

Oil Market Monthly Report

May-2026

In this Report...

Oil Prices	2
Oil Demand	3
Oil Supply	4
Production & Capacity	5
Oil Price Forecast	6

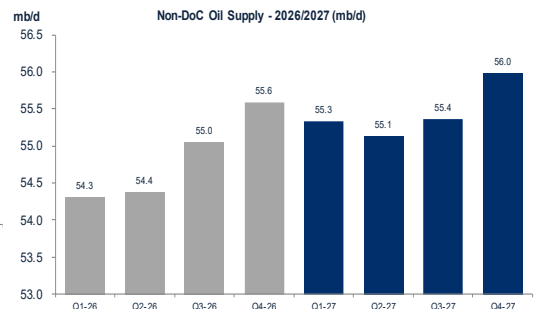
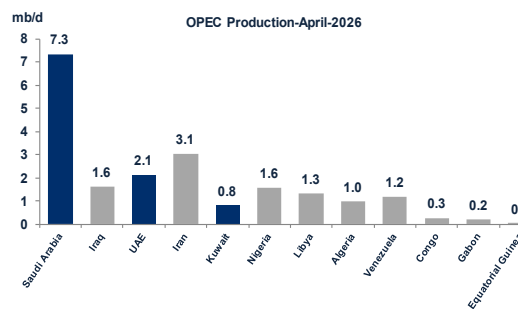
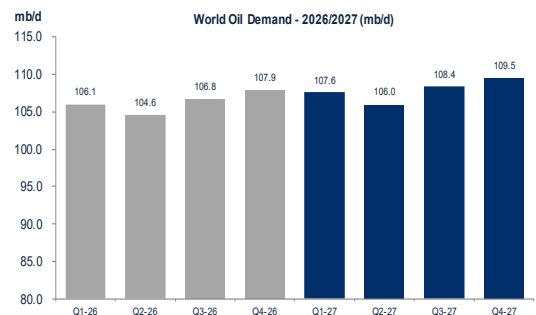
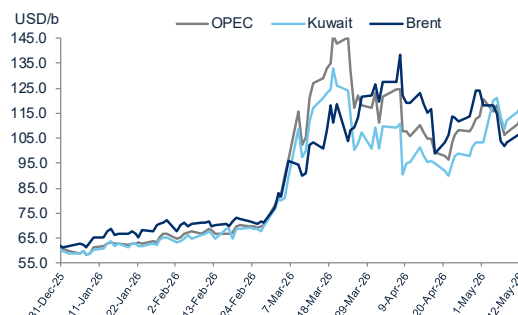
Crude oil remains elevated over US-Iran peace talk deadlock...

Brent crude oil remained elevated after paring some gains following consistent surge in prices that was led by the US-Iran trade impasse and the likely impact the closure of the Strait of Hormuz would have on the oil market and the global economy in the coming years. Brent crude prices have remained over the USD 100/b mark for the fourth straight week with no progress on the talks between the two countries. The marginal pullback came after yearly inflation in the US reached the highest level in three years at 3.8% during April-2026, indicating the initial impact of the war on global prices. Higher global energy costs were also reflected in the consumer and producer price indices in China that came in higher than expected for last month.

On the geopolitical front, the war rhetoric in the Middle East failed to subside despite the ongoing ceasefire, although a few attacks continued in the region. The meeting between the heads of US and China is expected to ease some tensions in the region but a clear expectation about the outcome was still elusive. On the other hand, the Russia-Ukraine war continues with a wave of attacks that targeted Russia's seaborne exports and oil refining capacity. Crude exports from the Novorossiysk port on the Black Sea declined last week for the first time since March-2026. As per Bloomberg, the attacks on Russian oil infrastructure during April-2026 was at the highest level since December-2025, including attacks on refineries, export terminals and oil pipeline infrastructure.

Concerns were also highlighted by the CEO of Saudi Aramco about the critically low levels of gasoline and jet fuel inventories globally ahead of the summer travel months due to the closure of the Strait of Hormuz. He said that onshore inventories were declining at an accelerated pace. He added that the world has lost a total of 1 billion barrels of crude oil since the start of the war and risks losing 10 million barrels every week if the Strait remains closed. This comes in addition to demand destruction that some Asian countries have imposed to conserve fuel usage.

