

GCC Markets Monthly Report

November-2017

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Market volatility led to risk-off trades and profit booking in November-17

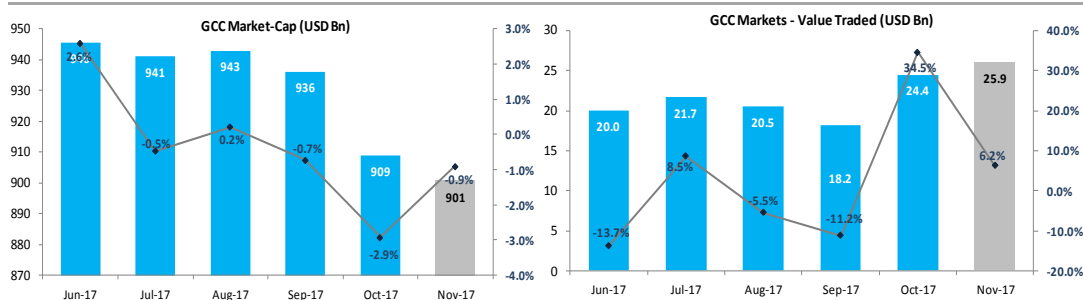
GCC markets remained volatile in November-17, as investor sentiment towards the region's equity markets was more skewed towards risk-off trades. The MSCI GCC index declined by 1.1% for the month, and was down 2.6% YTD. Most markets slid during the month, while Saudi Arabia's TASI stayed resilient and moved up by 1.0% m-o-m. Qatar's equity indices continued its downward spiral (-5.5% m-o-m) on fears of deterioration of Qatar's operating environment due to the ongoing diplomatic rift in the region.

GCC earnings growth for 9M-2017 and Q3-2017 was positive on a y-o-y basis, as total GCC 9M-17 earnings increased by 7.6% to USD 51.9 Bn from USD 48.6 Bn in 9M-2016, and Q3-17 net profits for GCC stocks improved by 13.6% to USD 13.1 Bn. Oil market participants cheered the much anticipated extension of the oil production cut to keep 1.8 mb/d off the market through the end of 2018. OPEC oil prices gained by around USD 3/bbl from the start of the month and remain above USD 60/bbl.

UAE indices saw the Real Estate names come under extensive pressure on the ADX and DFM, due to broad based sector weakness, which also led to declines in the share price of Emaar Development, post its IPO listing. Kuwait witnessed declines as well, as the Weighted index dropped by 5.0% during the month, while large caps witnessed higher selling pressure as the Kuwait-15 index dropped by 6.1% m-o-m during November-17.

Trading activity during the month however recovered, but unlike last month, the drivers of higher activity were different. While in October-17 almost all the markets except for Qatar contributed to the higher trading activity, Saudi Arabia single handedly drove the increase in value traded in November-17. Monthly value traded reached an eight-month high level of USD 25.95 Bn after trading activity in Saudi Arabia increased by more than 13% m-o-m to reach USD 20.1 Bn.

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 - Weighted Index	398.8	(5.0%)	4.9%	89.5	1,084.5	14.6	1.2	4.8%
Kuwait - 15 Index	908.5	(6.1%)	2.7%					
Kuwait - Price Index	6,196.5	(4.9%)	7.8%					
Saudi Arabia	7,004.0	1.0%	(2.9%)	442.9	20,063.2	14.8	1.6	4.4%
Abu Dhabi	4,283.1	(4.4%)	(5.8%)	119.4	685.3	10.9	1.5	5.6%
Dubai	3,420.2	(5.9%)	(3.1%)	101.8	2,612.0	9.4	1.2	5.0%
Qatar	7,714.3	(5.5%)	(26.1%)	114.8	1,168.1	11.2	1.0	5.3%
Bahrain	1,283.7	0.5%	5.2%	20.4	40.4	8.5	0.8	5.2%
Oman	5,109.6	2.0%	(11.6%)	11.7	296.1	11.1	1.0	5.9%
Total GCC				900.6	25,949.5	12.7	1.4	4.8%



