

U Capital Morning Brief

1 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	878.31	-6.93	-0.79%	-9.85%	-	-	-
U Capital GCC 50 Index	1,309.68	16.04	1.22%	14.42%	-	-	-
U Capital MENA 200 Index	1,045.08	11.79	1.13%	5.02%	-	-	-
MSCI GCC Countries Index	537.86	2.18	0.41%	12.11%	14.15	1.76	4.1%
Muscat Securities Market	4,323.74	-17.71	-0.41%	-15.21%	10.19	0.77	6.0%
Saudi Stock Exchange	7,826.73	16.96	0.22%	8.31%	16.87	1.74	3.5%
Kuwait Stock Exchange	5,079.56	6.96	0.14%	NA	15.14	1.22	3.9%
Qatar Exchange	10,299.01	15.29	0.15%	20.83%	15.22	1.54	4.2%
Bahrain Stock Exchange	1,337.26	4.87	0.37%	0.42%	8.69	0.83	6.1%
Dubai Financial Market	2,529.75	59.30	2.40%	-24.93%	8.53	0.93	7.0%
Abu Dhabi Exchange	4,915.07	91.73	1.90%	11.75%	13.21	1.42	4.9%
Beirut Stock Exchange	976.75	0.00	0.00%	-14.96%	4.95	0.58	9.3%
Palestine Stock Exchange	529.35	0.49	0.09%	-7.87%	13.21	1.22	4.5%
Tunis Se Index	7,271.65	11.98	0.17%	15.76%	18.87	2.59	2.0%
EGX 30 Index	13,035.77	91.25	0.70%	-13.21%	11.82	1.48	2.3%
Amman General Index	1,908.81	6.47	0.34%	-10.25%	13.66	0.95	4.8%

* 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					Currency Cross Rates		
FTSE 100	UK	6,728.1	-0.09%	0.0%	Australian Dollar (AUD)	0.705	1.419
DAX	Germany	10,559.0	1.71%	0.0%	British Pound (GBP)	1.273	0.786
CAC 40	France	4,730.7	1.11%	0.0%	Canadian Dollar (CAD)	0.737	1.357
United States					Chinese Renminbi (CNH)	0.145	6.875
DJIA	USA	23,327.5	1.15%	0.0%	Egyptian Pound (EGP)	0.056	17.921
S&P 500	USA	2,506.9	0.85%	0.0%	Euro (EUR)	1.147	0.872
NASDAQ	USA	6,635.3	0.77%	0.0%	Indian Rupee (INR)	0.014	69.649
Asia Pacific					Japanese Yen (JPY)	0.009	109.940
NIKKEI 225	Japan	20,014.8	-0.31%	0.0%	New Zealand Dollar (NZD)	0.684	1.469
HANG SENG	Hongkong	25,845.7	1.34%	0.0%	Omani Rial (OMR)	2.597	0.385
KSE 100 Index	Pakistan	37,066.7	-0.27%	0.0%	Pakistani Rupee (PKR)	0.722	138.867
NSE Nifty 50	India	10,862.6	0.02%	0.0%	Russian Ruble (RUB)	0.014	69.715
SHANGHAI Composite	China	2,493.9	0.44%	0.0%	Singapore Dollar (SGD)	0.734	1.362
KOSPI Index	South Korea	2,041.0	0.62%	0.0%	Turkish Lira (TRY)	0.189	5.348

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	53.8	1.11%	-14.1%	UAE	2.84
WTI Crude (per bbl)	45.4	0.18%	-24.8%	Saudi Arabia	2.98
Oman Crude Oil (Last Closing)	53.2	1.33%	-16.9%	Kuwait	2.31
OPEC (per bbl)	53.9	-2.19%	-16.4%	Oman	2.83
Precious Metals					
Gold100 OZ (per oz)	1,280.5	-0.15%	-0.1%	Qatar	2.91
Silver (per oz)	15.5	0.22%	0.2%	Bahrain	3.95
Platinum (per oz)	795.7	0.00%	0.0%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	5,965	-0.53%	-17.7%		
Aluminium, MT	1,846	0.05%	-18.6%		
Lead, MT	2,021	-1.99%	-18.8%		
Zinc, MT	2,467	1.11%	-25.7%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.48	2.46	1m	2.52
5 year	100.53	2.51	3m	2.80
10 year	103.80	2.69	6m	2.87
30 year	107.06	3.02	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

Cyclone Mekunu insurance claims top OMR155 million

Losses arising from Cyclone Mekunu, which ravaged the country in May, have led to insurance companies receiving claims of over OMR155 million, according to new data from the Capital Market Authority (CMA). Figures obtained by the Times of Oman indicate that 20 insurance firms received 1,123 claims, as of the end of September.

