

U Capital Morning Brief

7 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	885.03	8.52	0.96%	-0.02%	-	-	-
U Capital GCC 50 Index	1,327.67	21.86	1.65%	2.63%	-	-	-
U Capital MENA 200 Index	1,055.76	14.10	1.34%	2.17%	-	-	-
MSCI GCC Countries Index	545.17	5.87	1.09%	1.36%	14.34	1.78	4.0%
Muscat Securities Market	4,302.19	26.57	0.62%	-0.50%	10.14	0.77	6.1%
Saudi Stock Exchange	7,932.24	101.77	1.30%	1.35%	17.15	1.77	3.5%
Kuwait Stock Exchange	5,158.36	19.42	0.38%	1.55%	15.37	1.24	3.8%
Qatar Exchange	10,352.22	1.87	0.02%	0.52%	15.31	1.55	4.2%
Bahrain Stock Exchange	1,330.76	5.00	0.38%	-0.49%	8.64	0.83	6.1%
Dubai Financial Market	2,531.35	5.33	0.21%	0.06%	8.54	0.93	7.0%
Abu Dhabi Exchange	4,904.10	5.90	0.12%	-0.22%	13.18	1.42	4.9%
Beirut Stock Exchange	975.33	1.85	0.19%	-0.15%	4.94	0.58	9.3%
Palestine Stock Exchange	530.05	-0.51	-0.10%	0.13%	13.23	1.22	4.5%
Tunis Se Index	7,188.87	-14.49	-0.20%	-1.14%	18.66	2.56	2.0%
EGX 30 Index	13,343.08	78.38	0.59%	2.36%	12.27	1.52	2.3%
Amman General Index	1,942.23	16.27	0.84%	1.75%	13.77	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	6,837.4	2.16%	1.6%	Australian Dollar (AUD)	0.713	1.402
DAX	Germany	10,767.7	3.37%	2.0%	British Pound (GBP)	1.275	0.785
CAC 40	France	4,737.1	2.72%	0.1%	Canadian Dollar (CAD)	0.749	1.336
United States					Chinese Renminbi (CNH)	0.146	6.847
DJIA	USA	23,433.2	3.29%	0.5%	Egyptian Pound (EGP)	0.056	17.932
S&P 500	USA	2,531.9	3.43%	1.0%	Euro (EUR)	1.142	0.875
NASDAQ	USA	6,738.9	4.26%	1.6%	Indian Rupee (INR)	0.014	69.359
Asia Pacific					Japanese Yen (JPY)	0.009	108.260
NIKKEI 225	Japan	20,087.3	2.78%	0.4%	New Zealand Dollar (NZD)	0.675	1.482
HANG SENG	Hongkong	25,798.3	0.67%	-0.2%	Omani Rial (OMR)	2.598	0.385
KSE 100 Index	Pakistan	37,939.8	1.07%	2.4%	Pakistani Rupee (PKR)	0.720	138.850
NSE Nifty 50	India	10,829.7	0.95%	-0.3%	Russian Ruble (RUB)	0.015	67.653
SHANGHAI Composite	China	2,525.8	0.44%	1.3%	Singapore Dollar (SGD)	0.737	1.357
KOSPI Index	South Korea	2,039.6	1.46%	-0.1%	Turkish Lira (TRY)	0.188	5.329

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %
	USD	%	%		
Oil					
Brent Crude (per bbl)	57.7	1.17%	7.3%	UAE	2.84
WTI Crude (per bbl)	48.7	1.50%	7.2%	Saudi Arabia	2.97
Oman Crude Oil (Last Closing)	56.0	1.45%	4.7%	Kuwait	2.38
OPEC (per bbl)	53.0	1.50%	2.7%	Oman	2.84
Precious Metals					
Gold100 OZ (per oz)	1,289.4	0.33%	0.5%	Qatar	2.89
Silver (per oz)	15.8	0.58%	1.9%	Bahrain	3.95
Platinum (per oz)	829.1	0.80%	4.2%	GCC Latest 10-Yr Government Bond Yields	
Other Metals					
Copper, MT	5,918	3.17%	-0.8%		
Aluminium, MT	1,865	1.63%	1.0%		
Lead, MT	1,950	0.88%	-3.5%		
Zinc, MT	2,438	2.48%	-1.2%		

