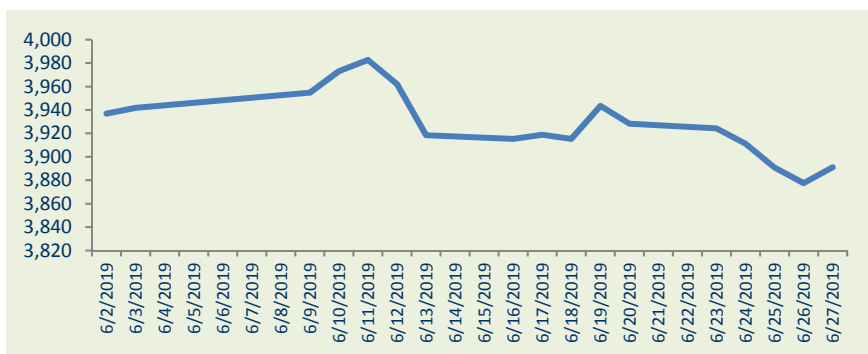


July 8, 2019

Index Performance	End June 19	End May 19	MTD (%)	YTD (%)
MSM30 Index	3,884.9	3,934.2	-1.3%	-10.1%
Financial Index	6,283.4	6,342.5	-0.9%	-8.0%
Industrial Index	4,622.9	4,620.4	0.1%	-7.4%
Services Index	1,915.8	1,975.1	-3.0%	-16.4%
Shariah Index	540.7	536.3	0.8%	-8.6%

MSM 30 Index- June 2019



MSM Trading – Monthly Turnover – RO 53.830 million (USD 139.4 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	34,947,158	49,760,107	14,812,949
GCC	15,807,627	1,102,272	(14,705,354)
Arabs	322,802	191,575	(131,227)
Others	2,752,023	2,775,655	23,633

Source: MSM, GBCM Research

GCC Equities had positive closing, Oman continued its underperformance...

The regional markets ended in green tracking strong global market cues. On the other hand, the local MSM30 Index underperformed for the month amidst stock specific activity and dull participation. GCC markets saw recovery trend in June led by institutional flows and buying in frontline stocks. MSM30 Index ended the month of June declining 1.3% to close at 3,884.9 points. MSM has declined 10.1% during H1 2019, being the worst performing market in the region. The industrial index ended marginally higher by 0.1%. Financial and Services indices declined by 0.9% and 3% respectively during the month.

Except for Oman and UAE-ADX, all the regional markets ended in green due to commencement of trade talks between the US and China, and subsequent increase in oil prices. Saudi and Bahrain gained the most, closing the month higher by 3.6% and 2.6% respectively. UAE-DFM and Qatar increased by 1.5% and 1.8% respectively in June amidst institutional buying support. We saw strong outperformance in Kuwait on a YTD basis (+14.8%) led by rally in key index heavyweights ahead of MSCI EM Inclusion.

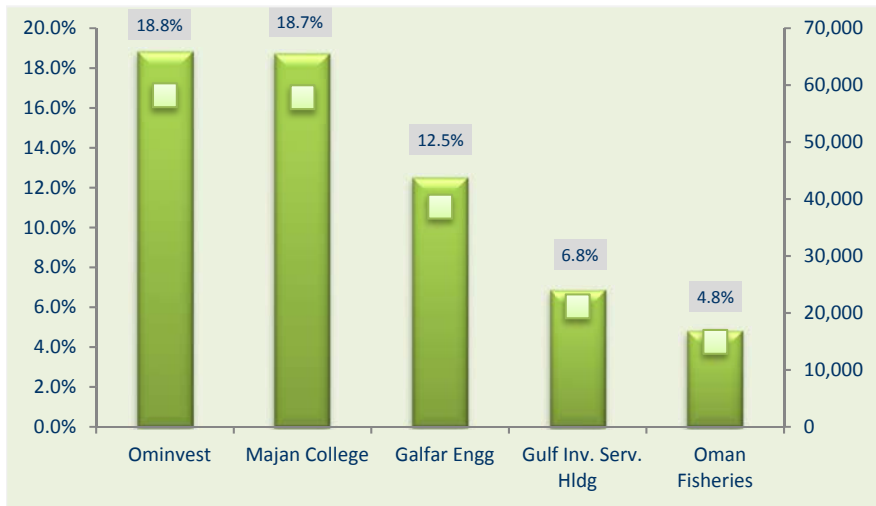
Oil Prices revealed positive trend during the month amid ease of trade talks, world economic growth outlook along with Extension of OPEC production cuts. Brent crude and Oman Crude increased by about 5.9% during the month. All major global indices closed higher amidst US-China positive trade talks and possibility of a US Fed interest rate cut. US indices closed higher with 7.2% increase in Dow Jones, 6.9% for S&P 500 and 7.4% for Nasdaq. In Europe, Germany-Dax (5.7% MTD), CAC 40 (6.4%) and UK- FTSE 100 (3.7% MTD) also ended on a positive note. Hang Seng Index gained 6% MTD in Asia.

