

GCC Markets Monthly Report

May-2020

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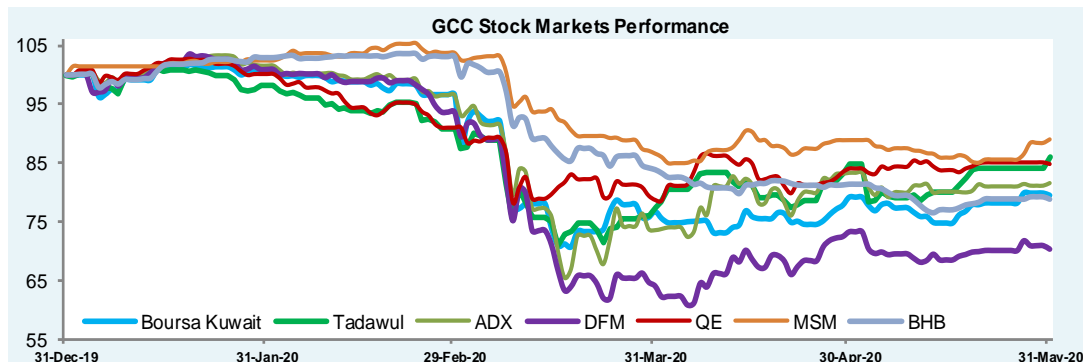
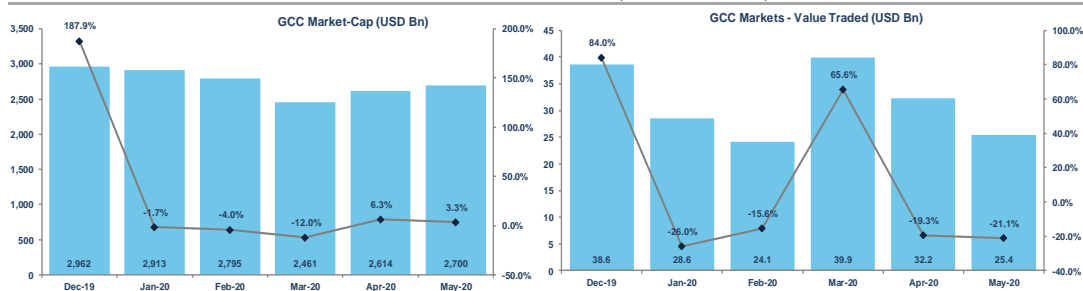
GCC markets see mixed monthly returns as investors analyze plans to end lockdowns...

A number of GCC economies have announced plans to gradually open the economy in the coming months post the ongoing lockdowns and support economic growth. The plans and the subsequent announcements boosted investor sentiment in the GCC, and drove the market to rally during the second half of May-2020 in most of the GCC benchmarks. On the other hand, confirmed Covid-19 cases accelerated in the region during the month to close slightly above the 200,000 mark.

In terms of sector performance for the month, MSCI GCC index was up more than 1% led by gains in most large cap sectors like Basic Materials and Telecom with gains of 5.5% and 3.1%, whereas Real Estate and Consumer Cyclical declined by 6.4% and 4.7%, respectively. In terms of YTD-2020 returns, the Food & Beverage and Consumer Non-cyclicals sectors remained top performers with returns close to 30%, whereas the rest of the sectors were in the red. The Financial Services sector showed the biggest decline of 23% followed by Real Estate and Consumer Cyclical with declines of 22.9% and 18.1%, respectively. Banks were also in the red with a decline of 17.7%.

Global benchmarks were also positive across the board with MSCI World index posting a monthly gain of 4.6%, although the tensions between Hong Kong and China proved a dampener. Investors were also waiting for the renewed US/China trade talks and were calmed after the US announced that it would not impose any new tariffs or sanctions against the country, despite rising tensions. On the other hand, the world also eyed the cautious opening up of the economies across the globe going against majority of the expert opinions that it could lead to reemergence of Covid-19 cases. On the contrary, gains in international benchmarks is pricing in that the worst of the Covid-19 crisis is behind while marking the second consecutive month of gains and one of the fastest 2-month gain since the financial crisis.

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Val Traded (USD M n)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Premier Market Ind	5,424.3	1.3%	(22.2%)	96.5	1,459.7	14.3	1.1	4.2%
Kuwait - Main Market Index	4,150.4	(1.8%)	(15.5%)					
Kuwait - All Share Index	4,995.6	0.4%	(20.5%)					
Saudi Arabia	7,213.0	1.4%	(14.0%)	2,220.5	20,207.7	22.0	1.8	3.4%
Abu Dhabi	4,141.6	(2.1%)	(18.4%)	132.1	660.1	12.9	1.2	6.1%
Dubai	1,945.1	(4.0%)	(29.6%)	76.5	1,313.0	7.7	0.7	4.9%
Qatar	8,844.7	0.9%	(15.2%)	137.6	1,680.3	14.1	1.4	4.5%
Bahrain	1,269.6	(3.1%)	(21.2%)	21.3	64.9	9.0	0.8	5.5%
Oman	3,544.6	0.1%	(11.0%)	15.4	44.0	9.2	0.8	6.8%
Total GCC				2,699.9	25,429.7	19.1	1.6	3.7%



