

September 6, 2018

Index Performance	End Aug 18	End July 18	MTD (%)	YTD (%)
MSM30 Index	4,419.3	4,336.6	1.9%	-13.3%
Financial Index	6,891.9	6,737.5	2.3%	-7.8%
Industrial Index	5,452.7	5,605.6	-2.7%	-20.2%
Services Index	2,375.7	2,377.8	-0.1%	-10.1%
Shariah Index	616.3	613.9	0.4%	-13.6%

MSM 30 Index- Aug 2018



MSM Trading – Monthly Turnover – RO 25.6 million (USD 66.2 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	23,413,617	20,687,124	2,726,493
GCC	822,332	1,639,340	(817,009)
Arabs	164,773	149,210	15,563
Others	1,156,514	3,081,561	(1,925,047)

Source: MSM, GBCM Research

Buying in frontline stocks supported market gains...

MSM Index saw recovery during the month led by buying in banking and services sector stocks after recent correction. The holiday shortened month saw subdued investor participation. Foreign and regional investors remained as overall sellers. During the month, we saw the results of holding companies. Omantel saw recovery post reasonable results. The benchmark MSM30 Index ended in green gaining 1.9% for the month at 4,419 points. Financial Index increased by 2.3%. While Industrial Index declined by 2.7% and Services Index closed flat during the month.

In the GCC region, we saw mixed performances with UAE-ADX ending as the best performing market gaining 2.6%. Qatar ended gaining 0.6% for the month. Rest of the markets ended in red. Saudi and UAE-DFM underperformed declining 4.3% and 3.9% respectively. Kuwait (-0.7%) and Bahrain (-1.5%) also ended in red. The global oil prices ended on a positive for the month, with Brent Crude and Oman Benchmark increased c. 4%. Other Precious/ Base metal prices corrected during the month.

Market activity for Aug 2018: Overall traded volumes for the month stood at 154.2 million. Total market turnover declined to 25.6 million, as against turnover of RO 56.9 million in previous month. Average MSM daily turnover for the month declined to meagre RO 1.5 million. Block trades seen in Bank Nizwa, Bank Muscat and Ooredoo. Omani investors were net buyers to an extent of RO 2.7 million. Foreign and GCC investors were net sellers to an extent of RO 1.9 million and RO 0.8 million respectively.

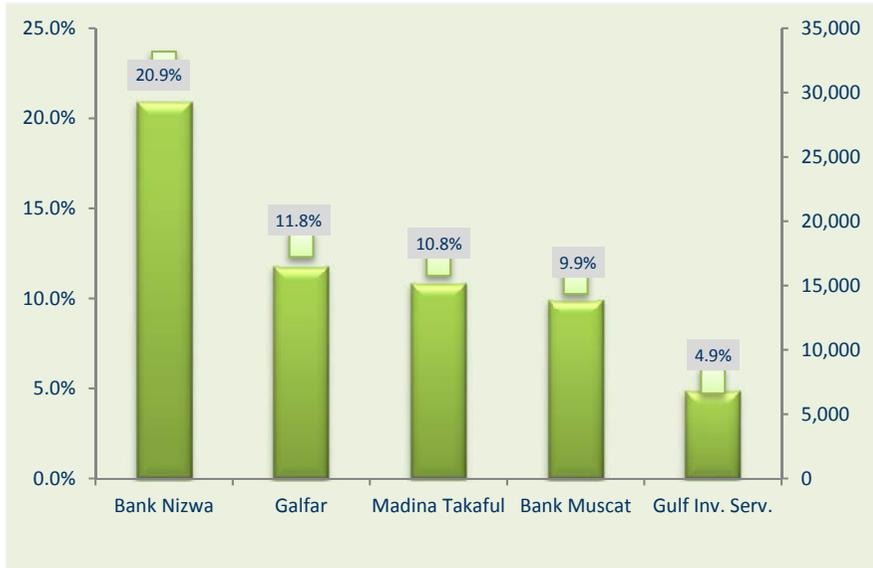
Sep 2018 Outlook- Stable trend to prevail ahead of Q3 closing...

The index saw recovery led by buying support in index heavyweights like Omantel, Bank Muscat and NBO during previous month. We expect the MSM performance to reveal stable trend with local institutional support. We do see the activity to remain stock specific and improve ahead of Q3 closing. With oil prices trading above USD 75/ bbl., we do expect lower level of fiscal deficit and improved Government payment cycle which would boost market sentiments and liquidity. Caveat to remain on regional geopolitics which may impact sentiments.

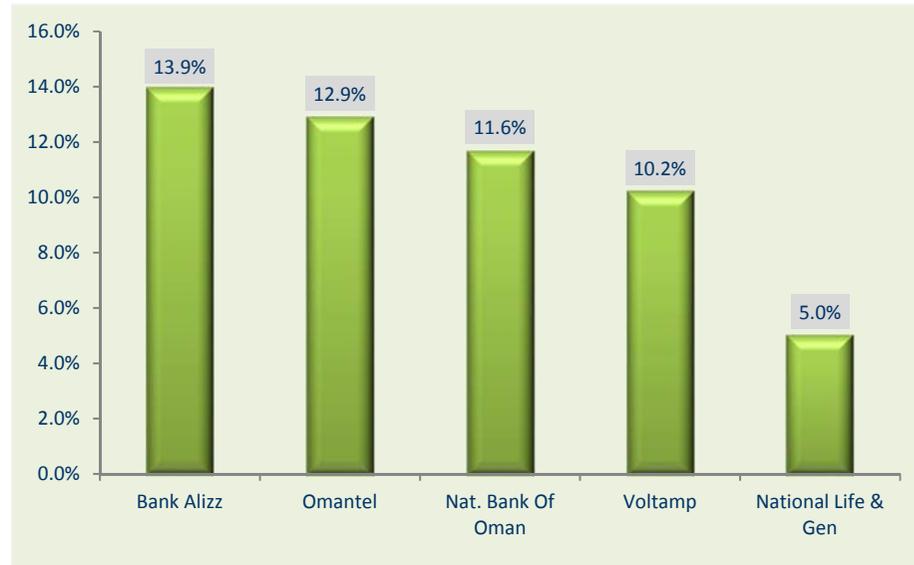
We advise investors to adopt stock-specific approach and invest in companies with growth potential, earnings stability and free cash flow. Recently, the Government has paid 50% of wheat subsidy pending receivables to flour manufacturers. This sets a precedence for receivables settlements in other sectors like Contracting. The companies operating in these sectors may benefit.

