

# GBCM Morning Briefing

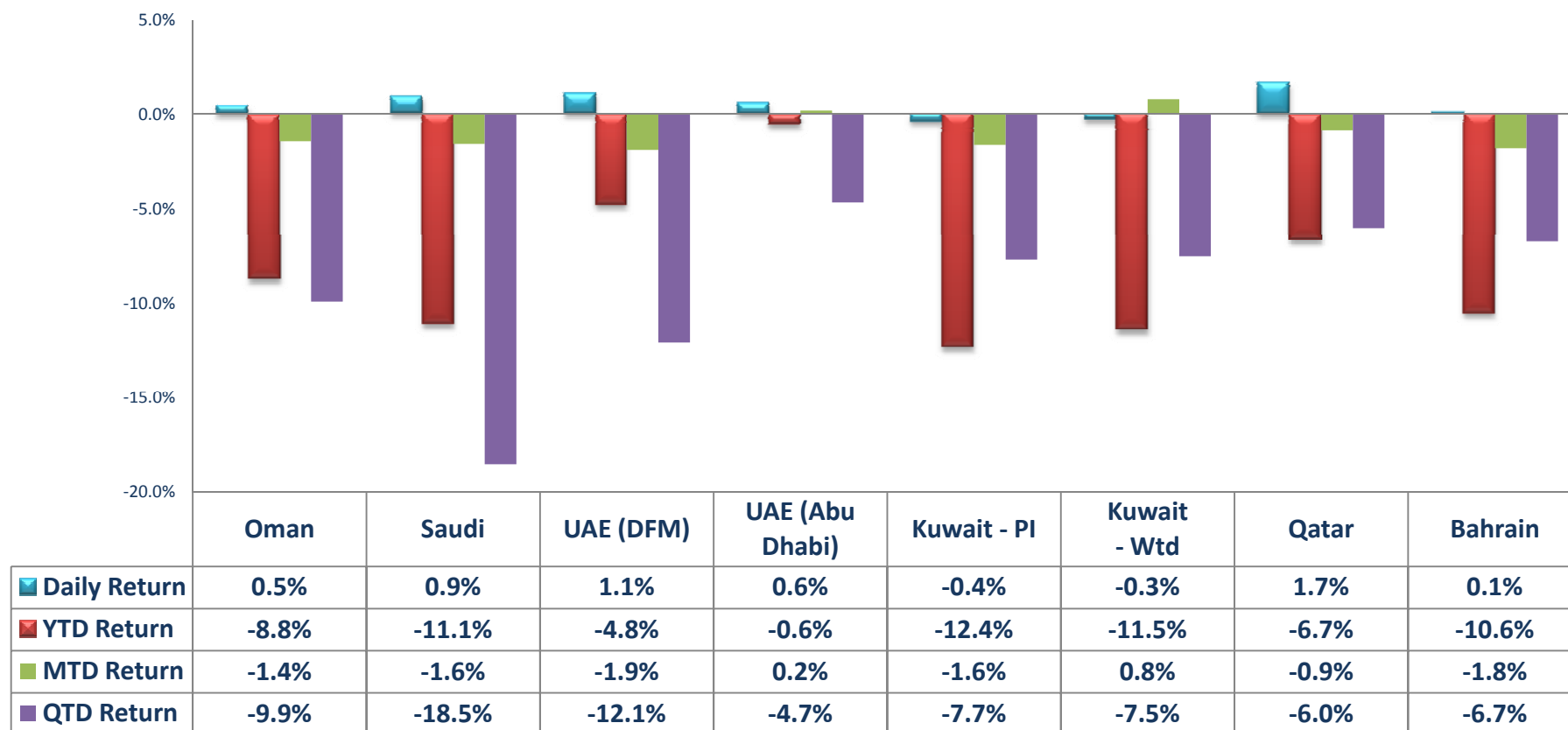
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## GCC - Equity Market Monitor



