

ABK CAPITAL  
**GCC**  
MARKET  
MONTHLY  
REPORT

2022



# GCC Market Monthly Report

November 2022

## GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,864.9	0.01	3.76	7.79	5.69
Kuwait (KWSEAS)	7,584.6	3.64	7.69	18.61	2.71
Oman (MSM)	4,613.7	5.67	11.72	13.17	4.03
Qatar (DSM)	11,926.0	(3.93)	2.58	13.19	3.82
Saudi Arabia (TASI)	10,896.9	(6.61)	(3.41)	17.24	2.64
UAE (ADX)	10,552.4	1.35	24.32	28.62	1.97
UAE (DFM)	3,324.0	(0.23)	4.01	9.14	3.10

## Market Highlights

Four GCC indices ended in positive territory, while three ended in negative territory during the month of November. Oman's MSM Index (up 5.7%) was the top gainer, followed by Kuwait's KWSEAS (up 3.6%), while Saudi Arabia's TASI (down 6.6%) declined the most.

- ▶ Bahrain's BAX closed 0.01% higher at 1,864.9 points. Among sectors, Material (up 1.1%) was the top gainer. Among stocks, Kuwait Finance House (up 6.6%) increased the most, followed by GFH Financial Group (up 5.6%), while Bahrain Commercial Facilities Co. (down 13.0%) was the top loser. In December, we expect Bahrain's market to follow the trend in oil prices.
- ▶ Kuwait's All Share Index closed 3.6% higher at 7,584.6 points. Among sectors, Technology (up 26.5%) rose the most. On the contrary, Healthcare (down 5.7%) declined the most. Equipment Holding Co. (up 62.5%) was the top gainer, while Wethaq Takaful Insurance Company (down 31.9%) declined the most. We estimate the Kuwaiti market to rise in December on expectation of increased in demand ensuing positive outlook for oil prices.
- ▶ Oman's MSM was up 5.7% at 4,613.7 points. Among sectors, Financials (up 7.2%) was the top gainer, followed by Industries (up 2.8%). Among stocks, Oman REIT Fund (up 44.6%) increased the most, followed by Al Hassan Eng. Finance (up 25.0%), while Bank Muscat (down 51.0%) was the top loser. We expect Oman's bourses to rise in December driven by robust energy prices, expansion of oil-gas production, and wide-ranging structural reforms.
- ▶ Qatar's DSM fell 3.9% to close at 11,926.0 points. Among sectors, Telecom (down 6.6%) decreased the most, followed by Insurance (down 5.9%). Among stocks Dlala Brokerage & Investment Holding (down 29.8%) was the top loser, followed by Widam Food Company (down 19.3%), while Mannai Corporation (up 9.2%) increased the most. We anticipate Qatar's market to rise on account of FIFA World cup that is being held in November and December.
- ▶ Saudi Arabia's TASI decreased 6.6% to close at 10,896.9 points. Among sectors, Diversified Financials (down 16.7%) declined the most, followed by Utilities (down 16.4%), while Consumer Services (up 0.4%) rose the most. Middle East Paper Co. (down 26.8%) declined the most, while Arabian Drilling Co. (up 18.00%) rose the most. The market is expected to rise in December as OPEC+ group plans to cut down oil price production ensuing price rise.
- ▶ The ADX rose 1.4% higher at 10,552.4 points. Among sectors, Utilities (up 19.5%) were the top gainer, while Basic Materials (down 6.0%) declined the most. Among stocks, Arkan Building Materials Company (up 38.8%) rose the most, followed by National Corporation for Tourism & Hotels (up 37.6%), while Insurance House (down 25.7%) declined the most. The DFM ended 0.2% lower at 3,324.0 points. Among sectors, Materials (down 17.9%) was the top loser, followed by Utilities (down 5.7%), whereas Industries (up 0.3%) was the top gainer. Among stocks, National Cement Company (down 17.9%) declined the most, followed by Takaful Emarat PJSC (down 13.3%), while Gulf Navigation Holding PJSC (up 53.9%) rose the most. In December, we expect the UAE markets to grow as there is positive sentiment in GCC due to projected oil prices.

