

GCC Markets Monthly Report

April-2017

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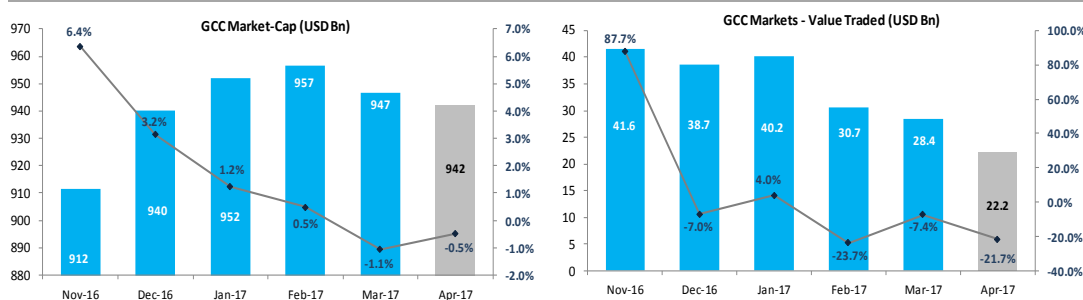
GCC markets close April-17 with a marginal decline amid minimal volatility...

GCC indices traded within a tight range during April-17 as lack of any major catalyst left the markets without any direction bias. The 3% decline in oil price with relatively higher volatility during the month on the back of talks of extended production cuts also had minimal impact on GCC markets. Two out of the seven GCC markets closed the month in the positive zone with Abu Dhabi witnessing a gain of 1.8% followed by 0.2% for Saudi Arabia. The gain seen in Abu Dhabi was primarily on the back of the Banking index that surged 5.3% after the merger of First Gulf Bank and National Bank of Abu Dhabi to create First Abu Dhabi Bank sent positive signal across the sector, although the performance of banks were mixed in the rest of the GCC markets. **On the decliners chart, Qatar topped the list with a monthly decline of 3.1% followed by Dubai at -1.9% and Bahrain at -1.5%.**

The merger of NBAD and FGB garnered significant attention in the GCC after several other combinations failed in the recent past. The combined synergy augurs well to deal with the current economic situation with low oil prices and diversification on cards. In Saudi Arabia, a potential merger is being discussed between Alawwal Bank and Saudi British Bank that could create a sector behemoth with almost USD 80 Bn worth of assets, third largest in Saudi Arabia after NCB and Al Rajhi Bank and seventh largest in the GCC.

Trading activity continued to decline for the third consecutive month with total value traded witnessing a steep decline of 21% to reach USD 23 Bn. The decline was seen in all the GCC markets with Qatar seeing the biggest month-on-month fall of 55% primarily due to a high base effect as liquidity during March-17 was one of the highest in almost two years. Saudi Arabia's decline in value traded was the smallest during April-17 that partially offset the higher decline in other markets. Volume traded on the GCC exchanges also declined month-on-month by 14% to 16.2 Bn shares.

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	408.3	(1.2%)	7.4%	92.7	1,712.9	16.0	1.2	3.8%
Kuwait - 15 Index	919.4	(1.5%)	3.9%					
Kuwait - Price Index	6,843.0	(2.7%)	19.0%					
Saudi Arabia	7,013.5	0.2%	(2.7%)	439.2	16,391.1	14.6	1.7	4.3%
Abu Dhabi	4,522.6	1.8%	(0.5%)	127.3	894.8	10.6	1.5	5.3%
Dubai	3,414.9	(1.9%)	(3.3%)	98.2	1,794.9	9.4	1.1	5.1%
Qatar	10,064.4	(3.1%)	(3.6%)	149.0	1,285.6	14.4	1.4	4.0%
Bahrain	1,335.7	(1.5%)	9.4%	20.1	51.4	9.6	0.9	5.0%
Oman	5,513.5	(0.7%)	(4.7%)	15.6	117.5	10.8	1.1	5.7%
Total GCC				942.0	22,248.2	13.1	1.5	4.4%



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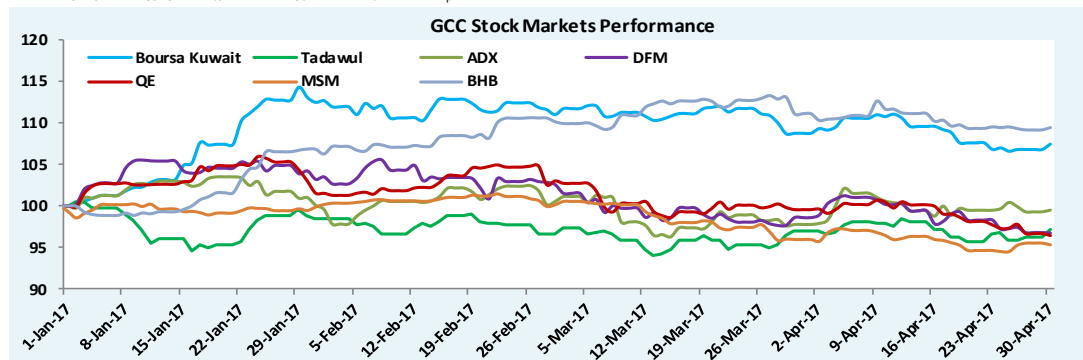
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Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Price Index	5,400.3	5,364.6	5,451.0	5,419.7	5,398.4	5,401.1	5,554.5	5,748.1	6,832.2	6,783.1	7,029.4	6,843.0
Monthly % Change	0.2%	(0.7%)	1.6%	(0.6%)	(0.4%)	0.0%	2.8%	3.5%	18.9%	(0.7%)	3.6%	(2.7%)
Weighted Index	357.4	351.4	350.7	347.3	351.9	354.0	367.1	380.1	427.4	424.0	413.3	408.3
Monthly % Change	(2.4%)	(1.7%)	(0.2%)	(1.0%)	1.3%	0.6%	3.7%	3.5%	12.4%	(0.8%)	(2.5%)	(1.2%)
Kuwait 15 Index	826.2	805.7	810.7	801.8	814.1	826.5	855.2	885.0	985.4	964.1	933.8	919.4
Monthly % Change	(4.3%)	(2.5%)	0.6%	(1.1%)	1.5%	1.5%	3.5%	3.5%	11.3%	(2.2%)	(3.1%)	(1.5%)
Market Cap (KWD Mn)	24,857	24,293	24,252	24,010	24,326	24,475	25,371	26,257	29,442	29,102	28,354	28,008
P/E (X) - TTM	15.56	15.32	15.29	15.30	15.63	15.72	16.30	16.80	18.80	18.70	18.16	16.01
P/BV (X) - TTM	1.09	1.06	1.06	1.05	1.06	1.07	1.11	1.13	1.27	1.26	1.23	1.24
Dividend Yield (%)	4.24%	4.30%	4.30%	4.37%	4.30%	4.27%	4.12%	3.98%	3.67%	3.67%	3.42%	3.76%
Volume (Mn Shares)	2,931	2,166	1,327	1,430	902	1,679	2,908	3,594	13,858	8,857	7,105	5,907
Value (KD Mn)	246	227	132	152	87	258	328	321	1,185	866	653	517
Trades ('000)	68.9	49.3	35.7	40.1	27.2	45.2	70.6	75.6	229.8	171.8	147.7	115.9

