

ABK CAPITAL
GCC
MARKET
MONTHLY
REPORT

2023



GCC Market Monthly Report

February 2023

GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,931.8	0.19	1.93	6.16	5.49
Kuwait (KWSEAS)	7,244.4	(0.45)	(0.65)	17.94	3.46
Oman (MSM)	4,753.3	1.06	(2.14)	12.75	3.59
Qatar (DSM)	10,571.0	(3.30)	(1.03)	11.97	4.44
Saudi Arabia (TASI)	10,102.7	(6.39)	(3.59)	16.14	2.88
UAE (ADX)	9,844.8	0.34	(3.59)	23.01	2.08
UAE (DFM)	3,437.8	4.07	3.05	9.21	3.13

Market Highlights

Three GCC indices ended in negative territory, while four ended in positive territory during the month of February. UAE's DFM Index (up 4.1%) was the top gainer, followed by Oman's MSM (up 1.1%), while Saudi Arabia (TASI) (down 6.4%) declined the most.

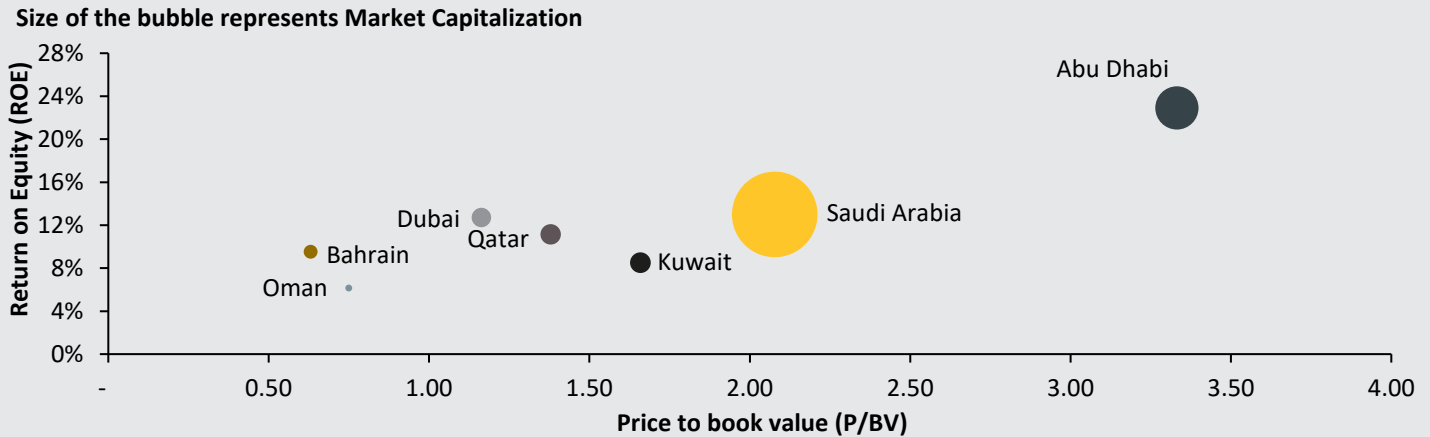
- ▶ Bahrain's BAX closed 0.2% higher at 1,931.8 points. Among sectors, Consumer Discretionary (up 0.7%) was the top gainer, followed by Communication Services (up 0.6%), whereas Real Estate (down 4.1%) declined the most. Among stocks, Bahrain National Holding (up 15.9%) increased the most, followed by Bahrain Flour Mills Co. (up 10.0%), while Bahrain Car Parks Co. (Amakin) (down 27.0%) was the top loser. In March, we expect Bahrain's market to follow trend in oil prices.
- ▶ Kuwait's All Share Index closed 0.5% lower at 7,244.4 points. Among sectors, Industrials (down 9.2%) declined the most, followed by Real Estate (down 3.9%). On the contrary, Insurance (up 4.8%) rose the most. Salbookh Trading Co. (down 46.71%) declined the most, followed by The Energy House Co (down 41.1%), whereas Aan Digital Services Co. (up 436.65%) was the top gainer. We estimate the Kuwaiti market to rise in March on expectation of increased in demand ensuing positive outlook for oil prices.
- ▶ Oman's MSM was up 1.1% at 4,753.3 points. Among the sectors, Services (up 1.9%) was the top gainer, followed by Financials (up 1.6%). Among stocks, SMN Power Holding (up 27.8%) increased the most, followed by Gulf Mushroom (up 23.7%), while Sohar Power (down 15.0%) was the top loser. We expect Oman's bourses to rise in March driven by robust energy prices, expansion of oil-gas production, and wide-ranging structural reforms.
- ▶ Qatar's DSM fell 3.3% to close at 10,571.0 points. Among sectors, Real Estate (down 5.8%) declined the most, followed by Insurance (down 5.5%), while Telecom (up 1.7%) increased the most. Among stocks, Qatar General Insurance & Reinsurance (down 33.1%) was the top loser, followed by Dlala Brokerage & Investment Holding (down 27.7%), while Estithmar Holding (up 13.4%) increased the most. We anticipate Qatar's market to remain stable in March.
