

GCC Markets Monthly Report

June-2018

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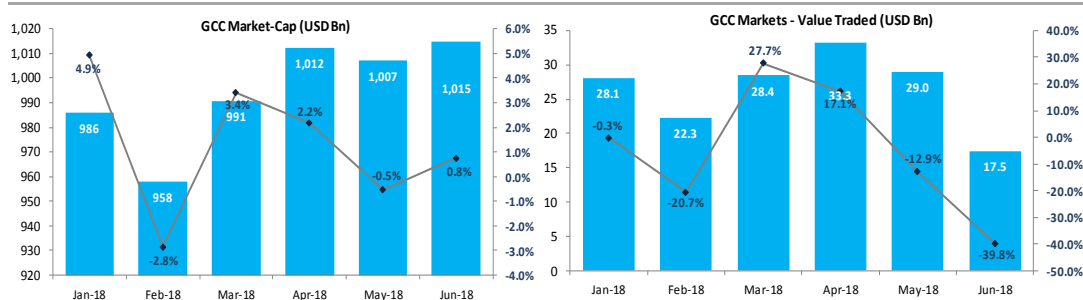
MSCI's Saudi Arabia nod and Kuwait 2019 review lifts market sentiment...

MSCI upgraded Saudi Arabia to Emerging Market status in its annual classification review, which drove the TASI higher (+1.9%) in June-18. There were more positives from MSCI's review, as the index compiler placed Kuwait in its 2019 Annual Market Classification Review for a potential upgrade to Emerging Market status. Boursa Kuwait was amongst the best performing markets in the GCC during June-18, as a result. In addition, most of the GCC markets stayed positive, with the aggregate GCC index up more than 1% for the month. In terms of 1H-18 performance, the GCC markets were split with Saudi Arabia topping the chart with a benchmark growth of 15.1%, followed by Kuwait at 7.1% (Thomson Reuters Kuwait Total Return Index), while Dubai (-16.3%) was the main laggard, followed by Oman (-10.3%).

In terms of sector performance, large-cap sectors including Banks, Materials and Telecoms recorded low single digit returns during June-18, while Diversified Financials and Consumer sectors underperformed during the month. For 1H-18, banks provided a big boost to the overall markets with more than 20% aggregate returns followed by Materials and Telecom sectors, in the large-cap sectors category. On the other hand, the Real Estate sector, particularly in Dubai, remained the biggest drag for the markets followed by Insurance, Consumer and Diversified Financials sectors.

Events on the international front were mostly negative for the markets, including the escalating trade war between US and its trading partners, primarily China. As a result, a number of Asian markets were hovering at multi-month lows. In addition, the sanctions on Iran has split the OECD allies but is expected to be deepened by the end of the year. Although this comes as positive for oil prices, in addition to supply disruptions in Libya, Canada and Venezuela, the impact on international trade and investor sentiments have taken a significant hit affecting international investments.

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	4,904.8	4.6%	0.7%	90.9	801.4	14.9	1.2	3.9%
Kuwait - Main Market Index	4,863.5	1.0%	1.2%					
Kuwait - All Share Index	4,890.4	3.3%	2.3%					
Saudi Arabia	8,314.2	1.9%	15.1%	528.8	12,380.2	16.7	1.8	3.6%
Abu Dhabi	4,560.0	(1.0%)	3.7%	132.5	676.7	11.6	1.2	5.6%
Dubai	2,821.0	(4.8%)	(16.3%)	95.8	1,338.0	7.7	1.0	5.4%
Qatar	9,024.0	1.6%	5.9%	135.6	2,188.0	12.7	1.2	4.5%
Bahrain	1,311.0	3.6%	(1.6%)	20.3	34.0	8.7	0.8	5.8%
Oman	4,571.8	(0.8%)	(10.3%)	10.6	45.8	10.1	0.8	6.3%
Total GCC				1,014.6	17,464.1	13.6	1.4	4.2%



