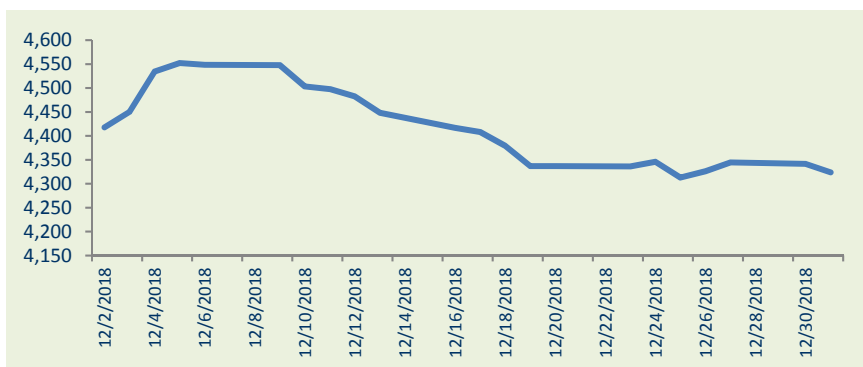


January 6, 2019

Index Performance	End Dec 18	End Nov 18	MTD (%)	YTD (%)
MSM30 Index	4,323.7	4,412.1	-2.0%	-15.2%
Financial Index	6,827.2	6,890.3	-0.9%	-8.7%
Industrial Index	4,991.0	5,254.1	-5.0%	-27.0%
Services Index	2,290.3	2,353.8	-2.7%	-13.4%
Shariah Index	591.9	602.4	-1.7%	-17.1%

MSM 30 Index- Dec 2018



MSM Trading – Monthly Turnover – RO 62.282 million (USD 161.3 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	56,280,879	52,657,989	3,622,890
GCC	2,257,053	3,223,313	(966,260)
Arabs	239,792	274,493	(34,701)
Others	3,503,949	6,125,878	(2,621,929)

Source: MSM, GBCM Research

Global volatility and lower oil prices increased risk aversion...

MSM30 index closed lower for the month amidst global market volatility, lower oil prices and rating downgrade of Oman by Fitch to BB+. The rating downgrade by Fitch sees Oman now been rated non-investment grade by two out of the three large rating agencies. MSM30 Index ended the month down by 2.0% at 4,323.7 points. MSM ended lower by 15.2% in FY2018. For the month, Financial index closed lower by 0.9%. Industrial and Services indices declined sharply by 5% and 2.7% respectively.

We saw mixed closing in GCC markets in the month of December as further correction in oil prices impacted regional markets. UAE-DFM saw the sharpest decline for second consecutive month, falling by 5.2% followed by Qatar and Kuwait that both lost 0.6% for the month. Saudi and UAE-ADX closed higher by 1.6% and 3% respectively. While Bahrain gained 0.6% during the month.

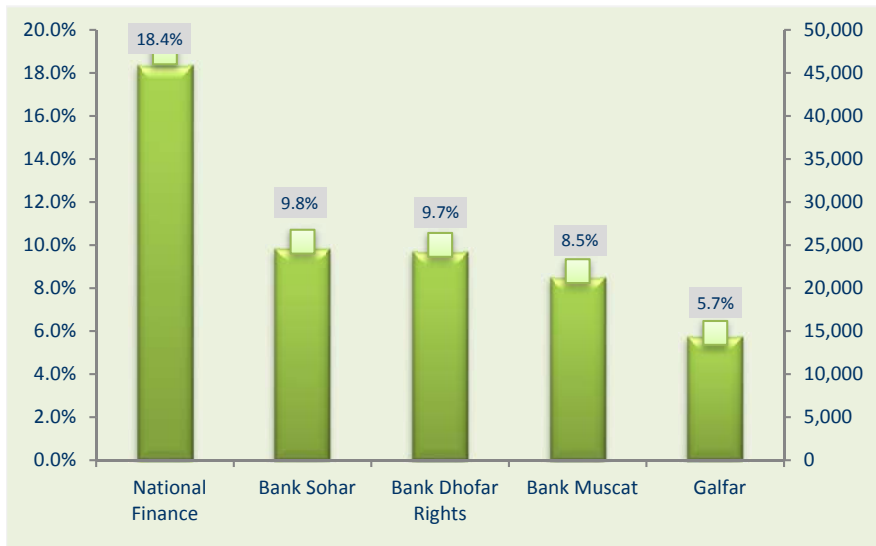
Oil Prices corrected sharply for second consecutive month as increased US Oil production and continuing US-China trade dispute added to demand concerns. Brent crude and Oman Crude both declined 9.7%. Global equities also saw a sharp correction with the US indices losing the most, Europe also closed lower for a second consecutive month amid concerns of Global Economic slowdown.