Source: GCC Stock Exchanges, Kamco Invest Research

Junaid Ansari

Vice President

+(965) 2233 6912

jansari@kamcoinvest.com

Thomas Mathew

Assistant Vice President

+(965) 2233 6914

tmathew@kamcoinvest.com

Boursa Kuwait

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Premier Market Index	6,377.0	6,744.1	6,527.8	6,174.8	6,211.1	6,519.4	6,976.0	7,033.5	6,730.2	5,198.7	5,356.3	5,424.3
Monthly % Change	2.2%	5.8%	(3.2%)	(5.4%)	0.6%	5.0%	7.0%	0.8%	(4.3%)	(22.8%)	3.0%	1.3%
Main Market Index	4,766.5	4,881.6	4,789.4	4,713.8	4,757.9	4,767.0	4,910.7	4,922.3	4,769.3	4,083.1	4,226.4	4,150.4
Monthly % Change	0.6%	2.4%	(1.9%)	(1.6%)	0.9%	0.2%	3.0%	0.2%	(3.1%)	(14.4%)	3.5%	(1.8%)
All Share Market Index	5,832.1	6,116.7	5,941.1	5,678.7	5,717.3	5,928.3	6,282.5	6,325.0	6,072.1	4,822.7	4,975.4	4,995.6
Monthly % Change	1.8%	4.9%	(2.9%)	(4.4%)	0.7%	3.7%	6.0%	0.7%	(4.0%)	(20.6%)	3.2%	0.4%
Thomson Reuters Kuwait TRI	259.1	271.9	263.0	249.9	251.6	262.0	276.7	279.4	266.9	213.9	227.5	231.8
Monthly % Change	1.9%	4.9%	(3.3%)	(5.0%)	0.6%	4.2%	5.6%	1.0%	(4.5%)	(19.8%)	6.4%	1.9%
Market Cap (KWD Mn)	33,664	35,399	34,380	32,862	33,081	34,285	36,345	36,613	35,156	27,754	28,778	29,169
P/E (X) - TTM	15.83	16.60	16.20	15.50	15.60	16.10	16.80	16.90	16.20	12.80	13.30	14.27
P/BV (X) - TTM	1.44	1.51	1.44	1.38	1.39	1.44	1.49	1.50	1.44	1.14	1.18	1.14
Dividend Yield (%)	3.59%	3.42%	3.52%	3.69%	3.68%	3.55%	3.35%	3.46%	3.06%	3.90%	4.56%	4.16%
Volume (Mn Shares)	2,630.3	4,682.6	2,587.2	3,113.0	2,924.1	2,981.0	4,099.3	4,217.4	3,713.5	4,035.2	3,174.1	2,133.3
Value (KD Mn)	660.2	979.0	490.3	749.9	503.8	514.1	853.5	869.5	522.3	986.8	747.4	441.0
Trades ('000)	108.1	180.3	108.5	139.2	122.7	122.4	176.1	160.8	139.4	239.3	175.6	112.0

Source: Boursa Kuwait, Kamco Invest Research

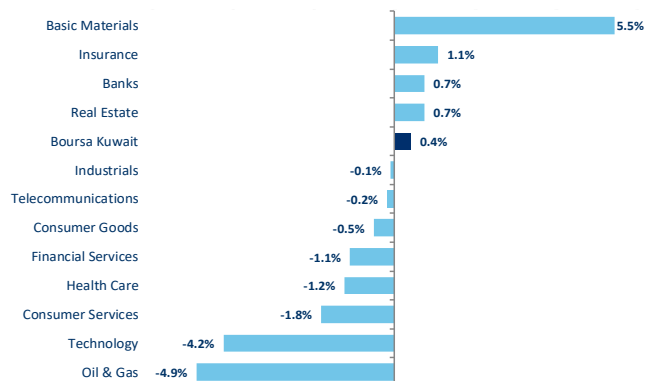
Kuwaiti benchmarks continued to be in the green during May-2020 but gains were marginal led by large-cap stocks. The Kuwait All Share Index gained 0.4% primarily on the back of the 1.4% gain in the Kuwait Premier Market Index. These gains were partially offset by decline in the Main Market Index and the Main 50 Index by 1.8% and 3.6%, respectively. Premier market gains reflected double digit surge in shares of Boubyan Petrochemicals (+10.1%) followed by 4% gain in shares of NBK and GBK. On the other hand, Mabaneer, NIND and Warba Bank were key decliners with double digit fall in their shares that partially offset monthly performance. In terms of YTD-2020 performance, all the Kuwaiti benchmarks continue to remain in the red with the All Share Index falling by 20.5%.

In terms of sector performance, the Basic Materials index witnessed the biggest monthly gain of 5.5% primarily on the back of gain in shares of Boubyan Petrochemicals and Qurain Petrochemicals by 10.1% and 2.9% that was partially offset by decline in shares of Kuwait Foundry. The Insurance index was next with a gain of 1.1% followed by marginal gain of 0.7% in Banks and Real Estate indices. In terms of YTD-2020 performance, only the Consumer Goods sector was in the green with a gain of 14.0% whereas most of the sectors showed double digit declines led by the Covid-19 and oil rout led sell-off.

The monthly share performance chart was topped by Dar Al Thuraya Real Estate Co. with its shares more than doubling during the month, although trades in the stock were minimal. Real Estate Trade Centers was next with a gain of 48.6% followed by Bayan Investment and Al Masaken International with gains of 44.9% and 36.3%. On the other hand, prominent decliners during the month included National Investments with a fall of 17.7% followed by AUB Kuwait and Tamdeen Real Estate with declines of 15.1% and 11.1%, respectively.

Trading activity on the exchange declined for the second consecutive month but was mainly led by Eid holidays and seasonal slowdown. As a result, both volume and value traded during the month reached the lowest in 18 months. Monthly volume of shares traded dropped by a third to reach 2.1 Bn shares in May-2020 as compared to 3.2 Bn shares in April-2020. The aggregate value of shares changing hands during the month also declined by a slightly higher 41.0% to reach KWD 441 Mn vs. KWD 747 Mn during April-2020. AUB Bahrain once again topped the monthly volume chart for the third consecutive month with 570.4 Mn shares traded followed by KFH and KIB with 152.5 Mn shares and 136.3 Mn shares, respectively. On the monthly value traded chart, AUB Bahrain topped with KWD 101.4 Mn worth of shares changing hands during the month followed by KFH and NBK at KWD 90.1 Mn and KWD 60.2 Mn, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Tadawul All Share Index	8,821.8	8,732.6	8,019.8	8,091.8	7,744.1	7,859.1	8,389.2	8,246.6	7,628.3	6,505.4	7,112.9	7,213.0
Monthly % Change	3.6%	(1.0%)	(8.2%)	0.9%	(4.3%)	1.5%	6.7%	(1.7%)	(7.5%)	(14.7%)	9.3%	1.4%
Market Cap (SAR Bn)	1,989.8	2,024.2	1,873.7	1,881.0	1,790.7	1,812.9	8,992.0	8,748.9	8,424.9	7,562.0	8,005.1	8,327.3
P/E (X) - TTM	17.62	17.91	17.14	17.28	16.33	16.37	23.40	23.00	21.30	26.12	28.57	22.04
P/BV (X) - TTM	2.01	2.01	1.85	1.87	1.78	1.81	2.12	2.09	1.89	1.58	1.70	1.76
Dividend Yield (%)	3.40%	3.44%	3.76%	3.74%	3.90%	3.86%	3.23%	3.29%	3.53%	4.07%	3.63%	3.45%
Volume (Mn Shares)	2,689.4	2,528.4	2,563.1	2,536.0	2,456.2	2,225.4	4,306.1	3,708.6	2,890.3	5,238.3	4,730.5	3,574.3
Value (SAR Mn)	74,796.3	65,156.3	78,720.1	64,757.5	61,661.3	57,890.8	112,992.9	84,379.6	71,603.9	116,932.8	95,431.9	75,782.4
Trades ('000)	1,858	2,262	2,119	2,318	2,537	2,173	3,740	3,750	3,271	5,167	4,426	3,265

Source: Tadawul, Kamco Invest Research. Note: Trading data includes stocks in the Main Market.

