

GCC Markets Monthly Report

September-2014

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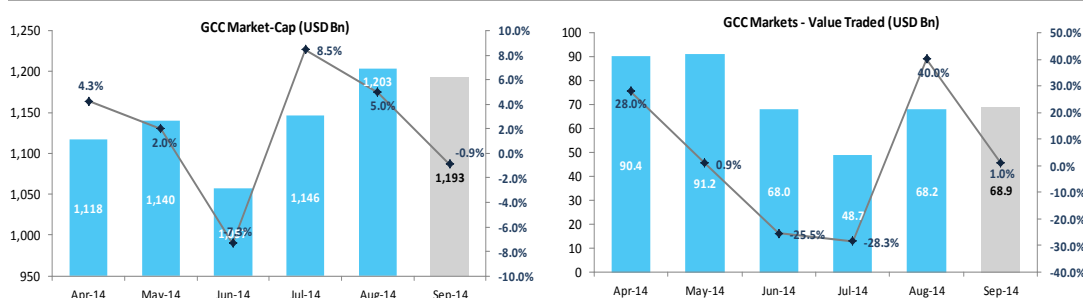
In one of the most active months for primary market developments since the financial crisis, September-14 saw a number of listing plans in the GCC equity markets. Marka and Emaar Malls Group (EMG) got listed on the DFM with the latter being one of the most sought after issues. Investors across the GCC actively managed their funds in order to take exposure on EMG shares during the subscription period that led to a brief sell-off in the market, profiting from stocks at higher valuation. The issue garnered almost 20% of DFM's total market capitalization.

More than ten companies across the GCC have announced listing plans in the coming months. The listing of Saudi Arabia's National Commercial Bank (NCB) that plans to raise USD 6.0 Bn is expected to be this year's second-largest IPO globally after Alibaba.

Amid marginal monthly changes in benchmark indices, total liquidity in the GCC equity markets, in terms of total value traded, increased marginally to USD 68.9 Bn during September-14. The proportion of individual exchanges saw a slight change as compared to the previous month. The percentage of total value traded in UAE exchanges increased from 8.6% of total monthly value traded to 12.7% or USD 8.8 Bn at the cost of liquidity on Tadawul, which saw its share decline from 81.4% during August-14 to 78% during September-14.

KSE witnessed positive monthly performance during the month, the third consecutive month of growth since June-14, marked by significant jump in trading activity, whereas Tadawul saw the steepest decline recorded at 2.3% as compared to other GCC markets during September-14 after strong monthly performance during the previous month.

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Value Traded (USD Mn)	P/E (x)	P/B (x)	Div. Yield
Kuwait - Weighted Index	494.4	0.5%	9.2%	116.6	2,197.1	20.7	1.5	3.0%
Kuwait - Price Index	7,621.5	2.6%	1.0%					
Saudi Arabia	10,854.8	(2.3%)	27.2%	589.4	53,769.6	19.9	2.6	2.7%
Abu Dhabi	5,106.3	0.5%	19.0%	138.7	1,876.0	13.9	1.7	3.8%
Dubai	5,042.9	(0.4%)	49.6%	100.4	6,913.8	16.9	1.7	2.0%
Qatar	13,728.3	1.0%	32.3%	202.2	3,791.1	18.1	2.5	3.1%
Bahrain	1,476.0	0.3%	18.2%	22.2	31.2	13.2	1.1	3.4%
Oman	7,484.2	1.6%	9.5%	23.3	363.9	12.0	1.8	3.3%
Total GCC				1,192.9	68,942.6	18.1	2.1	2.9%



