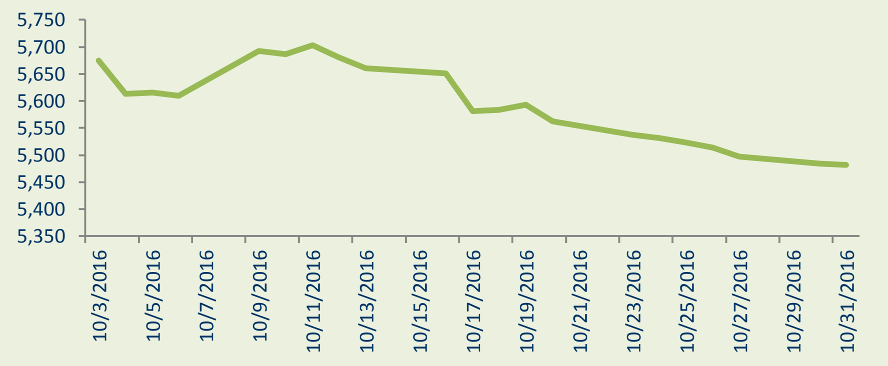
November 10, 2016

Index Performance	End Oct 16	End Sep 16	MTD (%)	YTD (%)
MSM30 Index	5,481.4	5,726.2	-4.3%	1.4%
Financial Index	7,096.9	7,376.9	-3.8%	9.6%
Industrial Index	7,087.6	7,443.2	-4.8%	4.7%
Services Index	3,027.5	3,108.6	-2.6%	-0.9%
Shariah Index	841.1	874.5	-3.8%	-1.7%

MSM 30 Index- Oct 2016



MSM Trading – Monthly Turnover – RO 77.500 million (USD 200.7 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	63,978,359	56,463,406	**7,514,953**
GCC	8,855,239	8,287,386	**567,853**
Arabs	851,528	439,367	**412,161**
Others	3,815,591	12,310,557	**(8,494,966)**

Source: MSM, GBCM Research

Weak Q3 earnings weigh on markets…

The month saw MSM Index declining significantly by 4.27% to 5,481.44 points. The fall was on the back of disappointing Q3 corporate earnings announcements coupled with negativity that prevailed in the region on the back of low oil prices. The sub indices Financial, Industrial and Services closed the month down by 3.8%, 4.8% and 2.6% respectively.

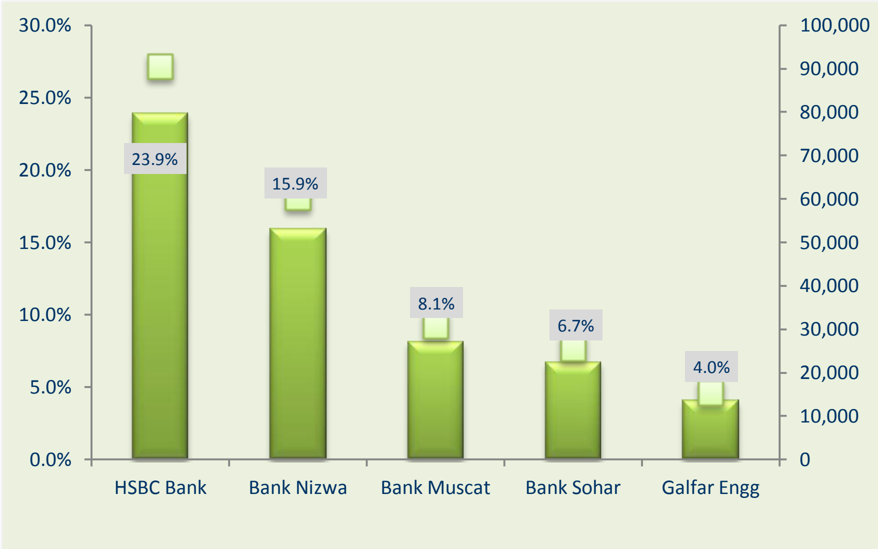
For the month (Oct 2016), Saudi has emerged as the star performer gaining 6.9% and Kuwait too ended in green. Rest of the regional markets ended on a negative note. Saudi Arabia raised $17.5 billion through the bond sale which comprised of $5.5 billion in each of the five- and 10-year bonds and $6.5 billion in 30-year debt. The Saudi government sold dollar-denominated bonds due in five years yielding 135 basis points over U.S. Treasuries, 10-year notes at a spread of 165 basis points and 30-year securities at 210 basis points. At the same time the month saw huge volatility in the crude prices as the meeting between the OPEC and non OPEC producers failed to reach an accord on the proposed output freeze or production cut. Brent prices declined by 4.2% for the month.

