

## GCC Markets Monthly Report

August-2018

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### GCC markets decline on profit-taking after strong Q2-18 earnings...

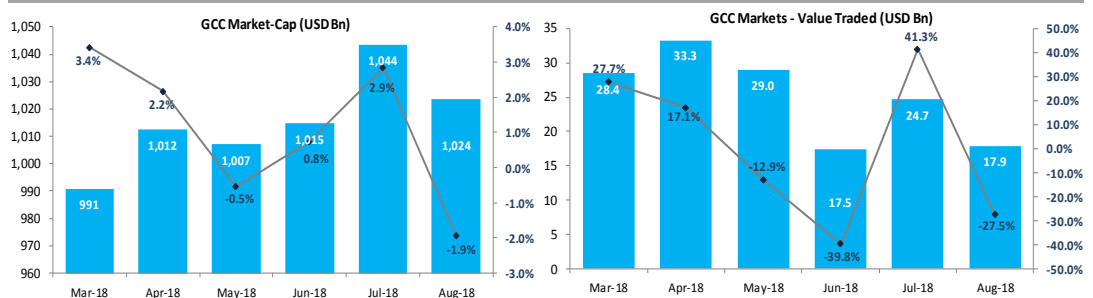
Most GCC markets declined during August-18 as investors booked profit post a healthy earnings performance coming from key sectors in the region. The aggregate GCC market performance was negative since the start of the month until the holidays due to seasonality specific to the GCC, however, markets failed to recover despite healthy buying post the Eid holidays. The monthly trading activity was also affected due to the week-long holidays during August-18.

Tadawul broke the psychological support of 8,000 points and closed down 4.2% making it the worst performing market in the GCC during the month after a majority of sector indices declined. Abu Dhabi was the only prominent gainer during the month with a gain of 2.6%, in addition to gains reported by Oman and Qatar. Nevertheless, despite the decline during August-18, GCC markets were up almost 14% for YTD-18 following double digit gains reported by Qatar, Abu Dhabi and Saudi Arabia.

Globally, financial markets witnessed low single digit growth in August-18 on the back of strong US market performance that was partially offset by weakness in European markets. GCC markets remained disconnected from world markets as it declined by 2.5% during the month (MSCI GCC Index). An almost 5% surge in oil prices during August-18 led by the looming US sanctions on Iran also failed to lift GCC markets during the month.

Q2-18 earnings performance for GCC-listed stocks was significantly positive on the back of positive earnings growth reported by large-cap sectors. Banking sector quarterly earning was up almost 12% to reach USD 9.3 Bn during Q2-18 as most large banks reported y-o-y growth in earnings. Similarly, Materials sector reported strong earnings growth during the quarter while the Telecom sector showed positive growth.

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	5,261.8	(0.7%)	9.8%	96.0	1,180.0	15.4	1.2	3.8%
Kuwait - Main Market Index	4,897.5	(0.7%)	1.4%					
Kuwait - All Share Index	5,132.3	(0.7%)	6.3%					
Saudi Arabia	7,948.3	(4.2%)	10.0%	504.9	14,466.4	15.3	1.8	3.9%
Abu Dhabi	4,986.9	2.6%	13.4%	141.1	597.1	12.5	1.3	5.1%
Dubai	2,840.2	(3.9%)	(15.7%)	98.7	678.7	7.7	1.0	5.7%
Qatar	9,886.5	0.6%	16.0%	150.0	875.6	13.8	1.3	4.1%
Bahrain	1,338.1	(1.5%)	0.5%	20.8	49.5	8.5	0.8	5.7%
Oman	4,419.3	1.9%	(13.3%)	12.1	37.9	9.4	0.8	6.5%
<b>Total GCC</b>				<b>1,023.5</b>	<b>17,885.1</b>	<b>13.3</b>	<b>1.4</b>	<b>4.3%</b>



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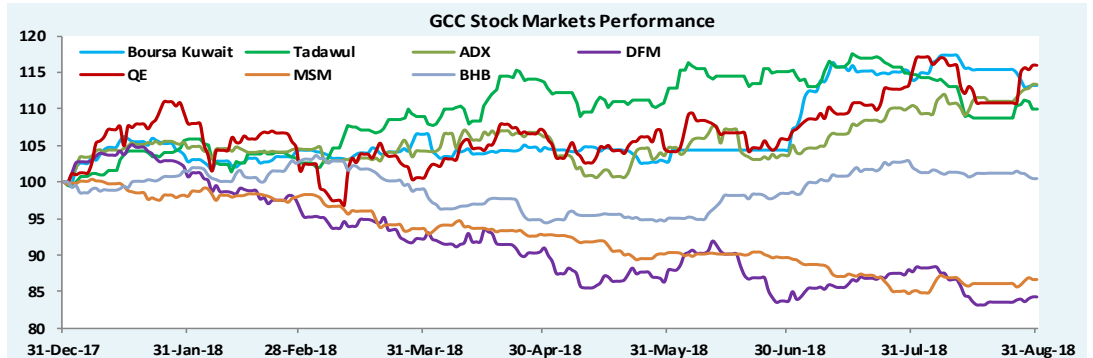
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Source: GCC Stock Exchanges, KAMCO Research

