KAMCO INVEST

Investment Strategy & Research

GCC Equity Markets: 2021 - *The Year That Was…*

In this Report...

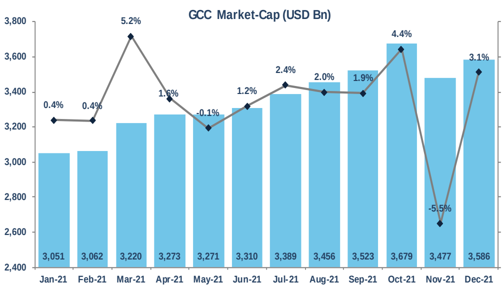
GCC index sees biggest gain in 14 years during 2021...

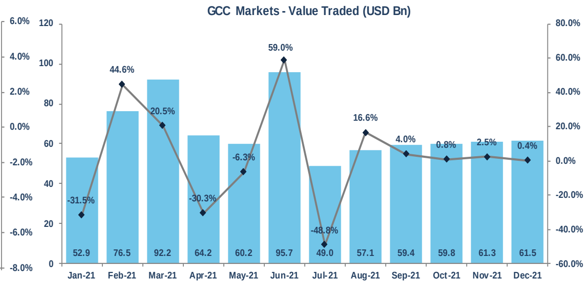
GCC equity market index closed 2021 with a gain of 34.9%, the biggest gains since 2008. The aggregate MSCI GCC Index witnessed gains for twelve consecutive months until November-2021 when in declined by 3.4%. However, gains during December-2021 partially offset the trimmed yearly gains. *Abu Dhabi was the best performing market amongst prominent equity markets globally with a gain of 68.2%. Saudi Arabia was next in the region with a healthy gain of 29.8% closely followed by Dubai and Kuwaiti benchmarks with gains of 28.2% and 27.0%, respectively.*

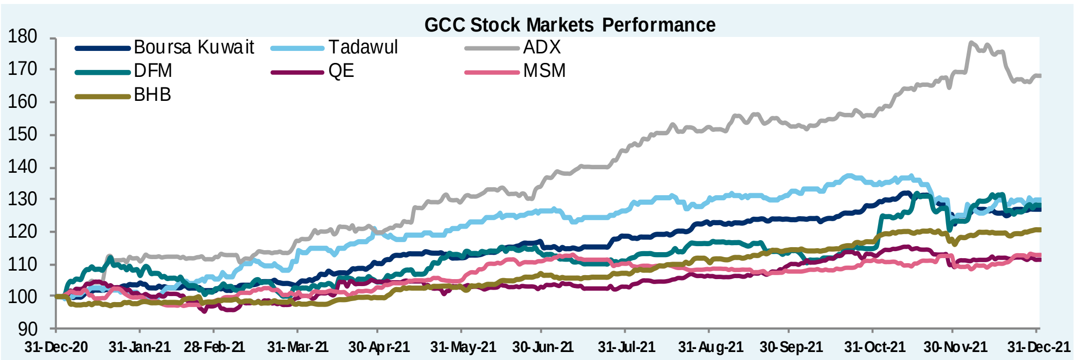
Global markets had an equally exciting year with the MSCI World Index touching a record high on 29-December-2021 but declines during the last two trading sessions of the year partially trimmed the third consecutive year of gains that reached 20.1%. *Gains during the year were mainly driven by developed markets which saw strong double digit growth of over 20% for the bulk of the constituent markets. On the other hand, a 4.6% decline in the emerging market index partially offset the overall global growth story.*

Market trends during 2021 largely reflected how countries dealt with the Coronavirus pandemic for the second year in a row. However, this year's performance was mainly reflected by the administration of vaccination against a number of new variants. Countries that lagged in combating with the pandemic performed relatively poorly. *Moreover, the impact of higher social spending during the pandemic was clearly highlighted by global agencies in their growth forecasts. However, as a result of the low interest rate environment, inflation reached decades high level. The roll back of some of these measures and the rate hikes in future would determine the direction of the markets in 2022.*

GCC Equity Markets	Index Closing	2021 Chg%	M-Cap (USD Bn)	2021 Val Traded (USD Mn)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Premier Market Inde	7,639.1	26.2%	138.9	45,072.7	21.0	1.6	2.0%
Kuwait - Main 50 Index	6,108.0	31.7%					
Kuwait - Main Market Index	5,886.3	29.3%					
Kuwait - All Share Index	7,043.2	27.0%					
Saudi Arabia	11,281.7	29.8%	2,668.7	596,269.1	25.0	2.4	2.4%
Abu Dhabi	8,488.4	68.2%	431.6	96,224.2	23.1	2.6	2.7%
Dubai	3,195.9	28.2%	110.8	19,150.8	21.0	1.1	2.4%
Qatar	11,625.8	11.4%	185.6	30,750.6	16.2	1.7	2.6%
Bahrain	1,797.3	20.6%	31.3	515.5	10.0	0.9	3.5%
Oman	4,129.5	12.9%	18.7	1,675.5	11.7	0.8	3.8%
Total GCC			3,585.6	789,658.4	23.4	2.2	2.4%







Source: GCC Stock Exchanges, Kamco Invest Research

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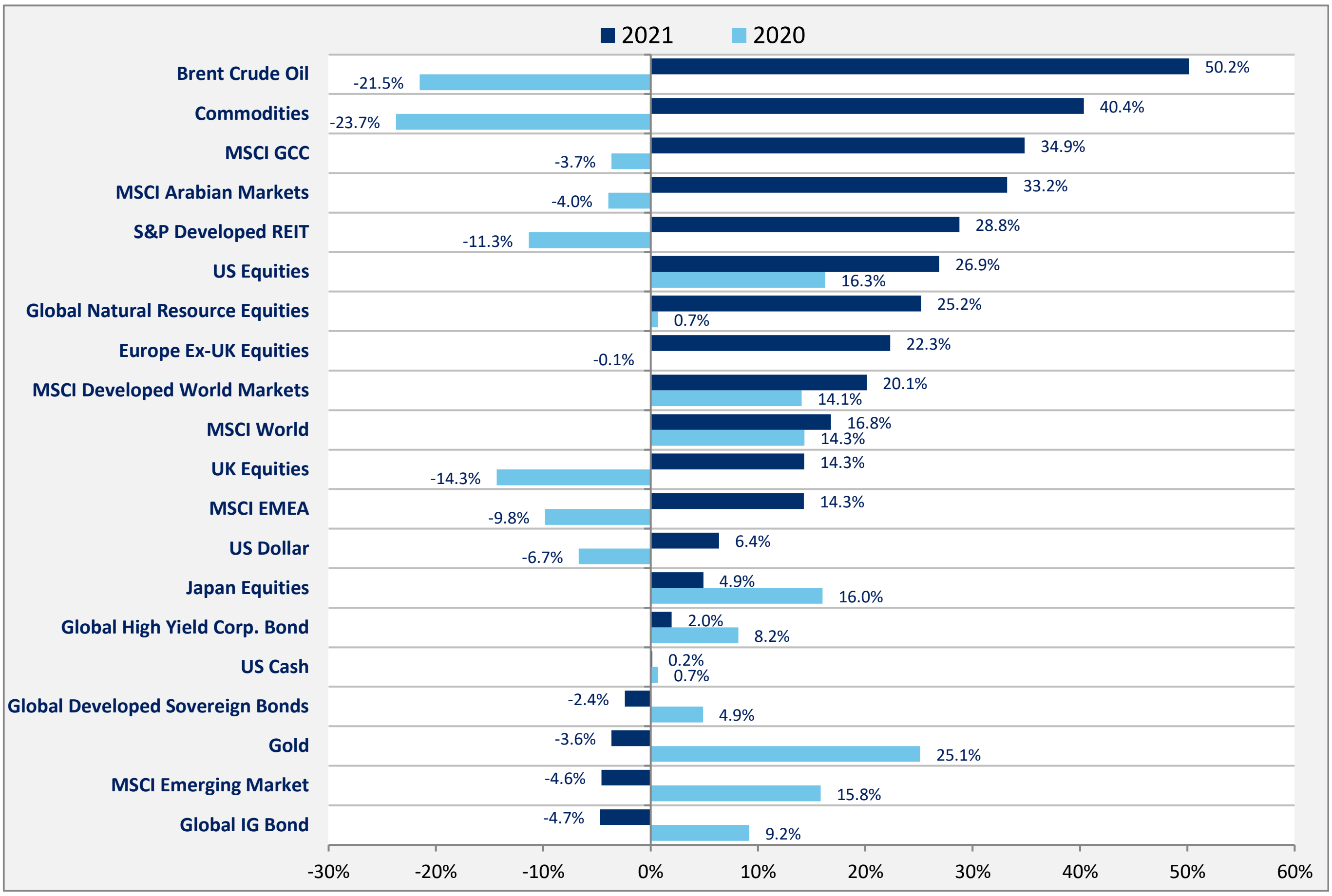
Global Market Performance

