

ABK CAPITAL
GCC
MARKET
MONTHLY
REPORT

2023



GCC Market Monthly Report

October 2023

GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,929.3	(0.51)	1.79	7.01	8.68
Kuwait (KWSEAS)	6,531.8	(5.15)	(10.43)	15.20	4.30
Oman (MSM)	4,545.5	(2.84)	(6.42)	13.78	4.87
Qatar (DSM)	9,523.5	(7.11)	(10.84)	11.36	5.11
Saudi Arabia (TASI)	10,690.1	(3.31)	2.02	17.91	3.44
UAE (ADX)	9,343.9	(4.51)	(8.49)	30.24	1.71
UAE (DFM)	3,877.1	(6.88)	16.22	8.54	4.78

Market Highlights

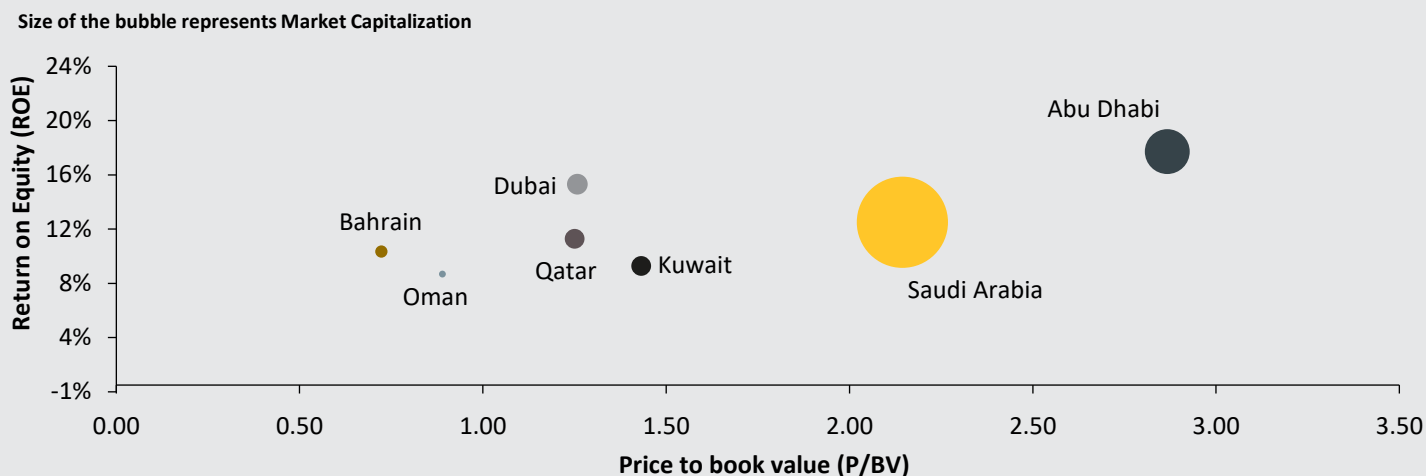
All seven GCC indices ended in negative territory during the month of October. Qatar's DSM (down 7.1%) declined the most, followed by UAE's DFM Index (down 6.9%).