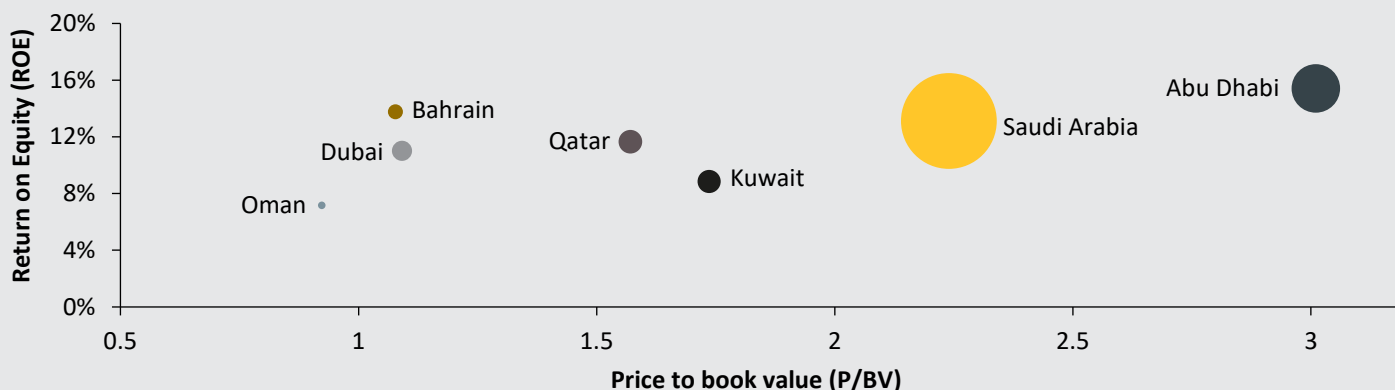
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## Valuation

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 3.4% this year, and inflation is projected to rise by 3.5%. As per the Information & eGovernment Authority, the inflation rate in Bahrain stood at 3.80% in October 2022, against 4.00% in September 2022.
- ◆ **Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 8.7% this year, and inflation is projected to rise by 4.3%. The annual consumer price inflation (CPI) rate increased 3.27% in October 2022 compared to October 2021, as reported by the Central Statistical Bureau.
- ◆ **Oman** – As per IMF estimates, Oman’s economy is projected to grow 4.4% this year, and inflation is estimated to rise by 3.1%. As per the National Centre for Statistics and Information, Oman’s inflation increased to 2.39% in October 2022 from 2.36% in September 2022, the lowest rate in 13 months.
- ◆ **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 4.5%. Qatar’s CPI for September 2022 reached 105.05 points, increasing 1.22% MoM and 6.03% YoY.
- ◆ **Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s GDP is expected to grow by 7.6% in FY22, and inflation is expected to grow by 2.7%. According to the General Authority for Statistics (GASTAT), in October 2022 the CPI rose 3.0% YoY, marginally lower than September 2022’s inflation rate of 3.1%, due to a YoY rise of 4.4% in the prices of food and beverages.
- ◆ **UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 5.1% this year, and inflation is projected to rise by 5.2%. UAE’s PMI rose to 56.6 in October 2022 from 56.1 in September 2022.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.4	3.5	5.72	6.00
Kuwait	8.7	4.3	3.91	3.13
Oman	4.4	3.1	4.01	4.50
Qatar	3.4	4.5	4.95	4.75
Saudi Arabia	7.6	2.7	5.59	4.50
UAE	5.1	5.2	4.29	3.90

