8.64	0.83	6.1%
Dubai Financial Market	2,520.53	-9.22	-0.36%	-0.36%	8.50	0.93	7.0%
Abu Dhabi Exchange	4,866.64	-48.43	-0.99%	-0.99%	13.08	1.41	5.0%
Beirut Stock Exchange	975.52	-1.23	-0.13%	-0.13%	4.95	0.58	9.3%
Palestine Stock Exchange	529.81	0.46	0.09%	0.09%	13.23	1.22	4.5%
Tunis Se Index	7,215.84	-55.81	-0.77%	-0.77%	18.72	2.57	2.0%
EGX 30 Index	13,204.37	168.60	1.29%	1.29%	12.16	1.50	2.3%
Amman General Index	1,917.19	8.38	0.44%	0.44%	13.59	0.94	4.9%

* 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		
Europe					USD/1 Unit		
FTSE 100	UK	6,734.2	0.09%	0.1%	Australian Dollar (AUD)	0.694	1.441
DAX	Germany	10,580.2	0.20%	0.2%	British Pound (GBP)	1.255	0.797
CAC 40	France	4,689.4	-0.87%	-0.9%	Canadian Dollar (CAD)	0.734	1.363
United States					Units/1 USD		
DJIA	USA	23,346.2	0.08%	0.1%	Chinese Renminbi (CNH)	0.145	6.887
S&P 500	USA	2,510.0	0.13%	0.1%	Egyptian Pound (EGP)	0.056	17.941
NASDAQ	USA	6,665.9	0.46%	0.5%	Euro (EUR)	1.137	0.880
Asia Pacific					Indian Rupee (INR)		
NIKKEI 225	Japan	20,014.8	-0.31%	0.0%	Japanese Yen (JPY)	0.009	107.180
HANG SENG	Hongkong	24,958.6	-0.46%	-3.4%	New Zealand Dollar (NZD)	0.663	1.509
KSE 100 Index	Pakistan	37,795.3	0.00%	2.0%	Omani Rial (OMR)	2.598	0.385
NSE Nifty 50	India	10,792.5	-1.08%	-0.6%	Pakistani Rupee (PKR)	0.720	138.867
SHANGHAI Composite	China	2,459.7	-0.23%	-1.4%	Russian Ruble (RUB)	0.014	69.715
KOSPI Index	South Korea	2,005.9	-0.20%	-1.7%	Singapore Dollar (SGD)	0.732	1.367
					Turkish Lira (TRY)	0.184	5.434

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	54.5	-0.97%	1.3%	UAE	2.93
WTI Crude (per bbl)	45.8	-1.76%	0.7%	Saudi Arabia	2.98
Oman Crude Oil (Last Closing)	54.3	2.09%	1.5%	Kuwait	2.38
OPEC (per bbl)	51.6	-1.53%	-20.0%	Oman	2.84
Precious Metals					
Gold100 OZ (per oz)	1,287.9	0.27%	0.4%	Qatar	2.93
Silver (per oz)	15.6	0.26%	0.4%	Bahrain	3.95
Platinum (per oz)	794.7	-0.04%	-0.1%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	5,842	-2.06%	-2.1%		
Aluminium, MT	1,797	-2.65%	-2.7%		
Lead, MT	1,955	-3.27%	-3.3%		
Zinc, MT	2,410	-2.31%	-2.3%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.55	2.43	1m	2.50
5 year	100.78	2.46	3m	2.81
10 year	104.36	2.62	6m	2.88
30 year	108.36	2.95	1 year	3.01

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

RO10m fisheries plant to come up in Duqm SEZ

The Special Economic Zone Authority in Duqm (SEZAD) yesterday signed a usufruct agreement with Dhofar Fisheries and Food Industries Company for the construction of a fish packaging, canning and fish oil production plant in the SEZ with an investment of around RO 10 million. The agreement was signed by Yahya bin Said al Jabri in his capacity as Chairman of the Board of Directors of SEZAD, with Mahdy Mohamed Hassan Hosny, Chairman of the Board of Dhofar Fisheries and Food Industries Company.

