



## **MSM 30 Index Cos- Q2 2019 Earnings Preview**

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#### **Foot Notes:**

*Based on the new MSM 30 Index constituents - effective July 2019*

*Earnings estimates of the Investment holding companies have been excluded in our estimates due to market correlation*

*For companies with different year ending (Mar, June), we have taken the earnings data for the calendar period*

**July 10, 2019**



**Q2 2019E Earnings Preview- Financial sector earnings to support, Seasonality impact seen...****H1 2019 Earnings Preview**

**H1 2019E Earnings of MSM30 Index companies (based on new Index constituents effective 1<sup>st</sup> July 2019) is estimated to increase 0.7% YoY.**

Banking sector earnings to increase 3.3% YoY. Investment Holding sector earnings to increase 1.6% YoY. While, Financial Sector earnings during H1 2019 to increase marginally by 2.7% YoY supported by select Banks and Inv. Holding companies.

Industrial sector H1 2019 earnings is estimated to decline 19.2% YoY amidst decline in revenues and increase in operating costs. Earnings of Services sector to decline by 0.2% YoY during the period.

**Q2 2019 Earnings Preview**

**Q2 2019E Earnings of MSM30 Index companies to decline 0.5% YoY and increase 21.5% on a sequential basis.**

Banking sector earnings to increase 3.9% YoY and decline 5.2% QoQ. While Financial Sector earnings during Q2 to increase 5.0% YoY supported by select Banks and Inv. Holding companies and decline 5.6% QoQ due to estimated lower contribution from key banks on a sequential basis.

Industrial sector Q2 earnings to decline 1.1% YoY and increase 41.5% QoQ. Earnings of Services sector to decline by 8.5% YoY and to increase 125.9% QoQ (due to Summer season Peak earnings in Utility sector companies) during the quarter.

**Stocks to watch out during the upcoming earnings season,**

- **Financial Sector-** Earnings Positive on Select Banks- **Bank Nizwa and Sohar International**; Need to watch closely on key factors like credit growth, funding costs and NPAs during the quarter.
- **Industrial Sector-** Earnings Positive on **Al Anwar Ceramics and Salalah Mills**. Select companies to report increase in profits from low base.
- **Services Sector-** Earnings Positive on **Utility Sector companies, OIFC**; Utility Companies to reveal higher earnings during the quarter due to Summer season peak tariff rates.

