

ABK CAPITAL  
**GCC**  
MARKET  
MONTHLY  
REPORT

2023



# GCC Market Monthly Report

September 2023

## GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,939.1	(0.67)	2.31	7.30	8.63
Kuwait (KWSEAS)	6,886.7	(1.70)	(5.56)	16.02	4.08
Oman (MSM)	4,678.1	(2.52)	(3.69)	12.91	4.70
Qatar (DSM)	10,252.0	0.56	(4.02)	1.29	47.97
Saudi Arabia (TASI)	11,056.0	(3.79)	5.51	18.49	3.40
UAE (ADX)	9,785.3	(0.25)	(4.17)	31.74	1.63
UAE (DFM)	4,163.6	1.98	24.80	9.63	4.45

## Market Highlights

Five GCC indices ended in negative territory, while two ended in positive territory during the month of August. Saudi Arabia's (TASI) (down 3.8%) declined the most, followed by Oman's MSM (down 2.5%), while UAE's DFM Index (up 2.0%) was the top gainer.

- ◆ Bahrain's BAX closed 0.7% lower at 1,939.1 points. Among sectors, Materials (down 2.2%) was the top loser, followed by Industrials (down 2.0%), whereas Consumer Staples (up 0.3%) increased the most. Among stocks, Bahrain Cinema Co. (down 15.0%) decreased the most, followed by Khaleeji Bank (down 9.3%), while Arab Banking Corporation (up 23.9%) was the top gainer. In October, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 1.7% lower at 6,886.7 points. Among sectors, Basic materials (down 5.4%) declined the most, followed by Technology (down 4.5%). First Dubai For Real Estate Development (down 27.7%) was the top loser, followed by Wethaq Takaful Insurance Company (down 24.1%), while Sanam Real Estate Co. (up 128.9%) increased the most. We estimate the Kuwaiti market to rise marginally in October as the market sentiment for oil prices is expected to be positive.
- ◆ Oman's MSM was down 2.5% at 4,678.1 points. Among the sectors, Industrials declined the most (down 5.9%), followed by Financials (down 2.3%). Among stocks, Dhofar Foods And Investment (down 32.8%) decreased the most, followed by Al Suwadi Power (down 28.0%), while Al Maha Petroleum Products Marketing (up 4.7%) was the top gainer. We expect Oman's bourses to rise in October driven by rising energy prices with respect to planned reduced supply of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM up 0.6% to close at 10,252.0 points. Among sectors, Insurance (UP 9.8%) increased the most, followed by Industrials (up 6.2%), while Real Estate (down 2.6%) decreased the most. Among stocks, Alkhaleej Takaful Insurance (up 26.6%) was the top gainer, followed by Qatar Insurance (up 13.6%), while Qatar German for Medical Devices (down 24.7%) decreased the most. We anticipate Qatar's market to slightly increase in October.
- ◆ Saudi Arabia's TASI decrease 3.8% to close at 11,056.0 points. Among sectors, Software & Services (down 9.0%) declined the most, followed by Consumer Services (down 8.0%), whereas Insurance (up 2.8%) increased the most. National Company for Learning and Education (down 17.2%) decreased the most, followed by Sumou Real Estate Co (down 16.4%), while Al Sagr Cooperative Insurance Co. (up 40.1%) increased the most. The market is expected to rise in October as Saudi Arabia plans to cut down oil production by 1.0MM bpd for another two months until the end of December 2023 to combat price decline. Ongoing Israel-Palestine war could also lead to surge in oil prices.
- ◆ The ADX decrease -0.3% lower at 9,785.3 points. Among sectors, Consumer Staples (down 7.3%) was the top loser, followed by Consumer Discretionary (down 3.0%), while Real Estate (up 8.4%) was the top gainer. Among stocks, Umm Al Qaiwain General Investment Co. P.S.C. (down 19.2%) decreased the most, followed by Ooredoo (down 13.0%), while Aram Group (up 67.8%) increased the most.
- ◆ The DFM ended 2.0% higher at 4,163.6 points. Among sectors, Real Estate (up 8.6%) was the top gainer, followed by Financials (up 2.4%), whereas Consumer Staples (down 9.9%) declined the most. Among stocks, Emirates NBD PJSC (up 8.9%) was the top gainer, followed by National General Insurance Company P.J.S.C (up 8.8%), while Emirates Islamic Bank PJSC (down 18.19%) declined the most. In October, we expect the UAE markets to grow as there is a positive economic outlook aided by rising oil prices.

