

ABK CAPITAL  
**GCC**  
MARKET  
MONTHLY  
REPORT

2023



# GCC Market Monthly Report

January 2023

## GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,928.2	1.74	1.74	8.10	5.50
Kuwait (KWSEAS)	7,277.3	(0.20)	(0.20)	17.99	3.45
Oman (MSM)	4,703.4	(3.17)	(3.17)	11.27	3.63
Qatar (DSM)	10,932.3	2.35	2.35	12.09	4.17
Saudi Arabia (TASI)	10,792.9	3.00	3.00	17.26	2.68
UAE (ADX)	9,811.6	(3.91)	(3.91)	26.63	2.09
UAE (DFM)	3,303.3	(0.98)	(0.98)	9.08	1.67

## Market Highlights

Four GCC indices ended in negative territory, while three ended in positive territory during the month of January. Saudi Arabia's TASI (up 3.0%) was the top gainer, followed by Qatar's DSM (up 2.4%), while UAE's ADX (down 3.9%) declined the most.

- ◆ Bahrain's BAX closed 1.7% higher at 1,928.2 points. Among sectors, Material (up 7.0%) was the top gainer, followed by Consumer Staples (up 4.8%). Among stocks, Nass Corporation B.S.C. (up 38.5%) increased the most, followed by Aluminium Bahrain B.S.C. (up 11.9%), while Eskan Bank Realty Income Trust (down 4.4%) was the top loser. In February, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 0.2% lower at 7,277.2 points. Among sectors, Industrials (down 9.2%) declined the most, followed by Consumer Services (down 5.6%). On the contrary, Telecom (up 4.1%) rose the most. Jiyad Holding Company (down 20.3%) declined the most, followed by National Real Estate Company (down 19.4%) while The Energy House Co. (up 365.1%) was the top gainer. We estimate the Kuwaiti market to rise in February on expectation of increased in demand ensuing positive outlook for oil prices.
- ◆ Oman's MSM was down 3.2% at 4,703.4 points. Among the sectors, Industry (down 8.9%) was the top loser, followed by Financials (down 4.5%). Among stocks, Oman Refreshment (down 25.1%) decreased the most, followed by Asaffa Foods (down 21.9%), while Albatinah Power (up 27.6%) was the top gainer. We expect Oman's bourses to rise in February driven by robust energy prices, expansion of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM rose 2.4% to close at 10,932.3 points. Among sectors, Industrials (up 7.1%) rose the most, followed by Banks and Financial Services (up 1.3%), while Insurance (down 4.5%) decreased the most. Among stocks, Gulf International Services (up 21.0%) was the top gainer, followed by The Commercial Bank (up 20.0%), while Widam Food Company (down 21.0%) decreased the most. We anticipate Qatar's market to remain stable in February.
- ◆ Saudi Arabia's TASI increased 3.0% to close at 10,792.9 points. Among sectors, Capital Goods (up 10.2%) rose the most, followed by Insurance (up 10.0%), while Diversified Financials (down 4.4%) declined the most. Al Kathiri Holding Co (up 50.2%) rose the most, followed by Etihad Atheeb Telecommunication Co. (up 48.7%), while Arab National Bank (down 13.7%) declined the most. The market is expected to rise in February as OPEC+ group plans to cut down oil price production ensuing price rise.
- ◆ The ADX declined 3.9% lower at 9,811.6 points. Among sectors, Financials (down 8.1%) were the top loser, while Consumer Discretionary (up 13.6%) was the top gainer. Among stocks, First Abu Dhabi Bank (down 20.5%) declined the most, followed by Apex Investment P.S.C (down 17.7%), while Abu Dhabi National Hotels Co. (up 37.9%) rose the most. The DFM ended 1.0% lower at 3,303.3 points. Among sectors, Communication Services (down 11.0%) was the top loser, followed by Consumer Staples (down 4.9%), whereas Industrials (up 1.5%) was the top gainer. Among stocks, Emirates Investment Bank PJSC (down 80.0%) declined the most, followed by Union Coop (down 13.0%), while Dubai Refreshment Company P.J.S.C. (up 15.0%) rose the most. In February, we expect the UAE markets to grow as there is positive sentiment in GCC due to projected oil prices.

