

GCC Markets Monthly Report

September-2020

In this Report...

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

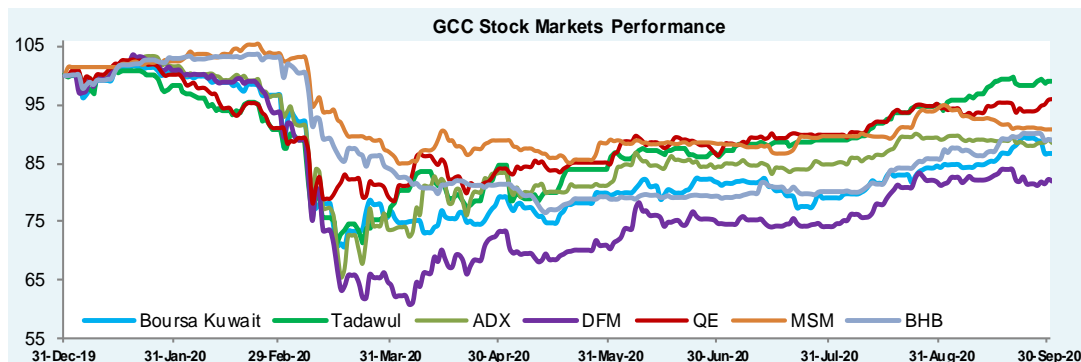
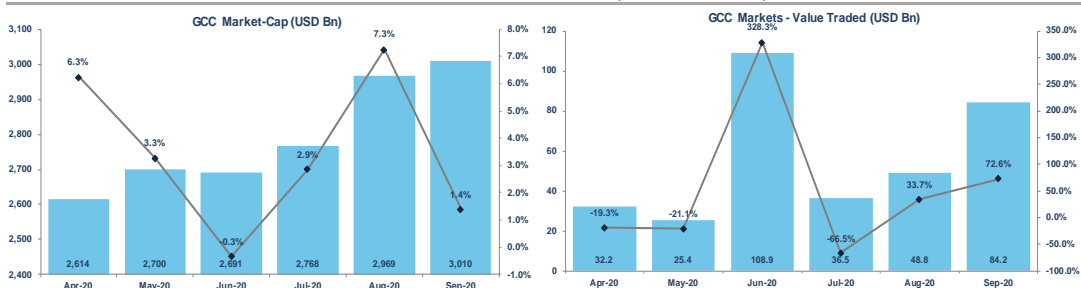
GCC equities outperform global markets to post sixth consecutive month of gains...

In a broad-based market rally, GCC equities posted its sixth consecutive month of gains with all markets, barring Oman, posting gains during September-2020. Saudi Arabia posted the best monthly returns of 4.5%, followed by Bahrain and Kuwait at 3.9% and 2.9%, respectively. Gains in the UAE markets were relatively marginal, whereas Oman's MSM 30 Index declined by 4.2%. This decline also moved Oman from being the lowest regional decliner in terms of YTD-2020 returns, to now show a high single-digit percentage decline of 9.2%. On the other hand, consecutive gains in Saudi Arabia enabled the Tadawul to almost fully recover from the Covid-19 led decline, as the YTD-2020 fall now stands at around 1.1%. Qatar comes in next with a decline of 4.2% since the start of the year.

The sector performance chart also showed a broad-based rally, as all sectors in the GCC witnessed gains during the month, barring the Energy index with a marginal decline of 0.3%. The Consumer Durable & Apparel index reported the biggest monthly gain of 23.5%, followed by Retailing and Insurance indices with gains of 10.2% and 9.4%, respectively. In terms of YTD-2020 returns, the Food, Drug & Retailing index continued to outperform with a return of 61.3%. Consumer Durable & Apparel and Pharma & Biotech indices followed with YTD-2020 gains of 55.5% and 36.8%, respectively, as Covid-19 related trades continued to outperform the broader market.

The performance of global indices reflects an increase of Covid-19 cases across the globe during September-2020, and the introduction of new measures to curb the spread of the virus. Almost all key global indices declined during the month resulting in a 3.6% decline in the MSCI World Index. The US market declined by 3.9% whereas Emerging Markets like China and Russia witnessed even steeper declines of 5.2% and 6.4%, respectively.

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	6,020.8	2.8%	(13.7%)	107.5	3,562.4	27.5	1.4	3.6%
Kuwait - Main Market Index	4,303.5	2.8%	(12.4%)					
Kuwait - All Share Index	5,445.2	2.9%	(13.3%)					
Saudi Arabia	8,299.1	4.5%	(1.1%)	2,426.8	71,317.4	30.2	2.0	2.4%
Abu Dhabi	4,518.1	(0.0%)	(11.0%)	188.3	3,220.9	16.4	1.3	5.4%
Dubai	2,273.5	1.3%	(17.8%)	85.6	2,068.7	8.6	0.8	4.3%
Qatar	9,990.4	1.5%	(4.2%)	161.7	3,918.2	16.2	1.5	3.9%
Bahrain	1,434.5	3.9%	(10.9%)	23.9	57.3	13.3	0.9	4.7%
Oman	3,614.6	(4.2%)	(9.2%)	16.2	43.9	10.7	0.7	6.8%
Total GCC				3,010.0	84,188.8	25.4	1.8	2.8%



