

GCC Market Performance

- **Bahrain (BAX)** – Bahrain’s BAX closed 3.0% higher in August. We expect Bahrain’s market to remain subdued in September.
- **Kuwait (KSE)** – Kuwait’s KSE increased 3.1% in August. We expect Kuwait market to remain in pressure in September owing to lower demand for oil on account of rising Delta virus in the biggest oil consumer region.
- **Oman (MSM)** – Oman’s MSM declined **1.6%** in August. We anticipate the Oman’s bourses to be positive in September aided by eased in lockdown restriction, which may lead to pick up business activities during the month.
- **Qatar (DSM)** – Qatar’s DSM increased 3.2% in August. We anticipate Qatar’s markets to remain volatile in September.
- **Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 2.8% in August. The market is expected to remain positive in September supported by economic stimulus as global economy still not recovered from the COVID-19.
- **UAE (DFM and ADX)** – The UAE’s ADX surged 5.01% and DFM increased 4.96% in August. We expect market in September would remain steady as the local economy receives a boost from the travel restrictions drop for vaccinated people.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,645.41	3.03	10.45	11.60	3.35
Kuwait (KSE)	6,786.81	3.13	22.37	32.06	1.77
Oman (MSM)	3,966.75	(1.58)	8.42	12.65	3.90
Qatar (DSM)	11,092.90	3.16	6.29	16.87	2.64
Saudi Arabia (TASI)	11,319.24	2.78	30.26	27.45	2.27
UAE (ADX)	7,684.62	5.01	52.31	23.61	3.00
UAE (DFM)	2,902.97	4.96	16.49	21.43	2.68

Source: Bloomberg

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 1.5%. According to Information & e-Government Authority, Bahrain’s inflation rose 0.3% YoY in July 2021.
- **Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 0.7% 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 3.1% YoY in April 2021.
- **Oman** – As per IMF estimates, Oman’s economy is projected to grow 1.8% this year, and inflation is estimated to rise by 3.8%. According to National Centre for Statistics and Information, Oman’s Inflation increased 2.19% YoY in July 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 2.4%. According to Planning and Statistics Authority, Qatar’s consumer price index increased 3.13% YoY in July 2021.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 2.4% in 2021, compared to an estimated **4.1%** 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 stood at 0.4% in July as against 6.2% in June.
- **UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 3.1% this year, and inflation is projected to rise by 2.9%. In May, UAE’s inflation fell YoY as compared to a decline in April 2021.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	1.5	1.60	2.25
Kuwait	0.7	2.3	0.35	0.875
Oman	1.8	3.8	1.05	0.50
Qatar	2.4	2.4	1.50	1.00
Saudi Arabia **	2.4	2.7	0.12	1.00
UAE	3.1	2.9	0.80	0.65

Source: IMF World Economic Outlook Update (April 2021), Central Bank, Bloomberg

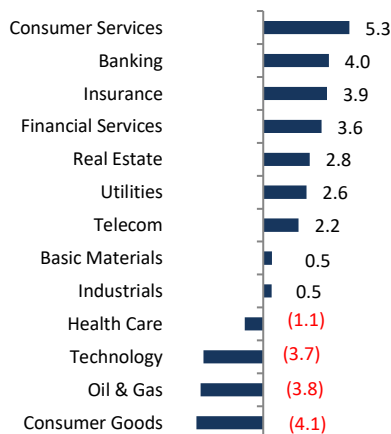
* 2021 forecast, **Discount rate of Kuwait, ** Based on IMF July 2021 outlook.

Kuwait –Sector Returns and Value Traded

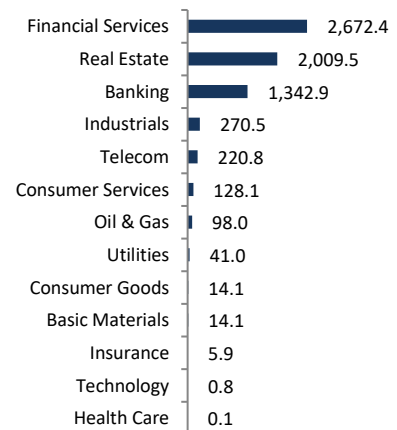
- **Consumer Services:** The sector closed 5.3% up at 1,089.8 points in August. Among stocks, Oula Fuel Marketing Co. (up 16.5%) led the gainers, followed by Soor Fuel Marketing Company (up 14.6%), while Palms Agro Production Co. (down 19.6%) was the top decliners. Total volume and turnover stood at 128.1mn shares and KWD24.2mn, respectively.
- **Consumer Goods:** The sector declined 4.1% to end at 740.0 points during the month. Mezzan Holding Co (down 5.1%) decreased the most. Total volume and turnover made stood at 14.1mn shares and KWD8.2mn, respectively.

