

GCC Markets Monthly Report

November-2015

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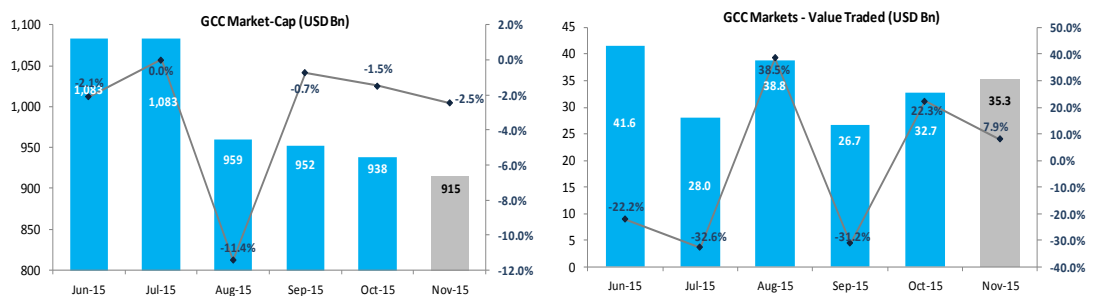
The month of November turned out to be another volatile month for GCC equity markets with key markets moving in opposite direction. While Saudi Arabia and Kuwait closed the month on a positive note, rest of the markets reported negative returns during the month. KSE indices were trading water during the month and ended with marginal positive returns, whereas TASI recovered backed by technical support after plunging below the psychological mark of 7,000 points.

On the decliners side, Qatar Exchange saw the steepest monthly decline despite Qatari banks reporting the strongest growth in assets at the end of Q3-15 in the GCC. In the UAE, a weak banking index took heavy toll on market indices after banks reported tight liquidity conditions in their Q3-15 results. According to UAE's central bank, deposits with UAE banks have dropped by 0.45% due to the fall in oil prices. Although overall credit growth remained strong in the UAE, banks continue to see higher retail credit growth and a decline in corporate credit indicating a softening economy.

Nevertheless, growth in the overall GCC banking sector remains robust with expectations of strong credit growth, at least in the near term, powered by government-backed infrastructure spending. The Institute of International Finance (IIF) believes that the banking systems in the GCC is well equipped to deal with low oil prices in the next few years despite tightening liquidity conditions and rising interest rates. However, a prolonged weakness in oil prices is expected to weaken asset quality and profitability.

Meanwhile, in an update, the MSCI said it would add Etisalat and Qatar Gas Transport Co. (Naqilat) to its Emerging Markets Index and remove Gulf International Services. The index aggregator also added Bahrain's Ahli United Bank to its Frontier Market Index.

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Value Traded (USD Mn)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Weighted Index	393.0	1.2%	(10.5%)	89.0	1,036.0	15.0	1.2	3.8%
Kuwait - 15 Index	929.6	0.6%	(12.3%)					
Kuwait - Price Index	5,802.4	0.5%	(11.2%)					
Saudi Arabia	7,239.9	1.6%	(13.1%)	442.4	28,696.3	12.9	1.6	4.1%
Abu Dhabi	4,236.4	(2.0%)	(6.5%)	115.5	1,799.8	10.1	1.4	5.2%
Dubai	3,204.3	(8.5%)	(15.1%)	84.6	1,833.0	9.5	1.2	3.3%
Qatar	10,090.8	(13.0%)	(17.9%)	146.3	1,739.8	11.2	1.6	5.0%
Bahrain	1,232.6	(1.4%)	(13.6%)	19.4	31.1	9.1	0.9	5.0%
Oman	5,547.9	(6.4%)	(12.5%)	17.8	152.4	10.0	1.2	4.9%
Total GCC				915.1	35,288.4	11.9	1.4	4.3%



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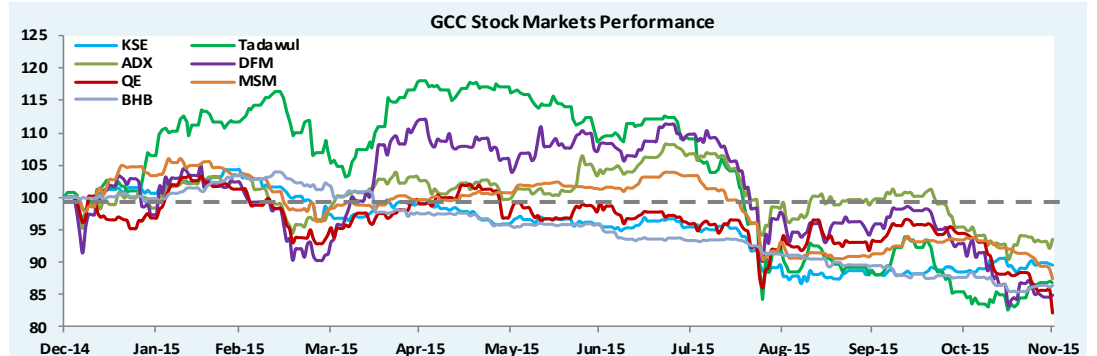
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Source: GCC Stock Exchanges, KAMCO Research

