

GCC Markets Monthly Report

July-2020

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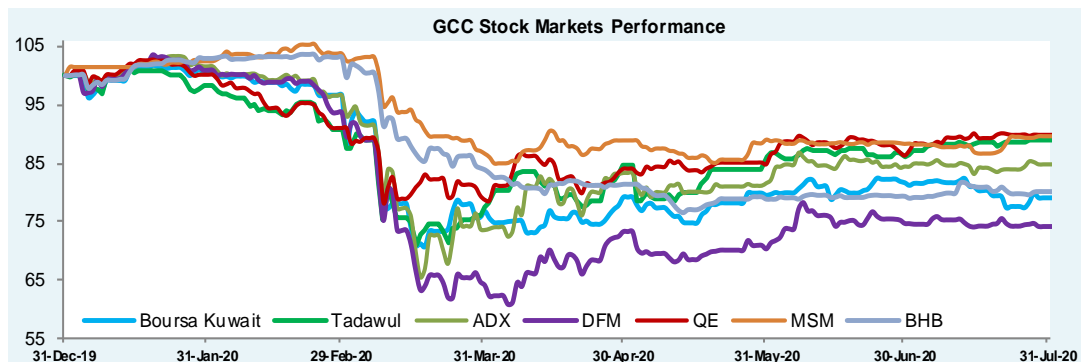
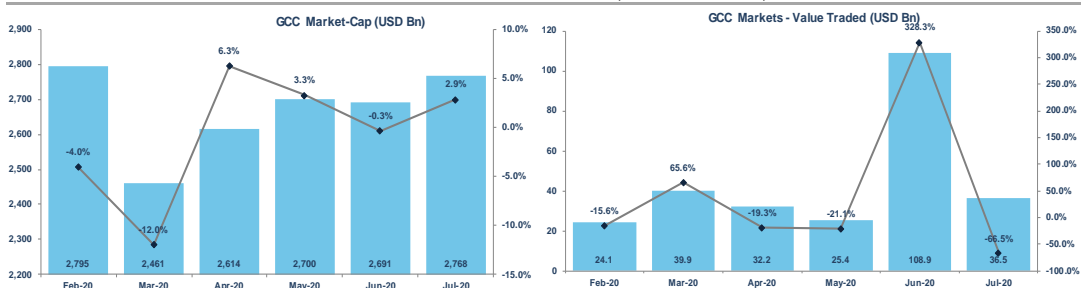
GCC markets gain for the fourth consecutive month in July-2020...

GCC markets witnessed gains across all sectors during July-2020 resulting in a monthly gain of 2.9% for the S&P GCC Total return index. In terms of country performance, however, gains were mainly concentrated in Qatar and Saudi Arabia with the corresponding benchmarks gaining 4.1% and 3.3% during the month, respectively. On the other hand, Kuwait witnessed the biggest drop during the month with a decline of 3.2% for the All Share Market Index, followed by Dubai with a marginal decline of 0.7%. Nevertheless, in terms of YTD-2020 total returns, GCC equities remained in the red, declining by 9% YTD at the aggregate level.

In terms of sector performance, the Consumer Durable & Apparels sector witnessed the biggest gains, as markets opened up after Covid-19 lockdowns. The index gained 18.6% during the month, followed by Healthcare and Insurance benchmarks, with double digit gains of 13.7% and 12.9%, respectively. That said, large-cap sectors including Banks, Telecom and Energy witnessed only minimal gains during the month. The Telecom index was at the bottom of the chart with a gain of 0.2%, followed by Real Estate and Banks at 0.4% and 0.9%, respectively. The 2.0% gain in the Energy index highlighted stability in oil prices during the month. The laggards also were the major decliners in terms of YTD-2020 returns, with the exception of Telecom index that gained 1.3% until July-2020. Real Estate and Banks were at the bottom YTD with declines of 23.5% and 17.0% since the start of the year.

GCC market gains were largely in line with global markets with the MSCI World index gaining 4.7% during the month. Emerging Markets saw strong gains of 8.4% led by China's 10.9% gains. Commodities market was also in the green with oil prices up more than 5% in July-2020, but the 10.9% gain in gold price was the highlight, as the safe-haven asset touched historical levels on continuing economic concerns.

| GCC Equity Markets | Index Closing | MTD Chg% | YTD Chg% | M-Cap (USD Bn) | Monthly Val Traded (USD M n) | P/E (x) TTM | P/B (x) TTM | Div. Yield |
|-----------------------------|---------------|----------|----------|----------------|------------------------------|-------------|-------------|-------------|
| Kuwait - Premier Market Ind | 5,415.3 | (3.4%) | (22.4%) | 96.1 | 1,750.0 | 14.2 | 1.2 | 4.2% |
| Kuwait - Main Market Index | 4,086.0 | (2.5%) | (16.8%) | | | | | |
| Kuwait - All Share Index | 4,968.2 | (3.2%) | (20.9%) | | | | | |
| Saudi Arabia | 7,459.2 | 3.3% | (11.1%) | 2,225.7 | 29,688.9 | 23.5 | 1.8 | 3.5% |
| Abu Dhabi | 4,304.7 | 0.4% | (15.2%) | 178.9 | 701.0 | 15.0 | 1.2 | 5.6% |
| Dubai | 2,050.8 | (0.7%) | (25.8%) | 78.9 | 1,235.6 | 7.1 | 0.7 | 4.7% |
| Qatar | 9,368.2 | 4.1% | (10.1%) | 150.4 | 3,007.0 | 15.3 | 1.4 | 4.3% |
| Bahrain | 1,290.6 | 1.0% | (19.8%) | 21.6 | 32.7 | 9.8 | 0.8 | 5.5% |
| Oman | 3,568.1 | 1.5% | (10.4%) | 16.2 | 78.3 | 10.3 | 0.8 | 6.7% |
| Total GCC | | | | 2,767.7 | 36,493.4 | 20.1 | 1.6 | 3.7% |



