



أهلي كابيتال
AHLI CAPITAL

AHLI CAPITAL GCC MARKET MONTHLY REPORT 2022

GCC Markets Performance

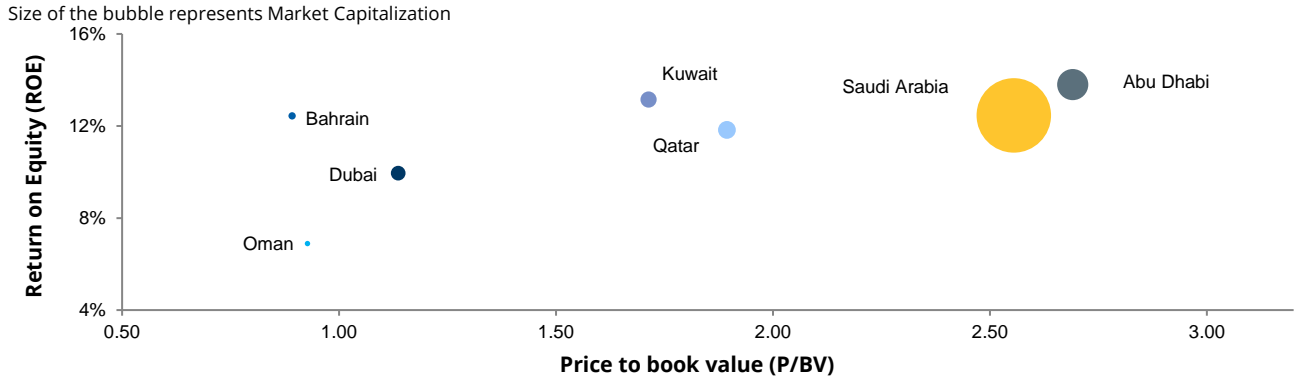
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,905.5	3.58	6.02	7.22	5.88
Kuwait (KWSEAS)	7,716.9	4.16	9.57	17.22	2.97
Oman (MSM)	4,532.1	9.93	9.75	12.49	4.55
Qatar (DSM)	13,370.0	9.67	15.00	15.93	3.26
Saudi Arabia (TASI)	12,199.1	5.86	8.13	21.08	2.43
UAE (ADX)	9,663.5	3.08	13.84	20.13	1.99
UAE (DFM)	3,338.0	3.56	4.44	10.76	2.70

Market Highlights

All GCC indices ended in positive territory, during the month of July. Oman's MSM index (up 9.9%) was the top gainer, followed by Qatar's DSM (up 9.7%), while UAE's ADX (up 3.1%) gained the least.

- Bahrain's BAX closed 3.6% higher at 1,905.5 points. Among sectors, financials (up 6.9%) was the top gainer. Among stocks, Ahli United Bank (up 15.6%) increased the most, followed by Inovest (up 10.0%), while Solidarity Bahrain (down 8.2%) was the top loser. In August, we expect Bahrain's market to follow the trend in oil prices.
- Kuwait's All Share Index closed 4.2% higher at 7,716.9 points. Among sectors, Industrials (up 7.4%) rose the most. On the contrary, Utilities (down 3.4%) declined the most. Kuwait Hotels Company (up 38.3%) was the top gainer, while Munshaat Real Estate Projects Co. (down 21.1%) was the top loser. We estimate the Kuwaiti market to rise in August as effect of inflation; countered by marginally decreasing oil prices.
- Oman's MSM was up 9.9% at 4,532.1 points. Among sectors, Financials (up 10.0%) was the top gainer, whereas Industries (down 0.9%) was the top loser. Among stocks, Oman Chlorine (up 31.4%) increased the most, followed by Galfar Engineer (up 28.4%), while Jazeera Steel Products Co. (down 14.4%) was the top loser. We anticipate Oman's bourses to rise in August as GCC market has positive sentiment, reaping benefits of hydrocarbon economy.
- Qatar's DSM rose 9.7% to close at 13,370.0 points. . Among sectors, Transportation (up 16.7%) increased the most, while Insurance (down 2.2%) declined the most. Among stocks, Qatar Navigation (up 25.7%) was the top gainer, followed by Ooredoo (up 21.2%), while Qatar General Insurance & Reinsurance (down 7.4%) decreased the most. We anticipate Qatar's market to be volatile in August.
- Saudi Arabia's TASI increased 5.9% to close at 12,199.1 points. Among sectors, Software and Services (up 16.7%) increased the most, while Capital Goods (down 0.3%) declined the most. Dar Alarkan Real Estate Development Co. (up 24.0%) rose the most, while United Cooperative Assurance Co. (down 60.8%) declined the most. The market is expected to rise in August as the global markets and GCC markets have a positive sentiment; being a hydrocarbon positive economy and benefitting from the soaring inflations.
- The ADX ended 3.1% higher at 9,663.5 points. Among sectors, Real Estate (up 8.7%) was the top gainer, while Health Care declined the most (down 7.0%). Among stocks, RAK Properties (up 20.5%) rose the most, followed by Abu Dhabi Islamic Bank (up 19.6%), while Gulf Medical Projects Company (down 23.3%) declined the most.
- The DFM ended 3.6% higher at 3,338.0 points. Among sectors, Consumer Staples and Discretionary (up 45.5%) was the top gainer, followed by Transportation (up 1.73%), whereas Investment & Financial Services (down 17.5%) was the top loser. Among stocks, Takaful Emarat (PSC) (up 23.0%) rose the most, followed by Gulf Navigation Holding PJSC (up 15.6%), while Ektitab Holding Company K.S.C.C (down 28.3%) declined the most. In August, we expect the UAE markets to slightly rise as there is positive sentiment in all hydrocarbon economies.

