

**ABK CAPITAL**  
**GCC**  
**MARKET**  
**MONTHLY**  
**REPORT**

**2023**



# GCC Market Monthly Report

April 2023

## GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,904.4	0.94	0.48	6.09	9.09
Kuwait (KWSEAS)	7,142.5	1.30	(2.05)	16.89	4.01
Oman (MSM)	4,718.1	(2.98)	(2.87)	13.32	4.44
Qatar (DSM)	10,181.2	(0.31)	(4.68)	12.10	4.86
Saudi Arabia (TASI)	11,307.8	6.78	7.91	17.83	2.93
UAE (ADX)	9,789.2	3.81	(4.13)	29.94	1.82
UAE (DFM)	3,544.8	4.05	6.26	8.90	4.85

## Market Highlights

Five GCC indices ended in positive territory, while two ended in negative territory during the month of April. Saudi Arabia's TASI (up 6.8%) was the top gainer, followed by UAE's DFM (up 4.1%), while Oman's MSM (down 3.0%) declined the most.

- ◆ Bahrain's BAX closed 0.9% higher at 1,904.4 points. Among sectors, Materials (up 1.9%) was the top gainer, followed by Financials (up 1.2%), whereas Consumer Staples (down 6.5%) rose the most. Among stocks, Al Salam Bank (up 37.5%) increased the most, followed by Nass Corporation B.S.C. (up 28.6%), while, Ithmaar Holding B.S.C. (down 12.5%) was the top loser. In May, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 1.3% higher at 7,142.5 points. Among sectors, Insurance (up 10.7%) rose the most, followed by Real Estate (up 5.9%), whereas Technology (down 8.5%) fell the most. First Investment Company (up 35.1%) rose the most, followed by Sultan Center Food Products Co. (up 30.3%), whereas Metal & Recycling Co. (down 22.3%) was the top loser. We estimate the Kuwaiti market to remain stable in May as the market sentiment for oil prices is negative.
- ◆ Oman's MSM was down 3.0% at 4,718.1 points. Among the sectors, Financials (down 2.2%) was the only loser, whereas Industries (up 3.7%) was the top gainer, followed by Services (up 2.4%). Among stocks, Construction M. (down 21.6%) decreased the most, followed by Oman United Insurance (down 18.2%), while Aluminum Prod. (up 227.3%) was the top gainer. We expect Oman's bourses to remain slightly decline in May driven by falling energy prices, compensated with planned reduced supply of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM fell 0.3% to close at 10,181.2 points. Among sectors, Banks and Financial Services (down 3.4%) was the top loser, followed by Consumer Goods and Services (down 2.1%), while Transportation (up 12.2%) was the top gainer. Among stocks, Mannai Corporation (down 11.4%) was the top loser, followed by Zad Holding (down 10.4%), while Inma Holding (up 25.1%) increased the most. We anticipate Qatar's market to remain stable in May.
- ◆ Saudi Arabia's TASI increased 6.8% to close at 11,307.8 points. Among sectors, Diversified Financials (up 14.0%) rose the most, followed by Energy (up 11.7%). Tihama Advertising and Public Relations Co. (up 45.2%) rose the most, followed by Naqi Water Company (up 34.1%), while Thimar Development Holding Co. (down 4.9%) declined the most. The market is expected to rise in May as OPEC+ group plans to cut down oil price production to combat price decline; aided by positive broad economic outlook.
- ◆ The ADX rose 3.8% higher at 9,789.2 points. Among sectors, Real Estate (up 14.5%) was the top gainer, followed by Consumer Staples (up 10.6%), while Utilities (down 4.3%) was the top loser. Among stocks, Ghitha Holding P.J.S.C. (up 43.8%) declined the most, followed by National Marine Dredging Co. (up 27.9%), while Hily Holding (down 34.8%) rose the most. The DFM ended 4.1% higher at 3,544.8 points. Among sectors, Consumer Staples (up 13.6%) was the top gainer, followed by Financials (up 6.1%), whereas Materials (down 2.1%) was the top loser. Among stocks, Al Salam Bank B.S.C (up 26.6%) was the top gainer, followed by Ithmaar Holding (up 26.4%), while Al Mal Capital REIT (down 9.7%) declined the most. In May, we expect the UAE markets to grow as there is positive economic outlook, however they would be affected by declining oil prices.

