

ABK CAPITAL  
**GCC**  
MARKET  
MONTHLY  
REPORT

2023



# GCC Market Monthly Report

November 2023

## GCC Markets Performance

Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,939.8	0.54	2.35	6.91	8.63
Kuwait (KWSEAS)	6,653.8	1.87	(8.75)	14.03	4.22
Oman (MSM)	4,658.1	2.48	(4.10)	14.30	4.74
Qatar (DSM)	10,041.7	5.44	(5.99)	11.97	4.84
Saudi Arabia (TASI)	11,177.5	4.56	6.67	18.90	3.13
UAE (ADX)	9,559.6	2.31	(6.38)	27.11	1.63
UAE (DFM)	3,992.4	2.97	19.67	8.95	4.48

## Market Highlights

All seven GCC indices ended in positive territory during the month of October. Qatar's DSM (up 5.4%) increased the most, followed by Saudi Arabia's TASI Index (up 4.6%).

- ◆ Bahrain's BAX closed 0.5% higher at 1,939.8 points. Among sectors, Industrials (up 9.2%) was the top gainer, followed by Communications Services (up 3.3%), whereas only Materials (down 0.9%) decreased. Among stocks, Arab Insurance Group (up 20.4%) increased the most, followed by APM Terminals Bahrain B.S.C. (up 13.4%), while Ithmaar Holding B.S.C. (down 12.0%) was the top loser. In December, we expect Bahrain's market to follow trend in oil prices.
- ◆ Kuwait's All Share Index closed 1.9% higher at 6,653.8 points. Among sectors, Basic materials (up 6.5%) increased the most, followed by Oil and gas (up 4.7%). Ifa Hotels & Resorts Co. (up 98.6%) was the top gainer, followed by International Financial Advisers Holding (up 47.0%), while Kuwait Cement Company (down 43.9%) decreased the most. We estimate the Kuwaiti market to rise marginally in December as the market sentiment for oil prices is expected to be positive as Kuwait will voluntarily cut crude oil output by 135,000 barrels per day for first three months of 2024.
- ◆ Oman's MSM was up 2.5% at 4,658.1 points. Among the sectors, Financials increased the most (up 2.3%), followed by Services (up 0.3), while Industrials declined the most down (1.5%). Among stocks National Aluminium Products (up 45.0%) increased the most, followed by Al Madina Investment Holding (up 44.7%), while Dhofar Foods And Investment (down 14.5%) was the top loser. We expect Oman's bourses to rise in December driven by rising energy prices with respect to planned reduced supply of oil-gas production, and wide-ranging structural reforms.
- ◆ Qatar's DSM up 5.4% to close at 10,041.7 points. Among sectors, Banks&Financial Services (up 7.5%) increased the most, followed by Consumer Goods&Services (up 5.1%). Among stocks, Masraf Al Rayan (up 18.3%) was the top gainer, followed by Salam International (up 10.7%), while Qatar Gas Transport (down 7.9%) decreased the most. We anticipate Qatar's market to slightly increase in November.
- ◆ Saudi Arabia's TASI increase 4.6% to close at 11,177.5 points. Among sectors, Pharma, Biotech & Life Science (up 15.2%) increased the most, followed by Capital Goods (up 14.1%), whereas Energy (down 0.2%) decreased the most. Naseej for Technology Co. (up 42.0%) increased the most, followed by SAL Saudi Logistics Services Co. (up 37.9%), while Fawaz Abdulaziz Alhokair Co. (down 16.2%) decreased the most. The market is expected to rise in December as Saudi Arabia plans to cut down oil production by 1.0MM bpd until the end of December 2023 to combat price decline. Ongoing Israel-Palestine war could also lead to surge in oil prices.
- ◆ The ADX rose 2.3% higher at 9,559.6 points. Among sectors, Consumer Staples (up 14.3%) was the top gainer, followed by Real Estate (up 8.3%), while Consumer Discretionary declined the most (down 6.6%). Among stocks, Al Khaleej Investment (up 88.2%) increased the most, followed by Emirates Driving Company (up 27.6%), while Union Insurance Company (down 21.6%) decreased the most.
- ◆ The DFM ended 3.0% higher at 3,992.4 points. Among sectors, Real Estate (up 10.6%) was the top gainer, followed by Utilities (up 2.9%), whereas Communication Services (down 3.3%) decreased the most. Among stocks, National General Insurance Company P.J.S.C (up 44.9%) was the top gainer, followed by International Financial Advisors K.S.C.C. (up 29.6%), while Takaful Emarat (PSC) (down 15.9%) increased the most. In December, we expect the UAE markets to grow as there is a positive economic outlook aided by rising oil prices.

