

## GCC Markets Monthly Report

April-2016

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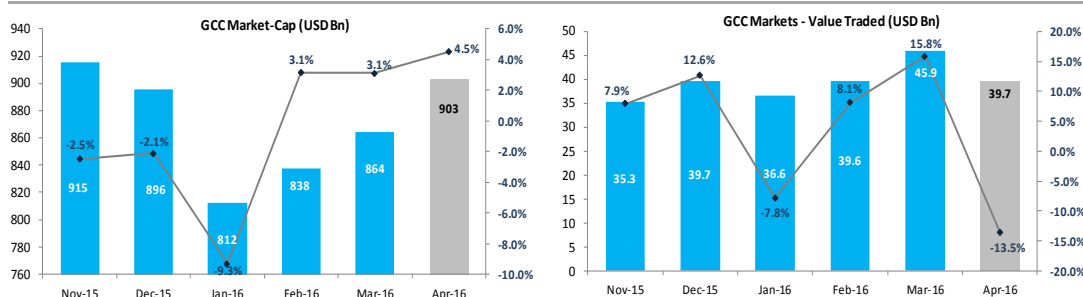
**GCC equity markets continued on their upward trajectory during April-16, on the back of a number of factors ranging from optimism in the oil market before the OPEC oil meet that failed to reach a consensus on a production freeze, followed by overall positive trend in global equity markets. Saudi stock exchange saw the strongest gain during the month, building up for the announcement of the Saudi Arabia Vision 2030 by the Kingdom's Deputy Crown Prince. The plan which includes an economic overhaul in Saudi Arabia, aims to drive the economy away from its dependence on oil revenues, although granular details of the plan along with short term targets would be available by next month.**

**Markets globally remained largely positive as they factored in no rate hikes in Fed's meeting that took place last week. In the meeting, the US Fed left interest rates unchanged clearly indicating that it is in no hurry to raise interest rates against a backdrop of a slowdown in US economy, although the committee highlighted an improving labor market. The meeting also highlighted continued uncertainty in the world economy that requires the Fed to have a cautious stance on rate hikes.**

**Meanwhile on the economic front, fiscal consolidation continues to progress in the GCC with Saudi Arabia planning to embark on its first international debt issuance in 25 years valued at USD 10 Bn, in addition to Abu Dhabi's first bond sale in seven years valued at USD 5 Bn. On the other hand, in terms of subsidy cuts Qatar, in line with the UAE, also announced market based pricing for gasoline and diesel, whereas Kuwait plans to raise the price of electricity and water.**

**In terms of Q1-16 earnings, a majority of the banks continue to report higher earnings, especially in Saudi Arabia (+5%) where banks have completed announcing results, thereby assuaging fears of an expected economic slowdown in the Kingdom.**

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Value Traded (USD Mn)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Weighted Index	366.3	1.8%	(4.0%)	82.8	915.9	15.4	1.1	4.1%
Kuwait - 15 Index	863.3	1.5%	(4.1%)					
Kuwait - Price Index	5,391.8	3.1%	(4.0%)					
Saudi Arabia	6,805.8	9.4%	(1.5%)	416.0	31,360.7	13.4	1.6	3.7%
Abu Dhabi	4,543.5	3.5%	5.5%	125.8	1,246.5	11.1	1.5	5.0%
Dubai	3,491.9	4.1%	10.8%	91.0	3,857.9	9.4	1.3	3.8%
Qatar	10,186.2	(1.8%)	(2.3%)	150.6	1,986.9	12.4	1.6	3.9%
Bahrain	1,110.5	(1.8%)	(8.7%)	17.4	12.2	8.8	0.8	5.8%
Oman	5,942.7	8.7%	9.9%	19.3	294.4	10.7	1.2	5.1%
<b>Total GCC</b>				<b>903.0</b>	<b>39,674.6</b>	<b>12.3</b>	<b>1.5</b>	<b>3.9%</b>



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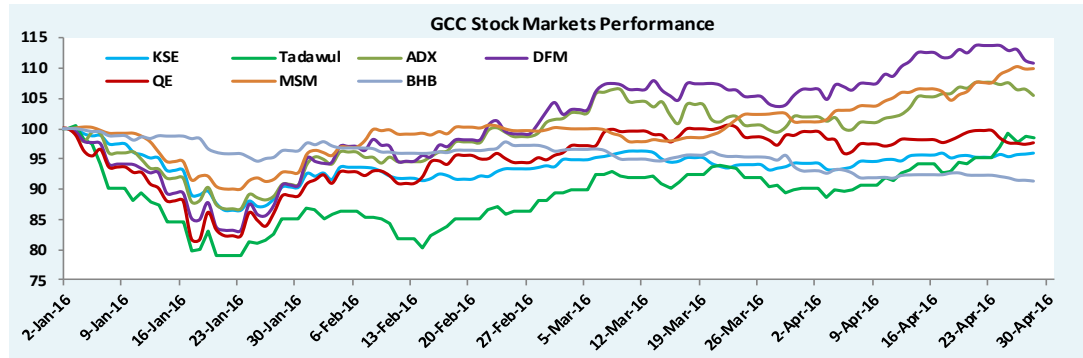
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Source: GCC Stock Exchanges, KAMCO Research

# Kuwait Stock Exchange

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>KSE Price Index</b>	<b>6,292.5</b>	<b>6,203.0</b>	<b>6,253.7</b>	<b>5,820.6</b>	<b>5,726.0</b>	<b>5,775.4</b>	<b>5,802.4</b>	<b>5,615.1</b>	<b>5,114.5</b>	<b>5,207.4</b>	<b>5,228.8</b>	<b>5,391.8</b>
Monthly % Change	(1.3%)	(1.4%)	0.8%	(6.9%)	(1.6%)	0.9%	0.5%	(3.2%)	(8.9%)	1.8%	0.4%	3.1%
<b>KSE Weighted Index</b>	<b>421.8</b>	<b>419.9</b>	<b>418.9</b>	<b>385.3</b>	<b>388.4</b>	<b>388.4</b>	<b>393.0</b>	<b>381.7</b>	<b>353.4</b>	<b>358.3</b>	<b>359.8</b>	<b>366.3</b>
Monthly % Change	(3.0%)	(0.4%)	(0.2%)	(8.0%)	0.8%	(0.0%)	1.2%	(2.9%)	(7.4%)	1.4%	0.4%	1.8%
<b>Kuwait 15 Index</b>	<b>1,016.3</b>	<b>1,017.0</b>	<b>1,014.9</b>	<b>919.2</b>	<b>935.1</b>	<b>924.3</b>	<b>929.6</b>	<b>900.4</b>	<b>829.8</b>	<b>841.0</b>	<b>850.5</b>	<b>863.3</b>
Monthly % Change	(4.1%)	0.1%	(0.2%)	(9.4%)	1.7%	(1.2%)	0.6%	(3.1%)	(7.8%)	1.4%	1.1%	1.5%
<b>Market Cap (KWD Mn)</b>	<b>28,550</b>	<b>28,755</b>	<b>28,647</b>	<b>26,372</b>	<b>26,585</b>	<b>26,586</b>	<b>26,894</b>	<b>26,159</b>	<b>24,224</b>	<b>24,557</b>	<b>24,875</b>	<b>25,025</b>
P/E (X) - TTM	16.77	16.68	16.61	15.32	15.29	14.86	15.04	15.50	14.30	13.20	13.24	15.40
P/BV (X) - TTM	1.24	1.24	1.23	1.14	1.13	1.14	1.16	1.13	1.04	1.07	1.05	1.09
Dividend Yield (%)	3.59%	3.59%	3.61%	3.91%	3.92%	3.89%	3.84%	3.95%	4.57%	4.67%	4.00%	4.14%
Volume (Mn Shares)	3,876	3,420	2,228	3,073	2,784	2,812	2,997	2,340	2,697	2,773	3,983	3,929
Value (KD Mn)	329	338	219	300	248	230	313	242	282	225	329	277
Trades ('000)	84.8	71.7	50.7	76.1	65.3	64.1	74.9	59.3	64.7	67.5	84.8	81.2