Faisal Hasan, CFA

Head - Investment Research

+(965) 2233 6907

faisal.hasan@kamconline.com

Junaid Ansari

Assistant Vice President

+(965) 2233 6912

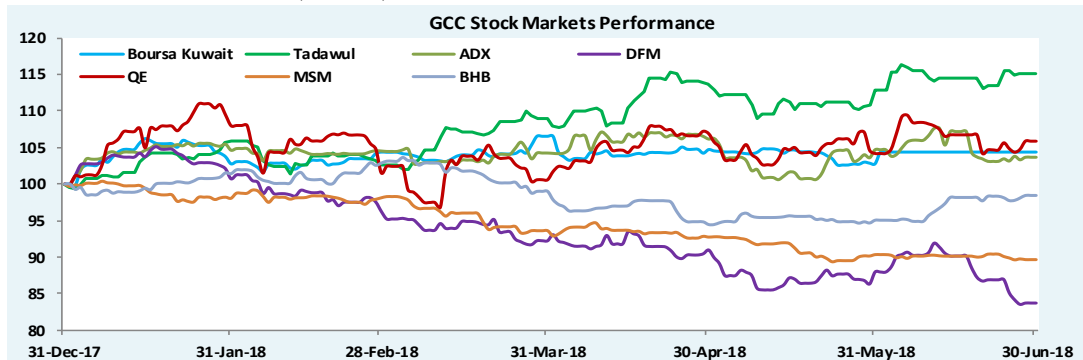
junaid.ansari@kamconline.com

Thomas Mathew

Assistant Vice President

+(965) 2233 6914

thomas.mathew@kamconline.com



Source: GCC Stock Exchanges, KAMCO Research

Boursa Kuwait

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Premier Market Index	4,847.1	5,128.0	5,177.7	5,034.2	4,758.8	4,793.5	4,921.6	4,982.6	5,000.0	4,778.7	4,690.6	4,904.8
Monthly % Change	4.4%	5.8%	1.0%	(2.8%)	(5.5%)	0.7%	2.7%	1.2%	0.3%	(4.4%)	(1.8%)	4.6%
Main Market Index	5,295.1	5,325.6	5,181.1	5,093.6	4,744.8	4,827.9	4,954.2	4,844.0	5,000.0	4,834.9	4,816.3	4,863.5
Monthly % Change	2.6%	0.6%	(2.7%)	(1.7%)	(6.8%)	1.8%	2.6%	(2.2%)	3.2%	(3.3%)	(0.4%)	1.0%
All Share Market Index	4,969.4	5,177.8	5,188.3	5,056.2	4,805.0	4,830.4	4,955.7	4,979.0	5,000.0	4,799.1	4,735.7	4,890.4
Monthly % Change	3.5%	4.2%	0.2%	(2.5%)	(5.0%)	0.5%	2.6%	0.5%	0.4%	(4.0%)	(1.3%)	3.3%
Thomson Reuters Kuwait TRI	188.3	199.4	202.3	196.2	186.4	189.2	194.4	197.5	201.6	198.1	194.5	202.6
Monthly % Change	5.0%	5.9%	1.5%	(3.0%)	(5.0%)	1.5%	2.8%	1.6%	2.1%	(1.7%)	(1.9%)	4.2%
Market Cap (KWD Mn)	28,187	29,362	29,349	28,493	27,044	27,243	27,973	28,036	28,158	26,912	26,607	27,473
P/E (X) - TTM	16.20	15.84	15.87	15.44	14.64	14.80	14.40	14.48	14.55	14.60	14.50	14.90
P/BV (X) - TTM	1.26	1.29	1.29	1.26	1.20	1.20	1.22	1.22	1.23	1.15	1.14	1.17
Dividend Yield (%)	4.70%	4.34%	4.34%	4.51%	4.75%	4.72%	4.75%	4.34%	4.31%	3.44%	3.92%	3.88%
Volume (Mn Shares)	1,821.6	1,733.3	2,074.5	2,478.5	1,681.0	1,238.8	2,613.4	1,316.2	1,156.4	1,348.6	1,198.0	1,017.4
Value (KD Mn)	300.5	320.4	426.2	465.8	327.6	192.5	322.9	207.3	227.3	240.8	204.8	242.1
Trades ('000)	67.5	70.3	71.9	86.4	71.7	52.8	93.3	54.5	55.4	61.0	57.4	47.5

Source: Kuwait Stock Exchange, KAMCO Research

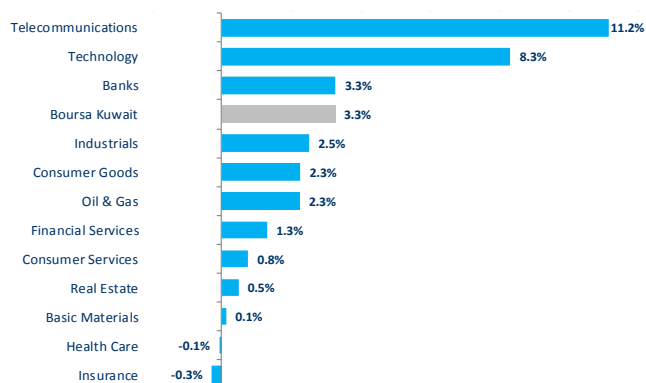
The MSCI decision to include Kuwait in its next annual classification review for an upgrade to Emerging Markets status came as a big boost for the market pushing all indices up in the green during June-18 making Boursa Kuwait the second-best performing market in the GCC during the month. The announcement came as a result of a number of reforms announced by the regulatory body in Kuwait over the past few months. Based on the timelines, the earliest Boursa Kuwait would be included in the Emerging Market Index would be by May-2020. In addition to flow of passive funds, the announcement could also lead to higher allocation of institutional equities in key fundamental large-cap stocks listed on Boursa Kuwait. As a result, large-cap stocks were key beneficiaries with the Premier Market index up 4.6% during the month after posting two consecutive months of decline. The All Share Index recorded a slightly lower return of 3.3% while the Main market index was up 1% during the month. In terms of YTD-18 performance, the Thomson Reuters Kuwait Total Return Index was up 7.1%, making it the second-best performing market in the GCC. The index was up 4.2% during June-18.

The monthly sector performance chart also reflected the positive investor sentiment during the month with almost all the sectors closing in the green. The Telecom index recorded the best monthly performance with a return of 11.2% after shares of Zain went up 16% during the month followed by 2.3% and 0.4% returns for Ooredoo and Viva. Shares of Zain Kuwait was up consistently since the start of the month with only a few trading sessions closing in the red. A news that Zain KSA has refinanced USD 1.5 Bn of loan also provided support to the stock. The Technology index recorded the second-best monthly performance with a gain of 8.3% followed by 3.3% gains for the Banking index and 2.5% for the Industrials index. In the Banking sector, shares of most of the Kuwaiti banks recorded healthy gains during the month with the exception of Gulf Bank (-9.2%) and Warba Bank (-8.9%).

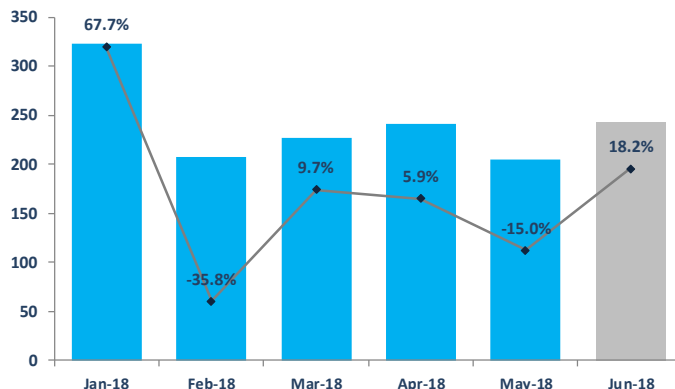
Hilal Cement was the best performing stock during the month with a return of 27.9%, although the stock was thinly traded. Prominent gainers during the month included Zain, Agility and AUB Kuwait. On the decliners side, Gulf Investment House witnessed the steepest decline of 17.1% amid thin trade. Prominent decliners during the month included Gulf Bank, Warba Bank and Ithmar Holding.