Source: GCC Stock Exchanges, Kamco Invest Research

Junaid Ansari

Vice President

+(965) 2233 6912

jansari@kamcoinvest.com

Thomas Mathew

Assistant Vice President

+(965) 2233 6914

tmathew@kamcoinvest.com

Boursa Kuwait

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Premier Market Index	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	5,854.6	6,020.8
Monthly % Change	0.6%	5.0%	7.0%	0.8%	(4.3%)	(22.8%)	3.0%	1.3%	3.4%	(3.4%)	8.1%	2.8%
Main Market Index	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	4,184.8	4,303.5
Monthly % Change	0.9%	0.2%	3.0%	0.2%	(3.1%)	(14.4%)	3.5%	(1.8%)	1.0%	(2.5%)	2.4%	2.8%
All Share Market Index	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	5,294.3	5,445.2
Monthly % Change	0.7%	3.7%	6.0%	0.7%	(4.0%)	(20.6%)	3.2%	0.4%	2.7%	(3.2%)	6.6%	2.9%
Thomson Reuters Kuwait TR	251.6	262.0	276.7	279.4	266.9	213.9	227.5	231.8	240.2	234.9	244.8	252.3
Monthly % Change	0.6%	4.2%	5.6%	1.0%	(4.5%)	(19.8%)	6.4%	1.9%	3.6%	(2.2%)	4.2%	3.1%
Market Cap (KWD Mn)	33,081	34,285	36,345	36,613	35,156	27,754	28,778	29,169	29,961	29,021	31,338	32,467
P/E (X) - TTM	15.60	16.10	16.80	16.90	16.20	12.80	13.30	14.27	14.60	14.20	15.20	27.51
P/BV (X) - TTM	1.39	1.44	1.49	1.50	1.44	1.14	1.18	1.14	1.21	1.17	1.26	1.41
Dividend Yield (%)	3.68%	3.55%	3.35%	3.46%	3.06%	3.90%	4.56%	4.16%	3.51%	4.24%	4.02%	3.56%
Volume (Mn Shares)	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	3,772.5	8,286.7
Value (KD Mn)	503.8	514.1	853.5	869.5	522.3	986.8	747.4	441.0	649.4	528.7	690.8	1,076.2
Trades ('000)	122.7	122.4	176.1	160.8	139.4	239.3	175.6	112.0	158.0	135.0	163.4	277.6

Source: Boursa Kuwait, Kamco Invest Research

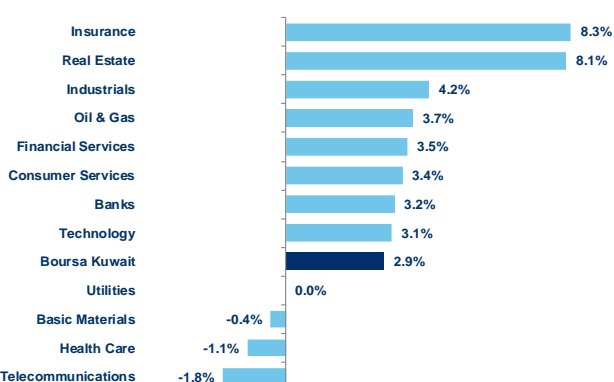
Kuwaiti equity market continued to record gains for the second consecutive month during September-2020 with all the four benchmark indices witnessing gains during the month. However, the gains were focused mainly on the Main Market with the Main 50 Index up 3.3% during the month as compared to 2.8% gains for the Premier Market Index and the Main Index, resulting in a slightly better gains for the All Share Index at 2.9%. Gains were also capped by the sad demise of the Emir of Kuwait that resulted in a day's sell-off on 29-September-2020. The performance in terms of YTD-2020 also improved with the Premier Market index now showing a decline of 13.7% while the Main Market Index reported a slightly smaller decline of 12.4% resulting in a 13.3% decline for the All Share Index. The month witnessed the listing of Boursa Kuwait in the Premier Market with stock gaining almost 10x on the first day of the listing.

Trading activity on the exchange continued to show strong gains during September-2020. Volume traded during the month was the highest since February-2017 reaching 8.3 Bn traded shares in September-2020 as compared to 3.8 Bn shares in August-2020. The aggregate value of shares changing hands during the month was also the highest since January-2017 at KWD 1.1 Bn during September-2020 as compared to KWD 690.8 Mn during the previous month. KFH topped the monthly value traded chart with shares worth KWD 171 Mn traded during the month followed by NBK and AUB-Bahrain with KWD 91.6 Mn and KWD 75.2 Mn in trades, respectively.

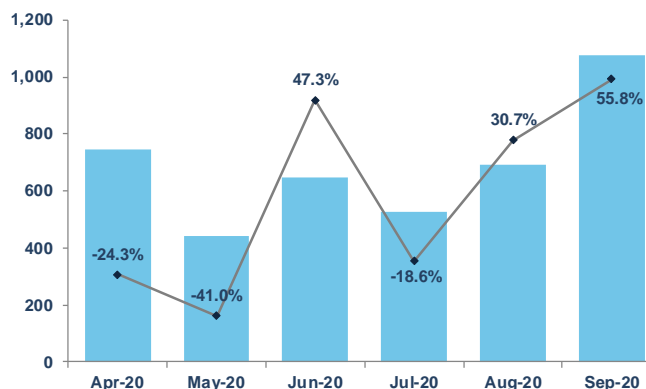
In terms of sector performance, the Insurance index witnessed the biggest gains during the month at 8.3% led by 16.8% gain in shares of Gulf Insurance Group and 13.3% gain in shares of Kuwait Reinsurance. These gains more than offset decline in shares of Warba Insurance (-7.1%) and First Takaful Insurance (-7.3%). The Real Estate Index was next with a gain of 8.1% followed by Industrials and Oil & Gas indices with monthly gains of 4.2% and 3.7%, respectively. Gains in the Real Estate index was led by a sector-wide gains with only a few small cap stocks seeing declines during the month as the economy inched towards gradual restoration of normalcy following the Covid-19 lockdowns. On the decliners side, the Consumer Goods index witnessed the biggest drop during the month at 3.6% followed by Telecom and Healthcare indices with declines of 1.8% and 1.1%, respectively.