- ◆ Bahrain's BAX closed 0.5% lower at 1,929.3 points. Among sectors, Communications Services (down 3.8%) was the top loser, followed by Consumer Discretionary (down 2.3%), whereas only Financials (up 0.2%) increased. Among stocks, Bahrain Duty Free Shop Complex B.S.C. (down 7.4%) decreased the most, followed by Kuwait Finance House K.S.C.P. (down 6.2%), while Bahrain Islamic Bank (up 17.2%) was the top gainer. In November, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 5.2% lower at 6,531.8 points. Among sectors, Basic materials (down 5.4%) declined the most, followed by Technology (down 4.5%). Coast Investment & Development Company (down 33.2%) was the top loser, followed by Al Masaken International Real Estate Development. Co. (down 26.5%), while Rasiyat Holding Company K.P.S.C (up 16.3%) increased the most. We estimate the Kuwaiti market to rise marginally in November as the market sentiment for oil prices is expected to be positive.
- ◆ Oman's MSM was down 2.8% at 4,545.5 points. Among the sectors, Industrials declined the most (down 3.9%), followed by Financials (down 3.1%). Among stocks, Dhofar Poultry (down 88.8%) decreased the most, followed by National Aluminium Products (down 70.1%), while Al Suwadi Power (up 22.2%) was the top gainer. We expect Oman's bourses to rise in November driven by rising energy prices with respect to planned reduced supply of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM fell 7.1% to close at 9,523.5 points. Among sectors, Industrials (down 9.5%) decreased the most, followed by Consumer Goods&Services (down 8.8%). Among stocks, Mannai Corporation (down 21.2%) was the top loser, followed by Qatar Oman for Investment (down 18.5%), while Doha Insurance (up 9.3%) increased the most. We anticipate Qatar's market to slightly increase in November.
- ◆ Saudi Arabia's TASI decrease 3.3% to close at 10,690.1 points. Among sectors, Consumer Durables & Apparel (down 13.5%) declined the most, followed by Pharma, Biotech & Life Science (down 12.5%), whereas Utilities (up 7.4%) increased the most. Saudi Arabian Amiantit Co. (down 26.1%) decreased the most, followed by Thimar Development Holding Co. (down 22.7%), while Ades Holding Co. (up 37.4%) increased the most. The market is expected to rise in November as Saudi Arabia plans to cut down oil production by 1.0MM bpd for another two months until the end of December 2023 to combat price decline. Ongoing Israel-Palestine war could also lead to surge in oil prices.
- ◆ The ADX decrease 4.5% lower at 9,343.9 points. Among sectors, Utilities (down 13.7%) was the top loser, followed by Telecommunications (down 9.5%). Among stocks, Abu Dhabi National Hotels Co. (down 90.4%) decreased the most, followed by Abu Dhabi National Hotels Co. (down 29.2%), while Abu Dhabi National Hotels Co.(up 24.6%) increased the most.
- ◆ The DFM ended -6.9% lower at 3,877.1 points. Among sectors, Consumer Staples (down 18.6%) was the top loser, followed by Real Estate (down 14.2%), whereas Materials (up 5.22%) increased the most. Among stocks, SHUAA Capital PSC (down 23.2%) was the top loser, followed by Takaful Emarat (PSC) (down 18.7%), while Mashreqbank PSc (up 5.3%) increased the most. In November, we expect the UAE markets to grow as there is a positive economic outlook aided by rising oil prices.

GCC Market Monthly Report

October 2023

Valuation



Macroeconomic Snapshot

- ◆ Bahrain – The International Monetary Fund (IMF) estimates Bahrain's real Gross Domestic Product (GDP) to increase by 2.7% this year, and inflation is projected to rise by 1.0%. According to the Information & eGovernment Authority, Bahrain's inflation rate remained flat in August 2023 versus a **0.1%** YoY decline in July 2023.
- ◆ Kuwait – As per IMF's projections Kuwait's economy is expected to decrease by **0.6%** this year, and inflation is projected to rise by 3.4%. Kuwait's annual inflation rate eased to 3.7% YoY in September 2023 from 3.8% YoY in August 2023.
- ◆ Oman – As per IMF estimates, Oman's economy is projected to grow 1.2% this year, and inflation is estimated to rise by 1.1%. According to the National Centre for Statistics and Information, Oman's inflation rose 1.3% YoY in September 2023 compared with 0.8% in August 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 2.8%. Qatar's CPI increased to 106.94 points in September 2023 from 106.25 points in August 2023.
- ◆ Saudi Arabia – The IMF in its latest projection stated that Saudi Arabia's GDP is expected to grow by 0.8% in this year, and inflation is expected to increase by 2.5%. In September 2023, Consumer Price Index (CPI) surged 1.7% YoY compared with a 2.0% YoY increase in August 2023.
- ◆ UAE – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase by 3.4% this year, and inflation is projected to rise by 3.1%. According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose to 56.1 in September 2023 from 55.0 in August 2023.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	2.7	1.0	6.67	7.00
Kuwait	(0.6)	3.4	4.27	3.88
Oman	1.2	1.1	5.97	6.00
Qatar	2.4	2.8	6.00	6.00
Saudi Arabia	0.8	2.5	6.28	6.00
UAE	3.4	3.1	5.39	5.40