Source: GCC Stock Exchanges, Kamco Invest Research

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Boursa Kuwait

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Premier Market Index | 6,527.8 | 6,174.8 | 6,211.1 | 6,519.4 | 6,976.0 | 7,033.5 | 6,730.2 | 5,198.7 | 5,356.3 | 5,424.3 | 5,607.1 | 5,415.3 |
| Monthly % Change | (3.2%) | (5.4%) | 0.6% | 5.0% | 7.0% | 0.8% | (4.3%) | (22.8%) | 3.0% | 1.3% | 3.4% | (3.4%) |
| Main Market Index | 4,789.4 | 4,713.8 | 4,757.9 | 4,767.0 | 4,910.7 | 4,922.3 | 4,769.3 | 4,083.1 | 4,226.4 | 4,150.4 | 4,190.1 | 4,086.0 |
| Monthly % Change | (1.9%) | (1.6%) | 0.9% | 0.2% | 3.0% | 0.2% | (3.1%) | (14.4%) | 3.5% | (1.8%) | 1.0% | (2.5%) |
| All Share Market Index | 5,941.1 | 5,678.7 | 5,717.3 | 5,928.3 | 6,282.5 | 6,325.0 | 6,072.1 | 4,822.7 | 4,975.4 | 4,995.6 | 5,130.7 | 4,968.2 |
| Monthly % Change | (2.9%) | (4.4%) | 0.7% | 3.7% | 6.0% | 0.7% | (4.0%) | (20.6%) | 3.2% | 0.4% | 2.7% | (3.2%) |
| Thomson Reuters Kuwait TRI | 263.0 | 249.9 | 251.6 | 262.0 | 276.7 | 279.4 | 266.9 | 213.9 | 227.5 | 231.8 | 240.2 | 234.9 |
| Monthly % Change | (3.3%) | (5.0%) | 0.6% | 4.2% | 5.6% | 1.0% | (4.5%) | (19.8%) | 6.4% | 1.9% | 3.6% | (2.2%) |
| Market Cap (KWD Mn) | 34,380 | 32,862 | 33,081 | 34,285 | 36,345 | 36,613 | 35,156 | 27,754 | 28,778 | 29,169 | 29,961 | 29,021 |
| P/E (X) - TTM | 16.20 | 15.50 | 15.60 | 16.10 | 16.80 | 16.90 | 16.20 | 12.80 | 13.30 | 14.27 | 14.60 | 14.20 |
| P/BV (X) - TTM | 1.44 | 1.38 | 1.39 | 1.44 | 1.49 | 1.50 | 1.44 | 1.14 | 1.18 | 1.14 | 1.21 | 1.17 |
| Dividend Yield (%) | 3.52% | 3.69% | 3.68% | 3.55% | 3.35% | 3.46% | 3.06% | 3.90% | 4.56% | 4.16% | 3.51% | 4.24% |
| Volume (Mn Shares) | 2,587.2 | 3,113.0 | 2,924.1 | 2,981.0 | 4,099.3 | 4,217.4 | 3,713.5 | 4,035.2 | 3,174.1 | 2,133.3 | 3,567.4 | 2,572.7 |
| Value (KD Mn) | 490.3 | 749.9 | 503.8 | 514.1 | 853.5 | 869.5 | 522.3 | 986.8 | 747.4 | 441.0 | 649.4 | 528.7 |
| Trades ('000) | 108.5 | 139.2 | 122.7 | 122.4 | 176.1 | 160.8 | 139.4 | 239.3 | 175.6 | 112.0 | 158.0 | 135.0 |

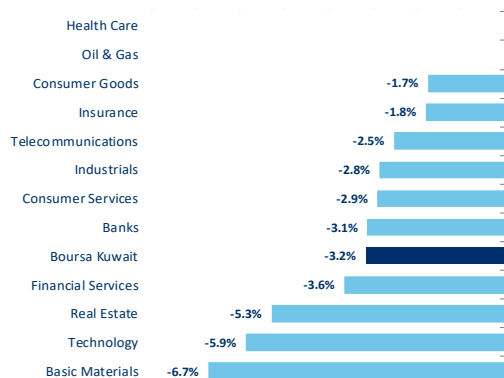
Source: Boursa Kuwait, Kamco Invest Research

After seeing gains for three consecutive months, Kuwait witnessed the biggest decline in the GCC during July-2020 led by a broad-based decline during the month. The decline was also seen across the market structure with all the four indices seeing declines of close to 3%. Both the Premier Market index and the Main 50 index had identical declines of 3.4% and 3.3%, respectively, resulting in a 3.2% decline in the All Share Index. In the Premier Market, shares of only AUB Bahrain witnessed gains during the month at 6.3% while all the other constituents recorded declines. Declines during the month pushed Kuwaiti benchmarks further in the red zone in terms of YTD-2020 returns. The declines for the All Share index was the second lowest in the GCC after DFM at 20.9%. The YTD-2020 decline was primarily on the back of the Premier Market stocks with the index declining 22.4%, whereas the Main Market index recorded a relatively lower decline of 16.8% by the end of July-2020. Within the Premier market, only Mezzan Holding was in the green with a YTD-2020 return of 16% whereas all the other constituents were in the red.

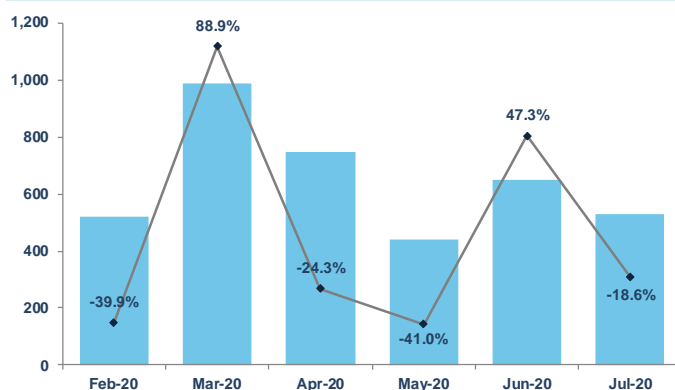
The Basic Materials index was the biggest decliner during the month with a decline of 6.7% followed by Technology and Real Estate indices with declines of 5.9% and 5.3%, respectively. All the four stocks in the Basic Materials index declined with Boubyan Petrochemicals seeing the steepest decline of 12.4%. Shares in the company declined after news reports of an investigation in one of its investments in Kuwait. In the Real Estate sector, a majority of the stocks witnessed declines during the month that were partially offset by gain in stocks of Salhia (+3.4%), Injazzat Real Estate (+3.8%) and URC (+1.4%). In the banking sector, shares of all the Kuwaiti banks declined during the month with Gulf Bank seeing the biggest drop of 10.4% while sector heavyweights NBK and KFH declined by 3.9% and 5.6%, respectively. There were only two sectors that saw gains during the month that included the Healthcare index at 2.2% gain and the Oil & Gas index at 0.4% gain. Banks and Telecom indices also declined during the month by 3.1% and 2.5%, respectively.

Trading activity on the exchange once again declined during July-2020 after recovering in June-2020. Volume traded during the month declined by 28% to reach 2.6 Bn shares in July-2020 as compared to 3.6 Bn shares in June-2020. The aggregate value of shares changing hands during the month also declined by 18.6% to reach KWD 528.7 Mn in July-2020 as compared to KWD 649.4 Mn during June-2020. AUB Bahrain once again topped both the monthly value and volume charts with 515.4 Mn shares changing hands valued at KWD 96.5 Mn. Future Kid was the best performing stock in July-2020 with a gain of 14.9% followed by ATC and Tahssilat at 10.0%. On the decliner's side, Fujairah cement topped with a decline of 25% followed by REAM and Osoul Investment at 22.8% and 22.2%, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|-------------------------|----------|----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|-----------|
| Tadawul All Share Index | 8,019.8 | 8,091.8 | 7,744.1 | 7,859.1 | 8,389.2 | 8,246.6 | 7,628.3 | 6,505.4 | 7,112.9 | 7,213.0 | 7,224.1 | 7,459.2 |
| Monthly % Change | (8.2%) | 0.9% | (4.3%) | 1.5% | 6.7% | (1.7%) | (7.5%) | (14.7%) | 9.3% | 1.4% | 0.2% | 3.3% |
| Market Cap (SAR Bn) | 1,873.7 | 1,881.0 | 1,790.7 | 1,812.9 | 8,992.0 | 8,748.9 | 8,424.9 | 7,562.0 | 8,005.1 | 8,327.3 | 8,232.3 | 8,346.9 |
| P/E (X) - TTM | 17.14 | 17.28 | 16.33 | 16.37 | 23.40 | 23.00 | 21.30 | 26.12 | 28.57 | 22.04 | 21.77 | 23.50 |
| P/BV (X) - TTM | 1.85 | 1.87 | 1.78 | 1.81 | 2.12 | 2.09 | 1.89 | 1.58 | 1.70 | 1.76 | 1.76 | 1.80 |
| Dividend Yield (%) | 3.76% | 3.74% | 3.90% | 3.86% | 3.23% | 3.29% | 3.53% | 4.07% | 3.63% | 3.45% | 3.57% | 3.45% |
| Volume (Mn Shares) | 2,563.1 | 2,536.0 | 2,456.2 | 2,225.4 | 4,306.1 | 3,708.6 | 2,890.3 | 5,238.3 | 4,730.5 | 3,574.3 | 8,297.2 | 5,662.9 |
| Value (SAR Mn) | 78,720.1 | 64,757.5 | 61,661.3 | 57,890.8 | 112,992.9 | 84,379.6 | 71,603.9 | 116,932.8 | 95,431.9 | 75,782.4 | 380,892.5 | 111,338.6 |
| Trades ('000) | 2,119 | 2,318 | 2,537 | 2,173 | 3,740 | 3,750 | 3,271 | 5,167 | 4,426 | 3,265 | 5,732 | 5,423 |

