

GCC Markets Monthly Report

June-2019

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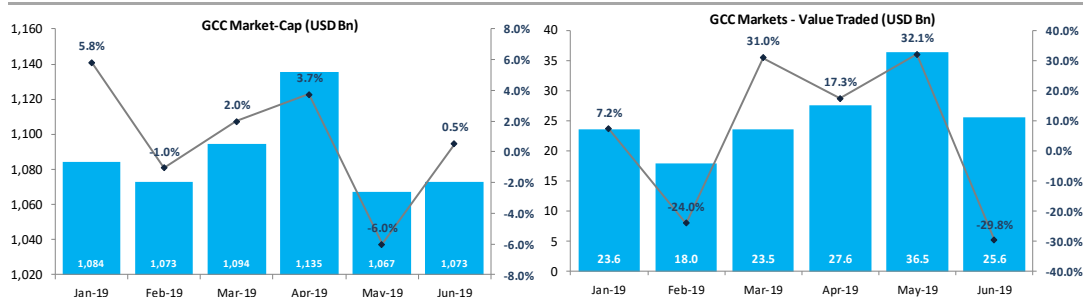
Global financial markets record one of the best ever 1H performances despite trade tensions...

Financial markets across the globe remained largely positive during 1H-19 with almost all asset classes showing positive returns since the start of the year. This was also one of the best ever first half performances, as investors across the globe remained optimistic. US equities was the best performing major market with a return of 17.3%, while Europe (ex-UK) witnessed a growth of 14.9%. The overall developed markets surged 15.6% since the start of the year resulting in the MSCI World Index gaining 14.9%. Commodities were not far behind, recording a gain of 13.3% with the Gold index up 10% while Brent crude surged more than 20% since the start of the year. The surge in oil prices came despite worries in terms of oversupply as well as demand witnessing some cutbacks.

The US China trade war dominated news flow during the year and affected markets during May-19 when talks were inconclusive. However, this did not stop Chinese equity markets from gaining 19.4% this year. Nevertheless, according to latest data, the economic growth in the US has stabilized while Fed interest rates are expected to be slashed next month for the first time since the financial crisis following dovish tone from the US Federal Reserve in its June policy statement. This pushed yield on the benchmark 10-year treasury bond below 2% for the first time since the end of 2016.

Unlike 2018 performance, GCC markets remained largely connected with the rest of the world during 1H -19. However, a number of region specific issues affected the growth in the GCC, especially limiting growth during May-19 when the aggregate region dropped more than 5%. Kuwait remained the best performing market in the GCC for most part of the year recording 21% surge in its large cap Premier Market Index and 14.8% surge in its All Share Index for 1H-19 primarily due to the tailwind from expectations of an MSCI upgrade which did happen during the last week of June-19.

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Value Traded (USD Mn)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Premier Market Index	6,377.0	2.2%	21.1%	111.4	2,185.4	15.8	1.4	3.6%
Kuwait - Main Market Index	4,766.5	0.6%	0.6%					
Kuwait - All Share Index	5,832.1	1.8%	14.8%					
Saudi Arabia	8,821.8	3.6%	12.7%	530.6	19,944.7	17.6	2.0	3.5%
Abu Dhabi	4,980.0	(0.5%)	1.3%	138.5	940.1	12.7	1.4	5.0%
Dubai	2,658.6	1.5%	5.1%	94.7	772.7	7.3	0.9	4.8%
Qatar	10,455.7	1.8%	1.5%	158.6	1,501.9	13.9	1.3	4.0%
Bahrain	1,471.0	2.6%	10.0%	22.3	97.8	10.6	0.9	4.9%
Oman	3,884.9	(1.3%)	(10.1%)	17.0	137.4	8.7	0.7	6.7%
Total GCC				1,073.1	25,580.1	14.4	1.5	3.9%



