

GCC Markets Monthly Report

June-2020

In this Report...

Kuwait	2
Saudi Arabia	3
Abu Dhabi	4
Dubai	5
Qatar	6
Bahrain	7
Oman	8

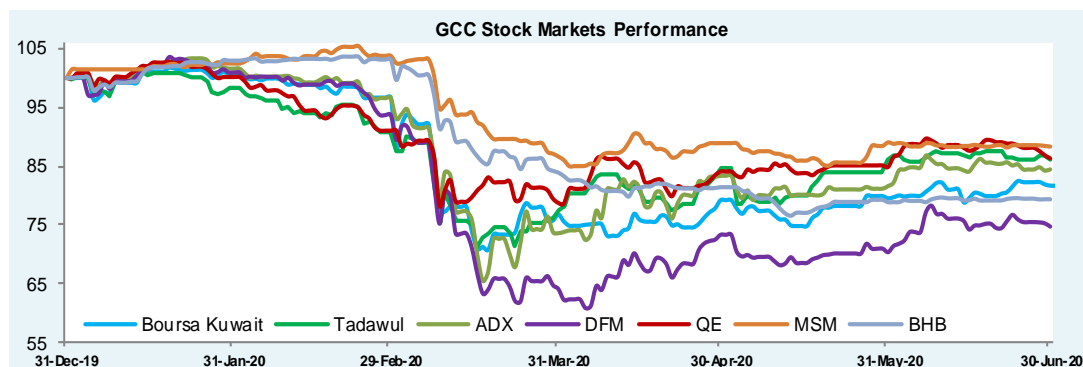
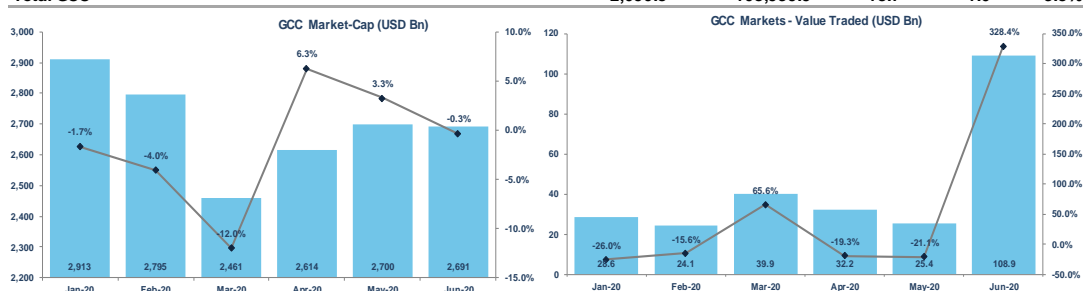
GCC markets see double-digit gains in Q2-2020 but underperform global peers...

GCC stock markets mostly witnessed broad-based gains during June-2020, in line with global benchmarks, with all regional stock markets barring Oman closing in the green. Regional market volatility also witnessed a steep decline during the month, as investors preferred to stay cautious over concerns of the impact of Covid-19 crisis. Moreover, despite consecutive monthly gains, markets remained in the red at the end of 1H-2020 at -15.7% YTD, as the 12% rally during Q2-2020 was unable to offset the 25% decline during Q1-2020.

The GCC monthly sector performance chart also showed the broad-based gains with almost all the sectors in the green, barring insurance that receded 1.3%. The transportation index witnessed the biggest monthly gains as prospects of near-term opening of economies pushed the most affected sectors over the past few months including consumer cyclicals, real estate, industrials and basic materials higher. That said, in terms of 1H-2020 gains, only the defensive consumer facing sectors like Food & Beverage and Consumer non-cyclicals were in the green, whereas financials services showed the biggest declines.

Global equity markets remained upbeat until the second week of June-2020 and declined for the remainder of the month, as a threat of a second wave of Covid-19 case pushed market in the red. Gains during the month remained modest at low-single digits even as economies opened gradually after the lockdowns. The ambitious plans to restart economies across a number of countries were scaled back as new cases started rising once again with total cases crossing the 10 million mark globally. Lockdowns and travel bans were extended or re-imposed in several parts of Europe and Asia. The threat of a second wave of virus spread kept investors on the toes during the month partially wiping off initial gains at the start of the month.

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	5,607.1	3.4%	(19.6%)	99.2	2,149.5	14.6	1.2	3.5%
Kuwait - Main Market Index	4,190.1	1.0%	(14.7%)					
Kuwait - All Share Index	5,130.7	2.7%	(18.3%)					
Saudi Arabia	7,224.1	0.2%	(13.9%)	2,195.2	101,566.5	21.8	1.8	3.6%
Abu Dhabi	4,285.8	3.5%	(15.6%)	137.8	1,042.6	13.7	1.3	6.0%
Dubai	2,065.3	6.2%	(25.3%)	79.0	1,687.7	6.2	0.7	4.5%
Qatar	8,998.6	1.7%	(13.7%)	142.8	2,367.5	14.2	1.4	4.4%
Bahrain	1,277.6	0.6%	(20.7%)	21.5	60.7	9.3	0.8	5.5%
Oman	3,516.0	(0.8%)	(11.7%)	15.3	65.4	10.0	0.8	6.8%
Total GCC				2,690.8	108,939.9	18.7	1.6	3.8%



