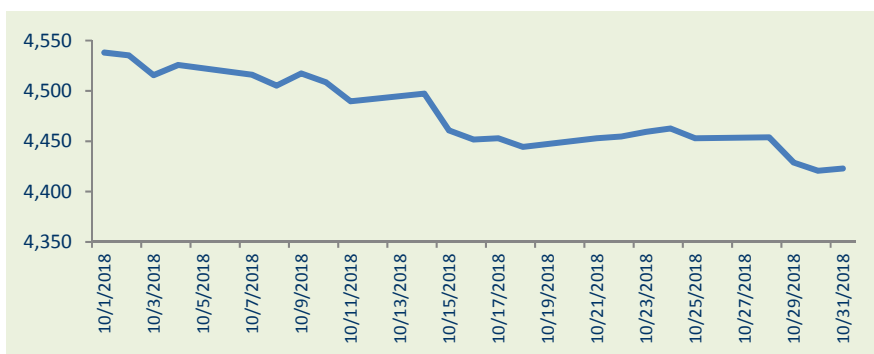


November 5, 2018

Index Performance	End Oct 18	End Sep 18	MTD (%)	YTD (%)
MSM30 Index	4,422.9	4,543.7	-2.7%	-13.3%
Financial Index	6,925.4	7,032.5	-1.5%	-7.3%
Industrial Index	5,337.5	5,535.5	-3.6%	-21.9%
Services Index	2,390.2	2,465.7	-3.1%	-9.6%
Shariah Index	603.3	615.0	-1.9%	-15.5%

**MSM 30 Index- Oct 2018**



**MSM Trading – Monthly Turnover – RO 40.231 million (USD 104.2 million)**

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	29,531,798	24,657,824	<b>4,873,974</b>
GCC	4,017,820	9,454,596	<b>(5,436,777)</b>
Arabs	800,468	385,983	<b>414,485</b>
Others	5,881,504	5,733,186	<b>148,318</b>

Source: MSM, GBCM Research

**Negative investor sentiments prevailed amid weak oil prices...**

MSM30 index closed lower for the month due to lower oil prices and increased risk aversion breaking its run of two consecutive months of positive performances. The benchmark MSM index ended the month of October down by 2.7% at 4,422.9 points. The Financial index closed lower by 1.5%. the Industrial and Services indices declined sharply by 3.6% and 3.1% respectively. The increased tensions in regional geopolitics and selloff in global equities impacted the market sentiments.

We saw negative closing in most of the GCC markets except for Qatar which showed resilience and emerged as the best performing market gaining 5% MTD and gained 20.9% YTD. Bahrain and UAE-DFM both lost 1.8% with Kuwait not too far behind at 1.7%. Saudi and UAE-ADX equities ended negatively by 1.2% and 0.7% respectively. The volatility in Saudi equities increased amid foreign investor sell-off reflected in weak sentiments.

Oil Prices corrected sharply during the month with Brent crude and Oman Crude declining by 8.8% 7.8% respectively. Global equities corrected sharply during the month amid concerns of global economic growth, increase risk on trade war along with flight of capital from emerging markets.

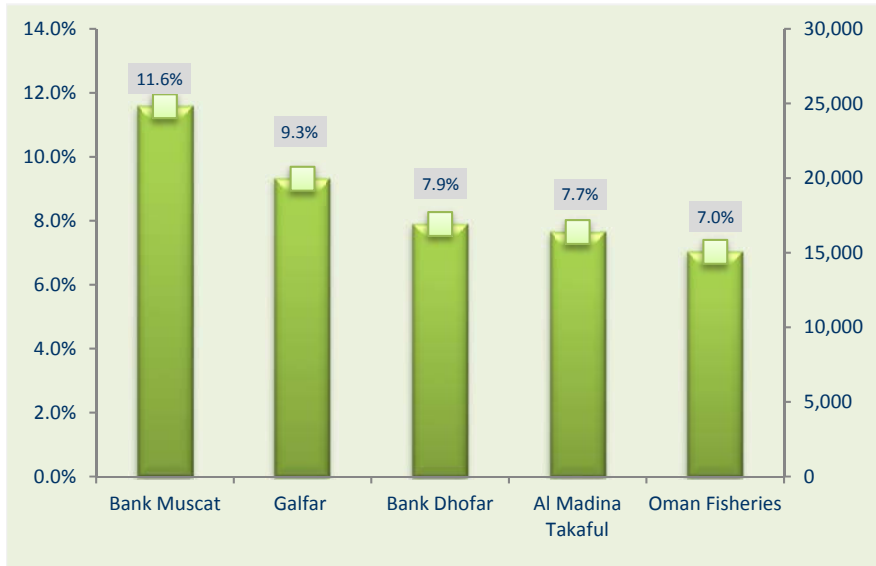
**Market activity for Oct 2018:** Total traded volume for the month stood at 213.9 million. Total market turnover decreased to RO 40.2 million, as against RO 48.9 million in the previous month. Average MSM daily turnover for the month stood at RO 1.750 million. Omani investors ended as net buyers to an extent of RO 4.874 million. After a brief period, foreign investors emerged as buyers to an extent of RO 148K. GCC investors were net sellers to an extent of RO 5.437 million.