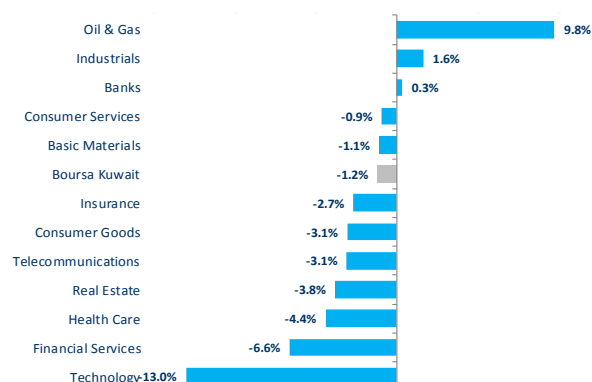
Source: Kuwait Stock Exchange, KAMCO Research

Stocks continued to slide in Kuwait during April-17 as reflected in the declines recorded by all the three benchmark indices. After a positive performance during March-17, the Kuwait Price Index witnessed the steepest monthly decline of 2.7% and traded below the critical 7,000 mark to reach 6,843.01 points by month end. The Weighted Index declined by 1.2% and traded above the 400 mark to close at 408.3 points, while the Kuwait 15 Index declined by 1.5% to reach 919.4 points. Nevertheless, despite the weak monthly performance in April-17, Kuwait continues to record the best YTD-17 performance in the GCC with a return of 19% for the Price index, 7.4% for the Weighted Index and 3.9% for the Kuwait 15 Index.

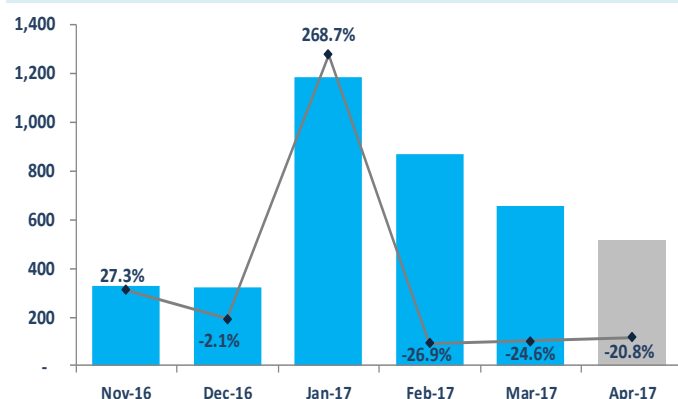
Trading activity on the exchange declined in line with the rest of the GCC markets with monthly volumes down by 16.9% to reach 5.9 Bn shares as compared to 7.1 Bn shares traded during March-17. The monthly value traded declined by a higher 20.8% to reach KWD 517 Mn as compared to KWD 653 Mn during the previous month. The average daily volume and value traded during the month also declined by 8.5% and 12.9%, respectively. The monthly volume chart was topped by Al Tameer Real Estate Investment with 393 Mn shares traded during the month followed by Ithmaar Bank and Manazel at 362 Mn and 340 Mn traded shares, respectively. On the monthly value chart, Kuwait Finance House (-5.7%) topped the list with KWD 39.4 Mn worth of shares traded during the month followed by KWD 38.1 Mn for Alimtiq Investment (-6.7%) and KWD 25.5 Mn worth of shares for Zain (-2.2%).

In terms of sector performance, the Oil & Gas index recorded the highest monthly return of 9.8% on the back of 26% surge in shares of NAPESCO, the best performing stock during the month, after the company recorded 63% increase in Q1-17 net profits. Shares of The Energy House also surged by 22.7% followed by 7.1% gains in shares of Burgan Co. for Drilling that more than offset decline in shares of the remaining companies in the sector. The Industrial and the Banking indices recorded marginally positive returns during the month. The gain of 0.3% for the Banking index primarily reflected 4.5% returns for NBK that was almost completely offset by 5.7% decline in shares of KFH despite the latter reporting the highest growth in quarterly earnings for Q1-17 at 13.1%. Moreover, quarterly earnings for banks shows positive y-o-y growth for the six banks that reported Q1-17 earnings. The monthly gainers chart also included Humansoft with a gain of 23% as the company reported 15% increase in net profits for Q1-17. On the decliners side, the Technology index witnessed the steepest decline during the month recorded at 13.0% after all three constituents companies in the index declined. Shares of REAM topped the monthly decliners list recording a fall of 52.5% followed by Nafais Holding and NCCI with monthly declines of 34.8% and 34.6%, respectively. The monthly market breadth was strongly skewed towards decliners that included 96 companies while advancers included 53 companies. Prices of 28 companies remained unchanged.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Tadawul All Share Index	6,448.4	6,499.9	6,302.2	6,079.5	5,623.3	6,012.2	7,000.2	7,210.4	7,101.9	6,972.4	7,001.6	7,013.5
Monthly % Change	(5.3%)	0.8%	(3.0%)	(3.5%)	(7.5%)	6.9%	16.4%	3.0%	(1.5%)	(1.8%)	0.4%	0.2%
Market Cap (SAR Bn)	1,489.4	1,505.3	1,458.9	1,419.4	1,326.2	1,420.7	1,637.3	1,682.5	1,659.9	1,635.3	1,640.4	1,647.0
P/E (X) - TTM	12.76	11.87	11.77	11.49	10.75	12.31	13.44	14.73	14.79	14.54	14.64	14.56
P/BV (X) - TTM	1.55	1.53	1.48	1.43	1.32	1.42	1.65	1.70	1.67	1.59	1.73	1.74
Dividend Yield (%)	3.74%	4.60%	4.71%	4.91%	5.24%	4.90%	4.17%	4.04%	4.05%	4.17%	4.27%	4.26%
Volume (Mn Shares)	6,110	5,228	3,518	3,840	2,521	4,703	7,491	6,927	5,442	4,168	3,643	3,245
Value (SAR Mn)	117,944	84,283	59,461	67,974	41,736	65,664	118,645	114,984	98,782	75,232	72,517	61,469
Trades ('000)	2,761	1,828	1,347	1,684	1,070	1,833	2,608	2,685	2,664	2,040	2,053	1,698