Kuwait Stock Exchange

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
KSE Price Index	6,535.7	6,572.3	6,601.4	6,282.5	6,377.0	6,292.5	6,203.0	6,253.7	5,820.6	5,726.0	5,775.4	5,802.4
Monthly % Change	(3.2%)	0.6%	0.4%	(4.8%)	1.5%	(1.3%)	(1.4%)	0.8%	(6.9%)	(1.6%)	0.9%	0.5%
KSE Weighted Index	438.9	441.8	457.7	427.2	435.1	421.8	419.9	418.9	385.3	388.4	388.4	393.0
Monthly % Change	(3.4%)	0.7%	3.6%	(6.7%)	1.8%	(3.0%)	(0.4%)	(0.2%)	(8.0%)	0.8%	(0.0%)	1.2%
Kuwait 15 Index	1,060.0	1,072.7	1,116.9	1,021.4	1,059.7	1,016.3	1,017.0	1,014.9	919.2	935.1	924.3	929.6
Monthly % Change	(4.1%)	1.2%	4.1%	(8.5%)	3.7%	(4.1%)	0.1%	(0.2%)	(9.4%)	1.7%	(1.2%)	0.6%
Market Cap (KWD Mn)	29,706	29,914	30,995	28,437	29,418	28,550	28,755	28,647	26,372	26,585	26,586	26,894
P/E (X) - TTM	18.48	17.80	18.43	17.03	17.28	16.77	16.68	16.61	15.32	15.29	14.86	15.04
P/BV (X) - TTM	1.32	1.30	1.34	1.23	1.27	1.24	1.24	1.23	1.14	1.13	1.14	1.16
Dividend Yield (%)	3.26%	3.23%	3.16%	3.68%	3.47%	3.59%	3.59%	3.61%	3.91%	3.92%	3.89%	3.84%
Volume (Mn Shares)	5,781	5,450	3,932	3,267	5,362	3,876	3,420	2,228	3,073	2,784	2,812	2,997
Value (KD Mn)	689	502	460	367	414	329	338	219	300	248	230	313
Trades ('000)	166.6	126.4	96.4	84.9	106.9	84.8	71.7	50.7	76.1	65.3	64.1	74.9

Source: Kuwait Stock Exchange, KAMCO Research

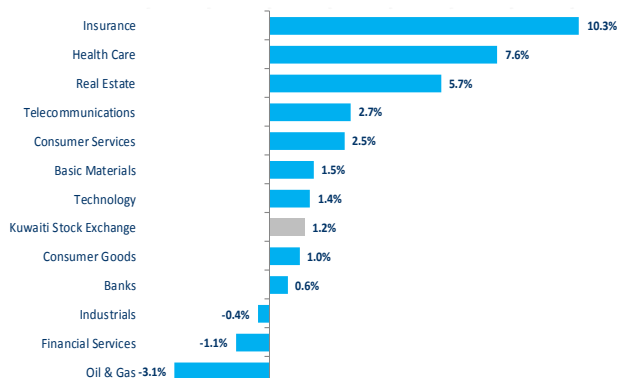
KSE indices continued to rise during November-15, although marginally, on the back of stable corporate earnings for 9M-15. The KSE Weighted Index closed the month with a gain of 1.2% whereas the Kuwait-15 Index and the KSE Price Index recorded gains of 0.6% and 0.5%, respectively. The gains during the month was broad-based as seen from the positive performance of a majority of the sectoral indices. Trading activity on the exchange also improved owing to the positive investor sentiments. Total monthly volume increased from 2.8 Bn shares in October-15 to 3 Bn shares during November-15, registering an increase of 6.6% primarily due to lesser number of trading days during the previous month. Total monthly value of shares increased from KWD 230 Mn during October-15 to KWD 313 Mn in November-15, an increase of 35.9% due to both, difference in trading days as well as higher trades in large-cap stocks. The average daily volume traded declined from 148 Mn shares in the previous month to 136 Mn shares in November-15, whereas the average daily value traded increased from KWD 12.1 Mn in October-15 to KWD 14.2 Mn in November-15.

The month also marked the end of the 9M-15 earnings season that witnessed stable corporate earnings as compared to the corresponding period in 2014. Total 9M-15 net profits stood at KWD 1.37 Bn, almost the same as reported in 9M-14. Total profits were negatively affected by aggregate loss reported by Oil & Gas sector (a loss of KWD 1.56 Mn in 9M-15 vs. profit of KWD 18.4 Mn in 9M-14), whereas the Banking sector reported robust earnings growth of 12.7%.

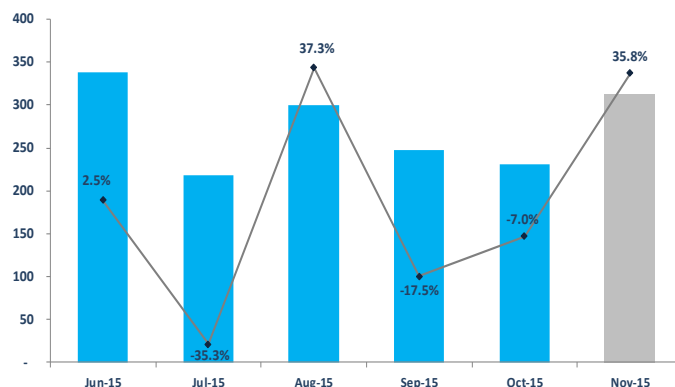
Key corporate developments during the month included Agility's plans to raise USD 1 Bn to fund its expansion plans across the emerging markets. Meanwhile, NBK successfully completed the issuance of 10-year KWD 125 Mn Subordinated Tier 2 bonds during the month. In a significant development, Saudi Telecom Company (STC) submitted an offer to raise its stake in the recently listed Viva Kuwait from 26% to 100%. The offer, which is pending approval from the CMA in Kuwait, led to heavy buying of Viva shares making it November-15's most active share by value traded (KWD 34.3 Mn) and pushed prices by 21.8% by the end of the month. The monthly most active list also included NBK (0.0%) and Agility (-3.7%) with KWD 30.7 Mn and KWD 24.6 Mn in value traded during the month, respectively.

The monthly gainers chart was topped by Zima Holding with a monthly return of 40.2% after the company recorded profits for 9M-15 as against loss during 9M-14. Yiac Medical came second on the list with a gain of 39.3% (despite reporting fall in 9M-15 earnings) followed by Tamdeen Investment (+38.3%) and Kout Food Group (+37.9%) both of which reported higher net profits. The monthly decliners chart was topped by Gulf Franchising Co. with a decline of 30% followed by Real Estate Trade Centers and Manazel Holding with monthly declines of 26.2% and 25.0%, respectively. The market breadth favored decliners that included 91 shares as against 61 gainers. Prices of 40 stocks remained unchanged during the month.