Faisal Hasan, CFA

Head - Investment Research

+(965) 2233 6907

faisal.hasan@kamconline.com

Junaid Ansari

Assistant Vice President

+(965) 2233 6912

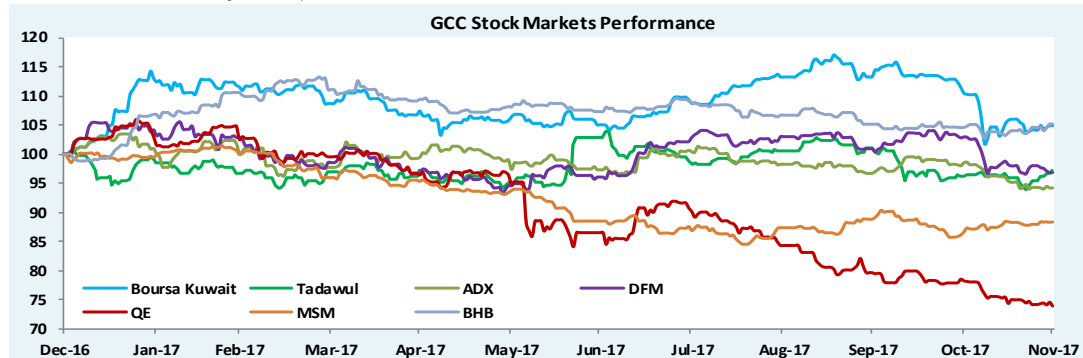
junaid.ansari@kamconline.com

Thomas Mathew

Assistant Vice President

+(965) 2233 6914

thomas.mathew@kamconline.com



Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Price Index	5,748.1	6,832.2	6,783.1	7,029.4	6,843.0	6,785.4	6,762.8	6,851.6	6,892.1	6,679.7	6,513.8	6,196.5
Monthly % Change	3.5%	18.9%	(0.7%)	3.6%	(2.7%)	(0.8%)	(0.3%)	1.3%	0.6%	(3.1%)	(2.5%)	(4.9%)
Weighted Index	380.1	427.4	424.0	413.3	408.3	404.5	399.3	413.29	430.57	430.70	419.91	398.78
Monthly % Change	3.5%	12.4%	(0.8%)	(2.5%)	(1.2%)	(0.9%)	(1.3%)	3.5%	4.2%	0.0%	(2.5%)	(5.0%)
Kuwait 15 Index	885.0	985.4	964.1	933.8	919.4	915.8	910.1	943.2	984.9	997.4	967.8	908.5
Monthly % Change	3.5%	11.3%	(2.2%)	(3.1%)	(1.5%)	(0.4%)	(0.6%)	3.6%	4.4%	1.3%	(3.0%)	(6.1%)
Market Cap (KWD Mn)	26,257	29,442	29,102	28,354	28,008	27,656	27,257	28,187	29,362	29,349	28,493	27,044
P/E (X) - TTM	16.80	18.80	18.70	18.16	16.01	15.90	15.60	16.20	15.84	15.87	15.44	14.64
P/BV (X) - TTM	1.13	1.27	1.26	1.23	1.24	1.23	1.22	1.26	1.29	1.29	1.26	1.20
Dividend Yield (%)	3.98%	3.67%	3.67%	3.42%	3.76%	4.02%	4.09%	4.70%	4.34%	4.34%	4.51%	4.75%
Volume (Mn Shares)	3,594	13,858	8,857	7,105	5,907	2,734	735	1,822	1,733	2,075	2,478	1,681
Value (KD Mn)	321	1,185	866	653	517	301	151	301	320	426	466	328
Trades ('000)	75.6	229.8	171.8	147.7	115.9	75.6	32.6	67.5	70.3	71.9	86.4	71.7

Source: Kuwait Stock Exchange, KAMCO Research

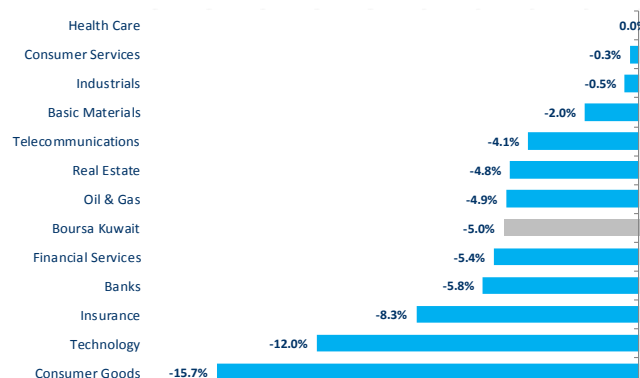
Kuwait's equity indices witnessed their worst performing month for 2017 in November-17. Both the Weighted Index and the Price index declined by 5.0% and 4.9% primarily, as traders booked profits across the board. As a result, the Kuwait-15 index also declined by a higher 6.1% m-o-m during the month. Nevertheless, Kuwait continues to remain one of the only two markets in the green on a YTD basis with a return of 4.9% for the Weighted index and 7.8% for the Price index. All the major sectors were down with Banks seeing the highest declines for the month as it went down by 5.8% m-o-m. The declines in banks were mostly driven by NBK and KFH as the stocks were down by over 6% for the month. Financial Services and the Real Estate sector followed as they receded by 5.4% and 4.8% for the month.. However earnings growth for companies on the KSE in 9M-17 was strong, as net profits grew by 15.4% y-o-y to reach KWD 1.49 Bn. Q3-17 earnings growth was also equally strong as net profits grew by 15.1% y-o-y as compared to Q3-16.

Trading activity on the exchange dropped during the month, to a three month low. Monthly value traded declined by close to 30% to reach KWD 328 Mn as compared to KWD 466 Mn during the previous month. Monthly volume receded by a higher 32% m-o-m to 1.7 Bn shares from 2.5 Bn shares during October-17. Al Imtiaz Investment Group remained the top stock traded in terms of volume as 148.7 Mn shares were traded during the month. KFH came in second on the volume chart with a volume of 117.8 Mn shares followed by Investors Holding Group with volumes of 99.3 Mn. On the monthly value chart, KFH was the mostly widely traded stock as KWD 64 Mn worth of shares were traded. NBK came in second with 46.5 Mn worth of shares traded during the month, followed by Zain and Al Imtiaz with KWD 43.8 Mn and KWD 23.9 Mn in monthly value traded, respectively.

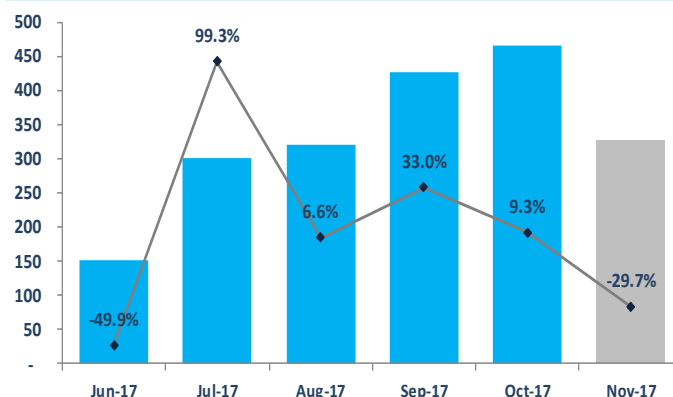
Prominent monthly decliners included Kuwait Remal RE as the stock plunged by over 35% for the month of November-17. National Shooting Co. and Salbookh Trading Co. followed with declines of 27.6% and 27% m-o-m. Amongst the gainers, Jiyad Holding led all stocks as its share price surged by over 30% for the month. Other gainers included Al Argan International Real Estate and National Industries Co as their stock prices gained by over 19.7% and 19.0% respectively m-o-m. The monthly market breadth was skewed towards decliners with 119 companies losing ground while 23 companies gained.

