

U Capital Morning Brief

4 November 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	911.13	7.30	0.80%	-6.48%	-	-	-
U Capital GCC 50 Index	1,320.84	-3.12	-0.24%	15.39%	-	-	-
U Capital MENA 200 Index	1,056.61	-0.92	-0.09%	6.18%	-	-	-
MSCI GCC Countries Index	543.48	0.02	0.00%	13.28%	13.54	1.75	4.0%
Muscat Securities Market	4,422.17	-0.74	-0.02%	-13.28%	10.45	0.78	5.9%
Saudi Stock Exchange	7,879.37	-27.64	-0.35%	9.04%	16.31	1.76	3.5%
Kuwait Stock Exchange	5,069.36	27.14	0.54%	NA	14.66	1.26	3.9%
Qatar Exchange	10,280.96	-19.96	-0.19%	20.62%	15.20	1.54	4.3%
Bahrain Stock Exchange	1,313.23	-1.51	-0.11%	-1.39%	8.76	0.82	6.2%
Dubai Financial Market	2,805.22	20.62	0.74%	-16.76%	7.50	1.03	6.3%
Abu Dhabi Exchange	4,920.67	18.79	0.38%	11.87%	13.05	1.43	4.9%
Beirut Stock Exchange	979.41	0.00	0.00%	-14.73%	5.13	0.61	9.3%
Palestine Stock Exchange	527.19	4.36	0.83%	-8.25%	12.06	1.17	4.6%
Tunis Se Index	7,400.93	7.84	0.11%	17.81%	19.28	2.63	1.9%
EGX 30 Index	13,202.32	-47.97	-0.36%	-12.10%	12.44	2.26	2.3%
Amman General Index	1,966.31	7.63	0.39%	-7.55%	13.78	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	7,094.1	-0.29%	-7.7%	Australian Dollar (AUD)	0.719	1.390
DAX	Germany	11,519.0	0.44%	-10.8%	British Pound (GBP)	1.297	0.771
CAC 40	France	5,102.1	0.32%	-4.0%	Canadian Dollar (CAD)	0.763	1.311
United States							
DJIA	USA	25,270.8	-0.43%	2.2%	Chinese Renminbi (CNH)	0.145	6.898
S&P 500	USA	2,723.1	-0.63%	1.8%	Egyptian Pound (EGP)	0.056	17.908
NASDAQ	USA	7,357.0	-1.04%	6.6%	Euro (EUR)	1.139	0.878
Asia Pacific							
NIKKEI 225	Japan	22,243.7	2.56%	-2.3%	Indian Rupee (INR)	0.014	72.438
HANG SENG	Hongkong	26,486.4	4.21%	-11.5%	Japanese Yen (JPY)	0.009	113.200
KSE 100 Index	Pakistan	42,004.1	0.69%	3.8%	New Zealand Dollar (NZD)	0.666	1.504
NSE Nifty 50	India	10,553.0	1.66%	0.2%	Omani Rial (OMR)	2.597	0.385
SHANGHAI Composite	China	2,676.5	2.70%	-19.1%	Pakistani Rupee (PKR)	0.749	132.553
KOSPI Index	South Korea	2,096.0	3.53%	-15.1%	Russian Ruble (RUB)	0.015	66.203
					Singapore Dollar (SGD)	0.729	1.376
					Turkish Lira (TRY)	0.184	5.429

Commodity Prices	Price	D/D	YTD	GCC 3m Interbank Rates	Current Rate %	YTD %
	USD	%	%			
Oil						
Brent Crude (per bbl)	72.8	-0.08%	15.0%	UAE	2.72	51.3%
WTI Crude (per bbl)	63.1	-0.86%	4.5%	Saudi Arabia	2.77	46.2%
Oman Crude Oil (Last Closing)	71.8	-0.03%	12.2%	Kuwait	2.06	10.0%
OPEC (per bbl)	72.6	-3.46%	12.7%	Oman	2.77	45.2%
				Qatar	2.82	6.7%
				Bahrain	3.70	35.8%
Precious Metals						
Gold100 OZ (per oz)	1,233.0	-0.04%	-5.4%	GCC Latest 10-Yr Government Bond Yields		
Silver (per oz)	14.7	0.01%	-12.9%		Maturity date	YTM, %
Platinum (per oz)	869.0	1.16%	-6.6%	Kuwait	3/20/2027	3.9
Other Metals						
Copper, MT	6,283	3.17%	-13.3%	Abu Dhabi	10/11/2027	4.1
Aluminium, MT	1,973	0.36%	-13.0%	Qatar	6/2/2026	4.0
Lead, MT	1,990	1.89%	-20.0%	Saudi Arabia	3/4/2028	4.5
Zinc, MT	2,553	0.49%	-23.1%	Oman	1/17/2028	6.2
				Bahrain	10/12/2028	7.3