KSE Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Tadawul All Share Index	8,333.3	8,878.5	9,313.5	8,778.9	9,834.5	9,688.7	9,086.9	9,098.3	7,522.5	7,404.1	7,124.8	7,239.9
Monthly % Change	(3.4%)	6.5%	4.9%	(5.7%)	12.0%	(1.5%)	(6.2%)	0.1%	(17.3%)	(1.6%)	(3.8%)	1.6%
Market Cap (SAR Bn)	1,816.0	1,918.8	2,036.6	1,818.3	2,165.1	2,149.2	2,017.2	2,026.6	1,694.7	1,670.3	1,630.4	1,659.1
P/E (X) - TTM	14.90	15.30	16.24	16.17	19.26	19.08	18.82	18.91	15.81	15.59	15.22	12.93
P/BV (X) - TTM	2.00	2.10	2.21	1.79	2.13	2.11	2.14	2.15	1.80	1.77	1.73	1.58
Dividend Yield (%)	3.29%	3.10%	2.93%	3.28%	2.76%	2.78%	3.03%	2.38%	2.84%	2.88%	2.96%	4.14%
Volume (Mn Shares)	7,718	6,738	7,670	7,513	7,545	5,560	3,515	2,593	4,971	3,575	4,594	5,336
Value (SAR Mn)	203,019	162,456	194,325	206,269	197,358	162,395	112,807	84,411	116,281	79,409	102,429	107,616
Trades ('000)	3,830	3,067	3,083	3,353	3,154	2,876	2,151	1,615	2,473	1,638	2,039	2,140

Source: Tadawul, KAMCO Research

Saudi stock market saw a strong recovery during the second half of the month and closed at 7,239.93 points after the benchmark index tumbled below the psychological mark of 7,000 points to a 35-month low of 6,827.79 points. The recovery was led by a strong technical support further assisted by a recovery in oil price due to the threat of a deteriorating geopolitical situation in the Middle East. The market got a further boost when STC announced its plans to pay a minimum quarterly dividend of SAR 1 per share for three years beginning from Q4-15. The plan, which is yet to receive shareholder approval, also said that additional dividends are likely to vary based on STC's financial situation, outlook and capex requirements. Earlier during the month, the company had also submitted an offer to buy 100% stake in its Kuwaiti unit, Viva Kuwait, that is yet to receive a go ahead from the regulator in Kuwait.

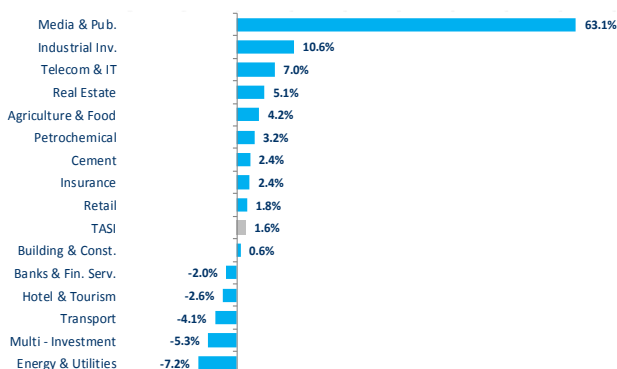
Trading activity also recovered during the month, although it continues to remain well below the historical average. Monthly volume traded increased from 4.6 Bn shares in October-15 to 5.3 Bn shares in November-15, resulting in average daily trades of 242.5 Mn shares as against 218 Mn shares during the previous month. Monthly value traded also recovered to SAR 107.6 Bn during November-15 as compared to SAR 102 Mn during the previous month. However, the average daily value traded saw a very marginal recovery (SAR 4.89 Bn in November-15 vs. SAR 4.87 Bn in October-15) due to less number of trading days during the previous month.

Saudi Arabia's government reportedly is in talks with local banks to sell local currency bonds, worth SAR 20 Bn. According to Maal financial website, the maturities reportedly are the same as the last issue in October, but the yields for the new offering are different. The three tranches of 5-year tranche, 7-year and 10-year will reportedly yield 2%, 2.25% and 2.90% respectively. Saudi Arabia will reportedly begin privatization of its airports from Q1- 2016, as the government seeks to support budgets, in the light of lower oil prices.

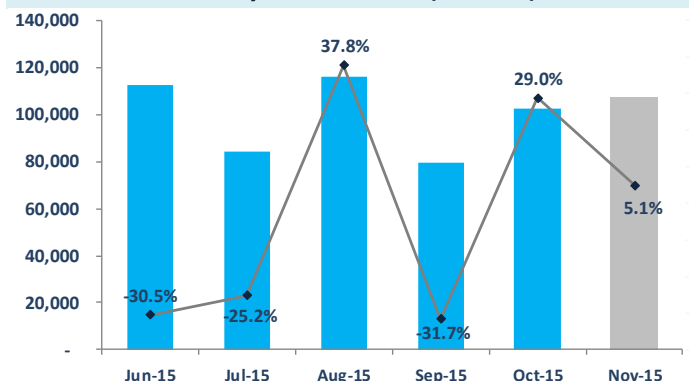
In Nov-15, the Cabinet passed an annual tax worth 2.5% of the value of undeveloped urban lands. Shortly, the Cabinet is expected to release implementation regulations, which will be issued by the Ministry of Housing, who will be working with other relevant bodies. The new system is expected into force in six months, and violations of the law are likely to be penalized, as revenues from the tax and fines will reportedly be used for housing projects as well as for implementing infrastructure facilities and services at these projects. Dar-Al Arkan saw its share price drop by 3.6% for the month of Nov-15 due to fears that its land bank could be taxed 2.5% following the annual tax implementation of 2.5% for underdeveloped lands. Meanwhile, Saudi Arabian Mining Co. (Maaden) saw its stock price increase by 7.0% in Nov-15 as banks committed to a loan of SAR 11.5 Bn loan for its phosphate business, replacing existing debt on favorable terms.

