

GCC Markets Performance

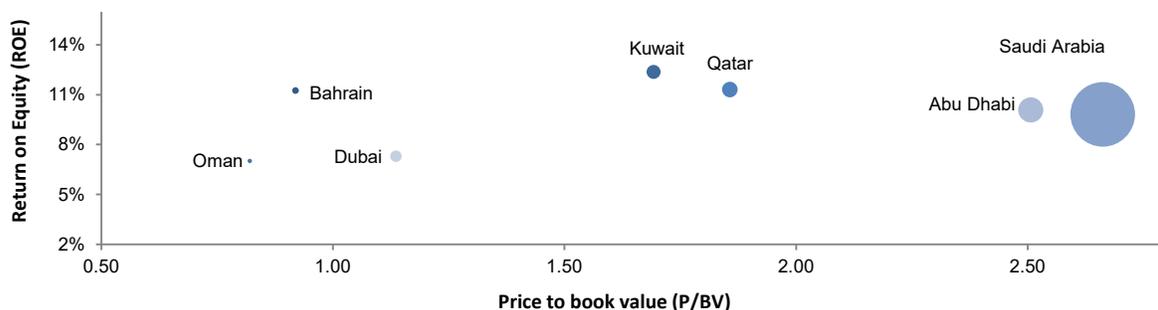
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,963.62	8.50	9.26	8.27	3.18
Kuwait (KWSEAS)	7,637.55	3.91	8.44	20.11	2.03
Oman (MSM)	4,055.42	(1.47)	(1.79)	11.21	3.84
Qatar (DSM)	12,948.75	3.60	11.38	16.59	2.56
Saudi Arabia (TASI)	12,590.26	2.59	11.60	27.45	2.10
UAE (ADX)	9,319.40	7.07	9.79	24.12	2.70
UAE (DFM)	3,354.64	4.73	4.97	15.78	2.30

Of the seven GCC indices, six ended in positive territory and one of them closed lower, during the month of February. Bahrain's BAX index (up 8.5%) was the top gainers, followed by UAE's ADX (up 7.1%).

- Bahrain's BAX closed 8.5% higher at 1,963.6 points. Among sectors, Materials (up 42.9%) was the top gainer. Among stocks, Aluminium Bahrain B.S.C (up 42.9%) increased the most, followed by Khaleeji Commercial Bank (up 30.2%), while Ithmaar Holding B.S.C. (down 21.6%) was the top decliner. In March, we expect Bahrain's market to follow the trend in oil prices.
- Kuwait's All Share Index closed 3.9% higher at 7,637.6 points. Among sectors, Telecom (up 10.9%) rose the most. On the contrary, Technology (down 8.7%) decreased the most. Gulf Cable And Electrical Industries Company (up 54.4%) was the top gainer, followed by Kuwait Telecommunications Co. (up 51.7%), while Hilal Cement Co. (down 27.0%) was the top decliner. We estimate the Kuwaiti market to rise in March due to increasing demand for oil on account of declining Covid-19 new variant threat and expected declining global supply of oil.
- Oman's MSM was down 1.5% to close at 4,055.4 points. Among sectors, Financials (down 1.7%) was the top loser. Among stocks, Aluminium Prod. (down 28.3%) was the top decliner; while Al Hasan Eng. (up 77.8%) increased the most, followed by Sharqiyah Desalin. (up 39.0%). We anticipate Oman's bourses to stay stable in March because, despite declining Omicron cases, the market has negative sentiment.
- Qatar's DSM increased 3.6% to close at 12,948.8 points. Among sectors, Industrials (up 8.1%) increased the most, while Insurance (down 2.3%) declined the most. Among stocks, Investment Holding Group (up 60.6%) was the top performer, followed by Imma Holding (up 21.3%), while Mannai Corporation (down 14.2%) decreased the most. We anticipate Qatar's market to be volatile in March.
- Saudi Arabia's TASI increased 2.6% to close at 12,590.3 points. Among sectors, Energy (up 9.9%) was the top gainer, followed by Media & Entertainment (up 5.3%). Among stocks, Elm Co. (up 53.6%) rose the most, followed by Scientific and Medical Equipment House Co. (up 30.0%), while Thob Al Aseel Co. (down 18.9%) declined the most. The market is expected to rise in March as COVID-19 new variant threats subsided in the kingdom, and the global supply of oil is expected to decline.
- The ADX ended 7.1% higher at 9,319.4 points. Among sectors, Financials (up 8.4%) was the top gainer, followed by Telecommunications (up 5.6%). Among stocks, Gulf Medical Projects Company (up 51.1%) rose the most, followed by GHITHA HOLDING P.J.S.C. (up 47.1%), while Gulf Pharmaceutical Industries (down 18.5%) decreased the most. The DFM ended 4.73% higher at 3,354.6 points. Among sectors, Banks (up 6.4%) was the top gainer, followed by Transportation (up 5.3%). Among stocks, National General Insurance Company P.J.S.C (up 18.4%) rose the most, followed by Dubai Insurance Co, PSC (up 17.4%), while BHM Capital Financial Services PJSC (down 16.7%) decreased the most. In March, we expect the UAE markets to remain stable as Omicron cases have declined. There is less possibility of imposing a new lockdown restriction, positively impacting the business condition.

