

GCC Markets Monthly Report

January-2019

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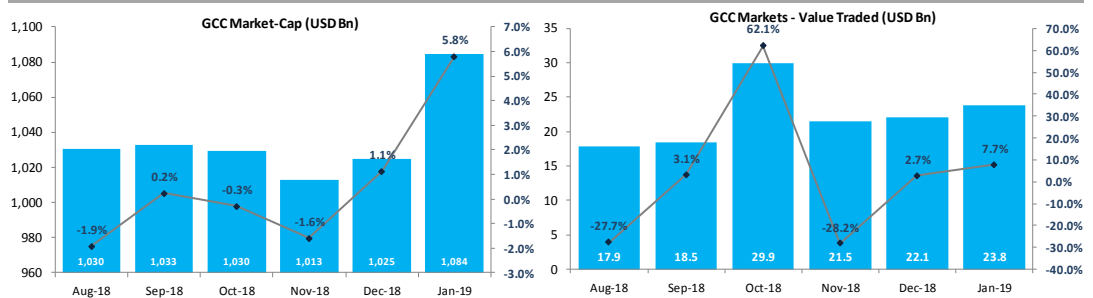
Global markets rally in the new year; optimism drives GCC markets...

The year 2019 started on a positive note with almost all the key global financial markets closing the month in the green. The easing of tensions between the US and China with China hinting at raising goods imports from the former by 2024 provided a boost to global sentiments. Emerging markets also turned positive after the US Fed hinted at being patient on future interest rate hikes and said it would be flexible in lowering its bond holdings. In addition, positive data related to US manufacturing activity further added to the optimism, although a late month report from China showed the slowest manufacturing activity since February-16.

Oil market was also positive during the month with oil price gaining almost 20%. Brent regained the USD 60/b mark after US imposed sanctions on Venezuela further supported by a decline in inventories in the US. The OPEC+ agreement to curb crude output also came into effect during January-19 further boosting prospects for oil prices.

GCC market activity followed global cues and were largely positive. The MSCI GCC index closed the month with a return of 7.4% after all GCC benchmarks showed growth during the month barring Oman. Tadawul was the best performing market during the month with a return of 9.4% followed by Qatar at 4.1%. GCC markets also got support from positive earnings announcements from some of the large-cap stocks in the region. The sector performance chart in the GCC also reflected the positive earnings trend in the GCC. Banks continued to attract investor interest in the GCC following outperformance during last year. Within the banking sector, Saudi banks topped the chart with double digit gains. Food & Beverage sector was also positive during the month recording double digit gains after a relative underperformance during most of 2018.

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 - Premier Market Index	5,430.1	3.1%	3.1%	98.5	2,019.1	15.0	1.2	3.9%
Kuwait - Main Market Index	4,798.1	1.3%	1.3%					
Kuwait - All Share Index	5,206.0	2.5%	2.5%					
Saudi Arabia	8,560.0	9.4%	9.4%	539.3	18,188.8	16.3	1.9	3.6%
Abu Dhabi	5,044.9	2.6%	2.6%	144.8	831.8	12.5	1.3	5.2%
Dubai	2,567.6	1.5%	1.5%	92.5	779.9	7.1	0.9	5.9%
Qatar	10,720.3	4.1%	4.1%	169.2	1,590.2	15.3	1.4	3.5%
Bahrain	1,391.4	4.0%	4.0%	21.9	215.6	8.9	0.8	5.5%
Oman	4,166.5	(3.6%)	(3.6%)	18.2	139.2	8.9	0.8	7.0%
Total GCC				1,084.3	23,764.6	13.9	1.5	4.1%



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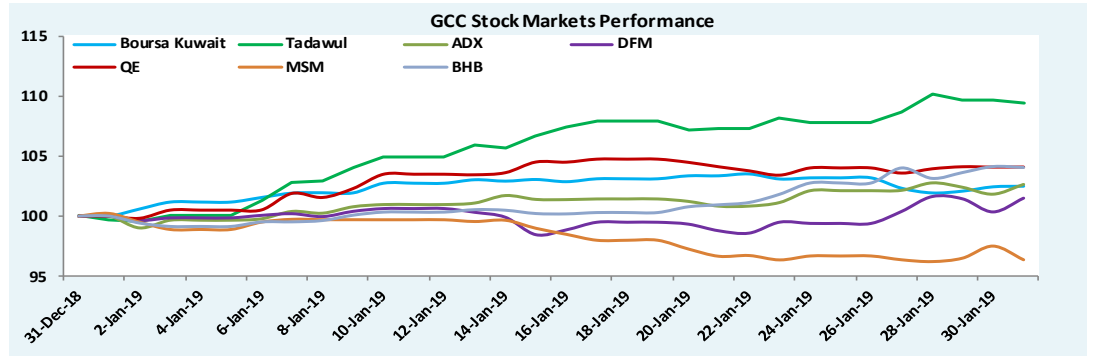
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Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Premier Market Index	4,982.6	5,000.0	4,778.7	4,690.6	4,904.8	5,297.0	5,261.8	5,343.9	5,234.2	5,317.8	5,267.4	5,430.1
Monthly % Change	1.2%	0.3%	(4.4%)	(1.8%)	4.6%	8.0%	(0.7%)	1.6%	(2.1%)	1.6%	(0.9%)	3.1%
Main Market Index	4,844.0	5,000.0	4,834.9	4,816.3	4,863.5	4,933.0	4,897.5	4,735.6	4,693.7	4,730.0	4,738.6	4,798.1
Monthly % Change	(2.2%)	3.2%	(3.3%)	(0.4%)	1.0%	1.4%	(0.7%)	(3.3%)	(0.9%)	0.8%	0.2%	1.3%
All Share Market Index	4,979.0	5,000.0	4,799.1	4,735.7	4,890.4	5,167.6	5,132.3	5,128.0	5,042.2	5,109.2	5,079.6	5,206.0
Monthly % Change	0.5%	0.4%	(4.0%)	(1.3%)	3.3%	5.7%	(0.7%)	(0.1%)	(1.7%)	1.3%	(0.6%)	2.5%
Thomson Reuters Kuwait TRI	197.5	201.6	198.1	194.5	202.6	215.6	214.2	215.5	212.4	215.5	214.9	218.3
Monthly % Change	1.6%	2.1%	(1.7%)	(1.9%)	4.2%	6.4%	(0.6%)	0.6%	(1.4%)	1.5%	(0.3%)	1.6%
Market Cap (KWD Mn)	28,036	28,158	26,912	26,607	27,473	29,205	28,989	29,054	28,578	29,059	29,013	29,745
P/E (X) - TTM	14.48	14.55	14.60	14.50	14.90	15.80	15.37	15.40	14.31	14.60	14.60	15.00
P/BV (X) - TTM	1.22	1.23	1.15	1.14	1.17	1.25	1.24	1.24	1.24	1.26	1.19	1.22
Dividend Yield (%)	4.34%	4.31%	3.44%	3.92%	3.88%	3.72%	3.78%	3.77%	3.89%	3.84%	3.86%	3.91%
Volume (Mn Shares)	1,316.2	1,156.4	1,348.6	1,198.0	1,017.4	2,916.2	1,789.5	2,100.8	1,464.2	1,944.7	2,487.4	3,960.0
Value (KD Mn)	207.3	227.3	240.8	204.8	242.1	633.4	356.5	523.8	309.8	284.8	574.6	610.0
Trades ('000)	54.5	55.4	61.0	57.4	47.5	126.5	85.2	91.7	75.6	75.7	101.5	123.1

