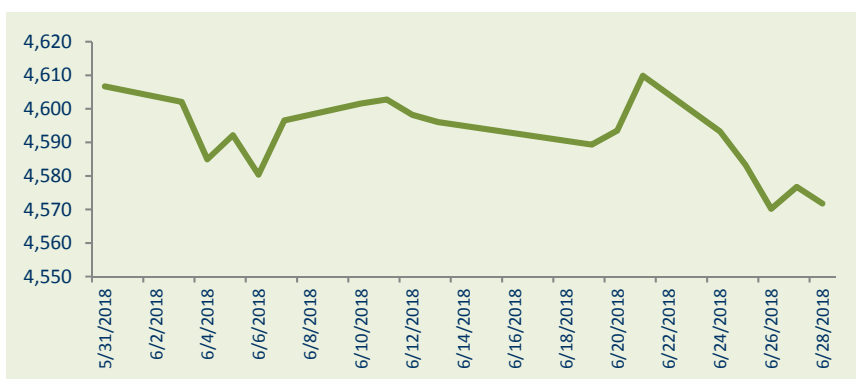


June 28, 2018

Index Performance	End Jun 18	End May 18	MTD (%)	YTD (%)
MSM30 Index	4,571.8	4,606.7	-0.8%	-10.3%
Financial Index	7,056.3	7,184.3	-1.8%	-5.6%
Industrial Index	6,100.1	6,144.9	-0.7%	-10.7%
Services Index	2,475.0	2,475.7	0.0%	-6.4%
Shariah Index	660.5	656.8	0.6%	-7.4%

MSM 30 Index- June 2018



MSM Trading – Monthly Turnover – RO 36.1 million (USD 93.4 million)

Fig. In RO	Buy	Sell	Net Buy / (Sell)
Omanis	30,493,775	23,412,066	7,081,709
GCC	1,869,781	5,393,244	-3,523,463
Arabs	302,140	249,776	52,365
Others	3,409,535	7,020,146	-3,610,611

Source: MSM, GBCM Research

Negative closing seen amid lackluster volumes...

MSM Index saw negative trend during the holiday shortened month amidst no major news triggers and lackluster market volumes. The holy month of Ramadan and long holidays impacted overall participation. The benchmark MSM30 Index closed lower by 0.8% for the month at 4,672 points. Financial Index declined sharply by 1.8%, Industrial Index lowered 0.7% and Services Sector Index closed on a flattish note. MSM Shariah Index increased 0.6% during the month

We saw selling pressure continuing in key index heavyweights. Within Financial sector, Al Anwar Holding declined 16% MTD (adjusted for cash dividends) and Bank Muscat lowered 7.4% for the month. Major underperformers in Industrial Sector include Sweets of Oman (-55% MTD) and Dhofar Cattle Feed (-8.4% MTD). In Services sector, Sharqiyah Desalination declined 37% MTD and Muscat Gases declined 16% MTD.

In the GCC region, we saw underperformance trend in UAE with DFM correcting 4.8% MTD and ADX declining 1% MTD. On the other hand, Kuwait (+3.3%) and Bahrain (3.6%) outperformed. Saudi has revealed gains of 1.7% for the month post successful entry into MSCI EM. The global crude prices traded within narrow range during the month with Brent Crude and Oman Benchmark trading at \$ 77.5 and \$ 74.4 per barrel respectively. NYMEX Crude gained sharply c. 8% during the month.