Faisal Hasan, CFA

Senior Vice President

+(965) 2233 6907

faisal.hasan@kamconline.com

Wassim El-Hayek, CVA

Vice President

+(965) 2233 6908

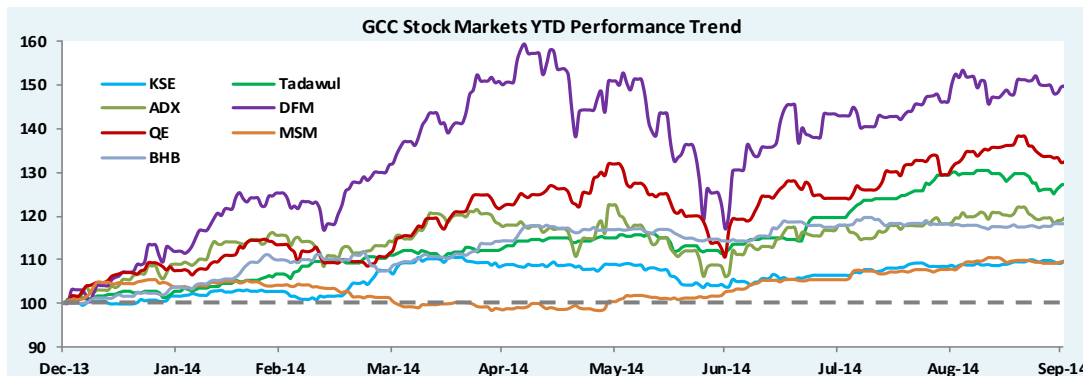
wassim.elhayek@kamconline.com

Junaid Ansari, MBA

Senior Financial Analyst

+(965) 2233 6912

junaid.ansari@kamconline.com



Source: GCC Stock Exchanges, KAMCO Research

Kuwait Stock Exchange

Monthly Indicators	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
KAMCO TRWI	2,832.4	2,808.2	2,840.2	2,862.1	2,938.5	2,977.7	2,978.5	2,879.0	2,931.9	2,974.5	2,985.4
Monthly % Change	(1.3%)	(0.9%)	1.1%	0.8%	2.7%	1.3%	0.0%	(3.3%)	1.8%	1.5%	0.4%
KSE Price Index	7,785.5	7,549.5	7,755.8	7,692.8	7,572.8	7,407.7	7,291.1	6,971.4	7,130.9	7,430.5	7,621.5
Monthly % Change	(2.0%)	(3.0%)	2.7%	(0.8%)	(1.6%)	(2.2%)	(1.6%)	(4.4%)	2.3%	4.2%	2.6%
KSE Weighted Index	459.0	452.9	460.1	465.0	483.1	491.8	493.1	469.8	481.8	492.1	494.4
Monthly % Change	(1.8%)	(1.3%)	1.6%	1.1%	3.9%	1.8%	0.3%	(4.7%)	2.6%	2.1%	0.5%
Kuwait 15 Index	1,083.3	1,068.4	1,077.5	1,101.0	1,175.1	1,201.7	1,208.7	1,140.1	1,176.6	1,200.4	1,203.8
Monthly % Change	(1.7%)	(1.4%)	0.9%	2.2%	6.7%	2.3%	0.6%	(5.7%)	3.2%	2.0%	0.3%
Market Cap (KWD Mn)	31,488	31,107	31,601	31,760	32,637	33,058	32,989	31,328	32,174	32,860	33,021
P/E (X)	20.70	19.80	19.60	20.00	18.90	19.90	20.02	19.02	19.63	20.05	20.70
P/BV (X)	1.44	1.40	1.43	1.43	1.43	1.46	1.43	1.38	1.42	1.45	1.46
Dividend Yield	2.72%	2.83%	2.78%	2.73%	3.00%	2.96%	2.73%	3.12%	3.04%	2.98%	2.96%
Volume (Mn Shares)	4,975	5,128	8,106	4,520	4,698	4,518	3,510	2,962	2,423	4,101	6,135
Value (KD Mn)	531	516	718	535	620	626	439	441	247	417	622
Trades ('000)	120.1	118.7	142.1	95.2	107.5	110.0	76.2	76.9	52.8	93.2	133.5

Source: Kuwait Stock Exchange, KAMCO Research

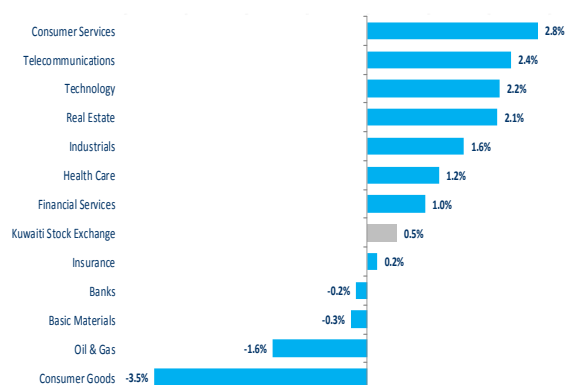
KSE witnessed positive monthly performance during September-14, the third consecutive month of growth since June-14, marked by significant jump in trading activity. The monthly returns on major indices was marginal as the positive performance during the first half of the month was offset by declines towards the tail-end of the month mainly triggered by profit taking. Nevertheless, despite higher volumes and liquidity, volatility remained low, at or below 5%, (5.1% for the Kuwait 15 Index) as compared to relatively more volatile recent months. Total market capitalization inched up by 0.6% to KWD 33.0 Bn (USD 116.6 Bn).

The KSE Weighted Index witnessed monthly returns of 0.5% to end at 494.44 points whereas the KAMCO TRWI Index ended the month with a gain of 0.4%. The Kuwait 15 Index, which represented 62% of the total market capitalization, witnessed lowest returns of 0.3% during the month as decline in large-cap stocks NBK, Americana, KIPCO and Boubyan Petrochemicals was offset by monthly gains recorded by rest of the companies in the index. The Kuwait 15 index leads the market in terms of YTD-14 gains that stood at 12.7% as of the end of September-14 as compared to 9.2% for the KSE Weighted Index, 6.3% for the KAMCO TRWI Index and 1.0% for the KSE Price Index, which had reported negative YTD-14 gains till the previous month. Trading activity witnessed significant improvement during the month with total volumes up by 49.6% to 6.1 Bn shares. Total value traded also increased by at an equal rate of 49.2% to KWD 622.0 Mn during September-14. Average daily volume for the month increased from 195.3 Mn shares in August-14 to 278.9 Mn shares in September-14. On the other hand, average daily value traded increased from KWD 19.8 Mn in August-14 to KWD 28.3 Mn in September-14.

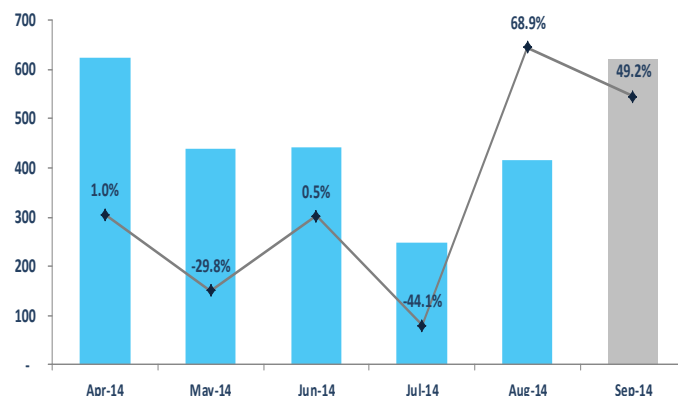
The monthly gainers list was topped by Kuwait Building Materials Manufacturing, Gulf Investment House and Kuwait Business Town Real Estate, with monthly returns of 86.8%, 38.2% and 36.4%, respectively. The monthly losers chart, on the other hand, was topped by Al Deera Holding with a monthly decline of 15.5%. Small-cap stocks featured prominently on the monthly volume leaders list with GFH at the top with a total volume of 379.3 Mn shares. GFH also remained the most liquid stock with KWD 46.9 Mn worth of traded shares.

On the macroeconomic front, the Ministry of Finance published economic data for the fiscal year 2013/2014 that highlighted a budget surplus of KWD12.9 Bn, an increase of 1.6%. However, the surplus was primarily due to a 2.1% decline in spending from the previous year to KWD 18.9 Bn during fiscal year 2013/14, below the KWD 21.0 Bn originally planned for the fiscal year. KSE indices are expected to remain in the green zone in the near term primarily on the back of positive investment sentiments prevailing in the region led by higher capital inflows from international investors.