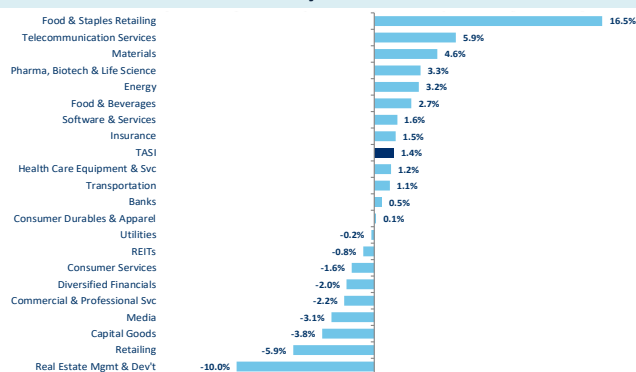
After witnessing strong gains during April-2020, Saudi stock market once again witnessed gains during May-2020, albeit marginal, led by a late month rally. Gains came on the back of oil price surge that coincided with government's plan to reopen the economy in a gradually manner over the next few months. The benchmark TASI was up 1.4% during the month to close at 7,213.03 points following gains of 11% after the benchmark bottomed on 11-May-2020 at 6,603.96 points. The gains during May-2020 resulted in a slightly lower YTD-2020 decline of 14%.

The monthly sector performance chart was equally split between gainers and losers. The Food & Staples Retailing index topped the chart with a gain of 16.5% after shares of Abdullah Al Othaim gained more than 17% during the month further supported by positive gains in shares of Saudi Marketing and Anaam International Holding Co. The Telecom sector was next on the gainers chart with a gain of 5.9% followed by Materials and Pharma indices with gains of 4.6% and 3.3%, respectively. The Telecom sector gained solely on the back of 9.8% gain in shares of STC that more than offset decline in shares of Mobily and Zain KSA during the month. On the decliners side, the Real Estate index topped with a fall of 10% followed by Retailing and Capital Goods indices with declines of 5.9% and 3.8%, respectively. The YTD-2020 sector performance chart showed merely four of the twenty one sectors with positive gains. The Food & Staples Retailing sector once again showed the biggest gains of 41.6% followed by small-cap Software & Services sector and the Food & Beverage sector with gains of 25.5% and 10.2%, respectively. On the other hand, the Commercial & Professional Services index declined the most by 24% followed by Media and Real Estate sector with declines of 23.1% and 20.3%, respectively.

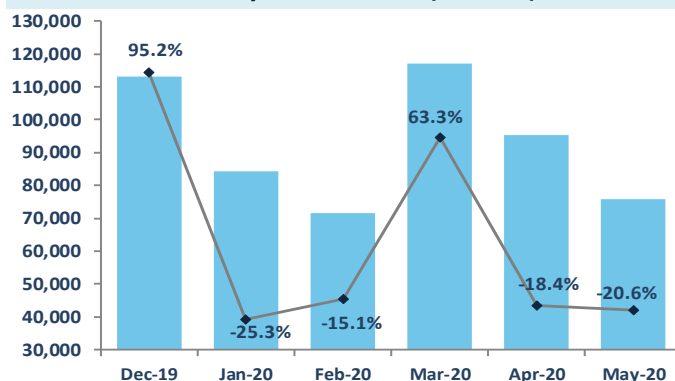
In terms of monthly share performance, Saudi Fisheries topped with a gain of 29.4% that came mainly after the company's EGM in which it announced a capital increase plan via a rights issue. Medgulf was next on the gainers chart recording a gain of 24.3% followed by National Petrochemical and Allianz Saudi Fransi with gains of 18.2% each. Shares of National Petrochemical surged despite reported a steep decline in its quarterly profits for Q1-2020. On the decliners chart, Jabal Omar Development topped with a decline of 13.6% after the real estate company enforced force majeure to stop payment of rent to the tune of SAR 270 Mn to Alinma Makkah Real Estate Fund. This also highlighted the stress in the real estate sector due to the Covid-19 crisis. Another real estate company, Dar Al Arkan, was next on the decliners chart with a fall of 13.3% followed by Al Hokhair and Southern Province Cement with declines of 13%.

Trading activity witnessed a steep decline during the month due to the Eid holidays. Monthly volumes traded in May-2020 declined by 24.4% to 3.6 Bn shares as compared to 4.7 Bn shares during the previous month. Value traded also declined but at a slightly smaller pace of 20.6% to reach SAR 75.8 Bn in May-2020 as compared to SAR 95.4 Bn during April-2020. Dar Al Arkan topped the monthly volume chart with 549.5 Mn shares traded followed by Alinma Bank and Seera Group Holding with 292.6 Mn shares and 152 Mn traded shares, respectively. On the monthly value traded chart, Al Rajhi Bank topped with SAR 6.6 Bn worth of shares changing hand during the month followed by Aramco and Alinma Bank with SAR 4.5 Bn and SAR 4.3 Bn worth of trades, respectively.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
ADX General Index	4,980.0	5,317.9	5,165.6	5,057.3	5,107.8	5,030.8	5,075.8	5,156.2	4,901.4	3,734.7	4,230.4	4,141.6
Monthly % Change	(0.5%)	6.8%	(2.9%)	(2.1%)	1.0%	(1.5%)	0.9%	1.6%	(4.9%)	(23.8%)	13.3%	(2.1%)
Market Cap (AED Bn)	510.6	542.9	530.2	525.0	525.9	519.2	529.1	559.9	535.3	431.8	489.2	485.2
P/E (X) - TTM	12.69	13.53	13.10	12.72	12.85	12.77	12.85	13.17	12.39	9.44	10.86	12.92
P/BV (X) - TTM	1.38	1.48	1.44	1.41	1.43	1.40	1.42	1.35	1.27	0.96	1.07	1.24
Dividend Yield (%)	4.98%	4.67%	4.87%	4.97%	4.94%	5.00%	4.95%	4.81%	5.08%	6.55%	5.60%	6.14%
Volume (Mn Shares)	677.9	1,378.2	984.5	956.2	842.7	874.0	1,578.7	657.7	886.1	1,705.4	1,240.7	863.1
Value (AED Mn)	3,446.9	4,017.1	3,240.7	3,394.0	2,663.3	3,436.5	10,907.2	2,455.8	2,983.3	4,623.7	3,167.0	2,424.5
Trades	26,310	33,745	32,103	34,016	30,702	29,132	25,376	23,279	28,487	52,789	48,960	33,979