- ▶ Saudi Arabia's TASI decrease 6.4% to close at 10,102.7 points. Among sectors, Banks (down 11.8%) declined the most, followed by Diversified Financials (down 9.5%), while Transportation (up 3.9%) rose the most. Tihama Advertising and Public Relations Co. (down 26.7%) declined the most, followed by Bank Albilad (down 20.5%), while Middle East Healthcare Co. (up 20.9%) rose the most. The market is expected to rise in March as OPEC+ group plans to cut down oil price production ensuing price rise.
- ▶ The ADX rose 0.3% at 9,844.8 points. Among sectors, Real Estate (up 6.9%) was the top gainer, followed by Consumer Discretionary (up 5.8%), while Healthcare (down 8.1%) was the top loser. Among stocks, Ras Al Khaimah Poultry & Feeding Co. (up 46.2%) rose the most, while Q Holding PSC (down 19.7%) declined the most. The DFM ended 4.1% higher at 3,437.8 points. Among sectors, Financials (up 6.6%) was the top gainer, followed by Industrials (up 4.2%), whereas Consumer staples (down 12.9%) was the top loser. Among stocks, Amlak Finance P.J.S.C. (up 39.8%) was the top gainer, followed by Mashreq Bank PSc (up 32.0%), while Union Properties P.J.S.C. (down 13.2%) declined the most. In March, 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 0.80% YoY in January 2023 vis-à-vis 3.60% 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 3.31% in January 2023 compared to January 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 eased to 1.90% in January 2023 from 1.98% in December 2022, the lowest rate since June 2021.
- 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 January 2023 reached 105.40 points, down 2.59% MoM and up 4.20% 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) flash estimates, Saudi Arabia's real GDP growth increased 5.4% YoY in Q4 2022, whereas GDP growth for FY22 was 8.7%.
- 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%. In comparison, the UAE's PMI declined to 54.1 in January 2023 from 54.2 in December 2022, slipping to a 12-month low.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	3.0	3.4	6.26	6.75
Kuwait	2.6	2.4	4.22	3.63
Oman	4.1	1.9	4.99	5.25
Qatar	2.4	3.3	5.43	5.25
Saudi Arabia	2.6	2.2	5.53	5.25
UAE	4.2	3.6	4.75	4.65