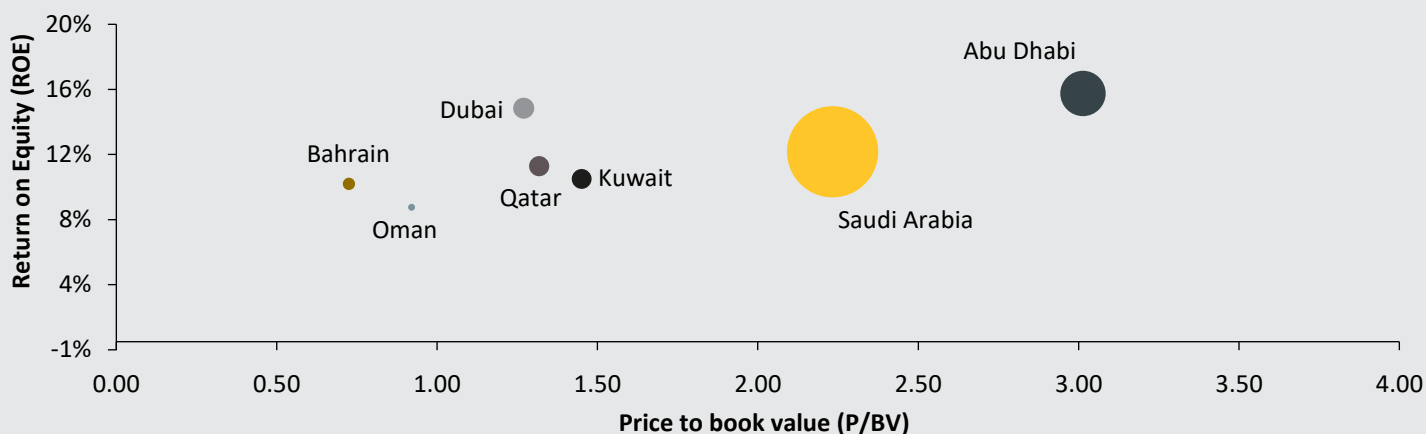
1

# GCC Market Monthly Report

November 2023

## 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 2.7% this year, and inflation is projected to rise by 1.0%. According to the Information & eGovernment Authority, Bahrain's inflation rate remained stable in October 2023 versus a 0.1% YoY decline in September 2023.
- ◆ Kuwait – As per IMF's projections Kuwait's economy is expected to decrease by 0.6% this year, and inflation is projected to rise by 3.4%. Kuwait's annual inflation rate rose slightly to 3.8% YoY in October 2023 from 3.7% YoY in September 2023.
- ◆ Oman – As per IMF estimates, Oman's economy is projected to grow 1.2% this year, and inflation is estimated to rise by 1.1%. According to the National Centre for Statistics and Information, Oman's inflation eased to 0.3% YoY in October 2023 compared with 1.3% in September 2023.
- ◆ 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 2.8%. Qatar's CPI increased to 108.09 points in October 2023 from 106.94 points in September 2023.
- ◆ Saudi Arabia – The IMF in its latest projection stated that Saudi Arabia's GDP is expected to grow by 0.8% in this year, and inflation is expected to increase by 2.5%. Consumer Price Index (CPI) surged 1.6% YoY in October 2023 compared with a 1.7% YoY increase in September 2023.
- ◆ UAE – As per estimates released by the IMF, the real GDP growth rate for UAE is expected to increase by 3.4% this year, and inflation is projected to rise by 3.1%. According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose to 57.4 in October 2023 from 56.1 in September 2023.

