

ABK CAPITAL
GCC
MARKET
MONTHLY
REPORT

2023



GCC Market Monthly Report

May 2023

GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,963.5	3.10	3.60	6.77	8.82
Kuwait (KWSEAS)	6,796.8	(4.84)	(6.79)	16.68	3.94
Oman (MSM)	4,626.4	(1.94)	(4.76)	15.07	4.51
Qatar (DSM)	10,154.8	(0.26)	(4.93)	12.12	4.87
Saudi Arabia (TASI)	11,014.1	(2.60)	5.11	17.25	3.05
UAE (ADX)	9,406.6	(3.91)	(7.88)	28.77	1.90
UAE (DFM)	3,576.6	0.90	7.21	8.70	4.96

Market Highlights

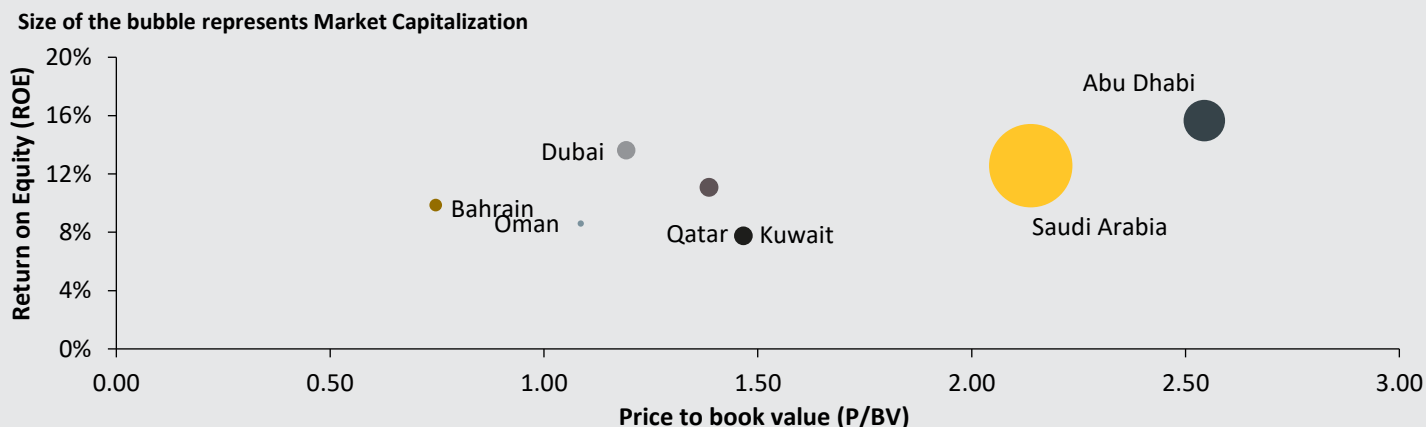
Five GCC indices ended in negative territory, while two ended in positive territory during the month of May. Kuwait's KWSEAS (down 4.8%) declined the most, followed by UAE's ADX (down 3.9%), while Bahrain's BAX Index (up 3.1%) was the top gainer.