KSE Sector Performance



Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Tadawul All Share Index	8,044.5	8,325.3	8,535.6	8,760.6	9,106.6	9,473.7	9,585.2	9,823.4	9,513.0	10,214.7	11,112.1	10,854.8
Monthly % Change	1.0%	3.5%	2.5%	2.6%	3.9%	4.0%	1.2%	2.5%	(3.2%)	7.4%	8.8%	(2.3%)
Market Cap (SAR Bn)	1,627.3	1,704.3	1,752.9	1,801.8	1,865.9	1,925.2	1,953.1	1,989.6	1,944.6	2,108.8	2,269.2	2,210.4
P/E (X)	16.99	17.80	17.64	18.13	18.76	18.68	18.95	19.31	18.30	19.82	21.33	19.93
P/BV (X)	2.05	2.15	2.04	2.10	2.17	2.32	2.35	2.40	2.17	2.36	2.54	2.57
Dividend Yield	3.39%	3.23%	3.15%	3.06%	2.96%	3.09%	3.05%	2.99%	3.07%	2.83%	2.63%	2.70%
Volume (Mn Shares)	2,972	3,428	4,335	4,922	5,188	7,125	7,546	8,011	5,352	3,529	6,011	6,090
Value (SAR Mn)	116,509	94,912	115,885	139,255	135,153	193,969	232,300	242,531	180,033	122,639	208,390	201,646
Trades ('000)	2,138	1,550	2,143	2,540	2,228	3,015	3,902	3,705	3,119	2,412	3,299	2,999

Source: Tadawul, KAMCO Research

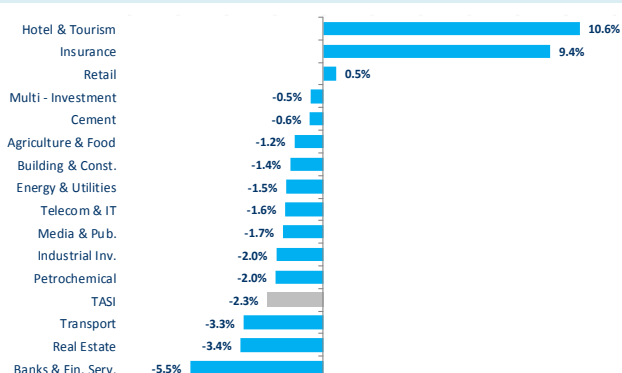
The Saudi stock market saw the steepest decline recorded at 2.3% as compared to other GCC markets during September-14 after a strong monthly performance during the previous month. The Tadawul All Share Index ended the month below the psychological mark of 11,000 points at 10,854.8 points as investors encashed the higher valuations prevailing in the market since the previous three months. The index touched a six-year peak of 11,149 points during the first half of the month but declined in a majority of the subsequent trading sessions. The declines registered during the month affected YTD-14 gains which stood at 27.2% by the end of the month. Total market capitalization also declined by 2.6% to SAR 2.2 Trillion (USD 589.4 Bn) from SAR 2.3 Bn (USD 6.5.1 Bn) during the previous month. Nevertheless, we believe that the current decline is only temporary as investors manage their funds in order to accumulate liquidity to take exposure in IPOs in other GCC markets.

On the sectoral front, the heavyweight Banking sector stocks saw steep declines during the month with the index declining by almost 5.5% due to profit taking led by high valuation multiples. It is noteworthy that the Banking index retracted after it jumped by almost 16.3% during August-14. Riyadh Bank saw the sharpest decline of 9.55% during the month followed by Al Rajhi Bank that declined by 8.18%. A total of nine of the eleven listed banks in the market saw negative monthly returns resulting in a 5.3% decline in sector market capitalization to SAR 495.1 Bn (USD 132.0 Bn). The Real Estate sector also declined by 3.4% during the month as Saudi Arabia's Supreme Economic Council, a top policy body, is set to discuss the impact of taxing undeveloped urban land in the Kingdom as part of efforts to end housing shortage. The tax was first coined in early 2012 when the Shoura Council, an advisory body to the government, began considering the tax. On the other hand, top gaining sectors during the month included the Hotel & Tourism and Insurance sectors that witnessed positive monthly returns of 10.6% and 9.4%, respectively.

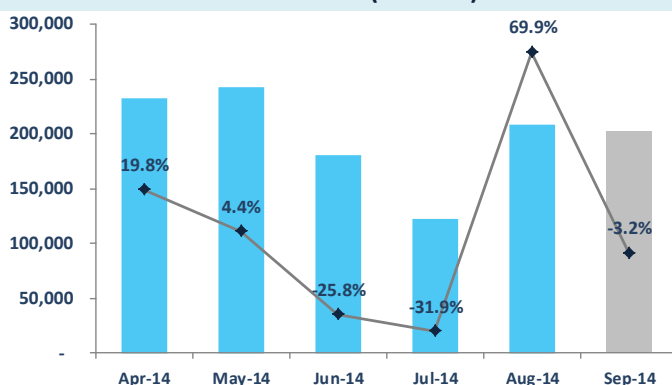
In a key development for the financial market, the largest lender in Saudi Arabia, the National Commercial Bank, revealed listing plans in one of the biggest share sales of the year to raise SAR 22.5 Bn (USD 6.0 Bn). According to the official statement, the share sale will only be limited to Saudi citizens. The bank will offer 300 Mn shares, or 15% of NCB's share capital, to local investors and an additional 200 Mn shares, or 10% of the bank, will be allocated to the Public Pension Agency.

The market saw a marginal decline in trading activity during the month. Although total volumes increased by 1.3% to 6.1 billion traded shares, market liquidity declined marginally by 3.2% to SAR 201.6 Bn. Total trades saw a steeper decline of 9.1% to end the month at 3.0 million trades. The overall market breadth remained broadly skewed towards losers which included 104 stocks as compared to 57 stocks in the gainers category. The monthly gainers list was topped by AXA Cooperative with a monthly return of 31.8% followed by National Metal Manufacturing and Casting Co. (Maadaniyah) with monthly returns of 30.5% and MEDGULF that saw monthly returns of 28.3%. On the losers side, Al Alamiya Co-op Insurance topped the list with a decline of 12.2% followed by Dar Al Arkan at 11.3%. Alinma Bank and Saudi Kayan topped the liquidity chart with monthly value traded totaling SAR 11.5 Mn and SAR 10.4 Mn, respectively.