Country	Real GDP Growth	Inflation	Interbank Rate (3M)	REPO Rate
Bahrain	2.7	1.0	6.65	7.00
Kuwait	(0.6)	3.4	4.31	3.88
Oman	1.2	1.1	5.98	6.00
Qatar	2.4	2.8	6.00	6.00
Saudi Arabia	0.8	2.5	6.32	6.00
UAE	3.4	3.1	5.45	5.40

Source: IMF World Economic Outlook October 2023, Central Banks, Bloomberg

2

# GCC Market Monthly Report

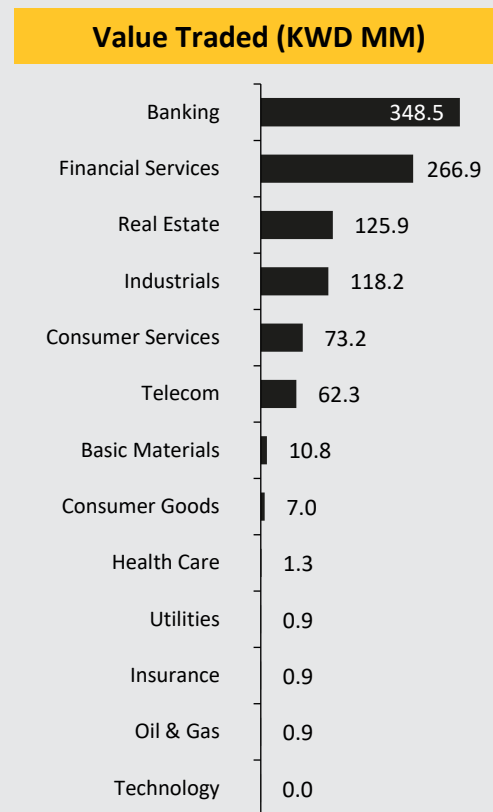
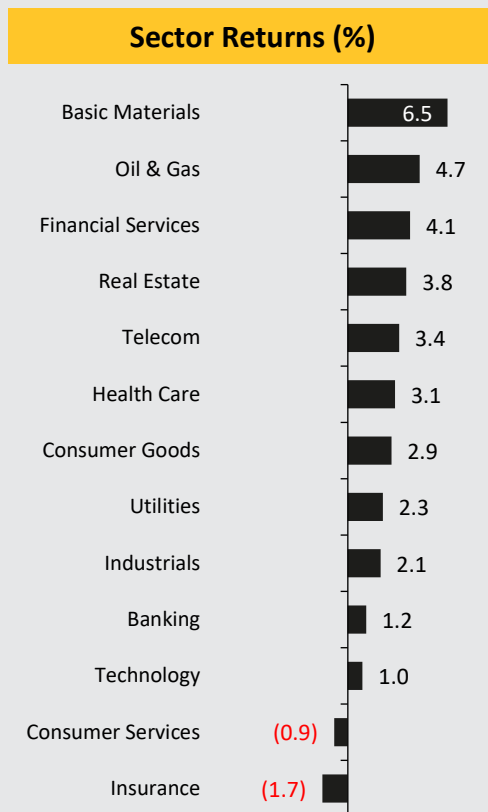
November 2023

## Kuwait – Sector Returns and Value Traded

◆ **Basic Materials:** The sector closed 6.5% higher at 807.0 points during the month. Alkout Industrial Projects Co. (up 10.0%) rose the most, followed by Boubyan Petrochemical Co. (up 5.9%). Total volume and value traded stood at 17.8MM and KWD 10.8MM, respectively.

◆ **Insurance:** The sector closed 1.7% lower at 2,200.4 points during the month. AL-Ahleia Insurance Company (down 3.9%) declined the most, followed by Gulf Insurance Group (down 2.7%) while First Takaful Insurance Company (up 13.0%) was the top gainer. Total volume and value traded stood at 4.1MM and KWD 0.9MM, respectively.

