



أهلي كابيتال  
AHLI CAPITAL

# AHLI CAPITAL GCC MARKET MONTHLY REPORT 2022

## GCC Markets Performance

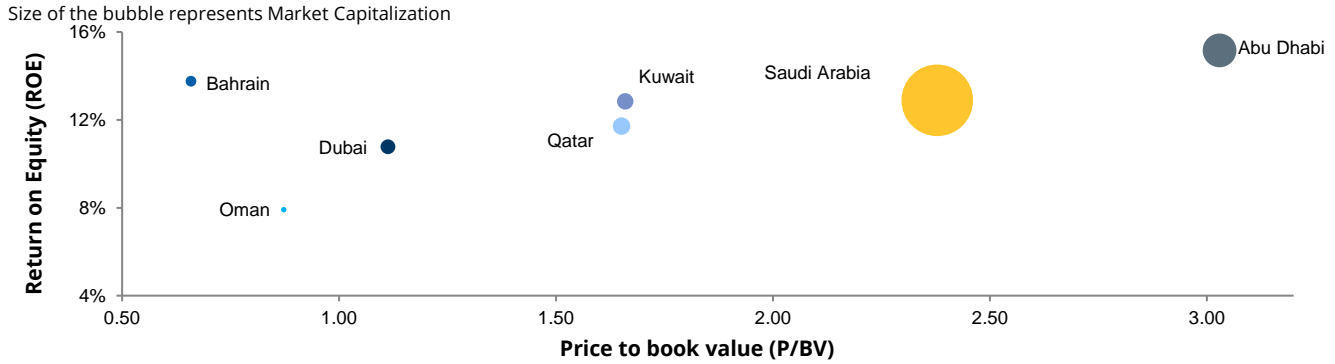
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,864.7	(0.92)	3.75	4.80	5.69
Kuwait (KWSEAS)	7,318.4	2.99	3.91	16.54	2.86
Oman (MSM)	4,366.0	(3.59)	5.73	11.26	4.57
Qatar (DSM)	12,414.4	(2.21)	6.78	13.84	3.67
Saudi Arabia (TASI)	11,667.8	2.30	3.42	18.62	2.47
UAE (ADX)	10,412.3	6.78	22.67	19.32	1.99
UAE (DFM)	3,331.8	(0.22)	4.25	9.72	3.09

## Market Highlights

Four GCC indices ended in negative territory, while three ended in positive territory during the month of October. Oman's MSM Index (down 3.6%) was the top loser, followed by Qatar's DSM (down 2.2%), while UAE's ADX (up 6.8%) rose the most.

- Bahrain's BAX closed 0.9% lower at 1,864.7 points. Among sectors, Material (down 4.0%) was the top loser. Among stocks, Bahrain Ship Repairing & Engineering Co. (down 11.8%) decreased the most, followed by Kuwait Finance House K.S.C.P. (down 6.2%), while Al Salam Bank (up 5.6%) was the top gainer. In November, we expect Bahrain's market to follow the trend in oil prices.
- Kuwait's All Share Index closed 3.0% higher at 7,318.4 points. Among sectors, Industries (up 8.7%) rose the most. On the contrary, Basic Materials (down 5.0%) declined the most. Osoul Investment Co. (up 22.9%) was the top gainer, while Kuwait Remal Real Estate Co. (down 29.8%) was the top loser. We estimate the Kuwaiti market to rise in November on expectation of increased demand ensuing positive outlook for oil prices.
- Oman's MSM was down 4.0% at 4,366.0 points. Among sectors, Services (down 5.8%) was the top loser, followed by Industries (down 5.4%). Among stocks, Al Madina Investment Holding (down 41.2%) decreased the most, followed by United Finance (down 32.6%), while Almaha Ceramics (up 9.5%) was the top gainer. We expect Oman's bourses to rise in November driven by robust energy prices, expansion of oil-gas production, and wide-ranging structural reforms.
- Qatar's DSM fell 2.2% to close at 12,414.4 points. Among sectors, Insurance (down 7.0%) decreased the most, while Telecoms (up 9.4%) rose the most. Among stocks Qatar German for Medical Devices (down 19.9%) was the top loser, followed by Alkhaleej Takaful Insurance (down 18.6%), while Aamal Holding (up 16.2%) increased the most. We anticipate Qatar's market to rise on account of FIFA World cup to be held in November.
- Saudi Arabia's TASI increased 2.3% to close at 11,667.8 points. Among sectors, Consumer Durables & Apparel (up 8.2%) rose the most, followed by Health Care Equipment & Svc (up 6.6%), while Real Estate Management & Development (down 2.5%) declined the most. Etihad Atheeb Telecommunication Co. (up 34.4%) rose the most, followed by Fitaihi Group (up 23.7%), while Al Sagr Cooperative Insurance Co (down 34.9%) declined the most. The market is expected to rise in November as OPEC+ group plans to cut down oil price production ensuing price rise.
- The ADX rose 6.8% higher at 10,412.3 points. Among sectors, Utilities (up 30.6%) was the top gainer, while Basic Materials (down 8.9%) declined the most. Among stocks, Abu Dhabi Aviation Co. (up 38.2%) rose the most, followed by Abu Dhabi National Energy Company (up 30.6%), while Abu Dhabi National Takaful Co. (down 20.1%) declined the most.
- The DFM ended 0.2% lower at 3,331.8 points. Among sectors, Investment and Financial Services (down 6.7%) was the top loser, followed by Telecommunication (down 2.1%), whereas Services (up 8.1%) was the top gainer. Among stocks, Takaful Emarat (PSC) (down 20.7%) declined the most, followed by Al Firdous Holdings PJSC (down 17.9%), while Gulf Navigation Holding PJSC (up 39.7%) rose the most. In November, we expect the UAE markets to grow as there is positive sentiment in GCC due to projected oil prices.