Source: Tadawul, KAMCO Research

The flattish trend in TASI continued for the second consecutive month with the benchmark index closing April-17 with a marginal gain of 0.2% to reach 7,013.5 points. The index managed to close slightly above the support level of 7,000 points after trading below this level for a large part of the second half of the month. Index performance was almost equally split between gainers and losers with large-cap Banks and Telecom indices recording marginal declines of 0.9% and 0.7% that were offset by 10.7% gains for the newly established REIT index followed by 4.0% gains for Retailing index and 3.4% gains for the Energy index. The Pharma index recorded the steepest decline during the month at 4.4% followed by the Diversified Financials index at -4.0% and Consumer Durable index at -3.8%.

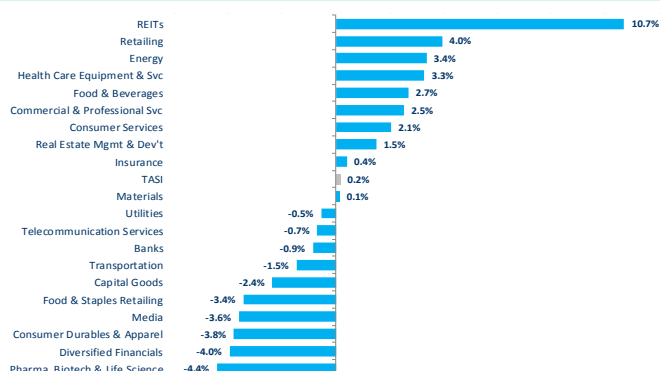
Banking sector remained the focus during the later part of the month after talks of a merger between Alawwal Bank and SABB emerged. The combined company would be the third biggest in the sector with an asset base of almost USD 80 Bn. This is also said to benefit both the banks by way of operational synergies, as seen in the case of the recently completed merger of FGB and NBAD. In addition, as the Kingdom looks are opening the market and diversifying the economy, smaller banking players would find it difficult to compete with new players. These newer players includes Citigroup which recently obtained a license to conduct capital market activity in Saudi Arabia as well as ENBD's plans to expand its base in the Kingdom over the next year. In addition, other regional banks are also eyeing expanding in Saudi Arabia and would find it easy to do so as the markets open up and foreign investment regulations are relaxed.

Monthly trading activity declined in April-17 albeit at a much lower rate as compared to the rest of the GCC markets. Monthly volume declined by 4.6% to 3.5 Bn shares as compared to 3.6 Bn shares during the previous month. Dar Al Arkan topped the monthly volume chart with 608.2 Mn shares changing hands followed by Alinma Bank and Saudi Kayan with 482.3 Mn and 230.4 Mn shares traded during the month. Monthly value traded also declined at a slightly higher pace of 10.1% to reach SAR 65.2 Bn in April-17 as compared to SAR 72.5 Bn during the previous month. SABIC topped the monthly value chart recording SAR 7.5 Bn in value traded followed by Alinma Bank and Dar Al Arkan with trades worth SAR 7.1 Bn and SAR 3.8 Bn, respectively.

The monthly gainers chart was topped by Saudi Kayan recording a gain of 22.95% after the company reported a net profit of SAR 265.5 Mn during Q1-17 as against a loss of SAR 195 Mn in Q1-16. Profits of other petrochemicals companies that reported Q1-17 results have largely been positive due to higher oil prices during Q1-17 vs. Q1-16. The decliners side was topped by Wafa Insurance that recorded a decline of 25% followed by Atheeb Telecom and Allied Coop Insurance with declines of 18.4% and 18.2%, respectively.

On the economic front, the Kingdom made significant progress in its attempt to reduce deficits caused by low oil prices. The cost cutting adopted over the past year in addition to higher oil revenues as oil prices increased enabled the Kingdom to reduce Q1-17 expected deficits by almost 50% to SAR 26 Bn as against government's projection of SAR 52 Bn. As a result, the Kingdom announced restoring of financial allowances for civil servants and military personnel that were slashed last year. That said, the decline in oil output since the start of the year has prompted IMF to slash its GDP projections for the Kingdom by 100 bps for 2018 and now expects a growth rate of 1.3%.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
ADX General Index	4,250.2	4,497.6	4,575.3	4,471.0	4,476.3	4,300.2	4,308.8	4,546.4	4,548.8	4,552.1	4,443.5	4,522.6
Monthly % Change	(6.5%)	5.8%	1.7%	(2.3%)	0.1%	(3.9%)	0.2%	5.5%	0.1%	0.1%	(2.4%)	1.8%
Market Cap (AED Bn)	433.4	457.1	473.9	463.8	464.8	447.0	445.2	467.6	465.0	466.6	459.1	467.7
P/E (X) - TTM	10.35	10.66	10.96	10.73	10.74	10.24	10.19	10.77	10.75	11.06	10.80	10.61
P/BV (X) - TTM	1.35	1.34	1.37	1.34	1.34	1.29	1.29	1.36	1.36	1.34	1.31	1.54
Dividend Yield (%)	5.38%	5.56%	5.47%	5.68%	5.67%	5.91%	5.91%	5.60%	5.60%	5.53%	5.62%	5.26%
Volume (Mn Shares)	1,945	1,206	1,228	1,307	1,191	1,011	3,991	1,454	4,837	2,811	1,656	1,553
Value (AED Mn)	3,283	3,832	2,926	3,148	2,443	2,278	5,863	3,179	7,111	4,993	4,433	3,287
Trades	26,059	22,596	23,335	24,668	19,554	20,129	45,297	26,669	57,936	39,116	30,365	24,726

