

GCC Market Performance

- **Bahrain (BAX)** – Bahrain’s BAX closed 3.7% higher in September. We expect Bahrain’s market to remain volatile in October.
- **Kuwait (KSE)** – Kuwait’s KSE increased 1.2% in September. We expect Kuwaiti market to remain higher in October owing to higher demand for oil on account of rising consumption across the globe.
- **Oman (MSM)** – Oman’s MSM declined 0.6% in September. We anticipate the Oman’s bourses to be positive in October aided by economic recovery and elevated oil price.
- **Qatar (DSM)** – Qatar’s DSM increased 3.5% in September. We anticipate Qatar’s markets to remain positive in October owing to higher oil price.
- **Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 1.6% in September. The market is expected to remain positive in October with positive investor sentiments and firmed oil prices.
- **UAE (DFM and ADX)** – The UAE’s ADX surged 0.2% and DFM decreased 2.0% in September. We expect market in October would remain higher as the continued improvement in business conditions across the UAE.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,705.56	3.66	14.48	12.00	3.24
Kuwait (KSE)	6,864.83	1.15	23.78	27.50	1.87
Oman (MSM)	3,942.50	(0.61)	7.75	11.73	3.96
Qatar (DSM)	11,485.23	3.54	10.05	17.47	2.55
Saudi Arabia (TASI)	11,495.76	1.56	32.29	27.86	2.29
UAE (ADX)	7,698.82	0.18	52.59	23.86	3.00
UAE (DFM)	2,845.49	(1.98)	14.19	21.01	2.74

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 2.95% YoY in August 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 0.3% in August as against 0.4% in July.
- **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 July, UAE’s inflation fell 0.02% as compared to 0.51% decline in June 2021.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	1.5	1.56	2.25
Kuwait	0.7	2.3	1.50	0.875
Oman	1.8	3.8	2.15	0.50
Qatar	2.4	2.4	1.11	1.00
Saudi Arabia **	2.4	2.7	0.80	1.00
UAE	3.1	2.9	0.37	0.65

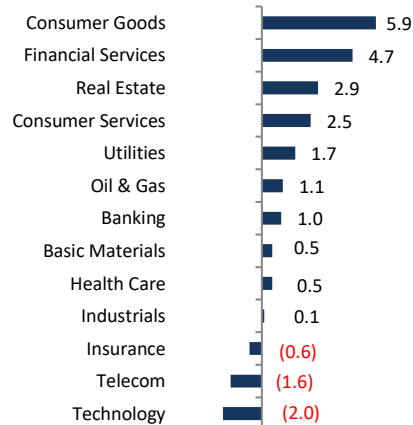
Source: IMF World Economic Outlook Update (April 2021), Central Bank, Bloomberg
* 2021 forecast, **Discount rate of Kuwait, ** Based on IMF July 2021 outlook.

Kuwait –Sector Returns and Value Traded

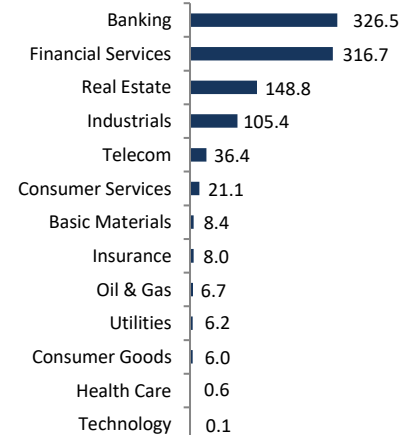
- **Consumer Goods:** The sector ended 5.9% higher at 783.5 points during the month. Mezzan Holding Co (up 6.9%) increased the most. Total volume and turnover stood at 10.3mn shares and KWD6.0mn, respectively.
- **Technology:** The sector closed at 714.4 points, down 2.0% from the previous month. Automated Systems Company (down 2.0%) was the only loser. Total volume and value traded stood at 844,717 and KWD84,211060, respectively.

Source: KSE

Sector Returns (%) (KSE IXW)



Value Traded (KWDmn) (KSE IXW)



Commodity Tracker

- Gold ended the month at \$1,757.0/troy oz., was down **3.1%** MoM in September 2021. Gold prices are expected to remain subdued in October as firmer US dollar and higher bond yields amid increased expectations of Fed's monetary tightening.
- Brent crude closed at \$78.5 per barrel in September 2021, representing a positive return of 7.6% MoM. Oil prices are expected to remain higher in October as OPEC+ producers likely to increase production level gradually despite rising demand in the market.
- Silver ended the month at \$22.2/troy oz., registering a negative return of **7.2%** MoM. Silver prices are likely to remain lower in October mainly due to rise in US dollar against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,757.0	(3.1)	(7.4)
Brent Crude (USD/bbl)	78.5	7.6	51.6
Silver (USD/troy oz.)	22.2	(7.2)	(12.7)

Source: Bloomberg

Stock Watch (Kuwait)

National Consumer Holding Co. (up 124.8%) was the top gainer, while Al-Madar Finance And Investment Co. (down 21.7%) was the top loser in September 2021.