Source: Kuwait Stock Exchange, KAMCO Research

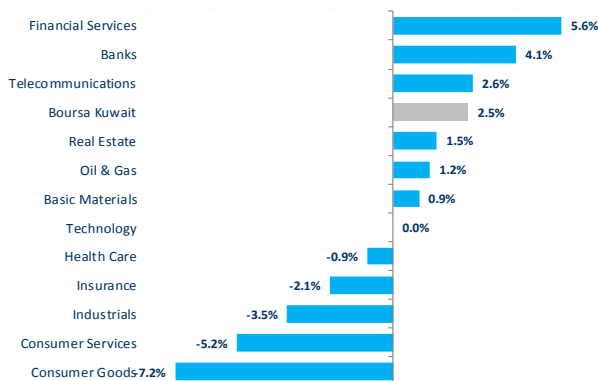
Kuwaiti stock market witnessed a broad-based surge during January-19 with all the three benchmarks closing the month in the green. Large-cap stocks remained investor's favorite pick with the representative Premier Market index gaining 3.1% during the month with 11 out of the 17 stocks showing positive monthly performance. Gains for the Main Market index was relatively muted at 1.3% resulting in 2.5% growth for the broader All Share Index.

Trading activity remained positive during the month with gains in both volume and value traded. Monthly volume of shares traded surged almost 60% to 4 Bn shares on the back of higher trades in small-cap stocks. On the other hand, monthly value traded saw marginal surge of merely 6% to reach KWD 610 Mn in January-19 as compared to KWD 575 Mn during December-18. A'ayan Leasing & Investment once again topped the monthly volume chart with trades more than doubling in the stock to reach 395 Mn shares as compared to 160 Mn shares during the previous month. Gulf Bank was next on the list with 337 Mn shares changing hands during the month followed by Ahli United Bank - Bahrain and Abyaar Real Estate Development with volumes of 332 Mn and 305 Mn, respectively. In terms of monthly value traded, Gulf Bank topped the list with KWD 90.2 Mn worth of traded shares followed by KFH and NBK at KWD 86.5 Mn and KWD 81.5 Mn, respectively.

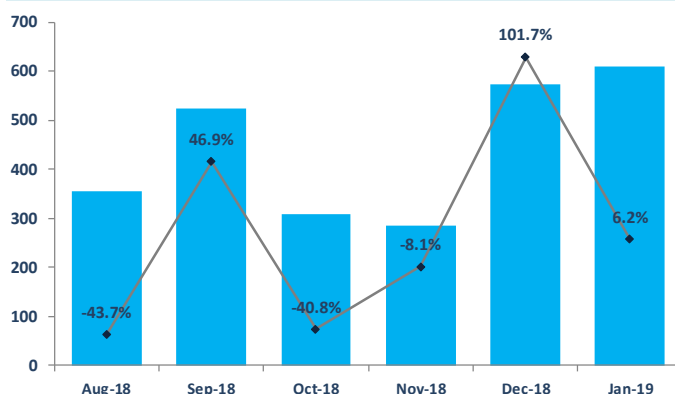
The sector performance chart was mixed during the month with the Financial Services index topping the monthly performance chart after gaining 5.6%. The Bank index was next on the list with a gain of 4.1% after all the banks recorded gains during the month barring KFH that declined marginally. Banking index got support from full year earnings for NBK, Boubayan Bank, KIB and Warba Bank with double digit net profit growth in 2018. The Telecom index was next on the monthly performance chart with a gain of 2.6%. On the decliners side, Consumer Goods and Consumer Services indices recorded the biggest monthly declines of 7.2% and 5.2%, respectively, following steep declines in shares of some of the bigger stocks in these sectors including Mezzan Holding (-9.6%), KCIN (-8.8%) and IFA HR (-37%).

The monthly gainers chart was topped by Wethaq Takaful Insurance with a gain of 52.3% followed by KMEFIC at 46.9% and Aayan Leasing & Investment with a gain of 30.0%. Shares of KMEFIC got a boost after AUB Bahrain and AUB Kuwait said they are in negotiations with Warba Bank to sell their 74.3% stake in KMEFIC. During the month KFH Chairman said that its merger with AUB is on track after conducting a feasibility study. Meanwhile, on the monthly decliners side, Kuwait Reinsurance topped with a decline of 37.9% followed by IFAHR and Yiaco Medical at 36.9% and 20.6%, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Tadawul All Share Index	7,418.8	7,870.9	8,208.9	8,161.1	8,314.2	8,294.8	7,948.3	7,999.5	7,907.0	7,703.0	7,826.7	8,560.0
Monthly % Change	(3.0%)	6.1%	4.3%	(0.6%)	1.9%	(0.2%)	(4.2%)	0.6%	(1.2%)	(2.6%)	1.6%	9.4%
Market Cap (SAR Bn)	1,749.3	1,873.2	1,929.4	1,957.8	1,983.1	1,970.2	1,893.5	1,899.8	1,873.8	1,814.4	1,855.8	2,022.3
P/E (X) - TTM	15.04	16.12	16.25	16.37	16.73	15.93	15.34	15.41	14.88	14.58	14.84	16.25
P/BV (X) - TTM	1.67	1.75	1.82	1.81	1.85	1.85	1.77	1.78	1.75	1.71	1.74	1.90
Dividend Yield (%)	3.99%	4.06%	3.75%	3.74%	3.62%	3.78%	3.93%	3.91%	3.94%	4.06%	4.00%	3.63%
Volume (Mn Shares)	3,065.6	3,570.2	4,839.5	3,706.3	1,933.7	2,881.1	2,020.9	2,227.3	3,856.8	2,689.8	2,553.9	2,883.1
Value (SAR Mn)	67,740.7	87,560.8	107,967.1	83,905.9	46,427.9	73,214.0	54,251.5	49,661.6	95,741.5	62,180.7	60,141.9	68,211.1
Trades ('000)	1,925	2,180	2,769	2,195	1,251	2,031	1,486	1,678	2,616	2,326	2,363	2,473