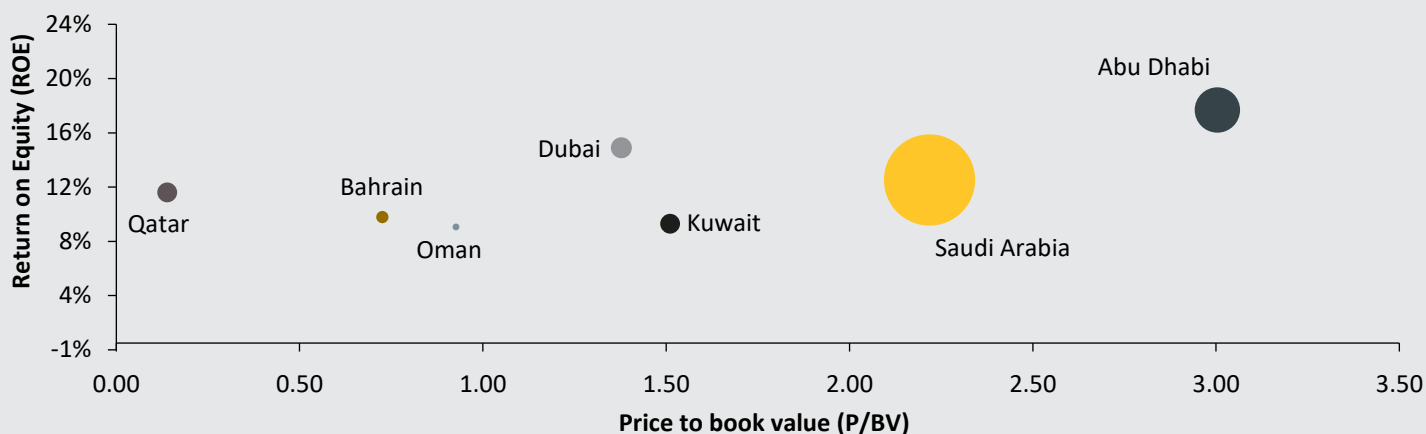
1

# GCC Market Monthly Report

September 2023

## Valuation

Size of the bubble represents Market Capitalization



## Macroeconomic Snapshot

- ◆ Bahrain – The International Monetary Fund (IMF) estimates Bahrain's real Gross Domestic Product (GDP) to increase by 3.0% this year, and inflation is projected to rise by 2.2%. According to the National Centre for Statistics and Information, Oman's inflation rose 0.8% in August 2023 compared with 0.4% in July 2023.
- ◆ Kuwait – As per IMF's projections Kuwait's economy is expected to increase by 0.9% this year, and inflation is projected to rise by 3.3%. Kuwait's annual inflation rate rose to 3.82% YoY in August 2023 from 3.75% YoY in July 2023.
- ◆ Oman – As per IMF estimates, Oman's economy is projected to grow 1.7% this year, and inflation is estimated to rise by 1.9%. According to the Information & eGovernment Authority, the inflation rate in Bahrain remained flat in August 2023 versus a 0.1% YoY decline in July 2023. Consumer prices on a monthly basis rose by 0.3% in August 2023, reversing from a 0.4% rise in July 2023.
- ◆ Qatar – As per IMF estimates, Qatar's real GDP growth is expected to grow by 2.4% this year, and inflation is expected to increase by 3.0%. Qatar's CPI decreased to 106.2 points in August 2023 from 106.9 points in July 2023.
- ◆ Saudi Arabia – The IMF in its latest projection stated that Saudi Arabia's GDP is expected to grow by 1.9% in this year, and inflation is expected to increase by 2.8%. According to the General Authority for Statistics' revised estimates, Saudi Arabia's real GDP growth was up 1.2% YoY in Q2 2023, driven by a 6.1% YoY rise and 4.3% YoY decrease in non-oil and oil activities, respectively.
- ◆ UAE – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase by 3.5% this year, and inflation is projected to rise by 3.4%. According to S&P Global, Dubai's Purchasing Manager's Index (PMI) fell to 55.0 in August 2023 from 55.7 in July 2023, dropping for the second month in a row.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	2.2	6.70	7.00
Kuwait	0.9	3.3	4.27	3.88
Oman	1.7	1.9	5.95	6.00
Qatar	2.4	3.0	6.00	6.00
Saudi Arabia	1.9	2.8	6.23	6.00
UAE	3.5	3.4	5.24	5.40