# Boursa Kuwait

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>Premier Market Index</b>	<b>5,177.7</b>	<b>5,034.2</b>	<b>4,758.8</b>	<b>4,793.5</b>	<b>4,921.6</b>	<b>4,982.6</b>	<b>5,000.0</b>	<b>4,778.7</b>	<b>4,690.6</b>	<b>4,904.8</b>	<b>5,297.0</b>	<b>5,261.8</b>
Monthly % Change	1.0%	(2.8%)	(5.5%)	0.7%	2.7%	1.2%	0.3%	(4.4%)	(1.8%)	4.6%	8.0%	(0.7%)
<b>Main Market Index</b>	<b>5,181.1</b>	<b>5,093.6</b>	<b>4,744.8</b>	<b>4,827.9</b>	<b>4,954.2</b>	<b>4,844.0</b>	<b>5,000.0</b>	<b>4,834.9</b>	<b>4,816.3</b>	<b>4,863.5</b>	<b>4,933.0</b>	<b>4,897.5</b>
Monthly % Change	(2.7%)	(1.7%)	(6.8%)	1.8%	2.6%	(2.2%)	3.2%	(3.3%)	(0.4%)	1.0%	1.4%	(0.7%)
<b>All Share Market Index</b>	<b>5,188.3</b>	<b>5,056.2</b>	<b>4,805.0</b>	<b>4,830.4</b>	<b>4,955.7</b>	<b>4,979.0</b>	<b>5,000.0</b>	<b>4,799.1</b>	<b>4,735.7</b>	<b>4,890.4</b>	<b>5,167.6</b>	<b>5,132.3</b>
Monthly % Change	0.2%	(2.5%)	(5.0%)	0.5%	2.6%	0.5%	0.4%	(4.0%)	(1.3%)	3.3%	5.7%	(0.7%)
<b>Thomson Reuters Kuwait TRI</b>	<b>202.3</b>	<b>196.2</b>	<b>186.4</b>	<b>189.2</b>	<b>194.4</b>	<b>197.5</b>	<b>201.6</b>	<b>198.1</b>	<b>194.5</b>	<b>202.6</b>	<b>215.6</b>	<b>214.2</b>
Monthly % Change	1.5%	(3.0%)	(5.0%)	1.5%	2.8%	1.6%	2.1%	(1.7%)	(1.9%)	4.2%	6.4%	(0.6%)
<b>Market Cap (KWD Mn)</b>	<b>29,349</b>	<b>28,493</b>	<b>27,044</b>	<b>27,243</b>	<b>27,973</b>	<b>28,036</b>	<b>28,158</b>	<b>26,912</b>	<b>26,607</b>	<b>27,473</b>	<b>29,205</b>	<b>28,989</b>
P/E (X) - TTM	15.87	15.44	14.64	14.80	14.40	14.48	14.55	14.60	14.50	14.90	15.80	15.37
P/BV (X) - TTM	1.29	1.26	1.20	1.20	1.22	1.22	1.23	1.15	1.14	1.17	1.25	1.24
Dividend Yield (%)	4.34%	4.51%	4.75%	4.72%	4.75%	4.34%	4.31%	3.44%	3.92%	3.88%	3.72%	3.78%
Volume (Mn Shares)	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	2,916.2	1,789.5
Value (KD Mn)	426.2	465.8	327.6	192.5	322.9	207.3	227.3	240.8	204.8	242.1	633.4	356.5
Trades ('000)	71.9	86.4	71.7	52.8	93.3	54.5	55.4	61.0	57.4	47.5	126.5	85.2

Source: Kuwait Stock Exchange, KAMCO Research

Kuwaiti indices were back in the red during August-18 after posting healthy gains during the previous month. All the benchmark indices receded during the month by almost 0.7% thereby pushing down the YTD-18 gains. The Premier market index closed at 5,261.82 points with a YTD-18 gain of 9.8%, while that of the Main Market Index and the All Share Index stood at 1.4% and 6.3%, respectively. Within the Premier Market index, merely five stocks reported gains during the month while 10 stocks declined, including NBK (-0.9%), Gulf Bank (-3.8%), KIB (-3.9%) and Burgan Bank (-8.3%).

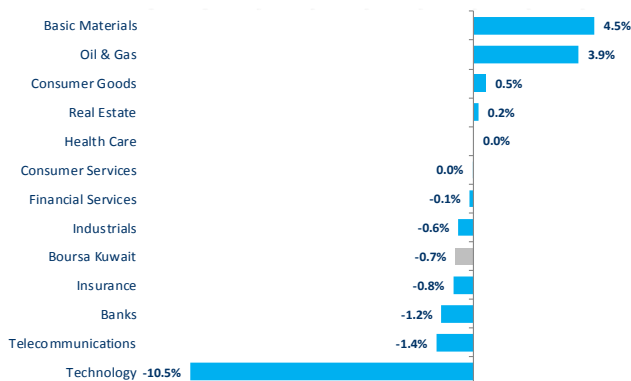
In terms of sector performance, most of the sectoral indices witnessed marginal declines during the month. The Technology index witnessed the steepest decline of 10.5% primarily on the back of an equivalent decline in shares of ASC led by a decline in Q2-18 profits. Large-cap sectors like Banks, Telecoms, Energy and Basic Materials also witnessed declines during the month.

Within the banking sector, merely three banks reported gains during the month including AUB-Kuwait, KFH and Boubyan Bank while the rest of the Kuwaiti banks closed the month with a decline. In the Telecom sector, only Viva Kuwait recorded positive performance during the month with a gain of 1.2% after reporting healthy growth in net profits. On the other hand, shares of Zain and Ooredoo Kuwait declined by 1.9% and 1.4%, respectively. The Real Estate sector ended marginally positive during the month as a majority of the stocks reported gains including United Real Estate (+3.1%) and Mabanee (+0.9%) that were partially offset by declines in shares of National Real Estate (-5.2%), Commercial Real Estate (-1.1%), Mazaya (-11.6%) and Kuwait Real Estate (-2.4%).

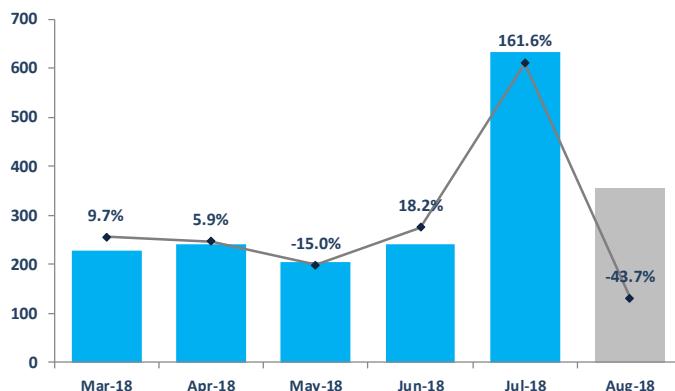
In terms of trading activity, the exchange recorded a steep plunge in both volume and value traded during the month due to the Eid holidays. Monthly volume traded declined by almost 40% to 1.8 Bn shares during August-18, while monthly value traded declined by an even steeper rate of 44% to reach KWD 357 Mn. Shares of KFH (+0.7%) garnered the most interest in terms of value traded recording total trades of KWD 54.4 Mn followed by NBK (-0.9%) and Zain (-1.9%) at KWD 40.6 Mn and KWD 35.6 Mn, respectively.

The monthly gainers chart was topped by Sanam Real Estate recording a gain of 57.5% although trades in the stock were minimal. KMEFIC was second on the list with a gain of 24% closely followed by Aayan Leasing and Kuwait Syrian Holding with monthly gains of 23.7% and 21.1%, respectively. On the decliners chart, Amar for Finance and Leasing topped with a decline of 21.7% despite reporting profits for Q2-18, albeit marginal, as compared to a loss in the corresponding quarter in the previous year. Umm Al Qaiwain General Investment was second on the decliners list with a fall of 17.9% followed by ABK and Mazaya Holding with declines of 12.1% and 11.6%, respectively.