In terms trading activity, the market saw a spike in value traded during the month despite the month of Ramadan followed by Eid Holidays. Most of the trades were focused on large-cap stocks that was reflected by a growth in value traded but a decline in overall monthly volumes. Value traded during the month stood at KWD 242 Mn, a m-o-m increase of 18% while volume of shares traded during the month dropped 15% to 1.02 Bn shares.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Tadawul All Share Index	7,094.2	7,258.6	7,283.0	6,934.4	7,004.0	7,226.3	7,650.1	7,418.8	7,870.9	8,208.9	8,161.1	8,314.2
Monthly % Change	(4.5%)	2.3%	0.3%	(4.8%)	1.0%	3.2%	5.9%	(3.0%)	6.1%	4.3%	(0.6%)	1.9%
Market Cap (SAR Bn)	1,685.4	1,718.4	1,724.0	1,636.2	1,660.8	1,692.1	1,795.2	1,749.3	1,873.2	1,929.4	1,957.8	1,983.1
P/E (X) - TTM	14.51	15.33	15.41	14.41	14.81	14.81	16.34	15.04	16.12	16.25	16.37	16.73
P/BV (X) - TTM	1.64	1.68	1.68	1.60	1.62	1.62	1.76	1.67	1.75	1.82	1.81	1.85
Dividend Yield (%)	4.35%	4.23%	4.26%	4.47%	4.42%	4.42%	3.87%	3.99%	4.06%	3.75%	3.74%	3.62%
Volume (Mn Shares)	2,909.1	2,858.3	2,022.8	3,087.0	4,022.7	4,965.8	4,409.2	3,065.6	3,570.2	4,839.5	3,706.3	1,933.7
Value (SAR Mn)	60,510.4	60,185.1	49,899.8	66,564.1	75,240.4	87,409.8	82,079.2	67,740.7	87,560.8	107,967.1	83,905.9	46,427.9
Trades ('000)	1,639	1,873	1,167	1,735	1,979	2,352	2,204	1,925	2,180	2,769	2,195	1,251

Source: Tadawul, KAMCO Research

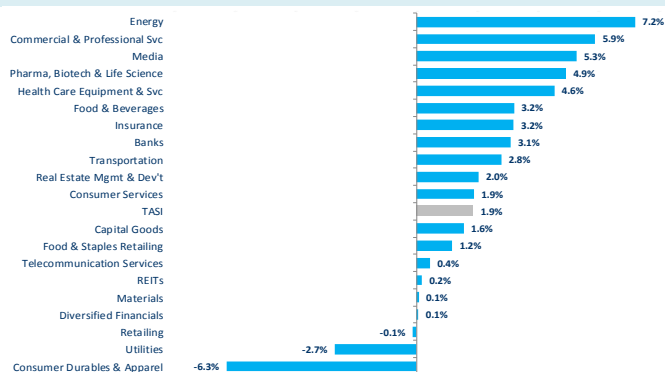
Saudi Arabia's TASI reported a mildly positive response to the much-anticipated announcement of the MSCI upgrade as much of the news was already factored in the prices. The benchmark has been gaining since the start of the year building up to the MSCI upgrade and was up 1.9% during June-18. Consequently, TASI recorded the best 1H-18 performance in the GCC with a return of 15.1%. The landmark upgrade would make Saudi Arabia share a part of almost USD 1.9 Trillion in assets benchmarked to the MSCI's Emerging Market Index resulting in additional investments from international fund managers. According to consensus estimates, the Saudi stock market could see potential inflows of active and passive investments of almost USD 40 Bn. The Kingdom will have a weightage of 2.6% in the MSCI Emerging Market Index with 32 securities and would follow a two-step inclusion process in May-19 and August-19. The upgrade would also pave the way for an IPO of Aramco that has been delayed several times over the past few months. In addition, a number of ETFs tracking the Saudi market are expected to be launched by international fund managers.

The monthly sector performance chart also reflected the positive tone in the market with most of the sectors recording a gain during the month. The Energy index topped the chart with a return of 7.2% followed by the Commercial & Professional Service index and the Media index with monthly returns of 5.9% and 5.3%, respectively. All the four stocks in the Energy index were in the green with SARCO recording a gain of 11.2% followed by 8.6% and 7.2% gains for Petro Rabigh and Bahri, respectively. The Banking index was up 3.1% during the month with most of the banks recording gains during the month. Shares of Samba was up the most by 12.1% followed by 9.9% return for Al Riyad Bank while NCB posted a return of 3.4% for the month.

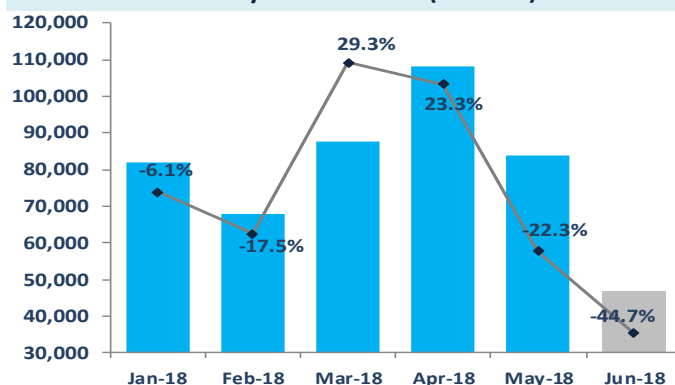
Trading activity during the month witnessed a steep m-o-m decline for the second consecutive month owing to the month of Ramadan as well as the Eid Holidays. Total monthly volume traded on the exchange declined by 47.8% to 1.9 Bn shares as compared to 3.7 bn shares during May-18. Total value traded during the month also declined at a slightly lower pace of 44.7% to reach SAR 46.4 Bn as compared to SAR 83.9 Bn during the previous month. Dar Al Arkan Real Estate once again topped the monthly volumes chart with 436.9 Mn shares traded during the month followed by Alinma Bank and Saudi Kayan recording 283.9 Mn and 132.6 Mn traded shares, respectively. In terms of the value of shares traded, SABIC once again topped the list with SAR 7.0 Bn worth of shares changing hands in June-18 followed by Alinma Bank and Dar Al Arkan Real Estate recording trades worth SAR 6.1 Bn and SAR 4.8 Bn, respectively.