Source: KSE



## Commodity Tracker

- ◆ Gold ended the month at \$2036.4/troy oz., was up 2.6% MoM in November 2023. In December, gold prices are estimated to remain stable.
- ◆ Brent crude closed at \$82.8 per barrel in November 2023, representing a negative return of 5.2% MoM. Oil prices are projected to increase; support will come as Saudi Arabia has cut its Oil production. Ongoing geo political tensions would also escalate the situation.
- ◆ Silver ended the month at \$25.3/troy oz., registering a positive return of 10.6% MoM. Silver prices are projected to remain stable in December.

Commodity	Close	MTD (%)	YTD (%)
Gold (USD/troy oz.)	2036.4	2.6	8.8
Brent Crude (USD/bbl.)	82.8	(5.2)	1.7
Silver (USD/troy oz.)	25.3	10.6	(4.6)

# GCC Market Monthly Report

November 2023

## Stock Watch (Kuwait)

Ifa Hotels & Resorts Co. (up 98.59%) was the top gainer, while Kuwait Cement Company (down 15.54%) declined the most.

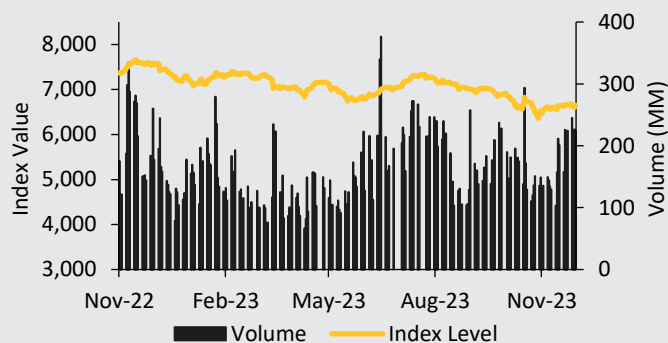
## Stock Watch (Saudi Arabia)

Naseej for Technology Co. (up 42.0%) rose the most, while Fawaz Abdulaziz Alhokair Co. (down 16.2%) declined the most.

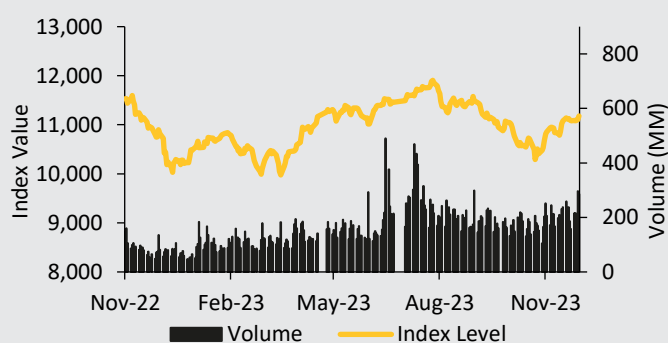
Name	M Cap (KWD MM)	Last (KWD Fils)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B	Name	M Cap (SAR MM)	Last (SAR)	MTD (%)	YTD (%)	Shares Traded (MM)	P/E	P/B
<b>TOP GAINERS</b>								<b>TOP GAINERS</b>							
IFAHR	50.61	564.00	98.59	1885.92	113.12	10.81	6.62	NASEEJ	611.34	56.10	42.03	35.84	13.57	NM	5.50
IFA	47.12	278.00	47.09	180.52	267.52	5.18	1.11	SAL	11,696.00	146.20	37.92	37.92	44.69	26.65	10.33
ENERGYH	2.36	74.50	43.27	246.51	0.07	3.38	0.75	DWF	414.60	138.20	35.49	-10.14	11.32	NM	15.13
ALDEERA	18.72	270.00	32.35	68.75	0.44	20.08	1.51	ARAB SEA	700.00	7.00	34.87	9.38	80.11	NM	5.89
UNICAP	10.71	63.00	31.52	3.45	9.56	0.00	0.66	ALBABTAIN	1,575.65	24.64	32.33	76.38	15.29	13.63	2.62
<b>TOP LOSERS</b>								<b>TOP LOSERS</b>							
KCEM	105.52	125.00	(15.54)	(43.95)	32.76	26.06	0.00	CENOMI RETAIL	1,866.10	16.26	(16.19)	5.04	41.71	NM	8.44
THURAYA	22.71	134.00	(13.55)	(37.38)	0.01	50.21	1.12	ALAMAR	2,866.20	112.40	(15.62)	-19.02	2.09	35.46	8.67
ARKAN	21.85	75.30	(13.45)	(35.09)	0.81	29.93	0.55	MALATH INSURANCE	790.00	15.80	(13.09)	43.12	18.31	18.79	2.06
JAZEERA	321.20	1279.0	(12.40)	(32.68)	11.02	22.35	NA	SALAMA	399.60	19.98	(12.21)	135.34	12.89	7.76	3.84
TAAAMEER	3.47	12.80	(11.72)	(39.05)	22.15	0.00	0.25	AMERICANA	28,640.35	3.40	(10.29)	11.48	374.57	26.33	18.81