Midswaps	Price	YTM %	USD Libor	Rate (%)	YTD
3 year	99.73	3.0	1m	2.32	48.2%
5 year	99.27	3.0	3m	2.59	53.0%
10 year	97.19	3.2	6m	2.83	54.0%
30 year	91.59	3.5	1 year	3.10	47.4%

Source: Bloomberg

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

OMAN ECONOMIC & CORPORATE NEWS

U Capital: MSM ends in red despite upbeat trading activity

Energetic trading activities were recorded by the MSM during the past week due to several deals on selected shares, as well as the activities related to the month-end, in addition to the active participation of local and foreign institutional investors. However, the MSM30 closed the week down by 0.69 per cent on weekly basis.

Source: [Oman Observer](#)

Duqm Refinery signs \$4.61bn project financing

A multi-source project financing of US\$4.61 billion was signed for the 230,000 barrels per day (bpd) Duqm Refinery Project. The Duqm Refinery Project is a joint venture between Kuwait Petroleum International and the Oman Oil Company and is located in the Special Economic Zone in Duqm (Sezad) along the south east coast of the Sultanate.

Source: [Times of Oman](#)

OOMCO showcases fuel bunkering capabilities

Oman Oil Marketing Company's ship bunker fuel supply capabilities were showcased to industry leaders from Europe, Asia, USA, and the Middle East at the Gas & LNG Middle East Summit 2018. OOMCO's CEO David Kalife participated in a commercial panel entitled "From Producers to End-Users"..

Source: [Times of Oman](#)

Oman's oil output touches 265mn barrels

The Sultanate's crude oil production, including condensates, stood at 265.46 million barrels for the first nine months of 2018. This is against an output of 264.61 million barrels for the corresponding January-September period of 2017, according to the latest data released by the National Centre for Statistics and Information (NCSI).

Source: [Times of Oman](#)

Occidental Oman signs three contracts with two local companies

As part of its in-country value (ICV) strategy to support locally manufactured materials and maximise expenditure on goods and services made in Oman, Occidental Oman signed a new contract with Global Integrated Engineering (GIE) and two new contracts with Abraj Energy Services.

Source: [Muscat Daily](#)

Energy efficiency drive to ignite Omani business opportunities

A comprehensive and concerted campaign to promote efficient electricity use in the Sultanate has the potential to unleash a plethora of business and investment opportunities for local Omani small and medium enterprises (SMEs), according to a key official representing the power sector regulator.

Source: [Oman Observer](#)

BRIEF: Bank Dhofar Sets Nov 11 As Record Date For Rights Issue

BANK DHOFAR:

* UPDATES ON PROPOSED RIGHTS ISSUE

* BANK DHOFAR SAYS RECORD DATE FOR RIGHTS ISSUE TO BE NOVEMBER 11, 2018

* SAYS SUBSCRIPTION FOR RIGHTS ISSUE SHALL BEGIN ON NOVEMBER 20 AND END ON DECEMBER 4

Source: [Reuters](#)

Under Monitoring Market orders

Referring to MSM Board of Directors' decision to extend the trading time, which will be effective from today Thursday 1st of November 2018, we would like to bring to your attention that the execution of the matching orders in the Under Monitoring Market will be at 12:00 pm and 14:00 pm instead of 11:30 am and 1:00 pm, respectively.

Source: [MSM](#)

ACWA Power Barka: Technical Fault announcement –Gas Turbine 2

The company has disclosed that one of its gas turbines tripped on 29th October 2018 on generator protection alarm due to earth fault in electricity generator unit. Major maintenance work will be carried out and will take 4 to 6 weeks. Financial impact is assessed at OMR 1 million (covering lost revenue and cost of repairs). The company has informed the insurers about the incident and a loss adjuster will be appointed accordingly. Further updates will be provided as available.

Source: [MSM](#)

MIDDLE EAST ECONOMIC & CORPORATE NEWS

Mideast Stocks: Petrochemical firms weigh on Saudi, Most Gulf markets mixed

Saudi Arabia's stock market edged lower in quiet trading on Thursday, pressured by petrochemical and bank shares, while Dubai gained on the back of real estate stocks. The kingdom's main index reversed course to fall 0.4 percent, a day after breaching its 200-day average for the first time in three weeks. Middle East funds have become more wary, but not outright bearish, toward Saudi Arabia's stock market because of concern over the fallout from the killing of Jamal Khashoggi, a monthly Reuters poll showed on Wednesday.

