



أهلي كابيتال
AHLI CAPITAL

AHLI CAPITAL GCC MARKET MONTHLY REPORT 2022

GCC Markets Performance

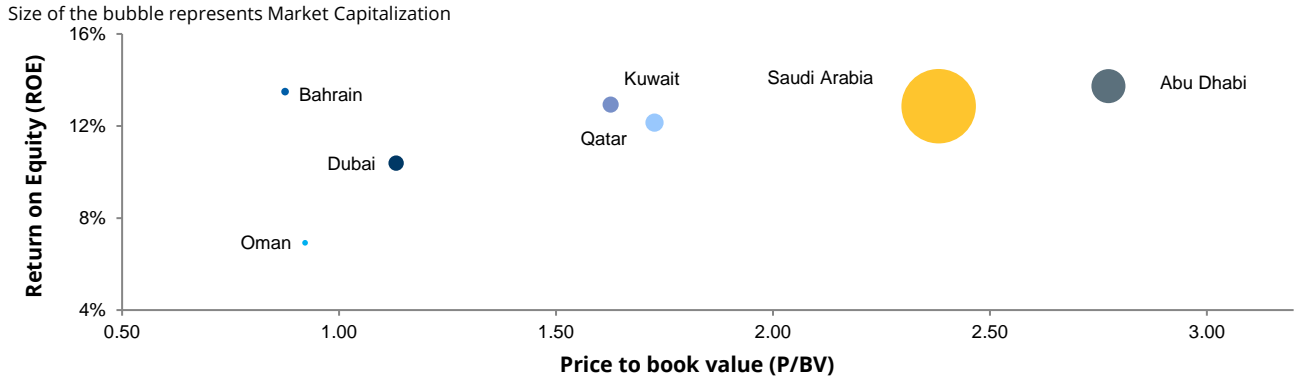
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,882.0	(1.88)	4.71	6.44	5.64
Kuwait (KWSEAS)	7,105.7	(7.83)	0.89	16.20	2.94
Oman (MSM)	4,528.3	(1.24)	9.66	13.12	4.52
Qatar (DSM)	12,695.3	(5.44)	9.20	14.28	3.52
Saudi Arabia (TASI)	11,405.3	(7.15)	1.10	18.84	2.48
UAE (ADX)	9,750.8	(1.25)	14.87	19.52	2.04
UAE (DFM)	3,339.2	(3.02)	4.48	10.26	2.77

Market Highlights

All GCC indices ended in negative territory, during the month of September. UAE's KWSEAS index (down 7.8%) was the top loser, followed by Saudi Arabia's TASI (down 7.2%), while Oman's MSM (down 1.2%) declined the least.

- Bahrain's BAX closed 1.9% lower at 1,882.0 points. Among sectors, Material (down 4.6%) was the top loser. Among stocks, GFH Financial Group (down 14.8%) decreased the most, followed by Bahrain Kuwait Insurance Co. (down 10.0%), while Bahrain Islamic Bank (up 3.9%) was the top gainer. In October, we expect Bahrain's market to follow the trend in oil prices.
- Kuwait's All Share Index closed 7.8% lower at 7,105.7 points. Among sectors, Industries (down 16.2%) declined the most. On the contrary, Health Care (up 6.3%) rose the most. The Energy House Co (down 59.8%) was the top loser, while Palms Agro Production Co. (up 67.6%) was the top gainer. We estimate the Kuwaiti market to rise in October on expectation of increase in demand from China project some positive outlook for oil prices.
- Oman's MSM was down 1.2% at 4,528.3 points. Among sectors, Industry (down 4.6%) was the top loser, followed by Services (down 3.0%). Among stocks, Dhofar Generating (down 20.0%) decreased the most, followed by Jazeera Steel Production (down 14.4%), while Ooredoo (up 5.1%) was the top gainer. We anticipate Oman's bourses to rise in October as OPEC+ group expected to bring down output by more than a million barrels per day.
- Qatar's DSM fell 5.4% to close at 12,695.3 points. Among sectors, Real Estate (down 8.3%) decreased the most, while Insurance (down 1.0%) declined the least. Among stocks, Mannai Corporation (down 39.2%) was the top loser, followed by Aamal Holding (down 17.8%), while Qatar Gas Transport (up 2.5%) increased the most. We anticipate Qatar's market to be stable in October.
- Saudi Arabia's TASI decreased 7.2% to close at 11,405.3 points. Among sectors, Diversified Financials (down 11.5%) decreased the most, while Insurance (down 1.2%) declined the least. Salama Cooperative Insurance Co. (down 25.5%) declined the most, followed by CHUBB Arabia Cooperative Insurance Co. (down 22.3%); while Dallah Healthcare Co. (up 33.5%) increased the most. The market is expected to rise in October as demand for oil expected to increase from China and OPEC+ group planning to cut down its production.
- The ADX ended 1.3% lower at 9,750.8 points. Among sectors, Basic Real Estate (down 13.3%) was the top loser, while Utilities (up 89.8%) rose the most. Among stocks, Commercial Bank International (down 26.8%) declined the most, followed by Hily Holding PJSC (down 21.5%), while Hayah Insurance Company (up 91.0%) declined the most.
- The DFM ended 3.0% lower at 3,339.2 points. Among sectors, Consumer Staples and Discretionary (down 18.0%) was the top loser, followed by Investment and Financial Services (down 9.3%), whereas Industrials (up 23.2%) was the top gainer. Among stocks, Al Firdous Holdings PJSC (down 35.2%) declined the most, followed by SHUAA Capital PSC (down 22.9%), while Mashreqbank PSc (up 45.6%) rose the most. In October, we expect the UAE markets to grow as there is positive sentiment in GCC due to projected higher demand for oil.

