

GCC Markets Monthly Report

October-2019

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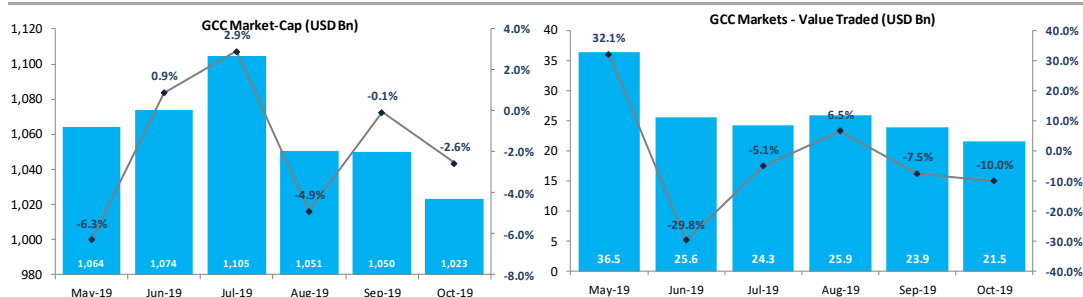
GCC markets remain subdued in Oct-19 as Tadawul trends downwards...

GCC markets witnessed minimal volatility during Oct-19 and saw slight weakness as majority of the markets closed the month with marginal changes. Trends during the month reflected cautious investor sentiment on the back of weak economic growth, volatile oil prices and geopolitical risks. Saudi Arabia saw the biggest decline during the month as the benchmark lost 4.3% after failing to offset the losing streak seen during the first half of the month that pushed the market to a 12-month low level. On the other hand, Abu Dhabi's 1% gain was the highest during the month followed by Kuwait and Bahrain. The mixed market performance resulted in a 2.7% decline in the broader MSCI GCC Index.

The sector performance chart reflected broad-based decline during the month with almost all the sectors ending weaker during the month. From among large cap sectors, Materials, Telecom, Insurance and Consumer Services declined at the GCC level, while the Banking sector remained flat. STC and Mobily were the biggest decliners in the telecom sector. Trading activity also took a hit during the month after almost all the markets in the GCC, barring Oman, reported a decline in value traded. Total monthly value traded stood at USD 21.5 Bn as compared to USD 23.9 Bn indicating a m-o-m decline of 10%.

Meanwhile, global markets continued to post positive performances despite concerns relating to the still unresolved trade war between the US and China. The MSCI World index gained 2.5% during the month on the back of a slightly higher surge in the EM index while US and most other developed markets also showed low single digit gains. An expected 25 bps cut in US Fed rates pushed US indices to record high at the end of the month but the pause in rates over the near term was a bigger takeaway for the investors. The confusion over an extended Brexit affected FTSE's monthly performance resulting in a slight decline, whereas, crude remained volatile but closed the month above the USD 60/b mark.

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	6,211.1	0.6%	17.9%	109.5	1,667.4	16.2	1.4	3.5%
Kuwait - Main Market Index	4,757.9	0.9%	0.4%					
Kuwait - All Share Index	5,717.3	0.7%	12.6%					
Saudi Arabia	7,744.1	(4.3%)	(1.1%)	477.5	16,442.2	17.1	1.9	4.0%
Abu Dhabi	5,107.8	1.0%	3.9%	143.2	725.1	13.1	1.4	4.9%
Dubai	2,746.9	(1.2%)	8.6%	97.7	1,204.4	7.6	0.9	4.4%
Qatar	10,189.0	(1.7%)	(1.1%)	154.8	1,293.9	13.8	1.3	4.1%
Bahrain	1,523.3	0.4%	13.9%	23.1	45.2	11.3	0.9	4.6%
Oman	3,999.9	(0.4%)	(7.5%)	17.3	138.7	8.2	0.7	7.1%
Total GCC				1,023.1	21,517.0	13.5	1.5	4.3%



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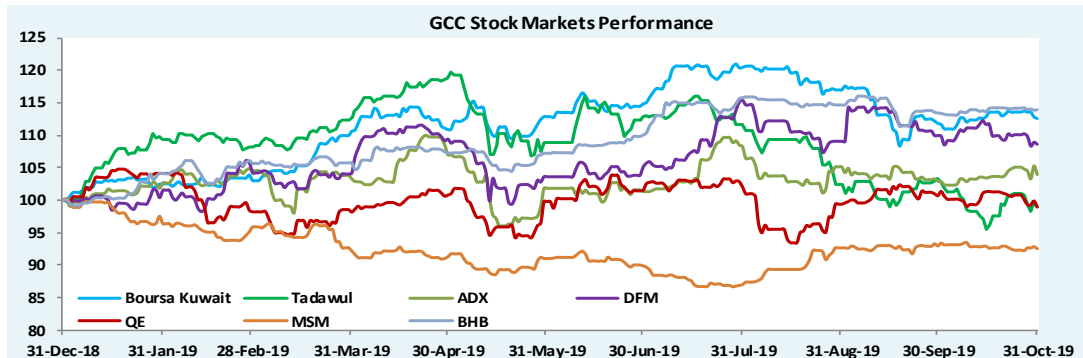
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Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Premier Market Index	5,317.8	5,267.4	5,430.1	5,482.2	5,986.9	6,047.3	6,242.2	6,377.0	6,744.1	6,527.8	6,174.8	6,211.1
Monthly % Change	1.6%	(0.9%)	3.1%	1.0%	9.2%	1.0%	3.2%	2.2%	5.8%	(3.2%)	(5.4%)	0.6%
Main Market Index	4,730.0	4,738.6	4,798.1	4,773.0	4,917.3	4,828.8	4,736.6	4,766.5	4,881.6	4,789.4	4,713.8	4,757.9
Monthly % Change	0.8%	0.2%	1.3%	(0.5%)	3.0%	(1.8%)	(1.9%)	0.6%	2.4%	(1.9%)	(1.6%)	0.9%
All Share Market Index	5,109.2	5,079.6	5,206.0	5,231.7	5,617.8	5,630.0	5,731.7	5,832.1	6,116.7	5,941.1	5,678.7	5,717.3
Monthly % Change	1.3%	(0.6%)	2.5%	0.5%	7.4%	0.2%	1.8%	1.8%	4.9%	(2.9%)	(4.4%)	0.7%
Thomson Reuters Kuwait TRI	215.5	214.9	218.3	221.8	240.0	247.0	254.3	259.1	271.9	263.0	249.9	251.6
Monthly % Change	1.5%	(0.3%)	1.6%	1.6%	8.2%	2.9%	2.9%	1.9%	4.9%	(3.3%)	(5.0%)	0.6%
Market Cap (KWD Mn)	29,059	29,013	29,745	29,938	32,179	32,369	33,083	33,664	35,399	34,380	32,862	33,081
P/E (X) - TTM	14.60	14.60	15.00	15.10	16.20	15.50	15.60	15.83	16.60	16.20	15.50	15.60
P/BV (X) - TTM	1.26	1.19	1.22	1.23	1.32	1.36	1.41	1.44	1.51	1.44	1.38	1.39
Dividend Yield (%)	3.84%	3.86%	3.91%	3.84%	3.68%	3.79%	3.65%	3.59%	3.42%	3.52%	3.69%	3.68%
Volume (Mn Shares)	1,944.7	2,487.4	3,960.0	2,509.3	3,651.9	3,643.3	2,264.3	2,630.3	4,682.6	2,587.2	3,113.0	2,924.1
Value (KD Mn)	284.8	574.6	610.0	438.7	817.2	702.7	617.2	660.2	979.0	490.3	749.9	503.8
Trades ('000)	75.7	101.5	123.1	87.7	120.4	141.8	112.9	108.1	180.3	108.5	139.2	122.7

