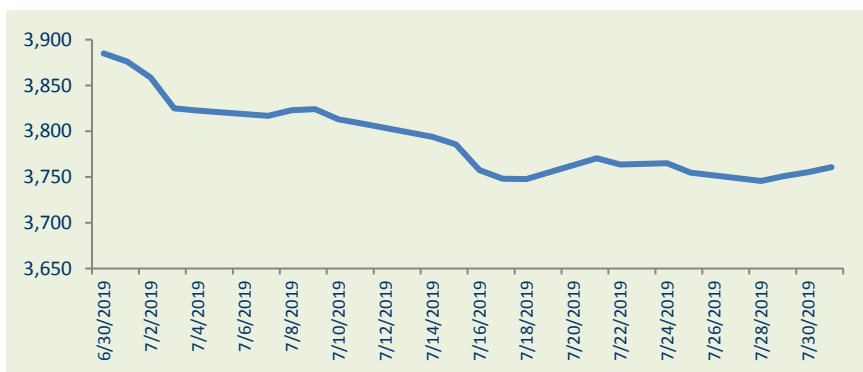


August 8, 2019

Index Performance	End July 19	End June 19	MTD (%)	YTD (%)
MSM30 Index	3,760.6	3,884.9	-3.2%	-13.0%
Financial Index	6,110.3	6,283.4	-2.8%	-10.5%
Industrial Index	4,414.3	4,622.9	-4.5%	-11.6%
Services Index	1,838.6	1,915.8	-4.0%	-19.7%
Shariah Index	517.2	540.7	-4.4%	-12.6%

MSM 30 Index- July 2019



MSM Trading – Monthly Turnover – RO 37.430 million (USD 97.0 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	28,277,046	30,421,130	(2,144,085)
GCC	3,033,705	2,695,522	338,183
Arabs	531,718	220,526	311,192
Others	5,587,499	4,092,789	1,494,710

Source: MSM, GBCM Research

MSM revealed negative sentiments, UAE saw sharp recovery from lower levels...

During July 2019, the regional markets ended on a mixed note amid range bound trading in global equities, post strong rally in H1 2019. US Federal Reserve cuts key interest rate by 25 basis points, marking its first reduction since 2008, on concerns on global economic developments and lower inflation. While the markets disappointed on the tone and stocks reacted negatively. The local MSM30 Index underperformed during the month with selling pressure seen in frontline stocks with dull volumes. MSM30 Index ended lower by 3.2% MTD to close at 3,760.6 points. **MSM has declined 13% during H1 2019, being the worst performing market in the region.** All sectoral indices ended in red. Industrial Index lowered 4.5% MTD. Financial and Services indices declined by 2.8% and 4% respectively.

Within the region, **UAE markets revealed strong recovery during July with DFM gaining 9.8% and ADX 6.8%.** Kuwait has increased 4.9% MTD amid buying in frontline stocks on the back of inclusion in global EM index. Bahrain also ended stronger for the month gaining 5.2%. Qatar gained marginally by 0.5%. Oman and Saudi Arabia underperformed declining 3.2% and 1% respectively.

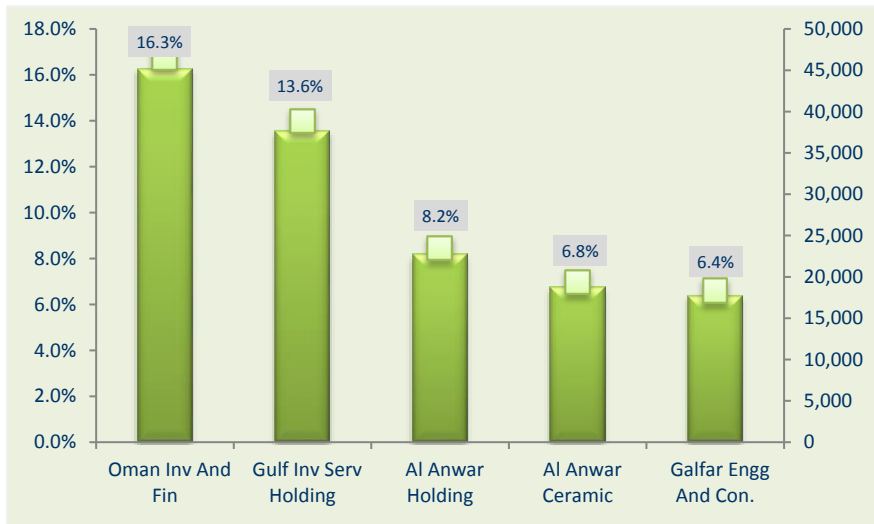
Oil Prices revealed sideways trend for most of the month amid concerns of global economic growth and the noise on US-China trade talks. Brent crude gained 1% and Oman Crude closed +0.2% higher during the month. Silver and Platinum gained 6% and 4% MTD. US indices closed higher amidst build-up towards US Fed rate cuts. In USA, **Nasdaq ended higher by 2.1%, Dow Jones and S&P 500 gained about 1%.** In Europe, UK- FTSE 100 ended +2.2% MTD, while Germany-DAX lowered 1.7%. Emerging Markets corrected with Hang Seng, Shanghai and India-Sensex declining 2.7%, 1.6% and 4.9% respectively.