Market activity: Total traded volume in June stood at 308.9 million. Total market turnover increased to RO 53.830 million, as against RO 50.052 million in the previous month. Average MSM daily turnover for the month stood at RO 3 million amid several block deals (about 50% of value) in Ominvest and Majan College. GCC investors ended as net sellers to an extent of RO 14.8 million. Foreign and Local investors emerged as net buyers to an extent of RO 24K and RO 14.8 million respectively.

July 2019 Outlook- Q2 earnings season to remain critical, concern remain on dull volumes...

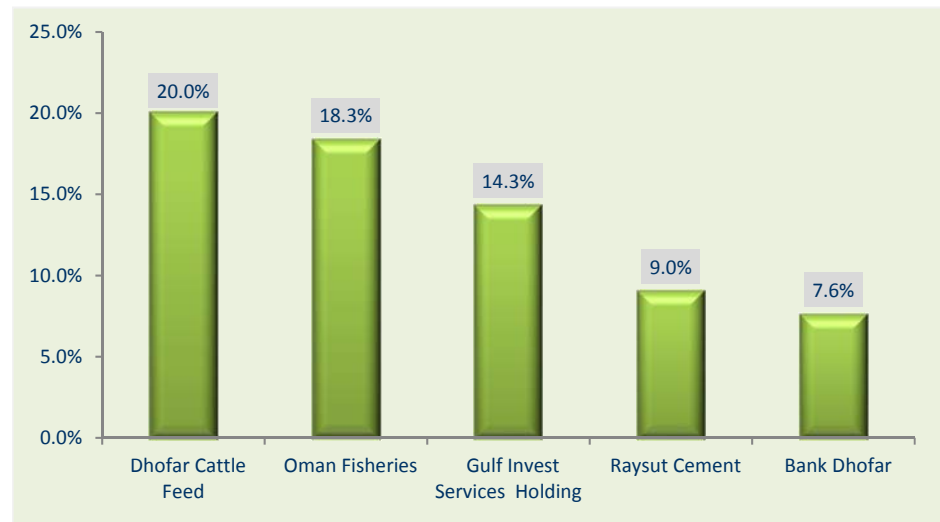
During July 2019, we anticipate the local and regional market to see stock specific activity ahead of Q2 earnings season, which is expected to remain mixed. We expect Institutional buying support in select index heavyweights. On the other hand, the concern remains on dull market participation with the impact of Summer season. The global sentiments and oil price uptrend to remain critical for the regional market developments. For medium term investors, we advise select buying opportunities post Q2 earnings. We do anticipate the ongoing positive structural developments in Oman post the introduction of Foreign Inv. Promotion, Private-Public-Partnership, Bankruptcy and Privatization laws to remain conducive to attract foreign investments in select sectors. We continue to recommend stock specific buying amid focus on revival stories and higher free cash flows and thereby stable dividends. **At current levels, MSM30 Index trades at PE (TTM) of 7.7X, PBV (Latest) of 0.8X and provides Div. Yield of 7.8%.**