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

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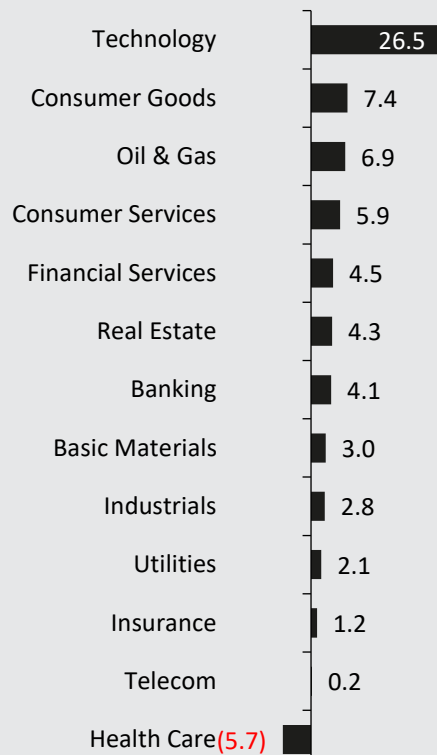
## Kuwait – Sector Returns and Value Traded

◆ **Technology:** The sector closed 26.5% higher at 771.2 points during the month. Automated Systems Company, being the only company in the sector, increased 26.5%. Total volume and value traded stood at 1.5MM and KWD 0.14MM, respectively.

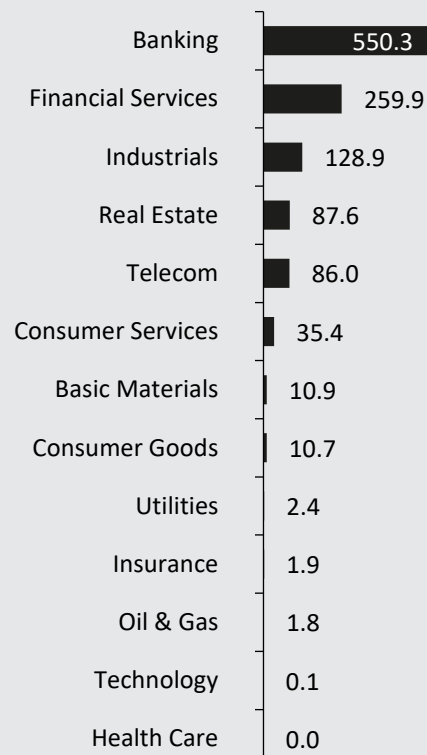
◆ **Healthcare:** The sector ended 5.7% lower at 454.3 points. Advanced Technology Company (down 18.0%) was the top loser, followed by Al Maidan Clinic for Oral Health Services Co (down 0.1%). Quantity and value traded stood at 40,863 and KWD 20,647, respectively.

Source: KSE

### Sector Returns (%)



### Value Traded (KWD MM)



## Commodity Tracker

◆ Gold ended the month at \$1,768.5/troy oz., was up 8.3% MoM in November 2022. In December, gold prices are estimated to marginally decline as the Federal Reserve is expected to raise interest rates as a response to curtail inflation.

◆ Brent crude closed at \$85.4 per barrel in November 2022, representing a negative return of 9.9% MoM. Oil prices are projected to remain stable in December 2022 as lower demand is expected from China, because of concentrated lockdowns due to zero covid policy, whereas OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$22.2/troy oz., registering a positive return of 15.8% MoM. Silver prices are projected to decline in December due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,768.5	8.3	(3.3)
Brent Crude (USD/bbl.)	85.4	(9.9)	9.8
Silver (USD/troy oz.)	22.2	15.8	(4.8)

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## Stock Watch (Kuwait)