In economic releases, the IMF expects real non-oil GDP growth to come in at 2.5% for 2017 and forecast real non-oil GDP to grow by 3.0% in 2018. Over the medium term the IMF expects non-oil growth to increase gradually to around 4%, driven by accelerated project implementation under the 5-year development plan and improved confidence. Despite the impact of higher energy and water prices, inflation is on track to reach a multiyear low of 1.75% in 2017, due to a decline in housing rents and lower food prices.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Tadawul All Share Index	7,210.4	7,101.9	6,972.4	7,001.6	7,013.5	6,871.2	7,425.7	7,094.2	7,258.6	7,283.0	6,934.4	7,004.0
Monthly % Change	3.0%	(1.5%)	(1.8%)	0.4%	0.2%	(2.0%)	8.1%	(4.5%)	2.3%	0.3%	(4.8%)	1.0%
Market Cap (SAR Bn)	1,682.5	1,659.9	1,635.3	1,640.4	1,647.0	1,624.2	1,766.4	1,685.4	1,718.4	1,724.0	1,636.2	1,660.8
P/E (X) - TTM	14.73	14.79	14.54	14.64	14.56	14.09	15.10	14.51	15.33	15.41	14.41	14.81
P/BV (X) - TTM	1.70	1.67	1.59	1.73	1.74	1.73	1.85	1.64	1.68	1.68	1.60	1.62
Dividend Yield (%)	4.04%	4.05%	4.17%	4.27%	4.26%	4.25%	4.20%	4.35%	4.23%	4.26%	4.47%	4.42%
Volume (Mn Shares)	6,927	5,442	4,168	3,643	3,245	4,143	2,904	2,909	2,858	2,023	3,087	4,023
Value (SAR Mn)	114,984	98,782	75,232	72,517	61,469	64,660	54,727	60,510	60,185	49,900	66,564	75,240
Trades ('000)	2,685	2,664	2,040	2,053	1,698	1,547	929	1,639	1,873	1,167	1,735	1,979

Source: Tadawul, KAMCO Research

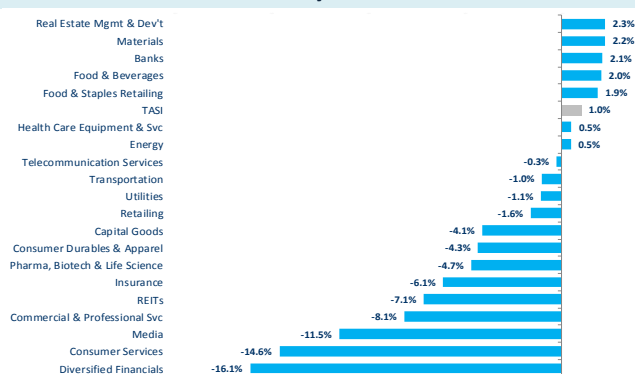
Saudi Arabia's benchmark TASI index was one of the best performing markets in the GCC for the month of November-17, as it gained m-o-m, while all other major markets lost ground during the month. The benchmark improved by 1.0% during the month while the performance of sectoral indices were mixed. Major indices such as Banks, Materials and Real Estate Mgmt. & Development were largely responsible for the TASI ending in the green, as there was a preference for large cap indices and names during the month, as more risk off trades were witnessed. Real Estate Mgmt. & Development was the best performing index as it went up by 2.3% m-o-m, as Dar Al Arkan and Makkah construction both gained by double digits for the month. Banks followed with gains of 2.1% in November -17, driven mainly by a 7.4% increase in the share price of NCB. Amongst the decliners, Diversified Financials, Consumer Services and Media were major laggards as they registered double-digit declines for the month. Kingdom Holding and Assir Trading, Tourism & Manufacturing pulled down the Diversified Financials pack as both stocks declined by over 21% each. Majority of the Consumer Services lost ground during the month, led by Al Tayyar Travel Group, as the stock saw a fifth of its market cap erode m-o-m.

Both 9M-17 and Q3-17 earnings growth for listed companies on the index were positive. 9M-17 earnings improved by 12.1% y-o-y from SAR 79.4 Bn from a year ago to SAR 89.0 Bn. Q3-17 earnings growth was higher as growth came in at 18.7% y-o-y from SAR 27.6 Bn in Q3-16 to SAR 32.8 Bn in Q3-17. Banks were the key growth drivers as they clocked an earnings growth of 14.3% y-o-y in Q3-17 to reach SAR 11.4 Bn. The other major sector Materials also clocked double-digit growth in earnings, as net profits jumped by 13.5% y-o-y in Q3-17.

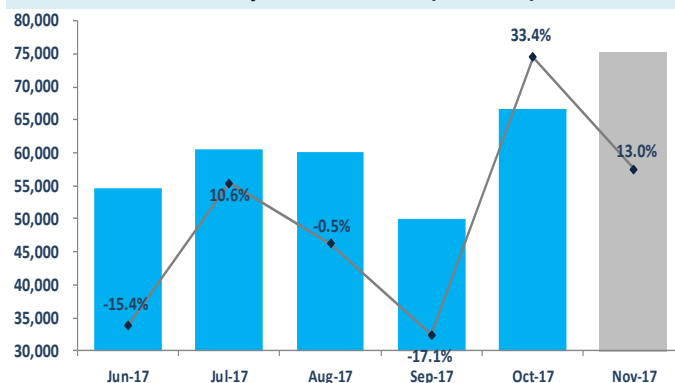
The monthly gainers chart was topped by Dar Al Arkan Real Estate Dev. with a gain of 16.1% followed by Qassim Cement and Makkah Construction & Development Co with gains of 12.2% and 11.4%, respectively. On the decliners side, the top two companies were Saudi Industrial Export Co. and Al Tayyar Travel Group with declines of 21.5% and 21%, respectively. Trading activity on the exchange reached a ten-month high during November-17. Monthly value traded picked up by 13% m-o-m to reach SAR 75.2 Bn as compared to SAR 66.5 Bn during October-17. Volumes traded during the month increased by more than 30% to reach 4.0 Bn shares as compared to 3.1 Bn shares in the previous month. In terms of most actively traded stocks, Alinma Bank continued to lead all stocks in terms of value traded, with SAR 11.7 Bn worth of shares traded during November-17. Dar Al Arkan and SABIC followed as SAR 9.2 Bn and SAR 9.0 Bn worth of share were traded respectively. The most active stocks in terms of volumes traded was led by Dar Al Arkan as 1.07 Bn shares were traded on the exchange. Alinma Bank and Saudi Kayan followed with 662 Mn and 189 Mn shares traded during November-17.