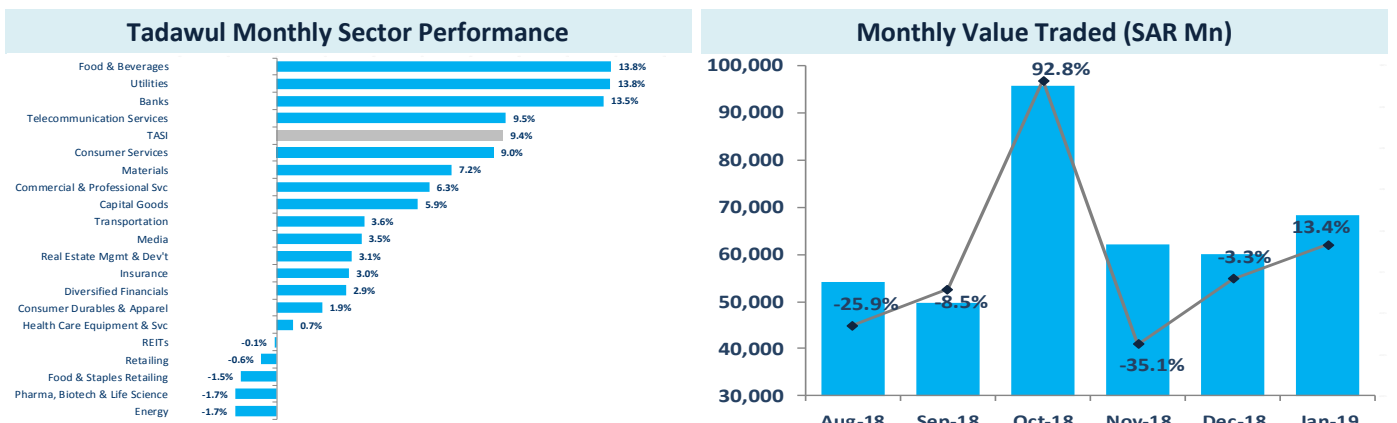
Source: Tadawul, KAMCO Research. Note: Trading data includes stocks in the Main Market.

The Saudi stock market surged for the second consecutive month in January-19 and recorded the best monthly performance in the GCC with gains of 9.4%. The gains were broad-based with a majority of the sectors closing the month in the green. The Food & Beverage Index topped monthly index performance with gains of 13.8% primarily backed by 26.5% gain in shares of Savola Group and 12.5% gain in shares of Almarai that more than offset decline in a majority of the stocks in the sector. Shares of Almarai were in an uptrend since the start of the month after it announced divesting its 33% stake in UFHC to SALIC for SAR 105 Mn although poor Q4-18 results that saw its bottom-line declining 28% did dent the share performance temporarily during the month after the result announcement. Utilities and Banks indices were next on the list with gains of 13.8% and 13.5%, respectively, while the Telecom index recorded a gain of 9.5%. Gains for the Banking index came after shares of all the banks in the market were in the green during the month with a majority of them recording double digit gains.

The monthly performance chart had two companies each from the Materials and Capital Goods sector in the top five list. Saudi Steel Pipes Co. topped the chart with a gain of 35% after the company was awarded a contract worth SAR 82 Mn to supply oil and gas steel pipes to Saudi Aramco. During the month, Tenaris also completed the acquisition of 47.79% stake in Saudi Steel Pipe. Saudi Cable was next on the gainers list followed by Savola Group with gains of 28.9% and 26.5%, respectively. On the decliners side, Saudi Enaya topped with a decline of 26.9% followed by Saudi Fisheries and Al Baha Development with declines of 12.5% and 9.3%, respectively.

Trading activity saw modest gains after two consecutive months of decline with gains recorded in both volume and value of shares traded on the exchange. Monthly volume of shares gained 13% to reach 2.9 Bn shares in January-19 as compared to 2.6 Bn shares in the previous month. Total value traded on the exchange also increased at a slightly higher rate of 13.4% to reach SAR 68.2 Bn as compared to SAR 60.1 Bn during the previous month. The monthly volume chart was topped by Dar Al Arkan with 245.4 Mn traded shares during the month followed by Alinma Bank and Saudi Kayan with 194.1 Mn and 191.8 Mn shares, respectively. In terms of monthly value, Al Rajhi Bank topped the month with shares worth SAR 6.4 Bn changing hands followed by SABIC and Alinma Bank with SAR 6.0 Bn and SAR 4.6 Bn in trades during the month, respectively.

On the regulatory front and in a significant move aimed at launching the derivatives market in the Kingdom, MSCI and Tadawul launched a tradable index on 30 biggest Saudi stocks during the end of January-19. The MSCI announcement said that the new index would serve as the basis for development of an index futures contract that would be listed on Tadawul that could be further licensed for other index linked financial instruments like mutual funds, derivatives and exchange-traded products. Furthermore, the Chairperson of Tadawul said that there are plans to list Saudi Stock Exchange by end of next year after the completion of listing procedures. Also, in another significant development, Tadawul also approved the Saudi Arabian Ministry of Finance's request to list two-tranche government debt instruments worth SAR 5.37 Bn.