Midswaps	Price	YTM %	USD Libor	Rate (%)
3 year	100.42	2.48	1m	2.52
5 year	100.60	2.50	3m	2.80
10 year	103.95	2.67	6m	2.86
30 year	107.88	2.98	1 year	2.96

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Renewal of audit firms fixed at two years: CMA

For the smooth follow-up and evaluation of audit firms, Oman's Capital Market Authority (CMA) has specified two years for the renewal of audit firms, Mohammed Said Al Abri, the Vice President for CMA, said. He said that the rules for the accreditation of audit firms come as part of CMA's concern to develop audit firms and ensure their compliance with laws and regulations.

Source: [Times of Oman](#)

PDO and Oman LNG sign two pact

Petroleum Development Oman (PDO) and Oman Liquefied Natural Gas Company (Oman LNG) are joining forces to co-fund the creation of job opportunities for Omanis in and outside the oil and gas industry. The company signed a Memorandum of Understanding (MoU) with Oman LNG to govern the collaboration which will serve to boost existing in-country value initiatives at the two companies in the area of job creation and benefit a wider range of stakeholders nationwide.

Source: [Times of Oman](#)

A dairy movement on the cards in Dhofar

A partnership between Al Morooj Dairy Company and Indian Dairy Machinery Company Ltd (IDMC) has all the potential of a dairy movement in Oman, which can boost dairy production in Dhofar and provide sustainability to the livestock population in the governorate. A partnership agreement was signed between newly formed Al Marooj Dairy Company and IDMC at Hilton Salalah Resort Salalah on Sunday under the auspices of Sayyid Mohammed bin Sultan bin Hamoud al Busaidy, Minister of State and Governor of Dhofar.

Source: [Oman Observer](#)

Dhofar Fisheries: Signing of agreement with SEZAD for an OMR 10mn project

Dhofar Fisheries announced that it has signed an OMR 10mn project agreement with SEZAD for building a fish packaging and fish oil production plant. The plant is expected to be operational in 2020 with a capacity of 30 thousand tonnes.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Rajhi leads Saudi jump, other markets rise

Saudi Arabia's stock market rose on Sunday trade on positive investor sentiment, higher oil prices and solid gains by blue chips, led by Al Rajhi Bank which announced a capital increase, while other regional markets also closed higher. Oil rose nearly 2 percent on Friday after proposed trade talks between the United States and China eased some fears about a global economic slowdown.

Source: [Zawya](#)

Gulf Union likely to close merger with Al-Ahlia in May: CEO

Gulf Union Cooperative Insurance Co.'s planned merger with Al Ahlia for Cooperative Insurance is likely to be finalized in May 2019, Gulf Union's chief executive officer, Munir Al Borno, told Argaam in an exclusive on Sunday. "The new synergy will significantly cut operating expenses, mainly leasing costs. The new entity will operate through a single headquarters in the joint markets where they operate," Borno said.

Source: [Argaam](#)

SAFCO to shut down ammonia plant for maintenance

Saudi Arabian Fertilizers Co. (SAFCO) will halt operations at its SAFCO 3 plant as of Jan. 11 for 117-day scheduled maintenance, the company said in a bourse statement on Sunday. The company aims to enhance reliability at its SAFCO 3 ammonia plant, and implement regular maintenance at the ammonia and urea facilities. The fertilizer producer added that it expects the related financial impact at average prices to reach nearly SAR 121 million, and show in the first and second quarters of 2019.

Source: [Argaam](#)

Saudi Arabia signs largest Aramco oil deal in Pakistan

Saudi Arabia and Pakistan have agreed to build a new Saudi Aramco oil refinery in Pakistan's port city of Gwadar. Pakistan is expected to sign several investment deals in February 2019, including the construction deal of the multibillion-dollar oil refinery, Arab News reported, citing Pakistan's information minister Fawad Chaudhry. The oil refinery project will be the biggest Saudi investment in Pakistan.

