

GCC Markets Monthly Report

May-2019

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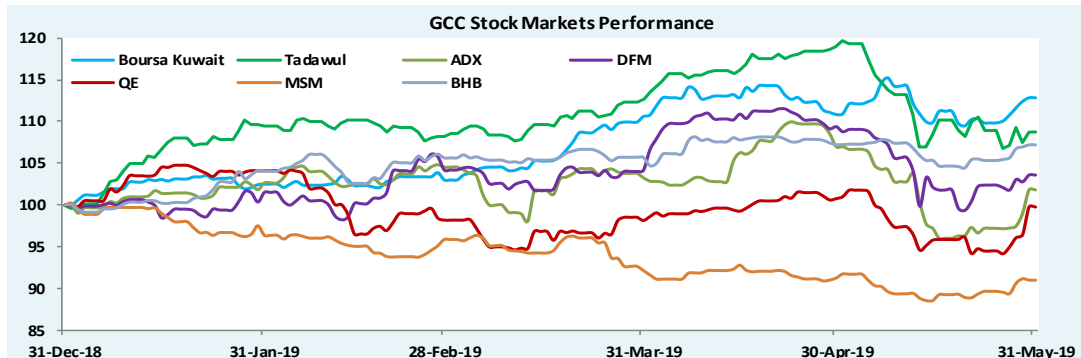
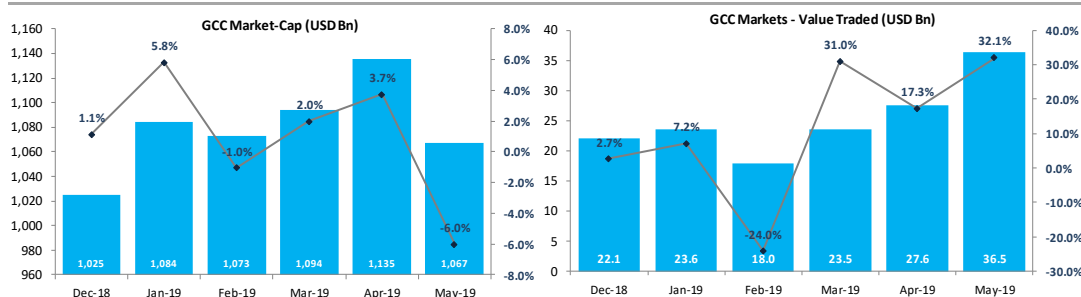
GCC markets drop the most since Jan-2016 on global trade and regional geopolitical concerns...

Aggregate GCC markets, tracked by the S&P GCC TRI, dropped 5.4% during May-19, its biggest monthly decline since Jan-16. The decline came primarily due to regional geopolitical issues, coupled with lower trading activity in most GCC markets, except Saudi Arabia & Qatar, due to Ramadan. Barring Kuwait, all GCC market declined during May-19 with Saudi Arabia seeing the steepest fall of 8.5%, that more than halved the TASI's YTD-19 performance to 8.8%. On the other hand, the 1.8% returns recorded by the Kuwait All Share Index pushed the benchmark's YTD-19 returns to the highest in the GCC at 12.8%.

Sectoral trends for May-19 showed almost all the sectors closing in the red during the month. The Banking sector declined more than 6% during May-19 after months of positive performance, while Food & Beverage and Transportation aggregates showed double digit declines during the month. Telecom sector also declined by more than 7%, while the Real Estate and Diversified Financials sectors saw slightly lower decline of around 4% during the month.

The stock market rout was global as well, as the MSCI World index declined 6.1% m-o-m, and all major global indices declined during May-19. The ongoing trade war between the US and China was a key concern, that dragged the S&P 500 Index to multi-month lows. In addition, underwhelming economic data also pushed indices and sentiment lower. **The extended trade war between the world's largest trading partners spooked investors as there was no certain near term resolution in sight.** The overall risk was also reflected in US treasury yields that dropped to the lowest level since September-17. Data for both emerging markets and developed markets were disappointing, as seen from the slowdown in US manufacturing and an expected slowdown in China. The unemployment rate in Germany showed an increase for the first time since 2013 while consumer confidence dipped to a two year low level.

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	6,242.2	3.2%	18.5%	109.5	2,043.0	15.6	1.4	3.7%
Kuwait - Main Market Index	4,736.6	(1.9%)	(0.0%)					
Kuwait - All Share Index	5,731.7	1.8%	12.8%					
Saudi Arabia	8,516.5	(8.5%)	8.8%	530.6	29,323.2	17.1	1.9	3.6%
Abu Dhabi	5,003.6	(4.8%)	1.8%	138.9	1,034.8	12.7	1.4	5.0%
Dubai	2,620.3	(5.3%)	3.6%	93.5	1,109.6	7.3	0.9	4.8%
Qatar	10,273.0	(1.0%)	(0.3%)	156.0	2,828.9	13.7	1.3	4.0%
Bahrain	1,433.5	(0.0%)	7.2%	21.7	43.1	10.3	0.9	5.1%
Oman	3,934.2	(0.3%)	(9.0%)	17.1	71.2	8.9	0.7	6.6%
Total GCC				1,067.3	36,453.7	14.1	1.5	4.0%