Valuation

Size of the bubble represents Market Capitalization



Macroeconomic Snapshot

- **Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 3.1% this year, and inflation is projected to rise by 3.0%. According to the Information & e-Government Authority, the inflation rate in Bahrain fell 0.4% YoY in December 2021 after rising 0.7% YoY in November 2021.
- **Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 4.3% this year, and inflation is projected to rise by 3.0%. According to the latest data released by Central Statistical Bureau (CSB), annual inflation increased by 4.30% YoY in January 2022.
- **Oman** – As per IMF estimates, Oman’s economy is projected to grow 2.9% this year, and inflation is estimated to rise by 2.7%. As per the National Centre for Statistics and Information (NCSI), Oman’s inflation increased by 3.8% in December 2021 from the 3.6% increase recorded in the last month.
- **Qatar** – As per IMF estimates, Qatar’s real GDP growth is expected to grow by 4.0% this year, and inflation is expected to increase by 3.2%. According to Qatar Statistics Authority, Qatar’s consumer price index increased 6.2% YoY in January 2022.
- **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s Gross Domestic Product (GDP) is expected to grow by 4.8% in 2022, compared to an estimated 2.9% increment last year, and Inflation is expected to increase by 2.2% this year. Saudi Arabia’s inflation increased to 1.2% in January 2022, 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 3.0% this year, and inflation is projected to rise by 2.2%. In December, UAE’s inflation increased 2.50% YoY in December 2021 as compared to 2.58% rise in November 2021.

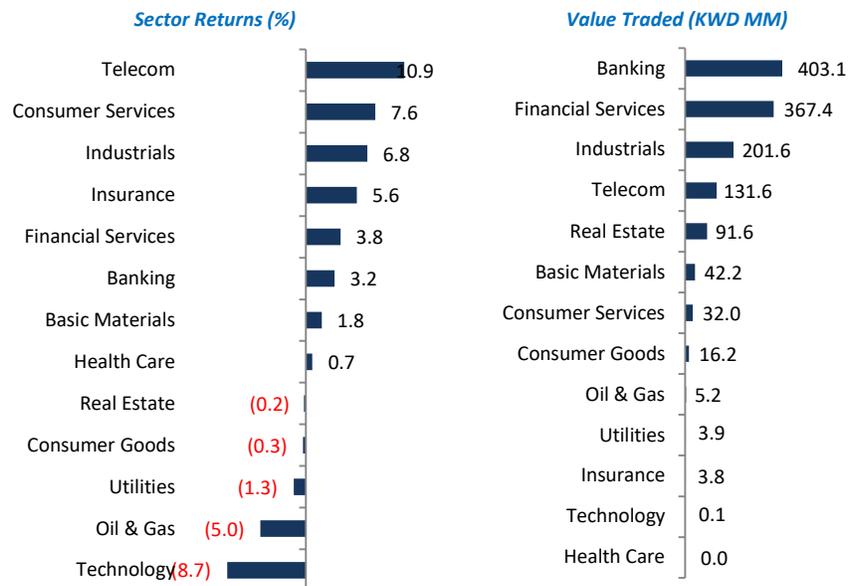
Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.1	3.0	1.57	2.25
Kuwait	4.3	3.0	1.50	0.875
Oman	2.9	2.7	2.08	0.50
Qatar	4.0	3.2	1.15	1.00
Saudi Arabia	4.8*	2.2	1.20	1.00
UAE	3.0	2.2	0.54	0.65