Source: IMF World Economic Outlook October 2023, Central Banks, Bloomberg

2

GCC Market Monthly Report

October 2023

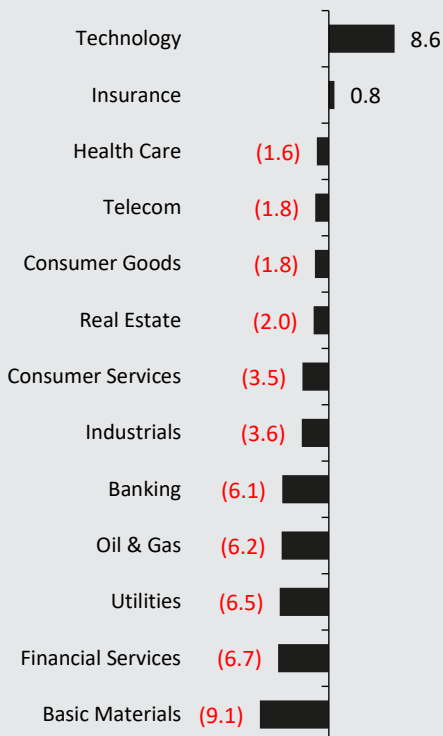
Kuwait – Sector Returns and Value Traded

◆ **Basic Materials:** The sector closed **9.1%** lower at 757.4 points during the month. Boubyan Petrochemical Co. (down **11.5%**) declined the most, whereas Alkout Industrial Projects Co. ended flat while Kuwait Foundry Co. (up 0.3%) was the top gainer. Total volume and value traded stood at 18.2MM and KWD 11.4MM, respectively.

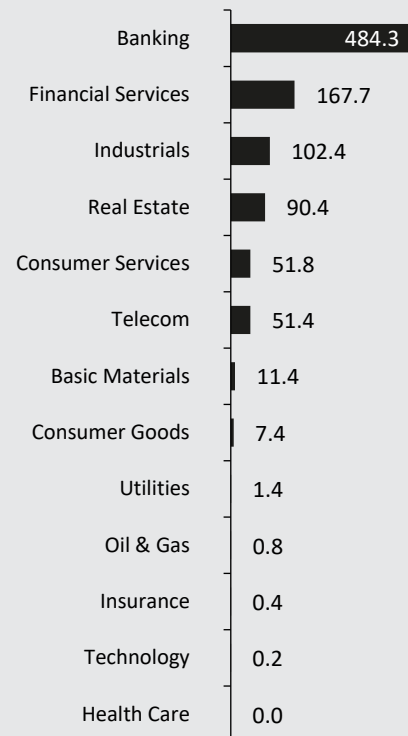
◆ **Technology:** The sector closed 8.6% higher at 603.8 points during the month. Automated Systems Company, being the only company in the sector, increased 8.6%. Total volume and value traded stood at 2.6MM and KWD 0.2MM, respectively.

Source: KSE

Sector Returns (%)



Value Traded (KWD MM)



Commodity Tracker

◆ Gold ended the month at \$1,983.9/troy oz., was up 7.3% MoM in October 2023. In November, gold prices are estimated to remain stable.

◆ Brent crude closed at \$87.4 per barrel in October 2023, representing a negative return of **8.3%** MoM. Oil prices are projected to increase; support will come as Saudi Arabia has cut its Oil production. Ongoing geo political tensions would also escalate the situation.

