

ABK CAPITAL  
**GCC**  
MARKET  
MONTHLY  
REPORT

2023



# GCC Market Monthly Report

June 2023

## GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,957.9	(0.29)	3.30	6.95	7.81
Kuwait (KWSEAS)	7,029.8	3.43	(3.60)	17.30	3.79
Oman (MSM)	4,768.2	3.07	(1.84)	16.22	4.39
Qatar (DSM)	10,074.6	(0.79)	(5.68)	12.15	4.91
Saudi Arabia (TASI)	11,459.0	4.04	9.36	17.99	2.97
UAE (ADX)	9,550.4	1.53	(6.47)	32.02	1.77
UAE (DFM)	3,792.0	6.02	13.67	9.20	4.67

## Market Highlights

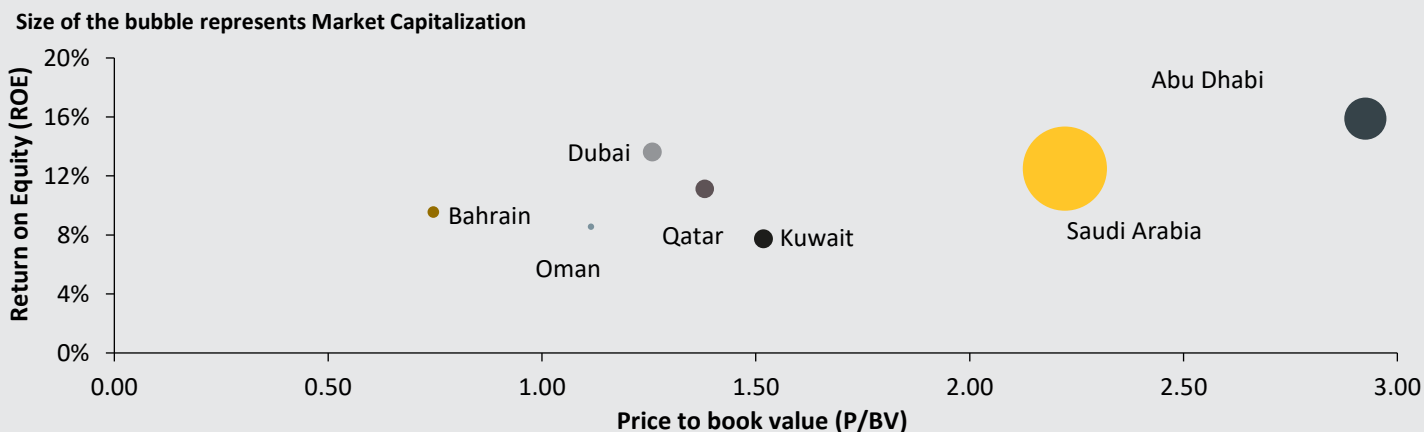
Five GCC indices ended in positive territory, while two ended in negative territory during the month of June. UAE's ADX (up 6.0%) rose the most, followed by Saudi Arabia TASI (up 4.0%), while Qatar's DSM Index (down 0.8%) was the top loser.

