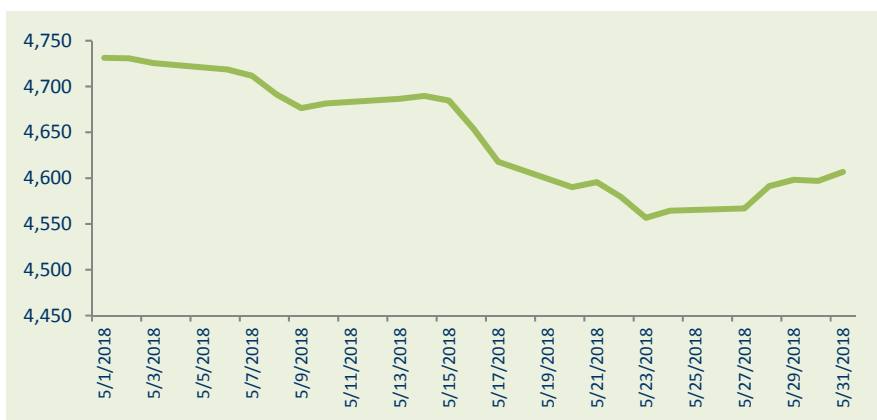


June 7, 2018

Index Performance	End May 18	End Apr 18	MTD (%)	YTD (%)
MSM30 Index	4,606.7	4,729.1	-2.6%	-9.7%
Financial Index	7,184.3	7,266.8	-1.1%	-3.9%
Industrial Index	6,144.9	6,367.6	-3.5%	-10.1%
Services Index	2,475.7	2,525.4	-2.0%	-6.3%
Shariah Index	656.8	656.4	0.1%	-8.0%

MSM 30 Index- May 2018



MSM Trading – Monthly Turnover – RO 154.9 million (USD 401.2 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	146,396,227	80,686,455	65,709,772
GCC	4,850,404	4,311,129	539,275
Arabs	993,469	886,004	107,465
Others	2,677,534	69,034,045	(66,356,512)

Source: MSM, GBCM Research

Negative sentiments prevailed...

MSM Index revealed negative sentiments post weak Q1 earnings season along with dull market volumes. We saw selling pressure in most of the index heavyweights. The MSM30 Index declined sharply by 2.6% for the month to close at 4,607 points. All the sectoral indices closed in red for the month. Financial Index lower by 1.1%, Industrial and Services closed in red declining 3.5% and 2.0% respectively.

Financial Index declined amid fall in key frontline stocks like Bank Sohar and Bank Dhofar down -8% MTD. The Industrial Index closed in red falling 3.5% during the month amid weak Q1 earnings which saw decline of 23% YoY. The index has declined 10.1% Year to Date (YTD), the worst performing sector index in MSM. Major underperformers include Voltamp (-22% MTD) and Salalah Mills (-19% MTD). Within Services sector, Oman Oil Marketing declined 13% MTD and Omantel revealed further decline of 11% MTD.

However, the global crude prices increased further during the month with Brent Crude and Oman Benchmark gaining c. 5% to close at \$ 77.6 and \$ 75.3 per barrel respectively. The major regional markets ended on a negative note during the month. Bahrain is the only GCC market to end in green. Qatar, UAE-DFM and Kuwait underperformed declining 2.5%, 3.3% and 1.4% respectively. Saudi has revealed marginal decline of 0.6% for the month.

Market activity for May 2018: Overall traded volumes for the month stood at 757 million. Total market turnover stood at RO 154.9 million, as against previous month turnover of RO 99.6 million. Block trades in Bank Muscat (45% of total month volumes), Al Suwadi (6.8% of total) & Al Batinah Power (6.6% of total) and Al Sharqiyah Desal. has boosted volumes. Average MSM daily turnover for the month increased to RO 6.9 million amidst several block transactions. Omani and GCC investors were net buyers to an extent of RO 65.7 million and RO 539K respectively. Foreign investors were net sellers to an extent of RO 66.4 million.