Meanwhile, crude oil supplies continued to dwindle from the Middle East region with reports suggesting a sharper decline during April-2026. OPEC oil production plunged to the lowest level since 1989 with average production reaching 20.6 mb/d during April-2026 as compared to 21.0 mb/d during the previous month, as per data from Bloomberg. The decline was sharpest in Kuwait and Iran due to the closure of shipments from the region. These declines were partially offset by higher production reported by Nigeria, Venezuela and Libya. On the other hand, oil production in the US continued to remain subdued at one of lowest levels in at least three months at 13.57 mb/d during the week ended 1-May-2026, although oil rig count has started showing marginal growth over the last two weeks.



Sources : OPEC, EIA, Bloomberg

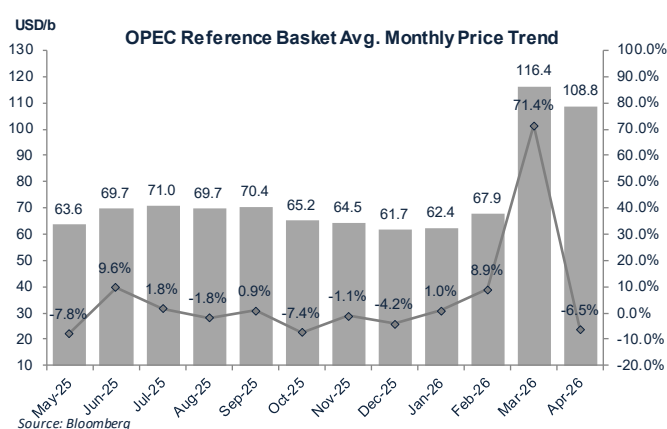
Junaid Ansari
Head of Investment Strategy
and Research
+(965) 2233 6912
jansari@kamcoinvest.com

Oil Prices

Crude oil prices remained elevated over the USD 100/b levels as a quick resolution to the Middle East conflict was ruled out by market watchers. There were also forecasts that suggest a longer term pain for the market if supply resumption from the Strait of Hormuz is delayed until next month. And even if the Strait were to open, analysts suggested that normalization of supplies would take months before it reaches prewar levels. Brent crude oil future prices averaged above the USD 100/b levels for the fourth consecutive week last week after reaching USD 120/b level towards the end of last month. However, there was a sharp decline in the premiums in the physical market as buyers retreated, although traders cautioned that the calm is only temporary as buyers relying on stopgap measures are only for a short time and cannot fill the gap indefinitely. As per Bloomberg, the premium on Dated Brent

dropped as much as 90% from more than USD 30 per barrel above Brent to reach prewar levels as refiners delay purchases, tap inventories, cut refinery runs, and rely on strategic reserve releases. In addition, a steep decline in China's crude oil imports coupled with early refinery maintenance, and record crude exports from the US have temporarily eased pressure on physical markets.

In terms of monthly price trend, average crude oil prices saw gains for the third consecutive month during April-2026 led by the supply disruption caused by the Middle East conflict. Average spot Brent crude oil price reached the highest level in almost four years registering an increase of 16.9% to reach USD 121.4/b. On the other hand, average OPEC reference basket price witnessed a decline of 6.5% to reach USD 108.8/b while Kuwait export grade crude prices witnessed a bigger decline of 15.0% to average at USD 105.7/b during April-2026. Also, the consensus estimate for Brent crude underwent a significant upgrade from last month's expectations with median forecasts upgraded for Q2-2026 by USD 18.5 per barrel to USD 96/b and for Q3-2026 the revision was USD 10/b to an average of USD 85/b. For the full year, the consensus estimates show a price of USD 84.77/b.



