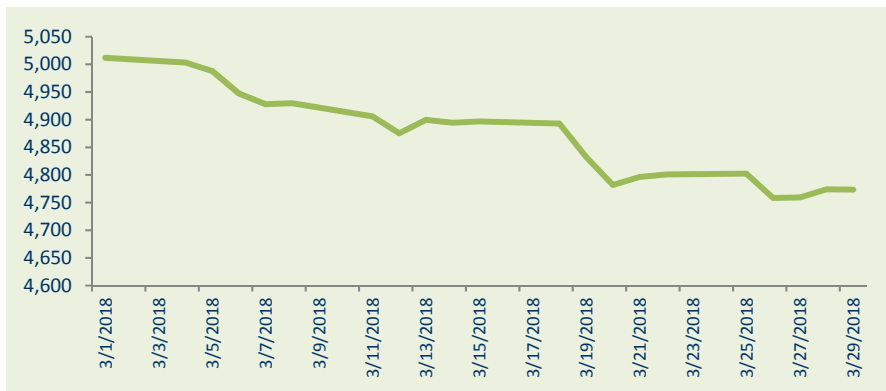


April 10, 2018

Index	End Mar 18	End Feb 18	MTD (%)	YTD (%)
MSM30 Index	4,773.51	5,003.37	-4.6%	-6.4%
Financial Index	7,121.43	7,364.51	-3.3%	-4.7%
Industrial Index	6,593.86	6,801.64	-3.1%	-3.5%
Services Index	2,605.70	2,631.57	-1.0%	-1.4%

MSM 30 Index- Mar 2018



MSM Trading – Monthly Turnover – RO 96.428 million (USD 249.750 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	79,797,522	62,150,435	17,647,087
GCC	9,901,294	13,004,315	(3,103,021)
Arabs	691,772	709,982	(18,210)
Others	6,037,852	20,563,709	(14,525,857)

Source: MSM, GBCM Research

Dividend adjustments weighed ...

The dividend adjustments coupled with the selling pressure in certain Index heavyweights (OTEL down 16% MTD) impacted the performance of MSM30 Index during Mar 2018. The benchmark Index declined by 4.6% for the month to close at 4,773.5 points. MSM has adjusted predominantly for the corporate dividends. While for Q1 2018 the Index had declined by 6.4% underperforming the global and regional markets. For the month, Financial, Industrial and Services closed in red declining 3.3%, 3.05% and 0.98% respectively.

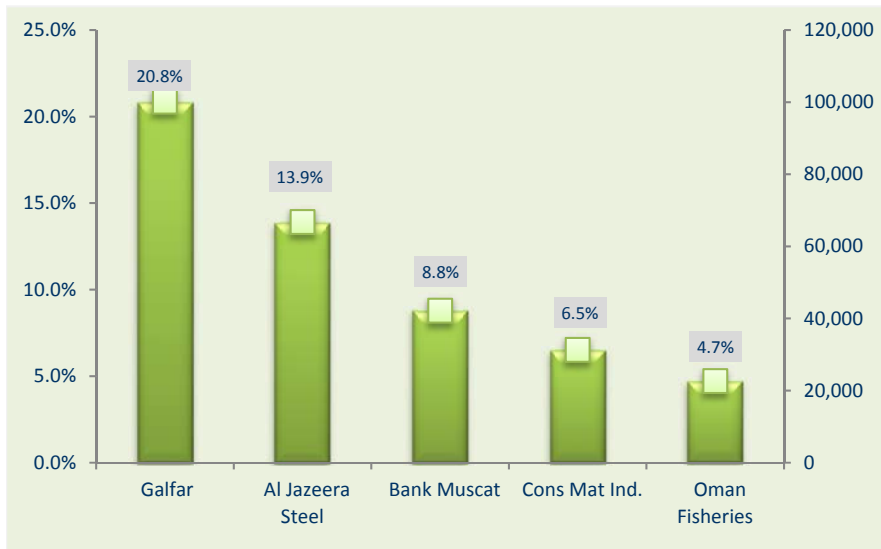
However, the global crude prices surged during the month with Brent Crude and Oman Benchmark increasing by c. 7.6% and 6.5% to close at \$ 69.3 and \$ 64.3 per barrel respectively. Despite significant surge in the crude prices the regional markets except Saudi witnessed a decline during the month due to dividend adjustments coupled with foreign funds moving into Saudi market. Saudi market surged by 6% during the month on the potential emerging market status upgrade by index compiler FTSE along with increase in oil prices. While Kuwait, Bahrain, Qatar, UAE (DFM) and UAE (ADX) declined by 2.1%, 3.8%, 0.9%, 4.2% and 0.3% respectively. UAE equities underperformance trend continued during the month.