◆ Silver ended the month at \$22.8/troy oz., registering a positive return of 3.0% 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.)	1983.9	7.3	8.8
Brent Crude (USD/bbl.)	87.4	(8.3)	1.7
Silver (USD/troy oz.)	22.8	3.0	(4.6)

GCC Market Monthly Report

October 2023

Stock Watch (Kuwait)

Coast Investment & Development Company (down **33.2%**) was the top loser, while Rasiyat Holding Company K.P.S.C (up 16.3%) declined the most.

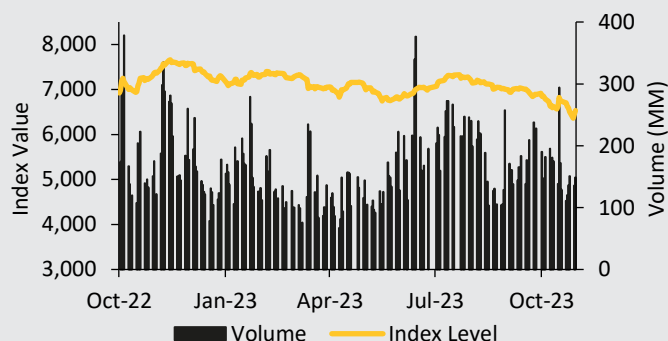
Stock Watch (Saudi Arabia)

Saudi Arabian Amiantit Co. (down **26.1%**) declined the most, while ADES Holding Co. (up 37.4%) increased 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							
RASIYAT	26.70	178.00	16.34	5.33	44.28	20.91	0.71	ADES	20,955.40	18.56	37.48	37.48	287.10	NA	NA
UNICAP	10.71	47.90	15.70	(21.35)	1.17	16.10	0.42	SAUDI GERMAN HEALTH	6,350.76	69.00	25.23	171.12	16.50	47.17	4.36
SOKOUK	22.98	40.20	13.56	74.78	195.83	1.43	0.19	ACWA POWER	165,959.64	227.00	16.05	49.34	12.09	98.64	8.72
QIC	36.34	100.10	10.00	3.95	48.28	0.00	0.00	SALAMA	347.50	34.75	15.26	168.13	9.50	7.92	3.81
MUNSHAAT	39.61	123.00	8.85	101.64	2.57	0.00	0.33	ATHEEB TELECOM	1,306.79	145.20	13.44	209.27	28.27	13.51	7.75
TOP LOSERS								TOP LOSERS							
COAST	32.92	70.80	(33.21)	(15.71)	56.92	17.32	1.94	AMIANITIT	370.26	37.40	(26.09)	15.08	4.12	NM	1.11
MASAKEN	2.61	26.50	(20.42)	(1.49)	32.43	7.27	0.83	THIMAR	351.50	14.06	(22.70)	(18.26)	38.16	NA	NA
JIYAD	3.46	18.80	(19.66)	(18.97)	124.60	12.64	0.00	SHAKER	982.03	20.36	(22.44)	6.49	8.86	19.23	1.41
BAYANINV	7.82	37.00	(19.39)	(9.98)	4.57	15.47	0.77	WAFRAH	758.20	32.75	(20.70)	27.93	11.10	42.15	3.27
ALIMTIAZ	55.27	52.10	(19.22)	(30.44)	19.03	128.10	0.85	SUMOU	1,430.63	38.15	(19.94)	(33.07)	4.12	14.54	2.62

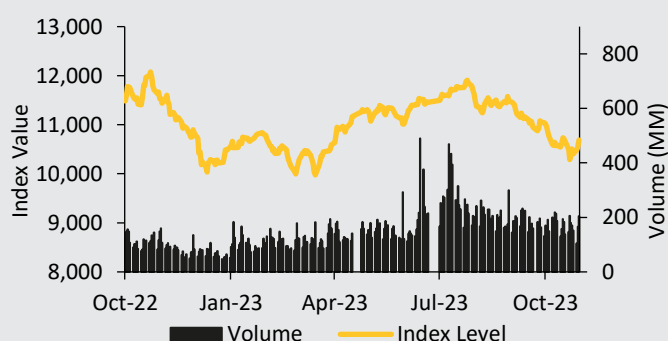
Source: Bloomberg, CapIQ. NA – Not Available, NM – Not Meaningful