MSM30 Cos (In RO 000s)	Total Revenue			Net Profit		
	H1 2019	H1 2018	YoY (%)	H1 2019	H1 2018	YoY (%)
<b>Financial Sector</b>						
Ahli Bank	34,120	29,500	15.7%	14,510	14,200	2.2%
Bank Dhofar	68,315	65,358	4.5%	24,607	24,949	-1.4%
Bank Muscat	233,320	216,925	7.6%	90,800	89,700	1.2%
Sohar International Bank	50,347	42,503	18.5%	18,052	13,982	29.1%
National Bank of Oman	64,300	63,600	1.1%	24,700	25,400	-2.8%
HSBC Bank Oman	44,200	42,758	3.4%	15,100	15,369	-1.8%
Bank Nizwa	16,374	12,657	29.4%	4,516	2,618	72.5%
<b>Banking Sector - Aggregate</b>	<b>510,976</b>	<b>473,301</b>	<b>8.0%</b>	<b>192,285</b>	<b>186,218</b>	<b>3.3%</b>
<b>Inv. Holding Sector - Aggregate</b>	<b>151,015</b>	<b>139,590</b>	<b>8.2%</b>	<b>16,480</b>	<b>16,228</b>	<b>1.6%</b>
Al Madina Takaful	7,858	7,828	0.4%	497	(142)	450.0%
Muscat Finance	Not Estimated					
<b>Financial Sector - Aggregate</b>	<b>672,093</b>	<b>625,747</b>	<b>7.4%</b>	<b>209,632</b>	<b>204,107</b>	<b>2.7%</b>
<b>Industry Sector</b>						
Al Anwar Ceramics	10,836	10,083	7.5%	973	470	107.2%
Galfar Engineering	130,186	141,730	-8.1%	97	824	NM
Oman Cement	26,316	25,410	3.6%	2,826	4,753	-40.5%
Raysut Cement	45,008	42,813	5.1%	1,243	702	77.1%
Oman Fisheries	7,407	8,878	-16.6%	(1,083)	(285)	-279.2%
Oman Flour Mills	49,707	43,411	14.5%	4,835	5,759	-16.0%
Oman Refreshment	35,457	36,083	-1.7%	4,846	4,785	1.3%
<b>Industry Sector - Aggregate</b>	<b>304,918</b>	<b>308,409</b>	<b>-1.1%</b>	<b>13,738</b>	<b>17,007</b>	<b>-19.2%</b>
<b>Services Sector</b>						
Oman Investment & Finance	10,902	10,345	5.4%	1,222	898	36.1%
Omantel	1,253,700	914,201	37.1%	30,900	38,008	-18.7%
Ooredoo	137,600	139,000	-1.0%	17,300	17,600	-1.7%
Sembcorp Salalah	34,325	34,773	-1.3%	6,783	7,215	-6.0%
Phoenix Power	64,105	61,529	4.2%	6,645	6,410	3.7%
Al Suwadi Power	37,957	37,609	0.9%	4,214	4,042	4.3%
Al Batinah Power	37,669	35,012	7.6%	4,386	4,210	4.2%
Shell Oman Marketing	243,560	256,094	-4.9%	3,775	5,925	-36.3%
Renaissance Services	141,301	111,139	27.1%	10,138	406	NM
Al Maha Petroleum	227,110	234,250	-3.0%	2,130	2,916	-27.0%
<b>Services Sector - Aggregate</b>	<b>2,188,229</b>	<b>1,833,952</b>	<b>19.3%</b>	<b>87,493</b>	<b>87,630</b>	<b>-0.2%</b>
<b>MSM 30 Index (Inc. Inv. Holding) - Aggregate</b>	<b>3,165,240</b>	<b>2,768,108</b>	<b>14.3%</b>	<b>310,863</b>	<b>308,743</b>	<b>0.7%</b>
<b>MSM 30 Index (Ex. Inv. Holding) - Aggregate</b>	<b>3,011,981</b>	<b>2,623,490</b>	<b>14.8%</b>	<b>294,012</b>	<b>290,713</b>	<b>1.1%</b>

Non-MSM30 Cos (In RO 000s)	Total Revenue				Net Profit		
	H1 2019 E	H1 2018	YoY (%)		H1 2019 E	H1 2018	YoY (%)
Alizz Islamic Bank	9,846	9,151	7.6%		1,053	944	11.6%
Al Jazeera Services	3,456	3,554	-2.7%		706	(1,311)	153.8%
Gulf International Chemicals	1,136	1,306	-13.0%		57	133	-57.3%
Oman Cables	102,228	125,932	-18.8%		3,518	4,025	-12.6%
Al Jazeera Steel	56,747	63,180	-10.2%		1,097	2,622	-58.2%
Al Maha Ceramics	4,090	4,273	-4.3%		621	625	-0.7%
National Alum. Products	23,096	24,075	-4.1%		180	684	-73.7%
Oman Oil Marketing	301,390	301,296	0.0%		2,430	3,989	-39.1%
Asaffa Foods	15,912	16,649	-4.4%		1,305	2,434	-46.4%
Dhofar Cattle Feed	20,263	22,131	-8.4%		661	45	NM
Voltamp Energy	19,852	19,157	3.6%		230	3	NM
Salalah Mills	28,562	25,504	12.0%		1,754	1,579	11.1%

We estimate non-Index companies to report mixed set of H1 2019 earnings. **We expect earnings improvement in Alizz Islamic Bank, Dhofar Cattle Feed, Al Jazeera Services and Salalah Mills.** The impact of economic slowdown to be reflected in lower earnings among sector majors.