Market activity for Mar 2018: Overall traded volumes for the month stood at 480.816 million, while total market turnover stood at RO 96.4 million, as against previous month turnover of RO 55.0 million driven by few block deals. Average daily MSM turnover for Mar 2018 increased to RO 4.6 million as compared RO 2.8 million in previous month. On the participation front, Omani investors were net buyers to an extent of RO 17.647 million. While Foreign and GCC investors were net sellers to an extent of RO 14.526 million and RO 3.103 million.

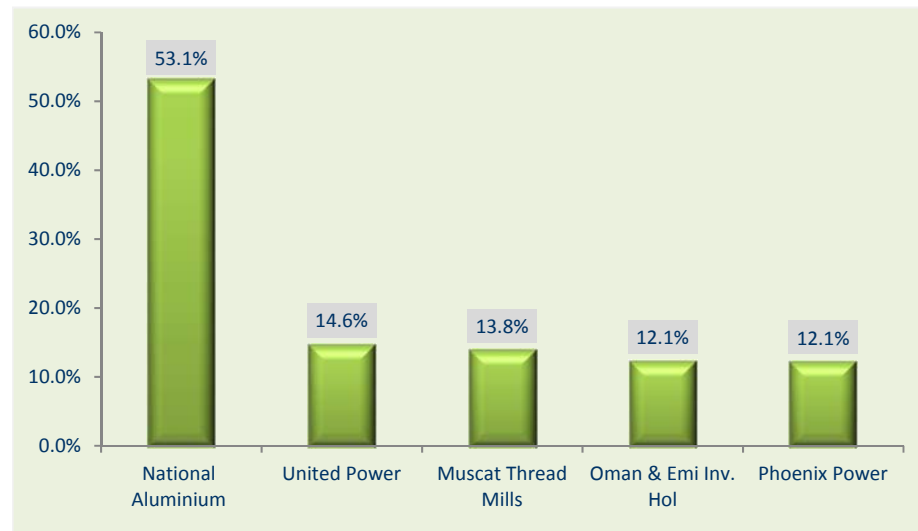
Apr 2018 Outlook- Market to take cues from Q1 earnings announcements...

During April, the corporates are expected to report their Q1 2018 earnings announcements which would set the market directions and the outlook for the full year. We estimate the Q1 numbers of financial sector to remain stable while the margin pressure to impact the performance of industrial and services sector companies. Post dividend adjustments, we see value in the local equities. The recent regulatory amendments by the Central Bank to bring positive impact to the banking stocks in Oman. Post Q1 results, we may see the local markets to reveal consolidation trend. While globally, the escalating global trade war to create volatility and weigh on the performance of the equities and the commodities. The decline in crude prices may weigh on the local and regional market performance. On a technical perspective, **the local MSM index to find stronger resistance around 4,900 levels over the short term.** End Mar 2018, MSM30 Index is trading at PE (Ann.) of 12.0X, PBV of 1.0X and Div. Yield at 5.5%.