In sovereign ratings action, Fitch Ratings affirmed Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A+' and kept the outlook Stable. Key drivers for maintaining Saudi Arabia's ratings were reportedly the country's strong fiscal and external balance sheets, high international reserves, low government debt, significant government assets and strong commitment towards reform agenda. The agency expects the central government deficit to narrow to 8.7% of GDP in 2017, from 17.2% in 2016, largely as a result of higher oil prices and as clearance of arrears that widened the 2016 deficit by 4.4% of GDP will no longer reportedly be necessary.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
ADX General Index	4,546.4	4,548.8	4,552.1	4,443.5	4,522.6	4,427.3	4,425.4	4,566.2	4,468.4	4,397.4	4,479.6	4,283.1
Monthly % Change	5.5%	0.1%	0.1%	(2.4%)	1.8%	(2.1%)	(0.0%)	3.2%	(2.1%)	(1.6%)	1.9%	(4.4%)
Market Cap (AED Bn)	467.6	465.0	466.6	459.1	467.7	460.5	456.1	467.2	461.9	450.8	459.8	438.7
P/E (X) - TTM	10.77	10.75	11.06	10.80	10.61	10.33	10.30	11.40	11.36	11.18	11.11	10.89
P/BV (X) - TTM	1.36	1.36	1.34	1.31	1.54	1.49	1.49	1.58	1.57	1.55	1.57	1.51
Dividend Yield (%)	5.60%	5.60%	5.53%	5.62%	5.26%	5.47%	5.46%	5.32%	5.41%	5.46%	5.38%	5.58%
Volume (Mn Shares)	1,454	4,837	2,811	1,656	1,553	1,441	3,000	1,738	1,216	2,351	1,977	1,064
Value (AED Mn)	3,179	7,111	4,993	4,433	3,287	3,619	3,745	3,245	2,464	4,094	4,419	2,517
Trades	26,669	57,936	39,116	30,365	24,726	22,671	30,718	23,185	18,124	24,571	23,607	18,355

Source: Abu Dhabi Securities Exchange, KAMCO Research

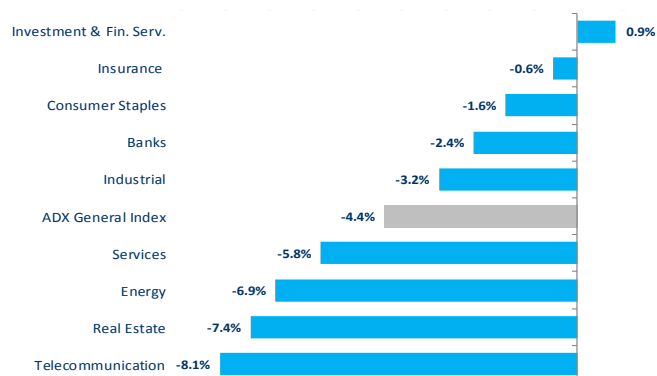
The ADX index also witnessed declining trends, as the index lost ground by 4.4% during the month of November-17. The index closed at 4283.1 points, and remained in the red on a YTD basis. Sectoral performance involved mainly decliners, barring the Investment and Financial Services index remained stable and grew by a marginal 0.9% m-o-m. Telecoms were the worst performing index as they plunged by 8.1% m-o-m in November-17, as Etisalat dropped by 8.1% during the month, while Sudatel declined by 7.9% m-o-m as well. The Real Estate sector followed with declines of 7.4% m-o-m as the sector and related stocks saw weakness across the UAE during the month. Aldar Properties declined by 7.6% for the month, while Eshraq Properties dropped by a higher 8.9% m-o-m. Banks were also down by 2.4% m-o-m, First Abu Dhabi declined by 2.4% m-o-m, while ADCB receded by a higher 4.6% for the month of Nov-17.

Earnings growth for ADX listed companies was robust both in 9M-17 and Q3-17 on a y-o-y basis. 9M-17 net profits improved by 26% y-o-y from AED 21.7 Bn in 9M-16 to AED 27.4 Bn. Q3-17 earnings growth was higher and net profits grew by 31.7% from AED 7.1 Bn in Q3-16 to AED 9.4 Bn in Q3-17. The Banking index saw its net profits grow by 23% y-o-y in Q3-17 to AED 5.4 Bn, driven by a 39.8% y-o-y increase in the net profits of First Abu Dhabi Bank to AED 2.6 Bn and a 9.3% y-o-y increase in earnings of ADCB which reached AED 1.0 Bn in Q3-17. The Telecom index saw its profitability improve by 26.8% y-o-y in Q3-17 as Etisalat saw its earnings grow by 28.1% over the same period to AED 2.34 Bn. The earnings of Real Estate companies also reflected the weakness in the sector as net profits declined by 17% y-o-y in Q3-17 to reach AED 611.6 Mn, largely contributed by a 20.1% drop in the net profits of Aldar Properties over the same period.

The monthly gainers chart was topped by National Bank of Fujairah with a gain of 15.0% followed by Green Crescent Insurance and Abu Dhabi National Takaful Co with gains of 14.1% and 10.9%, respectively. On the decliners side, the top two companies were Ras Al Khaimah Cement and Abu Dhabi National Co for Building Materials with declines of 12.2% and 10.6%, respectively. Trading activity on the exchange declined during November-17 as monthly value traded declined by 43% m-o-m to reach AED 2.5 Bn as compared to AED 4.4 Bn during October-17. Volumes traded during the month decreased by more than 46% to reach 1.1 Bn shares as compared to 1.9 Bn shares in the previous month. In terms of most actively traded stocks, First Abu Dhabi Bank led all stocks in terms of value traded, with AED 619 Mn worth of shares traded during November-17. Etisalat and Aldar followed as AED 504 Mn and AED 286 Mn worth of shares were traded respectively. Dana Gas led the most active stocks list in terms of volumes traded, as 277 Mn shares were traded on the exchange. Eshraq Properties and Aldar followed with 185 Mn and 127 Mn shares traded during November-17.

