



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)	1,839.6	(4.22)	2.36	6.99	6.09
Kuwait (KWSEAS)	7,408.6	(5.30)	5.19	17.01	3.09
Oman (MSM)	4,122.6	0.16	(0.17)	11.85	5.00
Qatar (DSM)	12,191.3	(5.64)	4.86	15.10	3.57
Saudi Arabia (TASI)	11,523.3	(10.82)	2.14	20.52	2.44
UAE (ADX)	9,374.7	(6.76)	10.44	20.68	2.05
UAE (DFM)	3,223.3	(3.70)	0.86	10.99	2.79

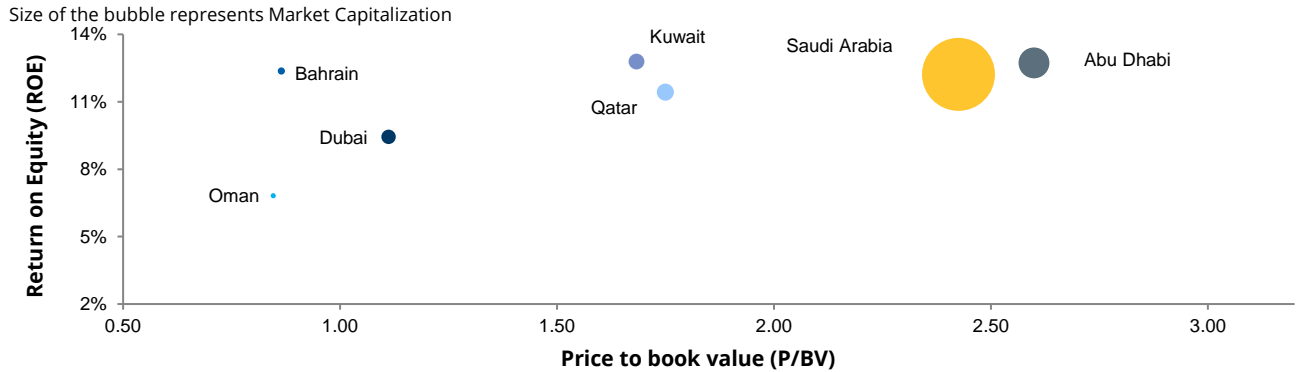
Market Highlights

All GCC indices except Oman's MSM ended in negative territory, during the month of June. Saudi Arabia's TASI index (down 10.8%) was the top loser, followed by UAE's ADX (down 6.8%), while Oman's MSM (up 0.2%) was the sole gainer.

- Bahrain's BAX closed 4.2% lower at 1,839.6 points. Among sectors, materials (down 7.5%) was the top loser. Among stocks, GFH Financial Group (down 12.3%) decreased the most, followed by Ithmaar Holding B.S.C. (down 11.1%), while Bahrain National Holding (up 4.4%) was the top gainer. In July, we expect Bahrain's market to follow the trend in oil prices.
- Kuwait's All Share Index closed 5.3% lower at 7,408.6 points. Among sectors, Consumer Goods (down 19.1%) decreased the most. On the contrary, Technology (up 4.3%) rose the most. Jiyad Holding Company (down 48.1%) was the top loser, while The Energy House Company (up 13.5%) was the top gainer. We estimate the Kuwaiti market to slightly decline in July as effect of inflation a decreasing oil prices, as it is expected to gradually decline from its all-time high price.
- Oman's MSM was up 0.2% at 4,122.6 points. Among sectors, Financials (up 0.9%) was the top gainer. Among stocks, Al Batinah Development & Investment Holding Co. (up 17.8%) increased the most, followed by Oman Investment & Finance Co. (up 12.3%), while Oman Chromite (down 26.9%) was the top loser. We anticipate Oman's bourses to slightly decline in July because majority of GCC market has negative sentiment.
- Qatar's DSM decreased 5.6% to close at 12,191.3 points. Among sectors, Industrials (down 9.0%) decreased the most, while Telecom (up 2.4%) rose the most. Among stocks, Qatar First Bank (QFC) (down 18.9%) was the top loser, followed by Qatar German for Medical Devices (down 18.7%), while Qatar Industrial Manufacturing (up 13.2%) increased the most. We anticipate Qatar's market to be volatile in July.
- Saudi Arabia's TASI decreased 10.8% to close at 11,523.3 points. Among sectors, Media and Entertainment (down 22.7%) decreased the most, while Utilities (down 2.8%) declined the least. Among stocks, Saudi Industrial Export Co. (down 65.0%) declined the most, followed by Arab Sea Information System Co. (down 63.0%), while Saudi Arabian Cooperative Insurance Co. (up 20.2%) rose the most. The market is expected to remain stable in July as the global markets and GCC markets have a negative sentiment adhering soaring inflations and expected minor decline in oil prices.
- The ADX ended 6.8% lower at 9,374.7 points. Among sectors, Telecommunications (down 2.1%) was the top loser, while Consumer Discretionary rose the most (up 5.6%). Among stocks, Easy Lease Motorcycle Rental PJSC (down 24.2%) declined the most, followed by Al Dar Properties (down 14.1%), while Invictus Investment Company PLC (up 31.5%) rose the most.
- The DFM ended 3.7% lower at 3,223.3 points. Among sectors, Investment & Financial Services (down 10.1%) was the top loser, followed by Industrials (down 8.1%). Among stocks, Emirates Refreshments Company (down 65.2%) declined the most, followed by Dubai Financial Market PJSC (down 24.9%), while Al Firdous Holdings PJSC (up 19.6%)

