

## GCC Markets Monthly Report

August-2019

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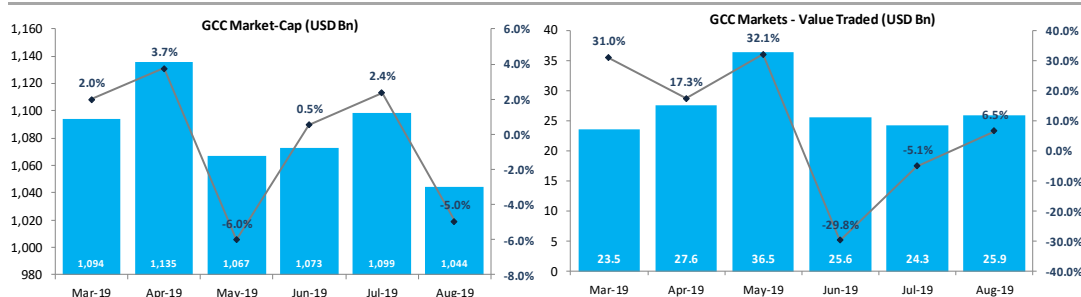
### Trade war-led global sell-off hits GCC markets in Aug-19...

Global markets witnessed a tumultuous Aug-19 with steep volatility pushing the monthly performance into the red for almost all the major financial markets. The broader MSCI World Index was down almost 2.2% during the month taking the biggest hit from emerging markets with the corresponding index sliding more than 5%. The decline came primarily as a result of the unresolved trade war going on between US and China and got support from the Brexit uncertainty, that affected markets across asset classes, including oil, that declined 8.1% during the month. The month started with the US imposing additional tariffs on China and ended with China countering it with its own set of tariffs on US goods. The confusion over trade war has affected economic growth rates as well as manufacturing activity across countries. On the other hand, the confusion over Brexit continued during the month and in the latest move, the UK PM has requested suspending the UK parliament before the Brexit deadline.

GCC markets saw a relatively bigger impact due to geopolitics and declining oil prices. Saudi Arabia recorded the worst monthly performance with the TASI down 8.2% followed by Dubai that declined 5.5% after recording the best monthly performance during the previous month. The monthly declines pushed TASI's YTD-19 returns down to 2.5% by the end of Aug-19 while DFM stood at 9.0%. Kuwait continues to be the best performing market in the GCC with a YTD-19 return of 17.0% despite sliding 2.9% for the month. In terms of sectors, all large-cap sectors in the GCC including Real Estate, Banks, Material and Telecom saw mid-single digit declines during Aug-19 partially offset by gains in Utilities, Food and Consumer sectors.

GCC trading activity increased during the month despite the Eid holidays. Total value traded during the month reached USD 25.9 Bn during August-19 an increase of 6.5% as compared to the previous month. Trading activity in Saudi Arabia was up 21% that pushed overall trading for GCC higher.

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	6,527.8	(3.2%)	23.9%	113.8	1,622.8	16.2	1.4	3.5%
Kuwait - Main Market Index	4,789.4	(1.9%)	1.1%					
Kuwait - All Share Index	5,941.1	(2.9%)	17.0%					
Saudi Arabia	8,019.8	(8.2%)	2.5%	499.6	20,991.0	17.1	1.9	4.0%
Abu Dhabi	5,165.6	(2.9%)	5.1%	137.8	882.3	13.1	1.4	4.9%
Dubai	2,758.6	(5.5%)	9.0%	97.3	785.9	7.6	0.9	4.4%
Qatar	10,232.9	(2.6%)	(0.6%)	155.0	1,121.6	13.8	1.3	4.1%
Bahrain	1,533.1	(0.9%)	14.6%	23.2	31.3	11.3	0.9	4.6%
Oman	4,004.9	6.5%	(7.4%)	17.4	426.6	8.2	0.7	7.1%
<b>Total GCC</b>				<b>1,044.1</b>	<b>25,861.5</b>	<b>14.2</b>	<b>1.5</b>	<b>4.2%</b>



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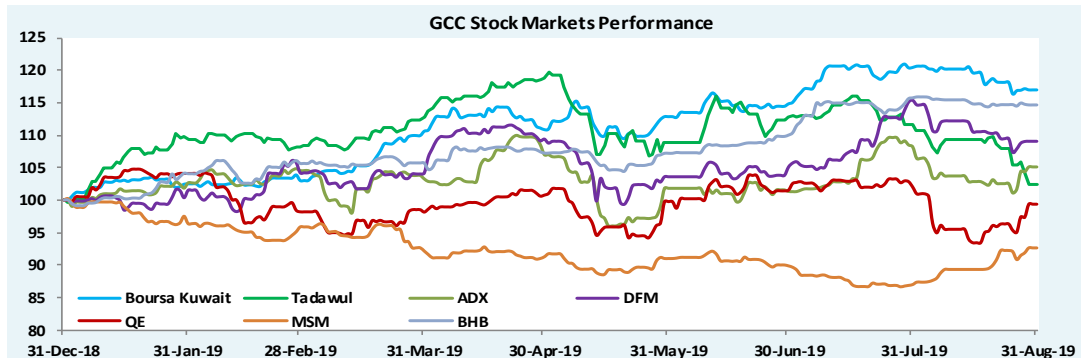
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Source: GCC Stock Exchanges, KAMCO Research