Emerging markets dent rally in developed markets…

Global equity markets closed 2021 little short of a record high that it reached on 29-December-2021. This was the third consecutive year of gains bolstered by more than 20% gain in US and European markets. The MSCI World Index closed the year with a gain of 20.1%, rallying 21.9% from the lowest point witnessed at the end of January-2021. The global index showed consistent gains for nine months during the year while declines came mainly during the second half of the year led by rising inflation and talks of rolling back incentives that were announced during the pandemic, including record low interest rates as well as sector-specific targeted schemes. The record high daily cases of the Omicron variant of the Covid-19 did affect sentiments, however, markets largely overlooked the concerns after several studies showed that the new variant, although spreads fast, is less deadlier and leads to relatively lower hospitalizations. In addition, the experience from last year, the stock of vaccines, the availability and access to a number of new vaccines as well as multiple doses already administered in several countries gave some comfort against the rising cases.

Regional performance showed that last year's underperforming European markets witnessed healthy gains of 22.2% in 2021 whereas the S&P 500 index in the US witnessed even higher gains of 26.9%. UK and Germany also witnessed double digit gains during the year, although slightly smaller that the US, whereas Japanese market was up merely 4.9%.

Global Asset Class Performance - 2021 vs. 2020



Source: Bloomberg, Kamco Invest Research

Meanwhile, the decline in emerging markets mainly reflected a relatively earlier policy tightening, rising inflation, higher commodity prices as well as persistent supply chain issues that affected key sectors. In the emerging markets, Brazil was one the biggest prominent decliners with a fall of 11.9%. China and Korean stocks also showed underwhelming performance with gains in low single digits, while India's Sensex and Taiwan's TAIEX were some of the star performers of the year in the emerging market universe with gains of more than 20%. Asian markets largely underperformed in 2021 as compared to healthy gains seen last year. The MSCI Asia Pacific index declined by 3.8% in 2021 mainly reflecting a 14.1% decline in Hong Kong's Hang Seng Index that witnessed its worst yearly performance in a decade. The decline came mainly after the tech index dropped by a third during the year.

GCC Market Performance - 2021

GCC Historical Performance	Index	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Kuwait	All Share Index	N/A	N/A	N/A	N/A	2.3%	5.6%	5.2%	23.7%	-11.7%	27.0%
Saudi Arabia	TASI	6.0%	25.5%	-2.4%	-17.1%	4.3%	0.2%	8.3%	7.2%	3.6%	29.8%
Dubai	DFM General Index	19.9%	107.7%	12.0%	-16.5%	12.1%	-4.6%	-24.9%	9.3%	-9.9%	28.2%
Abu Dhabi	ADX General Index	9.5%	63.1%	5.6%	-4.9%	5.6%	-3.3%	11.7%	3.3%	-0.6%	68.2%
Qatar	QE 20 Index	-4.8%	24.2%	18.4%	-15.1%	0.1%	-18.3%	20.8%	1.2%	0.1%	11.4%
Bahrain	Bahrain All Share Index	-6.8%	17.2%	14.2%	-14.8%	0.4%	9.1%	0.4%	20.4%	-7.5%	20.6%
Oman	MSM 30 Index	1.2%	18.6%	-7.2%	-14.8%	7.0%	-11.8%	-15.2%	-7.9%	-8.1%	12.9%

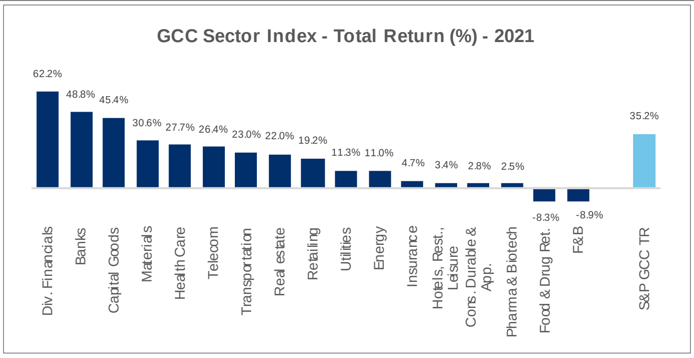
Source: GCC Stock Exchanges, Kamco Invest Research.

GCC equity markets outperformed its global peers with a yearly return of 34.9% in 2021 for the MSCI GCC Index. The index recovered fully from the covid-19 and oil-led decline of 3.7% in 2020. All the markets in the GCC reported gains during the year, but Abu Dhabi was the highlight for the year with one of the highest returns globally at 68.2% further supported by Saudi Arabia's 29.8% returns. Gains for both Saudi Arabia and ADX were driven by listing of several state-owned firms amid a climate of economic optimism, large scale projects and timely execution of plans. Several new initiatives were taken in the GCC that mainly aimed at diversifying state revenues away from oil and at the same time making sure that their market share in the oil market remains robust by way of adding capacity.

The sector performance chart for the year showed gains mainly for the financial services sector with Diversified Financials topping the chart with a return of 62.2% followed by Banks with a gain of 48.8%. Capital Goods index was next with a gain of 45.4% followed by Materials and Healthcare with gains of 30.6% and 27.7%, respectively. On the other hand, decliners mainly included last year's outperforming sectors including Food & Beverage that recorded a decline of 8.9% closely followed by Food & Drug Retailing with a decline of 8.3%. Other last year's outperformers like Pharma & Biotech, Consumer Durables & Apparels, and Insurance also reported low single digit gains.

Trading activity in the GCC remained upbeat recording gains for the third consecutive year to reach USD 789.7 Bn, a growth of 19.7% from USD 659.8 Bn recorded in 2020. This was the highest level of trading activity for the region since 2014. All the individual exchanges in the region reported higher trading activity in 2021, barring Bahrain. In terms of share of total trading activity, Abu Dhabi reported the steepest increase in trading activity with five-fold growth in value traded increasing from USD 19.3 Bn in 2020 to USD 96.22 Bn in 2021 resulting a share of 12.2% vs. 2.9% in 2020. Saudi Arabia's share, on the other hand, declined from 84.3% in 2020 or USD 556.4 Bn to 75.5% or USD 596.3 Bn in 2021.

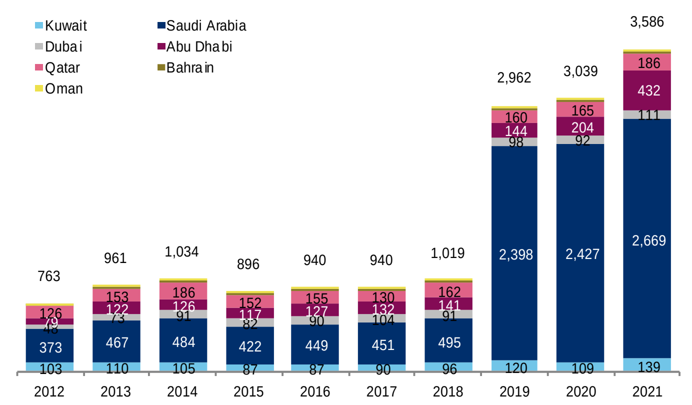
GCC Sector Performance Chart - 2021



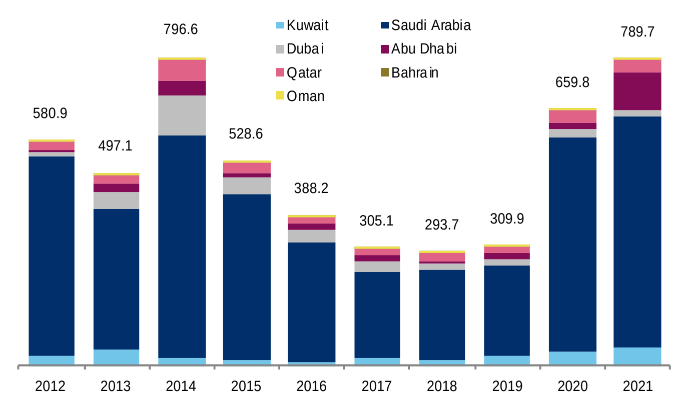
2021 closing indices vs. year's lowest close