During the month, Moody's downgraded Kuwait's sovereign rating by two notches to A1 with a Stable Outlook. The downgraded mainly highlighted the country's lack of liquidity and the inability to raise debt to plug the rising budget deficits due to the decline in oil prices. Nevertheless, the rating agency indeed highlighted Kuwait's extraordinary fiscal strength.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Tadawul All Share Index	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	7,940.7	8,299.1
Monthly % Change	(4.3%)	1.5%	6.7%	(1.7%)	(7.5%)	(14.7%)	9.3%	1.4%	0.2%	3.3%	6.5%	4.5%
Market Cap (SAR Bn)	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	8,976.5	9,100.8
P/E (X) - TTM	16.33	16.37	23.40	23.00	21.30	26.12	28.57	22.04	21.77	23.50	28.96	30.21
P/BV (X) - TTM	1.78	1.81	2.12	2.09	1.89	1.58	1.70	1.76	1.76	1.80	1.94	2.02
Dividend Yield (%)	3.90%	3.86%	3.23%	3.29%	3.53%	4.07%	3.63%	3.45%	3.57%	3.45%	3.34%	2.40%
Volume (Mn Shares)	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	6,698.6	11,187.8
Value (SAR Mn)	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	150,325.2	267,453.0
Trades ('000)	2,537	2,173	3,740	3,750	3,271	5,167	4,426	3,265	5,732	5,423	6,234	9,856

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

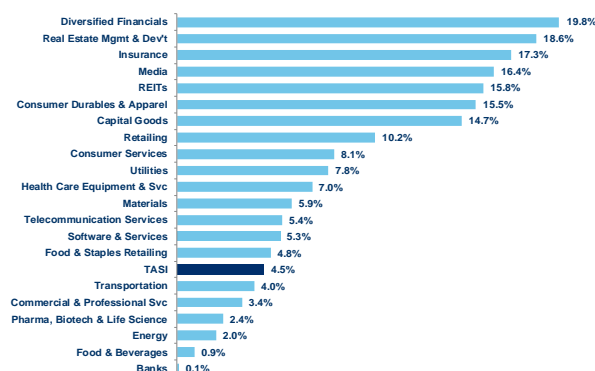
In a broad-based rally, the Saudi stock exchange recorded the biggest monthly gain in the GCC during September-2020 and was up for the sixth consecutive month. TASI closed the month 8,299.1 points recording a gain of 4.5% following consistent gains mainly during the first half of the month. These gains pushed the benchmark's YTD-2020 decline to the lowest in the GCC at 1.1%. The monthly sector performance chart showed gains across the board with all the sectoral indices in the green during the month. The Diversified Financials index topped with a gain of 19.8% mainly on the back of 18% return in shares of Kingdom Holdings. The Real Estate Index was next with a gain of 18.6% followed by the Insurance and Media Indices with monthly gains of 17.3% and 16.4%, respectively. Large-cap indices like Energy and Telecom also witnessed gains during the month at 2.0% and 5.4%, respectively, whereas the Banking index witnessed the smallest monthly gain to close almost flat m-o-m with a marginal gain of 0.1%. The performance of Banking stocks was mixed with decline in shares of Riyadh Bank, SABB, ANB, and Samba almost fully offset primarily by gain in shares of Al Rajhi Bank, Alinma Bank and Balk Aljazira. Shares of NCB declined marginally by 0.1% during the month.

The monthly share performance in September-2020 was heavily skewed towards gainers that included 174 stocks as compared to 21 decliners. Insurance stocks dominated the monthly share performance chart with four out of top five gainers from the Insurance sector. Shares of Amana Cooperative Insurance were up almost three-fold followed by Tihama Advertising and Gulf General Cooperative Insurance with gains of 73.0% and 72.6%, respectively. The Insurance industry has witnessed strong profitability this year led by the Covid-19 pandemic that resulted in higher premium earnings whereas claims remained substantially low due to lower mobility during the lockdowns. On the decliners side, National Company for Learning and Education topped with a decline of 5.9% followed by SABB and Riyadh Bank with declines of 5.8% and 2.8%, respectively. Three out of the top five monthly decliners during September-2020 were from the banking sector.

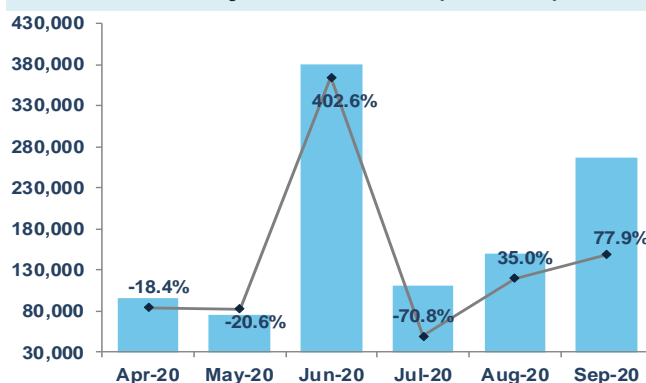
Trading activity remained elevated during the month to reach one of the highest levels in recent months. Total volume traded reached one of the highest monthly levels recorded at 11.2 Bn shares during September-2020 as compared to 6.7 Bn shares during the previous month. Monthly value traded reached a three-month high level of SAR 267.5 Bn during September-2020 as compared to SAR 150.3 Bn during the previous month. Dar Al Arkan Real Estate Development topped the monthly volume traded chart for September-2020 with 1.1 Bn in traded shares followed by Alinma Bank and Saudi Kayan Petrochemicals with 376.6 Mn and 280.6 Mn shares, respectively. On the monthly value traded chart, Saudi Fisheries topped with SAR 12.9 Bn in trades followed by Dar Al Arkan Real Estate Development and Aramco with SAR 9.3 Bn and SAR 9.1 Bn worth of shares changing hands, respectively.

