

GCC Market Performance

- Bahrain (BAX)** – Bahrain's BAX closed **1.8%** lower in January. We expect Bahrain's market to remain volatile in February as investors are expected to track developments related coronavirus.
- Kuwait (KSE)** – Kuwait's KSE gained 4.2% in January. We expected Kuwaiti market to witness profit-booking in February following rating downgrades from major rating agencies.
- Oman (MSM)** – Oman's MSM fell **0.2%** in January. We expect Oman's market to remain volatile in February as investors are expected to track global and regional cues.
- Qatar (DSM)** – Qatar's DSM gained 0.4% during January. We anticipate positive stance on Qatar's markets in February due to improving geopolitical relations with the neighboring countries.
- Saudi Arabia (TASI)** – Saudi Arabia's TASI gained 0.2% in January. The market is expected to be volatile in February as country imposed fresh coronavirus-induced restrictions amid rising cases.
- UAE (DFM and ADX)** – The UAE's ADX surged 10.9% and DFM gained 6.5% in January. We expect UAE's market to continue positive momentum in February and in near term on the back of attractive valuations and improving economic fundamentals.

Index	Level	Performance		P/E	Dividend Yield
		MTD	YTD		
Bahrain (BAX)	1,462.61	(1.82)	(1.82)	14.20	4.59
Kuwait (KSE)	5,780.03	4.22	4.22	37.92	3.40
Oman (MSM)	3,653.22	(0.15)	(0.15)	13.18	6.90
Qatar (DSM)	10,473.50	0.36	0.36	18.24	3.76
Saudi Arabia (TASI)	8,702.55	0.15	0.15	33.72	2.42
UAE (ADX)	5,593.48	10.86	10.86	22.23	4.37
UAE (DFM)	2,654.06	6.50	6.50	13.04	3.66

Source: Bloomberg

Macroeconomic Snapshot

- Bahrain** – The International Monetary Fund (IMF) estimates Bahrain's real Gross Domestic Product (GDP) to increase by 2.3% this year, and inflation is projected to rise by 2.8%. According to Information & e-Government Authority, Bahrain's inflation fell **1.6%** YoY in December 2020.
- Kuwait** – As per IMF's projections Kuwait's economy is expected to increase by 0.6% this year, and inflation is projected to rise by 2.3%. According to the latest data released by Central Statistical Bureau (CSB), annual inflation increased by 2.8% YoY in November 2020.
- Oman** – As per IMF estimates, Oman's economy is projected to contract **0.5%** this year, and inflation is estimated to rise by 3.4%. According to National Centre for Statistics and Information, Oman's Inflation fell **1.4%** YoY in December 2020.
- Qatar** – As per IMF estimates, Qatar's real GDP growth is expected to grow by 2.5% this year, and inflation is expected to increase by 1.8%. According to Planning and Statistics Authority, Qatar's consumer price index fell **3.4%** YoY in December 2020.
- Saudi Arabia** – The IMF in its latest projection stated that Saudi Arabia's Gross Domestic Product (GDP) is expected to grow by 2.6% in 2021, compared to an estimated **3.9%** contraction last year and expects Kingdom's economy to record faster growth of 4.0% in 2022. According to the General Authority of Statistics (GASTAT), Kingdom's annual consumer price inflation stood at 3.4% in 2020.
- UAE** – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase 1.3% this year, and inflation is projected to rise by 1.5%.

Country	Real GDP Growth*	Inflation*	Interbank Rate (3M)	REPO Rate
Bahrain	2.3	2.8	2.25	2.25
Kuwait	0.6	2.3	1.43	0.875
Oman	(0.5)	3.4	2.68	0.50
Qatar	2.5	1.8	1.13	1.00
Saudi Arabia	2.6	3.7	0.82	1.00
UAE	1.3	1.5	0.42	0.60

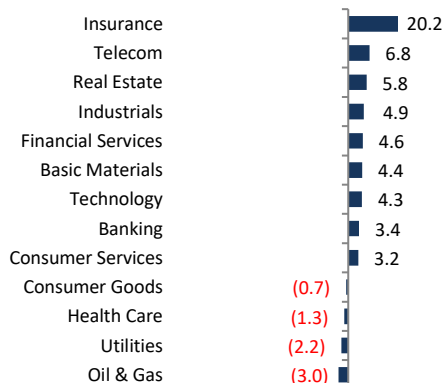
Source: IMF World Economic Outlook Update (October 2020 & January 2021), Central Bank, Bloomberg