Market	2020 Close	2021 Low	2021 Close	2021 Close vs. 2021 low
Kuwait-Premier	6,051.07	6,030.79	7,639.11	26.7%
Kuwait-Main 50	4,636.35	4,631.85	6,108.04	31.9%
Kuwait-Main Mkt	4,552.43	4,543.86	5,886.27	29.5%
Kuwait-All Share	5,546.04	5,529.66	7,043.16	27.4%
Tadawul	8,689.53	8,542.55	11,281.71	32.1%
DFM	2,491.97	2,491.97	3,195.91	28.2%
ADX	5,045.31	5,045.32	8,488.36	68.2%
QE	10,435.96	9,952.86	11,625.81	16.8%
BHB	1,489.78	1,447.55	1,797.25	24.2%
MSM	3,658.77	3,554.14	4,129.54	16.2%

GCC Market-Cap (USD Bn)



GCC Markets - Value Traded (USD Bn)



Source: GCC Stock Exchanges, Bloomberg, Reuters, Kamco Invest Research. Value traded in Oman includes regular, parallel, under monitoring markets and rights

Boursa Kuwait

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Premier Market Index	**6,307.9**	**6,157.5**	**6,324.4**	**6,623.2**	**6,740.0**	**6,936.1**	**7,164.6**	**7,431.6**	**7,496.5**	**7,692.8**	**7,345.5**	**7,639.1**
Monthly % Change	*4.2%*	*(2.4%)*	*2.7%*	*4.7%*	*1.8%*	*2.9%*	*3.3%*	*3.7%*	*0.9%*	*2.6%*	*(4.5%)*	*4.0%*
Main 50 Index	**4,878.3**	**4,820.8**	**4,874.5**	**5,303.4**	**5,408.5**	**5,540.8**	**5,737.6**	**5,801.6**	**5,886.5**	**6,167.1**	**5,863.5**	**6,108.0**
Monthly % Change	*5.2%*	*(1.2%)*	*1.1%*	*8.8%*	*2.0%*	*2.4%*	*3.6%*	*1.1%*	*1.5%*	*4.8%*	*(4.9%)*	*4.2%*
Main Market Index	**4,741.4**	**4,650.5**	**4,687.2**	**5,127.5**	**5,182.2**	**5,316.9**	**5,437.4**	**5,507.4**	**5,618.7**	**5,978.2**	**5,718.9**	**5,886.3**
Monthly % Change	*4.2%*	*(1.9%)*	*0.8%*	*9.4%*	*1.1%*	*2.6%*	*2.3%*	*1.3%*	*2.0%*	*6.4%*	*(4.3%)*	*2.9%*
All Share Market Index	**5,780.0**	**5,649.2**	**5,775.9**	**6,113.6**	**6,210.9**	**6,386.8**	**6,581.0**	**6,786.8**	**6,864.8**	**7,107.7**	**6,790.0**	**7,043.2**
Monthly % Change	*4.2%*	*(2.3%)*	*2.2%*	*5.8%*	*1.6%*	*2.8%*	*3.0%*	*3.1%*	*1.1%*	*3.5%*	*(4.5%)*	*3.7%*
Market Cap (KWD Mn)	**34,395**	**33,542**	**34,320**	**36,096**	**36,734**	**37,734**	**38,904**	**40,156**	**40,602**	**42,108**	**40,374**	**41,963**
P/E (X) - TTM	33.60	32.90	45.72	47.37	39.45	37.10	38.20	27.20	27.50	28.24	14.00	21.02
P/BV (X) - TTM	1.48	1.44	1.41	1.54	1.59	1.62	1.67	1.70	1.72	1.78	1.59	1.59
Dividend Yield (%)	3.54%	3.63%	2.97%	2.49%	2.26%	1.87%	1.86%	1.81%	1.76%	1.60%	1.67%	2.03%
Volume (Mn Shares)	6,051.4	6,047.3	4,723.3	7,531.6	9,116.3	8,274.3	4,348.4	6,818.6	5,843.3	9,309.6	10,684.5	5,848.9
Value (KD Mn)	845.3	835.0	907.6	1,083.1	1,377.2	1,421.9	751.9	1,272.9	991.2	1,250.1	1,709.8	1,171.1
Trades ('000)	216.4	206.9	210.1	262.3	302.4	296.1	178.7	245.9	226.1	313.1	378.5	224.6

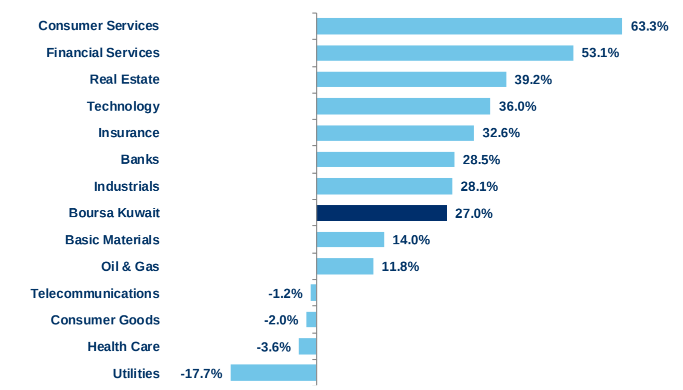
Source: Boursa Kuwait, Kamco Invest Research

Kuwait's benchmark indices recorded positive performances during 2021 and were one of the best performing markets in the GCC, with gains across most major indices and in all the market segments. The gains came after the strong corporate profitability which reached the pre-pandemic levels and a strong economic recovery as result of the fast paced vaccine rollouts. The Boursa Kuwait All Share Index wrapped up 2021 at 7,043.16 points with a gain of 27.0%, the fourth best performing index in the GCC. Investors focused on mid-cap stocks in Kuwait during the year that led to a gain of 31.7% for the Main 50 Index while the broader Main Market Index was up 29.3%. The large-cap Premier Market index, on the other hand, reported slightly smaller gains of 26.2% during the year. Total market cap for the exchange reached KWD 42.0 Bn at the end of the year as compared to KWD 33.0 Bn at the end of last year, an increase of 27.2%.

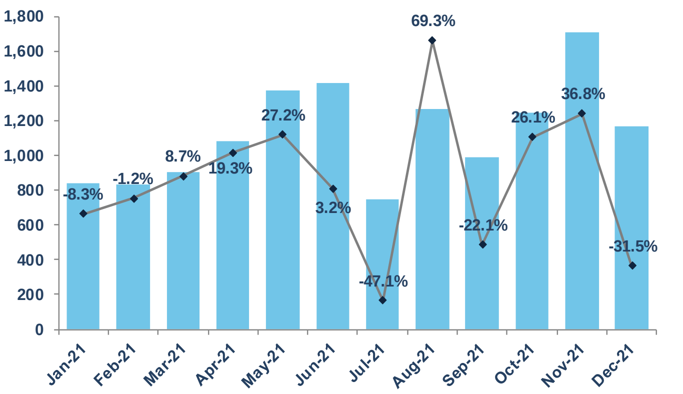
The sector performance chart for 2021 showed gains for the bulk of the sectors with merely 4 out of 13 sectoral benchmarks ending in the red. The Utilities Index reported a double-digit decline of 17.7% led by an equivalent decline in its sole constituent, Shamal Az-Zour Al-Oula Power and Water Co. The Health Care and Consumer Goods indices followed with declines of 3.6% and 2.0%, respectively. In the Health Care sector, two out of three stocks which are Yiaco Medical Co. and Advanced Technology Co. declined by 47.9% and 9.1%, whereas shares of Al-Maidan Clinic for Oral Health Services Co. remained flat. The gainers side was topped by the Consumer Services Index with a gain of 63.3% followed by the Financial Services and Real Estate indices with gains of 53.1% and 39.2%, respectively. Within the Consumer Services Index, shares of National Shooting Co. and IFA Hotels & Resorts Co. reported multi-fold gains during the year. Large-cap sectors like Banks and Industrials recorded gains of 28.5% and 28.1% during the year, whereas Telecom reported a decline of 1.2%. Within the banking sector, only two banks reported the modest gains of 4.8% and 3.2%, whereas the remaining 8 banks reported double digit growth supported by the strong earnings growth.

