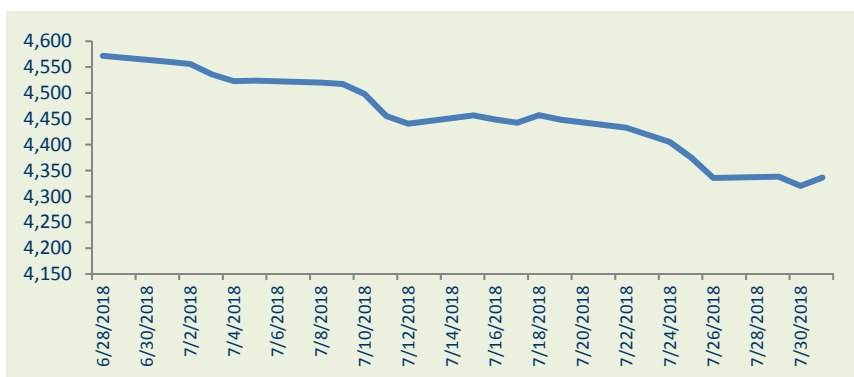


August 9, 2018

Index Performance	End July 18	End Jun 18	MTD (%)	YTD (%)
MSM30 Index	4,336.6	4,571.8	-5.1%	-15.0%
Financial Index	6,737.5	7,056.3	-4.5%	-9.9%
Industrial Index	5,605.6	6,100.1	-8.1%	-18.0%
Services Index	2,377.8	2,475.0	-3.9%	-10.0%
Shariah Index	613.9	660.5	-7.1%	-14.0%

MSM 30 Index- July 2018



MSM Trading – Monthly Turnover – RO 56.9 million (USD 147.4 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	51,819,624	22,192,768	29,626,856
GCC	2,447,276	26,565,686	(24,118,410)
Arabs	412,316	435,504	(23,188)
Others	2,242,852	7,728,110	(5,485,258)

Source: MSM, GBCM Research

Negative trend seen amid dull participation...

MSM Index revealed sharp decline during the month amid weak market sentiments and dull volumes. We saw foreign and regional investor selling pressure in key stocks. Q2 2018 earnings season revealed mixed performance. The benchmark MSM30 Index closed deep in red declining 5.1% for the month at 4,337 points. Financial Index declined by 4.5%, Industrial lowered sharply by 8.1% and Services closed in red declining 3.9% during the month.

We saw overall reasonable Q2 earnings season in MSM with Financial sector reported in-line, Industrial remained below and Services revealed mixed trend. Q2 Earnings of MSM30 Index Cos has increased 14% YoY and 5.9% QoQ. Despite these results, market revealed negative trend along with subdued trading volumes.

In the GCC region, we saw strong performances from most of the markets. Qatar was the star performer gaining 8.9% for the month. UAE also performed well with DFM recouping some of its YTD losses by gaining 4.8% and ADX added to its YTD gains, further increasing by 6.6%. Kuwait (5.7%) and Bahrain (3.6%) also performed well. On the other hand, Saudi closed flat amid profit booking, and Oman saw one of its weakest months, closing lower by 5.1% amid weak sentiments. The global oil prices traded lower in the month of July, with Brent Crude and Oman Benchmark trading at \$74.6 and \$73.6 per barrel respectively.