Market activity: Total traded volume in July stood at 286 million. Total market turnover declined to RO 37.43 million, as against RO 53.83 million in the previous month. **Average MSM daily turnover for the month stood at meagre RO 1.7 million.** Omani investors ended as net sellers to an extent of RO 2.1 million. Foreign and GCC investors emerged as net buyers to an extent of RO 1.494 million and RO 338K respectively. **We remain positive on the foreign investors net buying in MSM during last four months.**

Aug 2019 Outlook- MSM to reveal technical recovery, GCC markets to track global sentiments...

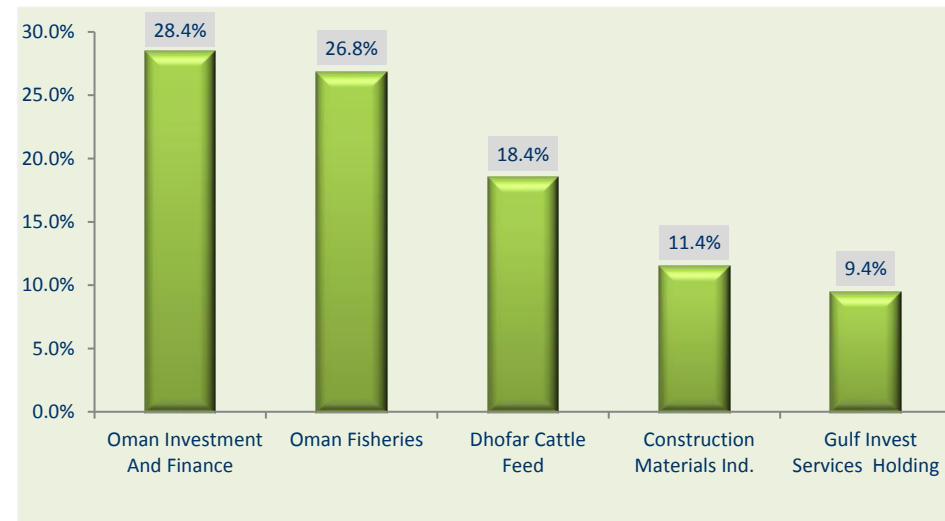
During Aug 2019, we anticipate recovery in local equities supported by buying in blue-chip stocks which are trading at bottomed out valuations. Few positives- Oman Government reported lower level of fiscal deficit reported during Jan-May2019 amid increase in revenue and lowering expenditure. **The latest external borrowing program of USD 3 billion to improve local liquidity among banks over the short term.** We see attractive valuations across key index stocks (Banks, Telecom, Utilities, Select Industrials). MSM remain the cheapest market in the region in all key metrics. We recommend adopting bottom up approach in local equities. We do anticipate the ongoing positive structural developments in Oman post the introduction of Foreign Inv. Promotion, Private-Public-Partnership (PPP), Bankruptcy and Privatization laws to remain conducive to attract foreign investments in select sectors. **At current levels, MSM30 Index trades at PE (TTM) of 7.6X, PBV (Latest) of 0.8X and provides Div. Yield of 7.6%.** Key near-term weakness to be seen from the decline in oil prices and geopolitical environment.

