

GCC Market Performance

- Bahrain (BAX)** – Bahrain’s BAX closed 4.0% higher in June. We expect Bahrain’s market to grow in July supported by firmer oil price and COVID-19 vaccination program could also support its recovery.
- Kuwait (KSE)** – Kuwait’s KSE increased 2.8% in June. We expect Kuwaiti market to end on positive note in July month on account of rising oil price and strong vaccine campaign.
- Oman (MSM)** – Oman’s MSM rose 5.5% in June. We anticipate the Oman’s bourses to be volatile in July.
- Qatar (DSM)** – Qatar’s DSM decreased 0.2% in June. We anticipate Qatar’s markets would end in green in July owing to rising oil price.
- Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 4.1% in June. The market is expected to grow in July due to supportive business condition led by eased lockdown restriction across the globe aided by strong vaccination program.
- UAE (DFM and ADX)** – The UAE’s ADX surged 4.2% and DFM increased 0.5% in June. We expect positivity in the market in July owing to positive sentiment across global markets, supported by strong vaccination drive.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,587.97	3.95	6.59	27.26	2.10
Kuwait (KSE)	6,386.79	2.83	15.16	40.64	2.03
Oman (MSM)	4,063.40	5.47	11.06	14.27	3.85
Qatar (DSM)	10,730.68	(0.16)	2.82	18.14	2.73
Saudi Arabia (TASI)	10,984.15	4.10	26.41	36.02	1.91
UAE (ADX)	6,835.43	4.22	35.48	23.21	3.57
UAE (DFM)	2,810.56	0.47	12.78	21.35	2.85

Source: Bloomberg

Macroeconomic Snapshot

- Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 3.3% this year, and inflation is projected to rise by 1.5%. According to Information & e-Government Authority, Bahrain’s inflation fell 0.3% YoY in May 2021.
- Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 0.7% 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 3.1% YoY in April 2021.
- Oman** – As per IMF estimates, Oman’s economy is projected to grow 1.8% this year, and inflation is estimated to rise by 3.8%. According to National Centre for Statistics and Information, Oman’s Inflation increased 1.65% YoY in May 2021.
- 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 2.4%. According to Planning and Statistics Authority, Qatar’s consumer price index increased 2.5% YoY in May 2021.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 2.9% in 2021, compared to an estimated 4.1% 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 5.7% in May as against 5.3% in April.
- UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 3.1% this year, and inflation is projected to rise by 2.9%. In April, UAE’s inflation fell 0.5% YoY as compared to a 1.1% decline in March 2021.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	1.5	1.63	2.25
Kuwait	0.7	2.3	1.50	0.875
Oman	1.8	3.8	2.10	0.50
Qatar	2.4	2.4	1.10	1.00
Saudi Arabia	2.9	2.7	0.79	1.00
UAE	3.1	2.9	0.38	0.65

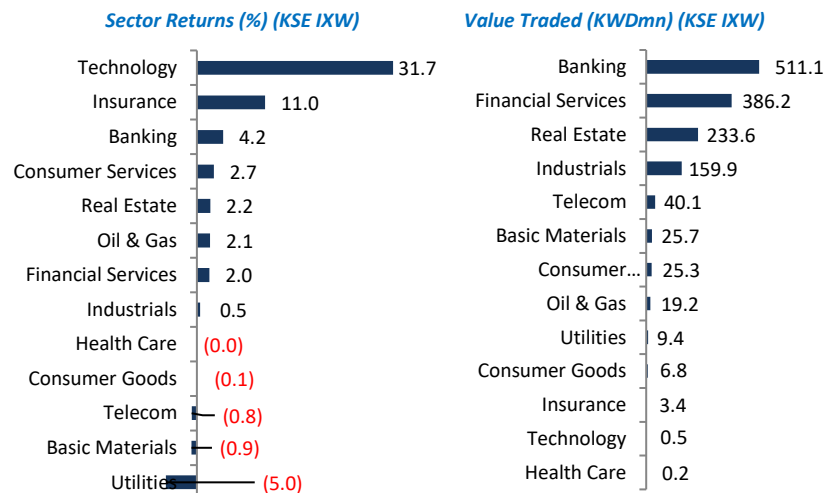
Source: IMF World Economic Outlook Update (April 2021), Central Bank, Bloomberg

* 2021 forecast, **Discount rate of Kuwait

Kuwait –Sector Returns and Value Traded

- Technology:** The sector closed at 822.1 points, up 31.7% from the previous month. Automated Systems Company (up 31.7%) was the only gainer. Total volume and value traded stood at 4.3mn and KWD0.5mn, respectively.
- Utilities:** The sector closed 5.0% lower at 600.0 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 5.0%) only listed stock ended in red. Total volume and value traded stood at 39.7mn and KWD9.4mn, respectively.