Valuation



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 3.5%. According to the Information & e-Government Authority, the inflation growth rate in Bahrain for June 2022 was 3.1% YoY compared to 3.5% YoY in May 2022.
- **Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 8.2% this year, and inflation is projected to rise by 4.8%. According to the latest data released by Central Statistical Bureau (CSB), annual inflation increased by 4.4% YoY in June 2022.
- **Oman** – As per IMF estimates, Oman’s economy is projected to grow 5.6% this year, and inflation is estimated to rise by 3.7%. As per the National Centre for Statistics and Information (NCSI), Oman’s inflation stood at 2.9% in June 2022 compared to the nine-month low of 2.4% in May 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 3.5%. Qatar’s CPI for June 2022 reached 103.14 points, up 0.01% MoM and 5.4% YoY.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s GDP is expected to grow by 7.6% and 3.7% in FY22 and FY23, respectively. According to the flash estimate of General Authority for Statistics (GASTAT), Saudi Arabia’s real GDP growth increased 11.8% YoY in Q2 2022, driven by an increase in oil activities by 23.1%, non-oil activities by 5.4%, and government activities by 2.2% YoY.
- **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 3.7%. According to the Dubai Statistics Centre, Dubai’s CPI climbed to 105.35 points in June 2022, up 5.8% YoY and 1.2% MoM.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	3.5	3.80	4.50
Kuwait	8.2	4.8	2.15	1.88
Oman	5.6	3.7	2.58	2.25
Qatar	3.4	3.5	2.45	3.25
Saudi Arabia	7.6*	2.5	2.91	3.00
UAE	4.2	3.7	2.36	2.40

Source: IMF World Economic Outlook Update (* July 2022, for others: April 2022), Central Bank, Bloomberg

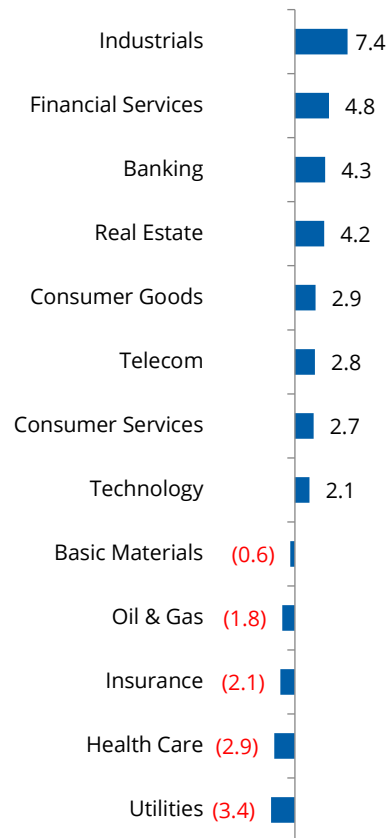
Kuwait –Sector Returns and Value Traded

➤ **Industrials:** The sector closed 7.4% higher at 1,250.6 points during the month. Heavy Engineering Industries and Ship Building Co. (up 21.2%) was the top gainer, followed by Specialties Group Holding Co. (up 18.0%), while Ras Al Khaimah Co. For White Cement Construction Materials (down 12.7%) was the top loser. Total volume and turnover stood at 186.3MM shares and KWD 108.9MM, respectively.