Faisal Hasan, CFA

Head - Investment Research

+(965) 2233 6907

faisal.hasan@kamconline.com

Junaid Ansari

Vice President

+(965) 2233 6912

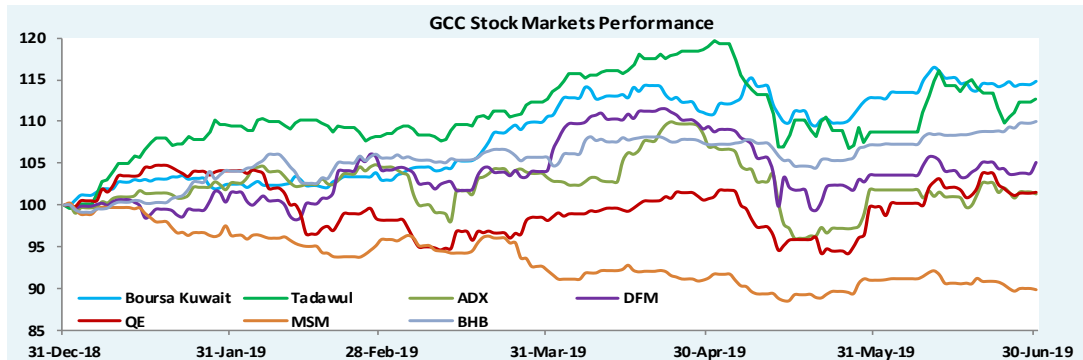
junaid.ansari@kamconline.com

Thomas Mathew

Assistant Vice President

+(965) 2233 6914

thomas.mathew@kamconline.com



Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Premier Market Index	5,297.0	5,261.8	5,343.9	5,234.2	5,317.8	5,267.4	5,430.1	5,482.2	5,986.9	6,047.3	6,242.2	6,377.0
Monthly % Change	8.0%	(0.7%)	1.6%	(2.1%)	1.6%	(0.9%)	3.1%	1.0%	9.2%	1.0%	3.2%	2.2%
Main Market Index	4,933.0	4,897.5	4,735.6	4,693.7	4,730.0	4,738.6	4,798.1	4,773.0	4,917.3	4,828.8	4,736.6	4,766.5
Monthly % Change	1.4%	(0.7%)	(3.3%)	(0.9%)	0.8%	0.2%	1.3%	(0.5%)	3.0%	(1.8%)	(1.9%)	0.6%
All Share Market Index	5,167.6	5,132.3	5,128.0	5,042.2	5,109.2	5,079.6	5,206.0	5,231.7	5,617.8	5,630.0	5,731.7	5,832.1
Monthly % Change	5.7%	(0.7%)	(0.1%)	(1.7%)	1.3%	(0.6%)	2.5%	0.5%	7.4%	0.2%	1.8%	1.8%
Thomson Reuters Kuwait TRI	215.6	214.2	215.5	212.4	215.5	214.9	218.3	221.8	240.0	247.0	254.3	259.1
Monthly % Change	6.4%	(0.6%)	0.6%	(1.4%)	1.5%	(0.3%)	1.6%	1.6%	8.2%	2.9%	2.9%	1.9%
Market Cap (KWD Mn)	29,205	28,989	29,054	28,578	29,059	29,013	29,745	29,938	32,179	32,369	33,083	33,664
P/E (X) - TTM	15.80	15.37	15.40	14.31	14.60	14.60	15.00	15.10	16.20	15.50	15.60	15.83
P/BV (X) - TTM	1.25	1.24	1.24	1.24	1.26	1.19	1.22	1.23	1.32	1.36	1.41	1.44
Dividend Yield (%)	3.72%	3.78%	3.77%	3.89%	3.84%	3.86%	3.91%	3.84%	3.68%	3.79%	3.65%	3.59%
Volume (Mn Shares)	2,916.2	1,789.5	2,100.8	1,464.2	1,944.7	2,487.4	3,960.0	2,509.3	3,651.9	3,643.3	2,264.3	2,630.3
Value (KD Mn)	633.4	356.5	523.8	309.8	284.8	574.6	610.0	438.7	817.2	702.7	617.2	660.2
Trades ('000)	126.5	85.2	91.7	75.6	75.7	101.5	123.1	87.7	120.4	141.8	112.9	108.1

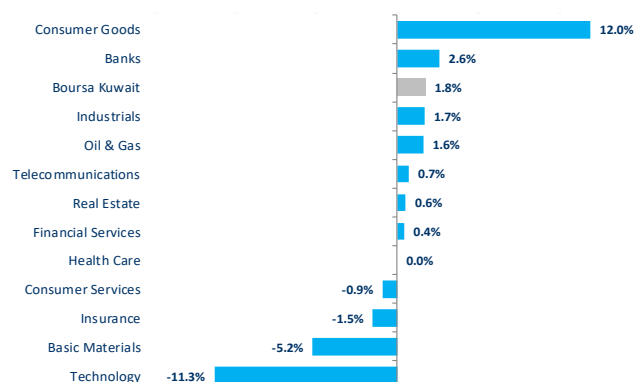
Source: Kuwait Stock Exchange, KAMCO Research

Kuwaiti indices remained upbeat during June-19 as investors awaited the MSCI decision to upgrade the country's status from Frontier Markets to Emerging Market. The decision was favorable as MSCI upgraded Kuwait to Emerging Market provided the country implements omnibus account structures and that same national investor number cross trades be made available for international institutional investors before the end of November 2019. The upgrade had boosted trading activity on the exchange as it is expected to attract more than USD 2 Bn in additional passive investment in Kuwaiti stocks. This was reflected in 1H-19 trading activity on the exchange with volumes increasing by 116% to 18.7 Bn shares as compared to 8.6 Bn shares in 1H-18 while value traded increased at an even higher pace of 166% to reach KWD 3.8 Bn in 1H-19 as compared to KWD 1.44 Bn during 1H-18. Average daily trading during 1H-19 stood at KWD 31.8 Bn as compared to KWD 11.7 Bn during 1H-18.

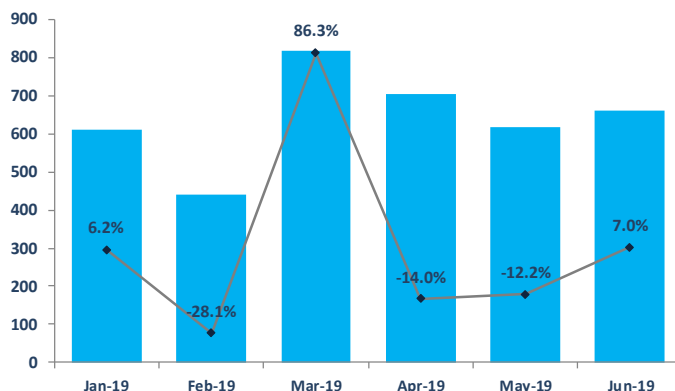
All the three Kuwaiti benchmarks gained during June-19 with the Premier Market Index gaining 2.2% while the Main Market Index gained marginally by 0.6% resulting in a 1.8% gain for the All Share Index. Large-cap stocks were the main beneficiary of the upgrade as seen from the 21.1% gain in the Premier Market Index during 1H-19 while the Main Market Index was almost flat with a marginal gain of 0.6%. The All Share Index gained 14.8% in 1H-19 as the 19 stocks in the Premier Market Index accounted for the bulk of the market in terms of market cap (73%) and trading activity (84% of 1H-19 value traded).

On the sectoral front, the monthly performance was topped by the Consumer Goods sector with a gain of 12.0% followed by a distant second Banking index with a gain of 2.6%. The monthly market breadth was equally split with 71 gainers and 72 decliners while prices of 33 companies remained flat during the month. The two sectors (Banking and Consumer Goods) were also the best performing in terms of 1H-19 returns with the Banking index topping the chart with a gain of 23.9% while the Consumer Goods benchmark gained 18.9%. On the decliner's side, the Technology index witnessed the steepest decline both for 1H-19 and June-19 at -20.8% and -11.3%, respectively. Prominent gainers during the year included National Investments (+33.3%), Burgan Bank (+32.2%) and Jazeera Airways (+30.8%). On the other hand, decliners since the start of the year mostly included small cap stocks. In terms of monthly share performance, Wethaq Takaful topped the chart in June-19 with a gain of 27.8% followed by Manazel Holding and Al Eid Food with gains of 27.3% and 24.4%, respectively. On the decliners side, IFA Hotels & Resorts topped with a decline of 27.4% followed by Al-Mal Investment and National International Holding with monthly declines of 20.2% and 19.2%, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Tadawul All Share Index	8,294.8	7,948.3	7,999.5	7,907.0	7,703.0	7,826.7	8,560.0	8,492.7	8,819.4	9,304.2	8,516.5	8,821.8
Monthly % Change	(0.2%)	(4.2%)	0.6%	(1.2%)	(2.6%)	1.6%	9.4%	(0.8%)	3.8%	5.5%	(8.5%)	3.6%
Market Cap (SAR Bn)	1,970.2	1,893.5	1,899.8	1,873.8	1,814.4	1,855.8	2,022.3	2,007.5	2,084.0	2,182.7	1,989.8	1,989.8
P/E (X) - TTM	15.93	15.34	15.41	14.88	14.58	14.84	16.25	16.52	17.36	18.75	17.12	17.62
P/BV (X) - TTM	1.85	1.77	1.78	1.75	1.71	1.74	1.90	1.90	1.97	2.09	1.93	2.01
Dividend Yield (%)	3.78%	3.93%	3.91%	3.94%	4.06%	4.00%	3.63%	3.67%	3.65%	3.45%	3.57%	3.46%
Volume (Mn Shares)	2,881.1	2,020.9	2,227.3	3,856.8	2,689.8	2,553.9	2,883.1	2,036.6	2,723.2	2,905.4	3,525.0	2,689.4
Value (SAR Mn)	73,214.0	54,251.5	49,661.6	95,741.5	62,180.7	60,141.9	68,211.1	46,962.8	61,741.2	77,232.8	109,967.1	74,796.3
Trades ('000)	2,031	1,486	1,678	2,616	2,326	2,363	2,473	1,809	2,217	2,412	2,479	1,858