Source: [Oman Observer](#)

OPAL inks pact with leading Chinese energy services platform

Seeking to broaden business and investment horizons for its members, Oman Society of Petroleum Services (OPAL) has signed a Memorandum of Understanding (MoU) with Beijing E Neng Network Co Ltd (ENN), a leading Chinese-based business platform that offers one-stop services and solutions to the global energy industry.

Source: [Oman Observer](#)

New government agency for Omani jobseekers

Jobseekers will soon have a dedicated and linked up national recruitment centre, thanks to a decision by Oman's Council of Ministers. The job centre, set to open by February, will coordinate recruitment processes across the country and make it easier for Omanis to find the right role. With the establishment of National Centre for Employment (NCE), Omani jobseekers will now be able to get jobs quickly.

Source: [Times of Oman](#)

Diam to install 250,000 smart meters in Muscat

The Public Authority for Water (Diam) will install 250,000 smart meters in Muscat beginning March as part of a two-year project. Diam plans to make Muscat one of the smartest cities in the water sector. It is also planning to launch an app by the end of this year to pay bills.

Source: [Muscat Daily](#)

New airport in Oman to officially open this month

The Ministry of Transport and Communications (MoTC) will celebrate the official opening of Duqm Airport on January 14, it said yesterday. In a statement, the ministry said, "In conjunction with the Sultanate's celebrations of the 48th National Day and under the patronage of Sayyid Hamoud bin Faisal Al Busaidi, Minister of Interior, the ministry will celebrate the official opening of Duqm Airport on January 14."

Source: [Times of Oman](#)

Shipping Operations Shift from Mwasalat to Oman Post Company

Oman Post Company has initiated goods shipping operations through the offices managed by Mwasalat Company. Oman Post Company will manage the operations and provide the goods shipping services as it has been the case using the same system for classification, shipping and tariffs. The shifting is part of the measure taken to activate integration among Asyad Group companies.

Source: [Oman News Agency](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

GCC consumer prices jump by 4.2 per cent in October

Over the 12 months to October 2018, price change for consumer goods and services (excluding housing) in the Gulf Cooperation Council (GCC) countries rose by 4.2 per cent, according to figures released yesterday by the GCC Statistical Centre. The biggest increases were registered for tobacco 10.2 per cent, transport 9.1 per cent, restaurant and hotels by 6.5 per cent, food 4.2 per cent, recreation 3.2 per cent, furnishings 3.1 per cent, health 2.6 per cent, education 2.0 per cent, communication 1.6 per cent, miscellaneous 0.8 per cent, and clothing and footwear 0.7 per cent.

Source: [Times of Oman](#)

Tabuk Cement inks MoU to export clinker, cement to Yemen

Tabuk Cement Co. has signed a memorandum of understanding (MoU) with International Tataloat Co. Ltd. to export 600,000 ton of clinker and 150,000 tons of cement to Yemen, the company said in a bourse statement. The MoU has a term of one year starting from the signing date, effective Jan. 2, 2019.

Source: [Argaam](#)

New 100% investment law redefines UAE's business landscape

The new UAE investment law, which allows up to 100 per cent ownership to foreign investors in some specific onshore business sectors, is expected to give a major fillip to private and foreign direct investments (FDIs). In the first quarter of 2019, the government is expected to announce a full list of sectors that come under the 100 per cent foreign ownership rule aimed at boosting investments in non-oil industries and creating jobs for nationals. Minister of Economy Sultan Al Mansouri said increased foreign ownership would be permitted in sectors including technology, outer space, renewable energy and artificial intelligence.

Source: [Zawya](#)

Saudis Seek Advisers for Biggest Bank Merger Since 2016

National Commercial Bank and Riyad Bank are seeking advisers for a potential merger that would create the Gulf region's third-biggest lender with \$182 billion in assets, according to people with knowledge of the matter. The banks have sent out so-called request for proposals to firms including Citigroup Inc., Credit Suisse Group AG, Goldman Sachs Group Inc., HSBC Holdings Plc, JPMorgan Chase & Co. and UBS Group AG, the people said, asking not to be identified because the matter is private.