Tadawul Sector Performance



Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
ADX General Index	3,845.7	3,849.8	4,290.3	4,673.1	4,958.7	4,894.4	5,044.6	5,253.4	4,551.0	5,055.0	5,082.7	5,106.3
Monthly % Change	0.1%	0.1%	11.4%	8.9%	6.1%	(1.3%)	3.1%	4.1%	(13.4%)	11.1%	0.5%	0.5%
Market Cap (AED Bn)	407.4	408.0	447.3	484.4	505.1	496.9	507.4	537.3	471.3	510.4	510.3	509.5
P/E (X)	12.06	12.08	13.14	14.23	14.84	15.17	15.50	16.41	13.63	14.76	14.76	13.90
P/BV (X)	1.42	1.42	1.53	1.66	1.73	1.66	1.70	1.80	1.59	1.72	1.72	1.68
Dividend Yield	4.35%	4.34%	3.96%	3.66%	3.51%	3.73%	3.84%	3.65%	4.16%	3.84%	3.84%	3.85%
Volume (Mn Shares)	3,885	3,703	9,457	10,697	6,310	4,747	8,600	5,400	4,930	3,509	1,509	2,158
Value (AED Mn)	6,582	6,550	15,225	22,923	16,969	12,266	22,768	17,732	12,678	7,838	4,327	6,891
Trades	38,863	42,402	88,765	114,266	86,229	67,478	105,996	94,134	81,625	62,310	37,017	45,493

Source: Abu Dhabi Securities Exchange, KAMCO Research

ADX General index grew at the same pace as in the previous month, i.e. a monthly return of 0.5% during September-14 to end at 5,106.3 although trading activity recovered from the low levels seen in August-14. Nevertheless, despite recording improvement trading activity, total volumes and liquidity remained significantly below the levels seen during the first half of the year. Total volume traded increased by 43.0% to 2.2 Bn shares whereas total liquidity improved at a relatively stronger pace of 59.3% to record at AED 6.9 Bn. As seen during August-14, trading continued to remain concentrated on the Real Estate sector which accounted for AED 3.1 Bn or 45.3% of the total monthly traded value followed by the banking sector which garnered AED 2.2 Bn in trades or 31.8% of total stock exchange traded value.

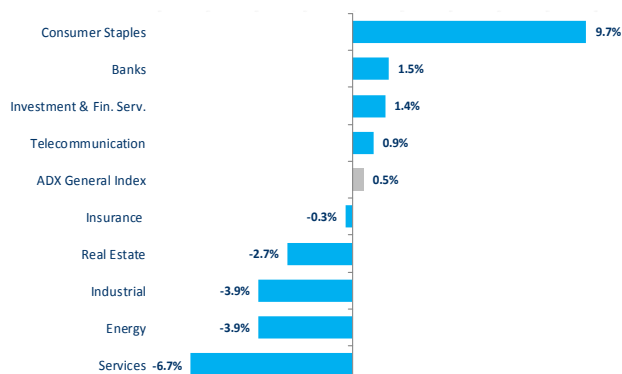
The monthly gainers list was topped by ASMAK (International Fish Farming) which gained 18.4% followed by Agthia Group and Finance House that gained 15.0% and 11.1%, respectively. On the other hand, the losers chart was topped by previous month's top gainer BILDICO which reported a monthly decline of 19.9% after it gained 31.0% during August-14. Al Buhaira National Insurance and FOODCO also appeared on the losers chart, each reporting a monthly decline of 19.0%. In line with the majority of the GCC markets, market breadth of ADX remained skewed towards losers that included 34 stocks as compared to gainers which included 19 stocks.

Total market liquidity was topped by Abu Dhabi government-owned Aldar Properties which garnered total trades valued at AED 2.3 Bn during September-14 as the company gave positive outlook with respect to its future plans and strategies. Shares in the company, however, declined during the month by 2.3% on profit taking. The company's announced that its 1H-14 revenues increased by 13.1% to AED 283 Mn as average occupancy rates within its hotel portfolio stood at a strong 82% at the end of Q2-14 versus 78% in 2013. The company said that the improved performance reflected a substantial increase in leisure and corporate visitors to Abu Dhabi. The company added that Food & Beverage revenues increased by 11.4% during 1H-14. For future growth, the company is focusing on retail, residential and hotels over the next five years as the economy continues to post strong growth across key sectors. The company announced that it has 23 projects in the pipeline for sale and lease in residential, retail and other segments across the emirate and has 77 Mn square metres of land spread across the emirate.

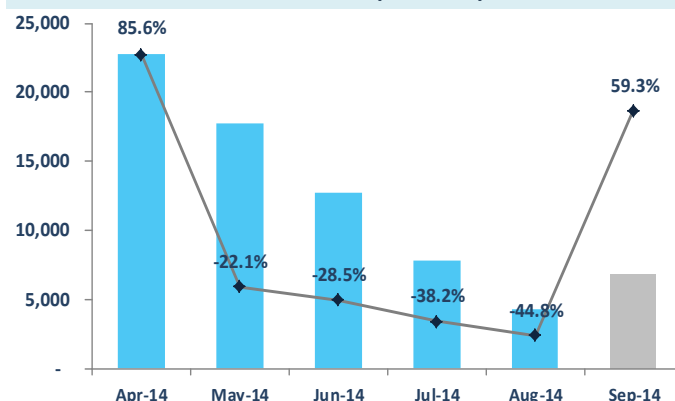
Other companies that featured on the most liquid stocks list included Abu Dhabi Commercial Bank that recorded trades valued at AED 1.0 Bn followed by First Gulf Bank with trades totaling AED 668.7 Mn during September-14.