**\*\* MTD closing pertains to Sep 2015**

Source: Respective Stock Markets, Bloomberg, GBCM Research

## MSM - Net Buy/(Sell) Position

| Previous Day's Turnover: RO 7.384 million (c. US\$ 19.2 million) |           |           |           |
|--|-----------|-----------|-----------|
| Figures In RO  | BUY       | SELL      | NET       |
| OMANIS   | 6,184,805 | 5,962,434 | 222,371   |
| GCC  | 163,323   | 403,185   | (239,863) |
| Arabs  | 36,745    | 81,154    | (44,409)  |
| OTHERS   | 999,139   | 937,239   | 61,900    |

## Top 5 - Turnover Market Share – Previous Day

| Value Leaders    | Sector   | Turnover (RO) | Market Share |
|------------------|----------|---------------|--------------|
| Bank Muscat      | Banking  | 2,864,538     | 38.79%       |
| Ahli Bank        | Banking  | 784,512       | 10.62%       |
| Al Anwar Holding | Inv Hldg | 704,322       | 9.54%        |
| Ominvest         | Inv Hldg | 529,590       | 7.17%        |
| Phoenix Power    | Utility  | 390,544       | 5.29%        |

## MSM - Lead Indicators

| Value Indicators ** | Mkt. Cap (In RO 000s) | PER (X) | P/BV (X) | Dividend Yield (%) |
|---------------------|-----------------------|---------|----------|--------------------|
| MSM 30              | 6,575,051             | 9.9     | 1.3      | 4.8%               |
| Financial           | 3,222,359             | 8.2     | 1.0      | 3.7%               |
| Industrial          | 1,107,108             | 12.6    | 1.6      | 5.4%               |
| Services            | 3,090,931             | 12.8    | 2.0      | 5.8%               |
| MSM Shariah         | 3,456,014             | 12.9    | 1.9      | 5.4%               |

## Daily Market Performance

| Indices Monitor | Current Closing | Previous Closing | Daily % Chg | MTD % Chg | YTD % Chg |
|-----------------|-----------------|------------------|-------------|-----------|-----------|
| MSM 30          | 5,787.69        | 5,760.85         | 0.47%       | -1.43%    | -8.76%    |
| Financial       | 6,893.94        | 6,871.32         | 0.33%       | -2.47%    | -10.59%   |
| Industrial      | 7,305.94        | 7,326.83         | -0.29%      | -3.92%    | -12.67%   |
| Services        | 3,225.49        | 3,220.88         | 0.14%       | -1.05%    | -7.19%    |
| MSM Shariah     | 902.01          | 903.37           | -0.15%      | -2.08%    | -6.65%    |

## MENA Markets Performance

| Index                                 | Closing  | %MTD | %QTD  | %YTD  |
|---------------------------------------|----------|------|-------|-------|
| <b>MENA</b>                           |          |      |       |       |
| Egypt                                 | 7,332.9  | 1.1  | -12.4 | -17.9 |
| Jordan                                | 2,045.2  | -2.5 | -3.3  | -5.6  |
| Tunis                                 | 5,274.5  | -3.9 | -7.8  | 3.6   |
| Morocco                               | 19,457.0 | -2.1 | -3.7  | -3.8  |
| Palestine                             | 484.7    | 0.6  | 1.3   | -3.6  |
| Turkey                                | 74,205.5 | -1.3 | -9.8  | -13.4 |
| <b>MENA Benchmark (S&amp;P/ MSCI)</b> |          |      |       |       |
| S&P GCC LMC                           | 125.2    | -1.4 | -13.5 | -10.7 |
| S&P GCC (USD)                         | 102.9    | -1.1 | -14.2 | -11.0 |
| S&P GCC (40 Index)                    | 1,607.2  | -0.9 | -9.1  | -7.4  |
| MSCI GCC                              | 491.9    | -1.8 | -14.1 | -9.7  |
| MSCI Frontier                         | 513.3    | -2.6 | -11.1 | -16.1 |
| MSCI Frontier ex GCC                  | 435.0    | -3.9 | -12.1 | -16.7 |
| MSCI Arabian Index                    | 533.9    | -1.7 | -13.7 | -10.0 |