Source: [Zawya](#)

Saudi Schools IPO Is Said to Underscore Weakening Foreign Demand

A Saudi private-school operator's initial public offering in October attracted less demand than recent previous sales in the kingdom, two people with knowledge of the matter said, a further indication that investors abroad are cautious about the potential economic aftermath of dissident columnist Jamal Khashoggi's murder a month ago. Purchase orders in National Co. for Learning & Education's 247 million-riyal (\$66 million) sale of a 30 percent stake totaled less than double the stock offered to institutional investors, according to the people, speaking on condition of anonymity.

Source: [Bloomberg Terminal](#)

Monshaat to continue giving SMEs refunds on govt fees until 2021, says official

Saudi Arabia's Small and Medium Enterprises General Authority (Monshaat) will continue to give small and medium enterprises (SMEs) refunds on government fees until 2021, Monshaat deputy governor Mohammed Al-Malky told Argaam in an exclusive interview.

Source: [Argaam](#)

Saudi investment authority to invite 250 foreign investors in December

Saudi Arabia's General Investment Authority (SAGIA) plans to invite 200 foreign entrepreneurs and 50 international venture capital funds to the Kingdom next December, Asharq Al-Awsat reported, citing Mazen Al-Zaydi, head of SAGIA's innovation and entrepreneurship division. SAGIA is seeking international innovators and entrepreneurs to launch their start-ups in the Kingdom, he said, adding that the authority focuses on IT and Fintech sectors, as well as entertainment, sports, and health technology.

Source: [Argaam](#)

Alawwal bank Announces the Redemption of its 2013 Sukuk

Alawwal bank is pleased to announce its intention to call (redeem) its 2013 sukuk, in full, bearing Tadawul symbol: 1047 – Alawwal bank Sukuk 4, at their face value (100% of issue price) at the end of year 5 (12th December 2018). The sukuk issued on 12th December 2013 for a total value of SAR 2.5 billion (2,500 sak / certificates each with a face value of SAR 1 million) had an original maturity of ten years (due 2023) and are callable in December 2018. Regulatory approval has already been obtained in this regard.

Source: [Mubasher](#)

Saudi's Al Rajhi Capital buys 2.37ha Lulu warehouse in Riyadh

Saudi Arabia's Al Rajhi Capital has bought a 2.37ha warehouse in Riyadh, leased by UAE hypermarket heavyweight Lulu Group, for \$13.9m (SAR52.250m). According to a Tadawul filing on 1 November 2018, the sale of Lulu Central Logistics, a purpose-built, high-specification warehouse facility on Al Kharj Road, Industrial Gate City in Riyadh, was completed on 31 October 2018.

Source: [Construction Week](#)

BRIEF: Abu Dhabi National Hotels Updates Regarding Media Report On Co to Buy Emaar Owned Hotels

ABU DHABI NATIONAL HOTELS CO ADN.H.AE:

* CO AS PART OF EXPANSION STRATEGY IN UAE AND ABROAD, IS CURRENTLY CONSIDERING VARIOUS INVESTMENT OPPORTUNITIES

* EXPANSION STRATEGY INCLUDES OPPORTUNITY TO BUY SOME HOTELS OWNED BY EMAAR PROPERTIES

Source: [Zawya](#)

Egypt Kuwait Holding invests \$3B in Minya wood factory

Egypt Kuwait Holding (EKH) Chairman and CEO Moataz Al-Aflie announced that his company has plans to create a wood factory in Minya governorate, spanning over 30 feddans, with 3 billion dollars in investments. In a press release, Al-Aflie expected the factory to begin construction by next March, and to be inaugurated by 2020, adding that the factory's production will reach \$50 million in the first year after its operations.

Source: [Egypt Independent](#)

Kuwait Markets authority makes amendments to facilitate luring foreign investors

Kuwait's Capital Markets Authority (CMA) is undertaking modifications to facilitate entry of foreign investors into the Kuwaiti market and overhaul the national business-financial environment. The CMA said in a statement yesterday that it had issued decision 135/2018 for amending some provisions on the first book, 'Definitions,' and the 16th book on combating money laundering and funding terrorism, stipulated in the executive by-law of the law 7/2010, with respect of establishing the authority and regulating financial securities.

Source: [Kuwait Times](#)

International indices affirm businesses in Kuwait have turned easier

The Ministry of Commerce and Industry said on Saturday that the World Bank had affirmed practicing businesses in Kuwait has noticeably become much easier according to the "TDF" economic index last year. The ministry said in a statement that Minister Khaled Al-Roudhan had lauded the WB efforts and cooperation with the ministry on regular basis, adding that he had also affirmed efforts for improving Kuwait economic status, as portrayed by international indexes.