Source: Kuwait Stock Exchange, KAMCO Research

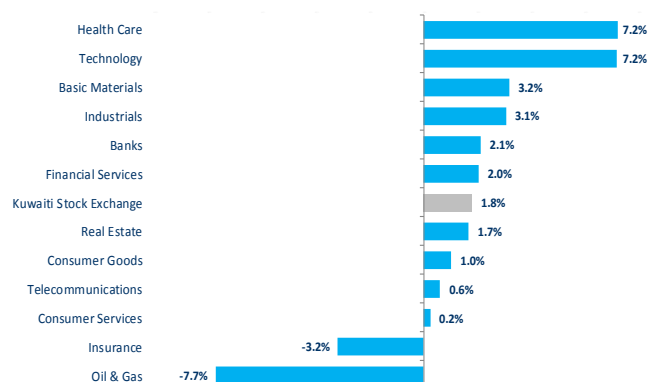
Positive sentiments surrounding the oil market pushed the KSE Price index to its strongest monthly surge in almost 20 months during April-16. The index closed the month with a gain of 3.1%, whereas the KSE Weighted index closed the month with a gain of 1.8%. The large cap KSE 15 index witnessed the smallest gain of 1.5% indicating higher trades in smaller stocks. The gains over the past three months has partly offset the steep decline witnessed in January-16 and lowered the YTD-16 decline to -4% for the three indices. The positive market performance was also reflected in the monthly performance of sectoral indices in which barring the Oil & Gas and Insurance indices, rest of the sectors witnessed positive performance during the month. The sectoral performance was topped by smaller sectors Healthcare and Technology, each with a monthly return of 7.2% followed by Basic Materials (+3.2%) and Industrials Index (+3.1%). This was also reflected in the trading activity which saw a volume decline of merely 1.3% to 3.9 Bn shares, whereas monthly value traded on the exchange dropped by 15.8% to KWD 277 Mn.

The Banking index closed the month with a gain of 2.1% on the back of either positive or flat returns for each of the individual banks. Shares of Gulf Bank topped the sector with a monthly gain of 13.2%, followed by CBK with a gain of 7.2%. NBK shares remained flat despite the company reporting a drop in Q1-16 earnings that was primarily on the back of a one time gain during the corresponding quarter in 2015. As a result of the decline in earnings of NBK, total earnings for the seven banks that reported for Q1-16 declined by 5.5%. Although preliminary, Q1-16 profits reported by the 27 companies so far has seen a marginal increase of 1% as compared to Q1-15.

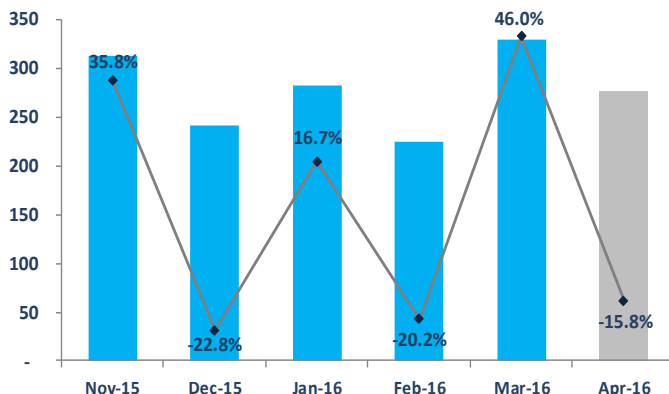
The monthly gainers chart was topped by First Dubai for Real Estate (+45.2%) after the company posted a marginal profit growth of 1.1% for Q1-16. Yiac Medical was second on the monthly gainers chart with a gain of 44.7% although trades in the stock was only marginal during the month. Other top gainers during the month included Human Soft Holding with a surge of 40.9% followed by United Foodstuff Industries (+40.0%) and Munshaat Real Estate (+39.8%). On the decliners side, the list was topped by Ikarus Petroleum with a decline of 42.3% after the company's board approved its delisting plan from the KSE and put up the subject to be approved in the Company's AGM on 10-May-16. Other monthly decliners included Zima Holding (-15.1%), Future Kid Entertainment and Real Estate (-13.6%) and Mashaer Holding (-11.6%). In terms of monthly value traded, the chart was topped by KFH with KWD 23.1 Mn of shares traded during the month followed by NBK and Agility with KWD 21.5 Mn and KWD 11.9 Mn of worth of shares traded during the month.

The month also saw Bursa Kuwait assuming responsibility for the management of operations of Kuwait Stock Exchange under the guidance of Kuwait CMA. The new entity, which will now function as a private entity, will now focus on developing investment tools, increasing market competitiveness and liquidity and attract investments in order to do an IPO for Kuwaiti citizens.