Source: GCC Stock Exchanges, KAMCO Research

Faisal Hasan, CFA

Head - Investment Research

+(965) 2233 6907

faisal.hasan@kamconline.com

Junaid Ansari

Vice President

+(965) 2233 6912

junaid.ansari@kamconline.com

Thomas Mathew

Assistant Vice President

+(965) 2233 6914

thomas.mathew@kamconline.com

Boursa Kuwait

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Premier Market Index	4,904.8	5,297.0	5,261.8	5,343.9	5,234.2	5,317.8	5,267.4	5,430.1	5,482.2	5,986.9	6,047.3	6,242.2
Monthly % Change	4.6%	8.0%	(0.7%)	1.6%	(2.1%)	1.6%	(0.9%)	3.1%	1.0%	9.2%	1.0%	3.2%
Main Market Index	4,863.5	4,933.0	4,897.5	4,735.6	4,693.7	4,730.0	4,738.6	4,798.1	4,773.0	4,917.3	4,828.8	4,736.6
Monthly % Change	1.0%	1.4%	(0.7%)	(3.3%)	(0.9%)	0.8%	0.2%	1.3%	(0.5%)	3.0%	(1.8%)	(1.9%)
All Share Market Index	4,890.4	5,167.6	5,132.3	5,128.0	5,042.2	5,109.2	5,079.6	5,206.0	5,231.7	5,617.8	5,630.0	5,731.7
Monthly % Change	3.3%	5.7%	(0.7%)	(0.1%)	(1.7%)	1.3%	(0.6%)	2.5%	0.5%	7.4%	0.2%	1.8%
Thomson Reuters Kuwait TRI	202.6	215.6	214.2	215.5	212.4	215.5	214.9	218.3	221.8	240.0	247.0	254.3
Monthly % Change	4.2%	6.4%	(0.6%)	0.6%	(1.4%)	1.5%	(0.3%)	1.6%	1.6%	8.2%	2.9%	2.9%
Market Cap (KWD Mn)	27,473	29,205	28,989	29,054	28,578	29,059	29,013	29,745	29,938	32,179	32,369	33,083
P/E (X) - TTM	14.90	15.80	15.37	15.40	14.31	14.60	14.60	15.00	15.10	16.20	15.50	15.60
P/BV (X) - TTM	1.17	1.25	1.24	1.24	1.24	1.26	1.19	1.22	1.23	1.32	1.36	1.41
Dividend Yield (%)	3.88%	3.72%	3.78%	3.77%	3.89%	3.84%	3.86%	3.91%	3.84%	3.68%	3.79%	3.65%
Volume (Mn Shares)	1,017.4	2,916.2	1,789.5	2,100.8	1,464.2	1,944.7	2,487.4	3,960.0	2,509.3	3,651.9	3,643.3	2,264.3
Value (KD Mn)	242.1	633.4	356.5	523.8	309.8	284.8	574.6	610.0	438.7	817.2	702.7	617.2
Trades ('000)	47.5	126.5	85.2	91.7	75.6	75.7	101.5	123.1	87.7	120.4	141.8	112.9

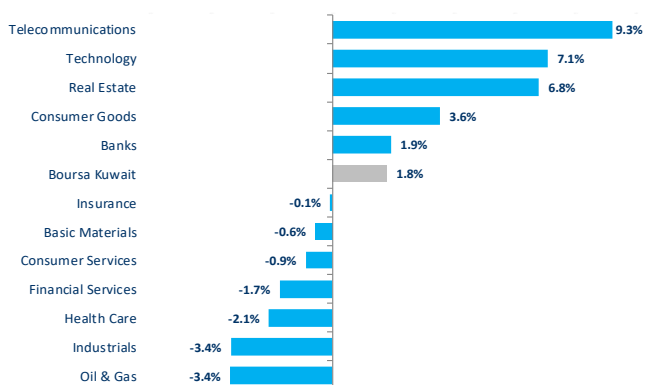
Source: Kuwait Stock Exchange, KAMCO Research

Kuwait was the only positive performing market during May-19 with the All Share Index gaining 1.8% during the month. However, gains came mainly on the back of large-cap stocks as seen from the 3.2% gain for the Premier Market index while the Main Share Index dropped 1.9% during the month. Gains during the month pushed the YTD-19 returns for the Kuwaiti benchmarks to the highest in the GCC at 12.8% for the All Share Index and 18.5% for the Premier Market Index. Gains in the Premier Market index also reflected investor expectations regarding the upcoming decision by MSCI in June-19 on Kuwait's upgrade to the Emerging Market index.

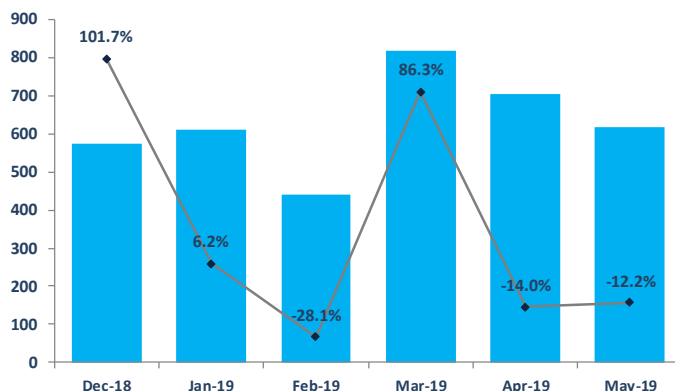
In terms of sector performance, the Telecom index topped the monthly chart with a return of 9.3% primarily on the back of 13.4% gain in shares of Zain and 1% gain in shares of Viva that more than offset decline in other two stocks in the sector. Shares of Zain got a boost after the telco's Bahraini unit grew its profits by 55% to USD 4.6 Bn. The Technology sector was next on the chart with gain of 7.1% followed by Real Estate and Consumer Goods sectors with monthly gains of 6.8% and 3.6%, respectively. The Real Estate Sector witnessed gains for the third consecutive month after large-cap stocks in the sector witnessed healthy gains during the month. Shares of Tamdeen Real Estate gained 33.3% after the Company reported almost three times increase in revenues and a 20% increase in net profits. Shares of Mabanee gained 13.0% during the month after the Company along with five other real estate developers were shortlisted for a project in Kuwait. Shares of Commercial Real Estate Co. also gained 10.8% during the month. On the decliners side, the Oil & Gas index and the Industrials sector reported the steepest decline during May-19 at 3.4% each followed by Healthcare and Financial Services indices with declines of 2.1% and 1.7%, respectively.

Trading activity declined during the month due to the month of Ramadan. Monthly volume of shares traded declined by more than a third to reach 2.3 Bn shares while monthly value traded witnessed a much smaller drop of 12.2% to reach KWD 617 Mn as compared to KWD 703 Mn during April-19. Gulf Bank topped the monthly volume chart with 230 Mn traded shares during the month followed by AUB Bahrain and KFH with 187 Mn and 184.5 Mn traded shares, respectively. KFH topped the monthly value traded chart with KWD 122.5 Mn worth of shares changing hand during the month followed by NBK and Gulf Bank with KWD 79.4 Mn and KWD 70.2 Mn in value traded, respectively. Prominent gainers during the month included Tamdeen Real Estate (33.3%), Al-Argan International Real Estate (+32.3%) and Zain (+13.4%). On the decliners chart, KMEFIC topped with a decline of 30.2% after the company's acquisition by Warba Bank was disapproved by the Central Bank of Kuwait. Other decliners during the month included Kuwait Syrian Holding and Senergy Holding with declines of 27.3% and 25.4%, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Tadawul All Share Index	8,314.2	8,294.8	7,948.3	7,999.5	7,907.0	7,703.0	7,826.7	8,560.0	8,492.7	8,819.4	9,304.2	8,516.5
Monthly % Change	1.9%	(0.2%)	(4.2%)	0.6%	(1.2%)	(2.6%)	1.6%	9.4%	(0.8%)	3.8%	5.5%	(8.5%)
Market Cap (SAR Bn)	1,983.1	1,970.2	1,893.5	1,899.8	1,873.8	1,814.4	1,855.8	2,022.3	2,007.5	2,084.0	2,182.7	1,989.8
P/E (X) - TTM	16.73	15.93	15.34	15.41	14.88	14.58	14.84	16.25	16.52	17.36	18.75	17.12
P/BV (X) - TTM	1.85	1.85	1.77	1.78	1.75	1.71	1.74	1.90	1.90	1.97	2.09	1.93
Dividend Yield (%)	3.62%	3.78%	3.93%	3.91%	3.94%	4.06%	4.00%	3.63%	3.67%	3.65%	3.45%	3.57%
Volume (Mn Shares)	1,933.7	2,881.1	2,020.9	2,227.3	3,856.8	2,689.8	2,553.9	2,883.1	2,036.6	2,723.2	2,905.4	3,525.0
Value (SAR Mn)	46,427.9	73,214.0	54,251.5	49,661.6	95,741.5	62,180.7	60,141.9	68,211.1	46,962.8	61,741.2	77,232.8	109,967.1
Trades ('000)	1,251	2,031	1,486	1,678	2,616	2,326	2,363	2,473	1,809	2,217	2,412	2,479