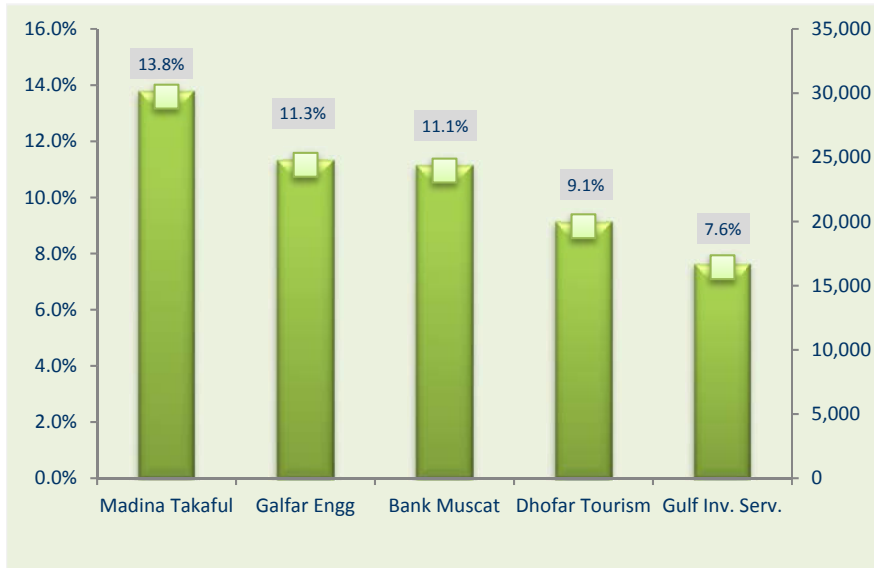
Market activity for July 2018: Overall traded volumes for the month stood at 215.173 million. Total market turnover increased to RO 56.9 million, as against previous month turnover of RO 36.1 million. Average MSM daily turnover for the month is at RO 2.6 million. Block trade in Dhofar Tourism worth RO 23.9 million dominated volumes. Omani investors were net buyers to an extent of RO 29.6 million. GCC and Foreign investors were net sellers to an extent of RO 24.2 million and RO 5.5 million respectively.

Aug 2018 Outlook- Upcoming holidays to impact volumes...

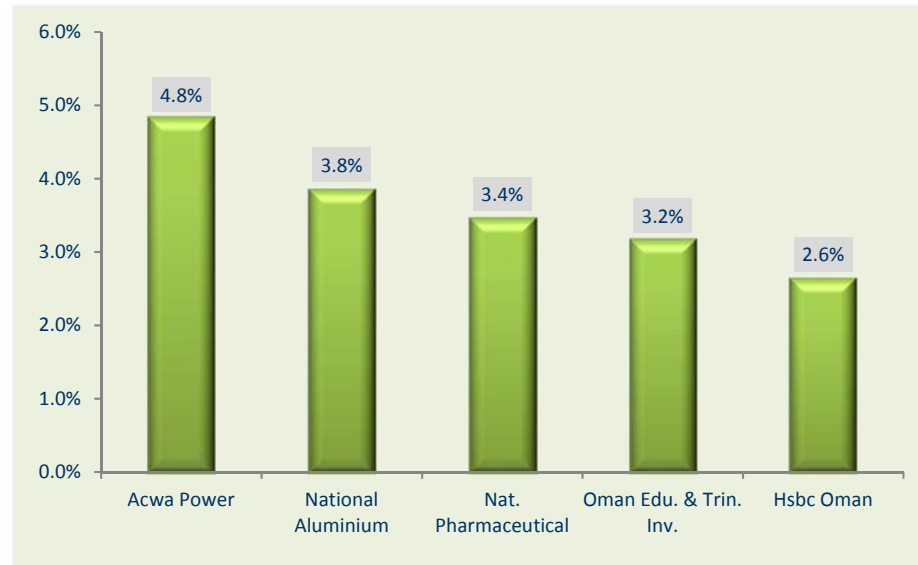
Post sharp correction in July, we expect the MSM performance to reveal local institutional support in frontline stocks on valuation attractiveness. We may see technical bounce back from the current depressed levels. While the volumes to remain dull with upcoming EID Al Adha holidays. We expect the local market sentiments to improve post EID amidst anticipated Govt. Infrastructure project announcements along with recent uptick in oil prices to support.

We would advise bottom-up approach and invest in companies with stronger earnings, higher free cash flow and dividends looking at medium term. Key triggers for the local equities to come from the increase in Govt. spending, award of new contracts and the settlement of pending receivable claims. We would be watching out for these triggers and participate in the relevant stocks. **End July 2018, MSM30 Index trades at PE (Ann) of 8.4X, PBV of 0.9X and Div. Yield of 6.9%.**

