

GCC Markets Monthly Report

September-2019

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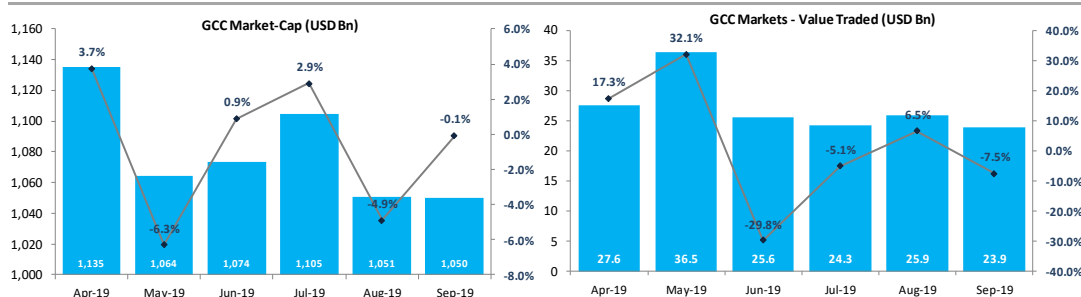
GCC markets remained volatile in Sept-19 due to geopolitical risks...

Geopolitical events in the GCC during Sept-19 tested investors' confidence in regional markets after the sharp decline following the attacks on Saudi Arabian oil facilities. The performance of GCC indices remained mixed, characterized by steep volatility especially during the second half of the month. The attacks pushed the Saudi benchmark's YTD-19 performance towards the red for the first time this year at a yearly intraday low of 7,589.5 points. **However, TASI saw a quick reversal to record the second highest monthly gain of 0.9%.** On the other hand, Kuwait recorded a decline of 4.4% after investors booked profits following elevated valuations. This decline along with Abu Dhabi's -2.1% and Bahrain's -1.1% decline more than offset gains in other markets resulting in a 1% decline in the MSCI GCC Index in Sept-19.

In terms of sector performance, Banks, Basic Materials and Real Estate stocks continued to slide during the month while consumer sectors, including Food Beverage & Tobacco, Retailing, Pharma and Consumer Services, and Telecoms saw a low single-digit gains during the month. Shares of a majority of the banks declined that was partially offset by 12.1% gain in shares of ENBD that reached a 12-year high level after the bank increased the foreign ownership limit in its stock to 20% and announced its intention to raise to 40%. **The performance of telecom stocks remained mixed but the overall sector was buoyed by 8.3% gain in shares of STC.**

Global markets remained largely positive after a volatile Aug-19. Performance for almost all the major markets were positive with low single digit gains as markets overlooked recent political events including in the US and UK as well as US China Trade war. The broader MSCI World Index gained almost 2.0% during the month taking cues from positive performance of both Emerging Market indices as well as developed market benchmarks.

| 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 | 6,174.8 | (5.4%) | 17.2% | 108.8 | 2,482.1 | 15.5 | 1.4 | 3.7% |
| Kuwait - Main Market Index | 4,713.8 | (1.6%) | (0.5%) | | | | | |
| Kuwait - All Share Index | 5,678.7 | (4.4%) | 11.8% | | | | | |
| Saudi Arabia | 8,091.8 | 0.9% | 3.4% | 501.6 | 17,267.8 | 17.3 | 1.9 | 4.0% |
| Abu Dhabi | 5,057.3 | (2.1%) | 2.9% | 142.9 | 924.0 | 12.7 | 1.4 | 5.0% |
| Dubai | 2,781.1 | 0.8% | 9.9% | 98.3 | 1,434.9 | 7.3 | 0.9 | 4.4% |
| Qatar | 10,367.1 | 1.3% | 0.7% | 157.9 | 1,653.8 | 14.1 | 1.3 | 4.0% |
| Bahrain | 1,516.5 | (1.1%) | 13.4% | 23.0 | 46.3 | 10.2 | 0.9 | 4.6% |
| Oman | 4,017.7 | 0.3% | (7.1%) | 17.5 | 106.2 | 8.2 | 0.7 | 7.1% |
| Total GCC | | | | 1,049.9 | 23,915.2 | 14.0 | 1.5 | 4.2% |



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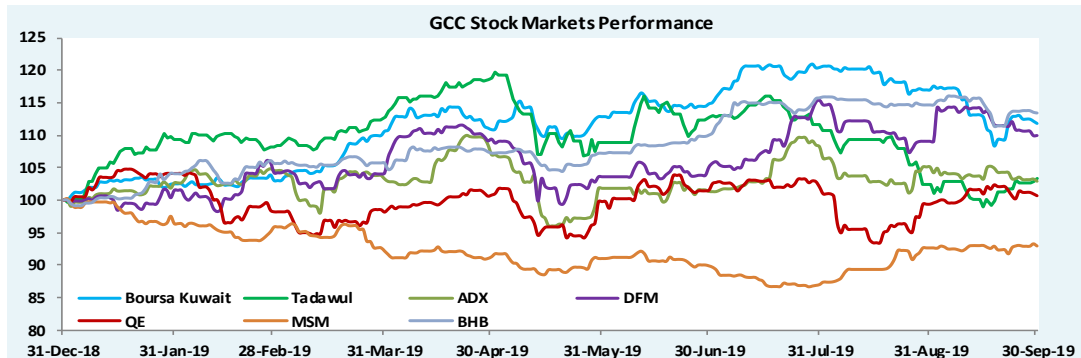
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Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