MSM30 Cos (In RO 000s)	Total Revenue					Net Profit				
	Q2 2019	Q2 2018	YoY (%)	Q1 2019	QoQ (%)	Q2 2019	Q2 2018	YoY (%)	Q1 2019	QoQ (%)
<b>Financial Sector</b>										
Ahli Bank	17,000	14,570	16.7%	17,120	-0.7%	7,100	7,100	0.0%	7,410	-4.2%
Bank Dhofar	34,000	32,296	5.3%	34,315	-0.9%	12,000	11,357	5.7%	12,607	-4.8%
Bank Muscat	117,000	109,730	6.6%	116,320	0.6%	45,000	44,890	0.2%	45,800	-1.7%
Bank Sohar	24,900	20,695	20.3%	25,447	-2.1%	7,900	5,078	55.6%	10,152	-22.2%
National Bank of Oman	32,000	31,500	1.6%	32,300	-0.9%	12,200	12,800	-4.7%	12,500	-2.4%
HSBC Bank Oman	22,000	21,931	0.3%	22,200	-0.9%	7,000	7,264	-3.6%	8,100	-13.6%
Bank Nizwa	8,250	6,623	24.6%	8,124	1.6%	2,400	1,576	52.3%	2,116	13.4%
<b>Banking Sector - Aggregate</b>	<b>255,150</b>	<b>237,345</b>	<b>7.5%</b>	<b>255,826</b>	<b>-0.3%</b>	<b>93,600</b>	<b>90,065</b>	<b>3.9%</b>	<b>98,685</b>	<b>-5.2%</b>
<b>Inv. Holding Sector - Aggregate</b>	<b>74,980</b>	<b>69,218</b>	<b>8.3%</b>	<b>76,035</b>	<b>-1.4%</b>	<b>8,010</b>	<b>6,425</b>	<b>24.7%</b>	<b>8,470</b>	<b>-5.4%</b>
Al Madina Takaful	4,000	3,483	14.8%	3,858	3.7%	180	(435)	141.4%	317	-43.2%
Muscat Finance	Not Estimated									
<b>Financial Sector - Aggregate</b>	<b>334,130</b>	<b>312,518</b>	<b>6.9%</b>	<b>337,963</b>	<b>-1.1%</b>	<b>101,790</b>	<b>96,930</b>	<b>5.0%</b>	<b>107,842</b>	<b>-5.6%</b>
<b>Industry Sector</b>										
Al Anwar Ceramics	5,200	4,622	12.5%	5,636	-7.7%	350	101	246.0%	623	-43.9%
Galfar Engineering	66,000	71,530	-7.7%	64,186	2.8%	500	1,273	-60.7%	(403)	224.1%
Oman Cement	12,000	11,624	3.2%	14,316	-16.2%	1,300	1,513	-14.1%	1,526	-14.8%
Raysut Cement	22,000	21,851	0.7%	23,008	-4.4%	1,000	252	297.5%	243	311.6%
Oman Fisheries	3,400	3,419	-0.6%	4,007	-15.2%	(300)	(351)	14.5%	(783)	61.7%
Oman Flour Mills	24,500	21,156	15.8%	25,207	-2.8%	2,300	2,412	-4.6%	2,535	-9.3%
Oman Refreshment	19,200	19,441	-1.2%	16,257	18.1%	2,900	2,941	-1.4%	1,946	49.0%
<b>Industry Sector - Aggregate</b>	<b>152,300</b>	<b>153,643</b>	<b>-0.9%</b>	<b>152,618</b>	<b>-0.2%</b>	<b>8,050</b>	<b>8,141</b>	<b>-1.1%</b>	<b>5,688</b>	<b>41.5%</b>
<b>Services Sector</b>										
Oman Investment & Finance	5,100	4,860	4.9%	5,802	-12.1%	200	(35)	671.4%	1,022	-80.4%
Omantel	625,000	444,215	40.7%	628,700	-0.6%	16,000	22,038	-27.4%	14,900	7.4%
Ooredoo	69,000	71,033	-2.9%	68,600	0.6%	8,800	9,620	-8.5%	8,500	3.5%
Sembcorp Salalah	18,000	18,466	-2.5%	16,325	10.3%	3,500	3,834	-8.7%	3,283	6.6%
Phoenix Power	46,000	45,520	1.1%	18,105	154.1%	11,500	11,914	-3.5%	(4,855)	136.9%
Al Suwadi Power	26,000	25,482	2.0%	11,957	117.4%	6,700	6,663	0.6%	(2,486)	369.5%
Al Batinah Power	25,000	24,955	0.2%	12,669	97.3%	6,800	6,893	-1.3%	(2,414)	381.7%
Shell Oman Marketing	123,000	132,586	-7.2%	120,560	2.0%	2,000	3,413	-41.4%	1,775	12.7%
Renaissance Services	71,000	59,538	19.3%	70,301	1.0%	4,000	200	NM	6,138	-34.8%
Al Maha Petroleum	115,000	122,013	-5.7%	112,110	2.6%	1,150	1,759	-34.6%	980	17.3%
<b>Services Sector - Aggregate</b>	<b>1,123,100</b>	<b>948,668</b>	<b>18.4%</b>	<b>1,065,129</b>	<b>5.4%</b>	<b>60,650</b>	<b>66,299</b>	<b>-8.5%</b>	<b>26,843</b>	<b>125.9%</b>
<b>MSM 30 Index (Inc. Inv. Holding) - Aggregate</b>	<b>1,609,530</b>	<b>1,414,829</b>	<b>13.8%</b>	<b>1,555,710</b>	<b>3.5%</b>	<b>170,490</b>	<b>171,371</b>	<b>-0.5%</b>	<b>140,373</b>	<b>21.5%</b>
<b>MSM 30 Index (Ex. Inv. Holding) - Aggregate</b>	<b>1,534,550</b>	<b>1,343,139</b>	<b>14.3%</b>	<b>1,477,431</b>	<b>3.9%</b>	<b>162,480</b>	<b>164,071</b>	<b>-1.0%</b>	<b>131,532</b>	<b>23.5%</b>