## Boursa Kuwait Monthly Sector Performance



## Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, KAMCO Research

## Saudi Arabia (Tadawul)

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Tadawul All Share Index	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	8,294.8	7,948.3
Monthly % Change	0.3%	(4.8%)	1.0%	3.2%	5.9%	(3.0%)	6.1%	4.3%	(0.6%)	1.9%	(0.2%)	(4.2%)
Market Cap (SAR Bn)	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	1,970.2	1,893.5
P/E (X) - TTM	15.41	14.41	14.81	14.81	16.34	15.04	16.12	16.25	16.37	16.73	15.93	15.34
P/BV (X) - TTM	1.68	1.60	1.62	1.62	1.76	1.67	1.75	1.82	1.81	1.85	1.85	1.77
Dividend Yield (%)	4.26%	4.47%	4.42%	4.42%	3.87%	3.99%	4.06%	3.75%	3.74%	3.62%	3.78%	3.93%
Volume (Mn Shares)	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	2,881.1	2,020.9
Value (SAR Mn)	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	73,214.0	54,251.5
Trades ('000)	1,167	1,735	1,979	2,352	2,204	1,925	2,180	2,769	2,195	1,251	2,031	1,486

Source: Tadawul, KAMCO Research

Weaker trends in the Saudi Arabian stock market continued in August-18 after investors booked profits post a solid positive run since the start of the year. After reporting marginal decline during the previous month, the benchmark TASI witnessed the biggest decline in the GCC during August-18 to close below the psychological mark of 8,000 points. The index declined 4.2% and reached 7,948.25 points following decline in almost all the sectoral indices. Merely three sectors, namely Retailing, Commercial & Professional Services and Transportation recorded gains during the month while the rest of the sectors recorded single digit declines. The Retailing sector topped the monthly sector performance chart with a gain of 4.0% following double digits gains recorded by Fawaz Abdulaziz Alhokair Co (+14%) after the retailer posted 7.2% y-o-y gains in quarterly net profit. Shares of Jarir Marketing was also up 3.75% led by higher Q2-18 net profits reported by the company. The aforementioned gains more than offset declines recorded by other companies in the Retail sector. The Commercial & Professional Services index also reported gains of 3.7% primarily on the back of 4.5% surge in prices of Saudi Airlines Catering despite the company reported a marginal decline in quarterly earnings.

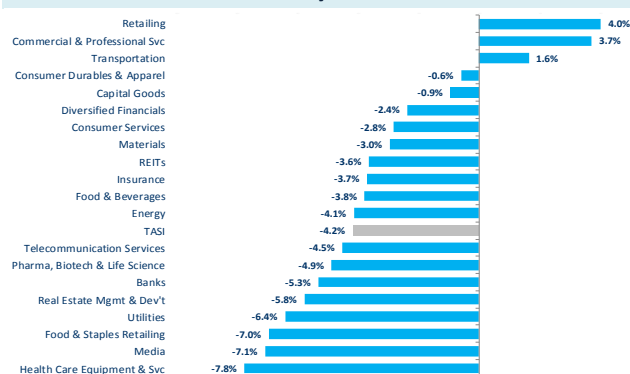
On the decliners side, the Healthcare & Equipment Services sector recorded the biggest drop of 7.8% after all the stocks in the sector declined during the month. The Media sector declined of 7.1% also as both the listed stock in the sector declined followed by Food & Staples Retailing and Utilities indices with declines of 7.0% and 6.4%, respectively. Banks index also declined by 5.3% after shares of all the listed banks in the Kingdom receded during the month. Banque Saudi Fransi reported the biggest drop of 9.6% followed by Samba Financial Group and Riyadh Bank with declines of 9.5% and 9.0%, respectively.

Trading activity during the month declined due to the Eid holidays. Monthly volume traded declined by 30% to reach 2 Bn shares as compared to 2.9 Bn shares during July-18. Monthly value traded also declined from SAR 73.2 Bn in July-18 to SAR 54.3 Bn in August-18. Alinma Bank topped the monthly volume and value chart with a total of 534.6 Mn shares traded during the month followed by Dar Al Arkan Real Estate Development and Saudi Kayan with volumes at 215.4 Mn and 112 Mn, respectively. In terms of monthly value traded, SABIC topped the chart with SAR 12.3 Bn worth of shares traded during the month followed by Alinma Bank and Al Rajhi Bank with shares worth SAR 12 Bn and SAR 2.8 Bn trading during the month, respectively.

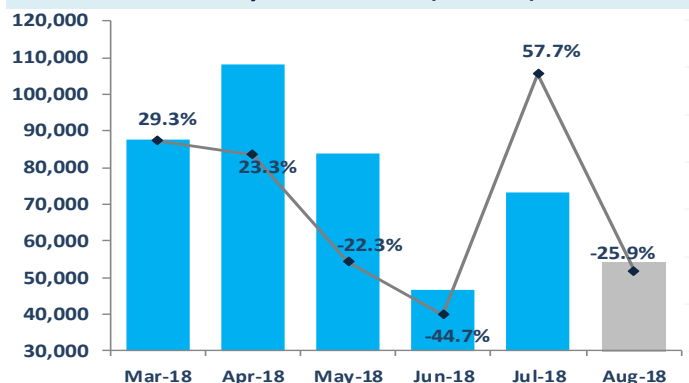
The monthly gainers chart was topped by AlHokair with the aforementioned gain of 14% followed by Bupa Arabia and MESC with gains of 13.3% each. On the monthly decliners chart, Saudi German Hospital topped with a decline of 26.9% followed by Arabian Shield and Salama with declines of 22.2% and 21.7%, respectively.

On the economic front, the IMF forecasted a drop in the Kingdom's fiscal deficit to 1.7% of GDP in 2019 as a result of higher oil exports and growth in non-oil revenues that would likely offset spending on populist schemes. The fund also supported the government's plan of a balanced budget by 2023 in addition to the wide scale reforms and the introduction of VAT in the Kingdom.