rose the most. In July, we expect the UAE markets to slightly decline; as fuel prices are expected to lower from their all-time high level along with inflation effects.

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 rate in Bahrain for May 2022 remained stable at 3.5% YoY compared with April 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 4.7% YoY in April 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 is at 2.40% in May 2022, as compared with 2.67% in May 2021.
- **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 May 2022 reached 103.13 points, up 1.34% MoM and 5.18% YoY.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 7.6% in 2022, and inflation is expected to increase by 2.5% this year. According to the General Authority for Statistics (GASTAT), Saudi Arabia’s GDP growth increased 9.9% YoY in Q1 2022.
- **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%. Dubai’s GDP grew 5.9% to AED 102.0BLN (USD 27.8BLN) in Q1 2022 from 6.2% recorded in 2021, aided by strategic initiatives and economic stimulus programs.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	3.5	3.15	3.75
Kuwait	8.2	4.8	2.03	1.63
Oman	5.6	3.7	2.29	2.25
Qatar	3.4	3.5	2.45	2.50
Saudi Arabia	7.6	2.5	3.11	2.25
UAE	4.2	3.7	1.77	2.15

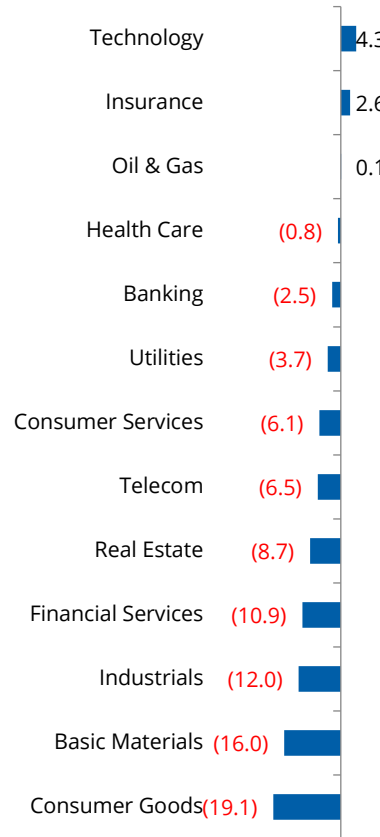
Source: IMF World Economic Outlook Update (April 2022), Central Bank, Bloomberg