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 & eGovernment Authority, the inflation growth rate in Bahrain was 4.0% YoY in August 2022 compared to 3.9% YoY in July 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%. The annual consumer price inflation (CPI) rate increased 4.15% in August 2022 compared to August 2021, as reported by the Central Statistical Bureau.
- **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 decreased to 2.4% in August 2022 from 2.6% in July 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 August 2022 reached 103.78 points, increasing 0.13% MoM and 4.80% 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. In August 2022, the CPI rose 3.0% YoY, higher than July 2022’s inflation rate of 2.7% YoY, due to the rising prices of food and beverages, and transport by 4.0%.
- **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%. Moody’s Investors Service expects the UAE’s real GDP growth to reach between 6% and 7% in 2022, which would support the credit quality of local real estate companies nationwide.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.3	3.5	4.42	5.25
Kuwait	8.2	4.8	2.70	2.38
Oman	5.6	3.7	3.25	3.75
Qatar	3.4	3.5	2.45	4.00
Saudi Arabia	7.6*	2.5	3.51	3.75
UAE	4.2	3.7	3.19	3.15

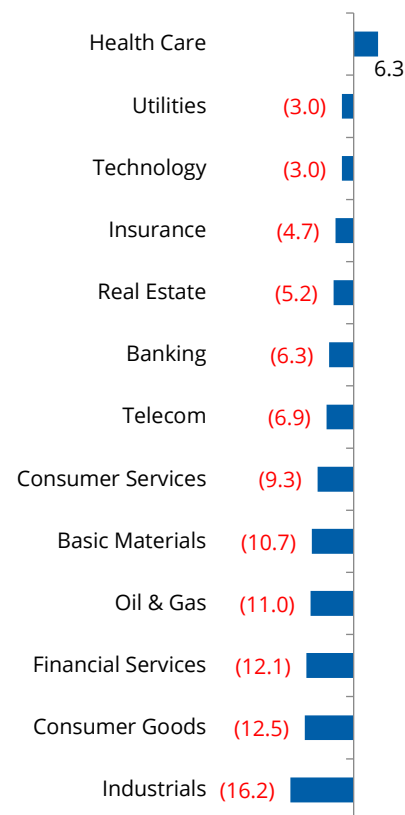
Source: IMF World Economic Outlook Update (* July 2022, for others: April 2022), Central Bank, Bloomberg