Name	M Cap (KWDmn)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
NCCI	16.47	183.00	124.82	274.23	189.65	NA	2.30
HCC	9.00	180.00	98.24	97.80	0.04	NA	0.95
GFC	2.39	59.90	86.60	-0.17	0.32	NA	1.11
WARBACAP	12.80	128.00	64.74	163.37	15.14	NA	1.59
MARAKEZ	9.37	67.50	43.62	144.57	1.01	NA	0.41
TOP LOSERS							
MADAR	22.36	108.00	(21.74)	18.55	1.01	NA	1.04
MRC	10.90	121.00	(15.97)	127.87	0.00	NA	1.39
INVESTORS	9.22	14.80	(13.45)	(15.43)	1.81	NA	0.73
AGHC	24.42	148.00	(11.90)	(25.25)	0.20	35.16	0.81
ALKOUT	45.30	449.00	(10.20)	(33.48)	NA	NA	1.87

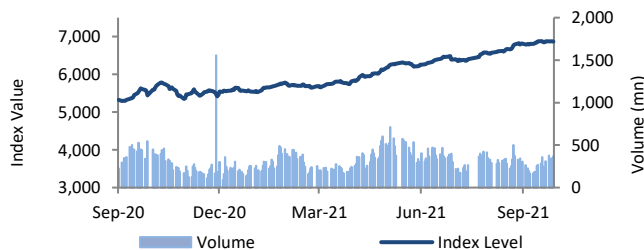
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

Stock Watch (Saudi Arabia)

SABIC Agri-Nutrients Co. (up 38.0%) led the gainers, while Al Sagr Cooperative Insurance Co. (down 15.1%) declined the most.

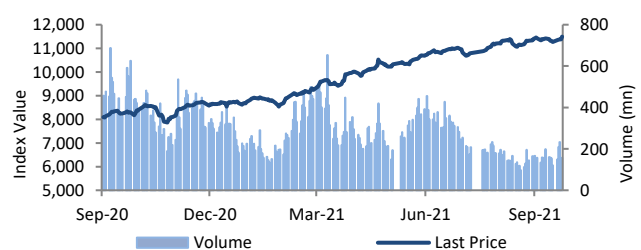
Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
SABIC AGRI-NUTRIENTS	82,354.12	173.00	37.96	114.64	11.52	43.56	7.10
SIPCHEM	32,120.00	43.80	31.53	152.89	88.89	20.47	2.41
SOLUTIONS	23,544.00	196.20	29.93	29.93	0.62	-	-
CHEMANOL	2,418.11	35.85	25.35	55.46	73.20	NM	2.78
NASEEJ	788.89	128.00	21.90	29.29	20.32	NM	17.47
TOP LOSERS							
ALSAGR INSURANCE	584.00	14.60	(15.12)	(6.29)	17.10	-	-
SHAKER	1,660.05	26.35	(12.60)	63.46	36.54	70.21	2.72
ARDCO	4,888.89	27.50	(11.86)	60.07	20.74	12.45	2.29
SPIMACO	5,586.00	46.55	(11.84)	18.75	8.55	58.52	2.99
BUPA ARABIA	17,904.00	149.20	(10.66)	22.09	2.02	23.43	4.48

Kuwait (KSE)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly market updates

- Kuwait's All Share Index closed 0.7% higher at 6,873.6 points in September 2021. The total traded volume declined by **14.3%** MoM to 5.8bn, the number of deals fell by **8.0%** MoM to 225,922, and the total value traded decreased by **22.1%** MoM to KWD990.9mn.
- As per the third estimate released by the Bureau of Economic Analysis, US's real GDP grew at an annualized rate of 6.7% QoQ in Q2 2021, driven by an increase in personal consumption expenditures (PCEs), 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 2.2% 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 0.8% YoY in August 2021, after rising 1.0% YoY in July 2021.
- According to the Statistics Bureau of Japan, the country's CPI declined **0.4%** YoY in August 2021, after declining **0.3%** YoY in July 2021.

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