Kuwait –Sector Returns and Value Traded

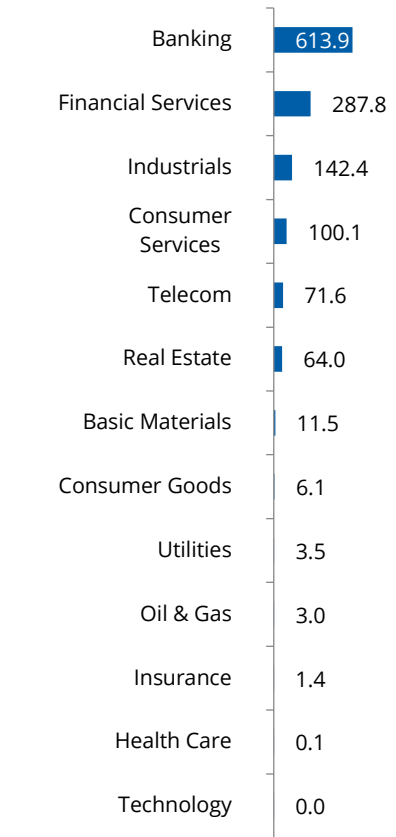
- **Technology:** The sector closed 4.3% higher at 698.4 points during the month. Automated Systems Company being the only company in the sector rose 4.3%. Total volume and value traded stood at 0.08MM and KWD 0.01MM respectively.
- **Consumer Goods:** The sector ended 19.1% lower at 527.4 points during the month. Mezzan Holding Co rose (down 20.9%) declined the most, followed Livestock Transport & Trading Co. (down 9.5%). Total volume and turnover stood at 13.6MM shares and KWD 6.1MM, respectively.

Source: KSE

Sector Returns (%)



Value Traded (KWD MM)



Commodity Tracker

- Gold ended the month at \$1,807.3/troy oz., was down 1.6% MoM in June 2022. In July, gold prices are estimated to decline as Federal Reserve is expected to raise interest rates as a response to curtail inflation.
- Brent crude closed at \$114.8 per barrel in June 2022, representing a negative return of 6.5% MoM. Oil prices are projected to remain stable or slightly decline in July 2022 recovering back from all-time high levels amidst inflation and rising global demand.
- Silver ended the month at \$20.3/troy oz., registering a negative return of 5.9% MoM. Silver prices are projected to further decline in July due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,807.3	(1.6)	(1.2)
Brent Crude (USD/bbl)	114.8	(6.5)	47.6
Silver (USD/troy oz.)	20.3	(5.9)	(13.0)

Stock Watch (Kuwait)

The Energy House Company (up 13.5%) was the top gainer, while Jiyad Holding Company (down 48.1%) was the top loser.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
ENERGYH	36.68	48.90	13.46	(22.50)	2.51	15.49	1.84
CGC	76.64	448.00	13.42	26.55	24.42	7.27	1.60
FUTUREKID	10.87	94.80	12.72	20.46	11.97	286.40	0.84
WETHAQ	4.21	38.20	11.05	(24.95)	2.16	14.16	0.34
AQAR	17.01	72.60	10.00	(7.87)	0.91	19.40	0.59
TOP LOSERS							
JIYAD	3.29	17.90	(48.12)	(77.82)	161.99	NA	0.20
NRE	300.22	160.00	(31.62)	(27.60)	61.97	1.44	0.74
AGLTY	2,053.53	813.00	(29.18)	(13.97)	75.77	57.14	1.13
TIJARA	18.43	49.80	(26.98)	(18.49)	63.54	9.84	0.46
SPEC	15.34	94.90	(26.43)	(25.86)	NA	13.31	0.52

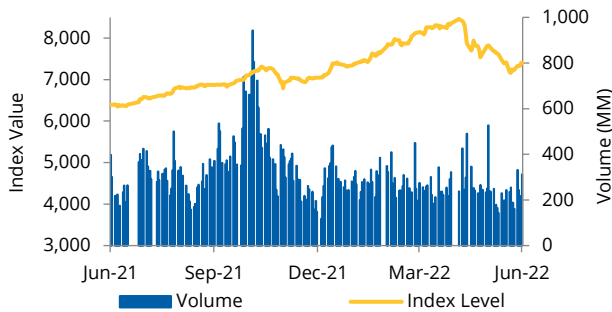
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful`

Stock Watch (Saudi Arabia)

Saudi Arabian Cooperative Insurance Co. (up 20.2%) rose the most, while Saudi Industrial Export Co. (down 65.0%) declined the most