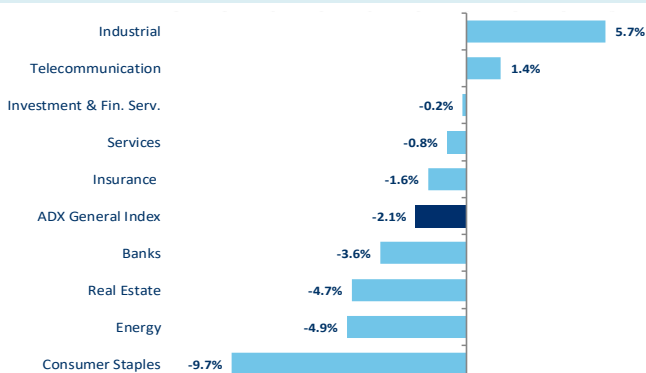
Source: Abu Dhabi Securities Exchange, Kamco Invest Research

The ADX index declined by 2.1% m-o-m in May-2020 after rebounding by 13.3% m-o-m in April-2020. The index closed at 4141.614 points at the end of the month, as most sectors barring Industrials and Telecoms closed lower m-o-m. Consumer Staples was the worst performing index, and declined by 9.7% m-o-m, as Agthia group plunged by 12% in May-2020. Energy names fell by 4.9% m-o-m in May-2020, as Dana Gas declined by 12.6% m-o-m. Real Estate also witnessed declines of 4.7% in May-2020, after recovering by 16.7% m-o-m in April-2020. Aldar was down 4.4% for the month, as the company recorded AED 1.76 Bn in revenues for Q1-20, unchanged from last year. But net profit reportedly dropped 39% y-o-y to AED 302 Mn from Q1-19, as the asset management side of the business was impacted by the COVID-19 outbreak. National Bank of Ras Al Khaimah (-9.5%) and Bank of Sharjah (-7.1%) drove the banking index down by 3.6% in May-2020. Industrials gained by 5.7% and was driven by a 49.3% m-o-m gain in the share price of Gulf Pharmaceutical Industries. Gulphar's losses in Q1-20 came in at AED 62.5 Mn, down from AED 89.1 Mn in the year-ago period and the company also announced its right issue. Telecoms moved up by 1.4% m-o-m, driven by Etisalat that gained that by the same amount in percentage terms.

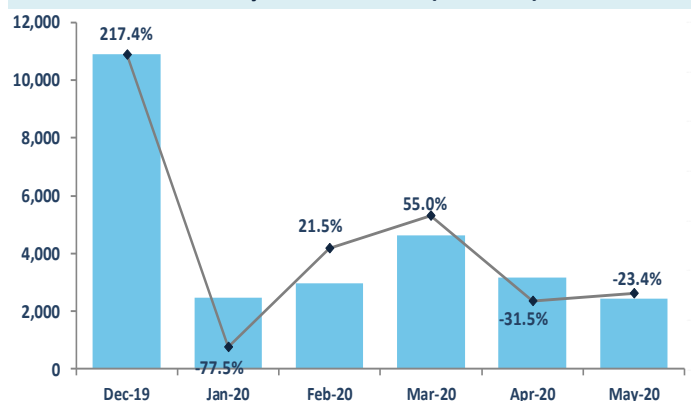
Aldar reported revenues of AED 1.76 Bn in the first quarter of 2020, largely unchanged from the same period a year ago. Net profit decreased 39% y-o-y in Q1-20 to reach AED 302 Mn mainly due to a one-off fair value adjustment of AED 95 Mn. In other earnings energy name - ADNOC Distribution reported revenues of AED 4.94 Bn for Q1-20, up 3.6% y-o-y from AED 4.77 Bn. Underlying EBITDA excluding inventory losses and one-offs came in at AED 629 Mn, an increase of 4.7% y-o-y compared to the same period last year. The company mentioned that the revaluation of current inventory stock in the commercial business, following lower oil prices, and prudent provisioning in the current environment negatively impacted reported EBITDA and net Profit for Q1-20 by AED 73 Mn. They also mentioned that most of the y-o-y declines came from an unfavourable base period, which benefitted from one-off reversals and recoveries of AED 132 Mn. Net profit was down 30.9% y-o-y to AED 400 Mn. Separately, FAB announced that it has mutually agreed with Bank Audi to stop the transaction process regarding the acquisition Bank Audi-Egypt due to the impact and uncertain outlook relating to the COVID-19 pandemic.

Gulphar topped the monthly gainers chart, with a gain of 49.3% m-o-m followed by National Takaful and Ras Al Khaimah National Insurance with gains of 30.6% and 14.7% respectively. On the decliners side, the worst performing companies were Eshraq Properties and Waha Capital with declines of 23% and 16.2%, respectively. Trading activity on the exchange declined m-o-m in May-2020, as volumes traded receded by over 29% to 0.86 Bn shares. Value traded also dropped by 23.4% m-o-m to reach AED 2.4 Bn during May-2020. In terms of most actively traded stocks, Etisalat led all stocks in terms of value traded, with AED 0.47 Bn worth of shares traded during May-2020. FAB and ADCB followed as AED 0.46 Bn and AED 0.41 Bn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 184.4 Mn shares were traded. Dana Gas and ADCB followed with 102.6 Mn and 97.9 Mn shares traded during May-2020.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
DFM General Index	2,658.6	2,918.4	2,758.6	2,781.1	2,746.9	2,678.7	2,764.9	2,790.4	2,590.0	1,771.3	2,026.6	1,945.1
Monthly % Change	1.5%	9.8%	(5.5%)	0.8%	(1.2%)	(2.5%)	3.2%	0.9%	(7.2%)	(31.6%)	14.4%	(4.0%)
Market Cap (AED Bn)	347.7	371.6	357.3	361.2	359.0	351.0	359.9	381.1	363.4	266.2	288.3	280.8
P/E (X) - TTM	7.29	7.87	7.56	7.26	6.82	6.57	6.76	6.93	6.59	4.34	5.02	7.73
P/BV (X) - TTM	0.91	0.97	0.92	0.93	0.93	0.90	0.93	0.92	0.83	0.54	0.62	0.70
Dividend Yield (%)	4.77%	4.33%	4.43%	4.40%	4.49%	4.43%	4.31%	4.25%	4.81%	7.24%	7.24%	4.93%
Volume (Mn Shares)	2,200.7	3,814.1	2,281.1	3,166.0	4,462.3	3,249.9	3,162.9	2,912.1	2,746.3	6,070.5	6,993.8	4,055.8
Value (AED Mn)	2,838.3	4,990.5	2,886.8	5,270.5	4,423.8	4,865.5	4,173.8	3,968.5	3,887.3	6,367.5	5,819.3	4,822.8
Trades	45,095	63,397	45,792	51,127	62,712	60,225	47,868	48,434	49,137	95,806	111,040	73,062