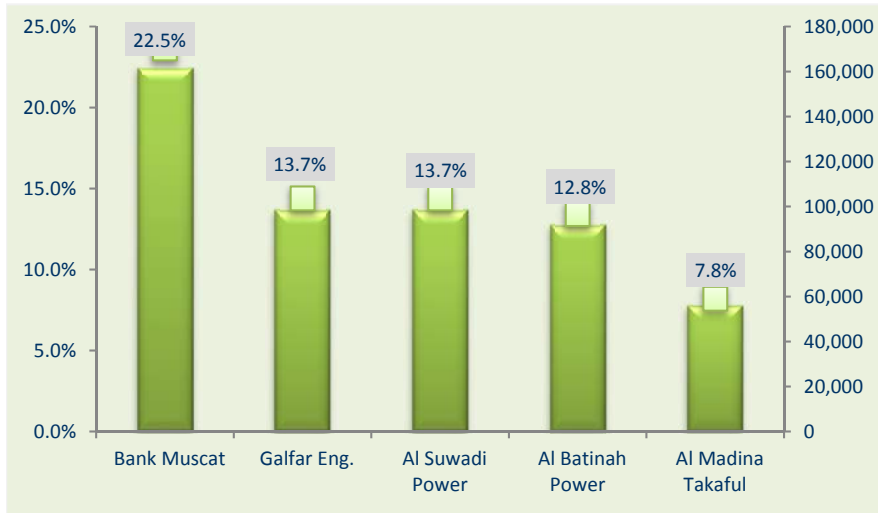
May 2018 Outlook- Holiday season to impact volumes...

We do expect the MSM to reveal range bound activity during the holiday shortened month amid lack of news triggers. The strong rally in global equity markets may support regional market sentiments. With the underperformance of key frontline stocks in MSM, we do see increase in institutional interest coming post EID and Q2 earnings season. The Government has given confidence in announcing certain projects during H1 2018 which would benefit in improving economic activity during the coming months. Added, the recent increase oil price to improve local market liquidity and create institutional interest in key frontline stocks.

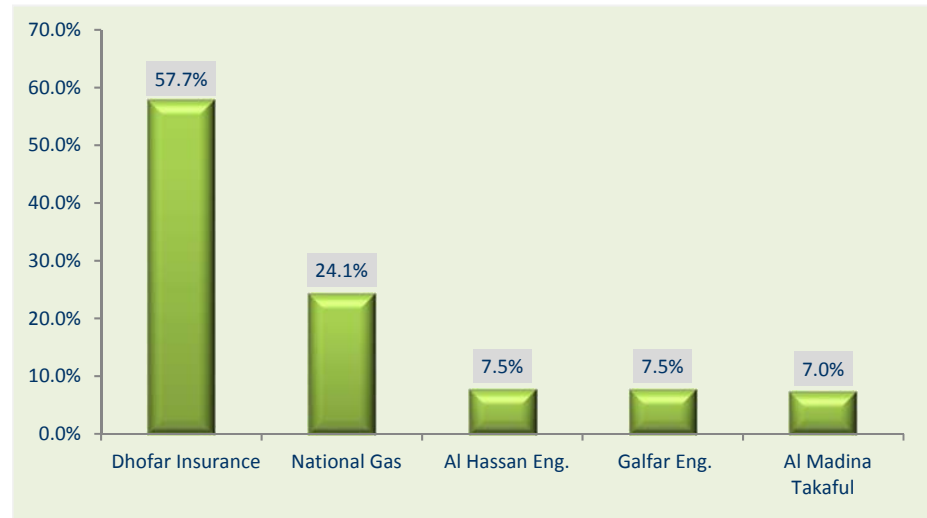
We expect the overall outlook of local companies to improve during H2 2018 amidst increase in Govt. projects activity, improvement in payment cycle and overall liquidity. The expected stability in GCC/ MENA economies to improve the performance of the Industrial majors. We would be looking at triggers in the form of recovery in GCC economies and the efforts taken the Government towards non-oil diversification.

End May 2018, MSM30 Index trades at PE (Ann) of 11X, PBV of 1X and Div. Yield of 5.9%.