| Monthly Indicators | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Premier Market Index | 5,234.2 | 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 |
| Monthly % Change | (2.1%) | 1.6% | (0.9%) | 3.1% | 1.0% | 9.2% | 1.0% | 3.2% | 2.2% | 5.8% | (3.2%) | (5.4%) |
| Main Market Index | 4,693.7 | 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 |
| Monthly % Change | (0.9%) | 0.8% | 0.2% | 1.3% | (0.5%) | 3.0% | (1.8%) | (1.9%) | 0.6% | 2.4% | (1.9%) | (1.6%) |
| All Share Market Index | 5,042.2 | 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 |
| Monthly % Change | (1.7%) | 1.3% | (0.6%) | 2.5% | 0.5% | 7.4% | 0.2% | 1.8% | 1.8% | 4.9% | (2.9%) | (4.4%) |
| Thomson Reuters Kuwait TRI | 212.4 | 215.5 | 214.9 | 218.3 | 221.8 | 240.0 | 247.0 | 254.3 | 259.1 | 271.9 | 263.0 | 249.9 |
| Monthly % Change | (1.4%) | 1.5% | (0.3%) | 1.6% | 1.6% | 8.2% | 2.9% | 2.9% | 1.9% | 4.9% | (3.3%) | (5.0%) |
| Market Cap (KWD Mn) | 28,578 | 29,059 | 29,013 | 29,745 | 29,938 | 32,179 | 32,369 | 33,083 | 33,664 | 35,399 | 34,380 | 32,862 |
| P/E (X) - TTM | 14.31 | 14.60 | 14.60 | 15.00 | 15.10 | 16.20 | 15.50 | 15.60 | 15.83 | 16.60 | 16.20 | 15.50 |
| P/BV (X) - TTM | 1.24 | 1.26 | 1.19 | 1.22 | 1.23 | 1.32 | 1.36 | 1.41 | 1.44 | 1.51 | 1.44 | 1.38 |
| Dividend Yield (%) | 3.89% | 3.84% | 3.86% | 3.91% | 3.84% | 3.68% | 3.79% | 3.65% | 3.59% | 3.42% | 3.52% | 3.69% |
| Volume (Mn Shares) | 1,464.2 | 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 |
| Value (KD Mn) | 309.8 | 284.8 | 574.6 | 610.0 | 438.7 | 817.2 | 702.7 | 617.2 | 660.2 | 979.0 | 490.3 | 749.9 |
| Trades ('000) | 75.6 | 75.7 | 101.5 | 123.1 | 87.7 | 120.4 | 141.8 | 112.9 | 108.1 | 180.3 | 108.5 | 139.2 |

Source: Kuwait Stock Exchange, KAMCO Research

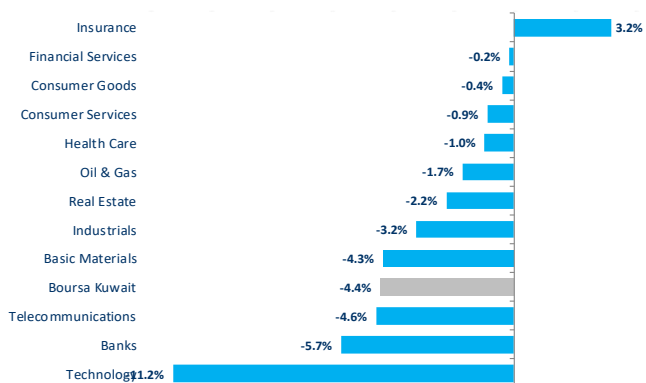
Boursa Kuwait remained in the red for the second consecutive month during September-19 and recorded the biggest monthly decline in the GCC as investors booked profits. All the three Kuwaiti indices witnessed declines during the month primarily led by large-cap stocks. This was reflected in the 5.4% decline in the Premier Market Index with all the index constituents seeing declines for the second consecutive month. Shares of KFH in the Premier Market witnessed the biggest decline of 9.8%. The Islamic lender is in talks to acquire Bahrain's AUB and finalized a share swap deal with the later's investors valued at USD 8.8 Bn. Burgan Bank followed and was the second biggest decliner in the 19-stock index falling 8.9% during the month. The Main Market index, meanwhile, recorded a relatively smaller decline of 1.6% resulting in a decline of 4.4% for the All Share Index. Declines during the month pushed Kuwait to the second position in the GCC after Bahrain in terms of YTD-19 returns that stood at 11.8% for the All Share Index as the 17.2% gains for the Premier Market index was offset by 0.5% decline in the Main Market Index.

In terms of sector performance, only the Insurance sector recorded gains during the month at 3.2% after 9.3% and 4.3% gain in shares of Gulf Insurance Group and Warba Insurance more than offset decline in shares of Kuwait Insurance and Wethaq Takaful. On the other hand, large-cap sectors were key decliners during the month including Banks, Telcos and Industrials. Shares of all the banks declined during the month, whereas in the Telecom sector, gain in shares of Ooredoo Kuwait failed to offset declines reported by Viva and Zain. Nevertheless, the Banking index continues to lead in the Kuwait in terms of YTD-19 returns that stood at 19.5% followed by Financial Services and Telecom indices at 13.6% and 13.1%, respectively.

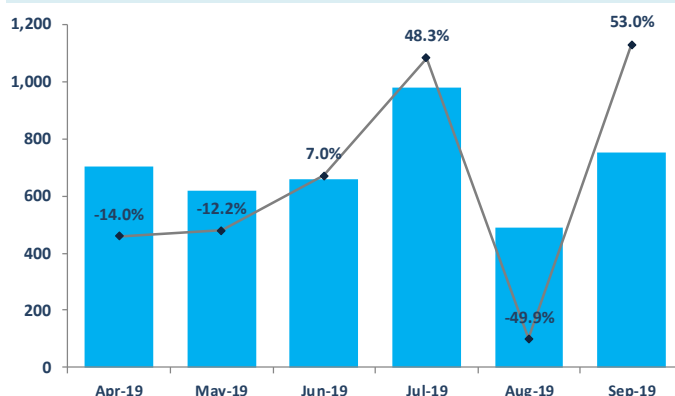
Trading activity surged during the month as compared to August-19. Monthly value traded increased by 53% to reach KWD 750 Mn in September-19 as compared to KWD 490 Mn during the previous month. Monthly volume also increased but at a slightly slower pace of 20.3% to reach 3.1 Bn shares. KFH once again topped the monthly value traded chart with KWD 179.5 Mn worth of trades followed by NBK and AUB-Bahrain at KWD 101.9 Mn and KWD 95.0 Mn, respectively. On the monthly volume chart, AUB-Bahrain topped with 347 Mn shares followed by KFH and A-ayan Leasing at 265.9 Mn shares and 177 Mn shares, respectively.

