

GCC Markets Monthly Report

May-2021

In this Report...

Kuwait	2
Saudi Arabia	3
Abu Dhabi	4
Dubai	5
Qatar	6
Bahrain	7
Oman	8

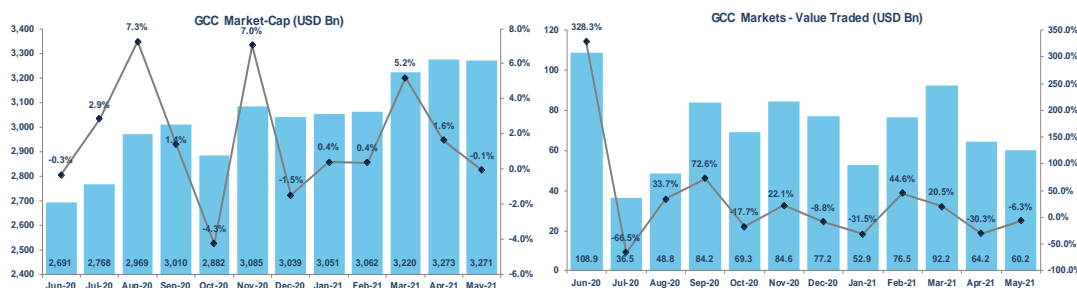
GCC markets continue surge backed by improving sentiments...

Equity markets in the GCC once again witnessed a broad-based rally during the May-2021 with only Qatar's benchmark reporting a decline during the month. The performance was broadly in line with global equity markets with almost all key global market ending the month in the green. The MSCI GCC Index was up 1.1% during the month bringing YTD-2021 gains to 19.1%, one of the highest regional growth globally. The ADX index reported the biggest monthly gain during May-2021 at 8.5% closely followed by Dubai's DFM General Index that surged 7.4%. Abu Dhabi and Saudi Arabian markets continued to remain the top YTD-2021 performers in the region with gains of 30% and 21.4%, respectively.

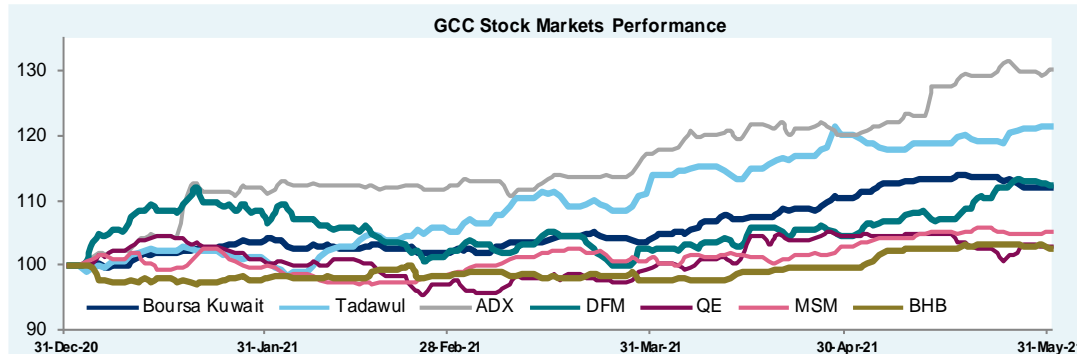
Sector performance also showed a broad-based rally during the month with only 3 out of 17 sectors showing declines during the month. However, gains during May-2021 were relatively modest, at single digits (%) as compared to last month where a number of sectors reported double digit (%) gains. The Diversified Financials sector topped in May-2021 with a gain of 7.3%, closely followed by Consumer Durable & Apparel and Hotels, Rest. And Leisure indices with monthly gains of 7.2% and 6.7%, respectively. Large-cap sectors like Banks, Materials and Energy showed low-single digit gains during the month. The GCC Healthcare sector regained the top spot in terms of YTD-2021 performance with a surge of 32.0%, followed by Transportation and Materials benchmarks with gains of 26.8% and 26.2%, respectively. The Banking sector index also showed healthy gains of 22.9% since the start of the year.

Global equity markets reported gains in almost all major equity markets resulting in a 1.3% gain in the MSCI World Index. European markets outperformed North American indices during the month with the DJ Stoxx 600 index gaining 2.1% during the month vs. 0.5% gain for the S&P 500 Index. Crude oil also remained stable above the USD 65/b mark with a monthly gain of 3.1%.

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	6,740.0	1.8%	11.4%	121.6	4,558.6	39.4	1.6	2.3%
Kuwait - Main 50 Index	5,408.5	2.0%	16.7%					
Kuwait - Main Market Index	5,182.2	1.1%	13.8%					
Kuwait - All Share Index	6,210.9	1.6%	12.0%					
Saudi Arabia	10,551.2	1.3%	21.4%	2,574.5	42,177.8	34.6	2.3	2.0%
Abu Dhabi	6,558.7	8.5%	30.0%	257.9	9,530.4	22.3	1.9	4.0%
Dubai	2,797.5	7.4%	12.3%	102.9	1,412.0	21.0	1.0	2.9%
Qatar	10,748.3	(1.5%)	3.0%	171.5	2,325.1	18.2	1.6	2.7%
Bahrain	1,527.6	2.9%	2.5%	25.6	30.4	26.2	1.0	2.2%
Oman	3,852.6	2.4%	5.3%	16.9	130.7	11.5	0.7	4.7%
Total GCC				3,270.9	60,165.0	30.9	2.1	2.3%



Junaid Ansari
Head of Investment Strategy &
Research
+(965) 2233 6912
jansari@kamcoinvest.com



Source: GCC Stock Exchanges, Kamco Invest Research

Boursa Kuwait

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Premier Market Index	5,607.1	5,415.3	5,854.6	6,020.8	6,004.0	6,008.6	6,051.1	6,307.9	6,157.5	6,324.4	6,623.2	6,740.0
Monthly % Change	3.4%	(3.4%)	8.1%	2.8%	(0.3%)	0.1%	0.7%	4.2%	(2.4%)	2.7%	4.7%	1.8%
Main 50 Index	4,184.4	4,047.6	4,182.2	4,319.6	4,384.4	4,445.7	4,636.4	4,878.3	4,820.8	4,874.5	5,303.4	5,408.5
Monthly % Change	3.7%	(3.3%)	3.3%	3.3%	1.5%	1.4%	4.3%	5.2%	(1.2%)	1.1%	8.8%	2.0%
Main Market Index	4,190.1	4,086.0	4,184.8	4,303.5	4,331.9	4,373.2	4,552.4	4,741.4	4,650.5	4,687.2	5,127.5	5,182.2
Monthly % Change	1.0%	(2.5%)	2.4%	2.8%	0.7%	1.0%	4.1%	4.2%	(1.9%)	0.8%	9.4%	1.1%
All Share Market Index	5,130.7	4,968.2	5,294.3	5,445.2	5,443.0	5,459.5	5,546.0	5,780.0	5,649.2	5,775.9	6,113.6	6,210.9
Monthly % Change	2.7%	(3.2%)	6.6%	2.9%	(0.0%)	0.3%	1.6%	4.2%	(2.3%)	2.2%	5.8%	1.6%
Market Cap (KWD Mn)	29,961	29,021	31,338	32,467	32,386	32,475	32,999	34,395	33,542	34,320	36,096	36,734
P/E (X) - TTM	14.60	14.20	15.20	27.51	27.40	36.18	35.43	33.60	32.90	45.72	47.37	39.45
P/BV (X) - TTM	1.21	1.17	1.26	1.41	1.41	1.34	1.37	1.48	1.44	1.41	1.54	1.59
Dividend Yield (%)	3.51%	4.24%	4.02%	3.56%	3.57%	3.58%	3.55%	3.54%	3.63%	2.97%	2.49%	2.26%
Volume (Mn Shares)	3,567.4	2,572.7	3,772.5	8,286.7	6,225.1	5,521.6	4,877.7	6,051.4	6,047.3	4,723.3	7,531.6	9,116.3
Value (KD Mn)	649.4	528.7	690.8	1,076.2	1,145.5	2,174.2	922.3	845.3	835.0	907.6	1,083.1	1,377.2
Trades ('000)	158.0	135.0	163.4	277.6	258.7	288.3	211.4	216.4	206.9	210.1	262.3	302.4