Kuwait (KWSEAS)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly Market Updates

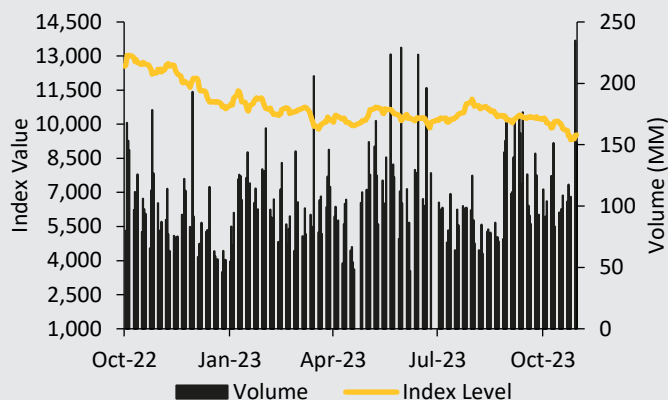
- ◆ Kuwait's All Share Index closed lower at **5.2%** MoM 6,531.8 points in October 2023. The total volume traded rose 6.9% MoM to 3.6BLN, the number of deals increased 24.7% MoM to 254,353, and the total value traded increased 25.6% MoM to KWD 969.6MM.
- ◆ The International Monetary Fund (IMF) stated that US gross domestic product (GDP) is expected to grow 2.1% and 1.5% in FY23 and FY24, respectively.
- ◆ IMF projects Euro Area's GDP would increase 0.7% and 1.2% in FY23 and FY24, respectively. The UK's GDP is expected to rise 0.5% in FY23 and increase 0.6% in FY24.
- ◆ IMF expects China's GDP to grow 5.0% and 4.2% in FY23 and FY24, respectively.
- ◆ Japan's GDP is likely to gain 2.0% and 1.0% in FY23 and FY24 according to IMF, respectively.

GCC Market Monthly Report

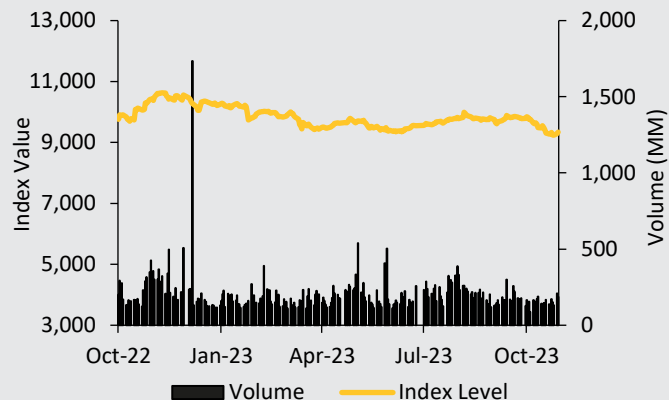
October 2023

GCC Benchmark Indices – Market Movements

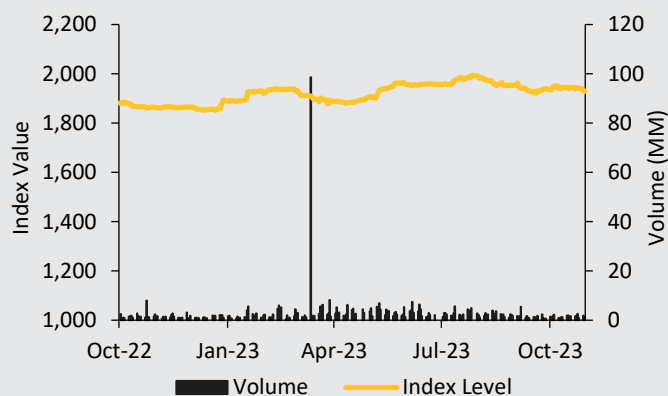
Qatar (DSM)



