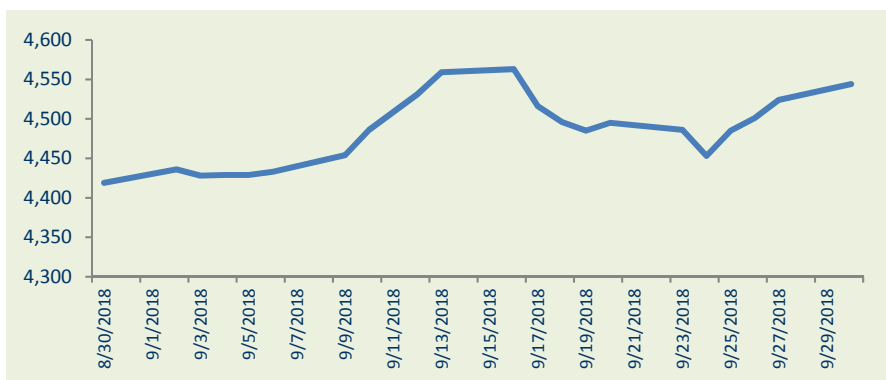


October 7, 2018

Index Performance	End Sep 18	End Aug 18	MTD (%)	YTD (%)
MSM30 Index	4,543.7	4,419.3	2.8%	-10.9%
Financial Index	7,032.5	6,891.9	2.0%	-5.9%
Industrial Index	5,535.5	5,452.7	1.5%	-19.0%
Services Index	2,465.7	2,375.7	3.8%	-6.7%
Shariah Index	615.0	616.3	-0.2%	-13.8%

MSM 30 Index- Sep 2018



MSM Trading – Monthly Turnover – RO 48.922 million (USD 126.7 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	43,169,150	33,567,983	9,601,167
GCC	1,812,535	8,577,709	(6,765,175)
Arabs	404,130	1,471,031	(1,066,901)
Others	3,537,095	5,306,186	(1,769,091)

Source: MSM, GBCM Research

Institutional buying in frontline stocks supported...

MSM30 Index continued its positive trend during the month amid local institutional buying interest in frontline stocks. Bank Muscat and Omantel gained 11.6% and 10.9% respectively during Sep. The market ended Q3 2018 marginally lower by 0.6% QTD. The benchmark MSM30 Index ended on a positive note for second consecutive month gaining 2.8% for the month at 4,544 points. Financial Index gained by 2%. Industrial and Services Index increased by 1.5% and 3.8% respectively during the month. During Sep, we saw the disappointing listing of Dhofar Generating IPO.

We saw negative closing in most of the GCC markets except for Saudi which closed 0.7% higher for the month. UAE-ADX emerged as the worst performing market in Sep declining 1%, rest of the markets traded range bound. During Q3 2018, Qatar emerged as the best performing market gaining 8.7% QTD and UAE-ADX gained 8.2% QTD. Kuwait and Bahrain ended 4.9% and 2.1% respectively. Saudi ended in red declining 3.6% QTD. The global oil prices ended on a positive for the second month, with Brent Crude and Oman Benchmark gaining c. 7%.

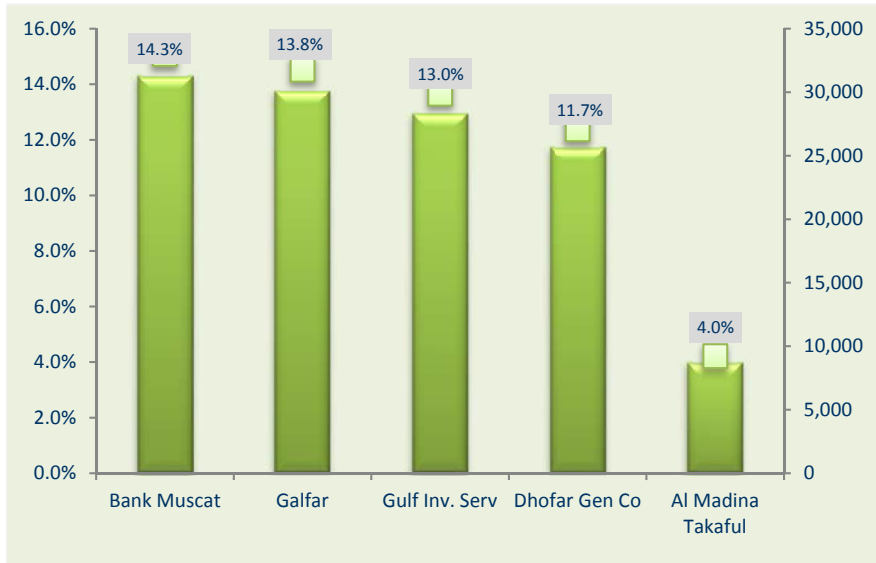
Market activity for Sep 2018: Overall traded volumes for the month stood at 230.5 million. Total market turnover increased to 48.9 million, as against turnover of RO 25.6 million in previous month. Average MSM daily turnover for the month stood at RO 2.5 million. Block trades seen in Bank Muscat, Oman Oil Marketing and Dhofar Generating (post IPO listing). Omani investors ended as net buyers to an extent of RO 9.6 million. GCC and Foreign investors were net sellers to an extent of RO 6.8 million and RO 1.8 million respectively.