- Bahrain's BAX closed 3.1% higher at 1,963.5 points. Among sectors, Communications Services (up 10.6%) was the top gainer, followed by Materials (up 6.7%), whereas Industrials (down 4.0%) fell the most. Among stocks, Nass Corporation B.S.C. (up 38.9%) increased the most, followed by Esterad Investment Co (up 16.8%), while APM Terminals Bahrain B.S.C. (down 11.0%) was the top loser. In June, we expect Bahrain's market to follow trend in oil prices.
- Kuwait's All Share Index closed 4.8% lower at 6,796.8 points. Among sectors, Telecom (down 6.7%) declined the most, followed by Banking (down 6.0%), whereas Technology (up 18.6%) rose the most. Equipment Holding Co. (down 30.4%) declined the most, followed by Dar Al Thuraya Real Estate Co. (down 28.3%), whereas Hayat Communications Company (up 45.1%) was the top gainer. We estimate the Kuwaiti market to rise marginally in June as the market sentiment for oil prices is expected to be positive.
- Oman's MSM was down 1.9% at 4,626.4 points. Among the sectors, Industries (down 4.9%) was the top loser, followed by Services (down 2.6%). Among stocks, Albatinah Hotels (down 77.1%) decreased the most, followed by Barka Water and Power (down 74.5%), while Dhofar Foods and Investment (up 20.0%) was the top gainer. We expect Oman's bourses to rise in June driven by rising energy prices with respect to planned reduced supply of oil-gas production, and wide-ranging structural reforms.
- Qatar's DSM fell 0.3% to close at 10,154.8 points. Among sectors, Industrials (down 4.1%) was the only loser, whereas Insurance (up 11.0%) rose the most. Among stocks, Gulf International Services (down 8.1%) was the top loser, followed by Industries Qatar (down 7.5%), while Qatar German for Medical Devices (up 110.3%) increased the most. We anticipate Qatar's market to remain stable in June.
- Saudi Arabia's TASI decrease 2.6% to close at 11,014.1 points. Among sectors, Media (down 7.4%) fell the most, followed by Utilities (down 6.3%), whereas Pharma, Biotech & Life Science (up 49.8%) rose the most. Tihama Advertising and Public Relations Co. (down 20.6%) declined the most, followed by Saudi Arabian Amiantit Co. (down 12.5%) while Middle East Healthcare Co. (up 50.6%) rose the most. The market is expected to rise in June as OPEC+ group plans to cut down oil price production to combat price decline, aided by positive broad economic outlook.
- The ADX decreased 3.9% lower at 9,406.6 points. Among sectors, Industrials (down 11.2%) was the top loser, followed by Utilities (down 7.7%), while Consumer Discretionary (up 5.2%) was the top gainer. Among stocks, RAK Co. for White Cement & Construction (down 23.6%) declined the most, followed by RAPCO Investment P.J.S.C. (down 20.8%), while Bank of Sharjah (up 32.2%) rose the most.
- The DFM ended 0.9% higher at 3,576.6 points. Among sectors, Consumer Discretionary (up 5.3%) was the top gainer, followed by Real Estate (up 2.8%), whereas Materials (down 2.2%) was the top loser. Among stocks, Gulf Navigation Holding P.J.S.C. (up 268.9%) was the top gainer, followed by Ajman Bank P.J.S.C. (up 31.7%), while Amlak Finance P.J.S.C (down 12.3%) declined the most. In June, we expect the UAE markets to grow as there is a positive economic outlook aided by rising oil prices.

GCC Market Monthly Report

May 2023

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 (CPI) rate decreased 3.69% in April 2023 compared to March 2022, as reported by the Central Statistical Bureau.
- ◆ **Oman** – As per IMF estimates, Oman's economy is projected Oman's inflation stood at 1.1% in April 2023, compared with 1.6% in March 2023; consumer prices increased 0.1% MoM in April 2023, compared with a 0.3% MoM fall in March 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 105.52 points in April 2023, down 0.03% MoM and up 3.68% YoY.
- ◆ **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%. In April 2023, CPI rose 2.7% YoY, same as March 2023, compared with a 2.3% YoY increase in April 2022.
- ◆ **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%. In comparison, the UAE's PMI increased to 56.6 in April 2023 from 55.9 in March 2022, driven by a rapid increase in new business inflows.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	2.2	6.51	7.00
Kuwait	0.9	3.3	4.25	3.63
Oman	1.7	1.9	5.56	5.75
Qatar	2.4	3.0	6.00	5.75
Saudi Arabia	3.1	2.8	5.83	5.75
UAE	3.5	3.4	5.18	5.15