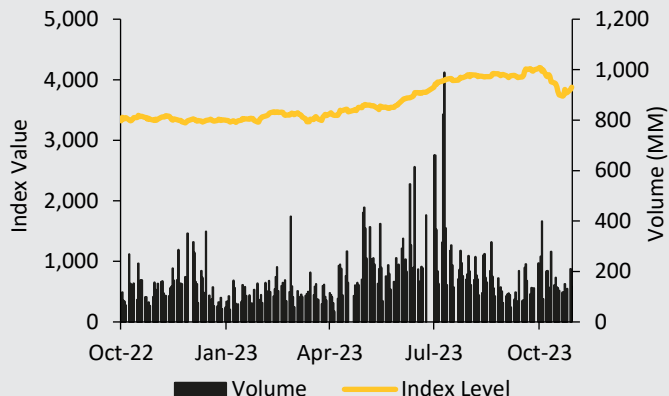
Abu Dhabi (ADX)



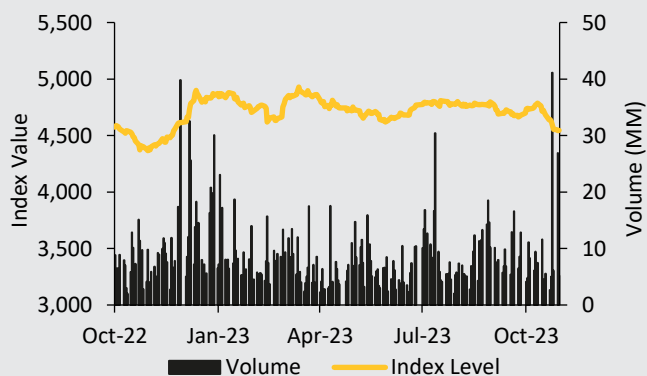
Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



GCC Market Monthly Report

October 2023

GCC Markets – Economy and Industry News

Saudi Arabia

- ◆ IMF has forecasted that Saudi Arabia's GDP will grow by 0.8% and 4.0% in FY23 and FY24 each.
- ◆ According to the General Authority for Statistics' revised estimates, Saudi Arabia's real GDP growth fell **4.5%** YoY in Q3 2023 due to a **17.3%** YoY decrease in oil activities, while non-oil and oil activities grew 3.6% YoY in Q3 2023.
- ◆ In September 2023, consumer price index (CPI) surged 1.7% YoY compared with a 2.0% YoY increase in August 2023, mainly due to high prices of housing, water, electricity, gas, and other fuels (8.1%) and prices of restaurants and hotels (2.5%).
- ◆ Overall merchandise exports were down **23.4%** in August 2023 from that in August 2022.
- ◆ The value of exports in August 2023 totalled SAR 102.4BLN compared with SAR 133.6BLN in August 2022. Oil products accounted for 76.1% in August 2023 compared with 79.9% in August 2022 of the country's total exports.

UAE

- ◆ IMF stated that UAE's GDP is expected to grow by 3.4% and 4.0% in FY23 and FY24, respectively.
- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose to 56.1 in September 2023 from 55.0 in August 2023. The UAE's PMI rose to 56.7 in September 2023 from 55.0 in August 2023.
- ◆ According to Statistics Centre — Abu Dhabi, Abu Dhabi's non-oil economy surged 12.3% in Q2 of 2023, accompanied by a 3.5% increase in its overall gross domestic product.
- ◆ The UAE government approved the country's federal budget for 2024–2026 worth AED 192.0BLN (USD 52.3BLN).

Qatar

- ◆ IMF expects Qatar's GDP to grow by 2.4% and 2.2% in FY23 and FY24, respectively.
- ◆ Qatar's CPI increased to 106.94 points in September 2023 from 106.25 points in August 2023.