* 2021 forecast, **Discount rate of Kuwait

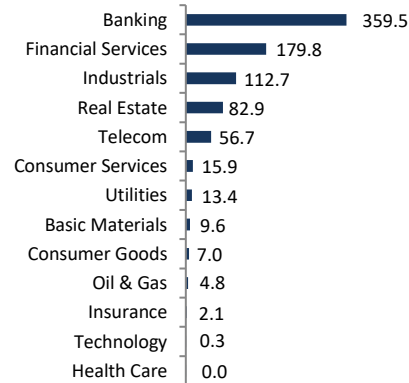
Kuwait –Sector Returns and Value Traded

- Insurance sector closed 20.2% higher at 1,389.9 points during the month. Kuwait Reinsurance Co. (up 167.0%) was the top gainer, followed by First Takaful Insurance Co. (up 35.1%). The total traded value stood at KWD2.1mn.
- Oil & Gas sector closed **3.0%** lower at 1,238.5 points. Burgan Co. for Well Drilling Trading & Maint (down **10.3%**) was the biggest loser, followed National Petroleum Services Co. (down **5.5%**). The total traded value stood at KWD4.8mn.

Sector Returns (%) (KSE IXW)



Value Traded (KWDmn) (KSE IXW)



Source: KSE

GCC Monthly Market Snapshot

January 2021

Commodity Tracker

- Gold ended the month at \$1,847.4/troy oz., representing 2.7% MoM decrease in January 2021. Gold prices are expected to gain in February amid growing expectations that the US lawmakers would pass a massive stimulus package. Prices will also react to major central banks policy outlook.
- Brent crude closed at \$55.9 per barrel in January 2021, representing a positive return of 7.9% MoM. Oil prices will trade positively in February amid declining crude inventories and OPEC+ decision to remain commitment to their supply cut policy.
- Silver ended the month at \$27.0/troy oz., registering a positive return of 6.2% MoM. Silver prices will continue momentum in February.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	1,847.4	(2.7)	(2.7)
Brent Crude (USD/bbl)	55.9	7.9	7.9
Silver (USD/troy oz.)	27.0	6.2	6.2

Source: Bloomberg

Stock Watch (Kuwait)

Kuwait Reinsurance Co. (up 167.0%) was the top gainer in January 2021, while Amwal International Investment Co. (down 19.9%) declined the most.

Name	M Cap (KWDmn)	Last (KWD)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
KUWAITRE	112.92	558.00	166.99	166.99	0.03	22.24	2.03
ALDEERA	8.05	40.80	155.00	155.00	193.78	NM	2.31
IFAHR	24.45	39.60	103.08	103.08	260.78	NM	7.81
MRC	8.78	97.40	83.43	83.43	3.45	NM	0.88
IFA	22.69	91.00	52.17	52.17	269.19	NM	1.93
TOP LOSERS							
AMWAL	4.87	27.00	(19.88)	(19.88)	1.01	19.16	0.50
UPAC	93.29	247.00	(14.83)	(14.83)	6.70	NM	16.87
ALRAI	4.34	41.90	(12.71)	(12.71)	0.44	NM	0.19
COAST	25.37	43.40	(10.52)	(10.52)	33.80	NM	0.49
EKHOLDING	325.77	318.00	(10.42)	(10.42)	0.03	10.92	1.93

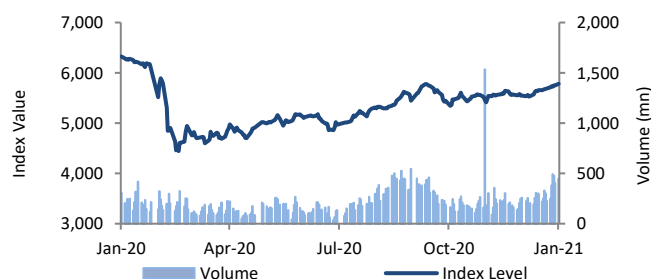
Stock Watch (Saudi Arabia)

Sadr Logistics Co. (up 52.1%) was the top gainer while, Solidarity Saudi Takaful Co. (down 12.1%) declined the most.