**Nov 2018 Outlook- Institutional buying in frontline stocks to support...**

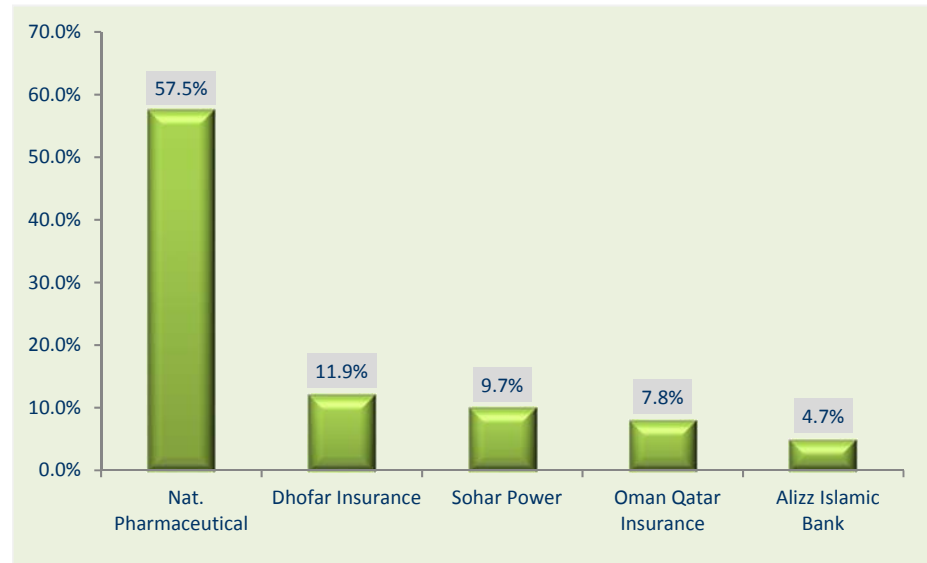
Post reasonable Q3 earnings in Oman, we anticipate the institutional buying to be seen in the large-cap stocks which are trading at reasonable valuations. Q3 2018 earnings of MSM30 Index companies increased marginally amid reasonable performance from Banks, Select Industrial and Services sector companies. On the other hand, the local and the regional markets to reveal increased volatility amid weakness in oil prices and risk aversion seen in global equities. Concern remains on dull volumes.

We believe the regional markets provide medium term opportunities for investors to participate in higher dividend yielding stocks. In addition, GCC Governments has taken efforts towards improvement of payment cycle and initiation of new projects which would have lag impact to respective corporate performance. Key caveat remains on emerging geopolitics and this would remain critical for foreign institutional interest. We recommend adopting bottom up approach with focus on investing in businesses generating steady cash flows, earnings and free cash flow visibility. **End Oct 2018, MSM30 Index trades at PE (Ann) of 8.4X, PBV of 0.9X and offers Div. Yield (TTM) of 6.5%.**