Source: [Bloomberg](#)

SEVEN plans to launch first entertainment complex in Riyadh

Saudi Entertainment Ventures (SEVEN), a wholly-owned subsidiary of Saudi Arabia's Public Investment Fund (PIF), will launch its first entertainment complex in Riyadh, the company said in a statement. The new facility will be built on a total area of nearly 100,000 square meters in the intersection of King Abdullah Road, with easy access to public transportation.

Source: [Argaam](#)

Qatar Airways acquires 5% of China Southern Airlines

Qatar Airways has acquired five percent of China Southern Airlines, the airlines announced today. Qatar Airways has completed an on-market purchase of certain A shares and H shares of China Southern Airlines, resulting in aggregate holding of approximately 5% of the total issued share capital of China Southern Airlines. The Minister of Finance and Chairman of Qatar Airways Group H E Ali Shareef Al Emadi said: "Qatar Airways regards our shareholding in China Southern Airlines as an important part of our strategic investment in the largest airline in one of the world's fastest growing aviation markets."

Source: [The Peninsula](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Germany SLOWDOWN: Merkel's economy dented as manufacturing falls at fastest rate for 4yrs

GERMANY'S economy was dented again as the manufacturing sector slowed once more with new orders falling at the fastest rate in four years, a survey showed. Markit's Purchasing Managers' Index (PMI) for manufacturing, which accounts for about a fifth of the economy, tumbled to a 33-month low of 51.5 in December, down from 51.8 in November. The number is inching closer to the 50.0 level which marks a contraction. It was the eleventh time in 2018 that the manufacturing index fell, reflecting a sustained cooling of growth in Europe's largest economy.

Source: [Express UK](#)

Apple blames China as it cuts forecast

Apple has rattled investors with news that its sales have been slowing, blaming economic weakness in China. In a surprise disclosure, the iPhone maker said it anticipated revenue of about \$84bn (£67bn) for the three months to 29 December. In November it forecast sales of at least \$89bn - a prediction that had already disappointed investors. Apple's share price sank more than 7% in after hours trade, extending its more than 28% slide since November. The festive season is typically Apple's strongest quarter.

Source: [BBC](#)

China credit crunch is another red light to the global economy

China is sliding into a manufacturing recession as a wave of bond defaults sweep through the corporate sector, signalling yet further trouble for the battered global economy. The official PMI survey for December slumped below the boom-bust line to 49.4. New export orders slid to crisis levels of 46.6 last seen in the depths of the Chinese currency scare of 2015. "The worst is yet to come," said the Japanese bank Nomura.

Source: [Nzherald](#)

Dow futures drop more than 300 points as tech shares get hit after hours on a warning from Apple

It's going to be a tough day for technology stocks on Thursday after Apple warned first-quarter sales would be less than it previously expected. The broader market will suffer too. The Invesco QQQ Trust, which track the tech heavy Nasdaq-100

Index, lost more than 2 percent in after hours trading on Wednesday. Apple shares cratered more than 7 percent. The S&P 500 ETF Trust, tracking the broader market, lost more than 1 percent in extended trading.

Source: [CNBC](#)

COMMODITIES NEWS

Oil prices slide on supply surge, global market turmoil scares off investors

Oil prices fell on Thursday amid volatile currency and stock markets, and as analysts warned of an economic slowdown for 2019 just as crude supply is rising globally. U.S. West Texas Intermediate (WTI) crude oil futures dropped by around 2 percent from their last settlement, or 93 cents, to \$45.61 by 0404 GMT.

Source: [Reuters](#)

Saudi Arabia may cut February heavy crude prices to Asia

Top oil exporter Saudi Arabia is expected to cut February prices for heavier crude grades sold to Asia due to weaker fuel oil margins, respondents to a Reuters survey said on Thursday. Weak refining margins and an expected drop in Asia's crude demand during second-quarter refinery maintenance were also factors that may prompt Saudi Arabia to cut prices in February, the respondents said.

Source: [Investing](#)