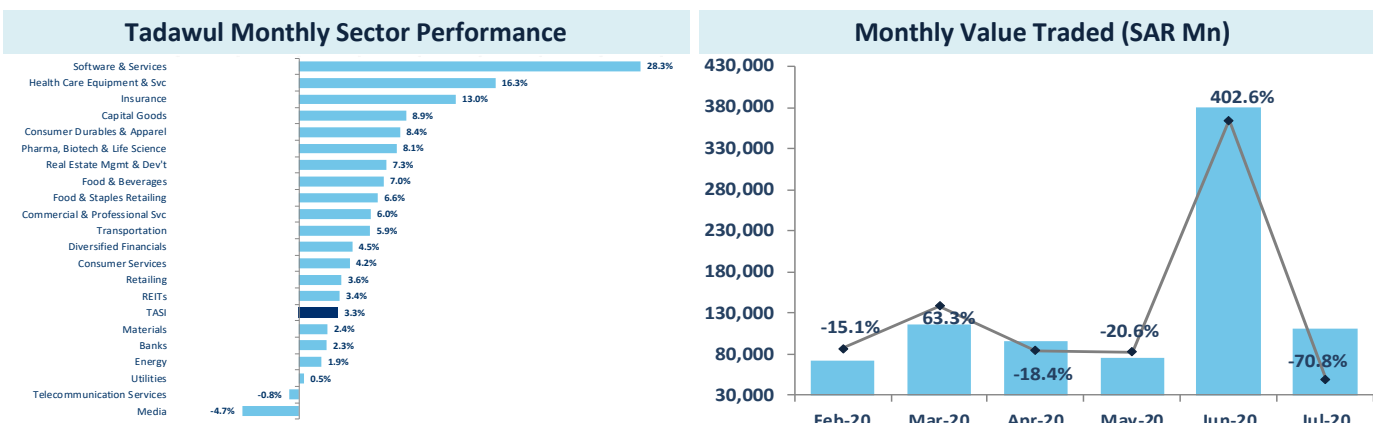
Source: Tadawul, Kamco Invest Research. Note: Trading data includes stocks in the Main Market.

The Saudi stock exchange was on a winning streak since the start of the month with gradual gains led by buying across sectors that pushed TASI to a five-month high level of 7,459.21 points at the end of July-2020. Media and Telecom were the only indices that declined during the month by 4.7% and 0.8%, respectively. The decline in Telecom index resulted mainly from a decline in share of STC of by 1.8% that was partially offset by a 2.8% gain in shares of Etihad Etisalat (Mobily). Shares of STC dropped after the telco reported a 4.3% decline in Q2-2020 net profits led by an 11.6% increase in operating expenses. On the other hand, share of Mobily gained after the telco reported higher profits during the quarter due to lower financial charges.

In terms of sectoral gainers, the small-cap Software & Services sector topped the monthly sector performance chart with a gain of 28.3% followed by Healthcare & Equipment and Insurance indices with gains of 16.3% and 13.0%, respectively. Large-cap sectors like Bank and Energy witnessed low-single digit gains of 2.3% and 1.9%, respectively, during July-2020. Within the banking sector, Samba Financial Group and NCB were the only decliners during the month with a drop of 3.9% and 2.6%, respectively. The Q2-2020 financial performance of the banks in Saudi Arabia reflected the impact of Covid-19 on the sector. Aggregate Q2-2020 net profits reported by five banks by the end of the month declined by 16.3% as compared to Q1-2020. Profits of Banque Saudi Fransi dropped 36% whereas Riyadh Bank and NCB reported declines of 28.0% and 26.2%, respectively. Gains in the Materials sector came in at 2.4% after merely four stocks in the sector declined during the month.

Trading activity declined during July-2020 after witnessing strong gains during the previous month. Total volume traded during the month was dropped by 31.7% to 5.7 Bn shares as compared to 8.3 Bn shares during June-2020. Value traded dropped by 70.8% to reach SAR 111.3 Bn during July-2020 as compared to SAR 380.9 Bn during the previous month. The decline came primarily on the back of a higher base in June-2020 that included Aramco's acquisition of shares of SABIC to the tune of 2.15 Bn shares valued at SAR 263.2 Bn. Dar Al Arkan topped both the monthly volume and value traded charts during July-2020 with 695.4 Mn shares changing hands during the month valued at SAR 5.1 Bn. Alinma Bank was next on the monthly volume chart with 198.8 Mn shares followed by Seera Group and Saudi Fisheries at 183.4 Mn shares and 145.4 Mn shares, respectively. On the monthly value traded chart, Al Rajhi Bank traded SAR 4.6 Bn worth of shares followed by Aramco and Seera Group valued at SAR 3.0 Bn each.

The monthly share performance in July-2020 was heavily skewed towards gainers that included 173 stocks as compared to 21 decliners. Arab Sea Information Systems topped the monthly gainers chart with a gain of 43.4% benefiting from its nature of the business during the Covid-19 lockdowns. Tourism Enterprise Co. was next with a gain of 40.1% followed by Malath Insurance and The National Company for Glass Industries with gains of 36.7% and 32.9%, respectively. On the decliner's side, Al-Omran Industrial Trading, that was recently added to the main market form parallel market, topped with a decline of 15.3% followed by SIIG and SRMG with declines of 9.5% and 6.7%, respectively. Shares of SIIG declined due to a loss of SAR 55 Mn in Q2-2020 vs. a profit of SAR 205 Mn in Q2-2019.