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

GCC Market Monthly Report

May 2023

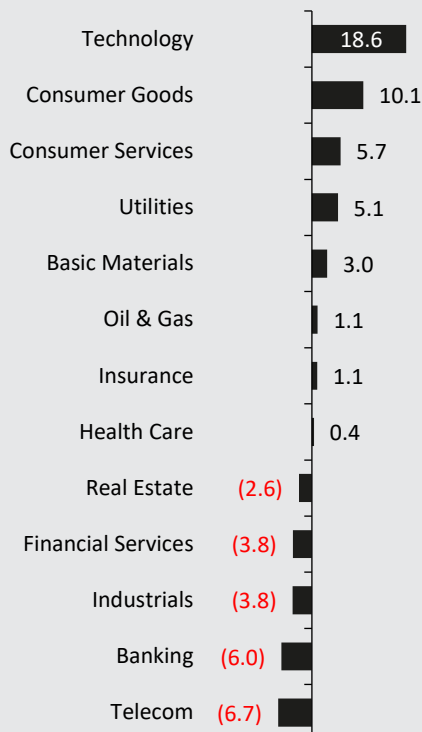
Kuwait – Sector Returns and Value Traded

◆ **Technology:** The sector closed 18.6% higher at 690.4 points during the month. Automated Systems Company, being the only company in the sector, increased 18.6%. Total volume and value traded stood at 0.6MM and KWD 47092.3, respectively.

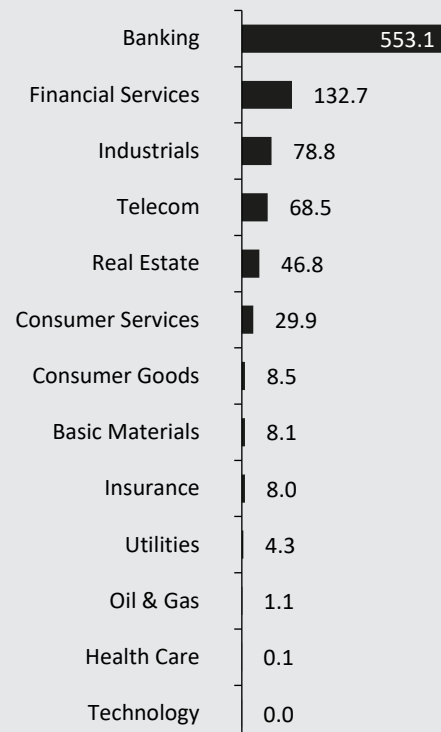
◆ **Telecom:** The sector closed 6.7% lower at 1,096.4 points during the month. National Mobile Telecommunications Co. (down 7.7%) declined the most, followed by Mobile Telecommunications Company (down 7.6%) while Hayat Communications Company (up 45.1%) was the top gainer. Total volume and value traded stood at 130.7MM and KWD 68.5MM, respectively.

Source: KSE

Sector Returns (%)



Value Traded (KWD MM)



Commodity Tracker

◆ Gold ended the month at \$1,926.7/troy oz., was down 1.4% MoM in May 2023. In June, 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 \$72.7 per barrel in May 2023, representing a negative return of 8.6% MoM. Oil prices are projected to increase; support will come in June 2023 as OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$23.5/troy oz., registering a negative return of 6.3% MoM. Silver prices are projected to decline in June due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,962.7	(1.4)	7.6
Brent Crude (USD/bbl.)	72.7	(8.6)	(15.4)
Silver (USD/troy oz.)	23.5	(6.3)	(2.0)

GCC Market Monthly Report

May 2023

Stock Watch (Kuwait)

Hayat Communications Company (up 45.1%) was the top gainer, while Equipment Holding Co. (down 30.3%) declined the most.

