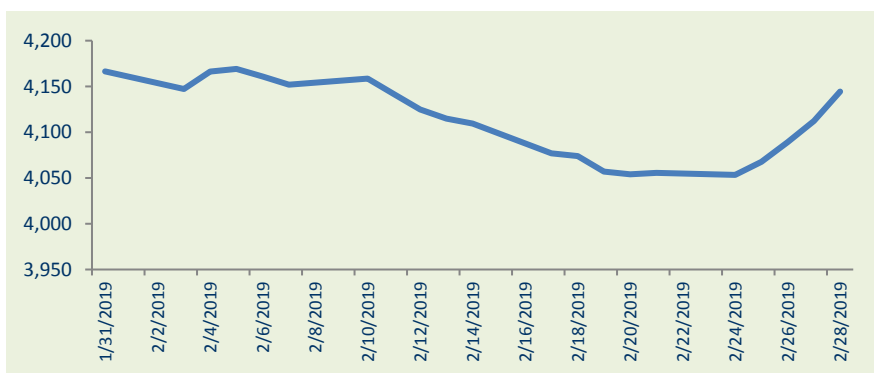


March 7, 2019

Index Performance	End Feb 19	End Jan 19	MTD (%)	YTD (%)
MSM30 Index	4,144.5	4,166.5	-0.5%	-4.1%
Financial Index	6,691.1	6,697.1	-0.1%	-2.0%
Industrial Index	4,872.2	4,796.9	1.6%	-2.4%
Services Index	2,079.4	2,142.4	-2.9%	-9.2%
Shariah Index	561.1	562.0	-0.2%	-5.2%

MSM 30 Index- Feb 2019



MSM Trading – Monthly Turnover – RO 51.859 million (USD 134.316 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	44,773,692	41,867,307	2,906,385
GCC	3,319,895	7,020,483	(3,700,589)
Arabs	203,311	283,330	(80,019)
Others	3,562,376	2,688,154	874,222

Source: MSM, GBCM Research

MSM sentiments improved amid strong dividends, lower volumes continue...

MSM30 Index saw weak opening for the month led by negative sentiments and low volumes, while ended Feb marginally down by 0.5% amid stock specific buying momentum towards last week, gaining 2.2% and recouping most of its losses for the month amidst strong dividends and reasonable valuations. MSM saw recovery post trading closer to its 15-year lows. MSM30 Index ended the month of Feb in red declining 0.5% at 4,144.5 points. For the month, Industrial index closed higher by 1.6%. Financial and Services indices declined by 0.5% and 2.9% respectively for the month.

We saw positive performances from most of the regional markets during the month as risk on rally in global equities along with earnings and dividend announcements supported. UAE equities (DFM 2.7% and ADX 1.8%) were the star performers for the month, showing buying interest amid strong results from banking and real estate sectors. Qatar saw sharp correction of 5.7% during Feb amid dividend related adjustments. Saudi closed 0.8% lower on technical resistance after a strong start to the year. Bahrain and Kuwait closed higher by 1.5% and 0.5% respectively.

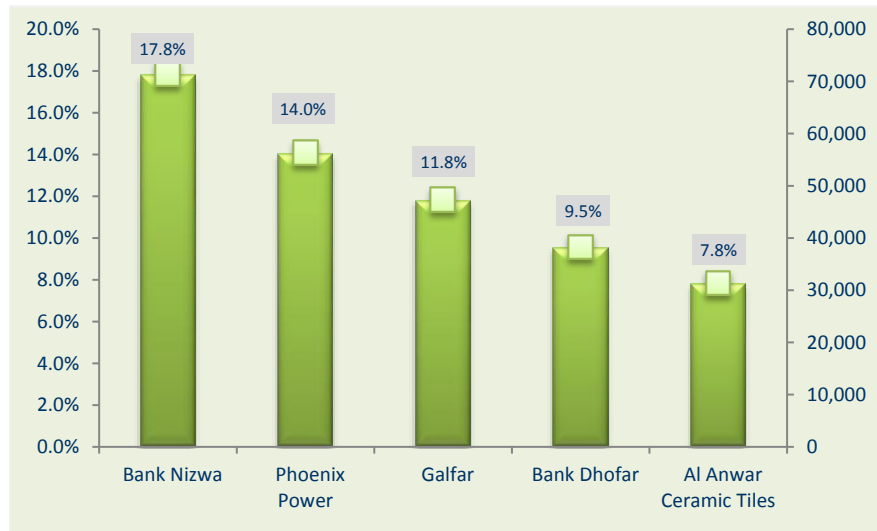
Oil Prices revealed volatile month as strong US economic data and progressive US-China trade talks helped support prices and ease global economic slowdown risks, only to be later down by US president comments to OPEC to loosen the taps. Brent crude and Oman Crude gained 8.8% and 9.2% respectively. Global equities saw a consecutive positive month with most leading indices closing higher. US indices gained on strong Macro-economic data, closing higher by 3.7% for the Dow Jones and 3.4% for Nasdaq.