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

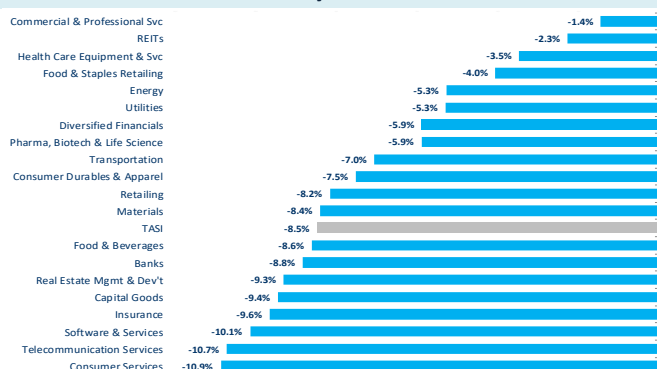
After reporting the best monthly performance in April-19, Saudi Arabia recorded the steepest decline in the GCC during May-19. The benchmark TASI dropped 8.5% during the month to close below the 9,000 mark at 8,516.5 points bringing the YTD-19 gains to 8.8% by the end of May-19. The decline came primarily on the back of regional geopolitical issues in addition to investors booking profits on high valuations. A decline in global financial markets was also one of the key factors for the broad-based sell-off in Saudi Arabia and the region. The Saudi Arabian market remained volatile during the month as pressure from the geopolitical front pushed market down while the flows coming from the first phase of MSCI's upgrade that started towards the end of the month pushed the market up by 2%. According to the statement from MSCI, thirty Saudi Arabian stocks were added to the MSCI's Emerging Market index representing an aggregate weight of 1.42% in the index. Trading on 28-May-19, the day of the upgrade, was one of the highest on record in Saudi Arabia with value traded recorded at SAR 28.8 Bn (USD 7.8 Bn). Saudi Arabia will have a aggregate weight of 2.6% in the MSCI Emerging Market index after the second and final phase of upgrade in August-19.

The sector performance trend showed decline across the board in Saudi Arabia during May-19. Consumer Services sector recorded the biggest decline of 10.9% after a number of stocks in the sector recorded double digit declines during the month. The Telecom index was next on the list with a decline of 10.7% followed by Software & Services and Insurance indices with declines of 10.1% and 9.6%, respectively. In the telecom sector, shares of STC dropped almost 14% during the month followed by 7% decline in shares of Etisalat and 6% fall in shares of Zain KSA. The Banking index also declined by 8.8% in May-19 after two consecutive months of gains. A majority of the banks witnessed steep declines during the month.

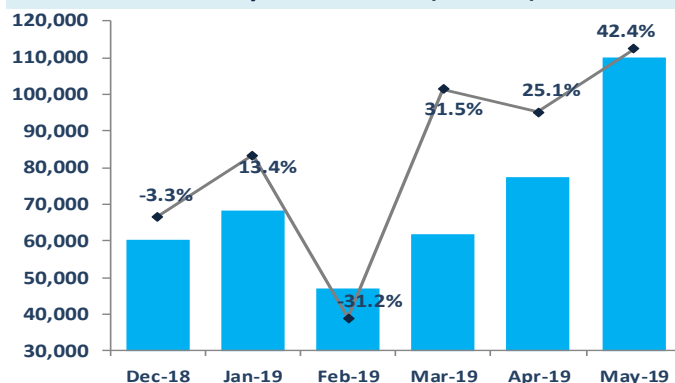
Trading activity scaled up significantly during May-19 mainly on the back of the MSCI upgrade despite effects of a seasonal slowdown. Monthly value traded was up almost 50% and reached the highest level since December-16 to reach SAR 110.0 Bn as compared SAR 77.2 Bn during the previous month. Monthly volume was also up during the month by 21% to reach 3.5 Bn shares indicating higher trades in large-cap stocks. Al Rajhi Bank once again topped the monthly value traded chart with shares worth SAR 16.3 Bn changing hands during the month. SABIC was next on the list with SAR 14.7 Bn in trades followed by Alinma Bank and NCB at SAR 6.9 Bn and SAR 6.5 Bn, respectively. On the monthly volume chart, Alinma Bank topped with 275.5 Mn shares traded during the month followed by Dar Al Arkan Real Estate and Al Rajhi Bank at 271.2 Mn shares and 235.8 Mn shares, respectively.

The monthly gainers chart was dominated by cement stocks with three out of the top five monthly gainers from the sector backed by an increase in Q1-19 earnings reported by these companies. The gainers chart was topped by Saudi Research & Marketing Group with a monthly gain of 29.3% followed by the three cement stocks Umm Al-Qura Cement, Eastern Province Cement, and Southern Province Cement with gains of 8.3%, 6.1% and 5.4%, respectively. On the other hand, the monthly decliners list was dominated by insurance stocks with all five of the top monthly decliners being insurance stocks mainly due to declining topline during Q1-19.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
ADX General Index	4,560.0	4,859.5	4,986.9	4,935.4	4,901.9	4,770.1	4,823.8	5,044.9	5,137.8	5,074.7	5,258.1	5,003.6
Monthly % Change	(1.0%)	6.6%	2.6%	(1.0%)	(0.7%)	(2.7%)	1.1%	4.6%	1.8%	(1.2%)	3.6%	(4.8%)
Market Cap (AED Bn)	486.8	510.9	518.3	518.2	513.5	504.1	518.8	531.9	538.4	525.4	547.5	510.3
P/E (X) - TTM	11.60	12.12	12.52	12.34	12.35	11.92	12.23	12.53	12.62	12.66	13.29	12.66
P/BV (X) - TTM	1.19	1.27	1.30	1.29	1.28	1.25	1.29	1.32	1.34	1.32	1.41	1.38
Dividend Yield (%)	5.60%	5.20%	5.07%	5.16%	5.19%	5.34%	5.18%	5.17%	4.91%	4.97%	4.76%	4.99%
Volume (Mn Shares)	942.2	686.5	597.7	1,029.2	1,141.7	1,103.4	942.7	629.3	980.4	1,248.9	1,467.4	921.7
Value (AED Mn)	2,485.7	2,124.5	2,193.1	3,278.0	3,067.7	4,572.6	4,886.3	3,055.3	4,206.9	4,347.2	5,092.2	3,801.0
Trades	17,927	16,717	15,859	22,373	24,775	32,303	26,212	30,042	36,210	30,142	36,226	36,212

