

GCC Markets Monthly Report

February-2020

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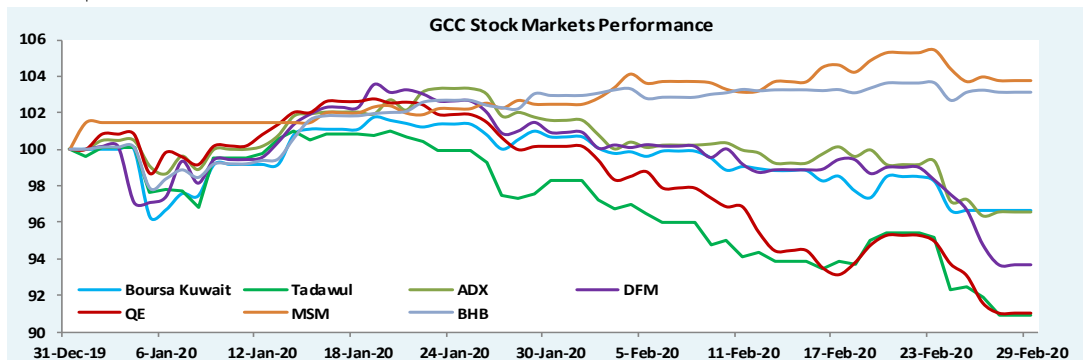
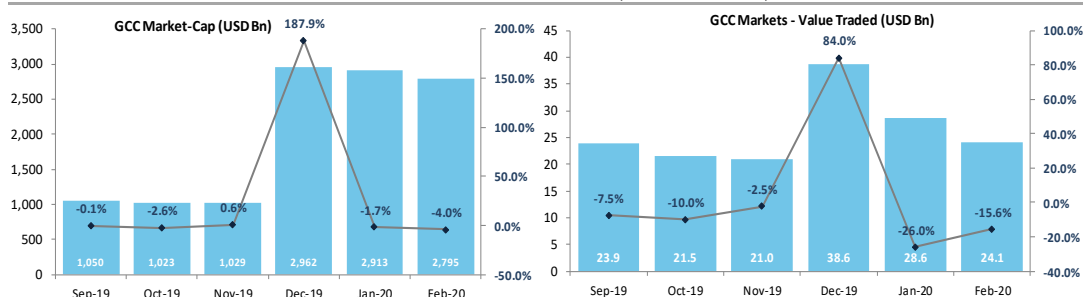
GCC markets see biggest monthly decline in four years on rising coronavirus cases ...

GCC markets felt the heat of rising coronavirus cases globally as well as in the region towards the end of February-2020 that pushed most major indices downwards. The MSCI GCC index declined by 7.3% during the month, the biggest decline since January-2016, that further pushed its YTD-2020 decline to 8.8%. Qatar (-9.1%) witnessed the biggest decline during the month, followed by Saudi Arabia's Tadawul (-7.5%) and UAE's DFM (-4.9%).

The GCC monthly sector performance chart showed a broad-based decline during February-2020 with only the Transportation sector seeing marginal gains during the month on the back of gain in shares of DP World after the company announced plans to delist. On the other hand, the Utilities sector was one of the main large-cap decliners for the month with most of the stocks in the sector seeing double digit declines. The Materials index was next with a decline of more than 10% led by fall in shares of petrochemical companies, in addition to a broad-based decline in shares of cement companies in the region. Banking and Telecom stocks also trended downwards resulting in an aggregate sector decline of around 6% for the both the sectors, while the Real Estate sector decline was slightly steeper at around 7% for the month.

The fear of spreading coronavirus has affected most major global markets since the start of the year. Almost all the major asset classes declined during February-2020 and were in the red in terms of YTD-2020 returns with only gold, as a safe haven asset, showing gains of around 5% since the start of the year. The MSCI World index declined by 8.6% during the month, bringing YTD-2020 decline to close to 10%. Crude oil was one of the biggest decliners during the month with Brent crude prices hovering near the USD 50/b mark registering a monthly decline of 13% and YTD-2020 decline of almost 25% primarily led by concerns relating to demand outlook in the near term.

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Val Traded (USD Mn)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Premier Market Ind	6,730.2	(4.3%)	(3.5%)	116.4	1,728.8	16.2	1.4	3.1%
Kuwait - Main Market Index	4,769.3	(3.1%)	(2.9%)					
Kuwait - All Share Index	6,072.1	(4.0%)	(3.3%)					
Saudi Arabia	7,628.3	(7.5%)	(9.1%)	2,246.5	19,093.5	17.3	1.9	3.5%
Abu Dhabi	4,901.4	(4.9%)	(3.4%)	145.7	812.2	12.4	1.3	5.1%
Dubai	2,590.0	(7.2%)	(6.3%)	98.9	1,058.3	6.6	0.8	4.8%
Qatar	9,490.1	(9.1%)	(9.0%)	144.5	1,243.6	13.1	1.3	4.1%
Bahrain	1,660.5	0.2%	3.1%	25.8	44.8	12.5	0.9	4.6%
Oman	4,130.9	1.3%	3.8%	17.5	137.3	8.7	0.7	6.8%
Total GCC				2,795.3	24,118.5	15.9	1.7	3.7%