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

*January 2022 Outlook

Kuwait –Sector Returns and Value Traded

- **Telecom:** The sector closed 10.9% higher at 1,217.3 points. Kuwait Telecommunications Co. (up 51.7%) was the top gainer, followed by National Mobile Telecommunications Co. (up 16.3%), while Aan Digital Services Co (down 4.2%) was the top loser. Total turnover of KWD 131.6MM was generated by 181.2MM shares.
- **Technology:** The sector closed at 691.1 points, down 8.7% from the previous month. Automated Systems Company (down 8.7%) being the only company in the sector. Total volume and value traded stood at 0.6MM and KWD 60,680 respectively.



Source: KSE

Commodity Tracker

- Gold ended the month at \$1,909.8/troy oz., was up 6.2% MoM in February 2022. In March, gold prices are expected to decline as Federal Reserve is expected to raise interest rates to combat inflation.
- Brent crude closed at \$101.0 per barrel in February 2022, representing a positive return of 10.7% MoM. Oil prices are projected to rise in March 2022 amid declining COVID-19 new variant threat and expectation of declining global supply.
- Silver ended the month at \$24.5/troy oz., registering a positive return of 8.8% MoM. Silver prices are projected to decline in March due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,909.8	6.2	4.4
Brent Crude (USD/bbl)	101.0	10.7	29.8
Silver (USD/troy oz.)	24.5	8.8	4.9

Source: Bloomberg

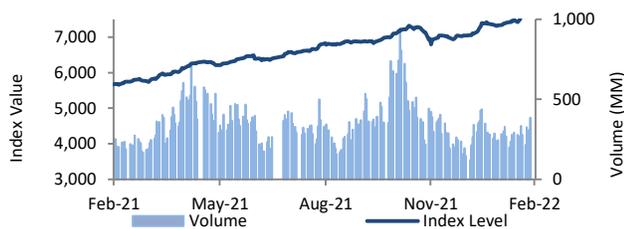
Stock Watch (Kuwait)

Gulf Cable And Electrical Industries Company (up 54.4%) was the top gainer, while Hilal Cement Co. (down 27.0%) was the top loser in February 2022.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
CABLE	307.76	1473.00	54.40	69.12	18.07	51.87	1.49
STC	655.17	1312.00	51.68	53.45	52.83	22.90	3.03
PAPCO	4.32	82.50	50.82	20.97	0.07	NA	0.75
KUWAITRE	81.96	375.00	30.21	36.36	0.04	13.26	1.34
NINV	286.43	359.00	28.67	63.93	115.38	10.36	1.38
TOP LOSERS							
HCC	5.15	103.00	(26.95)	(26.95)	0.05	NA	1.25
GPI	8.66	19.00	(21.16)	(22.45)	63.05	NA	0.26
ENERGYH	38.93	51.90	(16.69)	(17.75)	8.36	20.78	1.90
GIH	130.49	321.00	(13.71)	7.00	1.19	21.17	3.17
FCEM	16.12	45.30	(12.55)	(16.11)	6.34	NA	0.24

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

Kuwait (KWEAS)