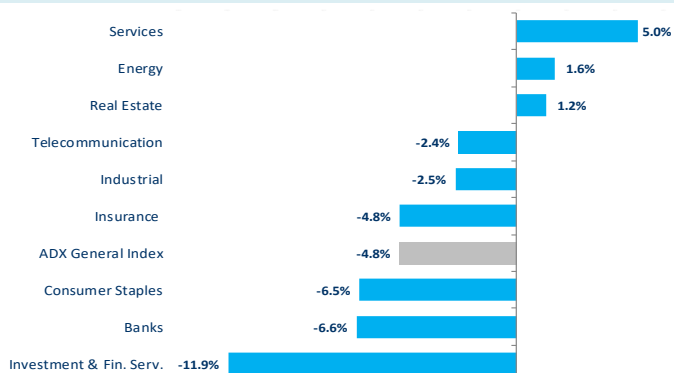
Source: Abu Dhabi Securities Exchange, KAMCO Research

After gaining by 3.6% m-o-m in April-19, the ADX index fell by 4.8% in May-19 and reached 5003.58 points. However, the fall was reduced by a 2.82% increase in the last trading day of the month. Sectoral performance was mostly negative as most large cap sectors declined. Investment & Financial Services was the worst performing sectoral index and declined by 12.3% m-o-m, driven down by Waha Capital as its share price plunged by 12% m-o-m. Banks were down by over 6.5% as large cap banks like ADCB, FAB and ADIB dropped by 9.1%, 7.1% and 6.7% respectively. Consumer Staples followed with over 4.6% of declines, as Agthia declined by 7.9% followed by a 5.9% drop in FOODCO Holding's stock price. Amongst the large cap sectors, Real Estate gained by 1.2% m-o-m, ascribed to the news that, the changes made by the government to laws allowing foreigners to own freehold property in designated zones could push demand for real estate. Energy names also gained, as gains in Dana Gas (+3.8%) and ADNOC Distribution (+3.5%) was able to offset the 10.6% decline in TAQA.

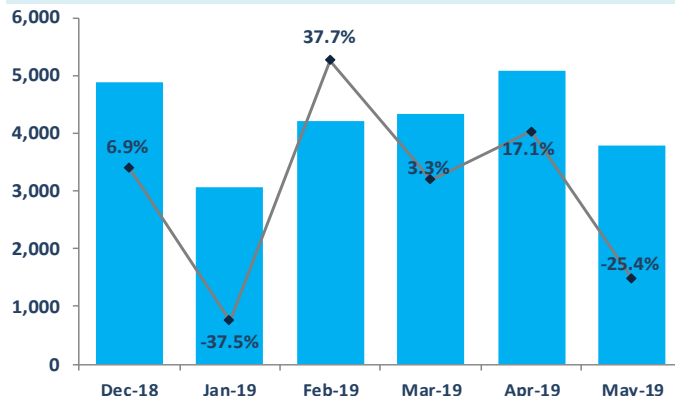
In Q1-19 earnings, Real Estate player Aldar's revenue increase 20% y-o-y to AED 1.76 Bn from AED 1.47 Bn in Q1 2018: The company's Asset management net operating income rose 9% to AED 431 Mn, driven by last year's asset acquisition. Growth was also witnessed across adjacent businesses, including school's operator Aldar Academies, and newly launched property management firm Provis. Development sales came in at AED 1.0 Bn for Q1-19, up 49% from Q1-18, driven by successful launch of Alreeman. Net profit for Aldar was down 26% y-o-y at AED 493 Mn, owing to legacy other income events. Adjusting for these legacy other income events and minorities, net profit attributable to shareholders would be up 4% to AED 553 Mn. Investment company Waha Capital reported a net loss of AED 57.8 million for Q1-19, with the company's Asset Management business recording higher income, while its Private Investments unit recorded a loss due to the revaluation of its investment in AerCap Holdings. Waha Capital's Asset Management business recorded a net profit of AED 151.7 Mn Q1-19, an increase of 28% y-o-y. The company's Private Investments business recorded a net loss of AED 165.7 Mn in Q1-19, largely due to an adjustment of AED 100 Mn, following a reassessment of the value of AerCap Holding's recoverable amount. Energy player TAQA recorded AED 4.3 Bn in revenues and EBITDA of AED 2.4 Bn in Q1-19, an EBITDA increase of 1% compared to the Q1-18. Performance was aided by the oil and gas division with an AED 162 Bn increase.

Abu Dhabi Ship Building topped the monthly gainers chart, with a gain of 21.8% m-o-m followed by Al Khaleej Investment and Abu Dhabi National Hotels with gains of 14.7% and 11.8% respectively. On the decliners side, the top two companies were Axa Green Crescent Insurance and Eshraq Investments with declines of 14.5% and 12.0%, respectively. Trading activity on the exchanged dropped m-o-m in May-19, as volumes traded declined by 37.2% to 0.92 Mn shares. Value traded also declined by 25.3% m-o-m to reach AED 3.8 Bn during May-19. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 1.6 Bn worth of shares traded during May-19. ADCB and Etisalat followed as AED 828 Mn and AED 476 Mn worth of shares were traded respectively. Dana Gas led the most active stocks list in terms of volumes traded, as 310 Mn shares were traded. Aldar and FAB followed with 128.5 Mn and 107.7 Mn shares traded during May-19.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