## KSE Monthly Sector Performance



## Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

## Saudi Arabia (Tadawul)

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>Tadawul All Share Index</b>	<b>9,688.7</b>	<b>9,086.9</b>	<b>9,098.3</b>	<b>7,522.5</b>	<b>7,404.1</b>	<b>7,124.8</b>	<b>7,239.9</b>	<b>6,911.8</b>	<b>5,996.6</b>	<b>6,092.5</b>	<b>6,223.1</b>	<b>6,805.8</b>
Monthly % Change	(1.5%)	(6.2%)	0.1%	(17.3%)	(1.6%)	(3.8%)	1.6%	(4.5%)	(13.2%)	1.6%	2.1%	9.4%
<b>Market Cap (SAR Bn)</b>	<b>2,149.2</b>	<b>2,017.2</b>	<b>2,026.6</b>	<b>1,694.7</b>	<b>1,670.3</b>	<b>1,630.4</b>	<b>1,659.1</b>	<b>1,580.7</b>	<b>1,373.3</b>	<b>1,403.9</b>	<b>1,439.0</b>	<b>1,560.3</b>
P/E (X) - TTM	19.08	18.82	18.91	15.81	15.59	15.22	12.93	12.30	10.73	10.88	12.29	13.41
P/BV (X) - TTM	2.11	2.14	2.15	1.80	1.77	1.73	1.58	1.50	1.31	1.33	1.49	1.64
Dividend Yield (%)	2.78%	3.03%	2.38%	2.84%	2.88%	2.96%	4.14%	4.28%	4.94%	4.84%	4.52%	3.65%
Volume (Mn Shares)	5,560	3,515	2,593	4,971	3,575	4,594	5,336	6,013	6,425	6,817	7,373	6,705
Value (SAR Mn)	162,395	112,807	84,411	116,281	79,409	102,429	107,616	126,338	115,145	120,712	131,199	117,608
Trades ('000)	2,876	2,151	1,615	2,473	1,638	2,039	2,140	2,688	2,766	3,054	2,994	2,625

Source: Tadawul, KAMCO Research

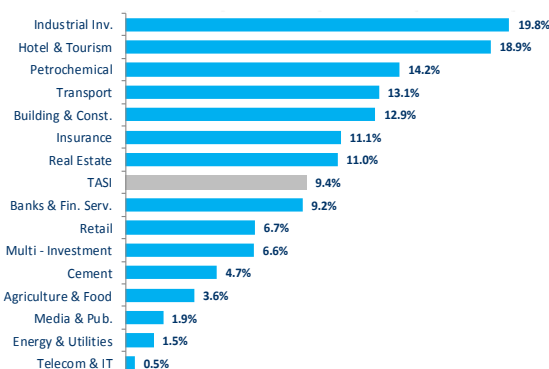
Saudi Arabian stock exchange witnessed the best monthly performance in the GCC during April-16, with the TASI recording highest monthly performance over the past 12 months. The index surged 9.4% during the month on the back of positive gains in all of the individual sectoral indices. A wave of optimism prevailed throughout the month initially on the back of hopes of production freeze by OPEC members during the OPEC meet followed by the expectation of significant policy changes and reforms in the Kingdom in the Saudi Arabia Vision 2030 blueprint announced by the Deputy Crown Prince. The index generated a peak return of 10.4% till the day of the reforms announcement only to retreat 1.6% on the following day. Under the new plan, the Kingdom has proposed several key steps including transformation of Aramco into an industrial conglomerate from an oil-focused company by selling than 5% stake in the company via an IPO as early as next year or 2018.

The Industrial index topped the sector performance chart with a monthly gain of almost 20%, followed by the Hotel & Tourism Index (+18.9%) and the Petrochemical Index (+14.2%). In terms of Q1-16 earnings, Banks reported positive earnings growth offsetting the decline in earnings reported by other sectors, namely Petrochemical, Retail, Agriculture, Manufacturing and Industrial companies. Total quarterly profits for banks increased by 5% to SAR 11.7 Bn during Q1-15. The highest profitability increase was reported by Al Rajhi Bank with profits surging almost a third to SAR 2 Bn. Trading activity on the exchange dropped during the month with volumes down by 9.1% to 6.7 Bn shares during April-16 as compared to 7.4 Bn shares during the previous month. Total monthly value traded declined by a slighter higher 10.4% to SAR 117.6 Bn as compared to SAR 131.2 Bn during the previous month. The decline in trading activity also comes as a result of lesser number of trading days during April-16 which included 20 days of trading as compared to 23 days of trading during March-16.

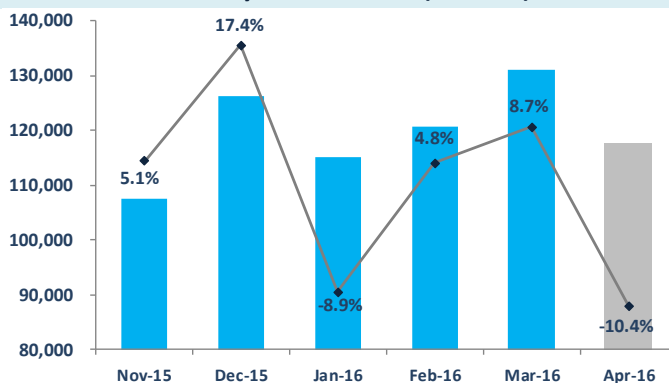
On the economic front, the Kingdom witnessed higher non-oil private sector activity as indicated by the monthly PMI index that expanded marginally to 54.5 points during March-16 as compared to 54.4 points during February-16. Although positive, the index continues to hover near the historical lows, as Q1-16 business condition improvement was the weakest quarterly improvement since the start of the index in 2009. In a related development, the Ministry of Commerce and Industry (MCI) said the construction of housing units in the Kingdom has increased more than 50% to SAR 34 Bn with almost SAR 13 Bn worth of projects licensed during 2015. Meanwhile, the Chairman of the Country's CMA said that he aims to double the size of the stock market by adding several companies and by making it easier for foreigners to invest. He said that both private companies and government holdings would be encouraged to list on the stock market such that the total number of listed companies increase to 250 and the market capitalization of the exchange increased to match the Kingdom's GDP in seven years. The CMA also unveiled plans to establish an equity market for SMEs from 2017.

The monthly gainers chart was topped by Salama with a gain of 45.6%, followed by Saudi Kayan that surged 39.3% especially after the announcement of the Saudi Arabia Vision 2030 plan. On the decliners side, shares of Saudi Investment Bank tanked 10.7% topping the chart followed by Yanbu Cement (-8.7%) and Allianz Saudi Fransi Coop Insurance (-8.3%).