Source: Abu Dhabi Securities Exchange, KAMCO Research

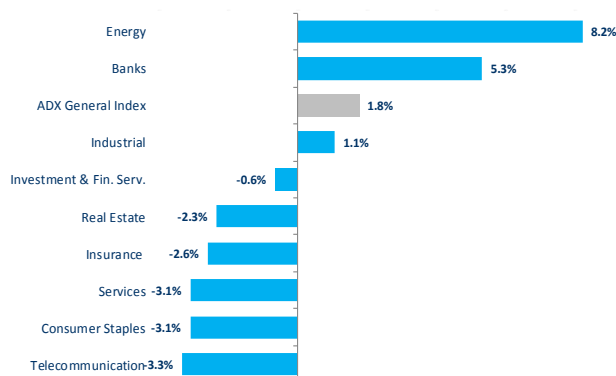
The ADX index bucked broad GCC market cues and moved higher in April-17, after closing lower in the previous month. The index was the best performing index for the current month and moved up by 1.8% m-o-m, to close at 4522.56 points. Banks were able to buoy the broader index higher, on general optimism in the sector and potential for further possible consolidation in the sector, which resulted in the sector moving higher by 5.3% m-o-m. Energy index was the best performing index, gaining by 8.2% m-o-m, as Abu Dhabi National Energy moved up by over 28%, as compared to the previous month. Telecoms was the worst performing index as it declined by 3.3% m-o-m, followed by the Consumer Goods index & Services index as each of the indices went down by 3.1% respectively. The Real Estate index also moved down by 2.3% m-o-m, as Aldar Properties receded by 4.4% for the month of April-17.

The combined entity of NBAD & FGB - First Abu Dhabi Bank which began trading as a single entity in April-17, reported group net profit of AED 2.93 Bn for Q1-2017, a 12.4% increase y-o-y from AED 2.60 Bn for Q1-2016. Group net revenues for Abu Dhabi Islamic Bank in Q1-17 increased by 4.3% to AED 1,374.1 Mn as compared to AED 1,317.3 Mn in Q1-16. Group net profit for Q1-17 increased by 19.8% to AED 577.5 Mn vs. AED 482.0 Mn in Q1-16. Credit provisions and impairments for Q1-17 decreased by 24.0% to AED 164.4 million vs. AED 216.2 million for Q1-16. ADCB reported a net profit of AED 1.105 Bn for Q1-17, an increase of 8% y-o-y. Healthy volumes drove the increase in net profit along with a strong non-interest income combined with better management of cost base. Telecom operator Etisalat reported Q1 -17 revenues of AED 12.5 Bn, a 3% decrease y-o-y from Q1-16, as the subscriber base declined by 3% as well to reach 159 Mn. Consolidated net profit after Federal Royalty amounted to AED 2.1 Bn, representing a y-o-y increase of 5% as compared to Q1-16.

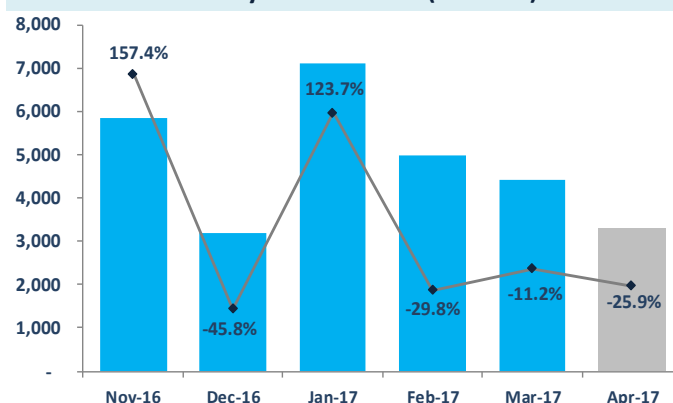
Trading trends dropped in April-17, as traded volumes & value declined by over 11.6% and 25.9%, respectively. Total volumes receded to 1.55 Bn shares (March: 1.7 Bn) while value traded during April-17 declined to AED 3.3 Bn (March: AED 4.4 Bn). Umm Al Quwain General Investment led the gainers list with a monthly return of 87.4%, followed by TAQA and Abu Dhabi National Co for Bldg Materials, which went up by 28.3% and 22.0% respectively. Prominent decliners included International Fish Farming with a monthly share price decline of 20.0%, followed by Fujeriah Cement and Emirates Driving, as they saw their stock prices erode by 19.5% & 15.6% respectively.

In ratings related action Abu Dhabi National Energy Co. (TAQA) reportedly had its credit rating cut to A- by S&P, as the agency cited increased risks to state support for the utility. S&P also revised the outlook for the company's debt to negative from stable, and cut its rating on the company's senior unsecured debt one level to BBB+ from A-, ascribed to higher risks. Separately, Moodys affirmed Abu Dhabi Islamic Bank's (ADIB) A2/Prime-1 long- and short-term domestic and foreign currency issuer ratings and kept the outlook as negative, reportedly in line with the outlook of the sovereign rating of the Government of UAE where the bank primarily operates. In funding action, Mubadala, the Abu Dhabi sovereign wealth fund merging with International Petroleum Investment Co., raised USD 1.5 billion through a dual-tranche bond, reportedly USD 850 Mn in seven-year debt at 100 basis points over mid-swaps and USD 650 Mn in the 12-year tranche at 140 basis points over mid-swaps. The issue was reportedly oversubscribed by over 4 times.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
DFM General Index	3,313.7	3,311.1	3,484.3	3,504.4	3,474.4	3,332.4	3,360.9	3,530.9	3,642.9	3,630.3	3,480.4	3,414.9
Monthly % Change	(5.1%)	(0.1%)	5.2%	0.6%	(0.9%)	(4.1%)	0.9%	5.1%	3.2%	(0.3%)	(4.1%)	(1.9%)
Market Cap (AED Bn)	324.9	323.2	335.5	334.8	331.4	316.9	316.3	332.2	352.1	384.0	371.5	360.6
P/E (X) - TTM	8.90	8.16	8.87	9.09	9.01	8.77	8.71	9.25	9.92	9.89	9.39	9.37
P/BV (X) - TTM	1.24	1.12	1.27	1.28	1.27	1.22	1.23	1.29	1.28	1.25	1.15	1.13
Dividend Yield (%)	3.97%	4.82%	4.91%	4.76%	4.80%	4.99%	4.97%	4.70%	4.66%	4.56%	4.98%	5.15%
Volume (Mn Shares)	6,755	5,352	5,180	5,115	5,574	5,102	16,016	11,219	18,618	10,396	5,785	4,969
Value (AED Mn)	7,768	6,997	7,318	7,643	6,744	6,828	20,240	14,659	22,962	15,587	9,583	6,593
Trades	91,318	76,501	74,470	75,179	61,878	68,423	163,506	118,274	196,901	130,998	82,856	69,986