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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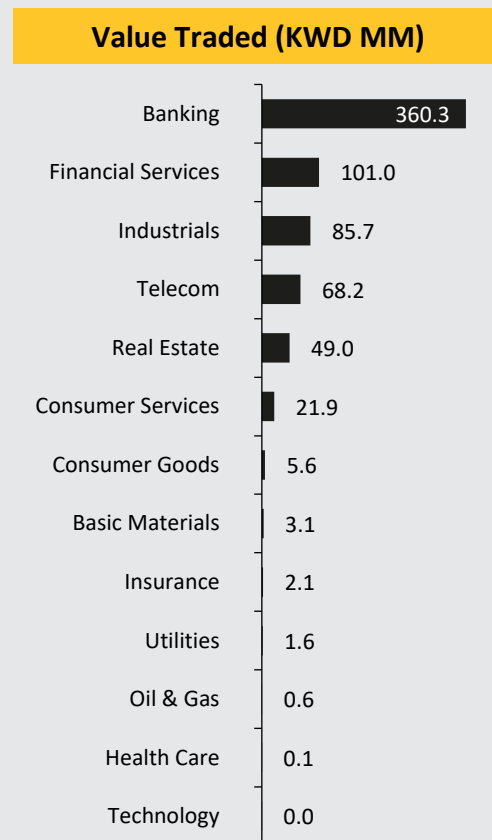
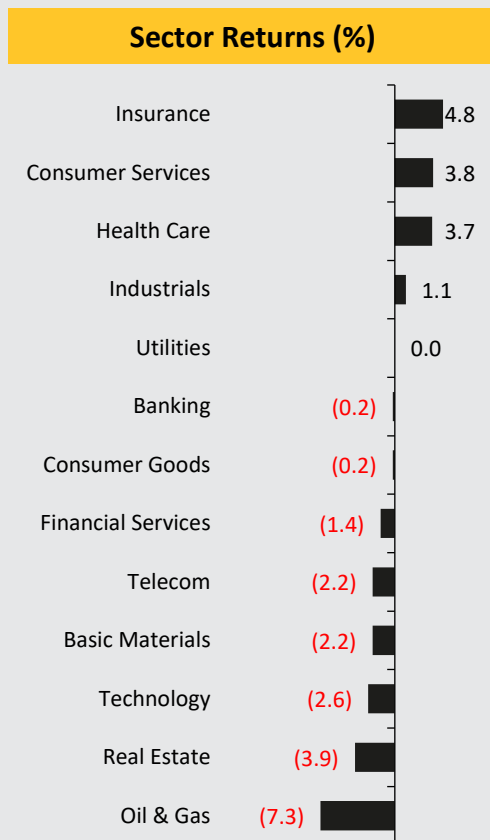
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Kuwait – Sector Returns and Value Traded

◆ **Insurance:** The sector closed 4.8% higher at 1,627.6 points during the month. Warba Insurance and Reinsurance Company (K.S.C.P) (up 36.1%) rose the most, followed by Kuwait Reinsurance Company (up 21.4%) while First Takaful Insurance Company (down 4.8%) was the top Loser. Total volume and value traded stood at 10.9MM and KWD 2.1MM, respectively.

◆ **Oil & Gas:** The sector closed 7.3% lower at 1,017.8 points during the month. The Energy House Co (down 41.1%) declined the most, followed by Independent Petroleum Group (down 13.9%) while National Petroleum Services Company (up 2.7%) was the top gainer. Total volume and value traded stood at 10.4MM and KWD 0.6MM, respectively.

Source: KSE



Commodity Tracker

◆ Gold ended the month at \$1,826.9/troy oz., was down 5.3% MoM in February 2023. In March, 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 \$83.9 per barrel in February 2023, representing a negative return of 0.7% MoM. Oil prices are projected to remain slightly rise in March 2023 as OPEC+ group is expected to cut its production.

◆ Silver ended the month at \$20.9/troy oz., registering a negative return of 11.9% 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.)	1,826.9	(5.3)	0.2
Brent Crude (USD/bbl.)	83.9	(0.7)	(2.4)
Silver (USD/troy oz.)	20.9	(11.9)	(12.7)

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Stock Watch (Kuwait)

Aan Digital Services Co. (up 436.65%) was the top gainer, while Salbookh Trading Co. (down 46.71%) declined the most.

Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
AAN	14.04	86.40	436.65	436.65	NA	NA	4.51
WINSRE	27.49	162.00	36.13	32.79	9.16	8.71	NA
KUWAITRE	83.85	352.00	21.38	22.22	0.03	10.75	NA
SANAM	8.49	70.00	19.66	11.29	29.17	78.48	0.93
KBT	36.12	62.80	17.38	11.94	0.00	7.99	0.73
TOP LOSERS							
SALBOOKH	0.82	8.10	(46.71)	(47.40)	7.85	NA	0.27
ENERGYH	2.67	58.90	(41.10)	173.95	0.78	NA	0.13
ALOLA	20.07	45.00	(17.73)	(28.46)	13.48	50.56	0.41
TAAMEER	4.53	18.90	(17.11)	(10.00)	0.93	NA	0.32
MANAZEL	9.38	21.80	(16.15)	(19.85)	9.77	6.81	0.49

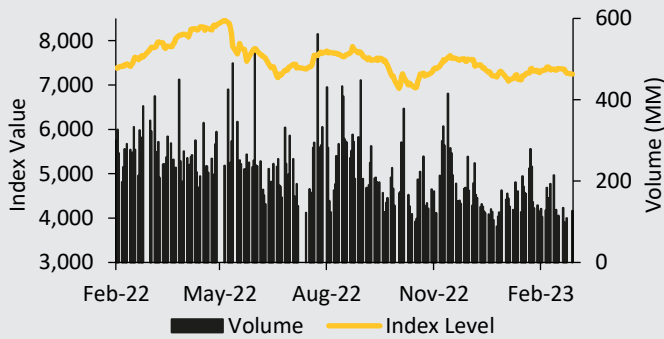
Source: Bloomberg, CapIQ. NA - Not available, NM - Not meaningful

Stock Watch (Saudi Arabia)

Middle East Healthcare Co. (up 20.9%) rose the most, while Tihama Advertising and Public Relations Co. (down 26.7%) declined the most.

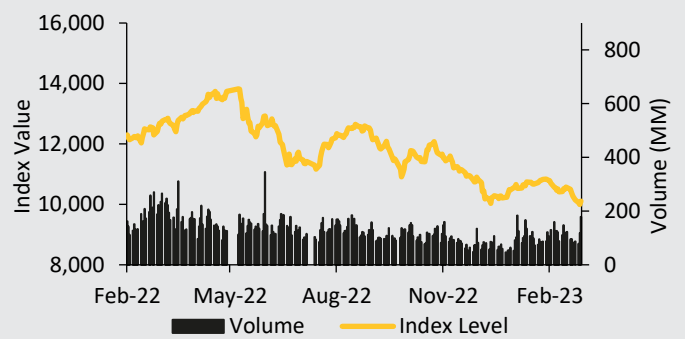
Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
TOP GAINERS							
SAUDI GERMAN HEALTH	3,064.93	33.30	20.87	30.84	10.13	129.65	2.37
DAR ALARKAN	15,508.80	14.36	14.88	23.58	168.49	34.51	0.79
THEEB	3,293.80	76.60	13.65	11.01	3.05	17.62	5.14
ALJOUF	1,581.00	52.70	11.89	18.69	7.14	32.48	2.42
ALAMAR	3,988.20	156.40	11.87	12.68	1.49	34.16	12.14
TOP LOSERS							
TAPRCO	345.00	69.00	(26.67)	4.86	6.48	NA	NA
ALBILAD	35,650.00	35.65	(20.51)	(19.80)	19.59	18.10	2.74
BSFR	39,415.18	32.70	(19.95)	(19.46)	10.71	10.75	1.04
CENOMI RETAIL	1,682.48	14.66	(19.72)	(5.30)	12.16	32.09	2.83
ANB	34,530.00	23.02	(16.75)	(28.17)	12.35	12.62	1.09

Kuwait (KWSEAS)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly Market Updates