The monthly gainers chart was topped by Saudi Research and Marketing Group the second month in the row with a monthly return of 109.8% followed by Alinma Tokio Marine Co. (+44.8%) and Saudi Printing & Packing Co. (+40.5%). The monthly decliners chart saw Gulf Kingdom Holding Co. emerge as the main laggard with a decline of 14.2% followed by Al Khaleej Training & Education Co. and Arabia Ins. Cooperative Co. with monthly declines of 9.6% and 8.4%, respectively. The market breadth favored gainers for the month of Nov-15 as 100 shares advanced as against 66 losers.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
ADX General Index	4,528.9	4,456.8	4,686.2	4,467.9	4,647.1	4,527.6	4,723.2	4,834.2	4,493.9	4,502.8	4,322.0	4,236.4
Monthly % Change	(3.1%)	(1.6%)	5.1%	(4.7%)	4.0%	(2.6%)	4.3%	2.3%	(7.0%)	0.2%	(4.0%)	(2.0%)
Market Cap (AED Bn)	463.9	455.5	477.9	442.7	450.1	442.3	461.7	471.6	437.7	442.0	431.4	424.2
P/E (X) - TTM	12.66	12.39	13.00	8.16	8.41	8.27	8.59	8.78	8.15	8.23	8.02	10.14
P/BV (X) - TTM	1.53	1.43	1.50	1.41	1.44	1.41	1.46	1.49	1.39	1.40	1.37	1.37
Dividend Yield (%)	4.23%	4.30%	4.10%	4.43%	4.36%	4.43%	4.06%	3.98%	4.28%	4.24%	4.35%	5.16%
Volume (Mn Shares)	5,188	1,848	1,873	1,609	4,510	1,951	2,006	2,347	2,469	2,132	1,187	1,709
Value (AED Mn)	8,691	4,233	4,265	4,929	7,635	4,547	4,099	3,889	4,967	4,457	3,621	6,611
Trades	71,913	39,052	33,441	37,722	54,186	36,947	32,836	32,127	45,353	33,220	24,311	38,316

Source: Abu Dhabi Securities Exchange, KAMCO Research

ADX General Index recorded the second smallest monthly decline of 2.0% during November-15 to close at 4,236.4 points amid a significant increase in trading activity on the exchange. This was the second consecutive month of decline bringing the YTD-15 index decline to 6.5%, the smallest decline in the GCC and the only market to report single digit fall so far this year. The drop in the market came primarily on the back of the heavyweight Banking index that plunged 6.5% during the month followed by a decline of 1.8% for the Services index partially offset by a gain of 7.8% for the Telecom index.

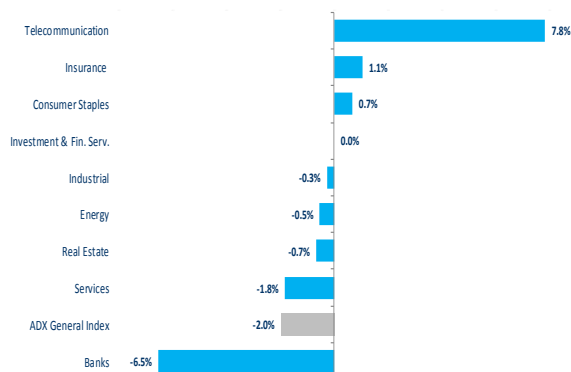
All the listed banks in Abu Dhabi declined during the month due to a fall in Q3-15 earnings and an apparent tightening liquidity conditions for the overall banking sector as well as some deterioration in asset quality. However, banks in the UAE continue to record growth in quarterly revenues, albeit at a marginal pace. Within the banking sector, ADCB led the decline with a fall of 16.7% followed by 13.1% fall in shares of Finance House that reported higher provisions during 9M-15 resulting in 11.7% drop in net profits. Meanwhile, gains reported by the Telecom index was solely on the back of 7.8% monthly return in Etisalat shares after the MSCI announcement that the company will be included in the MSCI Emerging Markets index.

Trading activity got a boost during the month with monthly volumes recorded at 1.71 Bn shares as compared to 1.2 Bn shares during the previous month. Monthly value traded almost doubled to AED 6.6 Bn as compared to AED 3.62 Bn during the previous month solely on the back of AED 3.85 Bn worth of Etisalat shares traded during the month making it the most active stock my monthly value traded. As a result, the telecom sector accounted for almost 59% of the total value of shares traded during the month followed by the banking sector at 19.9%. Aldar Properties and FGB were distant second on the most active by value chart with AED 772 Mn and AED 751 Mn in shares traded during the month.

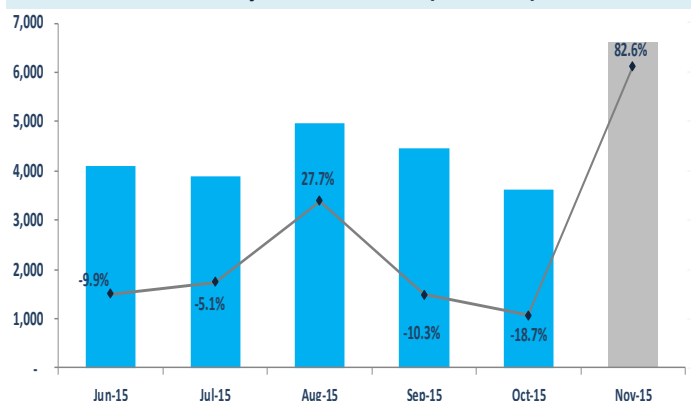
Meanwhile, in terms of volume of shares, Dana Gas topped the chart with 433 Mn shares on the back of news that the company won a USD 1.98 Bn judgement against the Kurdistan Regional Government. Other stocks in the list included Aldar Properties and Etisalat with 334 Mn shares and 242 Mn shares traded during the month, respectively. The average daily volume traded increased to 77.7 Mn shares during November-15 as compared to 59.7 Mn shares during October-15, whereas the average daily value traded increased from AED 181 Mn in the previous month to AED 300.5 Mn during November-15.