Source: [MenaFN](#)

UAE telco du focuses on fixed line, post-paid as prepaid falls: CEO

United Arab Emirates telecom company du is focusing on increasing fixed-line and post-paid mobile revenue to counter a fall in prepaid customers, its chief executive said on Thursday. Mobile revenue was up 0.3 percent in the third quarter as the number of mobile subscribers fell 3.3 percent. Fixed-line revenue rose 7.8 percent as subscribers rose 5 percent.

Source: [ET](#)

Abu Dhabi's NPCC wins \$231 mln construction contract from Kuwait Oil

Abu Dhabi's National Petroleum Construction Co. (NPCC) said on Saturday it had won a \$231 million construction contract from Kuwait Oil Company. The contract provides for NPCC to build facilities to reduce crude salinity at four oil gathering stations operated by Kuwait Oil, it said in a statement.

Source: [Al Arabiya](#)

INTERNATIONAL ECONOMIC & CORPORATE NEWS

Dollar softens on trade deal hopes; U.S. jobs data in focus

The dollar fell on Friday on signs U.S. President Donald Trump is seeking to resolve a damaging trade war with China. The conflict between the world's two largest economies has cast a pall over the global economy and boosted safe-haven demand for the greenback this year. But the dollar sank to a seven-day low on Friday after Bloomberg reported that Trump had asked U.S. officials to begin drafting a possible trade deal with Beijing.

Source: [Reuters](#)

GLOBAL MARKETS-Shares jump, yuan firms as Trump report fuels hopes of US-China trade deal

Asian shares jumped to three-week highs on Friday and U.S. equity futures rebounded on a report that U.S. President Donald Trump has asked officials to draft terms for a potential trade deal with China following a phone call with leader Xi Jinping. MSCI's broadest index of Asia-Pacific shares outside Japan extended morning gains and was up 2.5 percent by early afternoon at its highest level since Oct. 10.

Source: [Reuters](#)

Investor sentiment in Europe is sinking despite a solid earnings season

European equities lost ground in October despite solid third-quarter results for most companies across the region. Europe's benchmark Stoxx 600 index fell 6 percent for the month, despite a strong 1.7 percent rally on the final session of trade. This comes as revenue and earnings-per-share (an important metric used by traders to gauge a company's value) growth remained healthy and most companies in Europe have maintained their full-year guidance to the market. However, investor sentiment has remained fragile.

Source: [CNBC](#)

Apple has 'something to hide': Here's what every major analyst had to say about its earnings report

Apple's stock sank in Friday's premarket, a day after the company reported disappointing iPhone shipment data and provided guidance for its first fiscal quarter that fell short of analyst expectations. But Wall Street analysts told clients on Friday they were concerned about management's decision to stop breaking apart iPhone unit sales, an insight some investors used to gauge demand for the company's latest products.

Source: [CNBC](#)

COMMODITIES NEWS

U.S. Issues Eight Oil Waivers Before Iran Sanctions Kick Back In

Secretary of State Michael Pompeo said the U.S. will grant eight temporary waivers for countries to keep importing Iranian crude after sanctions snap back on Monday, following President Donald Trump's decision to quit the Iran nuclear agreement reached in 2015. Waivers are being given only in cases where importers have made "important moves" toward shunning Iranian oil entirely, Pompeo told reporters on a conference call Friday with Treasury Secretary Steven Mnuchin.

Source: [Bloomberg](#)

Soaring U.S. Oil Production Forces Prices Down

Oil prices continued to slide on Friday afternoon, despite a small decline in the U.S./Canadian rig count. Iran sanctions are just days away but the market has come around to the idea that Iranian oil exports won't be going to zero, despite months of promises from the Trump administration. New reports suggest waivers are in the offing. "Oil prices look to remain under pressure, as fears of global oversupply have returned with a vengeance," Ashley Keltly, oil and gas research analyst at Cantor Fitzgerald Europe, told Reuters.

Source: [Oil Price](#)

Gold Prices Retreat After Worst 1st 9 Months for Demand in a Decade

GOLD PRICES dropped \$5 per ounce on news of stronger-than-expected US jobs growth on Friday, heading for the first weekly drop in 5 as world stock markets extended their bounce from October's slump. Japan's Topix index closed 3.9% higher from last Friday and Shanghai's CSI300 added 3.7% after falling Monday back near October's 28-month low for Chinese equities.

Source: [Bullion Vault](#)



Ubhar 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 Ubhar 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.