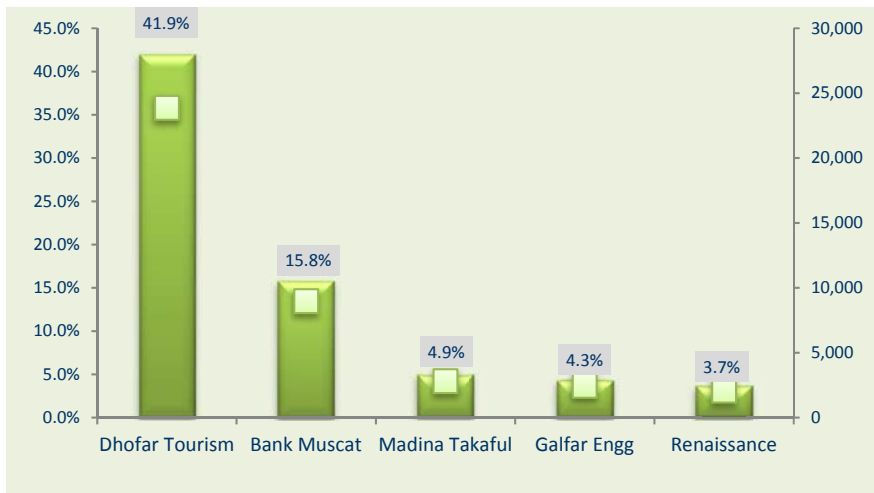
Volume Leaders for the Month



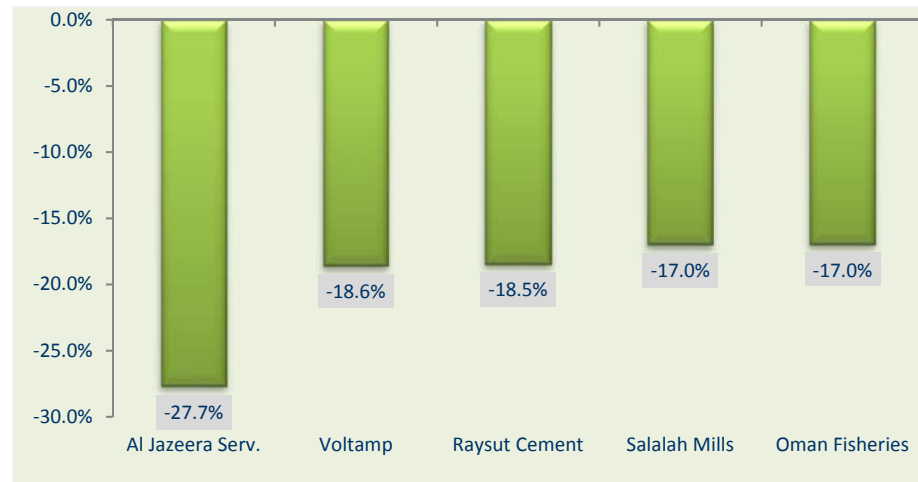
Gainers for the Month



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	-5.1%	-15.0%
Saudi	0.0%	14.9%
UAE (DFM)	4.8%	-12.3%
UAE (ADX)	6.6%	10.5%
Kuwait	5.7%	3.4%
Qatar	8.9%	15.3%
Bahrain	3.6%	2.0%

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	-5.1%	16.4%
ICE Brent Crude	-5.9%	15.3%
Crude Oil, Oman	-4.0%	16.9%
NYMEX Natural Gas	-4.1%	-0.3%
NYMEX Gasoline	-2.4%	8.5%

Global Markets	MTD (%)	YTD (%)
S&P 500	3.6%	5.3%
Dow Jones	4.7%	2.8%
Nasdaq	2.2%	11.1%
FTSE 100	1.5%	0.8%
CAC 40	3.5%	3.7%
DAX	4.1%	-0.9%
Nikkei	1.1%	-0.9%
Hang Seng	-1.3%	-4.5%
Sensex	6.2%	10.4%
Shanghai	1.0%	-13.0%

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-2.3%	-6.1%
Silver Spot	-3.7%	-8.4%
Platinum Spot	-1.7%	-9.9%
LME Aluminium (Spot)	-4.3%	-8.7%
LME Copper (Spot)	-5.2%	-12.9%
LME Zinc (Spot)	-7.9%	-19.8%
LME Lead (Spot)	-11.0%	-13.9%
LME Nickel (Spot)	-6.0%	9.7%

Source: Bloomberg, GBCM Research

Source: Bloomberg, GBCM Research

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