Name	M Cap (SARmn)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (Mn)	P/E	P/B
TOP GAINERS							
SADR	845.00	338.00	52.12	52.12	18.14	86.14	25.46
BAAZEEM	1344.60	132.80	47.23	47.23	36.41	52.67	7.26
ALOMRAN	723.60	120.60	27.48	27.48	34.05	278.75	6.51
UCA	857.60	21.44	25.38	25.38	40.03	NM	2.42
ACC	4500.00	45.00	22.12	22.12	14.67	21.93	1.59
TOP LOSERS							
SOLIDARITY	390.00	15.60	(12.06)	(12.06)	16.77	NM	2.06
ACIG	779.73	55.30	(11.94)	(11.94)	12.39	74.20	5.11
SPM	1105.92	57.60	(10.84)	(10.84)	18.62	NM	13.69
SAUDI RE	1119.42	13.82	(8.60)	(8.60)	34.78	28.80	1.24
AYYAN	1343.40	18.22	(7.98)	(7.98)	70.57	55.07	1.76

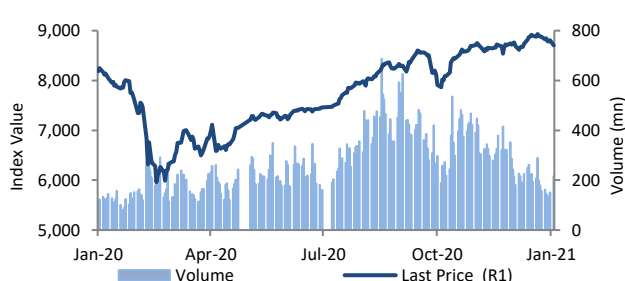
Source: Bloomberg, CapIQ. NA – Not available, NM – Not meaningful

Kuwait(KSE)



Source: Bloomberg

Saudi Arabia (TASI)



Monthly market updates

- Kuwait's All Share Index closed 4.2% higher at 5,780.0 points in January 2021, supported by positive developments surrounding approval of COVID-19 vaccines. Total traded volume increased 24.1% MoM to 6.1bn, while number of deals increased 2.4% MoM to 216,199. However, total value traded decreased 8.4% MoM to KWD844.9mn.
- IMF in its latest projection said that global economy will grow by 5.5% in 2021, revised upward from 5.2% growth projected in October 2020, citing rollout of COVID-19 vaccine will strengthen global economy this year coupled with additional policy support in a few large economies.
- As per the advance estimate released by the Bureau of Economic Analysis (BEA), real Gross Domestic Product (GDP) of the US grew at an annualized rate of 4.0% QoQ in Q4 2020, driven by increases in exports, non-residential fixed investment, personal consumption expenditures (PCE), residential fixed investment, and private inventory investment.
- According to the preliminary flash estimates released by Eurostat, seasonally adjusted GDP of Euro area decreased by 0.7% QoQ during Q4 2020, amid pandemic-induced lockdowns.
- In Asia, according to data released by National Bureau of Statistics, China's Consumer Price Index (CPI) rose 0.2% YoY in December 2020, compared with decline of 0.5% YoY growth in November.

Disclaimer

This material was produced by Ahli Capital Investment Company K.S.C.C ('Ahli Capital'), a firm regulated by the Capital Markets Authority (Kuwait). This document is not to be used or considered as an offer to sell or a solicitation of an offer to buy any securities. Ahli Capital may, from time to time to the extent permitted by law, participate or invest in other financing transactions with the issuers of the securities ('securities'), perform services for or solicit business from such issuer, and/or have a position or effect transactions in the securities or options thereof. Ahli Capital may, to the extent permitted by applicable Kuwaiti law or other applicable laws or regulations, effect transactions in the securities before this material is published to recipients. Information and opinions contained herein have been compiled or arrived by Ahli Capital from sources believed to be reliable, but Ahli Capital has not independently verified the contents of this document. Accordingly, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. Ahli Capital accepts no liability for any loss arising from the use of this document or its contents or otherwise arising in connection therewith. This document is not to be relied upon or used in substitution for the exercise of independent judgment. Ahli Capital shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by Ahli Capital for, or sent by Ahli Capital to any person and any such person shall be responsible for conducting his own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Opinions and estimates constitute our judgment and are subject to change without prior notice. Past performance is not indicative of future results. This document does not constitute an offer or invitation to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. Neither this report nor any copy hereof may be distributed in any jurisdiction outside Kuwait where its distribution may be restricted by law. Persons who receive this report should make themselves aware of and adhere to any such restrictions. By accepting this report you agree to be bound by the foregoing limitations.