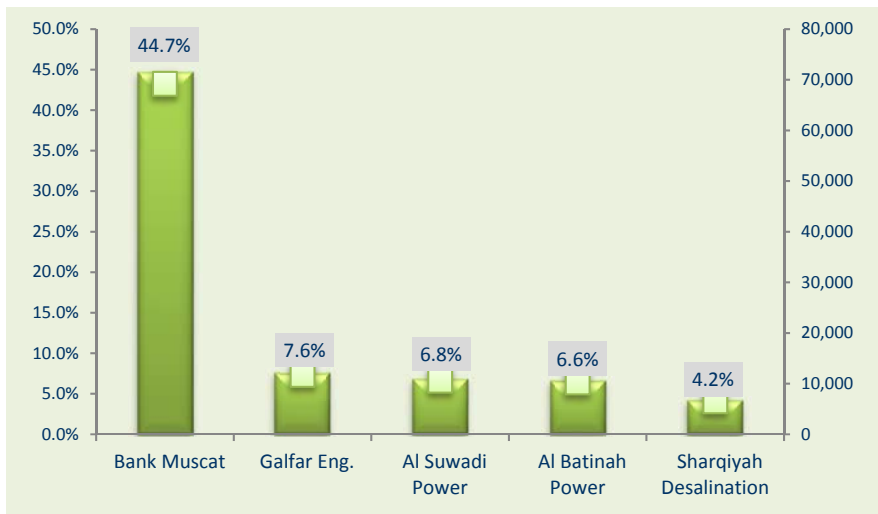
Volume Leaders for the Month



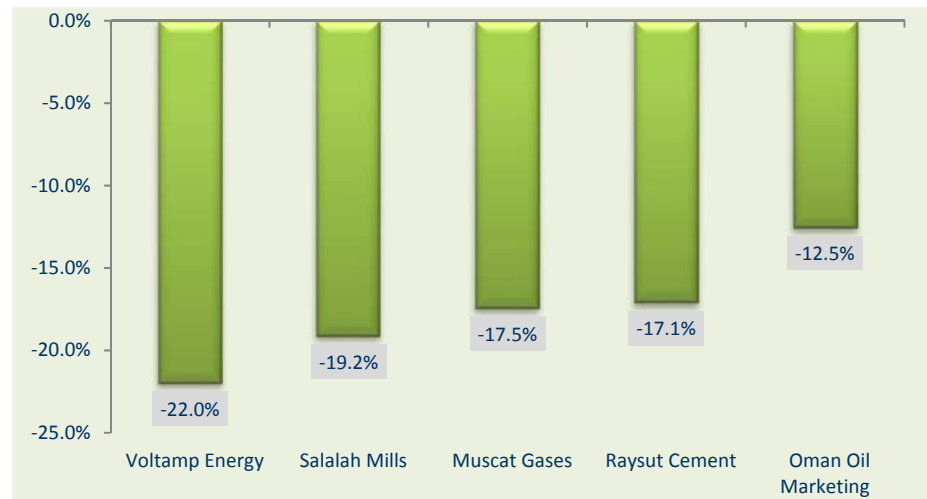
Gainers for the Month



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	-2.6%	-9.7%
Saudi	-0.6%	12.9%
UAE (DFM)	-3.3%	-12.0%
UAE (ADX)	-1.4%	4.7%
Kuwait	-1.3%	-5.3%
Qatar	-2.5%	4.2%
Bahrain	0.6%	-4.9%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	-2.1%	12.2%
ICE Brent Crude	4.6%	19.1%
Crude Oil, Oman	5.5%	19.7%
NYMEX Natural Gas	5.4%	5.3%
NYMEX Gasoline	1.6%	9.4%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	2.2%	1.2%
Dow Jones	1.0%	-1.2%
Nasdaq	5.3%	7.8%
FTSE 100	2.2%	-0.1%
CAC 40	-2.2%	1.6%
DAX	-0.1%	-2.4%
Nikkei	-1.2%	-2.5%
Hang Seng	-1.1%	1.8%
Sensex	0.5%	3.7%
Shanghai	0.4%	-6.4%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-1.3%	-0.3%
Silver Spot	0.5%	-3.1%
Platinum Spot	0.3%	-2.5%
LME Aluminium (Spot)	1.5%	1.5%
LME Copper (Spot)	1.1%	-5.0%
LME Zinc (Spot)	-0.9%	-7.2%
LME Lead (Spot)	5.4%	-1.6%
LME Nickel (Spot)	11.5%	19.3%

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.*