Volume Leaders for the Month



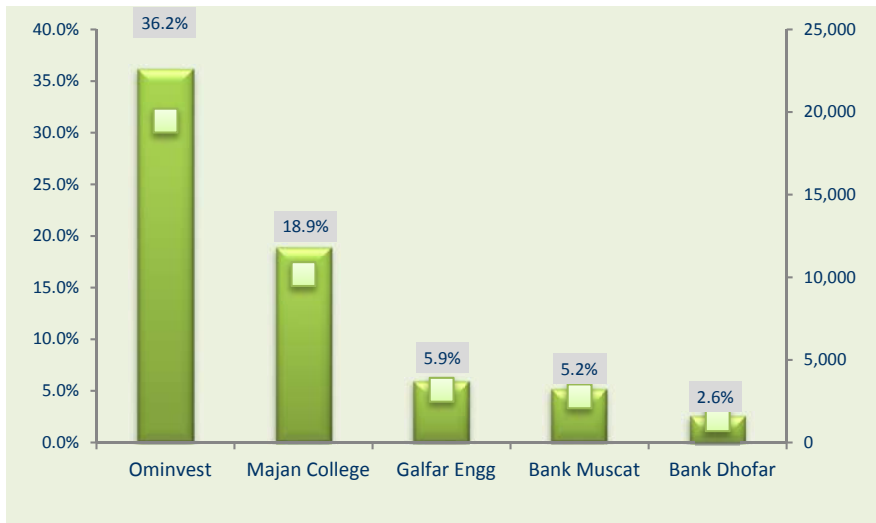
Source: MSM, GBCM Research

Gainers for the Month



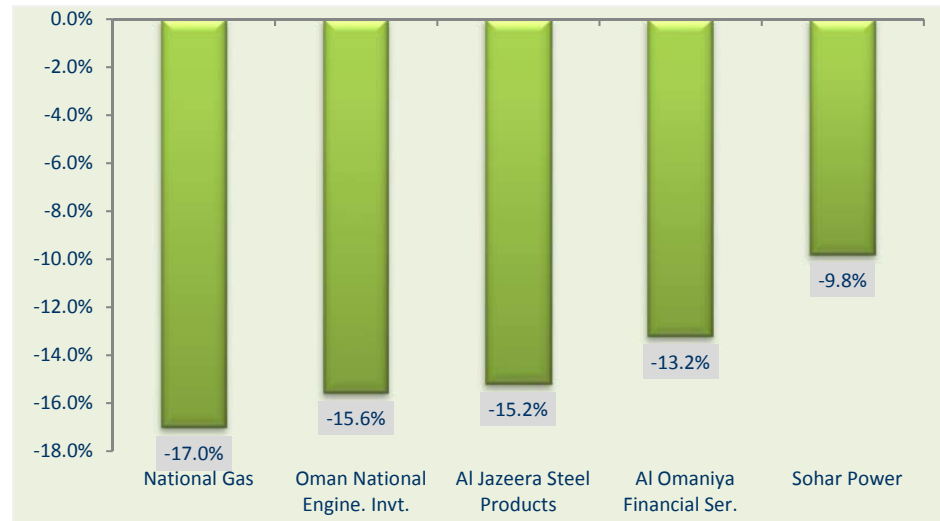
Source: MSM, GBCM Research

Value Leaders for the Month



Source: MSM, GBCM Research

Losers for the Month



Source: MSM, GBCM Research

Markets Performance - Heat Map

GCC Markets	MTD (%)	QTD (%)	YTD (%)
Oman	-1.3%	-2.5%	-10.1%
Saudi	3.6%	0.0%	12.7%
UAE (DFM)	1.5%	0.9%	5.1%
UAE (ADX)	-0.5%	-1.9%	1.3%
Kuwait	1.8%	3.8%	14.8%
Qatar	1.8%	3.4%	1.5%
Bahrain	2.6%	4.1%	10.0%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	QTD (%)	YTD (%)
NYMEX WTI Crude	9.0%	-3.3%	22.8%
ICE Brent Crude	5.9%	-3.0%	17.9%
Crude Oil, Oman	5.8%	-2.8%	21.2%
NYMEX Natural Gas	-6.2%	-17.5%	-16.3%
NYMEX Gasoline	9.1%	3.5%	27.0%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	QTD (%)	YTD (%)
Gold Spot	8.0%	9.1%	9.9%
Silver Spot	5.1%	1.3%	-1.2%
Platinum Spot	5.1%	-1.7%	4.9%
LME Aluminium (Spot)	0.4%	-6.0%	-4.5%
LME Copper (Spot)	3.0%	-7.8%	0.6%
LME Zinc (Spot)	-3.9%	-14.5%	1.8%
LME Lead (Spot)	6.8%	-4.2%	-4.5%
LME Nickel (Spot)	5.4%	-2.2%	19.0%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	QTD (%)	YTD (%)
S&P 500	6.9%	3.8%	17.3%
Dow Jones	7.2%	2.6%	14.0%
Nasdaq	7.4%	3.6%	20.7%
FTSE 100	3.7%	2.0%	10.4%
CAC 40	6.4%	3.5%	17.1%
DAX	5.7%	7.6%	17.4%
Nikkei	3.3%	0.3%	6.3%
Hang Seng	6.1%	-1.8%	10.4%
Sensex	-0.8%	1.9%	9.2%
Shanghai	2.8%	-3.6%	19.4%

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 0728 |

***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.*