

Monthly GCC Top Picks

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المتحدة للأوراق المالية ش.م.م
UNITED SECURITIES LLC.

Market Overview

All GCC market ended the month of November on negative note with the exception of Bahrain Stock Exchange, which was the only exchange that closed on positive note. Bahrain exchange was able to reverse the downward trend in their index and manage to end the month up by 1.35% to close at 1,163.11 levels. Muscat Securities market recorded the worst performance in their index declining by 3% at the end of the month. The Qatari Index has remained the best performing bourses in GCC since the beginning of the year, down by only 1.03% YTD compared with 7.12% for S&P GCC index and slightly declined in November by only 0.03%.

Globally, the month of November witnessed some sharp movements in the equity markets across the globe. US and Europe markets declined by an average of around 10% during the month.

Procrastination has been the name of the game. Failure of the super committee to reach a consensus in the US and the continuing deadlock amongst the EU leaders has indefinitely delayed any kind of policy action. Gold which was once considered a safe hedge remains equally volatile in the current crisis. Crude however rallied by \$102/bbl before facing some profit booking.

GCC Markets Performance

Market	Nov2011	YTD
Abu Dhabi	-2.26%	-10.11%
Bahrain	1.35%	-18.79%
Dubai	-2.07%	-15.43%
Kuwait	-1.82%	-16.45%
Muscat	-3.00%	-19.75%
Qatar	-0.03%	-1.03%
Saudi	-1.92%	-7.80%
S&P GCC	-1.81%	-10.74%

Notes: All data as of the end of Nov 2011
Source: Zawya, United Securities Research

Top Picks

Company	Market	Industry	Closing Price (stock Currency)	Price Range 52-weeks (stock Currency)	Valuation		Market Cap (MM USD)
					PE 11	PB 11	
Qatar National Bank	Qatar	Banking	151.30	205.00 - 122.60	12.69	2.51	26,427
Qatar Electricity and Water	Qatar	Industry	139.80	154.90 - 103.10	10.04	4.02	3,839
Qatar Fuel	Qatar	Services	244.00	276.20-202.00	8.61	2.24	2,786
Mouwasat Medical Services Company	Saudi	Services	83.50	90.00 - 55.00	13.86	3.29	557
Jarir Marketing Company	Saudi	Retail	207.25	185.00 - 120.75	16.07	9.81	2,210
National Industrialization	Saudi	Petrochemical	39.40	45.20 - 23.09	8.70	2.11	5,856
Etihad Etisalat Co	Saudi	Telecommunication	52.50	57.00 - 41.50	8.15	2.20	9,799
Bank Muscat	Oman	Banking	0.731	0.900 - 0.650	9.88	1.17	2,941
AL Anwar Ceramic Tiles	Oman	Services	0.320	0.340 - 0.230	10.67	2.27	162

Notes: * All data unless mentioned are based on Q3 2011 results.

Prices are based on closing of 13 December 2011

Source: United Securities Research, Official markets websites, Zawya, Reuters , Argaam

■ GCC Top Picks Performance

A portfolio equally weighted between Oct GCC Top Picks increased in value by 1.48% on a MTD basis. This brings the portfolio's performance since 2011 to 11.17% compared to S&P GCC Index performance of -9.49% for the corresponding period.

The best performances in our top picks were Al Anwar Ceramic and Etihad Etisalat gaining 4.2% and 2.9% respectively. The worst performers in our top picks list was National Industrialization which lost -0.8%.

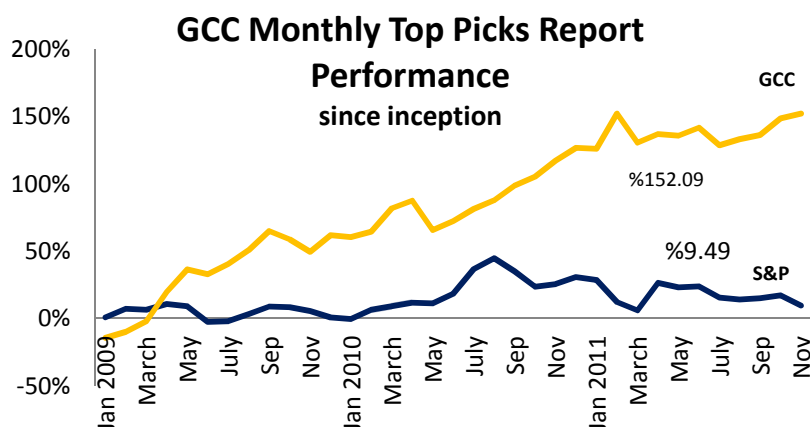
Company	Market	Price		Return
		Rcmd	13 th December Closing	
Qatar National Bank	Qatar	152.00	151.30	-0.5%
Qatar Electricity and Water	Qatar	140.00	139.80	-0.1%
Qatar Fuel	Qatar	243.50	244.00	0.2%
Mouwasat Medical Services	Saudi	81.25	83.50	2.8%
Jarir Marketing Company**	Saudi	203.25	207.25	2.0%
National Industrialization	Saudi	39.70	39.40	-0.8%
Etihad Etisalat Co	Saudi	51.00	52.50	2.9%
Bank Muscat	Muscat	0.713	0.731	2.5%
Al Anwar Ceramic Tiles	Muscat	0.307	0.320	4.2%
Monthly Top Picks August Returns (equally weighted portfolio)				1.48%
YTD Return				11.17%
Performance since inception				152.09%
Notes: *Inception data 6 July 2009 Source: US Research, Zawya, official stock markets websites- **Performance calculated taking the effect of cash dividend distributions # Prices are based on closing of 13 December 2011				

