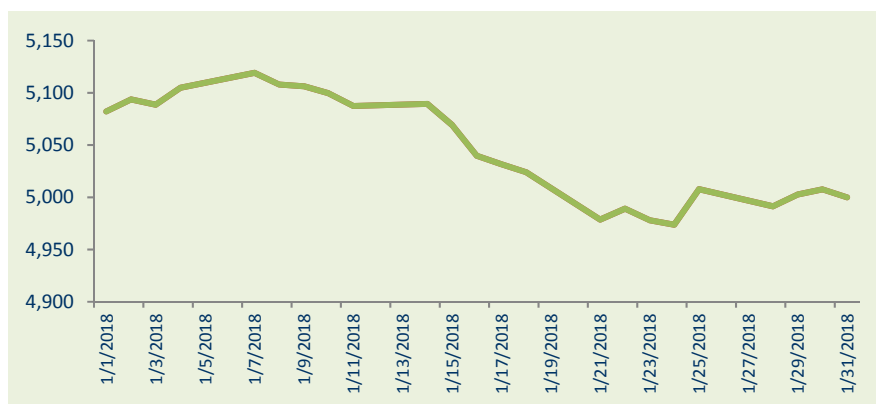


February 7, 2018

Index	End Jan 18	End Dec 17	MTD (%)	YTD (%)
MSM30 Index	5,000.0	5,099.3	-1.9%	-1.9%
Financial Index	7,375.7	7,474.2	-1.3%	-1.3%
Industrial Index	6,781.6	6,833.4	-0.8%	-0.8%
Services Index	2,619.6	2,643.4	-0.9%	-0.9%

**MSM 30 Index- Jan 2018**



**MSM Trading – Monthly Turnover – RO 52.904 million (USD 137.020 million)**

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	44,571,311	41,467,541	<b>3,103,770</b>
GCC	3,516,713	4,018,177	<b>-501,464</b>
Arabs	923,092	686,473	<b>236,619</b>
Others	3,892,517	6,731,441	<b>-2,838,924</b>

Source: MSM, GBCM Research

**Sell off seen amid weak earnings season...**

Buoyed by positive regional and global sentiments along with higher oil prices, the MSM Index started the year on a positive note. During early part of the month, we saw strong listing of Muscat City Desalination IPO, gaining about 40%, bringing some increased participation. Added, Oman Government announced a Balanced Budget for 2018 with primary focus on maintaining the current level of economic activities, to sustain the private sector investments and in line with the objectives set out by the ninth five-year development plan. Towards mid of Jan, the market momentum failed due to lower than anticipated 2017 results. The benchmark index declined by 1.9% to close at 5,000 points. For the month, all the sectoral indices - Financial, Industrial, Services Indices closed on a negative note by declining 1.3%, 0.8% and 0.9% respectively.

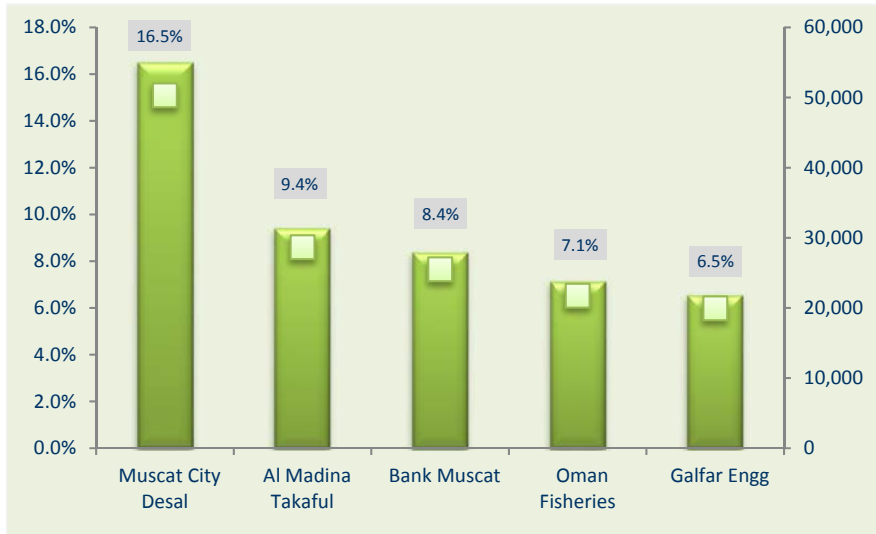
Brent Crude and Oman Benchmark Oil prices gained by c. 3.7% and 3.5% in Jan 2018 to closed at \$ 69 and \$ 65 per barrel respectively. The oil price uptrend was reflected in rest of the GCC markets. Except Oman, rest of the GCC markets ended the month on a positive note. Qatar was the star performer surging 8% for the month boosted by foreign inflows and higher dividends, while Saudi, UAE (ADX), Kuwait, Bahrain and UAE (DFM) also increased by 5.9%, 4.6%, 4.4%, 1.4% and 0.7% respectively.

**Market activity for Jan 2018:** Overall traded volumes for the month stood at 304.9 million, while total market turnover stood at RO 52.9 million, as against previous month turnover of RO 62.012 million. Average daily MSM turnover for Jan 2018 declined to RO 2.3 million as compared RO 3.4 million in previous month, one of the lowest monthly turnovers in the recent years. On the participation front, Foreign and GCC investors were net sellers to an extent of RO 2.838 million and RO 501K for the month. While Omani investors were net buyers to an extent of RO 3.103 million.