Kuwait –Sector Returns and Value Traded

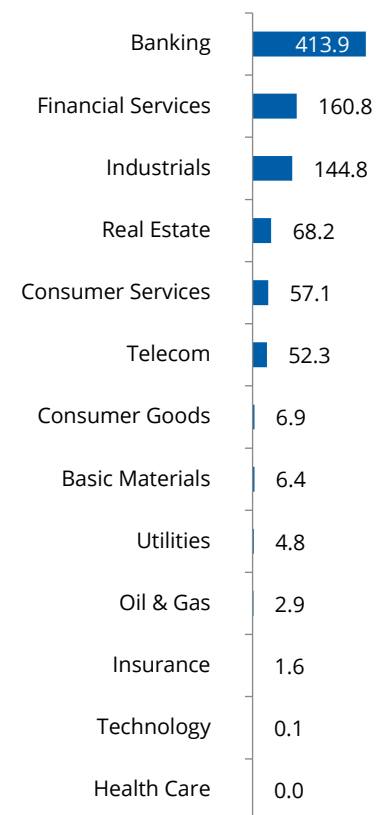
- **Healthcare:** The sector ended 6.3% higher at 459.7 points. Al Maidan Clinic for Oral Health Services Co (up 7.4%) rose the most, whereas Yiaco Medical Co. ended flat. There were 18 deals; quantity and value traded stood at 8,952 and KWD 4,343, respectively.
- **Industrials:** The sector closed 16.2% lower at 1,016.6 points during the month. Acico Industries Co. (down 31.3%) was the top loser, followed by Gulf Cable And Electrical Industries Company (down 26.2%), while Fujairah Cement Industries (up 9.7%) was the top gainer. Total volume, turnover, and deals made stood at 257.6MM shares, KWD 144.8MM and 35,150, respectively.

Source: KSE

Sector Returns (%)



Value Traded (KWD MM)



Commodity Tracker

- Gold ended the month at \$1,660.6/troy oz., was down 2.9% MoM in September 2022. In October, 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 \$88.0 per barrel in September 2022, representing a negative return of 8.8% MoM. Oil prices are projected to increase in October 2022 as higher demand is expected from China, and OPEC+ group is expected to cut its production.
- Silver ended the month at \$19.0/troy oz., registering a positive return of 5.8% MoM. Silver prices are projected to decline in October due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,660.6	(2.9)	(9.2)
Brent Crude (USD/bbl)	88.0	(8.8)	13.1
Silver (USD/troy oz.)	19.0	5.8	(18.4)

Stock Watch (Kuwait)

Palms Agro Production Co. (up 67.6%) was the top gainer, while The Energy House Co (down 59.8%) declined the most.

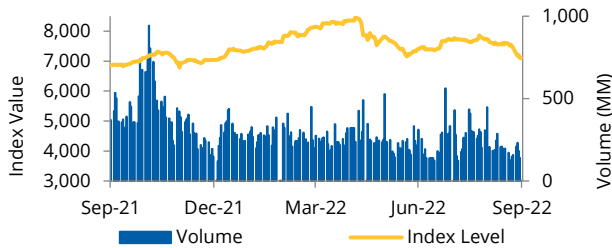
Stock Watch (Saudi Arabia)

Dallah Healthcare Co. (up 33.5%) rose the most, while Salama Cooperative Insurance Co. (down 25.5%) declined the most.

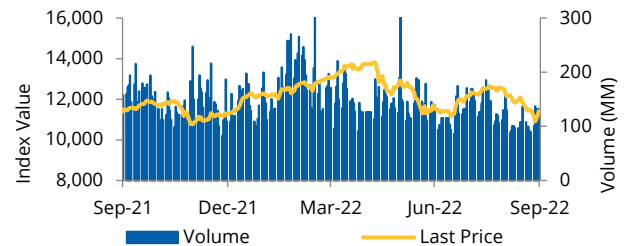
Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B	Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS								TOP GAINERS							
PAPCO	4.01	76.60	67.61	12.32	0.00	NA	0.78	DALLAH HEALTH	14,220.00	158.00	33.45	110.39	3.89	43.57	7.03
THURAYA	24.91	170.00	41.67	61.90	0.89	25.07	1.47	TANMIAH	2,112.00	105.60	29.41	28.62	8.77	91.51	5.59
GIH	165.85	408.00	25.93	36.00	15.30	NA	3.82	CARE	3,247.14	72.40	15.10	15.65	6.94	22.88	2.82
MADAR	20.76	100.30	15.29	(15.71)	1.11	NA	0.95	ALAMAR	3,442.50	135.00	12.50	17.39	3.87	27.90	9.95
TAMINV	161.77	475.00	10.47	25.33	1.58	12.15	0.54	DAR ALARKAN	17,172.00	15.90	12.29	58.05	199.59	43.45	0.88
TOP LOSERS								TOP LOSERS							
ENERGYH	14.40	19.20	(59.83)	(69.57)	14.07	NA	0.76	SALAMA	175.40	17.54	(25.49)	(58.73)	6.31	NM	6.66
IFAHR	17.10	27.70	(36.32)	(48.22)	726.15	188.31	3.83	CHUBB	511.20	17.04	(22.26)	(53.38)	4.88	12.06	1.41
INOVEST	23.56	78.30	(33.64)	(33.64)	30.49	110.82	0.58	ALUJAIN	3,390.80	49.00	(21.85)	(9.26)	9.33	2.13	1.28
ACICO	29.08	88.00	(31.25)	(36.69)	42.75	NA	0.38	ALINMA TOKIO M	594.60	19.82	(21.04)	(36.88)	7.41	NM	3.15
TAHSSILAT	2.84	17.20	(29.51)	(57.21)	0.56	NA	0.57	PETRO RABIGH	22,926.12	13.72	(20.79)	(5.38)	214.10	8.25	2.18