Source: Bloomberg, CapIQ. NA – Not Available, NM – Not Meaningful

## Kuwait (KWSEAS)



## Saudi Arabia (TASI)



Source: Bloomberg

## Monthly Market Updates

- ◆ Kuwait's All Share Index closed high at 1.9% MoM 6,653.8 points in November 2023. The total volume traded rose 7.9% MoM to 3.9BLN, the number of deals decreased 7.7% MoM to 234,727 and the total value traded increased 4.9% MoM to KWD 1.01BLN.
- ◆ As per the third estimate released by the Bureau of Economic Analysis, the US real GDP was up 5.2% YoY in Q3 2023 as opposed to the 2.1% YoY increase in Q2 2023.
- ◆ According to Eurostat, the EU's statistical office, the Euro area's annual inflation rate is expected to be 2.4% in November 2023, down from 2.9% in October 2023.
- ◆ Based on the latest data released by the National Bureau of Statistics, China's CPI dropped by 0.2% YoY in October 2023 against a flat reading in September 2023.
- ◆ According to the Statistics Bureau of Japan, CPI stood at 3.3% YoY in October 2023 compared with 3.0% in September 2023.

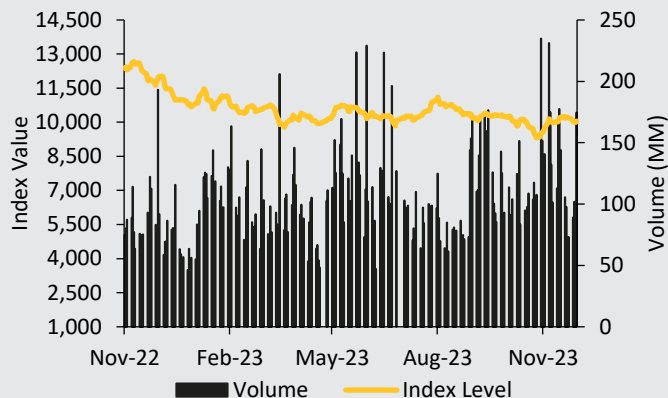


# GCC Market Monthly Report

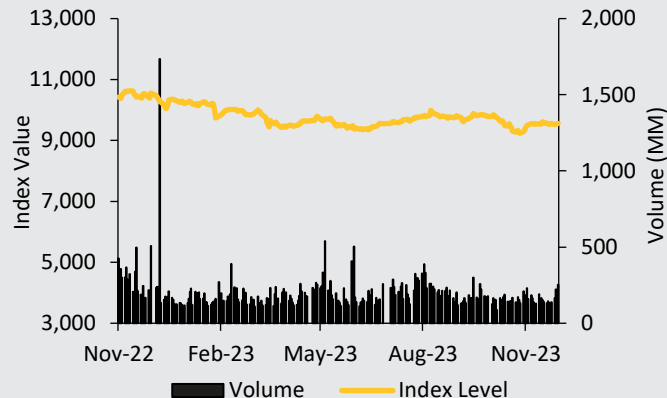
November 2023

## GCC Benchmark Indices – Market Movements

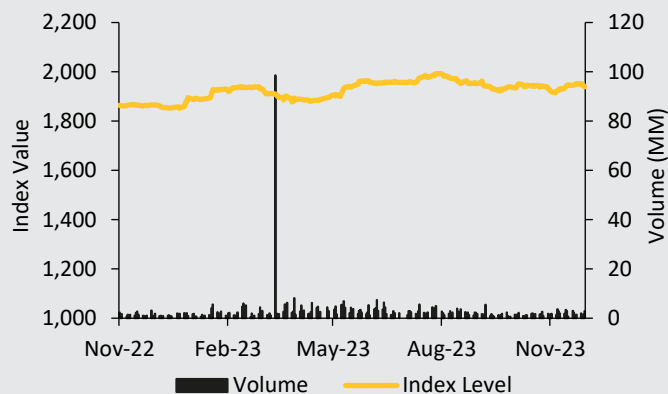
### Qatar (DSM)



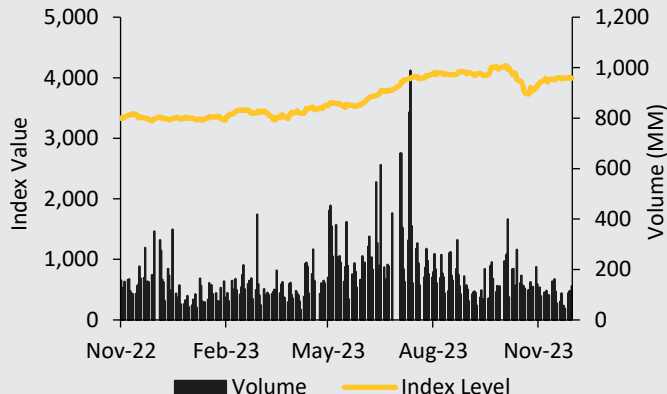
### Abu Dhabi (ADX)



### Bahrain (BAX)



### Dubai (DFM)



### Oman (MSM)



# GCC Market Monthly Report

November 2023

## *GCC Markets – Economy and Industry News*

### **Saudi Arabia**

- ◆ According to the General Authority for Statistics, Saudi Arabia's Consumer Price Index (CPI) surged 1.6% YoY in October 2023 compared with a 1.7% YoY increase in September 2023, mainly due to high prices of housing, water, electricity, gas, and other fuels (7.8%) and prices of restaurants and hotels (0.8%).