Source: Dubai Financial Market, KAMCO Research

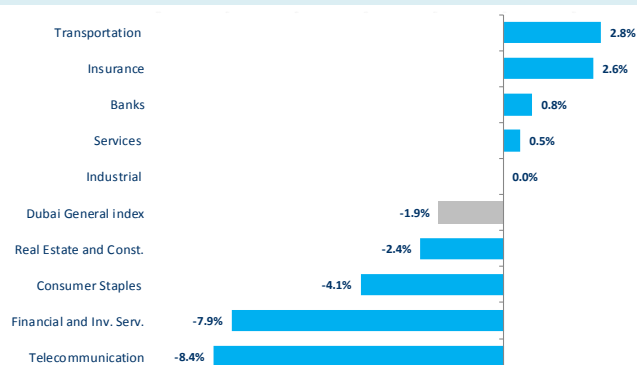
DFM continued its declining trends from the previous two months into April-17 as well, and was the second worst performing market in the GCC. For April-17, DFM was down by 1.9% and closed at 3414.93 points as sectoral trends were mixed. Telecoms declined by 8.4% as DU and Hits Telecom fell by 8.4% and 6.4% respectively for the month of April-17. Financials and Investment Services index was amongst the main laggards as well, as the index plunged by 7.9% m-o-m in April-17, as Dubai Investment & DFM stocks fell by 12.7% and 8% respectively. Indices, which witnessed higher levels, were led by Transportation, which was up 2.8% m-o-m, followed by Insurance, which also moved higher by 2.6% as compared to the previous month. Banks were also amongst the gainers, although marginally up for the month, driven by Dubai Islamic bank which gained by 3.6% for the month of April-17, while most other major banks receded.

In prominent earnings, large cap bank ENBD reported total income for Q1-17 of AED 3,617 Mn; an increase of 7% y-o-y while net interest income receded by 3% over the same period. Core gross fee income increased 7% y-o-y on the back of higher income from forex and rates. Net profit for the Group was AED 1,873 Mn in Q1-17, 4% above that posted in Q1-16, ascribed to asset growth, a control on expenses and reduced provisions, which helped, offset lower non-interest income. Commercial Bank of Dubai reported Q1-17 net profit of AED 160.1 Mn, 33.5% lower compared to Q1-16, mainly due to prudent provisioning and higher general provision as a result of loan growth. Logistics player Aramex saw its revenues increase to AED 1.1 Bn in Q1-17, up 7% compared to AED 1.0 Bn in Q1-16, while net profit decreased by 5% y-o-y to AED 91.8 Mn, due to the increase in value of the provision related to the company's incentive scheme.

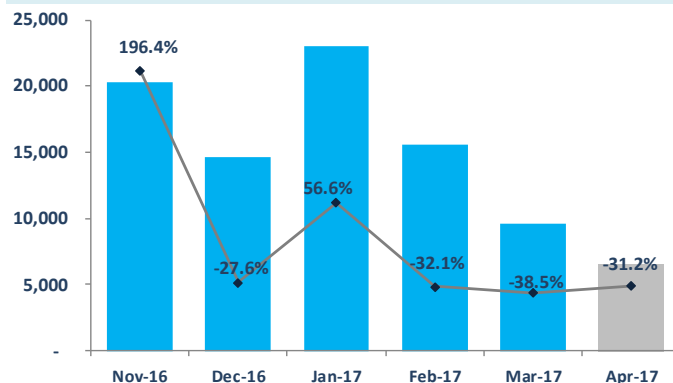
National General Insurance was the top performing stock in the index for the month, as its share price surged by 10.1% in April-17. Marka followed along with Aramex, as their stock prices moved up by 9.5% and 6.9% respectively. On the other hand, shares of Emirates Islamic Bank led the monthly losers chart as its share price declined by 32.3% m-o-m. Dubai Investment and Damac Properties followed with declines of 12.7% and 10.6% respectively for the month. Gulf Finance House (GFH) was the most actively traded stock yet again on the exchange as AED 1.2 Bn worth of stock was traded, followed by Arabtec with value traded of AED 0.7 Bn. Market breadth was weak as well, as 12 stocks moved up while 28 stocks lost ground during the month of April-17. Overall activity on the exchange on a monthly basis dropped, as volumes traded declined by 14% m-o-m from March -17 to reach 4.9 Bn shares, while value traded was down close to 31.2% as well m-o-m to reach AED 6.6 Bn.