Source: IMF World Economic Outlook Update for FY 2023 (\*July 2023 for Saudi Arabia, April 2023 for rest), Central Banks, Bloomberg

2

# GCC Market Monthly Report

September 2023

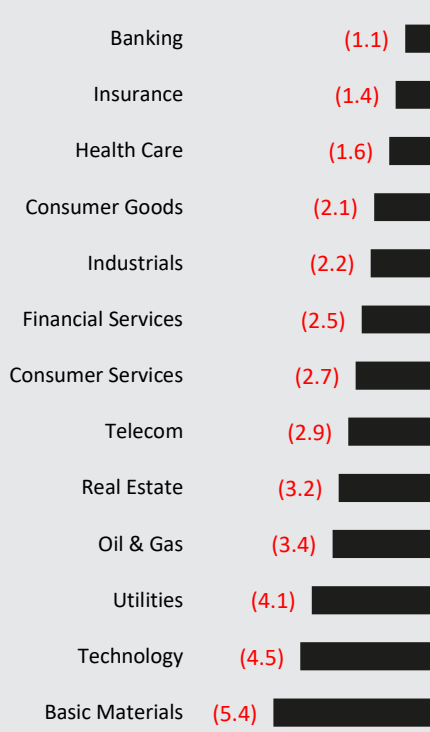
## Kuwait – Sector Returns and Value Traded

◆ **Banking:** The sector closed **1.1%** lower at 1,680.3 points during the month. Al-Ahli Bank Of Kuwait (down 6.4%) declined the most, followed by boubyan bank (down 4.9%) while only Commercial Bank Of Kuwait ended positive (up 9.4%). Total volume and value traded stood at 628.6MM and KWD 273.3MM, respectively.

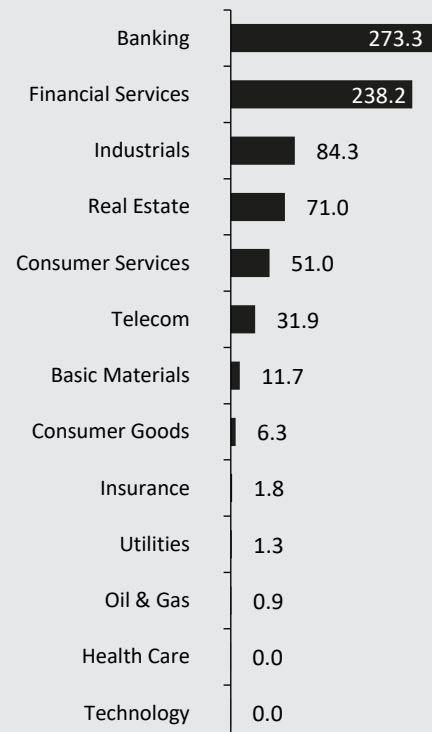
◆ **Basic Materials:** The sector closed **5.4%** lower at 833.1 points during the month. Boubyan Petrochemical Co. (down 6.4%) declined the most, followed by Alkout Industrial Projects Co. (down 4.9%) while Kuwait Foundry Co. (up 9.4%) was the top gainer. Total volume and value traded stood at 16.8MM and KWD 11.7MM, respectively.

Source: KSE

### Sector Returns (%)



### Value Traded (KWD MM)



## Commodity Tracker

◆ Gold ended the month at \$1,848.6/troy oz., was down **4.7%** MoM in September 2023. In October, gold prices are estimated to go up as the war intensifies between Israel and Palestine.

◆ Brent crude closed at \$95.3 per barrel in September 2023, representing a positive return of 9.7% MoM. Oil prices are projected to increase; support will come in October 2023 as Saudi Arabia is expected to cut its production and ongoing geo political tensions would also escalate the situation.