Source: GCC Stock Exchanges, Kamco Invest Research

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Boursa Kuwait

Monthly Indicators	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Premier Market Index	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	5,607.1
Monthly % Change	5.8%	(3.2%)	(5.4%)	0.6%	5.0%	7.0%	0.8%	(4.3%)	(22.8%)	3.0%	1.3%	3.4%
Main Market Index	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	4,190.1
Monthly % Change	2.4%	(1.9%)	(1.6%)	0.9%	0.2%	3.0%	0.2%	(3.1%)	(14.4%)	3.5%	(1.8%)	1.0%
All Share Market Index	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	5,130.7
Monthly % Change	4.9%	(2.9%)	(4.4%)	0.7%	3.7%	6.0%	0.7%	(4.0%)	(20.6%)	3.2%	0.4%	2.7%
Thomson Reuters Kuwait TRI	271.9	263.0	249.9	251.6	262.0	276.7	279.4	266.9	213.9	227.5	231.8	240.2
Monthly % Change	4.9%	(3.3%)	(5.0%)	0.6%	4.2%	5.6%	1.0%	(4.5%)	(19.8%)	6.4%	1.9%	3.6%
Market Cap (KWD Mn)	35,399	34,380	32,862	33,081	34,285	36,345	36,613	35,156	27,754	28,778	29,169	29,961
P/E (X) - TTM	16.60	16.20	15.50	15.60	16.10	16.80	16.90	16.20	12.80	13.30	14.27	14.60
P/BV (X) - TTM	1.51	1.44	1.38	1.39	1.44	1.49	1.50	1.44	1.14	1.18	1.14	1.21
Dividend Yield (%)	3.42%	3.52%	3.69%	3.68%	3.55%	3.35%	3.46%	3.06%	3.90%	4.56%	4.16%	3.51%
Volume (Mn Shares)	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	3,567.4
Value (KD Mn)	979.0	490.3	749.9	503.8	514.1	853.5	869.5	522.3	986.8	747.4	441.0	649.4
Trades ('000)	180.3	108.5	139.2	122.7	122.4	176.1	160.8	139.4	239.3	175.6	112.0	158.0

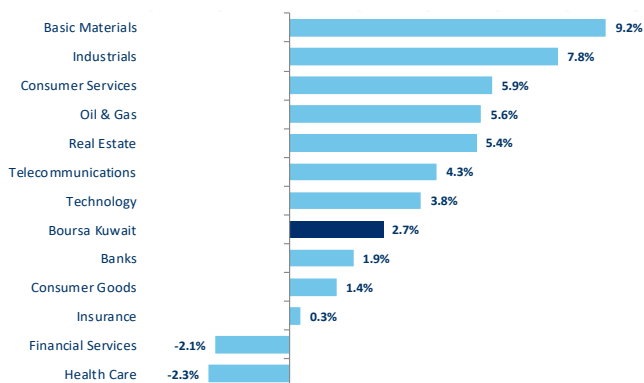
Source: Boursa Kuwait, Kamco Invest Research

Kuwaiti benchmarks showed gains for the third consecutive month as investor sentiments improved across the region. Gains were broad-based with all the four benchmarks closing in the green during June-2020. The Main 50 Index witnessed the biggest monthly gain of 3.7% as investors widened their focus to mid-cap fundamentally strong stocks on the exchange. Nevertheless, Premier Market gains were only slightly lower at 3.4% followed by the Main Market index gains at 1.0%. Within the premier market stocks, key gainers included Qurain Petrochemicals (+13.1%), Agility (+11.2%), Mabaneer (+11.0%) and NBK (+6.5%) were partially offset by key decliners including GBK (-5.8%) and National Industries (-4.1%). Meanwhile, in line with most financial markets, Kuwaiti indices also witnessed partial recovery during Q2-2020. Premier Market stocks outperformed the remaining three indices with a quarterly gain of 7.9% whereas the Main 50 index gained 4.7%. Q2-2020 gains for the All share index were at 6.4%, the third lowest in the GCC, resulting in a 18.3% decline in terms of 1H-2020 performance.

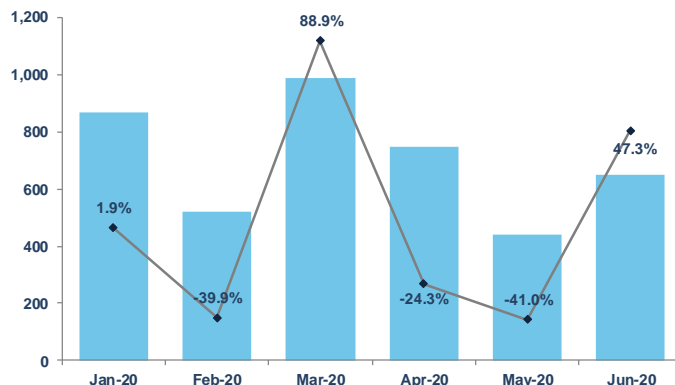
In terms of sector performance, the Basic Materials index witnessed the biggest gains during the month at 9.2% led by double digit in shares of Qurain Petrochemicals and Boubyan Petrochemicals that more than offset decline in the other two stocks in the sector. The Industrials index was next at 7.8% as a majority of the stocks in the sector were in the green following plans of a restart to industrial activity in the country. Healthcare and Financial Services indices were the only decliners during the month. In terms of 1H-2020 performance, only the consumer goods index was in the green with a gain of 15.6% as the stocks remained defensive against the lockdowns. The Consumers Services Index, on the other hand, was the biggest decliner with a fall of 27.5% followed by Banks and Financial Services at 21.8% and 19.7%, respectively.

Trading activity on the exchange recovered during June-2020 to reach the highest in three months from an 18-month low in May-2020. Volume traded during the month gained 67% to reach 3.6 Bn shares in June-2020 as compared to 2.1 Bn shares in May-2020. The aggregate value of shares changing hands during the month also gained by almost 50% to reach KWD 649.4 Mn as compared to KWD 441 Mn during May-2020. AUB Bahrain once again topped the monthly volume chart for the fourth consecutive month with 478.4 Mn shares traded followed by KFH and KIB with 224.1 Mn shares and 213.2 Mn shares, respectively. On the monthly value traded chart, KFH topped with KWD 136.9 Mn worth of shares changing hands during the month followed by NBK and AUB Bahrain at KWD 97.2 Mn and KWD 86.1 Mn, respectively.