The monthly gainers chart was topped by Tahssilat with a gain of 51% followed by KMEFIC and Al Masaken International Real Estate with gains of 41.9% and 41.8%, respectively. On the decliners side, Warba Capital topped with a fall of 36.2% followed by Amwal International Investment and Al-Argan International Real Estate with declines of 34.5% and 23.8%, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

| Monthly Indicators | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tadawul All Share Index | 7,907.0 | 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 |
| Monthly % Change | (1.2%) | (2.6%) | 1.6% | 9.4% | (0.8%) | 3.8% | 5.5% | (8.5%) | 3.6% | (1.0%) | (8.2%) | 0.9% |
| Market Cap (SAR Bn) | 1,873.8 | 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 |
| P/E (X) - TTM | 14.88 | 14.58 | 14.84 | 16.25 | 16.52 | 17.36 | 18.75 | 17.12 | 17.62 | 17.91 | 17.14 | 17.28 |
| P/BV (X) - TTM | 1.75 | 1.71 | 1.74 | 1.90 | 1.90 | 1.97 | 2.09 | 1.93 | 2.01 | 2.01 | 1.85 | 1.87 |
| Dividend Yield (%) | 3.94% | 4.06% | 4.00% | 3.63% | 3.67% | 3.65% | 3.45% | 3.57% | 3.46% | 3.60% | 3.99% | 3.97% |
| Volume (Mn Shares) | 3,856.8 | 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 |
| Value (SAR Mn) | 95,741.5 | 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 |
| Trades ('000) | 2,616 | 2,326 | 2,363 | 2,473 | 1,809 | 2,217 | 2,412 | 2,479 | 1,858 | 2,262 | 2,119 | 2,318 |

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

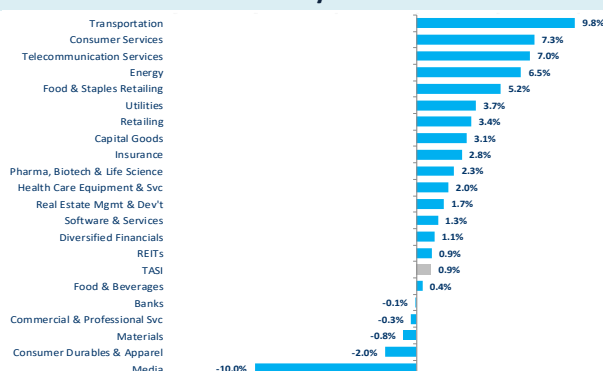
After two consecutive months of decline, Saudi Arabia's TASI witnessed marginal gains during September-19. The benchmark gained after reaching yearly intraday low of 7,589.5 points following the attacks on its oil facilities and closed the month with a gain of 0.9%. The index also regained the psychologically important 8,000 mark during the last week of the month and closed to 8,091.76 points. Gains during the month pushed YTD-19 returns for the benchmark to 3.4%. In terms of sector performance, a majority of the sectoral indices recorded gains during the month that were partially offset by marginal decline in large-cap sectors including Banks and Materials. The Transportation index topped the monthly performance chart with a gain of 9.8% followed by Consumer Services and Telecom indices with gains of 7.3% and 7.0%, respectively. On the decliners side, the Media index dropped 10% during the month followed by Consumer Durables & Apparel and Material indices with declines of 2.0% and 0.8%, respectively.

Trading activity on the exchange declined during the month after the sell-off led growth during the previous month. Total value traded during the month declined by 17.7% to reach SAR 64.8 Bn as compared to SAR 78.7 Bn during the previous month. Volume of shares traded declined at a much smaller pace of 1.1% to reach 2.5 Bn shares in September-19 indicating higher trades in large-cap stocks during the month. The inclusion in the MSCI and FTSE emerging market indices has led to an increase in foreign investor exposure in the Saudi equity market. According to the Chairwoman of Tadawul, the share of foreign investors stood at 8.3% by the end of August-19, recording a YTD growth of 76%. She also said that additional passive inflows of around USD 3 Bn are expected in Saudi market from the remaining phase of inclusion in the FTSE Emerging Market index. The exchange is also set to launch an index futures contract based on the MSCI Tadawul 30 Index in the next quarter.

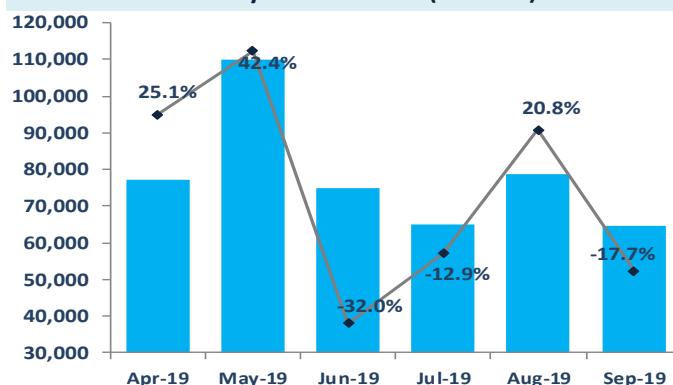
The monthly performance chart was topped by Fawaz Abdulaziz Al-Hokair that gained 20% followed by Zamil Industrial Investment and Allianz SF with gains of 18.5% and 17.1%, respectively. On the decliners side, Saudi Arabian Amintit topped with a decline of 20% followed by AlSorayai Group and Alujain with declines of 18.5% and 17.0%, respectively.

On the economic front, the attacks on the Kingdom's largest oil facility saw investors adding geopolitics as one of the factors while considering regional investments. Ratings agency Fitch downgraded Saudi Arabia's sovereign rating by one notch to A from A+ with a 'Stable' outlook citing rising geopolitical and military tensions in the region and vulnerability of Saudi Arabia's economic infrastructure and continued deterioration in the Kingdom's fiscal and external balance sheets. On the other hand, estimates from Moody's suggested that the attack would result in a steep decline in Saudi Arabia's GDP growth to reach 0.3% in 2019 as compared to its previous forecast of 1.5%. However, Saudi Arabia's central bank governor said that 2019 GDP growth would not be too far from IMF's forecast of 1.9%. Meanwhile, S&P affirmed Saudi Arabia's sovereign rating at A- and maintained a 'Stable' outlook. The rating agency said it expects Saudi Arabia to maintain a pace of moderate economic growth and retain strong government and external balance sheets over the next two years despite sizable fiscal deficits and heightened regional tensions.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