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
ADX General Index	4,597.7	4,585.4	4,669.5	4,605.0	4,560.0	4,859.5	4,986.9	4,935.4	4,901.9	4,770.1	4,823.8	5,044.9
Monthly % Change	(0.1%)	(0.3%)	1.8%	(1.4%)	(1.0%)	6.6%	2.6%	(1.0%)	(0.7%)	(2.7%)	1.1%	4.6%
Market Cap (AED Bn)	503.4	499.7	502.4	491.1	486.8	510.9	518.3	518.2	513.5	504.1	518.8	531.9
P/E (X) - TTM	11.63	11.71	11.27	11.76	11.60	12.12	12.52	12.34	12.35	11.92	12.23	12.53
P/BV (X) - TTM	1.26	1.26	1.28	1.20	1.19	1.27	1.30	1.29	1.28	1.25	1.29	1.32
Dividend Yield (%)	6.01%	6.02%	5.93%	5.52%	5.60%	5.20%	5.07%	5.16%	5.19%	5.34%	5.18%	5.17%
Volume (Mn Shares)	1,026.9	1,305.5	1,546.9	1,403.4	942.2	686.5	597.7	1,029.2	1,141.7	1,103.4	942.7	629.3
Value (AED Mn)	2,348.6	2,902.3	2,807.8	2,971.8	2,485.7	2,124.5	2,193.1	3,278.0	3,067.7	4,572.6	4,886.3	3,055.3
Trades	17,775	20,106	22,015	26,261	17,927	16,717	15,859	22,373	24,775	32,303	26,212	30,042

Source: Abu Dhabi Securities Exchange, KAMCO Research

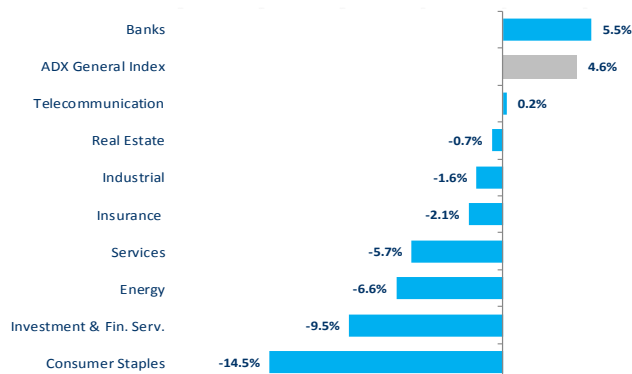
ADX witnessed gains for the second consecutive month in January-19 with the benchmark ADX General Index gaining 4.5% during the month. However, gains were mainly concentrated on Banking and Telecom stocks as the two sectors witnessed positive performance during the month while all the other sectoral benchmarks declined. The Banking index topped the monthly sector performance chart with a gain of 5.5% while gains for the Telecom index were marginal at 0.2%. On the decliners side, the Consumer Staples index declined by 14.5% during the month followed by Financial Services and Energy indices at 9.5% and 6.6%, respectively.

Performance within the banking sector was also largely positive with ADCB shares gaining almost 15% during the month followed by Union National Bank and Abu Dhabi Islamic Bank with gains of 10.9% and 8.0%, respectively. Banking stocks also featured in the monthly top performers chart with three out of the top five stocks by monthly returns being banks. The monthly gainers chart was topped by National Marine Dredging with a gain of 15.9% with minimal trading activity in the stock. ADCB was second on the list with a gain of 14.6% after the bank reported healthy growth in full year earnings. UNB and ADIB were next on the list with 10.9% and 7.9% gains, respectively. Shares of ADCB and UNB also got a boost after they agree to merge in a three-bank merger deal with Al Hilal Bank. The proposed merger would create the fifth largest bank in the region with AED 420 Bn in assets along with synergies in the form of higher productivity and economies of scale. The merged entity will be the second largest retail lender in the UAE by assets, with 21% share of retail loans and is expected to be completed during the first half of 2019.

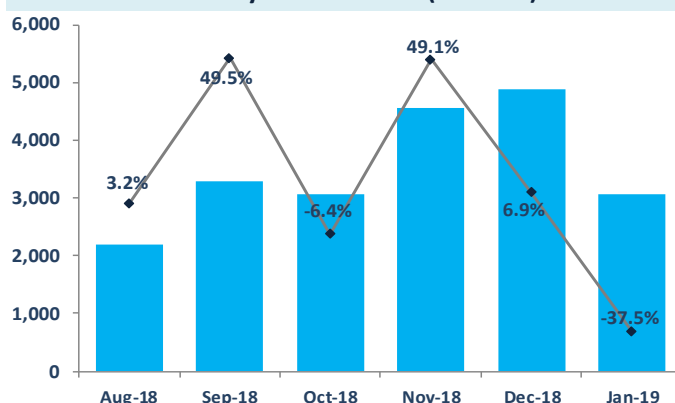
Trading activity on the exchange saw a steep decline during the month. Monthly volume of shares traded on the exchange dropped by a third to reach 629.3 Mn shares as compared to 942.7 Mn shares during the previous month. Monthly value traded also declined at a slightly higher pace of 37.5% to reach AED 3.1 Bn in January-19 as compared to AED 4.9 Bn during the previous month. First Abu Dhabi Bank topped the monthly value traded chart with AED 1.1 Bn in trades followed by Emirates Telecom and ADCB with AED 722.9 Mn and AED 364.6 Mn worth of shares changing hands during the month, respectively. On the monthly volume chart, Al Dar Properties topped with 139 Mn shares followed by Dana Gas and FAB with 105 Mn and 78.1 Mn shares traded during the month, respectively.