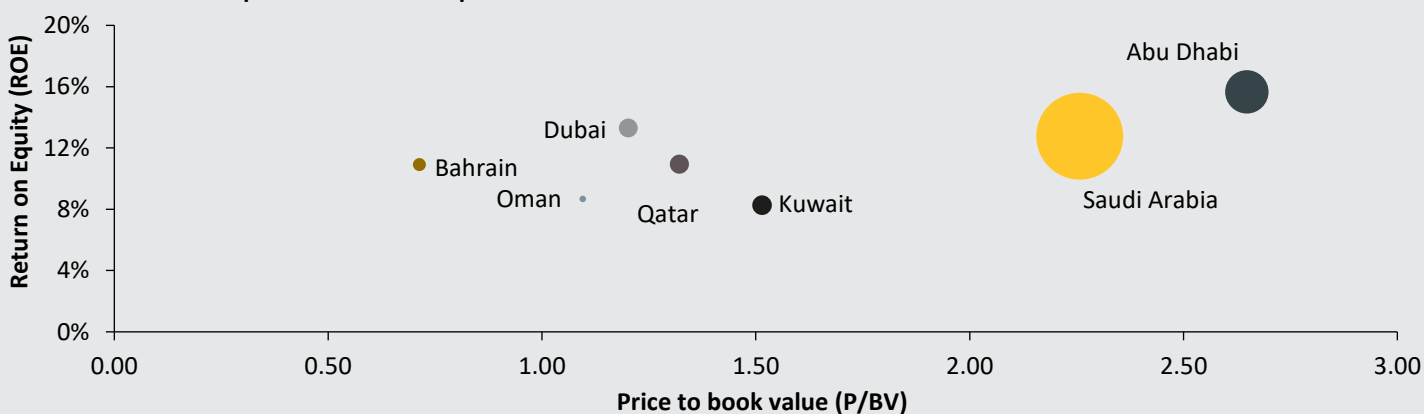
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## Valuation

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 2.2%. According to the Information & eGovernment Authority, the inflation rate in Bahrain fell 0.1% YoY in March 2023 vis-à-vis the 1.1% YoY rise in February 2023.
- Kuwait** – As per IMF's projections Kuwait's economy is expected to increase by 0.9% this year, and inflation is projected to rise by 3.3%. The annual consumer price inflation (CPI) rate increased 3.70% in March 2023 compared to March 2022, as reported by the Central Statistical Bureau.
- Oman** – As per IMF estimates, Oman's economy is projected to grow 1.7% this year, and inflation is estimated to rise by 1.9%. According to the National Centre for Statistics and Information, Oman's inflation eased to 1.6% YoY in March 2023 from 1.9% in February 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 3.0%. Qatar's CPI for March 2023 reached 105.55 points, up 0.2% MoM and 4.0% YoY.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia's GDP is expected to grow by 3.1% in this year, and inflation is expected to increase by 2.8%. In March 2023, CPI declined to 2.7% YoY as compared with the 3.0% YoY increase in February 2023.
- UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase by 3.5% this year, and inflation is projected to rise by 3.4%. According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose to 55.5 in March 2023 from 54.1 in February 2023.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	2.2	6.36	6.75
Kuwait	0.9	3.3	4.25	3.63
Oman	1.7	1.9	5.24	5.50
Qatar	2.4	3.0	5.80	5.50
Saudi Arabia	3.1	2.8	5.71	5.50
UAE	3.5	3.4	5.06	4.90

Source: IMF World Economic Outlook Update for FY 2023 (April 2023), Central Banks, Bloomberg