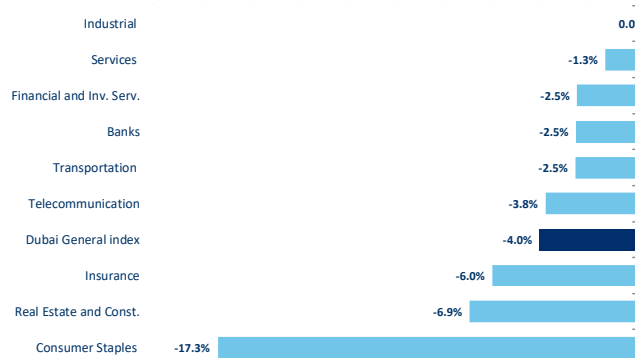
Source: Dubai Financial Market, Kamco Invest Research

After rebounding strongly in Apr-2020 (+14.4%), the DFM index retraced lower again in May-2020, declining by 4.02% m-o-m. The index closed at 1945.09 points, as none of the sectors managed to gain ground in May-2020. Consumer Staples & Discretionary which gained by 27.4% in Apr-2020, plunged by 17.3% in May-2020, driven by DXB Entertainment's share price that fell by 18.5% m-o-m, as amusement parks continued to remain shut. Real Estate & Construction names fell by 6.9% m-o-m, as Arabtec plunged by 20.8%, followed by Emaar Development (-14.4%) and Emaar Properties (-8.1%). The financials pack also witnessed declines, led by the Insurance sector (-6.0%), while Banks and Investment & Financial Services receded by around 2.5% each. The DFM stock reported a total revenue growth of 13% y-o-y to reach AED 88.2 Mn in Q1-20, compared to AED 77.9 Mn during Q1-19. Trading value on the DFM exchange has relatively improved during Q1-20 with an increase of 19% y-o-y to AED 14.2 Bn, compared to AED 11.9 Bn during Q1-19. Net profit came in at AED 34.7 Mn, a 24% increase y-o-y as compared to AED 28.1 Mn during Q1-19. Telecoms also declined by 3.8% m-o-m in May-2020 as DU declined by the same amount in percentage terms.

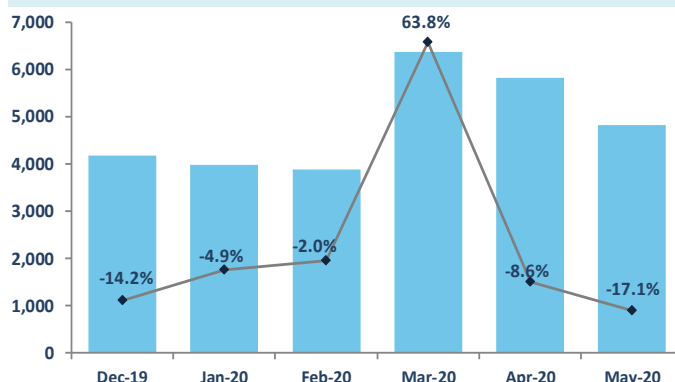
In earnings releases, National Central Cooling Company (Tabreed) reported a net profit of AED 82.2 Mn for Q1-20, an increase of 3% y-o-y compared to Q1-19. EBITDA for the company increased by 5% y-o-y to AED 178.2 Mn from AED 170.2 Mn in Q1-19. Revenues decreased by 1% y-o-y in Q1-20, driven by results from value chain businesses while chilled water revenue was in line with Q1-19. Gross margins however improved marginally y-o-y to 55%. However, they mentioned that there was an increase in administrative and other expenses mainly from a provision of AED 10 Mn on receivables due to impact of COVID-19 offset by cost savings. Separately, Al Ramz reported a 23% y-o-y growth in operating revenues attributed to its expanded service lines including corporate finance, asset management and market making. Unrealized investment losses of AED 73.1 Mn were also reported, which are attributed to the impact of the COVID-19 pandemic on financial markets. As a result, the Group reported a net loss for the quarter of AED 68.5 Mn. Logistics and transportation player Aramex saw its Q1-20 revenues fall 3% y-o-y to AED 1,196 Mn, compared to AED 1,234 Mn in Q1-19. Net Profit for the period decreased 38% y-o-y to AED 67.4 Mn compared to AED 108 Mn in Q1-19.

In terms of trading activity, the DFM witnessed declining trends on major indicators, as volumes traded decreased by 42% m-o-m to reach 4.1 Bn shares. In terms of value traded, total value of shares however decreased by 17.1% m-o-m to reach AED 4.8 Bn. In terms of monthly gainers, Gulfa led all stocks as its stock price was up 14.8% in May-2020. Dubai Refreshments Company and Oman Insurance followed, as their stock prices moved up by 8.3% and 5.3% respectively. On the other hand, shares of Arabtec declined the most as its share price declined by 20.8% m-o-m. DXB Entertainment and Islamic Arab Insurance followed with declines of 18.5% and 15.4% respectively for the month. Emirates NBD was the most actively traded stock on the exchange as AED 1.64 Bn worth of stock was traded. Emaar Properties and Dubai Islamic Bank followed with value traded of AED 0.67 Bn and AED 0.43 Bn respectively. In terms of volumes, Union Properties led all stocks as 1.04 Bn shares were traded. Deyaar Development and GFH followed as 293 Mn and 288 Mn shares were traded.