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|---------------------|---------|---------|---------|---------|----------|---------|---------|---------|---------|---------|---------|---------|
| ADX General Index | 5,165.6 | 5,057.3 | 5,107.8 | 5,030.8 | 5,075.8 | 5,156.2 | 4,901.4 | 3,734.7 | 4,230.4 | 4,141.6 | 4,285.8 | 4,304.7 |
| Monthly % Change | (2.9%) | (2.1%) | 1.0% | (1.5%) | 0.9% | 1.6% | (4.9%) | (23.8%) | 13.3% | (2.1%) | 3.5% | 0.4% |
| Market Cap (AED Bn) | 530.2 | 525.0 | 525.9 | 519.2 | 529.1 | 559.9 | 535.3 | 431.8 | 489.2 | 485.2 | 506.2 | 657.0 |
| P/E (X) - TTM | 13.10 | 12.72 | 12.85 | 12.77 | 12.85 | 13.17 | 12.39 | 9.44 | 10.86 | 12.92 | 13.69 | 15.04 |
| P/BV (X) - TTM | 1.44 | 1.41 | 1.43 | 1.40 | 1.42 | 1.35 | 1.27 | 0.96 | 1.07 | 1.24 | 1.28 | 1.25 |
| Dividend Yield (%) | 4.87% | 4.97% | 4.94% | 5.00% | 4.95% | 4.81% | 5.08% | 6.55% | 5.60% | 6.14% | 5.96% | 5.65% |
| Volume (Mn Shares) | 984.5 | 956.2 | 842.7 | 874.0 | 1,578.7 | 657.7 | 886.1 | 1,705.4 | 1,240.7 | 863.1 | 1,128.2 | 1,165.4 |
| Value (AED Mn) | 3,240.7 | 3,394.0 | 2,663.3 | 3,436.5 | 10,907.2 | 2,455.8 | 2,983.3 | 4,623.7 | 3,167.0 | 2,424.5 | 3,829.4 | 2,574.9 |
| Trades | 32,103 | 34,016 | 30,702 | 29,132 | 25,376 | 23,279 | 28,487 | 52,789 | 48,960 | 33,979 | 41,789 | 29,854 |

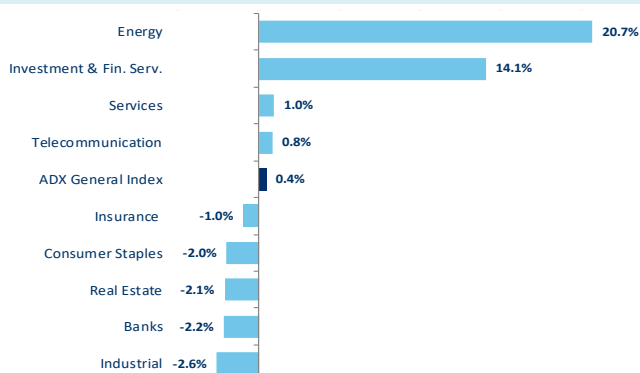
Source: Abu Dhabi Securities Exchange, Kamco Invest Research

The ADX index was broadly stable during Jul-2020, closing marginally by 0.4%, after gaining by 3.5% in Jun-2020. The index closed at 4304.73 points and sectoral performance was mixed. The Energy index was the best performing index in Jul-2020, gaining by 20.7% m-o-m, as crude oil prices gained during the month. TAQA was up 94.6% m-o-m, while Dana gas and ADNOC Distribution gained by 12.3% and 5.7% respectively m-o-m. Investment & Financial Services companies followed with gains of 14.1% m-o-m, driven by gains of Eshraq Investments (+56.7%) and Waha Capital (+38.2%) respectively. Amongst the decliners, Industrials (-2.6%), Real Estate (-2.1%) and Banks (-2.2%) were the major sectors that were down and offset the gains from the aforementioned sectors. Sharjah Cement & Industrial Development (-9.6%), Arkan Building Materials (-6.1%) and RAK Co. for White Cement & Construction (-5.0%) were the main laggards in the Industrials sector, while Aldar (-2.8%) mainly drove the declines in the Real Estate sector. Bank of Sharjah (-13.8%), Invest Bank (-8.3%) and The National Bank of Ras Al Khaimah (-5.7%) witnessed the most declines in the Banking index. FAB reported H1-20 group revenues of AED 9.4 Bn, compared to AED 10.1 Bn in H1-19. Net Interest Income was AED 6.3 Bn, 1% lower y-o-y, as the adverse impact of rate cuts and margin compression, was reportedly partly offset by higher volumes. Net profit for H1-2020 was AED 4.8 Bn, down 24% compared to H1-19, driven mainly by an increase in impairment charges and lower revenues, partly mitigated by cost reduction.

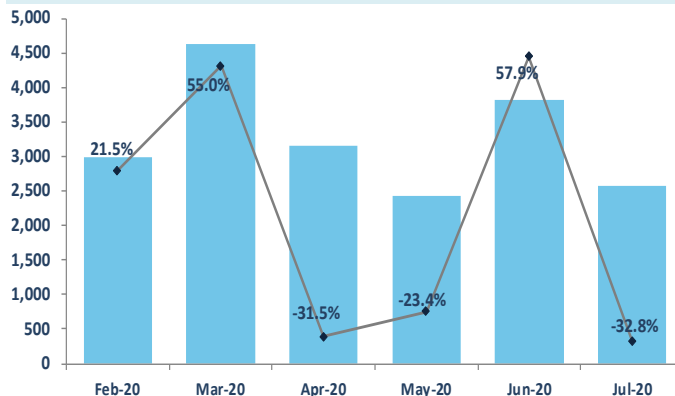
In other major earnings, FAB's group revenue for H1-2020 was AED 9.4 Bn, compared to AED 10.1 Bn in H1-2019. Net interest income including Islamic financing Income was AED 6.3 Bn, 1% lower y-o-y, from the adverse impact of rate cuts and margin compression, which was partly offset by higher volumes. H1-2020 group net profit came in at AED 4.8 Bn, compared to AED 6.3 Bn in H1-2019 down 24% y-o-y, driven mainly by an increase in impairment charges and lower revenues, partly mitigated by cost reduction. In funding related activity, Julphar's AED 500 Mn rights issue at an offer price of AED 1/share received total bids from existing rightsholders of AED 1.14 Bn. The company will use the net proceeds to support the implementation of its growth plans, repay existing loans, and sustain its working capital needs and is expected enable Julphar to maintain a healthy balance sheet. Etisalat report H1-2020 revenues of AED 25.6 Bn, down 1% y-o-y while aggregate subscriber base increased 2% y-o-y to 146 Mn. Consolidated net profit amounted to AED 4.6 Bn, up 3% y-o-y.