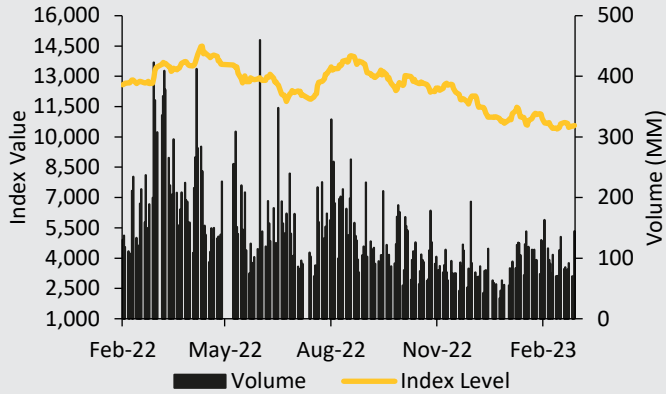
- ◆ Kuwait's All Share Index closed 0.5% MoM lower at 7,244.4 points in February 2023. The total volume traded declined 37.4% MoM to 2.3BLN, the number of deals decreased 27.8% MoM to 152,526, and the total value traded fell 33.5% MoM to KWD 0.7BLN.
- ◆ As per the second estimate released by the Bureau of Economic Analysis, real GDP growth of the US stood at 2.7% YoY in 4Q 2022 compared with 3.9% YoY in 3Q 2022.
- ◆ As per Eurostat, the EU's statistical office, the Euro Area's annual inflation for February 2023 is estimated to come in at 8.5%, down from 8.6% in January 2023.
- ◆ According to the Office for National Statistics, the Consumer Price Index (CPI) of the UK rose 10.1% in the 12 months to January 2023, down from 10.5% in December 2022.
- ◆ As per the National Bureau of Statistics, China's CPI edged up to 2.1% YoY in January 2023 from 1.8% YoY in December 2022, compared with market consensus of 2.2% YoY.
- ◆ According to Japan's Ministry of Internal Affairs & Communications, CPI came in at 4.3% in January 2023, as opposed to 4.0% in December 2022.

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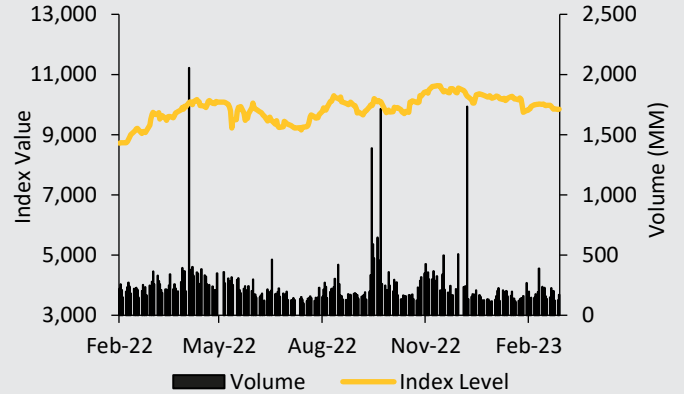
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GCC Benchmark Indices – Market Movements

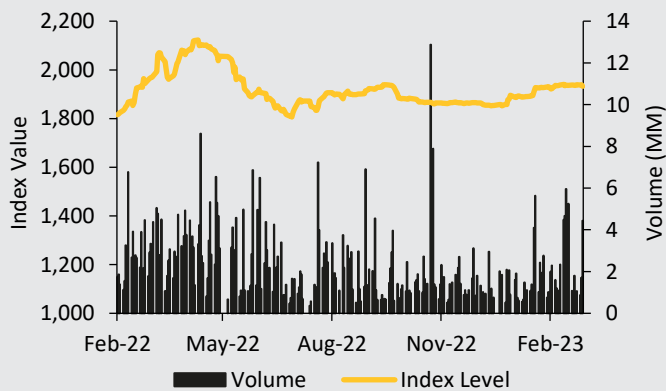
Qatar (DSM)



