

## GCC Markets Monthly Report

March-2015

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*Market turbulence increased during the second half of March-15, initially on the back of renewed concerns regarding oil prices followed by the news about Yemen crisis that started a panic sell-off especially in Saudi Arabia, sending the benchmark TASI Index down by almost 5% on 25-March-15. Although the markets recovered in the subsequent trading sessions, the 2-day steep decline had eroded the gains recorded during February-15 and the first half of March-15 for all of the GCC equity markets.*

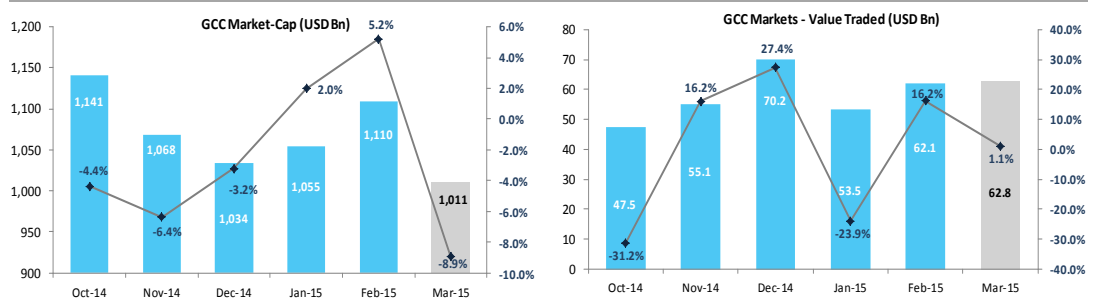
*Amid the selloff, a majority of the selling activity was triggered by international investors who offloaded their holdings in a panic situation, whereas local investors were net buyers of fundamentally strong stocks. The buying by local investors has provided support to the equity markets from time to time and has prevented the stock markets to fall further.*

*In the oil market, the announcement from Kuwait that OPEC will not hold an extra ordinary meeting and would keep oil production unchanged at the June meeting added renewed pressure on oil prices. The news came especially after expectations of oil prices firming up started gaining momentum.*

*Total value traded in the GCC equity markets increased slightly to USD 62.8 Bn during March-15 as compared to USD 62.1 Bn during February-15, whereas total GCC market capitalization witnessed a steep decline of 8.9% as all the markets ended in the red zone.*

*We expect the GCC equity markets to continue to tread water as positive news from corporate profitability improvements and dividend announcements are offset by developments in the oil market as investor sentiments continue to swing in line with the movement in oil prices.*

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Value Traded (USD Mn)	P/E (x)	P/B (x)	Div. Yield
Kuwait - Weighted Index	427.2	(6.7%)	(2.7%)	100.4	1,296.1	17.0	1.2	3.7%
Kuwait - TRW Index	2,676.6	(5.6%)	(2.9%)					
Kuwait - Price Index	6,282.5	(4.8%)	(3.9%)					
Saudi Arabia	8,778.9	(5.7%)	5.3%	484.9	55,002.4	16.2	1.8	3.3%
Abu Dhabi	4,467.9	(4.7%)	(1.3%)	120.5	1,342.1	8.2	1.4	4.4%
Dubai	3,514.4	(9.1%)	(6.9%)	90.2	2,612.6	11.3	1.3	2.2%
Qatar	11,711.4	(5.9%)	(4.7%)	173.0	2,234.6	14.8	2.0	3.6%
Bahrain	1,450.0	(1.7%)	1.6%	21.9	15.3	10.4	1.0	3.5%
Oman	6,238.0	(4.9%)	(1.7%)	19.7	314.5	10.0	1.4	3.9%
<b>Total GCC</b>				<b>1,010.6</b>	<b>62,817.6</b>	<b>13.6</b>	<b>1.6</b>	<b>3.4%</b>



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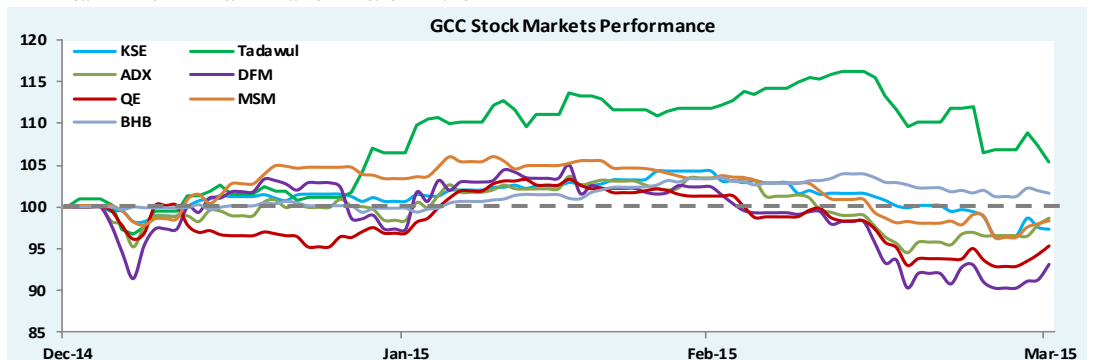
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Source: GCC Stock Exchanges, KAMCO Research