Abu Dhabi National Energy topped the monthly gainers chart, with a gain of 94.2% m-o-m followed by AXA Green Insurance and Eshraq Properties with gains of 70.3% and 56.7% respectively. On the decliners side, the worst performing companies were Sharjah Insurance and Bank of Sharjah with declines of 21.8% and 13.8%, respectively. Trading activity on the exchange was mixed m-o-m in Jul-2020, as volumes traded was up marginally by 3.3% to 1.17 Bn shares. Value traded however declined by 32.8% m-o-m to reach AED 2.6 Bn during Jul-2020. In terms of most actively traded stocks, Etisalat led all stocks in terms of value traded, with AED 0.55 Bn worth of shares traded during Jul-2020. FAB and Aldar Properties followed as AED 0.52 Bn and AED 0.26 Bn worth of shares were traded respectively. Dana Gas led the most active stocks list in terms of volumes traded, as 186.3 Mn shares were traded. Abu Dhabi National Energy and Aldar Properties followed with 180.8 Mn and 146.0 Mn shares traded during Jul-2020.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| DFM General Index | 2,758.6 | 2,781.1 | 2,746.9 | 2,678.7 | 2,764.9 | 2,790.4 | 2,590.0 | 1,771.3 | 2,026.6 | 1,945.1 | 2,065.3 | 2,050.8 |
| Monthly % Change | (5.5%) | 0.8% | (1.2%) | (2.5%) | 3.2% | 0.9% | (7.2%) | (31.6%) | 14.4% | (4.0%) | 6.2% | (0.7%) |
| Market Cap (AED Bn) | 357.3 | 361.2 | 359.0 | 351.0 | 359.9 | 381.1 | 363.4 | 266.2 | 288.3 | 280.8 | 290.3 | 289.6 |
| P/E (X) - TTM | 7.56 | 7.26 | 6.82 | 6.57 | 6.76 | 6.93 | 6.59 | 4.34 | 5.02 | 7.73 | 6.20 | 7.06 |
| P/BV (X) - TTM | 0.92 | 0.93 | 0.93 | 0.90 | 0.93 | 0.92 | 0.83 | 0.54 | 0.62 | 0.70 | 0.74 | 0.73 |
| Dividend Yield (%) | 4.43% | 4.40% | 4.49% | 4.43% | 4.31% | 4.25% | 4.81% | 7.24% | 7.24% | 4.93% | 4.54% | 4.67% |
| Volume (Mn Shares) | 2,281.1 | 3,166.0 | 4,462.3 | 3,249.9 | 3,162.9 | 2,912.1 | 2,746.3 | 6,070.5 | 6,993.8 | 4,055.8 | 7,530.7 | 5,347.4 |
| Value (AED Mn) | 2,886.8 | 5,270.5 | 4,423.8 | 4,865.5 | 4,173.8 | 3,968.5 | 3,887.3 | 6,367.5 | 5,819.3 | 4,822.8 | 6,199.1 | 4,538.3 |
| Trades | 45,792 | 51,127 | 62,712 | 60,225 | 47,868 | 48,434 | 49,137 | 95,806 | 111,040 | 73,062 | 96,126 | 75,977 |

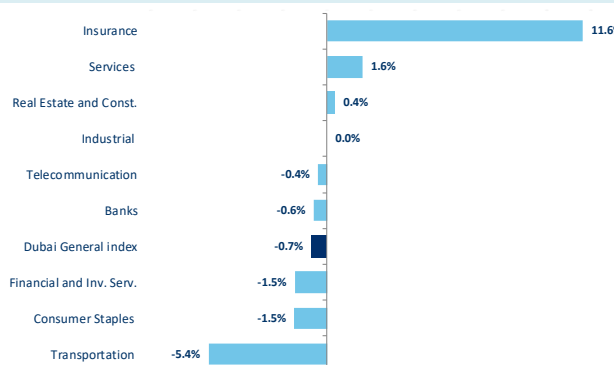
Source: Dubai Financial Market, Kamco Invest Research

DFM receded marginally by 0.7% m-o-m in Jul-2020, keeping the market as the worst performer in the GCC in terms of YTD returns at 25.8%. The index closed at 2050.77 points and sectoral performance for Jul-2020 was broadly even between gainers and decliners. Transportation was the worst performing sector, declining by 5.4% m-o-m, as Air Arabia and Aramex plunged by 6.5% and 4.9% respectively m-o-m. Consumer Staples & Discretionary and Investment & Financial Services were the other two sectors that declined, by around 1.5% each during Jul-2020. Dubai Refreshments plunged by 16.3% m-o-m and drove the Consumer Staples & Discretionary sector down while Al Salam Group (-3.8%) and DFM's stock (-1.9%) were key laggards in the Investment & Financial Services sector. The Insurance sector was the best performing sector on the DFM, soaring by 11.6% m-o-m, driven by strong performances from Dubai National Insurance (+23.1%) and Islamic Arab Insurance (20.2%). The Services gained by 1.6% m-o-m, as Tabreed gained by 3.6% over the same period. Tabreed's net profit increased by 13% to AED 224.30 Mn in H1-2020 from AED 199.36 Mn in H1-2019. Key driver was the acquisition of its Downtown Dubai district cooling business in a long-term partnership with Emaar, to provide up to 235,000 RT of cooling.

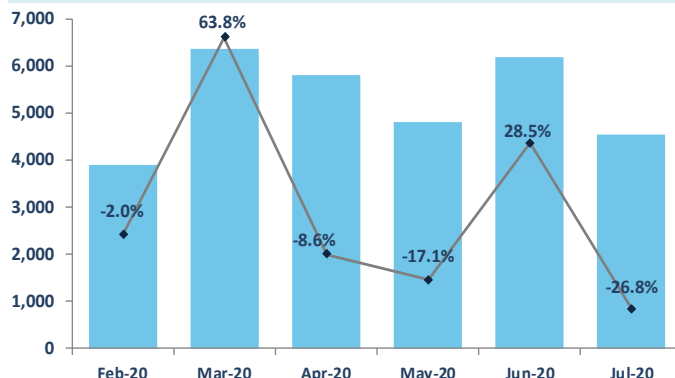
In other prominent earnings releases, Emirates NBD reported a net profit of AED 4.1 Bn for H1-2020, a decline of 45% y-o-y due to higher impairment charges and the gain on disposal of a stake in Network International in 2019, not repeated in 2020. Total income improved 33% y-o-y to AED 12.6 on loan growth and higher fee income from the inclusion of DenizBank, while net interest income increased 36% y-o-y and non-funded income grew 24% y-o-y with the acquisition of DenizBank in 2019. Telecom operator DU reported H1-2020 total revenues of AED 5.66 Bn, driven by a contraction in mobile revenues and other revenues, partially offset by the continued growth in fixed revenues. H1-2020 mobile revenues declined to AED 2.81 Bn, ascribed to the significant reduction in the prepaid customer base and the prepaid usage. H1-2020 EBITDA was down to AED 2.32 Bn, impacted by the decline in mobile revenues, the increase in spending to optimize customer offering during Q2-20, and the inelasticity of certain costs to revenue decline while net income declined in H1 2020 to AED 570 million. DFM recorded a total revenue of AED 181.1 Mn in H1-2020 compared to AED 163.5 Mn during H1- 2019, while a 21% increase in its net profit was recorded at AED 78.9 Mn as compared to AED 65.1 Mn.

