

Overview

Regional Markets: MENA markets started the year on a slightly positive note as four out of the eight indexes closed in green, while three ended in red and one remained unchanged for the day. The outlook of regional markets has slightly turned positive however investors will remain cautious due to the regional overhang. For the day, UAE markets ended on a positive note as both Dubai and Abu Dhabi were up by 1.2% and 1.0% respectively during the session. The market breadth in Dubai was skewed towards gainers as advancers were 24 compared to 10 decliners, while 2 remained unchanged for the day. The trading activity was subdued in Abu Dhabi despite the index recording gains of 1.0% during the session. Saudi Arabia ended on a negative note as it was down by 0.3% for the day, marking the second consecutive session of lower closing in the year for the index. The gains in the banking sector index were outweighed by losses in the energy sector stocks, which pushed the overall index lower during the session. Kuwait was the worst performing index as it was down by 1.5% for the day. Egypt closed unchanged for the day, starting the year on a subdued note after recording strong gains in the previous year. Qatar closed higher by 1.1% for the day, continuing the positive trend from the previous week. Bahrain closed lower by 0.7%, while Oman was up by 0.2% for the day.

International Markets: US markets closed on a positive note as DJIA, Nasdaq and S&P were all up by 0.4%, 1.5% and 0.8% respectively for the day. European markets closed the session on a negative note as FTSE, DAX and CAC were down by 0.5%, 0.4% and 0.5% respectively. At the time of writing this report, Asian markets have opened on a positive note as Hang Seng and Shanghai are up by 0.3% and 0.8% respectively, while Nikkei is closed for the day.

Headlines

(WW) Fed predicts stronger US economy

(WW) Chinese manufacturing growth slows slightly in December

(WW) China central bank skips open market operations

(WW) China to pursue slower but higher quality growth

(WW) Gloomy growth projections cloud hopes for UK economy

(WW) UK growth to slow to 1.5% in 2018

(WW) Economists divided over prospects of UK interest rate rise

(WW) Japanese economy showing signs of exiting deflation

(CMD) Oil rises in strongest year opening since 2014

(CMD) Gold hits more than 3-month high on strong technicals

(FX) Dollar begins year on back foot as euro shines

(FX) Sterling hits three-month high ahead of manufacturing PMI

(FI) Euro zone bond yields hit 2-month highs as ECB cuts back stimulus

(SA) Saudis, expats start New Year with structural economic reforms

(SA) Saudi gas price hikes show reform is on track

(AE) VAT contributing to weaning UAE off oil

(AE) Focus on global expansion and diversity key to Ajman Free Zone growth in 2017

(AE) Abu Dhabi will offset post-Expo 2020 commercial building decline

(EG) Egypt repaid around USD 30bn in foreign debt in 2017

(EG) Egypt 2017 trade deficit falls 26% YoY

(EG) Egypt just incurred a USD 4bn international debt, but financial troubles growing

(QA) Turkey looks to enhance cooperation with Qatar

(KW) Kuwait City among top 10 in the region for highest GDP

(OM) Oman 2018 state budget lifts spending; little to reassure rating agencies

(BH) Deputy King initiates project to improve Bahrain airport offering

(Source: Thomson Reuters, Bloomberg)

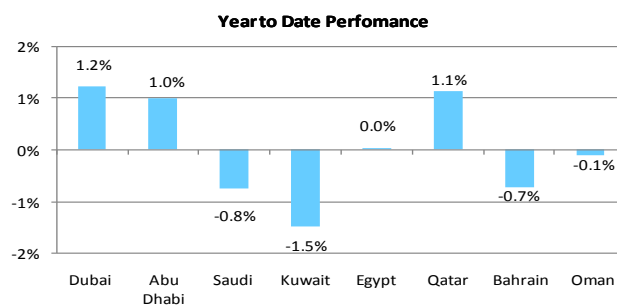
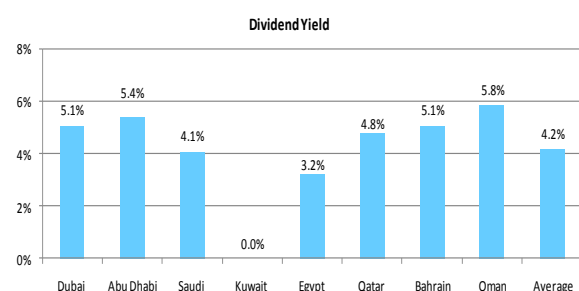
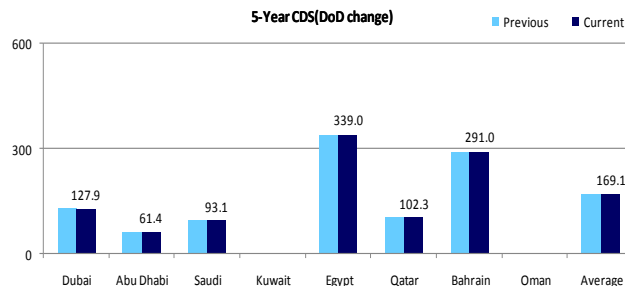
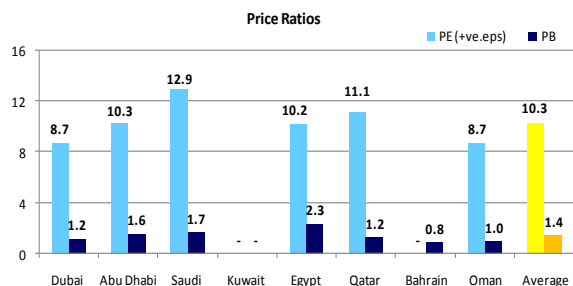
MENA Markets

