

ABK CAPITAL
GCC
MARKET
MONTHLY
REPORT

2023



GCC Market Monthly Report

March 2023

GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,886.6	(2.34)	(0.46)	6.03	6.53
Kuwait (KWSEAS)	7,050.8	(2.67)	(3.31)	16.76	3.59
Oman (MSM)	4,863.1	2.31	0.12	11.27	3.86
Qatar (DSM)	10,212.6	(3.39)	(4.39)	11.67	4.73
Saudi Arabia (TASI)	10,590.1	4.82	1.07	16.58	3.12
UAE (ADX)	9,430.3	(4.21)	(7.65)	22.31	1.86
UAE (DFM)	3,406.7	(0.90)	2.12	9.73	3.87

Market Highlights

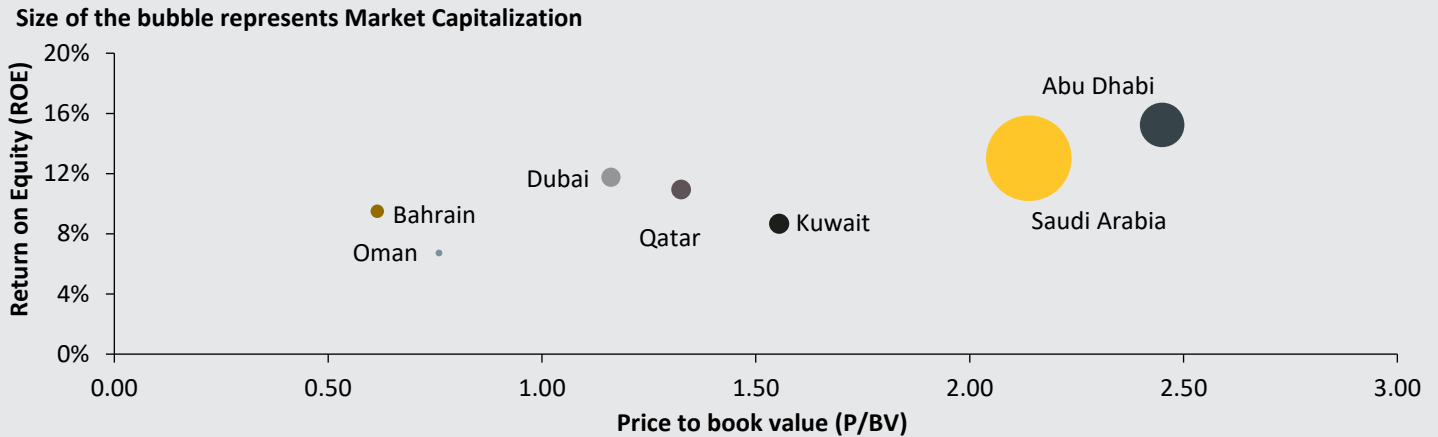
Five GCC indices ended in negative territory, while two ended in positive territory during the month of March. Saudi Arabia's TASI (up 4.8%) was the top gainer, followed by Oman's MSM (up 2.3%), while UAE's ADX (down 4.2%) declined the most.