In terms of trading activity, the DFM witnessed lower trends on major indicators, as volumes traded decreased by 29% m-o-m to reach 5.3 Bn shares. In terms of value traded, total value of shares declined by 26.8% m-o-m to reach AED 4.5 Bn. In terms of monthly gainers, Arabtec led all stocks as its stock price more than doubled (+118.6%) in Jul-2020. Damac Properties and Dubai National Insurance followed, as their stock prices moved up by 31.5% and 23.1% respectively. On the other hand, shares of Dubai Refreshments declined the most as its share price declined by 16.3% m-o-m. Air Arabia and Al Salam Sudan followed with declines of 6.5% and 6.0% respectively for the month. Emaar Properties was the most actively traded stock on the exchange as AED 594.8 Mn worth of stock was traded. Arabtec and Emirates NBD followed with value traded of AED 538 Mn and AED 403.2 Mn respectively. In terms of volumes, Union Properties led all stocks as 1.29 Bn shares were traded. Arabtec and Islamic Arab Insurance followed as 561 Mn and 495 Mn shares were traded.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, Kamco Invest Research

Qatar Exchange

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| QE 20 Index | 10,232.9 | 10,367.1 | 10,189.0 | 10,147.9 | 10,425.5 | 10,442.0 | 9,490.1 | 8,207.2 | 8,764.1 | 8,844.7 | 8,998.6 | 9,368.2 |
| Monthly % Change | (2.6%) | 1.3% | (1.7%) | (0.4%) | 2.7% | 0.2% | (9.1%) | (13.5%) | 6.8% | 0.9% | 1.7% | 4.1% |
| Market Cap (QAR Bn) | 564.2 | 574.8 | 563.4 | 562.2 | 582.7 | 579.5 | 526.0 | 460.5 | 493.8 | 500.9 | 520.0 | 547.7 |
| P/E (X) - TTM | 13.84 | 14.05 | 13.77 | 13.74 | 14.18 | 14.05 | 13.12 | 11.51 | 12.90 | 14.15 | 14.18 | 15.27 |
| P/BV (X) - TTM | 1.27 | 1.29 | 1.39 | 1.39 | 1.44 | 1.39 | 1.25 | 1.10 | 1.17 | 1.39 | 1.39 | 1.41 |
| Dividend Yield (%) | 4.08% | 4.02% | 4.15% | 4.16% | 4.02% | 4.03% | 4.14% | 4.67% | 4.36% | 4.46% | 4.45% | 4.27% |
| Volume (Mn Shares) | 1,239.7 | 2,343.5 | 1,614.2 | 1,412.0 | 1,507.5 | 1,730.4 | 1,557.9 | 3,061.7 | 3,859.6 | 3,502.3 | 5,169.5 | 6,677.6 |
| Value (QAR Mn) | 4,083.5 | 6,021.3 | 4,711.0 | 5,238.8 | 4,822.4 | 4,669.1 | 4,527.9 | 8,227.3 | 6,371.5 | 6,117.9 | 8,619.8 | 10,948.0 |
| Trades | 118,906 | 147,557 | 111,539 | 116,733 | 122,888 | 101,454 | 120,366 | 202,954 | 195,215 | 162,304 | 197,921 | 203,617 |

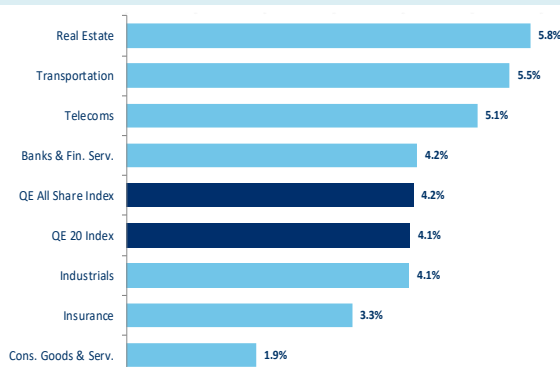
Source: Qatar Exchange, Kamco Invest Research

Qatar's QE-20 index was the best performing index in the GCC in Jul-2020, as the index closed at 9368.17 points and was up by 4.1% m-o-m. The Qatar All Share index which maps the broader market, also gained by 4.2%, as all sectors closed in the green. The Real Estate index was the best performing sectoral index gaining by 5.8% m-o-m. Transportation and Telecoms followed with gains of 5.6% and 5.1% respectively. Vodafone Qatar reported a H1-2020 net profit of QAR 81 Mn, representing an increase of 4% y-o-y, mainly driven by higher EBITDA. Total Revenue increased by 1% y-o-y to QAR 1.1 Bn, driven by the continued growth in Postpaid and higher home broadband revenue. Service revenue grew by 3.4% over the same period to reach QAR 1 Bn. Ooredoo's revenues for H1-2020 declined by 3% y-o-y to QAR 14.1 Bn due to the COVID-19 impact. A reduction in handset sales and roaming business as well as macroeconomic weakness in some of their markets was partially offset by robust growth in Indonesia, Tunisia and Myanmar. Group Net Profit declined by 3% y-o-y to QAR 818 Mn in H1 2020, compared to the same period last year, due to the reduction in EBITDA, which was partially offset by a more favorable FX effects compared to H1-2019. Banks and Financial Services names also gained by 4.2% m-o-m in Jul-2020.

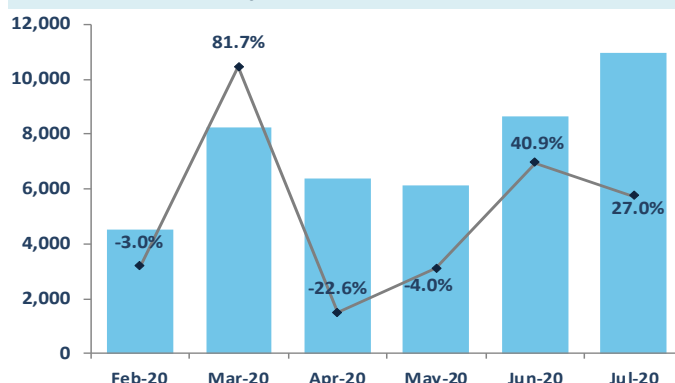
QNB's net profit reached QAR 6.4 Bn in H1-20, a decrease of 13% y-o-y from June 2019. Operating Income increased by 2% y-o-y to QAR 12.8 Bn. QNB mentioned that the results reflect the group's success in maintaining sustainable growth across a number of revenue segments, despite fee related concessions offered to customers located in QNB Group's key markets affected by the Covid-19 pandemic. In other earnings releases, QAMCO's share of revenue for the financial period as reported in financial statements amounted to QAR 1,121 Mn, down by 9% y-o-y from 1H-19, as the global pandemic impacted major industries across the automotive, transport jets and construction sectors. Sales volume for H1-2020 increased by 7% y-o-y, as QAMCO's JV swiftly shifted the production to standard ingots, whereas, the demand for premium aluminum products and alloys used by various industries declined. QAMCO's ASPs during 1H-20 declined by 15% y-o-y, but was partially offset by an upside in the sales volumes, which contributed QAR 71 Mn to the H1-20 net profits, as compared to last year. QAMCO reported a net profit of QAR 14.6 Mn.