## Boursa Kuwait

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>Premier Market Index</b>	<b>5,343.9</b>	<b>5,234.2</b>	<b>5,317.8</b>	<b>5,267.4</b>	<b>5,430.1</b>	<b>5,482.2</b>	<b>5,986.9</b>	<b>6,047.3</b>	<b>6,242.2</b>	<b>6,377.0</b>	<b>6,744.1</b>	<b>6,527.8</b>
Monthly % Change	1.6%	(2.1%)	1.6%	(0.9%)	3.1%	1.0%	9.2%	1.0%	3.2%	2.2%	5.8%	(3.2%)
<b>Main Market Index</b>	<b>4,735.6</b>	<b>4,693.7</b>	<b>4,730.0</b>	<b>4,738.6</b>	<b>4,798.1</b>	<b>4,773.0</b>	<b>4,917.3</b>	<b>4,828.8</b>	<b>4,736.6</b>	<b>4,766.5</b>	<b>4,881.6</b>	<b>4,789.4</b>
Monthly % Change	(3.3%)	(0.9%)	0.8%	0.2%	1.3%	(0.5%)	3.0%	(1.8%)	(1.9%)	0.6%	2.4%	(1.9%)
<b>All Share Market Index</b>	<b>5,128.0</b>	<b>5,042.2</b>	<b>5,109.2</b>	<b>5,079.6</b>	<b>5,206.0</b>	<b>5,231.7</b>	<b>5,617.8</b>	<b>5,630.0</b>	<b>5,731.7</b>	<b>5,832.1</b>	<b>6,116.7</b>	<b>5,941.1</b>
Monthly % Change	(0.1%)	(1.7%)	1.3%	(0.6%)	2.5%	0.5%	7.4%	0.2%	1.8%	1.8%	4.9%	(2.9%)
<b>Thomson Reuters Kuwait TRI</b>	<b>215.5</b>	<b>212.4</b>	<b>215.5</b>	<b>214.9</b>	<b>218.3</b>	<b>221.8</b>	<b>240.0</b>	<b>247.0</b>	<b>254.3</b>	<b>259.1</b>	<b>271.9</b>	<b>263.0</b>
Monthly % Change	0.6%	(1.4%)	1.5%	(0.3%)	1.6%	1.6%	8.2%	2.9%	2.9%	1.9%	4.9%	(3.3%)
<b>Market Cap (KWD Mn)</b>	<b>29,054</b>	<b>28,578</b>	<b>29,059</b>	<b>29,013</b>	<b>29,745</b>	<b>29,938</b>	<b>32,179</b>	<b>32,369</b>	<b>33,083</b>	<b>33,664</b>	<b>35,399</b>	<b>34,380</b>
P/E (X) - TTM	15.40	14.31	14.60	14.60	15.00	15.10	16.20	15.50	15.60	15.83	16.60	16.20
P/BV (X) - TTM	1.24	1.24	1.26	1.19	1.22	1.23	1.32	1.36	1.41	1.44	1.51	1.44
Dividend Yield (%)	3.77%	3.89%	3.84%	3.86%	3.91%	3.84%	3.68%	3.79%	3.65%	3.59%	3.42%	3.52%
Volume (Mn Shares)	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	4,682.6	2,587.2
Value (KD Mn)	523.8	309.8	284.8	574.6	610.0	438.7	817.2	702.7	617.2	660.2	979.0	490.3
Trades ('000)	91.7	75.6	75.7	101.5	123.1	87.7	120.4	141.8	112.9	108.1	180.3	108.5

Source: Kuwait Stock Exchange, KAMCO Research

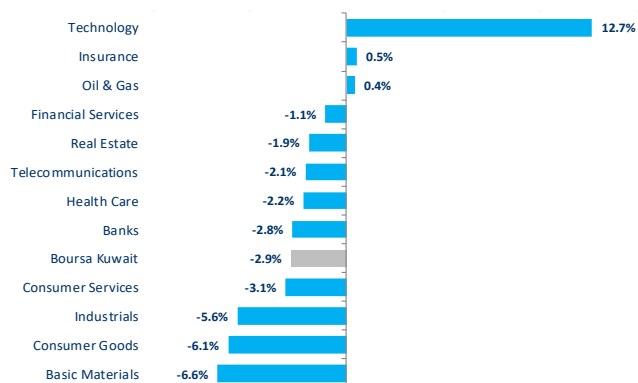
Boursa Kuwait witnessed downward pressure during August-19, in line with most of the GCC markets. All the three Kuwaiti indices witnessed low-single digit declines during August-19 primarily led by large-cap stocks. This was reflected in the 3.2% decline in the Premier Market Index with all the index constituents seeing declines during the month. Integrated Holding in the Premier Market witnessed the biggest decline of 28.4%. Nevertheless, despite the monthly declines, Kuwait continues to be the best performing market in the GCC in terms of YTD-19 performance with a return of 17% for the All Share Index backed by 23.9% returns for the Premier Market Index, while the Main Market index stood at a marginal growth of 1.1%.

The monthly sector performance chart saw all the large-cap sectors declining during the month. The Basic Materials index witnessed the steepest decline of 6.6% due to 10.7% and 4.2% decline in shares of Boubyan Petrochemicals and Qurain Petrochemicals, respectively. Shares of the two companies declined after Equate Petrochemical, in which both the companies are shareholders, reported a 71% drop in its fiscal Q2-19 profits. The petrochemicals sector has seen declining profitability during Q2-19 due to fall in prices of chemicals and the gloom in global economy.

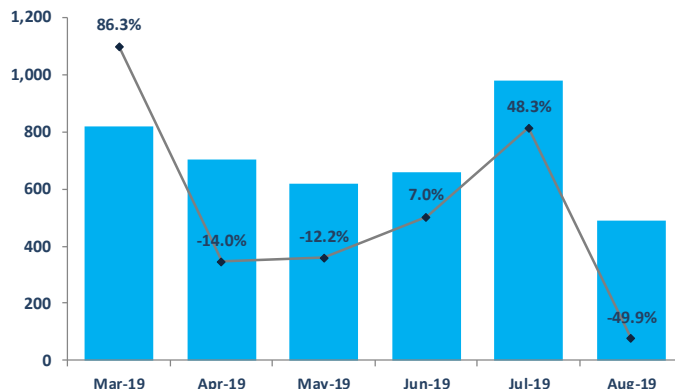
The Consumer Goods and the Industrials indices were next on the list with declines of 6.1% and 5.6% while the Banking index declined by 2.8%. Shares of all the Kuwaiti banks declined during the month with AUB-Kuwait reporting the biggest drop of 6.4% followed by 6.0% decline for Gulf Bank. Shares of AUB-Kuwait declined after the bank agreed to sell its 75.6% stake in KMEFIC to Hamad Saleh Al Thekair for 58.043 fils per share, as per Reuters.

The monthly gainers chart was topped by Amar for Finance and Leasing with a gain of 50.4% after the company reported profits during 1H-19 as compared to losses during 1H-18. AAN Digital was next on the gainers list with a gain of 25.4% followed by Osoul Investment and KMEFIC with monthly gains of 22.8% and 17.0%, respectively. Shares of KMEFIC gained after the aforementioned deal with AUB-Kuwait. On the decliners side, Integrated Holding topped with a fall of 28.4% after the company reported a 60% y-o-y drop in profitability during Q2-19. International Resorts was next on the decliners list with a decline of 23.6% followed by IFAHR and Al Masaken International Real Estate with declines of 23.4% and 19.7%, respectively. Trading activity saw a steep decline during the month due to the Eid holidays. Monthly value traded halved to KWD 490 Mn while monthly volumes were down by 45% to 2.6 Bn shares. KFH topped the monthly value chart with KWD 78.8 Mn worth of trades followed by Zain and NBK at KWD 50.7 Mn and KWD 40.9 Mn, respectively.