Oct 2018 Outlook- Oil price uptrend and upcoming Q3 earnings to remain as key triggers ...

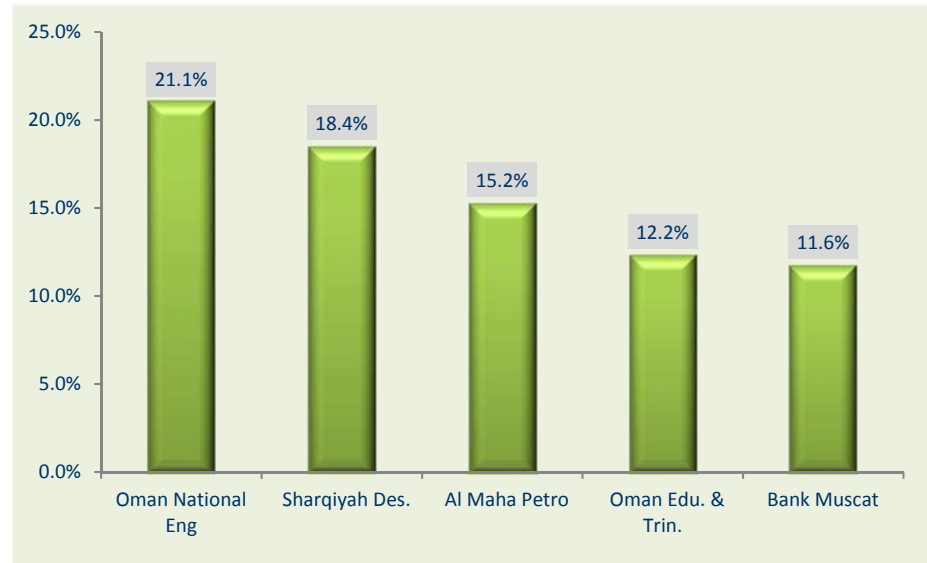
The index is expected to see further uptrend amid higher oil prices and improved sentiments. Key index heavyweights to rally positively on expectations of institutional buying. Q3 earnings season to provide cues looking at yearend perspective and to participate in higher dividend yielding stocks. With oil prices trading above USD 75/ bbl., we see overall fiscal deficit to lower and the payment cycle to improve going forward. Key caveat remains on emerging geopolitics in the region. We would follow stock-specific approach and to increase our exposure in companies with revenue growth, firmness in earnings and free cash flow visibility. The expected improvement in GCC economy to activate new projects which remain as key re-rating trigger for local and regional companies in the respective sectors.

Q3 Earnings of MSM30 Index companies to increase 5.5% YoY and decline 4.1% on a sequential basis. Financial Sector earnings during Q3 to increase 5% YoY and decline 3.5% QoQ. Industrial sector Q3 earnings to increase 28% YoY (low base) and higher by 9.8% QoQ. Earnings of Services sector to increase 4% YoY and decline 6.9% on QoQ. **End Sep 2018, MSM30 Index trades at PE (Ann) of 8.6X, PBV of 0.9X and offers Div. Yield (TTM) of 6.4%.**