Index	Last	DoD (%)	WTD (%)	MTD (%)	YTD (%)	ST Trend *	MT Trend *	LT Trend *
Dubai (DFMGI)	3,411.17	1.2%	1.2%	1.2%	1.2%	▼	▼	▼
Abu Dhabi (ADSMI)	4,441.99	1.0%	1.0%	1.0%	1.0%	▲	▼	▼
Saudi (SASEIDX)	7,171.74	-0.3%	-0.8%	-0.8%	-0.8%	▲	▲	▼
Kuwait (KWSE)	6,312.52	-1.5%	-1.5%	-1.5%	-1.5%	▲	▼	▼
Egypt (EGX30)	15,023.76	0.0%	0.0%	0.0%	0.0%	▲	▲	▲
Qatar (DSM)	8,620.26	1.1%	1.1%	1.1%	1.1%	▲	▼	▼
Bahrain (BHSEIDX)	1,322.04	-0.7%	1.2%	-0.7%	-0.7%	▲	▼	▼
Oman (MSM30)	5,093.69	0.2%	0.9%	-0.1%	-0.1%	▲	▲	▼

MENA Market Statistics

Index	Volume (mln)	3M Avg. Volume (mln)	6M Avg. Volume (mln)	Value (USD mln)	3M Avg. Value (USD mln)	6M Avg. Value (USD mln)	Market Cap (USD mln)
Dubai (DFMGI)	180	276	226	69	122	95	79,770
Abu Dhabi (ADSMI)	98	89	91	25	43	43	132,238
Saudi (SASEIDX)	255	182	155	1,174	919	824	447,083
Kuwait (KWSE)	59	81	89	19	53	63	75,578
Egypt (EGX30)	196	356	337	38	81	68	22,810
Qatar (DSM)	10	9	9	65	69	66	99,438
Bahrain (BHSEIDX)	5	4	3	2	2	2	21,930
Oman (MSM30)	33	19	17	13	13	11	14,303

Valuation and Performance Comparisons



Top Performers by Country (* indicates native currency; Latest data)