### Tadawul Monthly Sector Performance



### Monthly Value Traded (SAR Mn)



Source: Tadawul, KAMCO Research

## Abu Dhabi Securities Exchange

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>ADX General Index</b>	<b>4,397.4</b>	<b>4,479.6</b>	<b>4,283.1</b>	<b>4,398.4</b>	<b>4,602.2</b>	<b>4,597.7</b>	<b>4,585.4</b>	<b>4,669.5</b>	<b>4,605.0</b>	<b>4,560.0</b>	<b>4,859.5</b>	<b>4,986.9</b>
Monthly % Change	(1.6%)	1.9%	(4.4%)	2.7%	4.6%	(0.1%)	(0.3%)	1.8%	(1.4%)	(1.0%)	6.6%	2.6%
<b>Market Cap (AED Bn)</b>	<b>450.8</b>	<b>459.8</b>	<b>438.7</b>	<b>485.8</b>	<b>508.1</b>	<b>503.4</b>	<b>499.7</b>	<b>502.4</b>	<b>491.1</b>	<b>486.8</b>	<b>510.9</b>	<b>518.3</b>
P/E (X) - TTM	11.18	11.11	10.89	11.12	11.54	11.63	11.71	11.27	11.76	11.60	12.12	12.52
P/BV (X) - TTM	1.55	1.57	1.51	1.54	1.59	1.26	1.26	1.28	1.20	1.19	1.27	1.30
Dividend Yield (%)	5.46%	5.38%	5.58%	5.46%	5.94%	6.01%	6.02%	5.93%	5.52%	5.60%	5.20%	5.07%
Volume (Mn Shares)	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	686.5	597.7
Value (AED Mn)	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	2,124.5	2,193.1
Trades	24,571	23,607	18,355	19,576	23,586	17,775	20,106	22,015	26,261	17,927	16,717	15,859

Source: Abu Dhabi Securities Exchange, KAMCO Research

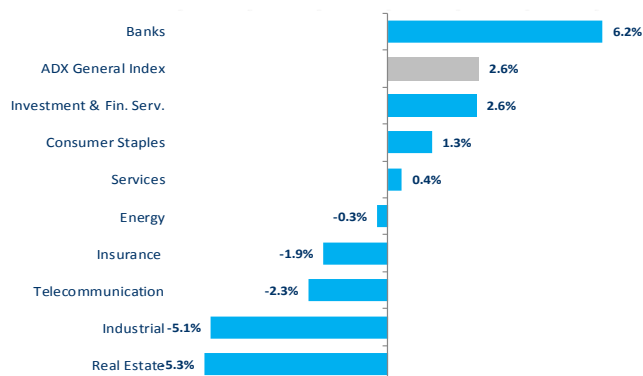
ADX was the best performing market in the GCC during August-18 with a monthly return of 2.6% that pushed the market's YTD-18 return to 13.4%, the second-highest in the GCC after Qatar. Gains during the month came primarily on the back of the Banking sector with the Bank index up 6.2%. The Investment & Financial Services, Consumer Staples and Services sectors also supported monthly gains while the rest of the sectoral indices declined. On the decliners side, the Real Estate index witnessed the biggest plunge of 5.3% during the month followed by the Industrial index that dipped by a close 5.1%. Monthly trading activity on ADX surged despite the holidays. The monthly traded value increased by 3.2% to reach AED 2.2 Bn, although monthly volume declined by 12.9% to 598 Mn shares. FAB topped in terms of monthly value traded at AED 1.1 Bn followed by Etisalat and Dana Gas with trades worth AED 281 Mn and AED 167.7 Mn, respectively.

Gains in the banking sector came primarily on the back of 12.2% gain in shares of United Arab Bank although trades in the bank's shares were minimal. Further gains came on the back of an 8.8% surge in shares of First Abu Dhabi Bank (FAB). A recent report from Moody's on UAE Banking sector said that four banks in the UAE, including FAB and ADCB in Abu Dhabi, would maintain stable profits in the next 12-18 months led by steady interest earnings and lower provisioning charges. Meanwhile, in the Industrial index, merely two stocks reported gains, namely RAK White Cement and Sharjah Cement, while most of the other stocks declined.

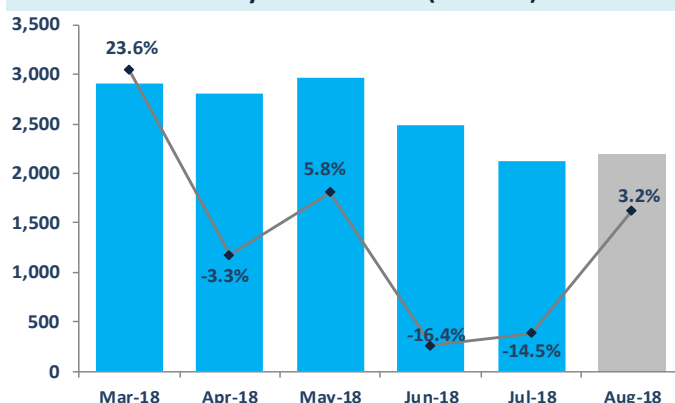
Banking stocks featured prominently on the monthly gainers chart. The chart was topped by United Arab Bank with a monthly gain of 12.3% followed by First Abu Dhabi Bank and Gulf Medical Projects with gains of 8.8% and 6.7%, respectively. On the decliners chart, National Takaful Co. topped with a decline of 24.2% followed by Invest Bank and Emirates Insurance with declines of 16% and 9.7%, respectively. Nevertheless, the top monthly decliners had minimal trades in their stocks. Notably, despite monthly gains reported by the ADX benchmark index, the monthly market breadth was skewed towards decliners that included 25 companies as against 16 gainers.

In terms of the earnings season, H1-18 combined net profit increased by 0.57% vs. H1-17. The Insurance sector with an increase of 75.08% posted the highest y-o-y increase, followed by the Financial Services with an increase of 48.28%. Property developer Aldar reported H1-18 revenues of AED 3.0 Bn an increase of 2% y-o-y from AED 2.9 Bn posted in H1-17 driven by revenue recognition on developments under construction and recent asset acquisition. H1-18 net profit came in at AED 1.1 billion, down from AED 1.3 Bn in H1-17. In other prominent earnings ADNOC Distribution reported H1-18 revenues of AED 10,966.8 Mn, an increase of 16.5% compared to revenues of AED 9,471.1 Mn in H1-17. The increase in revenue was primarily driven by increases in fuel prices resulting from increases in oil prices in H1-18 compared to H1-17, partially offset by the decrease in total fuel sales volume from H1-17. Profit for H1-18 was AED 1,124.3 Mn, up 18.1% compared to H1-17 profits of AED 951.8 Mn. TAQA reported a H1-18 net income of AED 278 million as compared to AED 112 Mn reported in H1-17. H1-18 revenues came in at around AED 8.6 Bn, a marginal improvement from the H1-17 figure of AED 8.4 Bn driven by the higher oil and liquids prices, which has more than offset the lower volumes as well as increased fuel revenue in Morocco.