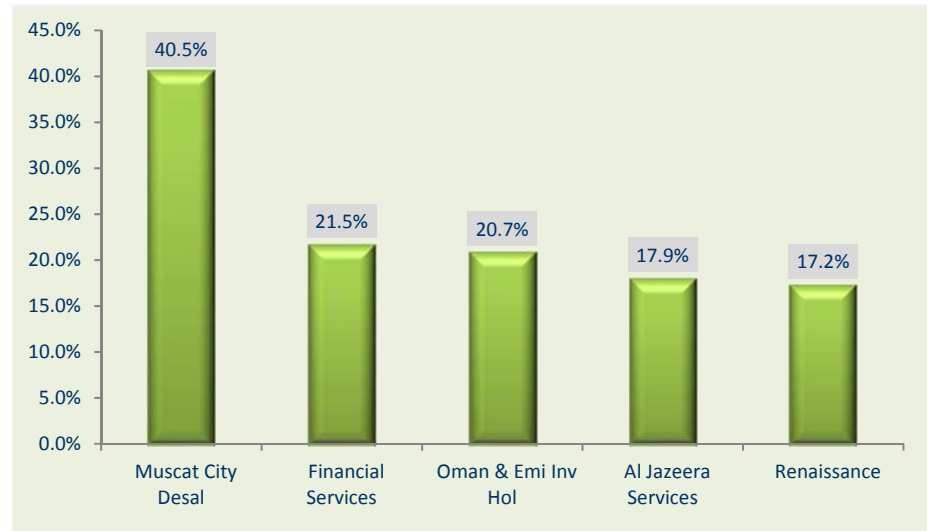
**Feb 2018 Outlook- Dividends season may provide support...**

We anticipate the local market to see Institutional buying support amid higher dividends announced by some of the major local banks. Added, the improvement in oil prices is still not reflecting in sentiments, we see lag impact on this. The MSM Index technically trading at over-sold zone, we anticipate the local bourse to see bounce back. Historically in Oman, Feb month had always seen the market run-up before the AGM dates in March (ex-dividend date). The upcoming dividends season is anticipated to dominate and lend fundamental support to local equities. On the other hand, the global markets sell-off along with regional geopolitical risks may haunt the performance. On a technical perspective, **the local MSM index to find stronger support around 4,970 levels and the resistance is maintained at 5,120 points over the short to medium term.** End Jan 2018, MSM30 Index is trading at PE (Ann.) of 10.1X, PBV of 1.0X and Div. Yield at 6.4%.

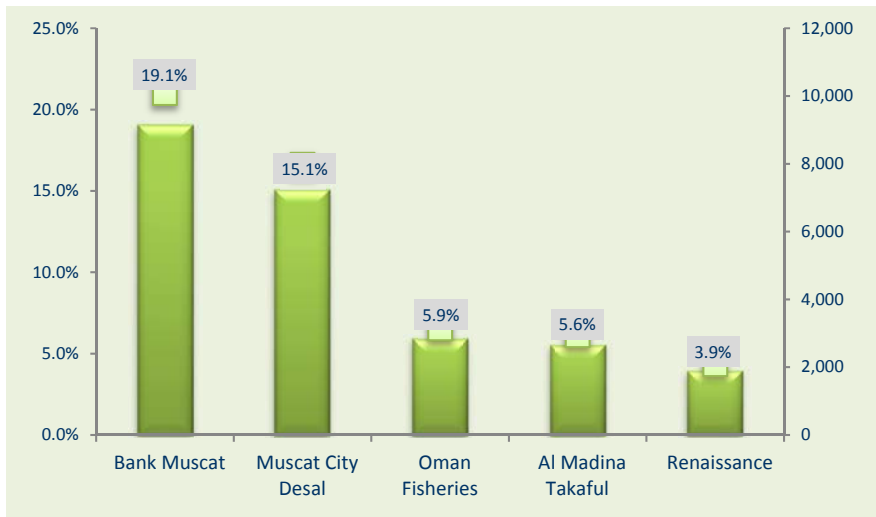
**Volume Leaders for the Month**



**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	-1.9%	-1.9%
Saudi	5.9%	5.9%
UAE (DFM)	0.7%	0.7%
UAE (ADX)	4.6%	4.6%
Kuwait	4.4%	4.4%
Qatar	8.0%	8.0%
Bahrain	1.4%	1.4%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	7.1%	7.1%
ICE Brent Crude	3.7%	3.7%
Crude Oil, Oman	3.5%	3.5%
NYMEX Natural Gas	3.1%	3.1%
NYMEX Gasoline	4.4%	4.4%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	5.6%	5.6%
Dow Jones	5.8%	5.8%
Nasdaq	7.4%	7.4%
FTSE 100	-2.0%	-2.0%
CAC 40	3.2%	3.2%
DAX	2.1%	2.1%
Nikkei	1.5%	1.5%
Hang Seng	9.9%	9.9%
Sensex	5.6%	5.6%
Shanghai	5.3%	5.3%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	3.2%	3.2%
Silver Spot	2.4%	2.4%
Platinum Spot	7.7%	7.7%
LME Aluminium (Spot)	-1.6%	-1.6%
LME Copper (Spot)	-1.8%	-1.8%
LME Zinc (Spot)	7.7%	7.7%
LME Lead (Spot)	5.5%	5.5%
LME Nickel (Spot)	6.7%	6.7%

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 | Vijay Sridharan, (+968) 2235 0728 |

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