The monthly gainers chart mostly included insurance stocks with Enaya topping the chart with a return of 40.9% followed by Amana Insurance and Wafa Insurance with monthly gains of 36.5% and 22.9%, respectively. The gains for the insurance sector came after Saudi Arabia lifted the ban on female drivers in the Kingdom leading to hopes that insurance volumes will rise after the announcement. The decision is also expected to help in economic growth with benefits spanning across a number of sectors. On the decliners side, AlSorayai Group topped the list after the stock declined by 27.7% followed by Emaar Economic City and ACIG with monthly declines of 12.2% and 6%, respectively.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
ADX General Index	4,566.2	4,468.4	4,397.4	4,479.6	4,283.1	4,398.4	4,602.2	4,597.7	4,585.4	4,669.5	4,605.0	4,560.0
Monthly % Change	3.2%	(2.1%)	(1.6%)	1.9%	(4.4%)	2.7%	4.6%	(0.1%)	(0.3%)	1.8%	(1.4%)	(1.0%)
Market Cap (AED Bn)	467.2	461.9	450.8	459.8	438.7	485.8	508.1	503.4	499.7	502.4	491.1	486.8
P/E (X) - TTM	11.40	11.36	11.18	11.11	10.89	11.12	11.54	11.63	11.71	11.27	11.76	11.60
P/BV (X) - TTM	1.58	1.57	1.55	1.57	1.51	1.54	1.59	1.26	1.26	1.28	1.20	1.19
Dividend Yield (%)	5.32%	5.41%	5.46%	5.38%	5.58%	5.46%	5.94%	6.01%	6.02%	5.93%	5.52%	5.60%
Volume (Mn Shares)	1,737.6	1,215.8	2,350.9	1,976.9	1,063.7	1,354.8	1,276.2	1,026.9	1,305.5	1,546.9	1,403.4	942.2
Value (AED Mn)	3,245.0	2,463.8	4,094.4	4,419.0	2,517.2	2,522.6	3,186.1	2,348.6	2,902.3	2,807.8	2,971.8	2,485.7
Trades	23,185	18,124	24,571	23,607	18,355	19,576	23,586	17,775	20,106	22,015	26,261	17,927

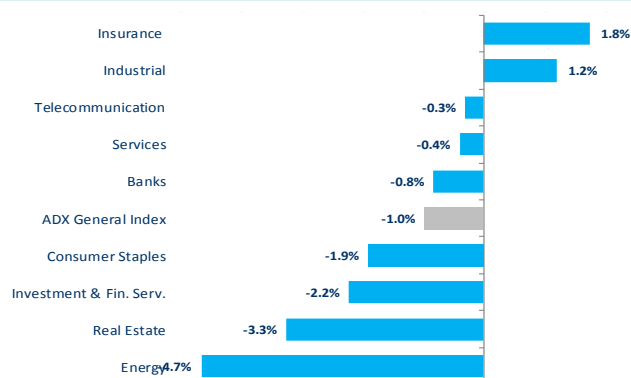
Source: Abu Dhabi Securities Exchange, KAMCO Research

The ADX index declined by 1.0% for in June-18 and closed at 4560.03 points. Market breadth was skewed towards losers, and sectoral performance included more decliners than gainers. The Energy sector was the worst performing index during June-18, as the index closed lower by 4.7% m-o-m, as all stocks in the sector declined. The Real Estate followed with declines of 3.3% m-o-m, as all property stocks saw lower levels as compared to the previous month. Aldar Properties declined by 1.5% m-o-m, while Eshraq Properties was the major decliner as its stock plunged by 17.8% m-o-m. Banks were also down, albeit marginally by 0.8%, as bellwether First Abu Dhabi Bank declined by 1.2% m-o-m. The Insurance and Industrials were the only sectors which saw higher levels in June-18, as they improved by 1.8% and 1.2% m-o-m respectively. Telecoms also declined, albeit marginally as Etisalat declined by 0.3%, and contributed to a similar percentage in the sectoral index.

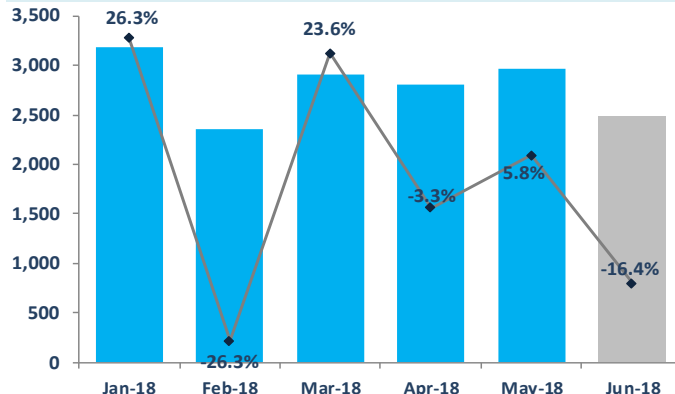
In ratings action, S&P has affirmed its ratings (AA/A-1+), and stable outlook for Abu Dhabi, owing to the emirate's net asset position that provides a buffer to counteract the impact of oil price swings on economic growth, government revenues and the external account. The agency reportedly forecasts a return to economic growth for the emirate in 2018, thanks to higher oil prices and government spending. Furthermore, Abu Dhabi unveiled a three-year AED 50 Bn stimulus package to boost the economy, and includes 10 initiatives that aim to stimulate growth and create at least 10,000 jobs for Emiratis in the public and private sectors. Dana Gas announced the consensual restructuring of its USD 700 Mn Sukuk al-Mudarabah. The announced consent was for the restructuring terms from 90.9% of the 9% Ordinary Sukuk certificate holders and 96.4% of the 7% Exchangeable Sukuk certificate holders. Real estate developer Manazel Real Estate announced that Capital Mall has added PAN Emirates Home Furnishings to its portfolio of anchor tenants. Pan Emirates' new store will be spread across 4,350 sq.m, representing 7% Gross Leasable Area (GLA) of Capital Mall's retail space on the 1 st floor. Capital Mall with a total of 60,000 sq.m of GLA, is on track to offer more than 200 retail, service and entertainment brands. Capital Mall leasing is reportedly progressing on target and is expected to soon exceed 70%.