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

Kuwait (KWSEAS)



Saudi Arabia (TASI)



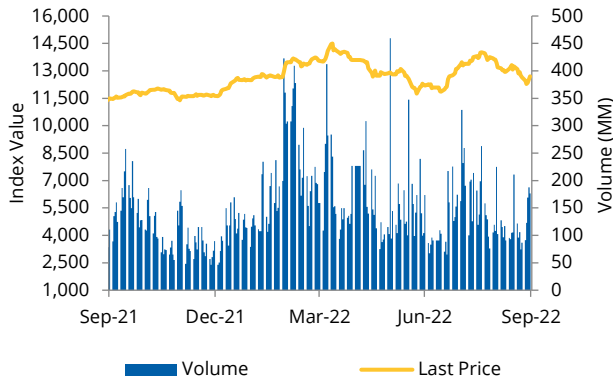
Source: Bloomberg

Monthly Market Updates

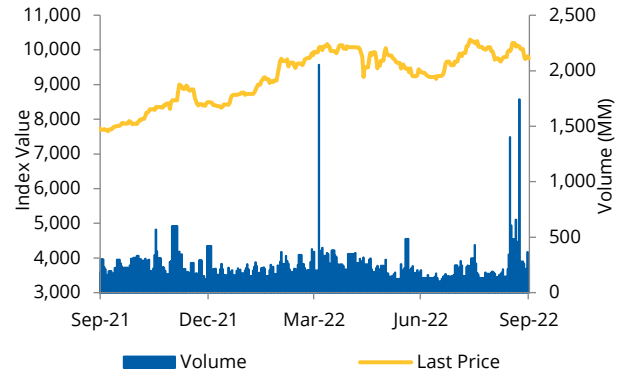
- Kuwait's All Share Index closed 7.8% MoM lower at 7,105.7 points in September 2022. The total volume traded decreased 41.8% MoM to 3.6BLN, number of deals declined 22.5% MoM to 209,526, and total value traded decreased 26.1% MoM to KWD 0.9BLN. The decline in the market was mainly due to the banking and financial services sectors.
- As per the third estimate released by the Bureau of Economic Analysis, US real GDP growth reduced at an annualized rate of 0.6% YoY in Q2 2022 as opposed to the 1.6% YoY decrease in Q1 2022.
- According to a flash estimate from Eurostat, EU's statistical office, the Euro area's annual inflation rate was expected to be 10.0% in September 2022, up from 9.1% in August 2022. As per the latest data released by the Office for National Statistics, the annual inflation rate (CPI) in the UK climbed 9.9% YoY in August 2022 from 10.1% YoY in July 2022.
- Based on the latest data released by the National Bureau of Statistics, China's CPI unexpectedly dropped to 2.5% YoY in August 2022 from 2.7% YoY in July 2022, below market forecasts of 2.8%.
- According to the Statistics Bureau of Japan, CPI stood at 3.0% YoY in August 2022 compared with the increment of 2.6% YoY in July 2022 on account of the soaring prices of food and raw materials as well as yen weakness.