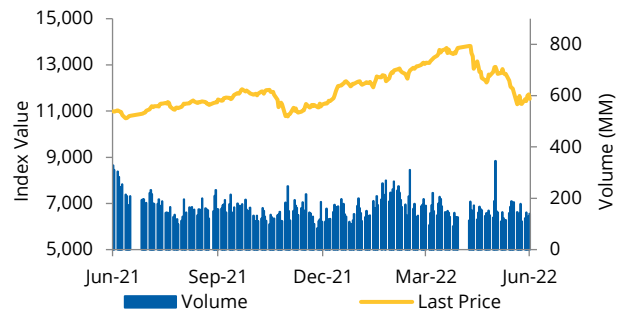
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
SAICO	672.00	22.40	20.17	2.10	6.64	NM	2.24
ATAA	2,456.00	61.40	12.04	6.04	2.19	26.27	3.18
HCC	1,337.31	13.66	3.33	2.86	10.69	138.67	1.22
NCLE	2,567.10	59.70	3.11	(0.50)	0.81	48.98	4.17
RETAL	4,920.00	123.00	2.50	2.50	6.11	NA	NA
TOP LOSERS							
SIECO	673.60	34.65	(64.96)	(11.29)	55.30	NM	83.37
ARAB SEA	652.00	65.20	(62.95)	(66.73)	36.40	35.58	4.54
DWF	546.60	182.20	(30.51)	(35.48)	2.86	NM	8.00
AMANA INSURANCE	504.82	11.74	(30.29)	(43.64)	32.49	NA	NA
ENAYA	263.40	17.56	(29.19)	(43.54)	10.53	NA	NA

Kuwait (KWSEAS)



Source: Bloomberg

Saudi Arabia (TASI)

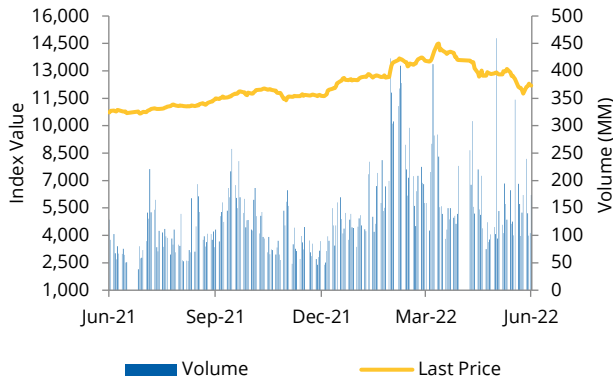


Monthly Market Updates

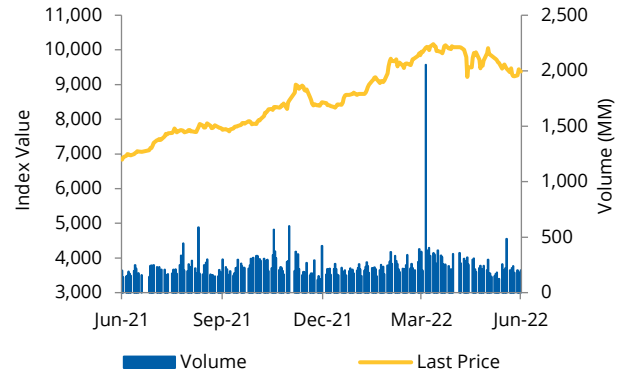
- Kuwait's All Share Index closed 5.3% MoM lower at 7,408.57 points in June 2022. The total volume traded decreased 17.9% MoM to 4.2BLN, number of deals declined 11.9% MoM to 271,044, and total value traded was down 24.3% MoM to KWD 1,213.4MM. Fall in the market was mainly driven by the financial services and industrials sectors.
- As per the third estimate released by the Bureau of Economic Analysis, real GDP of the US dropped at an annualized rate of 1.6% YoY in Q1 2022 compared to the 6.9% YoY increase in Q4 2021
- According to a flash estimate released by Eurostat, seasonally adjusted GDP in the Euro area grew 0.6% QoQ in Q1 2022, after rising 0.2% QoQ in Q4 2021.
- The UK's GDP is estimated to increase by 0.8% QoQ in Q1 2022 and by 8.7% compared with Q1 2021.
- Based on the latest data released by the National Bureau of Statistics, China's CPI remained stable at the 2.1% YoY increment in May 2022, same as the April 2022 YoY increase.
- According to the Statistics Bureau of Japan, CPI remained stable at the 2.5% YoY increment in May 2022, same as the April 2022 YoY increment.