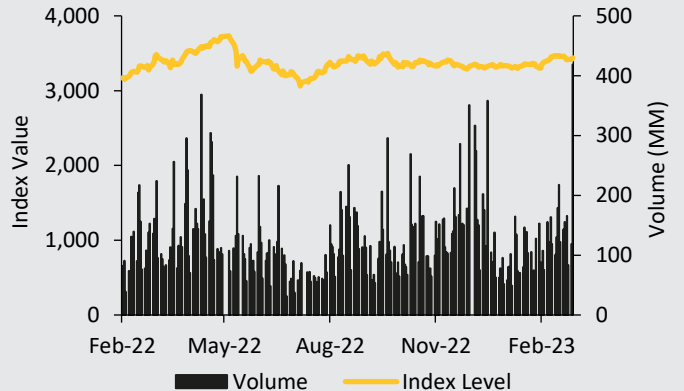
Abu Dhabi (ADX)



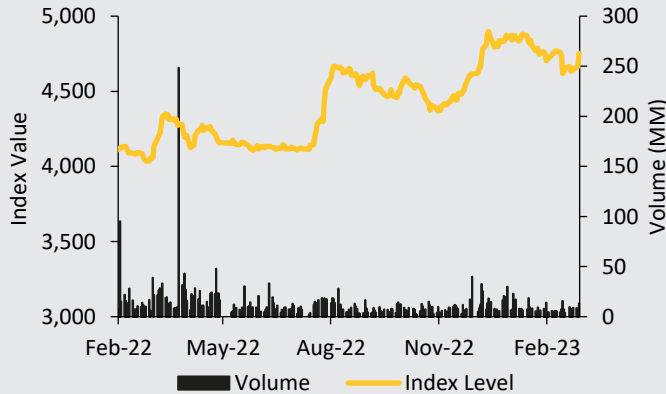
Bahrain (BAX)



Dubai (DFM)



Oman (MSM)



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GCC Markets – Economy and Industry News

Saudi Arabia

- ◆ According to the General Authority for Statistics (GASTAT) flash estimates, Saudi Arabia's real GDP growth increased 5.4% YoY in Q4 2022, driven by a 6.1% YoY and 6.2% YoY rise in oil and non-oil activities, respectively, whereas GDP growth for FY22 was 8.7%.
- ◆ In January 2023, CPI was 3.4% compared to January 2022, marginally higher than December 2022's inflation rate of 3.3% YoY.
- ◆ Overall merchandise exports grew 1.1% YoY to SAR 108.2BLN in December 2022, mainly led by a 11.1% YoY rise in oil exports. Non-oil exports (including re-exports) surged 24.4% YoY in December 2022. The share of oil exports increased to 79.0% in December 2022 from 71.9% in December 2021.
- ◆ Saudi Arabia's Industrial Production Index rose 7.3% YoY in December 2022, primarily driven by high production in mining and quarrying and manufacturing activities, as per GASTAT.
- ◆ Saudi Arabia's tourism spending rose by around 93% in FY22, reaching SAR 185.0BLN, up from SAR 95.6BLN in FY21, in accordance with Saudi Arabia's Vision 2030, as stated by the Tourism Minister.

UAE

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) fell from 55.2 in December 2022 to 54.5 in January 2023, a 11-month low yet indicating robust growth.
- ◆ In comparison, the UAE's PMI declined to 54.1 in January 2023 from 54.2 in December 2022, slipping to a 12-month low, yet growth in non-oil business conditions remains strong.
- ◆ The Central Bank of the UAE (CBUAE) rose the base rate applicable for the overnight deposit facility (ODF) to 4.65% from 4.40%. Meanwhile, CBUAE maintained the rate applicable to borrowing short-term liquidity for all standing credit facilities at 50bps above the base rate.