- ◆ Bahrain's BAX closed 0.3% lower at 1,957.9 points. Among sectors, Materials (down 2.2%) was the top loser, followed by industries (down 0.9%), whereas Consumer Discretionary (up 0.5%) rose the most. Among stocks, Khaleeji Bank (down 4.9%) decreased the most, followed by APM Terminals Bahrain B.S.C. (down 4.3%), while Ethmaar Holding B.S.C. (up 128.6%) was the top gainer. In July, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 3.4% higher at 7,029.8 points. Among sectors, consumer goods (up 22.3%) inclined the most, followed by Utilities (up 8.7%), whereas Technology (down 2.1%) declined the most. Ektitab Holding Co. (up 138.0%) increased the most, followed by Alkout Industrial Projects Co. (up 42.0%), whereas Al-Ahli Bank of Kuwait (down 23.2%) was the top loser. We estimate the Kuwaiti market to rise marginally in July as the market sentiment for oil prices is expected to be positive.
- ◆ Oman's MSM was up 3.1% at 4,768.2 points. Among the sectors, Financial (up 3.6%) was the top gainer, followed by Industry (down 2.6%) whereas Services (down 0.4%) declined the most. Among stocks, Dhofar International development & investment Ho. (up 43.9%) increased the most, followed by Dhofar foods and investment (up 14.1%), while Barka Water And Power (down 34.5%) was the top loser. We expect Oman's bourses to rise in July driven by rising energy prices with respect to planned reduced supply of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM fell 0.8% to close at 10,074.6 points. Among sectors, Industrials (down 4.7%) followed by Real Estate Index (down 2.8%), whereas Insurance (up 4.2%) rose the most. Among stocks, Widam Food Company (down 18.4%) was the top loser, followed by Qatar Aluminum Manufacturing (down 16.9%), while Lasha Bank (QFC) (up 17.7%) increased the most. We anticipate Qatar's market to remain stable in July.
- ◆ Saudi Arabia's TASI increased 4.0% to close at 11,459.0 points. Among sectors, Media (up 18.1%) rose the most, followed by Diversified Financials (up 11.2%), whereas Retailing (down 1.6%) declined the most. Jamjoom Pharmaceuticals Factory Co. (up 49.2%) rose the most, followed by Al Mawarid Manpower Co. (up 48.3%), while Alinma Tokio Marine Co. (down 22.0%) declined the most. The market is expected to rise in July as OPEC+ group plans to cut down oil price production to combat price decline, aided by positive broad economic outlook.
- ◆ The ADX increased 1.5% at 9,550.4 points. Among sectors, Utilities (up 13.8%) was the top gainer, followed by Industrials Index (Up 5.6%), while Telecommunications (down 5.4%) was the top loser. Among stocks, Hayah Insurance Company P.J.S.C (up 61.9%) increased the most, followed by RAK Properties (up 27.0%), while The National Bank of Ras Al Khaimah (down 13.5%) decreased the most.
- ◆ The DFM ended 6.0% higher at 3,792.0 points. Among sectors, Consumer Discretionary (up 49.6%) was the top gainer, followed by Real Estate (up 8.2%), whereas Materials (down 8.7%) was the top loser. Among stocks, Al Firdous Holdings PJSC. (up 374.3%) was the top gainer, followed by Ektitab Holding Company K.S.C.C. (up 186.5%), while Arabian Scandinavian Insurance - Takaful (down 15.0%) declined the most. In July, we expect the UAE markets to grow as there is a positive economic outlook aided by rising oil prices.

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## Valuation



## 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 Information & eGovernment Authority, the inflation rate in Bahrain rose 0.7% YoY in April 2023 vs. a 0.1% YoY decline in March 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%. The annual consumer price inflation rate increased 3.69% YoY in May 2023, as reported by the Central Statistical Bureau.
- 🔹 **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 National Centre for Statistics and Information, Oman's inflation stood at 0.9% in May 2023 compared with 1.1% in April 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 reached 105.43 points in Q1 2023, up 4.2% YoY and down 1.3% MoM.
- 🔹 **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia's GDP is expected to grow by 3.1% in this year, and inflation is expected to increase by 2.8%. Saudi Arabia's real GDP growth was up 3.8% YoY in Q1 2023, driven by a 5.4% YoY and 1.4% YoY rise 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, the UAE's PMI decreased to 55.5 in May 2023 from 56.6 in April 2022, driven by a rapid increase in new business inflow.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	2.2	6.54	7.00
Kuwait	0.9	3.3	4.20	3.63
Oman	1.7	1.9	5.71	5.75
Qatar	2.4	3.0	5.85	5.75
Saudi Arabia	3.1	2.8	5.93	5.75
UAE	3.5	3.4	5.25	5.15

Source: IMF World Economic Outlook Update for FY 2023 (April 2023), Central Banks, Bloomberg