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

Saudi Arabia recovered from last month's decline to report the best monthly performance during June-19 with TASI gaining 3.6% during the month. The benchmark broke the critical 9,000 mark at the end of only one trading session during the month after investors started buying post the Eid holidays. However, investor sentiments were shaken after geopolitical tensions flared up post the tanker attacks during mid month. Nevertheless, the global equity market rally towards the end of the month provided support to Saudi equities as the index recorded four consecutive sessions of gains at the end of the month to close at 8,821.8 points. Gains during June-19 pushed YTD-19 gains for TASI to 12.7%, the second highest in the GCC.

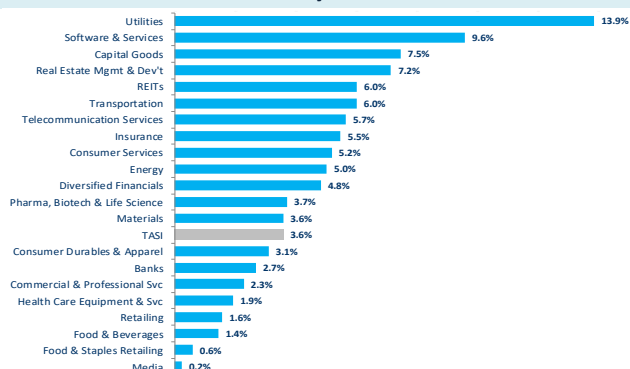
The sector performance trends showed gains across the board in Saudi Arabia during June-19. The Utilities sector recorded the biggest gain with the benchmark gaining of 13.9% following 15.2% gain in shares of SEC and 3.3% gain in shares of National Gas & Industrialization co. The Software & Services sector was next on the gainers chart with a gain of 9.6% followed by Capital Goods and Real Estate indices with monthly gains of 7.5% and 7.2%, respectively. Large cap sectors like Telecom, Energy and Banks also recorded mid-to-low single digit gains during the month. On the other hand, the Banking benchmark saw the biggest gains in terms of 1H-19 performance recorded at 23.2% followed by Telecom and Retailing indices at 21.2% and 16.1%, respectively. Most of the banking stocks witnessed double digit gains in 1H-19 with shares of Riyadh Bank surging 36% followed by Banque Saudi Fransi and Bank Al Bilad with 1H-19 gains at 32.3% and 25.2%, respectively.

Trading activity declined significantly during June-19 primarily due to the lesser number of trading days due to the Eid Holidays. Monthly value traded declined 23.7% to reach a four month low level of 2.7 Bn shares as compared to 3.5 Bn shares during the previous month. Monthly value traded also declined but at an even higher rate of 32% to reach a three month low level of SAR 74.8 Bn in June-19 as compared to SAR 110 Bn during the previous month.

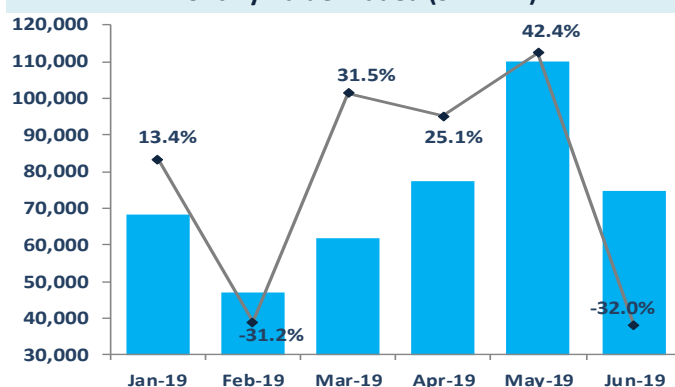
On the regulatory front and in a significant move aimed at attracting capital from international institutional investors, the Saudi Arabia CMA relaxed the 49% ownership limit rule for foreign strategic investors in Saudi-listed companies. According to the statement from CMA, the move is aimed at improving the market's efficiency and attractiveness and to expand the institutional investments base. According to the new rule, there will be no minimum or maximum ownership limit in Saudi-listed stocks, however, the owners of the company must hold the shares in the company for two year before selling.

