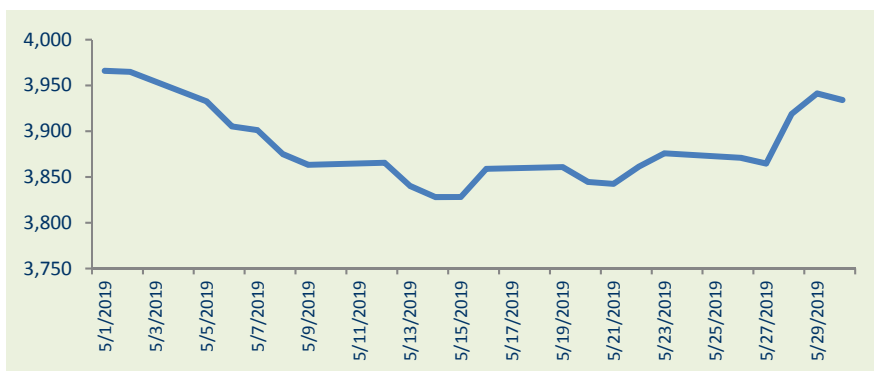


June 10, 2019

Index Performance	End May 19	End Apr 19	MTD (%)	YTD (%)
MSM30 Index	3,934.2	3,945.6	-0.3%	-9.0%
Financial Index	6,342.5	6,338.0	0.1%	-7.1%
Industrial Index	4,620.4	4,645.6	-0.5%	-7.4%
Services Index	1,975.1	2,034.3	-2.9%	-13.8%
Shariah Index	536.3	533.5	0.5%	-9.4%

**MSM 30 Index- May 2019**



**MSM Trading – Monthly Turnover – RO 50.052 million (USD 129.6 million)**

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	44,275,774	44,442,066	(166,292)
GCC	1,240,837	2,752,569	(1,511,732)
Arabs	516,589	233,746	282,843
Others	4,018,617	2,623,436	1,395,181

Source: MSM, GBCM Research

**Risk aversion trend led to correction in regional markets...**

MSM30 Index closed marginally for the month of May amidst stock specific activity and dull participation. The local and regional markets had negative closing on back of geopolitical issues in the region which increased investor risk aversion. MSM30 Index ended the month of May lower declining 0.3% to close at 3,934.2 points. We saw low volumes due to the holy month of Ramadan. MSM has declined 9% YTD, being the worst performing market in the region. The Financial index closed higher by 0.1%. Industrial and Services indices has declined 0.5% and 2.9% respectively for the month.

Except for Kuwait, all the regional markets ended down due to global uncertainties, trade war and geopolitics concerns. Saudi Arabia had a sharp fall declining 8.5% MTD. UAE-DFM and UAE-ADX declined about 5% during the month amidst sell-off across the board. Qatar ended 1% down during the month, while Bahrain closed on a flattish note. Kuwait closed in green gaining 1.8% MTD amidst buying in frontline stocks on investor expectations of MSCI EM Inclusion during June 2019.

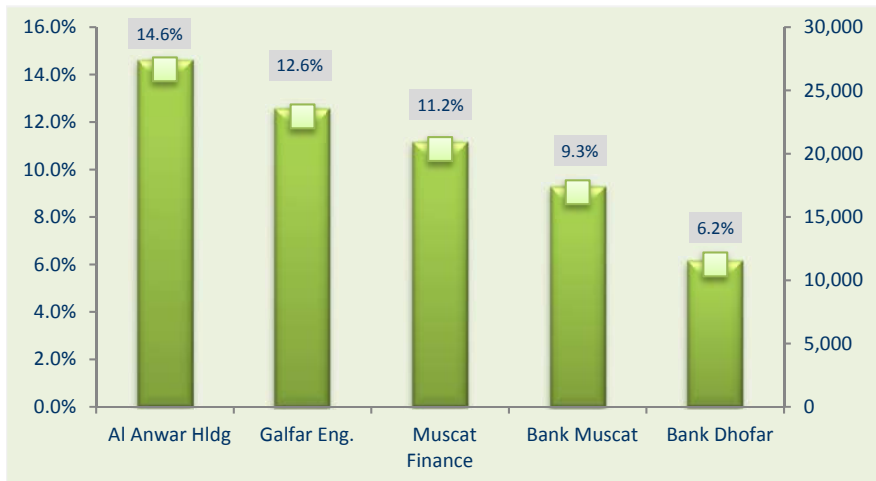
Oil Prices revealed negative trend during the month amid concerns of global economic slowdown along with ongoing USA-China trade war which is expected to weaken demand. Brent crude and Oman Crude lowered about 13% during the month. After three months of positive returns, all major global indices closed sharply down amidst economic concerns and profit booking trend. US indices closed lower with 6.7% decline in Dow Jones, -6.6% for S&P 500 and -7.9% for Nasdaq. MSCI EM Index was down 7.5% MTD. In Europe, Germany (-5% MTD) and UK- FTSE 100 (-3.5% MTD) also ended on a weak note.