Non-MSM30 Cos (In RO 000s)	Total Revenue					Net Profit				
	Q2 2019	Q2 2018	YoY (%)	Q1 2019	QoQ (%)	Q2 2019	Q2 2018	YoY (%)	Q1 2019	QoQ (%)
Alizz Islamic Bank	5,000	4,897	2.1%	4,846	3.2%	600	635	-5.5%	453	32.3%
Al Jazeera Services	1,700	1,776	-4.3%	1,756	-3.2%	300	(2,023)	114.8%	406	-26.1%
Gulf International Chemicals	550	627	-12.3%	586	-6.2%	25	36	-31.0%	32	-21.2%
Oman Cables	52,000	61,524	-15.5%	50,228	3.5%	1,800	1,935	-7.0%	1,718	4.8%
Al Jazeera Steel	29,000	32,193	-9.9%	27,747	4.5%	800	1,155	-30.7%	297	169.4%
Al Maha Ceramics	2,000	2,290	-12.7%	2,090	-4.3%	300	322	-6.9%	321	-6.5%
National Alum. Products	11,700	12,329	-5.1%	11,396	2.7%	120	342	-64.9%	60	100.0%
Oman Oil Marketing	160,000	155,426	2.9%	141,390	13.2%	1,300	2,176	-40.3%	1,130	15.0%
Asaffa Foods	8,000	8,311	-3.7%	7,912	1.1%	700	1,122	-37.6%	605	15.7%
Dhofar Cattle Feed	10,200	12,179	-16.2%	10,063	1.4%	150	95	57.9%	511	-70.6%
Voltamp Energy	9,800	9,625	1.8%	10,052	-2.5%	100	153	-34.8%	130	-23.0%
Salalah Mills	13,800	12,045	14.6%	14,762	-6.5%	750	626	19.9%	1,004	-25.3%

Source: Company Reports, GBCM Research Estimates

Non-MSM30 Index companies to reveal weak Q2 2019 earnings amid seasonality and increase in operating expenses. **We expect earnings improvement in select sector majors.** The estimated lower earnings is already reflected in weak stock price performance in MSM.

**Banking Sector**

Company	Closing (RO)	Current Rating	12 M Fair Value	Net Profit (In RO 000s)				
				Q2 2019E	Q2 2018	YoY (%)	Q1 2019	QoQ (%)
Ahli Bank	0.114	Accumulate	0.140	7,100	7,100	0.0%	7,410	-4.2%
Bank Dhofar	0.137	Accumulate	0.151	12,000	11,357	5.7%	12,607	-4.8%
Bank Muscat	0.404	Accumulate	0.484	45,000	44,890	0.2%	45,800	-1.7%
Sohar International	0.108	Accumulate	0.124	7,900	5,078	55.6%	10,152	-22.2%
National Bank of Oman	0.159	Accumulate	0.190	12,200	12,800	-4.7%	12,500	-2.4%
HSBC Bank Oman	0.114	Accumulate	0.131	7,000	7,264	-3.6%	8,100	-13.6%
Bank Nizwa	0.088	Buy	0.106	2,400	1,576	52.3%	2,116	13.4%
<b>Banking Sector - Aggregate</b>				<b>93,600</b>	<b>90,065</b>	<b>3.9%</b>	<b>98,685</b>	<b>-5.2%</b>