Source: GCC Stock Exchanges, Kamco Invest Research

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Boursa Kuwait

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Premier Market Index	5,986.9	6,047.3	6,242.2	6,377.0	6,744.1	6,527.8	6,174.8	6,211.1	6,519.4	6,976.0	7,033.5	6,730.2
Monthly % Change	9.2%	1.0%	3.2%	2.2%	5.8%	(3.2%)	(5.4%)	0.6%	5.0%	7.0%	0.8%	(4.3%)
Main Market Index	4,917.3	4,828.8	4,736.6	4,766.5	4,881.6	4,789.4	4,713.8	4,757.9	4,767.0	4,910.7	4,922.3	4,769.3
Monthly % Change	3.0%	(1.8%)	(1.9%)	0.6%	2.4%	(1.9%)	(1.6%)	0.9%	0.2%	3.0%	0.2%	(3.1%)
All Share Market Index	5,617.8	5,630.0	5,731.7	5,832.1	6,116.7	5,941.1	5,678.7	5,717.3	5,928.3	6,282.5	6,325.0	6,072.1
Monthly % Change	7.4%	0.2%	1.8%	1.8%	4.9%	(2.9%)	(4.4%)	0.7%	3.7%	6.0%	0.7%	(4.0%)
Thomson Reuters Kuwait TRI	240.0	247.0	254.3	259.1	271.9	263.0	249.9	251.6	262.0	276.7	279.4	266.9
Monthly % Change	8.2%	2.9%	2.9%	1.9%	4.9%	(3.3%)	(5.0%)	0.6%	4.2%	5.6%	1.0%	(4.5%)
Market Cap (KWD Mn)	32,179	32,369	33,083	33,664	35,399	34,380	32,862	33,081	34,285	36,345	36,613	35,156
P/E (X) - TTM	16.20	15.50	15.60	15.83	16.60	16.20	15.50	15.60	16.10	16.80	16.90	16.20
P/BV (X) - TTM	1.32	1.36	1.41	1.44	1.51	1.44	1.38	1.39	1.44	1.49	1.50	1.44
Dividend Yield (%)	3.68%	3.79%	3.65%	3.59%	3.42%	3.52%	3.69%	3.68%	3.55%	3.35%	3.46%	3.06%
Volume (Mn Shares)	3,651.9	3,643.3	2,264.3	2,630.3	4,682.6	2,587.2	3,113.0	2,924.1	2,981.0	4,099.3	4,217.4	3,713.5
Value (KD Mn)	817.2	702.7	617.2	660.2	979.0	490.3	749.9	503.8	514.1	853.5	869.5	522.3
Trades ('000)	120.4	141.8	112.9	108.1	180.3	108.5	139.2	122.7	122.4	176.1	160.8	139.4

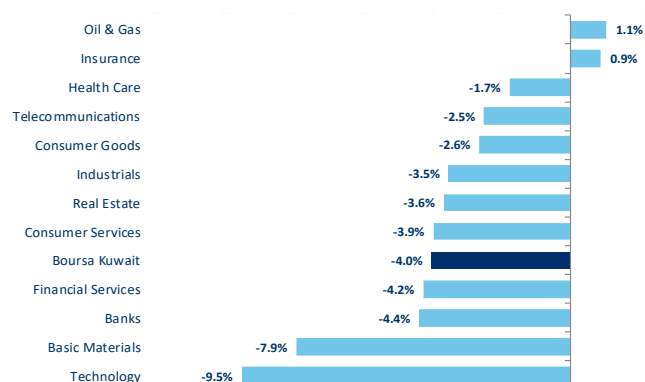
Source: Boursa Kuwait, Kamco Invest Research

Kuwaiti benchmarks trended downward during February-2020 in line with most other GCC and global markets as the number of coronavirus cases increased in the country towards the end of the month. All the three benchmarks declined during the month with the Premier Market index seeing the biggest drop of 4.3% followed by the Main Market index that saw a decline of 3.1%. The net impact on the All Share Market Index was a fall of 4.0%. Declines during the month also wiped off the marginal gains recorded by Kuwaiti indices during the previous month resulting in a YTD-2020 decline of 3.3% for the All Share Market Index and 3.5% for the Premier Market Index. As the market prepares to enter the MSCI Emerging Market Index at the end of March-2020, Boursa Kuwait also introduced the Main 50 Index during the month that includes most actively traded stocks in the Main Market. The new index aims to highlight opportunities outside the large-cap Premier Market space and would also help in addressing investor concerns relating to liquidity of trades in stocks in the Main market.

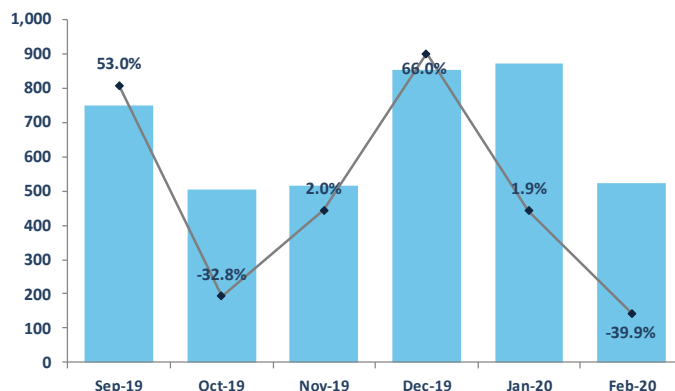
The sector performance chart also highlighted the broader decline in the market with merely two indices, Oil & Gas and Insurance, showing marginal gains during the month. The two indices have also outperformed the rest of the market in terms of YTD-2020 performance with gains of 5.5% for the Oil & Gas index and 2.5% for the Insurance index while the rest of the sector indices declined. The monthly gain in the Oil & Gas index was led by gain in shares of NAPESCO and Burgan Co. for Drilling that more than offset declines in the rest of the companies in the sector. The 3.9% gain in shares of NAPESCO came after the company announced signing of a KWD 109.6 Mn contract with KOC followed by a smaller contract valued at KWD 7.7 Mn with Kuwait Gulf Oil Co. and Saudi Arabian Chevron. Meanwhile, the 0.9% gain in Insurance index came after four out of eight stocks in the index witnessed healthy gains during the month. On the other hand, the Technology index witnessed the steepest decline during the month with a fall of 9.5% reflecting an equivalent decline in shares of ASC. The Basic Materials index followed with the second-biggest monthly decline of 7.9% followed by Banks and Financial Services Indices with relatively smaller declines of 4.4% and 4.2%, respectively.

The monthly market breadth favored decliners that included 110 companies as compared to 44 gainers. The monthly gainers chart was topped by Investors Holding Group with a gain of 41.3% followed by Al-Mal Investment and Wethaq Takaful with gains of 37.8% and 22.2%, respectively. On the decliners side, Noor Financial topped with a decline of 14% followed by First Investment and Kuwait Cement with monthly declines of 13.1% and 12.8%, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Tadawul All Share Index	8,819.4	9,304.2	8,516.5	8,821.8	8,732.6	8,019.8	8,091.8	7,744.1	7,859.1	8,389.2	8,246.6	7,628.3
Monthly % Change	3.8%	5.5%	(8.5%)	3.6%	(1.0%)	(8.2%)	0.9%	(4.3%)	1.5%	6.7%	(1.7%)	(7.5%)
Market Cap (SAR Bn)	2,084.0	2,182.7	1,989.8	1,989.8	2,024.2	1,873.7	1,881.0	1,790.7	1,812.9	8,992.0	8,748.9	8,424.9
P/E (X) - TTM	17.36	18.75	17.12	17.62	17.91	17.14	17.28	16.33	16.37	17.89	18.18	17.33
P/BV (X) - TTM	1.97	2.09	1.93	2.01	2.01	1.85	1.87	1.78	1.81	2.12	2.09	1.89
Dividend Yield (%)	3.26%	3.21%	3.44%	3.40%	3.44%	3.76%	3.74%	3.90%	3.86%	3.23%	3.29%	3.53%
Volume (Mn Shares)	2,723.2	2,905.4	3,525.0	2,689.4	2,528.4	2,563.1	2,536.0	2,456.2	2,225.4	4,306.1	3,708.6	2,890.3
Value (SAR Mn)	61,741.2	77,232.8	109,967.1	74,796.3	65,156.3	78,720.1	64,757.5	61,661.3	57,890.8	112,992.9	84,379.6	71,603.9
Trades ('000)	2,217	2,412	2,479	1,858	2,262	2,119	2,318	2,537	2,173	3,740	3,750	3,271