In funding related action, state owned Abu Dhabi National Oil Company (ADNOC) successfully issued and closed a USD 3 Bn bond, consisted of two senior secured bond tranches: an USD 837 Mn, 12-year bullet bond tranche and a USD 2,200 Mn, 30-year fully amortizing bond tranche. The company reportedly mentioned that the offering was oversubscribed by more than three and a half times, with demand from both international and regional participants.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
DFM General Index	3,530.9	3,642.9	3,630.3	3,480.4	3,414.9	3,339.4	3,392.0	3,633.2	3,637.6	3,564.0	3,635.9	3,420.2
Monthly % Change	5.1%	3.2%	(0.3%)	(4.1%)	(1.9%)	(2.2%)	1.6%	7.1%	0.1%	(2.0%)	2.0%	(5.9%)
Market Cap (AED Bn)	332.2	352.1	384.0	371.5	360.6	346.7	348.6	367.2	366.1	369.3	368.1	373.8
P/E (X) - TTM	9.25	9.92	9.89	9.39	9.37	9.30	9.50	10.15	10.17	9.99	10.04	9.44
P/BV (X) - TTM	1.29	1.28	1.25	1.15	1.13	1.11	1.13	1.21	1.24	1.22	1.25	1.18
Dividend Yield (%)	4.70%	4.66%	4.56%	4.98%	5.15%	5.18%	5.08%	4.74%	4.72%	4.84%	4.75%	5.03%
Volume (Mn Shares)	11,219	18,618	10,396	5,785	4,969	6,123	6,019	5,091	3,665	2,526	7,267	5,128
Value (AED Mn)	14,659	22,962	15,587	9,583	6,593	7,745	7,123	7,374	5,453	3,878	9,953	9,594
Trades	118,274	196,901	130,998	82,856	69,986	81,311	73,528	83,732	61,143	43,464	99,296	81,175

Source: Dubai Financial Market, KAMCO Research

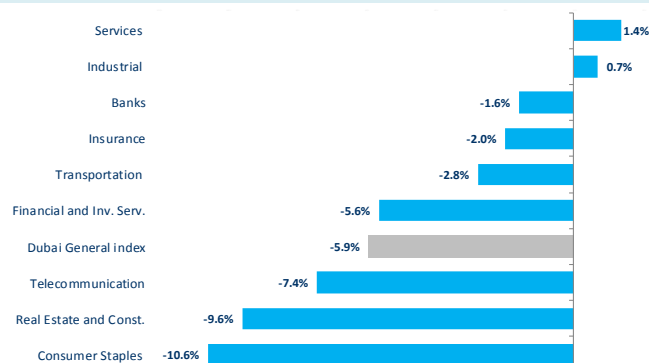
DFM was the worst performing index in the GCC for the month of November-17, as weakness was witnessed across the board, which sent the index into the red on a YTD basis. The index plunged by 5.9% m-o-m and closed at 3420.17 points. Sectoral indices were mostly negative for the month barring the Services index and the Industrials sector, as they moved up by 1.4% and 0.7% respectively. Banks also remained relatively resilient as they receded by 1.6% m-o-m in November-17. The worst performing sectoral index was Consumer Staples as it witnessed double digit declines of 10.6% m-o-m for the month, primarily due to the 10.8% drop in the share price of Dubai Parks and Resorts. Real Estate and Construction companies followed as all traded stocks saw lower levels led by Arabtec which plunged by over 16.7% m-o-m, as investors look to avoid the sector. Weakness was also seen on the IPO market, as shares of Emaar Development that had an IPO price of AED 6.03/share, saw declines in early trades, ascribed to the weakness in the real estate market.

Earnings for listed companies on the DFM declined by 7.5% y-o-y in 9M-17 from AED 21.8 Bn in 9M-16 to AED 20.1 Bn. For Q3-17 however, total earnings increased by 18.1% y-o-y AED 8.1 Bn as compared to AED 6.8 Bn in Q3-16. Net profits of Bank grew by 39.6% y-o-y in Q3-17, largely driven by the 36.8% y-o-y increase in earnings of Emirates NBD and contributed by the 26.3% increase in net profits of Dubai Islamic Bank. Despite sector woes, RE & Construction companies saw their earnings grow by 4.4% y-o-y in Q3-17 to AED 2.4 Bn.

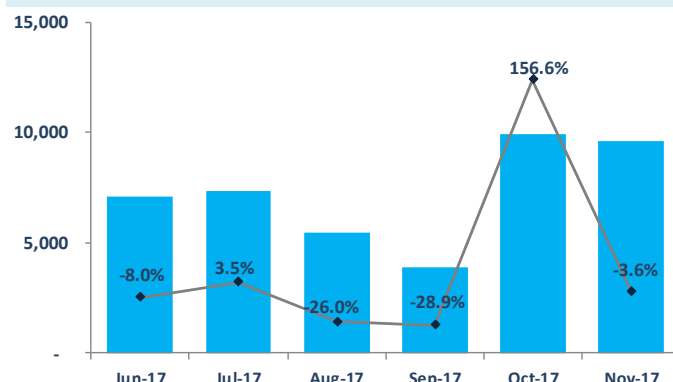
Amanat Holdings was the top performing stock in the index for the month, as the stock went up by 9.2% m-o-m. Takaful Emarat Co. followed along with Oman Insurance Co, as their stock prices moved up by 8.1% and 5.9% respectively. On the other hand, shares of Arabtec Holding, led the monthly losers chart as its share price declined by 16.7% m-o-m. Al Madina for Finance & Investment and Hits Telecom followed with declines of 15.7% and 14.1% respectively for the month. GFH was the most actively traded stock on the exchange as AED 2.07 Bn worth of stock was traded. Emaar Properties and Dubai Investment followed with value traded of AED 1.5 Bn and AED 1.0 Bn respectively. In terms of volumes traded, GFH led all stocks as 1.3 Bn shares were traded. Amanat Holding and DSI followed as 546 Mn and 523 Mn shares were traded on the exchange. Market breadth favored decliners, as 10 stocks moved up while 33 stocks lost ground during the month of Nov-17. Trading trends also weakened both in terms of volumes traded and value traded for the month. Volumes traded declined by over 29.4% m-o-m to 5.1 Bn shares, while value traded receded by 1.6% to close to AED 9.9 Bn.