Boursa Kuwait Monthly Sector Performance



Monthly Value Traded (KWD Mn)



Source: Kuwait Stock Exchange, Kamco Invest Research

Saudi Arabia (Tadawul)

Monthly Indicators	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Tadawul All Share Index	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	7,224.1
Monthly % Change	(1.0%)	(8.2%)	0.9%	(4.3%)	1.5%	6.7%	(1.7%)	(7.5%)	(14.7%)	9.3%	1.4%	0.2%
Market Cap (SAR Bn)	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	8,232.3
P/E (X) - TTM	17.91	17.14	17.28	16.33	16.37	23.40	23.00	21.30	26.12	28.57	22.04	21.77
P/BV (X) - TTM	2.01	1.85	1.87	1.78	1.81	2.12	2.09	1.89	1.58	1.70	1.76	1.76
Dividend Yield (%)	3.44%	3.76%	3.74%	3.90%	3.86%	3.23%	3.29%	3.53%	4.07%	3.63%	3.45%	3.57%
Volume (Mn Shares)	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	8,297.2
Value (SAR Mn)	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	380,892.5
Trades ('000)	2,262	2,119	2,318	2,537	2,173	3,740	3,750	3,271	5,167	4,426	3,265	5,732

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

The Saudi stock exchange witnessed steep volatility during June-2020 and closed flattish during the month with marginal gains of 0.2% for the TASI index. Performance of a majority of the sectors during the month were positive; however these gains were completely offset by decline in large-cap indices like Energy, Banks and Telecom. The monthly market breadth also showed positive returns for a majority of the stocks with 151 gainers during June-2020 as compared to 41 decliners.

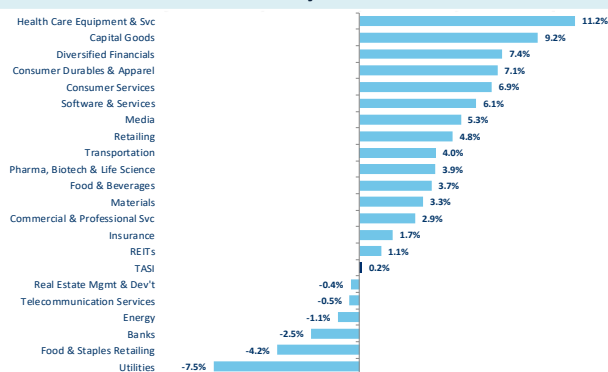
The Healthcare index reported the biggest monthly gain of 11.2% followed by Capital Goods and Diversified Financials indices with monthly gains of 9.2% and 7.4%, respectively. On the decliners side, the Utilities benchmark witnessed the biggest monthly decline of 7.5% with shares of Saudi Electricity declining by 8.4% during the month that was partially offset by 1.3% gain in shares of National Gas & Industrialization Co. Food & Staples Retailing sector was next with the index declining 4.2% followed by Banks and Energy indices with declines of 2.5% and 1.1%, respectively.

In the Banking sector, shares of 10 out of 12 banks declined during the month with NCB falling the most at 6.9%, whereas shares of Samba Financial witnessed strong gains of 12.9% following a USD 15.6 Bn takeover bid from NCB. Saudi Paper Manufacturing Co topped the monthly gainers chart with a gain of 48.0% followed by Wafrah for Industry and Development Co. and Al Hassan Ghazi Ibrahim Shaker with monthly gains of 33.3% and 27.4%, respectively. On the decliners side, Arabian Pipes topped with a decline of 12.3% followed by Saudi Fisheries and Alkabeer REIT with declines of 10.8% and 9.1%, respectively.

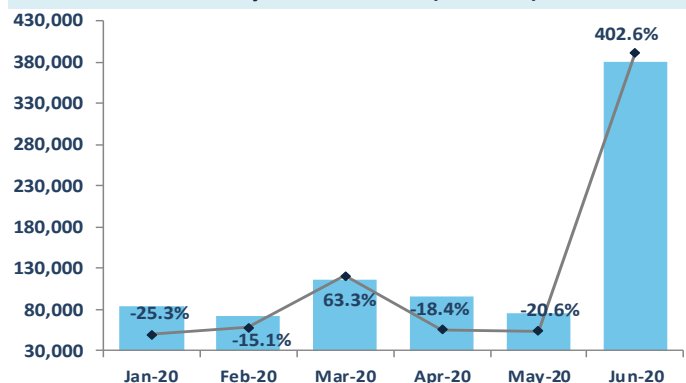
In terms of 1H-2020 performance, the decline in TASI was the third lowest in the region at 13.9% after gains in defensive sectors like Food, Pharma, Healthcare and Insurance were more than offset by decline in the rest of the sectoral indices. The Banking sector witnessed the biggest decline this year at 27.4% with shares of all the banks in the red recording double digit declines. Meanwhile, the decline in Energy and Materials sectors were relatively smaller at 9.2% and 11.5%, respectively. The chart for the biggest gainers during 1H-2020 was topped by Arab Sea Information Systems with a gain of 71.3%, followed by National Co. for Learning and Halwani Brothers with gains of 57.3% and 53.0%, respectively. On the decliners chart, Rabigh Refining topped with a decline of 37.9% followed by Dar Al Arkan Real Estate Devel and SABB with declines of 35.5% and 34.4%, respectively.

Trading activity got a big boost during the month on the back of SABIC shares following the completion of acquisition of 70% stake in the company by Saudi Aramco for USD 69.1 Bn. As a result, total volume traded during the month was up 132% to 8.3 Bn shares as compared to 3.6 Bn shares during May-2020. Value traded increased at a much higher pace of more than 400% to reach SAR 380.9 Bn during June-2020 as compared to SAR 75.8 Bn during the previous month. Around 2.15 Bn shares of SABIC was traded during the month valued at SAR 263.2 Bn. Other companies on the monthly chart included Dar Al Arkan with 984 Mn traded shares. The monthly value traded chart also included AlRajhi Bank with SAR 8.6 Bn worth of trades followed by Dar Al Arkan and Seera at SAR 7.2 Bn and SAR 4.9 Bn, respectively.