The performance of sectoral indices was led by the Consumer Staples index which gained 9.7% during the month on the back of strong gains recorded by AGTHIA Group and ASMAK. The Banking index came a distant second with monthly return of 1.5% followed by Investment & Financial Services sector which recorded monthly gains of 1.4%. On the other hand, the Services index posted steepest decline of 6.7% during the month followed by the Energy Index with a decline of 3.9%.

ADX Sector Performance



Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
DFM General Index	2,922.2	2,945.9	3,369.8	3,770.4	4,220.5	4,451.0	5,059.0	5,087.5	3,942.8	4,819.1	5,063.0	5,042.9
Monthly % Change	5.8%	0.8%	14.4%	11.9%	11.9%	5.5%	13.7%	0.6%	(22.5%)	22.2%	5.1%	(0.4%)
Market Cap (AED Bn)	262.8	261.2	267.1	287.9	318.8	331.7	369.7	370.2	301.7	356.6	367.6	369.0
P/E (X)	17.45	17.68	17.40	18.76	20.78	18.59	20.99	21.02	15.51	18.34	18.95	16.85
P/BV (X)	1.31	1.30	1.30	1.40	1.55	1.56	1.73	1.74	1.39	1.64	1.69	1.67
Dividend Yield	2.59%	2.60%	2.55%	2.36%	2.13%	2.11%	1.91%	1.99%	2.44%	2.07%	2.01%	2.00%
Volume (Mn Shares)	14,274	9,108	17,363	22,821	20,779	14,811	16,872	12,626	12,407	16,683	7,061	8,096
Value (AED Mn)	16,490	12,678	22,851	36,455	41,719	31,995	44,771	46,503	35,621	34,078	17,320	25,395
Trades	126,701	103,725	165,971	231,321	233,760	194,605	234,516	253,669	234,366	252,568	121,556	148,274

Source: Dubai Financial Market, KAMCO Research

DFM remained the second equity market in the GCC that recorded benchmark declines during September-14. The DFM index recorded marginal monthly decline of 0.4% during the month amid higher trading activity. The index remained volatile during the month dipping below the psychologically important 5,000 mark to close at the lowest monthly level of 4,912.14 points (a daily decline of 3.36%) on 10-September-14. The decline came as investors cashed out of the market to prepare for Emaar Malls Group IPO for which the subscription started on 14-September-14. Trading activity for the most part of the month was dominated by local investors. The marginal decline during September-14 led the YTD-14 gains to fall below the 50% mark to record at 49.6%.

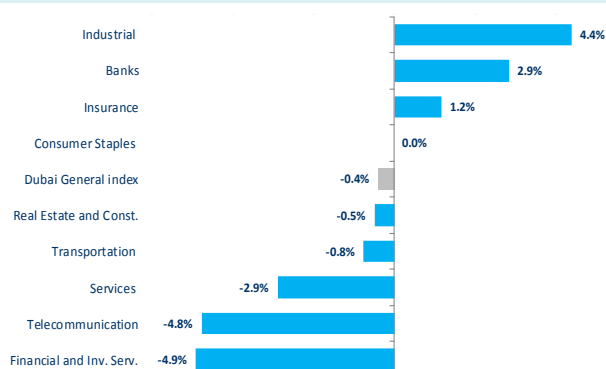
The month saw the listing of Marka PJSC as the first flotation on the main stock market since 2009. Shares of Marka jumped by almost 59% on the first day of its trading with almost 119 Mn shares traded. The shares closed the month with a gain of 45%. Emaar Malls Group also saw a blockbuster listing when the stock debuted on 2-October-14. Apart from the above IPOs, two more companies, Amanat Holdings and Damac, have also announced plans to list their shares on the DFM.

Meanwhile, trading activity picked up after it plunged during the previous month. Monthly traded volumes increased by 14.7% to record 8.1 Bn traded shares as compared to 7.1 Bn shares during August-14. Consequently, average daily volume during the month increased to 368.0 Mn shares as compared to 320.9 Mn shares during the previous month. On the other hand, total liquidity spiked up significantly during the month and was recorded at AED 25.4 Bn, an increase of 46.6% as compared to the previous month. Average daily value traded during the month increased to AED 1.1 Bn as against AED 787.3 Mn during the previous month.

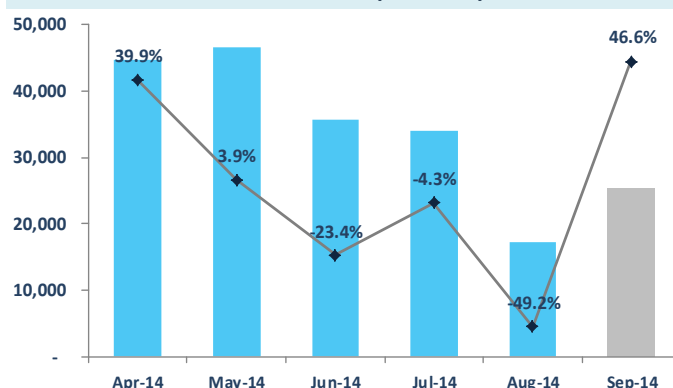
On the sectoral front, the Industrial index remained the top performer with a monthly return of 4.4% followed by Banking index that gained 2.9%. The Insurance index came in at the third position with a monthly gain of 1.2%. The two largest listed banks on DFM, Emirates NBD and Dubai Islamic Bank, saw strong monthly gains of 2.2% and 5.1%, respectively. On the other hand, the Financial & Investment Services index and Telecommunications index saw steep monthly declines of 4.9% and 4.8%, respectively. The biggest monthly drop in the financial services sector was reported by Shuaa Capital at 10.7% followed by Al Madina for Finance & Investment at 7.1%. In the Telecom sector, Emirates Integrated Telecom (Du), reported a monthly decline of 4.8%. Meanwhile, the Real Estate & Construction index reported a marginal monthly decline of 0.4%.