Equipment Holding Co. (up 62.5%) was the top gainer, while Wethaq Takaful Insurance Company (down 31.9%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
EQUIPMENT	4.16	52.00	62.50	(4.59)	1.55	NA	1.51
TAHSSILAT	3.70	22.40	40.00	(44.28)	0.37	NA	0.73
THURAYA	32.96	225.00	32.35	114.29	0.02	30.23	1.93
ASC	10.60	106.00	26.49	12.77	1.57	NA	0.93
ALSAFAT	34.73	123.00	25.00	(3.91)	131.30	24.19	1.50
<b>TOP LOSERS</b>							
WETHAQ	2.78	25.20	(31.89)	(50.49)	9.89	14.73	0.22
KMEFIC	20.68	94.00	(29.32)	(37.33)	8.46	13.90	0.84
ATC	61.35	409.00	(18.04)	(21.04)	0.03	11.08	0.91
MASSALEH	7.13	30.60	(12.57)	(41.27)	1.20	NA	0.50
SALBOOKH	1.64	16.20	(12.43)	(62.67)	4.07	NA	0.49

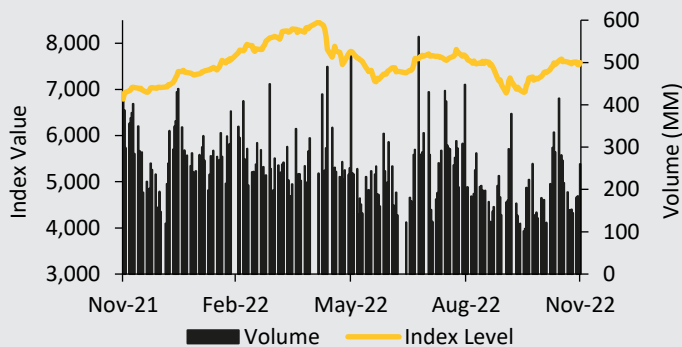
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

## Stock Watch (Saudi Arabia)

Arabian Drilling Co. (up 18.0%) rose the most, while Middle East Paper Co. (down 26.8%) declined the most.

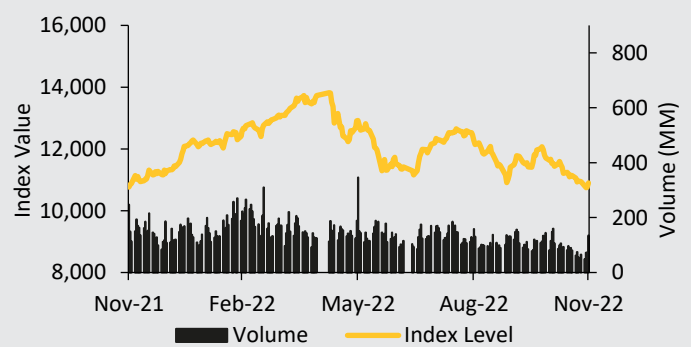
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>							
ARABIAN DRILLING	10,502.00	118.00	18.00	18.00	41.90	NA	NA
ALHOKAIR GROUP	670.95	21.30	17.42	(40.25)	8.05	NM	2.07
NCLE	2,967.00	69.00	16.16	15.00	1.09	41.76	4.56
APC	403.00	40.30	13.68	(38.76)	5.19	NM	4.10
GULF UNION ALAHLIA	436.00	9.50	13.64	(32.67)	8.62	NM	1.34
<b>TOP LOSERS</b>							
MEPCO	1,906.67	28.60	(26.82)	(12.54)	17.48	5.59	1.62
PETRO RABIGH	17,111.04	10.24	(24.93)	(29.38)	123.90	14.93	1.01
FITAIHI GROUP	808.50	29.40	(24.32)	(27.85)	7.42	NM	1.82
SAUDI CERAMICS	2,508.00	31.35	(24.28)	(43.10)	5.62	14.00	1.47
ALUJAIN	2,560.40	37.00	(21.44)	(31.48)	9.48	1.65	0.96