| Monthly Indicators | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| ADX General Index | 4,901.9 | 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 |
| Monthly % Change | (0.7%) | (2.7%) | 1.1% | 4.6% | 1.8% | (1.2%) | 3.6% | (4.8%) | (0.5%) | 6.8% | (2.9%) | (2.1%) |
| Market Cap (AED Bn) | 513.5 | 504.1 | 518.8 | 531.9 | 538.4 | 525.4 | 547.5 | 498.7 | 510.6 | 542.9 | 530.2 | 525.0 |
| P/E (X) - TTM | 12.35 | 11.92 | 12.23 | 12.53 | 12.62 | 12.66 | 13.29 | 12.66 | 12.69 | 13.53 | 13.10 | 12.72 |
| P/BV (X) - TTM | 1.28 | 1.25 | 1.29 | 1.32 | 1.34 | 1.32 | 1.41 | 1.38 | 1.38 | 1.48 | 1.44 | 1.41 |
| Dividend Yield (%) | 5.19% | 5.34% | 5.18% | 5.17% | 4.91% | 4.97% | 4.76% | 4.99% | 4.98% | 4.67% | 4.87% | 4.97% |
| Volume (Mn Shares) | 1,141.7 | 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 |
| Value (AED Mn) | 3,067.7 | 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 |
| Trades | 24,775 | 32,303 | 26,212 | 30,042 | 36,210 | 30,142 | 36,226 | 36,212 | 26,310 | 33,745 | 32,103 | 34,016 |

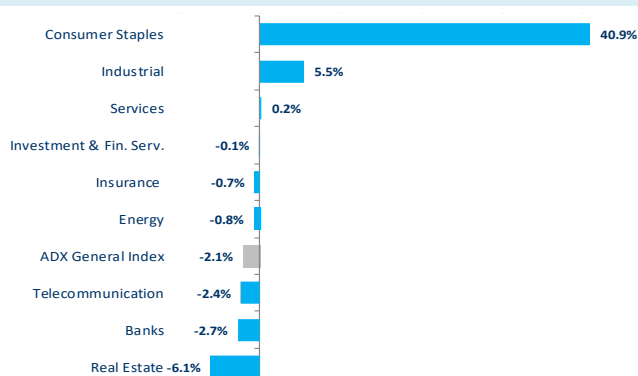
Source: Abu Dhabi Securities Exchange, KAMCO Research

ADX continued its declining streak from Aug-19 into Sept-19, as the main index was down 2.1% m-o-m. The index closed at 5057.31 points, as sectoral performance was mixed, but skewed more towards sectors that declined. Real Estate was the worst performing index, as the sector declined by 6.1% m-o-m in Sept-19, driven by Aldar Properties, which was down 6.7% m-o-m. Separately, Aldar launched its first residential community in Saadiyat Island – Saadiyat Reserve. The AED 722 million community features 306 infrastructure enabled land plots open to buyers of all nationalities, ranging between 600 sq.m to 1,400 sq.m, suited to accommodate homes of 4-6 bedrooms. Project execution is due to begin in Q1-20 with handovers scheduled for mid-2022. Banks followed with declines of 2.8% m-o-m, as banking sector stocks dominated the decliners on the ADX, led by National Bank of Umm Al Qawain (-13.6%) and Commercial Bank International (-10%). Telecoms also witnessed declines of 2.4% m-o-m in Sept-19, as Sudatel Telecom plunged by 8.4% for the month. In terms of gainers, Consumer Staples was the best performing index as it soared by 40.9% m-o-m, as the share price of International Holding Company jumped by 66.7% in Sept-19, while FOODCO Holding shares gained by 14.8% m-o-m.

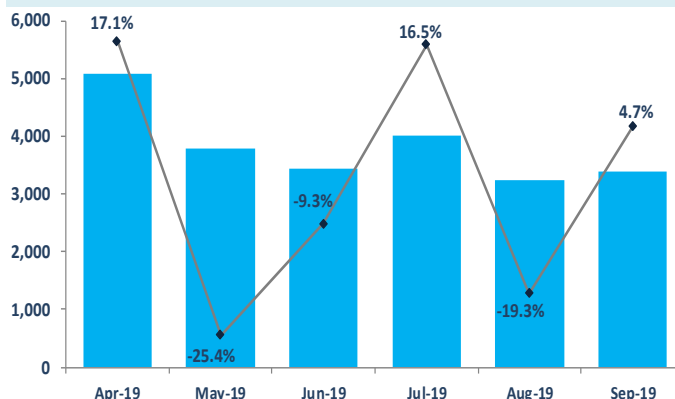
ADNOC Distribution approved the payment of an interim dividend for H1-19 of AED 1.194 Bn (AED 9.55 fils/share). This is the first payment in what is expected to be a full-year 2019 dividend payment of AED 2.39 Bn (AED 19.10 fils/share), reflecting a 62% increase compared to last year's dividend of AED 1.47 Bn (AED 11.76 fils/share). The company intends to increase its annual dividend payment for 2020 to AED 2.57 Bn (AED 20.57 fils/share), a 75% increase compared to 2018 and thereafter, a minimum payout of 75% of distributable profits from 2021 onwards. Abu Dhabi National Energy Company (TAQA) reportedly finalized the issuance of its 30-year bonds worth USD 500 Mn. The bonds will carry a coupon and re-offer yield to maturity of 4%, and the proceeds of the offering will be used for the repayment of other outstanding debt. Separately, the government of Abu Dhabi has sold USD 10 Bn in bonds, its first debt issuance in two years. The issuance reportedly included USD 3 Bn in five-year bonds, USD 3 Bn in 10-year and USD 4 Bn in 30-year notes. The debt due in 2024 was issued at a yield premium of 65 basis points more than Treasuries, securities due in 2029 at a spread of 85 basis points, while 2049 bonds were issued at a spread of 110 basis points.