- ◆ Bahrain's BAX closed 2.3% lower at 1,886.6 points. Among sectors, Materials (down 15.6%) was the top loser, followed by Real Estate (down 2.3%), whereas Industrials (up 1.7%) rose the most. Among stocks, Aluminium Bahrain (down 15.6%) decreased the most, followed by Solidarity Bahrain (down 9.6%), while Nass Corporation B.S.C. (up 12.0%) was the top gainer. In April, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 2.7% lower at 7,050.8 points. Among sectors, Consumer Goods (down 7.0%) declined the most, followed by Technology (down 6.1%). On the contrary, Insurance (up 17.4%) rose the most. Bayan Investment Holding Co. (down 46.5%) declined the most, followed by Arabi Holding Group Co. (down 40.7%), whereas Metal & Recycling Co. (up 41.4%) was the top gainer. We estimate the Kuwaiti market to rise in April on expectation of increased demand ensuing positive outlook for oil prices.
- ◆ Oman's MSM was up 2.3% at 4,863.1 points. Among the sectors, Industries (up 2.2%) was the top gainer, followed by Financials (up 1.4%), whereas Services (down 0.4%) was the only loser. Among stocks, Al Batinah Development & Investment Holding Co (up 76.2%) increased the most, followed by SMN Power Holding (up 31.9%), while Oman REIT Fund (down 17.5%) was the top loser. We expect Oman's bourses to rise in April driven by robust energy prices, expansion of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM fell 3.4% to close at 10,212.6 points. Among sectors, Insurance (down 4.8%) was the top loser, followed by Transportation (down 2.4%), while Consumer Goods and Services (up 5.0%) was the top gainer. Among stocks, Mannai Corporation (down 18.8%) was the top loser, followed by Mekdam Holding Group (down 17.0%), while Dukhan Bank (up 17.7%) increased the most. We anticipate Qatar's market to remain stable in April.
- ◆ Saudi Arabia's TASI increased 4.8% to close at 10,590.1 points. Among sectors, Health Care Equipment (up 18.9%) rose the most, followed by Telecommunication Services (up 12.1%). Alsagr Insurance (down 15.8%) declined the most, followed by Saudi Reinsurance Co. (down 9.5%) while Thimar Development Holding Co. (up 136.9%) rose the most. The market is expected to rise in April as OPEC+ group plans to cut down oil price production ensuing price rise.
- ◆ The ADX fell 4.2% lower at 9,430.3 points. Among sectors, Telecommunications (down 12.2%) was the top loser, followed by Industrials (down 8.2%), while Energy (up 4.4%) was the top gainer. Among stocks, Ghitha Holding P.J.S.C. (down 55.7%) declined the most, followed by National Marine Dredging Co. (down 44.6%), while Hily Holding (up 21.0%) rose the most. The DFM ended 0.9% lower at 3,406.7 points. Among sectors, Consumer Staples (down 16.1%) was the top loser, followed by Materials (down 9.8%), whereas Utilities (up 6.3%) was the top gainer. Among stocks, Commercial Bank of Dubai P.S.C. (down 19.4%) was the top loser, followed by Amlak Finance P.J.S.C. (down 18.9%), while Gulf Navigation Holding (up 32.2%) rose the most. In April, we expect the UAE markets to grow as there is positive sentiment in GCC due to projected oil prices.

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Valuation



Macroeconomic Snapshot

- Bahrain** – The International Monetary Fund (IMF) estimates Bahrain’s real Gross Domestic Product (GDP) to increase by 3.0% this year, and inflation is projected to rise by 3.4%. According to the Information & eGovernment Authority, inflation rate in Bahrain stood at 0.8% YoY in January 2023 vis-à-vis 3.6% YoY in December 2022.
- Kuwait** – As per IMF’s projections Kuwait’s economy is expected to increase by 2.6% this year, and inflation is projected to rise by 2.4%. The annual consumer price inflation (CPI) rate increased 3.22% in February 2023 compared to February 2022, as reported by the Central Statistical Bureau.
- Oman** – As per IMF estimates, Oman’s economy is projected to grow 4.1% this year, and inflation is estimated to rise by 1.9%. According to the National Centre for Statistics and Information, Oman's inflation stood at 1.9% YoY in February 2023 same as January 2023. Consumer prices fell by 0.4% MoM in February 2023, post a 0.5% MoM rise in the previous month.
- Qatar** – As per IMF estimates, Qatar’s real GDP growth is expected to grow by 2.4% this year, and inflation is expected to increase by 3.3%. Qatar's CPI for February 2023 reached 105.34 points, down 0.06% MoM and up 4.41% YoY.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia’s GDP is expected to grow by 2.6% in FY23, and inflation is expected to grow by 2.2%. According to the General Authority for Statistics (GASTAT)’s revised estimates, Saudi Arabia's real GDP growth increased 5.5% YoY in Q4 2022, driven by 6.1% YoY and 6.2% YoY rise in oil and non-oil activities, respectively.
- 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 3.6%. The UAE's PMI declined to 54.1 in January 2023 from 54.2 in December 2022, slipping to a 12-month low, though growth in non-oil business remained strong.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	3.4	6.28	6.75
Kuwait	2.6	2.4	4.25	3.63
Oman	4.1	1.9	5.14	5.50
Qatar	2.4	3.3	5.70	5.50
Saudi Arabia	2.6	2.2	5.58	5.50
UAE	4.2	3.6	4.89	4.90

Source: IMF World Economic Outlook Update for FY 2023 (*January 2023 for Saudi Arabia’s Real GDP, October 2022 for rest), Central Bank, Bloomberg