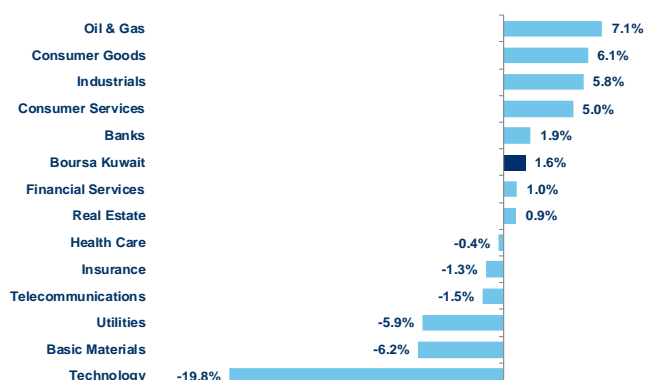
Source: Boursa Kuwait, Kamco Invest Research

Kuwait benchmarks continued to show gains during May-2021, albeit marginal, after recording the best monthly performance during April-2021. Main Market stocks once again dominated performance during the month with the Main 50 Index recording a gain of 2.0% outperforming the Premier Market index that recorded a gain of 1.8%. The broader Main Market index, however, reported a gain of 1.1%, resulting in a 1.6% monthly gain for the All Share Index. The relatively modest gains during May-2021 pushed Kuwait's YTD-2021 performance to the fourth position in the GCC with a gain of 12.0% for the All Share Index, whereas the Main 50 Index was up 16.7% in terms YTD-21 performance vs. 11.4% for the Premier Market Index.

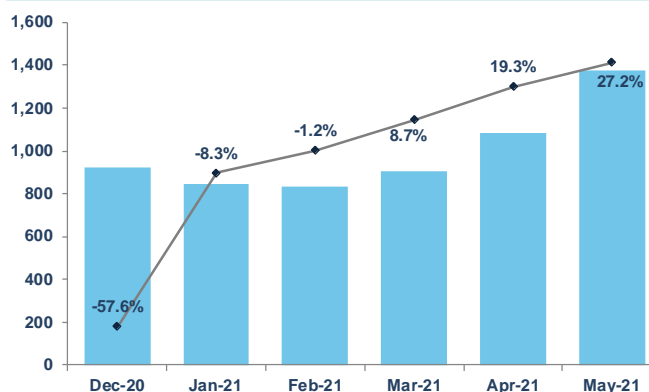
Trading activity remained upbeat during the month despite the month of Ramadan mainly led by the reconstitution of the MSCI Emerging Market index. Monthly value traded increased by 27.2% to KWD 1.4 Bn during May-2021, the highest since November-2020 when Kuwait was added to the MSCI EM Index. Monthly volume also gained but at a slightly slower pace of 21.0% to reach a 9.1 Bn shares during May-2021 as compared to 7.5 Bn shares in April-2021. Value traded during the monthly of Ramadan was the highest this year since at least the last ten years with an average daily value traded of KWD 62 Mn during this year's Ramadan. Agility topped the monthly value traded chart with KWD 114.3 Mn worth of shares traded during the month followed by KFH and AUB Bahrain at KWD 105.1 Mn and KWD 103.3 Mn, respectively. On the monthly volume chart, AAN Digital Services topped with 738.9 Mn traded shares during the month followed by Privatization Holding and AUB Bahrain at 568.0 Mn and 473.3 Mn, respectively.

The sector performance chart for the month was almost equally split between gainers and losers. The Oil & Gas index topped the month with a gain of 7.1% followed by Consumer Goods and Industrial indices with monthly gains of 6.1% and 5.8%, respectively. On the decliner's side, the Technology index topped with a decline of 19.8% followed by Basic Materials and Utilities indices with declines of 6.2% and 5.9%, respectively. The monthly stock performance chart was topped by Dar Al Thuraya Real Estate with a gain of 61.2% followed by Kuwait Hotels and Jiyad Holding with gains of 58.4% and 47.0%, respectively. Gain in shares of Kuwait Hotels came after the company reported profits of KWD 0.26 Mn during Q1-2021 as compared to a loss of KWD 53,734 during Q1-2020. On the decliner's chart, Al Bareeq Holding topped with a decline of 44.6% followed by Kuwait Reinsurance and Automated Systems Co. with declines of 30.3% and 19.8%, respectively. In terms of performance of large cap stocks, Mabanee was the only stock in the Premier market index that reported double digit monthly return of 14.6% mainly backed by stronger Q1-2021 net profits. Boursa Kuwait also showed strong gains of 8.1% during the month after Q1-21 results showed almost 100% y-o-y gain in operating revenues during the quarter.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Tadawul All Share Index	7,224.1	7,459.2	7,940.7	8,299.1	7,907.7	8,747.1	8,689.5	8,702.6	9,145.0	9,907.8	10,419.0	10,551.2
Monthly % Change	0.2%	3.3%	6.5%	4.5%	(4.7%)	10.6%	(0.7%)	0.1%	5.1%	8.3%	5.2%	1.3%
Market Cap (SAR Bn)	8,232.3	8,346.9	8,976.5	9,100.8	8,634.7	9,301.3	9,101.6	9,050.1	9,116.3	9,629.8	9,732.5	9,654.8
P/E (X) - TTM	21.77	23.50	28.96	30.21	28.33	33.05	34.85	34.72	35.70	37.61	31.43	34.57
P/BV (X) - TTM	1.76	1.80	1.94	2.02	1.91	2.09	2.08	2.08	2.17	2.32	2.33	2.33
Dividend Yield (%)	3.57%	3.45%	3.34%	2.40%	2.50%	2.37%	2.44%	2.42%	2.31%	2.44%	2.35%	2.01%
Volume (Mn Shares)	8,297.2	5,662.9	6,698.6	11,187.8	9,344.2	9,389.6	8,377.3	4,748.3	6,903.5	10,405.2	6,508.1	5,501.2
Value (SAR Mn)	380,892.5	111,338.6	150,325.2	267,453.0	221,299.0	258,644.2	252,691.6	159,509.1	245,753.2	293,293.8	186,448.8	158,174.2
Trades ('000)	5,732	5,423	6,234	9,856	9,188	10,375	9,963	6,685	9,412	11,537	7,280	6,437