International Holding Co topped the monthly gainers chart, with a gain of 66.7% m-o-m followed by Ras Al Khaimah Cement and Abu Dhabi Ship Building with gains of 27.8% and 22.7% respectively. On the decliners side, the main laggards were National Bank of Umm Al-Qaiwain and Commercial Bank International with declines of 13.6% and 10.0%, respectively. Trading activity on the exchange broadly stable m-o-m in Sept-19, as volumes traded receded by 2.9% to 0.96 Bn shares. Value traded however improved, by 4.7% m-o-m to reach AED 3.4 Bn during Sept-19. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 0.897 Bn worth of shares traded during Sept-19. ADCB and Etisalat followed as AED 565 Mn and AED 410 Mn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 157.0 Mn shares were traded. Dana Gas and ADNOC Distribution followed with 136.5 Mn and 100.1 Mn shares traded during Sept-19.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

| Monthly Indicators | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| DFM General Index | 2,784.6 | 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 |
| Monthly % Change | (1.8%) | (4.2%) | (5.2%) | 1.5% | 2.7% | (0.0%) | 5.0% | (5.3%) | 1.5% | 9.8% | (5.5%) | 0.8% |
| Market Cap (AED Bn) | 354.7 | 346.2 | 334.3 | 339.7 | 345.3 | 346.7 | 359.4 | 343.3 | 347.7 | 371.6 | 357.3 | 361.2 |
| P/E (X) - TTM | 7.54 | 7.52 | 7.15 | 7.08 | 7.17 | 7.25 | 7.56 | 7.26 | 7.29 | 7.87 | 7.56 | 7.26 |
| P/BV (X) - TTM | 0.98 | 0.95 | 0.90 | 0.87 | 0.90 | 0.89 | 0.94 | 0.90 | 0.91 | 0.97 | 0.92 | 0.93 |
| Dividend Yield (%) | 5.91% | 6.03% | 6.24% | 5.88% | 5.90% | 5.25% | 4.59% | 4.84% | 4.77% | 4.33% | 4.43% | 4.40% |
| Volume (Mn Shares) | 4,257.4 | 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 |
| Value (AED Mn) | 4,374.8 | 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 |
| Trades | 55,567 | 47,042 | 52,594 | 48,929 | 56,325 | 46,179 | 65,625 | 62,391 | 45,095 | 63,397 | 45,792 | 51,127 |

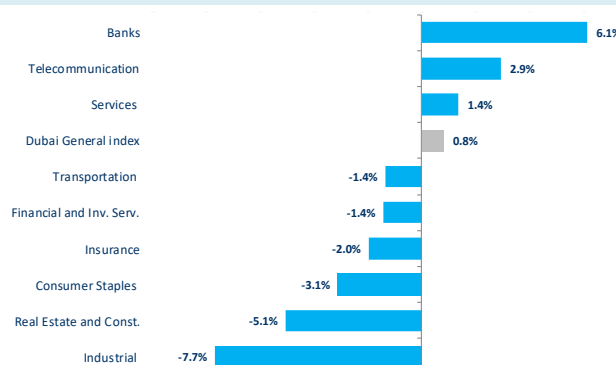
Source: Dubai Financial Market, KAMCO Research

The DFM index however managed to close marginally in the green in Sept-19, after witnessing a significant decline in Aug-19 (-5.5%). The frontline index was up 0.8% m-o-m and closed at 2,781.10 points. Sectoral trends and market breadth nevertheless were more skewed towards decliners. Banks and Telecoms were the main drivers behind the DFM closing in the green for the month of Sept-19, as the sectors gained by 6.1% and 2.9% respectively. The gains in the Banking sector was almost single-handedly driven by Emirates NBD, as the stock gained by 12.1% m-o-m foreign ownership limit in the bank's shares was raised to 20% from 5% previously. Telecoms were up from large cap Etisalat gaining by 2.9% m-o-m and offsetting the 3.3% m-o-m drop in Hits Telecom. Industrials index was the worst performing sectoral index, down 7.7% m-o-m, as National Cement Co plunged by 7.7% for the month. Real Estate & Construction companies followed with declines of 5.1% m-o-m, driven by declines in Emaar Properties (-6.9%), Damac Properties (-8.7%) and Union Properties (-8.6%). Financial & Investment Services companies declined by 1.4% m-o-m in Sept-19.

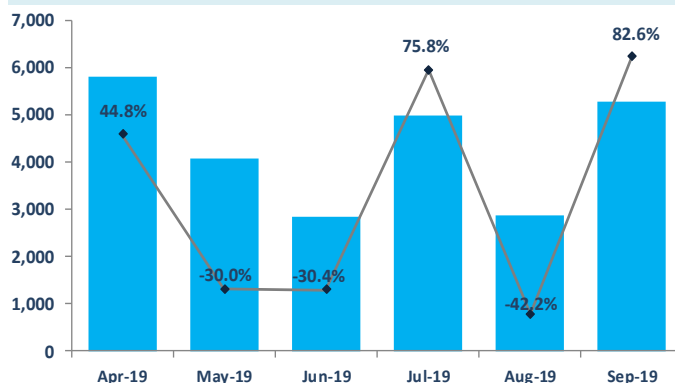
Real estate developer Emaar launched Ease, a streamlined short-term rental concept aimed at the holiday home market. The developer also unveiled 'South Beach', a premium residential beachfront development in Emaar Beachfront comprising of 1-BR, 2-BR, and 3-BR apartments, and this will be the first waterfront development to be listed on Ease by Emaar. Separately, SHUAA Capital that recently completed a merger with Abu Dhabi Financial Group, announced that it has agreed to sell its SHUAA Securities brokerage and market-making businesses in the UAE to IHC RSC Ltd, a subsidiary of International Holdings Company (IHC), post regulatory approvals. Under the terms of the all-cash deal, IHC will acquire the operations of both businesses, which currently function as stand-alone business units within SHUAA, and the sale is part of the strategy of the combined entity to exit non-core businesses and focus on Asset Management and Investment Banking. Global ratings agency S&P reportedly raised concerns over Dubai financially supporting the almost USD 59 Bn debt of government related entities. The agency expects the economy to rebound this year and grow by 2.4% in 2019, after growing by 1.94% in 2018. The Dubai government's own debt is estimated at USD 65 Bn, 56% of GDP.