### Tadawul Monthly Sector Performance



### Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

# Abu Dhabi Securities Exchange

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>ADX General Index</b>	<b>4,527.6</b>	<b>4,723.2</b>	<b>4,834.2</b>	<b>4,493.9</b>	<b>4,502.8</b>	<b>4,322.0</b>	<b>4,236.4</b>	<b>4,307.3</b>	<b>4,054.4</b>	<b>4,351.4</b>	<b>4,390.4</b>	<b>4,543.5</b>
Monthly % Change	(2.6%)	4.3%	2.3%	(7.0%)	0.2%	(4.0%)	(2.0%)	1.7%	(5.9%)	7.3%	0.9%	3.5%
<b>Market Cap (AED Bn)</b>	<b>442.3</b>	<b>461.7</b>	<b>471.6</b>	<b>437.7</b>	<b>442.0</b>	<b>431.4</b>	<b>424.2</b>	<b>428.1</b>	<b>411.6</b>	<b>435.4</b>	<b>449.2</b>	<b>461.9</b>
P/E (X) - TTM	8.27	8.59	8.78	8.15	8.23	8.02	10.14	10.41	9.84	10.54	10.70	11.14
P/BV (X) - TTM	1.41	1.46	1.49	1.39	1.40	1.37	1.37	1.38	1.32	1.38	1.40	1.45
Dividend Yield (%)	4.43%	4.06%	3.98%	4.28%	4.24%	4.35%	5.16%	5.11%	5.35%	4.89%	5.09%	5.01%
Volume (Mn Shares)	1,951	2,006	2,347	2,469	2,132	1,187	1,709	1,795	1,534	4,172	3,284	2,730
Value (AED Mn)	4,547	4,099	3,889	4,967	4,457	3,621	6,611	5,119	3,308	5,269	6,433	4,579
Trades	36,947	32,836	32,127	45,353	33,220	24,311	38,316	29,399	32,127	43,275	45,320	31,800

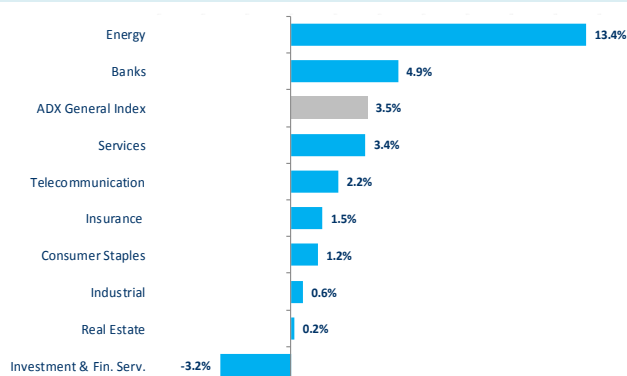
Source: Abu Dhabi Securities Exchange, KAMCO Research

ADX General Index achieved positive returns during April-16, despite a decline in trading activity as compared to the previous month. On the sectoral front, the Energy index surged 13.4% during the month buoyed by oil prices which recovered and reached its highest levels YTD. The performance was mainly driven by Abu Dhabi National Energy which jumped by 28.6% m-o-m, while Dana Gas saw its share price move up by 9.6% for the month. Banks & Services indices also saw positive monthly returns of 4.9% and 3.4%, respectively, for the month of April-16. Meanwhile, the Invest & Fin Services index remained the only index to decline from the previous month, as it lost ground by 3.2% m-o-m. Real Estate index remained range bound (+0.2%) m-o-m, as the dip in large cap Aldar Properties was offset by a 11.7% jump in the stock price of Eshraq Properties, which also pipped Aldar as the most actively traded stock in the index in terms of value traded.

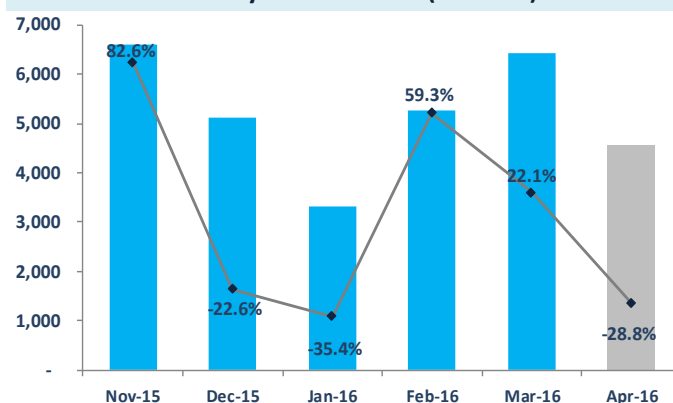
Large caps listed in the ADX started reporting their Q1-16, as large cap banks saw their profits decline y-o-y for the period. First Gulf Bank the largest bank by market capitalization and the third largest bank by assets in Abu Dhabi made a net profit of AED 1.33 Bn in Q1-16, compared to AED 1.42 Bn in the same period during 2015 representing a dip of 6% y-o-y, as income from fees & commission reportedly slipped. NBAD, the emirate's largest lender by assets, reported a 10.7% fall in Q1-16 in net profit, as revenues dropped and impairment charges for bad loans rose. NBAD, reported a net profit of AED 1.27 Bn in Q1-16, compared to AED 1.42 Bn in the same quarter a year-ago. Telecom major Etisalat saw their Q1-16 net profit drop by 8% y-o-y from AED 2.18 Bn in Q1-15 to AED 2.00 Bn in Q1-16, as higher depreciation expenses and FX losses reportedly led to the drop in profitability. In ratings based action Fitch Ratings has reportedly assigned Abu Dhabi's senior unsecured bonds issued under the sovereign's global medium-term note programme as 'AA'. The issues are for USD2.5 Bn 2.125% bonds maturing by May 2021 and USD 2.5 Bn 3.125% bonds maturing May 2026, which the emirate intends towards general budgetary purposes. S&P forecasted Abu Dhabi's Real Estate sector to slow and expects house prices in Abu Dhabi to register a low single-digit decline due to weak investor sentiment.

The monthly gainers chart was topped by Al Khazna Insurance Co. with a monthly return of 43.3% followed by TAQA and National Corp for Tourism & Hotels with gains of 28.6% and 25.0%, respectively. On the decliners' side, RAK White Cement led, with a decline of 12.8%, followed by FOODCO Holding and National Bank of Ras Al-Khaimah with declines of 12.3% and 11.5% respectively. In terms of trading activity, total volume traded on the exchange declined by 16.9% to 2.7 Bn shares during April-16 as compared to 3.3 Bn shares during the previous month. Eshraq Properties topped the monthly volume chart for the second month in a row with close to 1 Bn shares traded followed by Dana Gas, with 0.51 Bn shares and RAK Properties with 0.2 Bn shares. The monthly value traded decreased by a higher 28.8% to AED 4.6 Bn as compared to AED 6.4 Bn during March-16. The monthly value traded chart was also topped by Eshraq Properties with AED 0.7 Bn worth of shares traded followed by Aldar Properties & Etisalat with AED 0.624 Bn and AED 0.622 Bn worth of shares traded during the month.