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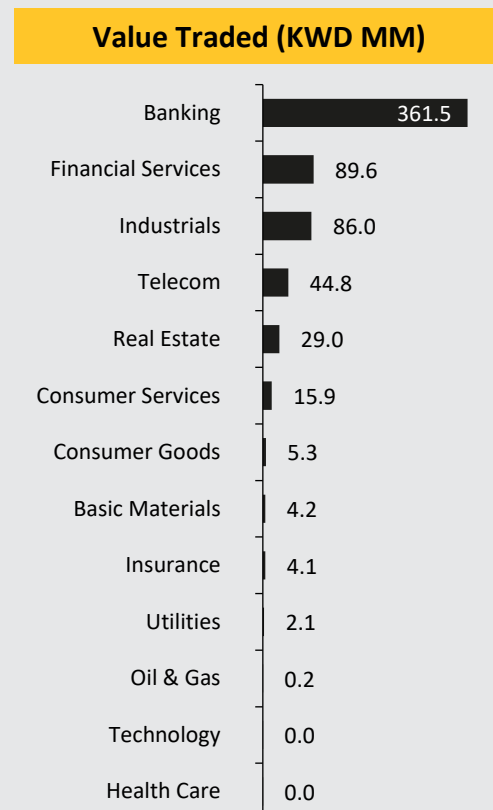
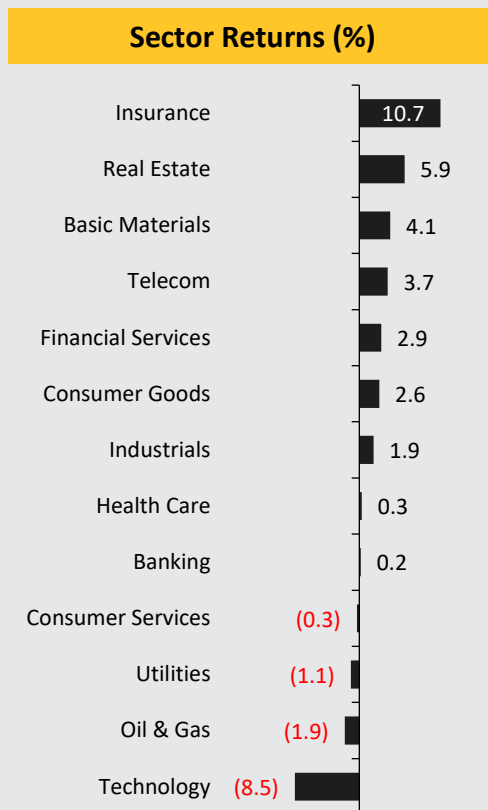
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## Kuwait – Sector Returns and Value Traded

◆ **Insurance:** The sector closed 10.7% higher at 2,113.7 points during the month. Gulf Insurance Group (up 22.3%) rose the most, whereas Bahrain Kuwait Insurance Co. (B.S.C) ended flat while First Takaful Insurance Company (down 4.8%) was the top Loser. Total volume and value traded stood at 5.9MM and KWD 4.1MM, respectively.

◆ **Technology:** The sector closed 8.5% lower at 582.0 points during the month. Automated Systems Company, being the only company in the sector, decreased 8.5%. Total volume and value traded stood at 0.2MM and KWD 15,443, respectively.

Source: KSE



## Commodity Tracker

◆ Gold ended the month at \$1,990.0/troy oz., was up 1.1% MoM in April 2023. In May, 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 \$79.5 per barrel in April 2023, representing a negative return of 0.3% MoM. Oil prices are projected to remain stable; support will come in May 2023 as OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$25.1/troy oz., registering a positive return of 4.0% MoM. Silver prices are projected to decline in May due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,990.0	1.1	9.1
Brent Crude (USD/bbl.)	79.5	(0.3)	(7.4)
Silver (USD/troy oz.)	25.1	4.0	4.6

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## Stock Watch (Kuwait)