In terms of trading activity, the DFM improved on all major indicators, as volumes traded increased by 38.8% m-o-m to reach 3.2 Bn shares. In terms of value traded, total value of shares increased by 82.6% m-o-m to reach AED 5.3 Bn. In terms of monthly gainers, International Financial Advisors Co. led all stocks as its stock price was up 14.3% in Sept-19. Emirates NBD and Arabtec Holding followed, as their stock prices moved up by 12.1% and 8.7% respectively. On the other hand, shares of Al Salam Group Holding declined the most as its share price declined by 17.2% m-o-m. Mashreq Bank and Damac Properties followed, as its stock price receded by 9.6% and 8.7% respectively m-o-m. Emirates NBD was the most actively traded stock on the exchange as AED 1.49 Bn worth of stock was traded. DIB and Emaar Properties followed with value traded of AED 835 Mn and AED 684 Mn respectively. In terms of volumes, Shuaa Capital led all stocks as 416 Mn shares were traded. GFH and Union Properties followed as 406 Mn and 295 Mn shares were traded. Market breadth favored decliners as only 13 stocks gained ground while 27 stocks witnessed lower levels during the month of Sept-19.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

| Monthly Indicators | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| QE 20 Index | 10,300.9 | 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 |
| Monthly % Change | 5.0% | 0.6% | (0.6%) | 4.1% | (5.7%) | (0.0%) | 2.7% | (1.0%) | 1.8% | 0.5% | (2.6%) | 1.3% |
| Market Cap (QAR Bn) | 580.5 | 588.4 | 588.7 | 615.9 | 578.1 | 567.8 | 584.4 | 568.1 | 577.6 | 578.1 | 564.2 | 574.8 |
| P/E (X) - TTM | 14.47 | 14.75 | 14.65 | 15.32 | 13.83 | 13.78 | 14.24 | 13.68 | 13.92 | 13.88 | 13.84 | 14.05 |
| P/BV (X) - TTM | 1.35 | 1.38 | 1.37 | 1.43 | 1.32 | 1.29 | 1.34 | 1.29 | 1.31 | 1.31 | 1.27 | 1.29 |
| Dividend Yield (%) | 3.88% | 3.81% | 3.84% | 3.53% | 3.89% | 3.94% | 3.87% | 4.03% | 3.96% | 3.96% | 4.08% | 4.02% |
| Volume (Mn Shares) | 125.2 | 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 |
| Value (QAR Mn) | 4,270.8 | 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 |
| Trades | 73,785 | 97,199 | 152,156 | 138,925 | 107,717 | 119,732 | 120,178 | 194,051 | 121,014 | 109,728 | 118,906 | 147,557 |

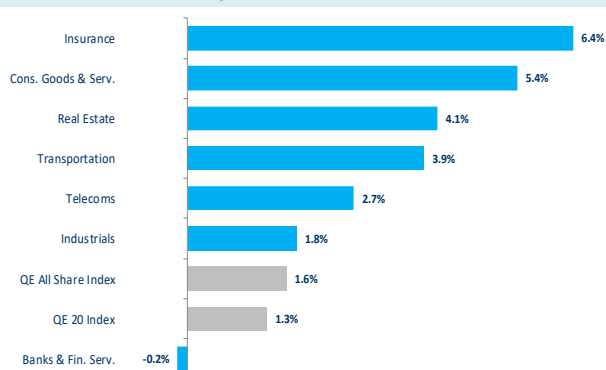
Source: Qatar Exchange, KAMCO Research

After falling in Aug-19 (-2.6%), Qatar Exchange gained and was the best performing market in Sept-19 (+1.3%), as the QE 20 index closed at 10,367.08 points. The Qatar All Share index which maps the broader market, also exhibited similar improving trends, as the index gained by 1.6% m-o-m for the month. Market breadth was broadly even, as 18 stocks gained, while 19 stocks closed the month in the red. Sectoral performance barring the Banks & Financial Services index was positive. The Insurance index was the best performing index with gains of 6.4% m-o-m, driven by a 7.0% m-o-m gain in the share price of Qatar Insurance, and a 10.5% jump in Al Khaleej Takaful. The Consumer Goods & Services index also moved up by 5.4%, with Qatar German Co. for Medical Devices (+12.4%) and Qatar Fuel (+8.9%) ending Sept-19 as the main contributor to sector gains. The Banks & Financial Services index closed marginally in the red (-0.2%), as Commercial Bank of Qatar (-9.4%) and Masraf Al Rayan (-2.5%) predominantly offset gains in other stocks during Sept-19.

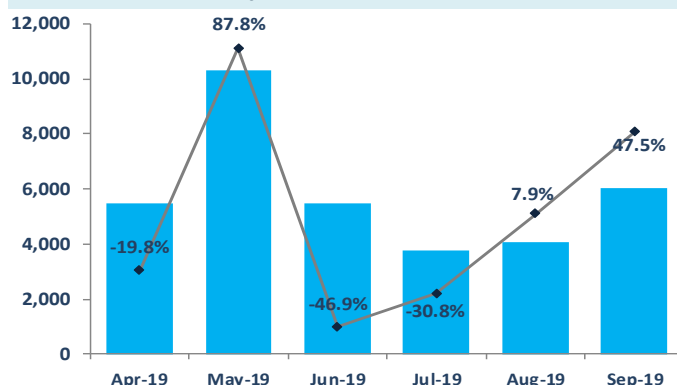
In funding related developments, Ahli Bank completed its third bond issuance for USD 500 Mn under its USD 1.5 Bn EMTN Program in the international debt capital markets. The 5-year bond has been assigned an A2 credit rating with a stable outlook by ratings agency Moody's and carries a coupon rate of 3.125%. The issue was reportedly oversubscribed by more than 3 times with orders from more than 85 investors in Asia, MENA and Europe. The geographic split of investors resulted in Europe taking a 41% share, Asia 32% share and MENA 27% share. Separately, Commercial Bank recently closed a 3-year USD 250 Mn Syndicated Loan which was mandated to Mizuho Bank Limited to lead and arrange. The purpose of the funding is reportedly to meet the Bank's general funding and working capital needs. Rating agency Moody's mentioned that the outlook for Qatar's banking system remains stable as infrastructure spending drives economic growth and supports lending. Moody's expects problem loans to increase to 2.4% of total loans by June 2020 from 2.1% at the end of 2018, while Qatar's real GDP rises 2.1% in 2019 and 2.2% in 2020, driven mainly by growth in the non-hydrocarbon sector of the economy.