- ◆ Overall merchandise exports were down **24.9%** in Q3 2023 from those in Q3 2022.
- ◆ The value of exports in Q3 2023 totalled SAR 299.8BLN compared with SAR 399.1BLN in Q3 2022. Oil products accounted for 77.1% in Q3 2023 compared with 80.2% in Q3 2022 of the country's total exports.
- ◆ Merchandise imports increased 9.4% to SAR 17.1BLN in Q3 2023 compared to Q3 2022.
- ◆ According to the latest data released by the Saudi Arabian Monetary Agency (SAMA), Saudi banks experienced a 10.0% YoY increase in lending in October 2023 to reach SAR 2.56 Trillion, maintaining a consistent YoY growth rate for the fifth consecutive month.

### **UAE**

- ◆ According to S&P Global, Dubai's Purchasing Manager's Index (PMI) rose to 57.4 in October 2023 from 56.1 in September 2023. The UAE's PMI rose to 57.7 in October 2023 from 56.7 in September 2023. The considerable uplift in new business intakes supported a robust increase in activity across the non-oil sector in October.
- ◆ According to a press statement, the Dubai Financial Market, in collaboration with Nasdaq Dubai and the Shanghai Stock Exchange, has signed a memorandum of understanding to advance joint products, including initiatives in indices and electronic funds transfer.
- ◆ According to the UAE minister of state for foreign trade, Thani bin Ahmed Al-Zeyoudi, The UAE is set to establish comprehensive economic partnership agreements with 27 countries and economic blocs which will lead to an expected 33.0% growth in export volume to USD 100.25BLN in 2031.
- ◆ Renewable energy projects in emerging economies are set to receive a AED 1.3 BLN billion (USD 350.0M) financial injection from the UAE's development bank.

