

GCC Market Performance

- Bahrain (BAX)** – Bahrain’s BAX closed **0.6%** lower in March. We expect Bahrain’s market to remain volatile in April as investors are expected to track developments related coronavirus.
- Kuwait (KSE)** – Kuwait’s KSE increased 2.2% in March. We expected Kuwaiti market to end on negative note as the decision of OPEC+ group to gradually ease some of its production cuts and higher Iranian output amid rising coronavirus cases globally.
- Oman (MSM)** – Oman’s MSM rose 2.7% in March. We expect Oman’s market to remain volatile in April as investors are expected to track global and regional cues.
- Qatar (DSM)** – Qatar’s DSM increased 2.5% in March. We anticipate Qatar’s markets would remain volatile in April owing to the economic recovery and pickup in vaccine rollout.
- Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 8.3% in March. The market is expected to be soft in April due to rising Covid-19 cases, which may lead to force new lockdown restrictions on business activities.
- UAE (DFM and ADX)** – The UAE’s ADX surged 4.4% and DFM declined **0.1%** in March. We expect UAE’s market to recover in April on account of strong vaccine campaign and rising business activities.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,458.03	(0.57)	(2.13)	37.30	4.14
Kuwait (KSE)	5,775.92	2.24	4.14	45.72	2.97
Oman (MSM)	3,708.71	2.67	1.36	12.13	5.57
Qatar (DSM)	10,401.50	2.52	(0.33)	19.35	2.84
Saudi Arabia (TASI)	9,907.82	8.34	14.02	38.20	2.45
UAE (ADX)	5,912.56	4.40	17.19	22.90	4.57
UAE (DFM)	2,550.23	(0.05)	2.34	19.92	3.23

Source: Bloomberg

Macroeconomic Snapshot

- Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 2.3% this year, and inflation is projected to rise by 2.8%. According to Information & e-Government Authority, Bahrain’s inflation fell **3.0%** YoY in February 2021.
- Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 0.6% this year, and inflation is projected to rise by 2.3%. According to the latest data released by Central Statistical Bureau (CSB), annual inflation increased by 3.0% YoY in February 2021.
- Oman** – As per IMF estimates, Oman’s economy is projected to contract **0.5%** this year, and inflation is estimated to rise by 3.4%. According to National Centre for Statistics and Information, Oman’s Inflation fell **1.4%** YoY in February 2021.
- Qatar** – As per IMF estimates, Qatar’s real GDP growth is expected to grow by 2.5% this year, and inflation is expected to increase by 1.8%. According to Planning and Statistics Authority, Qatar’s consumer price index fell **1.4%** YoY in February 2021.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 2.6% in 2021, compared to an estimated **3.9%** contraction last year and expects Kingdom’s economy to record faster growth of 4.0% in 2022. According to the General Authority of Statistics (GASTAT), Kingdom’s inflation stood at 5.2% in February as against 5.7% in January.
- UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 1.3% this year, and inflation is projected to rise by 1.5%. In January, UAE’s inflation fell **1.9%** YoY as compare to a **2.1%** decline in December 2020.

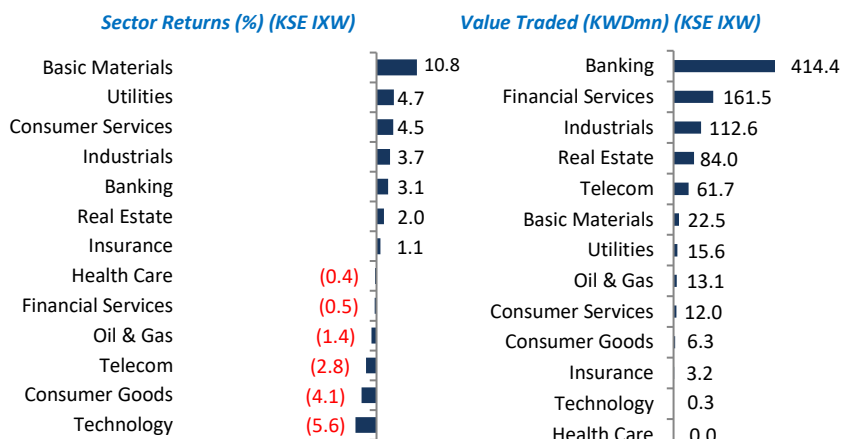
Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	2.3	2.8	1.69	2.25
Kuwait	0.6	2.3	1.49	0.875
Oman	(0.5)	3.4	2.63	0.50
Qatar	2.5	1.8	0.96	1.00
Saudi Arabia	2.6	3.7	0.80	1.00
UAE	1.3	1.5	0.36	0.60

Source: IMF World Economic Outlook Update (October 2020 & January 2021), Central Bank, Bloomberg

* 2021 forecast, **Discount rate of Kuwait

Kuwait –Sector Returns and Value Traded

- Basic Materials:** The sector closed 10.8% higher at 1,089.1 points during the month. Boubyan Petrochemical Co. (up 17.6%) was the top gainer, followed by Qurain Petrochemical Industries Co. (up 6.8%). The number of shares traded, and total turnover stood at 22.5mn and KWD44.3mn, respectively.
- Technology:** The sector closed at 596.6 points, down **5.6%** from the previous month. Automated Systems Company (down **5.6%**) was the only loser. Total volume and value traded stood at 3.9mn and KWD0.3mn, respectively.



