

### GCC Market Performance

- **Bahrain (BAX)** – Bahrain’s BAX closed 3.9% higher in December. In January, we expect Bahrain’s market to be lower due to uncertainty in the market.
- **Kuwait (KSE)** – Kuwait’s KSE increased 3.7% in December. We estimate Kuwaiti market to stay stable or decline in January owing to lower demand for oil on account of rising Covid-19 new variant threat.
- **Oman (MSM)** – Oman’s MSM climbed 3.2% in December. We anticipate the Oman’s bourses to be negative in January due to negative sentiment in the market amid rising Omicron cases.
- **Qatar (DSM)** – Qatar’s DSM increased 2.1% in December. We anticipate Qatar’s market to be volatile in January.
- **Saudi Arabia (TASI)** – Saudi Arabia’s TASI gained 4.8% in December. The market is expected to remain stable or decline in January as COVID-19 new variant spread could affect business conditions in the kingdom.
- **UAE (DFM and ADX)** – The UAE’s ADX fell 0.7% and DFM increased 4.0% in December. We expect market in January to remain in pressure due to rising Omicron cases and possibility of imposing new lockdown restriction, which may negatively impact the business condition.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,797.25	3.91	20.64	10.03	3.48
Kuwait (KSE)	7,043.16	3.73	26.99	21.02	2.03
Oman (MSM)	4,129.54	3.23	12.87	11.63	3.84
Qatar (DSM)	11,625.81	2.10	11.40	16.21	2.55
Saudi Arabia (TASI)	11,281.71	4.83	29.83	24.88	2.37
UAE (ADX)	8,488.36	(0.68)	68.24	23.11	2.71
UAE (DFM)	3,195.91	4.00	28.25	20.99	2.41

Source: Bloomberg

### Macroeconomic Snapshot

- **Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 2.4% this year, and inflation is projected to rise by 1.0%. According to the Information & e-Government Authority, the inflation rate in Bahrain rose to 0.7% YoY in October 2021, after contracting a 0.9% YoY in September 2021.
- **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 3.2%. According to the latest data released by Central Statistical Bureau (CSB), annual inflation increased by 4.09% YoY in September 2021.
- **Oman** – As per IMF estimates, Oman’s economy is projected to grow 2.5% this year, and inflation is estimated to rise by 3.0%. According to National Centre for Statistics and Information, Oman’s inflation rate rose 3.56% YoY in November 2021.
- **Qatar** – As per IMF estimates, Qatar’s real GDP growth is expected to grow by 1.9% this year, and inflation is expected to increase by 2.5%. According to Planning and Statistics Authority, Qatar’s consumer price index increased 6.09% YoY in November 2021.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 2.8% in 2021, compared to an estimated 4.1% contraction last year and expects Kingdom’s economy to record faster growth of 4.8% in 2022. Saudi Arabia’s inflation increased to 1.1% in November 2021, according to the latest data released by GASTAT.
- **UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 2.2% this year, and inflation is projected to rise by 2.0%. In November, UAE’s inflation increased 2.58% as compared to 1.86% rise in October 2021.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	2.4	1.0	1.52	2.25
Kuwait	0.9	3.2	1.50	0.875
Oman	2.5	3.0	2.13	0.50
Qatar	1.9	2.5	1.13	1.00
Saudi Arabia	2.8	3.2	0.87	1.00
UAE	2.2	2.0	0.40	0.65

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

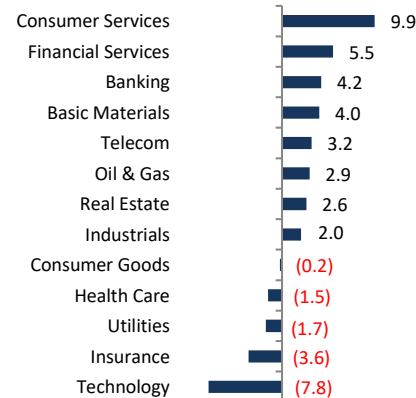
\* Oct. 2021 forecast.

### Kuwait –Sector Returns and Value Traded

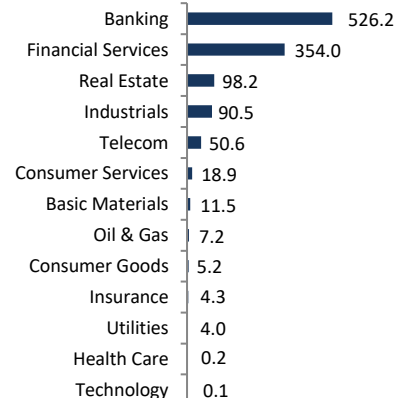
- **Consumer Services:** The sector closed 9.9% higher at 1,336.6 points during the month. Among stocks, Jazeera Airways Co. (up 26.5%) increased the most. Total volume and turnover stood at 82.7MM shares and KWD18.9MM, respectively.
- **Technology:** The sector closed at 683.9 points, down 7.8% from the previous month. Automated Systems Company (down 7.8%) was the only loser. Total volume and value traded stood at 668,966 and KWD64,999 respectively.