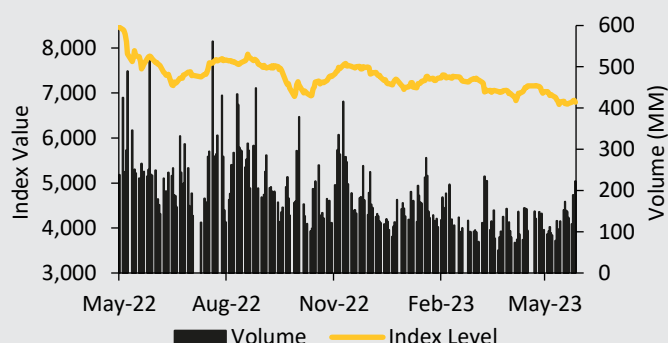
Stock Watch (Saudi Arabia)

Middle East Healthcare Co. (up 50.6%) rose the most, while Tihama Advertising and Public Relations Co. (down 20.6%) 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
TOP GAINERS								TOP GAINERS							
HAYATCOMM	7.16	82.00	45.13	36.89	1.34	NA	0.77	SAUDI GERMAN HEALTH	5,411.95	58.80	50.58%	131.04%	34.56	51.63	3.82
BAYANINV	7.23	34.20	37.35	(16.79)	9.69	NA	0.53	SPIMACO	4,566.00	38.05	49.80%	74.70%	24.39	NM	2.86
ARABREC	18.84	51.50	34.46	99.61	32.09	6.02	0.52	ALSAGR INSURANCE	266.00	19.00	33.80%	35.33%	18.19	NM	2.04
KFOUC	32.55	450.00	33.14	53.06	4.68	4.20	1.35	ACIG	485.97	16.70	28.07%	54.63%	17.71	NM	2.95
SENERGY	7.57	37.90	28.47	(15.59)	2.83	NA	0.78	SALAMA	220.80	22.08	27.63%	70.37%	18.19	NM	5.82
TOP LOSERS								TOP LOSERS							
EQUIPMENT	2.00	25.00	(30.36)	(45.65)	2.03	NA	0.45	TAPRCO	766.40	19.16	-20.56%	10.11%	47.55	NA	NA
THURAYA	15.97	109.00	(28.29)	(49.07)	0.26	46.56	0.93	AMIANTIT	415.80	42.00	-12.50%	29.23%	10.23	NM	1.24
WINSRE	27.75	115.00	(26.28)	(5.74)	1.54	7.94	NA	SAUDI ELECTRICITY	89,998.43	21.60	-12.20%	-6.49%	25.91	6.38	0.35
NINV	151.43	190.00	(23.39)	(19.83)	80.52	NA	0.79	AMLAK	1,382.56	15.26	-11.07%	2.14%	6.54	17.14	1.11
RKWC	45.11	90.20	(22.91)	(32.18)	0.00	22.11	2.29	ALBILAD	37,200.00	37.20	-11.00%	-16.31%	18.50	17.29	2.64

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

Kuwait (KWSEAS)



Saudi Arabia (TASI)