## ADX Monthly Sector Performance



## Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

# Dubai Financial Market

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>DFM General Index</b>	<b>3,923.2</b>	<b>4,086.8</b>	<b>4,143.2</b>	<b>3,662.6</b>	<b>3,593.3</b>	<b>3,503.8</b>	<b>3,204.3</b>	<b>3,151.0</b>	<b>2,997.8</b>	<b>3,239.7</b>	<b>3,355.5</b>	<b>3,491.9</b>
Monthly % Change	(7.2%)	4.2%	1.4%	(11.6%)	(1.9%)	(2.5%)	(8.5%)	(1.7%)	(4.9%)	8.1%	3.6%	4.1%
<b>Market Cap (AED Bn)</b>	<b>367.7</b>	<b>382.1</b>	<b>386.2</b>	<b>345.2</b>	<b>341.2</b>	<b>336.0</b>	<b>310.8</b>	<b>301.2</b>	<b>289.5</b>	<b>307.0</b>	<b>319.0</b>	<b>334.3</b>
P/E (X) - TTM	12.59	12.58	12.72	11.38	11.24	11.07	9.50	9.19	8.16	8.68	8.98	9.36
P/BV (X) - TTM	1.45	1.46	1.48	1.32	1.30	1.28	1.24	1.20	1.14	1.19	1.24	1.28
Dividend Yield (%)	2.00%	1.94%	2.22%	2.48%	2.51%	2.55%	3.35%	3.46%	3.60%	3.51%	3.60%	3.82%
Volume (Mn Shares)	9,600	14,249	6,426	7,730	3,850	3,953	5,124	5,935	7,972	9,932	15,527	12,030
Value (AED Mn)	14,221	26,148	9,721	12,604	6,564	5,663	6,733	6,700	9,241	11,755	19,582	14,171
Trades	134,211	227,235	102,255	147,101	80,872	70,076	98,185	90,095	121,266	131,931	184,991	133,516

Source: Dubai Financial Market, KAMCO Research

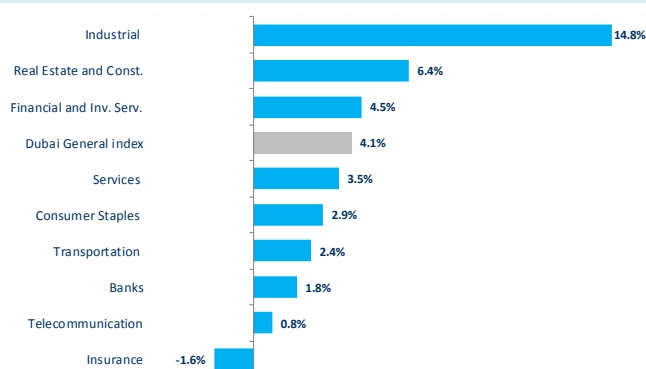
After featuring amongst the top markets in the GCC over the last two months, the DFM General Index recorded the third-highest returns during April-16, at 4.1%, and remained the top performing market YTD in the region. All of the sectoral indices barring Insurance witnessed positive returns during the month led by the Industrials Index with a monthly return of 14.8%, followed by the Real Estate index and the Invest. & Fin. Services index as they recorded monthly returns of 8.1% and 4.6% respectively. The Insurance index was down marginally as it receded by 0.4% m-o-m.

The Industrials index was buoyed by both its index constituents as National Industries Group leaped by over 31% for the month, while National Cement gained by 14.8% m-o-m over the same period. The gains in the Real Estate index during the month were in large part attributed to Emaar Properties rising by close to 13% in April-16, largely reflecting the results of key group company Emaar malls which reported its Q1-16 results and posted a net profit growth of 22% y-o-y to reach AED 529 Mn. Emaar Group further mentioned that it would open 35 hotels in the next five years, in order to boost its hospitality segments which currently contribute 12% of revenues to the group as of FY-15. In earnings releases from Banks, Emirates NBD saw its net profit grow by 8% to AED 1.8 Bn in Q1-16, as net interest income grew by 3% to AED 2.6 Bn.

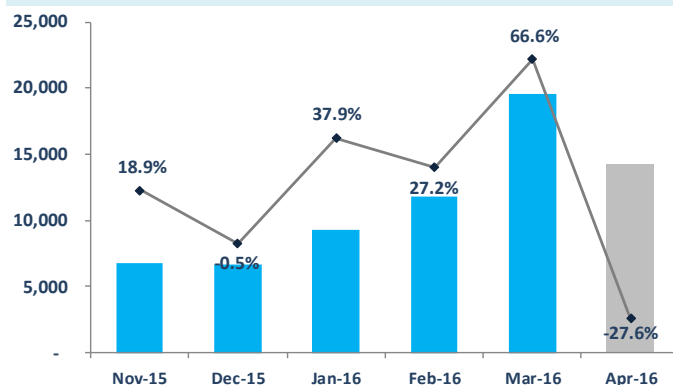
In economic activity trends that were released during the month, activity in the UAE's non-oil economy, which largely reflects Dubai reportedly rose to a four-month high in March-16, and continued to recover from a four-year low hit in January-16. The latest monthly Purchasing Managers' Index, produced for Emirates NBD bank, showed that the index climbed to a four-month high of 54.5 in March, up from 53.1 in February. Further, UAE's minister of economy mentioned that the country aims to reduce its contribution from oil, which is currently pegged at 30%, to 20% in 2021.

The monthly gainers chart was topped by National Industries Group with a monthly return of 31.0% followed by Hits Telecom & Al Madina for Finance & Investment as they saw their share prices surge by 29.5% and 23.6% respectively. On the decliners' side, shares of National General Insurance tanked 23.9% during the month. Decliners also included shares of Oman Insurance which declined 10% as there was general weakness seen in the sector. In terms of trading activity however, both volumes and value traded during the month reversed and saw lower activity. Total volumes traded decreased by 22.5% to 12.0 Bn shares as compared to 15.5 Bn shares during the previous month, whereas value traded during the month declined by an even higher 27.6% to AED 14.2 Bn, as compared to AED 19.6 Bn during the previous month. Number of trades on the exchange also dropped by 27.8% to 133,516 trades in April -16. Arabtec remained the most actively traded scrip during the month, garnering a total value of AED 2.6 Bn, while the shares dipped only marginally by 0.6% m-o-m, even as the company hired consultants AlixPartners to strengthen and reform its business. Emaar Properties followed in terms of value traded with AED 1.6 Bn. In terms of volumes, GFH topped Arabtec, as it saw 1.6 Bn worth of shares traded during April -16, while Arabtec witnessed 1.5 Bn shares being traded on the exchange.