Key earnings releases during the month included ADCB which reported a net profit of AED 4.84 Bn for 2018, an increase of 13% y-o-y, supported by a healthy expansion in NIMs. Total operating income was AED 6.098 Bn and was up 3% y-o-y from 2017, as Consumer Banking and Wholesale Banking groups contributed to 43% and 33% of operating income. The Bank recommended a cash dividend of AED 0.46/share, equivalent to 49% of net profit. Meanwhile, The National Bank of Ras Al-Khaimah announced a net profit of AED 917.5 Mn for 2018, an increase of AED 107 Mn over 2017. Gross Loans and Advances were up 4.8% y-o-y from AED 34.8 Bn. In other news of listed equities Dana Gas, announced total 2018 cash collections from operations in Egypt, the Kurdistan Region of Iraq and Sharjah in the UAE of USD 324 Mn, which will support the company's growth plans as well as stated dividend distribution policy.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
DFM General Index	3,244.1	3,108.5	3,066.0	2,964.1	2,821.0	2,956.0	2,840.2	2,834.95	2,784.6	2,668.7	2,529.8	2,567.6
Monthly % Change	(4.4%)	(4.2%)	(1.4%)	(3.3%)	(4.8%)	4.8%	(3.9%)	(0.2%)	(1.8%)	(4.2%)	(5.2%)	1.5%
Market Cap (AED Bn)	377.6	375.6	373.7	358.7	352.1	372.2	362.4	360.5	354.7	346.2	334.3	339.7
P/E (X) - TTM	9.16	8.70	8.38	7.97	7.68	7.84	7.67	7.66	7.54	7.52	7.15	7.08
P/BV (X) - TTM	1.10	1.05	1.04	1.02	0.97	1.04	1.00	1.00	0.98	0.95	0.90	0.87
Dividend Yield (%)	4.71%	6.53%	5.01%	5.16%	5.39%	5.00%	5.74%	5.75%	5.91%	6.03%	6.24%	5.88%
Volume (Mn Shares)	3,812.5	3,559.5	2,633.8	4,919.0	3,361.0	3,448.2	1,718.9	4,089.7	4,257.4	2,899.0	3,859.3	2,453.4
Value (AED Mn)	5,964.5	5,561.6	4,065.4	7,001.7	4,914.5	4,156.5	2,492.8	4,378.6	4,374.8	3,784.2	3,682.4	2,864.8
Trades	67,869	52,549	46,580	72,982	53,145	50,788	26,532	50,403	55,567	47,042	52,594	48,929

Source: Dubai Financial Market, KAMCO Research

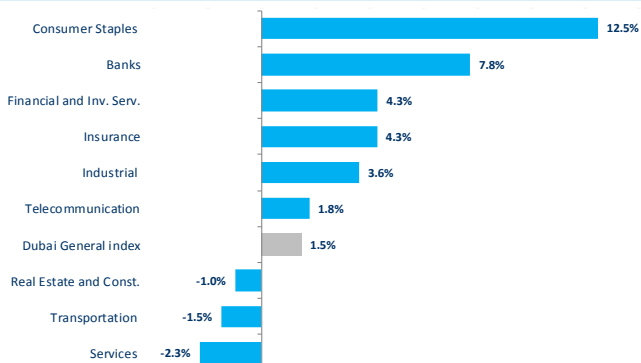
After declining for the last five consecutive months of 2018, the DFM index witnessed a marginal gain of 1.5% during January-19. Gains were largely broad-based with a majority of the sectors seeing gains during the month. The Consumer Staples index topped the monthly sector performance chart with a gain of 12.5% on the back of 14.6% surge in shares of DXB Entertainment that was partially blunted by 10% decline in shares of Dubai Refreshments. Shares of DXB Entertainment attracted investor interest after the company showed improved fundamentals in addition to the stock being oversold after seeing two consecutive years of decline in which the share price fell from AED 1.3 at the end of 2016 to around AED 0.233 per share at the end of 2018.

The Banking index was next with a gain of 7.8% after healthy gains in large-cap banking stocks were partially offset by declines in shares of some of the smaller banks. The Financial & Investment Services and Insurance indices were next both gaining 4.3% during the month. On the decliners side, the Services index witnessed the biggest drop of 2.3% followed by Transportation and Real Estate indices with declines of 1.5% and 1.0%, respectively. The Real Estate sector declined for the sixth consecutive month as the sector struggles with weak fundamentals plagued by oversupply and the consequent decline in prices. During January-19, the gain in shares of Emaar Properties (+4.4%), Arabtec (+13.7%) and Deyaar Development (+11.1%) were more than offset by double digit declines in shares of Damac Properties and Emaar Malls Group and 9.3% fall in shares of Emaar Development.

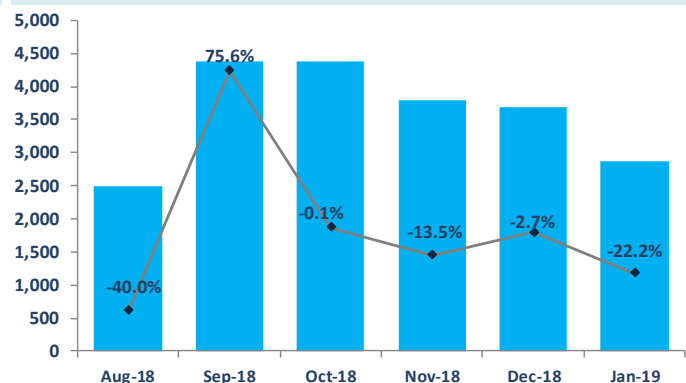
Trading activity on the exchange continued to slide reaching the lowest point in five months. Total volume of shares traded on the exchange declined by 36.4% to reach 2.5 Bn shares in January-19 as compared to 3.9 Bn shares in December-19. Monthly value traded also declined but a slightly lower pace of 22.2% to reach AED 2.9 Bn as compared to AED 3.7 Bn during the previous month. Union Properties topped the monthly volume chart with 471 Mn traded shares followed by DXB Entertainment and Islamic Arabic Insurance with 322.4 Mn and 308.4 Mn shares traded during the month. On the monthly value chart, Emaar Properties topped with shares worth AED 578.1 Mn changing hands during the month followed by Dubai Islamic Bank and Gulf Finance House with AED 447.2 Mn and AED 239.7 Mn of traded shares, respectively.