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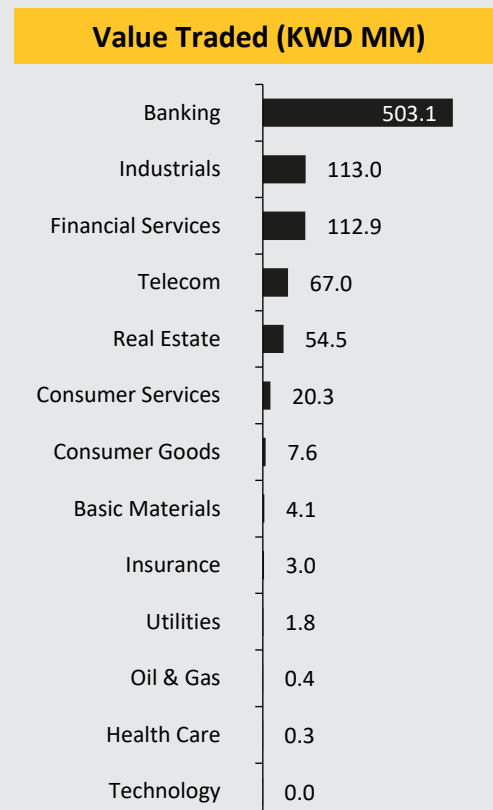
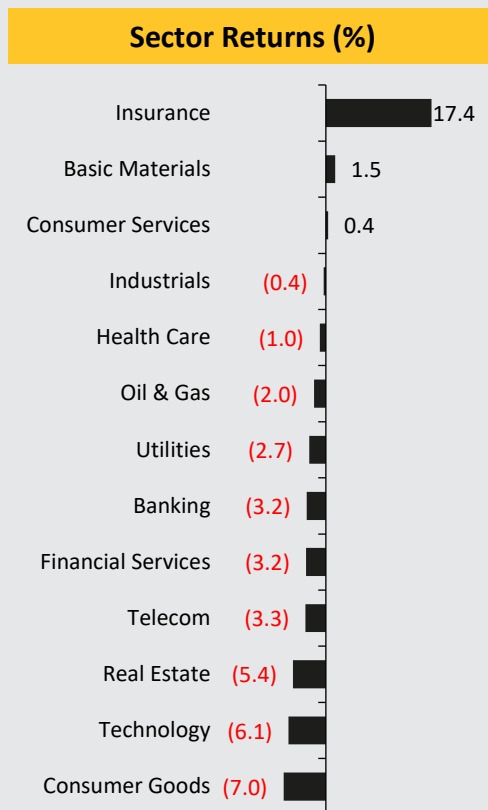
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Kuwait – Sector Returns and Value Traded

◆ **Insurance:** The sector closed 17.4% higher at 1,910.0 points during the month. Gulf Insurance Group (up 39.8%) rose the most, followed by Al-Ahleia Insurance Company (up 3.1%) while Warba Insurance and Reinsurance Company (K.S.C.P) (down 3.7%) was the top Loser. Total volume and value traded stood at 8.6MM and KWD 3.0MM, respectively.

◆ **Consumer Goods:** The sector closed 7.0% lower at 445.3 points during the month. Livestock Transport & Trading Com. (down 7.4%) declined the most, followed by Mezzan Holding Co (down 6.9%). Total volume and value traded stood at 19.9MM and KWD 7.6MM, respectively.

Source: KSE



Commodity Tracker

◆ Gold ended the month at \$1,969.3/troy oz., was up 7.8% MoM in March 2023. In April, 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 \$79.8 per barrel in March 2023, representing a negative return of 4.9% MoM. Oil prices are projected to remain slightly rise in April 2023 as OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$24.1/troy oz., registering a positive return of 15.2% MoM. Silver prices are projected to decline in April due to US Treasury yield and US dollar growth against a basket of other currencies.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,969.3	7.8	8.0
Brent Crude (USD/bbl.)	79.8	(4.9)	(7.1)
Silver (USD/troy oz.)	24.1	15.2	0.6

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Stock Watch (Kuwait)

Metal & Recycling Co. (up 41.43%) was the top gainer, while Bayan Investment Holding Co. (down 46.47%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
MRC	6.40	71.00	41.43	42.28	1.01	10.11	0.86
GINS	402.64	1419.00	39.80	39.80	0.87	10.55	NA
ALKOUT	43.29	429.00	10.00	10.00	0.00	4.34	1.33
KPROJ	615.30	123.00	8.85	9.82	139.40	21.28	0.95
KFOUC	22.42	310.00	8.77	5.44	2.00	21.50	NA
TOP LOSERS							
BAYANINV	6.77	22.00	(46.47)	(46.47)	7.33	NM	0.46
AGHC	83.02	240.00	(40.74)	(25.47)	10.70	NM	NA
ALOLA	13.87	31.10	(30.89)	(50.56)	51.97	NM	NA
TAAMEER	3.33	13.90	(26.46)	(33.81)	8.49	NM	NA
THURAYA	21.39	146.00	(24.74)	(31.78)	NA	53.09	NA