Source: Company Reports, GBCM Research Estimates, closing on 8<sup>th</sup> July 2019

**Preview on Banking Sector...**

During Q2 2019, we anticipate Oman Banking sector credit growth (conventional and Islamic combined) to relatively lower amid slowdown, reduced risk appetite among certain banks especially lending to sensitive sectors. As per the management, the drawdown from quasi Government projects to support credit off-take. **For 2019E, we estimate banking sector credit growth to be about 5% driven by select Govt. projects and Private sector demand.**

**The sector earnings for Q2 2019 is estimated to increase by 3.9% YoY basis and decline 5.2% on QoQ basis at RO 93.6 million.**

We estimate sequentially weak performance by the local banks during the quarter. The increase in funding costs to impact margins of the banks. On the other hand, most of the banks has increased contribution from fee and commission income. We expect decline in credit growth and the increase in provisioning to impact the earnings for the quarter. We would keenly watch out asset quality concerns in the upcoming results.

**Q2 Earnings positive on Bank Nizwa and Sohar International Bank. Caveat to remain on increase in IFRS 9 related provisioning.**

**Industry Sector**

Company	Closing (RO)	Current Rating	12 M Fair Value	Net Profit (In RO 000s)				
				Q2 2019E	Q2 2018	YoY (%)	Q1 2019	QoQ (%)
Al Anwar Ceramics	0.105	Neutral	0.109	350	101	246.0%	623	-43.9%
Galfar Engineering	0.080	Accumulate	0.095	500	1,273	-60.7%	(403)	224.1%
Oman Cement	0.228	Neutral	0.276	1,300	1,513	-14.1%	1,526	-14.8%
Raysut Cement	0.354	Accumulate	0.416	1,000	252	297.5%	243	311.6%
Oman Fisheries	0.072	Not Rated	Under Review	(300)	(351)	14.5%	(783)	61.7%
Oman Flour Mills	0.664	Neutral	0.682	2,300	2,412	-4.6%	2,535	-9.3%
Oman Refreshments	1.470	Neutral	1.500	2,900	2,941	-1.4%	1,946	49.0%
<b>Industry - Aggregate</b>				<b>8,050</b>	<b>8,141</b>	<b>-1.1%</b>	<b>5,688</b>	<b>41.5%</b>

Source: Company Reports, GBCM Research Estimates; closing as on 8<sup>th</sup> July 2019

**Preview on Industry Sector...**

Q2 earnings of MSM Industrial sector companies to decline 1.1% YoY and improve 41.5% QoQ mainly on the back of low base. We estimate the earnings to remain under pressure amid seasonality factor (due to Holy month of Ramadan and Summer Season) and increase in operating costs. Select companies has taken efforts towards operating excellence.

We estimate revenue growth of the sector companies to remain under pressure during Q2 due to slowdown and shift in consumer spending. **Industry sector revenue for Q2 2019 is estimated to decline 0.9% YoY and remain flat on a sequential basis.** We anticipate sector majors to report increase in earnings during the quarter from a low base

Raysut Cement and Al Anwar Ceramics to report increase in profits due to low base and efforts taken towards cost optimization/ market diversification. Galfar to report operational profits during the quarter. Caveat to remain on pending receivables for most of the Industrial sector companies. Oman Flour Mills and Oman Refreshment to report marginal decline in Q2 earnings. Oman Fisheries may report losses during the quarter.



**Services Sector**

Company	Closing (RO)	Current Rating	12 M Fair Value	Net Profit (In RO 000s)			Q1 2019	QoQ (%)
				Q2 2019E	Q2 2018	YoY (%)		
OIFC	0.089	Accumulate	0.100	200	(35)	671.4%	1,022	-80.4%
Omantel	0.540	Buy	0.696	16,000	22,038	-27.4%	14,900	7.4%
Ooredoo	0.458	Accumulate	0.545	8,800	9,620	-8.5%	8,500	3.5%
Sembcorp Salalah	0.103	Buy	0.124	3,500	3,834	-8.7%	3,283	6.6%
Phoenix Power	0.084	Accumulate	0.100	11,500	11,914	-3.5%	(4,855)	336.9%
Al Suwadi Power	0.077	Neutral	Under Review	6,700	6,663	0.6%	(2,486)	369.5%
Al Batinah Power	0.074	Neutral	Under Review	6,800	6,893	-1.3%	(2,414)	381.7%
Shell Oman Marketing	1.070	Neutral	1.125	2,000	3,413	-41.4%	1,775	12.7%
Renaissance Services	0.338	Neutral	Under Review	4,000	200	NM	6,138	-34.8%
Al Maha Petroleum	0.840	Neutral	0.900	1,150	1,759	-34.6%	980	17.3%
<b>Services Aggregate</b>				<b>60,650</b>	<b>66,299</b>	<b>-8.5%</b>	<b>26,843</b>	<b>125.9%</b>