## Global Benchmark Indices

| Index  | Closing | %MTD | %QTD  | %YTD  |
|--|---------|------|-------|-------|
| <b>Global Equity (MSCI)</b>                        |         |      |       |       |
| MSCI World – USD                                   | 1,581.9 | -3.9 | -8.9  | -7.5  |
| MSCI World -Ex USA                                 | 1,634.9 | -5.3 | -11.1 | -8.7  |
| MSCI Europe- USD                                   | 1,490.2 | -4.7 | -9.1  | -7.3  |
| MSCI EM Index                                      | 792.1   | -3.3 | -18.5 | -17.2 |
| <b>Fixed Income (Bloomberg/EFFAS Bond Indices)</b> |         |      |       |       |
| US 10+ Yr TR                                       | 554.7   | 2.4  | 6.1   | 0.5   |
| Euro Liquid 10+ Yr TR                              | 223.2   | 1.4  | 2.8   | 1.5   |
| <b>Commodity (Bloomberg)</b>                       |         |      |       |       |
| Commodity  | 88.2    | -3.4 | -14.5 | -15.8 |

Source: Data taken from Bloomberg c. 9 AM Muscat Time

## Global Markets Performance

| Index               | Closing  | %MTD | %QTD  | %YTD  |
|---------------------|----------|------|-------|-------|
| <b>Americas</b>     |          |      |       |       |
| S&P 500             | 1,920.0  | -2.6 | -6.9  | -6.7  |
| Dow Jones           | 16,284.7 | -1.5 | -7.6  | -8.6  |
| Nasdaq              | 4,620.2  | -3.3 | -7.4  | -2.4  |
| Brazil              | 45,059.3 | -3.4 | -15.1 | -9.9  |
| <b>Europe</b>       |          |      |       |       |
| FTSE 100            | 6,061.6  | -3.0 | -7.0  | -7.7  |
| CAC 40              | 4,455.3  | -4.2 | -7.0  | 4.3   |
| DAX                 | 9,660.4  | -5.8 | -11.7 | -1.5  |
| <b>Asia Pacific</b> |          |      |       |       |
| Nikkei              | 17,388.2 | -8.0 | -14.1 | -0.4  |
| Hang Seng           | 20,846.3 | -3.8 | -20.6 | -11.7 |
| Sensex              | 26,154.8 | -0.5 | -5.9  | -4.9  |
| Shanghai            | 3,052.8  | -4.8 | -28.6 | -5.6  |
| Korea               | 1,962.8  | 1.1  | -5.4  | 2.5   |
| Russia              | 788.0    | -5.3 | -16.0 | -0.1  |

## Global Currencies

| Index                         | Closing    | %MTD | %QTD  | %YTD  |
|-------------------------------|------------|------|-------|-------|
| <b>In Comparison with USD</b> |            |      |       |       |
| USD Vs EURO                   | 1.115      | -0.3 | 0.3   | -7.6  |
| USD Vs Canadian Dollar        | 1.329      | -1.3 | -6.6  | -14.6 |
| USD Vs Japanese Yen           | 120.220    | 1.1  | 2.1   | -0.1  |
| USD Vs GBP                    | 1.513      | -1.2 | -3.7  | -2.9  |
| USD Vs Swedish Krona          | 8.389      | 1.2  | -1.0  | -7.2  |
| USD Vs Swiss Franc            | 0.976      | -0.6 | -4.0  | 2.1   |
| USD Vs Chinese Renminbi       | 6.357      | 0.4  | -2.5  | -2.4  |
| USD Vs Hong Kong Dollar       | 7.750      | 0.0  | 0.0   | 0.1   |
| USD Vs Indian Rupee           | 65.591     | 1.3  | -3.0  | -4.0  |
| USD Vs Aus Dollar             | 0.706      | -1.3 | -8.9  | -14.2 |
| USD Vs Indonesia Rupiah       | 14,665.000 | -4.2 | -9.9  | -18.3 |
| USD Vs Turkish Lira Spot      | 3.020      | -3.8 | -12.8 | -29.6 |
| USD Vs Omani Riyal            | 0.385      | 0.0  | 0.0   | 0.0   |
| USD Vs UAE Dirham             | 3.673      | 0.0  | 0.0   | 0.0   |
| USD Vs Saudi Riyal            | 3.750      | 0.0  | 0.0   | 0.1   |
| USD Vs Kuwait Dinar           | 0.303      | 0.0  | 0.0   | -3.2  |
| USD Vs Qatar Riyal            | 3.642      | 0.0  | 0.0   | 0.0   |
| USD Vs Bahrain Dinar          | 0.377      | 0.0  | -0.1  | -0.1  |