◆ Silver ended the month at \$22.2/troy oz., registering a negative return of **9.3%** MoM. Silver prices are projected to decline in October due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1848.6	(4.7)	1.3
Brent Crude (USD/bbl.)	95.3	9.7	10.9
Silver (USD/troy oz.)	22.2	(9.3)	(7.4)

# GCC Market Monthly Report

September 2023

## Stock Watch (Kuwait)

Sanam Real Estate Co. (up 128.9%) was the top gainer, while First Dubai For Real Estate Development (down 27.7%) declined the most.

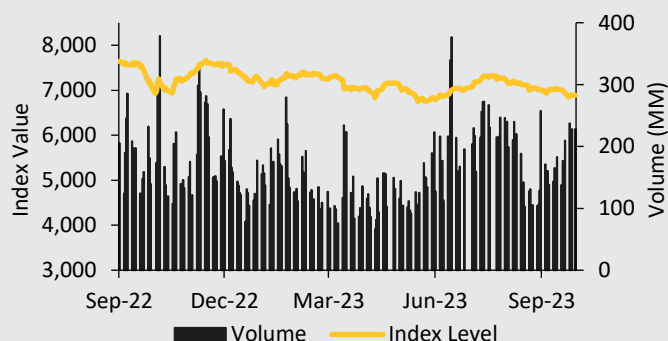
## Stock Watch (Saudi Arabia)

Al Sagr Cooperative Insurance Co. (up 40.1%) rose the most, while National Company for Learning and Education (down 17.2%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B	Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>								<b>TOP GAINERS</b>							
SANAM	37.20	174.0	128.95	176.63	11.82	NA	1.74	ALSAGR INSURANCE	333.48	23.82	40.12	69.66	37.63	27.95	1.96
IFAHR	282.81	317.0	80.11	1016.2	127.03	29.16	3.37	LUMI	4,851.00	88.20	33.64	33.64	16.92	NA	NA
COAST	48.97	106.0	42.66	26.19	84.45	44.24	1.06	FIPCO	610.65	53.10	30.15	52.37	17.83	4.58	60.40
WARBACAP	17.07	133.0	40.89	64.40	28.58	NA	0.35	SALAMA	301.50	30.15	25.94	132.64	11.13	3.30	6.87
FTI	19.17	64.50	26.47	41.76	0.29	41.43	0.76	WAFRAH	956.14	41.30	19.19	61.33	30.50	4.12	53.15
<b>TOP LOSERS</b>								<b>TOP LOSERS</b>							
FIRSTDUBAI	151.36	37.90	(27.67)	(22.34)	23.65	NA	0.40	NCLE	4,128.00	96.00	(17.24)	40.56	2.14	6.06	42.54
WETHAQ	324.47	22.40	(24.07)	(8.57)	1.32	39.16	0.60	SUMOU	1,786.88	47.65	(16.40)	(16.40)	6.27	3.28	19.47
ALOLA	589.87	44.70	(17.22)	(28.93)	11.30	NA	0.82	DAR ALARKAN	17,020.80	15.76	(15.36)	35.63	79.22	0.86	43.39
MADAR	94.93	86.90	(13.96)	(23.77)	0.01	170.39	0.82	MIS	4,254.00	141.80	(14.89)	52.15	2.41	9.86	24.95
SRE	85.99	417.00	(12.94)	(18.71)	13.80	14.70	1.34	SEERA	7,605.00	25.35	(12.59)	45.52	22.05	1.35	36.39

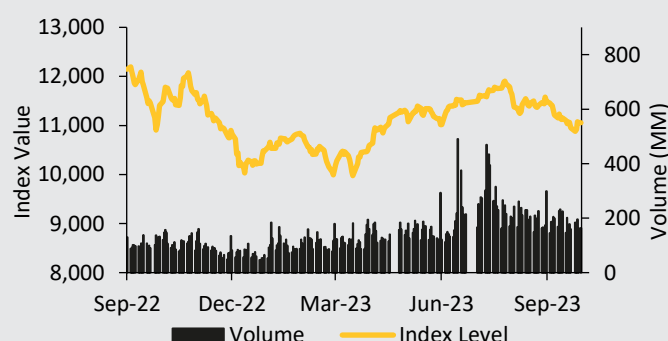
Source: Bloomberg, CapIQ. NA – Not Available, NM – Not Meaningful