Market activity for Dec 2018: Total traded volume for the month stood at 257.8 million. Total market turnover increased to RO 62.282 million, as against RO 33.848 million in the previous month amid block deals in Government Bond issue 59 worth RO 20.022 million. Average MSM daily turnover for the month stood at RO 2.831 million. Omani investors ended as net buyers to an extent of RO 3.623 million. Foreign and GCC investors emerged as net sellers to an extent of RO 2.622 million and RO 966K respectively.

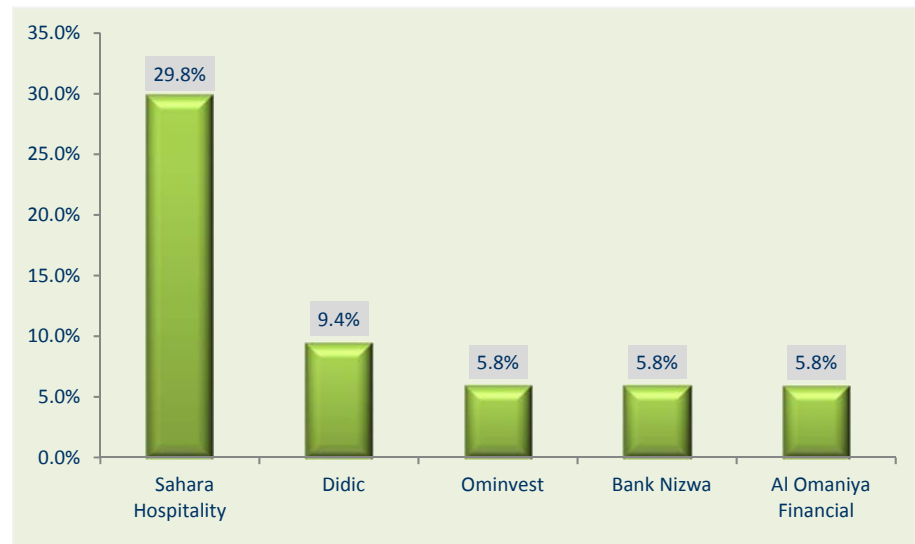
Jan 2019 Outlook- New Year, New Beginning; Cautious beginning expected...

We believe the New Year 2019 would remain as the Year of Transition with continued Structural reforms in the GCC region with focus on non-oil revenue and fiscal consolidation; We anticipate the New year to commence on a mixed note amid lower oil prices, continued pressure on economic growth outlook with cues to come from upcoming GCC Government Budgets. We do expect the local and regional equities to adjust to emerging global market environment and to take cues from upcoming results season. For the medium to long term investors, we see the GCC equities remain attractive and provide stock specific opportunities ahead of dividends season. **On a technical perspective, the local MSM index to find strong support around 4,300 levels, which has been tested several times during last 12 months. As of Dec 2018, MSM30 Index trades at PE (Ann) of 8.2X, PBV of 0.8X and offers Div. Yield (TTM) of 6.7%.**