GCC Benchmark Indices – Market Movements

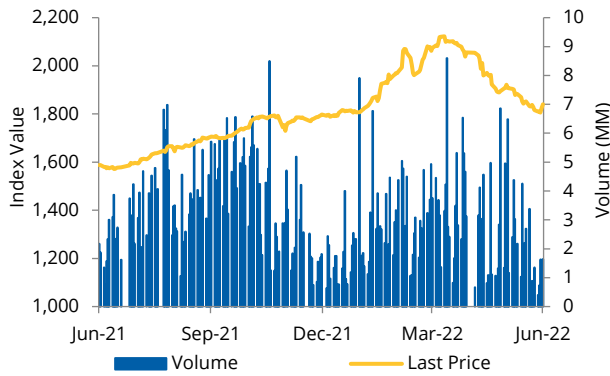
Qatar (DSM)



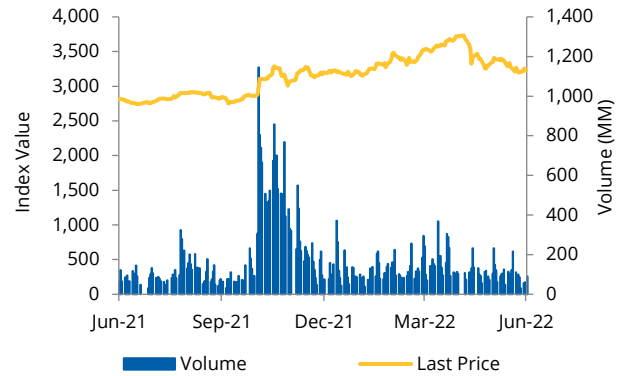
Abu Dhabi (ADX)



Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



GCC Markets – Economy and Industry News

Saudi Arabia

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's GDP growth increased 9.9% YoY in Q1 2022, driven by an increase in oil activities by 20.3%, non-oil activities by 3.7%, and government activities by 2.4% YoY.
- The Consumer Price Index (CPI) rose 2.2% YoY, slightly below April's inflation rate of 2.3% YoY, due to the rising prices of food and beverages and transport by 4.2% and 4.0%, respectively.
- Overall, merchandise exports surged 98.0% YoY in April 2022 to SAR 137.1BLN, mainly driven by a rise in oil exports by 123.0% YoY. Non-oil exports (including re-exports) increased 36.6% YoY in April 2022. The share of oil exports in total exports reached 80.0% in April 2022 from 71.1% in April 2021.
- According to GASTAT, Saudi Arabia's per capita GDP amounted to SAR 26,961 in Q1 2022, up 33.80% YoY compared with Q1 2021, and 13.60% QoQ as compared with Q4 2021.
- As per the Ministry of Industry and Mineral Resources, Saudi Arabia's industrial sector investments stood at SAR 1.35TLN (USD 361.0BLN) in April 2022.
- Saudi Export-Import Bank (Saudi EXIM) approved loans amounting to SAR 1.7BLN (USD 450.0MM) in 2021, of which SMEs accounted for 51% of the financing. About 24.5% of total loans were issued to the food products sector, 10.5% to the iron and steel sector, and 8.4% to the rubber and plastics sector.

UAE

- Dubai's GDP grew 5.9% to AED 102.0BLN (USD 27.8BLN) in Q1 2022 from 6.2% recorded in 2021, aided by strategic initiatives and economic stimulus programs.
- According to the Federal Competitiveness and Statistics Centre, the UAE's inflation increased 3.35% in Q1 2022 due to rising prices in 11 main sectors, whereas CPI climbed to 102.70 points in Q1 2022 from 99.37 points in Q1 2021.
- The Central Bank of the UAE revised its estimate for the country's real GDP to reach 4.2% in 2023, up from its previous projection of 3.3%. According to its annual report for 2021, the bank projected non-oil GDP growth would reach 3.9% in 2023, up from its previous estimate of 3.3%.
- According to the United Nations Conference on Trade and Development, the UAE ranked first among Arab countries and 19th all over the world for attracting for FDIs. The oil, gas, and energy sector was responsible for 59% of the total FDIs in the UAE in 2021.