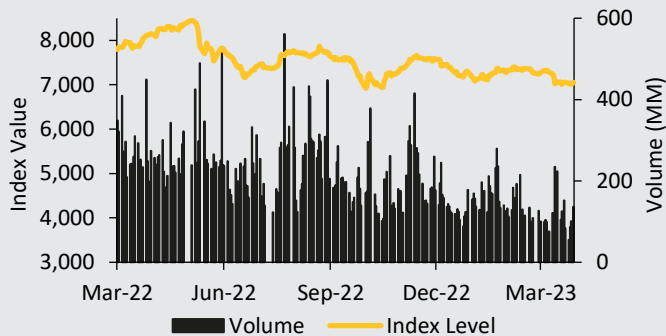
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

Stock Watch (Saudi Arabia)

Thimar Development Holding Co. (up 136.9%) rose the most, while Alsagr Insurance (down 15.8%) declined the most.

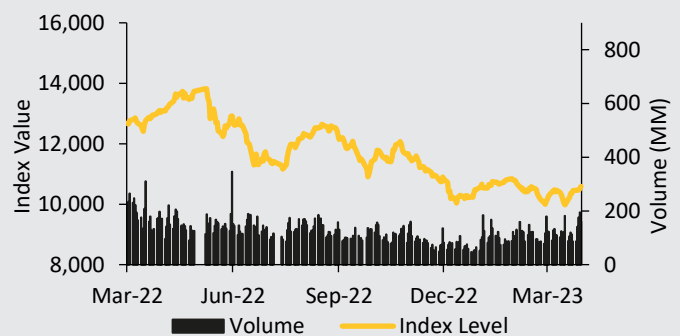
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
THIMAR	407.50	40.75	136.92	136.92	88.98	NA	NA
ALKATHIRI	768.55	68.00	31.02	91.28	11.97	NM	5.92
MOUWASAT	23,500.00	235.00	30.12	12.44	2.85	41.90	8.57
SULAIMAN ALHABIB	101,990.00	291.40	25.71	32.09	4.71	64.03	17.85
ZAIN KSA	11,683.48	13.00	25.24	29.22	129.94	31.49	1.22
TOP LOSERS							
ALSAGR INSURANCE	178.92	12.78	(15.81)	(8.97)	5.67	NM	1.37
SAUDI RE	1,313.33	14.74	(9.46)	7.59	3.89	23.84	1.33
JOUF CEMENT	1,369.62	12.60	(9.35)	13.92	7.09	NM	1.24
TAPRCO	314.00	62.80	(8.99)	(4.56)	8.94	NA	NA
ALAMAR	3,672.00	144.00	(7.93)	3.75	1.59	31.45	11.18

Kuwait (KWSEAS)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly Market Updates

- ◆ Kuwait's All Share Index closed 2.7% MoM lower at 7,050.8 points in March 2023. The total volume traded rose 11.1% MoM to 2.6BLN, the number of deals increased 18.3% MoM to 180,431, and the total value traded rose 27.0% MoM to KWD 0.9BLN.
- ◆ As per the third estimate released by the Bureau of Economic Analysis, real GDP growth of the US stood at 2.6% YoY in 4Q 2022 compared with 3.2% YoY in 3Q 2022.
- ◆ As per Eurostat, the EU's statistical office, the Euro Area's annual inflation for March 2023 is estimated to come in at 6.9%, down from 8.5% in February 2023.
- ◆ According to the Office for National Statistics, the Consumer Price Index (CPI) of the UK rose 10.4% in the 12 months to February 2023, up from 10.1% in January 2023.
- ◆ As per the National Bureau of Statistics, China's CPI decreased to 1.0% YoY in February 2023 from 2.1% YoY in January 2023, compared with market consensus of 1.9% YoY.
- ◆ According to Japan's Ministry of Internal Affairs & Communications, CPI came in at 3.3% YoY in February 2023, as opposed to 4.3% YoY in January 2023.