### Boursa Kuwait Monthly Sector Performance



### Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

## Saudi Arabia (Tadawul)

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>Tadawul All Share Index</b>	<b>7,999.5</b>	<b>7,907.0</b>	<b>7,703.0</b>	<b>7,826.7</b>	<b>8,560.0</b>	<b>8,492.7</b>	<b>8,819.4</b>	<b>9,304.2</b>	<b>8,516.5</b>	<b>8,821.8</b>	<b>8,732.6</b>	<b>8,019.8</b>
Monthly % Change	0.6%	(1.2%)	(2.6%)	1.6%	9.4%	(0.8%)	3.8%	5.5%	(8.5%)	3.6%	(1.0%)	(8.2%)
<b>Market Cap (SAR Bn)</b>	<b>1,899.8</b>	<b>1,873.8</b>	<b>1,814.4</b>	<b>1,855.8</b>	<b>2,022.3</b>	<b>2,007.5</b>	<b>2,084.0</b>	<b>2,182.7</b>	<b>1,989.8</b>	<b>1,989.8</b>	<b>2,024.2</b>	<b>1,873.7</b>
P/E (X) - TTM	15.41	14.88	14.58	14.84	16.25	16.52	17.36	18.75	17.12	17.62	17.91	17.14
P/BV (X) - TTM	1.78	1.75	1.71	1.74	1.90	1.90	1.97	2.09	1.93	2.01	2.01	1.85
Dividend Yield (%)	3.91%	3.94%	4.06%	4.00%	3.63%	3.67%	3.65%	3.45%	3.57%	3.46%	3.60%	3.99%
Volume (Mn Shares)	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	2,528.4	2,563.1
Value (SAR Mn)	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	65,156.3	78,720.1
Trades ('000)	1,678	2,616	2,326	2,363	2,473	1,809	2,217	2,412	2,479	1,858	2,262	2,119

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

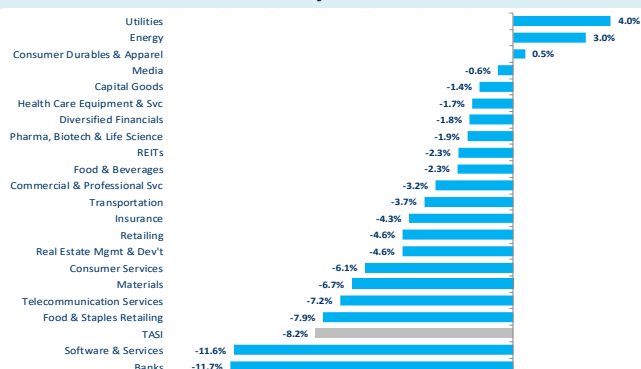
Saudi Arabia recorded the worst monthly performance during August-19 in the GCC with the benchmark TASI down by 8.2% to reach the lowest level in eight months. The decline was seen especially during the second half of the month after banking stocks underperformed. The TASI closed the month just above the psychologically important level of 8,000 points at 8,019.77 points resulting in a YTD-19 gain of 2.5% as compared to double digit gains at the end of last month.

The market decline came despite Saudi Arabia becoming a full member of the MSCI after the second phase of inclusion on 28-August-19 that increased the Kingdom's weight in the MSCI Emerging Market index to 2.8%. As per weekly trading activity by nationality, local Saudi and GCC investors were net sellers during the first half of the month as they booked profits when valuations were relatively higher. On the other hand, foreign investors were net buyers led by the MSCI index inclusion. Nevertheless, dwindling investor confidence due to global economic slowdown and regional geopolitical issues also contributed to the decline.

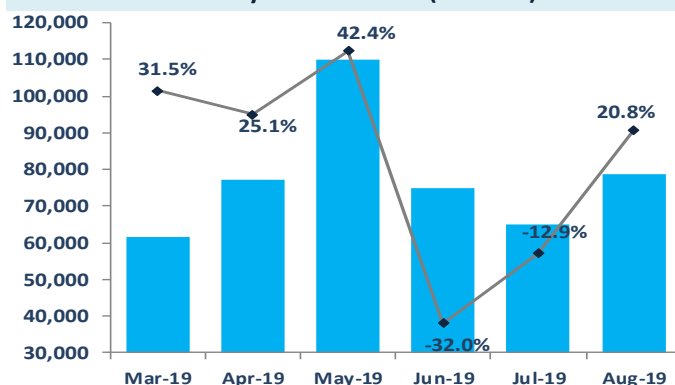
The sector performance trends showed merely three sectors with positive returns during the month including Utilities (+4.0%), Energy (+3.0%) and Consumer Durables & Apparel (+0.5%). In the Utilities sector, SEC recorded a gain of 4.8% during the month after the utilities company said that its subsidiary National Grid SA now has a pan Saudi Arabia transmission network of 84,000 kilometers. The rest of the sectoral indices witnessed declines in August-19 with the banking index witnessing the steepest monthly decline of 11.7%. Shares of all the 11 banks in the Kingdom declined during the month with nine of them recording double digit declines. Saudi British Bank recorded the steepest monthly fall of 16.8% followed by NCB and Alinma Bank with declines of 11.8% and 11.3%, respectively. Telecom and Materials indices also declined during the month by 7.2% and 6.7%, respectively, further adding to the overall slide in the market. The weakness in the telecom sector came primarily on the back of a 17.1% decline in shares of Zain KSA after the telco and the Saudi Ministry of Finance entered into discussions to convert the telco's outstanding dues to the ministry into shares. In the Materials sector, a majority of the stocks reported declines during the month primarily led by petrochemical names after reporting a steep fall in profitability during Q2-19.

Trading activity saw gains during the month despite the Eid holidays led by foreign buying after the completion of the MSCI inclusion. Monthly value traded was up more than a fifth to reach SAR 78.7 Bn during August-19 as compared to SAR 65.2 Bn during the previous month. Monthly volume was up only marginally during the month by 1.4% to reach 2.6 Bn shares as compared to 2.5 Bn shares during July -19. Al Rajhi Bank topped the monthly value traded chart with shares worth SAR 11.6 Bn changing hands during the month. SABIC was next on the list with SAR 9.3 Bn in trades followed by NCB and Alinma Bank at SAR 4.9 Bn and SAR 4.7 Bn, respectively. In terms of monthly volume, Alinma Bank topped with 198.9 Mn traded shares followed by Al Rajhi Bank and Saudi Arabian Amintit Co. The monthly stock performance chart was topped by Al Sorayai Trading with a gain of 28.9% after the company's EGM approved a capital reduction plan. Other monthly gainers included Saudi Automotive Services (+24.7%) and Aldrees Petroleum (+16.5%). On the decliners side, MEPC topped with a decline of 19.9% followed by SABB and Zain KSA with monthly declines of 19.2% and 17.1%, respectively.