The monthly gainers list included, apart from Marka, Dubai National Insurance & Reinsurance, Oman Insurance and Gulfa Mineral Water & Processing Industries, recording monthly gains of 14.9%, 14.8% and 11.5%, respectively. On the monthly losers side, Arab Insurance Group topped the list with a monthly decline of 24.8% amid low liquidity, followed by Gulf Navigation Holding that declined by 14.8% during the month. Real Estate & Construction stocks Emaar Properties, Arabtec and Union Properties, were the most liquid stocks during the month with monthly value traded amounting to AED 7.39 Mn, AED 7.36 Mn and AED 2.78 Mn, respectively.

DFM Sector Performance



Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
QE 20 Index	9,837.5	10,375.1	10,379.6	11,155.7	11,771.8	11,639.8	12,677.6	13,694.2	11,488.9	12,865.5	13,596.7	13,728.3
Monthly % Change	2.4%	5.5%	0.0%	7.5%	5.5%	(1.1%)	8.9%	8.0%	(16.1%)	12.0%	5.7%	1.0%
Market Cap (QAR Bn)	533.1	555.0	555.6	589.4	683.5	650.4	732.0	736.9	632.2	690.1	721.2	736.1
P/E (X)	13.29	13.83	14.05	14.90	17.28	15.82	17.80	17.92	15.20	16.60	17.34	18.11
P/BV (X)	1.88	1.96	1.94	2.05	2.38	2.16	2.43	2.45	2.19	2.39	2.50	2.53
Dividend Yield	3.78%	3.64%	3.63%	3.42%	2.95%	3.54%	3.15%	3.08%	3.59%	3.29%	3.15%	3.08%
Volume (Mn Shares)	111	256	225	225	287	336	732	560	399	304	391	319
Value (QAR Mn)	4,727	8,659	7,340	10,942	38,665	15,298	25,951	25,591	17,718	12,568	18,131	13,803
Trades	52,632	120,824	104,081	114,651	124,365	200,230	285,219	239,685	199,130	146,915	174,576	134,960

Source: Qatar Exchange, KAMCO Research

Qatar market witnessed consistent strong performance during September-14 as the benchmark QE 20 index exceeded the previous high of monthly close at 13,694.2 points recorded in May-14. The index closed September-14 at 13,728.3 points with a monthly return of 1.0%. This was the third consecutive month of positive performance since June-14. The aggregate gains over the past three months has pushed the index above the 13,000 mark bringing the YTD-14 gains to 32.3% as compared to 24.2% for full year 2013. The gains during September-14 were broad-based as can be seen in the 1.0% growth seen in the broader QE All Share Index for the same period. The market breadth recorded during the month was equal weighted between gainers and losers (from being strongly skewed towards gainers during the previous month), each with 22 and 21 stocks, respectively. Total market capitalization rose by 2.1% during the month to close at QAR 736.1 Bn.

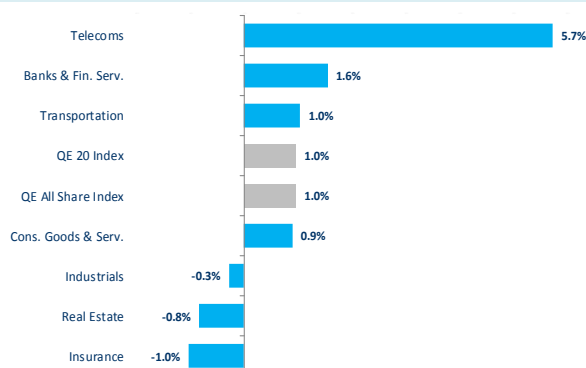
Trading activity pulled back during September-14 after recording strong performance during the previous month. Total volume traded declined by 18.4% to 319.2 Mn shares. Total value traded declined by 23.9% during the month to record at QAR 13.8 Bn as investors continued to target the Banking & Financial Services, Real Estate and Industrials sectors. The Banking & Financial Services sector accounted for 40.1% or QAR 5.5 Bn in total traded value during the month followed by the Real Estate sector which accounted for 23.4% or QAR 3.2 Bn in total value traded. The Industrial sector garnered a total value of QAR 2.2 Bn during the month, accounting for close to 16.0% of the total market liquidity.

The gainers chart during September-14 was led by Islamic Holding Group with a monthly return of 22.8% followed by Ezdan Holding Group and Doha Insurance with monthly returns of 13.9% and 10.0%, respectively. Ezdan Holding also topped the liquidity chart with value traded totaling QAR 2.0 Bn on the back of an announcement from Qatar Exchange which said that Ezdan Holding would be included in three key market indicators for the exchange. According to the announcement, with effect from October 1, 2014, Ezdan shares would be included in Qatar Exchange General Index, Al Rayyan Islamic Index and the All Share Index. Other prominent stocks that garnered significant liquidity included Qatar National Bank with total trades valued at QAR 1.3 Bn as well as Masraf Al Rayan that accounted for QAR 1.1 Bn in trades.

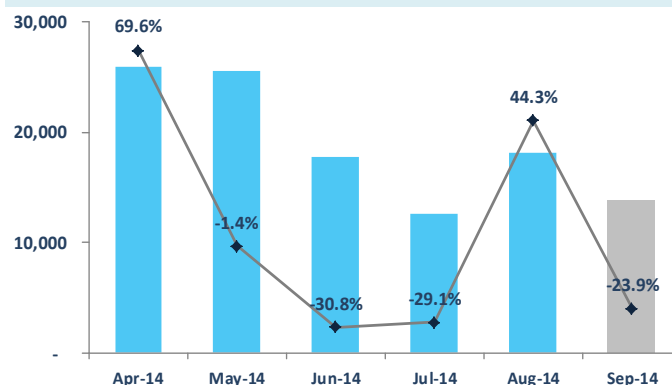
The monthly losers list was topped by Doha Bank that declined by 5.5% followed by Qatar General Insurance and Reinsurance and Dlala Brokerage with monthly declines of 5.3% and 3.1%, respectively.

On the sectoral front, the Telecoms index topped the monthly performance with a monthly return of 5.7%. The index got a boost from the 8.2% monthly gain recorded by Ooredoo, partially offset by a 0.7% decline recorded on Vodafone Qatar shares. The Banks & Financial Services index gained 1.6% during the month as a majority of the large cap banks recorded positive monthly returns. On the flip side, the Insurance index recorded a decline of 1.0% during the month followed by the Real Estate index with a marginal monthly decline of 0.8%.