**Market activity:** Total traded volume in May stood at 182.315 million. Total market turnover increased to RO 50.052 million, as against RO 42.494 million in the previous month. Excluding Block deal in Oman GDB 60<sup>th</sup> Issue, total turnover declined to RO 31 million. Average MSM daily turnover for the month stood at RO 2.275 million. Foreign investors ended as net buyers to an extent of RO 1.395 million. GCC and local investors emerged as net sellers to an extent of RO 1.5 million and RO 166K respectively.

**June 2019 Outlook- Stock specific buying to prevail, concern remain on dull volumes...**

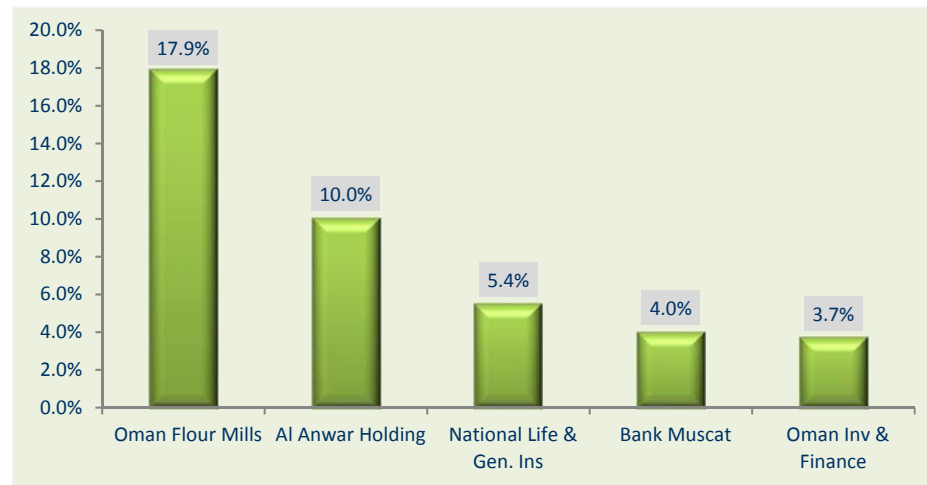
During June 2019, we expect the local market to see recovery trend amid Institutional buying in select index heavyweights. Overall market participation to remain dull on the back of long holidays and the impact of Summer season. The sentiments to remain mixed in the region on the back of increased volatility in global equities and negative oil price movement. For medium to long term investors, we see select buying opportunities in key frontline stocks on valuation attractiveness. We expect upcoming structural changes in Oman towards opening of foreign investors in select sectors, would remain critical. We recommend investors to remain stock specific with focus on revival stories and higher free cash flows and stable dividends. **At current levels, MSM30 Index trades at PE (TTM) of 8X, PBV (Latest) of 0.8X and provides Div. Yield of 7.5%.** The near-term weakness to be seen from low oil prices.