Trading activity indicators on the index improved m-o-m, as value traded during Sept-19 increased by 47.5% to reach QAR 6.0 Bn, while traded volumes jumped by 89% m-o-m to reach 2.34 Bn shares. In terms of trading activity, Qatar National Bank topped the monthly value traded chart with QAR 1.1 Bn worth of shares traded, followed by Industries Qatar and Masraf Al Rayan recording QAR 372 Mn and QAR 341 Mn in monthly value traded. In terms of volumes traded, Ezdan Holding Group led all stocks with traded volumes of 498.046 Mn shares. Qatar First Bank and Aamal Co. followed with traded volumes of 359.3 Mn shares and 180.9 Mn shares respectively. The Banks & Financial Services sector was the most active in terms of value traded during Sept-19, accounting for 42.2% of the total value traded, followed by Industrials and Real Estate sectors, as they accounted for 20.3% and 9.6% of the total value traded respectively. Qatar Aluminum was the top performing stock in the index for the month, as its share price surged by 29.4%. Qatar Industrial Manufacturing followed along with Qatar Islamic Insurance, as their stock prices moved up by 15.6% and 15.4% respectively. On the other hand, shares of Commercial Bank of Qatar led the monthly losers chart losing 9.5% m-o-m. Aamal Co. and Qatari Investors Group followed with declines of 7.0% and 5.6% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

| Monthly Indicators | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Bahrain All Share Index | 1,314.73 | 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 |
| Monthly % Change | (1.8%) | 1.1% | 0.6% | 4.1% | 1.5% | 0.0% | 1.5% | (0.0%) | 2.6% | 5.2% | (0.9%) | (1.1%) |
| Market Cap (BHD Mn) | 7,701 | 7,859 | 7,948 | 8,265 | 8,061 | 8,062 | 8,168 | 8,176 | 8,400 | 8,837 | 8,751 | 8,661 |
| P/E (X) - TTM | 8.74 | 8.45 | 8.60 | 8.93 | 9.42 | 9.36 | 9.41 | 10.27 | 10.60 | 11.22 | 11.30 | 10.15 |
| P/BV (X) - TTM | 0.79 | 0.79 | 0.80 | 0.82 | 0.85 | 0.83 | 0.84 | 0.85 | 0.88 | 0.93 | 0.92 | 0.91 |
| Dividend Yield (%) | 5.76% | 5.77% | 5.69% | 5.48% | 4.79% | 5.13% | 5.06% | 5.08% | 4.93% | 4.54% | 4.58% | 4.63% |
| Volume (Mn Shares) | 126.6 | 85.4 | 194.6 | 140.7 | 98.3 | 100.3 | 145.0 | 66.1 | 123.1 | 105.9 | 55.9 | 68.6 |
| Value (BHD Mn) | 28.8 | 23.5 | 89.3 | 35.4 | 23.1 | 30.2 | 33.7 | 16.2 | 36.4 | 27.9 | 11.8 | 17.5 |
| Trades | 1,720 | 1,265 | 1,521 | 2,094 | 2,185 | 1,719 | 2,040 | 1,408 | 1,735 | 2,420 | 1,287 | 1,661 |

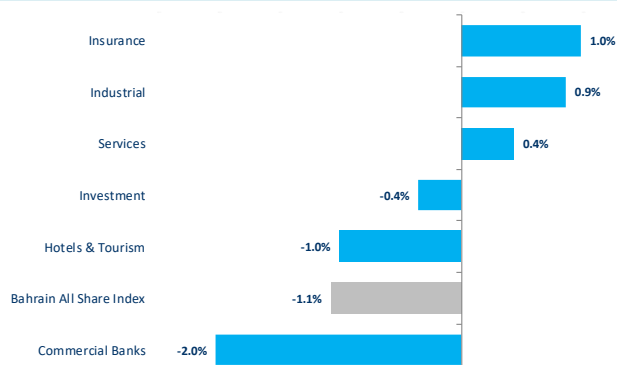
Source: Bahrain Bourse, KAMCO Research

The Bahrain All Share remains one of the best performers in the region YTD at the end of Sept-19 (+13.4%), despite the index declining by 1.1% during Sept-19. Sectoral performance was mixed for the month and had both gainers and decliners. Commercial Banks were the worst performing index as the index was down 2.0% m-o-m in Sept-19, driven down singlehandedly a 4.1% of AUB. Other sectors that declined m-o-m included Hotels & Tourism (-1%) and Investment Companies (-0.4%). Insurance was the best performing index, albeit with marginal gains of 1.0%, while a 0.9% gain in ALBA pushed up the Industrials sector (+0.9%) in Sept-19. Market breadth favored decliners as 14 stocks decline, while 10 stocks witnessed higher prices.

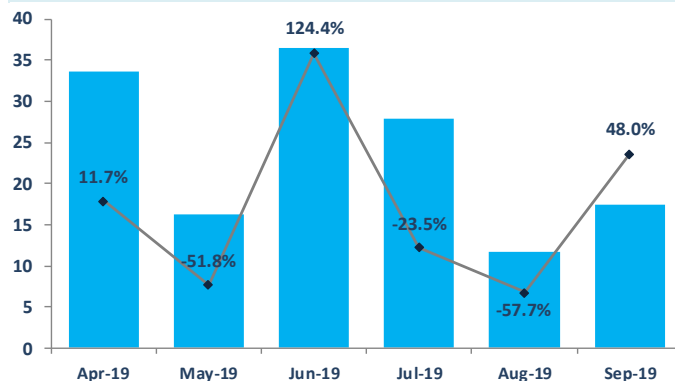
In corporate developments, Investcorp sold a portfolio of multifamily properties located in Raleigh, North Carolina to TruAmerica Multifamily for a combined total of approximately USD 109 Mn. Investcorp purchased the 830-unit portfolio in 2016 and completed value-add upgrades to the properties, consistent with the Firm's strategy to target attractive, strong cash-flow generating assets with opportunities for further capital appreciation. Separately, ALBA announced the establishment of the first-of-its-kind Spent Pot Lining (SPL) Treatment Plant in the GCC and Bahrain. The SPL Treatment Plant is in line with Bahrain's National Waste Management Strategy led by HH Shaikh Abdulla bin Hamad Al Khalifa, Personal Representative of His Majesty King of Bahrain and President of the Supreme Council for Environment. The new plant will have a capacity to treat 30,000 to 35,000 tonnes of SPL a year, which after being processed, can be used in other industries. The project is targeted to be operational by Q1- 2021. National Bank of Oman rated Ba1 (Negative) by Moody's closed its debut USD 300 Mn 3-year Syndicated Term Loan Facility with the proceeds of the facility to be used for general corporate purposes. Bank ABC and Emirates NBD Capital Limited acted as the Joint Coordinators, Initial Mandated Lead Arrangers and Bookrunners on the Facility. In addition to Bank ABC and Emirates NBD, eight international and regional lenders committed to the facility with the facility being over-subscribed in general syndication. Separately, shareholders of Ithmaar Holding approved plans to voluntarily delist the Company from Boursa Kuwait, while maintaining its listing on the Bahrain Bourse and DFM.