## Valuation



## Macroeconomic Snapshot

- **Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 3.4% this year, and inflation is projected to rise by 3.5%. According to the Information & eGovernment Authority, the inflation growth rate in Bahrain stood at 4.0% YoY in September 2022, unchanged from August 2022.
- **Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 8.7% this year, and inflation is projected to rise by 4.3%. The annual consumer price inflation (CPI) rate increased 3.2% in September 2022 compared to September 2021, as reported by the Central Statistical Bureau.
- **Oman** – As per IMF estimates, Oman’s economy is projected to grow 4.4% this year, and inflation is estimated to rise by 3.1%. As per the National Centre for Statistics and Information, Oman's inflation decreased to 2.36% in September 2022 from 2.41% in August 2022.
- **Qatar** – As per IMF estimates, Qatar’s real GDP growth is expected to grow by 3.4% this year, and inflation is expected to increase by 4.5%. Qatar's CPI for September 2022 reached 105.05 points, increasing 1.2% MoM and 6.0% YoY.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s GDP is expected to grow by 7.6% and 2.7% in FY22 and FY23, respectively. According to the flash estimates of the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP growth increased 8.6% YoY in Q3 2022, driven by a 14.5%, 5.6%, and 2.4% YoY increase in oil, non-oil, and government activities.
- **UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 5.1% this year, and inflation is projected to rise by 5.2%. UAE's PMI fell slightly in September 2022 to 56.1 from the 38-month-high PMI of 56.7 in August 2022.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.4	3.5	5.07	5.25
Kuwait	8.7	4.3	3.21	2.38
Oman	4.4	3.1	3.53	3.75
Qatar	3.4	4.5	2.45	4.00
Saudi Arabia	7.6	2.7	4.98	3.75
UAE	5.1	5.2	3.85	3.15

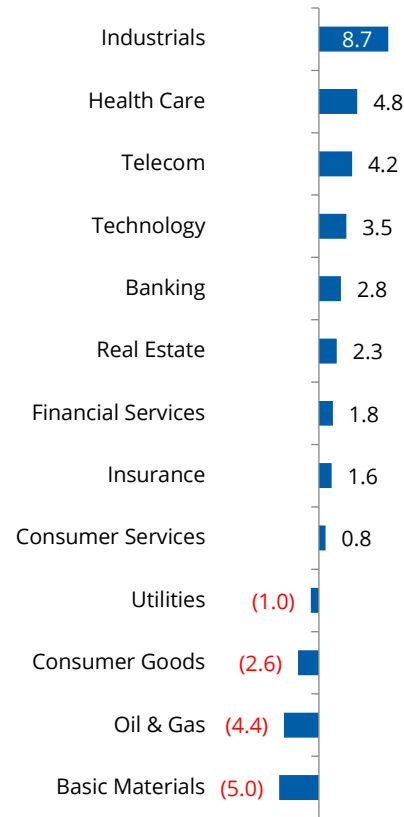
Source: IMF World Economic Outlook Update (October 2022), Central Bank, Bloomberg