Source: KSE

Commodity Tracker

- Gold ended the month at \$1,707.0/troy oz., representing **1.5%** MoM decrease in March 2021. Gold prices are expected to remain soft in April as US dollar is expected to strengthen further on the back of rising US Treasury yields.
- Brent crude closed at \$63.5 per barrel in March 2021, representing a negative return of **3.9%** MoM. Oil prices are expected to be volatile in April as OPEC+ group may ease supply amid rising Covid-19 cases.
- Silver ended the month at \$24.4/troy oz., registering a negative return of **8.4%** MoM. Silver prices are likely to retreat in April mainly due to rising US Treasury yields.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1707.7	(1.5)	(10.0)
Brent Crude (USD/bbl)	63.5	(3.9)	22.7
Silver (USD/troy oz.)	24.4	(8.4)	(3.9)

Source: Bloomberg

Stock Watch (Kuwait)

Al-Deera Holding Co. (down **31.4%**) was the top loser in March 2021, while Al Eid Food Co. (up **54.2%**) was the top gainer.

Name	M Cap (KWDmn)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
ALEID	22.30	185.00	54.17	122.89	30.06	14.18	1.14
SANAM	4.97	41.00	46.43	18.84	1.36	NM	0.78
KFIC	19.30	62.50	30.48	45.35	73.46	24.05	0.57
GIH	41.46	102.00	28.30	22.60	115.07	0.09	1.15
KCPH	57.80	541.00	21.57	34.34	9.50	10.0	1.71
TOP LOSERS							
ALDEERA	12.30	134.00	(31.44)	50.56	11.85	NM	1.36
AMWAL	3.41	18.90	(31.27)	(43.92)	2.18	13.97	0.38
THURAYA	7.52	51.30	(20.47)	(19.09)	0.47	13.48	0.49
BAYANINV	12.68	35.00	(18.03)	(16.07)	11.99	NM	0.34
FCEM	10.82	30.40	(16.94)	(11.11)	1.57	NM	0.15

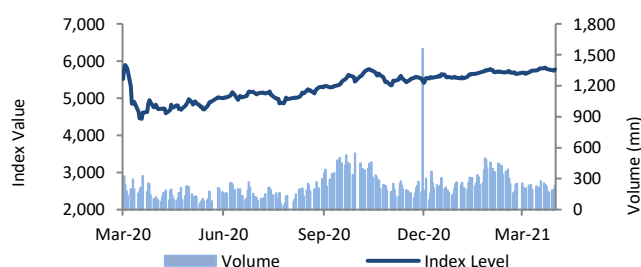
Stock Watch (Saudi Arabia)

Ethiad Atheeb Telecommunication (up **241.3%**) led the gainers while, Baazeem Trading Company (down **15.0%**) declined the most.

Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
ATHEEB TELECOM	862.70	37.75	241.32	241.32	16.48	9.53	3.51
ALIOUF	2,235.00	74.50	91.27	103.00	97.86	613.48	3.95
SAIC	1,550.00	31.00	64.19	64.02	125.74	120.46	2.51
AWPT	2,920.00	116.80	62.22	62.22	7.99	24.86	9.84
KEC	5,944.54	17.52	57.27	47.47	162.37	NM	1.93
TOP LOSERS							
BAAZEEM	1,091.48	107.80	(14.98)	19.51	29.26	42.60	5.87
ACIG	666.23	47.25	(14.71)	(24.76)	31.29	67.09	4.62
BSFR	34,412.95	28.55	(10.78)	(9.65)	12.13	20.44	1.19
HB	3,639.43	115.80	(8.68)	29.53	8.12	41.72	6.91
QACCO	7,911.00	87.90	(6.39)	8.52	3.02	16.99	4.23

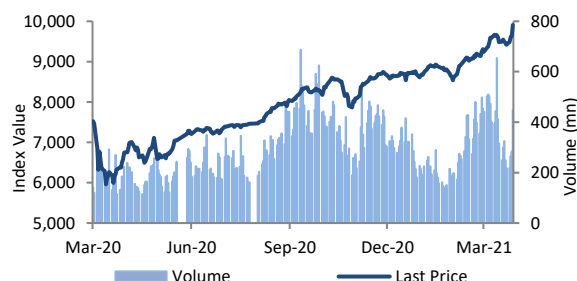
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

Kuwait (KSE)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly market updates

- Kuwait's All Share Index closed 2.2% higher at 5,775.9 points in March 2021. Total traded volume decreased **21.9%** MoM to 4.7bn; the number of deals increased 1.5% MoM to 209,876 and total value traded improved 8.7% MoM to KWD907.1mn.
- As per the third estimate released by the Bureau of Economic Analysis (BEA), the real GDP of the US grew at an annualized rate of 4.3% QoQ in Q4 2020, driven by the increase in exports, non-residential fixed investments, personal consumption expenditure (PCE), residential fixed investments, and private inventory investments.
- As per the revised flash estimates released by Eurostat, the seasonally adjusted GDP growth of the Euro area slowed by **0.7%** QoQ in Q4 2020 due to a strong rebound in Q3 2020.
- In Asia, as per the data released by the National Bureau of Statistics, China's Consumer Price Index (CPI) fell **0.2%** YoY in February 2021, compared with the **0.3%** YoY drop in January 2021.
- China's Manufacturing Purchasing Managers' Index (PMI) rose to 51.9 in March 2021 from 50.6 in February 2021. As per the Statistics Bureau of Japan, the country's CPI fell **0.4%** YoY in February 2021 relative to the **0.6%** YoY decline in January 2021.

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