On the economic front, rating agency S&P affirmed the long-term sovereign rating for Saudi Arabia at A- with a Stable outlook highlighting the countries relatively strong net asset position on both its fiscal and external balances. The agency also highlighted the challenges faced by the Kingdom in the form of low oil prices and the pandemic, but said that the country's GDP is expected to rebound from 2021 on oil prices and growth in the volume of its energy exports.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
ADX General Index	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	4,519.3	4,518.1
Monthly % Change	1.0%	(1.5%)	0.9%	1.6%	(4.9%)	(23.8%)	13.3%	(2.1%)	3.5%	0.4%	5.0%	(0.0%)
Market Cap (AED Bn)	525.9	519.2	529.1	559.9	535.3	431.8	489.2	485.2	506.2	657.0	698.0	691.6
P/E (X) - TTM	12.85	12.77	12.85	13.17	12.39	9.44	10.86	12.92	13.69	15.04	16.49	16.39
P/BV (X) - TTM	1.43	1.40	1.42	1.35	1.27	0.96	1.07	1.24	1.28	1.25	1.30	1.30
Dividend Yield (%)	4.94%	5.00%	4.95%	4.81%	5.08%	6.55%	5.60%	6.14%	5.96%	5.65%	5.40%	5.44%
Volume (Mn Shares)	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	2,008.5	3,423.0
Value (AED Mn)	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	6,113.0	11,830.7
Trades	30,702	29,132	25,376	23,279	28,487	52,789	48,960	33,979	41,789	29,854	46,775	40,026

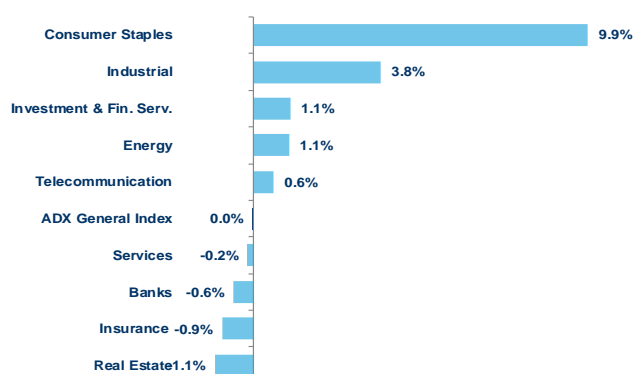
Source: Abu Dhabi Securities Exchange, Kamco Invest Research

The ADX index closed rangebound in Sept-2020, declining marginally by 0.03%, as the index closed at 4518.06 points. Sectoral performance was mixed, and the Consumer Staples index led all sectors with gains of 9.9% m-o-m. Agthia and RAPCO were the main drivers for the positive performance in the sector, as the stocks gained by 11.7% and 8.5% m-o-m respectively. Industrials followed with gains of 3.8% m-o-m, as Gulf Cement (+32.5%) and Fujairah Building Industries (+14.3%) pushed the index upwards during the month. Energy (+1.1%), Investment & Financial Services (+1.1%) and Telecoms (+0.6%) were the other sectoral gainers, albeit marginally m-o-m. In funding related activity, TAQA announced one of Morocco's largest private bond placements in 2020, where its subsidiary, TAQA Morocco, generates electricity to meet more than 40% of the country's electricity demand. The transaction was through TAQA Morocco's finalization of a bond issuance by a private placement for AED 1.08 billion (USD 293.8 million), which diversifies TAQA Morocco's funding base. Real Estate was the main laggard during the month, with marginal declines of 1.2% m-o-m, as RAK Properties (-3.5%) and Aldar (-1%) declined in Sept-2020.

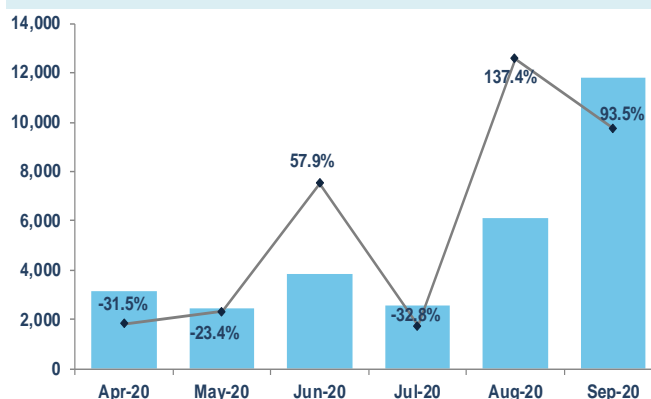
In corporate funding activity, FAB issued a USD 750 Mn benchmark fixed rate Additional Tier 1 perpetual non-call six-year bond. FAB attracted an orderbook of over USD 1.5 Bn with strong participation from more than 115 accounts and achieved its target size of USD 750 Mn at a price of 4.5%. Earlier, Moody's assigned the provisional 'Baa3' rating to the issuance reflecting the bank's standalone creditworthiness and is positioned three notches below the bank's Baseline Credit Assessment (BCA) of a3 and adjusted BCA of a3. ADNOC completed a placement to institutional investors of 1.25 Bn shares in ADNOC Distribution, which represents 10% of ADNOC Distribution's total share capital. With the additional 10% placement, valued at USD 1 Bn, the company's free float will increase to 20%, contributing to improved liquidity of ADNOC Distribution shares. The placement was priced at AED 2.95/share, which is 18% above the IPO price of AED 2.50/share and represents a 5% discount on the company's 3-month volume weighted average price. ADNOC will own 80% of ADNOC Distribution's registered share capital following the placement and continues to see strong and deliverable growth potential in the company.

Abu Dhabi National Takaful topped the monthly gainers chart, with a gain of 87.3% m-o-m followed by Gulf Cement and AXA Green Insurance with gains of 32.5% and 27.8% respectively. On the decliners side, the worst performing companies were Eshraq Properties and RAK Co for White Cement with declines of 19.4% and 14.6%, respectively. Trading activity on the exchange was higher m-o-m in Sept-2020, as volumes traded was up by 70.4% to 3.42 Bn shares. Value traded however almost doubled by 93.5% m-o-m to reach AED 11.8 Bn during Sept-2020. In terms of most actively traded stocks, ADNOC Distribution led all stocks in terms of value traded, with AED 4.3 Bn worth of shares traded during Sept-2020. FAB and International Holdings followed as AED 1.90 Bn and AED 1.73 Bn worth of shares were traded respectively. ADNOC Distribution led the most active stocks list in terms of volumes traded, as 1.44 Bn shares were traded. Aldar Properties and Shuaa Capital followed with 744.7 Mn and 200.56 Mn shares traded during Sept-2020.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
DFM General Index	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	2,245.3	2,273.5
Monthly % Change	(1.2%)	(2.5%)	3.2%	0.9%	(7.2%)	(31.6%)	14.4%	(4.0%)	6.2%	(0.7%)	9.5%	1.3%
Market Cap (AED Bn)	359.0	351.0	359.9	381.1	363.4	266.2	288.3	280.8	290.3	289.6	310.6	314.4
P/E (X) - TTM	6.82	6.57	6.76	6.93	6.59	4.34	5.02	7.73	6.20	7.06	8.49	8.57
P/BV (X) - TTM	0.93	0.90	0.93	0.92	0.83	0.54	0.62	0.70	0.74	0.73	0.79	0.80
Dividend Yield (%)	4.49%	4.43%	4.31%	4.25%	4.81%	7.24%	7.24%	4.93%	4.54%	4.67%	4.30%	4.26%
Volume (Mn Shares)	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	6,749.9	8,646.0
Value (AED Mn)	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	7,146.0	7,598.4
Trades	62,712	60,225	47,868	48,434	49,137	95,806	111,040	73,062	96,126	75,977	96,664	115,004