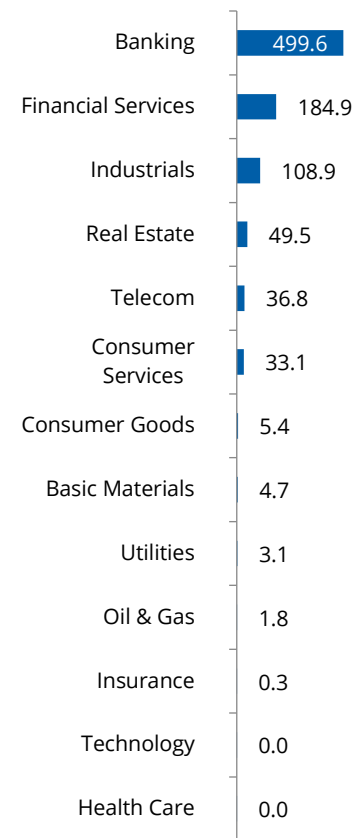
➤ **Utilities:** The sector closed 3.4% lower at 526.3 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 3.4%) only listed stock ended in red. Total volume and value traded stood at 15.2MM and KWD 3.1MM, respectively.

Source: KSE

Sector Returns (%)



Value Traded (KWD MM)



Commodity Tracker

- Gold ended the month at \$1,765.9/troy oz., was down 2.3% MoM in July 2022. In August, 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 \$110.0 per barrel in July 2022, representing a negative return of 4.2% MoM. Oil prices are projected to remain stable or slightly decline in August 2022 recovering back from all-time high levels; countered by inflation and rising global demand.
- Silver ended the month at \$20.4/troy oz., registering a positive return of 0.4% MoM. Silver prices are projected to decline in August due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,765.9	(2.3)	(3.5)
Brent Crude (USD/bbl)	110.0	(4.2)	41.4
Silver (USD/troy oz.)	20.4	0.4	(12.7)

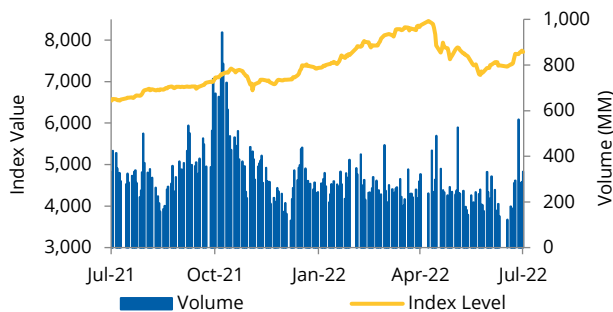
Stock Watch (Kuwait)

Kuwait Hotels Company (up 38.3%) was the top gainer, while Munshaat Real Estate Projects Co. (down 21.1%) was the top loser.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
KHOT	8.97	159.00	38.26	127.14	0.01	18.66	1.94
NCCI	40.50	135.00	32.35	12.50	185.11	NA	1.84
AGHC	46.20	280.00	27.27	(3.78)	3.70	NA	1.62
TIJARA	23.16	62.60	25.70	2.45	81.23	9.59	0.57
FUTUREKID	13.18	115.00	21.31	46.12	5.33	347.43	1.02
TOP LOSERS							
MUNSHAAT	16.74	52.00	(21.21)	(27.27)	0.22	NA	1.74
EKTITAB	3.15	9.90	(20.16)	(53.52)	44.99	NA	0.32
QIC	31.04	85.50	(14.50)	(1.95)	0.26	4.28	0.52
KUWAITRE	54.75	230.00	(14.18)	(16.36)	0.00	8.59	0.90
RKWC	72.02	144.00	(12.73)	14.29	0.17	24.60	1.09

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

Kuwait (KWSEAS)



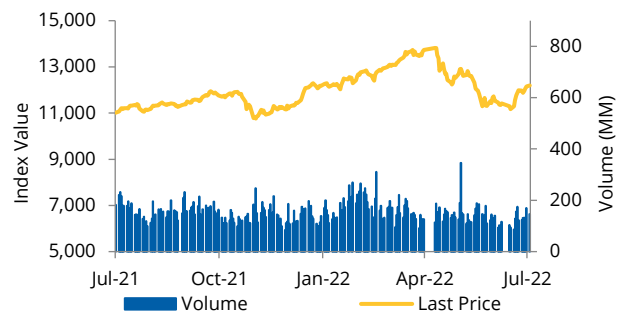
Source: Bloomberg

Stock Watch (Saudi Arabia)

Dar Alarkan Real Estate Development Co. (up 24.0%) rose the most, while United Cooperative Assurance Co. (down 60.8%) declined the most.

Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
DAR ALARKAN	14,407.20	13.34	23.98	32.60	289.67	44.33	0.74
FITNESS TIME	5,772.65	110.20	23.13	1.10	2.90	22.29	7.17
BAWAN	2,085.00	34.75	21.08	(0.86)	8.58	11.65	2.64
BAHRI	11,763.28	23.90	20.22	(7.97)	16.16	55.03	1.24
SOLUTIONS	28,344.00	236.20	19.41	25.50	2.01	31.15	11.18
TOP LOSERS							
UCA	430.40	10.76	(60.80)	(68.31)	53.18	NM	1.90
AICC	355.63	13.42	(38.67)	(66.07)	22.17	NM	1.67
SAICO	488.40	16.28	(27.32)	(25.80)	5.13	NM	1.63
SAUDI CERAMICS	2,960.00	37.00	(15.62)	(32.85)	16.96	13.82	1.63
ALLIANZ SF	840.00	14.00	(14.63)	(45.84)	14.50	56.26	1.20

Saudi Arabia (TASI)

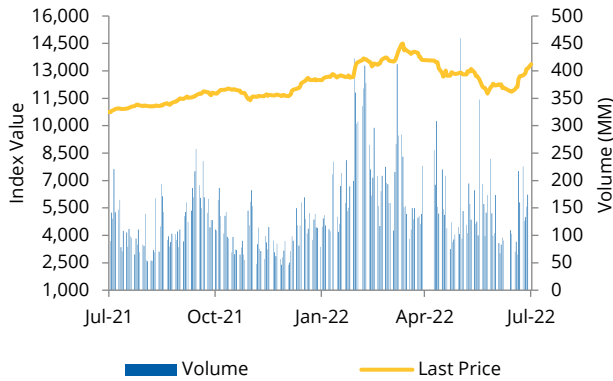


Monthly Market Updates

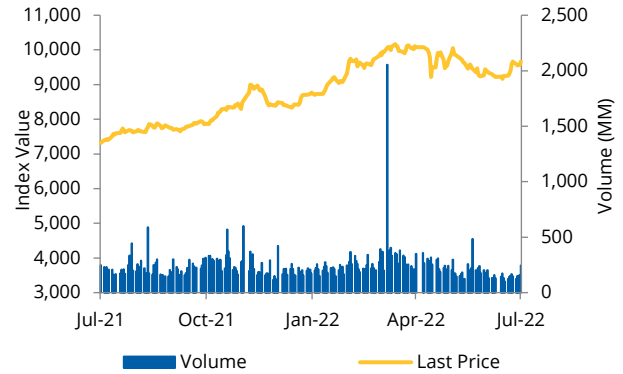
- Kuwait's All Share Index closed 4.2% MoM higher at 7,716.9 points in July 2022. The total volume traded decreased 18.6% MoM to 3.4BLN, number of deals declined 30.4% MoM to 188,741, and total value traded was down 23.5% MoM to KWD 928.1MM. A rise in the market was mainly driven by the financial services and banking sectors.
- The International Monetary Fund (IMF) in its latest projection stated that GCC countries' gross domestic product (GDP) is expected to grow by 4.8% and 3.5% in FY22 and FY23, respectively.
- The IMF also stated GDP of the United States is expected to grow by 2.3% and 1.0% in FY22 and FY23, respectively.
- The IMF in its latest projection stated that GDP of the Euro Area is projected to grow by 2.6% and 1.2% in FY22 and FY23, respectively.
- As per the IMF the UK's GDP is estimated to grow by 3.2% and 0.5% in FY22 and FY23, respectively.
- According to the IMF, China's GDP is anticipated to grow by 3.3% and 4.6% in FY22 and FY23, respectively.
- The IMF also stated that Japan's GDP is projected to grow by 1.7% in FY22 and FY23, respectively.