Tadawul Monthly Sector Performance



Monthly Value Traded (SAR Mn)



Source: Tadawul, Kamco Invest Research

Abu Dhabi Securities Exchange

Monthly Indicators	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
ADX General Index	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	4,285.8
Monthly % Change	6.8%	(2.9%)	(2.1%)	1.0%	(1.5%)	0.9%	1.6%	(4.9%)	(23.8%)	13.3%	(2.1%)	3.5%
Market Cap (AED Bn)	542.9	530.2	525.0	525.9	519.2	529.1	559.9	535.3	431.8	489.2	485.2	506.2
P/E (X) - TTM	13.53	13.10	12.72	12.85	12.77	12.85	13.17	12.39	9.44	10.86	12.92	13.69
P/BV (X) - TTM	1.48	1.44	1.41	1.43	1.40	1.42	1.35	1.27	0.96	1.07	1.24	1.28
Dividend Yield (%)	4.67%	4.87%	4.97%	4.94%	5.00%	4.95%	4.81%	5.08%	6.55%	5.60%	6.14%	5.96%
Volume (Mn Shares)	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	1,128.2
Value (AED Mn)	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	3,829.4
Trades	33,745	32,103	34,016	30,702	29,132	25,376	23,279	28,487	52,789	48,960	33,979	41,789

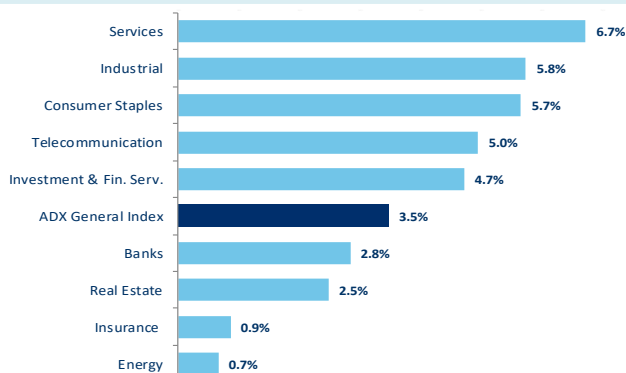
Source: Abu Dhabi Securities Exchange, Kamco Invest Research

For H1-20, the ADX index declined by 15.6%, as the frontline index recovered from witnessing declines in excess of 35% in Mar-2020. The index closed at 4285.79 points as sectoral performance was mixed. Banks were the most hit at the end of Jun-2020 YTD, as they fell by 27.2% from the start of the year, due to sector woes from lower visibility for NIMs recovery and credit growth. Invest Bank was the worst performer in the sector declining by 47% YTD, while amongst the major banks ADCB (-37.5%) and ADIB (-31.7%) were the worst hit. Real Estate followed with declines of 17.6% YTD, as structural demand side concerns sustained and affected stock prices post the onset of Covid-19. RAK Properties was down 18.4% as a result, while Aldar plunged by 17.6% over the same time frame from Jan-Jun 2020. Investment & Financial Services was the best performing sectoral index, gaining by 62% YTD at the end of Jun-2020, driven singlehandedly by International Holdings, as the company's stock price was up 4.7x over the period. Telecoms remained stable over H1-20, and was marginally up 0.5%, as the share price of Etisalat (+0.5%) remained broadly stable. Ratings agency Moody's affirmed the long-term ratings of ADCB, ADIB, National Bank of Ras-Al-Khaimah and National Bank of Fujairah, but changed the outlook to negative from stable.

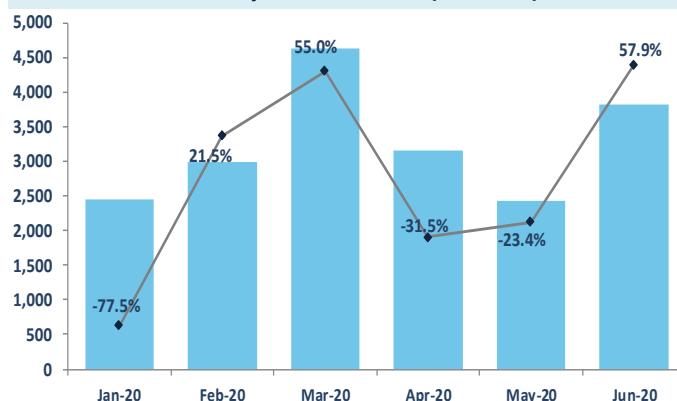
TAQA's Q1-20 group revenues declined by 9% y-o-y to AED 4.0 Bn, mainly reflecting a 21% drop in the price of oil and gas sold by TAQA for the same period last year. EBITDA fell 18% y-o-y to AED 1.9 Bn reflecting weaker revenues as well as higher operating expenses within the Oil and Gas business. Due to the significant and prolonged effects on oil demand due to COVID-19, and in line with peers, TAQA reduced its 2020 and 2021 oil price assumptions, requiring a write down of the Group's carrying amounts of certain oil-specific assets with a post-tax, bottom-line impact of AED 1.5 Bn. The loss attributable to TAQA's shareholders for Q1-2020 was AED 1.7 Bn, driven by the above-mentioned impairment charges. Separately Moody's affirmed ENBD's long-term deposit rating at A3 and its BCA and Adjusted BCA at ba1 and reportedly reflects the bank's solid capitalisation (14.8% tangible common equity/risk weighted assets as of March), high problem loans coverage at 121% as of March and resilient profitability, together supported by strong ties with the Dubai government and large Dubai-based corporates, combined with a large retail franchise. The negative reflects the potential weakening of the bank's standalone credit profile as a result of the current challenging operating environment.

Gulf Medical Projects topped the monthly gainers chart, with a gain of 42.1% m-o-m followed by Sharjah Cement & Industrial Development Co and National Marine Dredging Co with gains of 28.6% and 27.8% respectively. On the decliners side, the worst performing companies were Gulf Cement and Shuaa Capital with declines of 14.3% and 7.0%, respectively. Trading activity on the exchange improved m-o-m in Jun-2020, as volumes traded rose by over 30.7% to 1.13 Bn shares. Value traded jumped by 57.9% m-o-m to reach AED 3.8 Bn during Jun-2020. In terms of most actively traded stocks, FAB led all stocks in terms of value traded, with AED 0.94 Bn worth of shares traded during Jun-2020. Etisalat and Aldar Properties followed as AED 0.77 Bn and AED 0.55 Bn worth of shares were traded respectively. Aldar led the most active stocks list in terms of volumes traded, as 310.9 Mn shares were traded. ADIB and RAK Properties followed with 121.5 Mn and 109.9 Mn shares traded during Jun-2020.