Data for March-17 from Emirates NBD Economy Tracker index signaled a further improvement in overall business conditions across Dubai's private sector, driven by sharp rises in output and incoming new work, as Q1-17 growth was the strongest in two years. At 56.6 in March-17, the tracker registered above the crucial 50.0 threshold for the thirteenth month in a row, but was down from the January-17 high of 57.1. Wholesale & retail was once again the best performing category, similar to data from February -17, followed by construction index that grew from 53.3 in February-17 to 54.8 in March-17, after slowing down in the previous month. On the other hand, the travel and tourism index reversed and cooled down to 55.3 in March-17 from 57.0 recorded in February-17.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
QE 20 Index	9,538.8	9,885.2	10,604.0	10,989.8	10,435.5	10,173.0	9,793.8	10,436.8	10,597.2	10,702.1	10,390.6	10,064.4
Monthly % Change	(6.4%)	3.6%	7.3%	3.6%	(5.0%)	(2.5%)	(3.7%)	6.6%	1.5%	1.0%	(2.9%)	(3.1%)
Market Cap (QAR Bn)	516.8	532.2	568.2	588.1	560.3	548.5	526.6	563.5	568.6	577.7	556.3	542.4
P/E (X) - TTM	12.34	12.77	13.55	14.17	13.50	13.45	13.04	13.85	14.34	15.00	14.58	14.42
P/BV (X) - TTM	1.53	1.48	1.58	1.63	1.55	1.51	1.45	1.56	1.52	1.48	1.44	1.40
Dividend Yield (%)	4.10%	4.07%	3.82%	3.72%	3.91%	4.00%	4.18%	3.93%	3.91%	3.79%	3.97%	4.03%
Volume (Mn Shares)	163	89	98	164	132	121	188	190	190	188	287	183
Value (QAR Mn)	5,466	3,282	3,785	6,799	5,934	4,360	5,822	7,204	5,757	6,723	10,292	4,681
Trades	94,675	48,686	58,170	99,903	76,124	56,888	73,428	71,747	76,729	81,708	103,717	62,981

Source: Qatar Exchange, KAMCO Research

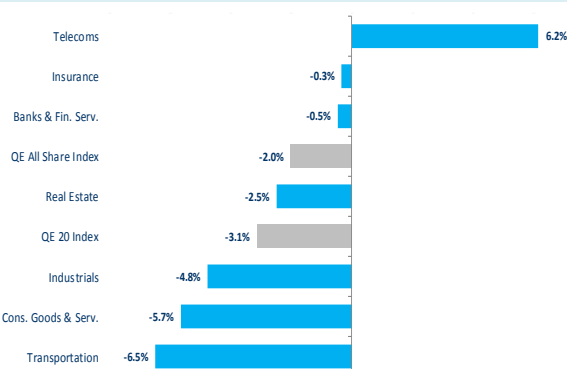
The QE 20 index continued to decline in April-17 recording the worst performance in the GCC. The index was down 3.1% in April-17 and closed at 10,064.35 points. The Qatar All Share index also dropped by 2.0%, as most sectoral indices were down as compared to March-17. Indices such as Transportation, Consumer Goods & Services and Industrials were among the main laggards for the month of April-17. Transportation index receded the most as Qatar Navigation receded by 8.5% m-o-m followed by Qatar Gas Transport, which went down by 6.5% m-o-m. Qatar Fuel and Al Meera Consumer Goods were most responsible for the Consumer Goods & Services sectoral index decline, as the stocks receded by 8.7% and 6.9% respectively. The only index that gained during the month was the Telecoms index, reversing trends from March-17, and gained by 6.7% m-o-m for the current month buoyed by Ooredoo, which went up by 7.5% m-o-m.

In corporate earnings releases, real estate developer Ezdan reported net profit of QAR 945 Mn for Q1-17 vs. QAR 585 Mn in Q1-16. Mazaya Qatar reported net profit of QAR 5.0 Mn in Q1-17 compared to QAR 26.7 Mn for the same period of the previous year, while EPS for Q1-17 came in at QAR 0.046/share compared to QAR 0.242/share in Q1-16. In other sector earnings, releases Qatar Industrial Manufacturing Company (QIMC) reported net profit of QAR 60.4 Mn compared QAR 54.8 Mn for the same period of the previous year. EPS amounted to QAR 1.27/share in Q1-17 compared to QAR 1.16/share in Q1-16. Qatar Fuel reported Q1-17 net profit of QAR 176.5 Mn as compared to QAR 242.7 Mn for the same period in 2016, representing a decrease of 27% y-o-y. Qatar Fuel is currently working on more than 22 new petrol station projects under construction, tendering, designing and approval stages along with other projects, which include new expansions, FAHES centres, and Bitumen facilities.

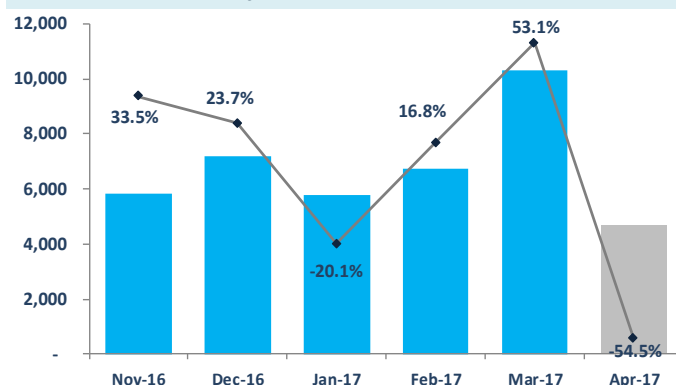
Trading activity on the index was negative as well, as value traded during April-17 decreased by 54.6% to reach QAR 4.7 Bn, while traded volumes declined by 36.7% m-o-m to reach 181 Mn shares. In terms of trading activity, Vodafone Qatar topped the monthly value traded chart with QAR 0.5 Bn worth of shares traded, followed by Masraf Al Rayan and Ezdan Holding recording QAR 495.5 Mn and QAR 348.1 Mn in monthly value traded. In terms of volumes traded Vodafone Qatar led all stocks with traded volumes of 52.8 Mn shares. Ezdan holding and Mazaya Qatar followed with traded volumes of 22.4 Mn shares and 12.6 Mn shares respectively. Qatar Cinema & Film Distribution was the top performing stock in the index for the month as its share price surged by 19.7%. Dlala Brokerage followed along with Ooredoo, which their stock prices moved up by 11.4% and 7.5% respectively. On the other hand, shares of Zad Holding led the monthly losers chart with its stock losing 15.2% m-o-m. National Leasing Holding and Qatar International Islamic Bank followed with declines of 12.6% and 9.8% respectively for the month.