Average Crude Oil Prices, USD/b	Mar-2026	Apr-2026	Change (USD)	YTD Avg. 2025	YTD Avg. 2026
OPEC Reference Basket	116.4	108.8	(7.6)	74.8	89.4
Arab Light	121.3	107.2	(14.1)	76.6	90.6
Basrah Light	117.6	108.4	(9.2)	74.1	89.1
Bonny Light	104.6	122.1	17.5	74.6	92.0
Djeno	96.4	114.0	17.6	66.3	83.7
Es Sider	103.7	125.8	22.1	72.5	92.2
Iran Heavy	124.1	103.1	(21.0)	75.4	89.4
Kuwait Export	124.3	105.7	(18.6)	76.1	90.0
Merey	85.9	90.5	4.6	62.4	68.4
Murban	110.9	104.5	(6.4)	74.6	87.7
Rabi	103.4	120.9	17.6	73.2	90.7
Saharan Blend	104.2	133.4	29.2	74.3	95.1
Zafiro	102.1	121.2	19.1	76.0	90.0
Other Crudes					
Brent	103.8	121.4	17.6	73.7	91.2
Dubai	128.3	105.6	(22.7)	74.7	91.8
Isthmus	90.1	101.0	10.9	69.0	77.8
LLS	96.0	102.8	6.8	72.1	82.1
Mars	98.1	104.0	5.9	70.5	81.7
Minas	113.8	133.3	19.6	76.8	98.6
Urals	73.8	95.6	21.8	60.0	62.4
WTI	91.2	98.6	7.5	69.4	78.9
Differentials					
Brent/WTI	12.7	22.8	10.1	4.3	12.2
Brent/LLS	7.9	18.6	10.8	1.6	9.1
Brent/Dubai	(24.4)	15.8	40.3	(1.0)	(0.6)

Source: OPEC Monthly Oil Market Report - May-2026

World Oil Demand

Global oil demand growth forecast for 2026 was lowered by the OPEC in its latest monthly report to 1.2 mb/d from an expected growth of 1.38 mb/d forecasted last month. Average demand is now expected to average at 106.33 mb/d this year. As per the report, there was an upward revision in demand estimates for Q1-2026 by 0.31 mb/d mainly in demand in the US and other Asia partially offset by downward revision to quarterly demand estimates for OECD Europe, OECD Asia Pacific and the Middle East regions. However, the upward revision during Q1-2026 was offset by downward revisions to demand forecast for the remaining three quarters for both the OECD and non-OECD regions. On the other hand, demand forecast for 2027 was upgraded by 0.2 mb/d to a growth of 1.5 mb/d with average demand expected to reach 107.87 mb/d during the year.

The monthly report from the IEA showed an expected contraction in demand this year. As per the IEA, world oil demand is expected to contract by 420 tb/d in 2026, to reach 104 mb/d. This forecast is 1.3 mb/d less than our pre-war forecast for the year. As per the IEA, demand in Q2-2026 is expected to see a sharp decline by 2.45 mb/d, out of which the OECD region

World Oil Demand - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	25.43	25.58	25.27	26.10	25.61	25.64	0.21	0.83
of which US	20.74	20.90	20.71	21.30	20.85	20.94	0.20	0.96
Europe	13.43	12.89	13.57	13.70	13.42	13.40	(0.03)	(0.22)
Asia Pacific	7.10	7.25	6.60	6.84	7.39	7.02	(0.08)	(1.13)
Total OECD	45.95	45.71	45.44	46.64	46.42	46.06	0.11	0.24
China	16.88	17.24	16.73	17.30	17.29	17.14	0.25	1.54
India	5.65	5.85	5.85	5.59	6.12	5.85	0.20	3.54
Other Asia	9.85	10.14	10.20	10.01	10.01	10.09	0.24	2.44
Latin America	6.94	6.96	7.08	7.13	7.09	7.07	0.13	1.87
Middle East	8.82	8.71	8.44	9.01	9.10	8.82	0.00	0.00
Africa	4.92	5.07	4.80	5.00	5.39	5.07	0.15	3.05
Russia	4.01	4.07	3.87	4.06	4.21	4.05	0.05	1.00
Other Eurasia	1.31	1.47	1.33	1.20	1.37	1.34	0.03	2.29
Other Europe	0.83	0.83	0.82	0.82	0.92	0.85	0.02	2.41
Total Non-OECD	59.21	60.34	59.13	60.12	61.49	60.27	1.06	1.79
Total World	105.16	106.05	104.57	106.76	107.91	106.33	1.17	1.11

Source: OPEC Monthly Oil Market Report - May-2026

accounts for 930 tb/d and the non-OECD region for the remaining decline of 1.5 mb/d. At the sector level, the petrochemical and aviation sectors were most impacted by the crisis while the increase in prices coupled with a weaker economic environment and demand-saving measures implemented by several countries are expected to increasingly impact fuel usage globally.