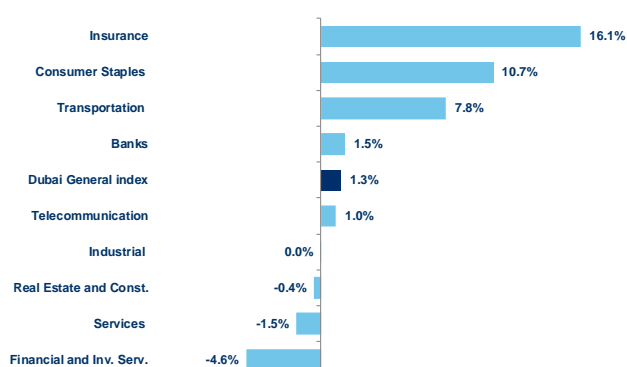
Source: Dubai Financial Market, Kamco Invest Research

After closing Aug-2020 (+9.5%) as the best performing GCC index, the DFM stabilized and gained by 1.3% m-o-m in Sept-2020. The index closed at 2273.48 points, as sectoral performance was mixed. The Insurance index was the best performing index with double-digit gains of 16.1% m-o-m, from full potential recovery of business activity and strong expectations of financial results going forward driving positive performances in the sector's stocks. The Consumer Staples and Discretionary index also gained by 10.7% m-o-m, buoyed by DXB Entertainments singlehandedly driving gains in sector, as its stock price jumped by 11.7% m-o-m, from Motiongate and Lapita Hotel opening in end Sept-2020. The Transportation sector also gained by 7.8% m-o-m in Sept-2020, as Aramex gained by 17.2% m-o-m following a strategic partnership entered into with Transport to manage Ittihad Group's sea freight volumes in their B2B segment. Moreover, ADQ acquired a 22.25% stake in Aramex during the month. Gulf Navigation Holding on the other hand saw its share price decline by 10.7% m-o-m, as its vessel MV "Gulf Livestock 1" sunk while the vessel was on passage from Napier, New Zealand to the Chinese Port of Tangshan. Investment & Financial Services companies declined the most during Sept-2020 falling by 4.6% m-o-m, as DIC (-5.7%) and Al Ramz Corp (-4.4%) were main drivers for the decline.

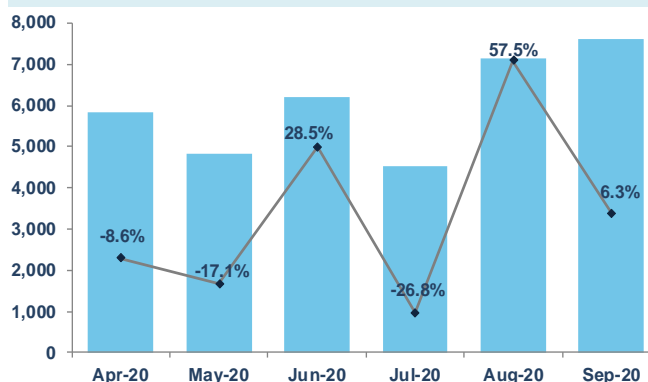
In major corporate developments, Arabtec shareholders authorized its board to file for liquidation due to its untenable financial position. The company earlier reported H1-2020 loss of AED 794 Mn and total accumulated losses of AED 1.46 Bn before calling the general assembly under an article of UAE company law. The company reportedly owed about AED 1.8 Bn to banks and more than AED 5.3 Bn to trade creditors. Separately, Tabreed announced the successful syndication of a landmark term-loan facility, which was pre-funded by HSBC in Mar-2020, as part of the company's acquisition funding of an 80% stake in Emaar Downtown Dubai district cooling business. The USD 692 Mn loan has a tenor of 5 years until Mar-2025, and was structured as a multi-tranche syndicated facility with Islamic and conventional tranches. HSBC and ADIB acted as lead managers which saw participation from nine banks, with over 40% of the deal subscribed by regional and international banks with strong anchorage by the UAE banking market. In funding initiatives, Emirates Islamic Bank closed the issuance of a USD 500 Mn 5-year Sukuk from its USD 2.5 Bn Certificate Issuance Programme with a profit rate of 1.827%.

In terms of trading activity, the DFM witnessed improving trends on major indicators, as volumes traded increased by 28.2% m-o-m to reach 8.6 Bn shares. In terms of value traded, total value of shares improved by 6.3% m-o-m to reach AED 7.6 Bn. In terms of monthly gainers, Ithmaar Holding led all stocks as its stock price more than doubled (+180.6%) in Sept-2020. Dubai Islamic Insurance and Aan Digital Services followed, as their stock prices jumped up by 115.4% and 35.5% respectively. On the other hand, shares of Arabtec declined the most as its share price declined by 20.8% m-o-m. Gulf Navigation Holding and Amanat Holdings followed with declines of 10.7% and 7.7% respectively for the month. Emirates NBD was the most actively traded stock on the exchange as AED 1.87 Bn worth of stock was traded. Emaar Properties and Arabtec Holding followed with value traded of AED 826 Mn and AED 603 Mn respectively. In terms of volumes, Union Properties led all stocks as 1.46 Bn shares were traded. Arabtec and Ithmaar Holding followed as 945 Mn and 921 Mn shares were traded.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, Kamco Invest Research