In economic updates, ratings agency Moody's expects Qatar Petroleum's plans to increase gas production in the offshore North Field by 10% relative to current levels to reportedly support the country's real GDP and income levels in five to seven years. Separately IMF forecasts a real GDP growth of 3.4% y-o-y for Qatar in 2017, reflecting significant expansion in the non-hydrocarbon sector from public investment commitments, and supported by the added output from the new Barzan gas project.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
Bahrain All Share Index	1,111.56	1,118.37	1,155.62	1,142.21	1,150.00	1,148.83	1,174.12	1,220.45	1,303.70	1,349.67	1,355.99	1,335.67
Monthly % Change	0.1%	0.6%	3.3%	(1.2%)	0.7%	(0.1%)	2.2%	3.9%	6.8%	3.5%	0.5%	(1.5%)
Market Cap (BHD Mn)	6,574	6,615	6,836	6,757	6,803	6,796	6,946	7,221	7,721	7,995	7,683	7,575
P/E (X) - TTM	9.16	9.20	9.66	9.67	9.47	9.70	9.29	9.68	9.97	9.92	10.06	9.60
P/BV (X) - TTM	0.82	0.77	0.80	0.78	0.77	0.78	0.80	0.83	0.89	0.89	0.87	0.86
Dividend Yield (%)	5.79%	4.44%	4.27%	4.45%	4.88%	4.47%	4.39%	4.22%	3.95%	4.44%	4.96%	5.03%
Volume (Mn Shares)	26	75	36	75	37	29	55	211	136	86	96	141
Value (BHD Mn)	5	18	8	21	6	6	12	10	26	18	24	19
Trades	755	873	996	1,080	789	750	998	1,163	2,164	1,621	1,864	1,684

Source: Bahrain Bourse, KAMCO Research

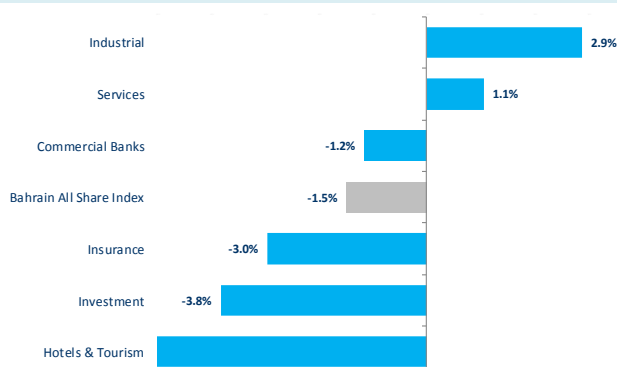
The Bahrain All Share Index, which was one of the best performing markets up until March-17, reversed trends in April-17 to close 1.5% lower in April-17. Sectoral performance was mixed, as there were indices which gained and receded. Market breadth for the index was even, as 14 stocks gained ground, while 14 stocks witnessed declines in their share prices. Commercial Banks were down 1.2% m-o-m as compared to March-17 as Ahli United Bank declined by 2.1% m-o-m. The Investment sector was the worst performing index dropping by 3.8% m-o-m, as GFH and Arab Banking Corporation declined by 3.6% and 12.5% respectively by the end of April-17. Insurance was the other key laggard declining by 3.0% m-o-m as the entire Financials pack came under pressure during the month. The Industrials and Services sectors performed better and gained by 2.9% and 1.1% respectively in April-17.

In earning releases, National Bank of Bahrain reported a net profit of BHD 14.74 in Q1-17, compared to BHD 17.76 Mn for the corresponding period of the previous year, representing a decrease of 17.0%. Operating Profit came in at BHD 19.05 Mn in Q1-17, an increase of 3.8% over BHD 18.36 million achieved during Q1-16. BBK announced a net profit of BHD 15.8 Mn for Q1-17 compared to BD 14.6 million for the corresponding period of the previous year, reporting an increase of 8.1% after reflecting the restatement impact of BHD 0.688 Mn on last year's comparable period financial results due to IFRS9 applications. The increase in net profit was ascribed to a 12.5% growth in operating revenues to reach BHD 35.6 Mn compared to BHD 31.6 during Q1-16, primarily driven by 10.8% increase in net interest income due to active balance sheet management and adequate control over funding cost.

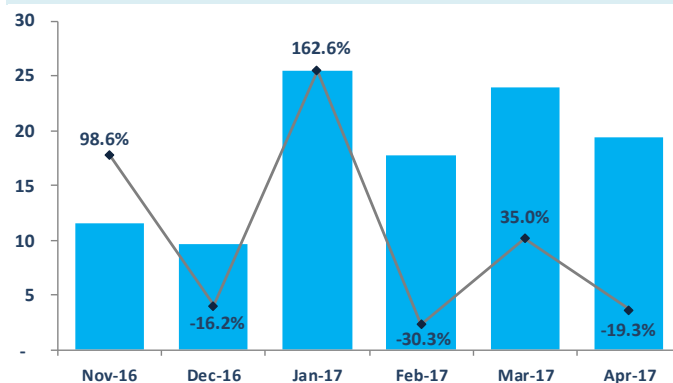
The exchange's figures of value and volumes traded in April-17 exhibited mixed trends on an m-o-m basis, as compared to the previous month. Volumes traded in the exchange reached 141 Mn and moved up by over 46.7% m-o-m as compared to 96 Mn shares in March-17. Value traded however declined by over 18% in the exchange to reach BHD 20.7 Mn in April -17, as compared to BHD 24 Mn in March-17. Furthermore, the number of trades made in the exchange decreased to 1,684 trades, a 9.7% m-o-m drop from March-17. Ahli United Bank was the most actively traded stock in March-17 with BHD 4.7 Mn worth of its shares traded on the exchange. Bank of Bahrain and Kuwait and Aluminum Bahrain followed with BHD 3.1 Mn and BHD 2.9 Mn worth of shares traded on the exchange. Bahrain Middle East Bank topped the gainers list for the month of April -17, as it witnessed a m-o-m increase of 85.2%, followed by Inovent BSc. and Nass Corporation with monthly gains of 20.0% and 15.3% respectively as compared to March-17.