## DFM Monthly Sector Performance



## Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research



## Qatar Exchange

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>QE 20 Index</b>	<b>12,048.3</b>	<b>12,201.0</b>	<b>11,785.2</b>	<b>11,563.6</b>	<b>11,465.2</b>	<b>11,604.6</b>	<b>10,090.8</b>	<b>10,429.4</b>	<b>9,481.3</b>	<b>9,892.3</b>	<b>10,376.2</b>	<b>10,186.2</b>
Monthly % Change	(1.0%)	1.3%	(3.4%)	(1.9%)	(0.9%)	1.2%	(13.0%)	3.4%	(9.1%)	4.3%	4.9%	(1.8%)
<b>Market Cap (QAR Bn)</b>	<b>641.8</b>	<b>648.0</b>	<b>625.7</b>	<b>607.4</b>	<b>604.6</b>	<b>608.0</b>	<b>532.7</b>	<b>553.3</b>	<b>506.7</b>	<b>523.3</b>	<b>556.7</b>	<b>548.2</b>
P/E (X) - TTM	15.03	14.31	13.81	13.41	13.35	13.42	11.23	11.18	10.00	11.87	12.37	12.37
P/BV (X) - TTM	2.03	2.17	2.10	2.04	2.03	2.04	1.58	1.64	1.48	1.53	1.62	1.64
Dividend Yield (%)	3.54%	3.97%	4.11%	4.23%	4.25%	4.23%	5.04%	4.85%	5.31%	4.34%	3.76%	3.87%
Volume (Mn Shares)	394	164	77	153	128	167	158	516	150	202	269	216
Value (QAR Mn)	13,602	7,272	3,456	6,748	5,524	5,759	6,334	5,856	5,050	6,570	9,081	7,234
Trades	139,246	84,557	64,170	100,914	78,606	82,986	77,351	83,826	84,665	100,763	123,003	110,526

Source: Qatar Exchange, KAMCO Research

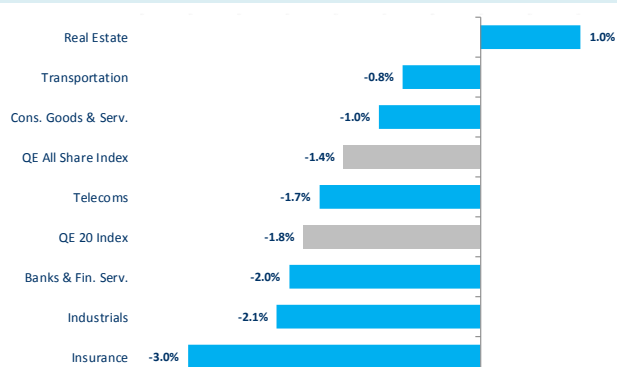
After two consecutive months of positive return, Qatar equity indices swung to negative territory ending April-16 as one of the two worst performing markets in the GCC. The QE20 Index receded 1.8% by the end of the month, whereas the QE All Share Index dropped by a lower 1.4%, as most sectoral indices barring Real Estate closed in the red for the month. The Real Estate index gained ground during the month with a return of 1.0%. The 1.1% m-o-m increase in the share price of large cap, Ezdan was the main driver of the index remaining in the green, despite declines in the share prices of Barwa Real Estate (-6.6%) and United Development (-2.0%). Indices which led the drop was mainly the Insurance index that declined by 3.0%, followed by Industrials index which declined by 2.1% for the month. The Banks and Financial Serv. Index also declined 1.98% during the month of April -16, as 10 of the constituents lost ground during the month, while only 3 names were able to close in the green as compared to March -16.

Earnings releases for large caps Q1-16 so far released came in mixed as QNB reported a net profit of QAR 2.9 Bn in Q1-16 compared to net profit of QAR 2.7 Bn for Q1-15. This translated into an EPS of QAR 3.4 for the first quarter of 2016 compared to EPS of QAR 3.2 for Q1-15. Qatar Islamic Bank also reported higher net profits y-o-y, as net profit came in at QAR 492 Mn for Q1-16 as against QAR 400 Mn in Q1-15. Commercial Bank however witnessed a declining trend in their first quarter profitability as Q1-16 profits was down by over 40% from QAR 463 Mn in Q1-15 to QAR 274 Mn in Q1-16. Real Estate major Ezdan was able to improve its net profits by over 12% y-o-y in Q1-16 to QAR 586 Mn from QAR 522 Mn in Q1-15. Telecom behemoth Ooredoo's group net profit moved up by 75% to QAR 879 Mn in Q1-16 mainly due to positive FX impact in Indonesia and Myanmar. Excluding the Foreign Exchange impact and one-off gains from investments, the net profit would have been in line with Q1-15.

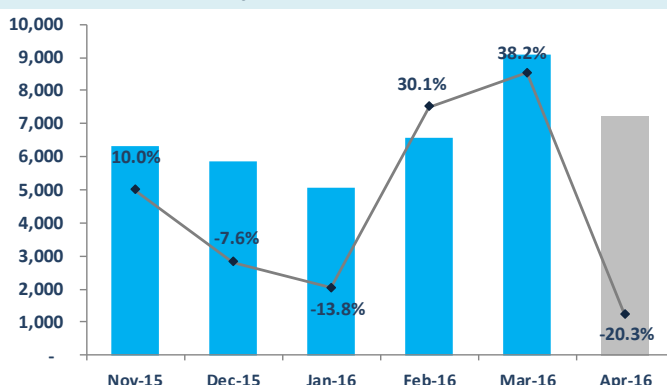
In economic developments, the IMF expects Qatar to report a fiscal deficit of 2.7% of GDP, a first in the medium term past, swinging from a surplus of 10.3% in 2015, as hydrocarbon prices continue to remain low. Budget deficits are expected despite the energy reform initiated by the country due from next month, where it will allow its domestic gasoline and diesel prices to fluctuate in response to changes in global markets as it seeks to reduce waste of fuel. In ratings action Fitch has reportedly affirmed Qatar National Bank's (QNB) Long-Term Issuer Default Ratings (IDR) at 'AA-'. The ratings agency has also affirmed the IDRs of The Commercial Bank, Doha Bank, Qatar Islamic Bank, Al Khalij Commercial Bank, Qatar International Islamic Bank and Ahli Bank and International Bank of Qatar at 'A+'. The outlooks on all the Long-Term IDRs are reportedly 'Stable'.

Trading activity took a hit during the month as monthly volumes went down by 19.3% to 217 Mn shares, whereas value traded declined by over 20% to reach QAR 7.2 Bn. Market breadth shifted towards decliners, as 29 stocks went down while only 15 companies were able to achieve higher stock prices during the month. Stocks which gained were led by Widam (+17.9%) followed by Dila Brokerage which moved up by 8.1% after gaining 43.5% in March-16. Monthly decliners primarily included Salam International Investment (-15.2%) followed by Medicare Group (-14.2%) and Qatar Islamic Insurance (-11.6%).