■ Outlook

Early this month, EU leaders had a debt summit to solve the European debt crisis. The leaders agreed to draft a new treaty for deeper economic integration and offered few new measures to resolve the crisis.

The Summit failed to provide a complete solution to the crisis, increasing the pressure on Euro zone sovereign rating.

We expect some pressure on the markets for short term as possibility of further downgrades from rating agencies of Euro zone countries. We still advice investors to accumulate stocks that are insulated from extraneous factors and depend more on the domestic and regional demands. We maintain our cautiously optimistic view on the markets over the next couple of months and expect some movements at the end of the month ahead of Q4 results and the New Year.

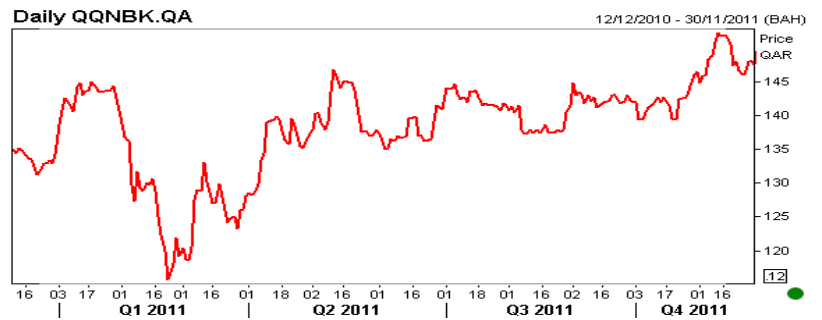


We decided to keep our top picks for the month of December 2011 as it is without any changes.

Top Picks Stocks Overview

Qatar National Bank (QNBK)

Qatar National Bank, the country's largest bank achieved by the end of the third quarter 1.9 billion riyals with growth 26.7%, this bring the total profit for the first nine months of 2011 around 5.4 billion riyals (8.96 riyals / share), with a growth rate of 30% compared to the same period in the last year. QNB is trading at P/E 12.69 and P/B of 2.51.



Qatar Electricity and Water Company (QEWC)

Qatar Electricity and Water Company is the main provider of the electricity and water in Qatar, the company profits was increased to 1047 million riyals (10.47 riyals / share), by the end of the first nine months of 2011, to achieve a growth of 25% compared to the same period in the 2010. Moody's credit rating gave the company rate "A 1" for the long-term issues with local and foreign currencies with a stable future vision in the first classification of the agency for the company. The stock is trading at P/E 10.04 it's earning while the P/BV is 4.02.



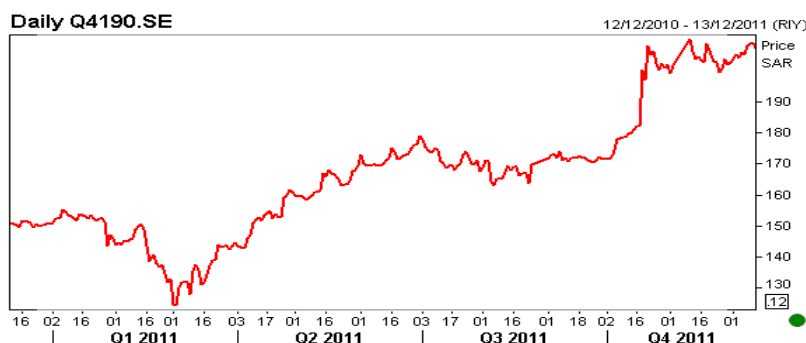
National Industrialization (2060)

The company operates in many industrial fields, particularly in the petrochemical sector through the National Industrialization Company for Petrochemical Industries Company (polypropylene) in Kingdom of Saudi Arabia. National Industry had achieved a net profit of SAR 1899 million during the first nine months of 2011, a growth of 74% compared to the same period in 2010, this growth was due to improve on sales and increased in their products prices. NIC price products such as rutile and ilmenite ore of titanium dioxide is likely to increase in 2012 and this will affect positively in their 2012 EPS. National Industry is trading at a P/E of 8.7 and P/B of 2.11.



