Daily Morning Brief

September 10, 2019

Equity Watch

Indicators	M. Cap (USD Bn)	Close Price	Change %	MTD %	YTD %	3-Yr CAGR	5-Yr CAGR	P/E TTM
GCC Markets								
S&P GCC Composite	894	112	-0.2	-0.1	4.4	7.3	-5.4	15
Saudi (TASI)	510	8,055	0.1	0.4	2.9	9.3	-6.1	17
Qatar(QE Index)	138	10,309	0.3	0.7	0.1	-0.7	-6.1	14
Abu Dhabi (ADI)	141	5,076	-0.6	-1.7	3.3	4.0	-0.4	13
Kuwait All Share Index	113	5,863	-1.2	-1.3	15.4	12.1	-	14
Dubai (DFMGI)	80	2,880	0.3	4.4	13.8	-6.5	-10.3	8
Bahrain (BAX)	25	1,549	0.0	1.0	15.8	11.4	1.1	11
Oman(Muscat SM)	13	3,985	-0.1	-0.5	-7.8	-11.6	-12.0	8
Developed markets								
MSCI World Index	40,421	2,178	-0.0	1.9	15.6	8.4	4.6	18
U.S. (S&P 500)	26,068	2,978	-0.0	1.8	18.8	11.9	8.3	20
U.K. (FTSE)	2,390	7,236	-0.6	0.4	7.5	2.2	1.3	14
Japan (Topix)	5,536	1,551	0.9	2.6	3.8	4.9	3.4	13
Emerging markets								
MSCI EM Index	5,300	1,011	0.3	2.7	4.7	3.6	-1.1	13
China (Shanghai Indx.)	4,712	3,169	0.8	4.8	21.3	-0.6	5.5	13
India (Sensex)	926	37,145	0.4	-0.5	3.0	8.9	6.6	22

Blue Chip Watch

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Companies	M.Cap (USD Bn)	Close Price	Change %	MTD %	YTD %	3-Yr CAGR	5-Yr CAGR	P/E TTM
Saudi Arabia								
SABIC	79	99	-0.9	-0.6	-14.5	5.5	-5.8	20
Saudi Telecom	56	105	1.4	5.7	13.9	21.9	6.9	18
Al-Rajhi Bank	41	61	0.7	1.5	8.0	18.0	4.8	15
NCB	38	47	-1.4	-1.5	-1.9	25.1	7.3	13
Saudi Electricity Co	23	21	1.0	2.4	38.7	3.4	3.1	-
United Arab Emira								
FAB	45	15	0.0	-1.7	6.4	17.3	2.5	14
ETISALAT	39	17	-1.2	-2.4	-2.8	-6.0	9.5	16
Emirates NBD	20	13	-0.4	15.6	50.2	17.7	6.3	6
ADCB	16	8	-1.9	-4.4	1.8	8.9	-1.5	10
DP WORLD	12	14	1.6	2.3	-16.3	-8.3	-6.6	9
Kuwait								
NBK	21	967	-1.2	-2.5	21.7	23.1	5.2	16
KFH	17	729	-1.6	-2.5	31.2	27.8	7.7	21
Zain	8	559	-2.3	-1.1	24.5	19.2	-3.6	12
Boubyan Bank	5	564	-1.2	-1.2	12.3	21.1	8.4	29
Agility	4	741	-2.1	-1.9	6.3	32.8	4.9	15
Qatar								
Qatar National Bank	48	19	-0.6	-0.4	-2.2	10.6	3.9	13
Industries Qatar	18	11	0.7	1.9	-17.0	1.2	-10.6	17
Qatar Islamic Bank	10	16	-1.3	1.9	5.9	16.3	6.6	14
Mesaieed Petro	10	3	2.5	-0.4	88.3	16.3	-3.4	34
Masraf Al Rayan	7	4	0.0	-1.4	-14.1	0.3	-8.7	13

Top 5 Gainers* A

Top o cumois					
Companies	Country	M. Cap (USD Bn)	Change %	MTD %	YTD %
Fawaz Abdulaziz Alhokair Co	KSA	1.4	6.0%	17.2%	14.5%
International Holding Company	UAE	1.8	4.0%	21.7%	285.0%
Qatar Aluminum Manufacturing Co	Qatar	1.3	3.8%	7.1%	-38.2%
Ooredoo	Qatar	6.5	3.6%	5.7%	-1.3%
Ezdan Holding Group	Oatar	4.7	3.5%	7.1%	-49.9%