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

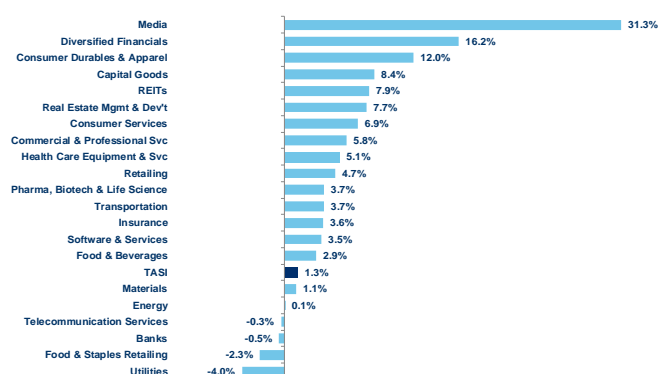
Saudi Stock Exchange took a breather during May-2021 with marginal gains of 1.3% as compared to mid-single digit gains over the previous three months. The index traded comfortably above the 10,000 mark and closed the month at 10,551.2 points, the highest level since October-2014. The monthly gain pushed the YTD-2021 gains to 21.4%, the second-highest returns this year in the GCC. Gains during the month were led by gains in the bulk of the sectors on the exchange. However, almost all the large cap sectors on the exchange reported marginal declines during the month that were offset by the remaining sectors. Key declining sectors include Utilities, which topped monthly sectoral decliners, with a fall of 4.0%. Food & Staples Retailing was next with a decline of 2.3% followed by Banks and Telecom indices at -0.5% and -0.3%. The Energy index was almost flat with a marginal gain of 0.1% after the 0.3% decline in shares of Saudi Aramco was more than offset by gain in most of the other stocks in the index. The Media index reported the biggest monthly gain of 31.3% backed by 34.1% gain in shares of SRMG and 10.7% gain in shares of Tihama Advertising. Gains in SRMG came after the company reported 41% y-o-y gain in its Q1-2021 net profits backed by 20.5% increase in revenues. Shares of Tihama got a boost after the company signed a contract with a government body to produce documentary videos with a value that exceeds 5% of the company's revenues.

In the Banking sector, shares of 7 out of 10 banks declined during the month. Saudi Investment Bank reported the biggest decline in the sector at -7.5% after the bank reported lower-than-expected growth in topline during Q1-2021. Banque Saudi Fransi was next with a decline of 6.92% followed by shares of Saudi National Bank that reported a decline of 6.5%. On the other hand, shares of Al Rajhi Bank was up 4.4% followed by Alinma Bank and Bank Al Bilad with gains of 1.1% and 0.9%, respectively, partially offsetting the overall sectoral decline. In the Utilities sector, shares of Saudi Electricity Co. declined by 5.0% during the month after peaking last month. This decline was partially offset by 5.0% gain in shares of GASCO followed by 2.1% gain in shares of AlKhorayef Water and Power Technologies Co.

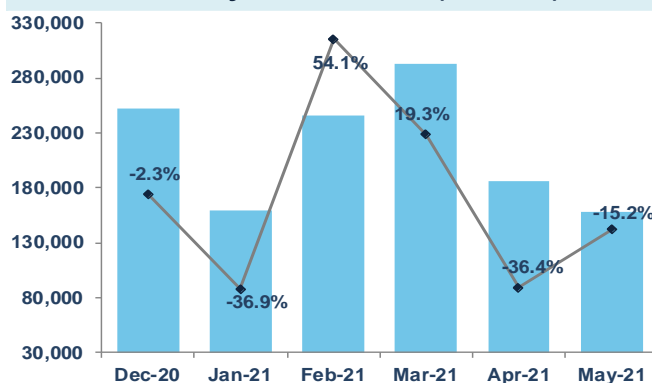
Trading activity on the exchange declined for the second consecutive month during May-2021 mainly led by the month of Ramadan. Monthly value of shares traded declined by 15.2% in May-2021 to reach SAR 158.2 Bn as compared SAR 186.4 Bn during April-2021. Volume traded also declined almost at the same pace to 5.5 Bn shares during May-2021 from 6.5 Bn during the previous month. Al Rajhi Bank once again topped the monthly value traded chart with SAR 6.1 Bn worth of trades in the stock followed by Dar Alarkan Real Estate and Saudi National Bank with SAR 4.2 Bn and SAR 3.8 Bn worth of trades, respectively. On the monthly volume chart, Dar Al Arkan Real Estate topped with 401.1 Mn traded shares followed by Alinma Bank and Saudi Kayan at 185.8 Mn and 135.2 Mn shares, respectively.

During the month, MSCI made changes to the constituents of its Emerging Market index. In Saudi Arabia, the index aggregator added two stocks to its standard EM index namely Al Mouwasat Medical Services (+4.1%) and Saudi National Petrochemicals Co. (-3.2%) and moved Saudi Airlines Catering (+3.5%) to its small cap emerging market index. It added four more stocks to the small cap index namely Al Jouf Agricultural Development, Al Moammar Info Systems, Riyadh Cement and Saudi Refineries and removed Al Mouwasat Medical Services that was shifted to the standard index.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
ADX General Index	4,285.8	4,304.7	4,519.3	4,518.1	4,660.0	4,964.9	5,045.3	5,593.5	5,663.6	5,912.6	6,046.8	6,558.7
Monthly % Change	3.5%	0.4%	5.0%	(0.0%)	3.1%	6.5%	1.6%	10.9%	1.3%	4.4%	2.3%	8.5%
Market Cap (AED Bn)	506.2	657.0	698.0	691.6	710.3	744.8	749.8	814.1	820.4	868.0	904.1	947.4
P/E (X) - TTM	13.69	15.04	16.49	16.39	17.52	19.21	20.60	22.04	22.70	22.91	22.92	22.26
P/BV (X) - TTM	1.28	1.25	1.30	1.30	1.31	1.40	1.42	1.54	1.55	1.61	1.71	1.87
Dividend Yield (%)	5.96%	5.65%	5.40%	5.44%	5.25%	4.92%	4.85%	4.37%	4.32%	4.57%	4.29%	3.97%
Volume (Mn Shares)	1,128.2	1,165.4	2,008.5	3,423.0	2,320.4	2,822.5	2,104.0	2,184.2	3,265.8	4,346.2	3,091.4	5,149.4
Value (AED Mn)	3,829.4	2,574.9	6,113.0	11,830.7	9,719.4	13,066.9	8,255.1	9,954.9	17,759.7	23,891.8	23,392.3	35,006.1
Trades	41,789	29,854	46,775	40,026	38,777	68,924	48,563	62,461	59,231	62,765	45,663	73,749

Source: Abu Dhabi Securities Exchange, Kamco Invest Research

The Abu Dhabi Exchange surged for the eighth consecutive month and reported the best monthly performance in the GCC during May-2021 that pushed the index to a new record high. The benchmark closed the month at 6,558.7 points, registering a growth of 8.5%, the biggest monthly gain in four months. Gains during the month further added to the exchange's performance since the start of the year that reached the highest in the GCC with a growth of 30.0% at the end of May-2021. The index mostly had an upward trajectory during May-2021 with very few sessions of marginal declines.