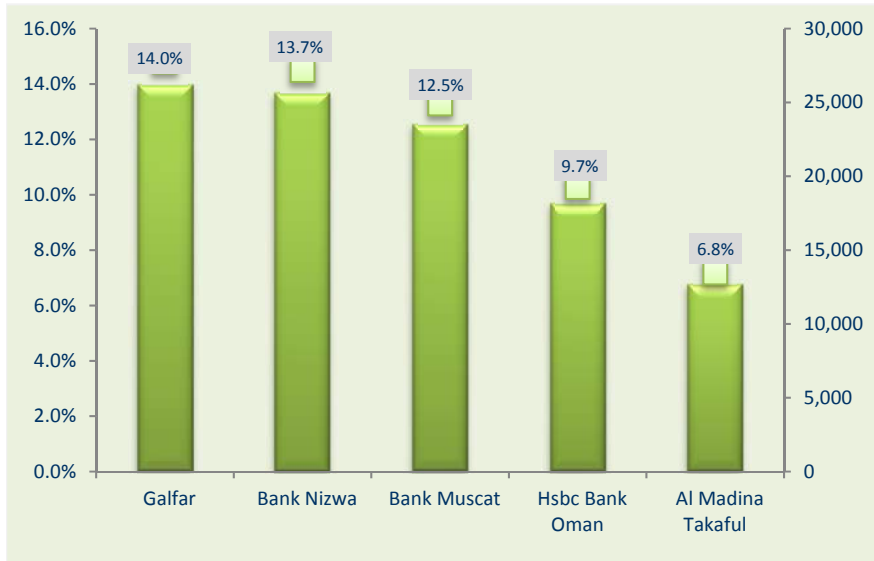
Market activity for June 2018: Overall traded volumes for the month stood at 198.8 million. Total market turnover lowered to RO 36.1 million, as against previous month turnover of RO 154.9 million. Block trades seen in Bank Muscat and Shell Oman. Average MSM daily turnover for the month declined to RO 2.1 million. Omani investors were net buyers to an extent of RO 7.1 million. Foreign and GCC investors were net sellers to an extent of RO 3.6 million and RO 3.5 million respectively.

July 2018 Outlook- Triggers seen on Q2 earnings season...

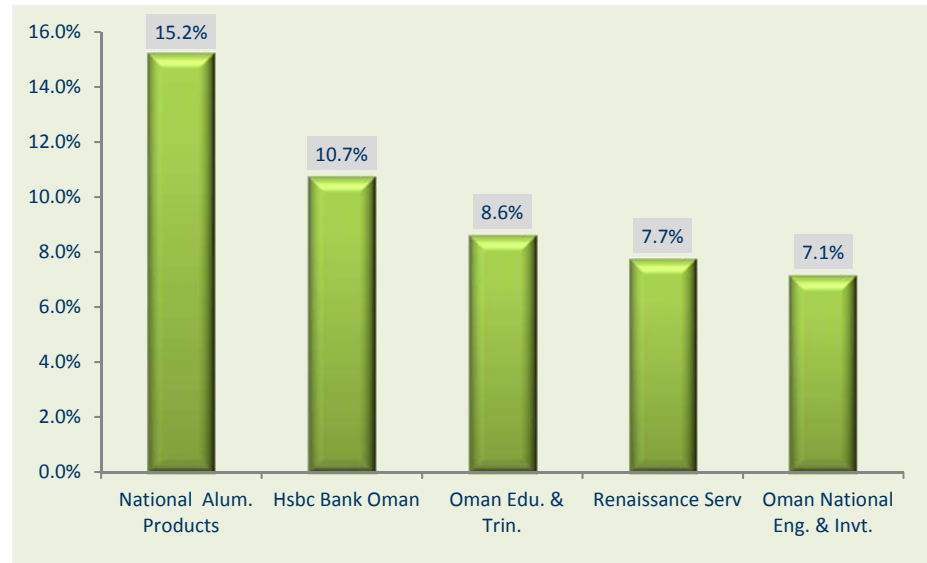
We expect the MSM performance to reflect the earnings expectations of upcoming Q2 results and to see improved activity. We would be keenly watching out the stability in oil prices along with global market cues. The index rebalancing activity to increase activity. With the underperformance of key stocks, we do see valuation attractiveness and increase in institutional interest coming post Q2 earnings season. The increase oil price to lower fiscal deficit and improve local market liquidity.

Q2 Earnings of MSM30 Index companies to increase 8.8% YoY and remain flat on a sequential basis. Financial Sector earnings during Q2 to increase 11.9% YoY and decline 16.6% YoY. Industrial sector Q2 earnings to decline 14.5% YoY and lower by 9.7% QoQ. Earnings of Services sector to increase 8.8% YoY and remain stable on QoQ. **End June 2018, MSM30 Index trades at PE (Ann) of 8.8X, PBV of 0.9X and Div. Yield of 6.6%.**