Qatar Exchange

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
QE 20 Index	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	9,845.2	9,990.4
Monthly % Change	(1.7%)	(0.4%)	2.7%	0.2%	(9.1%)	(13.5%)	6.8%	0.9%	1.7%	4.1%	5.1%	1.5%
Market Cap (QAR Bn)	563.4	562.2	582.7	579.5	526.0	460.5	493.8	500.9	520.0	547.7	570.0	588.6
P/E (X) - TTM	13.77	13.74	14.18	14.05	13.12	11.51	12.90	14.15	14.18	15.27	16.02	16.15
P/BV (X) - TTM	1.39	1.39	1.44	1.39	1.25	1.10	1.17	1.39	1.39	1.41	1.48	1.50
Dividend Yield (%)	4.15%	4.16%	4.02%	4.03%	4.14%	4.67%	4.36%	4.46%	4.45%	4.27%	4.06%	3.94%
Volume (Mn Shares)	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	5,759.6	8,124.1
Value (QAR Mn)	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	9,781.4	14,265.8
Trades	111,539	116,733	122,888	101,454	120,366	202,954	195,215	162,304	197,921	203,617	201,934	251,351

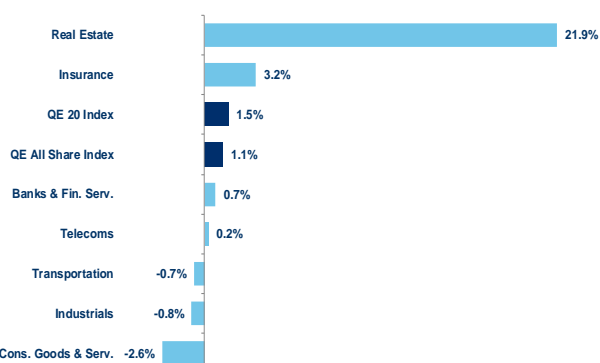
Source: Qatar Exchange, Kamco Invest Research

Qatar's QE-20 index gained marginally in Sept-2020 (+1.5%) m-o-m and closed at 9990.39 points, after gaining by 5.1% in the month prior. The Qatar All Share index which maps the broader market also showed marginal gains of 1.1% for the month, as sectoral performance was more skewed towards gainers. The Real Estate sector was the main gainer in the index, jumping by 21.9% m-o-m, as United Development (+49.9%) and Ezdan Holding (+38.4%) were key drivers for the positive performance m-o-m. The Insurance index followed with gains of 3.2% m-o-m, while Banks & Financials index increased marginally by 0.7% m-o-m. The Consumer Goods & Services was the worst performing index for Sept-2020 as the sector declined by 2.6% m-o-m, driven by declines from Qatar German for Medical Devices (-15.3%) and Qatar Fuel (-3.8%) m-o-m. In corporate developments, Transportation name Nakilat assumed full ship management and operations of Q-Flex LNG carrier Al Rekayyat from Shell International Trading and Shipping Company Limited with effect from 20 Sept 2020. With a cargo carrying capacity of 216,300 cubic meters, Al Rekayyat is wholly owned by Nakilat and chartered by Qatargas and is the sixth vessel that will come under the management of Nakilat Shipping Qatar Ltd. (NSQL) this year, bringing the total number of vessels managed by NSQL to 25, comprising of 21 LNG and 4 LPG carriers.

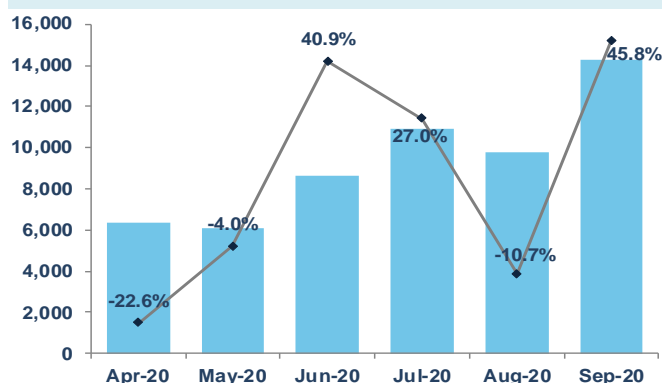
In corporate funding initiatives, QNB Group announced the completion of its first green benchmark bond issuance, which was reportedly the first ever green bond issued by a Qatari bank. Under the MTN Programme, USD 600 Mn tranche in the form of senior unsecured notes was issued with a maturity of 5 years and listed on the London Stock Exchange under Sustainable Bond Market segment. The proceeds from the green bond issuance will be used to finance and/or refinance assets in verified Eligible Green Project, and the issue received subscriptions in excess of USD 1.8 Bn. Separately, Commercial Bank successfully launched a senior unsecured 5-year bond worth USD 500 Mn at the set spread of +175 bps over 5-year Mid Swaps and priced at a coupon rate of 2.00% and yield of 2.083%. The issue was also oversubscribed 3.8x and the highlights included the negative 15bps new issue premium with fair value calculated at 190bps ahead of book-building based on the trading levels of CB 2023s.