GCC Benchmark Indices – Market Movements

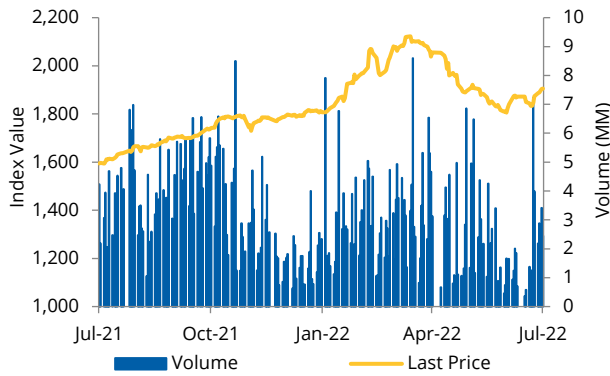
Qatar (DSM)



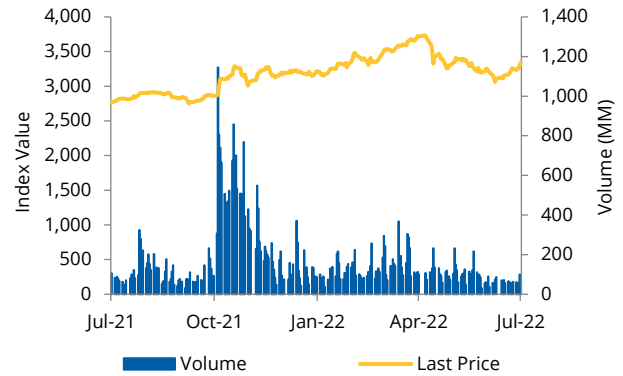
Abu Dhabi (ADX)



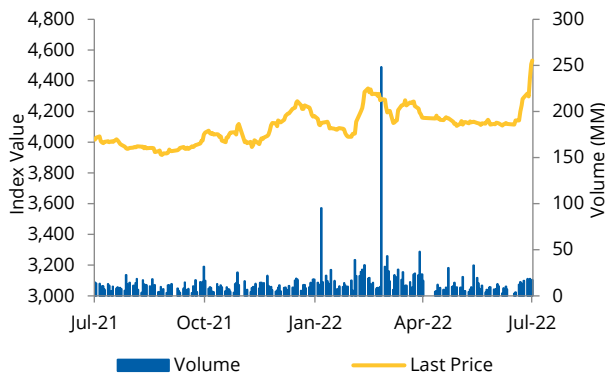
Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



GCC Markets – Economy and Industry News

Saudi Arabia

- IMF stated that GCC countries gross domestic product (GDP) is expected to grow by 7.6% and 3.7% in FY22 and FY23, respectively.
- According to the flash estimate of General Authority for Statistics (GASTAT), Saudi Arabia's real GDP growth increased 11.8% YoY in Q2 2022, driven by an increase in oil activities by 23.1%, non-oil activities by 5.4%, and government activities by 2.2% YoY.
- Overall, merchandise exports surged 83.4% YoY in May 2022 to SAR 144.1BLN, mainly led by a rise in oil exports by 105.5% YoY. Non-oil exports (including re-exports) surged 26.7% YoY in May 2022. The share of oil exports in total exports rose to 80.6% in May 2022 from 72.0% in May 2021
- The Saudi Central Bank (SAMA)'s total assets surged 8.2% YoY to SAR 2.0TLN (USD 529.6BLN) in June 2022 from SAR 1.8TLN (USD 489.4BLN) in June 2021.
- As per SAMA, Saudi commercial banks' deposits rose SAR 53.5BLN (USD 14.2BLN) in June 2022, with time and savings deposits rising 8.7% YoY, the highest change rate since February 2021.
- Saudi Arabia's and Greece's ministers and private sector officials met and discussed ways to enhance economic and investment cooperation between the two countries in the communication, transport, logistics, and energy sectors; several agreements and MOUs worth around SAR 14.0BLN (USD 3.7BLN) were signed.