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

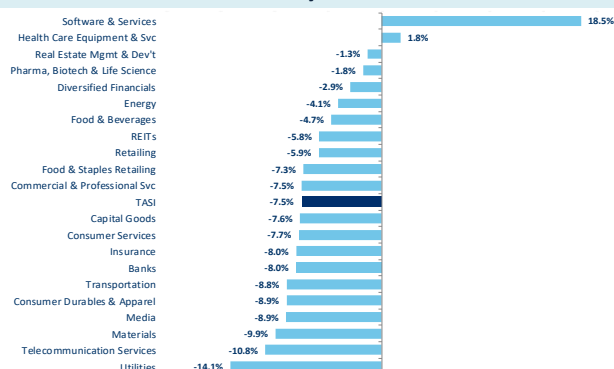
Saudi Arabian equity market breached the psychological support of 8,000 points at the start of February-2020 and reached a 4-month low level of 7,628.34 points by the end of the month led by the rising cases of the coronavirus that has affected markets across the globe. The market registered a monthly decline of 7.5%, the biggest fall since August-2019, that pushed YTD-2020 decline further in the red to 9.1% by the end of February-2020. The sell-off affected all the sectors on the exchange, barring Healthcare and Software & Services, which saw marginal gains during the month.

The Utilities index witnessed the biggest decline during the month at 14.1% after shares of Saudi Electricity Co. (SEC) and National Gas & Industrialization declined by 15.3% and 1.4%, respectively. The decline in shares of SEC came after the utilities giant reported a 21% drop in net profits for 2019 led by higher depreciation and finance charges during the year that was partially offset by higher topline and lower costs. The Telecom Index was the second-biggest decliner during February-2020 registering a fall of 10.8% followed by Materials and Media indices with declines of 9.9% and 8.9%, respectively. In the Telecom sector, shares of Zain KSA declined by 21.8% during the month after the telco reported higher costs in its 2019 financials that partially offset the healthy increase in net profits for the year. Shares of the company also declined after it failed to reach a deal with Ministry of Finance to convert outstanding debts due to the ministry into shares in the company. Shares of STC, which is in talks to acquire a majority stake in Vodafone Egypt, also declined during the month by 9.5% while shares of Mobily fell 12.9%. Meanwhile, the decline in Materials index came after a majority of the stocks in the sector declined during the month. The selling pressure also affected banking stocks on the exchange with the corresponding index declining by 8% after shares of all the eleven listed banks in Saudi Arabia declined during the month.

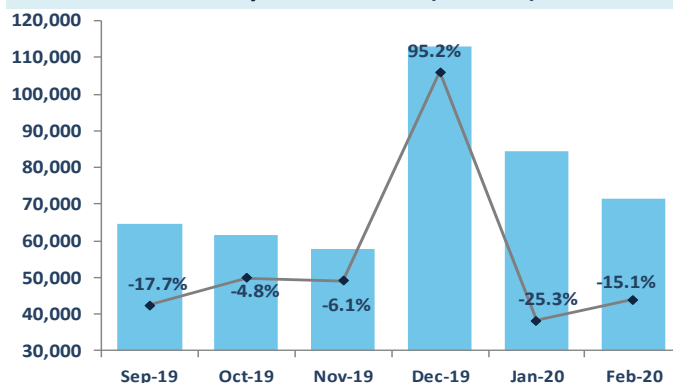
Trading activity on the exchange declined for the second consecutive month. Total volume traded on the exchange dropped 22% to 2.9 Bn shares during February-2020 as compared to 3.7 Bn shares during January-2020. Monthly value traded also receded by 15.1% to SAR 71.6 Bn as compared to SAR 84.4 Bn during the previous month. In terms of individual companies, Dar Al Arkan Real Estate Development once again topped the monthly volume traded chart with 228.9 Mn shares traded during the month followed by Alinma Bank and Saudi Aramco with 219.5 Mn shares and 179.7 Mn traded shares, respectively. On the monthly value traded chart, Al Rajhi Bank topped with SAR 6.6 Bn worth of shares changing hands during the month followed by Saudi Aramco and Alinma Bank at SAR 6.0 Bn and SAR 5.3 Bn in trades, respectively.

Monthly stock performance chart was topped by Al Sharqiyah Development Co. with a gain of 38.4% followed by FIPCO and Al Moammar Information Systems with gains of 20.1% and 18.5%, respectively. On the decliners side, Saudi Cable Co. topped with a fall of 30.5% followed by Al Sorayai Trading and AIG-ANB Coop Insurance with declines of 29.8% and 28.6%, respectively. The monthly market breadth was skewed towards decliners that included 169 stocks whereas gainers included 25 stocks.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
ADX General Index	5,074.7	5,258.1	5,003.6	4,980.0	5,317.9	5,165.6	5,057.3	5,107.8	5,030.8	5,075.8	5,156.2	4,901.4
Monthly % Change	(1.2%)	3.6%	(4.8%)	(0.5%)	6.8%	(2.9%)	(2.1%)	1.0%	(1.5%)	0.9%	1.6%	(4.9%)
Market Cap (AED Bn)	525.4	547.5	498.7	510.6	542.9	530.2	525.0	525.9	519.2	529.1	559.9	535.3
P/E (X) - TTM	12.66	13.29	12.66	12.69	13.53	13.10	12.72	12.85	12.77	12.85	13.17	12.39
P/BV (X) - TTM	1.32	1.41	1.38	1.38	1.48	1.44	1.41	1.43	1.40	1.42	1.35	1.27
Dividend Yield (%)	4.97%	4.76%	4.99%	4.98%	4.67%	4.87%	4.97%	4.94%	5.00%	4.95%	4.81%	5.08%
Volume (Mn Shares)	1,248.9	1,467.4	921.7	677.9	1,378.2	984.5	956.2	842.7	874.0	1,578.7	657.7	886.1
Value (AED Mn)	4,347.2	5,092.2	3,801.0	3,446.9	4,017.1	3,240.7	3,394.0	2,663.3	3,436.5	10,907.2	2,455.8	2,983.3
Trades	30,142	36,226	36,212	26,310	33,745	32,103	34,016	30,702	29,132	25,376	23,279	28,487