First Investment Co. (up 35.1%) was the top gainer, while Equipment Holding Co. (down 22.3%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
ALOLA	18.73	42.00	35.05	(33.23)	22.49	NA	0.75
SULTAN	32.41	116.00	30.34	6.42	7.32	11.71	0.63
MUNSHAAT	20.93	65.00	28.97	6.56	0.85	17.32	1.99
JIYAD	3.77	20.50	28.93	(11.64)	156.10	1.76	0.20
TAHSSILAT	3.46	21.00	26.51	(3.67)	0.95	42.86	0.68
<b>TOP LOSERS</b>							
EQUIPMENT	2.87	35.90	(22.29)	(21.96)	0.09	NA	0.63
EMIRATES	5.46	31.00	(18.42)	(18.42)	0.60	158.97	0.26
KFIC	18.84	61.00	(11.59)	(6.01)	0.72	42.63	0.46
SENERGY	5.89	29.50	(10.61)	(34.30)	0.90	NA	NA
KFH	10846.87	741.00	(10.29)	(9.96)	275.14	22.11	2.29

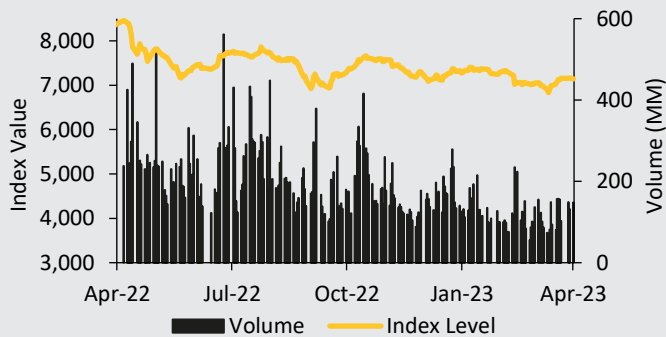
Source: Bloomberg, CapIQ. NA – Not Available, NM – Not Meaningful

## Stock Watch (Saudi Arabia)

Tihama Advertising and Public Relations Co. (up 45.2%) rose the most, while Thimar Development Holding Co. (down 4.9%) declined the most.

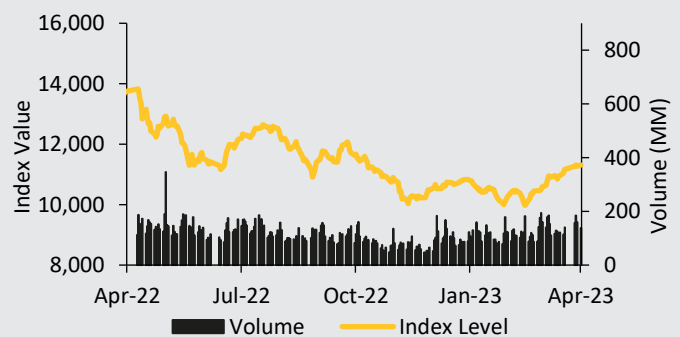
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
TAPRCO	964.80	24.12	45.21%	45.21%	14.08	NA	NA
NAQI	1,770.00	88.50	34.09%	34.70%	9.83	36.34	7.09
ANAAM HOLDING	850.50	27.00	27.12%	30.43%	49.96	NM	2.69
ALBAHA	481.14	16.20	24.42%	40.87%	32.61	NM	2.28
MESC	520.00	13.00	21.72%	31.31%	18.13	NM	1.58
<b>TOP LOSERS</b>							
THIMAR	387.50	38.75	-4.91%	125.29%	28.19	NA	NA
ALAMAR	3,493.50	137.00	-4.86%	-1.30%	0.86	30.31	10.47
SISCO	2,211.36	27.10	-3.73%	33.50%	7.03	60.26	1.46
ALDAWAA	6,562.00	77.20	-3.50%	7.37%	2.41	21.48	5.99
BAHRI	15,454.69	31.40	-3.38%	6.44%	10.50	14.85	1.47