## Kuwait Stock Exchange

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>KAMCO TRWI</b>	<b>2,977.7</b>	<b>2,978.5</b>	<b>2,879.0</b>	<b>2,931.9</b>	<b>2,974.5</b>	<b>2,985.4</b>	<b>2,931.1</b>	<b>2,816.7</b>	<b>2,755.4</b>	<b>2,767.7</b>	<b>2,834.5</b>	<b>2,677.7</b>
Monthly % Change	1.3%	0.0%	(3.3%)	1.8%	1.5%	0.4%	(1.8%)	(3.9%)	(2.2%)	0.4%	2.4%	(5.5%)
<b>KSE Price Index</b>	<b>7,407.7</b>	<b>7,291.1</b>	<b>6,971.4</b>	<b>7,130.9</b>	<b>7,430.5</b>	<b>7,621.5</b>	<b>7,361.6</b>	<b>6,752.9</b>	<b>6,535.7</b>	<b>6,572.3</b>	<b>6,601.4</b>	<b>6,282.5</b>
Monthly % Change	(2.2%)	(1.6%)	(4.4%)	2.3%	4.2%	2.6%	(3.4%)	(8.3%)	(3.2%)	0.6%	0.4%	(4.8%)
<b>KSE Weighted Index</b>	<b>491.8</b>	<b>493.1</b>	<b>469.8</b>	<b>481.8</b>	<b>492.1</b>	<b>494.4</b>	<b>482.2</b>	<b>454.5</b>	<b>438.9</b>	<b>441.8</b>	<b>457.7</b>	<b>427.2</b>
Monthly % Change	1.8%	0.3%	(4.7%)	2.6%	2.1%	0.5%	(2.5%)	(5.7%)	(3.4%)	0.7%	3.6%	(6.7%)
<b>Kuwait 15 Index</b>	<b>1,201.7</b>	<b>1,208.7</b>	<b>1,140.1</b>	<b>1,176.6</b>	<b>1,200.4</b>	<b>1,203.8</b>	<b>1,170.7</b>	<b>1,105.8</b>	<b>1,060.0</b>	<b>1,072.7</b>	<b>1,116.9</b>	<b>1,021.4</b>
Monthly % Change	2.3%	0.6%	(5.7%)	3.2%	2.0%	0.3%	(2.8%)	(5.5%)	(4.1%)	1.2%	4.1%	(8.5%)
<b>Market Cap (KWD Mn)</b>	<b>33,058</b>	<b>32,989</b>	<b>31,328</b>	<b>32,174</b>	<b>32,860</b>	<b>33,021</b>	<b>32,178</b>	<b>30,432</b>	<b>29,706</b>	<b>29,914</b>	<b>30,995</b>	<b>28,437</b>
P/E (X)	19.90	20.02	19.02	19.63	20.05	20.70	20.20	19.01	18.48	17.80	18.43	17.03
P/BV (X)	1.46	1.43	1.38	1.42	1.45	1.46	1.43	1.35	1.32	1.30	1.34	1.23
Dividend Yield	2.96%	2.73%	3.12%	3.04%	2.98%	2.96%	3.04%	3.21%	3.26%	3.23%	3.16%	3.68%
Volume (Mn Shares)	4,518	3,510	2,962	2,423	4,101	6,135	3,263	3,271	5,781	5,450	3,932	3,267
Value (KD Mn)	626	439	441	247	417	622	382	383	689	502	460	367
Trades ('000)	110.0	76.2	76.9	52.8	93.2	133.5	70.9	72.6	166.6	126.4	96.4	84.9

Source: Kuwait Stock Exchange, KAMCO Research

KSE indices plunged during March-15 following consecutive declines on a number of trading sessions during the month. The volatility in oil price continues to remain a concern for the market despite showing strong improvement in fundamentals with close to 9.1% increase in corporate net profits during 2014 to KWD 1.7 Bn as compared to KWD 1.6 Bn during 2013. Moreover, the situation in Yemen affected markets across the GCC crushing investor sentiments to new lows. Market weakness during March-15 wiped-off YTD-15 index gains that reached a peak of 3.4% during the first week of February-15.

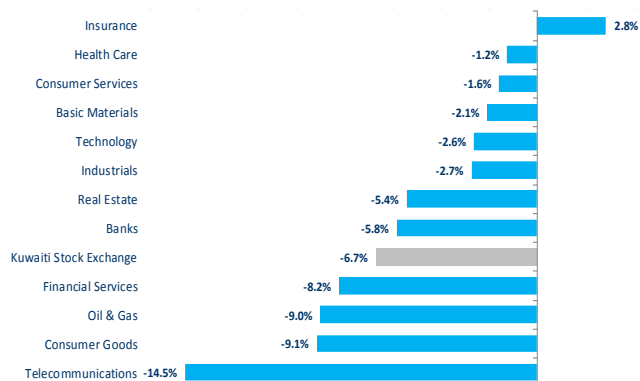
The KSE Weighted index dived 6.7% during March-15, the steepest monthly decline since the financial crisis (January-09) whereas the KSE Price index skid by a slightly lower 4.8% during the month. The large-cap KSE-15 index saw an even steeper decline of 8.5%, the biggest monthly drop since the index started trading on the exchange, due to negative monthly returns for the entire set of index constituents. The biggest decliners in the KSE-15 index included Zain (-18.1%) that reached a monthly low of KWD 0.460 per share, KIPCO (-11.1%) and NBK (-10.6%). Meanwhile, the KAMCO TRW Index declined by 5.6% to 2,676.59 points.

The YTD-15 returns for the TRW Index and the KSE Weighted index stood at -2.9% and -2.7%, respectively, whereas for the KSE Price Index and the KSE-15 index, the YTD-15 returns stood at -3.9% and -3.6%, respectively. Total market capitalization also skid 6.7% after an upswing during the previous month. In terms of market activity, average daily trading volume also declined to 142 Mn shares from 218.4 Mn shares in the previous month whereas average daily value traded declined to KWD 16.0 Mn in March-15 as compared to KWD 25.6 Mn in February-15. The market breadth was strongly skewed towards decliners which included 135 companies as compared to 39 gainers.

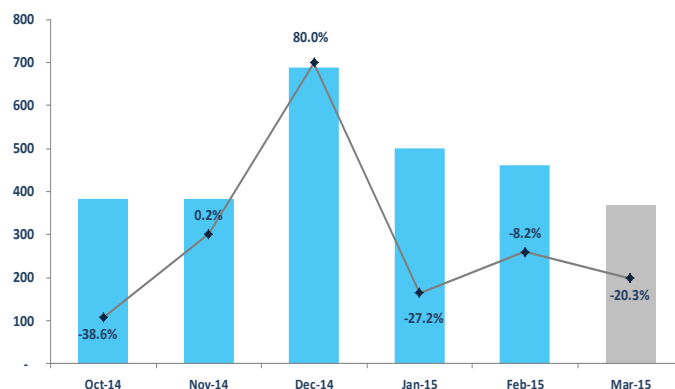
Sectoral index performance also reflected overall market weakness, with only the Insurance index showing a positive return of 2.8% on the back of a 14.3% spike in share price of GIG that reported 17.6% increase in 2014 net profits. Meanwhile, the Telecom Index fell 14.5% due to steep fall in share prices of Zain, Ooredoo (that recorded 14% fall in revenue) and Hits Telecom, partially offset by 4.9% rise in shares of Viva. The large-cap Banks index fell by 5.8% as all the banks recorded negative returns during the month.

Large cap stocks featuring in the monthly gainers list included Gulf Insurance Group (+14.3%), Jazeera Airways (+5.9%) and VIVA (+4.9%) that surged on the back of strong growth in full year earnings. On the other hand, large-cap stocks on the losers side included Zain, Ooredoo and Ithmar Bank. In terms of monthly value traded, VIVA topped the chart with total trades valued at KWD 46.1 Mn followed by NBK and KFH with trades worth KWD 31.9 Mn each.