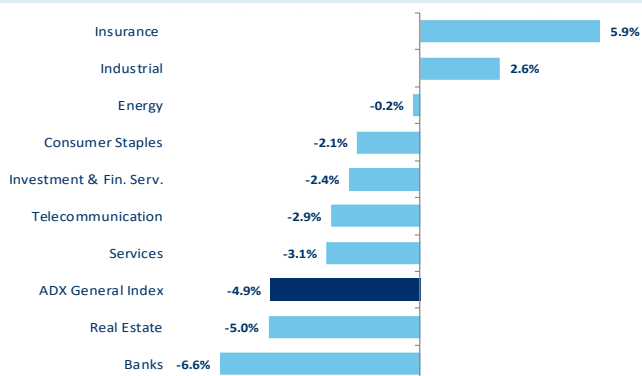
Source: Abu Dhabi Securities Exchange, Kamco Invest Research

ADX reversed gains from Jan-20 (+1.6%) and fell by 4.9% m-o-m in Feb-20. Global market weakness drove the index to break the 5000-point mark and close at 4901.43 points. Sectoral index performance barring Insurance (+5.9%) and Industrials (+2.6%) indices was negative. Banks and Real Estate indices came under the most pressure as they dropped by 6.6% and 5.0% respectively. FAB (-7.5%) and ADCB (-6.8%) were the main drivers of underperformance for Banks, while Aldar (-4.9%) drove the m-o-m drop witnessed in the Real Estate index. Aldar Properties reported a group revenue growth of 14% y-o-y to reach AED 7.15 Bn in 2019, as development sales grew by 53% y-o-y to AED 4.0 Bn. They also reported a 7% y-o-y increase in 2019 net profit to AED 1.984 Bn, driven by growth across both its development and asset management businesses. Telecoms also witnessed declines of 2.9% m-o-m, driven by a similar percentage drop from Etisalat. Etisalat mentioned that its aggregate subscriber base reached 149 Mn in 2019, up 6% y-o-y, while revenues and net profit remained broadly flat y-o-y at AED 52.2 Bn and AED 8.7 Bn respectively. Insurance names on the ADX, like most markets in the GCC witnessed gains, and were up by 5.9% m-o-m. The Industrials index was buoyed by a 12.6% m-o-m gain for RAK Ceramics in Feb-20.

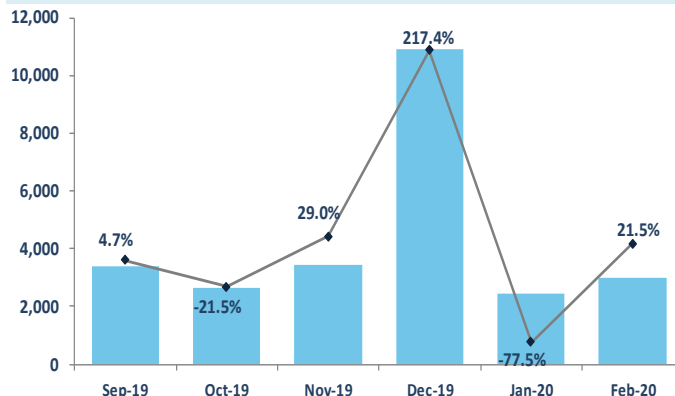
In earnings releases, Waha Capital reported a total income of AED 243.2 Mn for full year 2019, down significantly from AED 809.5 Mn in 2018, mainly driven by Private Investments loss of AED 417.4 Mn in 2019 compared to income of AED 576.9 Mn in 2018. Further, Private Investments net loss of AED 835.4 Mn in 2019 as compared to a profit of AED 185.4 Mn in 2018 drove a group net loss of AED 616.3 Mn for 2019, compared to a net profit of AED 145.0 Mn in 2018. Separately Energy index name TAQA reported a 1% decrease in revenues y-o-y to AED 17.6 Bn in 2019 as compared to 2018. Main driver was a decrease in O&G revenues due to the lower realized oil and gas prices with relatively stable volumes, partially offset by an increase in P&W revenues. Net profit for 2019 decreased to AED 234 Mn as compared to a profit of AED 398 Mn in 2018. Net profit was mainly impacted by operational factors in addition to unfavorable mark-to-market revaluations on derivatives and reduction in share of results of associates which were partially offset by a reduction in the Group's finance costs due to lower debt balances. AGTHIA reported a 2% y-o-y revenue growth from AED 2.00 Bn in 2018 to AED 2.04 Bn in 2019 driven by geographic expansion and product diversification. Net profit however fell almost 35% from AED 210.5 Mn in 2018 to AED 137.0 Mn.

Abu Dhabi National Energy topped the monthly gainers chart, with a gain of 39.4% m-o-m followed by Abu Dhabi National Insurance and Abu Dhabi National Insurance Co with gains of 23.3% and 16.7% respectively. On the decliners side, the main laggards were AL Khaleej Investment and Methaq Takaful Insurance with declines of 16.3% and 16.2%, respectively. Trading activity on the exchange was up m-o-m in Feb-20, as volumes traded improved by 34.7% to 886.1 Mn shares. Value traded gained by 21.5% m-o-m to reach AED 2.98 Bn during Feb-20. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 934.32 Mn worth of shares traded during Feb-20. Etisalat and ADCB followed as AED 406.5 Mn and AED 307.6 Mn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 138.6 Mn shares were traded. Abu Dhabi National Energy and Dana Gas followed with 129.9 Mn and 82.2 Mn shares traded.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
DFM General Index	2,634.9	2,767.1	2,620.3	2,658.6	2,918.4	2,758.6	2,781.1	2,746.9	2,678.7	2,764.9	2,790.4	2,590.0
Monthly % Change	(0.0%)	5.0%	(5.3%)	1.5%	9.8%	(5.5%)	0.8%	(1.2%)	(2.5%)	3.2%	0.9%	(7.2%)
Market Cap (AED Bn)	346.7	359.4	343.3	347.7	371.6	357.3	361.2	359.0	351.0	359.9	381.1	363.4
P/E (X) - TTM	7.25	7.56	7.26	7.29	7.87	7.56	7.26	6.82	6.57	6.76	6.93	6.59
P/BV (X) - TTM	0.89	0.94	0.90	0.91	0.97	0.92	0.93	0.93	0.90	0.93	0.92	0.83
Dividend Yield (%)	5.25%	4.59%	4.84%	4.77%	4.33%	4.43%	4.40%	4.49%	4.43%	4.31%	4.25%	4.81%
Volume (Mn Shares)	2,532.2	4,221.2	3,222.4	2,200.7	3,814.1	2,281.1	3,166.0	4,462.3	3,249.9	3,162.9	2,912.1	2,746.3
Value (AED Mn)	4,021.6	5,821.9	4,075.6	2,838.3	4,990.5	2,886.8	5,270.5	4,423.8	4,865.5	4,173.8	3,968.5	3,887.3
Trades	46,179	65,625	62,391	45,095	63,397	45,792	51,127	62,712	60,225	47,868	48,434	49,137

