

GCC Markets Monthly Report

November-2016

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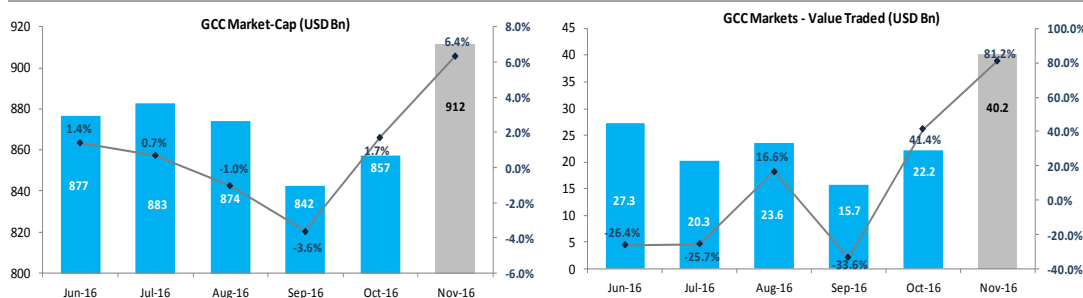
Markets react sharply to OPEC talks

Investor sentiment and optimism were at its peak in the GCC as they closely followed the OPEC negotiations on oil output cut. The talks that have been going on for more than a year after several failed attempts did reach a positive end when oil producers agreed on a higher output cut than what was decided in September-16. This would be the first output cut since 2008 in which Saudi Arabia is said to have agreed to undertake a relatively larger pie of the total quantum of output reduction that is said to be at 1.2 mb/d, nearly 0.5 mb/d more than what was decided initially in Algeria.

The MSCI GCC index was up by 1.4% on 30-November-16 and closed the month with one of the highest monthly gains of 7.8%. All of the GCC indices, with the exception of Qatar, closed the month with a healthy gain. **Saudi Arabia was the best performing market for the second consecutive month with the highest monthly gain in more than seven years since the financial crisis.** Trading activity in the GCC also got a boost as monthly value traded almost doubled m-o-m to USD 40 Bn, the highest level over the past eight months. On the international front, all of the US equity indices hit an all time high during the month after the US elections on hopes of lower US tax rates in 2017, higher future growth rates as well as the positive impact of the impending OPEC deal on US energy shares.

We believe that an output cut would have long term repercussions for the GCC oil exporters as it will set a framework for output adjustments and bring both OPEC and non-OPEC oil producers to the table. On the GCC state finances front, a lower global oil output coupled with a decline in oil investments especially seen in the US over past two years should result in higher oil prices. If these higher oil prices are sustainable, it would help in offsetting some impact from lower output on state finances.

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	367.1	3.7%	(3.8%)	84.0	1,087.2	16.3	1.1	4.1%
Kuwait - 15 Index	855.2	3.5%	(5.0%)					
Kuwait - Price Index	5,554.5	2.8%	(1.1%)					
Saudi Arabia	7,000.2	16.4%	1.3%	436.6	31,637.1	13.4	1.6	4.2%
Abu Dhabi	4,308.8	0.2%	0.0%	121.2	1,596.2	10.2	1.3	5.9%
Dubai	3,360.9	0.9%	6.7%	86.1	5,510.3	8.7	1.2	5.0%
Qatar	9,793.8	(3.7%)	(6.1%)	144.6	159.9	13.0	1.5	4.2%
Bahrain	1,174.1	2.2%	(3.4%)	18.4	30.8	9.3	0.8	4.4%
Oman	5,487.7	0.1%	1.5%	20.6	150.3	9.5	1.1	5.4%
Total GCC				911.6	40,171.8	12.3	1.4	4.5%



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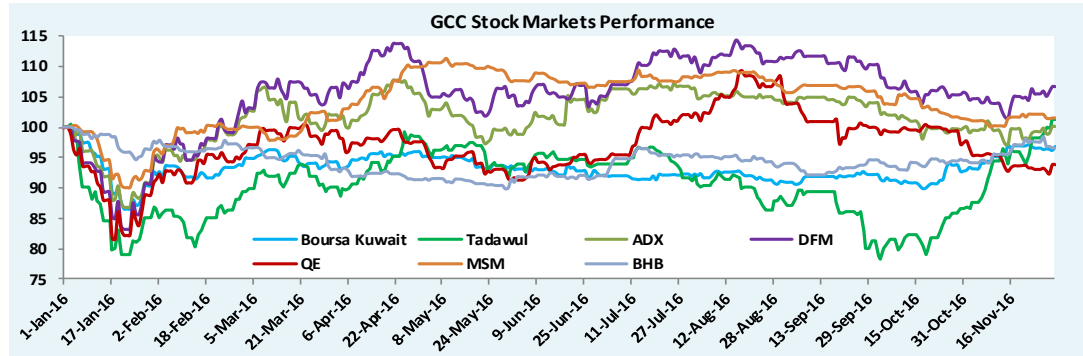
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Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Price Index	5,615.1	5,114.5	5,207.4	5,228.8	5,391.8	5,400.3	5,364.6	5,451.0	5,419.7	5,398.4	5,401.1	5,554.5
Monthly % Change	(3.2%)	(8.9%)	1.8%	0.4%	3.1%	0.2%	(0.7%)	1.6%	(0.6%)	(0.4%)	0.0%	2.8%
Weighted Index	381.7	353.4	358.3	359.8	366.3	357.4	351.4	350.7	347.3	351.9	354.0	367.1
Monthly % Change	(2.9%)	(7.4%)	1.4%	0.4%	1.8%	(2.4%)	(1.7%)	(0.2%)	(1.0%)	1.3%	0.6%	3.7%
Kuwait 15 Index	900.4	829.8	841.0	850.5	863.3	826.2	805.7	810.7	801.8	814.1	826.5	855.2
Monthly % Change	(3.1%)	(7.8%)	1.4%	1.1%	1.5%	(4.3%)	(2.5%)	0.6%	(1.1%)	1.5%	1.5%	3.5%
Market Cap (KWD Mn)	26,159	24,224	24,557	24,875	25,025	24,857	24,293	24,252	24,010	24,326	24,475	25,371
P/E (X) - TTM	15.50	14.30	13.20	13.24	15.40	15.56	15.32	15.29	15.30	15.63	15.72	16.30
P/BV (X) - TTM	1.13	1.04	1.07	1.05	1.09	1.09	1.06	1.06	1.05	1.06	1.07	1.11
Dividend Yield (%)	3.95%	4.57%	4.67%	4.00%	4.14%	4.24%	4.30%	4.30%	4.37%	4.30%	4.27%	4.12%
Volume (Mn Shares)	2,340	2,697	2,773	3,983	3,929	2,931	2,166	1,327	1,430	902	1,679	2,908
Value (KD Mn)	242	282	225	329	277	246	227	132	152	87	258	328
Trades ('000)	59.3	64.7	67.5	84.8	81.2	68.9	49.3	35.7	40.1	27.2	45.2	70.6

Source: Kuwait Stock Exchange, KAMCO Research

Boursa Kuwait was the second best performing market in the GCC during November-16 with a gain of 3.7% in its weighted index that lowered the YTD-16 decline to 3.8%. The Price index also surged 2.8% whereas the KSE-15 index went up 3.5% during the month. Among the constituents that pushed the large-cap index included a 17.9% gain in shares of Agility followed by 6.8% gain in shares of NBK and 5.3% gain in shares of KFH. Shares in Agility surged after the logistics company reported a 11% increase in Q3-16 net profits, despite a 7% year-on-year drop in revenues during the quarter. The company is also said to have shelved talks about investment in construction major Kharafi National.

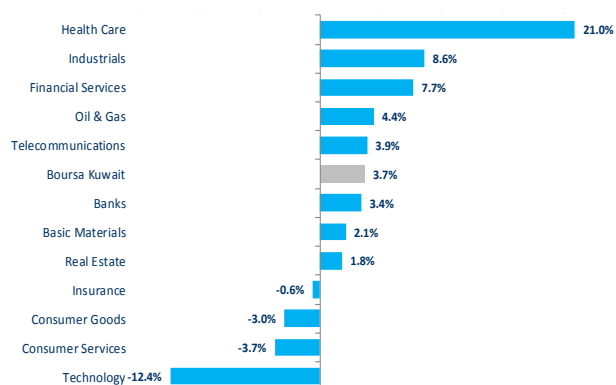
The monthly gainers chart was topped by Yiac Medical with its shares price more than doubling during the month, followed by Osoul Investment with a gain of 52%, after the company's 9M-16 net profit increased almost 2.5 times as compared to the previous year. Alimtia Investment was the third highest gainer for the month with a monthly gain 45.2%, after the company's net profit for Q3-16 more than doubled to KWD 2.6 Mn. On the decliners side, newly reinstated Safat Global topped the chart with a decline of 42% followed by OSOS and IFA Hotels with declines of 25% and 16.7%, respectively. The monthly market breadth was skewed towards gainers that included 89 stocks whereas decliners included 63 stocks.

Trading activity during the month surged in line with the rest of the GCC market. Monthly volume traded increased to 2.9 Bn shares as compared to 1.7 Bn shares during October-16 while monthly value traded increased by 18% to KWD 328 Mn, the highest monthly level in the past eight months. KFH topped the monthly value traded chart with KWD 39.7 Mn worth of shares traded during the month followed by NBK and Zain with trades worth KWD 31.4 Mn and KWD 26.9 Mn, respectively during the month.

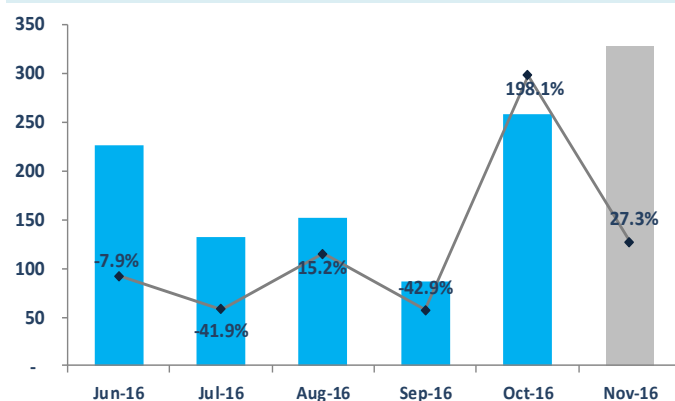
The sector performance chart was topped by the Healthcare index with a monthly gain of 21% on the back of surge in shares of Yiac Medical and Al Mowasat Healthcare. Among the large cap indices, the Banks index gained 3.4% on the back of gain in shares of NBK and KFH, whereas decliners included ABK (-4.8%), Burgan Bank (-3.1%) and Gulf Bank (-0.9%). The Telecom index also recorded positive performance of 3.9% backed by a surge in all telco stocks. On the other hand, the Technology recorded the biggest monthly decline of 12.4% as all stocks in the sector, with the exception of ASC, declined during the month.

On the economic front, the country has announced plans to build five islands by 2030 with an estimated outlay of KWD 40 Bn. The project is also aimed at attracting foreign investment with incentives like tax breaks. Meanwhile, Kuwait is said to have sent a request for proposal for its debut bond sale expected to be around USD 10 Bn and would be in the market most like during the first quarter of next year.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Tadawul All Share Index	6,911.8	5,996.6	6,092.5	6,223.1	6,805.8	6,448.4	6,499.9	6,302.2	6,079.5	5,623.3	6,012.2	7,000.2
Monthly % Change	(4.5%)	(13.2%)	1.6%	2.1%	9.4%	(5.3%)	0.8%	(3.0%)	(3.5%)	(7.5%)	6.9%	16.4%
Market Cap (SAR Bn)	1,580.7	1,373.3	1,403.9	1,439.0	1,560.3	1,489.4	1,505.3	1,458.9	1,419.4	1,326.2	1,420.7	1,637.3
P/E (X) - TTM	12.30	10.73	10.88	12.29	13.41	12.76	11.87	11.77	11.49	10.75	12.31	13.44
P/BV (X) - TTM	1.50	1.31	1.33	1.49	1.64	1.55	1.53	1.48	1.43	1.32	1.42	1.65
Dividend Yield (%)	4.28%	4.94%	4.84%	4.52%	3.65%	3.74%	4.60%	4.71%	4.91%	5.24%	4.90%	4.17%
Volume (Mn Shares)	6,013	6,425	6,817	7,373	6,705	6,110	5,228	3,518	3,840	2,521	4,703	7,491
Value (SAR Mn)	126,338	115,145	120,712	131,199	117,608	117,944	84,283	59,461	67,974	41,736	65,664	118,645
Trades ('000)	2,688	2,766	3,054	2,994	2,625	2,761	1,828	1,347	1,684	1,070	1,833	2,608

Source: Tadawul, KAMCO Research

Tadawul witnessed a second straight month of solid gains after the benchmark index breached the psychologically important 7,000 mark for the first time in more than 11 months to close at 7,000.18 points. The monthly gain of 16.4% in November-16 was the highest in more than seven years since April-09. The consecutive returns over the past two months also pushed the YTD-16 performance from being the worst performing market until September-16 to the third-best yearly return of 1.3% by the end of November-16. The positive returns were primarily on the back of a surge in oil prices and comes especially after talks on oil output curbs moved in a favorable direction. Although the initial agreement at the OPEC meet in Vienna is said to have been negative for Saudi Arabia as the Kingdom is expected to take a big cut in its oil output, the development is expected to be positive for oil exporters in the long run, and for oil prices in the near term.

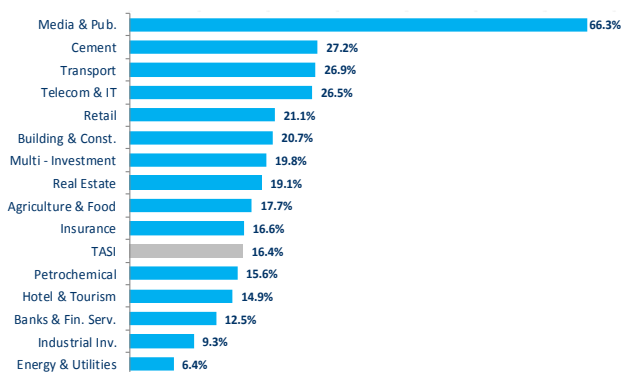
Index performance also reflected the positive market tone with double digit gains in most of the sector indices and all of them closing the month with a positive return. The Media & Publishing Index surged the most during the month recording a gain of 66% as SRMG and Saudi Printing and Packaging witnessed a steep surge during the month. The Cement and Transport indices followed with monthly returns of 27.2% and 26.9%, respectively. Among the large-cap indices, the banking index gained 12.5% as NCB was the only bank that declined during the month (-3.4%) while the Petrochemicals index surged 15.6% following gains in all the individual stocks in the sector.

Trading activity on the exchange continued to rise for the second consecutive month with both monthly volume and value traded reaching the highest level since March-16. Total monthly volume of shares traded increased almost 60% to 7.5 Bn shares while monthly value traded surged by an even higher 81% to SAR 118.6 Bn as compared to SAR 65.7 Bn during the previous month. Dar Al Arkan Real Estate topped the monthly value chart with shares worth SAR 11.3 Bn traded during the month followed by SABIC and Alinma Bank with trades of SAR 8.2 Bn and SAR 8.0 Bn, respectively. Dar Al Arkan Real Estate also topped the monthly volumes with 2 Bn shares traded during the month followed by Alinma Bank and Saudi Kayan with 572 Mn and 362 Mn traded shares, respectively.

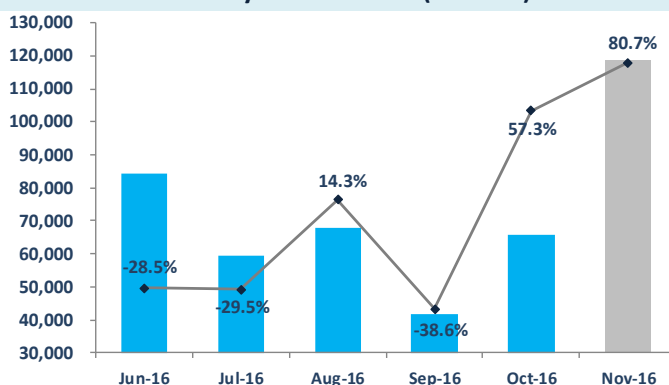
The monthly gainers chart was topped by Ash-Sharqiyah Development with a gain of 80.4%, followed by Saudi Arabia Refineries with a gain of 74.3% and SRMG with a gain of 73.9%. The decliners side included only two companies, Basic Chemical Industries and NCB.

On the economic front, OPEC members agreed on a production cut agreement, with Saudi Arabia expected to take a big pie of the total output cut. The positive outcome of the talks, which has been going on since the start of the year, pushed oil prices almost 8% (Brent) and Petrochemical stocks also reacted positively to the news in the hopes of higher oil prices in the future. We believe that the output cut would affect Saudi Arabia's oil revenues, however, the increase in oil prices should offset some of the negative effects on revenues. In related news, after issuing record bonds during September-16, a Saudi Arabia Finance Ministry statement said that the Kingdom will resume its programme of issuing local currency bonds in 2017. The bonds are issued by the government to plug an impending budget deficit in addition to limited curbs on the country's spending plan.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
ADX General Index	4,307.3	4,054.4	4,351.4	4,390.4	4,543.5	4,250.2	4,497.6	4,575.3	4,471.0	4,476.3	4,300.2	4,308.8
Monthly % Change	1.7%	(5.9%)	7.3%	0.9%	3.5%	(6.5%)	5.8%	1.7%	(2.3%)	0.1%	(3.9%)	0.2%
Market Cap (AED Bn)	428.1	411.6	435.4	449.2	461.9	433.4	457.1	473.9	463.8	464.8	447.0	445.2
P/E (X) - TTM	10.41	9.84	10.54	10.70	11.14	10.35	10.66	10.96	10.73	10.74	10.24	10.19
P/BV (X) - TTM	1.38	1.32	1.38	1.40	1.45	1.35	1.34	1.37	1.34	1.34	1.29	1.29
Dividend Yield (%)	5.11%	5.35%	4.89%	5.09%	5.01%	5.38%	5.56%	5.47%	5.68%	5.67%	5.91%	5.91%
Volume (Mn Shares)	1,795	1,534	4,172	3,284	2,730	1,945	1,206	1,228	1,307	1,191	1,011	3,991
Value (AED Mn)	5,119	3,308	5,269	6,433	4,579	3,283	3,832	2,926	3,148	2,443	2,278	5,863
Trades	29,399	32,127	43,275	45,320	31,800	26,059	22,596	23,335	24,668	19,554	20,129	45,297

Source: Abu Dhabi Securities Exchange, KAMCO Research

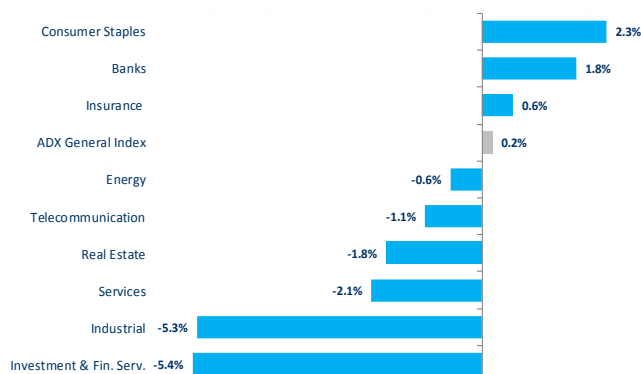
After closing down in Oct -16, the ADX index closed flat (+0.2%) m-o-m in Nov-16. The index closed at 4308.77 points, as sectoral indices included both gainers and decliners for the month. Consumer Staples index was the best performing index as it went up by 2.3% m-o-m, followed by Banks, which went up by 1.8%. Banks went up as a result of NBAD gaining over 6% m-o-m and Union National Bank gained over 14%. Banks rallied mostly because of speculation of further hopes of mergers in the sector after the announcement of the merger of NBAD and FGB. The Insurance sector also gained, albeit marginally by 0.6% for the month of Nov-16. In terms of laggards, Investment & Financial Services names plunged by 5.4% for the month of Nov-16, followed by the Industrials index, which closed 5.3% lower for the month. The second largest stock in the Industrials index – Ras Al Khaimah Ceramic was responsible for the most part for the lower levels of the sectoral index. Services index also declined by 2.1% for the month, led by National Corp for Tourism & Hotels which went down by 14.9%. The Real Estate index also saw lower levels for the month of Nov-16, as large-cap Aldar Properties plunged by over 6%.

In prominent earnings related releases, Aldar Properties reported a 16.0% increase in Q3-16. Net profit was AED 737 Mn (USD 203.6 Mn) for Q3-16, compared with a profit of AED 638 Mn in the year-ago period. Revenues of AED 1.9 Bn and gross profit of AED 883 Mn were both up 61% y-o-y driven by the successful hand over of land plots during the quarter. TAQA posted 9M -16 revenues of AED 12.1 Bn, 17% lower compared to AED 14.7 Bn for the same period in 2015. EBITDA decreased to AED 6.3 Bn, 15% down compared to AED 7.4 Bn a year ago. As a result, the company recorded a net loss of AED 1.7 Bn, compared to a net loss of AED 581 Mn during the same period in 2015. The decrease in earnings mainly relates to the 31% reduction in realized oil and gas prices and the absence of the one-off AED 555 Mn UK tax credit booked in the H1- 15.

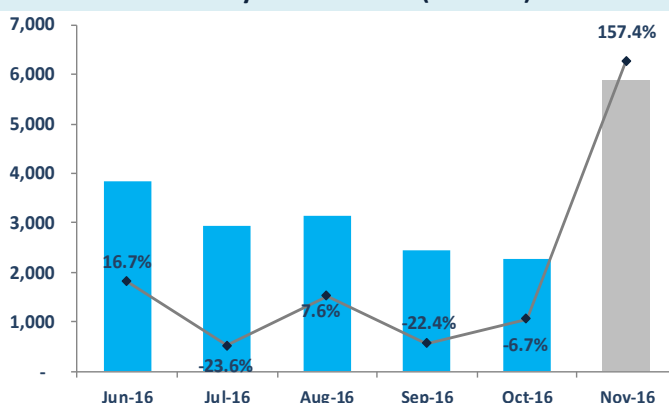
Market breadth was skewed towards decliners as 19 stocks advanced during the month, while 28 names lost ground. Trading trends jumped significantly, as compared to the previous month, as traded volumes & value traded went up by close to 3 times and 1.5 times respectively m-o-m, during the same period. Total volumes rose to 3.99 Bn shares, as compared to 1.01 Bn shares during the previous month. Value traded during Nov-16 went up to AED 5.9 Bn. Union Insurance led the gainers list and achieved a monthly return of 30.1%, followed by Eshraq Properties and Union National Bank, which went up by 25.3% and 14.8% respectively. Prominent decliners included Green Crescent Insurance with a monthly share price decline of 27.8%, followed by Al Khaleej Investment and TAQA, as they saw their stock prices erode by 21.8% & 15.3% respectively.

In funding related action, Abu Dhabi Commercial Bank (ADCB) reportedly closed a USD 600 Mn three-year syndicated loan, which was heavily oversubscribed, as per Wells Fargo - the bank that coordinated the debt transaction. The facility was syndicated to Asian banks, and offers an interest rate of 95 basis points over the LIBOR. The loan initially was reportedly closed at USD 220 million after a limited syndication, and then launched to general syndication on 6 Oct-16, with the target of reaching a total size of USD 500 Mn.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
DFM General Index	3,151.0	2,997.8	3,239.7	3,355.5	3,491.9	3,313.7	3,311.1	3,484.3	3,504.4	3,474.4	3,332.4	3,360.9
Monthly % Change	(1.7%)	(4.9%)	8.1%	3.6%	4.1%	(5.1%)	(0.1%)	5.2%	0.6%	(0.9%)	(4.1%)	0.9%
Market Cap (AED Bn)	301.2	289.5	307.0	319.0	334.3	324.9	323.2	335.5	334.8	331.4	316.9	316.3
P/E (X) - TTM	9.19	8.16	8.68	8.98	9.36	8.90	8.16	8.87	9.09	9.01	8.77	8.71
P/BV (X) - TTM	1.20	1.14	1.19	1.24	1.28	1.24	1.12	1.27	1.28	1.27	1.22	1.23
Dividend Yield (%)	3.46%	3.60%	3.51%	3.60%	3.82%	3.97%	4.82%	4.91%	4.76%	4.80%	4.99%	4.97%
Volume (Mn Shares)	5,935	7,972	9,932	15,527	12,030	6,755	5,352	5,180	5,115	5,574	5,102	16,016
Value (AED Mn)	6,700	9,241	11,755	19,582	14,171	7,768	6,997	7,318	7,643	6,744	6,828	20,240
Trades	90,095	121,266	131,931	184,991	133,516	91,318	76,501	74,470	75,179	61,878	68,423	163,506

Source: Dubai Financial Market, KAMCO Research

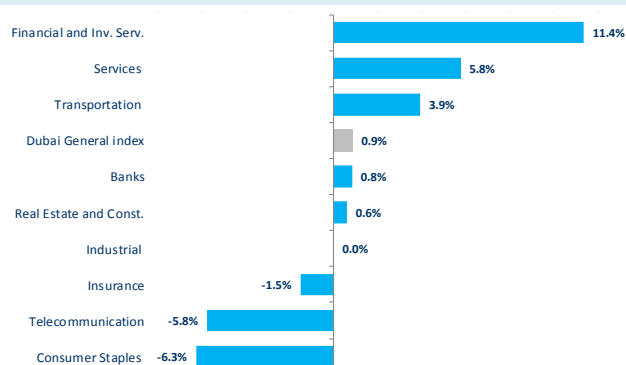
The DFM index improved marginally in Nov-16 after sliding for couple of prior months. DFM closed the month marginally up by 0.9% at 3360.91 points. Sectoral trends were broadly positive, as more indices gained ground as compared to declining for the month. For the current month, Financial & Investment Services names rose significantly by double digits (+11.4%), driven by a surge in the price of Shuaa Capital, which went up by over 35%, as a result of the completion of the sale of Dubai Group's 48.4% interest in the company to Abu Dhabi Financial Group ('ADFG'). Services index also gained by over 5.8% for the month. Indices, which lost ground during the month, were led by Consumer Staples, which went down by 6.3% m-o-m, as large cap DXB Entertainments declined by 6.4% over the same period.

In prominent earnings releases during the month Emaar Properties recorded 19% growth in net profit to AED 3.620 Bn 9M-16, compared to a net profit of AED 3.048 Bn during the same period in 2015. Revenue for the first nine months of 2016 was AED 11.103 Bn, an increase of 13% over the revenue of AED 9.85 Bn during the same period last year. The combined revenue from the shopping malls & retail and hospitality & leisure businesses during the first nine months of 2016 stood at AED 4.28 Bn, similar to same period in 2015 despite the ongoing development at The Address Downtown Dubai hotel this year. DSI's third quarter 2016 revenue was AED 869 Mn versus AED 434 Mn recorded in Q3-15. The company posted a net loss of AED 81 Mn as compared to a net loss of AED 985 Mn for the same period last year. The third quarter 2016 losses reflects the prolonged weakness of the construction sector in key markets such as Saudi Arabia, Qatar.

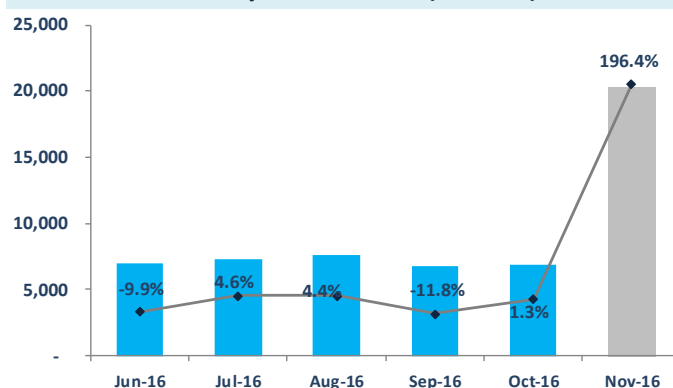
Gulf Finance House was the top performing stock in the index for the month, as its share price surged by 41.6%. Gulf Navigation Holding followed along with Shuaa Capital, which saw its stock prices move up by 38.3% and 35.1% respectively. On the other hand, shares of Agility led the monthly losers chart as its share price declined by 36.4%. Arab Insurance Group and Takaful House followed with declines of 18.3% and 13.5% respectively for the month. Gulf Finance House (GFH) was the most actively traded stock on the exchange as AED 5.5 Bn worth of stock was traded, followed by Amanat Holdings with value traded of AED 1.8 Bn. Market breadth on the exchange was broadly even, as 20 stocks gained ground while 18 stocks declined during the month of October. Overall activity on the exchange on a monthly basis jumped significantly, as volumes traded rose over 3 times m-o-m from 5.1 Bn shares to 16.4 Bn shares in Nov-16, while value traded was up close to 3 times as well m-o-m to AED 20.2 Bn from AED 6.8 Bn in the prior month.

In economic developments, the Emirates NBD Dubai Economy Tracker Index reportedly came in at 53.2 in Oct-16, and signaled a further improvement in business conditions across Dubai's private sector economy, driven by strong rises in output and incoming new work. However, the reading, which is reflection of the non-oil economy in Dubai, was down from 55.1 in September and pointed to the slowest growth momentum since Apr-16. Travel & tourism remained the best performing broad category in Oct-16 (54.8), followed by wholesale & retail (53.3). Meanwhile, construction companies recorded only a modest improvement in business conditions (51.8), partly reflecting another subdued rise in new business intakes during Oct-16.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
QE 20 Index	10,429.4	9,481.3	9,892.3	10,376.2	10,186.2	9,538.8	9,885.2	10,604.0	10,989.8	10,435.5	10,173.0	9,793.8
Monthly % Change	3.4%	(9.1%)	4.3%	4.9%	(1.8%)	(6.4%)	3.6%	7.3%	3.6%	(5.0%)	(2.5%)	(3.7%)
Market Cap (QAR Bn)	553.3	506.7	523.3	556.7	548.2	516.8	532.2	568.2	588.1	560.3	548.5	526.6
P/E (X) - TTM	11.18	10.00	11.87	12.37	12.37	12.34	12.77	13.55	14.17	13.50	13.45	13.04
P/BV (X) - TTM	1.64	1.48	1.53	1.62	1.64	1.53	1.48	1.58	1.63	1.55	1.51	1.45
Dividend Yield (%)	4.85%	5.31%	4.34%	3.76%	3.87%	4.10%	4.07%	3.82%	3.72%	3.91%	4.00%	4.18%
Volume (Mn Shares)	516	150	202	269	216	163	89	98	164	132	121	188
Value (QAR Mn)	5,856	5,050	6,570	9,081	7,234	5,466	3,282	3,785	6,799	5,934	4,360	582
Trades	83,826	84,665	100,763	123,003	110,526	94,675	48,686	58,170	99,903	76,124	56,888	73,428

Source: Qatar Exchange, KAMCO Research

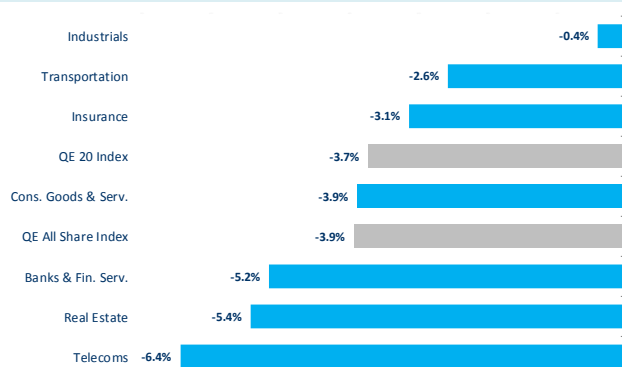
The QE 20 index stayed in negative territory in Nov-16 as well, after dropping 2.5% m-o-m in Oct-16 and was the worst performing index for the month. The index went down by 3.7% m-o-m, and closed at 9793.83 points. The Qatar All Share index also receded by 3.9% for the month, as all sectoral indices ended the month in the red. All heavyweight indices such as Banks & Financial Services, Real Estate, and Telecoms index closed in the red. The index which fell the most was the Telecoms index, which went down by 6.4% for the month of Nov-16, as both index constituents went down, with Vodafone Qatar declining by over 16%. Real Estate index followed and receded by 5.4% over the same period as all stocks witnessed declines and was driven mainly by large cap Ezdan which went down by 5.7%. Banks also witnessed significant declines during the month and went down by 5.2% m-o-m, as QNB lost 6.9%.

For 9M-16, forty-three companies out of the forty-four listed companies at Qatar Stock Exchange (QSE) disclosed their financial statements results. The combined net profit of all companies amounted to QAR 31.2 Bn versus QAR 34.9 Bn for the corresponding period in 2015, a decrease of 10.7%. Vodafone Qatar was not included in the announcement of the third quarter financial results due to the fact that its financial year starts on 1st April and ends on 31st March of each year.

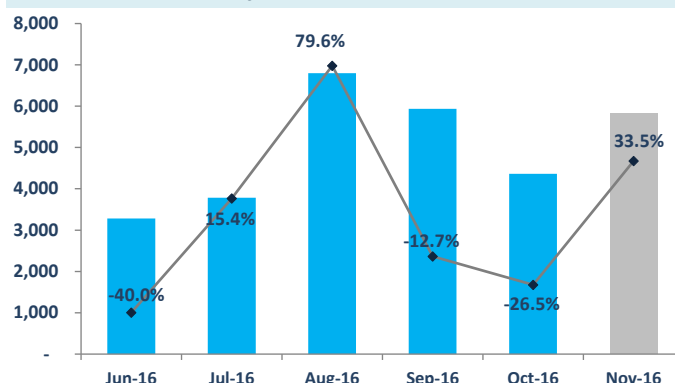
Trading activity was however up for the month, as value traded during Nov-16 increased by 33.5% to reach QAR 5.8 Bn, compared to QAR 4.3 Bn in Oct-16. Traded volumes soared by 53.1% to reach 187 Mn shares in Nov-16, as against 122 Mn shares during the previous month. In terms of trading activity, QNB topped the monthly value traded chart with QAR 683.6 Mn worth of shares traded, followed by Vodafone Qatar and Qatar Investors Group recording QAR 598.1 Mn and QAR 527.1 Mn in monthly value traded. Medicare Group was the top performing stock in the index for the month as its share price surged by 4.2%. Industries Qatar followed along with Qatar Industrial Manufacturing Co., which saw its stock prices move up by 2.9% and 2.6% respectively. On the other hand, shares of Vodafone Qatar led the monthly losers chart. Al Meera Consumer Goods and Dlala Brokerage followed with declines of 15.3% and 11.3% respectively for the month.

In economic developments, BMI Research forecasts the budget deficit to come in at 2.4% of GDP in 2017, compared with 5.2% in 2016, as they expect Qatar to continue to issue debt to finance its deficit. Trading activity was however up for the month, as value traded during Nov-16 increased by 33.5% to reach QAR 5.8 Bn, compared to QAR 4.3 Bn in Oct-16. Traded volumes also increased by 53.1% to reach 187 Mn shares in Nov-16, as against 122 Mn shares during the previous month. Built assets are reportedly making a growing contribution to Qatar, and will deliver USD 152 Bn to the national economy this year according to the "2016 Global Built Asset Performance Index" released by Arcadis. This represents a 11% increase over the last two years, and will see the total contribution from built assets accounting 44% of Qatar's total GDP in 2016. This growth is reportedly partly due to the impact of a lower oil price, which has seen the percentage of revenue that comes from exporting natural resources decrease, but also reflects the tremendous progress that Qatar has made in recent years in diversifying into new industry sectors.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Bahrain All Share Index	1,215.89	1,187.10	1,178.23	1,131.11	1,110.53	1,111.56	1,118.37	1,155.62	1,142.21	1,150.00	1,148.83	1,174.12
Monthly % Change	(1.4%)	(2.4%)	(0.7%)	(4.0%)	(1.8%)	0.1%	0.6%	3.3%	(1.2%)	0.7%	(0.1%)	2.2%
Market Cap (BHD Mn)	7,196	7,025	6,973	6,694	6,573	6,574	6,615	6,836	6,757	6,803	6,796	6,946
P/E (X) - TTM	9.03	8.70	9.37	8.91	8.77	9.16	9.20	9.66	9.67	9.47	9.70	9.29
P/BV (X) - TTM	0.91	0.88	0.84	0.82	0.81	0.82	0.77	0.80	0.78	0.77	0.78	0.80
Dividend Yield (%)	5.06%	5.25%	5.28%	5.72%	5.82%	5.79%	4.44%	4.27%	4.45%	4.88%	4.47%	4.39%
Volume (Mn Shares)	40	23	38	33	22	26	75	36	75	37	29	55
Value (BHD Mn)	7	4	8	7	5	5	18	8	21	6	6	12
Trades	1,036	759	1,014	813	577	755	873	996	1,080	789	750	998

Source: Bahrain Bourse, KAMCO Research

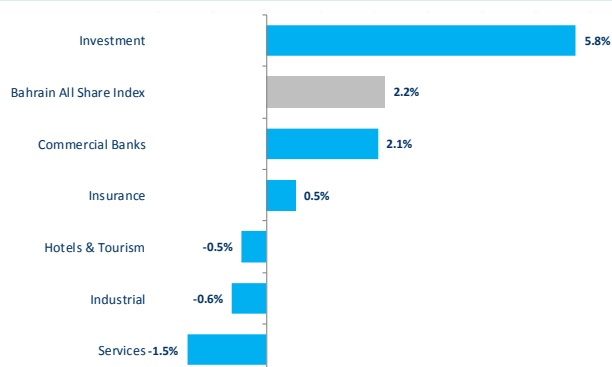
The Bahrain All Share Index closed 2.2% higher on a m-o-m basis for the month of Nov-16. Sectoral performance was mixed for the month, and included both gainers and decliners. The index, which was mostly flat the previous month, closed at 1174.12 points at the end of the month. Market breadth for the index was broadly even, as 14 stocks gained ground, while 11 stocks witnessed declines in their share prices. Commercial Banks was the main sector which drove the index up as the sector was up 2.1% for the month, as constituent banks either went up or remained flat. The Investment sector went up by a higher 5.8%, mostly due to the 56% jump in the stock price of GFH. Services was the main laggard for the index as it went down by 1.5% for the month of Nov-16.

Aluminum Bahrain's total 9M-16 sales stood at BHD 496.5 Mn, down by 16% y-o-y versus BHD 590.3 Mn for the same period in 2015 on the back of dual drop in LME and premium prices. The company posted a net income of BHD 34.8 Mn for the nine months of 2016 versus BHD 75.7 Mn, down by 54% due to lower LME and premium prices. Ahli United Bank B.S.C. reported a net profit attributable to its equity shareholders of USD 442.1 Mn for 9M-16, an increase of 5.5% as compared to USD 419.2 Mn achieved in 9M-15. Batelco reported 9M-16 net profit of BHD 32.5 Mn, a 21% decline compared to the corresponding period in 2015. The reduced net profits for the period were impacted by increased finance costs due to borrowings in the Group's operation in Jordan, one-off items recorded in 2015 and share of loss of the Group's investments.

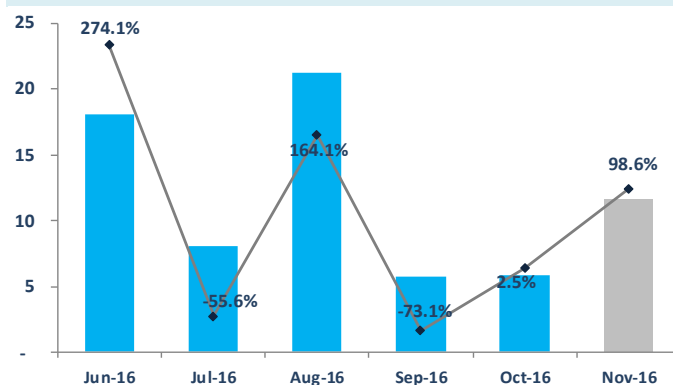
The exchange's figures of value and volumes traded in Oct-16 exhibited extremely strong trends on an m-o-m basis, as compared to the previous month. Volumes traded in the exchange reached 54.7 Mn and went up by over 85% m-o-m as compared to 29.5 Mn shares in Oct-16. Value traded however improved by a higher 98.6% in the exchange to reach BHD 11.6 Mn in Nov-16, as compared to BHD 5.8 Mn in Oct-16. Nevertheless, the number of trades made in the exchange increased to 998 trades, a 33.1% m-o-m jump from Oct-16. AUB was the most actively traded stock in Nov-16 with BHD 4.3 Mn worth of its shares traded on the exchange. Bahrain Cinema and Bahrain Commercial Facilities Co. followed with BHD 1.3 Mn and BHD 0.9 Mn worth of shares traded on the exchange. GFH topped the gainers list for the month of Nov-16, which reported a m-o-m increase of 56.3%, followed by Ithmar Bank with a 14.3% monthly gain.

Ratings agency Fitch reportedly affirmed National Bank of Bahrain's and BBK's Long-Term Issuer Default Ratings (IDRs) at BB+. The agency also affirmed the long-term IDRs of Arab Banking Corporation's at BBB-, Ahli United Bank at BBB+ and Gulf International Bank at A-. The outlooks on the banks' Long-Term IDRs were kept as "Stable" except GIB's, which is "Negative". Capital Intelligence Ratings reportedly adjusted National Bank of Bahrain's (NBB) Long- and Short-Term Foreign Currency Ratings (FCRs) to 'BB+' and 'B', respectively (from 'BBB-/A3'). The Outlook for the Bank's FCR was accordingly revised to 'Stable' from 'Negative.' These ratings are constrained by the ratings agency's Sovereign Long- and Short-Term FCRs for the Kingdom of Bahrain, which were recently reduced to 'BB+' and 'B', respectively from 'BBB-/A3', with a 'Stable' Outlook.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
MSM 30 Index	5,406.2	5,179.4	5,395.1	5,467.4	5,942.7	5,811.0	5,777.3	5,843.8	5,735.0	5,726.2	5,481.4	5,487.7
Monthly % Change	(2.6%)	(4.2%)	4.2%	1.3%	8.7%	(2.2%)	(0.6%)	1.2%	(1.9%)	(0.2%)	(4.3%)	0.1%
Market Cap (OMR Mn)	6,913	6,636	6,870	6,961	7,444	7,428	7,233	7,313	7,351	7,555	7,930	7,946
P/E (X) - TTM	9.74	9.08	9.49	10.06	10.67	10.53	9.99	9.79	9.67	9.66	9.35	9.54
P/BV (X) - TTM	1.18	1.14	1.14	1.14	1.22	1.22	1.13	1.14	1.12	1.13	1.08	1.08
Dividend Yield (%)	4.99%	5.15%	4.96%	5.38%	5.06%	5.10%	6.43%	6.29%	6.35%	6.34%	5.38%	5.39%
Volume (Mn Shares)	381	267	339	336	575	347	254	179	199	227	127	187
Value (OMR Mn)	155	73	84	83	113	96	59	46	52	45	43	58
Trades	9,734	12,401	18,699	18,194	26,093	19,226	11,527	12,377	13,074	5,563	7,975	5,847

Source: Muscat Securities Market, KAMCO Research

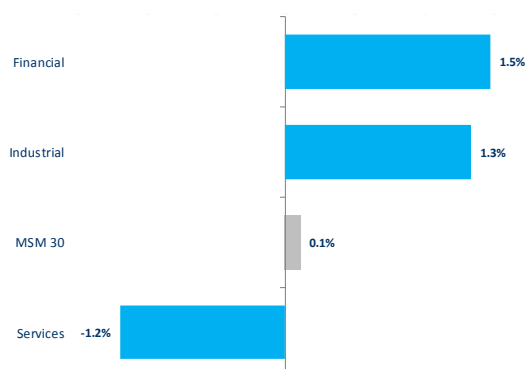
After three consecutive months of decline, the MSM30 index closed November-16 with a marginal monthly gain of 0.1% and continued to remain in the green in terms of YTD-16 performance with a return of 1.5%. The monthly performance was backed by positive returns in the Financial and Industrial indices with gains of 1.5% and 1.4% respectively, partially offset by a decline of 1.2% in the Services index. In the Financial sector, all stocks with the exception of Al Madina Investment and United Finance, reported gains during November-16 whereas four stocks in the Industrial index reported negative returns.

Monthly trading activity surged after two consecutive months of decline, with volumes up by 47% in November-16 to reach 187 Mn shares, while value traded increased by 36% to OMR 57.9 Mn. The average daily volume traded during the month also surged more than 50% to 9.4 Mn shares as compared to 6.1 Mn shares during the previous month. The average daily value traded also surged almost 43% to reach OMR 2.9 Mn as compared to OMR 2.0 Mn during October-16. In terms of sectoral split, the Financial sector accounted for the bulk of the trading activity recorded at 61% of total monthly value traded or OMR 35.6 Mn. The share of Omanis in the trading activity slightly declined to 81.8% of total value attributed to buy trades during the month as compared to 82.6% during the previous month. On sell trades, their contribution saw a bigger drop from 72.9% to 52.7% of total value of sell trades.

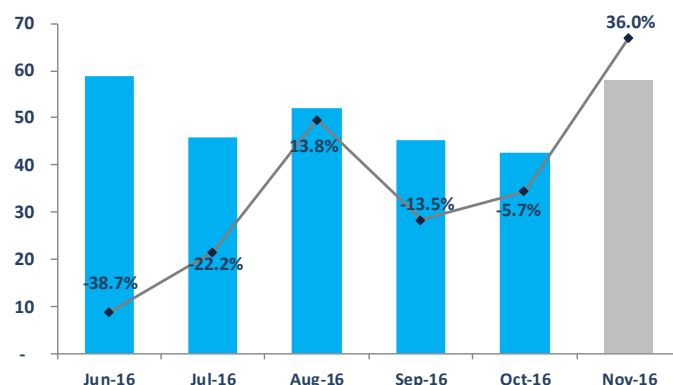
The monthly gainers chart was topped by Al Jazeera Services with a gain of 9.4% followed by Al Anwar Ceramic Tiles and Oman United Insurance with monthly gains of 9.2% and 6.2%, respectively. On the decliners side, Ooredoo topped the chart with a decline of 5.6% followed by Al Maha Ceramics and Oman Textile Holding with declines of 3.7% and 3.1%, respectively. The monthly value traded chart was topped by Ominvest with OMR 16.7 Mn worth of shares traded during the month followed by Omantel at OMR 11.1 Mn and Bank Muscat at OMR 6.9 Mn. On the other hand, the volume chart was topped by Bank Sohar (42.2 Mn shares) followed by Ominvest (34.3 Mn shares) and Al Madina Investment CO. (18.1 Mn shares)

On the economic front, the country announced a slew of measures during the month including divestment plans and efforts to increase trading on the MSM. With a focus on tourism, a local newspaper quoted that the Housing Ministry has signed five contracts with investors and the offering of 33 plots to investors for developing tourism projects. It is clear from the recent project announcements that the government is aiming to get private sector participation in some of the key sectors. Furthermore, in the banking sector, the regulator relaxed specific provisions for restructured loans with an aim to benefit credit facilities to key productive sectors. According to the new rule, restructured loans that had a specific provision of 15% for 2016 has been relaxed over a three year period at 5% for 2016, 10% for 2017 and 15% for 2018. The Central bank said that although there has been no increase in loan restructurings by borrowers, there could be some delays in payment due to the slow economic growth. He also highlighted that there been a modest growth in Omani Bank's NPLs that went up from 1.8% at the end of March-16 to 1.9% at the end of June-16.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research

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