The contraction in demand is expected to be broad-based, driven by economic impact, rationing announced by certain countries, reduction in refinery throughput and higher prices. IEA forecasts that global crude refinery throughputs are expected to decline by 4.5 mb/d in Q2-2026 to 78.7 mb/d, and by 1.6 mb/d to 82.3 mb/d for the full year led by infrastructure damage, export restrictions and lower feedstock availability. Higher refining margins, that remain at historically high levels, supported by record middle distillate cracks is also expected to lower throughputs as seen in the case of Chinese teapot refineries. This resulted in a 20% decline in crude oil imports in China during April-2026.

World Oil Demand - 2026/2027, mb/d	2026	Q1-27	Q2-27	Q3-27	Q4-27	2027	Y-o-Y Growth	% Chg.
Americas	25.64	25.65	25.34	26.23	25.72	25.74	0.10	0.39
of which US	20.94	20.98	20.78	21.39	20.93	21.02	0.08	0.38
Europe	13.40	12.96	13.67	13.77	13.48	13.47	0.07	0.52
Asia Pacific	7.02	7.28	6.63	6.85	7.41	7.04	0.02	0.28
Total OECD	46.06	45.89	45.64	46.86	46.61	46.25	0.19	0.41
China	17.14	17.39	16.89	17.53	17.53	17.34	0.20	1.17
India	5.85	6.09	6.08	5.82	6.36	6.09	0.24	4.10
Other Asia	10.09	10.45	10.50	10.28	10.30	10.38	0.29	2.87
Latin America	7.07	7.10	7.23	7.25	7.22	7.20	0.14	1.84
Middle East	8.82	8.96	8.65	9.27	9.30	9.05	0.23	2.61
Africa	5.07	5.23	4.95	5.18	5.55	5.23	0.16	3.16
Russia	4.05	4.12	3.92	4.10	4.26	4.10	0.05	1.23
Other Eurasia	1.34	1.51	1.36	1.24	1.40	1.38	0.03	2.99
Other Europe	0.85	0.85	0.84	0.84	0.94	0.87	0.02	2.35
Total Non-OECD	60.27	61.70	60.40	61.51	62.86	61.62	1.35	2.24
Total World	106.33	107.59	106.04	108.37	109.46	107.87	1.54	1.45

Source: OPEC Monthly Oil Market Report - May-2026

World Oil Supply

World oil supply continued to decline during April-2026 after a sharp fall during the previous month. Data from IEA showed that world oil supply declined by an additional 1.8 mb/d during April-2026 to reach 95.1 mb/d following a 10.1 mb/d decline in March-2026. The decline was mainly led by a fall in production from the Gulf countries due to the closure of the Strait of Hormuz. As per the IEA, production from the region was 14.4 mb/d below pre-war levels. However, an increase in production and exports from the Atlantic Basin helped to offset the decline. For the full year, the IEA forecasts a decline of 3.9 mb/d to an 102.2 mb/d but the forecast is based on an assumption that the Strait will gradually resume operations from June-2026.