Trading activity was up during Sept-2020 as value traded increased by 45.8% m-o-m, to reach QAR 14.3 Bn as compared to QAR 9.8 Bn during Aug-2020, while volumes traded increased by 45.8% to reach 14.3 Bn shares in Sept-2020, as against 9.8 Bn shares in the month prior. In terms of trading activity, United Development topped the monthly value traded chart with QAR 2.4 Bn worth of shares traded, followed by Investment Holding Group and QNB recording QAR 1.00 Bn and QAR 966 Mn in monthly value traded. In terms of traded volumes, Investment Holding Group led all companies with 1.57 Bn shares being traded during Sept-2020. United Development & QAMCO followed with 1.44 Bn and 675.9 Mn shares traded during the month. United Development was the top performing stock in the index for the month as its share price was up by 49.9% m-o-m. Ezdan Holding Group and Qatar Cinema followed with gains of 38.4% and 12.5% respectively m-o-m. On the other hand, shares of Qatar German Co for Medical Devices witnessed the most declines, losing 15.3% m-o-m. Qatar General Insurance & Qatar Investors Group followed with declines of 9.8% each for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Bahrain All Share Index	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	1,380.89	1,434.49
Monthly % Change	0.4%	0.2%	5.5%	2.9%	0.2%	(18.7%)	(3.0%)	(3.1%)	0.6%	1.0%	7.0%	3.9%
Market Cap (BHD Mn)	8,695	8,708	9,175	9,679	9,710	7,777	8,268	8,047	8,095	8,134	8,690	9,029
P/E (X) - TTM	10.26	10.44	11.09	11.38	12.50	10.18	9.78	9.04	9.25	9.77	12.86	13.34
P/BV (X) - TTM	0.91	0.91	0.95	0.97	0.95	0.75	0.72	0.76	0.78	0.79	0.86	0.89
Dividend Yield (%)	4.60%	4.59%	4.37%	4.24%	4.61%	5.01%	4.95%	5.55%	5.51%	5.46%	5.18%	4.69%
Volume (Mn Shares)	77.4	82.4	88.8	58.9	70.8	104.6	146.2	59.9	90.0	109.5	96.2	151.2
Value (BHD Mn)	17.1	25.4	24.9	18.7	16.9	23.2	21.2	24.5	12.6	12.3	16.6	21.6
Trades	1,535	1,138	1,538	1,446	1,378	1,767	926	665	1,158	1,075	1,293	2,267

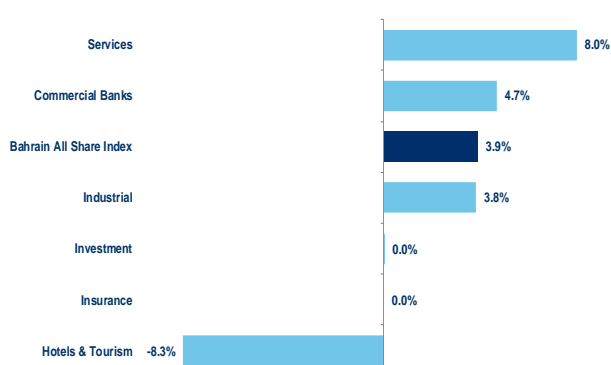
Source: Bahrain Bourse, Kamco Invest Research

The Bahrain Bourse continued its m-o-m gains from Aug-2020 (+7.0%) into Sept-2020, and was the second-best performing market in the GCC. The index was up 3.9% m-o-m and closed at 1434.49 points, even as sectoral performance was mixed. The top performing sectors for the month were Services (+8%), Commercial Banks (+4.7%) and Industrials (+3.8%). On the decliners side, Hotels & Tourism was the only sector to close in the red with declines of 8.3% m-o-m. The Services index outperformed primarily due to double digit gains witnessed in the shares of Bahrain Duty Free Complex (+18.0%), United Paper Industries (+14.8%) and Batelco (+11.1%). In prominent corporate ratings action, Fitch Ratings downgraded National Bank of Bahrain (NBB) Long-Term Issuer Default Rating (IDR) to 'B+' from 'BB-' and kept the outlook as Stable. Fitch has also downgraded NBB's Viability Rating (VR) to 'b+' from 'bb-' and revised the Support Rating Floor (SRF) to 'B' from 'BB-'. The downward revision of the SRF reflects the sovereign's weaker foreign-currency (FC) reserves and higher debt levels.

In other ratings action, Fitch Ratings downgraded AUB's long-term IDR to 'BB+' from 'BBB-', the viability rating to 'bb' from 'bb+', and the Outlook on the long-term IDR as Stable. AUB's long-term IDR reflects the likelihood of support for AUB from the Kuwaiti authorities, as per Fitch. The downgrade of the Country Ceiling resulted in the downgrade of AUB and this constraint was mentioned as a consequence of AUB's exposure to the Bahraini sovereign and domestic economy on the balance sheet side. Bahrain represented 17% of AUB's credit risk exposures at end-1H20, as per Fitch. Further, Fitch downgraded Arab Banking Corporation long-term IDR to 'BB+' from 'BBB-' and its viability rating to 'bb+' from 'bbb'. The outlook on the long-term IDR is negative. The downgrade reflects Fitch's view that ABC's viability rating, which is not capped by the sovereign rating, is constrained at a maximum of three notches above the sovereign rating. The rating agency mentioned that ABC's sensitivity to a sovereign default, albeit low, is still present and is expressed in a maximum number of notches between the bank's viability rating and the Bahraini sovereign rating. The negative outlook reflects the agency's assessment of material risks from low oil prices and the coronavirus pandemic that could result in further deterioration of ABC's operating environment. In other corporate developments, Investcorp entered into a definitive agreement alongside China Resources Capital Management Limited to acquire a majority ownership position in City Super (BVI) Limited.

Trading activity was higher, as volumes rose by 57.3% m-o-m to reach 151.2 Mn shares. Value traded jumped by 29.8% m-o-m and reached BHD 21.6 Mn. The number of trades made in the exchange increased to 2,267 trades, up 75.3% m-o-m from Sept-2020. GFH was the most actively traded stock in Sept-2020 with BHD 13.50 Mn worth of its shares traded on the exchange. AUB and Batelco followed with BHD 10.88 Mn and BHD 3.42 Mn worth of shares traded. In terms of volumes traded, GFH was the most active stock as 81.9 Mn shares were traded, followed by Ithmaar Holding and AUB with 22.6 Mn and 14.1 Mn shares respectively. In terms of monthly gainers Ithmaar Holding saw its share price more than double (+125.6%) m-o-m, followed by Bahrain Duty Free and United Paper Industries with gains of 18.0% and 14.8% respectively. Esterad Investment was the main laggard, as it witnessed a m-o-m decline of 15.9% m-o-m, followed by Gulf Hotel Group and Nass Corp with monthly declines of 10.6% and 9.1% respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