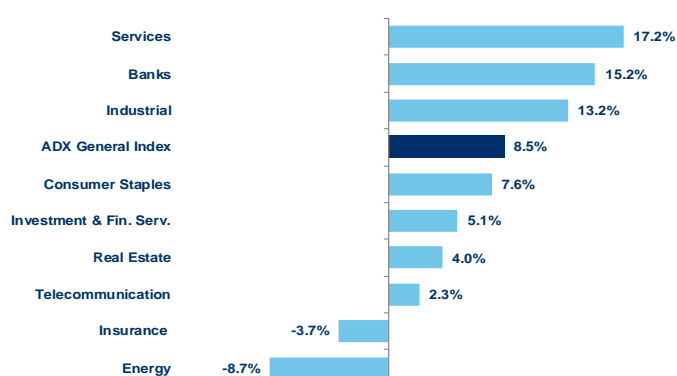
Gains during the month were broad-based with seven out of nine sectors closing in the green. The Services sector reported the biggest monthly gain of 17.2% followed by Banks and Industrial indices with gains of 15.2% and 13.2%. Within the Industrial index, shares of Abu Dhabi Shipbuilding, Arkan Building Materials, Abu Dhabi National Co. For Building Materials, RAK Cement and RAK Ceramics reported healthy gains in double digits. Shares of Arkan Building Materials got a boost with a gain of 57.3% after it emerged that the company's majority shareholder, Abu Dhabi's General Holding Corp (Senaat), is seeking a merger of Arkan and Emirates Steel to create UAE's biggest steel and building materials company. As per the proposed merger, Arkan will issue a convertible instrument to Senaat that would convert into 5.1 Bn ordinary shares in the capital of the company at AED 0.798 per share, giving the company a valuation of AED 1.4 Bn. The merged entity will have total assets of AED 13 Bn and Senaat would own 87.5% of the merged entity.

Meanwhile, shares of Abu Dhabi Shipbuilding witnessed gains of 44.0% during the month after the company won a AED 3.5 Bn contract from the UAE's Ministry of Defence to build Flaj 3-class offshore patrol vessels. This was the largest ever contract won by the company and is expected to be completed within five years. Earlier during the months, the company had reported a quarterly loss of AED 15.7 Mn in Q1-2021, a bigger loss as compared to AED 12.0 Mn in Q1-2020, led by 19.5% decline in revenues. Furthermore, shares of RAK Cement gained 25.6% during the month after the company reported smaller loss of AED 3.6 Mn in Q1-2021 as compared to AED 8.0 Mn in Q1-2020 backed by 28.5% increase in quarterly revenues that reached AED 47.3 Mn during the quarter.

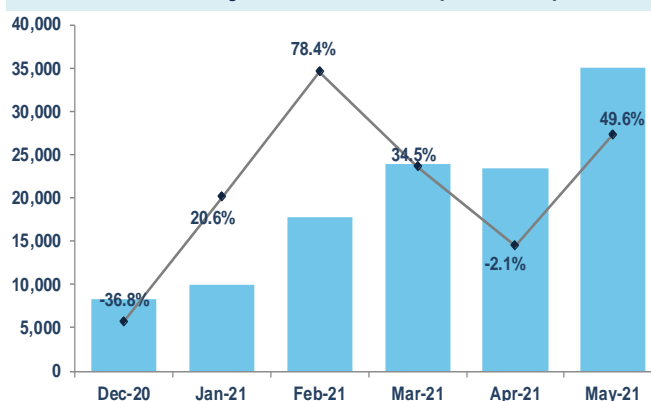
In the Banking sector, gains came mainly on the back of double digit gain in shares of FAB and Abu Dhabi Islamic Bank further supported by 8.3% gain in shares of ADCB. These gains were partially offset by 9.8% decline in shares of National Bank of Umm Al Qaiwain and 10.0% fall in shares of UAB. Share of FAB gained 18.4% during the month on the hopes that MSCI would increase the weight of the bank in its review of the MSCI Emerging Market index. Shares of Abu Dhabi Islamic Bank gained 14.7% after it reported higher net profits during Q1-2021 led by 65.5% y-o-y decline in impairment charges.

On the other hand, the Energy index reported the biggest monthly decline of 8.7% followed by Insurance index with a decline of 3.7%. Monthly trading activity on the exchange remained elevated reaching a record high since at least January-2013. Monthly value traded reached AED 35.0 Bn during May-2021 as compared to AED 23.4 Bn during April-2021 registering an increase of almost 50%. Volume traded also remained upbeat at 5.1 Bn shares as compared to 3.1 Bn shares traded during April-2021.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
DFM General Index	2,065.3	2,050.8	2,245.3	2,273.5	2,187.9	2,419.6	2,492.0	2,654.1	2,551.5	2,550.2	2,605.4	2,797.5
Monthly % Change	6.2%	(0.7%)	9.5%	1.3%	(3.8%)	10.6%	3.0%	6.5%	(3.9%)	(0.1%)	2.2%	7.4%
Market Cap (AED Bn)	290.3	289.6	310.6	314.4	306.5	333.9	337.2	354.2	345.6	348.8	356.5	377.9
P/E (X) - TTM	6.20	7.06	8.49	8.57	9.03	11.31	11.62	13.04	20.87	20.89	20.51	21.00
P/BV (X) - TTM	0.74	0.73	0.79	0.80	0.77	0.85	0.87	0.92	0.89	0.89	0.91	0.98
Dividend Yield (%)	4.54%	4.67%	4.30%	4.26%	4.44%	4.02%	3.90%	3.66%	3.81%	3.23%	3.24%	2.90%
Volume (Mn Shares)	7,530.7	5,347.4	6,749.9	8,646.0	3,963.6	4,652.0	5,400.1	5,554.2	2,686.5	2,810.0	2,182.7	3,672.2
Value (AED Mn)	6,199.1	4,538.3	7,146.0	7,598.4	3,226.4	5,878.2	5,629.5	7,187.1	3,921.9	4,203.7	3,151.4	5,186.5
Trades	96,126	75,977	96,664	115,004	58,014	79,788	78,293	88,808	53,263	58,082	41,873	67,557

Source: Dubai Financial Market, Kamco Invest Research

The DFM index continued to surge for the second consecutive month during May-2021 after witnessing consecutive gains since the start of the month only to decline marginally towards the close of the month. The index wrapped the month at 2,797.5 points, after reaching a 17-month high on 26-May-2021, registering a growth of 7.4%, the highest monthly surge since November-2020. The gains during May-2021 pushed DFM to the third position in the GCC in terms of YTD-2021 returns which stood at 12.3%.