Trading activity was up during Jul-2020 as value traded increased by 27% m-o-m, to reach QAR 10.95 Bn as compared to QAR 8.62 Bn during Jun-2020, while volumes traded increased by 29.2% to reach 6.67 Bn shares in Jul-2020, as against 5.17 Bn shares in the month prior. In terms of trading activity, QNB topped the monthly value traded chart with QAR 923 Mn worth of shares traded, followed by Qatar German Co for Medical Devices and Ezdan Holding recording QAR 762 Mn and QAR 631 Mn in monthly value traded. In terms of traded volumes, Investment Holding Group led all companies with 726 Mn shares being traded during Jul-2020. QAMCO and Ezdan Holding followed with 646.2 Mn and 490.8 Mn shares traded during the month. Qatar German Co for Medical Devices was the top performing stock in the index for the month as its share price was up by 86.9% m-o-m. Baladna and Dala Brokerage followed with gains of 37.8% and 32.2% respectively m-o-m. On the other hand, shares of Investment Holding witnessed the most declines, losing 4.0% m-o-m. Qatar Industrial Manufacturing & Mazaya Qatar followed with declines of 3.4% and 3.2% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Bahrain All Share Index | 1,533.09 | 1,516.53 | 1,523.27 | 1,526.95 | 1,610.18 | 1,657.63 | 1,660.48 | 1,350.62 | 1,310.73 | 1,269.63 | 1,277.61 | 1,290.57 |
| Monthly % Change | (0.9%) | (1.1%) | 0.4% | 0.2% | 5.5% | 2.9% | 0.2% | (18.7%) | (3.0%) | (3.1%) | 0.6% | 1.0% |
| Market Cap (BHD Mn) | 8,751 | 8,661 | 8,695 | 8,708 | 9,175 | 9,679 | 9,710 | 7,777 | 8,268 | 8,047 | 8,095 | 8,134 |
| P/E (X) - TTM | 11.30 | 10.15 | 10.26 | 10.44 | 11.09 | 11.38 | 12.50 | 10.18 | 9.78 | 9.04 | 9.25 | 9.77 |
| P/BV (X) - TTM | 0.92 | 0.91 | 0.91 | 0.91 | 0.95 | 0.97 | 0.95 | 0.75 | 0.72 | 0.76 | 0.78 | 0.79 |
| Dividend Yield (%) | 4.58% | 4.63% | 4.60% | 4.59% | 4.37% | 4.24% | 4.61% | 5.01% | 4.95% | 5.55% | 5.51% | 5.46% |
| Volume (Mn Shares) | 55.9 | 68.6 | 77.4 | 82.4 | 88.8 | 58.9 | 70.8 | 104.6 | 146.2 | 59.9 | 90.0 | 109.5 |
| Value (BHD Mn) | 11.8 | 17.5 | 17.1 | 25.4 | 24.9 | 18.7 | 16.9 | 23.2 | 21.2 | 24.5 | 12.6 | 12.3 |
| Trades | 1,287 | 1,661 | 1,535 | 1,138 | 1,538 | 1,446 | 1,378 | 1,767 | 926 | 665 | 1,158 | 1,075 |

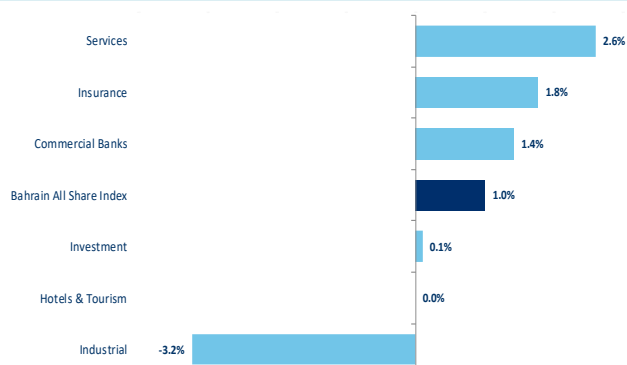
Source: Bahrain Bourse, Kamco Invest Research

After recording one of the worst regional declines in H1-2020, the Bahrain index improved marginally by 1% m-o-m in Jul-2020. The index closed at 1290.57 points and performance across most sectors was positive, albeit marginally. The Services index was the best performing sector gaining by 2.6% m-o-m, as Batelco (+4.2%), BMMI (+4.1%) and Zain (+2.0%) were up for the month of Jul-2020. Commercial Banks followed with gains of 1.4% m-o-m as AUB was up 5.4% and was the key stock that drove the gains in the index. Industrials was the only index that declined in Jul-2020, as the index was down 3.2% m-o-m Alba fell by 3.3% over the aforementioned period. Bahrain Bourse announced the primary market of issuance of the Government Development Bond Issue 21 worth BHD 150 Mn which is expected to be tradable on the secondary market from 09 Aug 2020. The bond issued at a par value of BHD 1 each for a period of 5 years maturing on the 30 July 2025 with an annual fixed return on these securities is 4.5%, and will be paid bi-annually through the period of this issue.

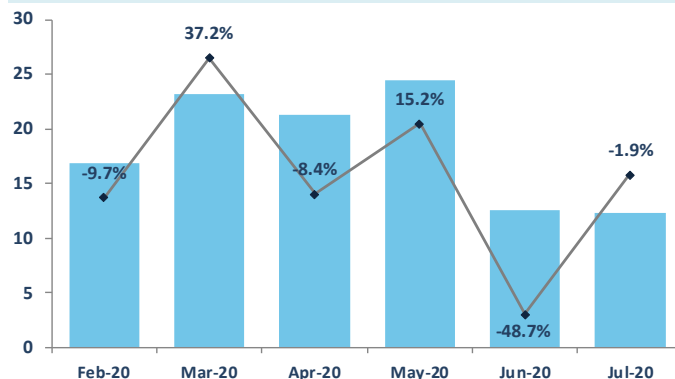
In earnings releases, National Bank of Bahrain's operating income rose by 16.8% y-o-y in H1-2020 to reach BHD 74.5 Mn, compared with BHD 63.8 Mn in the prior year period. Net profit reported a 27.3% decrease to BHD 29.1 Mn H1-2020, compared to BHD 40.0 Mn in H1-2019. The decrease in net profit was predominantly attributable to the worldwide COVID-19 pandemic resulting in higher precautionary provisioning requirements, lower margins, lower income from associate equity valuations and lower dividends following reduced distributions due to the ongoing epidemic. Separately, Alba reported a loss of BHD 10.6 Mn for H1-2020, down by 44% y-o-y vs. a loss of BHD 19.1 Mn for H1-2019. Gross Profit for H1-2020 was BHD 55.2 Mn vs. BHD 16.2 Mn in H1-2019, up by 241% y-o-y. Telecom major Batelco reported H1-2020 revenues of BHD 189.8 Mn, a decrease of 6% y-o-y when compared to BHD 201.7 Mn in H1 -2019. Consolidated revenues were impacted by the sale of Qualitynet, which contributed an additional BHD 11.4 Mn in 2019. Batelco's net profit for H1-2020 of BHD 35.9 Mn, an increase of 6% from BHD 34.0 Mn for the corresponding period of 2019. Competitor Zain Bahrain reported a H1-2020 net profit of BHD 2.158 Mn, representing a 15% decrease y-o-y from BHD 2.533 Mn in H1-2019. Operating profit reached BHD 2.658 Mn, down 14% y-o-y, ascribed to Zain Bahrain's increased operational costs relating to COVID-19, and support initiatives.