End Aug 2018, MSM30 Index trades at PE (Ann) of 8.3X, PBV of 0.9X and Div. Yield of 6.7%.

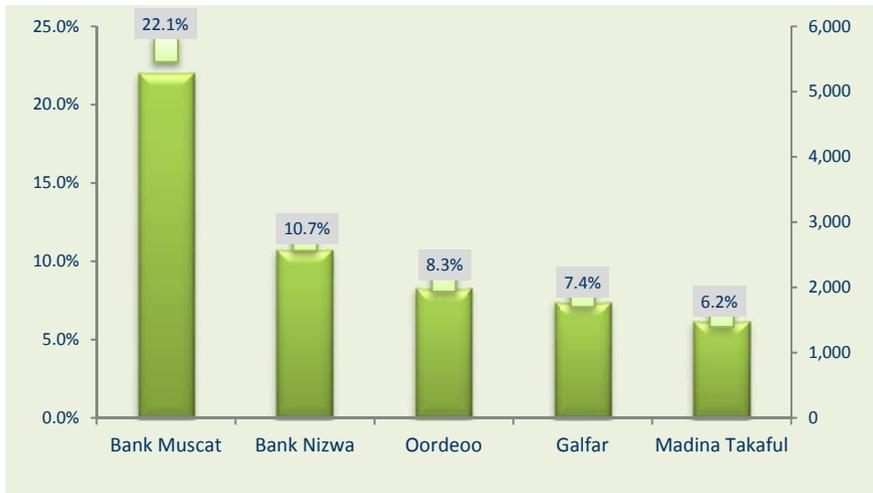
Volume Leaders for the Month



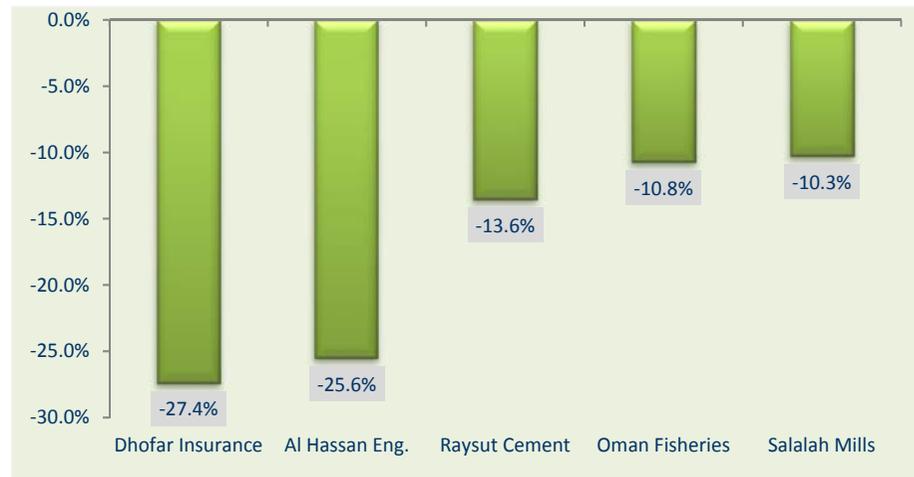
Gainers for the Month



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	1.9%	-13.3%
Saudi	-4.3%	9.9%
UAE (DFM)	-3.9%	-15.7%
UAE (ADX)	2.6%	13.4%
Kuwait	-0.7%	2.6%
Qatar	0.6%	16.0%
Bahrain	-1.5%	0.5%

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	3.2%	18.9%
ICE Brent Crude	4.4%	21.3%
Crude Oil, Oman	4.1%	22.7%
NYMEX Natural Gas	4.2%	3.7%
NYMEX Gasoline	1.6%	12.3%

Global Markets	MTD (%)	YTD (%)
S&P 500	3.0%	8.5%
Dow Jones	2.2%	5.0%
Nasdaq	5.7%	17.5%
FTSE 100	-4.1%	-3.3%
CAC 40	-1.9%	1.8%
DAX	-3.4%	-4.3%
Nikkei	1.4%	0.4%
Hang Seng	-2.4%	-6.8%
Sensex	2.8%	13.5%
Shanghai	-5.3%	-17.6%

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-1.9%	-7.8%
Silver Spot	-6.3%	-14.2%
Platinum Spot	-6.1%	-15.4%
LME Aluminium (Spot)	2.0%	-6.8%
LME Copper (Spot)	-5.0%	-17.2%
LME Zinc (Spot)	-8.0%	-26.2%
LME Lead (Spot)	-3.9%	-17.2%
LME Nickel (Spot)	-8.8%	0.0%

Source: Bloomberg, GBCM Research

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