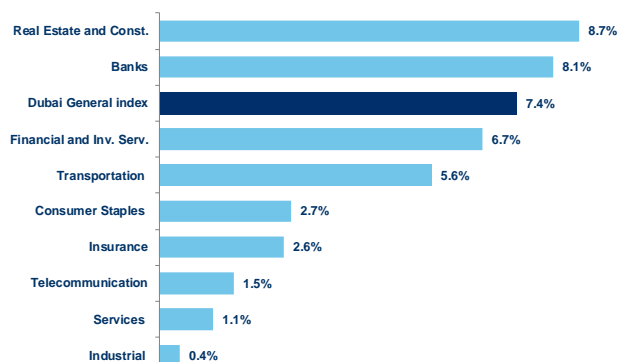
All the sectoral indices surged during the month with the Real Estate & Construction index topping with a monthly gain of 8.7%. The gains came after 6 out of 8 stocks in the sector reported gains during the month while the remaining 2 didn't trade. Shares of Emaar Development, Damac Properties and Deyaar Development reported double digit gains after market trends suggested a revival of the sector recently. According data from Mo'asher index, property sales volume in the Emirates were up 4.2% m-o-m in April-2021 at 16,577 units whereas value increased by 0.6% to AED 36.12 Bn. In a related report, a Reuters poll of property analysts showed that house prices in Dubai are expected to rise for the first time in six years this year supported by vaccine rollout leading to an overall economic recovery. Reports suggest that global buyers are seeking to take advantage of low prices and are back the market snapping prime properties in Dubai. That said, a report from Knight Frank showed that the oversupply in the market over the last few years would limit the surge in Dubai's real estate market as compared to some of the other key markets globally.

Shares of Emaar Development were up 28.0% during the month after the company reported after the company reported 20% y-o-y increase in net profits during Q1-2021 that reached AED 781 Mn. Profits were supported by a 106% y-o-y growth in property sales during Q1-2021 that reached AED 5.88 Bn as compared to AED 2.85 Bn in Q1-2020, resulting in a 26.0% increase in revenues during the quarter. The company said that it currently has a sales backlog of AED 25.0 Bn that would be recognized as future revenues. Shares of Damac Properties gained 13.3% during the month despite reporting a bigger loss of AED 189.6 Mn in Q1-2021 as compared to AED 106.1 Mn in Q1-2020. The Company said that it is yet to recognize revenues for projects that are about to be completed and that booked sales amounted to AED 1.1 Bn during Q1-2021 as compared to AED 733 Mn in Q1-2020.

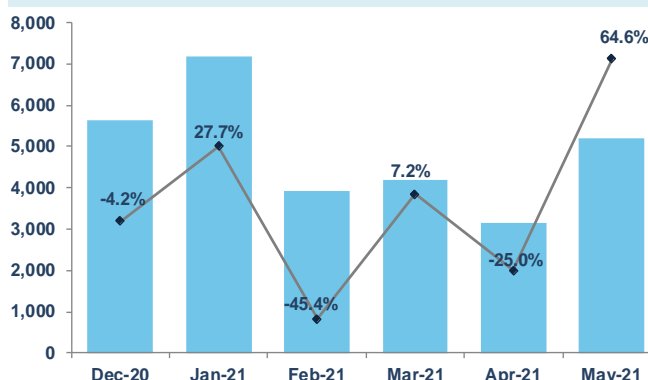
The Banking index witnessed the second-biggest gain of 8.1% during May-2021 followed by Financial & Investment Services and Transportation indices with gains of 6.7% and 5.6%. Within the banking sector, shares of Emirates NBD gained 10.8% during the month while Dubai Islamic Bank gained 7.2%.

Trading activity reached the highest in four months in May-2021. Total volume traded during the month was up 68% to reach 3.7 Mn shares as compared to 2.2 Mn shares during April-2021. Value traded also had a similar growth to reach AED 5.2 Bn in May-2021 as compared to AED 3.2 Bn during April-2021. Emaar Properties topped the monthly value traded chart with AED 1.2 Bn worth of trades followed by Emaar Malls and Dubai Islamic Bank at AED 808 Mn and AED 699 Mn, respectively.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, Kamco Invest Research

Qatar Exchange

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
QE 20 Index	8,998.6	9,368.2	9,845.2	9,990.4	9,691.0	10,262.1	10,436.0	10,473.5	10,146.0	10,401.5	10,911.4	10,748.3
Monthly % Change	1.7%	4.1%	5.1%	1.5%	(3.0%)	5.9%	1.7%	0.4%	(3.1%)	2.5%	4.9%	(1.5%)
Market Cap (QAR Bn)	520.0	547.7	570.0	588.6	565.1	590.5	602.2	608.4	588.1	605.8	630.9	624.4
P/E (X) - TTM	14.18	15.27	16.02	16.15	16.46	17.44	17.75	18.12	18.66	19.35	18.50	18.21
P/BV (X) - TTM	1.39	1.41	1.48	1.50	1.42	1.50	1.52	1.51	1.45	1.48	1.64	1.61
Dividend Yield (%)	4.45%	4.27%	4.06%	3.94%	4.07%	3.84%	3.78%	3.76%	3.66%	2.84%	2.70%	2.73%
Volume (Mn Shares)	5,169.5	6,677.6	5,759.6	8,124.1	5,649.9	5,420.2	4,643.7	3,969.7	3,184.5	5,849.8	6,740.5	3,680.1
Value (QAR Mn)	8,619.8	10,948.0	9,781.4	14,265.8	10,305.3	11,493.5	10,455.5	10,181.8	7,830.4	11,150.9	12,710.8	8,465.4
Trades	197,921	203,617	201,934	251,351	196,883	237,916	215,144	201,594	180,142	247,202	229,563	177,424

Source: Qatar Exchange, Kamco Invest Research

After witnessing consecutive gains for the previous two month, Qatar's benchmark declined during May-2021. Qatar was the only market in the GCC that declined during the month mainly led by a broad-based correction. The QE 20 index closed the month at 10,748.3 points, registering a decline of 1.5%. The decline was mainly focused on large-cap stocks as the QE All Share index witnessed a smaller decline of 1.0%. With the decline during May-2021, the YTD-2021 returns for the QE 20 index was slashed to 3.0%, one of the lowest performance in the GCC. Comparatively, the QE All Share index reported a much higher YTD-21 growth of 6.7%.

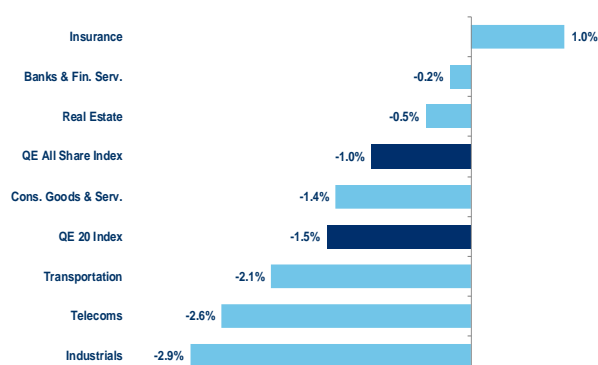
The sector performance chart for the month showed only the Insurance index in the green with a gain of 1.0% while the rest of the indices declined. The Industrial index reported the biggest monthly decline of 2.9% followed by Telecoms and Transportation indices with declines of 2.6% and 2.1%, respectively. The performance of shares in the Insurance sector were equally split with three gainers and decliners. Al Khaleej Takaful reported the biggest monthly gain in the index at 16.6% followed by much smaller gain in shares of QLM Life and Medical Insurance and Qatar Insurance. These gains were partially offset by decline in shares of Qatar General Insurance & Reinsurance by 3.5% despite reporting a four-fold increase in profits during Q1-2021 that reached QAR 46.9 Mn.