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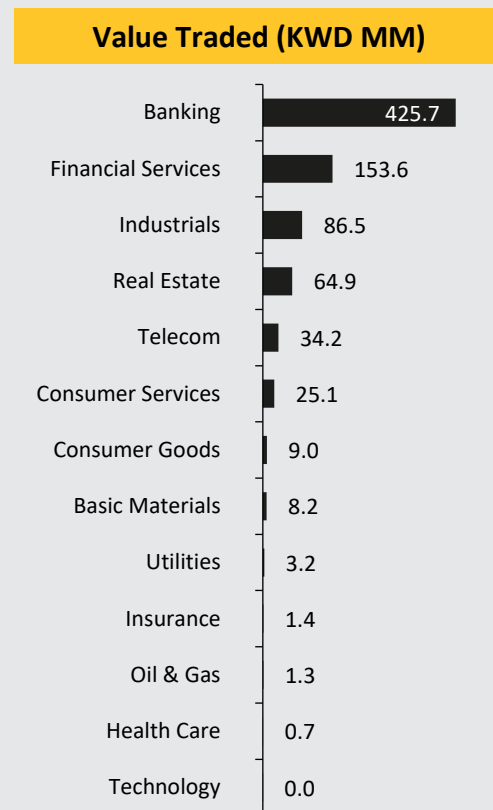
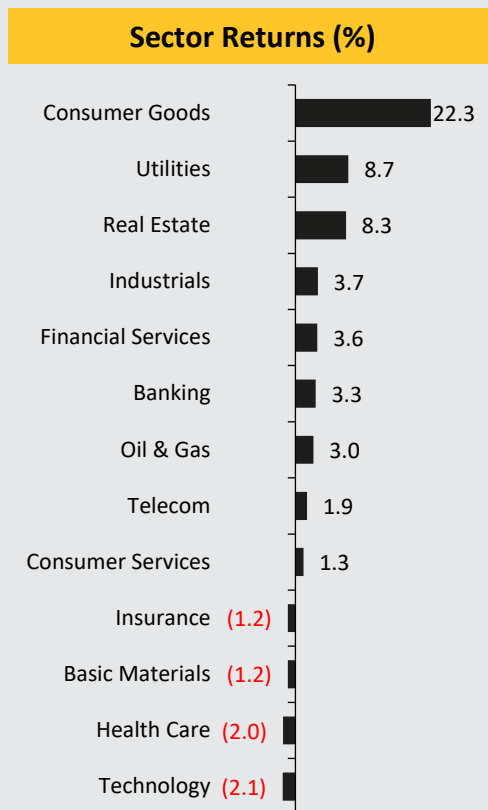
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## Kuwait – Sector Returns and Value Traded

◆ **Consumer Goods:** The sector closed 22.3% higher at 615.1 points during the month. Mezzan Holding Co (up 25.4%) rose the most, followed by Livestock Transport & Trading Com. (up 1.6%). Total volume and value traded stood at 18.8MM and KWD 9.0MM, respectively.

◆ **Technology:** The sector closed 2.1% lower at 675.9 points during the month. Automated Systems Company, being the only company in the sector, decreased 2.1%. Total volume and value traded stood at 63,300 and KWD 5,568, respectively.

Source: KSE



## Commodity Tracker

◆ Gold ended the month at \$1,919.4/troy oz., was down 2.2% MoM in June 2023. In July, gold prices are estimated to marginally decline as the Federal Reserve is expected to raise interest rates as a response to curtail inflation.

◆ Brent crude closed at \$74.9 per barrel in June 2023, representing a positive return of 3.1% MoM. Oil prices are projected to increase; support will come in July 2023 as OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$22.8/troy oz., registering a negative return of 3.0% MoM. Silver prices are projected to decline in July due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,919.4	(2.2)	5.2
Brent Crude (USD/bbl.)	74.9	(3.1)	(12.8)
Silver (USD/troy oz.)	22.8	(3.0)	(4.9)

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## Stock Watch (Kuwait)

Ektitab Holding Co. (up 137.8%) was the top gainer, while Al Ahli Bank of Kuwait (down 23.2%) declined the most.