Source: Bloomberg

Monthly market updates

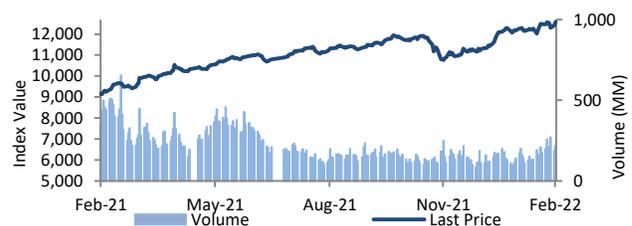
- Kuwait's All Share Index closed 3.9% higher at 7,637.6 points in February 2022. Total volume traded decreased 15.3% MoM to 5.2BLN, number of deals rose 10.4% MoM to 253,862, and total value traded was up 0.7% MoM to KWD 1,298.5MM. Growth in the market was mainly driven by the banking and telecom sectors.
- As per the second estimate released by the Bureau of Economic Analysis, real GDP of US grew at an annualized rate of 7.0% YoY in Q4 2021 compared to 2.3% YoY in Q3 2021.
- According to a flash estimate released by Eurostat, seasonally adjusted GDP in the Euro area grew 0.3% QoQ in Q4 2021 after rising 2.3% in Q3 2021 (revised estimate).
- As per National Bureau of Statistics, China's CPI edged up by just 0.9% in January 2022, after rising 1.5% YoY in December 2021.
- According to the Statistics Bureau of Japan, CPI rose 0.5% YoY in January 2022, following the 0.8% YoY rise in December 2021, marking the fifth straight month of increase.

Stock Watch (Saudi Arabia)

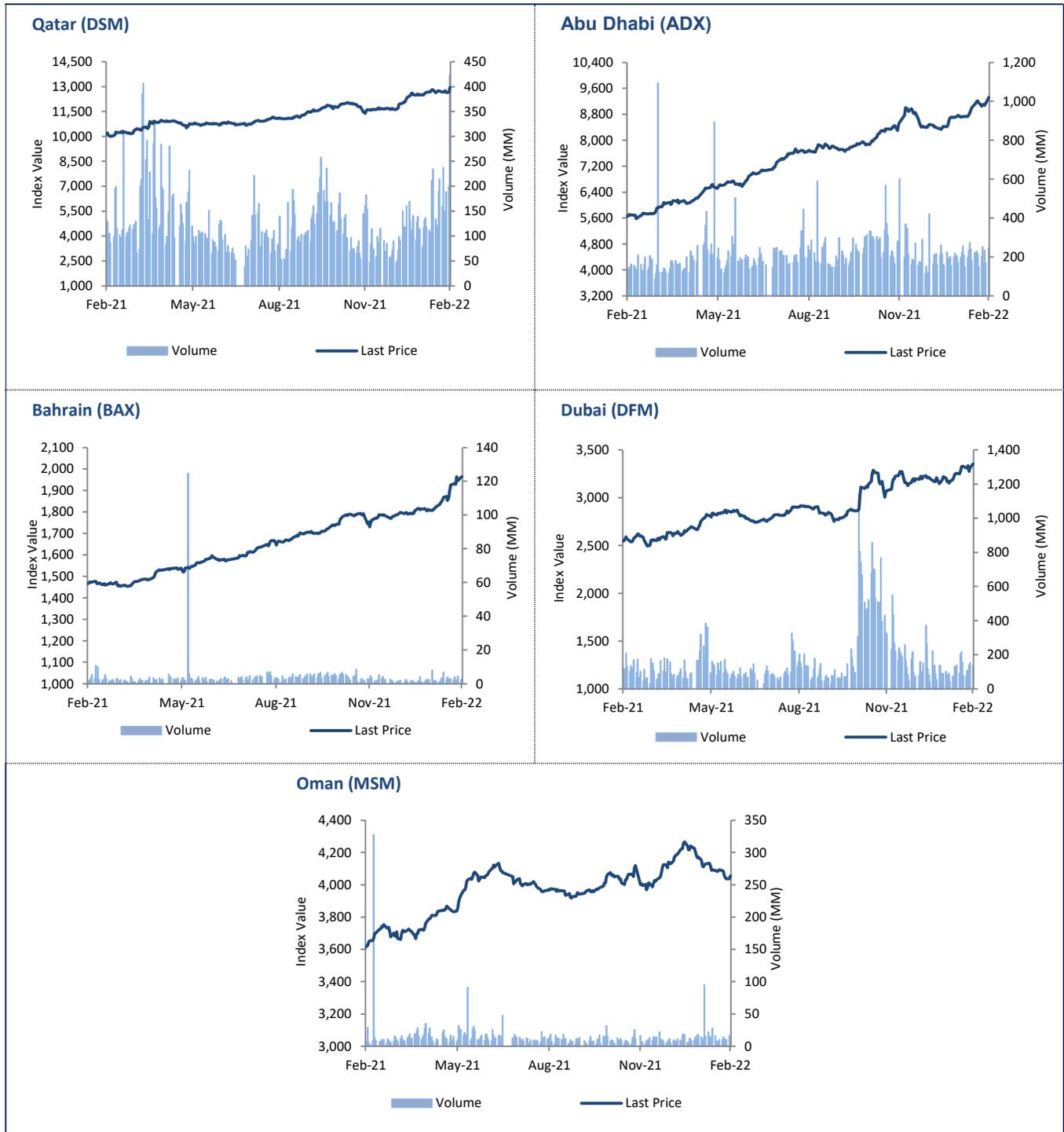
Elm Co. (up 53.6%) rose the most, while Thob Al Aseel Co. (down 21.3%) declined the most.