## Kuwait (KWSEAS)



Source: Bloomberg

## Saudi Arabia (TASI)



## Monthly Market Updates

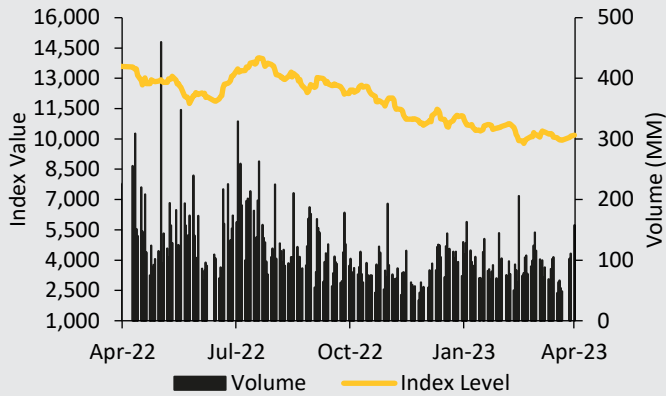
- ◆ Kuwait's All Share Index closed 1.3% MoM higher at 7,142.5 points in April 2023. The total volume traded fell 16.6% MoM to 2.1BLN, the number of deals decreased 16.5% MoM to 150,621, and the total value traded declined 27.6% MoM to KWD 0.6BLN.
- ◆ The International Monetary Fund (IMF) stated that the US gross domestic product (GDP) is expected to grow 1.6% and 1.1% in FY23 and FY24, respectively.
- ◆ IMF has projected that Euro Area's GDP is expected to grow 0.8% and 1.4% in FY23 and FY24, respectively.
- ◆ IMF projection, the UK's GDP is expected to decrease 0.3% in FY23 and increase 1.0% in FY24.
- ◆ IMF expects China's GDP to grow 5.2% and 4.5% in FY23 and FY24, respectively.
- ◆ According to IMF projection, GDP of Japan is likely to grow 1.3% and 1.0% in FY23 and FY24, respectively.

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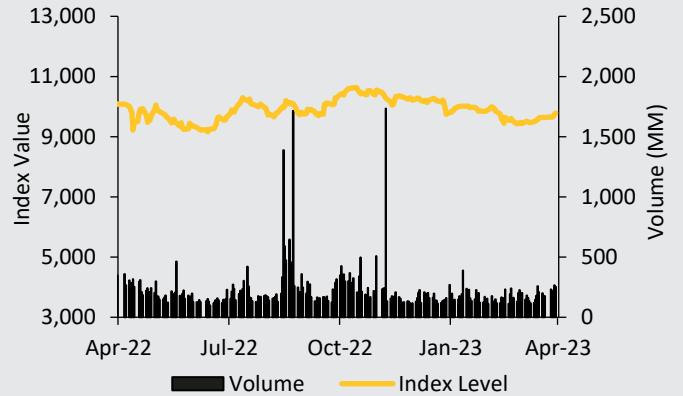
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## GCC Benchmark Indices – Market Movements

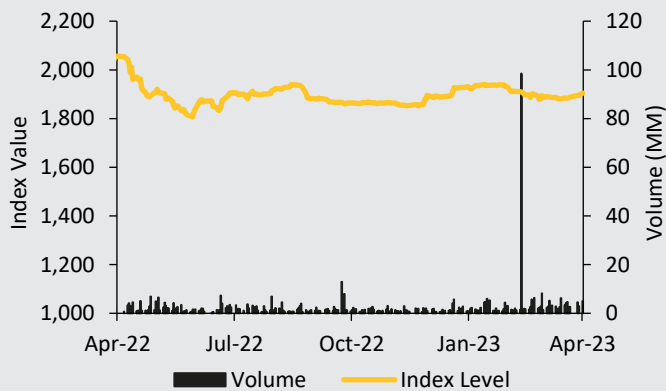
### Qatar (DSM)