## Kuwait (KWSEAS)



Source: Bloomberg

## Saudi Arabia (TASI)



## Monthly Market Updates

- ◆ Kuwait's All Share Index closed 3.6% MoM higher at 7,584.6 points in November 2022. The total volume traded rose 26.3% MoM to 4.8BLN, the number of deals decreased 2.1% MoM to 232,419, and total value traded fell 9.0% MoM to KWD 1.2BLN. The rise in the market was mainly driven by the banking and financial services sectors.
- ◆ As per the second estimate released by the Bureau of Economic Analysis, US's real GDP growth increased 2.9% YoY in Q3 2022 as opposed to 0.6% YoY decrease in Q2 2022.
- ◆ According to a flash estimate from Eurostat, the Euro area's annual inflation rate is expected to be 10.0% in November 2022, down from 10.6% in October 2022. As per the Office for National Statistics, CPI in the UK rose 11.1% YoY in October 2022 from 10.1% YoY in September 2022.
- ◆ Based on the latest data released by the National Bureau of Statistics, China's CPI unexpectedly dropped to 2.1% YoY in October 2022 (lowest since May 2022) from 2.8% YoY in September 2022.
- ◆ According to the Statistics Bureau of Japan, CPI stood at 3.7% YoY in October 2022, highest since January 1991, compared with the increment of 3.0% YoY in September 2022.

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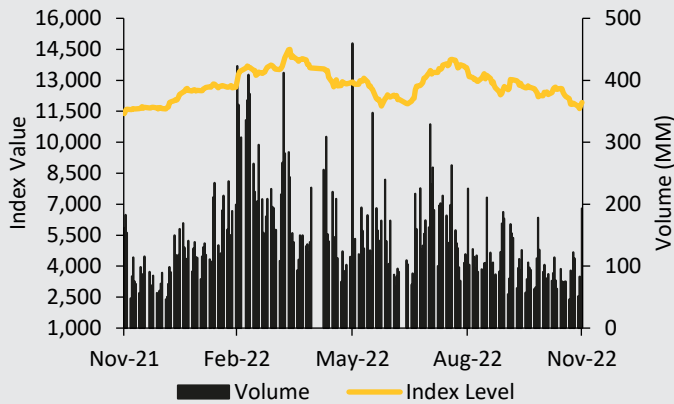


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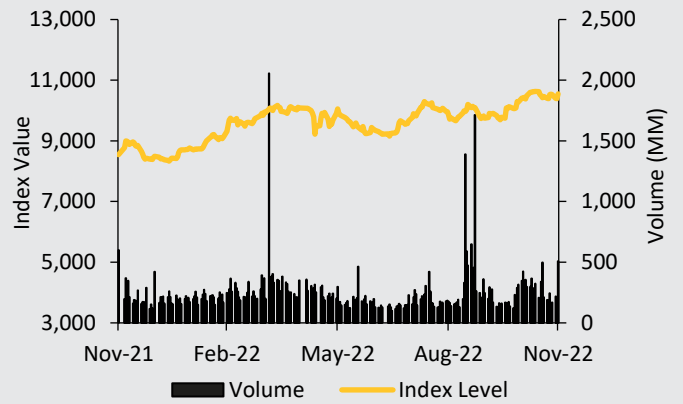
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## GCC Benchmark Indices – Market Movements

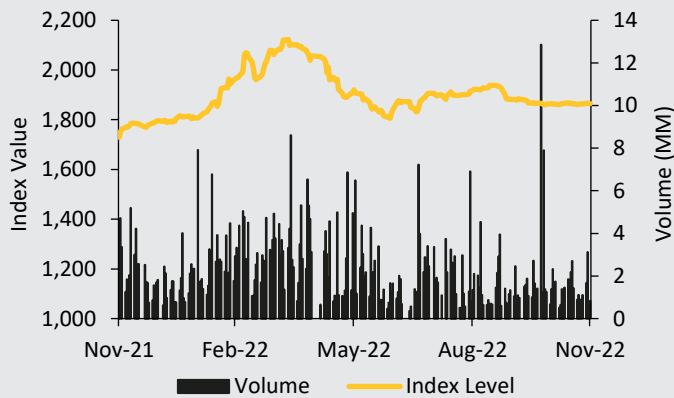
### Qatar (DSM)



