

GCC Market Performance

- **Bahrain (BAX)** – Bahrain’s BAX closed 0.6% higher in July. We expect Bahrain’s market to remain volatile in August.
- **Kuwait (KSE)** – Kuwait’s KSE increased 3.0% in July. We expect Kuwaiti market to end on negative note in August month on account of falling oil prices due to surge in Delta virus across the major importing countries.
- **Oman (MSM)** – Oman’s MSM declined 0.8% in July. We anticipate the Oman’s bourses to be volatile in August.
- **Qatar (DSM)** – Qatar’s DSM increased 0.2% in July. We anticipate Qatar’s markets to remain in pressure in August owing to lower demand for oil on account of rising Delta virus in the biggest oil consumer region.
- **Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 0.3% in July. The market is expected to remain soft in August due to negative sentiment over global economic recovery driven by weak economic data and surge in Delta virus.
- **UAE (DFM and ADX)** – The UAE’s ADX surged 7.1% and DFM decreased 1.6% in July. We expect market in August would remain steady owing to negative sentiment across global markets, led by surging cases of Delta virus.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,597.00	0.57	7.20	11.40	3.46
Kuwait (KSE)	6,581.01	3.04	18.66	37.94	1.83
Oman (MSM)	4,030.40	(0.81)	10.16	12.70	3.83
Qatar (DSM)	10,753.28	0.21	3.04	17.86	2.73
Saudi Arabia (TASI)	11,012.71	0.26	26.74	32.85	2.13
UAE (ADX)	7,318.18	7.06	45.05	23.24	2.95
UAE (DFM)	2,765.71	(1.60)	10.98	20.58	2.87

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 1.25% YoY in June 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 1.98% YoY in June 2021.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 2.4% 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 6.2% in June as against 5.7% in May.
- **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 May, UAE’s inflation fell 0.4% YoY as compared to a 0.5% decline in April 2021.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	1.5	1.62	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	1.04	1.00
Saudi Arabia **	2.4	2.7	0.79	1.00
UAE	3.1	2.9	0.37	0.65

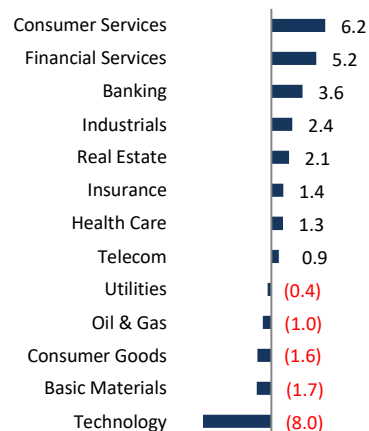
Source: IMF World Economic Outlook Update (April 2021), Central Bank, Bloomberg

* 2021 forecast, **Discount rate of Kuwait, ** Based on IMF July 2021 outlook.

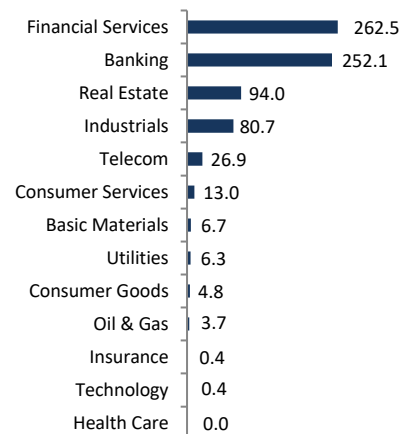
Kuwait –Sector Returns and Value Traded

- **Consumer Services:** The sector closed 6.2% higher at 1,035.4 points during the month. Among stocks, Al Eid Food Co. (up 28.8%) led the gainers, followed by Jazeera Airways Co. (up 14.7%), while Jiyad Holding Company (down 5.7%) was the top decliners. Total volume and turnover stood at 64.0mn shares and KWD13.0mn, respectively.
- **Technology:** The sector closed at 765.6 points, down 8.0% from the previous month. Automated Systems Company (down 8.0%) was the only loser. Total volume and value traded stood at 3.6mn and KWD0.4mn, respectively.

Sector Returns (%) (KSE IXW)



Value Traded (KWDmn) (KSE IXW)



Source: KSE

Commodity Tracker

- Gold ended the month at \$1,814.2/troy oz., representing 2.5% MoM increase in July 2021. Gold prices are expected to rise in August driven by surge in Delta virus cases, which may lead investor to move towards safe heaven asset.
- Brent crude closed at \$76.3 per barrel in July 2021, representing a positive return of 1.6% MoM. Oil prices are expected to remain subdued in August due to surge in Delta virus in China, one of the biggest oil consumers.
- Silver ended the month at \$25.5/troy oz., registering a negative return of 2.4% MoM. Silver prices are likely to gain in August mainly due to fall in US dollar.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,814.2	2.5	(4.4)
Brent Crude (USD/bbl)	76.3	1.6	47.4
Silver (USD/troy oz.)	25.5	(2.4)	0.3

Source: Bloomberg

Stock Watch (Kuwait)

Al Eid Food Co. (up 28.8%) was the top gainer, while Metal & Recycling Co. (down 29.7%) was the top loser in July 2021.