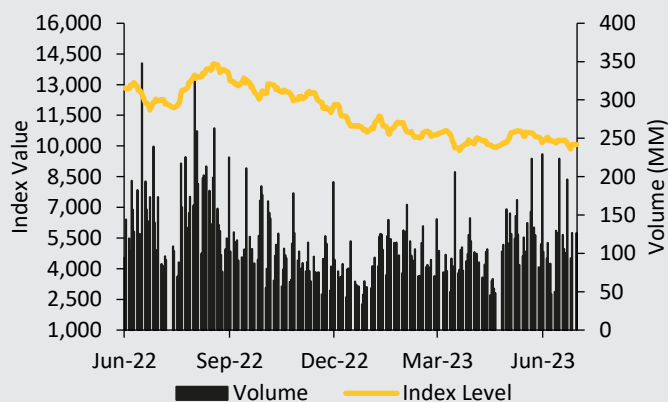
## Stock Watch (Saudi Arabia)

Jamjoom Pharmaceuticals Factory Co. (up 49.2%) rose the most, while Alinma Tokio Marine Co. (down 22.0%) declined the most.

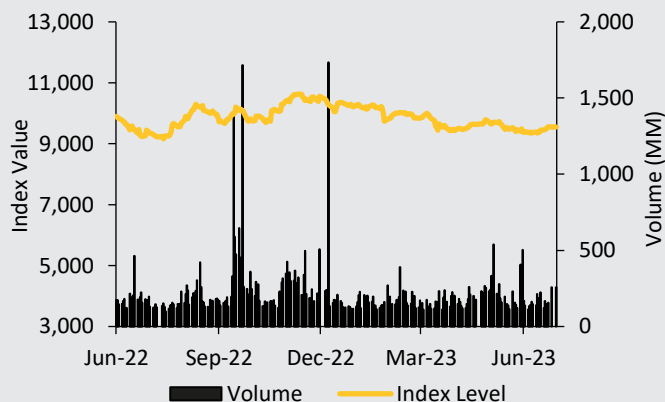
Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B	Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>								<b>TOP GAINERS</b>							
EKTITAB	6.82	21.40	137.78	105.77	63.17	NA	0.71	JAMJOOM PHARMA	6,265.00	89.50	49.17	49.17	10.12	NA	NA
ALKOUT	78.80	781.00	42.00	100.26	0.01	8.12	2.30	ALMAWARID	1,423.50	94.90	48.28	48.28	13.54	NA	NA
MANAZEL	10.98	25.50	40.88	(6.25)	55.93	NA	0.75	ALASEEL	2,320.00	5.80	30.34	53.44	53.79	37.29	4.07
JIYAD	4.10	22.30	31.18	(3.88)	126.66	1.73	0.22	ELM	46,560.00	582.00	29.68	75.30	3.66	46.47	14.80
SULTAN	40.24	144.00	30.91	32.11	3.52	24.04	0.65	ALARABIA	8,900.00	178.00	24.48	66.36	3.94	29.60	9.82
<b>TOP LOSERS</b>								<b>TOP LOSERS</b>							
ABK	436.87	235.00	(23.20)	(27.47)	74.47	15.71	0.90	ALINMA TOKIO M	414.60	13.82	(22.01)	15.17	10.35	33.78	2.13
GFC	2.72	68.00	(20.00)	(24.36)	0.18	26.43	1.26	ENAYA	251.16	10.92	(20.75)	21.6	24.60	NM	1.48
ALEID	35.37	190.00	(11.21)	(22.13)	15.31	13.64	1.53	SAICO	382.80	12.76	(8.86)	7.05	5.23	NM	1.48
WINSRE	24.81	103.00	(10.43)	(15.57)	2.44	7.11	0.65	ALKATHIRI	698.48	3.09	(8.31)	73.60	60.36	129.35	5.11
TAMINV	182.89	546.00	(9.60)	(10.49)	0.05	14.37	0.55	AMANA INSURANCE	504.82	11.74	(8.28)	28.59	20.90	NM	2.29