Source: Bloomberg

Monthly Market Updates

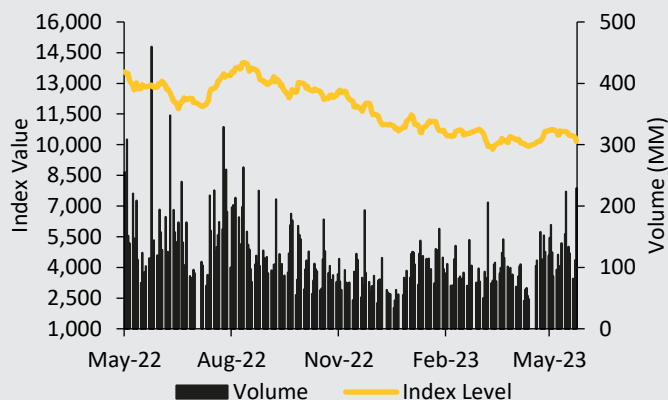
- ◆ Kuwait's All Share Index closed low at 4.8% MoM 6,796.8 points in May 2023. The total volume traded rose 39.4% MoM to 3.0BLN, the number of deals increased 38.2% MoM to 208,209, and the total value traded increased 46.2% MoM to KWD 940.1MM.
- ◆ As per the third estimate released by the Bureau of Economic Analysis, the US real GDP growth increased 1.3% YoY in Q1 2023 as opposed to 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 6.1% in May 2023, down from 7.0% in April 2023. As per the latest data released by the Office for National Statistics, the Consumer Prices Index (CPI) in the UK rose 8.7% YoY in April 2023 down from 10.1% YoY in March 2023.
- ◆ Based on the latest data released by the National Bureau of Statistics, China's CPI dropped to 0.1% YoY in April 2023 (lowest since deflation in February 2021) from 0.7% YoY in March 2023.
- ◆ According to the Statistics Bureau of Japan, CPI stood at 3.5% YoY in April 2023, compared with March 2023's six-month low of 3.2%.

GCC Market Monthly Report

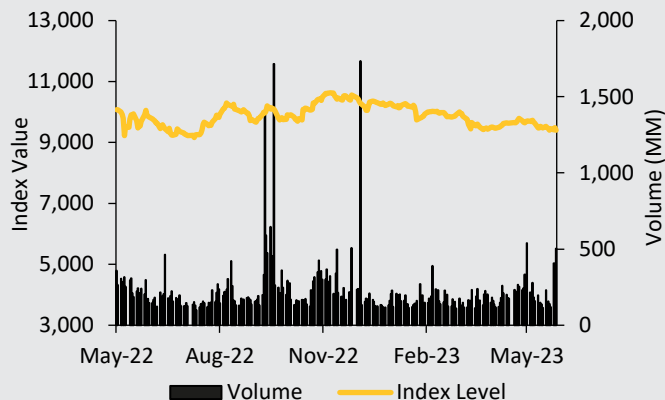
May 2023

GCC Benchmark Indices – Market Movements

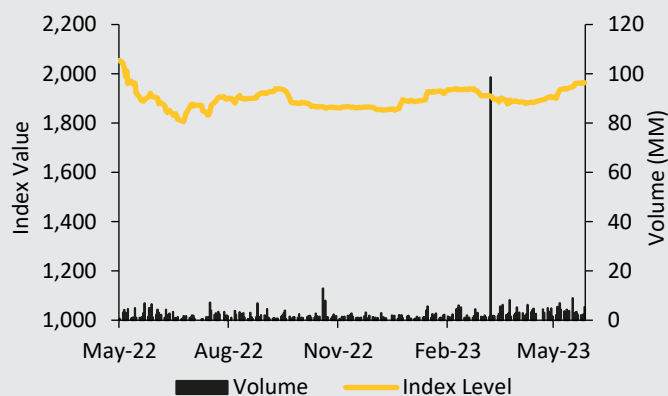
Qatar (DSM)



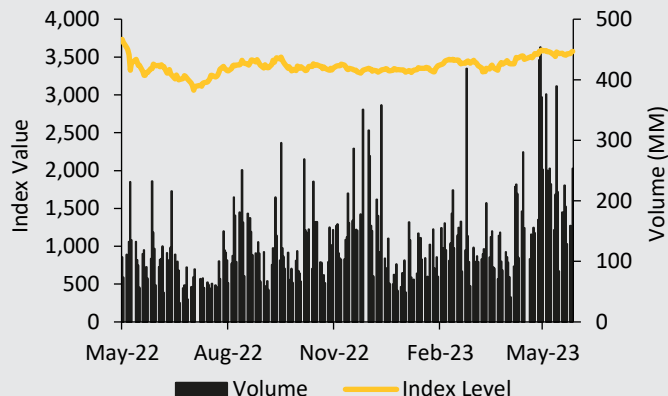
Abu Dhabi (ADX)