The monthly gainers chart was topped by Green Crescent Insurance that clocked a monthly return of 19.0% after an even higher return of 21% during October-15. Other gainers included Gulf Cement (+13.1%), Abu Dhabi Aviation (+11.7%) and National Marine Dredging (+11.1%) although monthly trades in these shares were very minimal. On the other hand, prominent monthly decliners included Eshraq Properties Co. and ADCB with a monthly share price decline of 17.7% and 16.7%, respectively. The market breadth was skewed towards decliners that included 27 companies as against 15 gainers.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
DFM General Index	3,774.0	3,674.4	3,864.7	3,514.4	4,229.0	3,923.2	4,086.8	4,143.2	3,662.6	3,593.3	3,503.8	3,204.3
Monthly % Change	(11.9%)	(2.6%)	5.2%	(9.1%)	20.3%	(7.2%)	4.2%	1.4%	(11.6%)	(1.9%)	(2.5%)	(8.5%)
Market Cap (AED Bn)	335.2	341.1	361.8	331.3	385.8	367.7	382.1	386.2	345.2	341.2	336.0	310.8
P/E (X) - TTM	14.46	12.16	12.90	11.33	13.20	12.59	12.58	12.72	11.38	11.24	11.07	9.50
P/BV (X) - TTM	1.41	1.34	1.43	1.30	1.52	1.45	1.46	1.48	1.32	1.30	1.28	1.24
Dividend Yield (%)	2.20%	2.16%	2.04%	2.23%	1.91%	2.00%	1.94%	2.22%	2.48%	2.51%	2.55%	3.35%
Volume (Mn Shares)	12,333	8,859	8,175	6,926	17,350	9,600	14,249	6,426	7,730	3,850	3,953	5,124
Value (AED Mn)	23,162	15,266	13,343	9,596	24,815	14,221	26,148	9,721	12,604	6,564	5,663	6,733
Trades	210,161	159,224	130,854	110,813	216,339	134,211	227,235	102,255	147,101	80,872	70,076	98,185

Source: Dubai Financial Market, KAMCO Research

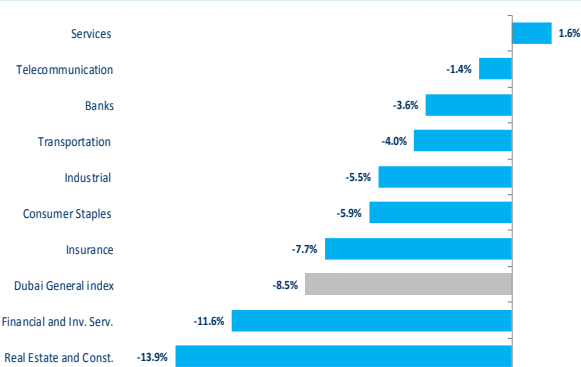
Dubai stock market declined for the fourth consecutive month in a broad-based sell-off triggered by weakness in Real Estate and Financial Services sectors. The DFM General Index declined by 8.5% during the month and closed at 3,204.28 points after briefly touching an 11-month low level of 3,146.21 points. The monthly decline during November-15 was the second steepest in the GCC, pushing YTD-15 decline to an even higher level of 15.1%. The index continues to trade just above the psychologically important level of 3,000 points after having declined by almost 23% since the end of July-15. The index recovered some lost points during mid-month buoyed by plans by the UAE government to spend AED 300 Bn to boost the non-oil GDP. The government also called for higher investments from the financial sector in its infrastructure projects as the country gears to host the Expo 2020 event. The government assured that the low oil prices would not force it to alter spending or investment plans.

Sector performance reflected the negative investor sentiments in the market with all the sectors closing the month in the red with the only exception of the Services index that gained marginally (+1.6%). The Real Estate & Construction Index plunged by 13.9% during the month as all the stocks within the sector reported negative monthly returns. Shares of Arabtec declined the most in the sector as well as in the overall market by 32.5% and closed the month at AED 1.1 per shares after the company swung to a net loss of AED 944.8 Mn in Q3-15. The company reported a 24% decline in sales, 21% increase in direct costs and a reversal of previously recognized claims. The company also warned that the regional construction sector would face difficulties and challenging market conditions in 2016, which affected the rest of the real estate stocks listed on DFM. However, shares of Arabtec got some support after the Chairman reassured that the low cost housing project in Egypt is still on cards and the company has some big ticket projects under discussion that it expects to close by the end of the year.

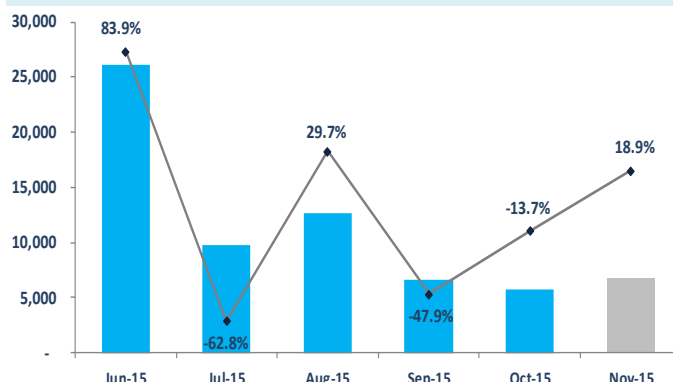
Shares of Drake and Scull International (DSI) scored second on the monthly losers chart as it declined by 26.6% and closed the month at AED 0.423 per share after touching an all time low price of AED 0.412 per share during the month. Shares of DSI declined after the company posted its first quarterly loss off AED 877.8 Mn in Q3-15 led by one off provisions related to ongoing arbitration and revenue adjustments. The company also announced that it will sell non-core assets in order to generate cash.