## Kuwait –Sector Returns and Value Traded

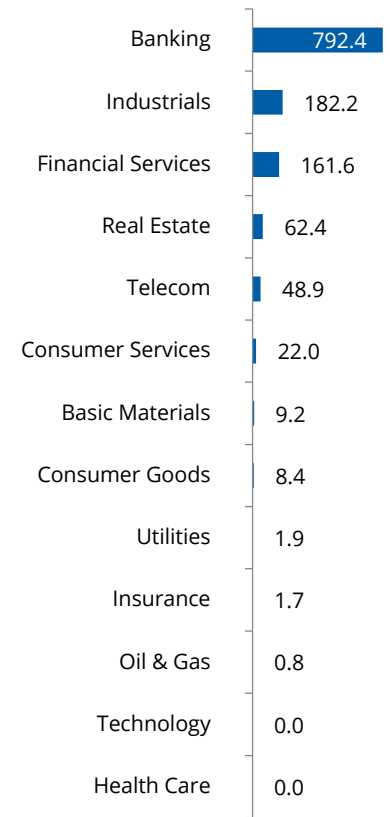
- **Industrials:** The sector closed 8.7% higher at 1,105.3 points during the month. Metal & Recycling Co. (up 21.9%) was the top gainer, followed by Agility Public Warehousing Company (up 17.4%), while Educational Holding Group (down 18.3%) was the top loser. Total volume and turnover at 361.9MM shares, and KWD 182.2MM, respectively.
- **Basic Materials:** The sector closed 5.0% lower at 856.4 points during the month. Qurain Petrochemical Industries Co. (down 7.0%) declined the most, whereas Kuwait Foundry Co. ended flat. The number of shares traded, and total turnover stood at 27.4MM and KWD 9.2MM, respectively.

Source: KSE

### Sector Returns (%)



### Value Traded (KWD MM)



## Commodity Tracker

- Gold ended the month at \$1,633.6/troy oz., was down 1.6% MoM in October 2022. In November, gold prices are estimated to further decline as Federal Reserve is expected to raise interest rates as a response to curtail inflation.
- Brent crude closed at \$94.8 per barrel in October 2022, representing a positive return of 7.8% MoM. Oil prices are projected to remain stable in November 2022 as lower demand is expected from China, because of concentrated lockdowns due to zero covid policy, whereas OPEC+ group is expected to cut its production.
- Silver ended the month at \$19.2/troy oz., registering a positive return of 0.7% MoM. Silver prices are projected to decline in November due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,633.6	(1.6)	(10.7)
Brent Crude (USD/bbl.)	94.8	7.8	21.9
Silver (USD/troy oz.)	19.2	0.7	(17.8)

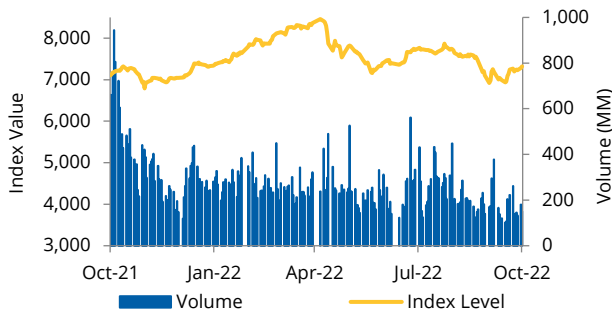
### Stock Watch (Kuwait)