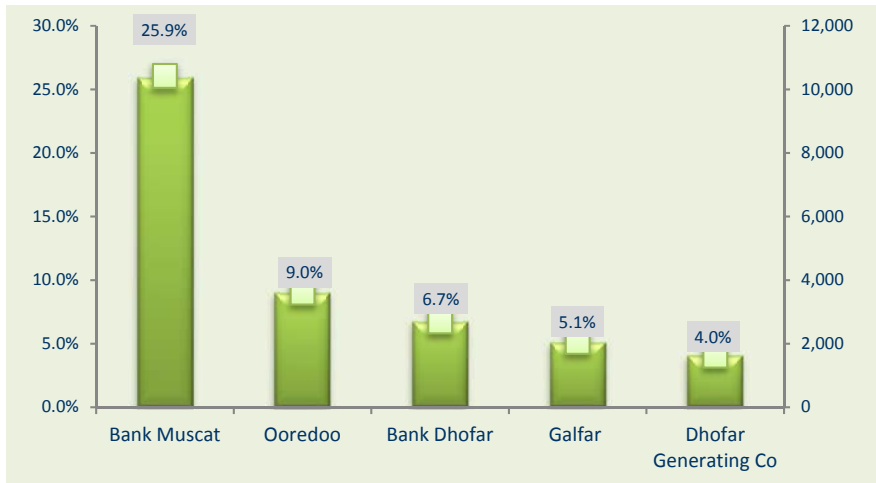
**Volume Leaders for the Month**



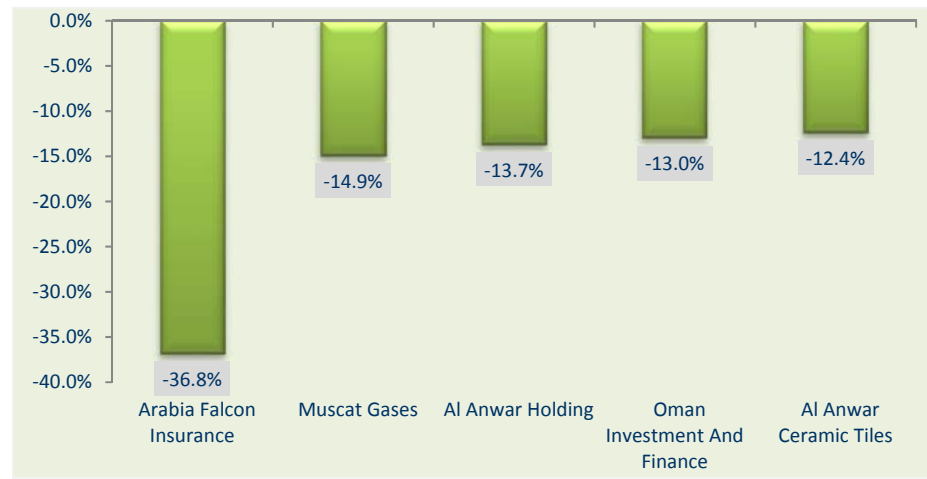
**Gainers for the Month**



**Value Leaders for the Month**



**Losers for the Month**



Source: MSM, GBCM Research

Source: MSM, GBCM Research

Markets Performance - Heat Map

GCC Markets	MTD (%)	YTD (%)
Oman	-2.7%	-13.3%
Saudi	-1.2%	9.4%
UAE (DFM)	-1.8%	-17.4%
UAE (ADX)	-0.7%	11.4%
Kuwait	-1.7%	0.8%
Qatar	5.0%	20.9%
Bahrain	-1.8%	-1.3%

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	-10.6%	12.5%
ICE Brent Crude	-8.8%	18.5%
Crude Oil, Oman	-7.8%	21.5%
NYMEX Natural Gas	5.5%	8.8%
NYMEX Gasoline	-15.6%	2.4%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	1.9%	-6.8%
Silver Spot	-3.1%	-15.9%
Platinum Spot	2.4%	-10.1%
LME Aluminium (Spot)	-5.5%	-14.2%
LME Copper (Spot)	-3.6%	-16.2%
LME Zinc (Spot)	-4.0%	-23.5%
LME Lead (Spot)	-6.0%	-23.5%
LME Nickel (Spot)	-8.6%	-10.1%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	-6.9%	1.4%
Dow Jones	-5.1%	1.6%
Nasdaq	-9.2%	5.8%
FTSE 100	-5.1%	-7.3%
CAC 40	-7.3%	-4.1%
DAX	-6.5%	-11.4%
Nikkei	-9.1%	-3.7%
Hang Seng	-10.1%	-16.5%
Sensex	-4.9%	1.1%
Shanghai	-7.7%	-21.3%

Source: Bloomberg, GBCM Research

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