### ADX Monthly Sector Performance



### Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, KAMCO Research

## Dubai Financial Market

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>DFM General Index</b>	<b>3,564.0</b>	<b>3,635.9</b>	<b>3,420.2</b>	<b>3,370.1</b>	<b>3,394.4</b>	<b>3,244.1</b>	<b>3,108.5</b>	<b>3,066.0</b>	<b>2,964.1</b>	<b>2,821.0</b>	<b>2,956.0</b>	<b>2,840.2</b>
Monthly % Change	(2.0%)	2.0%	(5.9%)	(1.5%)	0.7%	(4.4%)	(4.2%)	(1.4%)	(3.3%)	(4.8%)	4.8%	(3.9%)
<b>Market Cap (AED Bn)</b>	<b>369.3</b>	<b>368.1</b>	<b>373.8</b>	<b>383.6</b>	<b>391.8</b>	<b>377.6</b>	<b>375.6</b>	<b>373.7</b>	<b>358.7</b>	<b>352.1</b>	<b>372.2</b>	<b>362.4</b>
P/E (X) - TTM	9.99	10.04	9.44	9.23	9.11	9.16	8.70	8.38	7.97	7.68	7.84	7.67
P/BV (X) - TTM	1.22	1.25	1.18	1.17	1.17	1.10	1.05	1.04	1.02	0.97	1.04	1.00
Dividend Yield (%)	4.84%	4.75%	5.03%	5.15%	5.14%	4.71%	6.53%	5.01%	5.16%	5.39%	5.00%	5.74%
Volume (Mn Shares)	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	3,448.2	1,718.9
Value (AED Mn)	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	4,156.5	2,492.8
Trades	43,464	99,296	81,175	66,304	80,175	67,869	52,549	46,580	72,982	53,145	50,788	26,532

Source: Dubai Financial Market, KAMCO Research

DFM benchmark index once again declined during August-18 after witnessing healthy gains during July-18. The index dipped 3.9% during the month and was the second worst performing market in the GCC during the month. The index has declined in six out of the eight months since the start of the year resulting in YTD-18 decline of 15.7%, the highest in the GCC. The monthly decline during August-18 resulted from a broad based weakness in the market with only one sector closing the month in the green. The Consumer Staples sector reported gains of 2.7% solely on the back of 3% gains reported by the largest company in the sector, DXB Entertainment.

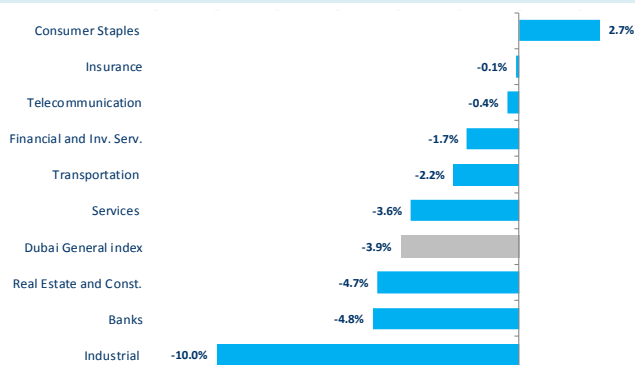
On the other hand, sectoral decliners included the Industrial index with the biggest fall of 10% on the back of an equivalent decline in shares of National Cement after the company reported a sharp drop in net profits for Q2-18. The Banking and the Real Estate indices were also prominent decliners during the month. The Banking index dropped 4.8% as a majority of the banks witnessed declines during the month. Emirates NBD was the biggest decliner with a fall of 10.4% followed by Mashreq Bank at 9.3%. A decline in Turkish Lira has affected banks across the region having exposure to the currency. Moreover, ENBD was talks to acquire Turkey's Denizbank for USD 3.2 Bn and the deal price could be impacted due to the currency weakness. In the Real Estate sector, Emaar Development was the only stock that reported monthly gains of 3.7% while the rest of the stocks declined. Shares of DSI plunged 32.4% during the month as the company faces concerns about its financial position in addition to an investigation by regulators.

Prominent gainers during the month included Islamic Arab Insurance with a gain of 7.3% that came after the company reported significant improvement in its quarterly net profit. Emaar Development also featured on the gainers chart (+3.7%) in addition to Amanat Holding (+2.5%), DISB (+1.8%) and Aramex (+1.2%). Monthly decliners chart was topped by DSI (-32.4%) followed by Takaful Emarat and Takaful House with monthly declines of 18% and 11.6%, respectively.

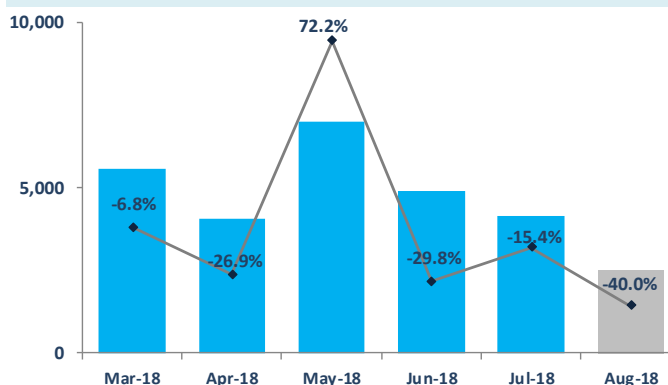
Trading activity on the exchange took a blow during the month with steep decline in volume and value traded. The monthly volume traded dipped 50% to reach 1.7 bn shares while monthly value traded declined by 40% to reach AED 2.5 Bn. GFH topped the monthly value traded chart with shares worth AED 418 Mn changing hands during the month followed by Emaar Properties and Dubai Islamic Bank at AED 403.5 Mn and AED 267.5 Mn, respectively. The monthly volume chart was topped by DSI with 325 Mn shares traded during the month followed by GFH and Ajman Bank at 297.5 Mn and 170.2 Mn shares, respectively.

In prominent earnings on the DFM, DXB Entertainments mentioned that H1-18 visits were up by 46% and reached 1.46 Mn as compared to 1.00 Mn in H1-17. As a result, H1-18 revenues came in at AED 289 Mn as compared to AED 279 Mn in H1-17. Arabtec announced a net profit to parent of AED 113 Mn and revenues of AED 4.8 Bn for H1-18. Emaar Properties recorded revenues of AED 11,474 Bn in H1-18, up 46% than the AED 7.866 Bn reported in H1-17, driven by strong construction progress and growth in malls business. Net profit increased by 18% to AED 3.344 Bn. The net profit for H1-18 after considering impact of Emaar Development IPO increased by 5% to AED 2.981 Bn.