The yearly best performers chart was topped by Al-Eid Food Co. with a gain of 290.3% followed by Gulf Investment House and National Real Estate with gains of 260.6% and 207.8%, respectively. On the other hand, the yearly decliners chart was topped by Yiaco Medical Co. with a fall of 47.9% followed by Al Bareeq Holding and Al Kout Industrial Projects Co. with the declines of 45.2% and 26.5%, respectively. In terms of trading activity, total volume traded was up by 63.4% to reach 83.9 Bn shares in 2021 as compared to 51.4 Bn shares in the previous year. The value of shares traded was also up by 26.2% to reach KWD 13.6 Bn as compared to KWD 10.8 Bn. KFH was once again the most heavily traded stock in 2021 with yearly value traded at KWD 1.2 Bn followed by NBK at KWD 1.15 Bn.

Boursa Kuwait 2021 Sector Performance



Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Tadawul All Share Index	**8,702.6**	**9,145.0**	**9,907.8**	**10,419.0**	**10,551.2**	**10,984.2**	**11,012.7**	**11,319.2**	**11,495.8**	**11,704.1**	**10,761.8**	**11,281.7**
Monthly % Change	*0.1%*	*5.1%*	*8.3%*	*5.2%*	*1.3%*	*4.1%*	*0.3%*	*2.8%*	*1.6%*	*1.8%*	*(8.1%)*	*4.8%*
Market Cap (SAR Bn)	**9,050.1**	**9,116.3**	**9,629.8**	**9,732.5**	**9,654.8**	**9,720.8**	**9,688.0**	**9,828.7**	**10,066.4**	**10,519.1**	**9,629.2**	**10,008.2**
P/E (X) - TTM	34.72	35.70	37.61	31.43	34.57	36.24	34.81	27.43	27.86	25.92	23.73	24.99
P/BV (X) - TTM	2.08	2.17	2.32	2.33	2.33	2.43	2.43	2.42	2.46	2.49	2.27	2.39
Dividend Yield (%)	2.42%	2.31%	2.44%	2.35%	2.01%	1.91%	2.13%	2.27%	2.29%	2.17%	2.40%	2.36%
Volume (Mn Shares)	4,748.3	6,903.5	10,405.2	6,508.1	5,501.2	8,648.3	4,166.8	4,299.6	3,919.8	4,123.8	3,622.7	4,073.1
Value (SAR Mn)	159,509.1	245,753.2	293,293.8	186,448.8	158,174.2	294,552.7	144,846.7	154,109.8	147,862.5	158,261.0	133,292.6	160,010.9
Trades ('000)	6,685	9,412	11,537	7,280	6,437	10,783	5,799	6,713	6,154	7,001	6,548	7,485

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

Saudi Arabia's TASI was up for the sixth consecutive year in 2021 and recorded the second biggest return in the GCC during the year that reached 29.8%. This was also the biggest gain recorded by the market in 14 years. The performance of the index was buoyed by a combination of factors, including robust economic recovery, higher oil prices, strong corporate profitability that reached a new high during Q3-21, as well as a series of IPOs with 12 new listings on the Saudi Exchange. Nine of these newly listed companies were listed in the main market and three in the Nomu-parallel market. The year closed with a market cap of SAR 10.0 Trillion, a gain of 10.0% as compared to 2020.

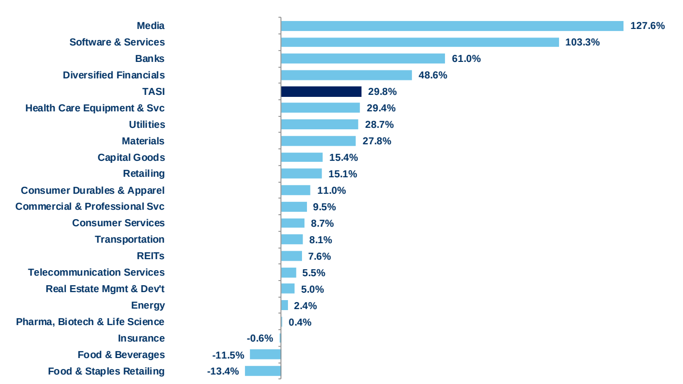
The sector performance chart for the year showed gains for most of the sectors while sectors that outperformed last year reported declines in 2021. The Food & Staples Retailing sector reported the biggest decline during the year at 13.4% after 3 out of 5 constituent stocks declined. Abdullah Al Othaim Markets Co., Anaam International Holding Group and Saudi Marketing Co. posted a decline of 11.9%,11.2%, and 10.3%, respectively. The Food & Beverage index was next with a decline of 11.5% followed by Insurance index that dropped marginally by 0.6%.

On the gainers side, the Media and the Software & Services index topped yearly performance with a gain of more than 2x. Almost all the constituents in the two indices showed multifold increase in their share prices during the year as a result of resilience and opportunities of software companies. Banks and Diversified Financials index were next with gains of 61.0% and 48.6%, respectively. In the banking sector, shares of 9 out of 10 banks reported double digit gains. Shares of Al Rajhi Bank and Bank Al-Bilad showed the biggest gains during the year in the sector at 92.7% and 63.5%, respectively. Within the Diversified Financials sector, shares of Saudi Advanced Industries Co. logged a significant growth of 151.3%, driven by the news to invest SAR 5 Mn in the Islamic Sharia-compliant venture investment funds. The Energy sector, was one of the smallest gainers during the year at +2.4%, almost in line with the gain in shares of Aramco at 2.4%.

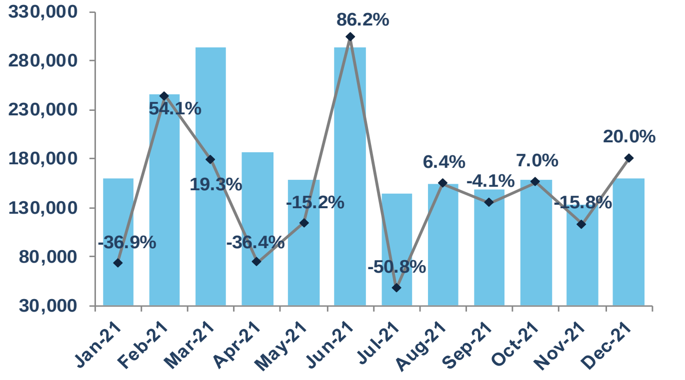
Sadr Logistics Co. topped the yearly performance chart with a gain of 183.8% followed by Etihad Atheeb Telecommunication Co., and Saudi Advanced Industries Co with gains of 165.8% and 151.3%, respectively. On the yearly decliners side, three out of the top 5 declining stocks during the year were from the Insurance sector. The chart was topped by Amana Cooperative Insurance with a decline of 49.8% followed by Allied Cooperative Insurance Co and Saudi Cable Co. with declines of 40.2% and 34.4%, respectively. In terms of trading activity, Al Rajhi Bank topped the yearly trading activity chart with value traded reaching SAR 93.5 Bn followed by Alinma Bank and SABIC with SAR 51.9 Bn and SAR 50.0 Bn worth of shares changing hands during the year, respectively.

On the economic front, Saudi Arabia's latest budget update upgraded the pace of economic growth in the Kingdom with the budget statement showing a surplus for the first time since 2013 in 2022 . Saudi Arabia is forecasting a surplus of SAR 90 Bn, while total revenues for 2022 are estimated at SAR 1.05 Tn. Spending is estimated to come in at SAR 955 Bn, the lowest level since 2017. According to the minister of finance, the Kingdom's economy is forecasted to grow by 7.5%.