## Kuwait (KWSEAS)



Source: Bloomberg

## Saudi Arabia (TASI)



## Monthly Market Updates

- ◆ Kuwait's All Share Index closed lower at 1.7% MoM 6,886.7 points in September 2023. The total volume traded declined 7.9% MoM to 3.4BLN, the number of deals decreased 10.1% MoM to 203,928, and the total value traded decreased 3.1% MoM to KWD 771.9MM.
- ◆ As per the third estimate released by the Bureau of Economic Analysis, the US real GDP was up 2.1% YoY in Q2 2023 as opposed to the 2.2% (revised) YoY increase in Q1 2023.
- ◆ According to Eurostat, the EU's statistical office, the Euro area's annual inflation rate is expected to be 4.3% in September 2023, down from 5.2% in August 2023. As per the latest data released by the Office for National Statistics, the UK's consumer price index (CPI) rose 6.7% YoY in August, down from 6.8% in July 2023.
- ◆ Based on the latest data released by the National Bureau of Statistics, China's CPI rose 0.1% YoY in August 2023 against decline of 0.3% in July 2023
- ◆ According to the Statistics Bureau of Japan, CPI stood at 3.2% YoY in August 2023 compared with 3.3% in July 2023.

4

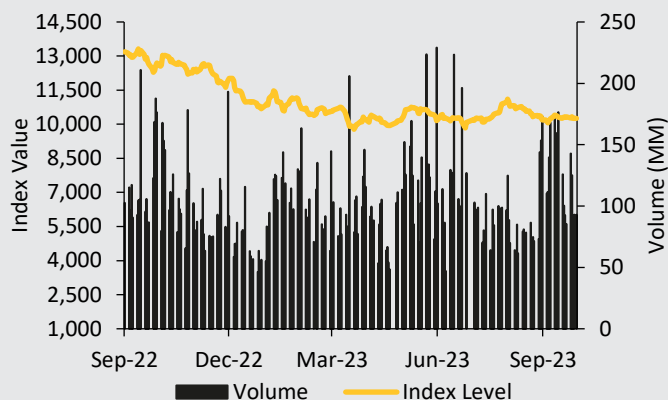


# GCC Market Monthly Report

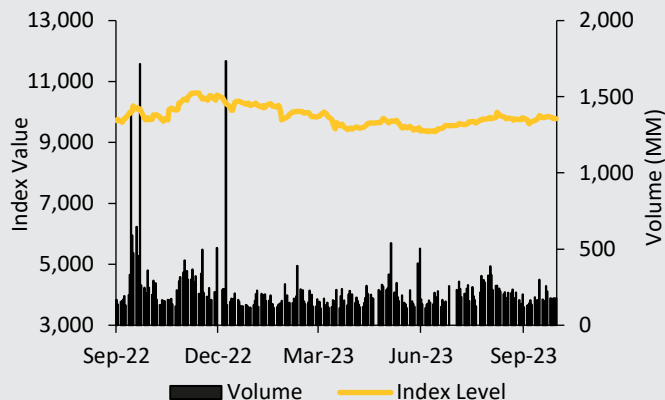
September 2023

## GCC Benchmark Indices – Market Movements

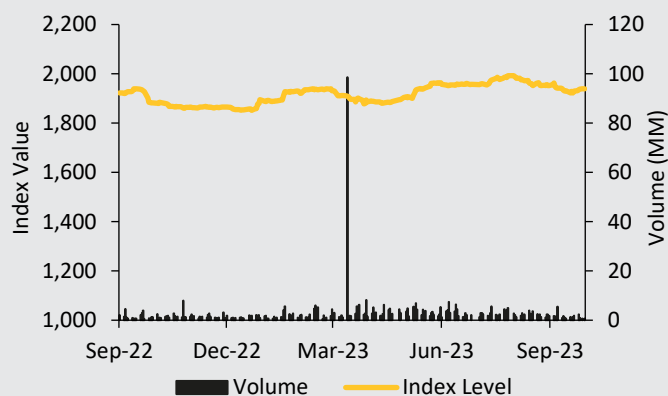
### Qatar (DSM)