QE Sector Performance



Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Bahrain All Share Index	1,201.8	1,208.6	1,248.9	1,294.3	1,372.7	1,356.9	1,427.3	1,459.3	1,427.6	1,471.7	1,472.2	1,476.02
Monthly % Change	0.7%	0.6%	3.3%	3.6%	6.1%	(1.1%)	5.2%	2.2%	(2.2%)	3.1%	0.0%	0.3%
Market Cap (BHD Mn)	6,626	6,663	6,886	7,200	7,655	7,567	8,101	8,281	8,101	8,351	8,354	8,376
P/E (X)	9.44	9.49	9.48	9.92	10.54	11.32	12.12	12.39	13.66	14.08	14.08	13.21
P/BV (X)	0.89	0.90	0.91	0.95	1.02	0.99	1.06	1.08	1.06	1.09	1.09	1.07
Dividend Yield	3.77%	3.75%	3.63%	3.47%	3.26%	3.78%	3.53%	3.45%	3.53%	3.42%	3.42%	3.41%
Volume (Mn Shares)	50	273	114	140	186	169	115	198	67	25	58	51
Value (BHD Mn)	9	22	16	28	32	32	45	51	15	7	13	12
Trades	1,079	1,027	1,140	1,954	2,609	2,069	1,892	1,707	1,050	706	897	1,069

Source: Bahrain Bourse, KAMCO Research

Bahrain Bourse posted marginal gains for the third consecutive month during September-14 with a monthly return of 0.3% to close the month at 1,476.02 points. The market capitalization increased at the same pace of 0.3% to end the month at BHD 8.4 Bn. The YTD-14 gains on the index stood at 18.2% by the end of September-14. The bourse continues to see lackluster trading activity as compared to the rest of the GCC equity markets.

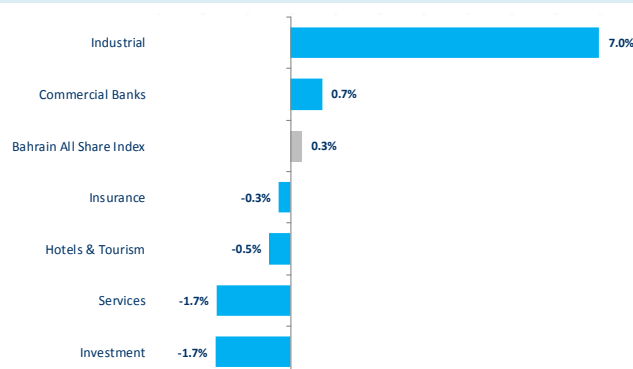
Total traded volumes declined by 12.1% during September-14 to 50.7 Mn shares after showing signs of improvement in the previous month when monthly traded volumes more than doubled. The average daily volume of shares declined from 2.7 Mn shares in the previous month to 2.3 Mn shares in September-14. Market liquidity also contracted by 9.6% to BHD 11.8 Bn resulting in a decline in average daily value traded which stood at BHD 0.5 Mn during September-14 as compared to 0.6 Mn during August-14. Trading activity continued to be concentrated in the Commercial Banks stocks followed by Investment stocks. The number of trades increased by 19.2% to 1,069 transactions executed during the month of September-14. The market breadth remained equal weighted towards advancers and decliners, with 12 stocks in each category.

The monthly stock performance was led by Delmon Poultry which recorded a monthly return of 15.4% followed by Ithmar Bank with a monthly return of 11.8% and Bahrain Cinema with a monthly return of 10.0%. On the losers side, Esterad Investment led the decline with 10.4% decline in its share price followed by Bahrain Ship Repairing and Engineering Co. (BASREC) and National Hotels with monthly declines of 9.1% and 8.7%, respectively. In terms of total monthly value traded, the chart was topped by Ahli United Bank (AUB) with total value traded amounting to BHD 5.9 Mn or half of the total exchange value traded during the month. AUB shares also topped the volume chart with 19.4 Mn shares traded during the month. Aluminium Bahrain and United Gulf Bank came on the second and third place on the monthly value chart with value traded amounting to BHD 1.3 Mn and BHD 0.7 Mn, respectively.

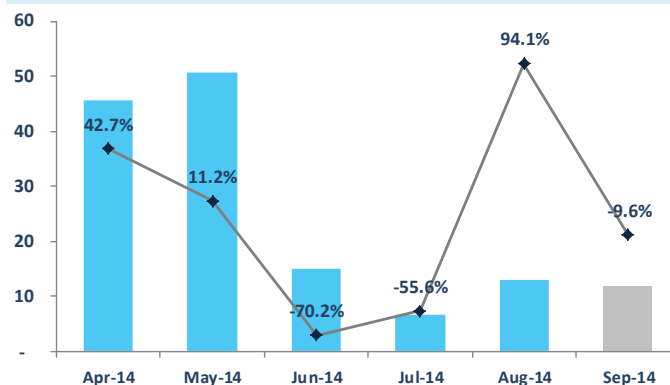
Meanwhile, in a further evidence showing limited investor interest in the Bahraini equity market, the IPO of Kuwait Zain's Bahraini unit, the first IPO in Bahrain since 2010, saw weak demand from the investors. Zain Bahrain, which started the subscription process during the month for selling 48 Mn shares to raise BHD 9.1 Mn in equity capital, had to double the subscription time till September 30m 2014, in order to allot more time to investors to subscribe to the shares. However, despite the extended offer time, merely 16.7 Mn shares, equivalent to 34.8% of the offering, was sold to retail and institutional investors. The remaining 31.3 Mn shares would be acquired by the underwriter of the IPO. The Company plans to use the proceeds from the issue to fund upgrades of its network infrastructure as well as expand its 4G LTE offering in Bahrain.

The sectoral index performance was led by the Industrial index which gained 7.0% during the month followed by the Commercial Banks index with monthly gain of 0.7%. The Investment index, on the other hand, declined by 1.7% during the month.