Tadawul 2021 Sector Performance



Value Traded (SAR Mn)



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
ADX General Index	**5,593.5**	**5,663.6**	**5,912.6**	**6,046.8**	**6,558.7**	**6,835.4**	**7,318.2**	**7,684.6**	**7,698.8**	**7,865.1**	**8,546.5**	**8,488.4**
Monthly % Change	*10.9%*	*1.3%*	*4.4%*	*2.3%*	*8.5%*	*4.2%*	*7.1%*	*5.0%*	*0.2%*	*2.2%*	*8.7%*	*(0.7%)*
Market Cap (AED Bn)	**814.1**	**820.4**	**868.0**	**904.1**	**947.4**	**1,004.6**	**1,322.7**	**1,382.5**	**1,364.4**	**1,452.9**	**1,590.5**	**1,585.3**
P/E (X) - TTM	22.04	22.70	22.91	22.92	22.26	23.21	22.40	23.61	23.86	23.03	23.20	23.11
P/BV (X) - TTM	1.54	1.55	1.61	1.71	1.87	1.95	1.91	2.19	2.38	2.40	2.58	2.56
Dividend Yield (%)	4.37%	4.32%	4.57%	4.29%	3.97%	3.57%	2.95%	3.00%	3.00%	2.88%	2.66%	2.71%
Volume (Mn Shares)	2,184.2	3,265.8	4,346.2	3,091.4	5,149.4	4,475.0	3,451.5	4,881.7	4,973.3	5,588.6	7,333.6	7,167.3
Value (AED Mn)	9,954.9	17,759.7	23,891.8	23,392.3	35,006.1	31,142.2	21,476.8	28,841.8	47,301.7	33,210.4	42,479.5	38,983.2
Trades	62,461	59,231	62,765	45,663	73,749	90,180	87,601	113,332	110,068	176,287	209,417	165,402

Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Abu Dhabi was the best performing major market in the world in 2021 with a return of 68.2% for the ADX General Index. This was also the biggest yearly gain in 15 years that came following consecutive months of positive performance during the year. The index closed at 8,488.36 points after touching a record closing high of 8,999.32 points on 6-December-2021. The aggregate market cap of companies listed on the exchange more than doubled to AED 1.6 Trillion (USD 431.9 Bn) mainly driven by new listings on the exchange during the year.

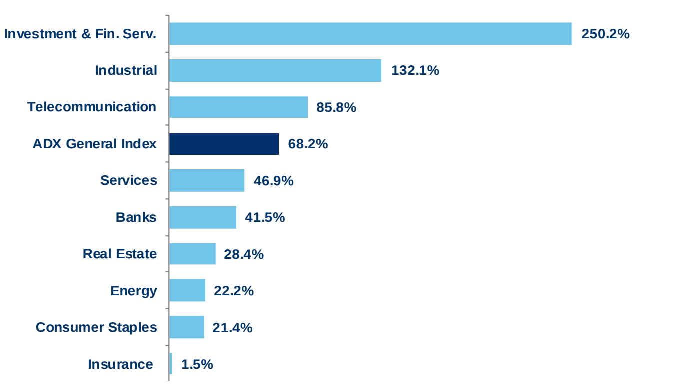
ADX sectoral performance chart showed gains across the board during the year. The Investment and Financial Services Index recorded the biggest yearly gain of 250.2% to reach 10,747.03 points mainly driven by gains post the listing of Alpha Dhabi in the sector. The Industrial index was the second-best performing index of the year, increasing 125% to close the year at 3,721.4 points driven by Ras Al Khaimah Cement Invest which saw its share price soar multifold during the year. The 38.0% gain recorded by Fertiglobe post listing also added to the sector's gains during the year. The Telecom Sector index was the third best performing sector during the year buoyed mainly by Etisalat's 87.6% gain in shares and the addition of Al Yah Satellite Company to the constituents of the sector. The Insurance index recorded the smallest gain during the year that reached 1.5% as compared to a gain of 15.2% in 2020.

Ras Al Khaimah Cement topped the yearly gainers chart, registering multifold increase in its share price, followed by Sharjah Group and International Holdings Company which witnessed gains of 264.7% and 261.9%, respectively. On the decliners side, Al Khazna Insurance Company recorded the biggest yearly decline of 76.2% followed by Fujairah Cement Industries and Sharjah Insurance Company which recorded declines of 55.7% and 49.8% during the year, respectively.

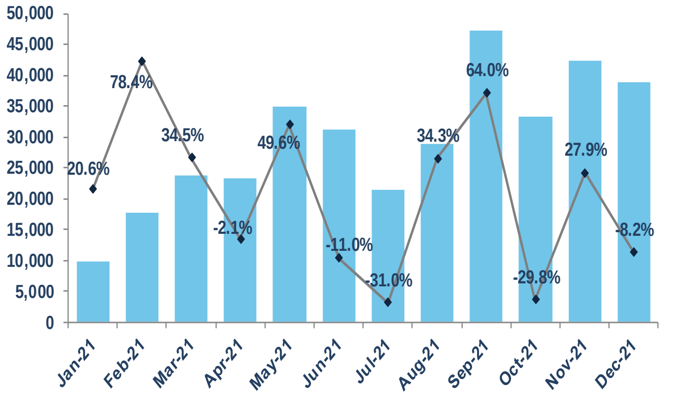
Trading activity on the exchange was higher y-o-y in 2021, as volumes traded was up by 172% to 59.33 Bn shares. Similarly, value traded soared by 401.9% y-o-y to reach AED 364.9 Bn during 2021. In terms of most actively traded stocks, International Holdings Co led all stocks in terms of value traded, with AED 78.9 Bn worth of shares traded during 2021. First Abu Dhabi Bank and Aldar Properties followed with AED 73.4 Bn and AED 64.25 Bn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded in 2021, as 16.6 Bn shares of the real estate company were traded. ADNOC Distribution and First Abu Dhabi Bank followed with 4.5 Bn and 4.4 Bn shares traded during 2021.

In corporate developments, Abu Dhabi's Stock Exchange was second only to Tadawul in terms of number of IPOs in the GCC markets in 2021. The exchange saw five new listings during the year with ADNOC Drilling being the biggest listing. The company's share offering was hugely oversubscribed and attracted more than USD 34 Bn causing ADNOC to raise the size of the IPO to 11% of share capital instead of its 7.5% target. Another major listing in ADX during the past year was the listing of Alpha Dhabi Investment Co, a subsidiary of International Holding Company. Currently IHC is the biggest company by market capitalization on the exchange while Alpha Dhabi is the third largest by market cap. The three remaining listings in the exchange during 2021 were namely Multiply Group, Fertiglobe and Al Yah Satellite.

ADX 2021 Sector Performance



Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
DFM General Index	**2,654.1**	**2,551.5**	**2,550.2**	**2,605.4**	**2,797.5**	**2,810.6**	**2,765.7**	**2,903.0**	**2,845.5**	**2,864.2**	**3,072.9**	**3,195.9**
Monthly % Change	*6.5%*	*(3.9%)*	*(0.1%)*	*2.2%*	*7.4%*	*0.5%*	*(1.6%)*	*5.0%*	*(2.0%)*	*0.7%*	*7.3%*	*4.0%*
Market Cap (AED Bn)	**354.2**	**345.6**	**348.8**	**356.5**	**377.9**	**380.2**	**371.5**	**385.5**	**384.7**	**385.4**	**427.9**	**407.0**
P/E (X) - TTM	13.04	20.87	20.89	20.51	21.00	21.35	20.56	21.43	21.01	20.68	20.18	20.99
P/BV (X) - TTM	0.92	0.89	0.89	0.91	0.98	0.98	0.95	0.99	0.98	0.99	1.04	1.09
Dividend Yield (%)	3.66%	3.81%	3.23%	3.24%	2.90%	2.85%	2.87%	2.68%	2.74%	2.70%	2.53%	2.41%
Volume (Mn Shares)	5,554.2	2,686.5	2,810.0	2,182.7	3,672.2	2,921.6	1,839.7	3,223.6	2,491.1	2,680.8	14,361.6	4,780.7
Value (AED Mn)	7,187.1	3,921.9	4,203.7	3,151.4	5,186.5	4,653.8	2,369.3	3,929.0	3,578.7	3,635.8	20,852.7	7,672.7
Trades	88,808	53,263	58,082	41,873	67,557	56,042	33,916	52,599	54,513	59,964	208,903	97,428

Source: Dubai Financial Market, Kamco Invest Research

After being one of the worst performing markets in the GCC during 2020, the DFM index recorded solid gains in 2021 that pushed it to the third best market in 2021 after Tadawul and ADX. The DFM index touched a four-year high level on 16-November-2021 but receded towards the end of the year to close at 3,195.9 points with a yearly gain of 28.2%, the biggest gain since 2013. The benchmark witnessed gains consistently on a quarterly basis, and a 12% surge during Q4-2021 added to the index's yearly performance. The aggregate market capitalization of stocks listed on the exchange recorded a gain of 20.6% to close 2021 at AED 407 Bn (USD 110.9 Bn).