Data for Oct-17 from the Emirates NBD Economy Tracker saw the index improve to 55.6 in Oct-17 from 55.2 in Sept-17, as output and new orders increased at a strong rate. Employment increased in Oct-17 as the index reached 51.2, however the overall rate of jobs growth remains modest. The wholesale & retail trade index jumped to a record level of 60.0 during Oct-17. Both output and new orders rose during Oct-17 last month, as both indices reached highs of 65.7 and 70.1 respectively. Output was stronger and new work growth drove the construction sector index to 56.3 in Oct-17, as the output/ business activity component also reached a high of 64.9. The travel & tourism sector index rose to 53.9 for Oct-17 from 52.9 in Sept-17, but remained lower than the YTD average of 55.6.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
QE 20 Index	10,436.8	10,597.2	10,702.1	10,390.6	10,064.4	9,901.4	9,030.4	9,406.1	8,800.6	8,312.4	8,165.1	7,714.3
Monthly % Change	6.6%	1.5%	1.0%	(2.9%)	(3.1%)	(1.6%)	(8.8%)	4.2%	(6.4%)	(5.5%)	(1.8%)	(5.5%)
Market Cap (QAR Bn)	563.5	568.6	577.7	556.3	542.4	528.6	487.5	509.0	476.7	454.6	444.1	418.1
P/E (X) - TTM	13.85	14.34	15.00	14.58	14.42	13.76	12.80	13.58	12.80	12.18	11.92	11.15
P/BV (X) - TTM	1.56	1.52	1.48	1.44	1.40	1.35	1.26	1.30	1.21	1.15	1.11	1.04
Dividend Yield (%)	3.93%	3.91%	3.79%	3.97%	4.03%	4.14%	4.46%	4.29%	4.61%	4.73%	4.89%	5.25%
Volume (Mn Shares)	190	190	188	287	183	231	249	200	159	193	167	168
Value (QAR Mn)	7,204	5,757	6,723	10,292	4,681	5,936	6,566	5,476	3,745	4,001	3,622	4,253
Trades	71,747	76,729	81,708	103,717	62,981	70,499	73,211	72,354	49,557	48,956	51,506	68,307

Source: Qatar Exchange, KAMCO Research

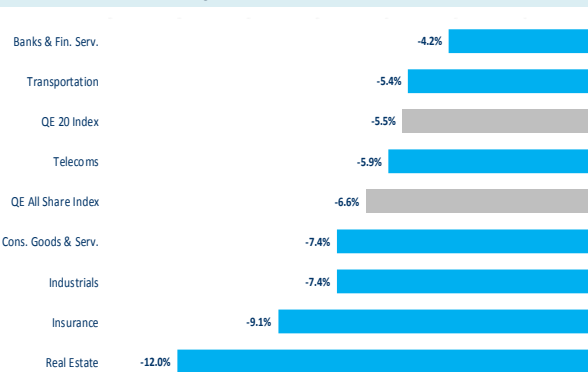
The QE 20 index continued its declining trend for the fourth consecutive month and remains the worst performing market in the region YTD by far, declining eight out of the eleven months of 2017. The QE 20 index dropped by 5.5% m-o-m, and closed at 7714.3 points and has lost over a quarter of its market cap from the start of 2017. The Qatar All Share index, which maps the broader index, also witnessed a higher decline, as it went down by 6.6% m-o-m for the month of November-17. All indices closed in the red for the month. Market breadth was poor as 37 companies declined, while 6 companies advanced during the month. The Real Estate index was the main laggard, as the index plunged by 12% m-o-m, as Mazaya Qatar dropped by 16.7% m-o-m, while large caps Ezdan and Barwa declined by 15.8% and 6.7% respectively. The Insurance index with declines of 9.1% m-o-m followed, along with Industrials and Consumer Goods & Services as both indices receded by 7.4% each. Banks and Financial Services also saw declines, albeit lower and receded by 4.2% on the index, as QNB dropped by 3.7% m-o-m, while CBQ gained ground and went up by 1.9% m-o-m for the month of November-17.

Earnings for listed companies on the QE declined by 6.0% y-o-y in 9M-17 from QAR 31.3 Bn to QAR 29.5 Bn. All sectors barring the Banking and Financial Services sector saw their net profits decline over the period. The Banking and Financial Services sector saw their net profits increase marginally by 3.0% from QAR 15.9 Bn in 9M-16 to QAR 16.4 Bn in 9M-17. Total earnings for the QE also dropped marginally by 0.7% y-o-y in Q3-17 to QAR 9.3 Bn. Net profits of Banking and Financial Services companies however grew by 7.0% in Q3-17, largely driven by the 5.6% y-o-y increase in earnings of QNB and contributed by the 10.9% increase in net profits of QIB. Earnings of the Industrials sector also grew by 7.4% y-o-y in Q3-16 to QAR 2.0 Bn.

Trading activity on the index was mixed, as value traded during November-17 increased by 15.3% to reach QAR 4.3 Bn, while traded volumes declined by 1.7% m-o-m to reach 167 Mn shares. In terms of trading activity, Qatar National Bank topped the monthly value traded chart with QAR 869 Mn worth of shares traded, followed by Industries Qatar and Qatar Navigation recording QAR 291 Mn and QAR 260 Mn in monthly value traded. In terms of volumes traded Vodafone Qatar led all stocks with traded volumes of 19 Mn shares. Investment Holding Group and Qatar First Bank followed with traded volumes of 14.3 Mn shares and 12.4 Mn shares respectively. Qatar General Insurance & Reins was the top performing stock in the index for the month as its share price surged by 14.7%. Al Ahli Bank of Qatar followed along with Qatari Investors Group, as their stock prices moved up by 12.9% and 9.6% respectively. On the other hand, shares of Investment Holding Group led the monthly losers chart with its stock losing 18.8% m-o-m. Mannai Corporation and Qatari German Co. for Medical Services followed with declines of 18.4% and 17.8% respectively for the month.