Source: [Times of Oman](#)

Pioneer Cement, Emirates RDF ink pact

Ras Al-Khaimah-based Pioneer Cement Industries, on Monday, said that it has signed a landmark agreement with Emirates RDF that will lead to the use of fuel derived from household waste in its production plant. In a statement, the company, which is a subsidiary of Oman's largest cement manufacturer, Raysut Cement, said it will be one of the first cement plants in the region to use waste fuel, contributing to the vision of sustainable development and environment of the UAE Ministry of Climate Change and Environment.

Source: [Times of Oman](#)

Oman Arab Bank receives STP award from Citibank

Oman Arab Bank (OAB) was recently recognised as one of the best 'Straight Through Processing' (STP) banks in Oman by Citibank, a globally renowned financial firm.

Source: [Muscat Daily](#)

114,709 Omanis get calls for job interviews

The Ministry of Manpower (MoMP) has so far called 114,709 Omani candidates for interviews for 12,847 jobs. The ministry, along with the Public Authority for Manpower Register, publishes weekly supplements on job opportunities. As of December 27, it had published 45 supplements for interviews. In an attempt to explore fresh job opportunities for Omani nationals in different fields in the private sector, the ministry will next week invite a number of job-seekers and meet many private sector companies. Meanwhile, the private sector companies on Monday announced more than 60 job opportunities for nationals.

Source: [Oman Observer](#)

Petronas acquires 10pc stake in Block 61

Malaysia's state-run oil and gas company, Petroliam Nasional Bhd (Petronas), has completed the acquisition of a 10 per cent stake in a gas field in onshore Oman from Oman Oil Company Exploration & Production LLC (OOCEP). The acquisition was done through Petronas's subsidiary PC Oman Ventures Ltd in Block 61 from Makarim Gas Development (MGD), after the conditions of the transaction were fulfilled, Petronas said in a statement. MGD is a subsidiary of Oman Oil Company Exploration & Production LLC.

Source: [Oman Observer](#)

MoE, Omantel sign agreement to implement various school programmes

The Ministry of Education and Omantel on Sunday signed a cooperation and partnership agreement for a series of programmes under which Omantel will support the education and innovation sector in various aspects that contribute to enhancing the teaching and educational process in the sultanate.

Source: [Muscat Daily](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Saudi Arabia GDP growth speeds up in Q3

Saudi Arabia's economy grew in the third quarter at its fastest rate since early 2016, boosted by expansion of the oil sector while non-oil growth stayed sluggish, statistics agency data showed on Monday. Gross domestic product grew 2.5 per cent from a year earlier. That was an acceleration from the second quarter, when GDP rose 1.6 per cent, and the fastest since the first quarter of 2016, when the same rate was registered.

Source: [Oman Observer](#)

Online travel sales set to reach Dh17.3b in UAE

The value of UAE online travel sales in 2018 is expected to reach Dh17.3 billion, driven by a shift towards digital services among residents, according to research from the Dubai Chamber of Commerce and Industry. The analysis, which is based on data from Euromonitor International, found that direct online sales in the year are expected to hit Dh9 billion, supported by higher airline sales. Another Dh8.3 billion is expected from online sales from intermediary companies.

Source: [Gulf News](#)

Saudi Aramco becomes full owner of LANXESS specialty chemicals firm

SAUDI Aramco, a world-leading integrated energy and chemicals company; and LANXESS AG, a leading German specialty chemicals company, announced Monday the completion of Saudi Aramco's acquisition of LANXESS's interest in Arlanxeo Holding B.V., a Netherlands-based specialty chemicals joint venture between Saudi Aramco and LANXESS launched in 2016. All relevant authorities have granted approvals for the transaction which was first announced in August 2018.