In full year earnings releases for 2018, Emirates NBD net profit was up 20% y-o-y to AED 10 Bn and the total assets surpassed AED 500 Bn for the first time in history. Net interest income increased 19% y-o-y on loan growth and an improvement in margins. The board recommended a 2018 dividend of 40 fils per share. Other banking major Commercial Bank of Dubai reported a 2018 net profit of AED 1,162 Mn, 16% higher y-o-y, driven by a 3.1% increase in operating income, a 4.7% decline in operating expenses and lower impairment allowances by 4.8%. Dubai Islamic Bank's net profit increased to AED 5,004 Mn, up 11% compared to AED 4,504 Mn for 2017. Separately, Tabreed reported a 7% increase in net profit to AED 427.6 Mn for 2018 by adding 39,061 RT of new connections resulting in the delivery of over 1.1 million refrigeration tons (RTs) of cooling capacity.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
QE 20 Index	8,653.3	8,574.0	9,112.0	8,880.5	9,024.0	9,825.1	9,886.5	9,813.3	10,300.9	10,364.5	10,299.0	10,720.3
Monthly % Change	(6.0%)	(0.9%)	6.3%	(2.5%)	1.6%	8.9%	0.6%	(0.7%)	5.0%	0.6%	(0.6%)	4.1%
Market Cap (QAR Bn)	461.2	470.5	509.3	491.7	493.6	539.9	546.3	547.4	580.5	588.4	588.7	615.9
P/E (X) - TTM	12.23	12.21	12.82	12.72	12.68	13.75	13.82	13.84	14.47	14.75	14.65	15.32
P/BV (X) - TTM	1.11	1.12	1.20	1.16	1.17	1.27	1.29	1.29	1.35	1.38	1.37	1.43
Dividend Yield (%)	4.67%	4.67%	4.36%	4.55%	4.51%	4.15%	4.09%	4.09%	3.88%	3.81%	3.84%	3.53%
Volume (Mn Shares)	165.1	260.8	249.1	265.9	170.1	166.0	107.8	134.7	125.2	148.8	239.7	218.3
Value (QAR Mn)	3,948.1	6,447.5	6,074.9	10,703.2	7,966.4	4,485.2	3,187.9	4,460.4	4,270.8	5,580.1	5,252.7	5,789.6
Trades	66,867	89,162	81,989	107,738	78,360	70,475	59,202	67,546	73,785	97,199	152,156	138,925

Source: Qatar Exchange, KAMCO Research

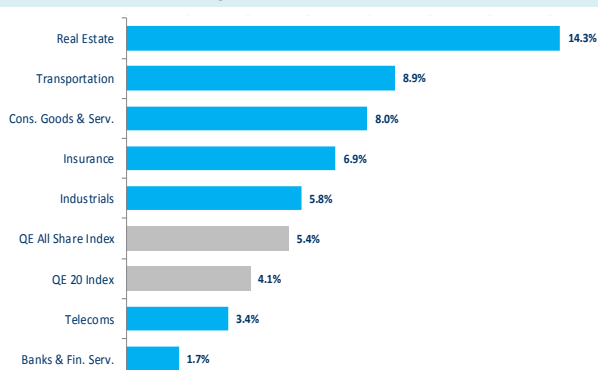
Qatar witnessed the second-best monthly returns in the GCC during January-19 with the QE 20 Index gaining 4.1% during the month. The Qatar All Share Index witnessed a bigger gain of 5.4% during the month indicating investor interest across the market segment. Sectoral index performance also reflected the broad-based gains as all the sectors closed the month with gains. The Real Estate index witnessed the biggest gain of 14.3% backed by 20.4% gain in shares of Ezdan Holding Group and 13.8% gain in shares of United Development Company. The Transportation and Consumer Goods & Services indices were next on the list with monthly gains of 8.9% and 8.0%, respectively. All the three listed stocks in the transportation sector saw gains during January-19 with double digit gains for shares of Nakilat and Gulf Warehousing Co. In the Consumer Goods & Services sector the decline reported by Qatar Cinema (-16.9%) and Widam (-2.8%) were more than offset by gain in all the other stocks in the sector. Also, unlike most of the GCC markets, Banking index in Qatar witnessed the smallest relative gains of 1.7% during the month.

Trading activity on the exchange was mixed during the month. Monthly volume traded declined by 8.9% to reach 218.3 Mn shares in January-19 as compared to 239.7 Mn shares during the previous month. On the other hand, monthly value traded gained 10.2% to reached QAR 5.8 Bn as compared to QAR 5.3 Bn during the previous month. In terms of monthly volume, Qatar Aluminium topped with 34.3 Mn shares traded during the month followed by Qatar First Bank and United Development Co. with 28.1 Mn and 21.5 Mn shares traded. On the monthly value chart, QNB topped with QAR 1 Bn worth of trades during the month followed by Industries Qatar and Qatar Aluminium at QAR 441.9 Mn and QAR 437.2 Mn, respectively. In terms of sector contribution, the Banks and Financial Services sector led trading value during January-19, accounting for 38.9% of the total trading value, followed by Industrials sector at 26.2% and the Real Estate sector at 12.2%.

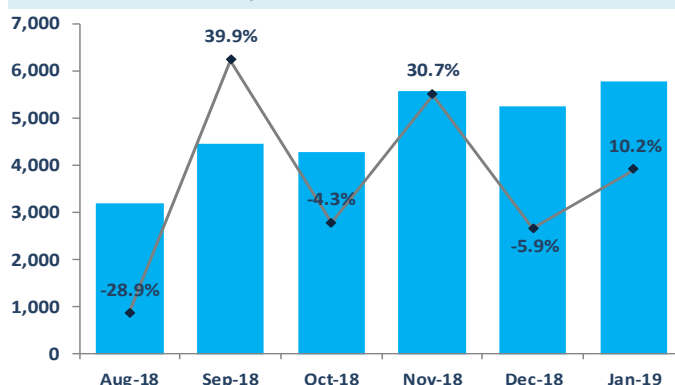
Qatar National Cement topped the monthly gainers chart with gains of 24.5% after the company recorded 6.4% growth in net profits for 2018 and recommended cash dividend of 5 Riyals per share for 2018. Ezdan Holding was next on the gainers list with gains of 20.4% followed by Salam International Investment and Zad Holding with gains of 15.5% and 15.4%, respectively. On the decliners side, Qatar Cinema topped with a decline of 16.9% followed by Qatar Aluminium and Doha Insurance with declines of 9.3% and 6.0%, respectively. The monthly market breadth was skewed towards gainers that included 35 companies as against 11 decliners.