The monthly gainers chart was topped by Saudi Cable with a gain of 18.1% followed by Al Gassim Investment (GACO) and Saudi Industrial Export with gains of 17.5% and 17.1%, respectively. During the month, GACO announced the signing of an MoU to acquire of 67.1% stake in Advanced Bakeries Co. On the monthly decliners side, Anaam International Holding topped with a decline of 4.9% followed by Al Hammadi Co. and Al Ahlia Co-op. Insurance with declines of 4.6% and 3.1%, respectively.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
ADX General Index	4,859.5	4,986.9	4,935.4	4,901.9	4,770.1	4,823.8	5,044.9	5,137.8	5,074.7	5,258.1	5,003.6	4,980.0
Monthly % Change	6.6%	2.6%	(1.0%)	(0.7%)	(2.7%)	1.1%	4.6%	1.8%	(1.2%)	3.6%	(4.8%)	(0.5%)
Market Cap (AED Bn)	510.9	518.3	518.2	513.5	504.1	518.8	531.9	538.4	525.4	547.5	510.3	508.8
P/E (X) - TTM	12.12	12.52	12.34	12.35	11.92	12.23	12.53	12.62	12.66	13.29	12.66	12.69
P/BV (X) - TTM	1.27	1.30	1.29	1.28	1.25	1.29	1.32	1.34	1.32	1.41	1.38	1.38
Dividend Yield (%)	5.20%	5.07%	5.16%	5.19%	5.34%	5.18%	5.17%	4.91%	4.97%	4.76%	4.99%	4.98%
Volume (Mn Shares)	686.5	597.7	1,029.2	1,141.7	1,103.4	942.7	629.3	980.4	1,248.9	1,467.4	921.7	677.9
Value (AED Mn)	2,124.5	2,193.1	3,278.0	3,067.7	4,572.6	4,886.3	3,055.3	4,206.9	4,347.2	5,092.2	3,801.0	3,453.2
Trades	16,717	15,859	22,373	24,775	32,303	26,212	30,042	36,210	30,142	36,226	36,212	26,310

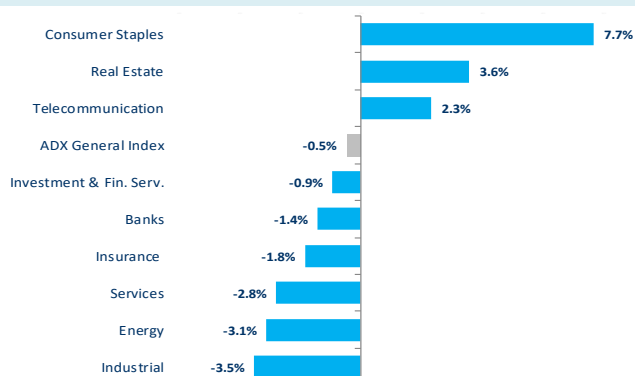
Source: Abu Dhabi Securities Exchange, KAMCO Research

After falling by 4.8% in May-19, the ADX index remained range bound in Jun-19, declining by 0.5% m-o-m. The index closed at 4979.95 points, while sectoral performance was mixed. Consumer Staples was the best performing index as it gained by 7.7% m-o-m, as a 43.3% jump in the share price of International Holdings Company was more than able to offset the declines in Ras Al Khaimah Poultry & Feeding (-25.7%) and FOODCO Holding (-10%). The Real Estate index followed with a gain of +3.6% m-o-m, driven by a 3.9% increase in the stock price of Aldar, as the company received strong interest for the new phase of its project - Alreeman. Telecoms also gained by 2.3% m-o-m, as Etisalat was up by 2.3% for the month. Industrials was the worst performing index for the month of Jun-19, as the sectoral index declined by 3.5% m-o-m, as Arkan Building Materials (-19%), Abu Dhabi National Co. for Building Materials (-13%) and Gulf Cement Co (-9.9%) witnessed significant declines. Energy names also saw declines of 3.1% m-o-m, as Dana Gas decreased by 4.7% m-o-m, and ADNOC Distribution declined by 1.5% m-o-m.

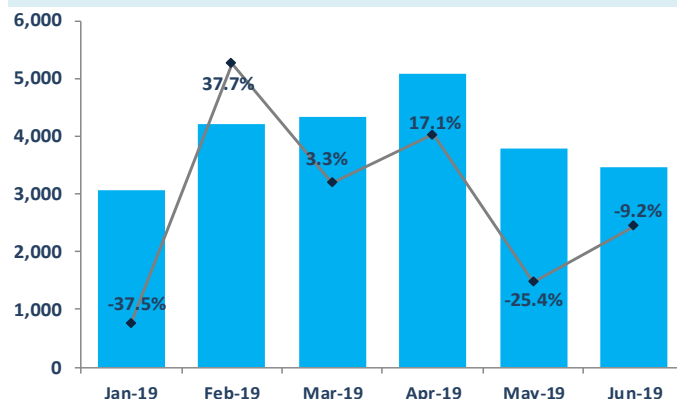
S&P Global forecasts GDP growth in Abu Dhabi to accelerate to 2% in 2019, from 1.8% in 2018. The agency expects GDP growth to accelerate to 2.5% in 2020 and 2021 before climbing to 3% in 2022. S&P rates Abu Dhabi AA with a stable outlook and ascribes its rating to the emirate's strong fiscal and external positions. S&P mentioned that the exceptional strength of the government's net asset position provides a buffer to counteract the effect of oil price swings on economic growth, government revenue, and the external account, as well as increasing geopolitical uncertainty in the GCC. The rating agency further projects assets of Abu Dhabi Investment Authority, the sovereign wealth fund of the emirate, to average above 250% of the GDP over the 2019-22 period. Separately in the real estate market, Aldar Properties announced that its latest development - Alreeman II, generated AED 420 Mn in sales, with over 75% of the land plots sold. Alreeman the first phase, launched in January 2019, generated AED 1.6 Bn in sales. Of the total land sales at Alreeman II on the opening day, 70% were brand new customers to Aldar while 20% of customers opted to purchase their land plot on a 50/50 payment plan. Separately, Abu Dhabi Islamic Bank (ADIB)UK, provided financing for Saudi Arabia's Cedar Tree Investments to acquire a AED 280 million (£39 million) residential portfolio in Manchester, comprising four freehold rental properties, with a total of 163 units.