### QE Monthly Sector Performance



### Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

## Bahrain Bourse

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>Bahrain All Share Index</b>	<b>1,363.67</b>	<b>1,367.83</b>	<b>1,331.66</b>	<b>1,299.24</b>	<b>1,275.89</b>	<b>1,250.37</b>	<b>1,232.57</b>	<b>1,215.89</b>	<b>1,187.10</b>	<b>1,178.23</b>	<b>1,131.11</b>	<b>1,110.53</b>
Monthly % Change	(1.9%)	0.3%	(2.6%)	(2.4%)	(1.8%)	(2.0%)	(1.4%)	(1.4%)	(2.4%)	(0.7%)	(4.0%)	(1.8%)
<b>Market Cap (BHD Mn)</b>	<b>7,904</b>	<b>7,928</b>	<b>7,840</b>	<b>7,645</b>	<b>7,494</b>	<b>7,410</b>	<b>7,319</b>	<b>7,196</b>	<b>7,025</b>	<b>6,973</b>	<b>6,694</b>	<b>6,573</b>
P/E (X) - TTM	10.00	9.79	9.68	9.44	9.25	9.15	9.13	9.03	8.70	9.37	8.91	8.77
P/BV (X) - TTM	0.97	1.01	0.99	0.97	0.95	0.94	0.92	0.91	0.88	0.84	0.82	0.81
Dividend Yield (%)	3.62%	4.59%	3.62%	3.71%	3.78%	3.83%	4.99%	5.06%	5.25%	5.28%	5.72%	5.82%
Volume (Mn Shares)	82	28	19	26	87	28	63	40	23	38	33	22
Value (BHD Mn)	16	7	5	5	22	5	12	7	4	8	7	5
Trades	1,526	866	758	797	641	641	1,169	1,036	759	1,014	813	577

Source: Bahrain Bourse, KAMCO Research

The Bahrain All Share Index continued to decline for the tenth straight month during April-16 witnessing a decline at 1.8% m-o-m, resulting in YTD-16 decline of 8.7%. All of the sectoral indices, barring the Services index ended in the red during April-16. Declines were led by the Industrials Index which declined by 6.5%, repeating as the worst performing index after losing the most ground during March - 16, followed by the Hotels & Tourism index with a decline of 6.4%. The decline in the Industrials sector was driven by Aluminum Bahrain, which declined by 6.8% m-o-m, while the Hotels & Tourism sector receded due to the 9.6% drop in Gulf Hotels Group. The Services sector gained as most companies were able to close in the green during the month of April and large cap Batelco moved up by 2.0%.

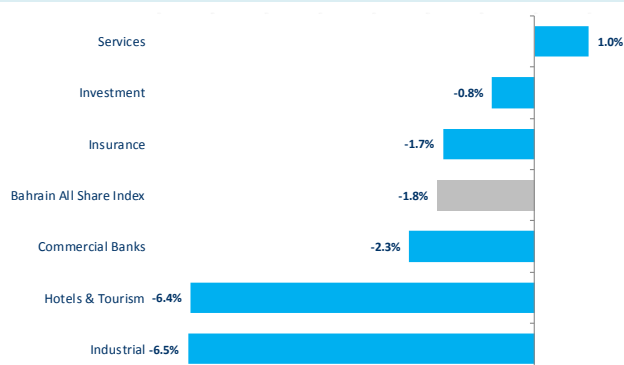
Commercial Banks also declined by a lower 2.4% as compared to March-16, as large caps Ahli United Bank & National Bank of Bahrain witnessed declines of 1.6% and 2.5%, while Bank of Bahrain and Kuwait (BBK) was the main laggard in the sectoral index declining by 9% m-o-m. Bank earnings released so far for Q1-16 however came in positive as compared to the same quarter from 2015. NBB recorded a net profit of BHD 17.76 Mn in Q1-16, representing an increase of 4.3% y-o-y, as net interest income increased from BHD 14.17 Mn in Q1-15 to BHD 15.78 Mn in Q1-16. BBK reported a net profit growth of 2.9% y-o-y in Q1-16 from BHD 14.85 Mn in Q1-15 to BHD 15.28 Mn in the current year, as net interest income soared by 14% y-o-y.

Economic growth is also expected to slow down, as IMF in its latest forecasts expect real GDP to taper to 3.2% in 2016 & 17, from 5.4% in 2014 & 4.5% in 2015. The slower growth is ascribed to the fiscal position and weak investor sentiment. Oil GDP is expected to remain flat more or less in 2016, while non-oil GDP is expected to slow down as well. Lower oil prices are expected to push the fiscal deficit to reach 19.5% of GDP in 2016, and the deficit is expected to remain high over the medium term. IMF expects the current account deficit to reach over 8% of GDP in 2016 and narrow gradually thereafter. IMF also guided that bank deposit growth slowed and excess liquidity fell in 2015, but however mentioned that the banking sector remains well-capitalized and liquid.

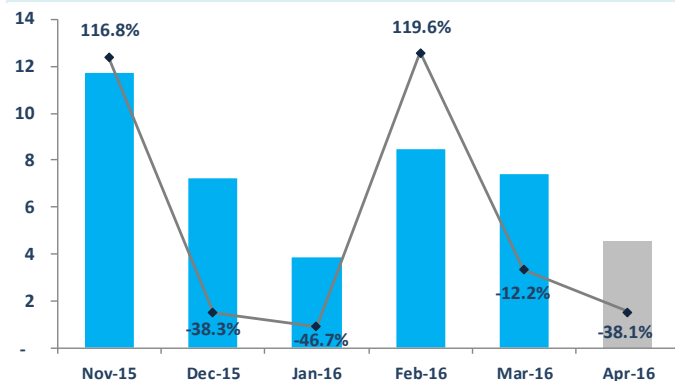
Trading activity on the exchange declined yet again during April-16, as volume and value traded were down by 31.6% and 38.1% m-o-m, respectively. Total volume traded during the month declined to reach 22 Mn shares, whereas monthly value traded was down to BHD 4.6 Mn. Number of trades for the month also declined 29% m-o-m, falling to 577 trades.

The gainers chart was led by Gulf Finance House, as its stock price surged by 14.0% again in April-16 after increasing by 26.5% in March-16, post its stake sale in Falcon Cement to Abu Dhabi Financial Group. Nass Corporation followed with gains of 8.0% for the month, followed by TRAFICO which saw its share price climb by 6.5% m-o-m. The monthly decliners chart was led by Gulf Hotels Group (-9.6%) followed by Investcorp Bank (-9.1%) and Bank of Bahrain & Kuwait (-8.9%). Meanwhile, AUB once again topped the monthly value traded chart with BHD 1.7 Mn in monthly value traded followed by Bahrain Duty Free Complex at BHD 0.7 Mn in monthly value traded for the month of April -16.