Market activity for Feb 2019: Total traded volume for the month stood at 400.7 million. Total market turnover declined to RO 51.859 million, as against RO 53.622 million in the previous month. Average MSM daily turnover for the month stood at RO 2.593 million. Omani and Foreign investors ended as net buyers to an extent of RO 2.906 million and RO 874K. GCC investors emerged as net sellers to an extent of RO 3.701 million.

Feb 2019 Outlook- Dividend adjustments to impact, concern remain on dull volumes...

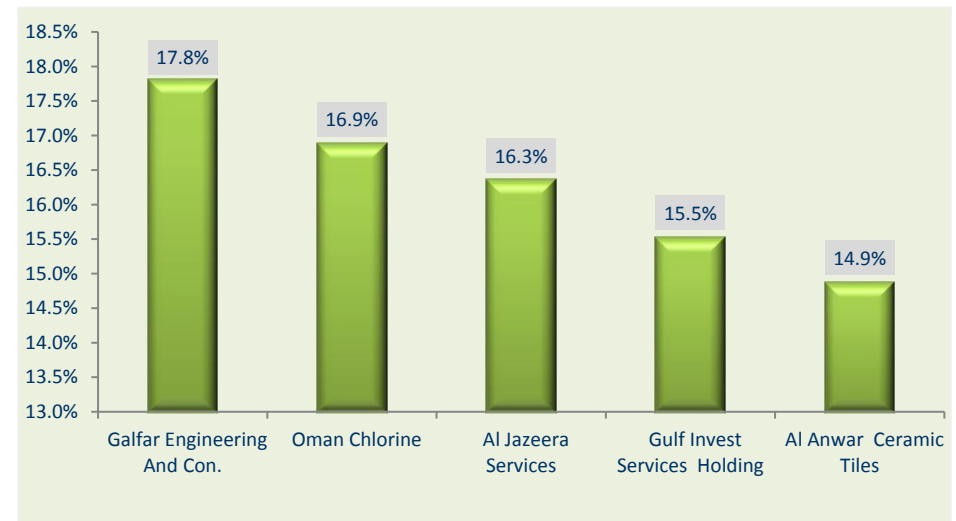
During the upcoming month, we expect to see increased volatility due to dividend adjustments (AGM season) as companies would trade ex-dividend. On the other hand, global equities continue to perform reasonably well, and oil prices remaining stable around USD 65/ barrel. Over short term, post Moody's Sovereign downgrade of Oman to Ba1 with a negative outlook, investor risk aversion to increase. For medium term investors, we see value buying opportunity in Omani equities post dividends season. The stability in global oil prices, announcement of key infra projects, rationalization in spending and timely payment to contractors would led to improvement in market sentiments during the coming period. **At current levels, MSM trades at PE (TTM) of 8.3X, PBV (Latest) of 0.8X and provides Div. Yield of 6.8%.**