International Holding Co. topped the monthly gainers chart, with a gain of 43.3% m-o-m followed by Sharjah Cement Industrial Dev. Co and Abu Dhabi Ship Building with gains of 17.2% and 14.6% respectively. On the decliners side, the top two companies were Ras Al Khaimah Poultry & Feeding and National Takaful with declines of 24.7% and 19.0%, respectively. Trading activity on the exchanged dropped m-o-m in Jun-19, as volumes traded declined by 26.5% to 0.68 Bn shares. Value traded also declined by 9.2% m-o-m to reach AED 3.5 Bn during Jun-19. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 1.6 Bn worth of shares traded during Jun-19. ADCB and Etisalat followed as AED 645 Mn and AED 360 Mn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 135.8 Mn shares were traded. FAB and Dana Gas followed with 107.6 Mn and 81.4 Mn shares traded during Jun-19.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
DFM General Index	2,956.0	2,840.2	2,834.95	2,784.6	2,668.7	2,529.8	2,567.6	2,635.8	2,634.9	2,767.1	2,620.3	2,658.6
Monthly % Change	4.8%	(3.9%)	(0.2%)	(1.8%)	(4.2%)	(5.2%)	1.5%	2.7%	(0.0%)	5.0%	(5.3%)	1.5%
Market Cap (AED Bn)	372.2	362.4	360.5	354.7	346.2	334.3	339.7	345.3	346.7	359.4	343.3	347.7
P/E (X) - TTM	7.84	7.67	7.66	7.54	7.52	7.15	7.08	7.17	7.25	7.56	7.26	7.29
P/BV (X) - TTM	1.04	1.00	1.00	0.98	0.95	0.90	0.87	0.90	0.89	0.94	0.90	0.91
Dividend Yield (%)	5.00%	5.74%	5.75%	5.91%	6.03%	6.24%	5.88%	5.90%	5.25%	4.59%	4.84%	4.77%
Volume (Mn Shares)	3,448.2	1,718.9	4,089.7	4,257.4	2,899.0	3,859.3	2,453.4	2,916.0	2,532.2	4,221.2	3,222.4	2,200.7
Value (AED Mn)	4,156.5	2,492.8	4,378.6	4,374.8	3,784.2	3,682.4	2,864.8	4,424.4	4,021.6	5,821.9	4,075.6	2,838.3
Trades	50,788	26,532	50,403	55,567	47,042	52,594	48,929	56,325	46,179	65,625	62,391	45,095

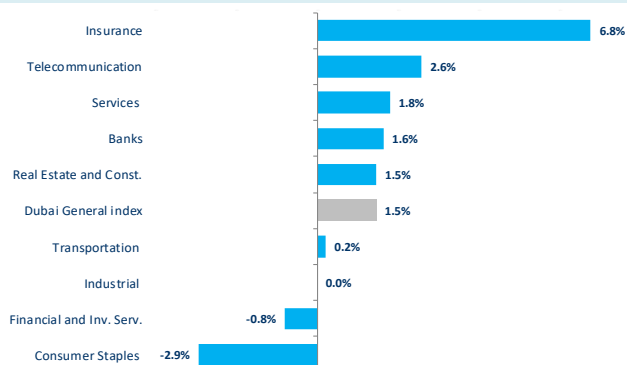
Source: Dubai Financial Market, KAMCO Research

DFM also improved by 1.5% m-o-m in Jun-19, after declining by 5.3% m-o-m in May-19. The index ended the month at 2658.63 points, as most sectoral indices barring the Consumer Staples & Discretionary sector and Investment & Financial Services sectors closed in the green. The Insurance sector was the best performing sector, as it gained by 6.8% m-o-m, driven by strong performances from Islamic Arab Insurance (+11.2%) and Dar Al Takaful (+8.4%). Telecoms followed with gains of 2.6% m-o-m, as DU was up 2.6% for the month. Banks also saw higher levels and moved up by almost 1.7% m-o-m, as Emirates NBD (+2.3%) and DIB (+1.4%) closed in the green. Real Estate & Construction names also gained by almost 1.5% (Jun-19), after declining by 7% m-o-m in May-19, as Damac Properties witnessed a partial rebound (+7.6%), after last month's significant declines. Emaar Malls and Emaar Development also gained by 4.1% and 3.1% respectively. Consumer Staples was the worst performing index for the month of Jun-19, down 2.9% for the month, and for 1H-19 (-14.9%), driven by DXB Entertainment, as the stock was down by 3.5% for the month.

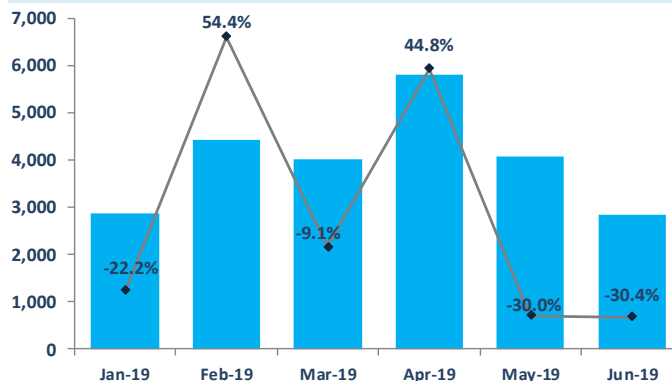
In corporate M&A activity, SHUAA will issue 1,470,720,000 new SHUAA shares to Abu Dhabi Financial Group ADFG's parent company Abu Dhabi Capital Management in return for the entire issued share capital of ADFG. ADFG will own 58% of the larger entity and 42% will be owned by existing shareholders. The agreed valuation reportedly represents a 60% premium to the SHUAA share price, and the issued share capital of SHUAA will increase from 1,065,000,000 SHUAA shares to 2,535,720,000 SHUAA shares. The combined entity will remain listed on the DFM and is expected to be rebranded as "ADFG". The transaction is subject to SHUAA shareholder approval, customary regulatory approvals and satisfaction of conditions precedent, and is expected to be completed in Q3 2019. Separately, the Board of Directors of Dubai Islamic Bank recommended the acquisition of 100% shares of Noor Bank to its shareholders, after obtaining all necessary regulatory approvals. Post the completion of the acquisition, Noor Bank's operations will be integrated and consolidated within DIB with a combined asset of nearly AED 275 Bn. Dubai Investments announced that the construction of the steadily progressing Mirdif Hills project, developed by Dubai Investments Real Estate Company will commence handover in July 2019 as scheduled.