Qatar

- Qatar's CPI for May 2022 reached 103.13 points, up 1.34% MoM and 5.18% YoY.
- Qatar's foreign merchandise trade balance was in surplus by QAR 36.6BLN in May 2022, up 120.1% YoY and 7.0% MoM, as exports totaled QAR 45.3BLN (up 81.9% YoY) and imports stood at QAR 8.8BLN (up 5.5% YoY).
- FIFA World Cup Qatar 2022, which is set to be begin in November 2022, is expected to add USD 17.0BLN to the Qatari economy, according to a top official.

Bahrain

- According to the Information & e-Government Authority, the inflation rate in Bahrain for May 2022 remained stable at 3.5% YoY compared with April 2022.

Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation is at 2.40% in May 2022, as compared with 2.67% in May 2021.
- As per the National Center for Statistics and Information (NCSI), the volume of FDI flows in Q1 2022 amounted to OMR 2.87BLN. FDI rose 19% to OMR 17.94BLN in Q1 2022 compared to OMR 15.07BLN in Q1 2021.

GCC Corporate Developments

Saudi Arabia

- The National Debt Management Centre (NDMC) wrapped up Saudi riyal denominated sukuk issuance amounting to SAR 5.4BLN, with a first tranche of SAR 2.9BLN maturing in 2030 and a second tranche of SAR 2.6BLN maturing in 2034.
- Fawaz Abdulaziz Alhokair Company, along with two other subsidiaries of the Saudi Alhokair Family, acquired 5.0% stake in valU, a subsidiary of Egyptian Financial Group Hermes Holding (EFG Hermes). In this transaction, Alhokair would be paying USD 12.4MM at valU's valuation of USD 247.4MM.
- The Public Investment Fund (PIF) acquired 24.0% stake for JOD 131.2MM in the Capital Bank of Jordan, where the bank's capital will be increased by issuing new shares in favor of PIF.
- National Petroleum Construction Company, being a wholly owned subsidiary of National Marine Dredging Company (NMDC), received contracts from Saudi Arabian Oil Company (Aramco) amounting to USD 673.2MM.
- According to a bourse filing, Global Marketing Company for Sleeping Systems (Sleep High), a subsidiary of Saudi Industrial Development Company (SIDC), finalized a three-year agreement with Emdad Logistics for an estimated annual value of SAR 12.7MM. Under the terms of the agreement, Emdad would be handling the transfer and storage process of Sleep High's products until June 2025.

UAE

- TECOM Group raised AED 1.70BLN through an IPO on Dubai Financial Market by floating 12.5% of capital, implying market capitalization of AED 13.4BLN.
- Abu Dhabi National Energy Company (TAQA) listed nine bonds on the Abu Dhabi Securities Exchange (ADX) amounting to USD 8.3BLN. This is the secondary listing, as the bonds were already listed on the London Stock Exchange (LSE).
- Bupa Arabia for Cooperative Insurance Company's board recommended issuance of one bonus share for every four owned shares, increasing capital by 25% to SAR 1.5BLN from SAR 1.2BLN by utilizing retained income reserves.
- Based in the UAE and Saudi Arabia, Cartlow, a reverse logistics platform, received funding of USD 18.0MM in a Series A round. This round was led by KSA-based Alsulaiman Group (ASG), which is also its strategic partner.
- YAP, a Dubai-based digital banking startup, received funding of USD 41.0MM from Saudi Arabia's Aljazira Capital, along with Abu Dawood Group, Astra Group, and Audacia Capital. The proceeds would be used for expansion of its operations across several countries.

Qatar

- Qatar Electricity and Water Company finalized an agreement to sell its land plot Lusail City to Regency Land Real Estate Company at a value of QAR 175.0MM.
- Qatar First Bank LLC (Public) (QFB) is willing to finance a Qatari consortium of investors aiming to acquire 10.8% stake in Ennismore; the stake being held by international hospitality conglomerate group, Accor. Ennismore is one of the world's largest and fastest growing lifestyle hospitality companies.

Bahrain

- GFH Financial Group acquired 2.8MM of its shares (treasury shares); after which, treasury shares accounted for 8.1% of its total issued shares.

Oman

- Alpek, a Mexico-based petrochemicals company, completed all compliance procedures and got requisite approvals to acquire 100% of ownership of Octal, a Salalah-based company, for USD 620.0MM. The deal was financed by free cash flow generated from existing businesses and dedicated bank loans.

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