Non-DoC Oil Supply - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	28.29	27.95	28.41	28.82	29.04	28.56	0.26	0.95
of which US	22.22	21.78	22.40	22.60	22.69	22.37	0.15	0.68
Europe	3.63	3.74	3.57	3.54	3.65	3.63	0.00	0.00
Asia Pacific	0.41	0.41	0.38	0.39	0.38	0.39	(0.01)	(4.88)
Total OECD	32.32	32.10	32.37	32.74	33.07	32.58	0.25	0.80
China	4.62	4.73	4.69	4.57	4.57	4.64	0.02	0.43
India	0.82	0.82	0.82	0.82	0.83	0.82	0.00	0.00
Other Asia	1.64	1.65	1.62	1.61	1.61	1.62	(0.02)	(1.22)
Latin America	7.55	8.11	8.03	8.09	8.22	8.11	0.56	7.42
Middle East	1.99	1.63	1.59	1.95	1.96	1.78	(0.21)	(10.55)
Africa	2.27	2.24	2.23	2.24	2.31	2.25	(0.01)	(0.88)
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00	0.00
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09	0.00	0.00
Total Non-OECD	19.34	19.63	19.43	19.73	19.94	19.68	0.35	1.76
Total Non-DoC Production	51.66	51.74	51.80	52.47	53.01	52.26	0.60	1.16
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57	0.03	1.18
Total Non-DoC Supply	54.20	54.31	54.37	55.04	55.58	54.83	0.63	1.16
DoC NGLs and non-conventionals	8.63	8.68	8.76	8.74	8.87	8.76	0.13	1.53
DoC Crude Oil Production	41.93	-	-	-	-	-	-	-
Total World Supply	104.76	-	-	-	-	-	-	-

Source: OPEC Monthly Oil Market Report - May-2026

The monthly report from OPEC showed no change in the supply forecast for non-DoC liquids production as compared to the previous month's estimates. As per OPEC, supply from non-DoC producers is expected to grow by 0.63 mb/d in 2026 to reach an average output of 54.83 mb/d during the year. For 2027 as well, the OPEC kept its forecast largely unchanged as compared to last month and expects non-DoC output to increase by 0.6 mb/d to an average of 55.45 mb/d.

Oil production in the US remained subdued at one of the lowest levels in at least three months at 13.57 mb/d during the week ended 1-May-2026. However, the EIA expects crude production in the US to reach record levels next year as some domestic producers are encouraged to raise output due to the higher prices. The EIA forecasts output to average at 14.1 mb/d in 2027 but remain steady at 13.65 mb/d in 2026. Exports from the US have also reached record levels over the last two months due to the Middle East crisis. As per Bloomberg, the US has become the biggest exporter of crude oil in the world with total exports of 250 million barrels shipped overseas over the last nine weeks. This has also caused depletion of domestic inventories with stockpiles drawdowns reported consecutively over the last four weeks to reach below historical averages. The US is also reported to tap the strategic petroleum reserve and loan 53.3 million barrels.

Non-DoC Oil Supply - 2026/2027, mb/d	2026	Q1-27	Q2-27	Q3-27	Q4-27	2027	Y-o-Y Growth	% Chg.
Americas	28.56	28.59	28.51	28.75	29.01	28.72	0.16	0.56
of which US	22.37	22.26	22.39	22.43	22.52	22.40	0.03	0.13
Europe	3.63	3.62	3.51	3.45	3.57	3.54	(0.09)	(2.48)
Asia Pacific	0.39	0.39	0.37	0.39	0.39	0.38	(0.01)	(2.56)
Total OECD	32.58	32.59	32.39	32.60	32.97	32.64	0.06	0.18
China	4.64	4.67	4.65	4.56	4.58	4.62	(0.02)	(0.43)
India	0.82	0.81	0.80	0.80	0.81	0.81	(0.01)	(1.22)
Other Asia	1.62	1.60	1.59	1.60	1.61	1.60	(0.02)	(1.23)
Latin America	8.11	8.38	8.41	8.51	8.69	8.50	0.39	4.81
Middle East	1.78	1.94	1.95	1.97	1.99	1.96	0.18	10.11
Africa	2.25	2.29	2.28	2.27	2.28	2.28	0.02	1.33
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00	0.00
Other Europe	0.09	0.10	0.10	0.10	0.10	0.10	0.00	11.11
Total Non-OECD	19.68	20.15	20.15	20.17	20.41	20.22	0.54	2.74
Total Non-DoC Production	52.26	52.74	52.54	52.77	53.38	52.86	0.60	1.15
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02	0.78
Total Non-DoC Supply	54.83	55.33	55.13	55.36	55.97	55.45	0.62	1.13