### Tadawul Monthly Sector Performance



### Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

# Abu Dhabi Securities Exchange

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>ADX General Index</b>	<b>4,935.4</b>	<b>4,901.9</b>	<b>4,770.1</b>	<b>4,823.8</b>	<b>5,044.9</b>	<b>5,137.8</b>	<b>5,074.7</b>	<b>5,258.1</b>	<b>5,003.6</b>	<b>4,980.0</b>	<b>5,317.9</b>	<b>5,165.6</b>
Monthly % Change	(1.0%)	(0.7%)	(2.7%)	1.1%	4.6%	1.8%	(1.2%)	3.6%	(4.8%)	(0.5%)	6.8%	(2.9%)
<b>Market Cap (AED Bn)</b>	<b>518.2</b>	<b>513.5</b>	<b>504.1</b>	<b>518.8</b>	<b>531.9</b>	<b>538.4</b>	<b>525.4</b>	<b>547.5</b>	<b>510.3</b>	<b>508.8</b>	<b>520.1</b>	<b>506.1</b>
P/E (X) - TTM	12.34	12.35	11.92	12.23	12.53	12.62	12.66	13.29	12.66	12.69	13.53	13.10
P/BV (X) - TTM	1.29	1.28	1.25	1.29	1.32	1.34	1.32	1.41	1.38	1.38	1.48	1.44
Dividend Yield (%)	5.16%	5.19%	5.34%	5.18%	5.17%	4.91%	4.97%	4.76%	4.99%	4.98%	4.67%	4.87%
Volume (Mn Shares)	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	1,378.2	984.5
Value (AED Mn)	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	3,446.9	4,017.1	3,240.7
Trades	22,373	24,775	32,303	26,212	30,042	36,210	30,142	36,226	36,212	26,310	33,745	32,103

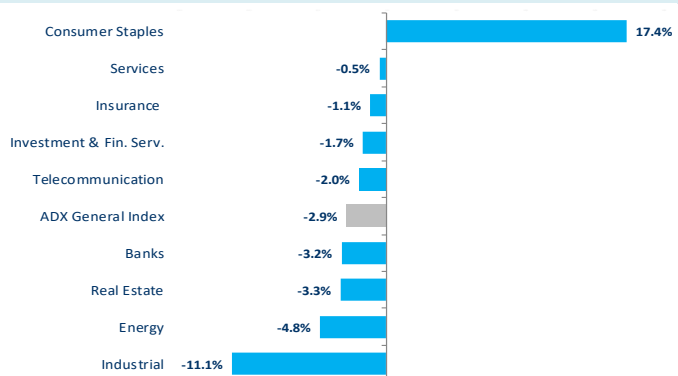
Source: Abu Dhabi Securities Exchange, KAMCO Research

ADX along with its UAE counterpart-DFM which were the best performing GCC indices in July-19 also declined from weak global cues, with the ADX index declining by 2.9% m-o-m. The index closed at 5165.57 points and sectoral performance barring the Consumer Staples segment was negative. The Industrials index was the worst performing sectoral index in Aug-19 with declines of 11.1%, as Gulf Pharmaceutical Industries plunged by 29.8% m-o-m, while Sharjah Cement and Industrial Development receded by 9.4% m-o-m. Energy names followed as the sectoral index was down 4.8% m-o-m, reflecting global energy price trends that continued to remain under pressure during Aug-19. TAQA was down by 5.8% m-o-m, while the share price of Dana Gas dropped by 5.6% m-o-m. The Real Estate index dropped by 3.3% m-o-m, driven by a 3.0% decline in Aldar, while Sharjah Group (-10%) and RAK Properties (-7.3%) witnessed higher m-o-m declines in their share prices. Aldar's revenues for H1-19 increased 15% y-o-y to AED 3.42 Bn as compared to AED 2.98 Bn in H1-18, driven by activity on key developments under construction. Net profit for H1-19 came in at AED 969 Mn, down 13% y-o-y from H1-18, primarily owing to legacy one off income events in H1-18.

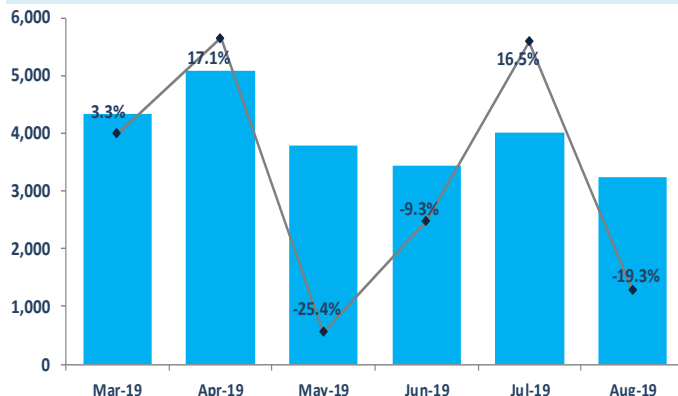
The Investment & Financial Services index continued its slide in 2019 (YTD: -46.8%) and declined by 1.7% m-o-m in Aug-19. Index constituent Waha Capital reported a net loss of AED 182.2 Mn for H1-19, as the company's Private Investments division recorded a net loss of AED 351.8 Mn for the period, largely due to a provision of AED 209.4 million following a reassessment of the value of AerCap Holding's recoverable amount and a loss on disposal of AED 153.6 million following settlement of 6 million AerCap shares. The company's Asset Management business on the other hand reported a net profit of AED 239.2 Mn in H1-19, as their AUM increased to AED 2.9 Bn. Energy company TAQA recorded revenues of AED 9 Bn H1-19, a 5% increase compared to H1 2018. The Group's Oil and Gas business delivered strong performance with an 11% increase in revenue, mainly driven by increased production volumes from its assets in Europe and Iraq. Revenues from the Power and Water business remained stable, increasing by AED 73 Mn to reach AED 5.7 Bn. Net profit came in at AED 214 Mn, from AED 278 Mn in H1-18, on the back of unfavourable mark-to-market (MTM) revaluations within its US-based power asset, an increased deferred tax charge due to changes in Alberta provincial tax rates and a reduction in share of results from associates.

Green Crescent Insurance topped the monthly gainers chart, with a gain of 159.7% m-o-m followed by International Holding Co and National Takaful Co. with gains of 37.6% and 30.9% respectively. On the decliners side, the main laggards were Ras Al Khaimah National Insurance and Gulf Pharmaceutical with declines of 29.7% and 11.2%, respectively. Trading activity on the exchange declined m-o-m in Aug-19, as volumes traded receded by 28.6% to 0.99 Bn shares. Value traded also dipped, albeit by a lower 19.3% m-o-m to reach AED 3.2 Bn during Aug-19. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 0.71 Bn worth of shares traded during Jul-19. ADCB and Aldar followed as AED 585 Mn and AED 520 Mn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 233.9 Mn shares were traded. Dana Gas and International Holding Co followed with 121.9 Mn and 101.2 Mn shares traded during Aug-19.