Source: [Saudi Gazette](#)

L&T Construction wins GCC power project contracts

India's top engineering and construction firm Larsen & Toubro (L&T) said one of its key subsidiaries has secured \$299 million worth of engineering, procurement and construction (EPC) contracts from the GCC and Asia region. Announcing the GCC contracts, L&T said its Power Transmission and Distribution Business will construct 115-kV substations with associated transmission lines and cable circuits in Saudi Arabia, while it will undertake 132-kV cable works for a substation in Dubai, UAE.

Source: [Trade Arabia](#)

DP World invests \$3 billion in 2018

DP World, Dubai-based global operator of shipping terminals, diversified its global business portfolio through investments and acquisitions worth \$3 billion in 2018, the company said. It also deepened its engagement with revolutionary new technologies and extended meaningful support to environmental initiatives around the world during the year, achieving strategic growth in diverse fields, it said.

Source: [Trade Arabia](#)

Saudi: CMA approves Gulf Union capital hike request to acquire Al Ahlia

The Saudi Capital Market Authority (CMA) on Monday has approved Gulf Union Cooperative Insurance Co.'s request to increase its capital to SAR 241.94 million from SAR 150 million by issuing 9.194 million ordinary shares to acquire all the shares of Al-Ahlia Insurance Co. through securities exchange. The company's capital increase shareholder circular will be published within sufficient time before the extraordinary general assembly meeting, the authority said in a statement.

Source: [Argaam](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

U.S. Stocks End Worst Year Since Financial Crisis: Markets Wrap

U.S. stocks ended the worst year since the financial crisis with a narrow gain in thin pre-holiday trading. Treasuries rose to a 10-month high. The S&P 500 finished a choppy session higher and the Nasdaq Composite capped its first four-day advance since August amid optimism that President Donald Trump will move toward a trade deal with China. The advance trimmed the worst December rout for the S&P 500 since 1931 to 9.2 percent. That monthly rout capped a 6.2 percent slide in the year, the biggest of the record bull market.

Source: [Bloomberg](#)

Microsoft closes out 2018 as the top public company

Microsoft has not had a tremendous quarter. But it has still succeeded in regaining a coveted title: most valuable public U.S. company by market cap. And even though Microsoft's product announcements still might not rivet the public like Apple's keynotes, the company has moved forward in measurable ways in 2018, following years of transition under CEO Satya Nadella.

Source: [CNBC](#)

China's December manufacturing activity contracts even more than expected

Activity in China's manufacturing sector contracted for the first time in more than two years in the month of December amid a domestic economic slowdown and Beijing's ongoing trade dispute with the U.S. The Chinese National Bureau of Statistics said on Monday official manufacturing Purchasing Managers' Index (PMI) was 49.4 — lower than the 49.9 analysts expected in a Reuters poll. The December reading was the weakest since February 2016, according to Reuters' record.

Source: [CNBC](#)

COMMODITIES NEWS

Brent crude rises but set for first yearly drop since 2015

Oil prices rose about 2 per cent on the final day of the year on Monday, mirroring gains in stock markets, but were on track for the first annual decline in three years amid lingering concerns of a persistent supply glut. Hints of progress on a possible

US-China trade deal, with US President Donald Trump saying he had a “very good call” with Chinese President Xi Jinping, helped bolster sentiment for oil. Brent crude futures was up 83 cents at \$54.05 a barrel by 0932 GMT, after rising by over a \$1 a barrel in early trade to a high of \$54.55 a barrel.

Source: **The Observer**

Oman Crude Official Selling Price Set at \$57.33/B for Feb.: DME

Official selling price of Oman crude set at \$57.33/bbl for February, according to average of daily futures market price on Dubai Mercantile Exchange Monday.

* OSP down \$8.95, or -13.5%, from \$66.28/bbl for January

Source: Bloomberg



Ubar Capital SAOC (U Capital)

Ominvest Business Centre

Building no. 95

Way no. 501

Airport Heights

Tel: +968 2494 9000

Fax: +968 2494 9099

Email: research@u-capital.net

Website: www.u-capital.net



Disclaimer: This report has been prepared by Ubar Capital (U Capital) Research, and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team’s judgment as at the date of production of this report, and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.