ADX Monthly Sector Performance



Monthly Value Traded (AED Mn)



Source: Abu Dhabi Securities Exchange, Kamco Invest Research

Dubai Financial Market

Monthly Indicators	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
DFM General Index	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	2,065.3
Monthly % Change	9.8%	(5.5%)	0.8%	(1.2%)	(2.5%)	3.2%	0.9%	(7.2%)	(31.6%)	14.4%	(4.0%)	6.2%
Market Cap (AED Bn)	371.6	357.3	361.2	359.0	351.0	359.9	381.1	363.4	266.2	288.3	280.8	290.3
P/E (X) - TTM	7.87	7.56	7.26	6.82	6.57	6.76	6.93	6.59	4.34	5.02	7.73	6.20
P/BV (X) - TTM	0.97	0.92	0.93	0.93	0.90	0.93	0.92	0.83	0.54	0.62	0.70	0.74
Dividend Yield (%)	4.33%	4.43%	4.40%	4.49%	4.43%	4.31%	4.25%	4.81%	7.24%	7.24%	4.93%	4.54%
Volume (Mn Shares)	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	7,530.7
Value (AED Mn)	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	6,199.1
Trades	63,397	45,792	51,127	62,712	60,225	47,868	48,434	49,137	95,806	111,040	73,062	96,126

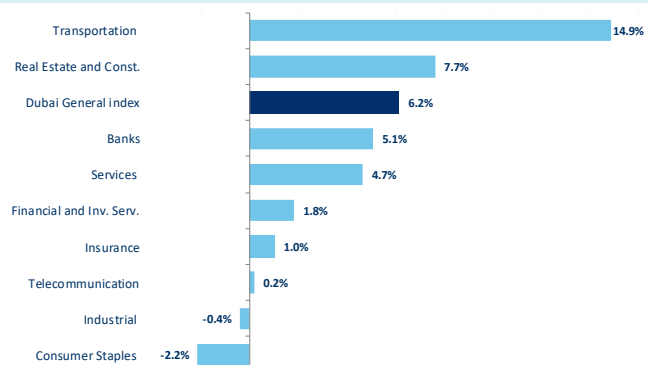
Source: Dubai Financial Market, Kamco Invest Research

DFM on the other hand underperformed its UAE counterpart and was also the worst performing GCC index, plunging by 25.3% YTD by the end of Jun-2020. The index closed at 2065.28 points and sectoral performance was mostly negative, as the Services was the only sector to witness marginal gains (+2.5%). The sectoral laggards were similar to ADX as Real Estate and Banks were the worst performing indices, declining by 30% and 29.3% YTD respectively at the end Jun-2020. Arabtec (-55%) and Emaar Development (-46.7%) drove the Real Estate sector downwards, while Emirates NBD (-31.8%) and DIB (-30.7%) were largely responsible for the drop in the banking index. Consumer Staples and Discretionary followed with declines of 28% over the same period. DXB Entertainment was the main driver of the decline for the sector as it fell by 29.8%, but the declines were marginally offset by GULFA (+122%), that more than doubled until Jun-2020. Ratings agency affirmed the long-term ratings of Emirates NBD, DIB and Mashreq Bank. Moody's however changed the outlook to negative from stable, reflecting the potential material weakening in their standalone credit profiles, amid a challenging operating environment in the UAE due to the coronavirus outbreak, low oil prices and pre-existing economic challenges.

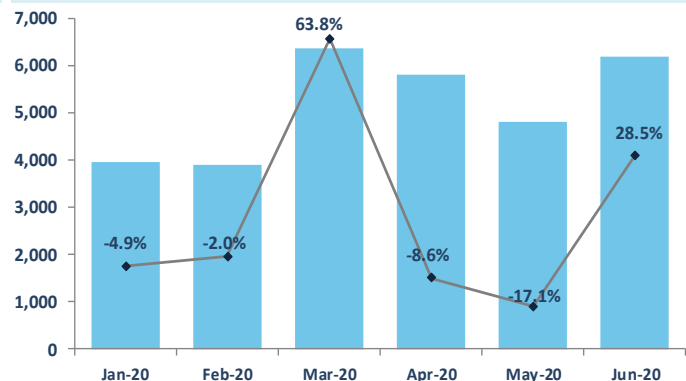
Commercial Bank of Dubai had announced that their FOL increase was effective from 14 June 2020 and the Dubai Financial Market has been advised to implement this increase as of that date. The bank has set a Foreign Ownership Limit of 40% after completion of all regulatory formalities following the shareholders' approval obtained during the AGM of 11 March 2020. Separately, DIB, rated A3 by Moody's and A by Fitch with stable outlooks from both ratings agencies, successfully closed a USD 1 Bn long 5-year Sukuk with a profit rate of 2.95% per annum, which is equivalent to 245bps over the equivalent tenor Mid Swap Rate. DIB's USD 1 Bn sukuk is reportedly the first public benchmark Sukuk from a regional financial institution after the COVID-19 market disruption with the last Sukuk issuance from GCC being in Feb-2020. DIB's offering received substantial international interest in the Sukuk, as the orderbook rose to over USD 4.5 Bn – with nearly 50% emanating from outside MENA. Union Properties mentioned that they were in the last stage of their debt restructuring process as negotiations were ongoing with banks. The restructuring agreements are expected to include various types of solutions such as tenor date extension and reduction of interest rates.