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

## Kuwait (KWSEAS)



## Saudi Arabia (TASI)



Source: Bloomberg

## Monthly Market Updates

- ◆ Kuwait's All Share Index closed higher at 3.4% MoM 7,029.8 points in June 2023. The total volume traded rose 14.5% MoM to 3.4BLN, the number of deals fell 19.3% MoM to 168,060, and the total value traded decreased 13.4% MoM to KWD 813.8MM.
- ◆ As per the third estimate released by the Bureau of Economic Analysis, the US real GDP grew 2.0% YoY in Q1 2023 as opposed to the 2.6% YoY increase in Q4 2022.
- ◆ According to Eurostat, EU's statistical office, the Euro area's annual inflation rate is expected to be 5.5% in June 2023, down from 6.1% in May 2023. As per the latest data released by the Office for National Statistics, CPI in the UK rose 8.7% YoY in May, same as April 2023.
- ◆ Based on the latest data released by the National Bureau of Statistics, China's CPI (YoY) was unexpectedly flat in June 2023, as compared to 0.2% YoY in May 2023;
- ◆ According to the Statistics Bureau of Japan, CPI stood at 3.2% YoY in May 2023 compared with April's three-month high of 3.5%.

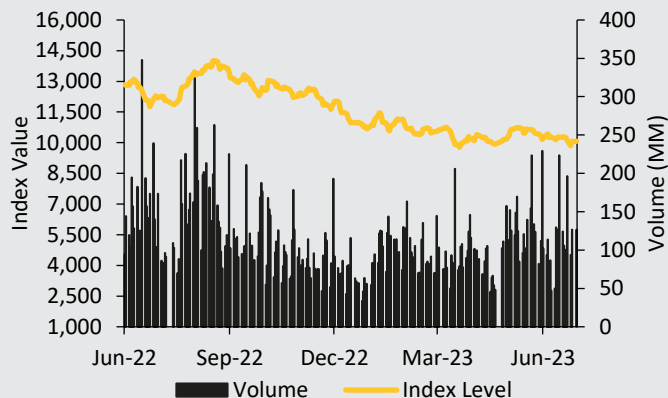


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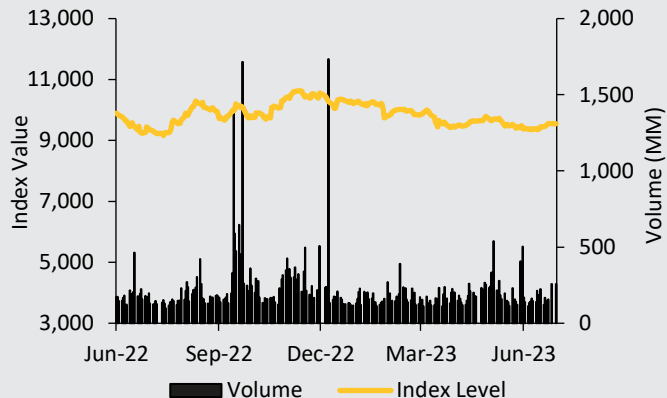
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## GCC Benchmark Indices – Market Movements

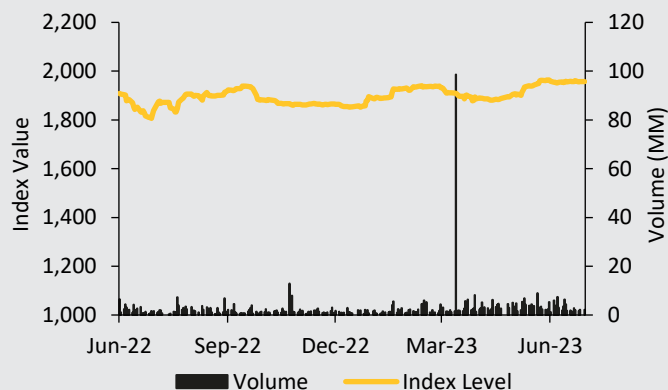
### Qatar (DSM)