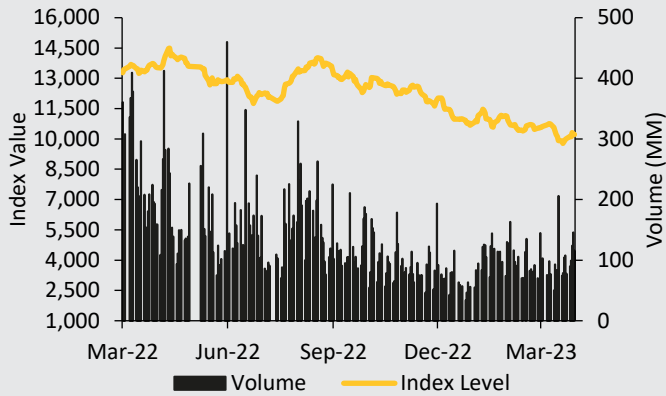
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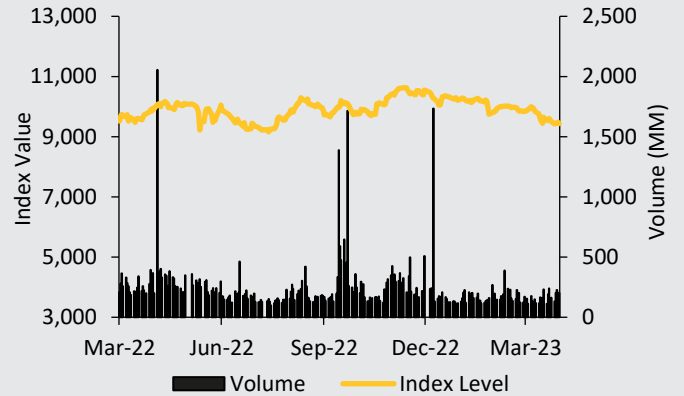
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GCC Benchmark Indices – Market Movements

Qatar (DSM)



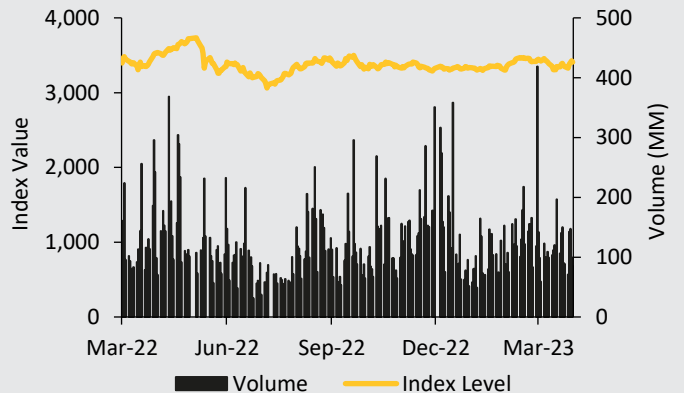
Abu Dhabi (ADX)



Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



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GCC Markets – Economy and Industry News

Saudi Arabia

- ◆ According to the General Authority for Statistics (GASTAT)'s revised estimates, Saudi Arabia's real GDP growth increased 5.5% YoY in Q4 2022, driven by 6.1% YoY and 6.2% YoY rise in oil and non-oil activities, respectively.
- ◆ In February 2023, CPI rose 3.0% YoY compared with 3.4% YoY growth in January 2023.
- ◆ Overall merchandise exports fell 2.8% YoY to SAR 105.1BLN in January 2023, mainly led by a 1.7% YoY decrease in oil exports. Non-oil exports (including re-exports) fell 6.7% YoY in January 2023. The share of oil exports increased to 78.1% in January 2023 from 77.2% in January 2022.
- ◆ Saudi Arabia's residential and commercial rent deals rose by 100.0% in terms of value in FY22 amounting to approximately SAR 76.0BLN compared with SAR 41.9BLN in FY21.

UAE

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) fell from 54.5 in January 2023 to 54.1 in February 2023, a 12-month low. However, S&P Global stated robust growth in the non-oil sector continued.
- ◆ The UAE's PMI declined to 54.1 in January 2023 from 54.2 in December 2022, slipping to a 12-month low, though growth in non-oil business remained strong.
- ◆ Central Bank of the UAE projected the country's GDP to grow at 4.3% in FY24, driven by oil and non-oil exports.