### KSE Sector Performance



### Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

## Saudi Arabia (Tadawul)

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>Tadawul All Share Index</b>	<b>9,585.2</b>	<b>9,823.4</b>	<b>9,513.0</b>	<b>10,214.7</b>	<b>11,112.1</b>	<b>10,854.8</b>	<b>10,034.9</b>	<b>8,624.9</b>	<b>8,333.3</b>	<b>8,878.5</b>	<b>9,313.5</b>	<b>8,778.9</b>
Monthly % Change	1.2%	2.5%	(3.2%)	7.4%	8.8%	(2.3%)	(7.6%)	(14.1%)	(3.4%)	6.5%	4.9%	(5.7%)
<b>Market Cap (SAR Bn)</b>	<b>1,953.1</b>	<b>1,989.6</b>	<b>1,944.6</b>	<b>2,108.8</b>	<b>2,269.2</b>	<b>2,210.4</b>	<b>2,051.9</b>	<b>1,874.2</b>	<b>1,816.0</b>	<b>1,918.8</b>	<b>2,036.6</b>	<b>1,818.3</b>
P/E (X)	18.95	19.31	18.30	19.82	21.33	19.93	18.50	15.38	14.90	15.30	16.24	16.17
P/BV (X)	2.35	2.40	2.17	2.36	2.54	2.57	2.40	2.07	2.00	2.10	2.21	1.79
Dividend Yield	3.05%	2.99%	3.07%	2.83%	2.63%	2.70%	2.90%	3.19%	3.29%	3.10%	2.93%	3.28%
Volume (Mn Shares)	7,546	8,011	5,352	3,529	6,011	6,090	4,065	4,559	7,718	6,738	7,670	7,513
Value (SAR Mn)	232,300	242,531	180,033	122,639	208,390	201,646	132,885	153,409	203,019	162,456	194,325	206,269
Trades ('000)	3,902	3,705	3,119	2,412	3,299	2,999	2,124	2,594	3,830	3,067	3,083	3,353

Source: Tadawul, KAMCO Research

Saudi stock market lost SAR 218 Bn in market cap during March-15 after the market plunged amid panic selling on the back of regional geopolitical issues in addition to oil prices weakness. Although the political developments provided some support to oil prices, it hammered investor sentiments, offsetting the temporary gains from oil price. The TASI index reached a 4-month high level of 9,691.0 points till the first half of March-15, however, market started declining from the second half of the month on oil worries. On 25-march-2015, the index plunged by almost 5.0%, the steepest daily fall as compared to other global equity market returns for the day, on news of regional conflicts. The index recovered some loss in the next two trading sessions but went down further in the last two trading sessions of the month. TASI closed the month with a loss of 5.7% to end at 8,778.9 points, affecting YTD-15 returns which stood at 5.35% at the end of March-15 as compared to 11.8% at the end of February-15.

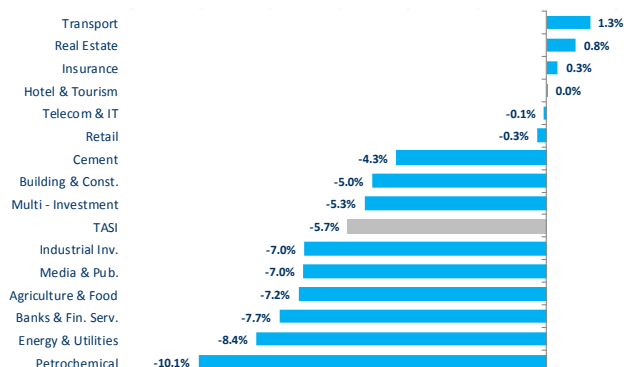
In terms of sector performance, a majority of the sector indices ended in the red zone with the exception of Transport (+1.3%), Real Estate (+0.8%) and Insurance (+0.3%) Indices that recorded marginal gains during the month. The Petrochemical index recorded the worst monthly performance with a decline of 10.1% due to concerns surrounding oil prices and the related profitability of oil and related companies. All the stocks in the Oil & Gas index declined during the month with the exception of Methanol Chemical with clocked a gain of 4.2% on the back of news that the company will re-do a feasibility study on a planned 60,000 tonne/year sulphonated naphthalene formaldehyde plant in Saudi Arabia in view of recent declines in oil prices.

Meanwhile, after topping index performance with a monthly return of 19.2% in February-15, the Energy & Utilities Index recorded the second-worst monthly performance during March-15 with a decline of 8.4% as both the companies within the sector (GASCO and Saudi Electric) recorded monthly declines on profit taking. The heavyweight Banks & Financial Services Index declined by 7.7% as only Saudi Hollandi Bank recorded positive returns in the sector and rest of the companies declined during the month.

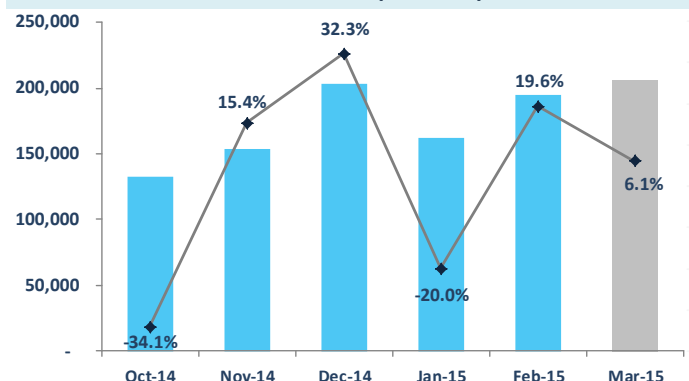
Monthly stock performance was topped by insurance companies as all of the top five monthly best performers were insurance companies. Wataniya Insurance gained 32.59% followed by Ace Arabia and Saudi Fransi with monthly returns of 21% and 18%, respectively. Apart from insurance stocks, Makkah Construction was among the top gainers for the month with a monthly return of 13.0%. On the other hand, three out of the top five monthly losers included insurance companies, along with Ash-Sharqiyah Development and Nama Chemicals that lost 20.6% and 19.9%, respectively.