The decline in the Industrial index came after a majority of the constituents reported a decline, although there were no specific catalysts for the bulk of the companies. Shares of Industries Qatar, the biggest stock in the index, declined by 4.2% during the month along with 6.8% and 2.4% decline in shares of Qatar Electricity and Water and Mesaieed Petrochemical, respectively. These declines were partially offset by gains reported by Qatari Investors Group at 25.6% after the company was added to MSCI's small cap emerging market index in its index review this month. Shares of QAMCO and Aamal Co. also gained during the month by 5.9% and 5.4%, respectively.

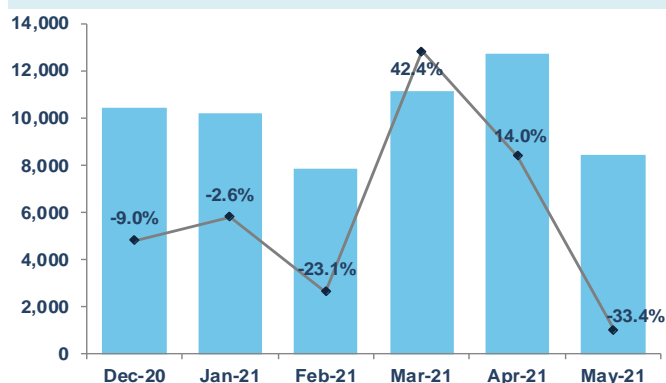
Trading activity during the month declined after seeing gains during the previous two months. Monthly value of shares traded declined by a third to QAR 8.5 Bn in May-2021 as compared to QAR 12.7 Bn during the previous month. Monthly volume of shares traded also declined and almost halved to 3.7 Bn shares in May-2021 as compared to 6.7 Bn in April-2021. QNB topped the monthly value traded chart with QAR 974.4 Mn worth of shares traded during the month followed by Salam International Investment and Qatar Aluminum Manufacturing (QAMCO) at QAR 932.9 Mn and 787.1 Mn, respectively. On the monthly volume chart, Salam International topped with a volume of 981.7 Mn followed by QAMCO and Mazaya Real Estate Development at 480.0 Mn and 341.5 Mn shares, respectively.

Meanwhile, Qatar's Ministry of Finance said that the country's economy is expected to recover in 2021 from the effects of Covid -19 and is expected to show a real GDP growth of 2.2%. This would be supported by the early vaccine rollout and the rise in demand and prices of petroleum products. The economy contracted last year with a real GDP decline of 3.7%. Data on Q1-2021 showed a revenue of QAR 45.2 Bn as compared to an expenditure of QAR 45.0 Bn, resulting in a marginal surplus of QAR 0.2 Bn. Total expenditure on major projects during the quarter stood at QAR 15.0 Bn or 20.8% of the yearly budget.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
Bahrain All Share Index	1,277.61	1,290.57	1,380.89	1,434.49	1,427.18	1,477.51	1,489.78	1,462.61	1,466.43	1,458.03	1,484.85	1,527.62
Monthly % Change	0.6%	1.0%	7.0%	3.9%	(0.5%)	3.5%	0.8%	(1.8%)	0.3%	(0.6%)	1.8%	2.9%
Market Cap (BHD Mn)	8,095	8,134	8,690	9,029	8,983	9,295	9,379	8,390	9,227	9,230	9,398	9,664
P/E (X) - TTM	9.25	9.77	12.86	13.34	13.86	14.35	14.47	14.20	30.93	37.30	38.12	26.23
P/BV (X) - TTM	0.78	0.79	0.86	0.89	0.91	0.98	0.99	0.97	0.95	0.95	0.98	1.02
Dividend Yield (%)	5.51%	5.46%	5.18%	4.69%	4.71%	4.55%	4.51%	4.59%	4.58%	4.14%	2.36%	2.18%
Volume (Mn Shares)	90.0	109.5	96.2	151.2	107.2	83.9	79.4	122.7	87.7	81.4	39.2	51.0
Value (BHD Mn)	12.6	12.3	16.6	21.6	20.0	21.6	14.0	16.6	17.8	23.8	8.8	11.5
Trades	1,158	1,075	1,293	2,267	1,372	2,267	1,336	1,339	1,702	1,254	918	1,171

Source: Bahrain Bourse, Kamco Invest Research

The Bahrain Bourse continued to report gains for the second consecutive month during May-2021. The Bahrain All Share Index closed May-2021 at 1,527.62 points, registering a gain of 2.9%, the biggest monthly gain in six months. Trading trend for the month showed gains at the start of the month that pushed the index to a MTD gain of 3.6% by mid-month, but a decline during the second half of the month partially offset earlier gains. The monthly gain supported YTD-2021 performance and lifted the benchmark into the green with a YTD-2021 gain of 2.5%.

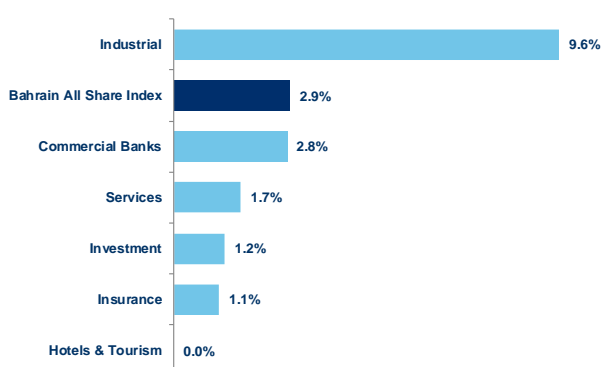
The sector performance chart showed all the sectoral indices in the green during the month with the Industrial index reporting the biggest monthly return of 9.6% followed by Commercial Banks and Services indices with monthly gains of 2.8% and 1.7%, respectively. Within the Industrial index, Aluminum Bahrain reported a gain of 9.7% after the company reported 80.7% y-o-y increase in quarterly net profits during Q1-2021 that reached BHD 52.2 Mn. Revenue during the quarter increased by 10% y-o-y to reach BHD 302.7 Mn in Q1-2021 as compared to BHD 275.9 Mn in Q1-2020 mainly reflecting 24% y-o-y gain in LME prices. However, a decline in volume by 6.0% y-o-y partially offset the overall revenues during the quarter.

The Banking sector showed gains for four out of five banks while shares of BISB remained flat. Shares of Al Salam Bank Bahrain gained 4.6% after reporting a 144% y-o-y increase in net profits during Q1-2021 that reached BHD 6.1 Mn as compared to BHD 2.5 Mn in Q1-2020. An increase in net interest income from BHD 12.6 Mn in Q1-2020 to BHD 15.2 Mn in Q1-2021 supported the bottom-line partially offset by a decline in non-interest income during the quarter as well as slightly higher loan loss impairments at BHD 3.8 Mn as compared to BHD 3.4 Mn in Q1-2020. Shares of Ahli United Bank also gained 4.4% during the month despite reporting a y-o-y decline in net profits during Q1-2021.