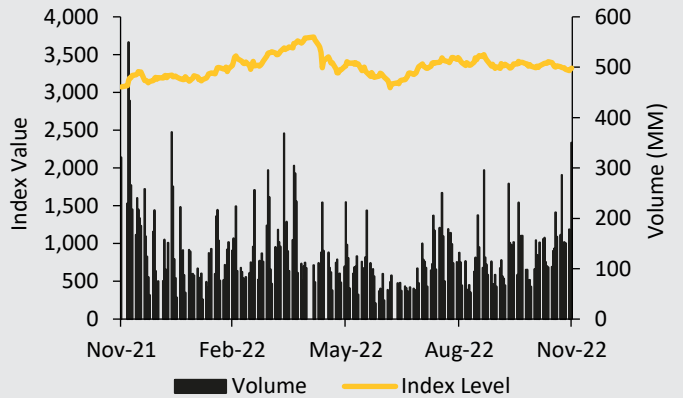
### Abu Dhabi (ADX)



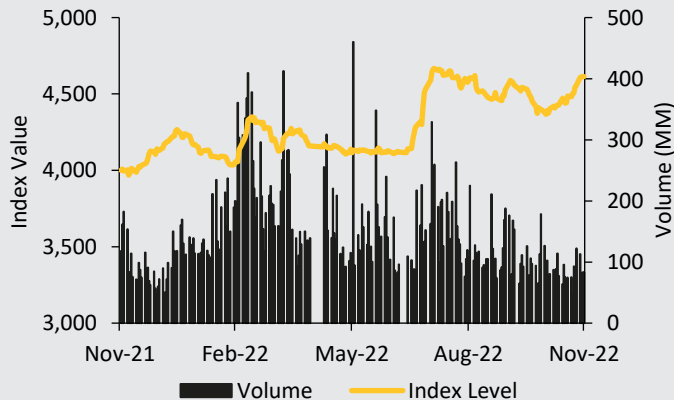
### Bahrain (BAX)



### Dubai (DFM)



### Oman (MSM)



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## GCC Markets – Economy and Industry News

### Saudi Arabia

- ◆ As per the flash estimates of the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP grew 8.6% YoY in Q3 2022, driven by 14.5%, 5.6%, and 2.4% YoY increases in oil, non-oil, and government activities, respectively.
- ◆ In October 2022, the CPI rose 3.0% YoY, marginally lower than September 2022's inflation rate of 3.1%, due to a YoY rise of 4.4% in the prices of food and beverages.
- ◆ Overall merchandise exports surged 46.1% YoY to SAR 399.7BLN in Q3 2022, mainly on a 57.3% YoY rise in oil exports. Non-oil exports (including re-exports) surged 13.1% YoY in Q3 2022. The share of oil exports increased to 80.4% in Q3 2022 from 74.6% in Q3 2021.
- ◆ While overall merchandise exports surged 49.1% YoY to SAR 133.7BLN in August 2022, mainly on a 60.2% YoY rise in oil exports, non-oil exports (including re-exports) surged 16.6% YoY. The share of oil exports increased to 79.9% in August 2022 from 74.4% in August 2021.
- ◆ As per GASTAT, the Industrial Production Index (IPI) increased 15.7% YoY in September 2022, driven by the high production in mining and quarrying, manufacturing activity, and electricity and gas supply.

### UAE

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) decreased to 56.0 in October 2022 from 56.2 in September 2022, remaining comfortably higher than the five-year average and representing an ongoing robust economic expansion. In comparison, UAE's PMI rose to 56.6 in October 2022 from 56.1 in September 2022.
- ◆ Chairman of Dubai Chambers unveiled plans to establish new country-specific business councils and expand their roles to support the ongoing efforts to boost the emirate's non-oil foreign trade.
- ◆ UAE's Ministry of Economy highlighted that UAE is building a modern economy as a global hub for trade and foreign investment, with the target of doubling its economy to AED 3.0TLN by 2030 from current AED 1.4TLN.