Trading activity however was mixed, as volumes rose by 21.6% m-o-m to reach 109.5 Mn shares. Value traded declined by 1.9% m-o-m and reached BHD 12.3 Mn. The number of trades made in the exchange decreased to 1075 trades, down 7.2% m-o-m from Jun-2020. GFH was the most actively traded stock in Jul-2020 with BHD 11.82 Mn worth of its shares traded on the exchange. AUB and Batelco followed with BHD 6.91 Mn and BHD 2.22 Mn worth of shares traded. In terms of volumes traded, GFH was the most active stock as 78.5 Mn shares were traded, followed by AUB and Batelco with 11.1 Mn and 5.7 Mn shares respectively. In terms of monthly gainers APM Terminal saw its share price jump by 25.9% m-o-m, followed by Bahrain Duty Free and Bahrain Car Park with gains of 8.4% and 8.3% respectively. Khaleeji Commercial Bank was the main laggard, as it witnessed a m-o-m decline of 7.9% m-o-m, followed by Bahrain Kuwait Insurance and Bahrain Ship Repairing & Eng with monthly declines of 6.9% and 6.4% respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

| Monthly Indicators | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| MSM 30 Index | 4,004.9 | 4,017.7 | 3,999.9 | 4,064.1 | 3,981.2 | 4,079.3 | 4,130.9 | 3,448.3 | 3,539.5 | 3,544.6 | 3,516.0 | 3,568.1 |
| Monthly % Change | 6.5% | 0.3% | (0.4%) | 1.6% | (2.0%) | 2.5% | 1.3% | (16.5%) | 2.6% | 0.1% | (0.8%) | 1.5% |
| Market Cap (OMR Mn) | 6,713 | 6,729 | 6,675 | 6,706 | 6,591 | 6,722 | 6,744 | 5,798 | 5,877 | 5,920 | 5,882 | 6,232 |
| P/E (X) - TTM | 8.21 | 8.22 | 8.26 | 8.32 | 8.13 | 8.47 | 8.66 | 7.13 | 7.59 | 9.16 | 10.04 | 10.35 |
| P/BV (X) - TTM | 0.74 | 0.74 | 0.74 | 0.75 | 0.73 | 0.75 | 0.73 | 0.60 | 0.62 | 0.76 | 0.76 | 0.77 |
| Dividend Yield (%) | 7.15% | 7.13% | 7.13% | 7.05% | 7.21% | 6.80% | 6.79% | 8.01% | 7.78% | 6.81% | 6.83% | 6.72% |
| Volume (Mn Shares) | 558.0 | 297.2 | 433.3 | 207.2 | 332.3 | 231.2 | 278.6 | 298.5 | 169.7 | 101.4 | 180.9 | 190.8 |
| Value (OMR Mn) | 164.3 | 40.9 | 53.4 | 32.4 | 62.0 | 40.8 | 52.9 | 71.6 | 25.0 | 16.9 | 25.2 | 30.1 |
| Trades | 8,464 | 11,066 | 10,774 | 9,901 | 10,490 | 11,293 | 12,494 | 10,507 | 9,945 | 5,880 | 8,136 | 8,205 |

Source: Muscat Securities Market, Kamco Invest Research.

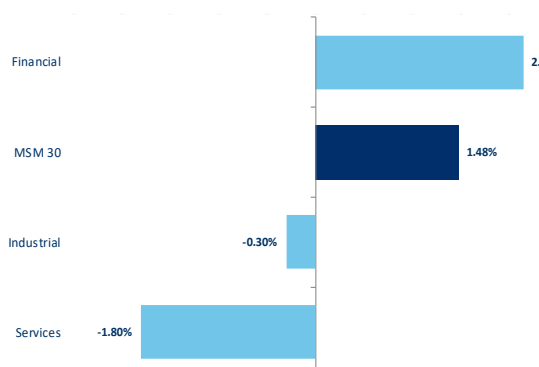
The Omani stock market witnessed gains during July-2020 after declining during the previous month. The MSM 30 index gained 1.5% during the month and closed at a four month high level of 3,568.1 points. These monthly gains lowered the benchmark's YTD-2020 decline to 10.4% by the end of July-2020, the second lowest in the GCC after Qatar. Gains came mainly on the back of the Financial index that surged 2.2% during the month that was partially offset by decline in the Services and Industrial indices by 1.8% and 0.3%, respectively. In terms of YTD-2020 performance, the Industrial index recorded the smallest decline of 6.2% followed by Financial Index at -10.1% whereas the Services sector decline at -18.9%.

The monthly market breadth was almost equally split between gainers and losers with 27 stocks that had positive performance as compared to 31 decliners. The monthly stock performance chart was topped by SMN Power Holding with its shares gaining 17.9% during the month after the company reported healthy growth in net profits during 1H-2020 that reached OMR 5.3 Mn as compared to OMR 3.7 Mn during 1H-2019. Al Maha Ceramics was next on the gainers chart with 14.9% gains followed by Sohar International Bank and Gulf Invest Services with gains of 14.8% and 13.3%, respectively. Shares of Sohar International Bank gained despite reporting a decline in net profits during 1H-2020 indicating better than expected results whereas Al Maha Ceramics reported healthy results with revenues up 10.6% y-o-y during 1H-2020 resulting in 26.9% y-o-y growth in net profits during the period.

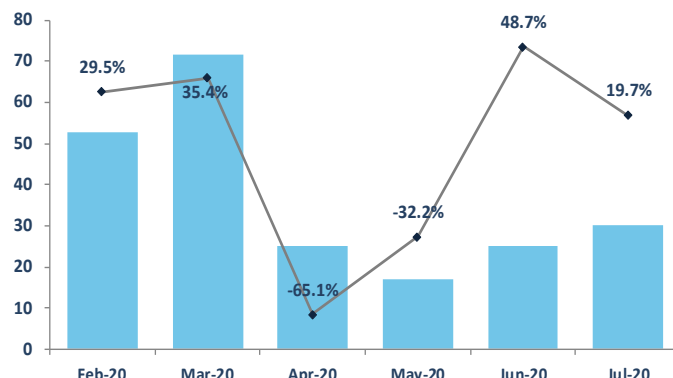
On the decliners side, Oman & Emirates Inv. Holding topped with a decline of 15.6% following losses reported by the company during 1H-2020 at OMR 2.1 Mn as compared to profits of OMR 0.37 Mn during 1H-2019. Al Maha Petroleum Products and Al Hassan Engineering followed with declines of 15.0% and 13.3%, respectively. Al Maha Petroleum also reported a steep decline in topline during 1H-2020 (OMR 171.6 Mn in 1H-2020 vs. OMR 233.9 Mn in 1H-2019) that resulted in a net profit of OMR 0.2 Mn a decline from OMR 2.0 Mn during 1H-2019. Al Hassan Engineering also reported weak results with contract and other income down to OMR 13.8 Mn in 1H-2020 as compared to OMR 19.1 Mn in 1H-2019. This resulted in a net profit of OMR 0.1 Mn in 1H-2020 as compared to 0.9 Mn during 1H-2019.

Trading activity on the exchange continued to recover during the month and reached a four month high level in July-2020. Volume traded during the month increased by 5.4% m-o-m to reach 190.8 Mn in July-2020 as compared to 180.9 Mn during June-2020. Bank Muscat topped the monthly volume traded chart with 19.7 Mn traded shares during the month followed by Gulf Investment Services Holding and Al Madina Takaful with 16.9 Mn and 16.6 Mn shares, respectively. Monthly value traded increased by 20% to reach OMR 30.1 Mn in July-2020 as compared to OMR 25.2 Mn during the previous month. Bank Muscat once again topped the monthly value traded chart with trades worth OMR 6.7 Mn followed by Gulf Hotels and Al Anwar Ceramic Tiles with trades worth OMR 2.4 Mn and OMR 1.8 Mn, respectively. Monthly volume traded was skewed towards parallel market stocks that accounted for 65.7% of total shares whereas, in terms of value traded, the share was almost equally split between parallel market and regular market stocks.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

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