Source: KSE

Sector Returns (%) (KSE IXW)



Value Traded (KWDmn) (KSE IXW)



Commodity Tracker

- Gold ended the month at \$1,813.6/troy oz., was flat MoM in August 2021. Gold prices are expected to rise in September driven by surge in Delta virus cases, which may lead investor to move towards safe haven asset.
- Brent crude closed at \$73.0 per barrel in August 2021, representing a negative return of 4.4% MoM. Oil prices are expected to remain under pressure in September as OPEC+ producers likely to increase production level.
- Silver ended the month at \$23.9/troy oz., registering a negative return of 6.3% MoM. Silver prices are likely to gain in September mainly due to fall in US dollar against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,813.6	0.0%	(4.5)
Brent Crude (USD/bbl)	73.0	(4.4)	40.9
Silver (USD/troy oz.)	23.9	(6.3)	(6.0)

Source: Bloomberg

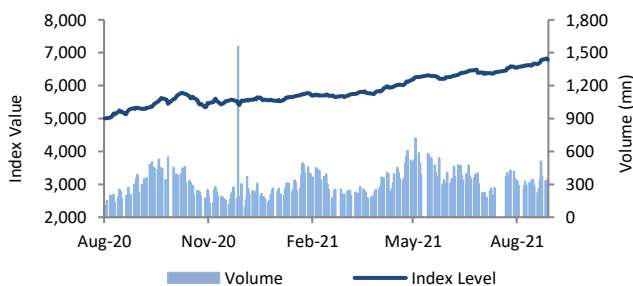
Stock Watch (Kuwait)

Shuaiba Industrial Co. (up 33.9%) was the top gainer, while Al-Mazaya Holding Co. (down 28.2%) was the top loser in August 2021.

Name	M Cap (KWDmn)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
PAPER	21.93	221.00	33.94	42.58	0.29	20.55	1.18
NOOR	113.35	287.00	24.78	68.82	4.81	7.23	1.46
COAST	44.41	95.50	22.59	96.91	29.63	NA	0.91
WARBACAP	7.77	77.70	19.54	59.88	7.76	NA	0.97
RKWC	37.31	74.60	18.41	14.77	65.75	30.36	0.60
TOP LOSERS							
MAZAYA	48.79	77.50	(28.24)	35.49	743.30	30.36	0.60
GFC	1.28	32.10	(25.17)	(46.50)	0.03	NA	0.75
PAPCO	2.62	50.00	(19.61)	(22.60)	0.02	NA	0.57
ALKOUT	50.45	500.00	(18.03)	(25.93)	0.01	NA	0.43
UNICAP	15.56	69.60	(13.97)	65.71	13.36	6.17	2.04

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

Kuwait (KSE)



Source: Bloomberg

Monthly market updates

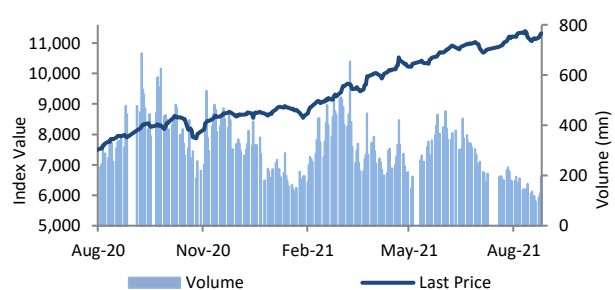
- Kuwait's All Share Index closed 3.8% higher at 6,828.4 points in August 2021. The total traded volume increased by 56.8% MoM to 6.8bn, the number of deals rose by 37.6% MoM to 245,628, and the total value traded jumped by 69.3% MoM to KWD1.3bn.
- As per the second estimates released by the Bureau of Economic Analysis, the US' real GDP grew at an annualized rate of 6.6% QoQ in Q2 2021, driven by an increase in personal consumption expenditures (PCE), non-residential fixed investments, and state and local government spending.
- According to flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose by 2.0% QoQ in Q2 2021, after declining 0.3% in Q1 2021.
- In Asia, the latest data released by the National Bureau of Statistics showed that China's Consumer Price Index (CPI) rose by 1.0% YoY in July 2021, down from 1.1% YoY in June 2021.
- According to the Statistics Bureau of Japan, the country's CPI declined by 0.3% YoY in July 2021, after declining by 0.5% YoY in June 2021.

Stock Watch (Saudi Arabia)

Tanmiah Food Co. (up 67.2%) led the gainers, while Gulf General Cooperative Insurance Co. (down 14.9%) declined the most.

Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
TANMIAH	2240.00	112.00	67.16	67.16	31.90	37.70	6.06
FITNESS TIME	4960.70	94.70	26.60	22.51	12.38	70.88	7.00
BUPA ARABIA	20040.00	167.00	21.01	36.66	3.78	26.23	5.02
ALBILAD	32062.50	42.75	16.49	50.79	39.49	20.43	2.81
GASCO	3855.00	51.40	14.99	68.52	12.68	18.45	2.30
TOP LOSERS							
GULF GENERAL	848.00	16.96	(14.86)	17.29	52.38	NM	7.19
SPCC	10,402.00	74.30	(12.79)	(11.86)	4.27	18.54	3.25
SPIMACO	6,336.00	52.80	(12.58)	34.69	5.26	66.38	3.40
GULF UNION ALAHLIA	436.46	19.02	(10.62)	(6.76)	7.99	NM	2.58
MASHAAR REIT	612.47	10.70	(10.23)	33.75	24.75	NM	1.24

Saudi Arabia (TASI)



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