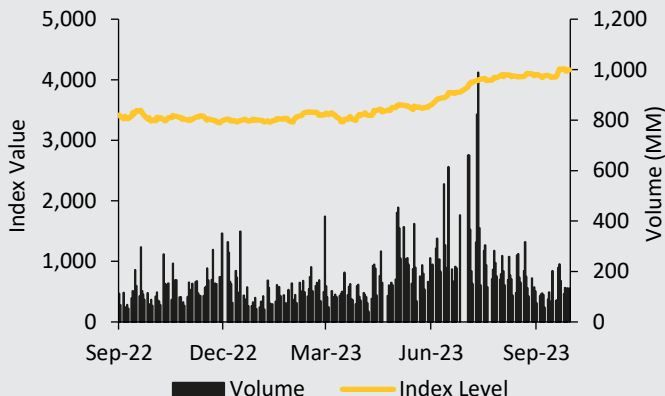
### Abu Dhabi (ADX)



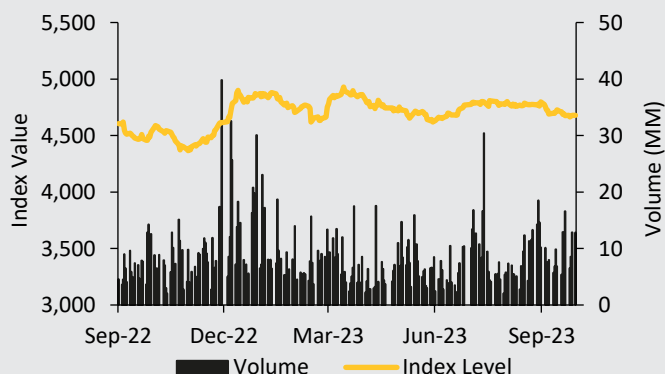
### Bahrain (BAX)



### Dubai (DFM)



### Oman (MSM)



# GCC Market Monthly Report

September 2023

## *GCC Markets – Economy and Industry News*

### Saudi Arabia

- ◆ According to the General Authority for Statistics' revised estimates, Saudi Arabia's real GDP growth was up 1.2% YoY in Q2 2023, driven by a 6.1% YoY rise and 4.3% YoY decrease in non-oil and oil activities, respectively. In December 2022, the Consumer Price Index (CPI) was 3.3% YoY, higher than November 2022's CPI of 2.9% YoY.
- ◆ In August 2023, Consumer Price Index (CPI) surged 2.0% YoY compared with a 2.3% YoY increase in July 2023. The main driver of CPI inflation in September were higher prices of housing, water, electricity, gas, and other fuels (9.0%) and prices of food and beverages (0.4%).
- ◆ Overall merchandise exports decreased 34.9% in July 2023 from that in July 2022. The value of total exports in July 2023 recorded SAR 91.3BLN compared with SAR 140.1BLN in July 2022. Oil products accounted for 80.6% in July 2023 compared to 76.8% in July 2022 of the country's total exports.
- ◆ Global credit rating agency Standard & Poor's has reaffirmed its credit rating for the Kingdom in local and foreign currencies to "A/A-1," with a stable outlook.
- ◆ Saudi manufacturing activity increased 8.7% YoY in July 2023.

### UAE

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) fell to 55.0 in August 2023 from 55.7 in July 2023, dropping for the second month in a row.
- ◆ The UAE's PMI fell to 55.0 in August 2023 from 56.0 in July 2023, while the headline index dropped to its lowest level since February, the index remained comfortably above the 50.0 threshold, signalling improvement in operating conditions.
- ◆ According to Industrial Development Bureau, Abu Dhabi launched a USD 2.7BLN investment plan to boost the manufacturing sector through six strategic programs.
- ◆ The trade exchange value between Egypt and the UAE rose 2.5% to USD 4.9BLN in 2022 from USD 4.8BLN in 2021.