Name	M Cap (SAR MM)	Last (SAR Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
ELM	15,728.00	196.60	53.59	53.59	27.80	NM	NA
EQUIPMENT HOUSE	1,352.00	67.60	30.00	30	6.89	NM	NA
TECO	1,157.37	220.20	29.53	29.53	7.31	NM	20.83
TAPRCO	802.00	160.40	23.48	21.35	9.58	NM	23.94
ALINMA	71,000.00	35.50	18.53	48.16	313.23	28.58	2.35
TOP LOSERS							
ALASEEL	1,688.00	42.20	(18.85)	(12.27)	3.05	28.77	2.95
SALAMA	390.00	15.60	(17.89)	(8.24)	8.03	NM	2.32
SABB TAKAFUL	810.56	23.84	(17.22)	(12.67)	4.05	NM	2.70
SACO	1,587.60	44.10	(17.11)	(9.63)	3.83	39.31	2.65
SAUDI CABLE	610.66	23.28	(15.56)	(13.23)	11.82	NM	3.46

Saudi Arabia (TASI)



GCC Benchmark Indices– Market Movements



GCC Markets – Economy and Industry News

Saudi Arabia

- According to flash estimates by the General Authority for Statistics (GASTAT), real GDP of Saudi Arabia grew 6.8% YoY in Q4 2021. The growth was due to the rise in oil activities by 10.8%, non-oil activities by 5.0% and government services activities by 2.4% YoY.
- Inflation rose 1.2% YoY in January 2022, mainly due to price hike of 4.9% in transportation and 2.0% in food and beverage.
- Overall merchandise exports climbed 36.3% YoY in Q4 2021 compared to Q4 2020, amounting to SAR 320.5BLN. Growth was led by oil exports, which surged by SAR 119.2BLN or 98.0% during the same period.
- According to GASTAT, in FY 2021, non-oil exports rose 37% YoY in value terms compared to 73% YoY growth in oil exports revenues.
- Based on data shared by the government, despite a jump in government spending, KSA's actual deficit went down to SAR 73.4BLN from the estimated deficit of SAR 85BLN in FY 2021. Revenues for the year stood at SAR 966BLN, up by SAR 36BLN from the estimates in December, while expenditure went up SAR 24BLN to SAR 1.04TLN.

UAE

- The IHS Markit UAE Purchasing Managers' Index (PMI) fell to 54.1 points in January 2022 from 55.6 points in December 2021, driven by slowdown in non-oil private sector growth.
- Abu Dhabi's non-oil foreign trade edged up 5% YoY to AED 211.32BLN in 2021 from AED 201.21BLN, according to the latest data by the Statistics Centre – Abu Dhabi (SCAD).
- The UAE has raised its holdings of US treasury bonds by 39% YoY to around USD 44.8BLN in December 2021 as compared to USD 32.2BLN.
- The UAE cabinet approved a housing loan budget of DH 12BLN for the Sheikh Zayed Housing Programme with an aim to fulfill accumulated and expected requests as well as to reduce the waiting period in the coming years.
- Dubai International Financial Centre (DIFC) records 36% higher company registrations in FY 2021 as compared to FY 2020, i.e., 996 companies, which is the highest number in the center's history.