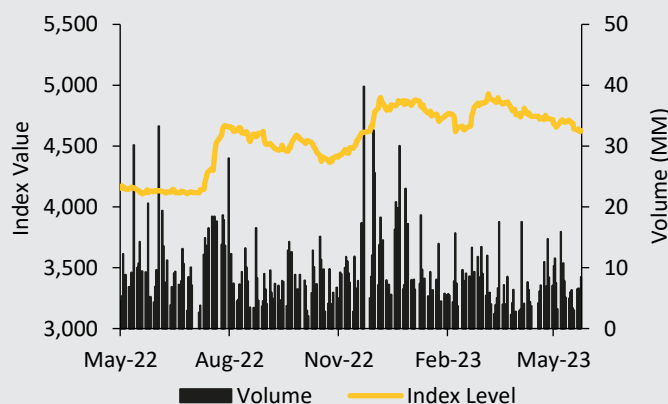
Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



GCC Market Monthly Report

May 2023

GCC Markets – Economy and Industry News

Saudi Arabia

- According to the General Authority for Statistics' revised estimates, Saudi Arabia's real GDP growth increased 3.9% YoY in Q1 2023, driven by a 5.8% YoY and 1.3% YoY rise in non-oil and oil activities, respectively.
- In April 2023, CPI rose 2.7% YoY, same as March 2023, compared with a 2.3% YoY increase in April 2022.
- Overall merchandise exports decreased 14.6% in Q1 2023 vs. Q1 2022. The value of exports amounted to SAR 313.5BLN in Q1 2023, down from SAR 367.1BLN in Q1 2022. The share of oil exports in the total exports fell to 78.3% in Q1 2023 from 78.6% in Q1 2022.
- As on date the KSA's construction sector is valued at over SAR 255.0BLN (USD 68.0 BLN); which accounts for around 6.0% of the GDP of the KSA, according to the Chairperson of Saudi Contractors Authority.

UAE

- According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose again to 56.4 (an eight-month high) in April 2023 from 55.5 in March 2023, which shows robust improvement in business conditions across the non-oil economy.
- In comparison, the UAE's PMI increased to 56.6 in April 2023 from 55.9 in March 2022, driven by a rapid increase in new business inflows.
- Dubai's inflation decreased to 3.27% YoY, its lowest level in last 13 months, in April 2023 due to decelerating transportation and food prices, as per the emirate's statistics authority.

Qatar

- As per the Planning and Statistics Authority, Qatar's foreign merchandise trade balance grew to QAR 22.0BLN in April 2023 vs. QAR 12.2BLN in April 2022, implying a 35.6% YoY decrease and a 3.5% MOM increase in the balance, as exports totalled QAR 30.7BLN (down 29.4% YoY) and imports stood at QAR 8.7BLN (down 6.3% YoY).
- Qatar's CPI reached 105.52 points in April 2023, down 0.03% MoM and up 3.68% YoY.
- Qatar would be driving the growth of the cleantech sector in MENA; courtesy its favourable government policies and advanced tech infrastructure that show a USD 75.0BLN investment opportunity by 2030, as per Qatar's Investment Promotion Agency.

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.
- Real estate deals in Bahrain in Q1 2023 exceed pre-COVID levels. The current pipeline of projects should lead to a 15.9% rise in the total number of apartments in 2023 compared with 2022, as per the Survey and Land Registration Bureau.

Oman

- According to the National Centre for Statistics and Information, Oman's inflation stood at 1.1% in April 2023, compared with 1.6% in March 2023; consumer prices increased 0.1% MoM in April 2023, compared with a 0.3% MoM fall in March 2023.
- Oman's foreign investments advanced to USD 50.0BLN in 2022, driven by oil, gas and real estate sectors.