### DFM Monthly Sector Performance



### Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, KAMCO Research

## Qatar Exchange

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>QE 20 Index</b>	<b>8,312.4</b>	<b>8,165.1</b>	<b>7,714.3</b>	<b>8,523.4</b>	<b>9,204.6</b>	<b>8,653.3</b>	<b>8,574.0</b>	<b>9,112.0</b>	<b>8,880.5</b>	<b>9,024.0</b>	<b>9,825.1</b>	<b>9,886.5</b>
Monthly % Change	(5.5%)	(1.8%)	(5.5%)	10.5%	8.0%	(6.0%)	(0.9%)	6.3%	(2.5%)	1.6%	8.9%	0.6%
<b>Market Cap (QAR Bn)</b>	<b>454.6</b>	<b>444.1</b>	<b>418.1</b>	<b>472.0</b>	<b>501.8</b>	<b>461.2</b>	<b>470.5</b>	<b>509.3</b>	<b>491.7</b>	<b>493.6</b>	<b>539.9</b>	<b>546.3</b>
P/E (X) - TTM	12.18	11.92	11.15	12.79	13.70	12.23	12.21	12.82	12.72	12.68	13.75	13.82
P/BV (X) - TTM	1.15	1.11	1.04	1.19	1.22	1.11	1.12	1.20	1.16	1.17	1.27	1.29
Dividend Yield (%)	4.73%	4.89%	5.25%	4.56%	4.63%	4.67%	4.67%	4.36%	4.55%	4.51%	4.15%	4.09%
Volume (Mn Shares)	192.5	167.2	167.9	243.7	251.6	165.1	260.8	249.1	265.9	170.1	166.0	107.8
Value (QAR Mn)	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	4,485.2	3,187.9
Trades	48,956	51,506	68,307	76,196	97,166	66,867	89,162	81,989	107,738	78,360	70,475	59,202

Source: Qatar Exchange, KAMCO Research

Qatari indices continued to surge during August-18 although the gains were much smaller as compared to last month. The benchmark QE 20 index was up 0.6% while the broader Qatar All Share Index outperformed with a higher gain of 1.4%. These gains further strengthened the YTD-18 gains for the market which continues to be the highest in the GCC at 16.0% and 17.8% for the QE 20 Index and the Qatar All Share Index, respectively.

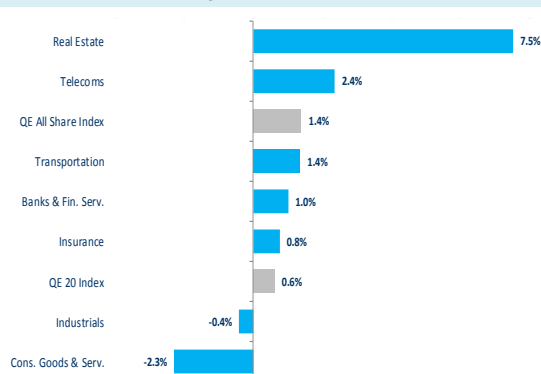
In terms of sector performance, the Real Estate index topped the monthly chart with a gain of 7.5% followed by 2.4% gains for the Telecom index and 1.4% gains for the Transportation index. The Banking & Financial Services index also had a positive performance with a monthly gain of 1.0%. Gains in the Real Estate sector were solely on the back of 14.4% surge in shares of Ezdan Holding Group, while the 4.5% decline in shares of Mazaya Qatar and 0.8% decline in shares of Barwa Real Estate partially offset these gains. Meanwhile, the Banking & Financial Services index was buoyed by 5.3% gains in shares of Qatar Islamic Bank further supported by 1.7% gain in shares of Qatar National Bank and 1.2% gain in shares of Khaleeji Commercial Bank. Shares of Commercial Bank of Qatar dropped 3.4%, partially offsetting the gains for the broader index despite upgrades from rating agencies. Fitch and Moody's upgraded the outlook of Commercial Bank to Stable and affirmed the long-term issuer default ratings at 'A' (Fitch) and 'A3' (Moody's), and ascribed the upgrade to the strength of Qatar's economy and the banking sector. Moody's expects no change in the capacity of the government to support the country's banks.

Trading activity on the exchange declined in line with most of the other GCC markets. Monthly volume traded declined by more than a third to reach 106 Mn shares during August-18. Monthly value traded also declined but at a slightly lower pace of 28.9% to reach QAR 3.2 Bn. Qatar National Bank topped the monthly value traded chart with QAR 674.7 Mn worth of shares traded, followed by Industries Qatar and Qatar Islamic Bank recording QAR 314 Mn and QAR 218.6 Mn in monthly value traded, respectively. In terms of monthly volumes, Ezdan Holding topped the chart with 17.2 Mn shares changing hands during the month worth QAR 174.9 Mn. Naqilat was second on the list with 11.7 Mn shares followed by Vodafone Qatar and Mazaya Qatar at 8.7 Mn and 8.4 Mn shares, respectively.

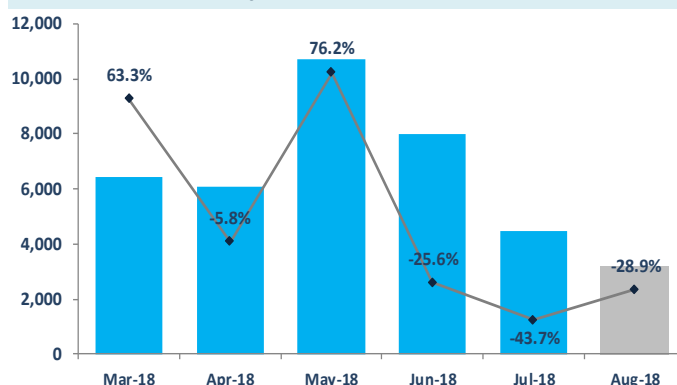
The monthly gainers chart was topped by Ezdan Holding with a gain of 14.4% followed by Doha Insurance and Mannai Corp. with gains of 12.9% and 7.1%, respectively. On the decliners side, Al Khaleeji Takaful Group topped with a decline of 8.7% followed by Al Meera Consumer Goods and Aamal Co. with declines of 6.3% and 5.8%, respectively. The monthly market breadth was skewed towards decliners that included 23 companies as against 17 gainers.

The remainder of H1-18 earnings season saw MPHIC report a net profit of QAR 666 Mn for H1-18, compared to a net profit of QAR 469 Mn, driven by a 13% increase in selling prices and 6% increase in sales volumes from the previous year, as the previous year witnessed planned turnaround in one of the group plants. Net profit was also aided by the recognition of a tax refund of approximately QAR 64 Mn for the period. Al Meera posted H1-18 revenues of QAR 1,563.4 Mn, an increase of 9.7% driven by sales from branches opened prior to 2017.