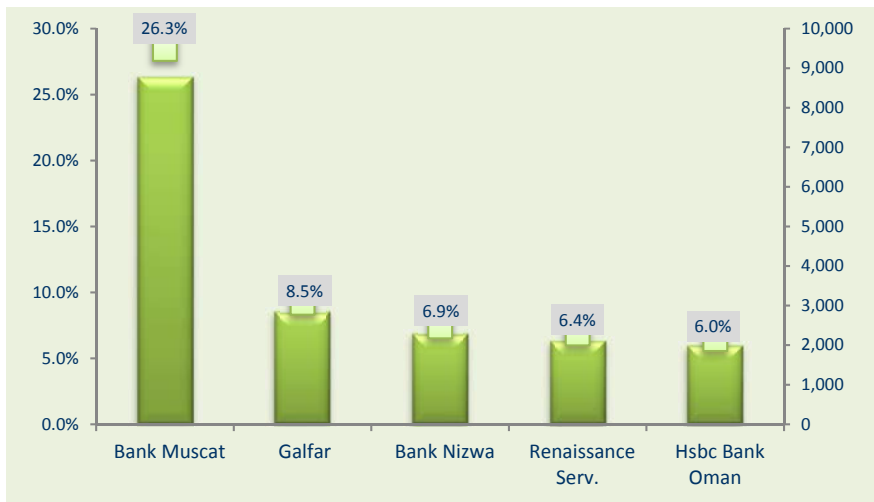
Volume Leaders for the Month



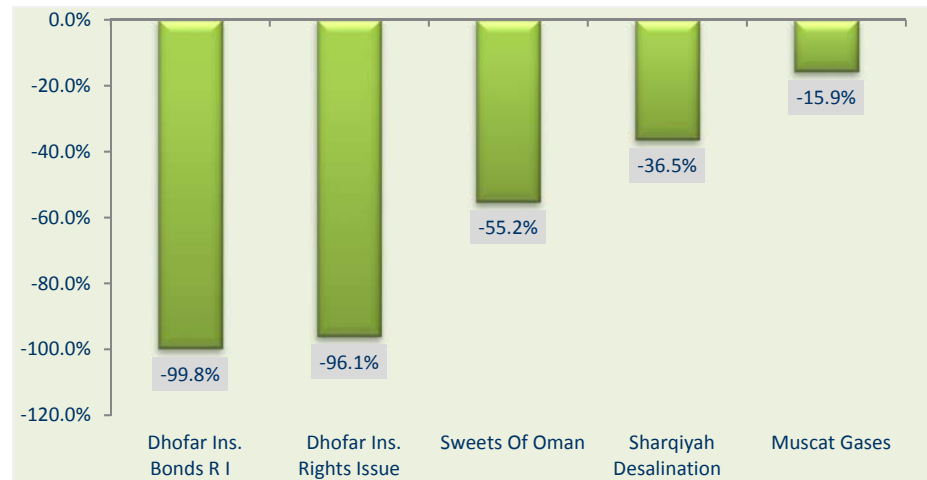
Gainers for the Month



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	-0.8%	-10.3%
Saudi	1.7%	14.9%
UAE (DFM)	-4.8%	-16.3%
UAE (ADX)	-1.0%	3.7%
Kuwait	3.3%	-2.2%
Qatar	1.6%	5.9%
Bahrain	3.6%	-1.6%

Commodities Performance - Heat Map

Energy	MTD (%)	YTD (%)
NYMEX WTI Crude	8.0%	21.2%
ICE Brent Crude	-0.1%	19.0%
Crude Oil, Oman	-1.2%	18.3%
NYMEX Natural Gas	1.6%	7.0%
NYMEX Gasoline	-1.6%	7.6%

Global Markets	MTD (%)	YTD (%)
S&P 500	-0.2%	1.0%
Dow Jones	-1.2%	-2.4%
Nasdaq	0.0%	7.8%
FTSE 100	-1.2%	-1.3%
CAC 40	-2.1%	-0.5%
DAX	-3.5%	-5.8%
Nikkei	0.3%	-2.2%
Hang Seng	-6.5%	-4.8%
Sensex	-0.8%	2.9%
Shanghai	-10.0%	-15.7%

Precious/ Base Metals	MTD (%)	YTD (%)
Gold Spot	-3.5%	-3.9%
Silver Spot	-2.2%	-5.2%
Platinum Spot	-6.0%	-8.4%
LME Aluminium (Spot)	-4.5%	-3.1%
LME Copper (Spot)	-2.2%	-7.1%
LME Zinc (Spot)	-5.6%	-12.4%
LME Lead (Spot)	-0.7%	-2.3%
LME Nickel (Spot)	-2.3%	16.5%

Source: Bloomberg, GBCM Research, **Closing as on 28-June-18, 5.30 PM

Source: Bloomberg, GBCM Research, **Closing as on 28-June-18, 5.30 PM

| **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 0720 |

***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.*