Source: Company Reports, GBCM Research Estimates, closing on 8<sup>th</sup> July 2019

**Preview on Services Sector...**

Services Sector is estimated to report Q2 2019 revenue growth of 18.4% YoY and +5.4% QoQ on the back of contribution from Omantel (Zain Group consolidation). On the other hand, the sector earnings is estimated to decline 8.5% YoY, while the same may increase sharply by 126% QoQ (on low base).

Post consolidation of operations of Zain Group (Kuwait) and Zain KSA, we estimate revenue and earnings growth of Omantel to improve from a low base. Ooredoo to report decline in earnings on a YoY basis. The earnings of Oil marketing companies may remain under pressure due to slowdown and increase in operating expenses.

Renaissance is estimated to report profit of RO 4 million (including Topaz- discontinued operations post recent sale) during Q2 amid increase contribution from Tengiz project and Duqm PAC. Topaz earnings would be reported as discontinued operations during the quarter.

Utility Sector companies to report higher profits in Q2 due to peak Summer season tariff rates. OIFC to report profits during the quarter amid turnaround in subsidiaries and increase in fee income contribution.

**Q3 2019E Outlook- Earnings to reveal decline, Economic stimulus measures to support...**

- ✓ We estimate Oman Economy to reveal growth to lower to about 1% in 2019E (in real terms)
  - Key focus remain on Priority Projects. Focus on Economic Diversification and Easy of Business Investments remain paramount.
  - BP Khazzan project contribution to remain critical for local economy. Incremental gas availability to support new industrial projects.
  - Duqm Refinery Project on stream; Expect additional foreign investments in allied industries in Duqm
  - Rationalization of subsidies and other austerity measures to impact the economic growth over the short term
- ✓ **Oil prices to remain volatile and lower oil prices to increase fiscal deficit and debt, Banking sector remain relatively tight on liquidity front**
  - Banking system liquidity remained relatively tight. The upcoming external Government borrowing program to remain critical
  - With the reduction in consumer spending, we anticipate decline in credit off-take and asset quality concerns to emerge during H2 2019. We estimate higher level of cost of risk for certain local banks during this period.
- ✓ Fiscal deficit would be funded by asset sale and external borrowings. The Government payments to contractors/ other private sector players to remain critical and improvement of this would kick-start next cycle of economic growth.
- ✓ **We recommend to adopt bottom up approach in local equities.** We do anticipate the ongoing positive structural developments in Oman post the introduction of Foreign Inv. Promotion, Private-Public-Partnership, Bankruptcy and Privatization laws to remain conducive to attract foreign investments in select sectors.
- ✓ Key triggers to come from revival of Government Infrastructure Project spending (Duqm, Tanfeedh initiatives), efforts taken towards increase in foreign direct investments (PPP and Foreign Investment Promotion law) and emergence of consolidation stories in Banking and other sectors.
- ✓ We expect the corporate earnings to decline due to impact of economic slowdown during this fiscal year. **Overall Investor sentiments and Investment climate to improve during coming quarters amid measures taken towards creating Economic stimulus.**
- ✓ We expect select Banks, Industrial and Services sector companies to benefit. Most of the frontline stocks are trading at attractive / bottomed valuations looking at medium term perspective.
- ✓ **MSM trades at PE of 7.8X on 2019E Earnings; Historical trading PE Band of MSM is between 8X and 12X.**
  - *Recommend Marketweight rating on Oman Banking Sector- Bank Nizwa, Bank Muscat and HSBC Oman remain as favorite stock pick.*
  - *Select opportunities seen in revival stories within Industrial sector. Top picks- Salalah Mills, Raysut and Galfar*
  - *Recommend Marketweight on Services Sector. Top picks- OIFC, Ooredoo, Sembcorp Salalah, Dhofar Generating Co*

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