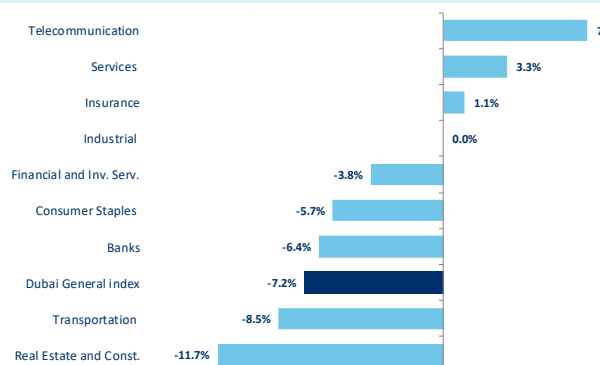
Source: Dubai Financial Market, Kamco Invest Research

The DFM index came under severe selling pressure in Feb-20, in line with global markets on the back of growing fears surrounding the impact of coronavirus. The DFM index fell by 7.2% m-o-m in Feb-20, and reversed marginal gains from Jan-20 (+0.9%) to end in the red YTD (-6.3%). Sectoral performance was mostly negative barring Telecoms (+7.5%), Services (+3.3%) and Insurance sectors (+1.1%). The RE & Construction index was the worst performing sectoral index and plunged by 11.7% m-o-m in Feb-20. In full year 2019 earnings releases, Emaar reported group revenues of AED 24.6 Bn for 2019, down 4.3% from AED 25.7 Bn in 2018. Net profit to equity shareholders of parent company improved marginally from AED 6.1 Bn in 2018 to AED 6.2 Bn in 2019. The Transportation and Banking indices followed with declines of 8.5% and 6.4% m-o-m. The Banking index declines was driven by Emirates NBD (-8.7%) and Dubai Islamic Bank (-5.4%). The Consumer Staples index also receded by 5.7% m-o-m in Feb-20, as DXB Entertainment saw its share price decline by 5.8% m-o-m, while Dubai Refreshments Co dropped by 4.4% in Feb-20. Telecoms were the best performing index gaining by 7.5% m-o-m, as DU gained by 7.5% for the month.

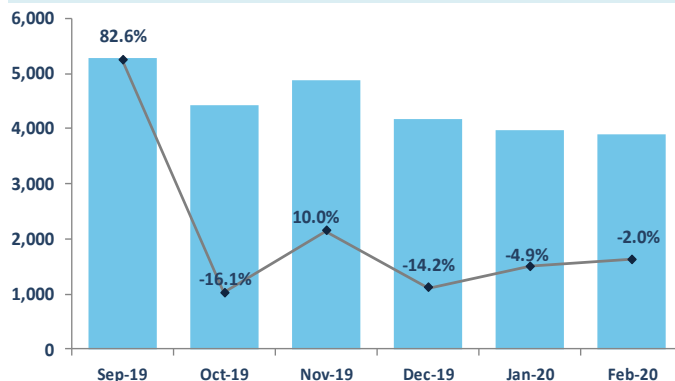
In other earnings releases, banking major DIB saw its total income reach AED 13,684 Mn in 2019, up by 17% y-o-y compared to AED 11,730 Mn in 2018. The main drivers for growth were reportedly the bank's focus on quality business that led to robust growth in core income, with net revenue amounting to AED 9,267 Mn, an increase of 13% compared with AED 8,202 Mn in 2018. Net profit was up 2% y-o-y in 2019 and reached AED 5.1 Bn, while cost-to-income ratio stood at 26.9%. DIB Board recommended an increase in Foreign Ownership Limit to 40%, subject to regulatory and corporate approvals. Contracting company Arabtec reported a net loss to parent of AED 774 Mn in 2019 from a net profit of AED 256 Mn in 2018, mainly attributed to the company's construction business. The full year loss for the company was mainly driven by tight liquidity in the RE and construction sector, a slow RE sector with limited new awards, settlement and recoverability of claims, and estimated losses of an associate investment. Telecom player DU reported a marginal net profit decline of 1.3% y-o-y to reach AED 1.73 Bn, as revenues dropped 13% y-o-y to AED 12.6 Bn. However net profit grew by 9.3% on an LFL basis.

In terms of trading activity, the DFM witnessed marginally lower trends, as volumes traded declined by 5.7% m-o-m to reach 2.75 Bn shares. In terms of value traded, total value of shares receded by 2.0% m-o-m to reach AED 3.89 Bn. In terms of monthly gainers, Khaleeji Commercial Bank led all stocks as its stock price went up by 40.4% m-o-m in Feb-20. Dar Al Takaful and Oman Insurance followed, as their stock prices moved up by 20.6% and 12.2% respectively. On the other hand, shares of Arabtec declined the most as its share price declined by 26.2% m-o-m. Ajman Bank and Takaful Emarat followed, as its stock prices receded by 15.5% and 15.1% respectively m-o-m. Emaar Properties was the most actively traded stock on the exchange as AED 705.6 Mn worth of stock was traded. Dubai Islamic Bank and Emirates NBD followed with value traded of AED 683.5 Mn and AED 549.7 Mn respectively. In terms of volumes, Union Properties led all stocks as 490.9 Mn shares were traded. Deeyar Development and GFH followed as 245.6 Mn and 244 Mn shares were traded. Market breadth favored decliners as 10 stocks gained ground while 30 stocks witnessed lower levels during the month of Feb-20.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, Kamco Invest Research