Dubai Financial Market

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
DFM General Index	2,821.0	2,956.0	2,840.2	2,834.95	2,784.6	2,668.7	2,529.8	2,567.6	2,635.8	2,634.9	2,767.1	2,620.3
Monthly % Change	(4.8%)	4.8%	(3.9%)	(0.2%)	(1.8%)	(4.2%)	(5.2%)	1.5%	2.7%	(0.0%)	5.0%	(5.3%)
Market Cap (AED Bn)	352.1	372.2	362.4	360.5	354.7	346.2	334.3	339.7	345.3	346.7	359.4	343.3
P/E (X) - TTM	7.68	7.84	7.67	7.66	7.54	7.52	7.15	7.08	7.17	7.25	7.56	7.26
P/BV (X) - TTM	0.97	1.04	1.00	1.00	0.98	0.95	0.90	0.87	0.90	0.89	0.94	0.90
Dividend Yield (%)	5.39%	5.00%	5.74%	5.75%	5.91%	6.03%	6.24%	5.88%	5.90%	5.25%	4.59%	4.84%
Volume (Mn Shares)	3,361.0	3,448.2	1,718.9	4,089.7	4,257.4	2,899.0	3,859.3	2,453.4	2,916.0	2,532.2	4,221.2	3,222.4
Value (AED Mn)	4,914.5	4,156.5	2,492.8	4,378.6	4,374.8	3,784.2	3,682.4	2,864.8	4,424.4	4,021.6	5,821.9	4,075.6
Trades	53,145	50,788	26,532	50,403	55,567	47,042	52,594	48,929	56,325	46,179	65,625	62,391

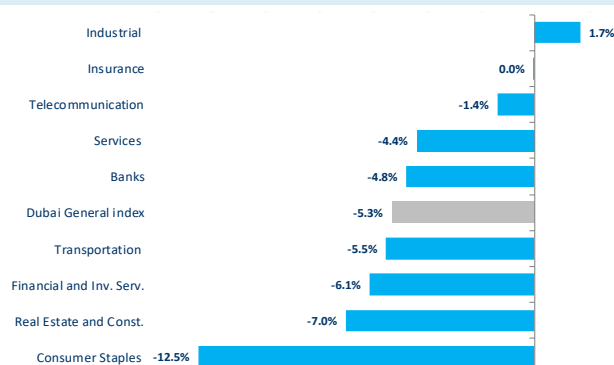
Source: Dubai Financial Market, KAMCO Research

DFM underperformed its UAE counterpart ADX in May-19, and declined by 5.3% m-o-m, after being amongst the best performing markets in the GCC in April-19. The frontline index ended the month at 2620.33 points, as all sectoral indices barring Industrials (+1.7%) was down m-o-m. Consumer Staples and Discretionary index was the worst affected index, as it plunged by over 12.4% m-o-m, as DXB Entertainment fell by 14.5% m-o-m, after posting a Q1-19 net loss that was 3% higher than Q1-18 at AED 216 Mn, as number of visits dropped by 11% y-o-y. Real Estate & Construction names followed with declines of 7.0% m-o-m, as DAMAC Properties and Arabtec witnessed significant declines of 30.6% and 25.6% m-o-m respectively, as Q1-19 net profits of both index constituents saw massive y-o-y drops. The Investment & Financial Services index receded by 6.1% m-o-m, as International Financial Advisors (-35.2%) and Ektitab (-13.5%) drove the index down. Banks were also not spared from the selling pressure, declining by over 4.7%, ascribed to a 7.1% drop for Emirates NBD and a 2.5% drop for DIB.

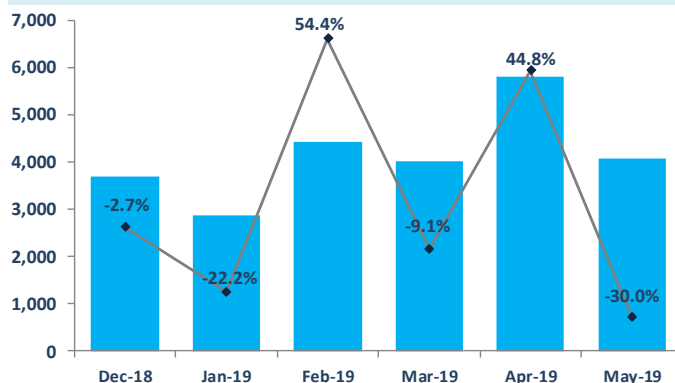
SHUAA Capital reported a y-o-y revenue increase to AED 55.4 Mn from AED 33.2 Mn in Q1-18. The company however reported a AED 24.9 Mn net loss, as compared to a Q1-18 profit of AED 11.7 Mn, on the back of certain one-off provisions and a change in accounting standards. Real Estate heavyweight Emaar Properties reported Q1-19 revenues of AED 5.894 Bn, marginally down from AED 5.928 Bn in Q1-18. Emaar's sales backlog increased from AED 48.404 Bn as of Q4-18 to AED 50.012 at the end of Q1-19. Property sales Q1-19 recorded an increase of 53% y-o-y to reach AED 5.979 Bn, as compared to Q1-18 sales of AED 3.906 Bn. Sales to international customers more than doubled from AED 1.187 Bn in Q1-18 to AED 2.645 Bn in Q1-19. Net profit came in at AED 1.742 Bn for Q1-19, while the corresponding figure for Q1-18 was AED 1.625 Bn. Emaar Malls net profits grew by 4% y-o-y to AED 1.075 Bn, as occupancy rates stood at 92% and footfalls were 3% higher. Arabtec's revenue declined 16% y-o-y to AED 2.0 Bn in Q1-19, compared to AED 2.4 Bn in Q1-18. Order Backlog stood at AED 14.8 Bn as of Q1-19. Net profit came in at AED 31.8 Mn compared to AED 63.6 Mn in Q1-18, down 50% y-o-y. The contraction in margins y-o-y, was ascribed to lower revenue from a slowdown in awards in the construction sector coupled with several legacy projects closing out in the coming months. Moreover, the Group recognised an AED 7.8 Mn loss on the Group's investment in Depa.