Qatar

- Qatar's annual inflation rose 4.16% YoY in January 2022, mainly due to a 26.42% increase in recreation and culture and 7.23% in food and beverage, as per the Planning and Statistics Authority (PSA).
- Qatar's foreign merchandise trade balance was in surplus by QAR 25.9BLN in January 2022, as exports totaled QAR 35.5BLN (up 66.9% YoY) and imports stood at QAR 9.6BLN (up 24.3% YoY).
- Qatar's Emir Sheikh Tamim bin Hamad Al-Thani said that Qatar's liquefied natural gas production capacity will rise to 126MM tons a year by 2027 from current capacity of 77MM tons.

Bahrain

- According to the Information & e-Government Authority, the inflation rate in Bahrain declined 0.4% YoY in December 2021, after rising 0.7% YoY in November 2021.

Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation jumped 3.77% in December 2021, following a 3.56% rise in November 2021.

GCC Corporate Developments

Saudi Arabia

- Saudi Arabian Oil Company (Aramco) closed the agreement with an investor consortium to sell a 49% stake in its subsidiary Aramco Gas Pipelines Company at a value of SAR 58.1BLN.
- Arabian Contracting Services Company (Al Arabia) completed the establishment of its 100% owned subsidiary, named Arabian Bird Trading Company (Sindebaad), to sell products online.
- Saudi Arabia's National Water Company (NWC) signed a SAR 399MM contract with a Saudi-Spanish consortium to provide water and environmental treatment services in the Kingdom's Southern cluster.
- The Board of Tourism Enterprises Company (Shams) recommended a capital increase of 1000% through a rights issue amounting to 10 shares for every owned share. The capital will stand at SAR 578.23MM distributed over 57.82MM shares after the raise transaction, according to a bourse disclosure.
- The shareholders of Saudi Industrial Exports Company (SIEC) approved the board's recommendation to reduce the capital to SAR 21.60MM by cancelling 4.32MM shares, representing 66.66% of the capital.
- National Gas Industrialization Company (GASCO) has signed an agreement to acquire a 55% stake in Best Gas Carrier Co. in exchange for SAR 29.12MM.
- BinDawood Holding Company' subsidiary, Future Retail for Information Technology Company (Future Tech Retail), inked a non-binding memorandum of understanding (MoU) to acquire 62% of International Applications Trading Company (IATC) shares.

UAE

- Etihad Rail signed an AED 1.99BLN financing agreement with First Abu Dhabi Bank (FAB) to support railway passenger transport services.
- International Holding Company (IHC) completed acquisition of a 70% stake in the Arena Events Group in exchange for AED 239.8MM.
- Mubadala Investment Company (Mubadala) led an equity investment into Princeton Digital Group (PDG), a Singapore-based data center company, as a lead investor for USD 350MM.
- Tabreed Company for Central Cooling Services, a wholly owned subsidiary of National Central Cooling Company (Tabreed), signed an AED 22MM concession agreement for the design, construction, and long-term operation of district cooling assets in Egypt.

Qatar

- Airbus has reportedly filed a USD 220MM claim against Qatar Airways in damages for two undelivered A350 jets to the airline and recover millions of dollars' worth of credits.
- Qatar Investment Authority has invested USD 1.5BLN in Bodhi Tree, an investment platform providing innovative media and consumer technology opportunities in Southeast Asia.

Bahrain

- Bahrain-based Islamic investment bank GFH Financial Group launched a USD 100MM diversified sukuk fund; for investing primarily in sukuks from the GCC by following Sharia principles; with an aim to capitalise on post-pandemic economic growth and recovery.

Oman

- Oman Oil Marketing Company (OOMCO) has opened its mega service station at Sultan Qaboos University (SQU), providing a one-stop shop for shopping, food, and other lifestyle services along with fuel.

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