Monthly trading activity continued to show improvement as compared to February-15. Total value traded stood at SAR 214.4 Bn during March-15, an increase of 10.3% as compared to 194.3 Bn. Total volume traded increased at a more marginal rate of 2.1% to 7.8 Bn traded shares as compared to 7.7 Bn shares during February-15. Moreover, in terms of most active stocks, Alinma bank and Dar Al Arkan Real Estate continue to feature in the top five most traded stocks with value traded recorded at SAR 17.6 Bn and SAR 13.8 Bn, respectively.

### Tadawul Sector Performance



### Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

## Abu Dhabi Securities Exchange

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>ADX General Index</b>	<b>5,044.6</b>	<b>5,253.4</b>	<b>4,551.0</b>	<b>5,055.0</b>	<b>5,082.7</b>	<b>5,106.3</b>	<b>4,861.5</b>	<b>4,675.0</b>	<b>4,528.9</b>	<b>4,456.8</b>	<b>4,686.2</b>	<b>4,467.9</b>
Monthly % Change	3.1%	4.1%	(13.4%)	11.1%	0.5%	0.5%	(4.8%)	(3.8%)	(3.1%)	(1.6%)	5.1%	(4.7%)
<b>Market Cap (AED Bn)</b>	<b>507.4</b>	<b>537.3</b>	<b>471.3</b>	<b>510.4</b>	<b>510.3</b>	<b>509.5</b>	<b>488.0</b>	<b>468.1</b>	<b>463.9</b>	<b>455.5</b>	<b>477.9</b>	<b>442.7</b>
P/E (X)	15.50	16.41	13.63	14.76	14.76	13.90	13.30	12.77	12.66	12.39	13.00	8.16
P/BV (X)	1.70	1.80	1.59	1.72	1.72	1.68	1.60	1.55	1.53	1.43	1.50	1.41
Dividend Yield	3.84%	3.65%	4.16%	3.84%	3.84%	3.85%	4.00%	4.19%	4.23%	4.30%	4.10%	4.43%
Volume (Mn Shares)	8,600	5,400	4,930	3,509	1,509	2,158	1,816	3,590	5,188	1,848	1,873	1,609
Value (AED Mn)	22,768	17,732	12,678	7,838	4,327	6,891	5,274	6,984	8,691	4,233	4,265	4,929
Trades	105,996	94,134	81,625	62,310	37,017	45,493	43,163	53,397	71,913	39,052	33,441	37,722

Source: Abu Dhabi Securities Exchange, KAMCO Research

ADX General Index slid 4.7% during March-15, a relatively smaller decline as compared to other active markets in the GCC. Market activity showed only slight improvement due to three additional trading days in March-15 as compared to February-15. Total monthly value traded increased by 15.6% to AED 4.9 Bn during March-15 as compared to AED 4.3 Bn during the previous month. Average daily value traded increased slightly during the month to AED 214.3 Mn as compared to AED 213.3 Mn during February-15. Meanwhile, total number shares traded during the month declined by 14.1% to 1.6 Bn shares as compared to 1.9 Bn shares during the previous month resulting in average daily volumes of 70 Mn shares as compared to 93.7 Mn shares during February-15. Market breadth remained strongly skewed towards losers that included 40 companies as compared to 8 gainers. Prices of 17 securities remained unchanged.

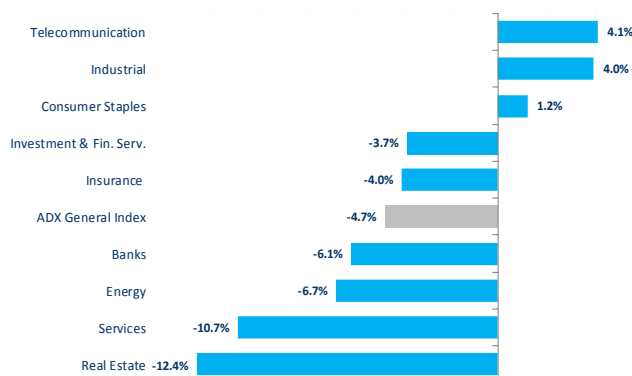
In terms of sectoral index gainers, contrastingly, the Telecom index topped monthly performance with a return of 4.1% followed by 4.0% monthly return for the Industrial index. Within the telecom sector, positive performance of Etisalat with a monthly return of 4.2% more than offset the steep declines recorded by Ooredoo and Sudan Telecom. Etisalat shares surged after the company reported 25.6% increase in 2014 net profit which stood at AED 8.9 Bn with a reported EBITDA margin of 48%. The telco also announced cash dividend of AED 0.7 per share, in line with previous year and a bonus share of 10%. On the other hand, Ooredoo recorded a 17.2% decline in 2014 net profits that stood at AED 2.2 Bn. Net profits for the telecom sector increased by 15.7% to AED 11.2 Bn.

The positive performance of the industrial index came on the back monthly top gainers, RAK Ceramics (+24.2%) and Arkan Building Material (+16.8%), which more than offset decline in the rest of the stocks within the sector. Arkan Building Materials recorded a strong 87.1% increase in net profits for 2014 on the back of projects announced by the Abu Dhabi government, which is also the majority owner in the company. The company shares were also supported by new projects announced by Senaat, which is also owned by the Abu Dhabi government. The only other gainer in the Industrial sector, RAK Ceramics, reported a 3.5% increase in 2014 net profits including minority interest (a decline of 1.2% excluding minority interest) despite hyper inflation and currency fluctuations in Sudan and Iran that affected net profits for the consolidated entity. The company also said that it aims at a dividend payout of 60% in the future supported by sale of non-core assets.

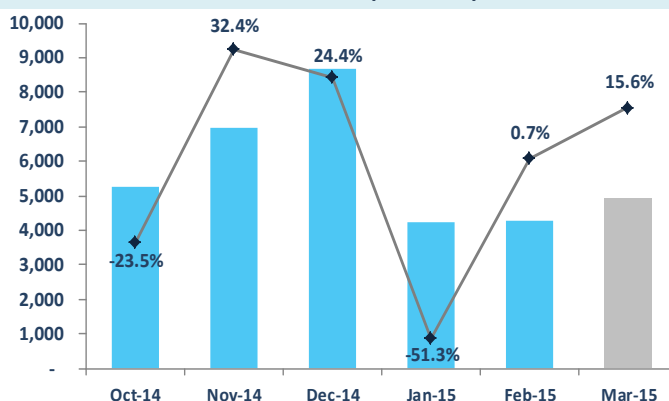
Indices that dragged down the overall market included the Real Estate and the Banks indices, which declined by 12.4% and 6.1%, respectively. All the three real estate stocks recorded negative returns. Aldar Properties declined by almost 10% whereas, Eshraq Properties declined by 27.7% on the back of net loss reported for 2014.

The gainers list also included Al Khaleej Investment and Taqa with monthly returns of 11.1% and 6.7%, respectively. On the other hand, the losers list was topped by Asmak followed by Al Dhafra Insurance and Eshraq Properties. Meanwhile, the top stocks by value traded during March-15 included FGB (AED 980.0 Mn) followed by Aldar Properties (AED 829.8 Mn) and Etisalat (AED 686.4 Mn).

### ADX Sector Performance



### Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

## Dubai Financial Market

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>DFM General Index</b>	<b>5,059.0</b>	<b>5,087.5</b>	<b>3,942.8</b>	<b>4,819.1</b>	<b>5,063.0</b>	<b>5,042.9</b>	<b>4,545.4</b>	<b>4,281.4</b>	<b>3,774.0</b>	<b>3,674.4</b>	<b>3,864.7</b>	<b>3,514.4</b>
Monthly % Change	13.7%	0.6%	(22.5%)	22.2%	5.1%	(0.4%)	(9.9%)	(5.8%)	(11.9%)	(2.6%)	5.2%	(9.1%)
<b>Market Cap (AED Bn)</b>	<b>369.7</b>	<b>370.2</b>	<b>301.7</b>	<b>356.6</b>	<b>367.6</b>	<b>369.0</b>	<b>380.6</b>	<b>367.4</b>	<b>335.2</b>	<b>341.1</b>	<b>361.8</b>	<b>331.3</b>
P/E (X)	20.99	21.02	15.51	18.34	18.95	16.85	16.50	15.80	14.46	12.16	12.90	11.33
P/BV (X)	1.73	1.74	1.39	1.64	1.69	1.67	1.60	1.56	1.41	1.34	1.43	1.30
Dividend Yield	1.91%	1.99%	2.44%	2.07%	2.01%	2.00%	1.90%	2.01%	2.20%	2.16%	2.04%	2.23%
Volume (Mn Shares)	16,872	12,626	12,407	16,683	7,061	8,096	8,801	7,243	12,333	8,859	8,175	6,926
Value (AED Mn)	44,771	46,503	35,621	34,078	17,320	25,395	21,663	19,574	23,162	15,266	13,343	9,596
Trades	234,516	253,669	234,366	252,568	121,556	148,274	167,489	130,553	210,161	159,224	130,854	110,813

Source: Dubai Financial Market, KAMCO Research

Against a backdrop of fluctuating oil prices and the geopolitical tensions, Dubai recorded the steepest monthly decline of 9.1% in the GCC during March-15 led by the general weakness in regional stock markets. The loss completely wiped-off YTD-15 gains which at the close of March-15 stood at 6.9%, the steepest YTD-15 loss in the GCC. Markets continued to decline despite significant improvement in corporate profitability which increased by 46% to AED 28.5 Bn. Trading continued to be volatile during the month as the index reached a daily closing low 3,407.25 points, the lowest level since December-14, only to recover some points towards the end of the month. Moreover, in the absence of any new listing, total market cap for DFM declined in line with the index at 8.5% to close the month at AED 331.3 Bn.

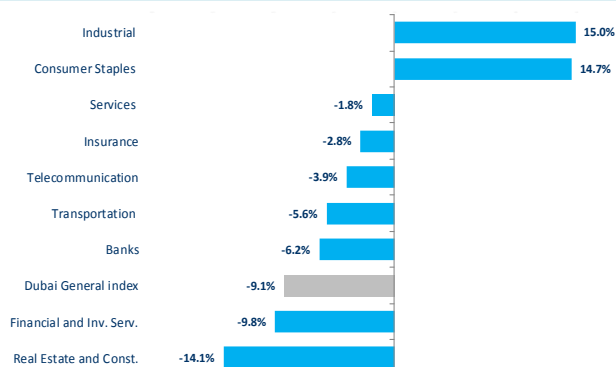
Trading activity continued to decline during the month reaching new lows for both monthly volume and value traded. Total volume traded declined by 15.2% to 6.9 Bn shares, the lowest monthly volume since June-13, as compared to 8.2 Bn shares during the February-15. Consequently, average daily volume declined from 408.8 Mn shares during February-15 to 301.1 Mn shares during March-15. Total value traded saw a more drastic decline of 28.1% to AED 9.6 Bn during March-15, the lowest monthly value traded since April-13, as compared to AED 13.3 Bn recorded during the previous month. Consequently, average daily average value traded declined to AED 417.2 Mn as compared to AED 667.1 Mn during the previous month. In line with the other markets, market breadth favored decliners that included 31 companies as compared to 10 gainers whereas prices of 19 stocks remained unchanged.

Sector performance was largely negative during the month. Positive performers included Industrials and Consumer Staples indices, with strong monthly returns of 15.0% and 14.7%, respectively. In the Consumer Staples sector, Dubai Parks & Resorts recorded monthly returns of 17.7% due to a positive announcement from the company regarding sign-off on projects worth AED 2.5 Bn this year. However, the company reported higher losses for 2014 (net loss of AED 21.3 Mn in 2014 vs. a net loss of AED 12.8 Mn in 2013). Meanwhile, Gulfa Mineral Water & Processing Ind. recorded monthly returns of 31.7% on the back of strong 2014 earnings which further pushed the Industrial Index.

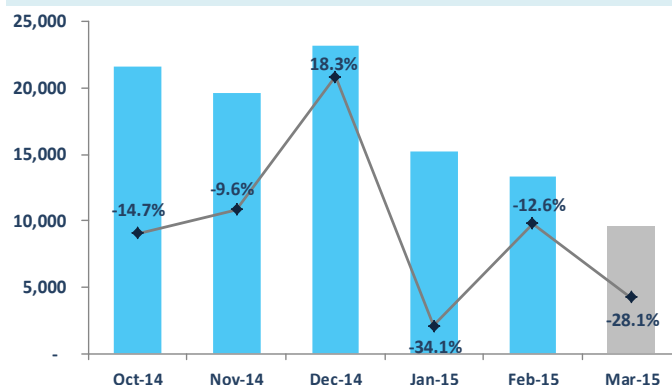
On the other hand, the Real Estate & Construction Index recorded the steepest monthly decline of 14.1% as a majority of the stocks within the sector saw negative monthly returns, with the exception of Emaar Malls that recorded a marginal gain of 1.33% during the month. Real estate major Emaar Properties, which reported a strong 43.5% increase in 2014 net profit, declined by 12.6% during the month after falling to 3-month low levels after investors speculated that the Chairman Mohamed Alabbar may scale back his role in the company amid growing outside commitments, which the company denied. Meanwhile, Arabtec declined by 27.8% during the month after the company reported profit decline of 43.2% to reach AED 3.2 Bn primarily due to increase in administrative expenses.

The gainers list for the month included Takaful Emarat that gained 28.6% (second only to Gulfa Mineral Water) after the company reported profits during 2014. Major decliners included Gulf Nav (-41.8%) and GFH (-34.7%).

### DFM Sector Performance



### Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

## Qatar Exchange

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>QE 20 Index</b>	<b>12,677.6</b>	<b>13,694.2</b>	<b>11,488.9</b>	<b>12,865.5</b>	<b>13,596.7</b>	<b>13,728.3</b>	<b>13,498.9</b>	<b>12,760.5</b>	<b>12,285.8</b>	<b>11,899.6</b>	<b>12,445.3</b>	<b>11,711.4</b>
Monthly % Change	8.9%	8.0%	(16.1%)	12.0%	5.7%	1.0%	(1.7%)	(5.5%)	(3.7%)	(3.1%)	4.6%	(5.9%)
<b>Market Cap (QAR Bn)</b>	<b>732.0</b>	<b>736.9</b>	<b>632.2</b>	<b>690.1</b>	<b>721.2</b>	<b>736.1</b>	<b>728.3</b>	<b>698.1</b>	<b>676.8</b>	<b>648.8</b>	<b>675.3</b>	<b>630.0</b>
P/E (X)	17.80	17.92	15.20	16.60	17.34	18.11	17.90	17.20	16.65	15.28	15.93	14.75
P/BV (X)	2.43	2.45	2.19	2.39	2.50	2.53	2.50	2.40	2.32	2.11	2.20	2.01
Dividend Yield	3.15%	3.08%	3.59%	3.29%	3.15%	3.08%	3.10%	3.30%	3.36%	3.50%	3.36%	3.60%
Volume (Mn Shares)	732	560	399	304	391	319	232	281	367	208	337	171
Value (QAR Mn)	25,951	25,591	17,718	12,568	18,131	13,803	10,694	18,760	16,586	10,167	12,434	8,136
Trades	285,219	239,685	199,130	146,915	174,576	134,960	107,598	157,169	174,100	126,765	135,557	107,902

Source: Qatar Exchange, KAMCO Research

Qatar receded by 5.9% during March-15 taking cues from the rest of the GCC equity markets. The QE20 index broke the support level at 12,000 points after reaching a monthly closing peak of 12,450.34 points at the beginning of the month, although the daily decline were more modest as compared to a majority of the other GCC markets resulting in relatively low volatility. Investors primarily targeted large-cap stocks which is evident from the relatively small decline of 3.4% recorded by the broad-based Qatar All Share Index to close at 3,133.60 points. The aggregate market capitalization for the exchange declined by 6.7% to QAR 630.0 Bn. Moreover, the decline during March-15 more than offset YTD-15 gains that stood at -4.7% for the QE20 Index by the end of the month.

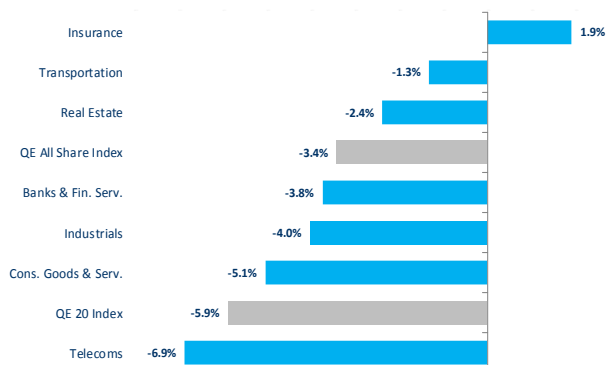
Trading activity plunged during March-15. Monthly volume traded halved to its lowest level since January-13 and was recorded at 171 Mn shares as compared to 337 Mn shares during February-15. Consequently, monthly average volume traded declined to 7.8 Mn shares as compared to 17.8 Mn shares traded during the previous month. Similarly, monthly value traded was recorded at QAR 8.1 Bn, a decline of 34.6% as compared to QAR 12.4 Bn during February-15. The resulting average daily value traded was recorded at QAR 417.2 Mn as compared to QAR 654.4 Mn during February-15. The market breadth was strongly skewed toward losers that included 34 stocks as compared to 8 gainers.

Sectoral index performance was broadly in line with investor picks in the rest of the GCC markets. Only the Insurance Index was up by 1.9% during the month whereas the rest of the sectors recorded negative returns. Gains in the Insurance Index was solely on the back of 0.9% monthly return for Qatar Insurance. On the other hand, the Telecom Index declined the most during March-15 led by Ooredoo shares that declined by 12.9% partially offset by marginal gains in Vodafone Qatar. The negative returns in Ooredoo was primarily due to a 17% fall in 2014 net profits which stood at QAR 2.1 Bn on the back of problems in Iraq, startup costs in Myanmar and currency devaluation in Indonesia. The Banks & Financial Services index declined by 3.8% as all the stocks in the sector recorded negative returns during the month.

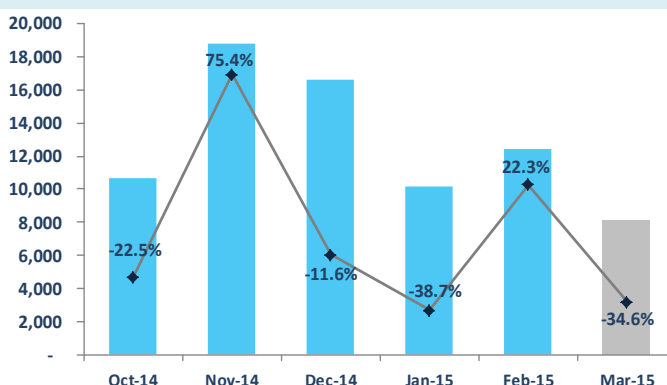
The monthly gainers list was topped by Qatar Cinema, which is planning an expansion in Qatar, with a monthly return of 19.2% followed by Zad Holding and Gulf Warehousing with positive returns of 4.3% and 3.1%, respectively. On the other hand, the decliners list was topped by Al Khaleej Takaful that declined by 20.7% followed by CBQ and Aamal Co. with negative returns of 20.3% and 17.4%, respectively. CBQ, which announced expansions plans by raising USD 1 Bn in additional capital, declined despite reporting 20.9% increase in 2014 net profits. Monthly most actively traded stocks included Barwa Real Estate (-7.4%) with QAR 932.3 Mn in value traded followed by Industries Qatar (-10.3%) and QNB (-4.8%) with value traded amounting to QAR 824.8 Mn and QAR 666.5 Mn, respectively.

On the regulatory front, the Qatar exchange announced plans to allow investors to trade rights to share issues, which would let them profit from capital increases even without subscribing to them. The bourse gave no specific timeline for implementing the reform.

### QE Sector Performance



### Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

## Bahrain Bourse

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>Bahrain All Share Index</b>	<b>1,427.3</b>	<b>1,459.3</b>	<b>1,427.6</b>	<b>1,471.7</b>	<b>1,472.2</b>	<b>1,476.02</b>	<b>1,444.13</b>	<b>1,428.67</b>	<b>1,426.57</b>	<b>1,424.37</b>	<b>1,474.81</b>	<b>1,449.98</b>
Monthly % Change	5.2%	2.2%	(2.2%)	3.1%	0.0%	0.3%	(2.2%)	(1.1%)	(0.1%)	(0.2%)	3.5%	(1.7%)
<b>Market Cap (BHD Mn)</b>	<b>8,101</b>	<b>8,281</b>	<b>8,101</b>	<b>8,351</b>	<b>8,354</b>	<b>8,376</b>	<b>8,193</b>	<b>8,105</b>	<b>8,099</b>	<b>8,086</b>	<b>8,378</b>	<b>8,242</b>
P/E (X)	12.12	12.39	13.66	14.08	14.08	13.21	12.90	12.78	12.71	11.90	12.32	10.43
P/BV (X)	1.06	1.08	1.06	1.09	1.09	1.07	1.00	1.03	1.02	1.01	1.04	1.01
Dividend Yield	3.53%	3.45%	3.53%	3.42%	3.42%	3.41%	3.50%	3.53%	3.53%	3.53%	3.41%	3.47%
Volume (Mn Shares)	115	198	67	25	58	51	64	22	29	14	27	24
Value (BHD Mn)	45	51	15	7	13	12	21	6	9	4	8	6
Trades	1,892	1,707	1,050	706	897	1,069	609	628	1,065	626	1,029	1,005

Source: Bahrain Bourse, KAMCO Research

Bahrain Bourse recorded the smallest monthly drop of 1.7% during March-15 after reaching a seven-month peak of 1,482.22 points by mid-March. Volatility in the index remained considerably low as compared to the other GCC markets, primarily due to the low trading activity. The market capitalization also declined by 1.6% to BHD 8.2 Bn. In terms of YTD-15 returns, the Bahrain Bourse is the only market after Saudi Arabia to record positive YTD-15 returns which stood at 1.6%.

Trading activity continues to remain at depressed levels with merely 24 Mn shares traded during the month as compared to 27 Mn traded shares during February-15. Total value traded also declined by 31.0% to BHD 5.7 Mn as compared to BHD 8.3 Mn during February-15. Commercial banks continue to account for the majority of total trading activity on the bourse with close to 73.7% of the total value traded during March-15.

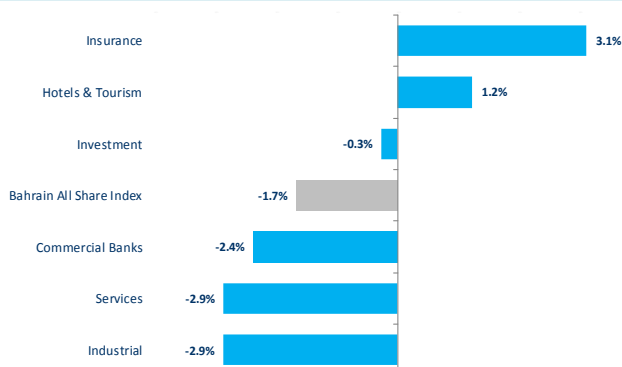
The top gainers of the month included Al Ahlia Insurance with a monthly return of 42.3% followed by Al Khaleeji Commercial Bank and Bahrain Cinema with monthly returns of 11.1% and 5.2%, respectively. On the other hand, monthly decliners included three banks at the top namely, Ithmar Bank (-17.6%), Al Salam Bank (-13.2%) and NBB (-9.7%) which announced that it is eyeing M&A across the GCC. In terms of liquidity, AUB remained the most actively traded stock on the exchange with shares worth BHD 2.9 Mn traded during the month.

Meanwhile, in terms of corporate developments, the U.S.-based real estate arm of scarcely traded Investcorp's acquired a portfolio of residential properties in the metropolitan areas of Washington, D.C., Orlando, San Diego and Baltimore for approximately USD 300 Mn through separate transactions. Over the last twelve months, Investcorp has purchased properties in the U.S. collectively valued at more than USD 850 Mn. Furthermore, AlKhaleeji Commercial Bank's board has recommended to convene an EGM to seek the approval for a reduction in KHCB's paid-up capital by 31.36%.

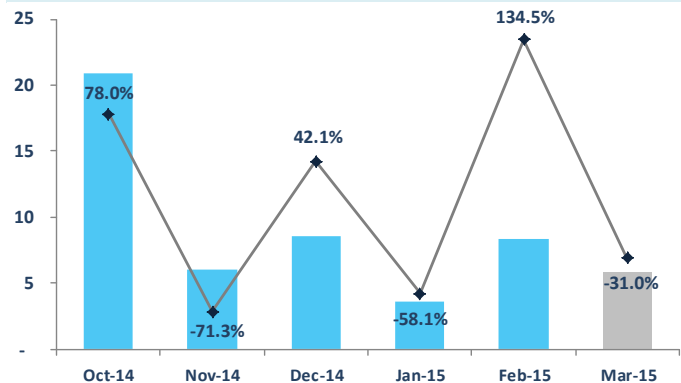
There were several developments on the regulatory front for the Bahrain Bourse. Firstly, the board of Bahrain Bourse met for the second time during 2015 and approved new rules for listing and trading REITs at the bourse that will be issued following the final approval of the Central Bank of Bahrain. Secondly, the Bourse announced that it has become an affiliate member of the International Organisation of Securities Commission (IOSCO), a 124-member international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector.

Finally, the CEO of Bahrain Bourse discussed collaboration with the Egyptian Stock Exchange and has initiated discussion on potential partnerships and co-operation related to joint development of capital markets. The discussion focused on mutual co-operation between the two MENA exchanges, especially those related to the cross-listing of listed companies and the legal and technical mechanisms that would facilitate those procedures in order to attract investments.

### BHB Sector Performance



### Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

## Muscat Securities Market

Monthly Indicators	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
<b>MSM 30 Index</b>	<b>6,727.2</b>	<b>6,857.4</b>	<b>7,008.3</b>	<b>7,200.7</b>	<b>7,367.2</b>	<b>7,484.2</b>	<b>6,974.6</b>	<b>6,506.0</b>	<b>6,343.2</b>	<b>6,558.5</b>	<b>6,559.3</b>	<b>6,238.0</b>
Monthly % Change	(1.9%)	1.9%	2.2%	2.7%	2.3%	1.6%	(6.8%)	(6.7%)	(2.5%)	3.4%	0.0%	(4.9%)
<b>Market Cap (OMR Mn)</b>	<b>7,208</b>	<b>8,272</b>	<b>8,448</b>	<b>8,661</b>	<b>8,858</b>	<b>8,991</b>	<b>8,436</b>	<b>7,882</b>	<b>7,734</b>	<b>7,985</b>	<b>7,997</b>	<b>7,582</b>
P/E (X)	10.96	11.16	11.83	12.12	12.40	11.98	11.24	10.50	10.31	10.48	10.49	10.05
P/BV (X)	1.54	1.63	1.71	1.75	1.79	1.75	1.65	1.54	1.51	1.50	1.50	1.41
Dividend Yield	4.35%	3.63%	3.56%	3.47%	3.39%	3.34%	3.60%	3.81%	3.88%	3.76%	3.76%	3.92%
Volume (Mn Shares)	488	302	347	258	284	377	370	492	498	343	493	434
Value (OMR Mn)	231	133	145	107	113	140	132	177	158	96	166	121
Trades	34,313	22,761	20,670	14,040	18,119	18,968	18,170	19,532	29,868	23,924	27,345	24,653

Source: Muscat Securities Market, KAMCO Research

MSM dived 4.9% during the month offsetting YTD-15 gains which now stands at negative 1.7%. The MSM30 Index consistently declined since the start of March-15 amid a slight contraction in trading activity. Total market capitalization also declined by 5.3% to OMR 7.7 Bn for the regular market. Oil price continues to remain a concern for the Omani economy and the influence of the fall in oil price continues to affect stock market performance. This to some extent also offset the positive developments related to earning announcements and dividend declarations.

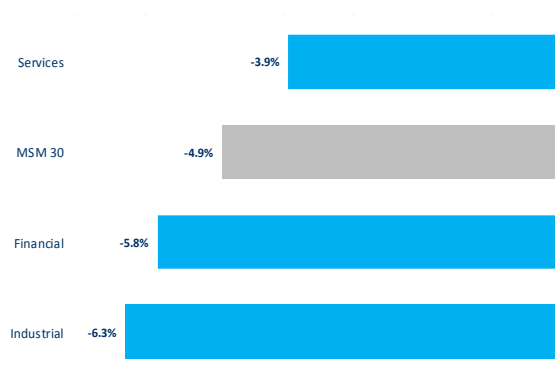
Trading activity slightly declined during the month with total monthly volume traded recorded at 433.7 Mn shares, a decline of 12.1% as compared to 493 Mn shares in February-15. The average daily volume traded also declined to 18.9 Mn shares during March-15 as compared to 24.7 Mn shares in February-15. Total monthly value traded also declined to OMR 121.1 Mn in March-15 as compared to OMR 166 Mn during the previous month resulting in average value trade of OMR 5.3 Mn as compared to OMR 8.3 Mn during February-15. The number of transactions declined by 8.9% to 24,653 transactions from 27,345 transactions in the previous month. Total value of shares bought by Omanis increased significantly from 66.1% of total purchases during February-15 to 84.1% during March-15 to record at OMR 108.9 Mn.

The monthly gainers list continued to decline during March-15 and included merely 8 companies as compared to 38 stocks that declined during the month. Gulf Mushroom Products topped the gainers chart with a monthly return of 9.5% although the value of total trades in the stock remained marginal. Global Financial Investments recorded second strongest monthly performance with a return of 5.8% followed by Ahli Bank with a monthly return of 3.8%. On the losers side, the chart was topped by Al Sharqia Investment (-24.3%) followed by GIS (-22.7%) and Galfar Engineering (-22.0%) that declined due to a fall in earnings led by delays in receipt of payments and completion of projects. The chart for the most actively traded stock by value was topped by Al Anwar Holding (-2.2%) with trades valued at OMR 35.1 Mn followed by Bank Muscat (-7.9%) with at OMR 20.9 Mn. Oman Telecom (-4.8%) was a distant third at OMR 7.5 Mn.

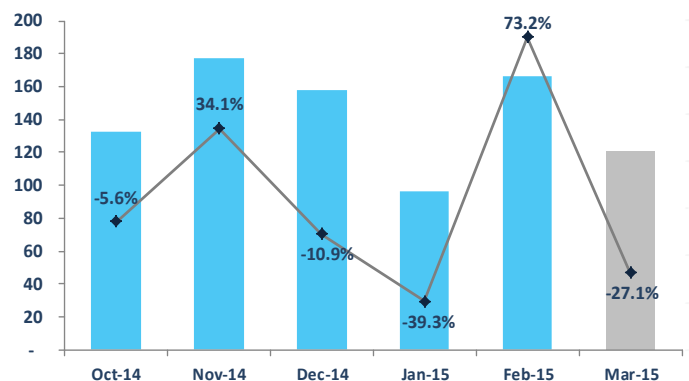
The decline in sectoral indices was led by Industrial Index that declined by 6.3% followed by Financial Index and Services with monthly declines of 5.8% and 3.9%, respectively. Among the large-cap decliners, Bank Muscat fell by 7.9% and Oman Telecom declined by 4.8%. During the month, shareholders of Bank Muscat approved OMR 500 Mn of Sukuk Issuances.

In a positive development for the market, the director general of the bourse said that the exchange is likely to see two initial share sales before the summer. Without naming the companies, he said that the companies would be one each from utility sector and a family-owned business. In another announcement, the stock market regulator shortened the deadline for corporates to file their financial results to two weeks and in case of holding companies to three weeks.

### MSM Sector Performance



### Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research



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