Trading activity improved, as volumes increased by 22.6% m-o-m to reach 68.6 Mn shares. Value traded increased by 48% m-o-m and reached BHD 17.5 Mn. The number of trades made in the exchange increased to 1,661 trades, up 29.1% m-o-m from Aug-19. AUB was the most actively traded stock in Sept-19 with BHD 8.4 Mn worth of its shares traded on the exchange. Batelco and GFH followed with around BHD 2.3 Mn and BHD 1.5 Mn worth of shares traded. In terms of volumes traded, AUB topped the list as well, with 24.6 Mn shares traded on the exchange. GFH and Al Salam Bank followed with 16.7 Mn shares and 8.3 Mn shares respectively. Of the 10 stocks that closed in the green in Sept-19, APM Terminal Bahrain topped the gainers list, as it witnessed a 11.1% m-o-m increase, followed by Nass Corporation with monthly gains of 7.6%. Ithmar Bank was the main laggard, with a m-o-m decline of 7.1%, followed by Zain Bahrain and AUB with monthly declines of 4.7% and 4.1% 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 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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 |
| Monthly % Change | (0.2%) | (2.0%) | (2.5%) | (1.7%) | (3.9%) | (1.0%) | (0.3%) | (1.3%) | (3.2%) | 6.5% | 0.3% |
| 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 |
| 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 |
| 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 |
| Dividend Yield (%) | 6.54% | 6.66% | 6.96% | 7.18% | 6.61% | 6.60% | 6.59% | 6.70% | 7.66% | 7.15% | 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 |
| 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 |
| Trades | 7,677 | 8,442 | 8,380 | 9,847 | 9,547 | 12,704 | 8,473 | 8,365 | 9,982 | 8,464 | 11,066 |

Source: Muscat Securities Market, KAMCO Research.

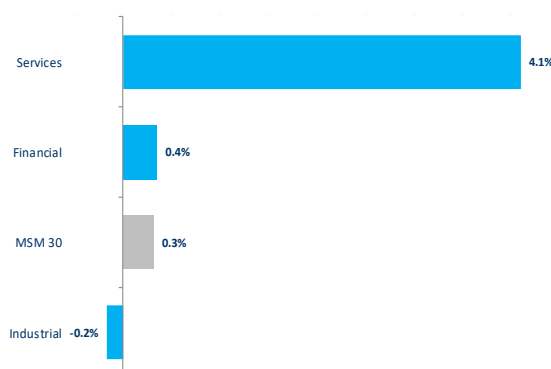
Oman's stock market continued to surge for the second consecutive month during September-19 although the gains were marginal as compared to the previous month. The MSM 30 index gained 0.3% during the month and closed above the 4,000 mark at 4,017.7 points. Nevertheless, despite gains recorded over the last two months, Oman continues to remain the worst performing market in the GCC in terms of YTD-19 and the only market with negative returns that stood at -7.1%. Gains during September-19 came primarily on the back of the Services sector with the corresponding index gaining 4.1% during the month followed by Financial index with a marginal gain of 0.4%. On the other hand, the Industrial index recorded a marginal decline of 0.2%. The banking sector overall remained in the red due to decline in shares of Bank Dhofar, Bank Muscat and Sohar International Bank that more than offset gains recorded by NBOB, Ahli Bank and Al Izz Islamic Bank. The Telecom sector also had a net decline as the 1.7% decline in shares of OmanTel more than offset the 1.6% gains in Ooredoo Oman. Meanwhile, according to an announcement, Vodafone is set to launch as the third mobile operator in Oman and would be operational by 2H-20.

The monthly stock performance chart for the regular market was topped by National Gas which recorded a monthly gain of 36.2%. Shares of the company gained after it finalized Petredec as its 40% joint venture partner to invest USD 8.8 Mn in its Indian subsidiary. Al Sharqia Investment Holding was next on the list with a gain of 17.3% followed by Muscat Finance and Shell Oman Marketing. On the decliners side, Vision Insurance topped with a decline of 3.4% followed by Al Anwar Holding and Bank Muscat with declines of 2.2% and 1.8%, respectively.

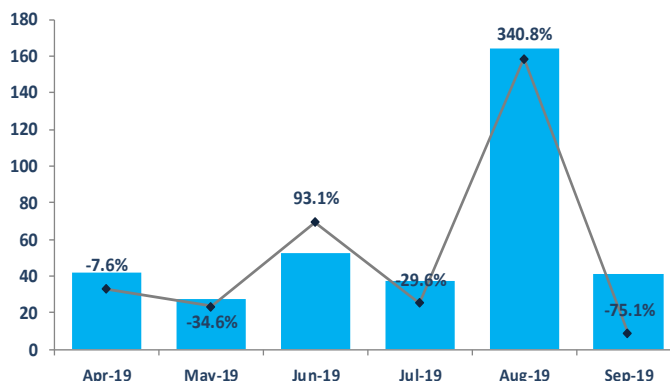
Trading activity on the exchange saw a steep decline during the month but was broadly in line with average monthly activity. The steep m-o-m decline came as a result of exceptionally high trades in the shares of Ooredoo Oman during August-19. Total value traded declined by 75% to reach OMR 40.9 Mn during September-19 as compared to OMR 164.3 Mn during the previous month. On the other hand, monthly volume of shares traded almost halved to 297 Mn in September-19 as compared to 558 Mn during the previous month. The share of regular market stocks in total value traded witnessed a steep drop during the month to reach 37% or OMR 15.1 Mn, while that of the parallel market stocks increased to 62.4%. In terms of investor participation, the share of Omanis in the value of buy trades improved to 83.6% during September-19 after seeing a decline during the previous month led by a one-off trade in shares of Ooredoo Oman. Omanis share of sell trades also increased to 79.77% as compared to 13.2% during the previous month.

Bank Muscat topped the monthly value traded chart with shares worth OMR 6.0 Mn changing hands during the month. Galfar Engineering and Bank Nizwa followed with values of OMR 4.3 Mn and OMR 2.3 Mn, respectively. On the monthly volume chart, Galfar Engineering topped with 52.9 Mn traded shares followed by Bank Nizwa and Al Anwar Ceramic Tiles at 25.2 Mn shares and 22.1 Mn traded shares, respectively.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research

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