Qatar Exchange

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
QE 20 Index	10,107.4	10,376.8	10,273.0	10,455.7	10,505.0	10,232.9	10,367.1	10,189.0	10,147.9	10,425.5	10,442.0	9,490.1
Monthly % Change	(0.0%)	2.7%	(1.0%)	1.8%	0.5%	(2.6%)	1.3%	(1.7%)	(0.4%)	2.7%	0.2%	(9.1%)
Market Cap (QAR Bn)	567.8	584.4	568.1	577.6	578.1	564.2	574.8	563.4	562.2	582.7	579.5	526.0
P/E (X) - TTM	13.78	14.24	13.68	13.92	13.88	13.84	14.05	13.77	13.74	14.18	14.05	13.12
P/BV (X) - TTM	1.29	1.34	1.29	1.31	1.31	1.27	1.29	1.39	1.39	1.44	1.39	1.25
Dividend Yield (%)	3.94%	3.87%	4.03%	3.96%	3.96%	4.08%	4.02%	4.15%	4.16%	4.02%	4.03%	4.14%
Volume (Mn Shares)	234.5	283.2	439.5	672.0	1,282.1	1,239.7	2,343.5	1,614.2	1,412.0	1,507.5	1,730.4	1,557.9
Value (QAR Mn)	6,841.5	5,484.8	10,299.7	5,468.2	3,784.8	4,083.5	6,021.3	4,711.0	5,238.8	4,822.4	4,669.1	4,527.9
Trades	119,732	120,178	194,051	121,014	109,728	118,906	147,557	111,539	116,733	122,888	101,454	120,366

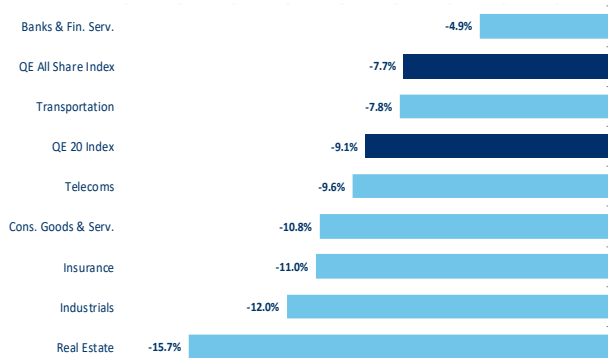
Source: Qatar Exchange, Kamco Invest Research

Qatar Exchange was the worst affected GCC market in the global sell-off in Feb-20, after ending Jan-20 broadly flat. The QE 20 index plunged by 9.1% m-o-m in Feb-20, and closed at 9490.14 points, while the broader market witnessed marginally lower declines, as the Qatar All Share index fell by 7.7% m-o-m. Market breadth favored decliners as 43 companies saw lower levels m-o-m, while only 4 companies closed in the green for the month. Performance was negative across all sectors, with 4 out of the 7 sectors witnessing double digit declines. The Real Estate index was the worst performing index, as it fell by 15.7% m-o-m in Feb-20, as all constituents were down by double digits, led by declines from United Development (-20.4%) and Mazaya (-15.7%). Industrials and Insurance sectors followed with declines of 12% and 10.9% respectively m-o-m. The Banks & Financial Services index was the least affected, as it declined by 4.9% m-o-m; however, index constituent-National Leasing Holding was the only index constituent to close marginally in the green.

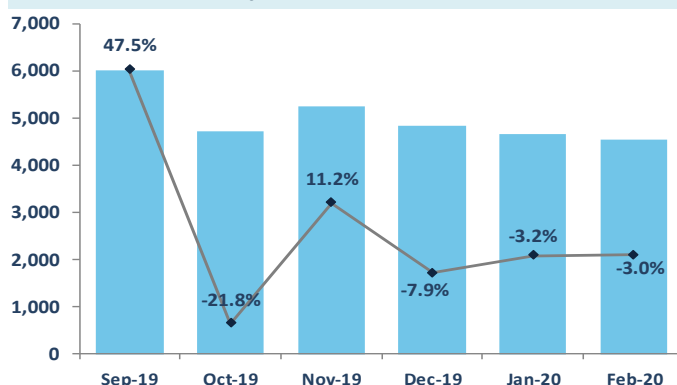
In earnings releases for full year 2019, total group revenues for GISS surged 20% y-o-y from 2018, to reach QAR 3.0 Bn as compared to QAR 2.5 Bn in the previous year, following significant expansion in premiums from insurance business and international expansion of aviation business. Strong revenue growth also pushed net profit for 2019 to QAR 44 Mn, up 144% from a net loss of QAR 98 Mn in 2018. Ooredoo reported that their group customer base improved by 2% y-o-y to 117 Mn, mainly driven by new customers in Indonesia, Myanmar and Kuwait. Group revenue was stable at QAR 29.9 Bn in 2019, despite the industry wide shift from voice to data consumption, a reduction in handset sales as well as macroeconomic and FX weakness. Group Net Profit attributable to Ooredoo shareholders increased by 10% to QAR 1.7 Bn in 2019 compared to 2018 driven by an increase in EBITDA, a more favorable FX environment as compared to 2018, which was partially offset by a negative IFRS16 impact on net profit. Industries Qatar recorded a net profit of QAR 2.6 Bn as compared to QAR 5.0 Bn, down 49% y-o-y, while total revenues declined by 16% to reach QAR 13.7 Bn (assuming proportionate consolidation) as compared QAR 16.3 Bn for 2018. Average selling prices declined by 14% y-o-y, and contributed to a decrease in revenues and net profit.