Qatar

- ◆ As per the Planning and Statistics Authority (PSA), Qatar's foreign merchandise trade balance rose to QAR 79.6BLN in Q4 2022 from QAR 71.4BLN in Q4 2021, as exports totalled QAR 113.5BLN (up 13.5% YoY) and imports stood at QAR 33.9BLN (up 18.5% YoY).
- ◆ Qatar's CPI for January 2023 reached 105.40 points, down 2.59% MoM and up 4.20% YoY.

Bahrain

- ◆ According to the Information & eGovernment Authority, inflation rate in Bahrain stood at 0.80% YoY in January 2023 vis-à-vis 3.60% YoY in December 2022. Consumer prices grew 0.5% MoM in January 2023, following a 0.3% MoM drop in December 2022.
- ◆ Bahrain's exports trade declined below USD 1.0BLN, with the value of products of national origin falling by 8.0% to around USD 941.0MM in January 2023, as per the Information & eGovernment Authority.

Oman

- ◆ According to the National Centre for Statistics and Information, Oman's inflation eased to 1.90% in January 2023 from 1.98% in December 2022, the lowest rate since June 2021.

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GCC Corporate Developments

Saudi Arabia

- ◆ Saudi Aramco Base Oil Company (Luberef) signed an engineering, procurement and construction agreement amounting to SAR 555.0MM to expand the Yanbu facility base oil production capacity.
- ◆ The Public Investment Fund acquired 30.0% stake in Saudi Tabreed District Cooling Co., a leading provider of sustainable district cooling schemes for some of the largest projects in Saudi Arabia.
- ◆ According to a bourse filing, Saudi-based NEOM Green Hydrogen Co. penned agreements with financial institutions totalling USD 8.5BLN to fund the clean energy facility.
- ◆ Bena Steel Industries Company announced that it intends to list 600,000 ordinary shares, i.e., 12.0% of its total shares, on the Nomu Parallel Market of the Saudi Exchange.
- ◆ The General Organization for Social Insurance awarded Al Moammar Information Systems Company (MIS) a project contract amounting to SAR 64.7MM.

UAE

- ◆ e& (formerly Etisalat Group) raised its equity stake in Vodafone Group to 3.8BLN shares, representing 14.0% of Vodafone's share capital, with exclusion of treasury shares.
- ◆ Emirates Central Cooling Systems Corporation (Empower) plans to invest AED 450.0MM in Dubai Maritime City (DMC) for providing district cooling services to the DMC project for cooling capacity exceeding 63,000 refrigeration tonnes.
- ◆ Abu Dhabi National Energy Company (TAQA) acquired a 5.0% stake in ADNOC Gas' total issued share capital, which is in accordance with their long-standing strategic partnership with an aim to boost the energy transition in the UAE.
- ◆ Emirates Stallions Group (ESG), a subsidiary of International Holding Company (IHC), acquired a 50.0% stake in Al Eskan Al Jamae, a UAE-based real estate development and management firm.

Qatar

- ◆ Qatar Insurance completed the acquisition of Vision Insurance through its Oman subsidiary, Oman Qatar Insurance.
- ◆ Estithmar Holding penned an agreement with Al Koot Insurance and Reinsurance Company as a strategic partner for "The View" hospital in affiliation with Cedars Sinai.

Bahrain

- ◆ Gulf Hotel Group penned a Sale and Purchase Agreement to acquire Novotel Al Dana resort in Bahrain from Al Jazeera Tourism Company.
- ◆ Ahli United Bank's shareholders approved the conversion of the bank from a public Bahraini shareholding company to a closed Bahraini shareholding company and the conversion of the bank and its subsidiaries into Sharia-compliant entities.

Oman

- ◆ A'Saffa Logistics will be merging with its parent company, A'Saffa Foods, subject to approval of shareholders in the EGM.
- ◆ Dhofar International Development and Investment Holding Company (DIDIC) received a proposal to sell its stake in the associate company Omani Gulf Food Company in exchange for issuing shares in Dhofar Food and Investment Company SAOG as a private placement.

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