On the other hand, the monthly gainers list, which included merely 6 companies as against 36 decliners, was topped by Dubai National Insurance & Reinsurance with a gain of 8.3% followed by Ajman Bank and Mashrek Bank with monthly returns of 8.3% and 3.8%, respectively. Trading activity recovered during the month amid heavy selling activity with volumes up by almost 31% to 5.1 Bn shares as compared to 4 Bn shares during October-15. Meanwhile, value traded increased by 18.9% to AED 6.7 Bn as compared to AED 5.7 Bn during the previous month. Emaar Properties (-10.5%) remained the most active stock by value traded that reached AED 1.3 Bn followed by Arabtec and Damac Properties (-15.5%) at AED 1.11 Bn and AED 0.53 Bn, respectively.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
QE 20 Index	12,285.8	11,899.6	12,445.3	11,711.4	12,164.5	12,048.3	12,201.0	11,785.2	11,563.6	11,465.2	11,604.6	10,090.8
Monthly % Change	(3.7%)	(3.1%)	4.6%	(5.9%)	3.9%	(1.0%)	1.3%	(3.4%)	(1.9%)	(0.9%)	1.2%	(13.0%)
Market Cap (QAR Bn)	676.8	648.8	675.3	630.0	653.0	641.8	648.0	625.7	607.4	604.6	608.0	532.7
P/E (X) - TTM	16.65	15.28	15.93	14.75	15.29	15.03	14.31	13.81	13.41	13.35	13.42	11.229
P/BV (X) - TTM	2.32	2.11	2.20	2.01	2.07	2.03	2.17	2.10	2.04	2.03	2.04	1.58
Dividend Yield (%)	3.36%	3.50%	3.36%	3.60%	3.48%	3.54%	3.97%	4.11%	4.23%	4.25%	4.23%	5.04%
Volume (Mn Shares)	367	208	337	171	200	394	164	77	153	128	167	158
Value (QAR Mn)	16,586	10,167	12,434	8,136	8,362	13,602	7,272	3,456	6,748	5,524	5,759	6,334
Trades	174,100	126,765	135,557	107,902	108,714	139,246	84,557	64,170	100,914	78,606	82,986	77,351

Source: Qatar Exchange, KAMCO Research

Qatar Exchange witnessed the steepest monthly decline in the GCC during November-15 as all but one stock recorded gains during the month. The QE20 Index declined by 13% whereas the Qatar All Share Index declined 12.6%. Al Ahli Bank of Qatar was the only stock that reported a positive monthly return of 5.3% whereas the losers chart was topped by GISS with a decline of 26.7% after the company was removed by MSCI from its Emerging Markets Index and replaced by Qatar Gas Transport Co. (Naqilat). The broad-based selloff resulted in 10% increase in value traded during the month that reached QAR 6.3 Bn as compared to QAR 5.8 Bn during October-15. The volume of shares traded during the month declined by 5.2% to 158 Mn shares.

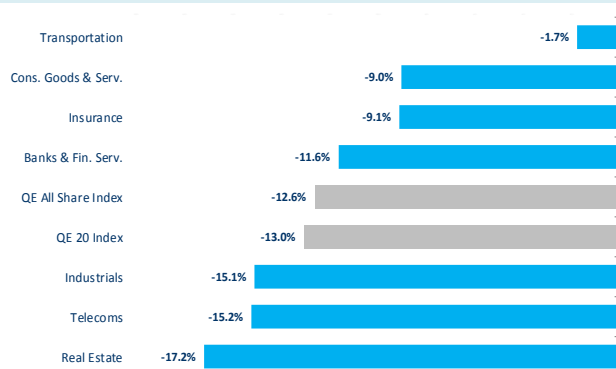
All sectoral indices ended in the red in November-15 with heavy-weight sectors such as Banks & Financial Services and Industrials losing 11.6% and 15.1% respectively. Real Estate index witnessed the steepest decline recording a drop of 17.2% followed by Telecoms, which receded by 15.2%. Telecom stocks Oredoo and Vodafone Qatar witnessed similar declines of over 15% for the month.

The Qatar Central Bank (QCB) will reportedly issue T-bills worth QAR 4 Bn on 1-December-15. The issue is reportedly worth QAR 2 Bn and will be issued with a maturity period of 3 months, ending on 1-March-16. QCB will also reportedly issue T-bills worth QAR 1 Bn with a maturity period of 6 months ending 2-June-16. Treasury bills worth another QAR 1 Bn will be issued with a maturity period of 9 months ending 1-September-16 as per QCB. The issue is reportedly expected to witness significant interest, as the banks have ample liquidity to purchase them.

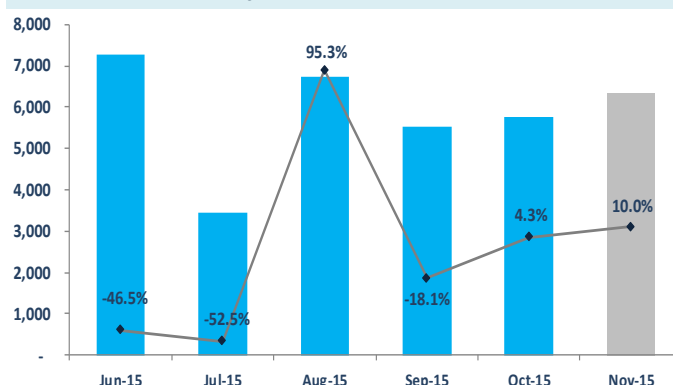
Qatar Gas Transport Co. (Naqilat) remained broadly flat (0.6%), despite its inclusion in MSCI emerging markets index. Qatar Electricity and Water Company (QEWAC), which owns 60% of the shares in its subsidiary Nebras Power, has announced that Nebras Power will acquire QEWAC's stake in AES Oasis Ltd. which owns a 60% stake in AES Jordan HoldCo Ltd. QEWAC mentioned that the transaction is in line with its strategy to invest in the international market through its subsidiary Nebras Power while QEWAC focuses on investments in power generation and water desalination in the Qatari market. As per a filing on the Qatar stock exchange, it was reported that Mannai Corporation, together with Apax France (jointly with Altamir) and Boussard & Gavaudan, announced they have entered into exclusive negotiations for Mannai Corporation to purchase a 51% equity and voting rights stake on a fully diluted basis in the GFI Informatique at a price of EUR 8.50 per share. The price values GFI Informatique at close to EUR 561 Mn.