Trading activity indicators was down marginally m-o-m, as value traded during Feb-20 decreased by 3.0% to reach QAR 4.53 Bn, while traded volumes decreased by 10.0% m-o-m to reach 1.6 Bn shares. QNB topped the monthly value traded chart with QAR 1.11 Bn worth of shares traded, followed by Masraf Al Rayan and Qatar Islamic Bank recording QAR 389.7 Mn and QAR 264.3 Mn in monthly value traded. In terms of volumes traded, United Development led all stocks with traded volumes of 195.1 Mn shares. Ezdan Holding and Masraf Al Rayan followed with traded volumes of 178.9 Mn shares and 95.1 Mn shares respectively. The Banks & Financial Services sector was the most active in terms of value traded during Feb-20, accounting for 52.79% of the total value traded, followed by Industrials and Real Estate sectors, as they accounted for 15.0% and 11.6% of the total value traded respectively. Doha Insurance was the top performing stock in the index for the month, as its share price surged by 3.9%. National Leasing followed along with Qatar Cinema, as their stock prices moved up by 1.3% and 0.5% respectively. On the other hand, shares of Salam Investment Co. was the worst performing stock losing 28.2% m-o-m. Qatar Investors Group and Qatar Aluminum Manufacturing followed with declines of 22.2% and 21.3% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Bahrain All Share Index	1,413.32	1,433.92	1,433.52	1,471.04	1,547.68	1,533.09	1,516.53	1,523.27	1,526.95	1,610.18	1,657.63	1,660.48
Monthly % Change	0.0%	1.5%	(0.0%)	2.6%	5.2%	(0.9%)	(1.1%)	0.4%	0.2%	5.5%	2.9%	0.2%
Market Cap (BHD Mn)	8,062	8,168	8,176	8,400	8,837	8,751	8,661	8,695	8,708	9,175	9,679	9,710
P/E (X) - TTM	9.36	9.41	10.27	10.60	11.22	11.30	10.15	10.26	10.44	11.09	11.38	12.50
P/BV (X) - TTM	0.83	0.84	0.85	0.88	0.93	0.92	0.91	0.91	0.91	0.95	0.97	0.95
Dividend Yield (%)	5.13%	5.06%	5.08%	4.93%	4.54%	4.58%	4.63%	4.60%	4.59%	4.37%	4.24%	4.61%
Volume (Mn Shares)	100.3	145.0	66.1	123.1	105.9	55.9	68.6	77.4	82.4	88.8	58.9	70.8
Value (BHD Mn)	30.2	33.7	16.2	36.4	27.9	11.8	17.5	17.1	25.4	24.9	18.7	16.9
Trades	1,719	2,040	1,408	1,735	2,420	1,287	1,661	1,535	1,138	1,538	1,446	1,378

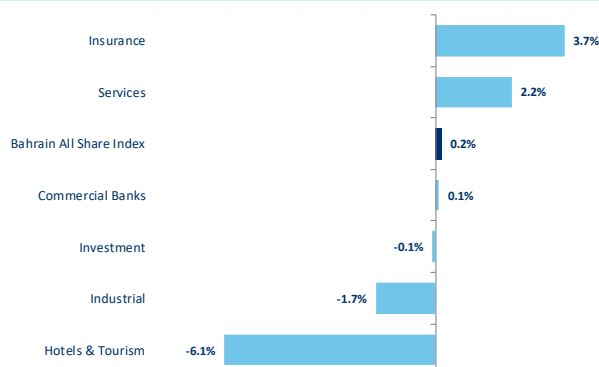
Source: Bahrain Bourse, Kamco Invest Research

The Bahrain All Share index closed broadly flat (+0.2%) m-o-m in Feb-20, and remains one of the only two GCC indices to remain the green YTD (+3.1%). The index closed at 1660.48 points, while sectoral performance was mixed m-o-m. The Insurance index was the best performing sectoral index as it gained by 3.7% m-o-m in Feb-20, led by a 10.7% gain for Arab Insurance Group. Services names also moved up by 2.2% m-o-m, while Commercial Banks remained broadly flat (+0.1%) for the month of Feb-20. Hotels & Tourism was the main laggard, dropping 6.1% m-o-m. Trading activity was mixed in Feb-20, as value traded receded by 9.7% m-o-m to BHD 16.9 Mn. Volumes traded however improved by 20.3% m-o-m to 70.8 Mn shares. Market breadth favored gainers as 19 stocks closed in the green while 7 stocks saw lower levels in Feb-20.

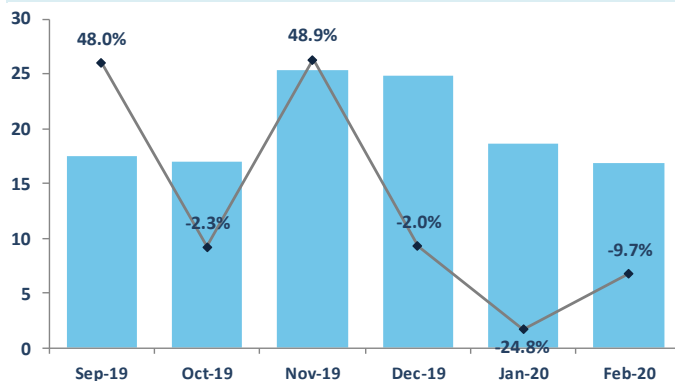
In earnings releases, Batelco's net profit attributable to equity holders of the company for 2019 came in at BHD 51.6 Mn up by 3% from BHD 50.1 Mn in 2018, mainly due to a 4% increase in operating profit, and the BHD 28.4 Mn gain on the sale of Qualitynet in May 2019. Revenues for 2019 amounted to BHD 401.5 Mn, a decrease of 1% y-o-y when compared to BHD 405.9 Mn of revenues in 2018. Consolidated revenues were impacted by the sale of Qualitynet, as the company contributed an additional BHD 11.0 Mn of revenues in 2018. Banking major National Bank of Bahrain (NBB) reported a total comprehensive income increase of 36.6% to reach BHD 91.0 Mn in 2019 compared with BHD 66.6 Mn in 2018, ascribed to higher mark-to-market gains on investment securities classified as FVOCI. NBB reported a 6.0% increase in net profit to BHD 74.2 Mn for 2019, compared to BHD 70.0 Mn in 2018. The increase in net profit was due to a healthy y-o-y growth in operating income of 7.2% and a well maintained cost-to-income ratio of 35.9% in 2019, compared to 35.6% in 2018, despite the Bank's ongoing investments in human capital and technology to support its transformation strategy. Competitor AUB reported a comprehensive income of USD 772.3 Mn, up 16.6% y-o-y from USD 662.5 Mn. Net profit increased by 4.7% y-o-y from USD 697.5 Mn in 2018 to USD 730.5 Mn in 2019. BBK achieved a net profit of BHD 75.4 Mn in 2019 compared to BHD 67.1 Mn in 2018, representing a growth of 12.4%, ascribed to the decrease in net provisions requirements by 46.5% to BD 18.9 Mn as a result of active management of distressed exposures and higher recovery efforts.

Trading activity was mixed in Feb-20, as value traded fell by 9.7% m-o-m to BHD 16.9 Mn. Volumes traded however improved by 20.3% m-o-m to 70.8 Mn shares. The number of trades made in the exchange declined to 1,378 trades, down 4.7% m-o-m from Jan-20. AUB was the most actively traded stock in Feb-20 with BHD 15.26 Mn worth of its shares traded on the exchange. GFH and Batelco followed with around BHD 6.03 Mn and BHD 2.55 Mn worth of shares traded. In terms of volumes traded, GFH topped the list as well, with 25.7 Mn shares traded on the exchange. AUB and Al Salam Bank followed with 13.9 Mn shares and 7.9 Mn shares respectively. Of the 19 stocks that closed in the green in Feb-20, Khaleeji Commercial Bank topped the gainers list, as it witnessed a 33.3% m-o-m increase, followed by Arab Insurance Group with monthly gains of 10.7%. National Hotels Co. was the main laggard, with a m-o-m decline of 32.2%, followed by Al Baraka Banking (-7.6%) and Bahrain Cinema (-5.4%).