## ADX Monthly Sector Performance



## Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

## Dubai Financial Market

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>DFM General Index</b>	<b>2,834.95</b>	<b>2,784.6</b>	<b>2,668.7</b>	<b>2,529.8</b>	<b>2,567.6</b>	<b>2,635.8</b>	<b>2,634.9</b>	<b>2,767.1</b>	<b>2,620.3</b>	<b>2,658.6</b>	<b>2,918.4</b>	<b>2,758.6</b>
Monthly % Change	(0.2%)	(1.8%)	(4.2%)	(5.2%)	1.5%	2.7%	(0.0%)	5.0%	(5.3%)	1.5%	9.8%	(5.5%)
<b>Market Cap (AED Bn)</b>	<b>360.5</b>	<b>354.7</b>	<b>346.2</b>	<b>334.3</b>	<b>339.7</b>	<b>345.3</b>	<b>346.7</b>	<b>359.4</b>	<b>343.3</b>	<b>347.7</b>	<b>371.6</b>	<b>357.3</b>
P/E (X) - TTM	7.66	7.54	7.52	7.15	7.08	7.17	7.25	7.56	7.26	7.29	7.87	7.56
P/BV (X) - TTM	1.00	0.98	0.95	0.90	0.87	0.90	0.89	0.94	0.90	0.91	0.97	0.92
Dividend Yield (%)	5.75%	5.91%	6.03%	6.24%	5.88%	5.90%	5.25%	4.59%	4.84%	4.77%	4.33%	4.43%
Volume (Mn Shares)	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	3,814.1	2,281.1
Value (AED Mn)	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	4,990.5	2,886.8
Trades	50,403	55,567	47,042	52,594	48,929	56,325	46,179	65,625	62,391	45,095	63,397	45,792

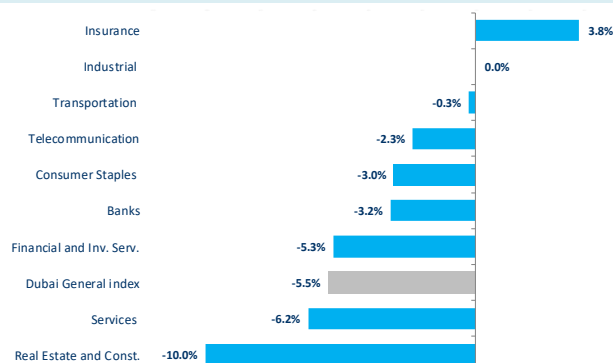
Source: Dubai Financial Market, KAMCO Research

The DFM index was the second worst performing GCC market in Aug-19, after finishing Jul-19 as the best performing market in the region. The frontline index was down 5.5% m-o-m and closed at 2,758.60 points. Sectoral indices were mostly in the red in Aug-19, barring the Insurance sector that gained by 3.9% m-o-m. The Real Estate & Construction index was the worst performing index and declined by 10.1% m-o-m, as Emaar Properties was down 10.5% m-o-m, while Emaar Development and Emaar Malls were down 14.4% and 8.5% m-o-m respectively. Other financials related indices were down, as Investment & Financial Services was down by 5.3% m-o-m followed by and Banks (-3.2%). Shuaa capital saw its H1-19 group revenues increase by 60.9% to AED 102.9 Mn from AED 64.0 Mn in H1-18. A net loss of AED 56.5 Mn was reported for H1-19 compared to a profit of AED 26.3 Mn in H1-18, reflecting the one-off transaction costs relating to the combination with ADFG as well as final provisions of c. AED 13.5 Mn towards exposure to legacy investments. The Insurance index was up 3.9% m-o-m, as the share price of Oman Insurance gained by over 50% m-o-m.

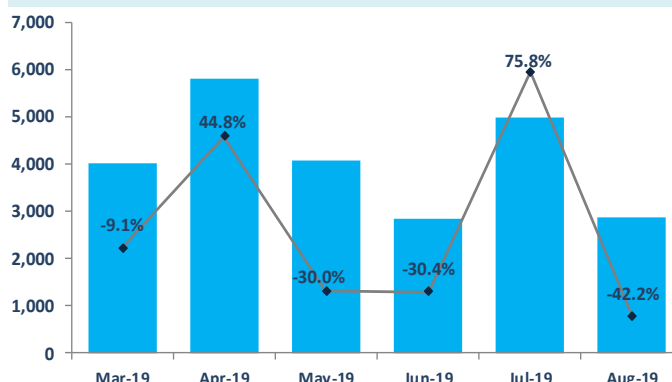
In earnings releases, Arabtec recorded a net profit of AED 58 Mn for its parent company on revenues of AED 4.2 Bn for H1-19. The group's backlog was AED 14.0 Bn. In H1-19, total revenue declined by 12.4% y-o-y and net profit to parent declined by 48.8% y-o-y and the reduction is mainly attributed to a decrease in awards in the construction sector in H1-19 in addition to the completion of several legacy projects through 2019. Airline operator Air Arabia reported a strong set of results for H1-19, registering a net profit of AED 338 Mn; a 47% y-o-y increase compared to AED 230 Mn reported H1-18. The company's revenues for H1-19 reached AED 2.173 Bn, an increase of 20% compared to AED 1.816 Bn in H1-18. Number of passengers serviced reached 5.82 Mn in H1-19, an increase of 12% compared to H1-18, while load factor stood at an impressive 84%. In other earnings releases, DXB Entertainment recorded H1-19 revenues of AED 252 Mn, compared to AED 289 Mn in H1-19, mainly due to lower number of visits. Total visits in H1-19 were 1.40 Mn, compared to 1.46 Mn in H1-18, however international visitors now constitute 40% of the visitor mix. On a per capita basis, Theme park revenues was AED 110, while Hospitality segment ADR was AED 541 reflecting summer yields. The company continued to report a net loss of AED 448 Mn in H1-19, showing marginal improvement from the net loss of AED 469 Mn in H1-18.

In terms of trading activity, the DFM declined on all major indicators, as volumes traded decreased by 40.2% m-o-m to reach 2.3 Bn shares. In terms of value traded, total value of shares receded by 42.2% m-o-m to reach AED 2.89 Bn. In terms of monthly gainers, Oman Insurance led all stocks as its stock price was up 50.7% in Aug-19. Hits Telecom Holding and Dubai Refreshments Co followed, as their stock prices moved up by 20.6% and 14.5% respectively. On the other hand, shares of Emaar Development declined the most as its share price declined by 14.4% m-o-m. Khaleeji Commercial Bank was the only other stock that declined, as its stock price receded by 13.6% m-o-m. Emaar Properties was the most actively traded stock on the exchange as AED 0.72 Bn worth of stock was traded. DIB and GFH followed with value traded of AED 495 Mn and AED 238 Mn respectively. In terms of volumes, Hits Telecom Holding led all stocks as 290 Mn shares were traded. GFH and Union Properties followed as 265 Mn and 246 Mn shares were traded.