Monthly gainers chart for Nov-15 included only one stock as all other stocks in the index ended in the red during the month. Ahli Bank of Qatar remained the only stock in the green, witnessing an increase of 5.3% for the month. On the losers side, GISS was followed by Al Khaleej Commercial Bank and Qatari German Co. for Medical Services with monthly declines of 21.8% and 19.7% respectively. Qatar Gas Transport Co. and GISS featured in the most active stocks following their inclusion and omission respectively from MSCI Emerging Market Index as QAR 985 Mn of Qatar Gas Transport was traded, while GISS witnessed trades worth QAR 702 Mn.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Bahrain All Share Index	1,426.57	1,424.37	1,474.81	1,449.98	1,390.62	1,363.67	1,367.83	1,331.66	1,299.24	1,275.89	1,250.37	1,232.57
Monthly % Change	(0.1%)	(0.2%)	3.5%	(1.7%)	(4.1%)	(1.9%)	0.3%	(2.6%)	(2.4%)	(1.8%)	(2.0%)	(1.4%)
Market Cap (BHD Mn)	8,099	8,086	8,378	8,242	7,917	7,904	7,928	7,840	7,645	7,494	7,410	7,319
P/E (X) - TTM	12.71	11.90	12.32	10.43	10.02	10.00	9.79	9.68	9.44	9.25	9.15	9.13
P/BV (X) - TTM	1.02	1.01	1.04	1.01	0.97	0.97	1.01	0.99	0.97	0.95	0.94	0.92
Dividend Yield (%)	3.53%	3.53%	3.41%	3.47%	3.61%	3.62%	4.59%	3.62%	3.71%	3.78%	3.83%	4.99%
Volume (Mn Shares)	29	14	27	24	79	82	28	19	26	87	28	63
Value (BHD Mn)	9	4	8	6	15	16	7	5	5	22	5	12
Trades	1,065	626	1,029	1,005	1,194	1,526	866	758	797	641	641	1,169

Source: Bahrain Bourse, KAMCO Research

Bahrain All Share Index continued to decline for the fifth consecutive month primarily due to decline in Industrial Stocks. Nevertheless, the index decline was the smallest in the GCC at 1.4% resulting in a YTD-15 decline of 13.6%. In terms of sector performance, the Industrial Index declined the most during the month (-15.5%) due to an equivalent fall in shares of Aluminum Bahrain after the company reported a 70% fall in Q3-15 net profit. The company also topped the losers chart for the month. The Commercial Bank Index was the only positive performing index in the market with a marginal monthly gain of 0.7%.

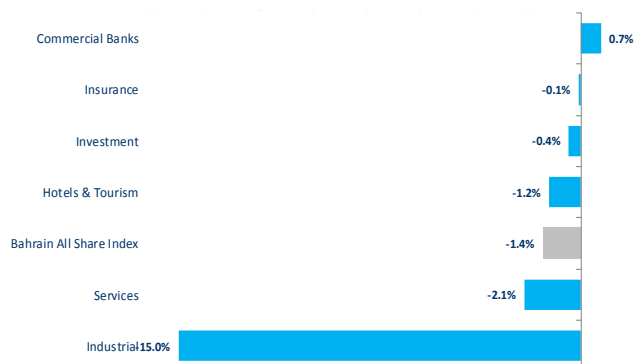
Trading activity jumped over 120% as against October-15 to reach 62 Mn shares for the month. Total value traded also increased over 116% to reach BHD 12 Mn as compared to BHD 5 Mn in October-15. The resulting average daily shares traded stood at 2.8 Mn shares as compared to 1.6 Mn shares during the previous month. Average daily trades in terms of value traded were recorded at BHD 0.5 Mn in November-15 as compared to BHD 0.3 Mn during Oct-15.

During the month, MSCI added Ahli United Bank to its Frontier Markets index resulting in a 3.7% increase in shares of the bank. Meanwhile, a 2-for-10 rights offer of shares by Bahrain Islamic Bank during the month was 100% subscribed, as per the bank. Under the capital increase plan, the bank offered 170,940,171 ordinary shares to existing shareholders with nominal value of 100 fils per share at a price of 117 fils. In a significant development, Fitch Ratings affirmed the Long-term Issuer Default Ratings (IDRs) of National Bank of Bahrain, Bank of Bahrain, and Arab Banking Corp at 'BBB-'. The agency also affirmed the IDR of Ahli United Bank IDR at 'BBB+'. Fitch provided 'Stable' outlooks on all the banks' Long-term IDRs.

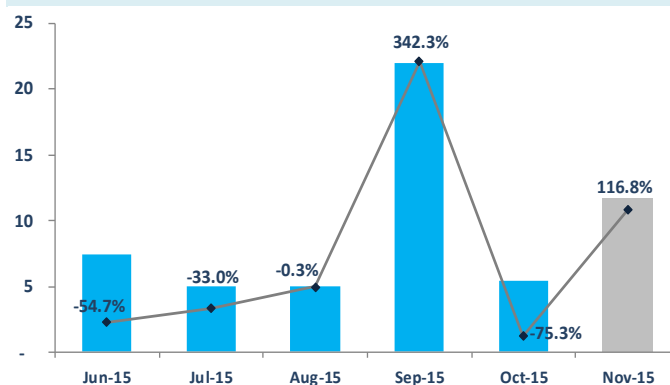
The best performer for the month of November -15 was AlKhaleeji Commercial Bank with a monthly return of 10.3%. Ahli United Bank followed with gains of 3.6% m-o-m for the month. On the losers chart, Aluminium Bahrain was the main laggard with a monthly decline of 15.5%, followed by Al Salam Bank (-15.2%) and Nass Corporation (-9.3%). United Gulf Bank featured as the most widely traded scrip in the exchange (BHD 4.8 Mn), followed by Ahli United Bank (BHD 2.1 Mn). Market breadth favoured losers as 13 stocks receded against 10 stock that gained during Nov-15.