Osoul Investment Co. (up 22.9%) was the top gainer, while Kuwait Remal Real Estate Co. (down 29.8%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
OSOUL	11.26	89.00	22.93	7.88	3.04	NA	0.81
MIDAN	156.38	695.00	22.14	(43.95)	0.00	NA	2.76
MRC	8.13	90.20	21.89	(5.05)	0.43	NA	1.17
KBT	33.70	58.60	17.91	(29.14)	26.36	10.02	0.73
AGLTY	2001.04	784.00	17.37	(17.04)	181.66	54.62	1.34
<b>TOP LOSERS</b>							
REMAL	2.45	8.00	(29.82)	(58.12)	15.73	NM	NA
EDU	51.45	2450.00	(18.33)	279.84	0.07	9.31	4.16
JIYAD	4.02	21.90	(17.98)	(72.86)	95.42	NM	0.25
MASSALEH	8.15	35.00	(15.87)	(32.82)	2.36	NM	0.58
MUNSHAAT	19.32	60.00	(14.29)	(16.08)	0.08	4.97	1.80

Source: Bloomberg, CapiQ. NA - Not available, NM - Not meaningful

### Kuwait (KWSEAS)



Source: Bloomberg

### Monthly Market Updates

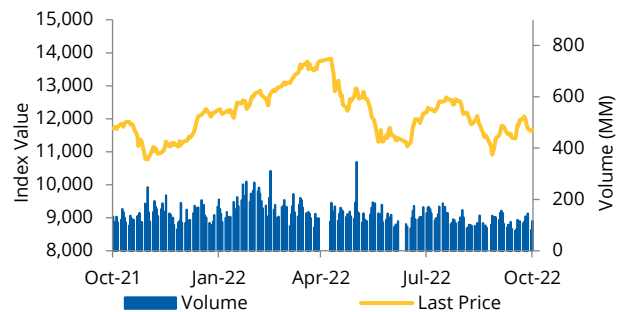
- Kuwait's All Share Index closed 3.0% MoM higher at 7,318.4 points in October 2022. The total volume traded rose 4.2% MoM to 3.8BLN, the number of deals increased 13.3% MoM to 237,375, and total value traded increased 40.4% MoM to KWD 1.3BLN. The rise in the market was mainly attributed to the banking and financial services sectors.
- In its latest projection, the International Monetary Fund (IMF) stated that US' Gross Domestic Product (GDP) is expected to increase 1.6% and 1.0% in FY22 and FY23, respectively.
- In World Economic Outlook published in October 2022, IMF projects Euro Area's GDP to expand 3.1% and 0.5% in FY22 and FY23, respectively.
- The IMF has also forecasted that the United Kingdom's GDP is to increase by 3.6% and 0.3% in FY22 and FY23, respectively.
- As per the IMF's projections, China's GDP to advance 3.2% and 4.4% in FY22 and FY23, respectively.
- IMF expects Japan's GDP to increase 1.7% and 1.6% in FY22 and FY23, respectively.

### Stock Watch (Saudi Arabia)

Ethiad Atheeb Telecommunication Co. (up 34.4%) rose the most, while Al Sagr Cooperative Insurance Co (down 34.9%) declined the most.

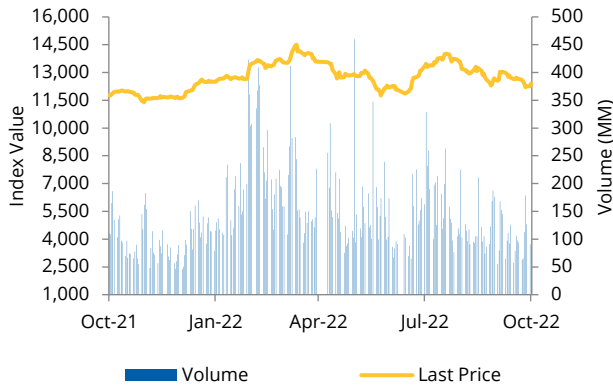
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
ATHEEB TELECOM	14,220.00	52.40	34.36	110.39	6.70	21.79	6.52
FITAIHI GROUP	2,112.00	38.85	23.73	28.62	8.94	45.52	2.28
SADAFSCO	3,247.14	235.00	21.13	15.65	0.83	33.60	5.10
MAADEN	3,442.50	83.70	20.26	17.39	59.52	21.54	4.91
SAUDI GERMAN HEALTH	17,172.00	32.30	18.75	58.05	30.30	110.60	2.32
<b>TOP LOSERS</b>							
ALSAGR INSURANCE	254.80	18.20	(34.88)	(64.22)	4.56	NM	1.83
SPM	946.97	28.10	(19.32)	(6.40)	14.32	26.72	3.84
ENAYA	223.60	22.36	(18.63)	(52.07)	5.84	NM	5.05
SALAMA	143.60	14.36	(18.13)	(66.21)	5.98	NM	5.45
SAUDI RE	1,185.03	13.30	(17.70)	(19.88)	4.85	38.44	1.22