National Takaful Co. topped the monthly gainers chart with a gain of 28.1% m-o-m followed by National Bank of Fujairah and Ras Al Khaimah Poultry & Feeding with gains of 27.9% and 14.5% respectively. On the decliners side, the top two companies were Eshraq Properties and Sharjah Group with declines of 17.8% and 11.5%, respectively. Trading activity was down, owing to Ramadan, as traded volumes went down by 32.9% m-o-m in June-18 to reach 942 Mn shares. Value traded declined by 16.4% m-o-m to reach AED 2.5 Bn. Market breadth was broadly even but favoured decliners as 26 stocks receded, while 19 stocks gained ground. In terms of most actively traded stocks, First Abu Dhabi Bank led all stocks in terms of value traded, with AED 701 Mn worth of shares traded during June-18. Aldar and Etisalat followed as AED 397 Mn and AED 372 Mn worth of shares were traded respectively. Dana Gas led the most active stocks list in terms of volumes traded, as 199 Mn shares were traded on the exchange. Aldar and Ras Al Khaimah Cement followed with 196 Mn and 118 Mn shares traded during June-18.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
DFM General Index	3,633.2	3,637.6	3,564.0	3,635.9	3,420.2	3,370.1	3,394.4	3,244.1	3,108.5	3,066.0	2,964.1	2,821.0
Monthly % Change	7.1%	0.1%	(2.0%)	2.0%	(5.9%)	(1.5%)	0.7%	(4.4%)	(4.2%)	(1.4%)	(3.3%)	(4.8%)
Market Cap (AED Bn)	367.2	366.1	369.3	368.1	373.8	383.6	391.8	377.6	375.6	373.7	358.7	352.1
P/E (X) - TTM	10.15	10.17	9.99	10.04	9.44	9.23	9.11	9.16	8.70	8.38	7.97	7.68
P/BV (X) - TTM	1.21	1.24	1.22	1.25	1.18	1.17	1.17	1.10	1.05	1.04	1.02	0.97
Dividend Yield (%)	4.74%	4.72%	4.84%	4.75%	5.03%	5.15%	5.14%	4.71%	6.53%	5.01%	5.16%	5.39%
Volume (Mn Shares)	5,090.9	3,665.4	2,526.1	7,267.1	5,128.0	4,736.9	5,925.7	3,812.5	3,559.5	2,633.8	4,919.0	3,361.0
Value (AED Mn)	7,374.1	5,453.1	3,878.5	9,952.6	9,594.0	8,162.2	8,907.2	5,964.5	5,561.6	4,065.4	7,001.7	4,914.5
Trades	83,732	61,143	43,464	99,296	81,175	66,304	80,175	67,869	52,549	46,580	72,982	53,145

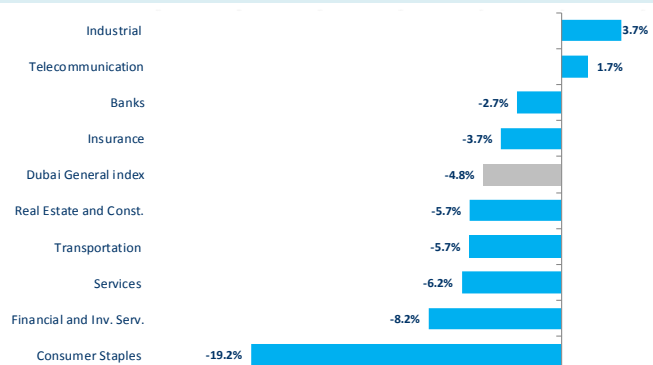
Source: Dubai Financial Market, KAMCO Research

After declining by 3.3% in May-18, the DFM index continued to decline in the month of June-18, and was the worst performing index in the region. The index declined by 4.8% m-o-m and closed at 2821 points, as most sectoral indices barring Industrials and Telecoms closed lower during June-18. Consumer Staples was the main laggard yet again, similar to trends witnessed multiple times in 2018. The index further plunged by 19.2% m-o-m in June-18, and has almost halved since the start of 2018 (-47.9%). DXB Entertainment single-handedly led to the decline in June-18, as the stock plunged by 19.2% m-o-m. Financial and Investment Services companies also declined by 8.2% m-o-m, as Dubai Investment and DFM stock declined by 7.7% and 10.7%, and led to the sectoral decline. Index constituent GGICO announced the approval of the capital reduction of the company's share capital from AED 1,791,333,333 to AED 586,746,298, and the designated date of 15 July 2018. The Real Estate and Telecom indices also declined each by 5.7% m-o-m. DSI and Damac Properties were the major laggards in the sector, as they plunged by 35% and 14.2% respectively.

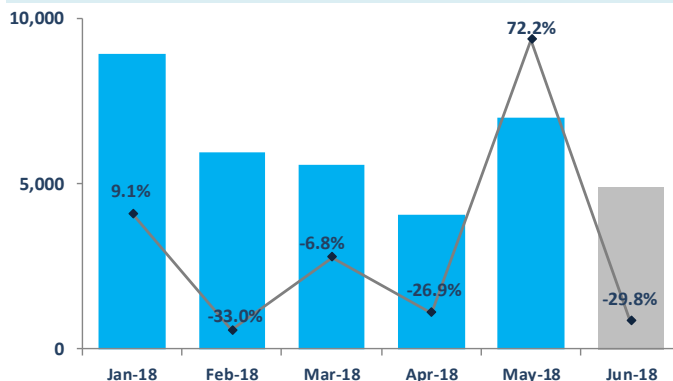
Arabtec announced that its wholly owned subsidiary, EFECO has been awarded the MEP works of the Creek Horizon Plot 19 in Emaar's Dubai Creek Harbor Development by the main contractor AFC, and mentioned that the project value was AED 117 Mn. Moody's reportedly mentioned that the recent capital increase of Dubai Islamic Bank is credit positive for the bank, as it replenishes reserves and enhances its loss-absorption buffers after high growth during 2013-17. They also mentioned that it will also improve the bank's liquidity. Moody's reportedly expects Dubai Islamic Bank's credit growth to be 10% -15% in 2018, and mentioned that credit growth along with the capital increase will contribute to strong and stable capital buffers over the next 12-18 months. In ratings action, Fitch Ratings has affirmed UAE-based Commercial Bank of Dubai's Long-Term Issuer Default Rating at 'A-' with a Stable Outlook. Fitch Ratings also affirmed Mashreqbank PSC's Long-Term Issuer Default Rating at 'A'. Fitch's view for both banks reportedly factors in the sovereign's strong ability to support the banking system, sovereign wealth funds strength and the on-going revenues mostly from hydrocarbon production, despite lower oil prices, and the moderate size of the UAE banking sector relative to the country's GDP.