Name	M Cap (KWDmn)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
ALEID	43.40	300.00	28.76	261.45	14.48	26.37	2.19
DALQAN	17.19	284.00	27.93	3.65	10.65	931.70	2.58
KUWAITRE	71.03	325.00	26.95	55.50	0.01	13.50	1.34
BOURSA	311.00	1,549.00	21.97	40.82	9.57	11.10	5.79
MARKAZ	86.08	180.00	20.81	115.83	65.75	6.21	0.90
TOP LOSERS							
MRC	11.53	128.00	(29.67)	141.05	0.39	NA	1.30
GFC	1.72	42.90	(15.88)	(28.50)	0.05	NA	0.76
BAREEQ	16.53	37.80	(15.44)	(42.29)	315.02	20.68	0.90
MANAZEL	18.72	43.50	(14.54)	37.22	163.98	20.44	0.89
MASHAER	11.12	63.10	(13.80)	7.68	2.32	NA	0.65

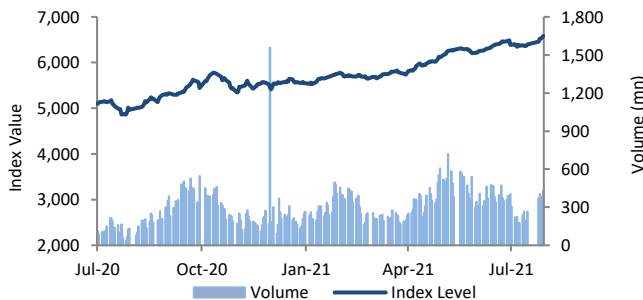
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

Stock Watch (Saudi Arabia)

Arab Sea Information System Co. (up 22.9%) led the gainers, while Etihad Atheeb Telecommunication Co. (down 11.3%) declined the most.

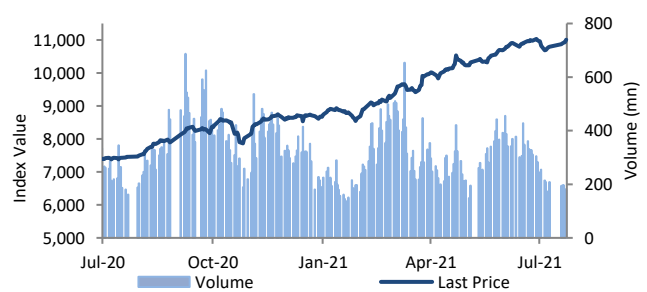
Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
ARAB SEA	1,536.00	153.60	22.88	79.65	25.92	NM	11.30
CHEMANOL	2,060.62	30.55	21.71	32.48	110.49	NM	2.55
MIS	3,840.00	153.60	20.94	99.58	12.93	42.91	12.66
ARDCO	5,093.33	28.65	17.03	66.76	50.07	16.77	2.43
TASNEE	14,475.30	21.64	12.01	58.19	103.58	NM	1.90
TOP LOSERS							
ATHEEB TELECOM	747.29	32.70	(11.26)	195.66	21.38	8.00	2.95
ALHOKAIR	4,842.60	23.06	(8.31)	5.78	23.02	NM	6.20
ALMARAI	58,700.00	58.70	(7.41)	6.92	7.40	29.54	3.65
SABB TAKAFUL	1,145.80	33.70	(6.52)	9.95	6.05	NM	3.95
TAKWEEN	2,221.10	23.38	(6.33)	67.00	26.99	148.70	3.76

Kuwait (KSE)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly market updates

- Kuwait's All Share Index closed 3.0% higher at 6,581.0 points in July 2021. Total traded volume declined by 47.4% MoM to 4.3bn; the number of deals decreased by 39.5% MoM to 178,525 and the total value traded dropped by 47.1% MoM to KWD751.6mn.
- As per the advance estimates released by the Bureau of Economic Analysis, the US' real GDP grew at an annualized rate of 6.5% QoQ in Q2 2021, driven by an increase in personal consumption expenditures (PCE), non-residential fixed investments, and state and local government spending.
- According to preliminary flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose by 2.0% QoQ in Q2 2021, after declining 0.3% in Q1 2021.
- In Asia, the latest data released by the National Bureau of Statistics showed that China's Consumer Price Index (CPI) fell to 1.1% YoY in June 2021 from 1.3% YoY in May 2021, due to lower food prices.
- According to the Statistics Bureau of Japan, the country's CPI rose by 0.2% YoY in June 2021, after declining by 0.1% YoY in May 2021.

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