Source: OPEC Monthly Oil Market Report - May-2026

OPEC Oil Production & Spare Capacity

OPEC crude oil production reached the lowest level since 1989 as the Strait of Hormuz continued to remain blocked by Iran and the US that resulted in limited output from the region and significantly hampered exports. Average group output declined by 420 tb/d during the month and stood at 20.55 mb/d, according to data from Bloomberg. Within the group, Kuwait witnessed the steepest decline of 470 tb/d with output averaging at 0.8 mb/d during April-2026 followed by Iran and Saudi Arabia with much smaller m-o-m declines. These declines were partially offset by higher output in Nigeria and Venezuela that reported an increase of 110 tb/d each during April-2026 followed by Libya and Congo with production increases of 50 tb/d and 30 tb/d, respectively. Data from the IEA and OPEC secondary sources also showed decline in output from the group. As per the IEA, OPEC production declined by 0.63 mb/d to 20.18 mb/d during April-2026 but showed a sharper decline in production in Kuwait

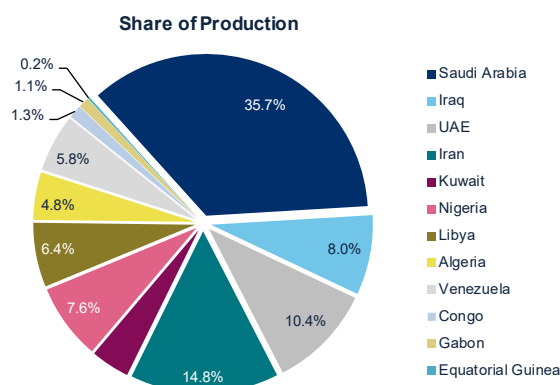
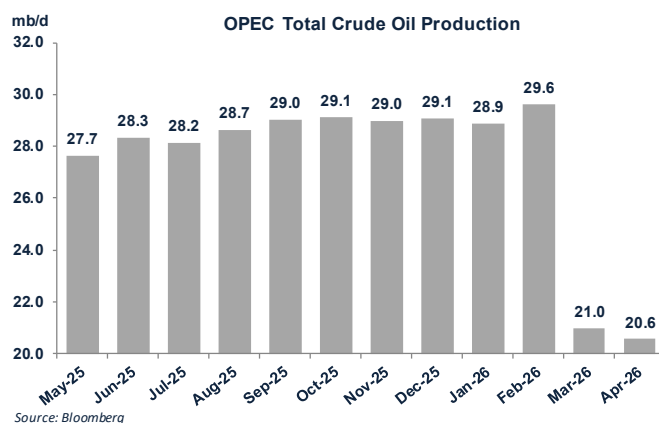
Production ('000 b/d)	Mar-26	Apr-26	Change		Capacity	Spare Capacity
Total OPEC-12	20,970	20,550	-420	-2.00%	33,690	13,330
Saudi Arabia	7,390	7,340	-50	-0.7%	12,000	4,660
Iraq	1,630	1,640	10	0.6%	4,800	3,160
UAE	2,160	2,140	-20	-0.9%	4,650	2,510
Iran	3,230	3,050	-180	-5.6%	3,830	780
Kuwait	1,270	800	-470	-37.0%	2,820	2,020
Nigeria	1,450	1,560	110	7.6%	1,600	40
Libya	1,270	1,320	50	3.9%	1,320	0
Algeria	980	980	0	0.0%	1,060	80
Venezuela	1,080	1,190	110	10.2%	1,000	0
Congo	240	270	30	12.5%	300	30
Gabon	220	220	0	0.0%	230	10
Equatorial Guinea	50	40	-10	-20.0%	80	40
Total OPEC-11	19,340	18,910	-430	-2.22%	28,890	9,980

Source: Bloomberg

and Iraq. As per the IEA, output from Gulf countries was 14.4 mb/d below the pre-war levels during April-2026. OPEC secondary sources showed the sharpest decline in crude oil production with a drop of 1.73 mb/d with average production reaching 19.0 mb/d. As per OPEC secondary sources, oil production in Saudi Arabia dropped by nearly 1 mb/d during the month to reach an average of 6.8 mb/d. Kuwait was next with a production decline of 0.56 mb/d to reach an average of 0.6 mb/d followed by Iraq and Iran with declines of 0.29 mb/d and 0.21 mb/d with average production of 1.4 mb/d and 2.85 mb/d, respectively. These declines were partially offset by higher production mainly in UAE and Venezuela, as per OPEC report.