In related corporate ratings action, yields on USD 500 Mn Islamic bonds issued by Ezdan maturing in 2021 jumped by about 2 percentage points after S&P downgraded the company to junk and revised its outlook to negative from stable. Also Al Rayan Bank (UK), the United Kingdom subsidiary of Masraf Al Rayan, has reportedly received an Aa3 rating from Moody's Investor Service, as the ratings agency cited Al Rayan Bank's sound asset risk profile, robust capitalization and sufficient liquid resources as key drivers for the rating.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Bahrain All Share Index	1,220.45	1,303.70	1,349.67	1,355.99	1,335.67	1,319.75	1,310.04	1,327.81	1,302.46	1,283.78	1,276.69	1,283.71
Monthly % Change	3.9%	6.8%	3.5%	0.5%	(1.5%)	(1.2%)	(0.7%)	1.4%	(1.9%)	(1.4%)	(0.6%)	0.5%
Market Cap (BHD Mn)	7,221	7,721	7,995	7,683	7,575	7,487	7,434	7,536	7,385	7,284	7,258	7,688
P/E (X) - TTM	9.68	9.97	9.92	10.06	9.60	9.30	9.27	9.62	8.75	8.64	8.52	8.51
P/BV (X) - TTM	0.83	0.89	0.89	0.87	0.86	0.85	0.85	0.86	0.86	0.82	0.82	0.82
Dividend Yield (%)	4.22%	3.95%	4.44%	4.96%	5.03%	5.10%	5.13%	5.05%	5.14%	5.21%	5.21%	5.18%
Volume (Mn Shares)	211	136	86	96	141	61	39	64	48	165	79	81
Value (BHD Mn)	10	26	18	24	19	14	9	13	10	13	19	15
Trades	1,163	2,164	1,621	1,864	1,684	1,146	926	1,443	1,250	1,484	2,146	1,763

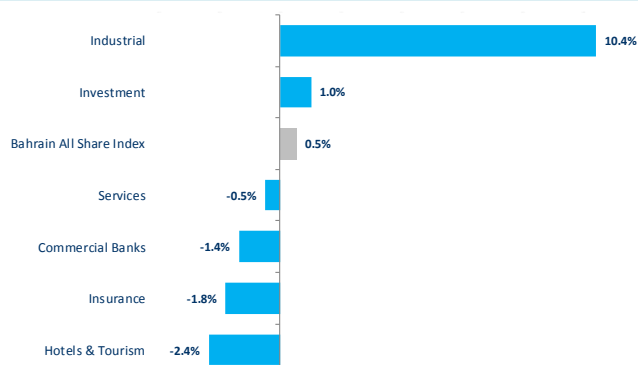
Source: Bahrain Bourse, KAMCO Research

The Bahrain All Share Index, continued to stay resilient amongst overall market volatility in the region's stock markets, and closed in the green for the month of November-17. It remains the best performing market YTD, as the index closed 0.5% higher on a m-o-m basis for the month, which has extended YTD gains to +5.2%. The index closed at 1283.71 points at the end of the month. Sectoral performance was mixed but was more skewed toward indices that were down, as only the Investment Index and Industrials index gained during the month. Market breadth for the index showed weakness as well, as 8 stocks gained ground, while 17 stocks witnessed declines in their share prices. The Investment index was up 1.0% m-o-m, led by GFH was gained by 4.6% for the month of November-17. The Industrials index jumped by 10.8% m-o-m during November-17, as Aluminium Bahrain single-handedly led to the surge in the index, gaining by 10.8%. Commercial Banks were down 1.4% as all banks barring BBK (+2.4% m-o-m) declined as compared to Oct-17. The largest stock in the index AUB declined by 0.7% m-o-m in November-17.

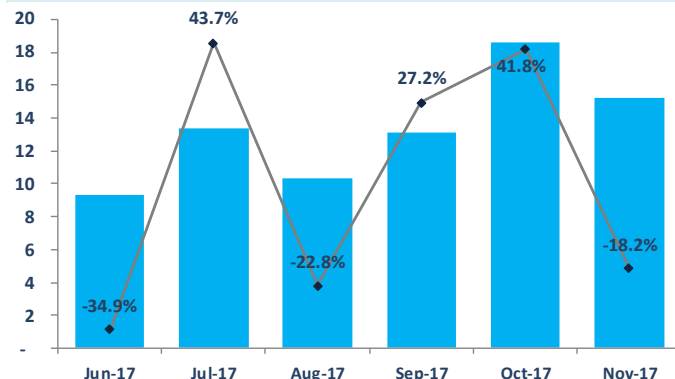
Earnings for listed companies on the Bahrain Bourse increased by 18.0% y-o-y in 9M-17 from BHD 520 Mn to BHD 614 Mn. Total earnings for the exchange also went up by 11.4% y-o-y in Q3-17 to BHD 182 Mn. In economic ratings related releases, S&P lowered Bahrain's long-term foreign and local currency sovereign credit ratings to 'B+' from 'BB-'. Key drivers for the downgrade were Bahrain's weak external liquidity and increasing financial risk due to more limited access to international capital market financing, as per the ratings agency. In corporate ratings action Fitch Ratings affirmed National Bank of Bahrain's (NBB) Long-Term Issuer Default Ratings (IDR) at 'BB+' with Negative Outlook. The agency mentioned that that Negative Outlook reflects the Bahraini sovereign rating of BB+. Fitch further expects a moderate probability of support from the Bahraini authorities for the Bank, if required. They also affirmed BBK's (BBK) Long-Term Issuer Default Ratings (IDR) at 'BB+' with Negative Outlook. Similar to NBB, they mentioned that the Negative Outlook mirrors their Bahraini sovereign rating of BB+, but they expected a higher propensity of support to domestic commercial banks by Bahraini authorities.

The exchange's figures of value and volumes traded in November-17 exhibited mixed trends on an m-o-m basis, as compared to the previous month. Volumes traded in the exchange reached 81.4 Mn and moved up by 3.6% m-o-m as compared to 78.5 Mn shares in Oct-17. Value traded declined by 18.2% in the exchange to reach BHD 15.2 Mn in Nov-17. Furthermore, the number of trades made in the exchange decreased to 1,763 trades, a 17.8% m-o-m decline from Oct-17. Gulf Finance House was the most actively traded stock in November-17 with BHD 4.2 Mn worth of its shares traded on the exchange. Aluminum Bahrain and Ahli United Bank followed with BHD 2.7 Mn and BHD 1.9 Mn worth of shares traded. Aluminum Bahrain topped the gainers list for the month of November-17, as it witnessed a 10.8% m-o-m increase, followed by Seef Properties and GFH with monthly gains of 5.0% and 4.5% respectively as compared to Oct-17. Ithmar Bank was the main laggard for the month of November-17, as it witnessed a m-o-m decline of 24.0%, followed by Bahrain and Kuwait Insurance and Inovent with monthly declines of 11.1% each as compared to Oct-17.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
MSM 30 Index	5,782.7	5,776.2	5,780.0	5,550.6	5,513.5	5,422.0	5,118.3	5,024.2	5,052.6	5,137.4	5,010.7	5,106.5
Monthly % Change	5.4%	(0.1%)	0.1%	(4.0%)	(0.7%)	(1.7%)	(5.6%)	(1.8%)	0.6%	1.7%	(2.5%)	1.9%
Market Cap (OMR Mn)	5,055	4,959	4,944	6,153	5,991	4,705	4,461	4,356	4,479	4,556	4,438	4,517
P/E (X) - TTM	10.08	10.21	9.91	9.57	10.76	10.72	10.21	10.22	10.53	10.70	10.63	11.05
P/BV (X) - TTM	1.15	1.13	1.12	1.06	1.07	1.05	0.99	0.93	0.94	0.95	0.93	0.95
Dividend Yield (%)	5.11%	5.23%	5.33%	5.70%	5.68%	5.80%	6.17%	6.20%	5.96%	5.90%	5.99%	5.88%
Volume (Mn Shares)	147	192	280	258	203	232	115	126	216	272	314	308
Value (OMR Mn)	44	52	99	73	45	43	29	37	53	54	68	114
Trades	8,793	11,583	12,280	12,395	10,204	9,848	5,549	6,528	7,306	5,615	7,923	7,073