### QE Monthly Sector Performance



### Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, KAMCO Research

## Bahrain Bourse

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>Bahrain All Share Index</b>	<b>1,283.78</b>	<b>1,276.69</b>	<b>1,283.71</b>	<b>1,331.71</b>	<b>1,350.67</b>	<b>1,369.90</b>	<b>1,318.40</b>	<b>1,257.88</b>	<b>1,265.80</b>	<b>1,310.99</b>	<b>1,358.35</b>	<b>1,338.10</b>
Monthly % Change	(1.4%)	(0.6%)	0.5%	3.7%	1.4%	1.4%	(3.8%)	(4.6%)	0.6%	3.6%	3.6%	(1.5%)
<b>Market Cap (BHD Mn)</b>	<b>7,284</b>	<b>7,258</b>	<b>7,293</b>	<b>7,653</b>	<b>7,774</b>	<b>7,900</b>	<b>7,516</b>	<b>7,509</b>	<b>7,531</b>	<b>7,667</b>	<b>7,948</b>	<b>7,830</b>
P/E (X) - TTM	8.64	8.52	8.51	8.65	8.70	9.89	9.46	9.11	8.51	8.69	8.71	8.45
P/BV (X) - TTM	0.82	0.82	0.82	0.84	0.86	0.83	0.78	0.76	0.77	0.78	0.81	0.80
Dividend Yield (%)	5.21%	5.21%	5.18%	5.06%	4.98%	5.24%	5.45%	5.65%	5.92%	5.81%	5.61%	5.70%
Volume (Mn Shares)	164.5	78.6	81.5	103.1	156.3	178.0	101.9	86.6	82.4	56.2	190.5	82.8
Value (BHD Mn)	13.1	18.6	15.2	16.8	25.1	31.0	36.8	16.8	14.5	12.8	24.9	18.7
Trades	1,484	2,146	1,763	1,854	2,257	1,871	1,303	1,384	1,429	1,104	2,329	1,493

Source: Bahrain Bourse, KAMCO Research

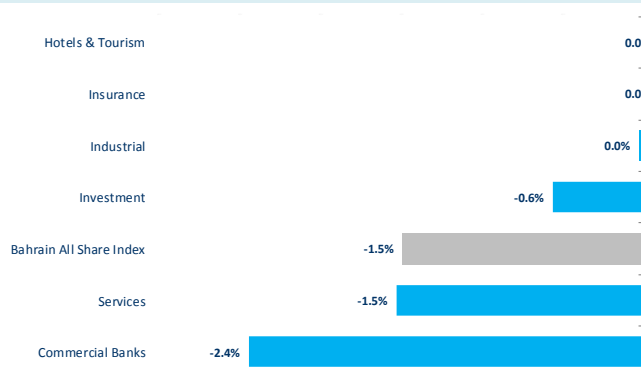
After three consecutive months of positive performance, the Bahrain All Share Index declined during August-18 by 1.5% to reach 1,338.1 points. The decline was broad-based as all the sectoral indices either ended in the red zone or were flat during the month due to inactivity in constituent stocks. Commercial banks witnessed the biggest slide during August-18 with the index down 2.4% followed by the Services sector at 1.5%. Within the Commercial Banks sector, shares for all the banks declined during the month with Bahrain Islamic Bank witnessing the steepest drop of 7.1% followed by Al Salam Bank and AlKhaleeji Commercial Bank with declines of 6.7% and 5.4%, respectively. AUB Bahrain, the biggest bank on the exchange, also dropped 2.9% further pulling down the index. The decline in shares of Bahrain Islamic Bank came after the bank reported a drop in Q2-18 profits from BHD 2.7 Mn in Q2-17 to BHD 1.4 Mn in Q2-18 owing to impairments charges that increased from BHD 1.8 Mn in Q2-17 to BHD 2.6 Mn in Q2-18. In addition, Both Al Salam Bank and Khaleeji Commercial Bank reported declines in quarterly net profits for Q2-18.

Trading activity on the exchange dropped after improving in the previous month. Total monthly volume dropped by 44.4% to 82.8 Mn shares as compared to 190.5 Mn shares during the previous month. Monthly value traded also dropped but at a much lower pace of 25% to reach BHD 18.7 Mn in August-18 as compared to 24.9 Mn during July-18. AUB topped the monthly volume chart with 44 Mn shares changing hand during the month followed by GFH and Ithmar Bank at 13.8 Mn and 6.9 Mn shares, respectively. AUB also topped the monthly value chart with shares worth BHD 11.4 Mn changing hands during the month followed by GFH and Aluminum Bahrain at BHD 2.1 Mn and BHD 1.3 Mn in value traded, respectively.

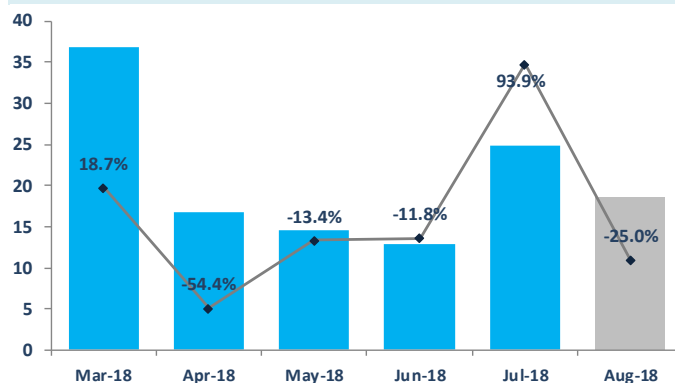
The monthly gainers chart included companies with low-single digit gains. The list was topped by Arab Banking Corp with a gain of 1.3% followed by Bahrain Ship Repairing and Engineering also recording a gain of 1.3%. Investcorp was next on the list with a gain of 1.1% followed by Seef Properties and Batelco with gains of 0.9% and 0.8%, respectively. On the decliners side, three out of the top five decliners were banks. Bahrain Cinema topped the list as its shares plunged 21.4% amid thin trading after the company reported a steep decline in net profits for 1H-18. Bahrain Islamic Bank was next on the list with a decline of 7.1% followed by Al Salam Bank and Khaleeji Commercial Bank with declines of 6.7% and 5.4%. In prominent earnings, GFH reported consolidated revenues of USD 124.2 Mn, up 12.5% y-o-y as compared to USD 110.4 Mn in H1-17, driven by revenues generated from its investment banking business. Consolidated net profit came in at USD 73.4 Mn for H1-18, an increase of 12.1% from USD 65.5 Mn for H1-17. Arab Banking Corporation reported H1-18 consolidated net profit of USD 113 Mn, 11% higher compared to USD 102 Mn reported for the first half of the previous year.

On the economic front, Moody's downgraded Bahrain's long-term issuer ratings to B2 from B1 and maintained their negative outlook. The key driver for the rating downgrade is a further rise in Bahrain's external and government liquidity risks to elevated levels, constraining access to market financing than previously envisaged. The downgrade also affected ratings of key banks in the country.