Volume Leaders for the Month



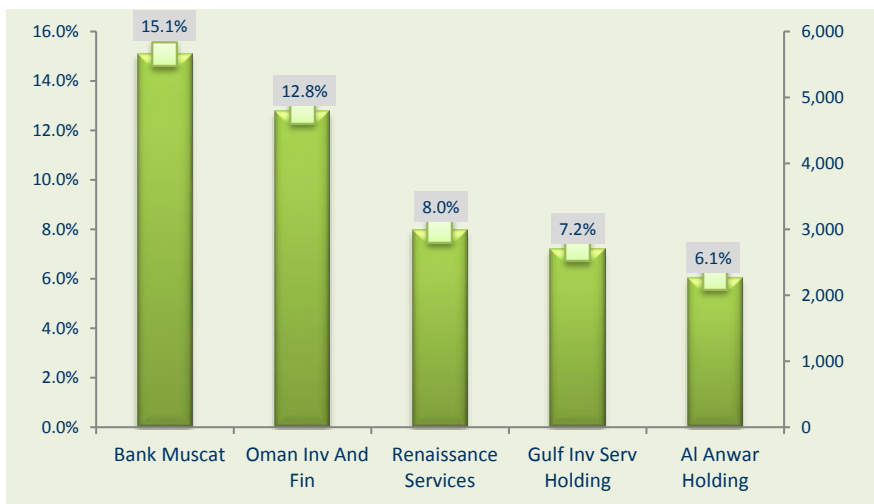
Source: MSM, GBCM Research

Gainers for the Month



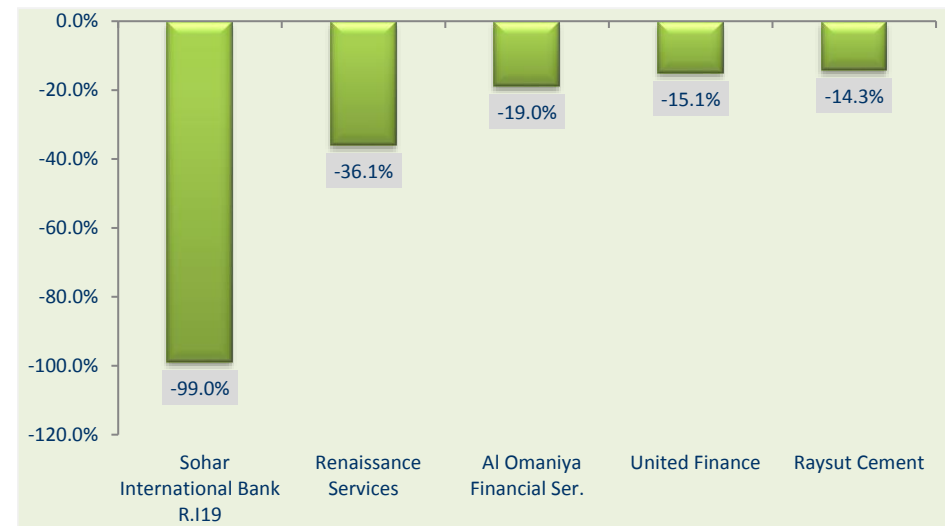
Source: MSM, GBCM Research

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	-3.2%	-3.2%	-13.0%
Saudi	-1.0%	-1.0%	11.6%
UAE (DFM)	9.8%	9.8%	15.4%
UAE (ADX)	6.8%	6.8%	8.2%
Kuwait	4.9%	4.9%	20.4%
Qatar	0.5%	0.5%	2.0%
Bahrain	5.2%	5.2%	15.7%

Commodities Performance - Heat Map

Energy	MTD (%)	QTD (%)	YTD (%)
NYMEX WTI Crude	0.1%	0.1%	22.4%
ICE Brent Crude	1.1%	1.1%	18.3%
Crude Oil, Oman	0.2%	0.2%	20.5%
NYMEX Natural Gas	-2.1%	-2.1%	-18.1%
NYMEX Gasoline	0.5%	0.5%	26.1%

Precious/ Base Metals	MTD (%)	QTD (%)	YTD (%)
Gold Spot	0.3%	0.3%	10.2%
Silver Spot	6.2%	6.2%	4.9%
Platinum Spot	3.6%	3.6%	8.7%
LME Aluminium (Spot)	-0.5%	-0.5%	-4.9%
LME Copper (Spot)	-1.3%	-1.3%	-0.8%
LME Zinc (Spot)	-4.8%	-4.8%	-3.1%
LME Lead (Spot)	4.3%	4.3%	-0.4%
LME Nickel (Spot)	14.5%	14.5%	36.3%

Global Markets	MTD (%)	QTD (%)	YTD (%)
S&P 500	1.3%	1.3%	18.9%
Dow Jones	1.0%	1.0%	15.2%
Nasdaq	2.1%	2.1%	23.2%
FTSE 100	2.2%	2.2%	12.8%
CAC 40	-0.4%	-0.4%	16.7%
DAX	-1.7%	-1.7%	15.4%
Nikkei	1.2%	1.2%	7.5%
Hang Seng	-2.7%	-2.7%	7.5%
Sensex	-4.9%	-4.9%	3.9%
Shanghai	-1.6%	-1.6%	17.6%

Source: Bloomberg, GBCM Research

Source: Bloomberg, GBCM Research

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