In terms of trading activity, the DFM declined on all major indicators, as volumes traded decreased by 23.7% m-o-m to reach 3.2 Bn shares. In terms of value traded, total value of shares receded by 30% m-o-m to reach AED 4.1 Bn. In terms of monthly gainers, Emaar Malls Group led all stocks as its stock price was up 11.5% in May-19. Dubai Insurance and Takaful Emarat followed, as their stock prices moved up by 11.1% and 10.0% respectively. On the other hand, shares of International Financial Advisors declined the most as its share price declined by 35.2% m-o-m. Damac Properties and Arabtec followed with declines of 30.6% and 25.6% respectively for the month. Emaar Properties was the most actively traded stock on the exchange as AED 644 Mn worth of stock was traded. DIB and Emaar Malls followed with value traded of AED 632 Mn and AED 317 Mn respectively. In terms of volumes, Union Properties led all stocks as 413 Mn shares were traded. Islamic Arab Insurance and GFH followed as 357 Mn and 341 Mn shares were traded.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

Qatar Exchange

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
QE 20 Index	9,024.0	9,825.1	9,886.5	9,813.3	10,300.9	10,364.5	10,299.0	10,720.3	10,111.6	10,107.4	10,376.8	10,273.0
Monthly % Change	1.6%	8.9%	0.6%	(0.7%)	5.0%	0.6%	(0.6%)	4.1%	(5.7%)	(0.0%)	2.7%	(1.0%)
Market Cap (QAR Bn)	493.6	539.9	546.3	547.4	580.5	588.4	588.7	615.9	578.1	567.8	584.4	568.1
P/E (X) - TTM	12.68	13.75	13.82	13.84	14.47	14.75	14.65	15.32	13.83	13.78	14.24	13.68
P/BV (X) - TTM	1.17	1.27	1.29	1.29	1.35	1.38	1.37	1.43	1.32	1.29	1.34	1.29
Dividend Yield (%)	4.51%	4.15%	4.09%	4.09%	3.88%	3.81%	3.84%	3.53%	3.89%	3.94%	3.87%	4.03%
Volume (Mn Shares)	170.1	166.0	107.8	134.7	125.2	148.8	239.7	218.3	167.7	234.5	283.2	439.5
Value (QAR Mn)	7,966.4	4,485.2	3,187.9	4,460.4	4,270.8	5,580.1	5,252.7	5,789.6	5,247.2	6,841.5	5,484.8	10,299.7
Trades	78,360	70,475	59,202	67,546	73,785	97,199	152,156	138,925	107,717	119,732	120,178	194,051

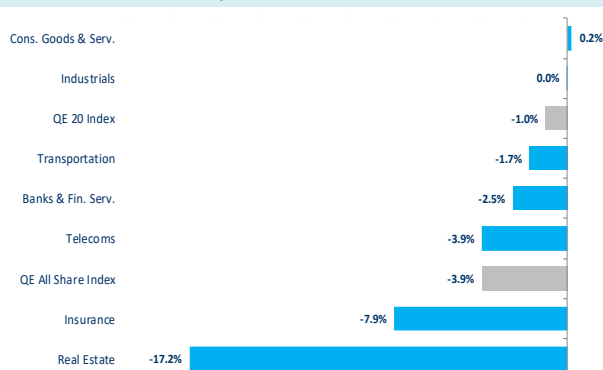
Source: Qatar Exchange, KAMCO Research

Qatar exchange declined by 1% in May-19, after gaining in the prior month, as the QE 20 index closed at 10,273.01 points. The Qatar All Share index which maps the broader market, underperformed and declined by 3.9% for the month. Market breadth favored decliners as 30 stocks receded while 16 stocks gained during May-19. The Real Estate index was the worst performing index, as the sector plunged by over 17.1%, driven by a 30.4% drop in the share price of Ezdan Holding, following stock specific news about delisting of the company which was waived by the shareholders later. The Insurance index and Telecom index followed with declines of 7.9% and 3.9% respectively. Telecom sector declines were ascribed to Vodafone Qatar's 8.6% m-o-m decline in May-19. Banks & Financial Services declined by 2.5% m-o-m, as Qatar National Bank (-4.1%) and Commercial Bank of Qatar (-8.7%) witnessed significant declines. The only sector which closed in the green, albeit marginally, was the Consumer Goods & Services index (+0.2%).

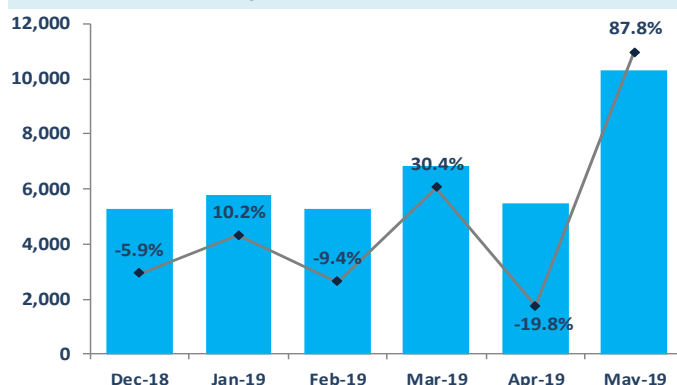
For Q1-19, the reported earnings of the 46 listed companies on the exchange showed a combined net profit amounting to QAR 10.5 Bn, a decrease of 4.1% y-o-y from QAR 10.9 Bn in Q1-18. Separately MSCI included of three listed companies in the MSCI Emerging Markets Index upon its recent review in May 2019. The companies added to the MSCI Emerging Markets Index (Large and Mid-Cap) are Mesaieed Petrochemical and Qatar Fuel, which drove up stock prices of both shares. Qatar Aluminum Manufacturing Company entered the MSCI EM Small Cap Index as well in May-2019. Qatar Central Securities Depository announced that it had amended the foreign ownership percentage of Mannai Corporation, Dala Brokerage, Qatar International Islamic Bank and Qatar Islamic Insurance Group to become 49% of the company's capital. In ratings action, Capital Intelligence (CI) affirmed the long-term foreign currency rating of Qatar Islamic Bank (QIB) at 'A+'. They also adjusted QIB's short-term foreign currency rating at 'A1', while the outlook for was kept at "stable".

Trading activity on the index was up m-o-m, as value traded during May-19 increased by 87.8% to reach QAR 10.3 Bn, while traded volumes improved by 55.1% m-o-m to reach 440 Mn shares. In terms of trading activity, Mesaieed Petrochemical topped the monthly value traded chart with QAR 2.1 Bn worth of shares traded, followed by Qatar Fuel and Qatar National Bank recording QAR 1.85 Bn and QAR 1.20 Bn in monthly value traded. In terms of volumes traded, Ezdan Holding Group led all stocks with traded volumes of 133 Mn shares. Mesaieed Petrochemical and Qatar Aluminum followed with traded volumes of 79.8 Mn shares and 36.5 Mn shares respectively. The Industrials sector was the most active in terms of value traded during May-19, accounting for 33.9% of the total value traded, followed by Banks & Financial Services and Consumer Goods & Services sectors, as they accounted for 26.7% and 19.7% of the total value traded respectively. The Industrials sector led trading volume for May 2019, accounting for 35.86% of the total trading volume, followed by Real Estate sector, which accounted for 35.36%. Mesaieed was the top performing stock in the index for the month as its share price surged by 32.7%. GISS followed along with Doha Bank, as their stock prices moved up by 20.7% and 7.0% respectively. On the other hand, shares of Ezdan Holding led the monthly losers chart losing 30.4% m-o-m. Salam International and Qatar First Bank followed with declines of 16.8% and 15.7% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