In terms of monthly gainers, International Financial Advisors led all stocks as its stock price gained by 15.4% m-o-m in June-18. Takaful Emarat and Commercial Bank of Dubai followed, as their stock prices moved up by 12.4% and 7.7% respectively. On the other hand, shares of DSI led the monthly losers chart as its share price declined by 35.1% m-o-m. DXB Entertainment and Air Arabia followed with declines of 21.0% and 15.6% respectively for the month. Emaar Properties was the most actively traded stock on the exchange as AED 872 Mn worth of stock was traded. DSI and Dubai Islamic Bank followed with value traded of AED 665 Mn and AED 601 Mn respectively. In terms of volumes traded, DSI led all stocks as 719 Mn shares were traded. DXB Entertainments and Air Arabia followed as 327 Mn and 311 Mn shares were traded. Trading activity on the DFM was lower due to the lower investor participation during Ramadan, as value traded went down by 29.8% m-o-m to reach AED 4.9 Bn, as compared to AED 7.0 Bn in May-18. Traded volumes in June-18 was down by 31.7% m-o-m from 4.9 Bn shares to reach 3.4 Bn shares.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
QE 20 Index	9,406.1	8,800.6	8,312.4	8,165.1	7,714.3	8,523.4	9,204.6	8,653.3	8,574.0	9,112.0	8,880.5	9,024.0
Monthly % Change	4.2%	(6.4%)	(5.5%)	(1.8%)	(5.5%)	10.5%	8.0%	(6.0%)	(0.9%)	6.3%	(2.5%)	1.6%
Market Cap (QAR Bn)	509.0	476.7	454.6	444.1	418.1	472.0	501.8	461.2	470.5	509.3	491.7	493.6
P/E (X) - TTM	13.58	12.80	12.18	11.92	11.15	12.79	13.70	12.23	12.21	12.82	12.72	12.68
P/BV (X) - TTM	1.30	1.21	1.15	1.11	1.04	1.19	1.22	1.11	1.12	1.20	1.16	1.17
Dividend Yield (%)	4.29%	4.61%	4.73%	4.89%	5.25%	4.56%	4.63%	4.67%	4.67%	4.36%	4.55%	4.51%
Volume (Mn Shares)	199.9	159.4	192.5	167.2	167.9	243.7	251.6	165.1	260.8	249.1	265.9	170.1
Value (QAR Mn)	5,475.5	3,744.8	4,000.9	3,621.6	4,253.0	4,414.0	6,087.8	3,948.1	6,447.5	6,074.9	10,703.2	7,966.4
Trades	72,354	49,557	48,956	51,506	68,307	76,196	97,166	66,867	89,162	81,989	107,738	78,360

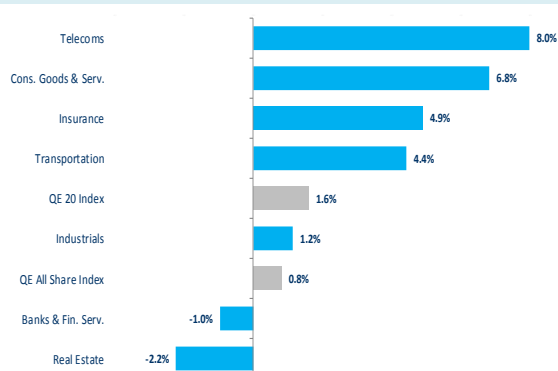
Source: Qatar Exchange, KAMCO Research

Qatar exchange was amongst the gainers in June-18, and remains one of the best performing indices in the GCC YTD. The QE 20 index gained by 1.6% m-o-m to close at 9024.03 points in Jun-18. The Qatar All Share index which maps the broader market, gained by 0.8% m-o-m, as sectoral performance included more gainers than losers for the month. Market breadth however was broadly even as 25 companies saw higher levels, while 20 companies receded as compared to the previous month. Telecoms were the best performing index during the month, as the index went up by 8.0% m-o-m, as both Ooredoo (+8.4%) and Vodafone Qatar (+7.4%) witnessed high single digit gains. Consumer Goods & Services names also witnessed gains of 6.8% m-o-m, buoyed by an 8.5% gain in Qatar Fuel's stock price. Sectors that receded during the month of June-18 included a 2.2% decline from the Real Estate sector as Ezdan Holding dropped by 3.3% m-o-m. Banks & Financial Services companies also declined by 1%, driven mainly by a 4.2% drop in the share price of QNB.

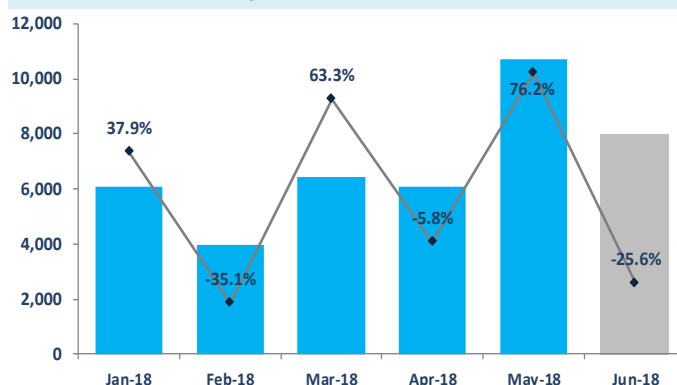
Fitch Ratings has revised Qatar's Outlook to Stable from Negative and affirmed its Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA-' as the agency mentioned that Qatar has successfully managed the fallout from last year's rupture of trade, financial and diplomatic relations. Fitch Ratings also upgraded Qatar Islamic Bank's (QIB), outlook to 'stable'. In corporate developments Barwa Real Estate announced the award of the construction of the project of the Expansion of Al-Khor Sports Facilities to the Contractor Al Bader Construction and Steel Works for a value of QAR 105 Mn, with the implementation of this project to be completed within a period of 18 months. The project is the extension of Al-Khor Recreation Facilities for workers which is located in the Industrial Area of Al-Khor City and will be constructed on a plot area of 69,757 sq. m and includes a hypermarket with an area measuring 8,000 sq. m, in addition to a multipurpose hall measuring 300 sq. m. Separately, the proposed merger between Masraf Al Rayan, Barwa Bank, and International Bank of Qatar has ended as the three banks could not reach an agreement to complete the transaction.