In Bahrain's real estate market, weakening economic conditions, tapering off in demand for oil and gas, and an increase in real estate supply has led to increased pressure on the sector as of Q1-2017, according to Cluttons. Apartment rents reportedly receded by 8.3% in Q1-2017, while villa rents fell by 6.9% as the rental market witnessed the largest decline since 2009. Commercial office rents have also reportedly receded according to Cluttons in Q1-17 for the first time in two years, as landlords in the Diplomatic Area dropped rates by BHD 2/sq.m for fitted offices, while submarket rents look more attractive for potential occupiers.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
MSM 30 Index	5,811.0	5,777.3	5,843.8	5,735.0	5,726.2	5,481.4	5,487.7	5,782.7	5,776.2	5,780.0	5,550.6	5,513.5
Monthly % Change	(2.2%)	(0.6%)	1.2%	(1.9%)	(0.2%)	(4.3%)	0.1%	5.4%	(0.1%)	0.1%	(4.0%)	(0.7%)
Market Cap (OMR Mn)	7,428	7,233	7,313	7,351	7,555	7,930	7,946	5,055	4,959	4,944	6,153	5,991
P/E (X) - TTM	10.53	9.99	9.79	9.67	9.66	9.35	9.54	10.08	10.21	9.91	9.57	10.76
P/BV (X) - TTM	1.22	1.13	1.14	1.12	1.13	1.08	1.08	1.15	1.13	1.12	1.06	1.07
Dividend Yield (%)	5.10%	6.43%	6.29%	6.35%	6.34%	5.38%	5.39%	5.11%	5.23%	5.33%	5.70%	5.68%
Volume (Mn Shares)	347	254	179	199	227	127	187	147	192	280	258	203
Value (OMR Mn)	96	59	46	52	45	43	58	44	52	99	73	45
Trades	19,226	11,527	12,377	13,074	5,563	7,975	5,847	8,793	11,583	12,280	12,395	10,204

Source: Muscat Securities Market, KAMCO Research

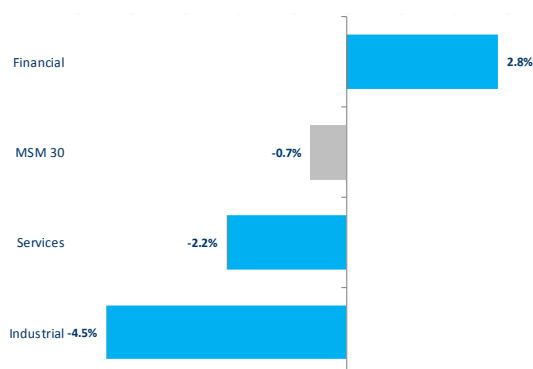
Oman recorded one of the smallest monthly declines in the GCC during April-17 amid low trading activity. The benchmark MSM30 index declined by 0.7% to close at 5,513.52 points after a gain of 2.8% for the Financial index was more than offset by declines of 2.2% and 4.5% recorded in the Services and Industrial indices, respectively. Gains in the Financial index largely represented the positive earnings reported by banks that pushed bank stocks higher. Shares of Bank Muscat, which reported 1.1% increase in Q1-17 net profits, surged 4.7% during the month featuring fourth in the monthly top performers list. Shares of NBO also surged 2.7% despite the bank reporting 1% decline in quarterly profits due to a fall in income from lending activities. Sohar Bank, one of the smaller lenders in the Sultanate, reported a 50% surge in Q1-17 net profits that reached OMR 6 Mn, pushing its shares higher by 10.4% during the month, the third highest performer in the regular market.

Meanwhile, the decline in the Industrial index was broad-based as except for the shares of Al Jazeera Steel Products that surged 16.5%, all the other stocks in the sector declined. Shares of the steel product manufacturer topped the monthly gainers chart after it reported 66% increase in Q1-17 net profits. On the other hand, Raysut Cement, the largest company in the sector by market cap, recorded the biggest monthly decline in the sector and on the exchange at -14.8% after the company's quarterly profits plunged 62%. Other prominent decliners included Oman Cement (-8.4%) and Oman Cable Industry (-2.9%) both recording weak earnings for Q1-17. The performance of the Services sector was similar to the industrial sector with Oman Investment and Finance Co. (+2.3%) being the lone positive performing stock. Telecom stocks led the decline in the sector with shares of Omantel plunging 7% while Ooredoo declined 4.4% after both the telcos reported steep decline in Q1-17 earnings (31.6% and 44.6%, respectively).

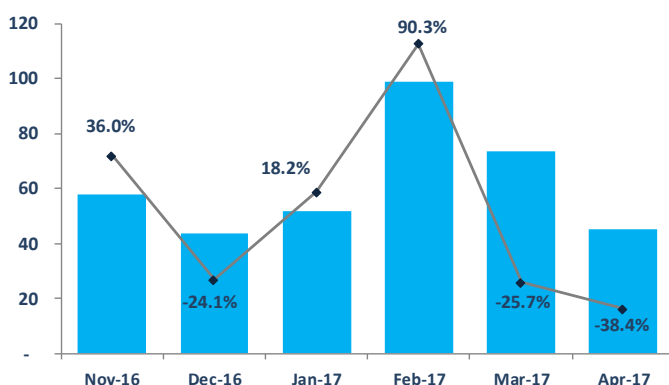
Trading activity during the month declined to the lowest monthly level since the start of the year. Monthly volume of share traded declining by 21% to 202.8 Mn shares as compared to 257.8 Mn shares during the previous month, while value traded declined by a much higher 38.4% to OMR 45.2 Mn as compared to OMR 73.4 Mn during March-17. Bank Muscat topped the monthly value traded chart for the second consecutive month with OMR 8.1 Mn worth of shares traded during April-17 followed by Al Anwar Holding and Ooredoo recording OMR 5.4 Mn and OMR 5.0 Mn worth of shares changing hands. In terms of volume, Al Madina Takaful topped the chart with 35.4 Mn shares followed by Al Madina Investment Co. and Bank Sohar recording 27.6 Mn shares and 26.1 Mn shares traded, respectively.

On the economic front, the Sultanate is said to be considering privatization of state firms in the energy industry, in line with the IPO of Aramco in Saudi Arabia. Oman's Oil & Gas Minister said there are plans to offer shares in Salalah Methanol Co. and another drilling company to raise money to deal with fiscal pressure amid declining oil prices. Meanwhile, in order to boost foreign investments, the Sultanate is revamping its Foreign Capital Investment Law to do away with shortcomings. The government also came up with a new tax law that is stricter than the existing one and aims at preventing corporate tax evasion by bringing more companies under the tax net.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research

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