Monthly Indicators	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
MSM 30 Index	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	3,771.9	3,614.6
Monthly % Change	(0.4%)	1.6%	(2.0%)	2.5%	1.3%	(16.5%)	2.6%	0.1%	(0.8%)	1.5%	5.7%	(4.2%)
Market Cap (OMR Mn)	6,675	6,706	6,591	6,722	6,744	5,798	5,877	5,920	5,882	6,232	6,548	6,256
P/E (X) - TTM	8.26	8.32	8.13	8.47	8.66	7.13	7.59	9.16	10.04	10.35	11.20	10.74
P/BV (X) - TTM	0.74	0.75	0.73	0.75	0.73	0.60	0.62	0.76	0.76	0.77	0.76	0.73
Dividend Yield (%)	7.13%	7.05%	7.21%	6.80%	6.79%	8.01%	7.78%	6.81%	6.83%	6.72%	6.52%	6.77%
Volume (Mn Shares)	433.3	207.2	332.3	231.2	278.6	298.5	169.7	101.4	180.9	190.8	202.5	108.5
Value (OMR Mn)	53.4	32.4	62.0	40.8	52.9	71.6	25.0	16.9	25.2	30.1	29.0	16.9
Trades	10,774	9,901	10,490	11,293	12,494	10,507	9,945	5,880	8,136	8,205	7,278	7,005

Source: Muscat Securities Market, Kamco Invest Research.

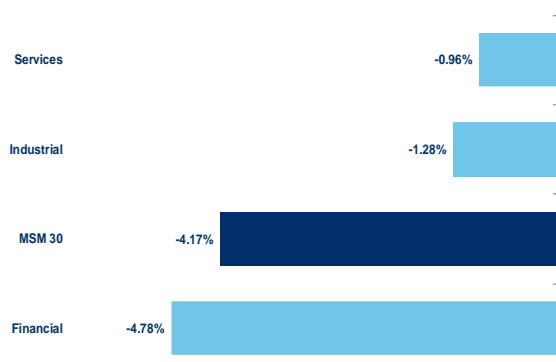
The Omani stock market retracted during September-2020 after witnessing gains for the previous two months. Oman was the only noticeable declining stock market in the GCC during the month with the MSM 30 Index receding 4.2% to reach 3,614.6 points. The index decline reflected fall in all the three sectoral indices during the month with the Financial index declining by 4.8% followed by relatively smaller declines for the Industrial and Services indices at 1.3% and 1.0%, respectively. The monthly declines also pushed Oman to the third position in the GCC in terms of YTD-2020 performance which now stands at a decline of 9.2%. On the sectoral front, The Omani Services sector has witnessed the biggest decline with the corresponding index down by 17.5% followed by Financial and Industrial indices with declines of 8.1% and 6.1%, respectively.

Trading activity on the exchange also witnessed a steep decline during the month with declines in both volume and value traded after seeing consistent gains over the previous three months. Volume traded during the month declined by 44.2% m-o-m to reach 108.5 Mn in September-2020 as compared to 202.5 Mn during August-2020. Monthly value traded also declined but at a slightly lower pace of 41.8% to reach OMR 16.9 Mn as compared to OMR 29.0 Mn during August-2020. Bank Nizwa topped the monthly volume traded chart with 12.1 Mn traded shares followed by Al Anwar Ceramic Tiles and Bank Muscat with monthly volumes of 8.7 Mn and 8.5 Mn, respectively. In term of monthly value traded, Bank Muscat topped with OMR 3.3 Mn worth of shares changing hands during the month followed by Ooredoo Oman and Al Anwar Ceramic Tiles with monthly value traded at OMR 1.5 Mn and OMR 1.4 Mn, respectively.

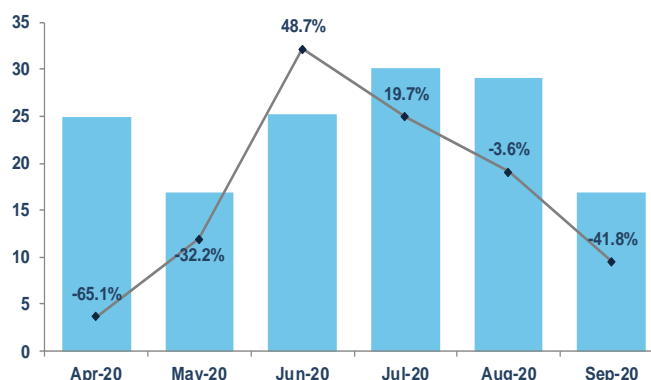
The monthly stock performance chart was topped by Dhofar Cattle Feed Co. with its shares gaining 27.3% followed by Oman Oil Marketing Co. and Al Jazeera Steel Products with monthly gains of 19.8% and 14.4%, respectively. Shares of Oman Oil Marketing got a boost after the news that India's BPCL said that it may acquire its partner Oman Oil Company's stake in the JV between the two companies i.e. Bharat Oman Refineries Ltd. BPCL had increased its stake in the JV recently from 50% to 63% after converting warrants into shares. On the decliners side, National Aluminium Products Co. topped with a decline of 18.6% followed by Sohar Bank and Muscat Finance with monthly declines of 10.3% and 9.6%, respectively.

On the economic front, a Reuter's report showed that Oman's budget deficit reached OMR 855.8 Mn during 1H-2020. According to a Bloomberg report, this year Oman is expected to report its biggest budget deficit since 2016. The country is expected to raise debt in the international and local debt markets via a international bond and sukuk to plug the deficit for the remainder of the year, according to the Finance Ministry. The ministry added that it signed a bridge loan for OMR 770 Mn and issued OMR 550 Mn in development bonds early this year and is tapping its reserves and privatizing some assets to raise funds. In a related move, the Sultanate is in the process of getting required approvals to implement VAT in the country starting from January-2022. According to reports, the implementation of VAT would add around OMR 400 Mn in state revenues. Oman also amended its income tax law via a royal decree and scrapped the system of filing of dual tax returns in Oman. Taxpayers would not be required to file a single tax return within 4 months after the end of the accounting period.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

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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 : kamcoird@kamcoinvest.com

Website : www.kamcoinvest.com