### Qatar

- ◆ As per the Planning and Statistics Authority, Qatar's foreign merchandise trade balance was QAR 107.3BLN in Q3 2022 from QAR 57.8BLN in Q3 2021, exports totaled QAR 138.8BLN (up 68.0% YoY) and imports totaled QAR 31.5BLN (up 27.1% YoY).
- ◆ Qatar's CPI for September 2022 reached 105.05 points, increasing 1.22% MoM and 6.03% YoY.

### Bahrain

- ◆ As per the Information & eGovernment Authority, the inflation rate in Bahrain stood at 3.80% in October 2022, against 4.00% in September 2022.
- ◆ The Central Bank of Bahrain (CBB) raised the key policy interest rate to 4.75% in November 2022 from 4.00%, in addition to raising the overnight deposit rate (from 3.75% to 4.50%), four-week deposit rate (from 4.75% to 5.50%), and lending rate (from 5.25% to 6.00%).

### Oman

- ◆ As per the National Centre for Statistics and Information, Oman's inflation increased to 2.39% in October 2022 from 2.36% in September 2022, the lowest rate in 13 months.

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## GCC Corporate Developments

### Saudi Arabia

- ◆ The General Authority for Competition (GAC) provided no objection for the economic concentration between Insurance Company for Investment Projects, Saudi Medical Care Group (SMG), and UAE's NMC Healthcare. The insurance firm would acquire NMC Healthcare's 53.0% stake in SMG.
- ◆ Telecom services provider "stc" repurchased 11.6MM shares allocated to the employee stock incentive plan, amounting to SAR 453.0MM for an average price of SAR 39.2 per share.
- ◆ Group Five Pipe Saudi Co. penned an agreement with Bin Omairah Contracting Co. for supplying spiral-welded steel pipes for the water project in Al Adl district, Makkah; the contract is worth SAR 42.2MM including the value-added tax (VAT).
- ◆ Dallah Healthcare Co. (DHC) received the approval of the Capital Market Authority (CMA) to increase share capital to SAR 976.8MM from SAR 900.0MM by issuing 7.7MM ordinary shares.

### UAE

- ◆ Shopping-mall operator Majid Al Futtaim (MAF) availed a USD 1.25BLN sustainability-linked loan with First Abu Dhabi Bank to support its environmental, social, and governance targets. The loan is expected to help the mall developer reduce the carbon footprint of its property portfolio and certify its malls with LEED Gold or equivalent by 2026.
- ◆ International Holding Company (IHC) raised share capital to AED 2.10BLN from AED 1.80BLN. The transaction came after acquiring Infinity Wave Holding's shares in the ADX-listed companies Alpha Dhabi Holding, Multiply Group, and Al Seer Marine in exchange for issuing 372.1MM shares of IHC's share capital in favor of Infinity.
- ◆ Dubai-based Averda International, one of the largest waste management firms in the MENA region, plans a stake sale in the business.
- ◆ The Court of Cassation ordered Limitless to pay DH 500.0MM to Deyaar Development, including fees and compensation, regarding a dispute related to the purchase of land.

### Qatar

- ◆ Baladna Q.P.S.C. penned an MoU with the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan for cooperating, exchanging information and experience related to development of the dairy industry in Uzbekistan.
- ◆ Qatar Energy signed a sale and purchase agreement (SPA) with China Petroleum & Chemical Corporation (Sinopec) for supplying 4.0MM tons per annum (MTPA) of LNG to the People's Republic of China over 27 years.

### Bahrain

- ◆ Solidarity Bahrain BSc acquired a 55.9% stake in Al Salam, strengthening the group's balance sheet.

### Oman

- ◆ The National Bank of Oman issued Perpetual Additional Tier 1 Capital Securities worth USD 134.1MM at a coupon rate of 6.75% that would be listed on Euronext Dublin (a regulated market).
- ◆ National Life and General Insurance Company (NLIF) made an offer to all minority shareholders of Al Ahlia Insurance Company (AAIC) for acquiring 47.5% of the issued share capital of AAIC.



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