### BSE Monthly Sector Performance



### Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, KAMCO Research

## Muscat Securities Market

Monthly Indicators	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>MSM 30 Index</b>	<b>5,137.4</b>	<b>5,010.7</b>	<b>5,106.5</b>	<b>5,099.3</b>	<b>5,000.0</b>	<b>5,003.4</b>	<b>4,773.5</b>	<b>4,729.1</b>	<b>4,606.7</b>	<b>4,571.8</b>	<b>4,336.6</b>	<b>4,419.3</b>
Monthly % Change	1.7%	(2.5%)	1.9%	(0.1%)	(1.9%)	0.1%	(4.6%)	(0.9%)	(2.6%)	(0.8%)	(5.1%)	1.9%
<b>Market Cap (OMR Mn)</b>	<b>4,556</b>	<b>4,438</b>	<b>4,517</b>	<b>4,481</b>	<b>4,396</b>	<b>4,376</b>	<b>4,115</b>	<b>4,075</b>	<b>4,063</b>	<b>4,085</b>	<b>4,532</b>	<b>4,654</b>
P/E (X) - TTM	10.70	10.63	11.05	11.04	10.85	11.01	10.77	10.16	10.01	10.08	9.34	9.36
P/BV (X) - TTM	0.95	0.93	0.95	0.95	0.90	0.88	0.85	0.84	0.82	0.82	0.82	0.82
Dividend Yield (%)	5.90%	5.99%	5.88%	5.88%	5.87%	5.84%	6.00%	6.05%	6.26%	6.34%	6.67%	6.49%
Volume (Mn Shares)	271.9	313.9	308.4	62.7	132.0	123.8	203.9	199.4	310.6	65.9	83.4	61.8
Value (OMR Mn)	53.9	68.3	114.0	19.4	30.3	30.7	61.6	44.2	94.8	17.6	17.5	14.6
Trades	5,615	7,923	7,073	3,537	6,760	7,964	7,729	9,227	7,429	2,665	4,569	3,271

Source: Muscat Securities Market, KAMCO Research

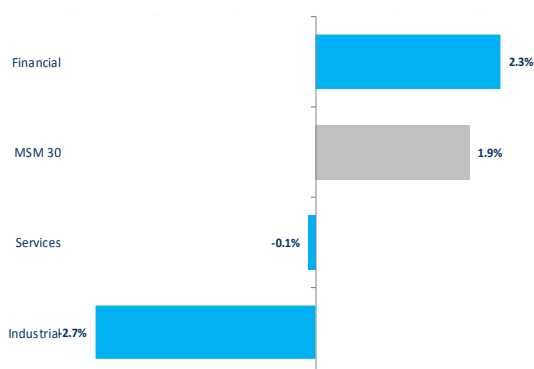
After five consecutive months of decline that pushed the benchmark MSM 30 index to historical lows, the index showed signs of revival during August-18 and was up 1.9% during the month, the second-best performance in the GCC after Abu Dhabi. With the index gains the YTD-18 decline for the market now stands at 13.3%. The positive performance came primarily on the back of gains reported by the Financial sector that more than offset declines reported by the Industrial and Services indices. The Financial Index was up 2.3% during the month primarily on the back of 3.9% surge in shares of Bank Muscat and 4.9% gain in shares of Bank Sohar. The latter reported a 21% surge in net profit for Q2-18.

Trading activity in the regular market declined during the month with both volume and value traded trending downward. Total monthly volume declined to 61.8 Mn shares in August-18 as compared to 83.4 Mn shares during July-18. Monthly value traded declined to one of the lowest recorded monthly levels to reach OMR 14.6 Mn as compared to OMR 17.5 Mn during the previous month. Al Madina Takaful topped the monthly volume chart with 16.7 Mn shares changing hands during the month. Bank Muscat was next on the list with 15.3 Mn shares followed by Oman Investment & Finance Co. and Ooredoo with 5.3 Mn shares and 4.1 Mn traded shares during the month, respectively. On the monthly value chart, Bank Muscat topped with shares worth OMR 5.6 Mn traded during the month followed by Ooredoo and Al Madina Takaful at OMR 2.1 Mn and OMR 1.6 Mn in shares traded during the month, respectively. Stocks in the Financial sector accounted for the bulk of the trades during the month at almost 60% followed by 28% for the Services sector and the remaining 12 % for the Industrial sector.

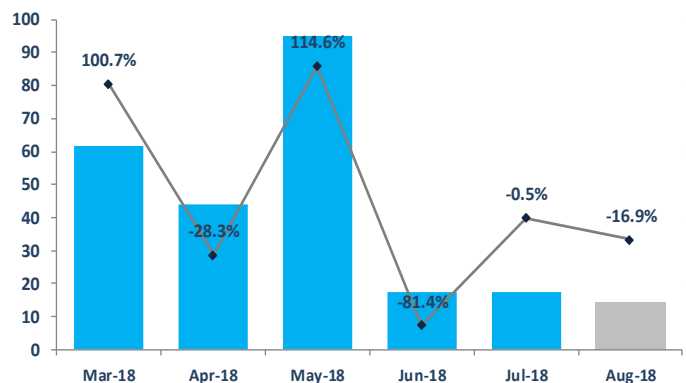
Monthly gainers list for the regular market was topped by OmanTel with a gain of 12.9% followed by Voltamp Energy and Bank Sohar with gains of 10.2% and 4.9%, respectively. Shares of Omantel got a boost after the telco reported multi-fold increase in its H1-18 profits after it included Zain stake acquisition in its latest H1-18 financials but were not adjusted in the corresponding comparable period. On the decliners side, Al Anwar Ceramic Tiles topped the list with a decline of 8.6% followed by Al Jazeera Steel Products and Oman Investment and Finance with monthly declines of 5.2% and 5.0%, respectively. The market breadth for the regular market was almost equally split between gainers and losers with 8 monthly gainers and 9 monthly decliners.

In terms of investor participation, local investors continued to remain active during August-18 as their share in the exchange's trades was stable as compared to the previous month. Omanis accounted for 91.6% of total value of shares bought during the month (91.0% during July-18) and 94.3% of volumes (88% during the previous month). On the other hand, in terms of value of sell trades, the share of local Omani investors stood at 80.9% during August-18 as compared to 39% during the previous month while in terms of volume, their share stood at 89.6% as compared to 73.3% during the previous month. The share of GCC-based investors remained minimal in the Omani market at low-single digit level.

### MSM Monthly Sector Performance



### Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, KAMCO Research



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