### BSE Monthly Sector Performance



### Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

## Muscat Securities Market

Monthly Indicators	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>MSM 30 Index</b>	<b>6,387.9</b>	<b>6,424.6</b>	<b>6,558.2</b>	<b>5,871.6</b>	<b>5,787.7</b>	<b>5,928.2</b>	<b>5,547.9</b>	<b>5,406.2</b>	<b>5,179.4</b>	<b>5,395.1</b>	<b>5,467.4</b>	<b>5,942.7</b>
Monthly % Change	1.0%	0.6%	2.1%	(10.5%)	(1.4%)	2.4%	(6.4%)	(2.6%)	(4.2%)	4.2%	1.3%	8.7%
<b>Market Cap (OMR Mn)</b>	<b>8,034</b>	<b>8,155</b>	<b>8,291</b>	<b>7,622</b>	<b>7,558</b>	<b>7,645</b>	<b>6,861</b>	<b>6,913</b>	<b>6,636</b>	<b>6,870</b>	<b>6,961</b>	<b>7,444</b>
P/E (X) - TTM	10.36	10.69	10.87	9.99	9.91	10.02	10.04	9.74	9.08	9.49	10.06	10.67
P/BV (X) - TTM	1.45	1.51	1.53	1.41	1.40	1.41	1.20	1.18	1.14	1.14	1.14	1.22
Dividend Yield (%)	3.67%	3.73%	3.79%	4.12%	4.16%	4.11%	4.90%	4.99%	5.15%	4.96%	5.38%	5.06%
Volume (Mn Shares)	229	227	192	235	202	1,286	184	381	267	339	336	575
Value (OMR Mn)	70	65	54	74	61	190	59	155	73	84	83	113
Trades	11,991	12,393	11,055	15,789	11,430	13,690	8,595	9,734	12,401	18,699	18,194	26,093

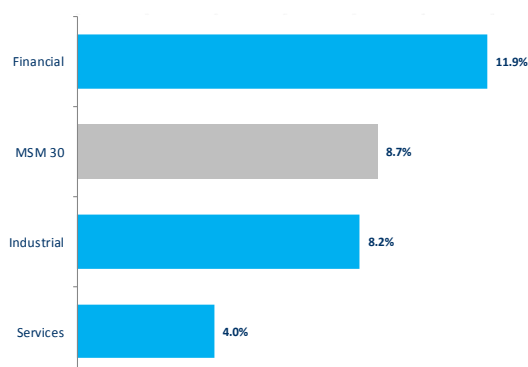
Source: Muscat Securities Market, KAMCO Research

The MSM 30 recorded the second-best monthly performance in the GCC during April-16 after a strong earnings performance reported by listed companies on the exchange. The index recorded a monthly gain of 8.7% during the month, the highest monthly gain in the past 84 months. Total net profit for companies that reported Q1-16 earnings surged 43.1% to OMR 263 Mn as compared to OMR 183.7 Mn during Q1-15. The biggest profit improvement was recorded by Industrial companies with net profits up more than 2.6 times to OMR 77 Mn during Q1-16 as compared to OMR 21.2 Mn during Q1-15. Nevertheless, a few companies are yet to declare results for the first quarter that could sway the earnings performance. Profits of Banks and Investment companies increased by 7.3% to OMR 100 Mn as compared to OMR 94 Mn during Q1-15, whereas Services and Insurance companies increased earnings by 19.5% to OMR 84.8 Mn.

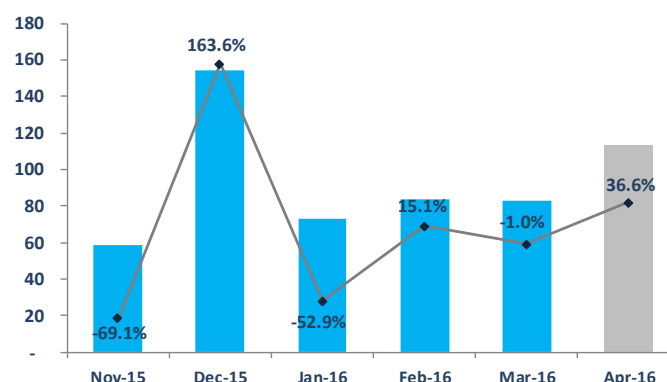
Bank Muscat reported a marginal 1.1% increase in net profit during the quarter recorded at OMR 43.8 Mn on the back of increase in both interest income and non-interest income. However, higher impairment charges during the quarter offset most of the gains from higher income and relatively lower operating expenses. On the other hand, NBO's profit increased by 10% during the quarter to OMR 13.9 Mn on the bank of higher net interest income partially offset by decline in non-interest income. There was a lot of activity in the banking sector in the Sultanate. According to official banking data, credit growth in the Sultanate stood at a strong 12.45% year-on-year at the end of February-16 to OMR 20.54 Bn on the back of higher demand from corporate sector, including government-owned entities for funding projects, in addition to higher retail lending. Sharia-complaint banks saw a higher growth in credit as compared to conventional lending. Meanwhile, Bank Dhofar is in a possible merger talks with Bank Sohar to create a larger bank in the market with a combined asset of almost USD 14 Bn.

The monthly gainers chart was topped by Port Services Corp. with a gain of 50% in its share price after the company reported profits of OMR 0.81 Mn for Q1-16 as compared to a loss of OMR 0.47 Mn during Q1-15. Galfar Engineering came second on the gainers chart with a monthly gain of 40.5% despite reporting a steep decline in Q1-16 earnings. The gain came primarily after the company won four contracts worth OMR 22 Mn from the Public Authority for Electricity and Water (PAEW). Other gainers included Al Jazeera Steel Products (+38.3%), Renaissance Services (+31%), which reported profits for Q1-16 against losses for Q1-15, and Oman and Emirates Investment Holding (+29.7%). On the decliners side, Global Financial Investment topped the chart with a decline of 27.8% followed by Gulf International Chemicals (-14.4%) although there was no catalyst for the decline. Al Jazeera Services stood third on the decliners chart (-11%) after the company's Q1-16 net profit more than halved to OMR 0.54 Mn. Monthly trading activity got a boost during April-16 with volumes up by 70% to 575 Mn shares as compared to 336 Mn shares during the previous month, whereas value traded surged 37% to OMR 113.4 Mn. Galfar Engineering was the most actively traded stock during the month with a value of OMR 15.5 Mn followed by Al Anwar Holding and Bank Muscat with OMR 13.9 Mn and OMR 13.2 Mn worth of shares traded during the month.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research



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