UAE

- According to the Dubai Statistics Centre, Dubai's CPI climbed to 105.35 points in June 2022, up 5.8% YoY and 1.2% MoM.
- The high inflation in Dubai was attributed to the increase in the prices of recreation, sports, and culture (35.8%), transport (33.3%), and food and beverage (8.9%).
- In Q1 2022, the UAE's total invested assets in the insurance sector grew 5.4% to AED 77.8BLN (61.1% of total assets) from AED 73.8BLN (59.4%) in Q1 2021.
- As per the central bank, UAE's national banks provided credit facilities worth AED 696.7BLN to the business and industrial sectors from January 2022 to April 2022, an increase of 1.9% (i.e., AED 13.1BLN) compared to AED 683.6BLN allocated during the same period last year.
- The Dubai Chamber of Commerce's exports and re-exports increased 17.8% YoY to AED 129.4BLN in H1 2022.

Qatar

- Qatar's CPI for June 2022 reached 103.14 points, up 0.01% MoM and 5.4% YoY.
- Qatar's foreign merchandise trade balance was in surplus by QAR 30.2BLN in June 2022, up 77.8% YoY and 11.9% MoM, as exports totaled QAR 39.5BLN (up 56.2% YoY) and imports stood at QAR 9.3BLN (up 12.1% YoY).

Bahrain

- According to the Information & e-Government Authority, the inflation growth rate in Bahrain for June 2022 was 3.1% YoY compared to 3.5% YoY in May 2022.
- The Higher Committee meeting of the Industrial Partnership for Sustainable Economic Development declared Bahrain as a new member of the partnership, where Bahrain was represented by the Minister of Industry and Commerce.

Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation stood at 2.9% in June 2022 compared to the nine-month low of 2.4% in May 2022.
- According to the Ministry of Energy and Minerals, Oman's crude oil and condensate production grew 9.7% YoY to 189.6MM barrels during H1 2022.

GCC Corporate Developments

Saudi Arabia

- Kingdom Holding Company invested approximately SAR 1.0BLN (GBP 224.4MM) in M&G, an insurance and asset management company based in the UK.
- East Pipes Integrated Company for Industry sealed a 210-day contract worth SAR 324.0MM with Saline Water Conversion Corporation (SWCC) to manufacture and supply steel pipes for water uses.
- Middle East Healthcare Company (Saudi German Hospital)'s BOD approved awarding a construction project worth SAR 223.3MM to International Hospital Construction Company (IHCC) to constructing 14 clinics and expand the inpatient beds within 36 months.
- Arabian Internet and Telecommunication Services Company (Solutions) signed a deal worth SAR 298.1MM with Saudi Telecom Company (stc) to establish and develop the Internet and communication networks.
- Al Moammar Information Systems Company (MIS) signed a SAR 34.4MM contract with Saudi Technology and Security Comprehensive Control Co. Ltd. (Tahakom) to enhance operational efficiency, and a SAR 21.9MM contract with King Abdulaziz City for Science and Technology (KACST) for infrastructure licenses and equipment.

UAE

- Regional Investment Holding decreased its stake in Naeem Holding for Investment's capital to 14.17% from 15.32%.
- SirajPower signed a 10-year agreement with Abu Dhabi-based Cleanco Waste Treatment for launching a fully financed 2 MVA project, which would offer Cleanco reliable power via a hybrid system consisting of a solar photovoltaic (PV) device, diesel generator, and battery.
- The Commercial Bank of Dubai provided an AED 530.0MM syndicated financing to Gulf Data Hub, which runs a data center facility in Dubai Silicon Oasis.
- Mubadala Investment Company made its first investment in the USD 800.0MM million financing round of Klarna, a Sweden-based fintech company providing payment and shopping services.

Qatar

- Qatar Electricity and Water Company (QEW) announced that Raslaffan Operating Company W.L.L., a wholly owned subsidiary of QEW, finalized and completed the purchase of 40.0% of share capital of Nebras Power from Qatar Holding LLC for USD 530.0MM.
- Milaha, which provides maritime and logistics solutions in Qatar, secured a five-year contract (with an option to extend) from Qatar Energy to deliver engineering, procurement, construction, and installation (EPCI) services for all offshore projects in Qatar; the contract is valued at more than QAR 1.4BLN

Bahrain

- GFH Financial Group, an investment bank based in Bahrain, acquired a student housing portfolio in the US, in partnership with its subsidiary based in Atlanta, Student Quarters (SQ), for USD 300.0MM.

Oman

- Oman Oil Marketing Company (OOMCO), Sohar Port, and Freezone signed a bunker license agreement for OOMCO to provide marine fuels to all the vessels visiting Sohar Port and the anchorage area and to operate the 10,000 metric ton bunker barge.

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