	Top Gainers	Close *	DoD %	Volume ('000)	Value (AED '000)	Top Losers	Close *	DoD %	Volume ('000)	Value (AED '000)
Dubai	AL SALAM BANK SUDAN PLC	1.90	8.57%	0	588	NATIONAL GENERAL INSURANCE CO	1.95	-9.72%	0	21
	DAR AL TAKAFUL PJSC	0.91	5.10%	0	5,200	GULF NAVIGATION HOLDING PJSC	1.25	-3.85%	0	3,702
	EMAAR DEVELOPMENT PJSC	5.29	3.93%	7,377	38,289	SHUAA CAPITAL PSC	1.18	-2.48%	4,204	5,024
	EMAAR PROPERTIES PJSC	7.19	3.60%	4,976	35,152	AMANAT HOLDINGS PJSC	1.46	-1.35%	2,053	3,018
	DEYAAR DEVELOPMENT PJSC	0.51	3.47%	55,001	27,418	DRAKE AND SCULL INTERNATIONAL	2.25	-0.44%	2,715	6,123
Abu Dhabi	AXA GREEN CRESCENT INSURANCE CO	0.95	13.10%	0	0	NATIONAL MARINE DREDGING PSC	3.50	-6.67%	5	19
	GULF CEMENT CO PSC	1.08	9.09%	365	378	RAS AL KHAIMAH CEMENT CO PSC	0.61	-3.17%	5	3
	MANAZEL REAL ESTATE PJSC	0.60	7.14%	69,417	40,262	AGTHIA GROUP PJSC	4.65	-3.12%	12	56
	ABU DHABI COMMERCIAL BANK PJSC	6.98	2.65%	758	5,221	DANA GAS PJSC	0.79	-2.47%	5,109	4,087
	UNION NATIONAL BANK PJSC	3.90	2.63%	1	2	FUJAIRAH CEMENT INDUSTRIES CO	0.95	-2.06%	5	5
Saudi Arabia	UNITED ELECTRONICS COMPANY JSC	49.50	5.32%	582	28,086	DAR AL ARKAN REAL ESTATE DEV	11.68	-9.88%	94,051	1,158,712
	SAUDI KAYAN PETROCHEMICAL CO	11.06	4.54%	38,571	417,336	ARAB SEA INFORMATION SYSTEMS CO	11.32	-5.51%	14	165
	BUPA ARABIA FOR COOPERATIVE INS	93.90	2.18%	159	14,736	AL SORAYAI TRADING AND INDUSTRY	12.72	-4.00%	828	10,754
	SAUDI AUTOMOTIVE SERVICES CO	19.24	2.01%	653	12,439	ALDREES PETROLEUM AND TRANS	26.00	-2.80%	762	20,092
	BASIC CHEMICAL INDUSTRIES CO SJSC	21.18	1.83%	32	668	LAZURDE FOR JEWELRY CO	18.84	-2.59%	158	3,017
Kuwait	EFFECT REAL ESTATE COMPANY KPSC	27.90	19.23%	25	1	NAFAIS HOLDING COMPANY KSCP	704.00	-19.91%	0	0
	SHUAIBA INDUSTRIAL COMPANY KPSC	267.00	10.79%	0	0	KUWAIT AND GULF LINK TRANSPORT	60.00	-8.26%	3	0
	LIVESTOCK TRANSPORT AND TRADING	245.00	6.99%	0	0	WARBA INSURANCE COMPANY KSCP	60.10	-6.82%	10	1
	AL ARGAN INTRNL REAL ESTATE	160.00	6.67%	250	39	UNITED REAL ESTATE COMPANY SAKP	75.00	-6.25%	67	5
	SALBOOKH TRADING CO KSCP	55.00	3.77%	0	0	IFA HOTELS AND RESORTS CO KSCP	170.00	-5.56%	1	0
Egypt	ORANGE EGYPT FOR TELECO	34.36	9.99%	0	403	UPPER EGYPT FLOUR MILLS SAE	133.56	-8.32%	0	32
	SHOROUK FOR MODERN PRINTING	33.68	9.53%	2	58	MM GROUP FOR INDUSTRY	12.90	-5.98%	72	964
	MOHANDES INSURANCE CO SAE	15.30	9.29%	30	434	AL TAWFEEK CO FINANCIAL LEASING	7.36	-5.40%	1,277	9,666
	ALEXANDRIA FLOUR MILLS	31.66	9.17%	2	48	SOUTH CAIRO AND GIZA MILLS	30.46	-4.45%	1	41
	EL SHAMS HOUSING AND URBAN	9.32	8.62%	1,350	12,087	NOZHA INTERNATIONAL HOSPITAL	64.99	-4.43%	3	223
Qatar	MEDICARE GROUP QSC	76.83	9.99%	128	9,385	QATAR INDUSTRIAL MANUFACTURING	42.56	-2.61%	5	227
	DOHA INSURANCE CO QSC	15.00	7.14%	1	15	INVESTMENT HOLDING GROUP	6.04	-0.98%	861	5,228
	AHLI BANK QSC	41.49	6.41%	2	65	MANNAI CORPORATION QPSC	58.94	-0.94%	5	306
	AL KHALEEJ TAKAFUL GROUP QPSC	14.00	5.74%	300	4,081	ISLAMIC HOLDING GROUP QPSC	37.19	-0.83%	153	5,732
	GULF WAREHOUSING CO QPSC	46.00	4.57%	109	4,883	MAZAYA QATAR REAL ESTATE DEV	8.95	-0.56%	715	6,418

Top 30 MENA Stocks by Market Capitalization (* indicates native currency; Latest data)