Qatar

- ◆ As per the Planning and Statistics Authority (PSA), Qatar's foreign merchandise trade balance rose to QAR 22.9BLN in February 2023, depicting a 2.9% YoY and 5.7% MoM increase in balance, as exports totalled QAR 31.0BLN (down 2.2% YoY) and imports stood at QAR 8.1BLN (down 14.3% YoY).
- ◆ Qatar's CPI for February 2023 reached 105.34 points, down 0.06% MoM and up 4.41% YoY.
- ◆ The Qatar Central Bank rose its interest rates by 25 bps effective from March, following the US Federal Reserve's hike of the same size, as the Qatari riyal is pegged to the dollar. The central bank of Qatar also increased its deposit, lending and repo rates by 25 bps to 5.25%, 5.75% and 5.5%, respectively.

Bahrain

- ◆ According to the Information & eGovernment Authority, inflation rate in Bahrain stood at 0.8% YoY in January 2023 vis-à-vis 3.6% YoY in December 2022. Consumer prices grew 0.5% MoM in January 2023, following a 0.3% MoM drop in December 2022.
- ◆ According to the finance ministry of Bahrain, the country's early financial projections for FY22 depict a decline in deficit limits, as total oil revenue rose by around 58.0% compared with budget projections, whereas total public revenue rose by around 42.0% to 3.49BLN dinars compared with budget estimate.

Oman

- ◆ According to the National Centre for Statistics and Information, Oman's inflation stood at 1.9% YoY in February 2023 same as January 2023. Consumer prices fell by 0.4% MoM in February 2023, post a 0.5% MoM rise in the previous month.
- ◆ Oman's infrastructure fund, Rakiza, revealed that its initial private placement closed at USD 1.0BLN; the fund is co-managed by Oman Infrastructure Investment Management (OIM) and Equitix.

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GCC Corporate Developments

Saudi Arabia

- ◆ The board of the National Shipping Company of Saudi Arabia (Bahri) suggested issuing one bonus share for every two owned shares to increase capital by 50% from SAR 4.9BLN to SAR 7.4BLN.
- ◆ Gas Arabian Services was allotted a project from Advanced Petrochemical amounting SAR 51.0MM. The project involves constructing a pipeline for supplying a gaseous stream from Advanced Petrochemical to Jubail United Company, an affiliated firm of Saudi Basic Industries Corporation.
- ◆ The Saudi Data and Artificial Intelligence Authority granted a project deal worth SAR 228.8MM to Al Moammar Information Systems Company (MIS).
- ◆ MIS signed an agreement amounting to SAR 49.6MM with the Board of Grievances, as per a bourse filing.
- ◆ Saudi Arabian Oil Company (Aramco) declared a deal amounting to USD 7.0BLN in the Shaheen petrochemical project in South Korea's Ulsan.

UAE

- ◆ Kezad Communities and Al Eskan Al Jamae have been merged by Abu Dhabi Ports Group. The combined entity has an equity value of approximately AED 7.0BLN. The merger took place through an equity share swap. Abu Dhabi Ports Group would hold a majority stake of 52.0% in the retained company.
- ◆ Abu Dhabi National Oil Company (ADNOC) L&S released a platform for world-scale integrated logistics services. The company signed a five-year contract with ADNOC Offshore totalling AED 9.5BLN.
- ◆ Al Naboodah Group entered into a partnership agreement with DP World to use its platform dubuy.com to access new markets via the global logistics network. This partnership will speed up B2B trade for the group.
- ◆ Islamic Arab Insurance Company (Salama) decreased market capital by 22.3% to AED 939.6MM from AED 1.21BLN by cancelling 270.4MM shares, with an objective to write off AED 270.4MM worth accumulated losses registered in FY21.

Qatar

- ◆ Qatar Electricity and Water Company announced the signing of a nine-year gas turbine service contract with General Electric to enhance energy security in Qatar.
- ◆ Estithmar Holding signed an agreement with the Egyptian Ministry of Health and Population to study new investments in the Egyptian Healthcare Sector.

Bahrain

- ◆ GFH Financial Group sold 96.7MM worth treasury shares to Dubai Investments Company.
- ◆ Bank of Bahrain and Kuwait sold its entire ownership stake of 50.0% in Aegila Capital Management.

Oman

- ◆ Hong Kong's Huaxin International Holdings Ltd completed the acquisition of 59.6% of share capital of Oman Cement Co through its wholly indirectly owned subsidiary Abra Holding In Co.
- ◆ Al Ahlia Insurance's shareholders gave approval on the conversion of the company from a public joint stock company to a closed joint stock company.

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