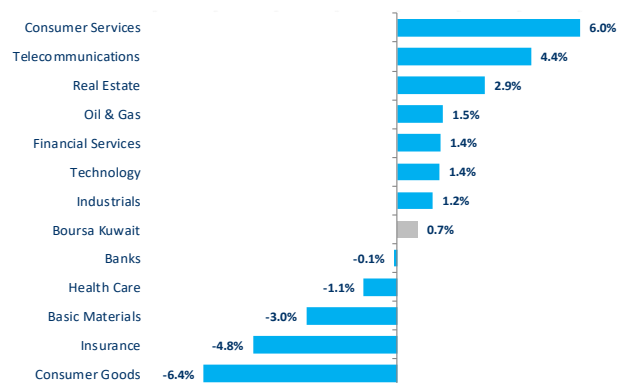
Source: Kuwait Stock Exchange, KAMCO Research

After two consecutive months of decline that wiped off more than 7% of gains for the Boursa Kuwait, the exchange witnessed marginal gains during October-19. All the three benchmarks closed the month with marginal gains with minimal volatility. Also, for the first time this year, monthly gains for the Main Market index was slightly greater than the gains for the Premier Market index. The latter gained 0.6% during the month to close at 6,211.1 points and remained the best performing index in the GCC in terms of YTD-19 returns of 17.9%. Monthly gains for the Main Market index stood at 0.9% that pulled YTD-19 returns for the index in the positive zone with marginal gain of 0.4%. For the All Share Market Index, gains of 0.7% in Oct-19 pushed YTD-19 returns to 12.6%, the second highest in the GCC after Bahrain.

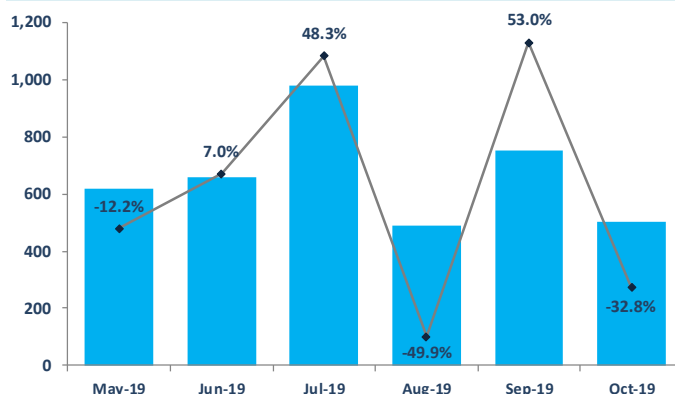
The monthly sector performance chart showed mixed trends. The Banking index remained flat m-o-m with share performance of individual banks equally split between gainers/decliners. Gulf Bank was the biggest monthly decliner with a fall of 5.4% that came after the bank reported a 13% drop in 9M-19 profits. The Consumer Services index topped the monthly performance chart with a return of 6% primarily on the back of 9.4% gain in shares of Jazeera Airways, the biggest stock in the index, followed by 6.5% gain in shares of Kuwait National Cinema. The Telecom index was next with a return of 4.4% followed by the Real Estate and Oil & Gas indices with returns of 2.9% and 1.5%, respectively. Shares of all the three telcos gained during the month with Zain leading with a monthly return of 5.0%. On the decliners side, the Consumer Goods index witnessed the biggest fall of 6.4% after all the three stocks in the sector declined. The Insurance index was next on the list with a decline of 4.8% after a sector wide decline followed by Basic Materials index with a monthly decline of 3.0%. The monthly gainers chart was topped by Arabi Holding after the stock more than doubled during the month. Noor Financials was next on the list with a gain of 58.8% followed by Ajial Real Estate and Al Mudon Intl. Real Estate with monthly gains of 58.4% and 45.6%, respectively. On the decliners side, Danah Alsafat Foodstuff topped with a fall of 39.2% followed by Almal Investment and Ektitab Holding with declines of 33.3% and 21.7%, respectively.

Trading activity declined during the month in line with the broader monthly trend in the GCC. Monthly value traded declined by a third to reach KWD 503.8 Mn in October-19 as compared to KWD 749.9 Mn during the previous month. Monthly volume also declined but at a much slower pace of 6.1% to reach 2.9 Bn shares as compared to 3.1 Bn shares during September-19 indicating higher trades in large-cap stocks. KFH once again topped the monthly value traded chart with KWD 72.4 Mn worth of trades followed by NBK and AUB-Bahrain at KWD 48.6 Mn and KWD 38.9 Mn, respectively. On the monthly volume chart, A'ayan Leasing topped with 261 Mn shares changing hands during the month followed by Arzan Financial Group and AUB - Bahrain with 142.8 Mn shares and 142.6 Mn shares, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Tadawul All Share Index	7,703.0	7,826.7	8,560.0	8,492.7	8,819.4	9,304.2	8,516.5	8,821.8	8,732.6	8,019.8	8,091.8	7,744.1
Monthly % Change	(2.6%)	1.6%	9.4%	(0.8%)	3.8%	5.5%	(8.5%)	3.6%	(1.0%)	(8.2%)	0.9%	(4.3%)
Market Cap (SAR Bn)	1,814.4	1,855.8	2,022.3	2,007.5	2,084.0	2,182.7	1,989.8	1,989.8	2,024.2	1,873.7	1,881.0	1,790.7
P/E (X) - TTM	14.58	14.84	16.25	16.52	17.36	18.75	17.12	17.62	17.91	17.14	17.28	16.33
P/BV (X) - TTM	1.71	1.74	1.90	1.90	1.97	2.09	1.93	2.01	2.01	1.85	1.87	1.78
Dividend Yield (%)	4.06%	4.00%	3.63%	3.67%	3.65%	3.45%	3.57%	3.46%	3.60%	3.99%	3.97%	4.12%
Volume (Mn Shares)	2,689.8	2,553.9	2,883.1	2,036.6	2,723.2	2,905.4	3,525.0	2,689.4	2,528.4	2,563.1	2,536.0	2,456.2
Value (SAR Mn)	62,180.7	60,141.9	68,211.1	46,962.8	61,741.2	77,232.8	109,967.1	74,796.3	65,156.3	78,720.1	64,757.5	61,661.3
Trades ('000)	2,326	2,363	2,473	1,809	2,217	2,412	2,479	1,858	2,262	2,119	2,318	2,537