In terms of trading activity, the DFM witnessed higher trends on major indicators, as volumes traded increased by 85.7% m-o-m to reach 7.5 Bn shares. In terms of value traded, total value of shares increased by 28.5% m-o-m to reach AED 6.2 Bn. In terms of monthly gainers, Gulf Navigation Holding led all stocks as its stock price was up 37.1% in Jun-2020. Air Arabia and Gulfa Mineral Water & Process followed, as their stock prices moved up by 18.3% and 14.9% respectively. On the other hand, shares of Amlak declined the most as its share price declined by 11.1% m-o-m. Khaleeji Commercial Bank and Al Salam Sudan followed with declines of 8.4% and 7.6% respectively for the month. Emaar Properties was the most actively traded stock on the exchange as AED 1.14 Bn worth of stock was traded. Union Properties and Emirates NBD followed with value traded of AED 0.76 Bn and AED 0.62 Bn respectively. In terms of volumes, Union Properties led all stocks as 2.37 Bn shares were traded. DXB Entertainment and Deyaar Development 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	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
QE 20 Index	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	8,998.6
Monthly % Change	0.5%	(2.6%)	1.3%	(1.7%)	(0.4%)	2.7%	0.2%	(9.1%)	(13.5%)	6.8%	0.9%	1.7%
Market Cap (QAR Bn)	578.1	564.2	574.8	563.4	562.2	582.7	579.5	526.0	460.5	493.8	500.9	520.0
P/E (X) - TTM	13.88	13.84	14.05	13.77	13.74	14.18	14.05	13.12	11.51	12.90	14.15	14.18
P/BV (X) - TTM	1.31	1.27	1.29	1.39	1.39	1.44	1.39	1.25	1.10	1.17	1.39	1.39
Dividend Yield (%)	3.96%	4.08%	4.02%	4.15%	4.16%	4.02%	4.03%	4.14%	4.67%	4.36%	4.46%	4.45%
Volume (Mn Shares)	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	5,169.5
Value (QAR Mn)	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	8,619.8
Trades	109,728	118,906	147,557	111,539	116,733	122,888	101,454	120,366	202,954	195,215	162,304	197,921

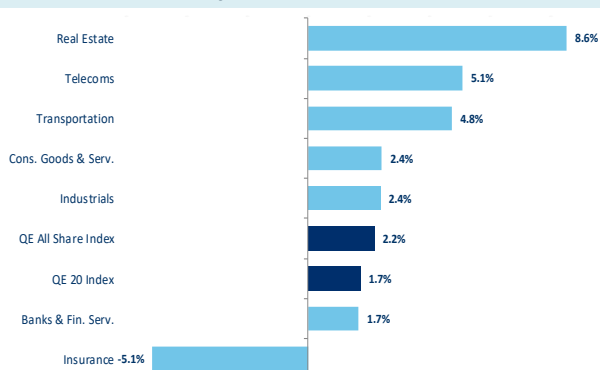
Source: Qatar Exchange, Kamco Invest Research

The QE-20 index was down by 13.7% YTD at the end of Jun-2020. The Qatar All Share index which maps the broader market, declined by 9.4%, as sectoral performance for H1-20 was negative. Insurance and Consumer Goods & Services indices were the main laggards in H1-20, as they declined by 27.9% and 15.6% respectively. The Banks & Financial Services index was down by 7.5% YTD, while Telecoms and Real Estate witnessed lower declines over the same period at 3% and 5% respectively. For the month of Jun-2020 however, the QE-20 index was up by 1.74% m-o-m, driven by the positive performances of Real Estate (+8.6%) and Telecom (+5.11%) sectors. Insurance was the worst performing index, witnessing a decline of 5.2% for the month of Jun-2020. Ratings agency Moody's affirmed the long-term deposit rating of Qatar Islamic Bank (QIB) at "A1", with a "stable" outlook and mentioned that the rating reflects the bank's adequate capital buffers, good profitability and limited market-funding reliance, underpinned by its established and growing retail and corporate Islamic banking franchise.

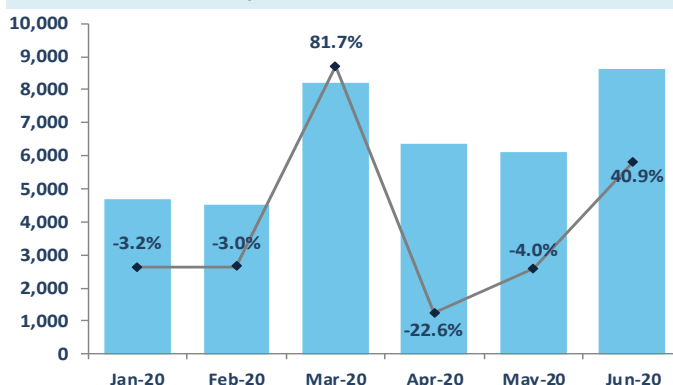
In ratings action, AlKhaleej Takaful Insurance mentioned that S&P affirmed its BBB rating and kept the outlook as stable. The affirmation is reportedly ascribed to better operating performance than the average for the company's domestic & regional peers, and limited impact on the company from the covid-19 pandemic. S&P global reportedly indicated its expectations that the company will continue to generate profitable earnings & maintain capital adequacy at AAA. Milaha has announced a reorganization of the company in line with Milaha's strategy to expand services for its core customers in the marine and logistics sectors and develop local capabilities to support Qatar National Vision 2030. As part of the re-alignment, the existing Maritime & Logistics pillar will focus on enabling trade and providing end-to-end supply chain solutions for commercial customers, through its Container Shipping, Ports and logistics. Milaha is also exiting its travel agency business, as well as de-emphasizing its equipment agency and distribution activities. As a result, four out of Milaha's five strategic pillars will focus on our core-business pillars, (1) Maritime and Logistics, (2) Offshore Marine, (3) Gas & Petrochem, and (4) Marine & Technical Services. The fifth pillar, Milaha Capital, will deal solely with financial and real estate investments.

Trading activity was up during Jun-2020 as value traded increased by 47.6% m-o-m, to reach QAR 8.62 Bn as compared to QAR 6.12 Bn during May-2020, while volumes traded increased by 40.9% to reach 8.6 Bn shares in Jun-20, as against 3.5 Bn shares in the month prior. The Banks & Financial Services sector was the most active in terms of value traded during the month Jun-2020, accounting for 35.5% of the total value traded, followed by Real Estate and Industrials sectors, as they accounted for 21.7% and 17.3% of the total value traded respectively. In terms of trading activity, QNB topped the monthly value traded chart with QAR 1.05 Bn worth of shares traded, followed by Ezdan Holding and Qatar Gas Transport recording QAR 947 Mn and QAR 408 Mn in monthly value traded. Djala Brokerage was the top performing stock in the index for the month as its share price almost doubled (+93.2%). Salam International Investment followed with gains of 51.6% m-o-m. On the other hand, shares of Qatar Insurance witnessed the most declines, losing 9.3% m-o-m. Qatar National Cement & Mannai Corp followed with declines of 4.9% and 4.8% for the month.