In terms of trading activity, the DFM declined on all major indicators, as volumes traded decreased by 31.7% m-o-m to reach 2.2 Bn shares. In terms of value traded, total value of shares receded by 30.4% m-o-m to reach AED 2.8 Bn. In terms of monthly gainers, Islamic Arabic Insurance led all stocks as its stock price was up 11.2% in Jun-19. National General Cooling and Takaful House followed, as their stock prices moved up by 10.2% and 8.3% respectively. On the other hand, shares of Al Salam Bank-Sudan declined the most as its share price declined by 20.7% m-o-m. International Financial Advisors and Ektitab Holding followed with declines of 18.8% and 11.9% respectively for the month. Emaar Properties was the most actively traded stock on the exchange as AED 546 Mn worth of stock was traded. DIB and Emaar Malls followed with value traded of AED 390 Mn and AED 286 Mn respectively. In terms of volumes, Union Properties led all stocks as 379 Mn shares were traded. Islamic Arab Insurance and Damac followed as 277 Mn and 271 Mn shares were traded.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
QE 20 Index	9,825.1	9,886.5	9,813.3	10,300.9	10,364.5	10,299.0	10,720.3	10,111.6	10,107.4	10,376.8	10,273.0	10,455.7
Monthly % Change	8.9%	0.6%	(0.7%)	5.0%	0.6%	(0.6%)	4.1%	(5.7%)	(0.0%)	2.7%	(1.0%)	1.8%
Market Cap (QAR Bn)	539.9	546.3	547.4	580.5	588.4	588.7	615.9	578.1	567.8	584.4	568.1	577.6
P/E (X) - TTM	13.75	13.82	13.84	14.47	14.75	14.65	15.32	13.83	13.78	14.24	13.68	13.92
P/BV (X) - TTM	1.27	1.29	1.29	1.35	1.38	1.37	1.43	1.32	1.29	1.34	1.29	1.31
Dividend Yield (%)	4.15%	4.09%	4.09%	3.88%	3.81%	3.84%	3.53%	3.89%	3.94%	3.87%	4.03%	3.96%
Volume (Mn Shares)	166.0	107.8	134.7	125.2	148.8	239.7	218.3	167.7	234.5	283.2	439.5	672.0
Value (QAR Mn)	4,485.2	3,187.9	4,460.4	4,270.8	5,580.1	5,252.7	5,789.6	5,247.2	6,841.5	5,484.8	10,299.7	5,468.2
Trades	70,475	59,202	67,546	73,785	97,199	152,156	138,925	107,717	119,732	120,178	194,051	121,014

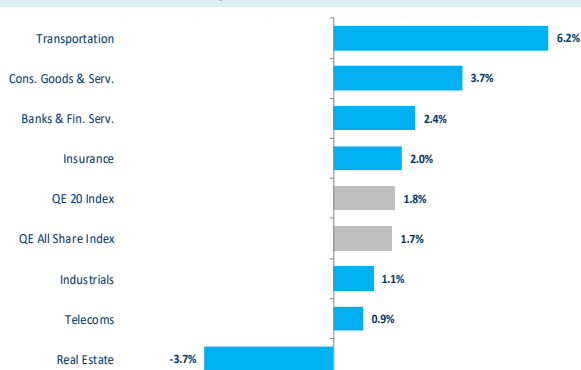
Source: Qatar Exchange, KAMCO Research

Qatar exchange improved by 1.6% in June-19, after receding in the prior month, as the QE 20 index closed at 9024.03 points. The Qatar All Share index which maps the broader market, also gained, albeit by a lower 0.8% for the month. Market breadth was mostly even but tilted towards gainers, as 25 stocks gained while 20 stocks gained during June-19. The Telecom index was the best performing index, gaining by almost 8% m-o-m, as both Ooredoo and Vodafone gained by 8.4% and 7.4% during the month of June-19. Consumer Goods & Services index followed, as the sectoral index was up 6.8% m-o-m, driven by Medicare Group (+11.1%) and Qatar Fuel (+8.5%). The Real Estate index was the worst performing index, continuing its slide in June-19, as the sector was down 2.2% m-o-m. Banks and Financial Services also saw lower levels, declining by almost 1%, driven mainly a 4.2% drop in QNB's share price.

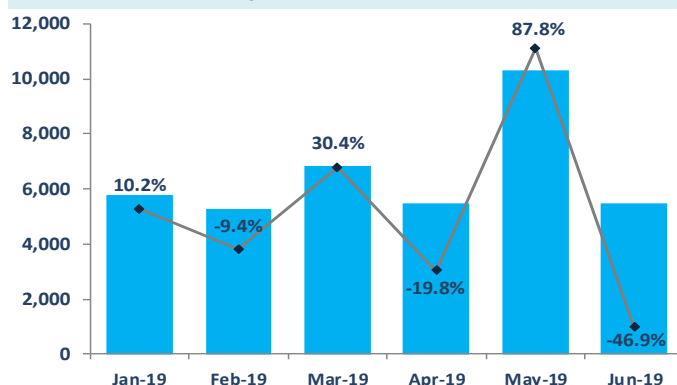
In economic updates, IMF forecasted Qatar's GDP growth to reach 2.6% in 2019 from 2.2% in 2018, underpinned by a recovery in the hydrocarbon output and robust growth of the non-hydrocarbon sector. Medium-term growth will be supported by increased gas production from the Barzan project, a planned increase in LNG production capacity by 40%, while the tapering off public investment growth would moderate non-oil growth to 4 percent annually, as per the IMF. In 2019, the IMF mentioned that expenditure restraint and lagged revenue impact of higher oil prices would result in further improvement of fiscal position to about 3% from 2.3% in 2018. A current account surplus of about 4.6% of GDP would be maintained in 2019, as per the IMF, in line with the projected oil prices, and slower import growth than GDP. Separately, the QCB's monthly Real Estate Price index increased to 251.99 in March 2019 from 248.27 in February and 247.96 in January this year. When compared with the same month last year, the index has inched up 2.56 points against 249.43 in March 2018.

Trading activity on the index was mixed m-o-m, as value traded during Jun-19 decreased by 46.9% to reach QAR 5.5 Bn, while traded volumes improved by 52.9% m-o-m to reach 672 Mn shares. In terms of trading activity, Mesaieed Petrochemical topped the monthly value traded chart with QAR 2.1 Bn worth of shares traded, followed by QNB and Ezdan Holding Group recording QAR 1.05 Bn and QAR 1.02 Bn in monthly value traded. In terms of volumes traded, Ezdan Holding Group led all stocks with traded volumes of 133.8 Mn shares. Mesaieed Petrochemical and Qatar Aluminum followed with traded volumes of 123.3 Mn shares and 82.5 Mn shares respectively. The Banks & Financial Services sector was the most active in terms of value traded during June-19, accounting for 61.7% of the total value traded, followed by Industrials and Transportation sectors, as they accounted for 13.2% and 7.2% of the total value traded respectively. Qatari German Co. for Medical Devices was the top performing stock in the index for the month as its share price surged by 61.7%. Islamic Holding Group followed along with Medicare Group, as their stock prices moved up by 18.0% and 15.7% respectively. On the other hand, shares of Mannai Corp led the monthly losers chart losing 9.7% m-o-m. Barwa Real Estate and Qatar Cinema followed with declines of 5.3% and 4.5% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Bahrain All Share Index	1,358.35	1,338.10	1,338.55	1,314.73	1,328.81	1,337.26	1,391.42	1,412.66	1,413.32	1,433.92	1,433.52	1,471.04
Monthly % Change	3.6%	(1.5%)	0.0%	(1.8%)	1.1%	0.6%	4.1%	1.5%	0.0%	1.5%	(0.0%)	2.6%
Market Cap (BHD Mn)	7,948	7,830	7,832	7,701	7,859	7,948	8,265	8,061	8,062	8,168	8,176	8,400
P/E (X) - TTM	8.71	8.45	8.79	8.74	8.45	8.60	8.93	9.42	9.36	9.41	10.27	10.60
P/BV (X) - TTM	0.81	0.80	0.80	0.79	0.79	0.80	0.82	0.85	0.83	0.84	0.85	0.88
Dividend Yield (%)	5.61%	5.70%	5.69%	5.76%	5.77%	5.69%	5.48%	4.79%	5.13%	5.06%	5.08%	4.93%
Volume (Mn Shares)	190.5	82.8	115.2	126.6	85.4	194.6	140.7	98.3	100.3	145.0	66.1	123.1
Value (BHD Mn)	24.9	18.7	22.1	28.8	23.5	89.3	35.4	23.1	30.2	33.7	16.2	36.9
Trades	2,329	1,493	1,320	1,720	1,265	1,521	2,094	2,185	1,719	2,040	1,408	1,766

Source: Bahrain Bourse, KAMCO Research

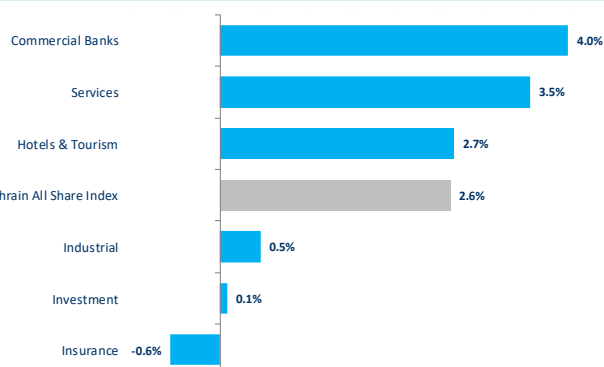
The Bahrain All share index improved by 2.6% m-o-m in Jun-19, closing at 1471.04 points. Sectoral performance was mostly positive barring the Insurance sector, which was down marginally by 0.6% m-o-m. Commercial Banks was the best performing index, as it gained by 4.0% m-o-m, ascribed to a 4.6% increase in AUB and 3.1% gain in the share price of NBB. The Services and Hotels & Tourism indices also gained, by 3.5% and 2.7% respectively. Insurance was the only index that closed in the red for the month, as Bahrain National Holding declined by 1.5% m-o-m. The Industrial sector remained range bound during Jun-19, as Aluminum Bahrain closed slight above (+2.6%) its May-19 ending price.

On a YTD basis, at the end of 1H-19, the Bahrain Bourse was up 10%, while sectoral performance remained mixed. Commercial Banks were the main drivers of growth, as they increased by 22% in 1H-19. Services and Investment sectors improved as well, by 12.2% and 5.5% YTD. In terms of laggards, the Industrials sector was the worst performing index as it was down by 29.2%. Insurance and Hotels & Tourism were also down by 13.9% and 7.0%.

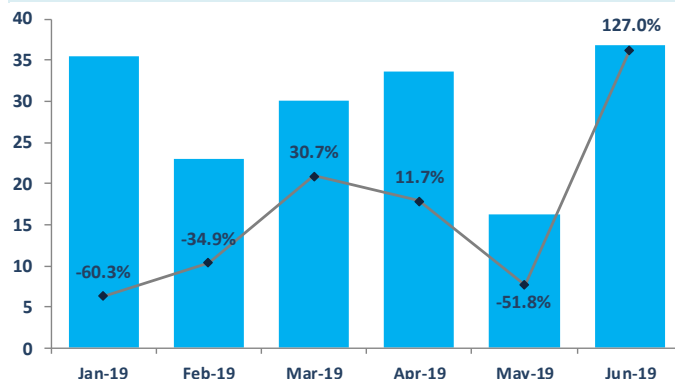
In economic ratings, S&P projects Bahrain's real economic growth to average 2.4% over 2019-2022, supported by infrastructure investment. The agency also mentioned that Bahrain has received pledges of USD 10 Bn in financial support over the next four years from GCC sovereigns, which will partially cover the government's funding needs while it enacts fiscal consolidation measures. S&P further expects the fiscal deficit to reduce to 4.6% in 2022, falling short of the government's balanced budget target. In corporate ratings action, Fitch Ratings affirmed GFH's Long-and Short-Term Issuer Default Rating (IDR) at 'B' with the Outlook on the Long-Term IDR as Stable. Fitch reportedly considered the management's aim to reshape GFH's business model towards a greater focus on fee generation and lower-risk, lower-return investments and shareholders' support. In addition, the ratings by Fitch reflects the Group's achievement in 2018 of a third successive year of material net income. While Fitch cited GFH's capitalization as sound relative to the rating level, supported by regulatory oversight from the Central Bank of Bahrain. The ratings and stable outlook were also ascribed to the increase in 2018 of GFH' proportion of liquid assets, as it significantly grew its money market activities