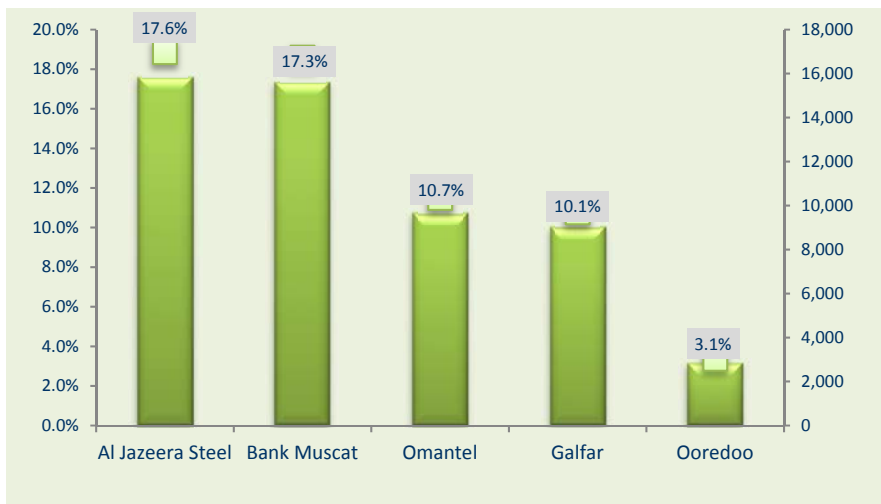
Volume Leaders for the Month



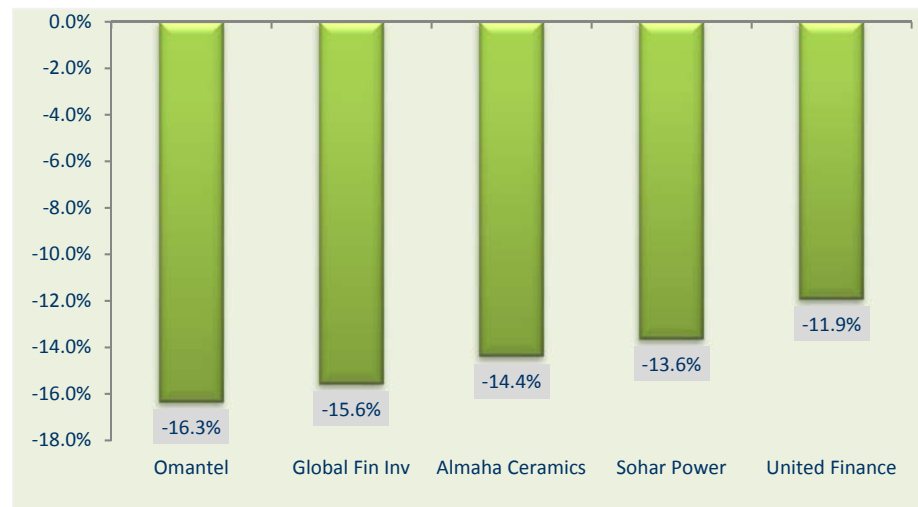
Gainers for the Month



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	-4.6%	-6.4%
Saudi	6.1%	8.9%
UAE (DFM)	-4.2%	-7.8%
UAE (ADX)	-0.3%	4.3%
Kuwait	-2.1%	3.5%
Qatar	-0.9%	0.6%
Bahrain	-3.8%	-1.0%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	5.6%	7.7%
ICE Brent Crude	7.6%	5.4%
Crude Oil, Oman	6.5%	3.6%
NYMEX Natural Gas	1.4%	-0.3%
NYMEX Gasoline	4.2%	1.1%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	YTD (%)
S&P 500	-2.7%	-1.2%
Dow Jones	-3.7%	-2.5%
Nasdaq	-2.9%	2.3%
FTSE 100	-2.4%	-8.2%
CAC 40	-2.9%	-2.7%
DAX	-2.7%	-6.4%
Nikkei	-2.8%	-5.8%
Hang Seng	-2.4%	0.6%
Sensex	-3.6%	-3.2%
Shanghai	-2.8%	-4.2%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	0.5%	1.7%
Silver Spot	-0.3%	-3.4%
Platinum Spot	-5.3%	0.1%
LME Aluminium (Spot)	-7.7%	-11.9%
LME Copper (Spot)	-3.1%	-7.3%
LME Zinc (Spot)	-5.6%	-1.6%
LME Lead (Spot)	-4.1%	-3.6%
LME Nickel (Spot)	-3.6%	4.3%

Source: Bloomberg, GBCM Research

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