QE Monthly Sector Performance



Monthly Value Traded (QAR Mn)



Source: Qatar Exchange, Kamco Invest Research

Bahrain Bourse

Monthly Indicators	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Bahrain All Share Index	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	1,277.61
Monthly % Change	5.2%	(0.9%)	(1.1%)	0.4%	0.2%	5.5%	2.9%	0.2%	(18.7%)	(3.0%)	(3.1%)	0.6%
Market Cap (BHD Mn)	8,837	8,751	8,661	8,695	8,708	9,175	9,679	9,710	7,777	8,268	8,047	8,095
P/E (X) - TTM	11.22	11.30	10.15	10.26	10.44	11.09	11.38	12.50	10.18	9.78	9.04	9.25
P/BV (X) - TTM	0.93	0.92	0.91	0.91	0.91	0.95	0.97	0.95	0.75	0.72	0.76	0.78
Dividend Yield (%)	4.54%	4.58%	4.63%	4.60%	4.59%	4.37%	4.24%	4.61%	5.01%	4.95%	5.55%	5.51%
Volume (Mn Shares)	105.9	55.9	68.6	77.4	82.4	88.8	58.9	70.8	104.6	146.2	59.9	90.0
Value (BHD Mn)	27.9	11.8	17.5	17.1	25.4	24.9	18.7	16.9	23.2	21.2	24.5	22.9
Trades	2,420	1,287	1,661	1,535	1,138	1,538	1,446	1,378	1,767	926	665	1,158

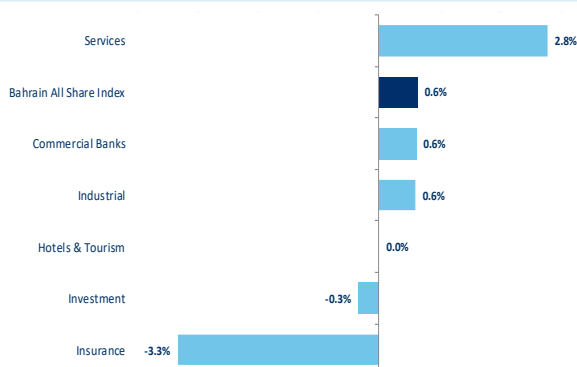
Source: Bahrain Bourse, Kamco Invest Research

The Bahrain Bourse was the second worst performing index in the GCC YTD, and declined by 20.7% at the end of Jun-2020. The index closed at 1277.61 points and performance in H1-20 was negative across all sectors. Commercial Banks was the worst hit sector declining by 26.2% in H1-20, followed by Industrials (-20.5%) and Investment (-17.0%) companies. In corporate developments, the National Bank of Bahrain confirmed that all the necessary approvals have been granted in relation to a GBP 150 Mn financing facility. Separately, Batelco announced that it received approval to reappoint SICO as the designated market maker for Batelco with respect to the company's ordinary shares listed on the Bahrain Bourse, aimed at enhancing liquidity and price discovery of Batelco's shares. The CBB approval will enable Batelco to continue to acquire up to 3% of its total issued share capital as treasury shares and the current market making agreement between Batelco and SICO will remain in effect for a 12-month period ending on 15 June 2021.

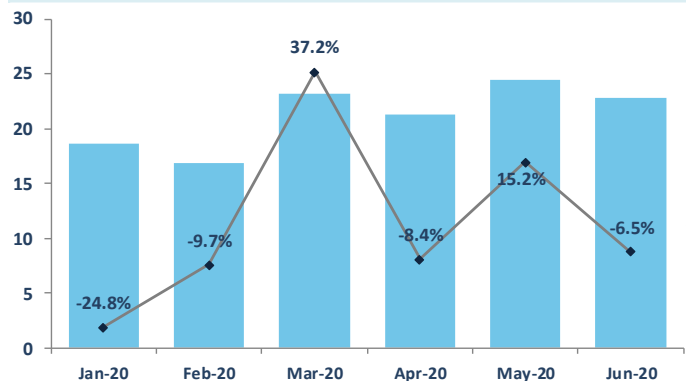
Ratings agency Moody's affirmed the Ba2 corporate family rating and the Ba2-PD probability of default rating of Investcorp. Moody's also affirmed the Ba2 backed senior unsecured debt ratings of Investcorp Capital Limited. The outlook for both entities has been changed to negative from stable and reflects the expected impact the economic downturn prompted by the coronavirus will have on Investcorp's financial performance. Arab Banking Corp along with its subsidiaries, the digital, mobile-only, iila Bank, and payment solutions provider and fintech enabler, Arab Financial Services (AFS), entered a founding partnership with Bahrain Fintech Bay (BFB). The strategic alliance is geared towards playing a pivotal role in the development of the fintech ecosystem in the Kingdom of Bahrain and expedite its transformation into a cashless, digital economy. Separately, National Bank of Bahrain (NBB) announced the launch of its advanced Android based Point-Of-Sale (POS) Terminals across Bahrain with a variety of value-added features and faster connectivity, allowing customers to benefit from touch-enabled interaction and quicker receipt generation. The new POS machines will also continue to accept payment from near-field communication (NFC) enabled cards, with the machines supporting merchants by facilitating the introduction of loyalty programs, QR code-based payments and other forms of digital payment solutions in the future. NBB has also recently enabled existing Merchant POS machines to accept contactless transactions without PIN to up to BHD 50.

Trading activity however was mixed, as volumes rose by 50.4% m-o-m to reach 90.0 Mn shares. Value traded declined by 6.5% m-o-m and reached BHD 22.9 Mn. The number of trades made in the exchange also increased to 1,158 trades, up 70.3% m-o-m from May-2020. GFH was the most actively traded stock in Jun-2020 with BHD 9.36 Mn worth of its shares traded on the exchange. AUB and APM Terminals followed with BHD 6.97 Mn and BHD 2.33 Mn worth of shares traded. In terms of volumes traded, GFH was the most active stock as 63.1 Mn shares were traded, followed by AUB and Batelco with 11.7 Mn and 3.2 Mn shares respectively. There were no gainers on the exchange for the month of Jun-2020. Khaleeji Commercial Bank was the main laggard, as it witnessed a m-o-m decline of 15.8% m-o-m, followed by Bahrain Kuwait Insurance and Bahrain Ship Repairing & Eng with monthly declines of 6.9% and 3.0% respectively.