Bahrain Bourse

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Bahrain All Share Index	1,310.99	1,358.35	1,338.10	1,338.55	1,314.73	1,328.81	1,337.26	1,391.42	1,412.66	1,413.32	1,433.92	1,433.52
Monthly % Change	3.6%	3.6%	(1.5%)	0.0%	(1.8%)	1.1%	0.6%	4.1%	1.5%	0.0%	1.5%	(0.0%)
Market Cap (BHD Mn)	7,667	7,948	7,830	7,832	7,701	7,859	7,948	8,265	8,061	8,062	8,168	8,176
P/E (X) - TTM	8.69	8.71	8.45	8.79	8.74	8.45	8.60	8.93	9.42	9.36	9.41	10.27
P/BV (X) - TTM	0.78	0.81	0.80	0.80	0.79	0.79	0.80	0.82	0.85	0.83	0.84	0.85
Dividend Yield (%)	5.81%	5.61%	5.70%	5.69%	5.76%	5.77%	5.69%	5.48%	4.79%	5.13%	5.06%	5.08%
Volume (Mn Shares)	56.2	190.5	82.8	115.2	126.6	85.4	194.6	140.7	98.3	100.3	145.0	66.1
Value (BHD Mn)	12.8	24.9	18.7	22.1	28.8	23.5	89.3	35.4	23.1	30.2	33.7	16.2
Trades	1,104	2,329	1,493	1,320	1,720	1,265	1,521	2,094	2,185	1,719	2,040	1,408

Source: Bahrain Bourse, KAMCO Research

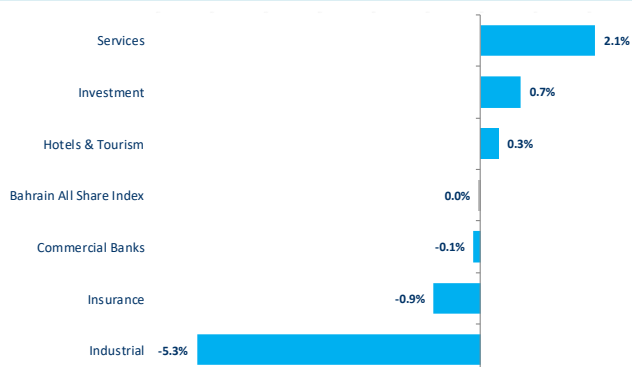
The Bahrain All share index was rangebound in May-19, closing at 1433.52 points. Services companies was the best performing index as it gained by 2.1% m-o-m, ascribed to a 6.2% jump in the share price of Batelco. The Investment index also gained, marginally at 0.7% m-o-m, driven by a 10% rise in the share price of Invest Corp. The Industrials sector was the worst performing index, declining by 5.3% m-o-m, dragged down singlehandedly by Aluminum Bahrain, as its share price dropped by 5.4% m-o-m. Commercial Banks were largely range bound (-0.1% m-o-m), despite a 1.8% decline in Bank of Bahrain and Kuwait, which was offset by a 2.4% gain in the share price of NBB.

In Q1-19 earnings, telecom player Batelco announced Q1-19 revenues of BHD 101.2 Mn, up 2% from Q1-18 revenues of BHD 99.5 Mn driven by strong performance at Batelco Bahrain, Umniah in Jordan and Dhiraagu in the Maldives. Net profit for Q1-19 came in at BHD 14.6 Mn, up from BHD 13.1 Mn in Q1-18, representing an increase of 11% y-o-y. Separately, Arab Banking Corporation reported Q1-19 net profit of USD 55 Mn, 4% higher compared to USD 53 Mn from Q1-18. Total operating income for Q1-19 was USD 215 Mn against USD 211 Mn reported for Q1-18. The y-o-y growth of 8% in local currency terms was reduced to 2% by FX depreciation of the Brazilian Real against the USD.

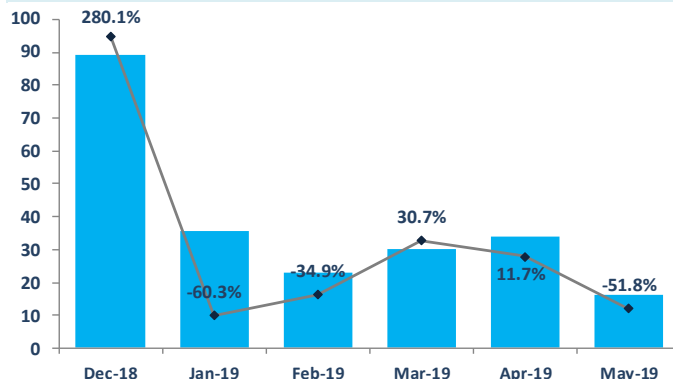
GFH Financial Group reported a 6.47% y-o-y increase in revenues, which reached USD 70.12 Mn as against USD 65.86 Mn in Q1-18. Net profit for Q1-19 was USD 21.36 Mn as compared with USD 36.48 Mn in Q1-18, representing a decrease of 41.44% y-o-y. The decrease in net profits is attributed primarily due to lower contribution from the Group's commercial banking arm and extended closure of investment funds. Total assets of the Group increased from USD 4.99 Bn in 2018 to USD 5.91 Bn in Q1-19, an increase of 18.4%. Separately, SICO's net profit for Q1-19 increased 31% to BHD 1.9 Mn as compared with BHD 1.4 Mn for Q1-18. Net operating income grew 40% y-o-y to BHD 4.5 Mn from BHD 3.2 Mn in Q1-18, ascribed to strong topline. Growth during Q1-19 was primarily driven by higher investment income, which increased 76% to BHD 2.5 Mn from BHD 1.4 Mn in Q1-18. SICO's performance was further supported by strong results from its assets management division, with total AUM growing 11% to BHD 775.2 Mn from BHD 699.1 Mn from year-end 2018. Fee based income increased 15% to BHD 954, 000 in the Q1-2019 from BHD 828,000 in the same period last year.

