

U Capital Morning Brief

31 October 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	903.85	-3.97	-0.44%	-7.23%	-	-	-
U Capital GCC 50 Index	1,309.16	-4.41	-0.34%	14.37%	-	-	-
U Capital MENA 200 Index	1,048.71	-2.80	-0.27%	5.39%	-	-	-
MSCI GCC Countries Index	537.48	-1.65	-0.31%	12.03%	13.37	1.73	4.1%
Muscat Securities Market	4,420.67	-8.13	-0.18%	-13.31%	10.18	0.79	6.2%
Saudi Stock Exchange	7,832.98	-14.53	-0.19%	8.40%	16.17	1.75	3.6%
Kuwait Stock Exchange	5,037.97	5.58	0.11%	NA	14.47	1.26	3.9%
Qatar Exchange	10,163.41	-28.27	-0.28%	19.24%	15.06	1.52	4.3%
Bahrain Stock Exchange	1,312.90	-2.14	-0.16%	-1.41%	8.89	0.82	6.2%
Dubai Financial Market	2,743.54	28.71	1.06%	-18.59%	7.29	1.01	6.4%
Abu Dhabi Exchange	4,855.94	-15.64	-0.32%	10.40%	12.90	1.41	5.0%
Beirut Stock Exchange	987.62	4.23	0.43%	-14.01%	5.23	0.62	9.2%
Palestine Stock Exchange	523.77	0.09	0.02%	-8.84%	11.97	1.16	4.6%
Tunis Se Index	7,340.97	-6.56	-0.09%	16.86%	19.12	2.61	1.9%
EGX 30 Index	13,154.56	80.09	0.61%	-12.41%	12.44	2.27	2.3%
Amman General Index	1,956.82	-4.88	-0.25%	-7.99%	13.57	0.99	4.7%

* 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							
FTSE 100	UK	7,035.9	0.14%	-8.5%	Australian Dollar (AUD)	0.709	1.412
DAX	Germany	11,287.4	-0.42%	-12.6%	British Pound (GBP)	1.271	0.787
CAC 40	France	4,978.5	-0.22%	-6.3%	Canadian Dollar (CAD)	0.762	1.313
United States							
DJIA	USA	24,874.6	1.77%	0.6%	Chinese Renminbi (CNH)	0.143	6.974
S&P 500	USA	2,682.6	1.57%	0.3%	Egyptian Pound (EGP)	0.056	17.911
NASDAQ	USA	7,161.7	1.58%	3.7%	Euro (EUR)	1.134	0.882
Asia Pacific							
NIKKEI 225	Japan	21,825.5	1.72%	-4.1%	Indian Rupee (INR)	0.014	74.078
HANG SENG	Hongkong	24,733.0	0.60%	-17.3%	Japanese Yen (JPY)	0.009	113.210
KSE 100 Index	Pakistan	41,546.0	-0.23%	2.7%	New Zealand Dollar (NZD)	0.654	1.528
NSE Nifty 50	India	10,143.7	-0.54%	-3.7%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,597.1	1.13%	-21.5%	Pakistani Rupee (PKR)	0.754	133.775
KOSPI Index	South Korea	2,019.5	0.24%	-18.2%	Russian Ruble (RUB)	0.015	65.629
					Singapore Dollar (SGD)	0.722	1.386
					Turkish Lira (TRY)	0.182	5.478

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	76.4	0.62%	20.0%	UAE	2.71	50.8%
WTI Crude (per bbl)	66.4	0.27%	9.8%	Saudi Arabia	2.76	45.4%
Oman Crude Oil (Last Closing)	75.3	-0.92%	17.7%	Kuwait	2.06	10.0%
OPEC (per bbl)	76.1	0.48%	18.0%	Oman	2.77	45.2%
Precious Metals						
Gold100 OZ (per oz)	1,217.2	-0.46%	-6.6%	Qatar	2.82	6.7%
Silver (per oz)	14.4	-0.60%	-15.1%	Bahrain	3.70	35.8%
Platinum (per oz)	833.7	-0.31%	-10.4%	GCC Latest 10-Yr Government Bond Yields		
Other Metals						
Copper, MT	6,032	-2.08%	-16.8%		Maturity date	YTM, %
Aluminium, MT	1,967	-0.86%	-13.3%	Kuwait	3/20/2027	3.9
Lead, MT	1,939	-0.97%	-22.1%	Abu Dhabi	10/11/2027	4.0
Zinc, MT	2,550	-2.75%	-23.2%	Qatar	6/2/2026	4.0
				Saudi Arabia	3/4/2028	4.4
				Oman	1/17/2028	6.2
				Bahrain	10/12/2028	7.1