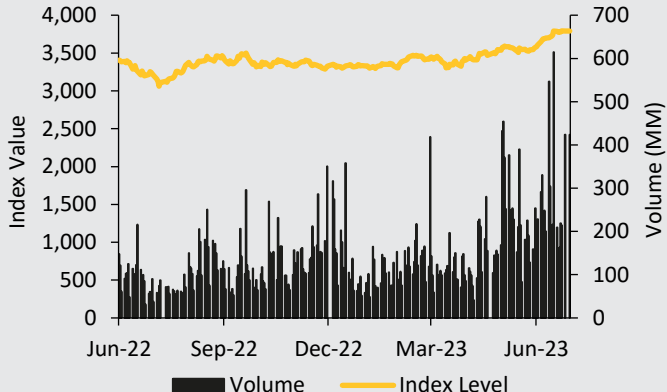
### Abu Dhabi (ADX)



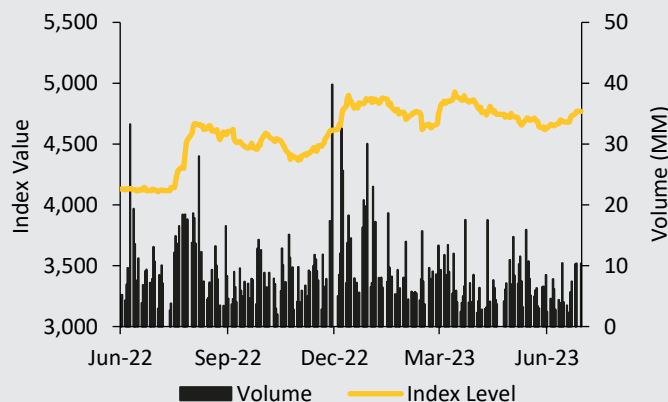
### Bahrain (BAX)



### Dubai (DFM)



### Oman (MSM)



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## *GCC Markets – Economy and Industry News*

### Saudi

- ◆ Saudi Arabia's real GDP growth was up 3.8% YoY in Q1 2023, driven by a 5.4% YoY and 1.4% YoY rise in non-oil and oil activities, respectively.
- ◆ In May 2023, CPI rose 2.8% YoY compared with a 2.7% YoY increase in April 2023.
- ◆ Overall merchandise exports decreased 25.2% in April 2023 from that in April 2022. The share of oil exports in total exports increased from 79.7% in April 2022 to 81.3% in April 2023.
- ◆ In Q1 2023, Saudi Arabia recorded an unemployment rate of 5.1%, down 0.9% YoY and up 0.3% QoQ, including Saudi and non-Saudi nationals.
- ◆ Saudi Arabia recorded a 39.0% increase in trade with the US in 2022, primarily due to oil and fertilizer export; the total traded value was SAR 130.0BLN.

### UAE

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) slightly declined to 55.3 in May 2023 from 56.4 in April 2023, indicating sharp overall improvement in business conditions over the month.
- ◆ In comparison, the UAE's PMI decreased to 55.5 in May 2023 from 56.6 in April 2022, driven by a rapid increase in new business inflow.
- ◆ UAE'S GDP grew 7.9% YoY, i.e., USD 441.1 BLN in 2022, driven by innovative economic initiatives related to the non-oil sector and activities.
- ◆ India and the UAE signed a mutual agreement to double the target of non-oil trade to USD 100.0BLN by 2030 from the current USD 48.0BLN.

### Qatar

- ◆ Qatar's CPI was 105.43 points in Q1 2023, up 4.2% YoY compared with Q1 2022 and down 1.3% MoM compared with Q4 2022.
- ◆ Qatar registered 68.0% of its expected 2023 budget surplus in the first three months of the year, primarily due to large inflow of oil and gas exports, trade balance being QAR 19.7BLN surplus in Q1 2023.