Jarir Marketing Company (4190)

Jarir Marketing Company is a Saudi Arabia-based joint stock company that acts as a wholesaler and retailer of office products. The Company's activities include retail and wholesale trading in office and school supplies, children toys, educational aids, office furniture, engineering equipment, computer and computer systems, sport and scout equipment, and paper. The Company achieved a profit of 152.3 million riyals (5.88 riyals / share) by the end of the third quarter of 2011, up by 47.6% comparing to last year profit. Jarir plan to open 9 new stores in 2013 by spending over 300m rial as mentioned by the chairman and expect double-digit growth in Q4.



Mouwasat Medical Services (4002)

Mouwasat which is manages and operates in the medical sector. They manage 5 hospitals across KSA and planning to add one more in Al Khobar. The company had posted a net profit for the first nine months of (2011) 113.3 million riyals (4.53 riyals / share) achieving a growth of 25% compared to the same period in the 2010. Their increase in revenues derived from the vertical expansion in the number of outpatient clinics operated and operating efficiency of the assets available. We are positive on the industry and with stable margins, limited downside and decent financial performance one can accumulate on the stock. The stock is trading at a P/E of 13.86 and P/B of 3.29.



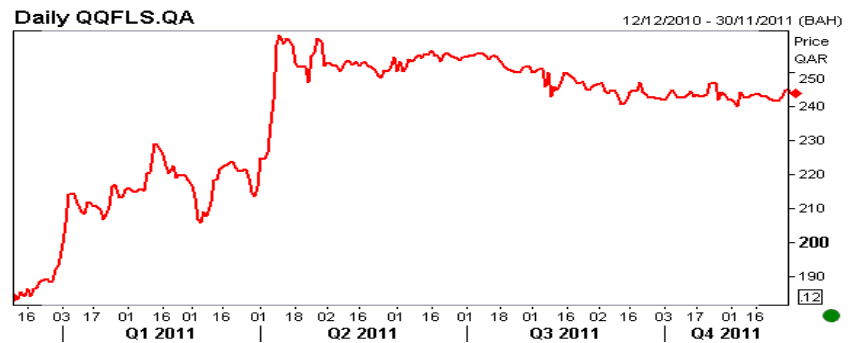
Etihad Etisalat (7020)

Mobily posted a solid 23% increase in first nine months to SAR 3386 million comparing to the same period last year, the company attributed the growth in revenues to the increase in the number of minutes and internet data consumed, add for that the sales of smart phones. The stock Dividend Yield is 4.76% and it is trading at a P/E of 8.15 and P/B of 2.2.



Qatar Fuel (QFLS)

Qatar Fuel (Woqod), works mainly in the sale and distribution of refined petroleum products manufactured by Qatar Petroleum, beside that the company also provide Liquefied Petroleum Gas provision, supply of aviation fuel for commercial and private aircraft. The Company is active domestically and operates through five subsidiaries one of them Woqod kingdom Company, which is a Saudi Arabia-based company. The Company achieved a net profit of QAR 887.7 million for the first nine months of 2011, up by 4% comparing to the same period last year. QFL Dividend Yield is 4.1% and it is trading at a P/E of 8.61 and P/B of 2.24.



Bank Muscat (BKMB)

Bank Muscat, the largest banking entity in Oman in terms of assets, posted a net profit of OMR 87.1 million riyals by the end of First nine months 2011, recording an increase of 21% over the same period of 2010. The bank is planning to provide its services compliant with Islamic law, as appropriate and in conformity with the laws and regulations issued by the Central Bank of Oman in this regard.



AL Anwar Ceramic Tiles

Al Anwar Ceramic is engaged in manufacturing tile walls and floors burnished; it has a very well-known brand in the market A' Sham tiles. The company's total production capacity is 10 million square meters of ceramic tiles per year. The net profits increased to OMR 4.43 (23 Bz per share) during the third quarter of 2011, registered a growth rate of 6 percent over the same period of 2010. The Stock is trading at a P/E 10.67 and P/B of 2.27.



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Notes: * Graphs are sourced from Reuters **Disclaimer:** Please note that any advice given by United Securities LLC staff in this report is deemed to be GENERAL advice, as the information or advice given does not take into account your particular objectives, financial situation or needs. The report also intends to provide medium-to-long term advice. Therefore, at all times you should consider the appropriateness of the advice before you act further. United Securities LLC will not be held responsible for any losses on such advice. Also, all opinions expressed herein are subject to change without notice. "Top Pick List" takes in consideration market, industry and company outlooks and is planned to be diversified. United Securities has based this document on information obtained from sources it believes to be reliable. However, it makes no guarantee to its accuracy or completeness and accepts no responsibility for any reliance placed on this information. United Securities may or may not have official coverage of companies covered in Monthly GCC Top Picks Report