### **Qatar**

- ◆ Qatar's CPI increased to 108.09 points in October 2023 from 106.94 points in September 2023.
- ◆ Qatar's state-owned energy firm, QatarEnergy has entered into a 27-year sales and purchase agreement with China Petrochemical Corp, also known as Sinopec, to supply 3.0MM tons of liquefied natural gas annually.

### **Bahrain**

- ◆ According to the Information & eGovernment Authority, Bahrain's inflation rate remained stable in October 2023 versus a **0.1%** YoY decline in September 2023.

### **Oman**

- ◆ According to the National Centre for Statistics and Information, Oman's inflation eased to 0.3% YoY in October 2023 compared with 1.3% in September 2023, whereas CPI fell **0.2%** MoM in October 2023 compared with a 0.5% MoM rise in September 2023.
- ◆ Oman's special economic zones and industrial cities have seen a surge in investments, reaching USD 43.16BLN in the first six months in 2023.

# GCC Market Monthly Report

November 2023

## *GCC Corporate Developments*

### **Saudi Arabia**

- ◆ Al Moammar Information Systems Company (MIS) has signed a three-year contract worth SAR 34.1MM with the Saudi Data and Artificial Intelligence Authority (SDAIA) to provide computer systems and technical support services.
- ◆ Lumi Rental Company signed a SAR 28 million agreement with MachinesTalk, a leading Internet of Things (IoT) solutions provider in Saudi Arabia wherein two parties will join forces with the satellite-supported car-sharing platform AnyCar to provide accurate information on vehicle movement.
- ◆ According to a bourse filing, Saudi Cable Company inked a tripartite agreement to transfer the debt of Al Rajhi Banking and Investment Company and Tathmeer Investment Company, Under the joint deal, Al Rajhi transferred its right to the indebtedness of Saudi Cable in the amount of SAR 232.7MM to the benefit of Tathmeer.
- ◆ Almunajem Foods Company has announced to pay cash dividends worth SAR 120.0MM for the second half of 2023.
- ◆ Qassim Cement Company announced cash dividends worth SAR 58.5MM for the third quarter of 2023.

### **UAE**

- ◆ Abu Dhabi Global Market (ADGM) has introduced Numou, a digital platform created to bridge the funding gap faced by small and midsize enterprises (SMEs).
- ◆ Dubai-based fintech Yabi by Souqalmal has secured USD 8.0MM in a Seed funding round, aiming to foster product development and push growth into regional markets.
- ◆ AD Ports Group collaborated with KazMorTransFlot (KMTF), a fully-owned offshore logistics and services subsidiary of Kazakhstan-based Kazakh National Oil Company (KazMunayGas), to acquire and operate two new vessels at a combined investment of USD 35.0MM.
- ◆ According to a press release, Fertiglobe has announced interim cash dividends valued at USD 275.0MM for the first half of 2023.

### **Qatar**

- ◆ Al Mahhar Holding says team services and rentals secures a 3-year contract to provide specialized oil care services.
- ◆ Qatar investment authority makes an equity investment of USD 50.0MM in clove dental, India's largest tech-enabled-dental-platform.

### **Bahrain**

- ◆ Al Salam Bank shareholders are going to approve issuance of tier 1 financial instruments with a total value not exceeding BD 230.0MM in cash for improving capital ratios to meet bank's financial and strategic requirements.
- ◆ Gulf Tamin has offered to acquire around 10.0% stake in Arab Insurance Group.

### **Oman**

- ◆ Sohar International Bank board decided to discontinue talks of proposed merger with Bank Nizwa.
- ◆ Oman's Ominvest raises stake in Bank Muscat to 15.0% by further acquiring 5.87% shareholding in the bank.



# GCC Market Monthly Report

November 2023

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