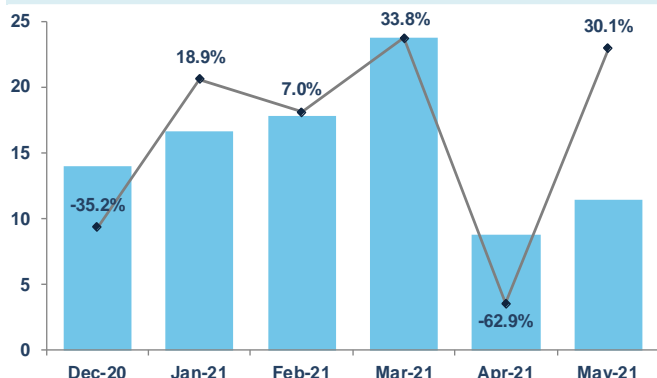
The Services index gained 1.7% during the month mainly led by positive performance of shares of telcos further supported by 3.2% gain in shares of Seef Properties. Shares of Zain Bahrain were up 5.5% during May-2021 after the telco reported a marginal increase in net profit from BHD 1.4 Mn in Q1-2020 to BHD 1.5 Mn in Q1-2021. The increase came despite flattish revenues at BHD 16.5 Mn.

The monthly stock performance chart was topped by Inovent with a gain of 25.9% that came after the company reported a steep decline in losses from USD 4.6 Mn in Q1-2020 to USD 74,000 during Q1-2021 backed by slightly higher operating income. Takaful International was next on the monthly gainers chart with a gain of 22.2% followed by Khaleeji Commercial Bank and Aluminium Bahrain with gains of 11.1% and 9.7%, respectively. Takaful International reported an 11% y-o-y increase in net profits during Q1-2021. On the decliner's side, shares of Trafco topped with a decline of 7.4% after the company reported a decline in revenues from BHD 10.2 Mn in Q1-2020 to BHD 9.0 Mn in Q1-2021. This affected net profit during Q1-2021 that reached BHD 0.65 Mn vs. BHD 0.78 Mn during Q1-2020. Nass Corp. was next on the decliners chart with a fall of 2.2% followed by Bahrain Duty Free Complex and ABC with declines of 1.6% and 0.3%, respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

Monthly Indicators	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
MSM 30 Index	3,516.0	3,568.1	3,771.9	3,614.6	3,557.8	3,643.5	3,658.8	3,653.2	3,612.4	3,708.7	3,761.0	3,852.6
Monthly % Change	(0.8%)	1.5%	5.7%	(4.2%)	(1.6%)	2.4%	0.4%	(0.2%)	(1.1%)	2.7%	1.4%	2.4%
Market Cap (OMR Mn)	5,882	6,232	6,548	6,256	6,181	6,347	6,431	6,307	6,229	6,415	6,416	6,497
P/E (X) - TTM	10.04	10.35	11.20	10.74	10.43	10.96	11.01	13.18	11.26	12.13	11.32	11.47
P/BV (X) - TTM	0.76	0.77	0.76	0.73	0.71	0.70	0.70	0.70	0.66	0.68	0.69	0.72
Dividend Yield (%)	6.83%	6.72%	6.52%	6.77%	6.96%	6.93%	6.90%	6.86%	7.55%	5.71%	4.81%	4.70%
Volume (Mn Shares)	180.9	190.8	202.5	108.6	191.6	125.7	202.0	178.5	253.3	654.3	430.9	315.3
Value (OMR Mn)	25.2	30.1	29.0	16.9	29.9	29.2	33.2	27.0	35.0	82.6	68.1	50.3
Trades	8,136	8,205	7,278	7,014	7,098	6,040	9,835	2,394	9,412	12,723	18,290	15,411

Source: Muscat Securities Market, Kamco Invest Research.

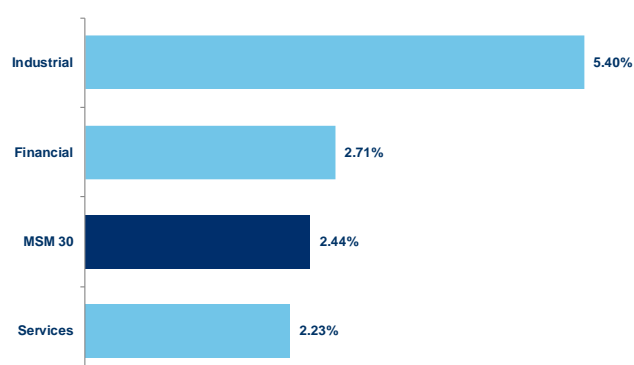
The Omani stock market witnessed gains for the third consecutive month during May-2021 that pushed YTD-2021 performance further in to the green. The MSX 30 Index gained 2.44% during the month resulting in a YTD-2021 gain of 5.3%. Returns for the MSX Total Return index were almost similar at 2.43% during May-2021. On the other hand, the MSX Shariah Index reported the highest monthly return of 4.7% that came mainly on the back of strong gains reported by Al Jazeera Services, Al Maha Ceramics and Madina Takaful. Overall, the monthly index trading trend showed consistent gains during the first half of the month that were partially offset by a slide seen during the fourth week.

Gains were broad-based during the month with all the three sectoral indices closing in the green during May-2021. The Industrial index once again witnessed the biggest monthly growth of 5.4% followed by Financial and Services indices with gains of 2.7% and 2.2%, respectively. The surge during the month resulted in 29.2% gains for the Industrial index in terms of YTD-2021 performance followed by Financials and Services indices with gains of 5.8% and 2.0%, respectively. The monthly gains for the Industrial index came after most of the stocks in the index showed gains. Al Anwar Ceramic Tiles was the top performer in the overall market as well as in the Industrial index with a gain of 42.9% that came after the company announced capital reduction.

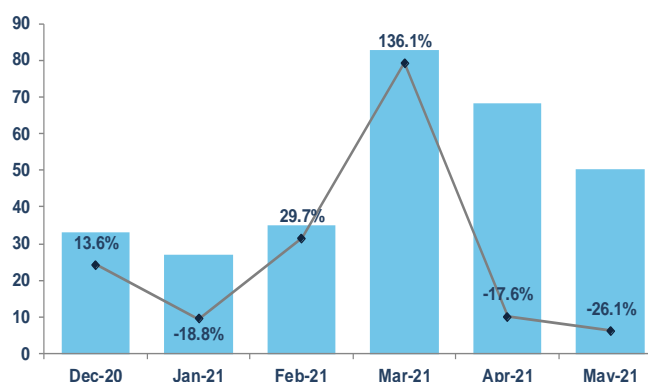
National Aluminium Products was next on the monthly gainers chart with a gain of 23.2% followed by Salalah Mills and Al Jazeera Services with gains of 21.5% and 21.3%, respectively. On the decliners side, Galfar Engineering topped with a gain of 12.7% followed by Oman Education Training and SMN Power Holding with declines of 9.1% and 8.6%, respectively. The monthly market breadth favored gainers that included 37 companies as compared 25 decliners. In terms of large cap stocks in the market, Banks dominated gains with four out of eight banks registering monthly gains while two reported marginal declines during May-2021.