DFM Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Dubai Financial Market, Kamco Invest Research

Qatar Exchange

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
QE 20 Index	10,455.7	10,505.0	10,232.9	10,367.1	10,189.0	10,147.9	10,425.5	10,442.0	9,490.1	8,207.2	8,764.1	8,844.7
Monthly % Change	1.8%	0.5%	(2.6%)	1.3%	(1.7%)	(0.4%)	2.7%	0.2%	(9.1%)	(13.5%)	6.8%	0.9%
Market Cap (QAR Bn)	577.6	578.1	564.2	574.8	563.4	562.2	582.7	579.5	526.0	460.5	493.8	500.9
P/E (X) - TTM	13.92	13.88	13.84	14.05	13.77	13.74	14.18	14.05	13.12	11.51	12.90	14.15
P/BV (X) - TTM	1.31	1.31	1.27	1.29	1.39	1.39	1.44	1.39	1.25	1.10	1.17	1.39
Dividend Yield (%)	3.96%	3.96%	4.08%	4.02%	4.15%	4.16%	4.02%	4.03%	4.14%	4.67%	4.36%	4.46%
Volume (Mn Shares)	672.0	1,282.1	1,239.7	2,343.5	1,614.2	1,412.0	1,507.5	1,730.4	1,557.9	3,061.7	3,859.6	3,502.3
Value (QAR Mn)	5,468.2	3,784.8	4,083.5	6,021.3	4,711.0	5,238.8	4,822.4	4,669.1	4,527.9	8,227.3	6,371.5	6,117.9
Trades	121,014	109,728	118,906	147,557	111,539	116,733	122,888	101,454	120,366	202,954	195,215	162,304

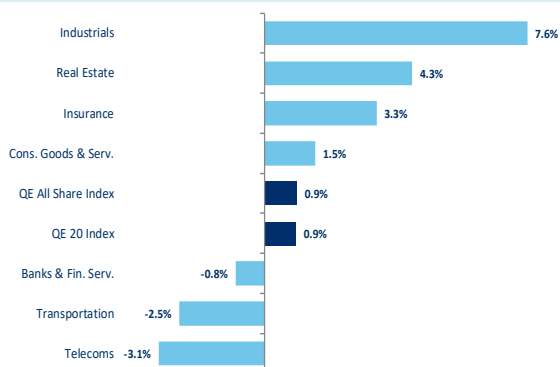
Source: Qatar Exchange, Kamco Invest Research

After witnessing gains of 6.8% m-o-m in Apr-2020, the QE-20 index witnessed stabilizing trends and gained by 0.92% May-2020. The Qatar All Share index which maps the broader market moved up by 0.95%, but sectoral performance for the month was mixed. Industrials and Real Estate were the best performing indices and gained by 7.6% and 4.3% respectively m-o-m. Qatar National Cement (+11.8%) and Mesaieed Petrochemical (+11.7%) were the best performing industrials names while United Development (+10.9%) and Ezdan Real Estate (+4.2%) led the real estate sector. The Transportation and Telecoms indices which were the best performing sectors in Apr-2020 lost most ground in May-2020 and declined by 3.1% and 2.5% respectively. Qatar International Islamic Bank (QIIB) announced that Moody's affirmed the bank's rating at 'A2' with a stable outlook. Moody's indicated that the rating was based on a number of factors, the most important of which is that QIIB is one of the leading Islamic banking institutions in the State of Qatar, especially in the retail sector.

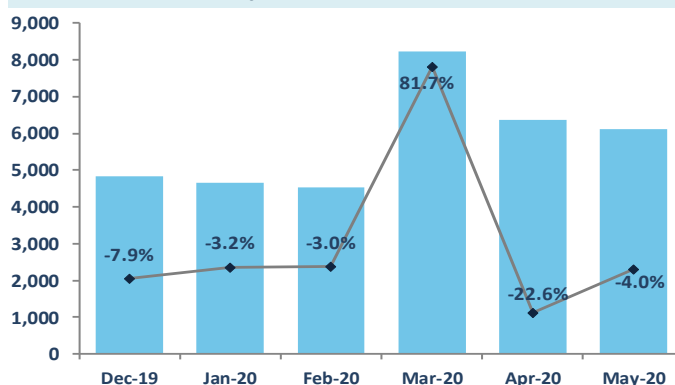
In earnings releases, Qatar First Bank's total income increased by 7% y-o-y to QAR 34.2 Mn in Q1-20 as income from structured products increased by 27% y-o-y over the same period. The bank core business, aside from COVID-19 negative impact, reportedly recorded a profit of QAR 12.3 Mn compared with a net profit of QAR 3.2 Mn in Q1-19. However, post provisioning a net loss of QAR 191.6 Mn was recorded arising from making these COVID-19 conservative provisions, which amounted to QAR 203.9 Mn. In ratings action Capital Intelligence affirmed the Long-Term Foreign Currency and Short-Term Foreign Currency ratings of Qatar Islamic Bank (QIB) at 'A+' and 'A1' respectively, with a stable outlook. The rating is reportedly supported by strong asset quality, strong profitability at both the operating and net levels, strong capitalization and non-financial supporting factors that include a strong franchise and market position. The ratings agency mentioned that QIB's profitability is strong, and earnings quality is good, and it has been posting consistent results along with its profitability being better than sector average, supported by its broadly stable net financing margins, which has remained above average, and continued efficiency gains with cost-income ratio on a declining trend, having reached what is a low level by international standards.