### DFM Monthly Sector Performance



### Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research



## Qatar Exchange

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>QE 20 Index</b>	<b>9,813.3</b>	<b>10,300.9</b>	<b>10,364.5</b>	<b>10,299.0</b>	<b>10,720.3</b>	<b>10,111.6</b>	<b>10,107.4</b>	<b>10,376.8</b>	<b>10,273.0</b>	<b>10,455.7</b>	<b>10,505.0</b>	<b>10,232.9</b>
Monthly % Change	(0.7%)	5.0%	0.6%	(0.6%)	4.1%	(5.7%)	(0.0%)	2.7%	(1.0%)	1.8%	0.5%	(2.6%)
<b>Market Cap (QAR Bn)</b>	<b>547.4</b>	<b>580.5</b>	<b>588.4</b>	<b>588.7</b>	<b>615.9</b>	<b>578.1</b>	<b>567.8</b>	<b>584.4</b>	<b>568.1</b>	<b>577.6</b>	<b>578.1</b>	<b>564.2</b>
P/E (X) - TTM	13.84	14.47	14.75	14.65	15.32	13.83	13.78	14.24	13.68	13.92	13.88	13.84
P/BV (X) - TTM	1.29	1.35	1.38	1.37	1.43	1.32	1.29	1.34	1.29	1.31	1.31	1.27
Dividend Yield (%)	4.09%	3.88%	3.81%	3.84%	3.53%	3.89%	3.94%	3.87%	4.03%	3.96%	3.96%	4.08%
Volume (Mn Shares)	134.7	125.2	148.8	239.7	218.3	167.7	234.5	283.2	439.5	672.0	1,282.1	1,239.7
Value (QAR Mn)	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	3,784.8	4,083.5
Trades	67,546	73,785	97,199	152,156	138,925	107,717	119,732	120,178	194,051	121,014	109,728	118,906

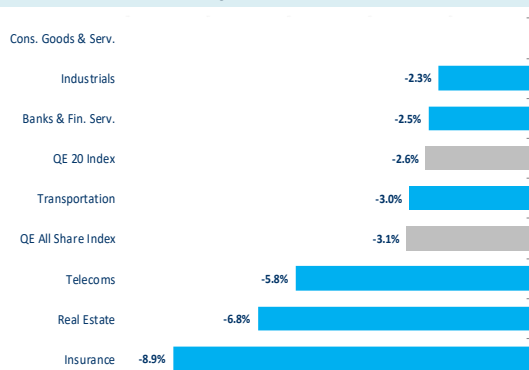
Source: Qatar Exchange, KAMCO Research

After remaining stable in July-19 (+0.5%), Qatar Exchange fell in Aug-19 by 2.6% m-o-m as the QE 20 index closed at 10,232.85 points. The Qatar All Share index which maps the broader market, also exhibited similar declining trends, as the index declined by 3.1% m-o-m for the month. Market breadth was strongly skewed towards decliners, as 36 stocks declined, while only 9 stocks managed to close the month in the green. Sectoral performance barring the Consumer Goods & Services index was negative. The Insurance index was the worst performing index with declines of 8.9% m-o-m, driven by a 10.3% m-o-m drop in the share price of Qatar Insurance and a 6.3% decline in Doha Insurance. The Real Estate index also plunged by 6.8%, with Ezdan (-9.8%) and Mazaya Qatar (-6.5%) ending Aug-19 as the main laggards. The Consumer Goods and Services index managed to close marginally in the green, as Medicare Group (+7.1%) and Qatar Fuel (+2.1%) witnessed share price gains during Aug-19.

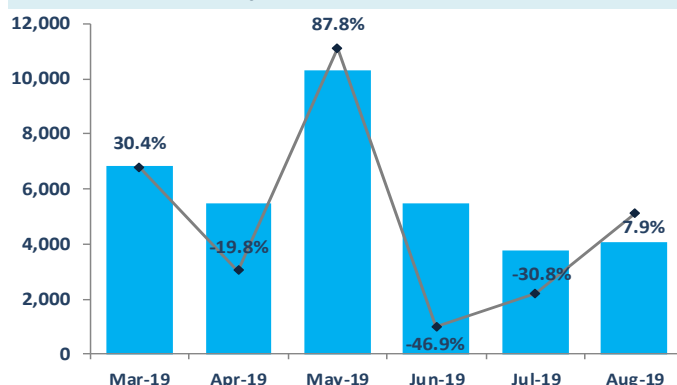
In global index compiler reviews, FTSE Russell included Qatar Fuel to the Large Cap index, Barwa Real Estate to Mid Cap, Al Meera to Small Cap, and Al Salam International and Qatar Oman Investment to its Micro Cap index with changes to be effective from 19 Sept 2019. Separately in its Quarterly review, Qatar Industrial Manufacturing was removed from MSCI's EM small cap index. In terms of earnings, the aggregate earnings of all listed companies on the QSE show a net profit of QAR 19.6 Bn in H1-19, compared to QAR 20.9 Bn for H1-18, which represents a decrease of 6.3% y-o-y. Real Estate player Barwa Real Estate reported a H1-19 net income of QAR 510 Mn, and an EPS of QAR 0.13/share, a y-o-y decrease from H1-18. The decrease was reportedly due to the decrease in profits of some non-recurring items in nature such as profit from debt scheduling and the application of IFRS 16. Manai Corporation saw its H1-19 revenues increase by 10% y-o-y to QAR 5.7 Bn from QAR 5.1 Bn in H1-18. The International Technology segment revenues increased by 17% y-o-y, constituted 80% of the group's H1-19 revenues. Group net profit declined by 47% y-o-y to QAR 88.5 Mn in H1-19.

Trading activity on the index was mixed m-o-m albeit with marginal change, as value traded during Aug-19 increased by 7.9% to reach QAR 4.1 Bn, while traded volumes declined by 3.3% m-o-m to reach 1.24 Bn shares. In terms of trading activity, Qatar National Bank topped the monthly value traded chart with QAR 1.1 Bn worth of shares traded, followed by Masraf Al Rayan and Industries Qatar recording QAR 305 Mn and QAR 281 Mn in monthly value traded. In terms of volumes traded, Qatar First Bank led all stocks with traded volumes of 165.8 Mn shares. Ezdan Holding Group and Masraf Al Rayan followed with traded volumes of 147.8 Mn shares and 85.5 Mn shares respectively. The Banks & Financial Services sector was the most active in terms of value traded during Aug-19, accounting for 50.9% of the total value traded, followed by Industrials and Consumer Goods & Services sectors, as they accounted for 19.9% and 9.4% of the total value traded respectively. Mesaieed Petrochemical was the top performing stock in the index for the month, as its share price surged by 9.2%. Medicare Group followed along with Qatar Islamic Insurance, as their stock prices moved up by 7.1% and 4.3% respectively. On the other hand, shares of Qatar First Bank led the monthly losers chart losing 20.8% m-o-m. Qatar German Co. for Medical Devices and Dlala Brokerage followed with declines of 17.3% and 14.5% for the month.