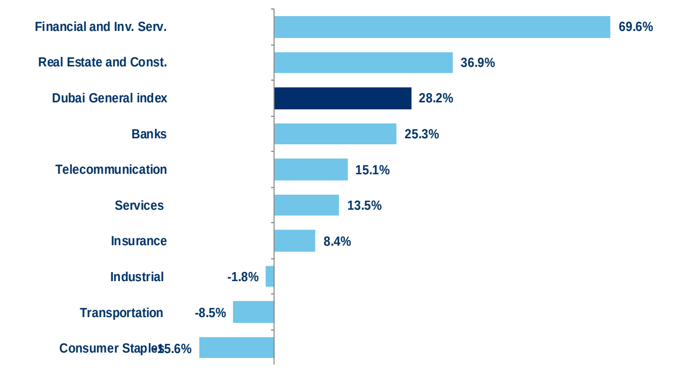
In terms of sector performance, six out of nine sectoral indices witnessed gains during 2021 including major sectors such as Banks, Telecoms and Financial & Investment Services indices. The Financial and Investment Services index posted the biggest yearly gain among the sectoral indices recording an increase of 69.6% y-o-y to reach 4,016.5 points driven mainly by gain more than 3x gain in shares of Dubai Financial Markets during the year. The Real Estate and Construction Sector index witnessed the second biggest yearly rise registering 36.9% yearly rise to close the year at 4,651.2 points. The yearly share price rises of Deyaar Development and Emaar Development which rose 72.6% and 58.9%, respectively, mainly contributed to the sector gain during 2021. The Banking index filled the third place with a gain of 25.3%.

In terms of trading activity for 2021, DFM witnessed mixed trends on major indicators, as volume traded decreased by 22.2% y-o-y to reach 46.2 Bn shares. In terms of value traded, total value of shares improved by 8.1% y-o-y to reach AED 66.5 Bn indicating higher trades in large-cap stocks during the year. In terms of yearly gainers, Dubai Financial Market was leading with its stock price up by 205% in 2021. Amlak Finance and National International Co followed, as their stock prices jumped up by 185.8% and 125%, respectively. On the other hand, shares of Al Firdous Holding declined the most in 2021 as its share price fell by 74.4% y-o-y. Al Sagr National Insurance and Al-Mazaya Holding followed with declines of 56.3% and 41.5%, respectively for the year.

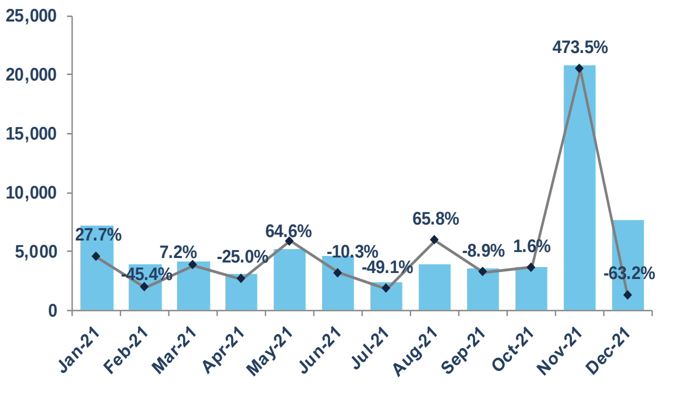
Emaar Properties was the most actively traded stock on the exchange for the second consecutive year as AED 16.7 Bn worth of its stock was traded in DFM. Dubai Islamic Bank and Dubai Financial Market followed with value traded of AED 8.5 Bn and AED 8.1 Bn, respectively. In terms of volume traded in the exchange during 2021, for the second consecutive year, Union Properties topped with a volume of 8.2 Bn of its shares in 2021. Deyaar Development and Dubai Financial Market followed at 5.7 Bn and 4.6 Bn, respectively.

In market news, Dubai disclosed plans to list around ten state-owned companies in Dubai's Stock Exchange as part of a strategy to compete with other regional exchanges that have seen a flurry of listings during 2021. Another goal for the planned listings is to attract foreign investment and double the size of the DFM's capital market. According to Dubai government officials, the first company to be listed on the DFM exchange in the coming few months would be the government owned utility Dubai Water and Electricity Authority. Other planned listings include Emirates Central Cooling System Company known as Empower, Tecom the owner and operator of investment freezones in Dubai and Salik – Dubai's road toll system company.

DFM 2021 Sector Performance



Value Traded (AED Mn)



Source: Dubai Financial Market, Kamco Invest Research

Qatar Exchange

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
QE 20 Index	**10,473.5**	**10,146.0**	**10,401.5**	**10,911.4**	**10,748.3**	**10,730.7**	**10,753.3**	**11,092.9**	**11,485.2**	**11,764.8**	**11,386.3**	**11,625.8**
Monthly % Change	*0.4%*	*(3.1%)*	*2.5%*	*4.9%*	*(1.5%)*	*(0.2%)*	*0.2%*	*3.2%*	*3.5%*	*2.4%*	*(3.2%)*	*2.1%*
Market Cap (QAR Bn)	**608.4**	**588.1**	**605.8**	**630.9**	**624.4**	**622.4**	**621.6**	**640.0**	**661.3**	**679.8**	**653.9**	**675.6**
P/E (X) - TTM	18.12	18.66	19.35	18.50	18.21	18.14	17.86	16.87	17.47	16.39	15.87	16.20
P/BV (X) - TTM	1.51	1.45	1.48	1.64	1.61	1.61	1.58	1.62	1.67	1.75	1.69	1.74
Dividend Yield (%)	3.76%	3.66%	2.84%	2.70%	2.73%	2.73%	2.73%	2.64%	2.55%	2.51%	2.59%	2.56%
Volume (Mn Shares)	3,969.7	3,184.5	5,849.8	6,740.5	3,680.1	3,453.9	1,636.1	4,342.9	3,718.6	4,449.5	3,187.0	2,446.5
Value (QAR Mn)	10,181.8	7,830.4	11,150.9	12,710.8	8,465.4	8,669.1	4,322.3	9,628.2	9,409.2	12,011.7	9,836.8	7,743.1
Trades	201,594	180,142	247,202	229,563	177,424	199,697	112,706	215,580	208,752	253,580	216,336	210,479

Source: Qatar Exchange, Kamco Invest Research

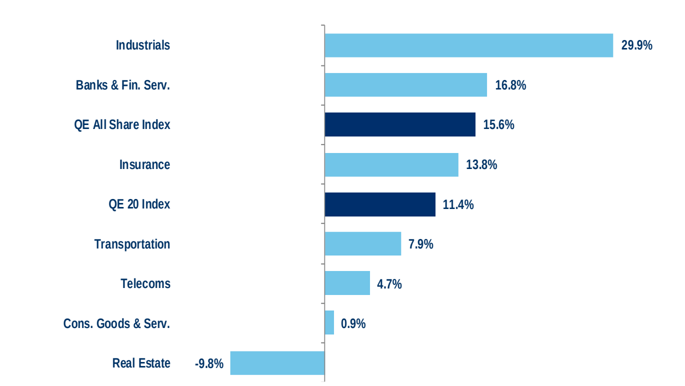
After closing 2020 with marginal gains, the Qatar QE-20 index rebounded in 2021 recording a gain of 11.4% in 2021, the highest in three years, and closed at 11,625.8 points. The gains were broad-based as seen from the 15.6% gains for the Qatar All Share index. In terms of index performance, the Industrials index was the best performing index with a gain of 29.9%. Sector constituents including Investment Holding Group (+105.2%), QAMCO (+86.2%) and Mannai Corp QSC with (+58.3%) drove the index higher in 2021. The Banks & Financial services followed with gains of 16.8% led by positive performance of most of the constituents stocks. Commercial Bank of Qatar (+53.4%), Doha Bank (+35.2%) and QNB (+13.2) witnessed strong gains for the year. The Insurance sector recorded a gain of 13.8% with 5 constituent stocks recording double digit growth, whereas only 1 stock declined. Al Khaleej Takaful group, Doha insurance Co, and Qatar Insurance posted a growth of 89.7%, 37.9% and 16.4%, respectively. The Real sector index was the only declining index for the year recording a fall of 9.8% after the three out of four constituent stocks in the index recorded double digit declines during the year. Mazaya Real Estate Development, Ezdan Holding Group and Barwa Real Estate Co declined by 27.2%, 24.5%, and 10% respectively.