Volume Leaders for the Month



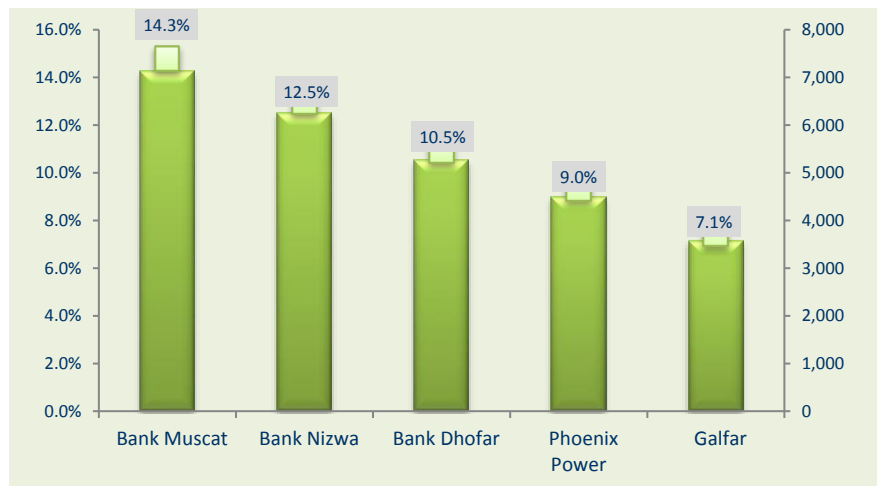
Source: MSM, GBCM Research

Gainers for the Month



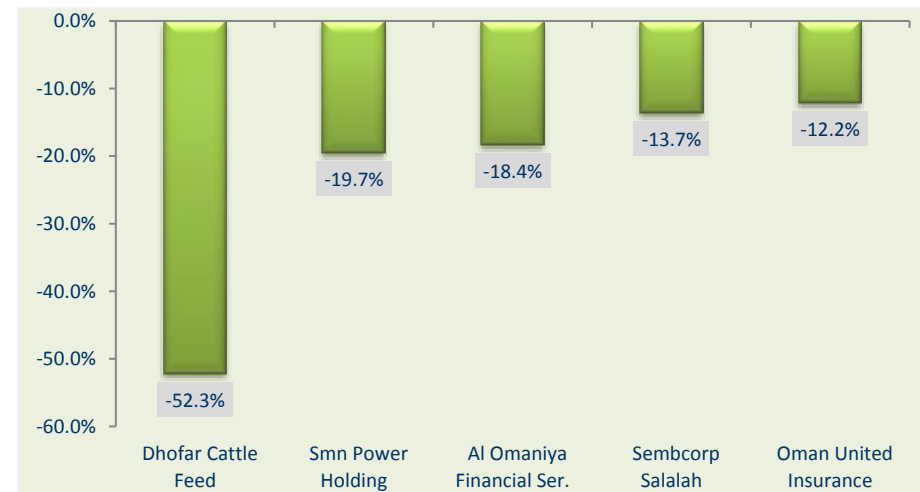
Source: MSM, GBCM Research

Value Leaders for the Month



Source: MSM, GBCM Research

Losers for the Month



Source: MSM, GBCM Research

Markets Performance - Heat Map

GCC Markets	MTD (%)	YTD (%)
Oman	-0.5%	-4.1%
Saudi	-0.8%	8.5%
UAE (DFM)	2.7%	4.2%
UAE (ADX)	1.8%	4.5%
Kuwait	0.5%	3.0%
Qatar	-5.7%	-1.8%
Bahrain	1.5%	5.6%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	5.9%	24.2%
ICE Brent Crude	8.8%	22.1%
Crude Oil, Oman	9.2%	24.7%
NYMEX Natural Gas	1.7%	4.8%
NYMEX Gasoline	10.7%	17.5%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-0.6%	2.4%
Silver Spot	-2.8%	0.7%
Platinum Spot	5.9%	9.4%
LME Aluminium (Spot)	-0.1%	1.4%
LME Copper (Spot)	6.6%	10.2%
LME Zinc (Spot)	3.1%	11.7%
LME Lead (Spot)	2.2%	6.9%
LME Nickel (Spot)	4.5%	22.3%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	3.0%	11.1%
Dow Jones	3.7%	11.1%
Nasdaq	3.4%	13.5%
FTSE 100	1.5%	5.2%
CAC 40	5.0%	10.8%
DAX	3.1%	9.1%
Nikkei	2.9%	6.8%
Hang Seng	2.5%	10.8%
Sensex	-1.1%	-0.6%
Shanghai	13.8%	17.9%

Source: Bloomberg, GBCM Research

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