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

Monthly Indicators	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
MSM 30 Index	3,983.7	3,945.6	3,934.2	3,884.9	3,760.6	4,004.9	4,017.7	3,999.9	4,064.1	3,981.2	4,079.3	4,130.9
Monthly % Change	(3.9%)	(1.0%)	(0.3%)	(1.3%)	(3.2%)	6.5%	0.3%	(0.4%)	1.6%	(2.0%)	2.5%	1.3%
Market Cap (OMR Mn)	6,709	6,613	6,602	6,544	6,383	6,713	6,729	6,675	6,706	6,591	6,722	6,744
P/E (X) - TTM	8.82	8.82	8.85	8.70	7.67	8.21	8.22	8.26	8.32	8.13	8.47	8.66
P/BV (X) - TTM	0.72	0.71	0.71	0.71	0.69	0.74	0.74	0.74	0.75	0.73	0.75	0.73
Dividend Yield (%)	6.61%	6.60%	6.59%	6.70%	7.66%	7.15%	7.13%	7.13%	7.05%	7.21%	6.80%	6.79%
Volume (Mn Shares)	310.8	303.3	180.6	307.9	276.7	558.0	297.2	433.3	207.2	332.3	231.2	278.6
Value (OMR Mn)	45.3	41.9	27.4	52.9	37.3	164.3	40.9	53.4	32.4	62.0	40.8	52.9
Trades	9,547	12,704	8,473	8,365	9,982	8,464	11,066	10,774	9,901	10,490	11,293	12,494

Source: Muscat Securities Market, Kamco Invest Research.

The Omani stock market continued on its growth trajectory for the second consecutive month during February-2020 defying the selling pressure in the region as well as globally. The MSM 30 index was the best performing index in the GCC during the month with a gain of 1.3% to close at 4,130.91 points. Gains during February-2020 also pushed YTD-2020 gains to the best in the GCC at 3.8%. In terms of sector performance, the Industrial index topped monthly returns with a gain of 0.48%, while the Services index declined by 0.9%. The Financial index ended flat during the month.

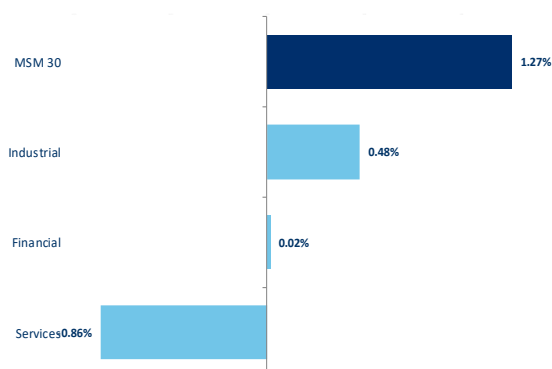
Monthly share performance in the regular market, was topped by Oman Cement that recorded a gain of 14.3%. The company's board proposed a cash dividend of 20 Baiza/share for the year 2019 as compared to 30 Baiza/share announced in 2018. Muscat Finance was next on the list with a gain of 12.7% followed by Raysut Cement and OmanTel with monthly gains of 12.5% and 7.7%, respectively. Shares of OmanTel gained after the company reported a significant improvement in its FY-19 profits that grew from OMR 64.8 Mn in FY-2018 to OMR 77.7 Mn in FY-2019. The telco also announced cash dividend of 55 Baiza/share for 2019 as compared to a cash dividend of 50 Baiza/share announced in 2018.

On the decliners side, Oman Chlorine topped with a fall of 9.1% followed by Shell Oman Marketing and Vision Insurance that reported declines of 7.6% and 7.4%, respectively. The market breadth for the overall market was slightly skewed towards decliners that included 39 stocks while gainers included 26 companies. Prices of 52 companies remained unchanged during the month that recorded largely minimal trading activity.

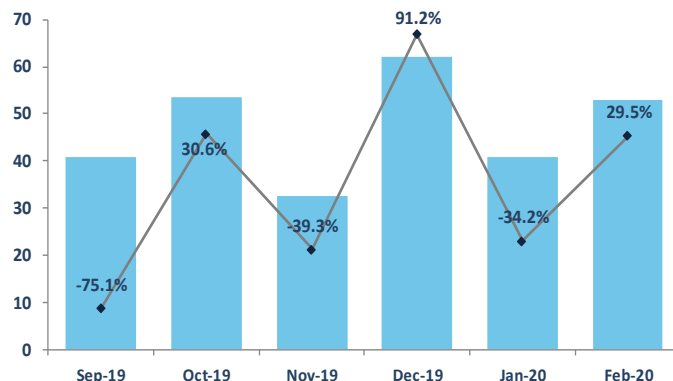
Trading activity improved during the month with both volume and value traded seeing increase as compared to January-2020. Total volume traded on the exchange increased by 20.5% in February-2020 to reach 278.6 Mn shares as compared to 231.2 Mn shares during the previous month. Value traded also increased by 29.5% to reach OMR 52.9 Mn in February-2020 vs. OMR 40.8 Mn during January-2020. The monthly volume traded chart was topped by Bank Muscat with a total volume of 23.1 Mn shares followed by Bank Nizwa and Gulf Invest Services Holding with monthly volumes of 23.0 Mn and 20.8 Mn shares, respectively. Bank Muscat also topped the monthly value traded chart with shares worth OMR 10.4 Mn changing hands during the month followed by Renaissance Services and Oman United Insurance with value traded at OMR 3.8 Mn and OMR 3.4 Mn, respectively.

Parallel market stocks continued to account for the bulk of the trades on the exchange accounting for 70.9% of volume traded and 54.1% of value traded during February-2020. In terms of sector, the Financial sector accounted for 54% of value traded on the exchange followed by Services sector at 31% while the Industrial sector accounted for 15%. The share of Omanis in the total value of buy trades during the month increased from 76.3% in Jan-2020 to 88.5% in Feb-2020. In terms of value of sell trades, Omani's share increased from 71% in Jan-2020 to 75.6% in Feb-2020.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

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