**QE Monthly Sector Performance**



**Monthly Value Traded (QAR Mn)**



Source: Qatar Exchange, KAMCO Research

## Bahrain Bourse

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>Bahrain All Share Index</b>	<b>1,338.55</b>	<b>1,314.73</b>	<b>1,328.81</b>	<b>1,337.26</b>	<b>1,391.42</b>	<b>1,412.66</b>	<b>1,413.32</b>	<b>1,433.92</b>	<b>1,433.52</b>	<b>1,471.04</b>	<b>1,547.68</b>	<b>1,533.09</b>
Monthly % Change	0.0%	(1.8%)	1.1%	0.6%	4.1%	1.5%	0.0%	1.5%	(0.0%)	2.6%	5.2%	(0.9%)
<b>Market Cap (BHD Mn)</b>	<b>7,832</b>	<b>7,701</b>	<b>7,859</b>	<b>7,948</b>	<b>8,265</b>	<b>8,061</b>	<b>8,062</b>	<b>8,168</b>	<b>8,176</b>	<b>8,400</b>	<b>8,837</b>	<b>8,751</b>
P/E (X) - TTM	8.79	8.74	8.45	8.60	8.93	9.42	9.36	9.41	10.27	10.60	11.22	11.30
P/BV (X) - TTM	0.80	0.79	0.79	0.80	0.82	0.85	0.83	0.84	0.85	0.88	0.93	0.92
Dividend Yield (%)	5.69%	5.76%	5.77%	5.69%	5.48%	4.79%	5.13%	5.06%	5.08%	4.93%	4.54%	4.58%
Volume (Mn Shares)	115.2	126.6	85.4	194.6	140.7	98.3	100.3	145.0	66.1	123.1	105.9	55.9
Value (BHD Mn)	22.1	28.8	23.5	89.3	35.4	23.1	30.2	33.7	16.2	36.4	27.9	11.8
Trades	1,320	1,720	1,265	1,521	2,094	2,185	1,719	2,040	1,408	1,735	2,420	1,287

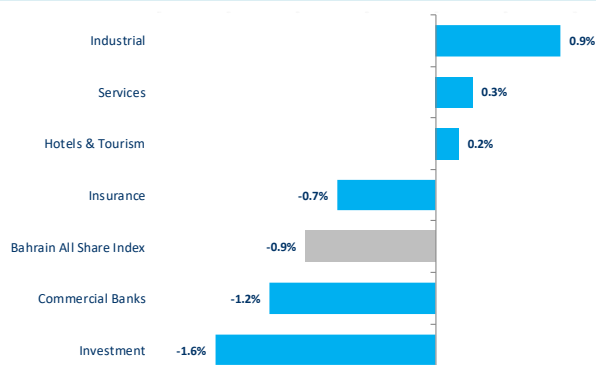
Source: Bahrain Bourse, KAMCO Research

The Bahrain All Share index continues to remain one of the best performers in the region YTD at the end of Aug-19 (+14.6%), and index declines were also lower than other GCC peers at 0.9% for the month of Aug-19. Sectoral performance was mixed and had both gainers and decliners. The Financials pack exhibited declining trends, as Investment companies receded by 1.6% m-o-m, while Banks and Insurance names declined by 1.2% and 0.7% m-o-m. Industrials was the best performing index, albeit with marginal gains of 0.9% m-o-m, while Services (+0.3%) and Hotels & Tourism (+0.2%) indices followed. Hotels & Tourism and Services indices also witnessed marginal gains as they improved by 0.2% and 0.3% y-o-y.

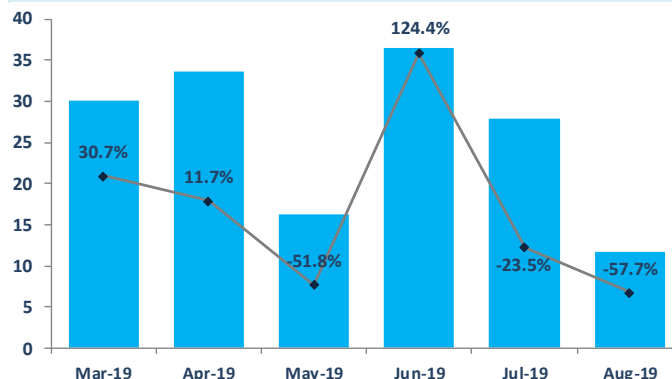
In H1-19 earnings, SICO reported consolidated H1-19 net profits of BHD 2.9 Mn, up 15% y-o-y compared to the BHD 2.5 Mn H1-18. Net operating income grew 26% to BHD 7.6 Mn in H1-19 compared to the BHD 6.0 Mn achieved in H1-18. Consolidated net profit for Arab Banking Corporation in H1-19 was USD 112 Mn on a headline basis, a reduction of 1% y-o-y compared to USD 113 Mn in H1-18. On an underlying basis, after adjusting for exceptional one-off items included in H1-18, net profit grew by 9% y-o-y, benefiting from improved provision experience, after absorbing the FX impact on the pre-provision net income. Net interest income was USD 279 Mn, 1% higher against USD 277 Mn for H1-18. Ithmaar Holding reported a net profit of USD 13.03 Mn for H1-19, a 20.4% increase compared to the net profit of USD 10.82 Mn reported for H1-18. Total income for H1-19 was USD 246.66 Mn, a 7.5% increase compared to USD 229.34 Mn for H1-18. Al Baraka Banking Group's total operating income reached USD 442 Mn during H1-19, decreasing by 14% y-o-y compared to USD 512 Mn for H1-18. After deducting operating expenses, provisions and taxes, total net income reached USD 95 Mn during H1-19, a decline of 22% y-o-y compared to USD 122 Mn for H1-18. Insurance company Solidarity Group Holding, announced a net profit of BHD 1.289 Mn for H1-19, up 11% y-o-y against a net profit of BHD 1.157 Mn for H1-18. The increase in the net profits was mainly ascribed to the improvement in technical surplus in 2019, as compared to H1-18. Regarding policyholder's fund, Solidarity has reported a net surplus of BHD 14 thousand, as compared to the BHD 23 thousand surplus for the same period in 2018, representing a decrease of 39%.

Trading activity declined, as volumes decreased by 47.2% m-o-m to reach 55.9 Mn shares. Value traded receded by 57.7% m-o-m and reached BHD 11.8 Mn. The number of trades made in the exchange decreased to 1,287 trades, down 46.8% m-o-m from Jul-19. AUB was the most actively traded stock in Aug-19 with BHD 4.3 Mn worth of its shares traded on the exchange. Batelco and GFH followed with around BHD 1.9 Mn and BHD 1.3 Mn worth of shares traded. In terms of volumes traded, GFH topped the list as well, with 13.8 Mn shares traded on the exchange. AUB and Al Salam Bank followed with 12.3 Mn shares and 8.3 Mn shares respectively. Of the 7 stocks that closed in the green in Aug-19, Zain Bahrain topped the gainers list, as it witnessed a 9.2% m-o-m increase, followed by APM Terminal Bahrain with monthly gains of 4.2%. Bahrain Shipping Repairing & Engineering was the main laggard, with a m-o-m decline of 10.0%, followed by Al Baraka Banking and Inovent with monthly declines of 9.9% and 9.6% respectively.