Trading activity picked up, as volumes increased by 81.1% m-o-m to reach 123.1 Mn shares. Value traded more than doubled (+127%) m-o-m and reached BHD 36.9 Mn. The number of trades made in the exchange also increased to 1,766 trades, up 25.4% m-o-m from May-19. AUB was the most actively traded stock in Jun-19 with BHD 26.3 Mn worth of its shares traded on the exchange. Batelco and GFH followed with BHD 2.5 Mn and BHD 1.3 Mn worth of shares traded. Of the 15 stocks that closed in the green in Jun-19, Esterad Investment Company topped the gainers list, as it witnessed a 45.8% m-o-m increase, followed by Zain Bahrain with monthly gains of 27.5%. GFH was the main laggard, as it witnessed a m-o-m decline of 5.2%, followed by Ithmar Bank and Al Baraka banking Group with monthly declines of 1.5% each.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
MSM 30 Index	4,336.6	4,419.3	4,543.7	4,422.9	4,412.1	4,323.7	4,215.8	4,144.5	3,983.7	3,945.6	3,934.2	3,884.9
Monthly % Change	(5.1%)	1.9%	2.8%	(2.7%)	(0.2%)	(2.0%)	(2.5%)	(1.7%)	(3.9%)	(1.0%)	(0.3%)	(1.3%)
Market Cap (OMR Mn)	7,132	7,240	7,528	7,350	7,391	7,233	7,002	6,892	6,709	6,613	6,602	6,544
P/E (X) - TTM	9.34	9.36	9.65	9.15	9.36	9.25	8.91	8.96	8.82	8.82	8.85	8.70
P/BV (X) - TTM	0.82	0.82	0.85	0.83	0.84	0.83	0.79	0.76	0.72	0.71	0.71	0.71
Dividend Yield (%)	6.67%	6.49%	6.36%	6.54%	6.54%	6.66%	6.96%	7.18%	6.61%	6.60%	6.59%	6.70%
Volume (Mn Shares)	215.1	153.8	230.2	213.7	283.5	257.6	261.7	400.7	310.8	303.3	180.6	307.9
Value (OMR Mn)	56.8	24.9	48.6	40.1	32.8	42.2	53.6	51.8	45.3	41.9	27.4	52.9
Trades	8,955	6,286	11,405	9,457	7,677	8,442	8,380	9,847	9,547	12,704	8,473	8,365

Source: Muscat Securities Market, KAMCO Research.

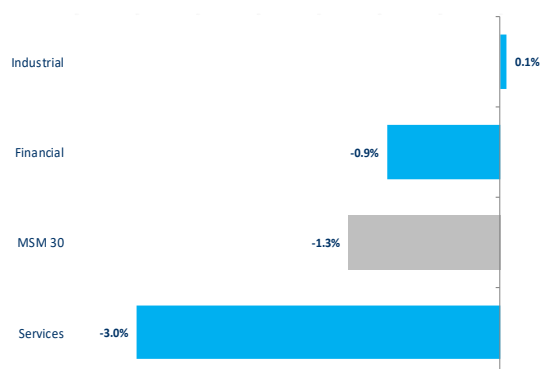
The MSM 30 index once again declined during June-19 to reach a new record low by the end of the month. The index declined 1.3% during the month to close at 3,884.9 points pushing the YTD-19 decline to the lowest in the GCC at 10.1%. The market saw consecutive gains at the start of the month, however, the trend was short-lived as the benchmark receded in most of the trading sessions for the rest of the month. On the sectoral front, the Services index was once gain the top decliner with a fall of 3.0% followed by the Financial index at -0.9% while the Industrial Index was marginally up by 0.1%.

The monthly stock performance chart for the regular market was topped by Raysut Cement with a gain of 9.0%. During the month, the company announced the acquisition of Sohar Cement Factory for USD 60 Mn in order to expand its capacity and reach new rapid growing markets especially Africa. The acquisition would boost Raysut Cement's production capacity to 6.4 Mn tonnes per annum and aims to boost long term capacity to 20 Mn tonnes per annum via an aggressive expansion strategy which also includes plans to enter the Indian market through acquisitions.

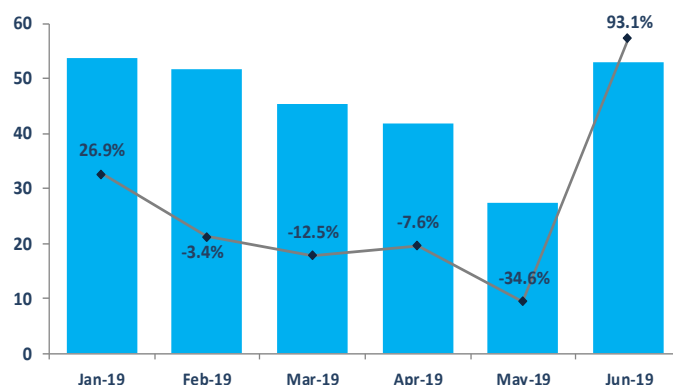
The monthly top performing stocks also included Ominvest with a gain of 5.6% followed by Vision Insurance and Al Maha Petroleum Products with gains of 5.6% and 4.0%, respectively. On the decliners side, National Gas topped from the regular market with a decline of 17.0% followed by Sohar International Bank and Al Maha Ceramics with declines of 5.4% and 5.3%, respectively. During the month, Sohar International Bank announced a rights issue plan of 380.95 Mn shares at an issue price of 107 Baizas per offer share. After the rights issue that starts next month, the Bank's paid-up capital will increase to OMR 238.3 Mn.

Trading activity saw significant improvement during the month despite lesser number of trading days owing to the Eid holidays. Monthly value traded almost doubled to reach a five-month high level of OMR 52.9 Mn in June-19 from OMR 27.9 Mn in the previous month. The increase came primarily on the back of higher value traded in parallel market stocks that more than doubled to OMR 24.4 Mn as compared to OMR 11.1 Mn during May-19. Value traded in regular market stocks increased by 76.5% to reach OMR 28.5 Mn. Monthly volume of shares traded also increased but at a slightly slower pace of 70.5% to reach 307.9 Mn shares in June-19 as compared to 180.6 Mn shares during the previous month. Amongst the regular market stocks, Ominvest topped both the monthly value and volume traded charts with 58.2 Mn shares of the company changing hands during the month valued at OMR 19.5 Mn. Bank Muscat was next on the monthly value traded chart with OMR 2.7 Mn shares traded during the month followed by Al Anwar Holding and OmanTel with OMR 1.3 Mn and OMR 1.0 Mn in value traded, respectively. On the monthly volume chart, Al Anwar Holding topped was second on the list with 13.9 Mn traded shares followed by Bank Muscat and Sohar International Bank with 6.7 Mn shares and 5.9 Mn shares, respectively. Omanis accounted for the bulk of trades during the month increasing their share of value of buy trades to 92.4% in June-19 from 88.5% during the previous month.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO 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) 1852626 Fax: (+965) 22492395

Email : Kamcoird@kamconline.com

Website : <http://www.kamconline.com>