### Bahrain

- ◆ According to the Information & eGovernment Authority, the inflation rate in Bahrain rose 0.7% YoY in April 2023 vs. a 0.1% YoY decline in March 2023. Consumer prices grew 0.1% MoM in April 2023, following a 0.6% MoM drop in March 2023.
- ◆ In the 2023-24 budget plan, Bahrain will invest in 50 infrastructure projects worth more than BD 1.5BLN over the next two years.

### Oman

- ◆ According to the National Centre for Statistics and Information, Oman's inflation stood at 0.9% in May 2023 compared with 1.1% in April 2023, while consumer prices decreased 0.3% MoM in May 2023 as against a 0.1% MoM rise in April 2023.
- ◆ Oman and Russia signed an agreement to avoid double taxation. In 2022, the volume of mutual trade between the countries grew 46.0% YoY. The agreement will further increase trade turnover and strengthen economic cooperation.
- ◆ Oman's year-to-date state budget in April 2023 is QAR 520.0MM surplus.

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## GCC Corporate Developments

### Saudi

- ACWA Power secured a three-year USD 100.0MM revolving credit facility from China Construction Bank (DIFC Branch) in Dubai, enabling the company to enhance its power and water generation projects in the Middle East and the Belt & Road Initiative countries while promoting community development.
- Saudi Aramco and TotalEnergies awarded contracts for the USD 11.0BLN expansion of the Amiral complex, a future petrochemical facility in Saudi Arabia, which is expected to attract over USD 4.0BLN in additional investments and create around 7,000 local jobs.
- Southern Province Cement Company has secured a SAR 1.4BLN long-term loan compliant with Islamic rules from Saudi National Bank (SNB), which will be used to finance the construction of a new production line with a daily capacity of 5,000 tonnes and infrastructure for another line at the Jazan Cement plant.

### UAE

- Abu Dhabi National Energy Company has signed an agreement for acquiring Sustainable Water Solutions Holding Company for AED 1.7BLN, a move that will enhance its portfolio, cash flow, and long-term earnings, while adding approximately AED 16.0BLN to its existing regulated asset value of AED 75.0BLN.
- AD Ports Group has entered into a 50-year concession agreement with Karachi Port Trust (KPT), the Pakistani federal government agency, to manage and develop the Karachi Gateway Terminal.
- The Abu Dhabi Department of Economic Development (ADDED) partnered with Valeo Egypt to establish a technology hub in Abu Dhabi for the design and manufacture of electric and autonomous driving car components.
- Mubadala formed a JV with Proprium Capital Partners and Manulife Investment Management to develop a USD 600.0MM project in Japan.

### Qatar

- Mekdam Holding Group QPSC's shareholders approved increasing the capital by 40.0% to QAR 105.0MM from QAR 75.0MM by providing a private subscription and rights issue option.
- Three Qatari companies and Iraq's National Investment Commission have agreed to develop USD 9.5BLN worth of projects in Iraq, including the construction of a pair of power plants that will generate a total of 2,400 MW.
- UCC Holding and the investment commission signed an agreement for a 25-year public-private partnership linked to two power plants, which will cost USD 2.5BLN to build.

### Bahrain

- GFH Financial Group B.S.C launched GFH Partners Ltd, a fully-owned subsidiary focused on expanding the Group's global asset management capabilities with a particular focus on the real estate sector.

### Oman

- Galfar Engineering and Contracting Company signed an agreement with OQ Exploration and Production for an EPC project, which is estimated to complete in 26 months at a cost of QAR 29.0MM.
- Oman Investment and Finance Company's shareholders gave approval on a dissolution and merger into Dhofar International Development and Investment Company.
- Sohar International Bank's shareholders approved the bank's merger with HSBC Bank Oman, where the Sohar International Bank will be the surviving entity. There will be an increase in issued share capital up to QAR 748.8MM from QAR 455.4MM.

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