### Qatar

- ◆ Qatar's CPI decreased to 106.2 points in August 2023 from 106.9 points in July 2023.
- ◆ Qatar Central Bank revealed that online transactions in August touched USD 5.5MM and totaled QAR 3.19 BLN (USD 876.0MM).
- ◆ Qatar's real estate sector recorded QAR 1.01BLN (USD 278.0MM) in property sales in August 2023.

### Bahrain

- ◆ According to the National Centre for Statistics and Information, Oman's inflation rose 0.8% in August 2023 compared with 0.4% in July 2023, whereas on a monthly basis CPI remained stable at 0.3% in August 2023 similar to July 2023.
- ◆ Bahrain's actual deficit reached **BD 381.0MM (USD 1.01BLN)** in the first half of 2023.

### Oman

- ◆ According to the Information & eGovernment Authority, the inflation rate in Bahrain remained flat in August 2023 versus a 0.1% YoY decline in July 2023. Consumer prices on a monthly basis rose by 0.3% in August 2023, reversing from a 0.4% rise in July 2023.
- ◆ Oman's Q2 GDP fell **9.5%** to USD 26.3BLN due to a drop in oil activities.
- ◆ Oman's jewelry exports grew 104.2% YoY to USD 120.0MM in 2022.

# GCC Market Monthly Report

September 2023

## GCC Corporate Developments

### Saudi Arabia

- ◆ Saudi company AJEX Logistics Services announced its entry into the US market, signifying its commitment to enhance connections between Saudi Arabia and the global community and aligning with the Kingdom's Vision 2030.
- ◆ Saudi Aramco acquires stake in Mid Ocean Energy for USD 500.0MM.
- ◆ SAL Saudi Logistics Services Company's initial public offering (IPO) size is estimated between SAR 2.35BLN (USD 627.0MM) and SAR 2.54BLN (USD 678.0MM).
- ◆ Sadr Logistics plans to establish a SAR 149.0MM logistics complex in Riyadh.
- ◆ Saudi Arabian Oil Company (Aramco) awarded Arabian Pipes Company a SAR 204.0MM supply. Under the agreement, Arabian Pipes will provide steel pipes and coating services to Aramco for 16 months.
- ◆ A consortium including Alkhorayef Water and Power Technologies Company signed a SAR 7.78BLN contract with Saudi Water Partnership Company to build, operate, and transfer (BOT) independent water transmission pipeline (IWTP) Rayis.

### UAE

- ◆ Abu Dhabi National Oil Co. (ADNOC)'s distribution board approved a USD 350.0MM interim dividend, equivalent to 10.3 fils per share.
- ◆ State oil giant Abu Dhabi National Oil Co. and Abu Dhabi National Energy Co., also known as TAQA, secured financing for a USD 2.2BLN project to provide sustainable water supply to ADNOC's onshore operations.
- ◆ Dubai Aerospace Enterprise secured a record USD 1.6BLN credit facility with a consortium of 26 financiers.
- ◆ Global Investment Holding Company acquired 30.0% of Egypt's Eastern Company for USD 625.0MM, with the agreement stipulating that the buyer would provide USD 150.0MM to purchase the tobacco material needed for manufacturing.
- ◆ Yahsat Government Solutions, the government services arm of Al Yah Satellite, was awarded an authorization to proceed mandate to provide satellite capacity and managed services for 17 years beyond 2026; valued at AED 18.7BLN, equivalent to USD 5.1BLN.

### Qatar

- ◆ Qatar Investment Authority agreed to invest USD 500.0MM in Severn Trent.
- ◆ United Development signed a real estate banking facility agreement with the Commercial Bank for QAR 2.0BLN.

### Bahrain

- ◆ Nass Corporation unit signed a BD 75.6MM contract to construct phase I of the Bahrain Marina Development Project.
- ◆ Bahrain Commercial Facilities signs partnership agreement with Sinnad in sep 2023 to operate credit cards and prepaid cards from Imtiaz.

### Oman

- ◆ National Life And General Insurance Company (NLGIC) stated Liva Group will transfer its entire insurance portfolio in Oman to Liva Insurance.
- ◆ Oman National Engineering & Investment (ONEIC) secured an OMR 3.0MM electric network construction project.



# GCC Market Monthly Report

September 2023

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