Bahrain

- ◆ IMF stated that Bahrain's GDP is expected to grow by 2.7% and 3.6% in FY23 and FY24, respectively.
- ◆ According to the Information & eGovernment Authority, Bahrain's inflation rate remained flat in August 2023 versus a 0.1% YoY decline in July 2023.
- ◆ According to its Ministry of Finance and National Economy, Bahrain recorded a 2.0% growth in real gross domestic product in Q2 2023 compared with Q2 2022.

Oman

- ◆ Oman's GDP to grow by 1.2% and 2.7% in FY23 and FY24, respectively.
- ◆ According to the National Centre for Statistics and Information, Oman's inflation rose 1.3% YoY in September 2023 compared with 0.8% in August 2023, whereas CPI remained was up 0.5% MoM in September 2023 compared with a 0.3% MoM rise in August 2023 on monthly basis.
- ◆ Oman's banking sector posted a 6.8% YoY increase in outstanding credit balances, reaching OMR 30.4BLN (USD79.0BLN) by the end of August 2023.

GCC Market Monthly Report

October 2023

GCC Corporate Developments

Saudi Arabia

- ◆ The Knowledge Economic City Co. signed an agreement with Gulf International Bank Capital for SAR 3.5 BLN (USD 933.0MM) in a bid to establish a real estate investment fund.
- ◆ Osool and Bakheet Investment Company set the price for its initial public offering (IPO) on the Parallel Market (Nomu) of the Saudi Exchange (Tadawul) at SAR 45.0 per share.
- ◆ The Capital Market Authority (CMA) approved for Obeikan Glass Company to raise its capital from SAR 240.0MM to SAR 320.0MM through 80.0MM bonus shares.
- ◆ Al Yamamah Steel Industries Company inked a contract with Al Sharif Group & KEC Limited Company to manufacture and supply electrical towers with total amount of SAR 185.8MM.
- ◆ Leen Alkhair Trading Company signed a loan agreement with the Agricultural Development Fund at a value of SAR 217.8MM, according to a bourse filing.
- ◆ Built Industrial Company, a subsidiary of Ladun Investment Company, unveiled a contract award with Jazan City for Basic and Downstream Industries at SAR 102.6MM.

UAE

- ◆ Edge Group, defence tech company, acquired 50.0% stake in Brazilian smart weapons and high-tech systems specialist (SIATT).
- ◆ UAE's Dubai Islamic Bank (DIB) acquired 20.0% stake in Türkiye's TOM Group of Companies, marking the shariah-compliant bank's entry into the country's banking sector. The investment gives the banking group a significant minority shareholding in TOM Group.
- ◆ Saudi Electricity Company (SEC) inked a USD-denominated international syndicated facility agreement at USD 3.0BLN, equivalent to SAR 11.2BLN.
- ◆ The board members of Emirates Central Cooling Systems Corporation (Empower) approved cash dividends valued at AED 425.0MM for the first half of 2023.

Qatar

- ◆ QatarEnergy has signed a sale and purchase agreement with Eni to supply up to 1.0MM tons of liquefied natural gas annually to Italy.
- ◆ Qatar Central Securities Depository Company (QCSD) has reduced the capital of Dlala Holding Company by 33.0% to 190.4MM shares.

Bahrain

- ◆ GFH Partners Limited, a DIFC-based subsidiary of GFH Financial Group, acquired USD 150.0MM diversified logistics and industrial portfolio in Saudi Arabia and the UAE.
- ◆ The Capital Intelligence Ratings reaffirmed the long- and short-term foreign currency rating of GFH Financial Group as 'BB' and 'B', respectively.

Oman

GCC Market Monthly Report

October 2023

- ◆ Global energy major Shell has signed an agreement to extend its partnership with Oman LNG beyond 2024 as the demand for natural gas continues to grow amid green transition efforts.
- ◆ The National Bank of Oman (NBO), has forged an alliance with Federal Bank of India. Federal Bank will contribute its expertise to collaborate on a new money transfer service from Oman to India.

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.