Trading activity on the index went down in all parameters, due to lower number of working days, as value traded during June-18 decreased by 26% to reach QAR 7.96 Bn, while traded volumes declined by 36.0% m-o-m to reach 170 Mn shares. In terms of trading activity, QNB topped the monthly value traded chart with QAR 3.42 Bn worth of shares traded, followed by QIB and Qatar Gas Transport recording QAR 695 Mn and QAR 498 Mn in monthly value traded. In terms of volumes traded, Vodafone Qatar led all stocks with traded volumes of 31.2 Mn shares. Vodafone Qatar and QNB followed with traded volumes of 24.3 Mn shares and 21.6 Mn shares respectively. The Banks & Financial Services sector was the most active in terms of value traded during June-18, accounting for 61.7% of the total value traded, followed by Industrial and Consumer Goods & Services sectors, as they accounted for 30.4% and 11.5% of the total value traded respectively. Dila Brokerage was the top performing stock in the index for the month as its share price surged by 29.2%. Medicare Group followed along with Qatar Fuel Co, as their stock prices moved up by 11.0% and 8.5% respectively. On the other hand, shares of Qatar Cinema & Film Distribution led the monthly losers chart with its stock losing 18.1% m-o-m. Messaieed Petrochemical and Qatar First Bank followed with declines of 4.7% and 4.6% respectively for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Bahrain All Share Index	1,327.81	1,302.46	1,283.78	1,276.69	1,283.71	1,331.71	1,350.67	1,369.90	1,318.40	1,257.88	1,265.80	1,310.99
Monthly % Change	1.4%	(1.9%)	(1.4%)	(0.6%)	0.5%	3.7%	1.4%	1.4%	(3.8%)	(4.6%)	0.6%	3.6%
Market Cap (BHD Mn)	7,536	7,385	7,284	7,258	7,293	7,653	7,774	7,900	7,516	7,509	7,531	7,667
P/E (X) - TTM	9.62	8.75	8.64	8.52	8.51	8.65	8.70	9.89	9.46	9.11	8.51	8.69
P/BV (X) - TTM	0.86	0.86	0.82	0.82	0.82	0.84	0.86	0.83	0.78	0.76	0.77	0.78
Dividend Yield (%)	5.05%	5.14%	5.21%	5.21%	5.18%	5.06%	4.98%	5.24%	5.45%	5.65%	5.92%	5.81%
Volume (Mn Shares)	63.8	48.0	164.5	78.6	81.5	103.1	156.3	178.0	101.9	86.6	82.4	56.2
Value (BHD Mn)	13.3	10.3	13.1	18.6	15.2	16.8	25.1	31.0	36.8	16.8	14.5	12.8
Trades	1,443	1,250	1,484	2,146	1,763	1,854	2,257	1,871	1,303	1,384	1,429	1,104

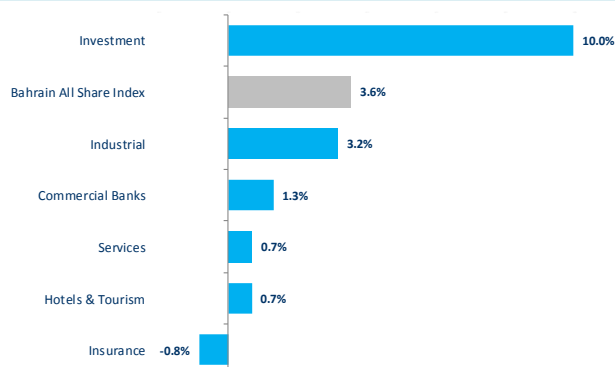
Source: Bahrain Bourse, KAMCO Research

The Bahrain Bourse was the best performing index in the GCC for the month of June-18. The Bahrain Bourse gained by 3.6% m-o-m for the month, led by the Investment sector (+10.0%) and Commercial Banks (+1.3%). Trading activity was concentrated in the Investment Sector, as the sector witnessed a traded value of BHD 4.04 Mn, contributing to 31.9% of the total traded value of shares on the exchange. Market breadth was also strong, as only 13 stocks gained ground during June-18, while 4 stocks saw lower levels as compared to their May-18 close prices. The Investment Sector went up by double digits as United Gulf Holding Company jumped by 60% m-o-m, while Arab Banking Corporation gained by 15.6% as compared to May-18. The Industrials sector also gained by 3.2%, as Alba single-handedly contributed to the sector's m-o-m increase. Commercial Banks also saw higher levels (+1.3%) m-o-m, led by AUB, as its share price increased by 1.7% m-o-m followed by National Bank of Bahrain (+1.7%). The Insurance index was the only index which saw lower levels during June-18, albeit marginally, as the sector went down by 0.8%, as the only stock traded in the sector, Bahrain and Kuwait Insurance declined by 2.9% m-o-m.

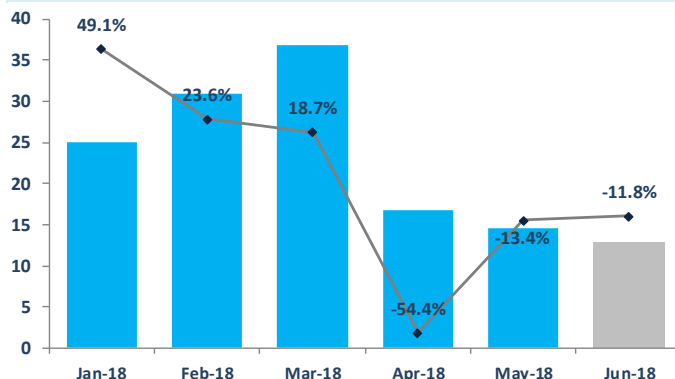
In ratings related action, S&P affirmed Bahrain's B+/B rating and said the outlook was stable due to its access to foreign capital to support its economy. Nevertheless, Moody's mentioned that the country's credit rating would depend on the size, timing and the form of the financial support pledged by its GCC countries towards ensuring fiscal stability. Moreover, net foreign assets at Bahrain's central bank reportedly fell in May, according to official data that may fuel concern about the country's ability to defend its currency against a current account deficit and rising public debt. The assets reportedly dropped to BHD 671.1 Mn from BHD 779.4 Mn in April-18. Net foreign assets at Bahraini retail banks also reportedly declined, to BHD -1.20 Bn from BHD -1.17 Bn, as liabilities exceeded assets. Separately, the Bahrain Bourse announced the listing of 15 issues in the Treasury Bills Market worth a total of BHD 917 Mn, issued by the Central Bank of Bahrain with discount rates between 3.33% - 4.18% for 3-12 months. With the listing, the total number of Treasury Bills and Short-Term Islamic Lease (Ijarah) Sukuk listed at Bahrain Bourse became 27 issues with a total value of BHD 1.566 bn.