On the economic front, Bahrain's minister for industry and commerce mentioned that the country is planning more subsidy cuts and it intends to impose charges for government services in 2016, in order to boost revenues offset by lower oil prices. Notable subsidy cuts that are studied are cuts on fuel and electricity subsidies. Moreover, Bahrain's USD 1.5 Bn bond sale in November-15 was issued at a premium, signalling lower appetite for such issues. 5-year bonds were priced at 5.875%, and the 10-year tranche at 7.000%. The existing Mar -2020 bonds were trading at 5.11%, up from around 3.75%, since the announcement of the bond issue plan in Oct -15. To ensure a successful sale of the debt, Bahrain paid a new-issue premium of about 70 basis points, pointing towards the fact that the market has deteriorated for GCC borrowers in the past year. The order book for the offer was around USD 2.4 Bn.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
MSM 30 Index	6,343.2	6,558.5	6,559.3	6,238.0	6,322.5	6,387.9	6,424.6	6,558.2	5,871.6	5,787.7	5,928.2	5,547.9
Monthly % Change	(2.5%)	3.4%	0.0%	(4.9%)	1.4%	1.0%	0.6%	2.1%	(10.5%)	(1.4%)	2.4%	(6.4%)
Market Cap (OMR Mn)	7,734	7,985	7,997	7,582	7,623	8,034	8,155	8,291	7,622	7,558	7,645	6,861
P/E (X) - TTM	10.31	10.48	10.49	10.05	10.10	10.36	10.69	10.87	9.99	9.91	10.02	10.04
P/BV (X) - TTM	1.51	1.50	1.50	1.41	1.42	1.45	1.51	1.53	1.41	1.40	1.41	1.20
Dividend Yield (%)	3.88%	3.76%	3.76%	3.92%	3.90%	3.67%	3.73%	3.79%	4.12%	4.16%	4.11%	4.90%
Volume (Mn Shares)	498	343	493	434	332	229	227	192	235	202	1,286	184
Value (OMR Mn)	158	96	166	121	97	70	65	54	74	61	190	59
Trades	29,868	23,924	27,345	24,653	16,525	11,991	12,393	11,055	15,789	11,430	13,690	8,595

Source: Muscat Securities Market, KAMCO Research

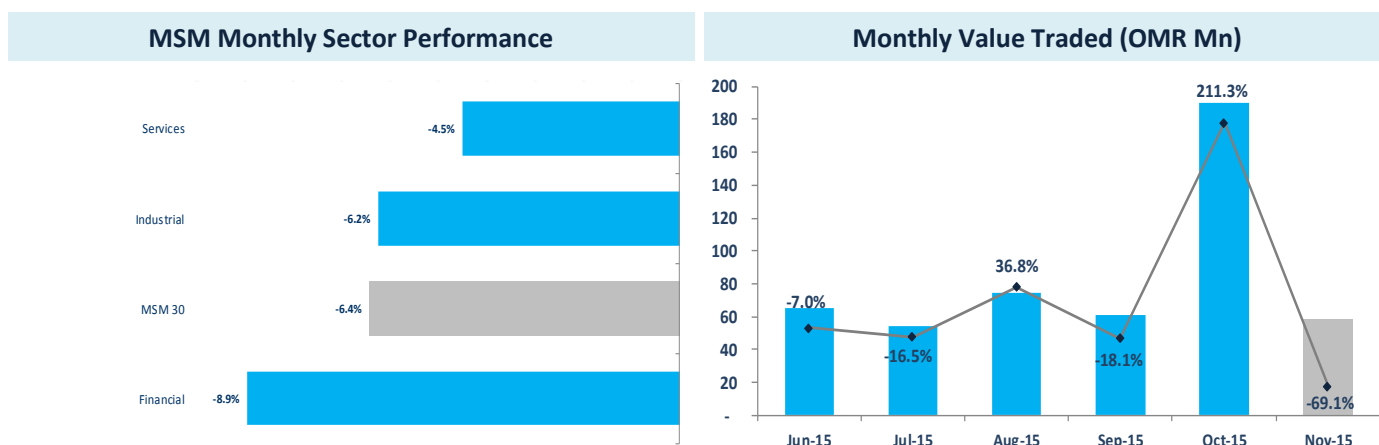
MSM30 index was back in the red during November-15 with a monthly decline of 6.4% pushing the index further into the negative zone in terms of YTD-15 performance that stood at 12.5%. Each individual sector indices also declined during the month with the Financial index recording the steepest monthly fall of 8.9% as all the stocks in the sector, with the only exception of one stock i.e. Global Financial Investment Co., declined during the month. The top three banks in the sector (Bank Muscat, National Bank of Oman and Bank Dhofar) lost almost OMR 145 Mn or 7% in market cap during the month despite these banks reporting a healthy growth in 9M-15 net profits. In the Industrial sector, which declined by 6.2% during November-15, none of the stocks reported positive returns during the month. Lastly, in the Services sector, National Gas was the only stock that recorded a marginal positive monthly return of 1.3%.

In terms of earnings performance, companies in the Financial sector recorded 4.1% increase in 9M-15 profits that reached OMR 301.1 Mn as compared to OMR 289.1 Mn in 9M-14. However, a decline in net profits for the Industrial and Services sectors more than offset the earnings improvement in the Financial sector resulting in a total exchange earnings of OMR 584 Mn, a decline of 4.9% as compared to OMR 614.2 Mn during 9M-14. Profits for the Industrial sector declined by a steep 19.2% to OMR 67.2 Mn whereas the decline for the Services sector stood at 10.7% at a profit level of OMR 215.9 Mn.

Trading activity saw a steep decline from the previous month's level primarily due to an unusual trade in shares of HSBC Bank Oman during October-15. Nevertheless, the level of trading activity during November-15 was still lower than the average activity during the previous months. Total monthly volumes were down to 183.4 Mn shares, well below historical averages whereas value traded during the month also declined to OMR 59 Mn as compared to OMR 190 Mn during the previous month. Consequently, the average daily value traded declined from OMR 64.3 Mn in October-15 to OMR 8.4 Mn during November-15. In the regular market, the Services sector contributed to the lion's share of total value traded recorded at 48.3% whereas the Financial sector contributed 41.2% to total market value traded during November-15.

The monthly gainers chart included merely the aforementioned two companies whereas the monthly decliners chart was topped by Al Jazeera Steel Products with a decline of 31.6% after the company reported almost 67% decline in 9M-15 net profits. Other prominent decliners included Al Jazeera Services and Al Anwar Holding with monthly decline of 20.6% and 16.0%, respectively. On the liquidity chart, Bank Muscat topped with monthly value traded totaling OMR 12.4 Mn followed by Oman Telecom and Al Jazeera Services at OMR 7.5 Mn and OMR 5.9 Mn.

In a significant development during the month, S&P downgraded Oman's credit rating to BBB+ from A- and retained the negative outlook citing widening budget deficit. The rating agency also projected a sharp increase in Oman's general government and current account deficits over 2015-2018 period.



Source: Muscat Securities Market, KAMCO Research

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