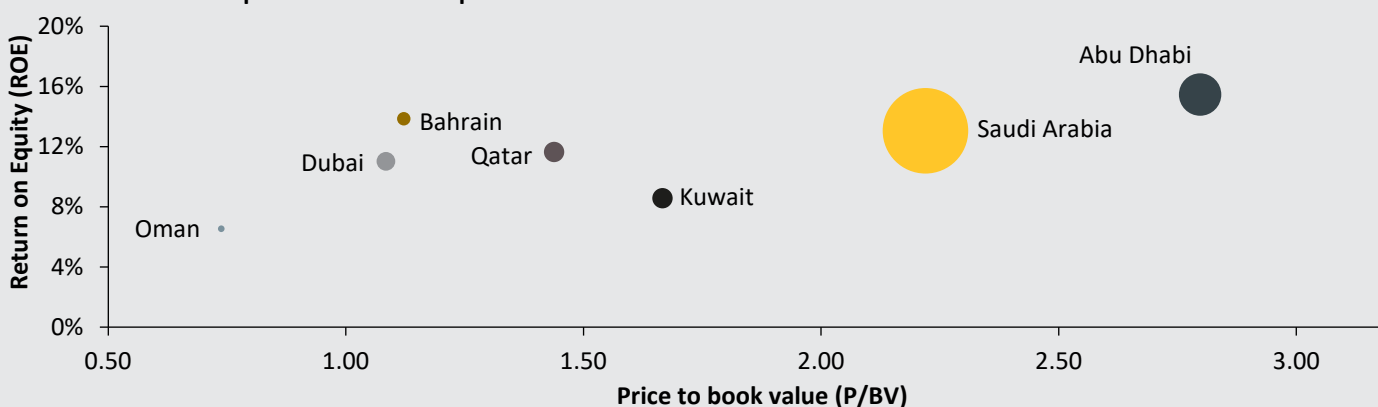
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## Valuation

Size of the bubble represents Market Capitalization



## 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 3.4%. According to the Information & eGovernment Authority, the inflation rate in Bahrain stood at 3.6% YoY in December 2022, which was 3.9% YoY in November 2022.
- Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 2.6% this year, and inflation is projected to rise by 2.4%. The annual consumer price inflation (CPI) rate increased 3.15% in December 2022 compared to December 2021, as reported by the Central Statistical Bureau.
- Oman** – As per IMF estimates, Oman’s economy is projected to grow 4.1% this year, and inflation is estimated to rise by 1.9%. According to the National Centre for Statistics and Information, Oman's annual inflation decreased to 1.98% in December 2022 from 2.06% in November 2022, the lowest rate since 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 3.3%. Qatar's CPI for December 2022 reached 108.20 points, increasing 1.24% MoM and 5.93% YoY.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s GDP is expected to grow by 2.6% in FY23 , and inflation is expected to grow by 2.2%. According to the General Authority for Statistics (GASTAT) flash estimates, Saudi Arabia's real GDP increased 5.4% YoY in Q4 2022 and 8.7% in FY22.
- UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 4.2% this year, and inflation is projected to rise by 3.6%. In comparison, UAE's PMI fractionally dipped to 54.2 in December 2022 from 54.4 in November 2022.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	3.4	6.14	6.50
Kuwait	2.6	2.4	4.08	3.63
Oman	4.1	1.9	4.77	5.00
Qatar	2.4	3.3	5.28	5.25
Saudi Arabia	2.6*	2.2	5.38	5.00
UAE	4.2	3.6	4.59	4.40

Source: IMF World Economic Outlook Update for FY 2023 (\*January 2023 for Saudi Arabia’s Real GDP, October 2022 for rest), Central Bank, Bloomberg

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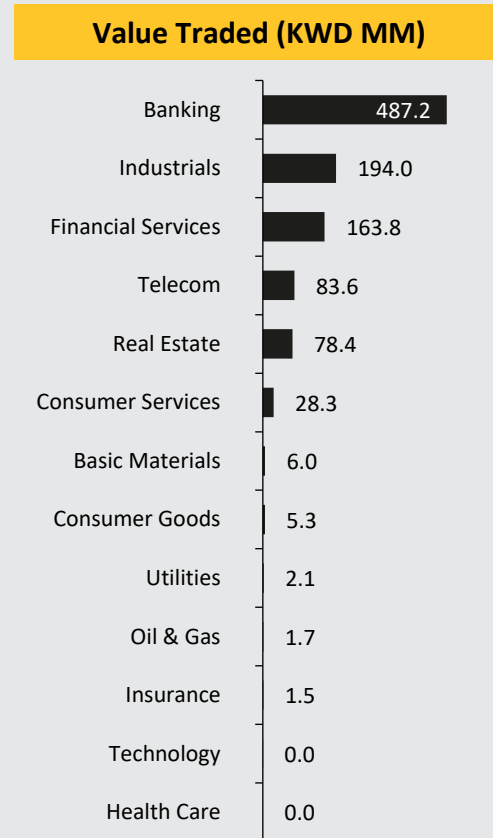
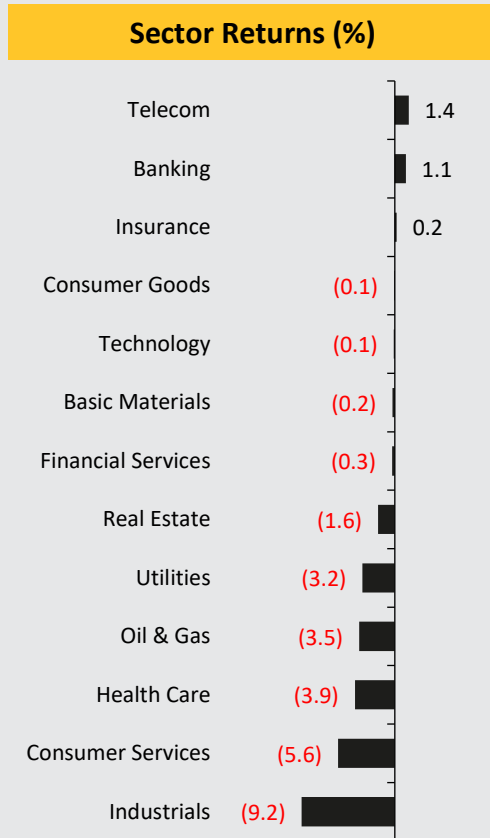
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## Kuwait – Sector Returns and Value Traded

◆ **Telecom:** The sector closed 1.4% higher at 1,197.6 points during the month. Kuwait Telecommunications Co. (up 19.7%) rose the most, while Hayat Communications Company (down 5.0%) was top loser. Total volume and value traded stood at 132.6MM and KWD 83.6MM, respectively.

◆ **Industrials:** The sector closed 9.2% lower at 979.9 points during the month. Agility Public Warehousing Company (down 17.9%) declined the most, followed by Metal & Recycling Co. (down 7.8%) while Specialties Group Holding Co. (up 7.3%) was the top gainer. Total volume and value traded stood at 374.9MM and KWD 194.0MM, respectively.

Source: KSE



## Commodity Tracker

◆ Gold ended the month at \$1,928.4/troy oz., was up 5.7% MoM in January 2023. In February, 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 \$84.5 per barrel in January 2023, representing a negative return of 1.7% MoM. Oil prices are projected to remain slightly rise in February 2023 as OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$23.7/troy oz., registering a negative return of 0.9% MoM. Silver prices are projected to decline in February due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,928.4	5.7	5.7
Brent Crude (USD/bbl.)	84.5	(1.7)	(1.7)
Silver (USD/troy oz.)	23.7	(0.9)	(0.9)

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## Stock Watch (Kuwait)

The Energy House Co. (up 365.1%) was the top gainer, while Jiyad Holding Company (down 20.3%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
ENERGYH	4.53	100.00	365.12	365.12	2.19	NA	0.22
STC	699.11	700.00	19.66	19.66	59.22	17.02	3.02
AGHC	64.84	380.00	18.01	18.01	10.39	NA	2.25
TAAMEER	5.46	22.80	8.57	8.57	5.76	NA	0.38
SPEC	18.91	117.00	7.34	7.34	21.73	6.99	0.61
<b>TOP LOSERS</b>							
JIYAD	3.40	18.50	(20.26)	(20.26)	125.82	NA	0.21
NRE	187.30	100.80	(19.36)	(19.36)	212.90	NA	0.60
AGLTY	1508.43	591.00	(17.92)	(17.92)	251.21	37.06	1.09
JAZEERA	356.40	1620.00	(14.74)	(14.74)	8.19	12.76	9.58
ALOLA	24.40	54.70	(13.04)	(13.04)	13.56	61.46	0.50

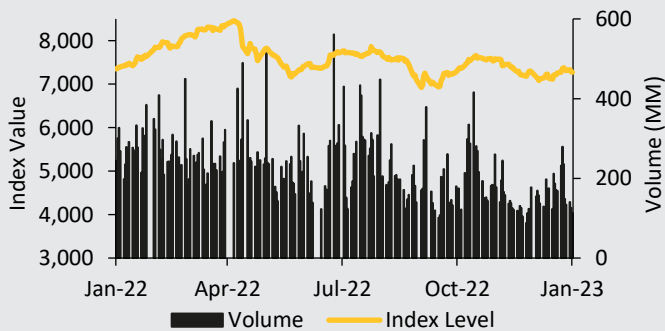
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

## Stock Watch (Saudi Arabia)

Al Kathiri Holding Co (up 50.2%) rose the most, while Arab National Bank (down 13.7%) declined the most.

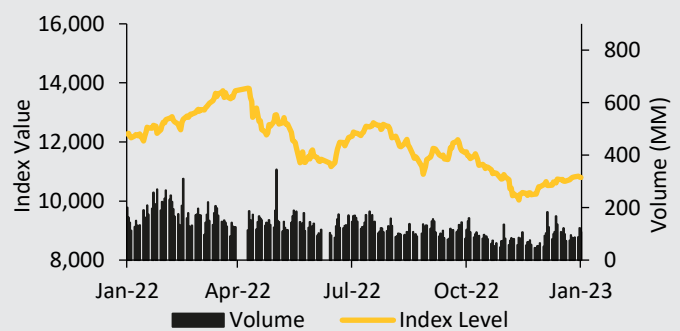
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
ALKATHIRI	603.54	53.40	50.21	50.21	4.30	NM	4.65
ATHEEB TELECOM	628.19	69.80	48.67	48.67	28.11	NM	7.96
TAPRCO	470.50	94.10	43.01	43.01	9.18	NA	NA
AMIANTIT	428.67	43.30	33.23	33.23	9.43	NM	1.74
ALHOKAIR GROUP	735.84	23.36	30.50	30.50	8.72	NM	2.28
<b>TOP LOSERS</b>							
ANB	41,475.00	27.65	(13.73)	(13.73)	14.93	15.16	1.31
TADAWUL GROUP	19,440.00	162.00	(10.50)	(10.50)	6.85	40.68	6.27
MUSHARAKA REIT	717.20	8.15	(7.91)	(7.91)	3.48	27.75	0.85
MEPCO	13.40	30.20	(7.79)	(7.79)	13.40	5.90	1.71
DALLAH HEALTH	13,362.78	136.80	(7.57)	(7.57)	4.52	47.09	6.76

## Kuwait (KWSEAS)



Source: Bloomberg

## Saudi Arabia (TASI)



## Monthly Market Updates

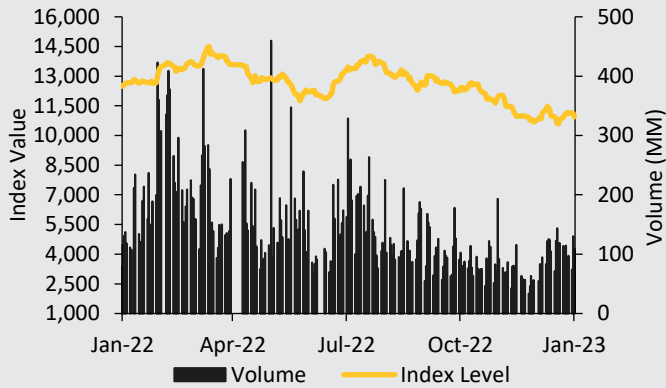
- ◆ Kuwait's All Share Index closed 0.2% MoM lower at 7,277.3 points in January 2023. The total volume traded rose 25.4% MoM to 3.7BLN, the number of deals increased 32.9% MoM to 211,202, and the total value traded increased 37.6% MoM to KWD 1.1BLN.
- ◆ In its latest projection, the International Monetary Fund (IMF) predicts the US gross domestic product (GDP) will grow 1.4% and 1.0% in 2023 and 2024, respectively. As per the advance estimate released by the Bureau of Economic Analysis, real GDP growth stood at 2.1% YoY in 2022 as compared to 5.9% YoY growth in 2021.
- ◆ IMF has forecasted that Euro Area's GDP growth will stand at 0.7% in 2023 and 1.6% in 2024. As per Eurostat, the EU's statistical office, the Euro Area's annual inflation for January 2023 is estimated to come in at 8.5%, down from 9.2% in December 2022.
- ◆ IMF has projected that the UK's GDP would be declining by 0.6% in 2023 and rising by 0.9% in 2024.
- ◆ IMF predicts that China's GDP would be growing by 5.2% in 2023 and subsequently by 4.5% in 2024.
- ◆ IMF estimates Japan's GDP will grow by 1.8% in 2023 and by 0.9% in 2024.

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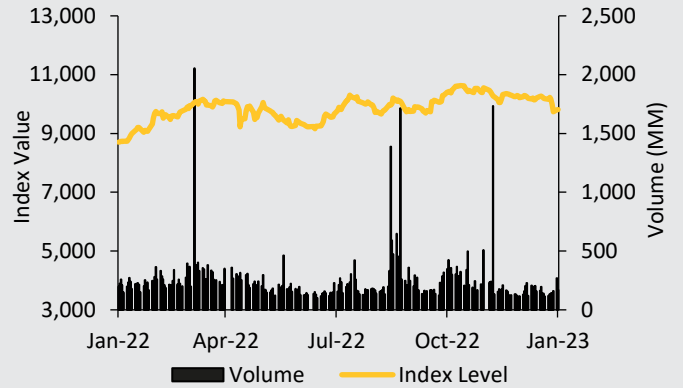
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## GCC Benchmark Indices – Market Movements

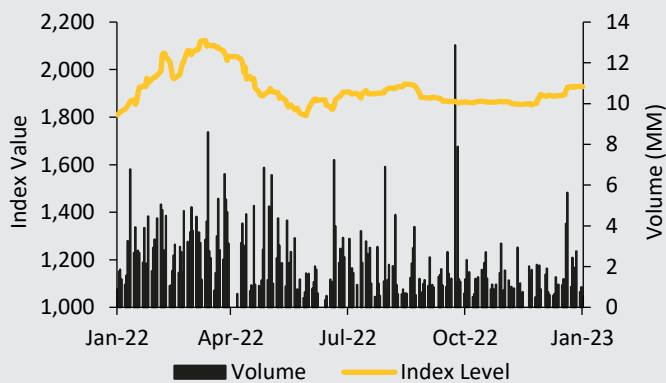
### Qatar (DSM)