Trading activity was mixed during May-2020 as value traded decreased by 4.0% m-o-m, to reach QAR 6.12 Bn as compared to QAR 6.37 Bn during Apr-2020, while volumes traded decreased by 9.3% to reach 3.5 Bn shares in May-20, as against 3.9 Bn shares in the month prior. The Banks & Financial Services sector was the most active in terms of value traded during May-20, accounting for 31.4% of the total value traded, followed by Industrials and Real Estate sectors, as they accounted for 19.3% and 16.6% of the total value traded respectively. In terms of trading activity, QNB topped the monthly value traded chart with QAR 909 Mn worth of shares traded, followed by Qatar Gas Transport and Ezdan Holding recording QAR 608 Mn and QAR 542 Mn in monthly value traded. Islamic Holding Group was the top performing stock in the index for the month as its share price more than doubled (+31.2%). Qatar German Co for Medical Devices followed with gains of 17.2% m-o-m. On the other hand, shares of Qatar Oman Investment witnessed the most declines, losing 11.5% m-o-m. Qatar First Bank & Investment Holding Group followed with declines of 10.8% and 7.5% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Bahrain All Share Index	1,471.04	1,547.68	1,533.09	1,516.53	1,523.27	1,526.95	1,610.18	1,657.63	1,660.48	1,350.62	1,310.73	1,269.63
Monthly % Change	2.6%	5.2%	(0.9%)	(1.1%)	0.4%	0.2%	5.5%	2.9%	0.2%	(18.7%)	(3.0%)	(3.1%)
Market Cap (BHD Mn)	8,400	8,837	8,751	8,661	8,695	8,708	9,175	9,679	9,710	7,777	8,268	8,047
P/E (X) - TTM	10.60	11.22	11.30	10.15	10.26	10.44	11.09	11.38	12.50	10.18	9.78	9.04
P/BV (X) - TTM	0.88	0.93	0.92	0.91	0.91	0.91	0.95	0.97	0.95	0.75	0.72	0.76
Dividend Yield (%)	4.93%	4.54%	4.58%	4.63%	4.60%	4.59%	4.37%	4.24%	4.61%	5.01%	4.95%	5.55%
Volume (Mn Shares)	123.1	105.9	55.9	68.6	77.4	82.4	88.8	58.9	70.8	104.6	146.2	59.9
Value (BHD Mn)	36.4	27.9	11.8	17.5	17.1	25.4	24.9	18.7	16.9	23.2	21.2	24.5
Trades	1,735	2,420	1,287	1,661	1,535	1,138	1,538	1,446	1,378	1,767	926	665

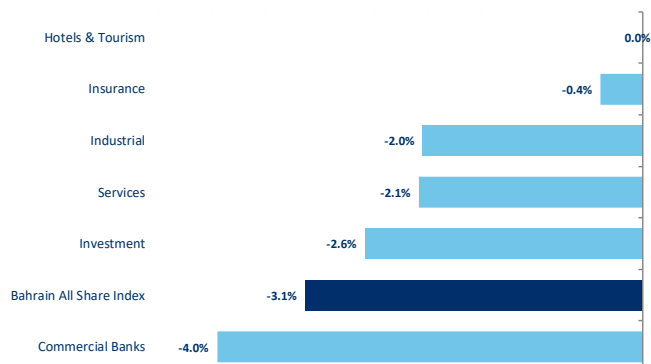
Source: Bahrain Bourse, Kamco Invest Research

The Bahrain Bourse continued its declining trend into May-2020, and receded by 3.1% m-o-m. The index close at 1269.63 points as sectoral index was negative. Commercial Banks were down by 4.0% m-o-m, followed by declines from Investment names (-2.6%) and Industrials companies (-2.1%). In YTD terms, barring the Insurance sector, all other sectors remain in the red as of end May-2020. Separately Bahrain Bourse introduced the Murabaha service for banks and corporates with the aim of meeting the growing needs of Interbank, corporate and retail clients, and supports Bahrain Bourse's efforts to expand and diversify its provided services and cater to various market segments through a new and unique line of service. The Murabaha service is provided through the utilization of Sharia'a-compliant Ijara Sukuk, as the underlying asset for all the Murabaha transactions.

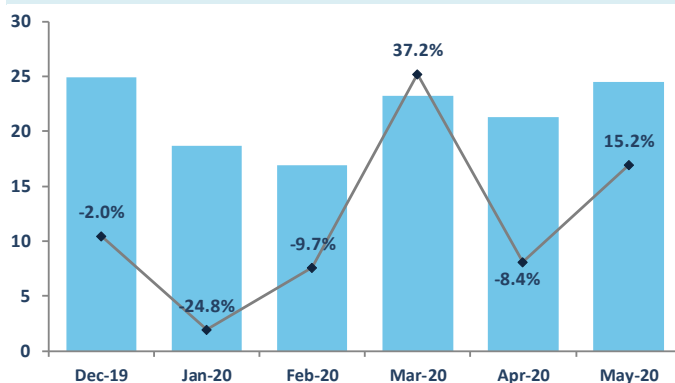
In Q1-20 earnings, Alba reported a net profit of BHD 5.7 Mn, up by 136% y-o-y from a loss of BHD 15.8 Mn for the same period in 2019. With regards to the Revenue from Contracts with Customers, Alba generated BHD 275.9 Mn in Q1-20, up 36% y-o-y versus BHD 203.5 in Q1-19. Alba's top-line and bottom-line growth were driven by higher metal sales' volume from Line 6 but impacted by lower LME price which were down by 9% y-o-y from USD 1,690/t in Q1-20 vs. USD 1,859/t in Q1-19. Sales' volume came in at 379,274 MT up by 48% y-o-y, while Production was up 43% y-o-y at 388,637 MT. Investcorp announced the fully subscribed final closing of approximately EUR 340 Mn in commitments for its second vintage Italian Distressed Loan Fund II ("Italian NPL Fund II"), which is exclusively advised by Eidos Partners. To date, more than EUR 460 Mn in assets have been allocated toward Investcorp and Eidos Partners' Italian non-performing loans ("NPLs") strategy. Investcorp also mentioned that the company and Tages Group-an European alternative asset management firm have created a 50/50 joint JV through merging Investcorp's Absolute Return Investments business and Tages Capital LLP, the absolute return subsidiary of Tages. In other corporate updates, Batelco announced that it has repaid in full USD 473 Mn of the outstanding senior unsecured bond issued by a subsidiary company and due on 1st May 2020. The USD 650 Mn bond was issued in 2013, with USD 177 Mn subsequently repurchased and redeemed and the USD 473 Mn repayment was mainly funded through a USD 450 Mn term loan facility.