Trading activity almost halved in May-19, as volumes decreased by 52.5% m-o-m to reach 68.8 Mn shares from 145.0 Mn shares in April-19. Value traded also declined 49.4% m-o-m and reached BHD 17.0 Mn from BHD 33.7 Mn in April-19. The number of trades made in the exchange also decreased to 1,483 trades, down 31.8% m-o-m from April-19. AUB was the most actively traded stock in May-19 with BHD 7.6 Mn worth of its shares traded on the exchange. Batelco and GFH followed with BHD 2.6 Mn and BHD 1.7 Mn worth of shares traded. Of the 11 stocks that closed in the green in May-19, Investcorp Bank topped the gainers list, as it witnessed a 10.0% m-o-m increase, followed by BMMI with monthly gains of 7.3%. GFH was the main laggard, as it witnessed a m-o-m decline of 6.4%, followed by Ithmar Bank and Aluminum Bahrain with monthly declines of 5.7% and 5.4% each.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

Muscat Securities Market

Monthly Indicators	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
MSM 30 Index	4,571.8	4,336.6	4,419.3	4,543.7	4,422.9	4,412.1	4,323.7	4,215.8	4,144.5	3,983.7	3,945.6	3,934.2
Monthly % Change	(0.8%)	(5.1%)	1.9%	2.8%	(2.7%)	(0.2%)	(2.0%)	(2.5%)	(1.7%)	(3.9%)	(1.0%)	(0.3%)
Market Cap (OMR Mn)	7,397	7,132	7,240	7,528	7,350	7,391	7,233	7,002	6,892	6,709	6,613	6,602
P/E (X) - TTM	10.08	9.34	9.36	9.65	9.15	9.36	9.25	8.91	8.96	8.82	8.82	8.85
P/BV (X) - TTM	0.82	0.82	0.82	0.85	0.83	0.84	0.83	0.79	0.76	0.72	0.71	0.71
Dividend Yield (%)	6.34%	6.67%	6.49%	6.36%	6.54%	6.54%	6.66%	6.96%	7.18%	6.61%	6.60%	6.59%
Volume (Mn Shares)	198.8	215.1	153.8	230.2	213.7	283.5	257.6	261.7	400.7	310.8	303.3	180.6
Value (OMR Mn)	36.0	56.8	24.9	48.6	40.1	32.8	42.2	53.6	51.8	45.3	41.9	27.4
Trades	6,333	8,955	6,286	11,405	9,457	7,677	8,442	8,380	9,847	9,547	12,704	8,473

Source: Muscat Securities Market, KAMCO Research.

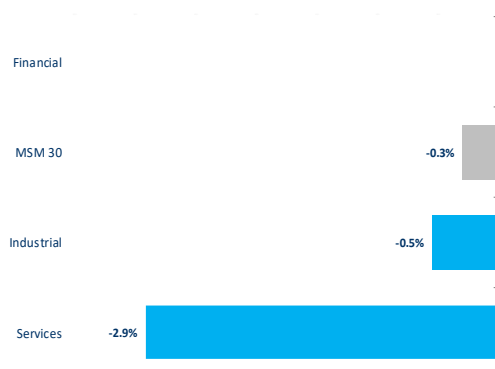
The MSM 30 index once again declined during May-19, albeit marginally, to reach a new record low by the end of the month. The index declined 0.3% during the month to reach pushing the YTD-19 decline to the lowest in the GCC at 9.0%. The index traded below the 4,000 points mark for most part of the month only to show marginal gains by towards the end of the month and closed at 3,934.2 points. On the sectoral front, the Services index recorded a decline of 2.9% followed by the Industrial index at -0.5% while the Financial Index ended up marginally up by 0.1%.

The monthly stock performance chart for the regular market was topped by Al Anwar Holding with a gain of 10.0% after the company's board proposed a cash dividend of 10 Baizas for the previous fiscal year. Last month the company had reported a steep decline in full year earnings on the back of a decline in net investment income. Bank Muscat was next on the monthly chart with a gain of 4.0% followed by Al Maha Ceramics and Raysut Cement with gains of 2.7% and 1.2%, respectively. During the month, Raysut Cement signed and agreement to acquires Sohar Cement Factor at a purchase price of OMR 60 Mn. The acquisition will increase the company's capacity to 4.7 million tons per year. On the decliners side, Vision Insurance recorded the steepest monthly decline of 9.2% followed by National Gas and Al Sharqia Investment Holding with the shares declining 9.0% and 7.5%, respectively.

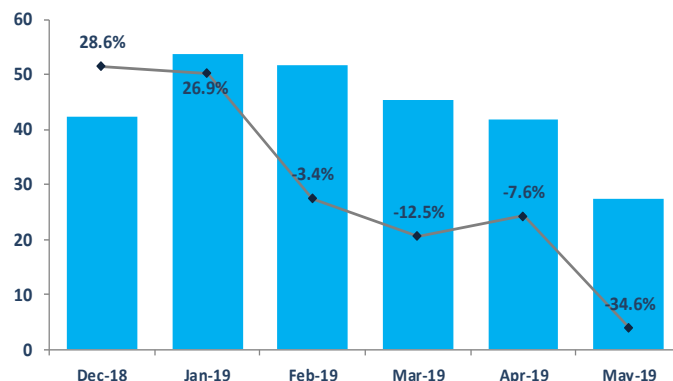
Trading activity continued to slide during the month. Monthly value traded declined by more than a third to 7.6% to reach a nine-month low level of OMR 27.4 Mn as compared to OMR 41.9 Mn in April-19. Monthly volume traded also declined but at a slightly faster pace of 40.4% to reach 180.6 Mn shares in May-19 as compared to 303.3 Mn shares during the previous month. Amongst the regular market stocks, Bank Muscat once gain topped the monthly value chart recording trades worth OMR 6.9 Mn during the month followed by Al Anwar Holding and Omantel with trades at OMR 2.6 Mn and OMR 1.9 Mn, respectively. On the monthly volume chart, Al Anwar Holding topped with 26.7 Mn traded shares followed by Bank Muscat and Muscat Finance with 16.9 Mn shares and 12.3 Mn shares, respectively. Volume traded in the regular market declined by a third during the month to reach 81.3 Mn shares while that in the parallel market declined at a higher rate of 48% to reach 93.7 Mn shares. The value of shares traded in the regular market declined by 18.3% to OMR 16.2 Mn while that in the parallel market halved to OMR 11.1 Mn. In terms of investor participation, the share of Omanis in the value of buy trades saw a sharp increase to reach 88.5% from 74.1% while their share in the value of sell trades increased to 88.8% as against 77.5% in April-19.

On the economic front and in a significant move, Oman's CMA suspended a 10% tax on dividend income for three years starting 6-May-19. The move is aimed at boosting foreign investments in the country and could be extended as announced by the Executive President of CMA. On the other hand, data from NCSI highlighted weak trends in the country's real estate sector with total value traded declining 13.6% during the first four months of the year to OMR 873.1 Mn reflecting subdued demand coupled with oversupply in the market.

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>