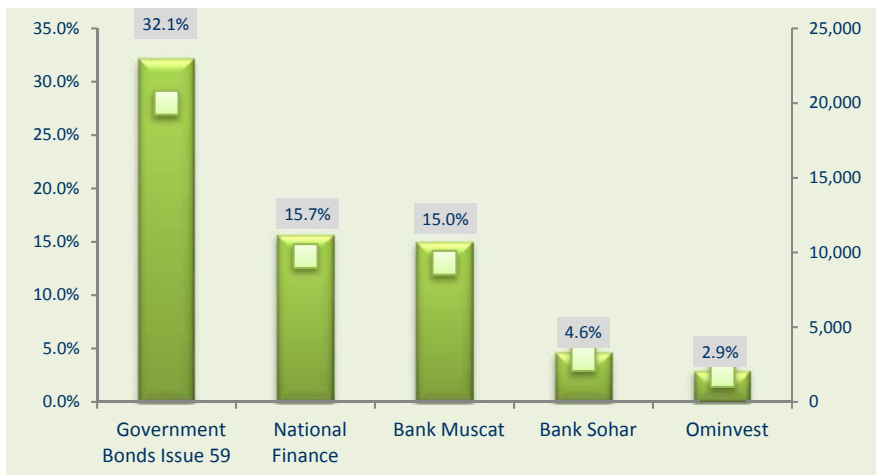
Volume Leaders for the Month



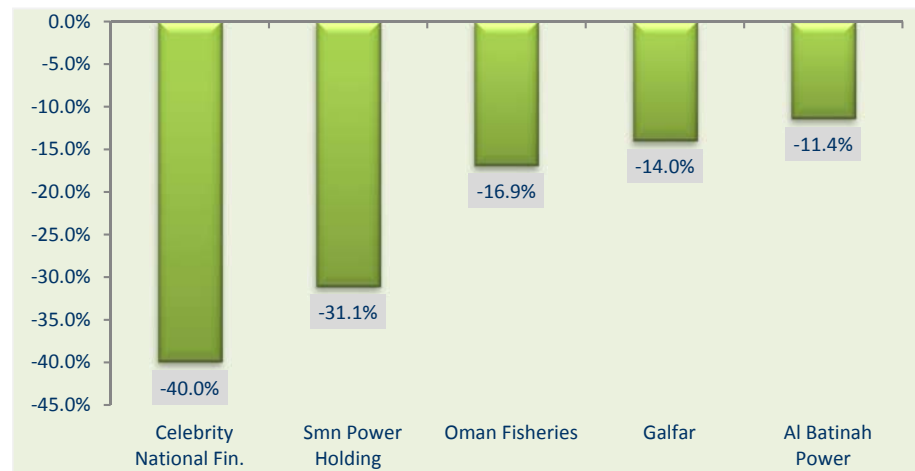
Gainers for the Month



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	-2.0%	-15.2%
Saudi	1.6%	8.3%
UAE (DFM)	-5.2%	-24.9%
UAE (ADX)	3.0%	11.7%
Kuwait	-0.6%	1.6%
Qatar	-0.6%	20.8%
Bahrain	0.6%	0.4%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	-11.1%	-20.9%
ICE Brent Crude	-9.7%	-14.1%
Crude Oil, Oman	-9.7%	-11.9%
NYMEX Natural Gas	-33.5%	-4.0%
NYMEX Gasoline	-7.3%	-23.9%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	4.9%	-1.6%
Silver Spot	9.3%	-8.5%
Platinum Spot	-0.4%	-14.5%
LME Aluminium (Spot)	-4.8%	-17.4%
LME Copper (Spot)	-4.5%	-17.5%
LME Zinc (Spot)	-5.1%	-24.5%
LME Lead (Spot)	2.4%	-19.2%
LME Nickel (Spot)	-4.8%	-16.5%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	-9.2%	-6.2%
Dow Jones	-8.7%	-5.6%
Nasdaq	-9.5%	-3.9%
FTSE 100	-3.6%	-12.5%
CAC 40	-5.5%	-11.0%
DAX	-6.2%	-18.3%
Nikkei	-10.5%	-12.1%
Hang Seng	-2.5%	-13.6%
Sensex	-0.3%	5.9%
Shanghai	-3.6%	-24.6%

Source: Bloomberg, GBCM Research

| **Institutional Sales** - Hunaina Banatwala, (+968) 2235 0717 | **Institutional Brokerage** - Talal Al Balushi, (+968) 2235 0725 |

| **Equity Research** - Kanaga Sundar, (+968) 2235 0727 | Kumail Al Humaid, (+968) 2235 0720 |

***Disclaimer:** This document has been prepared and issued by **GULF BAADER CAPITAL MARKETS SAOC** ("the Company") based on publicly available information, internally developed data and other sources believed to be reliable. While all care has been taken to ensure that the facts stated are accurate and the opinions given are reasonable, neither **GULF BAADER CAPITAL MARKETS SAOC** nor any employee shall be in anyway responsible for the contents of this report. The Company may have a position and may perform buying/selling for itself or its clients in any security mentioned in this report. This is not an offer to buy or sell the investments referred therein.*