In full year earnings releases, QNB's net profit reached QAR 13.8 Bn in 2018, up 5% compared to 2017, despite the impact of the Turkish Lira devaluation. QNB Group's cost to income ratio fell from 25.8% in 2018, from 29.1% in 2017 as the bank showed more efficiency. The board have proposed a cash dividend payout ratio of 60%. Meanwhile, QIB' net profit surged 14.5% in 2018 and the board proposed a dividend distribution QAR 5 per share, 50% of the nominal share value. Total income for 2018 was QAR 6,899.7 Mn registering a 11.3% growth as compared to QAR 6,199.3 Mn for 2017. In other earnings, Widam Food net profit grew marginally to QAR 108.39 Mn in 2018 as compared to net profit of QAR 108.08 Mn for 2017.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Bahrain All Share Index	1,369.90	1,318.40	1,257.88	1,265.80	1,310.99	1,358.35	1,338.10	1,338.55	1,314.73	1,328.81	1,337.26	1,391.42
Monthly % Change	1.4%	(3.8%)	(4.6%)	0.6%	3.6%	3.6%	(1.5%)	0.0%	(1.8%)	1.1%	0.6%	4.1%
Market Cap (BHD Mn)	7,900	7,516	7,509	7,531	7,667	7,948	7,830	7,832	7,701	7,859	7,948	8,265
P/E (X) - TTM	9.89	9.46	9.11	8.51	8.69	8.71	8.45	8.79	8.74	8.45	8.60	8.93
P/BV (X) - TTM	0.83	0.78	0.76	0.77	0.78	0.81	0.80	0.80	0.79	0.79	0.80	0.82
Dividend Yield (%)	5.24%	5.45%	5.65%	5.92%	5.81%	5.61%	5.70%	5.69%	5.76%	5.77%	5.69%	5.48%
Volume (Mn Shares)	178.0	101.9	86.6	82.4	56.2	190.5	82.8	115.2	126.6	85.4	194.6	140.7
Value (BHD Mn)	31.0	36.8	16.8	14.5	12.8	24.9	18.7	22.1	28.8	23.5	89.3	81.3
Trades	1,871	1,303	1,384	1,429	1,104	2,329	1,493	1,320	1,720	1,265	1,521	2,293

Source: Bahrain Bourse, KAMCO Research

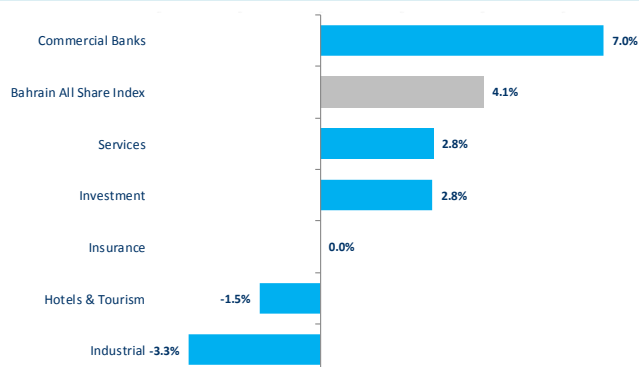
The Bahrain Bourse was the third best performing market in the GCC during January-19 with the benchmark gaining 4% during the month. This was also the third consecutive month of gains for the benchmark which saw Commercial Banks being the top monthly performer with the representative index gaining 7.0% during the month. The Services and Investment indices gained 2.8% during January-19 while the decliners included the Industrial and the Hotel & Tourism indices with fall of 3.3% and 1.5%, respectively. Performance within the Commercial Banking sector was mixed with three gainers and three losers during the month however, the overall performance was swayed by 10.2% gain in shares of AUB and 9% gain in shares of National Bank of Bahrain. Shares of AUB got a boost after the bank agreed to merge with KFH to create the largest banking entity in Kuwait with assets of about USD 94 Bn and the sixth largest bank in the gulf region.

Monthly trading activity declined during January-19 after seeing significant improvement during the previous month. Monthly volume traded declined by 30% to reach 136.7 Mn shares in January-19 as compared to 194.6 Mn shares during December-18. Monthly value traded also declined but at a much lower pace of 8.6% to reach BHD 81.7 Mn as compared to BHD 89.3 Mn during December-18. AUB topped the monthly volume and value traded chart with 95.3 Mn shares changing hands during the month valued at BHD 68.6 Mn. GFH was next on the both the volume and value chart with 12.6 Bn traded shares valued at BHD 3.1 Mn.

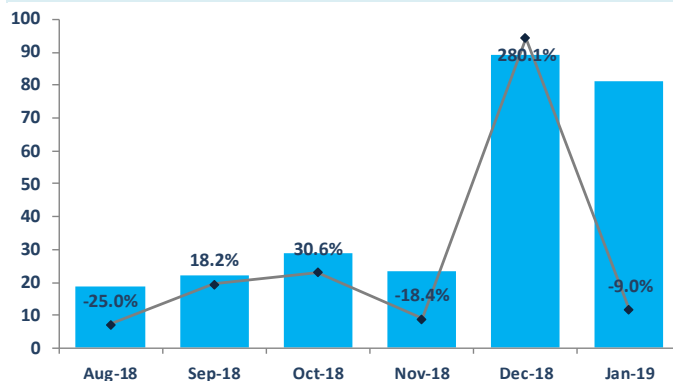
Ithmaar Holding topped the monthly gainers chart with a gain of 11.8% although trades in the stock were minimal. AUB was next on the list with a gain of 10.2% followed by NBB and Batelco with gains of 9.0% and 7.1%, respectively. On the decliners side, Khaleeji Commercial Bank topped after its shares fell 19.0% during the month followed by Inovent and Nass Corp. with declines of 8.8% and 6.9%, respectively, amid thin trading in both the stocks during the month. The monthly market breadth favored gainers that included 13 companies as against 7 decliners for the month.