BSE Monthly Sector Performance



Monthly Value Traded (BHD Mn)



Source: Bahrain Bourse, Kamco Invest Research

Muscat Securities Market

Monthly Indicators	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
MSM 30 Index	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	3,516.0
Monthly % Change	(3.2%)	6.5%	0.3%	(0.4%)	1.6%	(2.0%)	2.5%	1.3%	(16.5%)	2.6%	0.1%	(0.8%)
Market Cap (OMR Mn)	6,383	6,713	6,729	6,675	6,706	6,591	6,722	6,744	5,798	5,877	5,920	5,882
P/E (X) - TTM	7.67	8.21	8.22	8.26	8.32	8.13	8.47	8.66	7.13	7.59	9.16	10.04
P/BV (X) - TTM	0.69	0.74	0.74	0.74	0.75	0.73	0.75	0.73	0.60	0.62	0.76	0.76
Dividend Yield (%)	7.66%	7.15%	7.13%	7.13%	7.05%	7.21%	6.80%	6.79%	8.01%	7.78%	6.81%	6.83%
Volume (Mn Shares)	276.7	558.0	297.2	433.3	207.2	332.3	231.2	278.6	298.5	169.7	101.4	180.9
Value (OMR Mn)	37.3	164.3	40.9	53.4	32.4	62.0	40.8	52.9	71.6	25.0	16.9	25.2
Trades	9,982	8,464	11,066	10,774	9,901	10,490	11,293	12,494	10,507	9,945	5,880	8,136

Source: Muscat Securities Market, Kamco Invest Research.

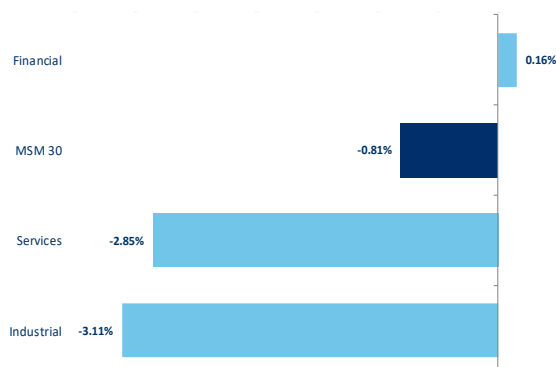
The performance of the Omani stock market remained in the red during June-2020 with the MSM 30 index being the only GCC benchmark to decline during the month. The benchmark witnessed a marginal decline of 0.8% during the month after declines in Industrial and Services indices at 3.1% and 2.9%, respectively, more than offset marginal gain of 0.2% for the Financial index. The performance of the MSM Total Return index was identical with the MSM30 Index with a decline of 0.8% during June-2020. Nevertheless, in terms of 1H-2020 performance, the MSM 30 Index has recorded the smallest decline in the GCC at 11.7%. All the three sectoral benchmarks recorded declines during 1H-2020 with the Services index leading the declines at -17.4% followed by Financial index at -12.0% and the Industrial index at -5.9%.

Trading activity on the exchange recovered from the record low level seen last month but remained significantly below historical levels. Volume traded during the month increased by 78.4% m-o-m to reach 180.9 Mn in June-2020 as compared to 101.4 Mn during May-2020. Monthly value traded also gained by almost 50% to reach OMR 25.2 Mn in June-2020 as compared to OMR 16.9 Mn during the previous month. The monthly volume traded chart was topped by NBO with a total volume of 19.2 Mn shares followed by Al Anwar Holding and Al Omaniya Financial Services with monthly volumes of 17.5 Mn and 16.2 Mn shares, respectively. In terms of monthly value traded, Bank Muscat topped with shares worth OMR 4.7 Mn changing hands during the month followed by NBO and Al Anwar Ceramic Tiles with value traded at OMR 3.2 Mn and OMR 1.7 Mn, respectively. The share of Omanis in the total value of buy trades during the month saw a steep increase from 66.57% in May-2020 to 86.2% during June-2020. Omanis share in the total value of sell trades also increased from 62.6% to 73.2% in June-2020.

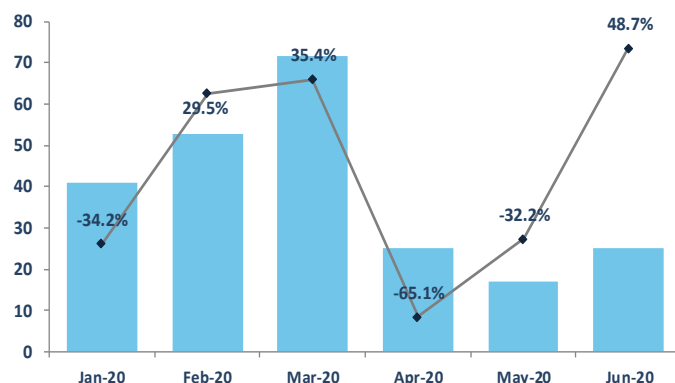
Monthly share performance in the regular market included four gainers during the month and eleven decliners. Al Omaniya Financial Services topped the gainers chart in the regular market with a gain of 15.7%. Oman United Insurance was next on the gainers list with a gain of 14.7% followed by Al Anwar Holding and Al Jazeera Steel Products with monthly gains of 7.0% and 1.0%, respectively. On the decliners side, Raysut Cement topped with a decline of 11.4% followed by Renaissance Services and Sohar International Bank with declines of 7.1% and 4.7%, respectively. For the overall market, United Power topped with a monthly gain of 30.4% followed by Majan College with a gain of 20%. The monthly market breadth for the overall market was skewed towards decliners that included 38 companies as compared to 19 gainers.

On the economic front, Moody's once again downgraded Oman's sovereign rating by a notch this year reflecting the impact of low oil prices on the country's oil revenues. The Sultanate is now rated at three levels below the investment grade at Ba3 with a negative outlook. The rating agency expects Oman's current account deficit to widen to more than 20% of GDP this year from an estimated 7.2% of GDP in 2019.

MSM Monthly Sector Performance



Monthly Value Traded (OMR Mn)



Source: Muscat Securities Market, Kamco Invest Research

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