GCC Benchmark Indices – Market Movements

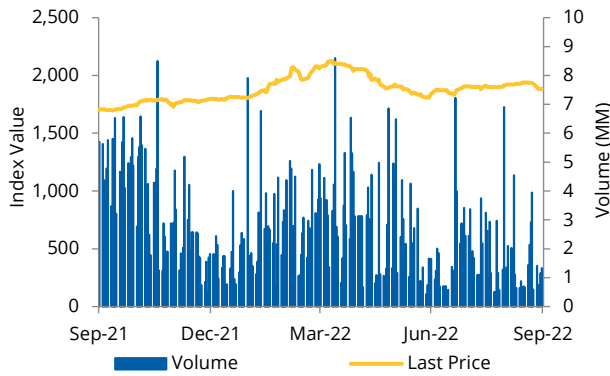
Qatar (DSM)



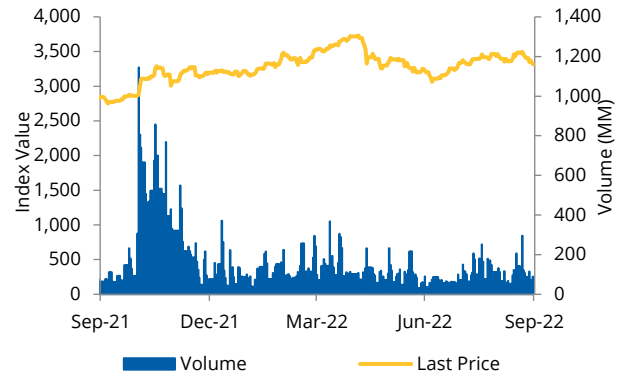
Abu Dhabi (ADX)



Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



GCC Markets – Economy and Industry News

Saudi Arabia

- According to the revised estimates of the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP growth increased 12.2% YoY in Q2 2022, driven by a 22.9%, 8.2%, and 2.4% YoY increase in oil, non-oil, and government activities.
- In August 2022, the CPI rose 3.0% YoY, higher than July 2022's inflation rate of 2.7% YoY, due to the rising prices of food and beverages, and transport by 4.0%.
- Overall, merchandise exports surged 58.8% YoY to SAR 140.8B in July 2022, mainly led by a 68.9% YoY rise in oil exports. Non-oil exports (including re-exports) surged 26.4% YoY in July 2022. The share of oil exports increased to 81.1% in July 2022 from 76.2% in July 2021.
- According to GASTAT, the Industrial Production Index (IPI) of KSA rose 17.7% YoY in July 2022. Growth was driven by an increase in mining and quarrying activity, manufacturing activity, and electricity and gas supplies, which rose YoY by 14.1%, 32.6%, and 5.0%, respectively.

UAE

- The UAE's seasonally adjusted Purchasing Managers' Index (PMI) surged to 56.7 in August 2022 from 55.4 in July 2022, marking the highest record since June 2019.
- Moody's Investors Service expects the UAE's real GDP growth to reach between 6% and 7% in 2022, which would support the credit quality of local real estate companies nationwide.
- The Central Bank of the UAE (CBUAE) hiked its base rate applicable to the Overnight Deposit Facility (ODF) by 75 bps to 3.15% from 2.40%, following a hike by the Federal Reserve. The CBUAE also declared to maintain rate on borrowing short-term liquidity from the CBUAE through all standing credit facilities at 50 bps above the base rate.
- The gross asset value of UAE-based lenders went up 0.2% MoM to AED 3.449TLN in June 2022 from AED 3.442TLN, including bankers' acceptances. Total bank deposits increased to AED 2.09TLN in last June 2022 from AED 2.04TLN in May 2022.

Qatar

- Qatar's foreign merchandise trade balance was in surplus by QAR 36.2BLN in August 2022, up 89.0% YoY and 4.2% MoM, as exports totaled QAR 46.8BLN (up 71.6% YoY) and imports stood at QAR 10.6BLN (up 30.5% YoY).
- Qatar's CPI for August 2022 reached 103.78 points, increasing 0.13% MoM and 4.80% YoY.

Bahrain

- According to the Information & eGovernment Authority, the inflation growth rate in Bahrain was 4.0% YoY in August 2022 compared to 3.9% YoY in July 2022.

Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation decreased to 2.4% in August 2022 from 2.6% in July 2022.
- According to NCSI, Oman's total non-oil exports rose 47.3% to OMR 3.023BLN during January–May 2022 compared to OMR 2.053BLN in the same period last year.

GCC Corporate Developments

Saudi Arabia

- The Saudi Royal Commission for Jubail and Yanbu (RCJY), represented by Jubail and Yanbu Industrial Cities Services Company (JABEEN), inked two contracts with INEOS Europe at an aggregated value of SAR 7.50BLN.
- Maharah Human Resources Company's wholly owned subsidiary Growth Avenue Investment Company acquired 41.36% equity in Care Shield Holding Company for SAR 307.11MM.
- Retail Urban Development Company sold its 50% stake to Maali Holding Company at a value of SAR 67.43MM, located in Al Khobar city.
- National Auto Parts Company (NAP), a subsidiary of Petromin Corporation, acquired leading Indian auto-tech platform SpareIt, an innovative mobile application disrupting the auto service sector in India.
- Saudi Arabia's Public Investment Fund (PIF) signed a non-binding term contract with Seera Group Holding to purchase 30% equity stake in the latter's fully owned subsidiary Almosafer Company for Travel and Tourism in exchange for up to SAR 1.55BLN.

UAE

- International Holding Company (IHC) subsidiary, International Securities, introduced a new global trading and digital onboarding platform for local and international investors.
- ADQ and Oman Investment Authority signed an AED 10.0BLN partnership agreement to facilitate investments between the UAE and Oman in sectors of mutual priority and interest.
- A wholly owned subsidiary of IHC, IHC Digital Holding acquired 54% equity in tech firm Emircom at a value of AED 250.0MM.
- Abu Dhabi National Energy Company (TAQA) received AED 4.0BLN (equivalent to USD 1.09BLN) as refinancing from Mirfa International Power and Water Company (MIPCO), the owner and operator of the Mirfa Power and Water Plant (Mirfa IWPP).

Qatar

- QNB Financial Services decreased its stake in First Investment and Real Estate Development to 2.13% from 12.18% by selling 690,989 shares for a total value of EGP 1.9MM.
- Qatar Airways and British Airways completed the latest phase in the expansion of their partnership, offering global connectivity between more countries than any other airline joint business. Moreover, customers can now travel to 185 destinations across more than 60 countries, additionally benefitting from access to more schedules and price points.

Bahrain

- Bahrain Duty Free Shop Complex announced that Esterad Share Invest reduced its ownership to 5.33% from 5.40% as on September 11, 2022.

Oman

- National Gas Company divested its complete 51% stake in joint venture Unigaz LLC for OMR 407,000.
- Asyad Express signed a strategic partnership agreement with Evri, the UK's largest e-commerce delivery company, for exploring strategic collaboration by setting up a regional courier express parcel (CEP) network serving the Middle East.

Disclaimer

This material was produced by Ahli Capital Investment Company K.S.C.C ('Ahli Capital'), a firm regulated by the Capital Markets Authority (Kuwait). This document is not to be used or considered as an offer to sell or a solicitation of an offer to buy any securities. Ahli Capital may, from time to time to the extent permitted by law, participate or invest in other financing transactions with the issuers of the securities ('securities'), perform services for or solicit business from such issuer, and/or have a position or effect transactions in the securities or options thereof. Ahli Capital may, to the extent permitted by applicable Kuwaiti law or other applicable laws or regulations, effect transactions in the securities before this material is published to recipients. Information and opinions contained herein have been compiled or arrived by Ahli Capital from sources believed to be reliable, but Ahli Capital has not independently verified the contents of this document. Accordingly, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. Ahli Capital accepts no liability for any loss arising from the use of this document or its contents or otherwise arising in connection therewith. This document is not to be relied upon or used in substitution for the exercise of independent judgment. Ahli Capital shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by Ahli Capital for, or sent by Ahli Capital to any person and any such person shall be responsible for conducting his own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Opinions and estimates constitute our judgment and are subject to change without prior notice. Past performance is not indicative of future results. This document does not constitute an offer or invitation to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. Neither this report nor any copy hereof may be distributed in any jurisdiction outside Kuwait where its distribution may be restricted by law. Persons who receive this report should make themselves aware of and adhere to any such restrictions. By accepting this report you agree to be bound by the foregoing limitations.