In earnings announcements for full year 2018, National Bank of Bahrain reported a 14.8% y-o-y rise in net profit, which reached BHD 70.0 Mn as compared to BHD 61.0 Mn in 2017. The increase was driven by gaining new clients and diversifying products and services offered. Net interest income in 2018 increased 19.4% y-o-y to BHD 87.2 Mn as compared with BHD 73.1 Mn in 2017. Based on the results, the board of directors proposed a cash dividend for 2018 of 25% (2017: 25%) amounting to BHD 35.1 Mn. The Board also proposed a 1:10 bonus issue of BHD 14.0 million. The total cash and stock for 2018 amounts to 35% payout. Separately Alba reported sales volume of 1,012,548 metric tonnes (mt) for full year 2018, up by 3.5% y-o-y, versus 978,195 mt in 2017, while production topped 1,011,101 mt, up 3% y-o-y as compared to 981,016 mt in 2017. Value-Added (VA) sales averaged 60% of total shipments versus 57% in 2017. Alba also announced the closing of the final instalment of the 2nd tranche in respect of the financing of Aba's Line 6 Expansion Project, consisting of c.USD 136 Mn and c. EUR 90 Mn from Export Credit Agency (ECA) supported-facilities.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
MSM 30 Index	5,003.4	4,773.5	4,729.1	4,606.7	4,571.8	4,336.6	4,419.3	4,543.7	4,422.9	4,412.1	4,323.7	4,215.8
Monthly % Change	0.1%	(4.6%)	(0.9%)	(2.6%)	(0.8%)	(5.1%)	1.9%	2.8%	(2.7%)	(0.2%)	(2.0%)	(2.5%)
Market Cap (OMR Mn)	8,048	7,761	7,582	7,491	7,397	7,132	7,240	7,528	7,350	7,391	7,233	7,002
P/E (X) - TTM	11.01	10.77	10.16	10.01	10.08	9.34	9.36	9.65	9.15	9.36	9.25	8.91
P/BV (X) - TTM	0.88	0.85	0.84	0.82	0.82	0.82	0.82	0.85	0.83	0.84	0.83	0.79
Dividend Yield (%)	5.84%	6.00%	6.05%	6.26%	6.34%	6.67%	6.49%	6.36%	6.54%	6.54%	6.66%	6.96%
Volume (Mn Shares)	292.7	480.7	627.0	757.1	198.8	215.1	153.8	230.2	213.7	283.5	257.6	261.7
Value (OMR Mn)	54.8	96.3	98.6	154.8	36.0	56.8	24.9	48.6	40.1	32.8	42.2	53.6
Trades	14,645	16,024	18,294	14,955	6,333	8,955	6,286	11,405	9,457	7,677	8,442	8,380

Source: Muscat Securities Market, KAMCO Research.

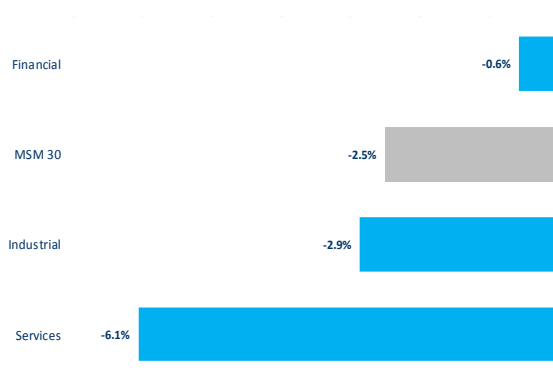
The MSM 30 index continued to slide in the new year with the index reaching a new record low. The benchmark reached the lowest point since 2005 on 29-January-19 only to recover with marginal gains during the last two trading sessions to close the month at 4,166.47 points, recording a decline of 3.6% for January-19. All the three benchmark indices on the exchange witnessed declines during the month with the Services index falling by 6.1% followed by 2.9% decline for the Industrial index while the Financial index declined marginally by 0.6% during January-19.

Trading activity in the equity market improved during the month on the back of higher selling activity on the exchange. Total volume of shares traded on the exchange gained marginally by 1.6% to reach 261.7 Mn shares in January-19 as compared to 257.6 Mn shares in December-18. Monthly value traded saw a bigger jump of 26.9% to reach OMR 53.6 Mn during the month as compared to OMR 42.2 Mn during the previous month. Volume traded in the regular market was up 50% during the month which more than offset the 24% decline in volumes in the parallel market. Similarly, the value of shares traded in the regular market stocks increased by more than two-thirds to OMR 33.9 Mn while that in the parallel market declined by 10% to reach OMR 19.7 Mn. The Financial sector continued to account for a lion's share of the total value of trades during the month that reached OMR 28.9 Mn or 54.0% while the Industrial sector accounted for 26.6% or OMR 14.2 Mn.

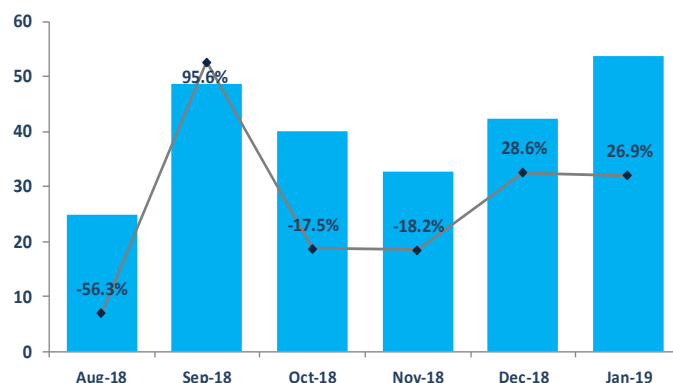
The share of Omanis in total value of buy transactions on the exchange (including trades in the bond market) increased marginally to 91.23% in January-19 as compared to 90.37% during December-18. However, in absolute terms the value of buy transactions by Omanis declined by 13.1% in January-19 to reach OMR 48.9 Mn as compared to OMR 56.3 Mn in December-18. In terms of value of sell trades, trading by Omanis totaled OMR 46.9 Mn during the month as compared to OMR 52.7 Mn in December-18 while their share increased from 84.55% in December-18 to 87.5% in January-19 making them net buyers in the market. Participation of foreign investors in the market saw a steep decline in terms of value of sell trades at 3.6% vs. 9.8% during December-18 and a relatively smaller drop in terms of share of value of buy trades at 4.3% in January-19 as compared to 5.6% during the previous month.

The monthly gainers chart for the regular market stocks was topped by Oman Investment & Finance with a gain of 7.8% despite the company reported marginal increase in topline and a 33% decline in net profits for 2018. Dhofar International Dev and Inv Holding was next on the list with a gain of 7.1% followed by United Finance and Al Anwar Ceramic Tiles with gains of 5.7% and 4.2%, respectively. On the other hand, the decliners chart was topped by Voltamp Energy with its shares falling 12.6% during the month followed by Omantel and Al Madina Takaful with declines of 9.1% and 8.4%, respectively. Shares of Omantel declined after the company said it will have to pay OMR 75 Mn to the TRA for the renewal of its telecom license for a period of 15 years. The renewal will only include existing license to the telco and will not include 5G spectrum.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research

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