**Volume Leaders for the Month**



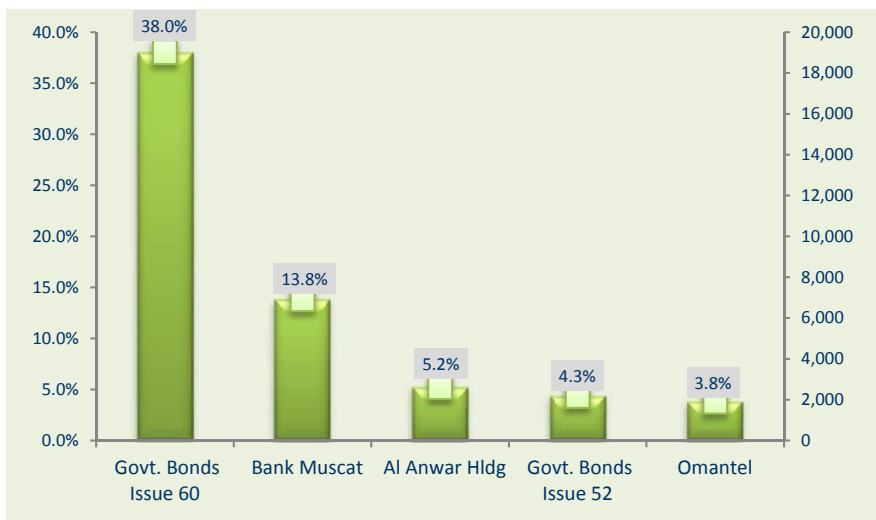
Source: MSM, GBCM Research

**Gainers for the Month**



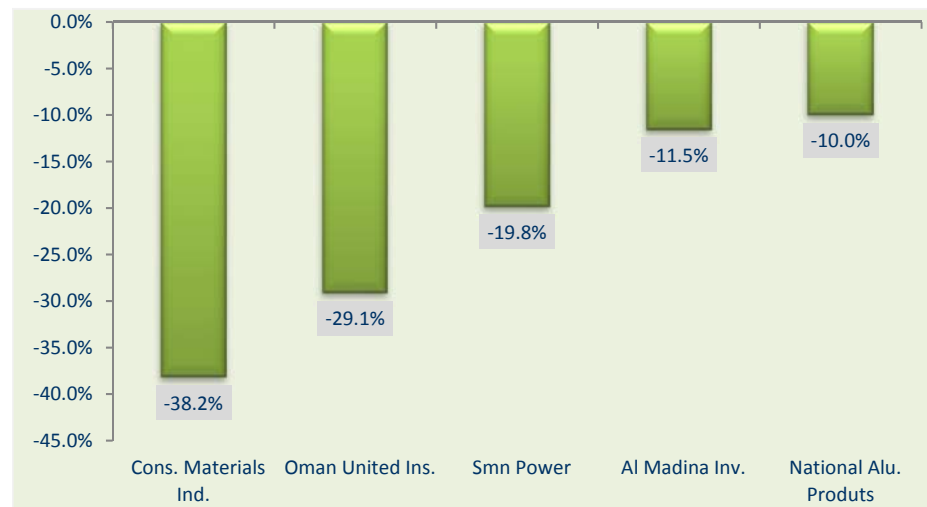
Source: MSM, GBCM Research

**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	-0.3%	-1.2%	-9.0%
Saudi	-8.5%	-3.4%	8.8%
UAE (DFM)	-5.3%	-0.6%	3.6%
UAE (ADX)	-4.8%	-1.4%	1.8%
Kuwait	1.8%	2.0%	12.8%
Qatar	-1.0%	1.6%	-0.3%
Bahrain	0.0%	1.4%	7.2%

Source: Bloomberg, GBCM Research

Commodities Performance - Heat Map

Energy	MTD (%)	QTD (%)	YTD (%)
NYMEX WTI Crude	-16.4%	-11.4%	13.1%
ICE Brent Crude	-13.2%	-7.4%	13.0%
Crude Oil, Oman	-13.5%	-7.5%	16.2%
NYMEX Natural Gas	-6.2%	-11.5%	-11.1%
NYMEX Gasoline	-12.9%	-4.4%	17.8%

Source: Bloomberg, GBCM Research

Global Markets	MTD (%)	QTD (%)	YTD (%)
S&P 500	-6.6%	-2.9%	9.8%
Dow Jones	-6.7%	-4.3%	6.4%
Nasdaq	-7.9%	-3.6%	12.3%
FTSE 100	-3.5%	-1.6%	6.4%
CAC 40	-6.8%	-2.7%	10.1%
DAX	-5.0%	1.7%	11.1%
Nikkei	-7.4%	-2.9%	2.9%
Hang Seng	-9.4%	-7.4%	4.1%
Sensex	1.7%	2.7%	10.1%
Shanghai	-5.8%	-6.2%	16.2%

Source: Bloomberg, GBCM Research

Precious/ Base Metals	MTD (%)	QTD (%)	YTD (%)
Gold Spot	1.7%	1.0%	1.8%
Silver Spot	-2.5%	-3.7%	-6.0%
Platinum Spot	-10.6%	-6.5%	-0.2%
LME Aluminium (Spot)	-0.6%	-6.3%	-4.8%
LME Copper (Spot)	-9.7%	-10.5%	-2.4%
LME Zinc (Spot)	-9.9%	-11.1%	5.9%
LME Lead (Spot)	-5.8%	-10.3%	-10.6%
LME Nickel (Spot)	-1.3%	-7.2%	12.9%

Source: Bloomberg, GBCM Research

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