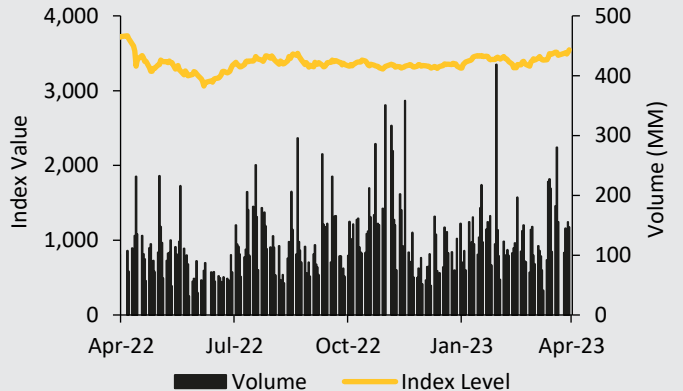
### Abu Dhabi (ADX)



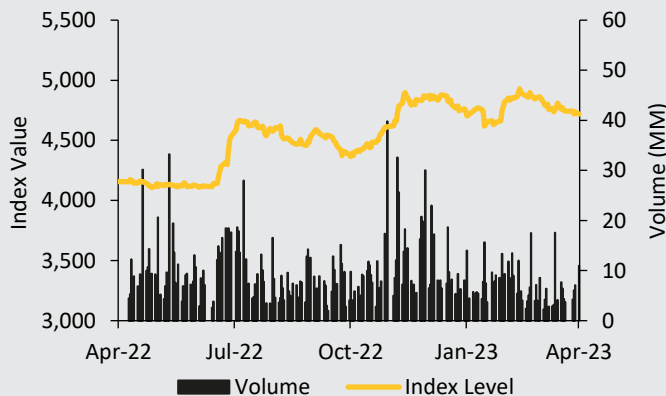
### Bahrain (BAX)



### Dubai (DFM)



### Oman (MSM)



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## GCC Markets – Economy and Industry News

### Saudi Arabia

- ◆ IMF forecast that Saudi Arabia's GDP will grow 3.1% in FY23 and FY24 each.
- ◆ In March 2023, CPI declined to 2.7% YoY as compared with the 3.0% YoY increase in February 2023.
- ◆ Overall merchandise exports fell 12.7% YoY to SAR 101.1BLN in February 2023, mainly led by a 11.7% YoY decrease in oil exports. Non-oil exports (including re-exports) fell 16.4% YoY in February 2023. The share of oil exports increased to 79.3% in February 2023 from 78.4% in February 2022.
- ◆ Saudi Arabia's debt market saw significant growth, with the total trading value of the Tadawul All Share Index rising around 76.0% in 1Q 2023 to SAR 7.04BLN from about SAR 4.04BLN in the 4Q 2022.
- ◆ Saudi Arabia's money supply escalated 4.7% in 1Q 2023 to SAR 2,613.0 at the end of March 2023, rising from SAR 2,595.0BLN at the end of December 2022.

### UAE

- ◆ IMF stated that the UAE's GDP is expected to grow 3.5% and 3.9% in FY23 and FY24, respectively.
- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose to 55.5 in March 2023 from 54.1 in February 2023, a five-month high indicating improving business conditions as employment and inventory growth reaches a multi-year high.
- ◆ In comparison, the UAE's PMI rose to 55.9 in March 2023 from 54.3 in February 2023.
- ◆ UAE banks witnessed an 8.5% hike in their total capital and reserves to 438.6BLN dirhams in January 2023 from 404.3BLN dirhams in January 2022.
- ◆ The UAE Ministry of Finance declared that entities existing and operating for the wider public benefit would be eligible for tax exemption under the Corporate Tax Law.