Source: KSE

#### Sector Returns (%) (KSE IXW)



#### Value Traded (KWD MM) (KSE IXW)



### Commodity Tracker

- Gold ended the month at \$1,829.2/troy oz., was up 3.1% MoM in December 2021. Gold prices are anticipated to fall in January as Federal Reserve is expected to raise interest rates sooner than expected to fight inflation.
- Brent crude closed at \$77.8 per barrel in December 2021, representing a positive return of 10.2% MoM. Oil prices are projected to decline in January 2021 amid rising COVID-19 new variant threat.
- Silver ended the month at \$23.3/troy oz., registering a positive return of 2.1% MoM. Silver prices are projected to decline in January due to growth in US Treasury yield and US dollar against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,829.2	3.1	(3.6)
Brent Crude (USD/bbl)	77.8	10.2	50.2
Silver (USD/troy oz.)	23.3	2.1	(8.2)

Source: Bloomberg

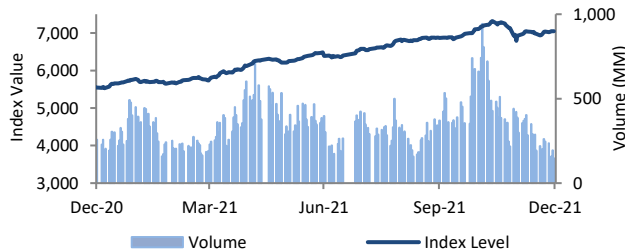
### Stock Watch (Kuwait)

Ajwan Gulf Real Estate Co. (up 128.0%) was the top gainer, while Mena Real Credit Rating & Collection (down 26.9%) was the top loser in December 2021.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
AJWAN	2.74	24.40	128.04	128.04	70.45	NA	24.60
AGHC	48.01	291.00	59.89	46.97	33.70	NM	1.70
JAZEERA	283.80	1290.00	26.47	76.71	9.56	NA	12.30
GFC	3.83	95.90	24.55	59.83	0.91	NA	1.83
ENERGYH	47.33	63.10	21.35	122.18	37.69	25.26	2.31
<b>TOP LOSERS</b>							
TAHSSILAT	6.63	40.20	(26.91)	82.73	19.49	NA	1.41
KUWAITRE	60.10	275.00	(20.29)	31.58	0.00	10.90	0.98
KHOT	3.95	70.00	(18.41)	17.65	0.01	6.08	0.85
MARAKEZ	9.71	70.00	(18.13)	153.62	2.96	NA	0.43
WARBACAP	8.60	86.00	(13.83)	76.95	1.86	NA	1.10

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

### Kuwait (KSE)



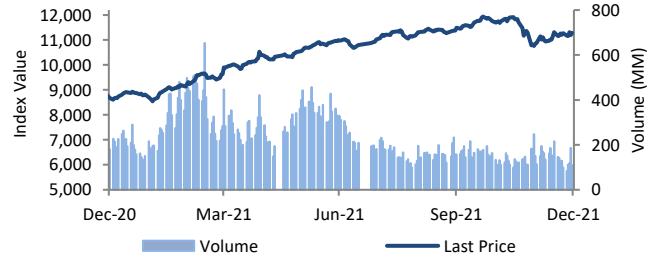
Source: Bloomberg

### Stock Watch (Saudi Arabia)

Sadr Logistics Co. (up 56.1%) led the gainers, while Alahli Takaful Co. (down 13.6%) declined the most.

Name	M Cap (SAR MM)	Last (SAR Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
SADR	1,792.00	102.40	56.05	183.74	16.07	NA	43.06
DWF	847.20	282.40	53.48	20.17	12.53	148.86	2.20
WAFRAH	1,117.43	144.80	38.17	(5.97)	13.46	NA	19.30
ZOUJAJ	1,447.60	44.00	30.18	60.88	46.53	31.08	2.29
TECO	893.64	170.00	26.48	60.05	11.16	NA	16.08
<b>TOP LOSERS</b>							
ATC	545.83	32.75	(13.59)	(6.16)	9.09	16.08	2.19
JAZADCO	962.00	19.24	(9.42)	15.63	17.46	71.88	1.79
JAZIRA TAKAFUL	1,102.20	20.04	(8.91)	(7.48)	9.14	59.20	1.34
JABAL OMAR	23,606.76	25.40	(7.64)	(12.71)	25.07	NA	3.55
MALATH INSURANCE	1,138.00	22.76	(7.33)	(5.48)	19.02	NA	2.76

### Saudi Arabia (TASI)



### Monthly market updates

- Kuwait's All Share Index closed 3.7% higher at 7,043.2 points in December 2021. Total volume traded declined 45.1% MoM to 5.8BLN, number of deals fell 40.5% MoM to 224,125, and total value traded decreased 31.5% MoM to KWD1,170.8MM. The growth in the market was mainly driven by the banking and telecom sectors.
- As per the third estimate released by the Bureau of Economic Analysis, the US's real GDP grew at an annualized rate of 2.3% YoY in Q3 2021. The revised update was driven by a rise in personal consumption expenditure (PCE) and private inventory investment.
- According to estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose 2.2% QoQ in Q3 2021 after rising 2.1% in Q2 2021.
- In Asia, according to the latest data released by the National Bureau of Statistics, China's consumer price index (CPI) rose sharply to 2.3% in November 2021, after rising 1.5% YoY in October 2021.
- According to the Statistics Bureau of Japan, the country's CPI rose 0.5% YoY in November 2021 from the 0.1% YoY rise in October 2021.

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