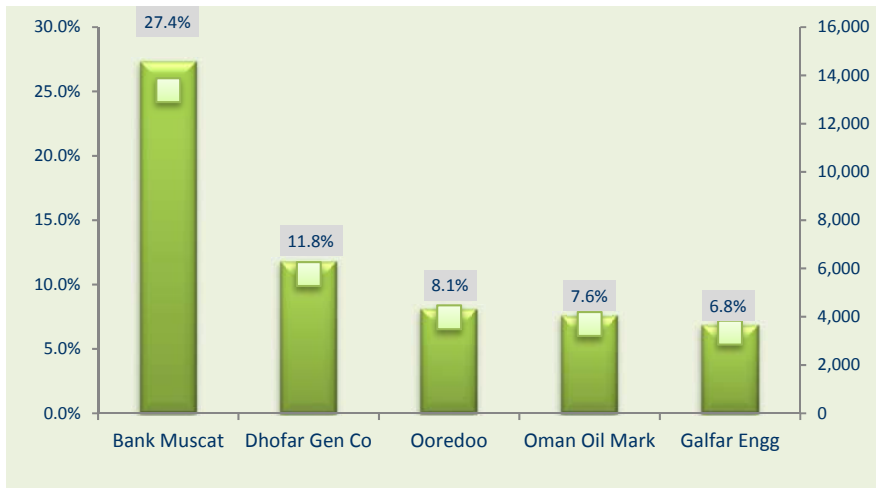
Volume Leaders for the Month



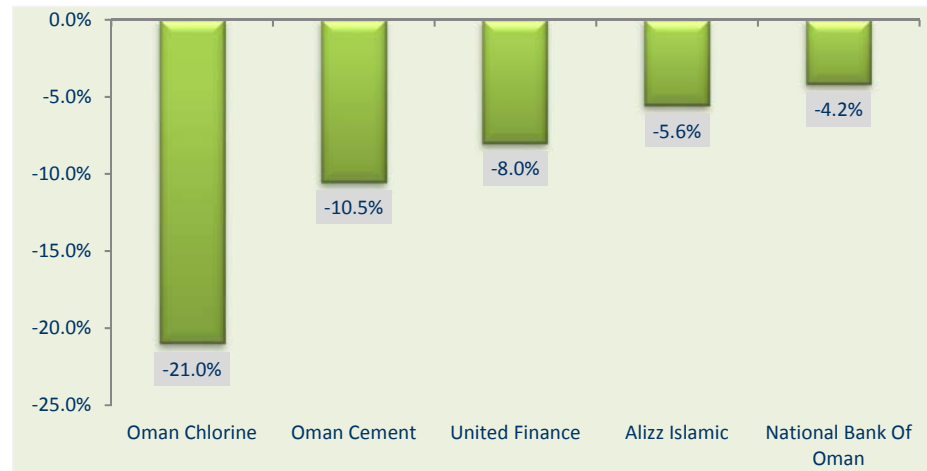
Gainers for the Month



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	2.8%	-10.9%
Saudi	0.7%	10.7%
UAE (DFM)	-0.2%	-15.9%
UAE (ADX)	-1.0%	12.2%
Kuwait	-0.1%	2.6%
Qatar	-0.7%	15.1%
Bahrain	0.0%	0.5%

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	5.6%	25.5%
ICE Brent Crude	6.9%	30.0%
Crude Oil, Oman	8.4%	32.8%
NYMEX Natural Gas	2.3%	4.9%
NYMEX Gasoline	5.5%	20.0%

Global Markets	MTD (%)	YTD (%)
S&P 500	0.4%	9.0%
Dow Jones	1.9%	7.0%
Nasdaq	-0.8%	16.6%
FTSE 100	1.0%	-2.3%
CAC 40	1.6%	3.4%
DAX	-0.9%	-5.2%
Nikkei	5.5%	6.0%
Hang Seng	-0.4%	-7.1%
Sensex	-6.3%	6.4%
Shanghai	3.5%	-14.7%

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-0.7%	-8.5%
Silver Spot	1.1%	-13.2%
Platinum Spot	3.7%	-12.2%
LME Aluminium (Spot)	-2.5%	-9.2%
LME Copper (Spot)	5.0%	-13.1%
LME Zinc (Spot)	8.0%	-20.3%
LME Lead (Spot)	-1.7%	-18.6%
LME Nickel (Spot)	-1.6%	-1.6%

Source: Bloomberg, GBCM Research

Source: Bloomberg, GBCM Research

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