GCC Market Monthly Report

May 2023

GCC Corporate Developments

Saudi Arabia

- ACWA Power Company penned three power purchase agreements with Saudi Power Procurement Company at a total value of SAR 12.2BLN (USD 3.3BLN); where the deals would cover the development, financing and operation of three large-scale photovoltaic (PV) solar plants in the central and northern regions of Saudi Arabia.
- Al Moammar Information Systems Company signed an agreement with the Saudi Data and Artificial Intelligence Authority amounting SAR 228.8MM.
- The subsidiary of Industrial Engineering Company for Construction and Development's subsidiary Prefabricated Buildings Development Industrial Co. based in Saudi Arabia won a contract for the NEOM project; where the awarded contract is valued at SAR 105.62MM.
- Arabsat, which operates from its headquarters in Riyadh, Saudi Arabia, collaborated with Airbus and SpaceX to launch its latest satellite, Arabsat Badr-8, which would mark the seventh-generation satellite.

UAE

- Bespin Global and e& decided to establish a joint venture (JV) to secure public cloud-managed and professional services across the Middle East, Turkey, Africa and Pakistan, where e& would hold a 65% stake through its subsidiary and Bespin Global owns the remaining 35% equity.
- AD Ports Group and Aramex signed a joint venture agreement to establish and operate a new non-vessel operating common carrier (NVOCC) enterprise, where the entity would give NVOCC solutions to the freight forwarding industry players, servicing their ocean-bound container cargo.
- Bank of Sharjah obtained their shareholders' approval to hike capital by AED 800.0MM to AED 3.0BLN.
- Aldar Properties acquired Basatin Landscaping at a value of AED 150MM for 75.0% stake to anchor its Aldar Estates platform, whereas another strategic partner will own the remaining 25% stake.

Qatar

- Barwa real estate company signs a new financing agreement for QAR 3.0BLN with Qatar Islamic Bank; where the objective of the new facility is to refinance a part of the group's facilities and the tenure is up to 10 years.
- Vodafone makes agreement to liquidate its listed shares to QNBFS, a subsidiary company of Qatar National Bank.

Bahrain

- GFH Financial was announced as a strategic partner of the future investment initiative (FII) institute, where the group will join the institute's list of world-class global partners. As FII is a leading non-profit foundation with an investment arm with the aim to impact humanity, and FII's partners include major international and regional banking and financial players and market leaders from other industries; GFH's brand value will enhance.

Oman

- Ahli Bank received the revised letter of intent from Ominvest to acquire a 75% stake in the bank and later on merging Ahli Bank with Oman Arab bank.

GCC Market Monthly Report

May 2023

Disclaimer

This material was produced by Ahli Capital Investment Company K.S.C.C ('ABK Capital'), a firm regulated by the Capital Markets Authority (Kuwait). This document is not to be used or considered as an offer to sell or a solicitation of an offer to buy any securities. ABK Capital may, from time to time to the extent permitted by law, participate or invest in other financing transactions with the issuers of the securities ('securities'), perform services for or solicit business from such issuer, and/or have a position or effect transactions in the securities or options thereof. ABK Capital may, to the extent permitted by applicable Kuwaiti law or other applicable laws or regulations, effect transactions in the securities before this material is published to recipients. Information and opinions contained herein have been compiled or arrived at by ABK Capital from sources believed to be reliable, but ABK Capital has not independently verified the contents of this document. Accordingly, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. ABK Capital accepts no liability for any loss arising from the use of this document or its contents or otherwise arising in connection therewith. This document is not to be relied upon or used in substitution for the exercise of independent judgment. ABK Capital shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by ABK Capital for, or sent by ABK Capital to any person and any such person shall be responsible for conducting his own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Opinions and estimates constitute our judgment and are subject to change without prior notice. Past performance is not indicative of future results. This document does not constitute an offer or invitation to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. Neither this report nor any copy hereof may be distributed in any jurisdiction outside Kuwait where its distribution may be restricted by law. Persons who receive this report should make themselves aware of and adhere to any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations.