

GCC Market Performance

- Bahrain (BAX)** – Bahrain’s BAX closed 0.3% higher in February. We expect Bahrain’s market to remain volatile in March as investors are expected to track improvements related coronavirus.
- Kuwait (KSE)** – Kuwait’s KSE declined **2.3%** in February. We expected Kuwaiti market to witness profit-booking in March following rating downgrades from major rating agencies due to the possible depletion of General Reserve Fund owing to a delay in the passage of public debt law.
- Oman (MSM)** – Oman’s MSM fell **1.1%** in February. We expect Oman’s market to remain volatile in March as investors are expected to track global and regional cues.
- Qatar (DSM)** – Qatar’s DSM fell **3.1%** during February. We anticipate Qatar’s markets would end on positive note in March owing to the economic recovery, pickup in vaccine rollout and supportive fiscal policy.
- Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 5.1% in February. The market is expected to be positive in March as business activities increased and economy is started to overcome the worst effects of the COVID-19.
- UAE (DFM and ADX)** – The UAE’s ADX surged 1.3% and DFM declined **3.9%** in February. We expect UAE’s market to remain mixed in March on account of rising oil prices and concern over coronavirus related improvements.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,466.43	0.26	(1.57)	14.20	4.58
Kuwait (KSE)	5,649.16	(2.26)	1.86	50.10	3.44
Oman (MSM)	3,612.38	(1.12)	(1.27)	11.26	7.55
Qatar (DSM)	10,145.99	(3.13)	(2.78)	18.66	3.66
Saudi Arabia (TASI)	9,144.99	5.08	5.24	36.18	2.31
UAE (ADX)	5,663.62	1.25	12.26	22.70	4.32
UAE (DFM)	2,551.54	(3.86)	2.39	20.87	3.81

Source: Bloomberg

Macroeconomic Snapshot

- Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 2.3% this year, and inflation is projected to rise by 2.8%. According to Information & e-Government Authority, Bahrain’s inflation fell **2.7%** YoY in January 2021.
- Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 0.6% 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 3.0% YoY in January 2021.
- Oman** – As per IMF estimates, Oman’s economy is projected to contract **0.5%** this year, and inflation is estimated to rise by 3.4%. According to National Centre for Statistics and Information, Oman’s Inflation fell **1.6%** YoY in January 2021.
- Qatar** – As per IMF estimates, Qatar’s real GDP growth is expected to grow by 2.5% this year, and inflation is expected to increase by 1.8%. According to Planning and Statistics Authority, Qatar’s consumer price index fell **1.3%** YoY in January 2021.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 2.6% in 2021, compared to an estimated **3.9%** 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 rose to 5.7% in January from 5.3% the month before.
- UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 1.3% this year, and inflation is projected to rise by 1.5%.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	2.3	2.8	1.94	2.25
Kuwait	0.6	2.3	1.44	0.875
Oman	(0.5)	3.4	2.60	0.50
Qatar	2.5	1.8	0.97	1.00
Saudi Arabia	2.6	3.7	0.80	1.00
UAE	1.3	1.5	0.31	0.60

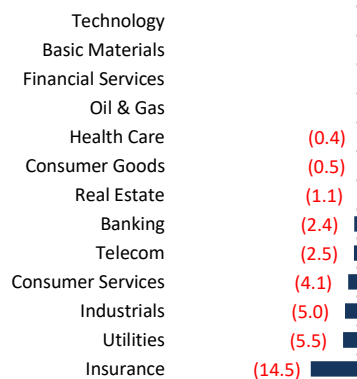
Source: IMF World Economic Outlook Update (October 2020 & January 2021), Central Bank, Bloomberg

* 2021 forecast, **Discount rate of Kuwait

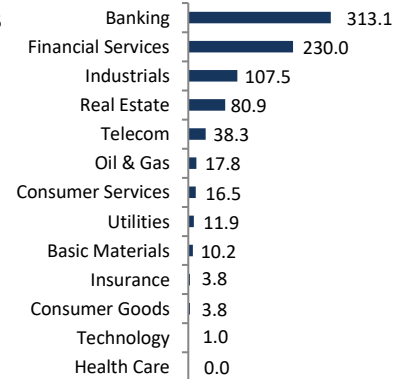
Kuwait –Sector Returns and Value Traded

- Technology:** The sector closed at 632.2 points, up 20.5% from the previous month. Automated Systems Company (up 20.5%) was the only gainer. Total volume and value traded stood at 11.7mn and KWD1.0mn, respectively.
- Insurance:** The sector closed **14.5%** lower at 1,188.2 points during the month. Kuwait Reinsurance Co. (down **29.9%**) was the top decliner, followed by Gulf Insurance Group (down **24.5%**), while Warba Insurance Company (K.S.C.P) (up 20.0%) was the top gainer. Total volume and turnover stood at 49.2mn shares and KWD3.8mn, respectively.

Sector Returns (%) (KSE IXW)



Value Traded (KWDmn) (KSE IXW)



Source: KSE

Commodity Tracker

- Gold ended the month at \$1,734.0/troy oz., representing **6.1%** MoM decrease in February 2021. Gold prices are expected to remain soft in March as US dollar is expected to rise against a basket of other major currencies and US Treasury yields continued to be strong.
- Brent crude closed at \$66.1 per barrel in February 2021, representing a positive return of 18.3% MoM. Oil prices will trade positively in March as OPEC+ group is expected to remain committed to their supply cut policy.
- Silver ended the month at \$26.7/troy oz., registering a negative return of **1.2%** MoM. Silver prices are likely to retreat in March mainly due to rising US Treasury yields.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1734.0	(6.1)	(8.7)
Brent Crude (USD/bbl)	66.1	18.3	27.7
Silver (USD/troy oz.)	26.7	(1.2)	5.0

Source: Bloomberg

Stock Watch (Kuwait)

Kuwait Reinsurance Co. (down **29.9%**) was the top loser in February 2021, while Kuwait Business Town Real Estate Co. (up 37.7%) was the top gainer.

Name	M Cap (KWDm)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
KBT	35.07	55.90	37.68	41.52	122.23	29.08	0.51
ALOLA	26.09	58.50	34.48	36.05	709.83	NM	0.58
ARZAN	76.81	98.00	30.32	75.63	469.62	NM	0.78
TAHSSILAT	4.62	28.00	30.23	27.27	0.53	NM	0.91
SHOOTING	7.99	28.50	24.45	52.41	65.29	NM	0.53
TOP LOSERS							
KUWAITRE	79.12	391.00	(29.93)	87.08	0.05	15.59	1.42
GINS	128.27	640.00	(24.53)	(20.69)	0.42	7.59	1.09
TAMINV	80.32	235.00	(23.20)	(24.19)	1.49	NM	0.35
SANAM	3.40	28.00	(17.65)	(18.84)	0.16	NM	0.37
UPAC	79.31	210.00	(14.98)	(27.59)	0.78	NM	14.34

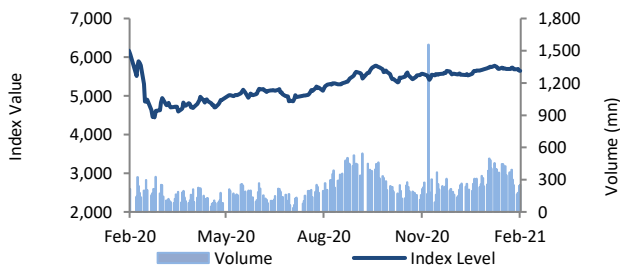
Stock Watch (Saudi Arabia)

Ethiad Atheeb Telecommunication (up 182.6%) led the gainers while, Allied Cooperative Insurance Group (down **15.7%**) declined the most.

Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
ATHEEB TELECOM	714.15	31.25	182.55	182.55	7.64	7.64	2.82
ALIOUF	2397.00	79.90	106.46	117.71	85.02	598.50	3.85
KEC	6066.68	17.88	55.48	50.51	144.64	NM	1.96
SARCO	2472.00	164.80	54.02	56.65	127.03	160.24	5.67
GACO	808.50	26.95	43.66	39.20	130.55	NM	2.72
TOP LOSERS							
ACIG	657.06	46.60	(15.73)	(25.80)	29.83	62.52	4.30
BAAZEEM	1154.25	114.00	(14.16)	26.39	32.59	45.22	6.23
BSFR	34714.29	28.80	(12.73)	(8.86)	10.95	17.65	1.03
SOLIDARITY	355.00	14.20	(8.97)	(19.95)	12.35	NM	1.88
ALMRAKEZ	10345.50	21.78	(7.56)	(13.05)	15.74	21.94	1.70

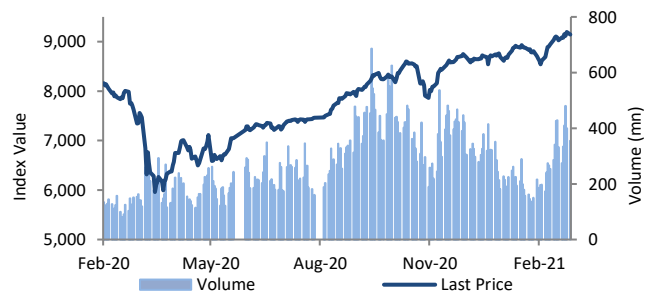
Source: Bloomberg, CapiQ. NA – Not available, NM – Not meaningful

Kuwait (KSE)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly market updates

- Kuwait's All Share Index closed **2.3%** lower at 5,649.1 points in February 2021. Total traded volume slightly decreased **0.1%** MoM to 6.0bn; the number of deals fell **4.4%** MoM to 206,689 and total value traded decreased **1.2%** MoM to KWD834.8mn.
- As per the second estimate released by the Bureau of Economic Analysis (BEA), the real GDP of the US grew at an annualized rate of 4.1% QoQ in Q4 2020, driven by the increase in exports, non-residential fixed investments, personal consumption expenditures (PCE), residential fixed investments, and private inventory investments.
- As per the revised flash estimates released by Eurostat, the seasonally adjusted GDP of the Euro area decreased by **0.7%** QoQ during Q4 2020, amid pandemic-induced lockdowns.
- In Asia, as per the data released by the National Bureau of Statistics, China's Consumer Price Index (CPI) fell **0.3%** YoY in January 2021, compared with 0.2% YoY growth in December 2020.
- China's Manufacturing Purchasing Managers' Index (PMI) eased to 50.6 in February 2021 from 51.3 in January 2021. As per the Statistics Bureau of Japan, the country's CPI fell 0.6% YoY in January 2021 compared with the 1.0% YoY decline in December 2020.

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