Trading activity however was mixed, as volumes decreased by 59.1% m-o-m to reach 59.9 Mn shares. Value traded improved by 15.2% m-o-m and reached BHD 24.5 Mn. The number of trades made in the exchange also decreased to 680 trades, down 26.6% m-o-m from Mar-2020. National Bank of Bahrain was the most actively traded stock in May-2020 with BHD 12.67 Mn worth of its shares traded on the exchange. AUB and GFH followed with BHD 7.07 Mn and BHD 1.80 Mn worth of shares traded. In terms of volumes traded, National Bank of Bahrain was the most active stock as 21.04 Mn shares were traded, followed by GFH and AUB with 12.5 Mn and 12.1 Mn shares respectively. There were no gainers on the exchange for the month of May-2020. Bahrain Duty Free Complex was the main laggard, as it witnessed a m-o-m decline of 17.7% m-o-m, followed by GFH and Khaleeji Commercial Bank with monthly declines of 10.6% and 7.3% respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

Monthly Indicators	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
MSM 30 Index	3,884.9	3,760.6	4,004.9	4,017.7	3,999.9	4,064.1	3,981.2	4,079.3	4,130.9	3,448.3	3,539.5	3,544.6
Monthly % Change	(1.3%)	(3.2%)	6.5%	0.3%	(0.4%)	1.6%	(2.0%)	2.5%	1.3%	(16.5%)	2.6%	0.1%
Market Cap (OMR Mn)	6,544	6,383	6,713	6,729	6,675	6,706	6,591	6,722	6,744	5,798	5,877	5,920
P/E (X) - TTM	8.70	7.67	8.21	8.22	8.26	8.32	8.13	8.47	8.66	7.13	7.59	9.16
P/BV (X) - TTM	0.71	0.69	0.74	0.74	0.74	0.75	0.73	0.75	0.73	0.60	0.62	0.76
Dividend Yield (%)	6.70%	7.66%	7.15%	7.13%	7.13%	7.05%	7.21%	6.80%	6.79%	8.01%	7.78%	6.81%
Volume (Mn Shares)	307.9	276.7	558.0	297.2	433.3	207.2	332.3	231.2	278.6	298.5	169.7	93.3
Value (OMR Mn)	52.9	37.3	164.3	40.9	53.4	32.4	62.0	40.8	52.9	71.6	25.0	16.9
Trades	8,365	9,982	8,464	11,066	10,774	9,901	10,490	11,293	12,494	10,507	9,945	5,880

Source: Muscat Securities Market, Kamco Invest Research.

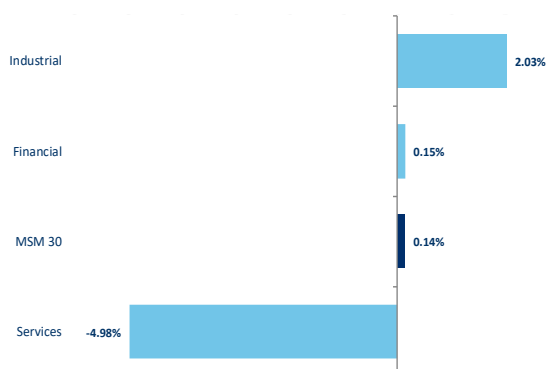
The Omani stock market closed flat during May-2020 after gains during the last week of the month offset declines since the start of the month. The MSM30 index closed the month at 3,544.58 points resulting in a YTD-2020 decline of 11% by the end of May-2020. Sectoral trends were mixed during the month with 2.0% gain in the Industrial index, almost flat gains for the Financial index and a decline of 5% recorded in the Services index during the month. The performance of the MSM Total Return index was identical with the MSM30 Index with flattish growth during May-2020. Moreover, despite being flat during May-2020 as compared to the rest of the GCC markets, the MSM30 index continues to be the best performing benchmark in the GCC in terms of YTD-2020 performance with the smallest decline of since the start of the year.

Monthly share performance in the regular market included five gainers during the month and nine decliners. Bank Muscat topped the gainers chart in the regular market with a gain of 8.0%. During the month, the bank approved 35% cash dividend and 5% bonus shares for its shareholders. Ominvest was next on the gainers list with a gain of 4.3% followed by Sohar International Bank and Renaissance Services with monthly gains of 2.4% and 0.5%, respectively. On the decliners side, Al Omaniya Financial Services topped with a decline of 14.6% followed by Muscat Finance and National Gas with declines of 10.9% and 7.9%, respectively. For the overall market, Oman Flour Mills topped with a monthly gain of 22.0% followed by Oman Fisheries and Dhofar Finance with gains of 13.4% and 10.0%, respectively. The monthly market breadth for the overall market was skewed towards decliners that included 34 companies as compared to 16 gainers.

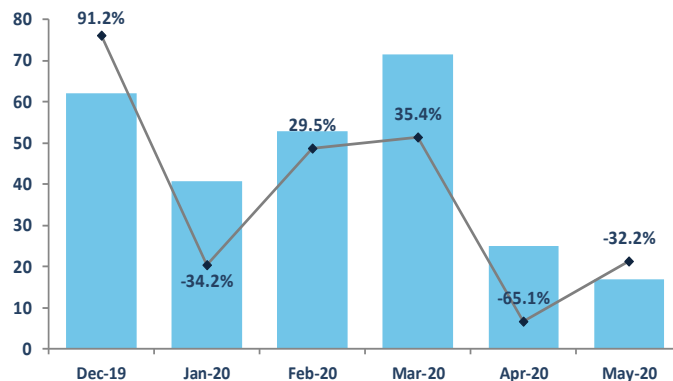
Trading activity on the exchange saw a steep decline and reached one of the lowest recorded monthly levels at least since the start of 2013. Monthly volume of shares traded reached 101.4 Mn shares during May-2020 as compared to 169.7 Mn during April-2020 recording a m-o-m decline of 40%. Monthly value traded also declined by 32.2% to reach OMR 16.9 Mn as compared to OMR 25.0 Mn during the previous month. The monthly volume traded chart was topped by Bank Muscat with a total volume of 13.7 Mn shares followed by Bank Nizwa and Al Anwar Ceramic Tiles with monthly volumes of 12.9 Mn and 10.7 Mn shares, respectively. Bank Muscat also topped the monthly value traded chart with shares worth OMR 4.5 Mn changing hands during the month followed by Oman Flour Mills and Omantel with value traded at OMR 1.9 Mn and OMR 1.6 Mn, respectively.

Parallel market stocks accounted for the bulk of the volume traded on the exchange accounting for 61.2% but in terms of value of shares traded, parallel market stocks accounted for 45.5% of value traded during May-2020 as against regular market stocks that accounted for 53.8% or OMR 9.1 Mn. In terms of sector, the Financial sector accounted for 52.2% of value traded on the exchange followed by Services sector at 24% while the Industrial sector accounted for 23.8%. The share of Omanis in the total value of buy trades during the month declined from 74.1% in April-2020 to 66.6% in May-2020. In terms of value of sell trades, Omani's share increased from 57.7% in April-2020 to 62.6% in May-2020.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

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Kamco Investment Company - K.S.C. (Public)

Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq

P.O. BOX : 28873, Safat 13149, State of Kuwait

Tel: (+965) 2233 6600 Fax: (+965) 2249 2395

Email : kamcoird@kamcoinvest.com

Website : www.kamcoinvest.com