### BSE Monthly Sector Performance



### Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

## Muscat Securities Market

Monthly Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
<b>MSM 30 Index</b>	<b>4,543.7</b>	<b>4,422.9</b>	<b>4,412.1</b>	<b>4,323.7</b>	<b>4,215.8</b>	<b>4,144.5</b>	<b>3,983.7</b>	<b>3,945.6</b>	<b>3,934.2</b>	<b>3,884.9</b>	<b>3,760.6</b>	<b>4,004.9</b>
Monthly % Change	2.8%	(2.7%)	(0.2%)	(2.0%)	(2.5%)	(1.7%)	(3.9%)	(1.0%)	(0.3%)	(1.3%)	(3.2%)	6.5%
<b>Market Cap (OMR Mn)</b>	<b>7,528</b>	<b>7,350</b>	<b>7,391</b>	<b>7,233</b>	<b>7,002</b>	<b>6,892</b>	<b>6,709</b>	<b>6,613</b>	<b>6,602</b>	<b>6,544</b>	<b>6,383</b>	<b>6,713</b>
P/E (X) - TTM	9.65	9.15	9.36	9.25	8.91	8.96	8.82	8.82	8.85	8.70	7.67	8.21
P/BV (X) - TTM	0.85	0.83	0.84	0.83	0.79	0.76	0.72	0.71	0.71	0.71	0.69	0.74
Dividend Yield (%)	6.36%	6.54%	6.54%	6.66%	6.96%	7.18%	6.61%	6.60%	6.59%	6.70%	7.66%	7.15%
Volume (Mn Shares)	230.2	213.7	283.5	257.6	261.7	400.7	310.8	303.3	180.6	307.9	276.7	558.0
Value (OMR Mn)	48.6	40.1	32.8	42.2	53.6	51.8	45.3	41.9	27.4	52.9	37.3	164.3
Trades	11,405	9,457	7,677	8,442	8,380	9,847	9,547	12,704	8,473	8,365	9,982	8,464

Source: Muscat Securities Market, KAMCO Research.

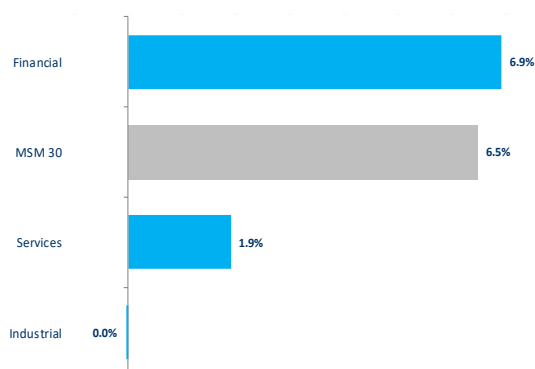
Oman was the best performing market in the GCC during August-19 and was the only market that saw positive returns during the month. The benchmark MSM 30 Index witnessed monthly gains for the first time in eleven months since October-18 with the index closing at 4,004.9 points recording a monthly gain of 6.5%. In addition, the index surged above the critical 4,000 points mark for the first time in five months led by gain in large-cap stocks. Also, the daily trend in the index showed the benchmark sliding merely on two trading sessions during the month during the last week. Nevertheless, Oman continues to be the worst performing market in the GCC in terms of YTD-19 performance that stood at -7.4% due to consecutive declines recorded since the start of the year. In terms of sectoral performance, the Financial index recorded a monthly growth of 6.9% followed by the Services index at 1.9% gains while the Industrial index ended flat.

The monthly stock performance chart for the regular market was topped by last month's worst performer Raysut Cement which recorded a monthly gain of 12.2%. The monthly top performing stocks also included Omantel with a gain of 9.2% followed by Ooredoo Oman and Vision Insurance with gains of 8.9% and 8.3%, respectively. Shares of Omantel got a boost after the telco reported a 25% y-o-y increase in net profit during 1H-19 backed by a 37.7% increase in the topline. The higher revenue and profits came primarily as a result of higher profits of Zain in which Omantel holds a minority stake. On the monthly decliners side, Al Maha Petroleum Products topped from the regular market with a decline of 4.8% followed by Al Anwar Holding and Oman Chlorine with declines of 4.3% and 3.7%, respectively.

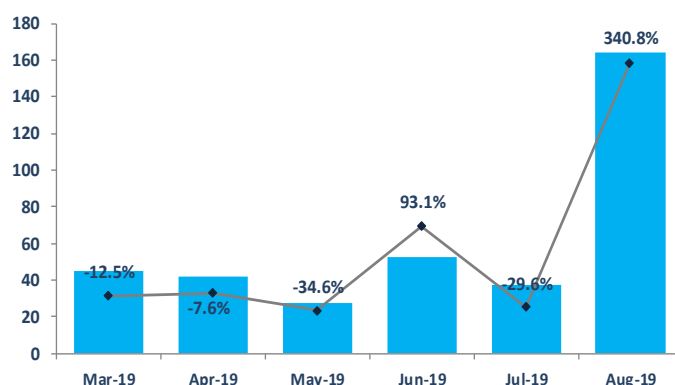
Trading activity saw significant improvement during the month despite lesser number of trading days owing to the Eid holidays. Monthly value traded increased almost 3.5 times to OMR 164.3 Mn as compared to OMR 37.3 Mn during July-19. On the other hand, monthly volume of shares traded more than doubled to 558 Mn in August-19 as compared to 276.7 Mn during the previous month. The spike in trading activity came primarily on the back of a share transfer transaction announced by Ooredoo Oman on 26-August-19 between one fully-owned subsidiary to another. The company traded more than 358 Mn shares valued at OMR 135.3 Mn on the aforementioned day. The monthly value traded chart for the regular market also included Bank Muscat and OmanTel with monthly aggregate trades valued at OMR 5.5 Mn and OMR 1.8 Mn, respectively. On the monthly volume chart, Sohar International Bank ranked second after Ooredoo with a volume of 14.5 Mn shares followed by Bank Muscat and Al Anwar Holding with 12.6 Mn and 5.3 Mn traded shares, respectively.

On the economic front, data from the Central Bank of Oman showed that the Sultanate recorded a nominal GDP growth rate of 12% during 2018 up from 7.8% in 2017. The growth came as a result of higher oil prices as the hydrocarbon sector contributed to 35.5% of the GDP. The sector although recorded a declining share of the GDP as compared to the previous year, its contribution to total revenue remained elevated at 78.2% during the year. A more recent data for 2019 showed that the country has made significant progress in terms of reducing its fiscal deficit. According to the Government Communications Centre, the Sultanate generated total revenues of OMR 5.5 Bn during 1H-19 as compared to expenditures of OMR 6.1 Bn resulting in a deficit of OMR 0.66 Bn during 1H-19.

### MSM Monthly Sector Performance



### Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research



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