### Saudi Arabia (TASI)

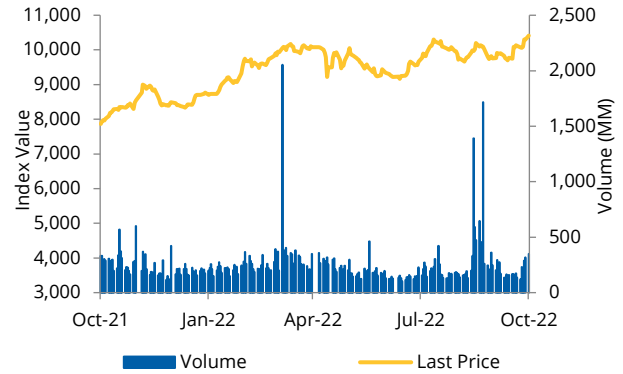


**GCC Benchmark Indices – Market Movements**

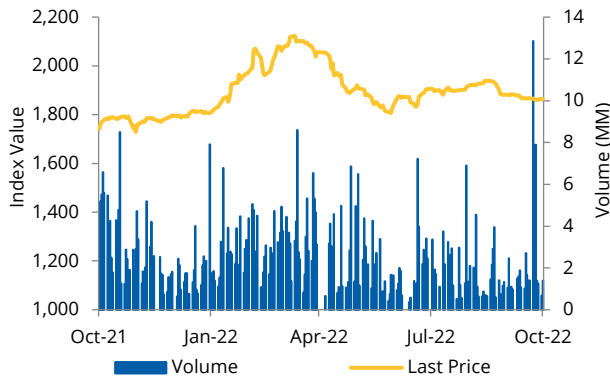
**Qatar (DSM)**



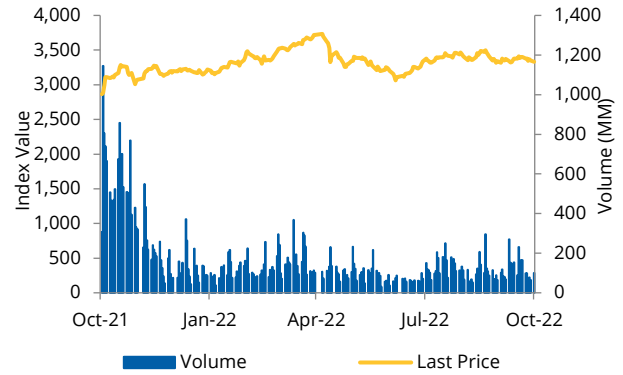
**Abu Dhabi (ADX)**



**Bahrain (BAX)**



**Dubai (DFM)**



**Oman (MSM)**



## GCC Markets – Economy and Industry News

### Saudi Arabia

- IMF has forecasted that Saudi Arabia's GDP will grow by 7.6% and 3.7% in FY22 and FY23, respectively.
- According to the flash estimates of the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP growth increased 8.6% YoY in Q3 2022, driven by a 14.5%, 5.6%, and 2.4% YoY increase in oil, non-oil, and government activities.
- In September 2022, the CPI rose 3.1% YoY, higher than August 2022's inflation rate of 3.0% YoY due to the rising prices of food, beverages and transport by 4.3%.
- Overall merchandise exports surged 49.1% YoY to SAR 133.7BLN in August 2022, mainly led by a 60.2% YoY rise in oil exports. Non-oil exports (including re-exports) surged 16.6% YoY in August 2022. The share of oil exports increased to 79.9% in August 2022 from 74.4% in August 2021.

### UAE

- IMF stated that UAE's GDP is expected to grow by 5.1% and 4.2% in FY22 and FY23, respectively.
- According to S&P Global, Dubai's Purchasing Manager's Index (PMI) decreased in September 2022 to a three-month low of 56.2 from 57.9 in August 2022.
- UAE's PMI fell slightly in September 2022 to 56.1 from the 38-month-high PMI of 56.7 in August 2022.
- In H1 2022, the combined revenue of the federal and emirate governments of the United Arab Emirates was AED 305.6BLN (USD 83.6BLN).