Top 5 Losers∗ ▼

Companies	Country	M. Cap (USD Bn)	Change %	MTD %	YTD %
Abu Dhabi National Energy Company	UAE	1.3	-3.8%	4.8%	-30.0%
Qatar Navigation	Qatar	1.8	-3.5%	-4.6%	-12.6%
National Industries Group Holding	Kuwait	1.1	-3.0%	-4.6%	51.5%
Mobile Telecommunications Company	Kuwait	8.0	-2.3%	-1.1%	24.5%
Agility Public Warehousing Co	Kuwait	4.3	-2.1%	-1.9%	6.3%

CAGR — Compounded annual growth rate | ADTV — Average daily traded value | M. Cap - Market capitalization TTM — Trailing twelve months | YTD — Year to date | * Mcap > USD 1bn Note: **12yr for Saudi Arabia

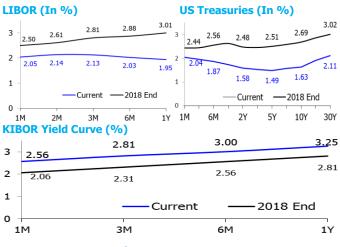
Market News

- > Japan's economy grew at a slower pace at 1.3% in April-June in the Q2, weaker than the preliminary reading for 1.8%, as the trade war prompted a downward revision of business spending, intensifying calls for the central bank to deepen stimulus this month.- *Reuters*
- Britain's economy picked up more than expected in July, data showed on Monday, dampening fears that it will succumb to its first recession since the financial crisis as the Brexit crisis escalates. Economic output in July alone was 0.3% higher than in June. Reuters

Value Traded & Advances/Decline Ratio

Companies	Value Traded (USD mn)		Advances	Declines	Unchanged	ADTV – 1M (USD mn)
Saudi Arabia	734	205	145	53	7	1,275
Kuwait	130	164	53	79	32	83
UAE	106	132	46	35	51	97
Qatar	82	46	29	15	2	65
Bahrain	1	44	21	7	16	2
Oman	3	121	25	17	79	26
Total	1,056	712	319	206	187	1,548

Yield Curve & CDS Watch



5-year CDS Spread

Current	2018	52-Week		
Current	2010	High	Low	
66.5	100.0	107.9	66.5	
43.1	69.6	70.9	43.1	
132.0	135.0	148.5	125.2	
40.8	64.5	66.1	40.8	
43.9	81.3	84.1	43.9	
276.0	346.5	387.5	229.0	
240.4	293.6	358.4	229.3	
	43.1 132.0 40.8 43.9 276.0	66.5 100.0 43.1 69.6 132.0 135.0 40.8 64.5 43.9 81.3 276.0 346.5	Current 2018 High 66.5 100.0 107.9 43.1 69.6 70.9 132.0 135.0 148.5 40.8 64.5 66.1 43.9 81.3 84.1 276.0 346.5 387.5	

Interest Rate Watch

Deposit Rate	3M Rate	% Spread ^c	% 5YR Rate	e 10YR Rate
U.S.	2.0	-	1.5	1.6
Kuwait	2.1	0.0	2.0	2.1
KSA**	2.1	0.1	2.2	2.8
UAE	2.0	-0.0	1.9	2.1
Qatar	2.3	0.3	2.3	2.4
Oman	2.4	0.4	4.2	5.9
Bahrain	2.6	0.5	5.1	5.0
Euro Region	-0.5	-2.5	-0.9	-0.6
Last FOMC Mee	ting Date: .	July 30/31	Next FOMC Mt D	Date: Sept 17/18

Commodity Watch

Precious Metals	Close	Change	MTD	YTD	52-Week	
Trectous Fretuis	Price	%	%	%	High	Low
Gold \$/oz	1,498.7	-0.5	-1.4	16.8	1,552.4	1,182.4
Silver \$/oz	18.0	-1.1	-2.1	16.0	19.6	14.0
IPE Brent \$/bbl	62.6	1.7	3.6	16.3	86.0	50.4
Bitcoin/USD	10,307	-0.0	7.4	179.1	12,921	3,179.5
Currency Watch						
USD (1 EUR =)	1.1	0.2	0.5	-3.7	1.2	1.1
Yen (1 USD =)	107.2	0.3	0.9	-2.1	114.5	105.3
KWD (1 USD =)	0.3	-0.0	-0.1	0.2	0.3	0.3
CNY (1 EUR =)	7.1	0.1	-0.5	3.6	7.2	6.7
CBOE VIX index	15.0	-23.7	-21.0	-41.0	36.1	10.9

- KSA should consider raising VAT to 10% from the current 5%. Budget deficit are expected to increase to 6.5% of GDP from 5.9% in 2018 as higher government expenditure is likely to curb the upside of stronger non-oil economic growth. IMF
- KSA is expected to see growth this year at only 0.5%, reflecting renewed oil production cuts by OPEC+, which Saudi has spearheaded in order to stabilize oil prices. The economy remains closely linked to oil-sector, despite major diversification efforts.— Oxford Economics

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