Trading activity on the exchange was mixed as value traded during this year increased by 6.4% to reach QAR 111.6 Bn in 2021 as compared to QAR 104.9 Bn in 2020. Trading volume however decreased by 14.9% to reach 46.5 Bn shares in 2021, as against 54.6 shares in 2020. In terms of sector distribution of trading activity, Banks and Financial Services sector led value traded during the year, accounting for 31.5% of the total value traded, followed by the Industrials sector, which accounted for 20.6%. The Real Estate sector followed, accounting for 9.50% of the value traded on the index. In terms of traded volumes, Capital Goods sector led in 2021, accounting for 18.8% of the total trading volumes, followed by Diversified Financials sector and the Real Estate, as they contributed 18.7% and 15.5% respectively.

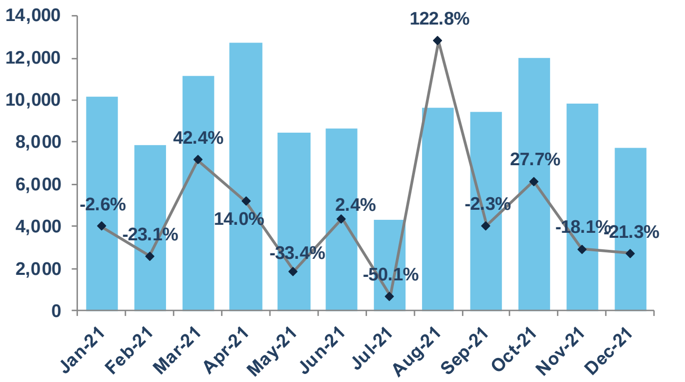
Investment Holding Group topped the gainers chart for the year with a gain of 105.2% followed by Al Khaleeji Takaful and QAMCO with gains of 89.7% and 86.2%, respectively. In terms of laggards, Widam Food saw its stock price decline by over 43.2% for the year and was the worst performer followed by Dlala Holding and Mazaya Real Estate Development, as they saw their stock prices receded by over 31.3% and 27.2%, respectively. QNB was once again the most heavily traded stock in 2021 with yearly value traded at QAR 13.9 Bn accounting for 12.4% of the total value traded followed by QAMCO and Investment Holding Group at QAR 7.2 Bn and QAR 7.1 Bn, respectively. In terms of yearly volume, Investment Holding Group topped with 7.1 Bn shares followed by Salam International Investment and QAMCO at 6.8 Bn and 4.7 Bn shares, respectively.

There were several positive datapoints on the economic front during the year. As the global economy began to gradually stabilise and the restrictions were eased, the country's export volumes recovered to pre-pandemic levels by early 2021. QSE breaches 11,600 points after the Qatari cabinet gave approval for 100% foreign ownership in four banks listed on the exchange. Moreover, the preparation and infrastructure development for FIFA World cup 2022 is expected to boost the economic activity next year.

QE 2021 Sector Performance



Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Bahrain All Share Index	**1,462.61**	**1,466.43**	**1,458.03**	**1,484.85**	**1,527.62**	**1,587.97**	**1,597.00**	**1,645.41**	**1,705.56**	**1,743.06**	**1,729.60**	**1,797.25**
Monthly % Change	*(1.8%)*	*0.3%*	*(0.6%)*	*1.8%*	*2.9%*	*4.0%*	*0.6%*	*3.0%*	*3.7%*	*2.2%*	*(0.8%)*	*3.9%*
Market Cap (BHD Mn)	**8,390**	**9,227**	**9,230**	**9,398**	**9,664**	**9,985**	**10,038**	**10,329**	**10,691**	**10,913**	**10,829**	**11,815**
P/E (X) - TTM	14.20	30.93	37.30	38.12	26.23	27.26	13.30	11.60	12.00	10.02	9.65	10.03
P/BV (X) - TTM	0.97	0.95	0.95	0.98	1.02	1.06	0.82	0.82	0.85	0.86	0.84	0.87
Dividend Yield (%)	4.59%	4.58%	4.14%	2.36%	2.18%	2.10%	3.46%	3.35%	3.24%	3.17%	3.61%	3.48%
Volume (Mn Shares)	122.7	87.7	81.4	39.2	51.0	178.7	41.5	79.2	77.3	97.0	79.5	45.0
Value (BHD Mn)	16.6	17.8	23.8	8.8	11.5	22.1	10.5	20.5	18.5	17.4	16.4	10.4
Trades	1,339	1,702	1,254	918	1,171	1,184	920	1,650	1,496	1,708	1,514	1,029

Source: Bahrain Bourse, Kamco Invest Research

After closing 2020 with a fall of 7.5%, the Bahrain Bourse index bounced back to register a growth of 20.6% in 2021 closing the year at 1,797.25 points. The bourse ranked fifth in the GCC in terms of yearly returns during 2021 which was the highest in 14 years. During the year, the benchmark showed consistent monthly positive performance since April-2021 only to decline marginally in November-2021 by 0.77%. However, a gain of 3.9% during December-2021 more than offset the decline and closed the year at a 13-year high level.

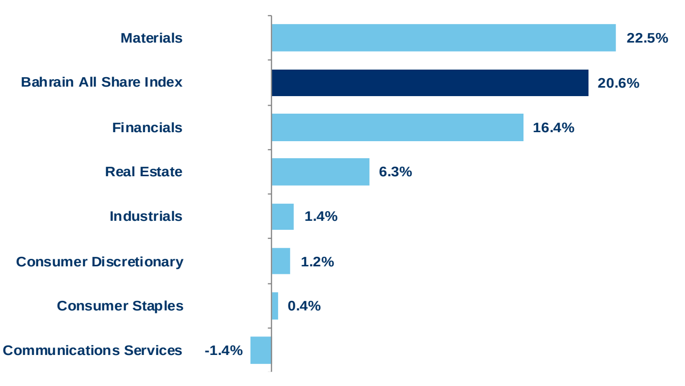
Sectoral performance was mixed between gainers and decliners. The Bahrain Bourse introduced new sectors reporting during the year in line with regional peers. The Bourse's market cap recorded a 26.2% y-o-y rise during 2021 to finish the year at BHD 11.8 Bn compared with BHD 10.9 Bn during 2020. During the year, the Bahrain Bourse saw gain in nine months that supported the overall performance.

GFH National Group lead Bahrain Bourse's yearly gainers table recording 105.7% gain in share price during 2021. Inovest and Aluminum Bahrain followed as the second and third biggest gainers registering 85.2% and 55.9% share rises respectively. On the decliners side, Nass Corp topped the yearly table registering 16.7% y-o-y fall in share price followed by APM Terminal Bahrain and Bahrain Islamic Bank which witnessed and 15.2% and 7.9% decline in their share prices respectively.