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

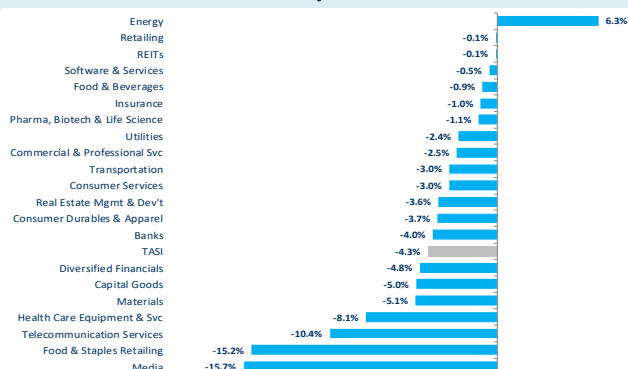
Saudi Arabia's TASI once again witnessed a monthly decline in October-19 after seeing marginal gains during the previous month. The benchmark fell 4.3% during the month to close at 7,744.1 points. By mid-month, the index had reached a 12-month low level of 7,481.53 points due to consecutive declines since the start of the month but recovered partially by the end of the month. As a result, the YTD-19 returns for the market remained in the red zone with a decline of 1.1%. Declines during the month was broad-based affecting all the sectors barring the Energy sector. The Energy index was the only positive performing sector index during the month with a gain of 6.3% after three out of four companies in the sector recorded monthly gains with Aldrees Petroleum seeing the biggest gain of 18%. On the other hand, the Media index topped the decliners list with a fall of 15.7% followed by Food & Staples Retailing and the Telecom indices with monthly declines of 15.2% and 10.4%. Other large cap indices including Banks and Materials witnessed mid-single digit declines during the month. The 4% decline in the banking index came after all the banking stocks declined except share of Banque Saudi Fransi and SABB that recorded gains of 4.5% and 7.1%, respectively.

Trading activity on the exchange declined for the second consecutive month during October-19. Total value traded reached an 8-month low level of SAR 61.7 Bn, a decline of 4.8% as compared to previous month's SAR 64.8 Bn. Volume of shares traded declined at a slightly smaller pace of 3.1% to reach 2.46 Bn shares in October-19. The monthly volume traded chart was topped by Alinma Bank with 266.8 Mn shares changing hands during the month followed by Al Rajhi Bank and Dar Al Arkan Real Estate Dev. at 147.3 Mn and 126.0 Mn shares, respectively. On the monthly value traded chart, Al Rajhi Bank topped with SAR 8.8 Bn worth of traded shares followed by Alinma Bank and SABIC at SAR 5.6 Bn and SAR 4.7 Bn, respectively.

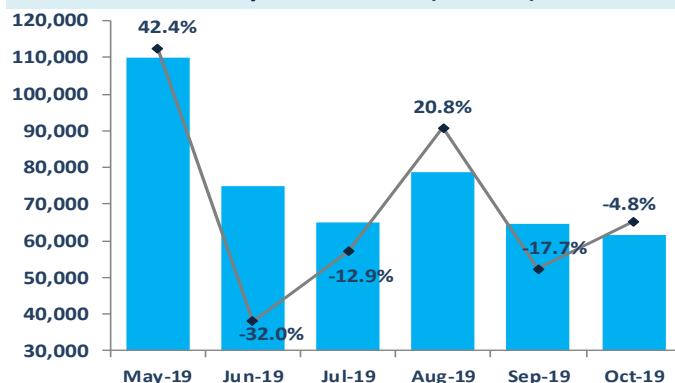
The monthly performance chart was topped by Nama Chemicals with a gain of 26.8%. Saudi Automotive Services Co. was next on the list that gained 24% during the month after the company's Q3-19 profit almost doubled y-o-y to SAR 13 Mn led by 23.4% increase in revenues during the quarter. Aldrees Petroleum & Transport was the third biggest gainer with a gain of 18% followed by Saudi Enaya and Allied Cooperative Insurance with gains of 15.0% and 9.4%, respectively. On the monthly decliners side, shares of Arabia Insurance Cooperative recorded the biggest decline of 21.0% followed by Saudi Arabian Amintit Co. and Saudi Fransi Cooperative Insurance with declines of 18.9% and 18.6%, respectively. The market breadth during the month was skewed towards decliners that included 150 companies as compared to 34 gainers.

In terms of regulatory reforms, the CMA adopted new rules in order to facilitate the listing of shares of foreign issuers on the main market. These issuers would be subject to the same rules as applicable to the Saudi listed companies. The regulator also amended rules that would permit smaller companies to list on the NOMU parallel market without undertaking an IPO. There was amendments also to the Kingdom's bankruptcy law introduced last year. According to the new rules, listed companies would be required to inform the market if they are filing for bankruptcy under the Kingdom's bankruptcy law.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
ADX General Index	4,770.1	4,823.8	5,044.9	5,137.8	5,074.7	5,258.1	5,003.6	4,980.0	5,317.9	5,165.6	5,057.3	5,107.8
Monthly % Change	(2.7%)	1.1%	4.6%	1.8%	(1.2%)	3.6%	(4.8%)	(0.5%)	6.8%	(2.9%)	(2.1%)	1.0%
Market Cap (AED Bn)	504.1	518.8	531.9	538.4	525.4	547.5	498.7	510.6	542.9	530.2	525.0	525.9
P/E (X) - TTM	11.92	12.23	12.53	12.62	12.66	13.29	12.66	12.69	13.53	13.10	12.72	12.85
P/BV (X) - TTM	1.25	1.29	1.32	1.34	1.32	1.41	1.38	1.38	1.48	1.44	1.41	1.43
Dividend Yield (%)	5.34%	5.18%	5.17%	4.91%	4.97%	4.76%	4.99%	4.98%	4.67%	4.87%	4.97%	4.94%
Volume (Mn Shares)	1,103.4	942.7	629.3	980.4	1,248.9	1,467.4	921.7	677.9	1,378.2	984.5	956.2	842.7
Value (AED Mn)	4,572.6	4,886.3	3,055.3	4,206.9	4,347.2	5,092.2	3,801.0	3,446.9	4,017.1	3,240.7	3,394.0	2,663.3
Trades	32,303	26,212	30,042	36,210	30,142	36,226	36,212	26,310	33,745	32,103	34,016	30,702