	Company Name	Country	Market Cap (USD mln)	Close *	DoD %	YTD %	Volume ('000)	Value (USD '000)	52w High *	52w Low *	P/E	P/B	Div. Yield (T12M)
1	Saudi Basic Industries Corporation SJSC	SA	80,800	101.00	-0.2%	-0.8%	5,640	151,900	105.40	91.25	16	1.9	5.9%
2	Emirates Telecommunications Group Co	AE	41,436	17.50	0.0%	0.0%	562	2,677	18.90	15.75	17	3.6	4.6%
3	Saudi Telecom Company SJSC	SA	35,787	67.10	-1.6%	-2.2%	178	3,188	78.90	64.50	14	2.2	6.0%
4	Qatar National Bank QPSC	QA	32,238	127.10	0.9%	0.9%	160	5,596	157.27	115.01	9	1.5	2.5%
5	First Abu Dhabi Bank PJSC	AE	31,004	10.45	2.0%	2.0%	396	1,125	11.55	9.72	12	1.1	4.3%
6	National Commercial Bank SJSC	SA	29,387	55.10	0.2%	0.0%	476	7,001	58.00	37.00	12	1.8	2.9%
7	Al Rajhi Banking & Investment Corp Ltd	SA	27,993	64.60	-0.6%	0.0%	2,605	44,883	71.70	61.00	12	2.0	3.5%
8	Saudi Electricity Company SJSC	SA	22,822	20.54	-0.6%	-2.5%	560	3,068	26.05	19.65	8	1.1	3.4%
9	DP World Ltd	AE	20,543	24.75	-1.0%	-1.0%	213	1,432	25.00	17.98	20	2.1	1.5%
10	Industries Qatar QSC	QA	16,249	97.80	0.8%	0.8%	24	638	122.00	85.00	23	1.8	4.1%
11	Saudi Arabian Mining Co SJSC	SA	16,109	51.70	-0.2%	-0.8%	206	2,839	57.00	38.50	180	2.3	0.0%
12	Jabal Omar Development Co SJSC	SA	14,499	58.50	-0.2%	-1.0%	105	1,635	75.60	58.00	404	5.3	0.0%
13	Emirates Islamic Bank PJSC	AE	14,489	9.80	0.0%	0.0%	1	2	11.95	1.57	107	7.4	0.0%
14	National Bank of Kuwait SAKP	KW	14,169	723.00	-0.7%	-0.7%	613	1,473	800.00	609.52	14	1.3	4.0%
15	Almarai Co SJSC	SA	14,080	52.80	-1.7%	-1.9%	505	7,112	78.64	51.80	25	3.8	1.4%
16	Emaar Properties PJSC	AE	14,015	7.19	3.6%	3.6%	4,976	9,740	8.95	6.75	9	1.2	2.1%
17	Samba Financial Group SJSC	SA	12,533	23.50	0.3%	-0.1%	94	589	27.10	19.80	10	1.1	4.0%
18	Emirates NBD Bank PJSC	AE	12,408	8.20	0.0%	0.0%	300	670	9.00	7.95	6	0.8	4.9%
19	Kuwait Finance House KSCP	KW	11,056	579.00	0.5%	0.5%	679	1,305	650.00	467.00	17	1.8	2.7%
20	Saudi British Bank SJSC	SA	10,900	27.25	0.7%	0.9%	28	205	28.55	20.05	11	1.2	2.6%
21	Riyad Bank SJSC	SA	10,016	12.52	0.0%	-0.5%	200	666	12.74	10.10	12	1.0	5.2%
22	Abu Dhabi Commercial Bank PJSC	AE	9,878	6.98	2.6%	2.6%	758	1,440	7.68	6.55	9	1.1	5.7%
23	Banque Saudi Fransi SJSC	SA	9,305	28.95	0.3%	1.6%	62	481	33.40	22.10	10	1.1	3.6%
24	Ezdan Holding Group QSC	QA	8,952	12.29	1.7%	1.7%	275	928	16.58	6.19	17	1.1	4.1%
25	Yanbu National Petrochemicals Co SJSC	SA	8,850	59.00	0.0%	0.0%	131	2,062	61.90	52.00	15	2.1	0.0%
26	Kingdom Holding Co	SA	8,499	8.60	-0.8%	-3.4%	181	415	12.05	7.90	50	1.0	5.8%
27	Dubai Islamic Bank PJSC	AE	8,396	6.24	0.8%	0.8%	2,573	4,371	6.29	5.36	9	1.2	7.2%
28	Ooredoo QSC	QA	8,075	91.80	1.2%	1.2%	129	3,258	116.10	78.00	15	1.3	3.8%
29	Masraf Al Rayan QPSC	QA	7,962	38.66	2.4%	2.4%	1,035	10,990	45.40	33.32	14	2.3	5.2%
30	Emaar Malls PJSC	AE	7,760	2.19	2.8%	2.8%	3,584	2,137	2.77	2.00	15	1.8	4.6%
Total M-Cap; W. Avg Yield			560,211										3.8%

Data Source: Thomson Reuters

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