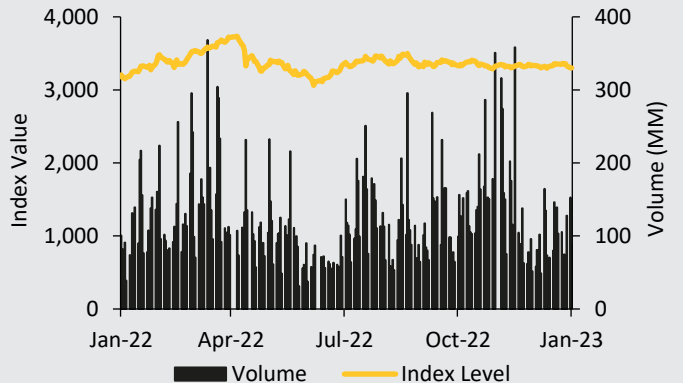
### Abu Dhabi (ADX)



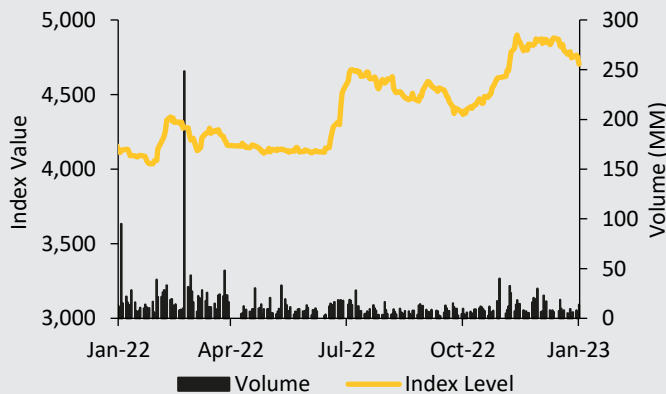
### Bahrain (BAX)



### Dubai (DFM)



### Oman (MSM)



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## GCC Markets – Economy and Industry News

### Saudi Arabia

- ◆ IMF forecasted that Saudi Arabia's GDP will grow 2.6% and 3.4% in FY23 and FY24, respectively.
- ◆ According to the General Authority for Statistics (GASTAT) flash estimates, Saudi Arabia's real GDP increased 5.4% YoY in Q4 2022 and 8.7% in FY22. The quarterly growth was driven by a 6.2%, 6.1% and 1.8% YoY increase in non-oil, oil, and government activities, respectively.
- ◆ In December 2022, the Consumer Price Index (CPI) was 3.3% YoY, higher than November 2022's CPI of 2.9% YoY.
- ◆ Overall merchandise exports surged 3.6% YoY to SAR 112.8BLN in November 2022, led by an 11.8% YoY rise in oil exports. Non-oil exports (including re-exports) decreased 19.7% YoY in November 2022. The share of oil exports increased to 79.8% in November 2022 from 74.0% in November 2021.

### UAE

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) ascended to 55.2 in December 2022 from 54.9 in November 2022; the reason for the slower growth is the weakening global growth backdrop.
- ◆ In comparison, UAE's PMI fractionally dipped to 54.2 in December 2022 from 54.4 in November 2022.
- ◆ The Central Bank of the UAE (CBUAE) increased the base rate applicable to the overnight deposit facility (ODF) to 4.65% from 4.40%.
- ◆ In 2022, Dubai witnesses more than USD 143.0BLN worth of real estate transactions, the highest-ever in a single year, and 76.5% more than in 2021.
- ◆ The UAE fulfilled 41.5% of Japan's oil requirements in November 2022 with exports of 32.1MM barrels of oil.