Trading activity on the exchange declined for the second consecutive month during May-2021. Value traded during the month declined by 26.1% to OMR 50.3 Mn as compared to OMR 68.1 Mn during May-2021. Volume traded declined at a similar pace of 26.8% to reach 315.3 Mn shares as compared 430.9 Mn shares during April-2021. Bank Muscat once again topped the monthly value traded chart with OMR 7.1 Mn worth of shares changing hands during the month followed by Madica Takaful and OmanTel with value traded at OMR 4.3 Mn and OMR 3.6 Mn, respectively. In terms of monthly volume, Madina Takaful topped with 45.0 Mn traded shares during the month followed by Al Omaniya Financial Services and Galfar Engineering with 27.3 Mn shares and 23.5 Mn traded shares, respectively. Omani investors remained active during the month but their share of total value of buy trades and sell trades declined as compared to last month. Omanis accounted for 85.4% of buy value of shares during May-2021 as compared to 94.7% during April-2021. In terms of value of sell shares, Omanis accounted for 82.1% of trades during May-2021 as compared to 87.8% during April-2021. The share of GCC investors increased from 2.93% of value of buy trades in April-2021 to 9.72% during May-2021.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

Disclaimer & Important Disclosures

Kamco Invest is authorized and fully regulated by the Capital Markets Authority ("CMA, Kuwait") and partially regulated by the Central Bank of Kuwait ("CBK")

This document is provided for informational purposes only. Nothing contained in this document constitutes investment, an offer to invest, legal, tax or other advice or guidance and should be disregarded when considering or making investment decisions. In preparing this document, Kamco Invest did not take into account the investment objectives, financial situation and particular needs of any particular person. Accordingly, before acting on this document, investors should independently evaluate the investments and strategies referred to herein and make their own determination of whether it is appropriate in light of their own financial circumstances and objectives. The entire content of this document is subject to copyright with all rights reserved. This research and the information contained herein may not be reproduced, distributed or transmitted in Kuwait or in any other jurisdiction to any other person or incorporated in any way into another document or other material without our prior written consent.

Analyst Certification

Each of the analysts identified in this report, if any and where applicable, certifies, with respect to the sector, companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

Kamco Invest Ratings

Kamco Invest research is based on the analysis of regional and country economics, industries and company fundamentals. Kamco Invest company research reflects a long-term (12-month) target price for a company or stock. The ratings bands are:

- * **Outperform:** Target Price represents expected returns $\geq 10\%$ in the next 12 months
- * **Neutral:** Target Price represents expected returns between -10% and $+10\%$ in the next 12 months
- * **Underperform:** Target Price represents an expected return of $< -10\%$ in the next 12 months

In certain circumstances, ratings may differ from those implied by a fair value target using the criteria above. Kamco Invest policy is to maintain up-to-date fair value targets on the companies under its coverage, reflecting any material changes to the analyst's outlook on a company. Share price volatility may cause a stock to move outside the rating range implied by Kamco Invest's fair value target. Analysts may not necessarily change their ratings if this happens, but are expected to disclose the rationale behind their view to Kamco Invest clients.

Any terms and conditions proposed by you which are in addition to or which conflict with this Disclaimer are expressly rejected by Kamco Invest and shall be of no force or effect. The information contained in this document is based on current trade, statistical and other public information we consider reliable. We do not represent or warrant that such information is fair, accurate or complete and it should not be relied upon as such. Kamco Invest has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The publication is provided for informational uses only and is not intended for trading purposes. The information on publications does not give rise to any legally binding obligation and/or agreement, including without limitation any obligation to update such information. You shall be responsible for conducting your own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Moreover, the provision of certain data/information in the publication may be subject to the terms and conditions of other agreements to which Kamco Invest is a party.

Nothing in this document should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment or to engage in any other transaction, or to provide any investment advice or service. This document is directed at Professional Clients and not Retail Clients within the meaning of CMA rules. Any other persons in receipt of this document must not rely upon or otherwise act upon it. Entities and individuals into whose possession this document comes are required to inform themselves about, and observe such restrictions and should not rely upon or otherwise act upon this document where it is unlawful to make to such person such an offer or invitation or recommendation without compliance with any authorization, registration or other legal requirements.

Kamco Invest Investment Company (DIFC) Limited ("Kamco Invest DIFC") is regulated by the Dubai Financial Services Authority (DFSA). Kamco Invest DIFC may only undertake the financial services activities that fall within the scope of its existing DFSA licence. This document is intended for Professional Clients or Market Counterparties only as defined by the DFSA, and no other person should act upon it.

This document may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. The recipients of this document hereby should conduct their own due diligence on the accuracy of the information relating to the contents of this document. If you do not understand the contents of this document you should consult an authorized financial advisor.

Risk Warnings

Any prices, valuations or forecasts are indicative and are not intended to predict actual results, which may differ substantially from those reflected. The value of an investment may go up as well as down. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including, without limitation, foreseeable or unforeseeable changes in interest rates, foreign exchange rates, default rates, prepayment rates, political or financial conditions, etc.).

Past performance is not indicative of future results. Any opinions, estimates, valuations or projections (target prices and ratings in particular) are inherently imprecise and a matter of judgment. They are statements of opinion and not of fact, based on current expectations, estimates and projections, and rely on beliefs and assumptions. Actual outcomes and returns may differ materially from what is expressed or forecasted. There are no guarantees of future performance. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. This document does not propose to identify or to suggest all of the risks (direct or indirect) which may be associated with the investments and strategies referred to herein.

Conflict of Interest

Kamco Invest and its affiliates provide full investment banking services, and they and their directors, officers and employees, may take positions which conflict with the views expressed in this document. Salespeople, traders, and other professionals of Kamco Invest may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document. Kamco Invest may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this document. Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other Kamco Invest business areas, including investment banking personnel. United Gulf Bank, Bahrain owns majority of Kamco Invest's shareholding and this ownership may create, or may create the appearance of, conflicts of interest.

No Liability & Warranty

Kamco Invest makes neither implied nor expressed representations or warranties and, to the fullest extent permitted by applicable law, we hereby expressly disclaim any and all express, implied and statutory representations and warranties of any kind, including, without limitation, any warranty as to accuracy, timeliness, completeness, and fitness for a particular purpose and/or non-infringement. Kamco Invest will accept no liability in any event including (without limitation) your reliance on the information contained in this document, any negligence for any damages or loss of any kind, including (without limitation) direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with your use or inability to use this document, or in connection with any error, omission, defect, computer virus or system failure, or loss of any profit, goodwill or reputation, even if expressly advised of the possibility of such loss or damages, arising out of or in connection with your use of this document. We do not exclude our duties or liabilities under binding applicable law.



Kamco Investment Company - K.S.C. (Public)

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

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

Tel: (+965) 2233 6600 Fax: (+965) 2249 2395

Email : research@kamcoinvest.com

Website : www.kamcoinvest.com