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.89	2.9	1m	2.30	47.2%
5 year	99.60	3.0	3m	2.53	49.1%
10 year	97.84	3.1	6m	2.78	51.4%
30 year	93.02	3.4	1 year	3.06	45.4%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

Gulf closes Oman plant deal

SET-listed Gulf Energy Development Plc has agreed to run a power plant in Oman, the second overseas market for the Thai company. On Monday, Gulf submitted a letter to the Stock Exchange of Thailand disclosing that subsidiary Gulf International Holding Co (GIH) had received approval from Oman to enter a joint venture with Oman Oil Co (OOC) to invest in a power project of Duqm Power Co (DPC).

Source: [Bangkok Post](#)

Oman to realise logistics ambitions by joining TIR

Oman has announced its intention to join TIR, a global customs transit system for moving goods across international borders. The pending ratification of the global standard for customs transit is now poised to transform the country's road transport, intermodal and trade potential, bringing it ever closer to becoming a major global logistics hub, said a statement.

Source: [GDN Online](#)

CBO issues treasury bills worth OMR76.50m

Oman's central bank raised OMR76.50 million by way of allotting treasury bills on Tuesday. The treasury bills are for a maturity period of 28 days, from October 30 until November 28, 2018. The average accepted price reached 99.830 for every OMR100, and the minimum accepted price arrived at 99.825 per OMR100. Whereas the average discount rate and the average yield reached 2.21309 per cent and 2.21685 per cent, respectively.

Source: [Times of Oman](#)

Total reaffirms plans for LNG bunkering scheme

Global energy giant Total envisions a significant place for Oman in its expanding portfolio of LNG related investments that provide liquefied natural gas as bunker fuel for merchant ships, particularly container vessels. The proposed investment, centring on the establishment of an LNG bunkering terminal at the Port of Sohar, stems from a Memorandum of Understanding (MoU) reached with the Omani government earlier this year, according to a high-level executive.

Source: [Oman Observer](#)

OPWP seeks proposal for gas import and contracting study

Oman Power and Water Procurement Company (OPWP), sultanate's sole procurer of electricity and water, has issued request for proposal for a gas import and contracting study. In a statement posted on its website OPWP announced the intention to seek proposals from interested bidders to carry out a gas import and contracting study.

Source: [Muscat Daily](#)

MSM elected to chair FEAS

The Federation of European and Asian Stock Exchanges (FEAS) elected Muscat Securities Market (MSM) as its chair. Ahmed bin Saleh al Marhoon, MSM director general was selected as the FEAS new chairman. This came during a meeting of FEAS general assembly, held in Abu Dhabi, in the presence of representatives of stock exchanges and financial markets.

Source: [Muscat Daily](#)

Gulf Investment Services: Disclosure regarding Merger offer received from Financial Services

The company has disclosed that Board of Directors of its subsidiary company Gulf Baader Capital Markets SAOC have declined the merger offer received from Financial Services SAOG.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Gulf SME sector set to hit \$920bln in five year

The market potential for small and medium enterprises in the GCC is poised to touch \$920 billion in the next five years compared to the current \$360 billion, a growth of 156 per cent, significantly enhancing investment prospects in this sector, research data released on Tuesday at the second India-UAE Partnership Summit (IUPS) shows.

Source: [Zawya](#)

Arab stock markets lack liquidity, says head of Oman's stock exchange

Equity markets in Arab states suffer from a lack of liquidity as shareholders tend to keep hold of their stocks rather than trading them, which leads to lower trading volumes, the director-general of the Muscat Securities Market has told Zawya. "There is a concentration of ownership. The high wealth individuals and institutional funds are buying and not selling," Ahmed Saleh Al-Marhoon told Zawya on Monday on the sidelines of the Abu Dhabi-hosted annual conference of the Federation of Euro-Asian Stock Exchanges on Monday.

Source: [Zawya](#)

UAE to amend retail-banking rules

The UAE Central Bank has decided to amend retail-banking rules related to personal loan and other services provided to individuals. Under the new rule, the bank set new terms and conditions for the transfer of personal loans or personal finance from one bank or a

finance company to another. As per the rule, banks and finance companies are obligated to reduce the interest rate, not increasing the period of loans and other facilities for retail loans, which will be given to individual customers after the issuance of the new amendment.