### Qatar

- ◆ As per the Planning and Statistics Authority (PSA), Qatar's foreign merchandise trade balance rose to QAR 28.2BLN (up 10.0% YoY) in December 2022, as exports totalled QAR 38.3BLN (up 7.6% YoY) and imports stood at QAR 10.1BLN (up 1.4% YoY).
- ◆ Qatar's CPI for December 2022 reached 108.20 points, increasing 1.24% MoM and 5.93% YoY, with the biggest contribution to this surge coming from a 25.36% increase in the costs of recreational and cultural activities.
- ◆ In January 2023, the Qatar Central Bank (QCB) issued treasury bills worth QAR 2.5BLN through five issues of QAR 500MM each, with an interest rate of 5.005%.

### Bahrain

- ◆ According to the Information & eGovernment Authority, the inflation rate in Bahrain stood at 3.6% YoY in December 2022, which was 3.9% YoY in November 2022. Consumer prices declined 0.3% MoM in December 2022, the same pace as last month.

### Oman

- ◆ According to the National Centre for Statistics and Information, Oman's annual inflation decreased to 1.98% in December 2022 from 2.06% in November 2022, the lowest rate since June 2021.

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## GCC Corporate Developments

### Saudi Arabia

- ◆ Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO) have obtained two loans totaling SAR 900.0MM from the Saudi British Bank (SABB) and Al Rajhi Bank.
- ◆ Jahez International Company for Information System Technology has bought all the shares of Marn Business Information Technology Company for SAR 60.0MM.
- ◆ Arab National Bank (ANB) and Riyadh Bank have granted loans worth SAR 815.0MM to Saudi Home Loans Company (SHL).
- ◆ ANB has signed a Sharia-compliant contract to loan SAR 450.0MM to Al Moammar Information Systems Company (MIS).
- ◆ ACWA Power Company's Board has recommended cash dividends of SAR 606.8MM to be paid to the shareholders for 2022.
- ◆ Scientific & Medical Equipment House Company has agreed to enter into a Sharia-compliant loan agreement with Alinma Bank for funding of SAR 265.0MM.

### UAE

- ◆ Board members of Abu Dhabi Commercial Bank (ADCB) have proposed cash dividends of AED 3.8BLN (AED 0.55 per share) for 2022.
- ◆ International Holding Company's (IHC) subsidiary Al Seer Marine has paid AED 132.0MM to buy the MT Meissa, formerly known as the MT Kokako.
- ◆ Emirates NBD has announced a 20% hike in cash dividends for 2022, proposing 60 fils per share.
- ◆ IHC has announced its intention to inject AED 1.4BLN in Adani Enterprises Limited (AEL), a company under India-based Adani Group.
- ◆ e& (formerly Etisalat Group) has increased its ownership of Vodafone Group to 3.3BLN shares, or 12.0% of the latter's share capital, with the exclusion of treasury shares.
- ◆ After receiving USD 500.0MM in a funding round headed by G42, UAE-based technology development company Astra Tech has purchased BOTIM, a prominent voice over internet protocol (VoIP) solution in the MENA region.

### Qatar

- ◆ Qatar's sovereign wealth fund, the Qatar Investment Authority, has decided to invest USD 150.0MM in North Road Co., an independent studio that produces various TV series.

### Bahrain

- ◆ GFH Financial Group has bought a controlling stake in Big Sky Asset Management, a real estate asset manager based in the US that specializes in the healthcare industry.
- ◆ Beyon Cyber, based in Bahrain and part of Beyon Group, has agreed to buy a majority stake in DTS Solution, a cybersecurity company headquartered in Dubai.

### Oman

- ◆ Abraj Energy Services, an Oman-based provider of oil and gas drilling services, intends to make up to 49.0% of its shares publicly available on the Muscat Stock Exchange in March through an initial public offering (IPO).



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