Kuwait Financial Centre "Markaz"

Weekly Wrap

19 Nov 2017

Equity Watch

Indicators	M. Cap (USD Bn)	Last Close	WTD %	MTD %	YTD %	2016 %	P/E TTM	Div. Yield
MENA Markets								
Saudi (TASI)	440	6,913	-0.59	-0.30	-4.1	4	15	4.5
Turkey ISE National 100	172	106,239	-2.49	-3.54	36.0	9	9	3.0
Abu Dhabi (ADI)	129	4,328	-1.11	-3.39	-4.8	6	11	5.5
Kuwait SE WT.INDEX	93	403	1.33	-4.04	6.0	-0	14	3.7
Qatar(QE Index)	92	7,826	-0.76	-4.16	-25.0	0	12	5.3
Dubai (DFMGI)	81	3,460	0.30	-4.83	-2.0	12	10	5.0
Morocco (CAI)	68	12,622	0.07	2.01	8.4	30	21	3.4
Egypt (Hermes)	41	1,315	-3.04	-2.75	20.7	73	13	2.6
Jordan (Amman)	22	3,926	0.72	-0.05	-3.5	-4	14	4.7
Bahrain (BAX)	20	1,270	0.18	-0.53	4.1	0	8	5.2
Oman(Muscat SM)	14	5,106	1.00	1.90	-11.7	7	11	5.9
Lebanon (BSE)	8	1,095	-3.12	-5.42	-9.7	4	6	8.0
Emerging Markets								
MSCI EM Index	5,189	1,136	0.71	1.55	31.8	9	16	2.2
MSCI FM Index	121	1,078	1.02	-0.19	20.9	2	15	3.1
Shanghai A Share Index	5,040	3,542	-1.48	-0.32	9.0	-12	16	1.8
SENSEX Index (India)	887	33,343	0.08	0.39	25.2	2	24	1.2
S&P GCC Composite	894	95	-0.25	-1.77	-4.0	4	15	3.4
Developed Markets								
MSCI WORLD Index	39,077	2,033	-0.35	-0.18	16.1	5	21	2.4
US (S&P 500)	23,221	2,579	-0.13	0.14	15.2	10	23	2.3
UK (FTSE)	2,694	7,381	-0.70	-1.50	3.3	14	20	3.9
Japan (Nikkei 225)	3,498	22,351	-1.46	-0.11	16.9	0	18	1.6
Germany (DAX)	1,391	13,047	-1.03	-1.38	13.6	7	14	2.6

*- P/E & Div. Yield for GCC as per Zawya

Fixed Income Watch (*Bond & Sukuk Index)

Government Bonds	US Tres. 10yr	Germany 10yr	U.K 10yr	Japan 10yr	India 10yr	China 10yr	S&P GCC MENA*
YTM %	2.354	0.359	1.293	0.031	7.033	3.933	3.39
2016-End, %	2.431	0.208	1.250	0.041	6.610	3.005	3.38
YTD Chng, %	-0.077	0.151	0.044	-0.010	0.423	0.928	0.010
Spread (bps)	-	-199.6	-106.1	-232.3	467.9	157.9	103.6
Duration (yrs)	8.99	9.51	8.39	9.78	7.12	8.17	n/a

Commodity/Currency/Volatility Watch

Precious Metals	Close	WTD %	MTD %	YTD %	2016 Price Close	2016%
Gold $/oz	1,294.33	1.43	1.82	12.4	1,151.46	9
Silver $/oz	17.31	2.41	3.69	8.6	15.934	16
IPE Brent $/bbl	62.72	-1.26	2.92	10.4	56.82	52
CRB Commodity Index	428.42	-0.68	0.19	1.5	422.27	13
Volatility & Currency						
CBOE VIX index	11.43	1.24	12.28	-18.6	14.04	-23
USD (1 EUR =)	1.18	-1.10	-1.26	-10.9	1.0513	-3
Yen (1 USD =)	112.07	1.30	1.38	4.3	116.87	-3
KWD (1 USD =)	0.30	0.18	0.19	1.2	0.30538	1
KWD (1 EUR =)	0.36	-0.93	-1.10	-9.8	0.321	-3