### Qatar

- ◆ IMF expects Qatar's GDP to grow 2.4% and 1.8% in FY23 and FY24, respectively.
- ◆ As per the Planning and Statistics Authority (PSA), Qatar's foreign merchandise trade balance fell to QAR 21.3BLN in March 2023, depicting a 19.6% YoY drop and a 7.2% MoM decrease in the balance.
- ◆ Qatar's CPI for March 2023 reached 105.55 points, up 0.2% MoM and 4.0% YoY.

### Bahrain

- ◆ According to the Information & eGovernment Authority, the inflation rate in Bahrain fell 0.1% YoY in March 2023 vis-à-vis the 1.1% YoY rise in February 2023.
- ◆ Bahrain's re-exports increased 17.0% to BD 186.0MM in 1Q 2023 compared to BD 159.0MM for the same quarter of the previous year.

### Oman

- ◆ IMF projects Oman's GDP to grow 1.7% and 5.2% in FY23 and FY24, respectively.
- ◆ According to the National Centre for Statistics and Information, Oman's inflation eased to 1.6% YoY in March 2023 from 1.9% in February 2023.

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## GCC Corporate Developments

### Saudi Arabia

- ◆ Saudi Telecom Company (stc Group) announced that its ICT infrastructure subsidiary, TAWAL, has inked an agreement to buy the telecom tower assets of United Group. The transaction, which is valued at EUR 1.2BLN, marks TAWAL's entry into the European market.
- ◆ Saudi Arabia's Capital Market Authority (CMA) approved the requests of Almasane Alkobra Mining Company (Amak) and Saudi Arabian Mining Company (Ma'aden) to raise their capital through the issuance of bonus shares. One bonus share will be awarded for every two and 2.75 owned shares to eligible stakeholders for Ma'aden and Amak, respectively.
- ◆ The Rawabi Water Desalination Company, a subsidiary of ACWA Power Company, and the Saudi Water Partnership Company signed a water purchase agreement worth SAR 2.5BLN.
- ◆ Edarat Communication and Information Technology Company has received approval from CMA to increase its capital by 100.0% through bonus shares, raising its capital from SAR 6.3MM to SAR 12.6MM.

### UAE

- ◆ Through a merger with Cambridge Medical and Rehabilitation Center (CMRC), Amanat Holdings holds a majority stake in Sukoon International Holding Company; after the deal, they have established the largest pan-GCC post-acute care provider.
- ◆ Multiply Group has agreed to buy a 55.0% share in Media 247, a provider of outdoor advertising, for around AED 184.0MM.
- ◆ In order to strengthen its position as a top provider of comprehensive single window solutions and digital trade, Maqta Gateway, the digital branch of AD Ports Group, has acquired 100.0% stake for USD 26.7MM in TTEK Inc, a Barbados-based developer of border control technologies.
- ◆ Shareholders of Amanat Holdings approved the payment of AED 100.0MM, or 4 fils per share, as cash dividends for FY22.
- ◆ AD Ports Group has completed the merger of Al Eskan Al Jamae LLC and KEZAD Communities. This merger created Abu Dhabi's largest integrated employee accommodation company, in which AD Ports holds a 52.0% controlling majority stake.

### Qatar

- ◆ China's state-owned oil and gas giant Sinopec will take a 5.0% stake in Qatar's North Field East expansion, a part of the world's largest liquefied natural gas project.

### Bahrain

- ◆ Batelco, part of the Beyon Group, signed a partnership agreement with the Transportation and Telecommunications Ministry and Bahrain Public Transport Company, where Batelco would be providing a new channel for recharging Go Cards.
- ◆ OpSec Group, an intellectual property company with global operations, will list on Nasdaq, following a business amalgamation agreement signed with Investcorp Europe Acquisition Corp, a special purpose acquisition company listed by Bahrain's Investcorp. The value of the combined company, OpSec Group, is approximately USD 426.0MM.

### Oman

- ◆ Oman's second-largest bank is pursuing a potential merger with Ahli Bank (its smaller competitor), potentially creating a lender with just under USD 20.0BLN in assets. Bank Dhofar has over USD 11.0BLN in assets, while Ahli has under USD 8.0BLN.



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