Source: KSE



Commodity Tracker

- Gold ended the month at \$1,770.1/troy oz., representing **7.2%** MoM decrease in June 2021. Gold prices are expected to remain weak in July as the strengthening US dollar, along with the firm trend in equity markets affected sentiment towards precious metals.
- Brent crude closed at \$75.1 per barrel in June 2021, representing a positive return of 8.4% MoM. Oil prices are expected to increase as OPEC+ producers could increase output more gradually than expected in coming months.
- Silver ended the month at \$26.1/troy oz., registering a negative return of **6.8%** MoM. Silver prices are likely to fall in July mainly due to growth in US Treasury yields.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1770.1	(7.2)	(6.8)
Brent Crude (USD/bbl)	75.1	8.4	45.0
Silver (USD/troy oz.)	26.1	(6.8)	2.9

Source: Bloomberg

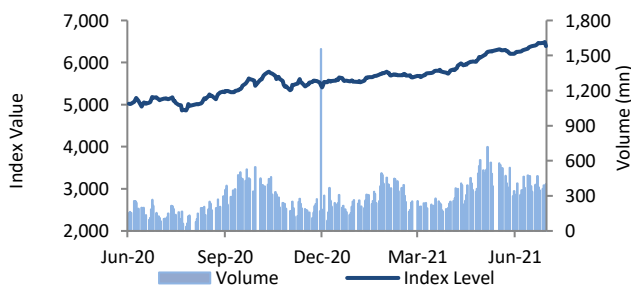
Stock Watch (Kuwait)

National Consumer Holding Co. (up 53.9%) was the top gainer, while Munshaat Real Estate Projects Co (down 20.0%) was the top loser in June 2021.

Name	M Cap (KWDmn)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
NCCI	7.20	80.00	53.85	63.60	10.57	NA	0.99
ASC	11.30	113.00	31.70	63.53	0.45	NA	0.95
KFOUC	27.41	379.00	30.69	41.42	0.71	NA	1.99
GINS	200.42	1000.00	29.03	23.92	0.89	10.32	1.60
SANAM	8.13	67.00	27.62	94.20	0.84	NA	0.90
TOP LOSERS							
MUNSHAAT	19.06	59.20	(20.00)	(15.91)	0.26	NA	1.05
DALQAN	13.44	222.00	(15.59)	(18.98)	0.05	728.30	2.02
GNAHC	9.53	63.50	(15.56)	(2.61)	0.19	NA	0.88
REMAL	5.85	19.10	(13.96)	(5.45)	0.25	NA	0.73
KHOT	4.49	79.60	(13.38)	33.78	0.13	18.95	1.08

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

Kuwait (KSE)



Source: Bloomberg

Monthly market updates

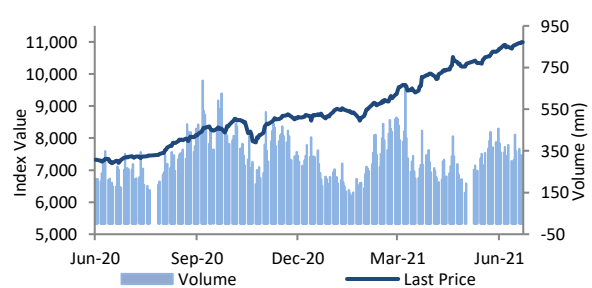
- Kuwait's All Share Index closed 2.8% higher at 6,386.8 points in June 2021. Total traded volume decreased **9.3%** MoM to 8.3bn; the number of deals decreased **2.3%** MoM to 295,251 and total value traded improved 3.2% MoM to KWD1,421.3mn.
- As per the third estimate released by the Bureau of Economic Analysis, the US's real GDP grew at an annualized rate of 6.4% QoQ in Q1 2021, driven by increase in personal consumption expenditures (PCE), non-residential fixed investments, federal government spending, residential fixed investments, and state and local government spending. Growth was partly offset by decrease in private inventory investments and exports.
- According to aggregate estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area slowed by **0.3%** QoQ in Q1 2021, after declining **0.6%** in Q4 2020.
- In Asia, the latest data released by the National Bureau of Statistics shows that China's Consumer Price Index (CPI) rose 1.3% YoY in May 2021, after rising 0.9% YoY in April 2021.
- According to the Statistics Bureau of Japan, the country's CPI fell **0.1%** YoY in May 2021, following the **0.4%** YoY decline recorded in April 2021.

Stock Watch (Saudi Arabia)

Baazeem Trading Company (up 48.4%) led the gainers, while Advanced Petrochemical Company (down 11.7%) declined the most.

Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
BAAZEEM	1472.18	145.40	48.37	61.20	35.05	54.24	7.32
SRMG	14160.00	177.00	46.04	125.48	8.41	51.96	8.60
SHAKER	2066.40	32.80	40.17	103.47	206.34	114.95	3.23
ALAKARIA	6408.00	26.70	36.92	76.59	150.66	NM	2.25
THEEB	3096.00	72.00	34.33	80.00	96.13	39.20	6.10
TOP LOSERS							
ADVANCED	15,651.03	72.30	(11.72)	7.91	12.92	23.63	4.68
WAFRAH	1,327.33	172.00	(8.51)	11.69	8.21	NM	21.35
SIIG	15,750.00	35.00	(7.16)	27.74	20.57	27.63	2.34
MASHAAR REIT	660.55	11.54	(7.09)	44.25	71.00	NM	1.32
ALJOUF	2,529.00	84.30	(6.64)	129.70	45.12	135.66	4.13

Saudi Arabia (TASI)



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