BHB Sector Performance



Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
MSM 30 Index	6,674.1	6,726.3	6,834.6	7,087.3	7,113.9	6,856.9	6,727.2	6,857.4	7,008.3	7,200.7	7,367.2	7,484.2
Monthly % Change	0.4%	0.8%	1.6%	3.7%	0.4%	(3.6%)	(1.9%)	1.9%	2.2%	2.7%	2.3%	1.6%
Market Cap (OMR Mn)	7,045	7,098	7,253	7,543	7,623	7,320	7,208	8,272	8,448	8,661	8,858	8,991
P/E (X)	10.05	10.13	10.05	10.45	11.80	11.13	10.96	11.16	11.83	12.12	12.40	11.98
P/BV (X)	1.48	1.49	1.46	1.52	1.66	1.56	1.54	1.63	1.71	1.75	1.79	1.75
Dividend Yield	4.72%	4.68%	4.58%	4.41%	3.84%	4.19%	4.35%	3.63%	3.56%	3.47%	3.39%	3.34%
Volume (Mn Shares)	499	446	584	951	510	360	488	302	347	258	284	377
Value (OMR Mn)	137	155	206	297	180	132	231	133	145	107	113	140
Trades	27,594	25,100	27,758	44,977	28,436	21,864	34,313	22,761	20,670	14,040	18,119	18,968

Source: Muscat Securities Market, KAMCO Research

MSM continued to report consistent positive performance for the fifth straight month by posting a monthly gain of 1.6% on the MSM 30 Index to close at 7,484.17 points. The index trend remained positive at the start of the month but pulled back some gains at the end of the second week. The index remained stable for the rest of the month with limited volatility. The growth during September-14 was also the slowest pace of growth recorded over the previous five months. The market continues to remain on the growth path over the past five months with average index growth of just over 2%, thereby pushing the YTD-14 gains to 9.5%. Meanwhile, the market capitalization for the regular market increased by 1.5% to OMR 9.0 Bn.

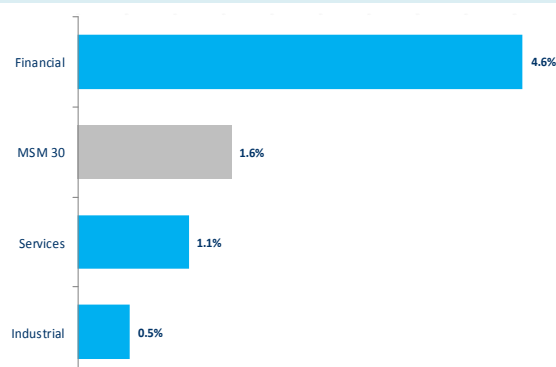
Trading activity indicators saw strong recovery during September-14. Volume traded reached a five-month high level of 377.2 Mn shares, an increase of 32.7% as compared to last month's 284.2 Mn shares. Value traded also improved by 23.5% to record OMR 140.1 Mn compared to last month's OMR 113.4 Mn. Furthermore, the number of trades improved by 4.7% to 18,968 transactions executed during the month of September. In line with previous months, more than 70% of the trades were undertaken by Omani investors followed by GCC investors.

In terms of volumes, HSBC Bank Oman topped the chart with a total of 74.6 Mn shares traded during the month followed by Al Anwar Holding and Oman and Emirates Investment Holding with monthly volume of 52.0 Mn and 32.7 Mn shares, respectively. Whereas, on the liquidity front, Oman Telecom, which declined by 5.7% during the month, topped the list with total value of OMR 21.9 Mn. Bank Muscat, which gained 6.0% during the month, came second on the monthly value chart with shares worth OMR 18.5 Mn traded during the month. Al Anwar Holding recorded the third highest monthly liquidity of OMR 16.8 Mn.

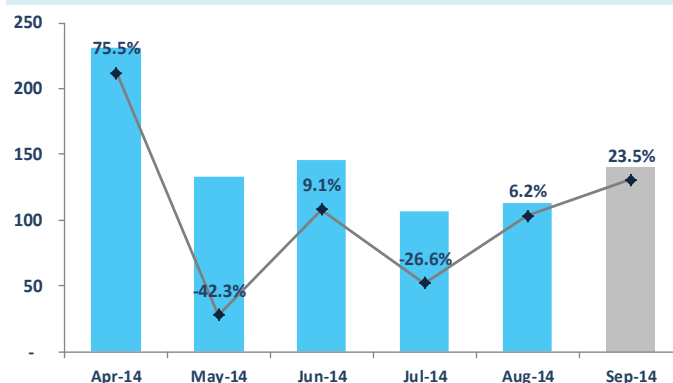
On the gainers side, SMN Power Holding topped the chart with a monthly return of 19.9% followed by National Aluminium Products and Oman United Insurance, with monthly returns of 11.5% and 11.3%, respectively. Whereas, on the monthly losers side, Dhofar Cattlefeed topped the list with a monthly decline of 12.6% followed by Galfar Engineering with a monthly decline of 9.2%. The market breadth continued to remain positively skewed towards gainers with 31 companies as against losers which included 17 companies. Prices of five companies remained unchanged by the end of the month.

In terms of sectoral performance, all the sectors posted positive monthly returns during the month. The performance was led by the Financial index that gained 4.6% during the month followed by Services index at 1.1% and Industrial index at 0.5%. A majority of the stocks within the Financial sector, which accounted for the bulk of the trading activity during the month (recorded at 64.9% of total monthly traded value), recorded positive monthly returns. Meanwhile, during the month, Al Maha Ceramics Co floated an offering of 20 Mn shares or 40 per cent of its paid up capital to raise OMR 7.94 Mn. The company has projected a cash dividend of 35% for 2014, which works out to a dividend yield of 8.8%.

MSM Sector Performance



Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research

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KIPCO Asset Management Company

Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq

P.O. BOX : 28873, Safat 13149, State of Kuwait

Tel: (+965) 1852626 Fax: (+965) 22492395

Email : Kamcoird@kamconline.com

Website : <http://www.kamconline.com>