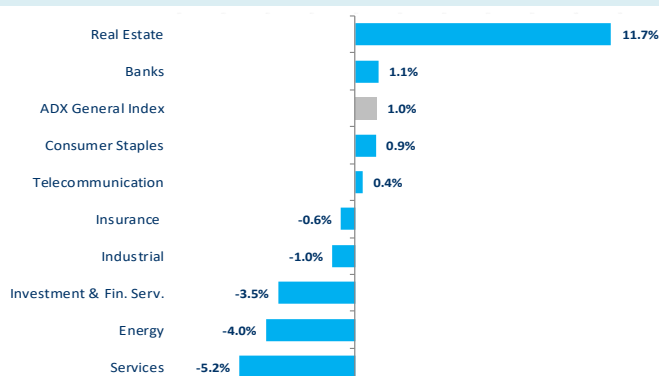
Source: Abu Dhabi Securities Exchange, KAMCO Research

After a streak of m-o-m declines, the ADX index closed the month of Oct-19 in the green, and was the best performing index in the GCC, albeit marginally as the main index was up 1.0% m-o-m. The index closed at 5107.76 points, as sectoral performance was mixed. The Real Estate index was the best performing index as it soared by 11.7% m-o-m, as Aldar jumped by 12.4% in Oct-19. Aldar announced the placement of its fixed rate USD sukuk with a tenor of 10 years for a nominal amount of USD 500 Mn. The sukuk carries a coupon rate of 3.875%, and was over 6x oversubscribed, with global investors accounting for 71% of the total transaction allocation. Banks were also up 1.1% m-o-m in Oct-19, driven mainly by FAB (+1.2%) and ADIB (+5.1%). Consumer Staples and Telecoms were also up and gained by 0.9% and 0.4% respectively. AGTHIA Group drove the Consumer Staples sector higher, while Etisalat were the main driver behind the gains of the Telecom sector. Services index was the worst performing index, as the index was down 5.2%, as Abu Dhabi National Hotels was down 12.8% m-o-m while National Corp for Tourism & Hotels declined by 9.7% m-o-m. Energy and Investment & Financial Services sectors also declined by 4.0% and 3.5% m-o-m. All stocks in the Energy index declined with ADNOC Distribution receding by 1.9% m-o-m, while Abu Dhabi National Energy and Dana Gas dropped by 9.0% and 4.2% respectively.

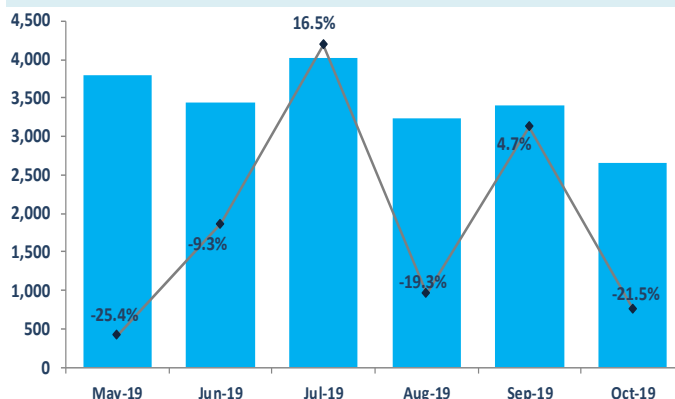
In earnings releases, banking major FAB reported a net profit of AED 9.4 Bn for 9M-19, up 4% y-o-y, as EPS reached AED 1.10/share, as compared to AED 1.07/share for 9M-18. Group revenues were 4% y-o-y and reached AED 15.2 Bn, while cost-to-income ratio (ex-integration costs) was 26.5%. Net interest income (including Islamic Financing Income) was AED 9.7 Bn, broadly stable y-o-y, as benefits from volume growth and rate hikes in 2018, were offset by margin compression. Competitor ADCB reported a 9M-19 net profit of AED 4.196 Bn with a double-digit return on average tangible equity of 11.9%. Net interest margin for 9M-19 stood at 2.76%, 28bps lower than 9M-18, due to an increase in the cost of carrying higher liquidity in H1-19 in preparation for the merger, lower balances in the unsecured retail loan book and higher interest in suspense charges compared to one-off reversals in 9M-18. Energy name ADNOC Distribution in 9M-19 saw its net profit increase to AED 1.72 Bn, an increase of 2.3% compared 9M-18. Underlying EBITDA (EBITDA excluding inventory gains) for 9M-19 grew to AED 2.06 Bn, an increase of 10.6% compared to 9M-18.

Ras Al Khaimah National Insurance Co topped the monthly gainers chart, with a gain of 15.0% m-o-m followed by Aldar and Ras Al Khaimah Cement with gains of 12.4% and 10.6% respectively. On the decliners side, the main laggards were Abu Dhabi Ship Building and National Takaful Company with declines of 21.4% and 19.7%, respectively. Trading activity on the exchange declined m-o-m in Oct-19, as volumes traded receded by 11.9% to 843 Mn shares. Value traded declined, by 21.5% m-o-m to reach AED 2.7 Bn during Oct-19. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 604 Mn worth of shares traded during Oct-19. Aldar and ADCB followed as AED 490 Mn and AED 484 Mn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 223 Mn shares were traded. Eshraq Investment Services and Dana Gas followed with 85.1 Mn and 73 Mn shares traded during Oct-19.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
DFM General Index	2,668.7	2,529.8	2,567.6	2,635.8	2,634.9	2,767.1	2,620.3	2,658.6	2,918.4	2,758.6	2,781.1	2,746.9
Monthly % Change	(4.2%)	(5.2%)	1.5%	2.7%	(0.0%)	5.0%	(5.3%)	1.5%	9.8%	(5.5%)	0.8%	(1.2%)
Market Cap (AED Bn)	346.2	334.3	339.7	345.3	346.7	359.4	343.3	347.7	371.6	357.3	361.2	359.0
P/E (X) - TTM	7.52	7.15	7.08	7.17	7.25	7.56	7.26	7.29	7.87	7.56	7.26	6.82
P/BV (X) - TTM	0.95	0.90	0.87	0.90	0.89	0.94	0.90	0.91	0.97	0.92	0.93	0.93
Dividend Yield (%)	6.03%	6.24%	5.88%	5.90%	5.25%	4.59%	4.84%	4.77%	4.33%	4.43%	4.40%	4.49%
Volume (Mn Shares)	2,899.0	3,859.3	2,453.4	2,916.0	2,532.2	4,221.2	3,222.4	2,200.7	3,814.1	2,281.1	3,166.0	4,462.3
Value (AED Mn)	3,784.2	3,682.4	2,864.8	4,424.4	4,021.6	5,821.9	4,075.6	2,838.3	4,990.5	2,886.8	5,270.5	4,423.8
Trades	47,042	52,594	48,929	56,325	46,179	65,625	62,391	45,095	63,397	45,792	51,127	62,712