Output from the broader DoC producers group showed a slightly higher production decline of 1.74 mb/d, as per OPEC secondary sources, with average output from the broader OPEC+ group reaching 33.2 mb/d during April-2026. The non-OPEC DoC group showed a production decline of 12 tb/d during April-2026 mainly led by a decline in output from Russia by 107 tb/d to reach an average output of 9.1 mb/d and a decline of 26 tb/d for Bahrain with average production of 55 tb/d. These declines were offset by an increase of 115 tb/d reported by Kazakhstan with average output of 1.8 mb/d.

Data from Bloomberg showed an expected decline of around 6 to 7 mb/d in supplies to China from Saudi Arabia in June-2026 reaching to around 13 mb/d - 14 mb/d from 20 mb/d in May-2026.



Source: Bloomberg

Brent Crude Oil Price Forecast

Firm	As Of	Q2-26	Q3-26	Q4-26	Q1-27
Deutsche Bank AG	12/May/26	96.0	87.0	78.0	75.0
Standard Chartered	12/May/26	98.0	85.0	80.5	78.0
Goldman Sachs Group Inc	11/May/26	100.0	93.0	90.0	88.0
JPMorgan Chase & Co	11/May/26	103.0	104.0	98.0	85.0
JYSKE BANK AS	11/May/26	105.0	93.0	85.0	85.0
Morgan Stanley	11/May/26	110.0	100.0	90.0	80.0
Bank of America Merrill Lynch	8/May/26	103.0	95.0	94.0	89.0
HSBC Holdings PLC	6/May/26	114.0	101.0	87.0	75.0
Kshitij Consultancy Services Pvt Ltd	4/May/26	94.0	140.0	158.0	139.0
BMI, a Fitch Solutions company	30/Apr/26	88.0	75.0	71.0	
Citigroup Inc	30/Apr/26	110.0	95.0	80.0	
BNP Paribas SA	28/Apr/26	110.0	90.0	85.0	82.0
BloombergNEF	27/Apr/26	88.7	72.1	56.5	
Intesa Sanpaolo SpA	27/Apr/26	100.0	85.0	70.0	67.0
Rabobank	24/Apr/26	107.0	96.0	90.0	87.0
Oxford Institute for Energy Studies	23/Apr/26	102.0	95.0	86.0	82.0
UBS Group	23/Apr/26	100.0	100.0	90.0	67.0
Julius Baer Group Ltd	20/Apr/26	79.2	62.5	60.0	60.0
ING Groep NV	16/Apr/26	96.0	93.0	88.0	82.0
United States Department of Energy	7/Apr/26	114.6	99.8	88.0	81.9
MPS Capital Services Banca per le Imprese SpA	3/Apr/26	90.0	80.0	75.0	70.0
Macquarie Group Ltd	27/Mar/26	113.0	78.0	86.0	
Commerzbank AG	26/Mar/26	90.0	80.0	80.0	75.0
Market Risk Advisory Co Ltd	24/Mar/26	93.3	83.3	76.7	71.7
Australian Government	18/Mar/26	58.0	57.0	55.0	52.0
Landesbank Baden-Wuerttemberg	12/Mar/26	75.0	75.0	70.0	70.0
Barclays PLC	5/Mar/26	82.8	75.4	72.2	
Westpac Banking Corp	16/Feb/26	68.0	65.7	63.0	60.7
Panmure Gordon & Co PLC	13/Jan/26	65.0	66.0	66.0	68.0
Natixis SA	5/Jan/26	60.0	64.0	66.0	63.5
Australia & New Zealand Banking Group Ltd	19/Dec/25	65.0	68.0	70.0	70.0
Tradingeconomics.com	15/Dec/25	65.5	67.0		
Median		96.0	85.0	80.0	75.0
Mean		92.0	85.0	80.8	77.1
High		114.6	140.0	158.0	139.0
Low		58.0	57.0	55.0	52.0
Current Fwd		107.1	94.7	87.8	83.8
Difference (Median - Current)		-11.1	-9.7	-7.8	-8.8

Source: Bloomberg

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 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 INVEST

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

Kamco Invest