Source: [Zawya](#)

Kuwait KIA Sees No Conflict of Interest in KFH-AUB Merger: Qabas

Kuwait Investment Authority, the country's wealth fund, sees no conflict of interest in a potential merger between Kuwait Finance House KSCP and Bahrain's Ahli United Bank BSC, Al Qabas newspaper reported. Kuwait's Public Institution for Social Security owns 18.7 percent of Ahli United, while the KIA holds 24.1 percent of Kuwait Finance House, according to Bloomberg data. Kuwait's finance minister is the chairman of both the Public Institution for Social Security and the KIA.

Source: [Bloomberg](#)

Over 150 projects to be offered after 2022 Cup

Qatar's economy will continue to expand with one of the fastest growth rates in the world for years. More than 150 large-scale projects worth billions of dollars are to be offered after 2022, which include projects related to infrastructure development, roads and construction of buildings, hospitals and schools, said a top official of Qatar Chamber (QC).

Source: [TPQ](#)

Saudi borrowers fuel MENA syndicated loan boom

Newly published league tables from Bloomberg show that regional loans increased by more than half last year, surpassing the previous record set in 2007. Saudi borrowers topped the league with more than a third of the market, while the UAE accounted for more than a quarter of the total and Oman almost 10 percent.

Source: [Arab News](#)

Bahrain's Alba crosses million-tonne production mark in 2018

Aluminium Bahrain (Alba) said it has exceeded its 2018 production target of 1,000,000 metric tonnes a year, describing the achievement as "a breakthrough record" for the aluminium giant. Soon to be the largest smelter in the world, Alba said its 2018 production volume of 1,011,101 metric tonnes per annum (mtpa) year is the highest-ever achieved in its history – up 3% year-over-year compared to 2017's annual figure of 981,016 metric tonnes.

Source: [Construction Week](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Asia markets jump ahead of US-China trade talks

Stocks in Asia traded higher Monday morning as investor sentiment picked up slightly ahead of a new round of talks between Beijing and Washington. The U.S. and China will hold vice ministerial level trade talks in Beijing on Jan 7-8, according to the Chinese commerce ministry. Reports said a working team led by Deputy U.S. Trade Representative Jeffrey Gerrish will come to China to have "positive and constructive discussions" with Chinese counterparts.

Source: [CNBC](#)

Apple just signed a deal with its former top rival, Samsung, showing how the company's changing

Samsung Smart TVs will soon support Apple iTunes for movie and TV purchases and playback. Samsung and Apple have a weird history, and the two are typically rivals in most markets. Samsung's new TVs will also support Apple AirPlay 2.

Source: [CNBC](#)

London IPO Activity Will Stay Subdued in Early 2019, EY Says

Listings on the London stock exchange are likely to remain subdued in early 2019 amid Brexit uncertainty, after falling in 2018, according to a report by consulting firm EY. Last year 79 companies listed in London, raising a total of 9.5 billion pounds (\$12.1 billion). That represented a 23 percent drop in capital from 2017, when 95 companies raised 12.4 billion pounds.

Source: [Bloomberg](#)

UK factories view border delays as a major Brexit risk – EEF

More than three-quarters of British manufacturers say delays at the border after Brexit would be a risk for their business, a survey from an industry body showed on Monday. Britain is due to leave the European Union on March 29 but what will actually happen on that day remains far from clear — a problem for businesses which routinely import and export goods and materials.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices rise on trade talks and supply cuts, but global economy concerns linger

Oil prices rose by around 1 percent on Monday, lifted by optimism that talks could soon resolve the trade war between the United States and China, while supply cuts by major producers also supported the market. Brent crude futures LCOc1 were at \$57.61 per barrel at 0111 GMT, up 55 cents, or 1 percent, from their last close. U.S. West Texas Intermediate (WTI) crude oil futures CLc1 were at \$48.49 per barrel, up 53 cents, or 1.1 percent.

Source: [Zawya](#)

Chinese steel, iron ore rise on central bank policy, trade war deal hopes

China's steel and iron ore futures started the week firmly on Monday, buoyed by central bank policy easing and by hopes that talks could help end Sino-U.S. trade tensions. China's central bank on Friday cut the amount of cash that banks have to hold as reserves for the fifth time in a year, freeing up \$116 billion for new lending. A group of U.S. delegates are meeting with their counterparts in Beijing this week for the first face-to-face talks since leaders of the two countries agreed to a 90-day truce in a trade war in December.

Source: [Reuters](#)