Source: [Gulf News](#)

Mideast Stocks: Real estate props Dubai, most Gulf markets little changed

Dubai's blue-chip index rose sharply and marked its biggest intra-day gain in nearly three weeks, lifted by real estate and banks, while most major Gulf indexes dropped marginally on Tuesday. The Dubai index added 1.1 percent, boosted by a near 3 percent gain in Emaar Properties and a 2.2 percent rise in Emirates NBD after it posted a double-digit jump in quarterly profit, led partly by higher net interest income. Source: [Zawya](#)

APM Terminals Bahrain aims to raise more than \$30mn with IPO

Port operator APM Terminals Bahrain plans to raise almost 12 million Bahraini dinars (\$32 million) through its planned initial public offering (IPO). The company will offer 18 million shares, equivalent to 20 percent of its issued share capital, at 0.66 Bahraini dinars per share, it said in the IPO prospectus published on Monday.

Source: [Zawya](#)

Saudi cabinet approves transferring flour mills assets to PIF's firms

Saudi Arabia's cabinet approved on Tuesday that the privatization committee of the flour mills would transfer all their assets, rights and obligations to the companies established by the Public Investment Fund (PIF). The cabinet decision, however, included that the land and silos remain under state ownership, Saudi Press Agency (SPA) reported.

Source: [Argaam](#)

Saudi cabinet limits telecom licenses to listed firms

Saudi Arabia's cabinet on Tuesday said that any company willing to obtain a license to operate telecom services in Saudi Arabia shall have its shares listed on local stock market, Saudi Press Agency reported. Companies fulfilling this prerequisite can pursue approvals from the council of ministers.

Source: [Argaam](#)

New UAE FDI law comes into force

The game-changing UAE investment law, which is expected to change nation's business landscape by attracting increased foreign direct investments, has come into effect. The President, His Highness Sheikh Khalifa bin Zayed Al Nahyan, has issued the new Foreign Direct Investment (FDI) law which aims to promote and develop the country's investment environment, and attract foreign direct investment in line with national development policies, according to WAM.

Source: [Khaleej Times](#)

Dubai Maritime City to strengthen its international exposure at the Seatrade Maritime Middle East 2018

Dubai Maritime City, DMC, has participated in the 9th edition of the Seatrade Maritime Middle East Conference and Expo taking place from the 29th to 31st of October at the Dubai World trade Centre. Dubai Maritime City's participation will play a significant role in promoting UAE as a first-class maritime destination and will provide a platform for DMC to showcase the recent and most ambitious initiatives that have played a vital part in establishing Dubai as one of the world's most competitive maritime hubs.

Source: [WAM](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

China reports weakest manufacturing growth in more than two years

China's official manufacturing Purchasing Managers' Index (PMI) for October was 50.2 — lower than the 50.6 analysts expected in a Reuters poll and down from 50.8 in September. The official PMI reading for October was the lowest since July 2016, with the production and new orders sub-indices also falling from a month ago. New export orders contracted for the fifth straight month.

Source: [CNBC](#)

Nearly half of UK firms think their business models won't exist in 5 years because of A.I., study says

new report Wednesday found that 41 percent of British companies surveyed said their current business models will cease to exist in the next five years thanks to artificial intelligence (AI). The research also found 51 percent of U.K. business leaders do not have an AI strategy in place.

Source: [CNBC](#)

Asia stocks crawl up after a merciless October for global equities

Asian stocks pulled away from 20-month lows on Wednesday, thanks to a rebound on Wall Street, although investors remained cautious after an October month that saw sharp downturns across global equity markets.

Source: [Reuters](#)

Samsung slashes capex, calls an end to chip boom after record third quarter

Samsung Electronics Co Ltd slashed 2018 capex by more than a quarter on Wednesday and warned of lower profit until early next year, calling an end to a two-year boom in memory chips that fuelled record third-quarter profit.

Source: [Reuters](#)

COMMODITIES NEWS

Oil prices climb for first time in three days, but trade war fears drag

Oil prices climbed for the first time in three days on Wednesday, but rising supply and fears over the outlook for demand amid the U.S.-China trade war kept pressure on the market. Brent crude futures had gained 52 cents, or 0.7 percent, to \$76.43 a barrel by 0310 GMT. They fell 1.8 percent on Tuesday, at one point touching their lowest since Aug. 24 at \$75.09 a barrel.

Source: [Reuters](#)

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