Market activity for Oct 2016: Overall traded volumes for the month stood at 378 million, while the total market turnover stood at RO 77.5 million, as against the previous month turnover of RO 54.5 million. **Average daily MSM turnover for Oct 2016 increased to RO 3.7 million as compared to RO 3.4 million in previous month.** On the participation front, Omani and GCC investors remained as net buyers to an extent of RO 7.5 million and 567k for the month. Foreign investors continued to remain as net sellers to an extent of RO 8.495 million.

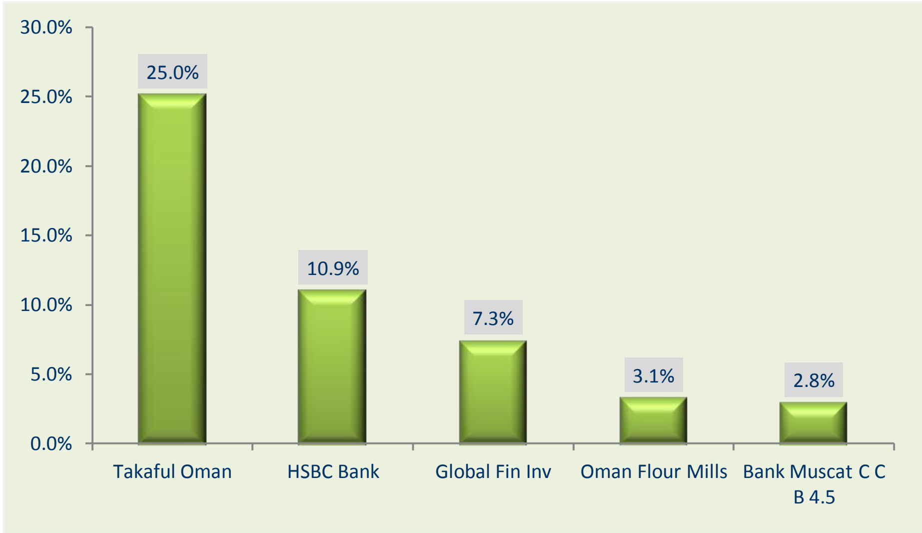
Nov 2016 Outlook- Market to take cues from OPEC meeting at the end of the month…

The much anticipated US elections at the beginning of Nov didn't have considerable impact on the regional markets post the election results. The market is keenly watching on the much awaited make or break outcome of the OPEC meeting at the end of the month, as the same is likely to dictate the regional market's direction going forward. We believe the MSM Index to trade sideways due to lack of fresh triggers amid lackluster volumes during the month. Overall the investors are advised to adopt cautious approach and follow bottom-up approach with focus to remain on strong fundamentals and deep valuations. **End Oct 2016, MSM30 Index is trading at PE (Ann.) of 9.3X, PBV of 1.2X and Div. Yield at 5.4%.**