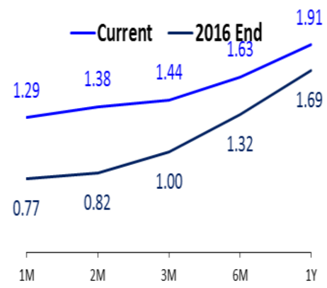
Blue Chip Watch

Companies	M. Cap (USD Bn)	Last	% WTD	% MTD	% YTD	2016 %	P / E (ttm)	Div yield	PAT (Mn) PAT (mn) 9M 2017	PAT (Mn) YoY Growth
Saudi Arabia (SAR)										
SABIC	80	99.7	-0.3	-3.2	9.0	19	16	6.9	14,728	12
STC	37	69.5	-0.7	-1.8	-4.1	6	14	6.7	7,525	10
NCB	28	53.0	1.1	3.0	24.3	-16	11	2.7	7,246	3
AL-RAJHI BANK	27	62.9	-0.5	-4.9	-0.2	21	12	2.4	6,668	10
SAUDI ELECTRIC	27	24.0	-1.4	0.3	7.1	42	10	4.3	12,429	95
United Arab Emirates (AED)										
ETISALAT	39	16.6	-3.5	-4.0	-11.7	17	16	4.8	6,475	5
FIRST AD BK	30	10.2	0.0	0.0	2.1	26	12	4.4	6,310	40
DP WORLD	20	23.8	0.8	6.0	35.9	-14	19	1.6	-	-
EMAAR PROP	15	7.9	2.1	-7.4	10.2	25	9	1.9	4,347	20
EMIRATES NBD	12	8.1	-3.1	-3.1	-4.4	15	6	4.9	6,169	15
Kuwait (KWD)										
NBK	15	0.74	3.4	-2.8	19.5	-13	15	3.9	238	9
KFH	10	0.55	5.4	-8.7	11.8	10	16	2.8	138	12
ZAIN	7	0.46	6.5	-10.2	12.2	17	12	7.6	122	-2
P WARE H_AGLTY	3	0.78	7.3	-12.4	37.9	29	15	1.8	49	14
BOUBYAN	3	0.42	0.5	-4.5	11.6	-6	22	1.4	34	15
Qatar (QAR)										
QNB	31	121.0	0.5	-0.9	-18.3	12	9	2.6	10,251	6
INDUSTRIE QAT	16	96.0	2.1	4.7	-18.3	6	22	4.2	2,358	-32
OOREDOO	7	84.5	0.3	2.1	-19	36	4.1	4.1	1,559	-15
MASARAF AL RAY	7	34.5	-1.3	-7.1	-1	0	5.8	5.8	1,562	0
QA ISLAMIC BANK	6	94.0	0.0	3.2	-12	-3	5.1	5.1	1,775	11

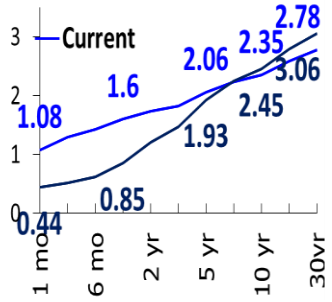
Note: [1] Weekend Details – Turkey, Morocco & Lebanon – Saturday & Sunday; MENA, Ex-Turkey, Morocco & Lebanon – Friday & Saturday; US, European & Emerging Markets – Saturday & Sunday. **Markaz Research can now be accessed on Bloomberg. Type "MRKZ" <Go>.**

Yield Curve Watch

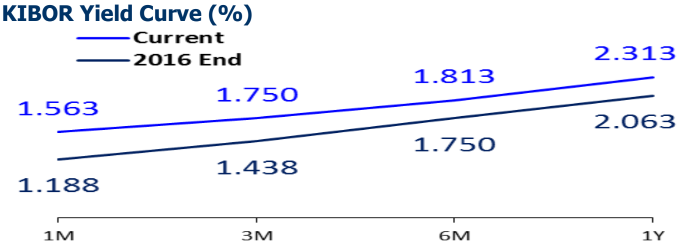
LIBOR (In %)



US Treasuries (In %)



KIBOR Yield Curve (%)



Interest Rate Watch

Deposit rate	3M Int rates %	US 3M Rate %	Diff	FY16 Diff
Kuwait	1.75	1.41	0.34	-0.14
Saudi	1.90	1.41	0.49	0.65
UAE	1.38	1.41	-0.03	-0.45
Qatar	1.75	1.41	0.34	0.75
Oman	0.19	1.41	-1.22	-0.74
Bahrain	2.00	1.41	0.59	0.80
Euro	-0.44	1.41	-1.85	-1.41
UK	0.72	1.41	-0.69	-0.65
Switzerland	-0.90	1.41	-2.31	-1.90
Japan	-0.32	1.41	-1.73	-1.20
Last FOMC Meeting Date: Oct 31/ Nov 01		Next FOMC Mt Date: Dec 12/13		

5 year CDS (USD) Watch (bps)

Country	Current	2016	52-week High	52-week Low
Saudi Arabia	98.03	113.67	143.98	82.30
Abu-Dhabi	68.72	67.98	76.81	38.72
Dubai	145.11	159.77	167.35	103.91
Qatar	106.37	88.2	124.66	56.64
Oman	225.50	263.5	276.00	178.00
Bahrain	295.53	302.72	374.80	209.09

Corporate Earnings Watch

Company Name	Type	Country	Currency	Earnings LFY	Earnings PFY	% Chg
LOGISTICS	9M	Kuwait	KWD(Mn)	5.89	5.64	4.5
HECI	9M	Oman	OMR(Mn)	-5.86	-6.78	N.M.
SULTAN	9M	Kuwait	KWD(Mn)	2.19	1.45	51.0
GFC	9M	Kuwait	KWD(Mn)	0.28	-0.15	N.M.

News & Views

- Kuwait's non-oil growth is projected to increase gradually to about 4 per cent driven by accelerated project implementation under the 5-year development plan and improved confidence, according to the International Monetary Fund.
- Omani banks, including Islamic institutions, achieved a year-on-year growth of 5.7 per cent in total credit at OMR23 billion by September-end 2017. Credit to the private sector alone grew by 5.7 per cent to OMR20.8 billion as of the end of September 2017, according to the Central Bank of Oman (CBO).
- Dubai's non-oil foreign trade increased to Dh344 billion ($93.6 billion) in the third quarter of 2017, an increase of 13 per cent year-on-year from Dh305 billion in the corresponding quarter of last year.
- Norges Bank Investment Management, Norway's sovereign-wealth fund and the world's biggest equity investor, has proposed divesting $35 billion of oil and gas stocks to protect the fund from price volatility. The Finance Ministry said it will spend at least a year evaluating the proposal before deciding.