### Qatar

- IMF expects Qatar's GDP to grow by 3.4% and 2.4% in FY22 and FY23, respectively.
- Qatar's CPI for September 2022 reached 105.05 points, increasing 1.22% MoM and 6.03% YoY.
- In September 2022, Qatar's foreign merchandise trade balance showed a surplus of QAR 36.3BLN, an increase of approximately QAR 17.2BLN, or 89.9%, over September 2021.

### Bahrain

- IMF forecasts Bahrain's GDP to grow by 3.4% and 3.0% in FY22 and FY23, respectively.
- According to the Information & eGovernment Authority, the inflation growth rate in Bahrain stood at 4.00% YoY in September 2022, unchanged from August 2022.
- Bahrain's exports of national origin rose to BHD 1.24BLN in Q3 2022, up from BHD 1.17BLN in Q3 2021.

### Oman

- IMF projects Oman's GDP to grow by 4.4% and 4.1% in FY22 and FY23, respectively.
- As per the National Centre for Statistics and Information, Oman's inflation decreased to 2.36% in September 2022 from 2.41% in August 2022.
- Oman posted a budget surplus of OMR 1.1BLN in the first eight months of 2022, compared with a deficit of more than OMR 1.0BLN in the same period last year.

## GCC Corporate Developments

### Saudi Arabia

- Saudi National Bank will invest SAR 5.7BLN in Credit Suisse by a private placement of non-pre-emptive shares, acquiring a 9.9% stake.
- Jahez International Company for Information Systems Technology inked a share purchase agreement to entirely acquire Marn Business Information Technology Co. for SAR 60.0MM.
- Mouwasat Medical Services Co. completed the regulatory procedures for raising the capital of Jeddah Doctors Co. and acquiring 51.0% stake for SAR 102.0MM.
- Arabian Internet and Communications Services Co. (solutions) acquired an 88.2% stake in Giza Systems (a closed joint stock company) as well as a 34.0% stake in Giza Arabia, a Giza Systems subsidiary.
- Mobile Telecommunication Company (Zain KSA) transferred ownership of Zain Business Ltd., its subsidiary, to the Public Investment Fund (PIF) at a nominal value of SAR 10,000.

### UAE

- IHC Capital Holding LLC, a subsidiary of International Holding Co (IHC), launched a tender offer to acquire 25.0% to 31.3% of Grupo Nutresa, Colombia's food processing conglomerate, for AED 10.2BLN (USD 2.8BLN).
- Aramex completed its largest acquisition to date, purchasing Access USA Shipping LLC (MyUS) for USD 265.0MM in an all-cash deal.
- Holding company ADQ and e& subsidiary E-Vision acquired 57.0% of Starzplay Arabia, with E-Vision committing to pay up to USD 130.0MM for the video on demand service.
- Amanat Holdings acquired a 60.0% stake in Human Development Company (HDC) for SAR 220.3MM (USD 60.0MM) as well as a contingent consideration of up to SAR 47.1MM payable subject to future earnings growth.
- Shuaa Capital, a Dubai based investment bank's subsidiary Amwal International Investment Co. entered a contract to sell its 51.0% stake in NCM investment for AED 200.0MM.

### Qatar

- DLALA Brokerage and Investment Holding obtained all necessary approvals for reducing the company's capital to QAR 190.4MM from QAR 284.2MM.
- The purchase of a 75.0% stake in E-Life Detergent Factory by Baladna Food Industries Corporation, a Baladna Company subsidiary, was authorized by the board of directors of Baladna Company.

### Bahrain

- Sico acquired 27.3% stake held by Bank Muscat in Sico Capital worth BHD 1.9MM, prior Sico held 72.7% stake in Sico Capital.

### Oman

- Samsung Gulf Electronics and the infrastructure, technology, industrial, and consumer solutions cluster of Mohsin Haider Darwish LLC (MHD-ITICS) launched partnership in residential air-conditioning and home appliances market.
- Oman Post allied with VFS Global, the world's largest outsourcing and technology services specialist for governments and diplomatic missions, to provide various consular and citizen services on behalf of various government entities.



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