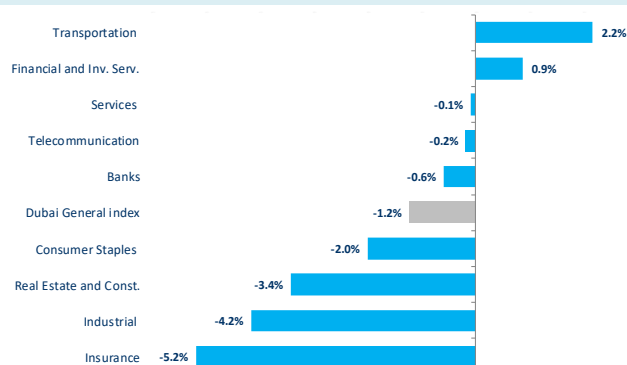
Source: Dubai Financial Market, KAMCO Research

After managing to close marginally in the green in Sept-19, the DFM index declined by 1.2% m-o-m in Oct-19 to close at 2,746.9 points. Sectoral trends were mostly negative; however, market breadth was even between gainers and decliners. The Insurance index was the worst performing sectoral index, declining by 5.2% m-o-m, driven down by Takaful Emarat (-17.6%) and Islamic Arabic Insurance (-9.5%). The Industrials sector (-4.2%) was dragged down singlehandedly by a 4.2% drop in National Cement Co. Contrary to trends witnessed on the ADX, the Real Estate & Construction index on the DFM was down by 3.4% in Oct-19, as Emaar Properties receded by 7.4% m-o-m. Deeyar Development on the other hand gained by 11.3% m-o-m, as the company reported revenues of AED 483.3 Mn for 9M-19, an increase of 3.6% compared to AED 466 Mn in 9M-18. Net profit for 9M-19 came in at AED 53 Mn. Banks were down marginally by 0.6% m-o-m, as Emirates NBD was down 7.3% m-o-m. Emirates NBD reported a net profit of AED 12.5 Bn in 9M-19, up 63% y-o-y from 9M-18. The results include a gain of AED 4.4 Bn on the partial disposal of Network International shares, and a fair value measurement of the remaining stake. Total income for 9M-19 amounted to AED 15.5 Mn, an increase of 20% compared with AED 12.9 Mn during 9M-18. Net-interest income improved 17% y-o-y, or 8% excluding DenizBank supported by loan growth. The Transportation index was the best performing index on the DFM, gaining by 2.2% m-o-m, as Agility and Air Arabia witnessed strong gains of 14.9% and 8.8% respectively m-o-m.

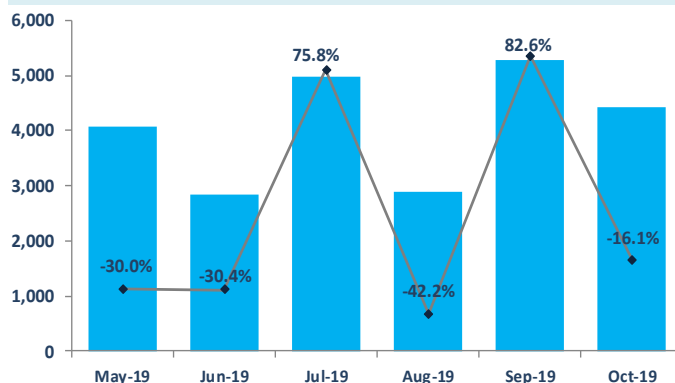
In other earnings releases, Commercial Bank of Dubai reported a 26.1% increase in 9M-19 net profit which reached AED 1,063 Mn owing to broad based business improvement resulting in an 11.1% increase in operating income. Operating income for the 9M-19 amounted to AED 2,242 Mn, an increase of 11.1% y-o-y, attributable to a 5.4% increase in Net Interest Income, and a 25% increase in Other Operating Income (OOI). Telecom operator Du reported a 3.7% y-o-y growth in adjusted net profit after royalty which reached AED 1.29 Bn. Total revenues came in at AED 9.4 Bn, driven by a healthy increase of 7.5% in our fixed business revenues that absorbed part of the 8.2% decline in mobile revenues. Transportation name Aramex saw its revenues increase by 3% to AED 3,782 Mn in 9M-19, compared to AED 3,661 Mn in 9M-18. Net Profit for 9M-19 increased by 2% to AED 344.9 Mn, compared to AED 338.6 Mn for 9M-18.

In terms of trading activity, the DFM witnessed mixed trends, as volumes traded increased by 40.9% m-o-m to reach 4.5 Bn shares. In terms of value traded, total value of shares receded by 16.1% m-o-m to reach AED 4.4 Bn. In terms of monthly gainers, Amlak Finance led all stocks as its stock price jumped by 86.2% in Oct-19. Al Salam Bank- Sudan and Mashreq Bank followed, as their stock prices moved up by 16.7% and 15.2% respectively. On the other hand, shares of Takaful Emarat declined the most as its share price declined by 17.6% m-o-m. Al Madina for Finance & Investment and Ithmaar Holding, as its stock price receded by 13.3% and 9.8% respectively m-o-m. Emirates NBD was the most actively traded stock on the exchange as AED 632 Mn worth of stock was traded. Emaar Properties and Air Arabia followed with value traded of AED 543 Mn and AED 526 Mn respectively. In terms of volumes, Deeyar Development led all stocks as 1.03 Bn shares were traded. Union Properties and Amlak Finance followed as 704 Mn and 696 Mn shares were traded. Market breadth was broadly even as 20 stocks gained ground while 19 stocks witnessed lower levels during the month of Oct-19.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
QE 20 Index	10,364.5	10,299.0	10,720.3	10,111.6	10,107.4	10,376.8	10,273.0	10,455.7	10,505.0	10,232.9	10,367.1	10,189.0
Monthly % Change	0.6%	(0.6%)	4.1%	(5.7%)	(0.0%)	2.7%	(1.0%)	1.8%	0.5%	(2.6%)	1.3%	(1.7%)
Market Cap (QAR Bn)	588.4	588.7	615.9	578.1	567.8	584.4	568.1	577.6	578.1	564.2	574.8	563.4
P/E (X) - TTM	14.75	14.65	15.32	13.83	13.78	14.24	13.68	13.92	13.88	13.84	14.05	13.77
P/BV (X) - TTM	1.38	1.37	1.43	1.32	1.29	1.34	1.29	1.31	1.31	1.27	1.29	1.39
Dividend Yield (%)	3.81%	3.84%	3.53%	3.89%	3.94%	3.87%	4.03%	3.96%	3.96%	4.08%	4.02%	4.15%
Volume (Mn Shares)	148.8	239.7	218.3	167.7	234.5	283.2	439.5	672.0	1,282.1	1,239.7	2,343.5	1,614.2
Value (QAR Mn)	5,580.1	5,252.7	5,789.6	5,247.2	6,841.5	5,484.8	10,299.7	5,468.2	3,784.8	4,083.5	6,021.3	4,711.0
Trades	97,199	152,156	138,925	107,717	119,732	120,178	194,051	121,014	109,728	118,906	147,557	111,539

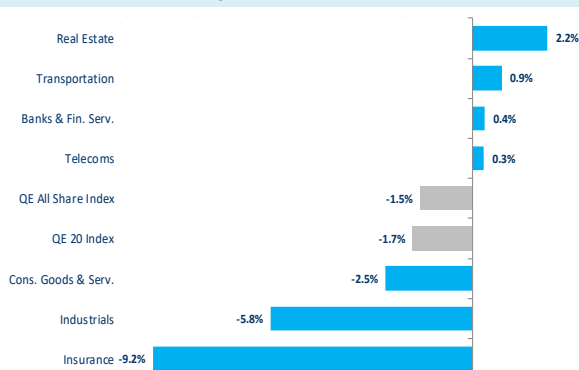
Source: Qatar Exchange, KAMCO Research

After gaining in Sept-19 (+1.3%), Qatar Exchange was amongst the decliners in the GCC, as the QE 20 index declined by 1.7% and closed at 10,188.97 points. The Qatar All Share index which maps the broader market, also exhibited similar declining trends, as the index declined by 1.5% m-o-m for the month. Market breadth favored decliners, as 17 stocks gained, while 27 stocks closed the month in the red. Sectoral performance was mixed and contained both gainers and decliners. The Real Estate index was the best performing index with gains of 2.2% m-o-m, driven by a 2.9% m-o-m gain in the share price of Barwa Real Estate, and a 5.3% jump in United Development. The Transportation index also moved up by 0.9% with Qatar Gas Transport (+2.5%) and Gulf Warehousing Co (+1.8%) ending Oct-19 as the main contributor to sector gains. The Insurance index was the worst performing index and plunged by 9.2% m-o-m.

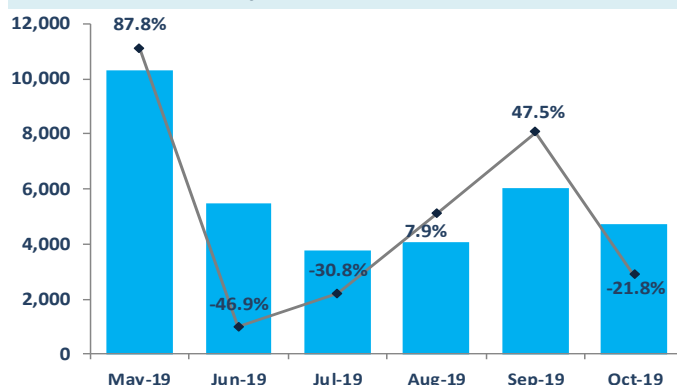
In earnings releases, QNB's net profit topped QAR 11.2 Bn for 9M-19, an increase of 4% y-o-y compared to 9M-18. Operating Income increased by 4% y-o-y to QAR 19.1 Bn. The company mentioned that this reflects their success in maintaining growth across the range of revenue sources. QNB mentioned that the drive for operational efficiency is yielding cost-savings in addition to sustainable revenue generating sources and helped QNB Group to improve the cost to income ratio to 25.7%, from 26.2% 9M-19. Telecom operator Vodafone's total revenue improved by 1% y-o-y to reach QAR 1,553 Mn with service revenue up by 2% driven by a growth in postpaid subscribers and the increasing popularity of home broadband solutions. Vodafone also recorded a 24% increase in EBITDA y-o-y to reach QAR 529 Mn, supported by higher revenue, lower costs and the adoption of IFRS 16. This reflects a healthy 34% EBITDA margin, representing an improvement of 6.3 percentage points y-o-y, the highest reportedly in the company's history. Further the company reported a net profit of QAR 108 Mn for 9M-19, reflecting an increase of 44% compared to 9M-18, mainly driven by higher EBITDA. In ratings action, Fitch Ratings affirmed the Qatar International Islamic Bank's rating at 'A' with a stable outlook, and highlighted the strength of the Bank's operating indicators, its financial position and conformity to Qatar's economic potential as key drivers behind the rating.

Trading activity indicators on the index was down m-o-m, as value traded during Oct-19 decreased by 21.8% to reach QAR 4.7 Bn, while traded volumes declined by 21.8% m-o-m to reach 1.61 Bn shares. In terms of trading activity, Qatar National Bank topped the monthly value traded chart with QAR 0.87 Bn worth of shares traded, followed by Qatar International Islamic Bank and Masraf Al Rayan recording QAR 596 Mn and QAR 391 Mn in monthly value traded. In terms of volumes traded, Aamal Co. led all stocks with traded volumes of 257.5 Mn shares. Ezdan Holding and Qatari German Co for Medical Devices followed with traded volumes of 181.63 Mn shares and 118.3 Mn shares respectively. The Banks & Financial Services sector was the most active in terms of value traded during Oct-19, accounting for 52.2% of the total value traded, followed by Industrials and Real Estate sectors, as they accounted for 17.4% and 11.6% of the total value traded respectively. Medicare Group was the top performing stock in the index for the month, as its share price surged by 17.8%. Qatar Islamic Insurance followed along with Widam, as their stock prices moved up by 13.9% and 7.0% respectively. On the other hand, shares of Qatar General Insurance & Reins Co. led the monthly losers chart losing 24.6% m-o-m.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Bahrain All Share Index	1,328.81	1,337.26	1,391.42	1,412.66	1,413.32	1,433.92	1,433.52	1,471.04	1,547.68	1,533.09	1,516.53	1,523.27
Monthly % Change	1.1%	0.6%	4.1%	1.5%	0.0%	1.5%	(0.0%)	2.6%	5.2%	(0.9%)	(1.1%)	0.4%
Market Cap (BHD Mn)	7,859	7,948	8,265	8,061	8,062	8,168	8,176	8,400	8,837	8,751	8,661	8,695
P/E (X) - TTM	8.45	8.60	8.93	9.42	9.36	9.41	10.27	10.60	11.22	11.30	10.15	10.26
P/BV (X) - TTM	0.79	0.80	0.82	0.85	0.83	0.84	0.85	0.88	0.93	0.92	0.91	0.91
Dividend Yield (%)	5.77%	5.69%	5.48%	4.79%	5.13%	5.06%	5.08%	4.93%	4.54%	4.58%	4.63%	4.60%
Volume (Mn Shares)	85.4	194.6	140.7	98.3	100.3	145.0	66.1	123.1	105.9	55.9	68.6	77.4
Value (BHD Mn)	23.5	89.3	35.4	23.1	30.2	33.7	16.2	36.4	27.9	11.8	17.5	17.1
Trades	1,265	1,521	2,094	2,185	1,719	2,040	1,408	1,735	2,420	1,287	1,661	1,535

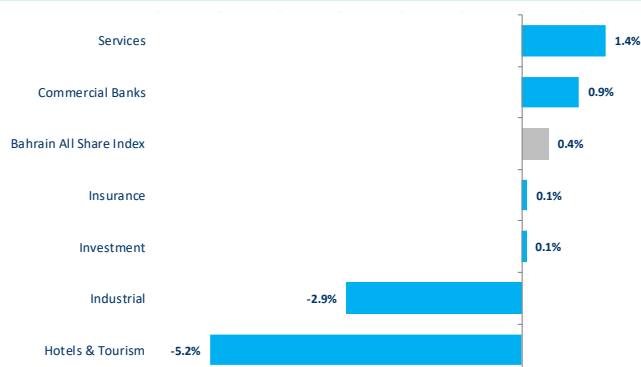
Source: Bahrain Bourse, KAMCO Research

The Bahrain All Share continued its streak of m-o-m gains and remains one of the best performers in the region YTD at the end of Oct-19 (+13.9%), as the index was up 0.4% during the month of Oct-19. Sectoral performance was mixed for the month and had both gainers and decliners. Services was the best performing index, with marginal gains of 1.4%, followed by Commercial Bank (+0.9%). The rest of the financials pack stayed broadly stable with Investment companies and Insurance gaining by 0.1% each respectively. Hotels & Tourism was the worst performing index, and down 5.2% m-o-m in Oct-19, driven down singlehandedly Banader Co for Hotels (-8.1%). Industrials was the other sector that declined, down 2.9% m-o-m, as Alba was down by almost 3% m-o-m.

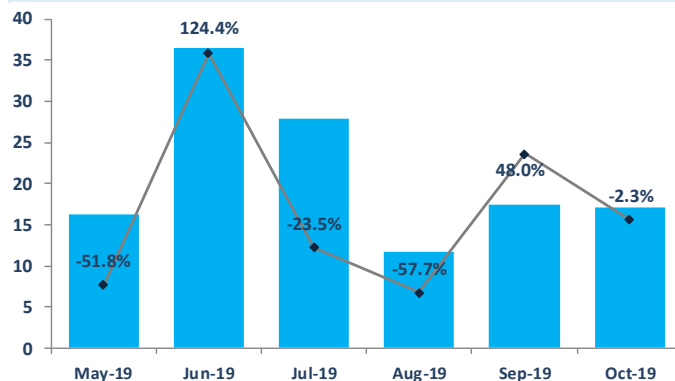
In earnings releases, AUB reported a net profit of USD 558.4 Mn for 9M-19, up 5.7% y-o-y, from USD 528.3 Mn achieved in 9M-18, as the company mentioned that the increase reflects the benefits arising from AUB's diversified business model, robust risk management framework and judicious business driven culture. Increases in net interest income, trading and investment income resulted in a rise in operating income to USD 919.3 Mn for 9M-19 from USD 907 Mn in 9M-18. Cost to income stood at 26.7% for 9M-19, as compared to 26.2% for 9M-18. National Bank of Bahrain reported a 1.8% increase in net profits to BHD 56.0 Mn for 9M-19, compared to BHD 55.0 Mn for 9M-18. Furthermore, operating profit also showed a healthy growth of 8.3% to BHD 62.3 Mn, compared to BHD 57.5 Mn for 9M-18. This was achieved despite provisions of BHD 6.3 Mn, which were more than double the provision amount in 9M-18. Operating income during 9M-19 witnessed an increase of 7.2% y-o-y to BHD 94.9 Mn compared with BHD 88.5 Mn for 9M-18. In addition, net interest income rose by 9.8% to BHD 70.5 Mn compared with BHD 64.2 Mn in the prior-year period. Separately, BBK achieved a net profit of BHD 55.5 Mn in 9M-19 compared to BHD 48.4 Mn in 9M-18, representing an increase of 14.6%. The bank also achieved a net operating profit (net of provisions and excluding share of profit from associated companies and joint ventures) for 9M-19 of BHD 49.6 Mn, a 6% increase as compared to BHD 46.8 Mn in 9M-18.

Trading activity was mixed, as volumes increased by 12.9% m-o-m to reach 77.4 Mn shares. Value traded however declined by 2.3% m-o-m and reached BHD 17.1 Mn. The number of trades made in the exchange also declined to 1,535 trades, down 7.6% m-o-m from Sept-19. AUB was the most actively traded stock in Oct-19 with BHD 3.98 Mn worth of its shares traded on the exchange. GFH and Bank of Bahrain and Kuwait followed with around BHD 3.10 Mn and BHD 2.50 Mn worth of shares traded. In terms of volumes traded, GFH topped the list as well, with 31.15 Mn shares traded on the exchange. Al Salam Bank and AUB followed with 12.9 Mn shares and 11.7 Mn shares respectively. Of the 9 stocks that closed in the green in Oct-19, APM Terminal Bahrain topped the gainers list yet again, as it witnessed a 11.4% m-o-m increase, followed by Al Salam Bank with monthly gains of 5.5%. Bahrain Ship Repairing and Engg Co. was the main laggard, with a m-o-m decline of 10.0%, followed by Banader Co. for Hotels and Al Khaleeji Commercial Bank with monthly declines of 10.0% and 8.1% respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
MSM 30 Index	4,412.1	4,323.7	4,215.8	4,144.5	3,983.7	3,945.6	3,934.2	3,884.9	3,760.6	4,004.9	4,017.7	3,999.9
Monthly % Change	(0.2%)	(2.0%)	(2.5%)	(1.7%)	(3.9%)	(1.0%)	(0.3%)	(1.3%)	(3.2%)	6.5%	0.3%	(0.44%)
Market Cap (OMR Mn)	7,391	7,233	7,002	6,892	6,709	6,613	6,602	6,544	6,383	6,713	6,729	6,675
P/E (X) - TTM	9.36	9.25	8.91	8.96	8.82	8.82	8.85	8.70	7.67	8.21	8.22	8.26
P/BV (X) - TTM	0.84	0.83	0.79	0.76	0.72	0.71	0.71	0.71	0.69	0.74	0.74	0.74
Dividend Yield (%)	6.54%	6.66%	6.96%	7.18%	6.61%	6.60%	6.59%	6.70%	7.66%	7.15%	7.13%	7.13%
Volume (Mn Shares)	283.5	257.6	261.7	400.7	310.8	303.3	180.6	307.9	276.7	558.0	297.2	433.3
Value (OMR Mn)	32.8	42.2	53.6	51.8	45.3	41.9	27.4	52.9	37.3	164.3	40.9	53.4
Trades	7,677	8,442	8,380	9,847	9,547	12,704	8,473	8,365	9,982	8,464	11,066	10,774

Source: Muscat Securities Market, KAMCO Research.

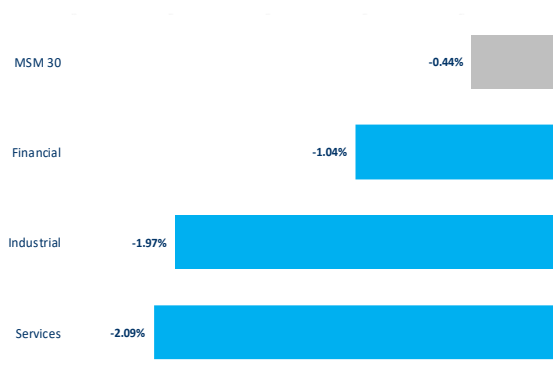
MSM broke the two month rising streak during October-19 and declined marginally by 0.4% to close at 3,999.9 points. The index saw minimal volatility during the month and hovered around the closing level. The decline was broad based as seen in the decline in all the sectoral indices. The Services index saw the biggest decline of 2.1% followed by Industrial index with a decline of 2.0% while the Financial index declined by 1.0%. The decline pushed YTD-19 returns for the MSM 30 index further in the negative zone to reach -7.5%, the biggest index decliner in the GCC.

Trading activity on the exchange surged and Oman was the only market to record higher trading activity during October-19 as compared to September-19. Total value traded on the exchange increased by 31% to reach OMR 53.4 Mn as compared to OMR 40.9 Mn during September-19. Monthly value traded also increased by almost 50% to reach 433 Mn shares as compared 297.0 Mn during the previous month. Sohar International Bank topped monthly volume traded chart with 185.5 Mn shares changing hands during the month followed by Bank Muscat and National Gas with 8.5 Mn shares and 3.0 Mn Shares, respectively. Sohar International Bank also topped the monthly value chart with OMR 21.1 Mn worth of traded shares followed by Bank Muscat and Ooredoo at OMR 3.8 Mn and OMR 1.6 Mn, respectively. Regular market stocks accounted for the bulk of the trading activity during the month accounting for 55% of the monthly value traded as compared to 37% during September-19, while volume traded was almost equally split between the regular market and the parallel market stocks. In terms of investor type, local Omani investors increased their share of buy trades from 83.6% in September-19 to 88.7% in October and for the value of sell trades, their share increased from 79.8% to 88.3% during October-19.

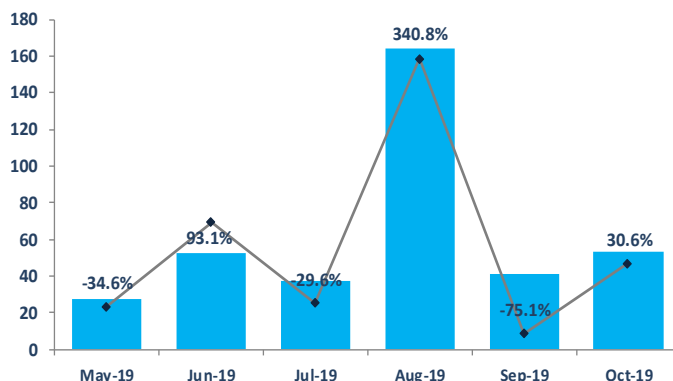
The monthly stock performance chart for the regular market was topped by Shell Oman Marketing which recorded a monthly gain of 6.8%. Shares of the company gained after it announced better-than-expected earnings and revenues for 9M-19 although there was a marginal y-o-y decline in both the topline and the bottom-line for 9M-19. Raysut Cement was next on the gainers list with a gain of 2.9% followed by marginal gainers Bank Muscat and Sohar International Bank with gains of 0.9%. On the decliners chart, Muscat Finance topped with its stock falling 11.8% after the company reported a steep y-o-y decline in its 9M-19 profits. Oman Cement was next on the list with a decline of 4.1% followed by Vision Insurance and Al Anwar Holding with declines of 3.5% and 3.4%, respectively. Oman Cement and Vision Insurance both reported a decline in 9M-19 earnings whereas Al Anwar Holding reported profits for fiscal Q2-19 as compared to losses in the corresponding quarter last year.

On the regulatory front, the Sultanate is set to introduce a new Bankruptcy and Insolvency law on 1-July-2020. The law prescribes conditions for bankrupt parties to repay its creditors as per a previously agreed upon restructuring plan. As per the plan, the law would set rules and regulations to oversee declaration of bankruptcy as well as precautionary steps prior to declaration, which will help the bankrupt party to overcome financial turmoil after paying debts and reconciling with creditors.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research

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