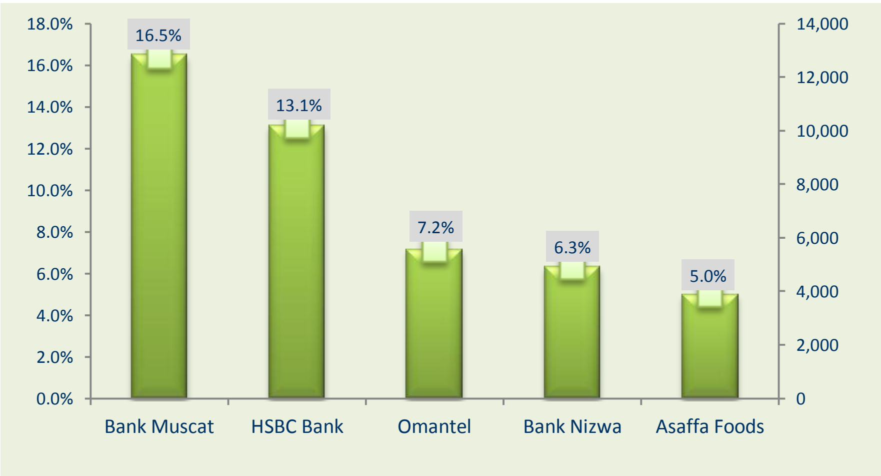
Volume Leaders for the Month



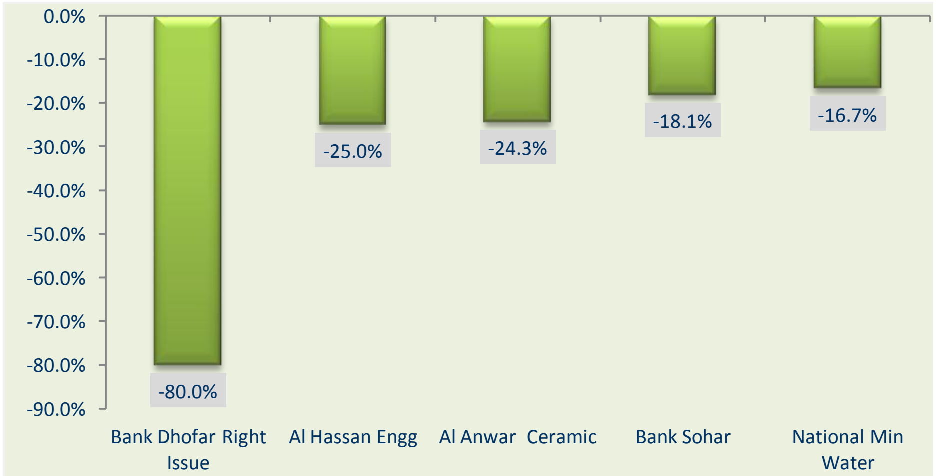
Gainers for the Month



Value Leaders for the Month



Losers for the Month



Source: MSM, GBCM Research

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Markets Performance - Heat Map

GCC Markets	MTD (%)	YTD (%)
Oman	-4.3%	1.4%
Saudi	6.9%	-13.0%
UAE (DFM)	-4.1%	5.8%
UAE (ADX)	-3.9%	-0.2%
Kuwait	0.0%	-3.8%
Qatar	-2.5%	-2.5%
Bahrain	-0.1%	-5.5%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	-1.9%	4.0%
Dow Jones	-0.9%	4.1%
Nasdaq	-2.3%	3.6%
FTSE 100	0.8%	11.4%
CAC 40	1.4%	-2.8%
DAX	1.5%	-0.7%
Nikkei	5.9%	-8.5%
Hang Seng	-1.6%	4.7%
Sensex	0.2%	6.9%
Shanghai	3.2%	-12.4%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	-4.0%	6.9%
ICE Brent Crude	-4.2%	8.1%
Crude Oil, Oman	-4.3%	13.2%
NYMEX Natural Gas	-3.4%	9.4%
NYMEX Gasoline	-1.1%	13.3%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-2.9%	20.3%
Silver Spot	-6.6%	29.2%
Platinum Spot	-4.3%	9.9%
LME Aluminium (Spot)	4.2%	15.6%
LME Copper (Spot)	-0.1%	2.9%
LME Zinc (Spot)	3.2%	54.0%
LME Lead (Spot)	-3.4%	14.0%
LME Nickel (Spot)	-0.9%	18.9%

Source: Bloomberg, GBCM Research

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