The exchange's figures of value and volumes traded in June-18 was down on an m-o-m basis, as compared to the May-18. Volumes traded in the exchange reached 56.2 Mn and declined by 31.8% m-o-m as compared to 82.3 Mn shares in May-18. Value traded went down by 11.8% in the exchange to reach BHD 12.8 Mn in May-18. The number of trades made in the exchange went down to 1,104 trades, down 22.7% m-o-m from May-18. Alba was the most actively traded stock in June-18 with BHD 3.5 Mn worth of its shares traded on the exchange. GFH and AUB followed with BHD 3.0 Mn and BHD 2.5 Mn worth of shares traded. Of the 13 stocks that closed in the green in June-18, United Gulf Holding topped the gainers list, as it witnessed a 60% m-o-m increase, followed by Arab Banking Corp with monthly gains of 15.6%. Ithmar Bank was the main laggard for the month of June-18, as it witnessed a m-o-m decline of 9.1%, followed by GFH and Bahrain Duty Free Complex with monthly declines of 6.6% and 3.4% respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
MSM 30 Index	5,024.2	5,052.6	5,137.4	5,010.7	5,106.5	5,099.3	5,000.0	5,003.4	4,773.5	4,729.1	4,606.7	4,571.8
Monthly % Change	(1.8%)	0.6%	1.7%	(2.5%)	1.9%	(0.1%)	(1.9%)	0.1%	(4.6%)	(0.9%)	(2.6%)	(0.8%)
Market Cap (OMR Mn)	4,356	4,479	4,556	4,438	4,517	4,481	4,396	4,376	4,115	4,075	4,063	4,085
P/E (X) - TTM	10.22	10.53	10.70	10.63	11.05	11.04	10.85	11.01	10.77	10.16	10.01	10.08
P/BV (X) - TTM	0.93	0.94	0.95	0.93	0.95	0.95	0.90	0.88	0.85	0.84	0.82	0.82
Dividend Yield (%)	6.20%	5.96%	5.90%	5.99%	5.88%	5.88%	5.87%	5.84%	6.00%	6.05%	6.26%	6.34%
Volume (Mn Shares)	125.8	215.9	271.9	313.9	308.4	62.7	132.0	123.8	203.9	199.4	310.6	65.9
Value (OMR Mn)	36.8	52.6	53.9	68.3	114.0	19.4	30.3	30.7	61.6	44.2	94.8	17.6
Trades	6,528	7,306	5,615	7,923	7,073	3,537	6,760	7,964	7,729	9,227	7,429	2,665

Source: Muscat Securities Market, KAMCO Research

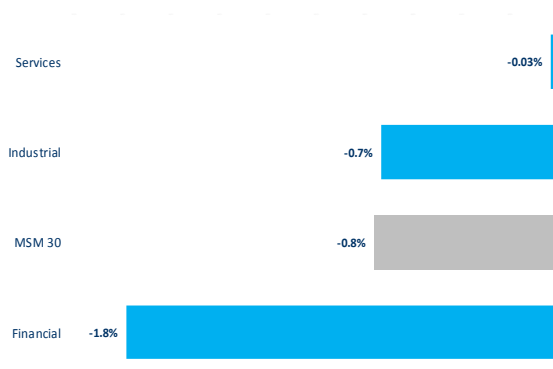
MSM benchmark indices continued to slide for the fourth consecutive month in June-18 although the decline was marginal. The MSM 30 index declined by 0.8% to close at 4,571.75 points, breaching the previous 9-year low level resulting in a YTD-18 decline of 10.3%, the second biggest decline in the GCC after Dubai. The index continued to experience downward pressure throughout the month with only a few trading sessions ending in the green. All the three sectoral indices declined during the month with the Financial index declining by 1.8% followed by the Industrial index with a decline of 0.7% and the Services index recording a marginal decline of 0.03%.

The decline in the financial sector came after key large-cap stocks in the sector reported declines during the month. Shares of Bank Muscat was down by 7.4% while Ominvest shares fell 3.2% during the month. HSBC Bank Oman was the only large-cap positive performer in the sector with a return of 10.7%. On the other hand, most of the stocks in the industrial index reported decline during June-18 including shares of Voltamp Energy that declined by 7.1% and Al Maha Ceramics that declined by 6.3%. In the Services sector, Oman National Engineering Investment and Ooredoo witnessed positive returns during the month but these were completely offset by decline in the shares of other stocks in the sector.

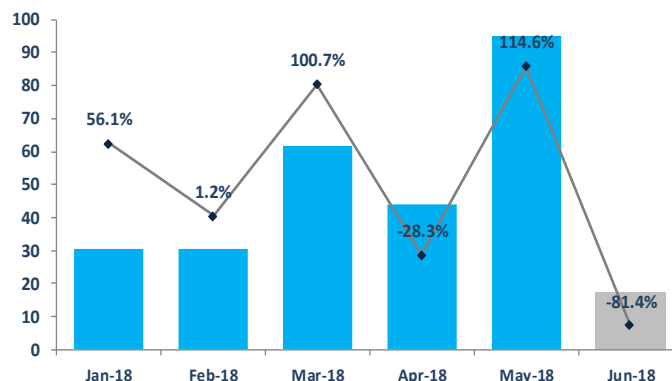
The monthly gainers chart was topped by Oman National Engineering Investment with a return of 7.1%. Shares of the engineering company surged after it announced that it won an OMR 1.8 Mn engineering contract from Muscat Electricity Distribution. Ooredoo was second on the monthly gainers list with a return of 3.1% followed by Oman Cement and United Finance with returns of 2.1% and 1.9%, respectively. On the decliners side, Al Anwar Holding topped the list with a share price decline of 15.8% followed by Bank Muscat and Voltamp Energy with declines of 7.4% and 7.1%, respectively. The monthly market breadth for the regular market was heavily skewed towards decliners that included 13 companies as compared to merely 5 gainers.

Trading activity in the regular market witnessed a steep decline during the month. Total monthly volume traded fell to the lowest level in six months to 65.9 Mn shares as compared to 310.6 Mn shares during May-18. Monthly value traded also declined by more than 80% to OMR 17.6 Mn as compared to OMR 94.8 Mn during the previous month. Bank Muscat once again topped the monthly value traded chart recording total trades worth OMR 9.5 Mn followed by Al Madina Takaful and Al Anwar Holding at OMR 1.4 Mn and OMR 1.3 Mn, respectively. Bank Muscat also topped the monthly volume chart with 24.9 Mn shares traded during the month followed by Al Madina Takaful and Al Anwar Holding at 13.5 Mn and 9.0 Mn traded shares, respectively. The financial sector continued to account for the bulk of trading activity in the overall market followed by industrial companies and service sector companies while trading in parallel market and the regular market were almost equal at around OMR 18 Mn. In terms of investor contribution, trading by local Omani investors' share of total value of buy trades declined from 94.5% in May-18 to 84.5% in June-18. In terms of value of sell trades, the share of Omanis increased from 52.1% in May-18 to 64.9% in June-18.

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>