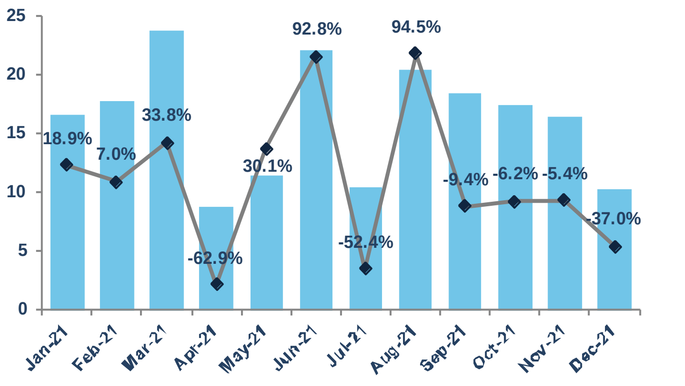
Trading activity in the Bahrain Bourse dipped slightly during 2021. Total value traded during the year fell by 18.3% to BHD 290. Mn down from USD 354.6 Mn during 2020. Comparatively, total yearly volume traded in the bourse have also fallen 18.3% to 1 Bn shares during 2021 down from 1.3 Bn in 2020. Ahli United Bank topped the yearly value traded chart registering BHD 80.9 Mn followed by GFH Financial Group and Aluminum Bahrain which registered BHD 62.3 Mn BHD 32 Mn shares traded respectively. In terms of volume traded during the year, GFH Financial Group lead the way witnessing 308.2 Mn of its shares changing hands during year. Al Khaleeji Commercial Bank and Al Salam Bank followed witnessing 157.7 Mn and 109.5 Mn of their respective shares being traded during 2021.

On the economic front, during December-2021 the Bahraini parliament approved the doubling of VAT in the country from 5% to 10%. The moves comes as part of the country's fiscal balancing and economic recovery plans that got extended by an additional two years until 2024 due to the Covid-19 pandemic and the associated costs to revive the economy. The increase is expected to take effect in 2022 and is expected to add 3% to the country's GDP in the next few years, up from 1.7% in 2021, according to S&P. During the year, the outlook on Bahrain's sovereign rating was downgraded to Negative by Moody's in April-2021 and S&P in May-2021 reflecting refinancing needs and lack of funds. However, S&P changed its outlook on the Kingdom back to Stable during November-2021 reflecting new fiscal reforms aimed at improving non-oil revenues and a reduction in state spending by way of rationalizing expenditure. In addition, the gain in oil prices during the year further supported the change in outlook.

BSE 2021 Sector Performance



Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

Monthly Indicators	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
MSM 30 Index	**3,653.2**	**3,612.4**	**3,708.7**	**3,761.0**	**3,852.6**	**4,063.4**	**4,030.4**	**3,966.7**	**3,942.5**	**4,075.0**	**4,000.4**	**4,129.5**
Monthly % Change	*(0.2%)*	*(1.1%)*	*2.7%*	*1.4%*	*2.4%*	*5.5%*	*(0.8%)*	*(1.6%)*	*(0.6%)*	*3.4%*	*(1.8%)*	*3.2%*
Market Cap (OMR Mn)	**6,307**	**6,229**	**6,415**	**6,416**	**6,497**	**7,020**	**7,011**	**6,933**	**6,994**	**7,176**	**7,025**	**7,191**
P/E (X) - TTM	13.18	11.26	12.13	11.32	11.47	14.27	12.56	12.65	11.73	11.00	11.41	11.66
P/BV (X) - TTM	0.70	0.66	0.68	0.69	0.72	0.82	0.81	0.79	0.80	0.83	0.81	0.84
Dividend Yield (%)	6.86%	7.55%	5.71%	4.81%	4.70%	3.85%	3.83%	3.90%	3.96%	3.83%	3.88%	3.83%
Volume (Mn Shares)	178.5	253.3	654.3	430.9	315.3	667.3	342.1	281.6	303.7	244.9	230.8	965.2
Value (OMR Mn)	27.0	35.0	82.6	68.1	50.3	90.7	53.0	56.2	61.9	40.3	37.0	43.1
Trades	2,394	9,412	12,723	18,290	15,411	23,517	13,576	11,227	10,329	8,813	9,224	8,263

Source: Muscat Securities Market, Kamco Invest Research.

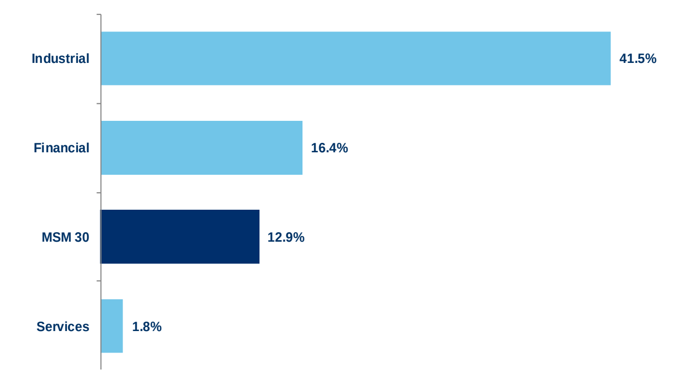
After posting declines for four consecutive years until 2020, the MSX index recorded gains of 12.9% during 2021. This was the second lowest gain in the GCC during the year with the index closing at 4,129.5 points. However, despite the positive performance, the index failed to recover to its pre-pandemic peak by the close of the year. During the year, the index recovered from its lowest level recorded in February-2021 by 16.5% until it's yearly peak closing price of 4,141.09 points on 28 -December-2021.

Sectoral performance was all positive for the year as all the three main sectors witnessed y-o-y gains. The Industrial Sector was the best performing index on the MSX, gaining by 41.5% y-o-y to close at 6,076.9 points, as most of the constituent stocks in the index gained during the year and some topping the yearly gainers list. Al Jazeera Steel Products (+168.6%) was the top performing stock on the index followed by Al Hassan Engineering Company (+157.1%) and Oman Cables Industry (+145.3%). The Financial index followed with gains of 16.4% y-o-y closing the year at 6,577.9 points. Gain in shares of banks including Bank Muscat (+35.2%), National Bank of Oman (+22.5%) and Bank Dhofar (+28.9%) contributed to the overall gain of the index during 2021. The Services index recorded the smallest yearly gain of 1.8% in 2021 to close the year at 1,620.9 points. The Services index had some of the largest yearly decliners including the top two decliners, A'Saffa Food Co (-65.5%) and Dhofar Generating Co (-65.2%) which affected the sector's overall performance during the year.

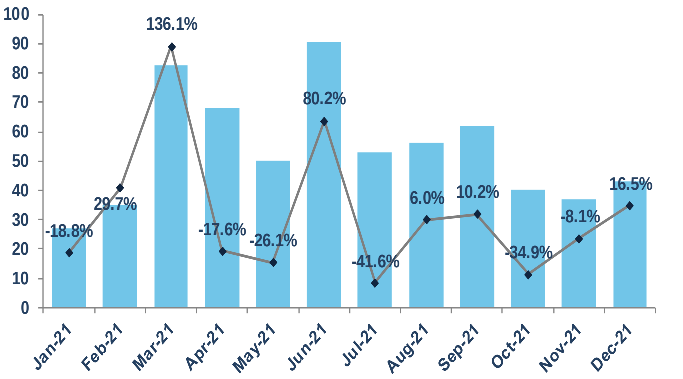
Trading activity on the exchange recovered significantly during the year as compared to 2020 but continued to remain subdued as compared to other GCC markets. Total value traded during the year rose by 61.0% to reach OMR 645.3 Mn in 2021 as compared to OMR 400.7 Mn in 2020. Similarly, total volume traded also increased during 2021 but at a slightly higher rate of 81.2% to reach 4.1 Bn shares as compared to 2.3 Bn shares during 2020. The share of Regular Market stocks in terms of total value traded decreased in 2021 to 53.89% as compared to 60.3% in 2020. Bank Muscat topped the yearly value traded chart for the second consecutive year with OMR 112.5 Mn worth of shares changing hands during the year followed by Ahli Bank and Oman Investment and Finance which recorded value traded at OMR 49.1 Mn and OMR 35.9 Mn, respectively. Ahli Bank lead the way in terms of volume traded during the year with 373 Mn shares traded during the year followed by Oman Invest and Finance and Al Anwar Investment with 290.2 Mn and 280.2 Mn in trades shares for each of these stocks, respectively.

On the economic side, Oman economy is expected to recover from the Covid-19 pandemic induced economic impact and lower oil prices which shaped the Sultanates economic landscape in 2020. The IMF forecasted Oman's economy to expand 2.5% during 2021 after suffering a 2.8% dip in 2020. The IMF predicts that Oman's non-oil GDP would grow 1.5% while oil GDP would increase 3.5% during 2021. Oman's recovery was supported by the Sultanate's key reforms and initiatives to support the economy during the pandemic such as tax waivers, interest free loans and funding to help citizens who lost their jobs due to the pandemic.

MSM 2021 Sector Performance



Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

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