Source: Muscat Securities Market, KAMCO Research

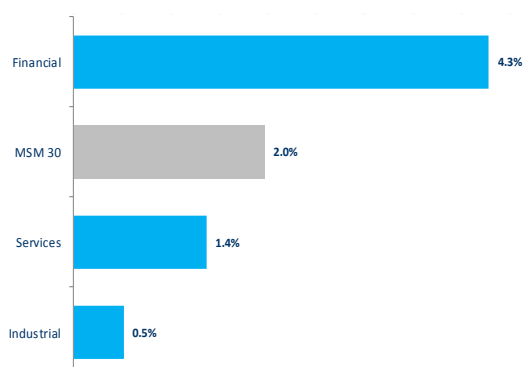
Oman's benchmark MSM 30 index was the best performing index in November-17, as it gained by 1.9% m-o-m, despite being amongst the worst performing markets YTD. Sectoral indices were up as well led by the Financials index, which went up by 4.3% m-o-m, driven mainly by National Bank of Oman which was up by 11.4% m-o-m. The Services index followed with gains of 1.4% m-o-m in November-17, while the Industrials index went up marginally by 0.5% m-o-m. Earnings declined for companies on listed on the MSM in 9M-17, as net profits dropped by 19.0% y-o-y to reach OMR 489 Mn. Q3-17 earnings dropped as well y-o-y, as net profits declined by 11.3% y-o-y to OMR 169.3 Mn as compared to OMR 191 Mn in Q3-16. The Financials sector witnessed a drop of 3.4% y-o-y in Q3-17 profits to OMR 91.1 Mn from OMR 94.4 Mn in Q3-16, mainly due to the 33.4% drop in National Bank of Oman's net profits during the period. Earnings of the Services sector also dropped by 25% y-o-y from OMR 87 Mn in Q3-16 to OMR 65.5 Mn in Q3-17, largely due to the 23.8% drop in Oman Telecom's net profits during the period. The Industrials sector however saw its earning grow by 36.3% y-o-y in Q3-17, to reach OMR 12.7 Mn.

Trading activity on the index was however mixed as value traded increased by over 66% m-o-m to reach OMR 114 Mn, while volumes traded declined by 1.7% m-o-m to 308.4 Mn shares. The increase in value traded was largely driven by OMINVEST as OMR 82 Mn worth of shares were traded. Bank Sohar and Bank Muscat followed, as OMR 7.1 Mn and OMR 6.0 Mn worth of shares were traded. In terms of volumes traded, OMINVEST led the pack as well and accounted for almost half of the exchange's volumes, as 169.7 Mn shares were traded. Bank Sohar and Al Anwar Holding followed with traded volumes of 42.7 Mn and 24.9 Mn respectively. Market breadth was fairly even as 13 companies gained while 11 companies saw their stock prices decline.

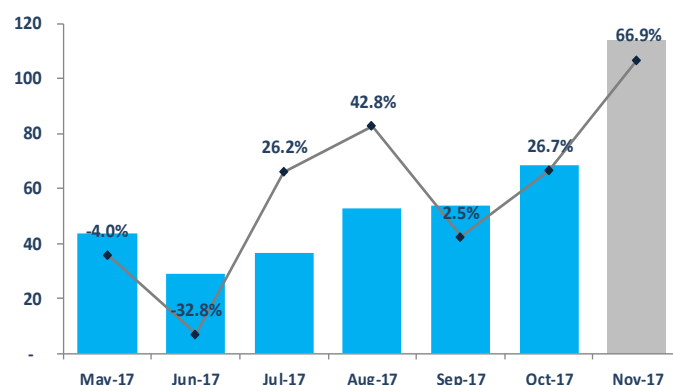
In terms of investor participation, local investors continued to remain active during November-17 as their share in the exchange's trades was stable as compared to the previous month. Omanis accounted for 91.5% of total value of shares bought during the month (91.5% during October-17) and 96.5% of volumes, while in terms of value of sell trades their share stood at 91% during November-17 as compared to 85% during the previous month. The monthly gainers chart saw Al Anwar Holding topping the list with a gain of 12.7%. National Gas Co. and National Bank of Oman followed as they saw their stock prices rise by 12.0% and 11.4% respectively. On the decliners chart, Al Maha Petroleum Products witnessed declined the most as its stock price dropped by 18.9% m-o-m. Other monthly decliners included Raysut Cement and Oman Cable Industry, with declines of 9.3% and 7.8% respectively.

In sovereign ratings action, S&P reportedly downgraded Oman's long-term credit rating to BB from BB+, as the country continues to look to international funding to plug in the gap in its fiscal deficit, as a result lower oil revenues. The agency however affirmed the outlook for the country as stable. In corporate ratings action, Moody's downgraded Oman Telecommunication's long-term issuer rating to Baa3 from Baa2, due to the additional USD 2.2 Bn of debt taken, after the company bought a 21.9% stake in Zain. The agency mentioned that the further 12.1% stake in Zain would lead the debt/EBITDA ratio to be above the limits set for its Baa2 rating guidance over an 18-month horizon.

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>