## Commodities Performance

| Index                    | Closing  | %MTD  | %QTD  | %YTD  |
|--------------------------|----------|-------|-------|-------|
| <b>Energy</b>            |          |       |       |       |
| NYMEX Crude              | 45.7     | -9.7  | -25.4 | -23.3 |
| ICE Brent Crude          | 48.8     | -12.0 | -25.8 | -25.3 |
| Crude Oil, Oman          | 45.6     | -1.9  | -25.1 | -16.3 |
| NYMEX Natural Gas        | 2.5      | -8.6  | -14.9 | -20.4 |
| NYMEX Gasoline           | 138.1    | -7.3  | -22.6 | -14.3 |
| <b>Precious Metals</b>   |          |       |       |       |
| Gold Spot                | 1,114.9  | -1.7  | -4.9  | -5.9  |
| Silver Spot              | 14.6     | -0.7  | -7.7  | -7.5  |
| Platinum Spot            | 914.1    | -10.5 | -16.3 | -25.2 |
| Palladium Spot           | 655.5    | 8.1   | -3.3  | -18.6 |
| <b>Base Metals</b>       |          |       |       |       |
| LME Aluminium-Spot       | 1,566.8  | -1.3  | -5.1  | -14.2 |
| LME Copper-Spot          | 5,176.5  | 0.6   | -10.0 | -18.7 |
| LME Zinc-Spot            | 1,671.0  | -7.5  | -16.3 | -22.9 |
| LME Lead-Spot            | 1,657.8  | -3.9  | -4.9  | -10.1 |
| LME Nickel-Spot          | 10,365.5 | 3.3   | -13.1 | -31.2 |
| <b>Steel</b>             |          |       |       |       |
| US - Hot Roll Coil Steel | 418.0    | -11.4 | -16.9 | -31.1 |
| <b>Agriculture</b>       |          |       |       |       |
| Corn - Active Contract   | 385.5    | 3.3   | -10.1 | -7.9  |
| Wheat - Active Contract  | 512.8    | 5.7   | -17.6 | -16.6 |
| CBOT - Soya bean         | 890.5    | 0.5   | -14.0 | -11.3 |
| <b>Shipping</b>          |          |       |       |       |
| Baltic Dry Index         | 900.0    | -0.3  | 12.5  | 15.1  |

Source: Data taken from Bloomberg c. 9 AM Muscat Time

## Petrochemical Performance

| Index                               | %MTD  | %QTD  | %YTD  |
|-------------------------------------|-------|-------|-------|
| <b>Aromatics (in USD/ MT)</b>       |       |       |       |
| Benzene Aromatics Rotterdam         | -4.9  | -35.9 | -16.6 |
| Benzene FOB Korea Spot              | 2.7   | -31.6 | -13.5 |
| Benzene CFR Japan Spot              | 2.7   | -31.4 | -13.4 |
| Benzene CFR India Spot              | 2.6   | -31.2 | -13.3 |
| <b>Condensates (in USD/ MT)</b>     |       |       |       |
| European Naptha                     | -8.3  | -23.5 | -16.3 |
| Naphtha C&F Japan                   | 1.4   | -20.0 | -5.9  |
| Naphtha CIF NWE Cargo               | -4.3  | -20.5 | -3.5  |
| Naphtha fob Singapore Spot          | 2.2   | -20.8 | -6.6  |
| <b>Olefins (in USD/ MT)</b>         |       |       |       |
| Ethylene Spot                       | -13.7 | -31.8 | -8.3  |
| Ethylene FOB Korea Spot             | 8.4   | -39.6 | -6.7  |
| Ethylene FOB Japan Spot             | 8.5   | -40.1 | -7.8  |
| Propylene FOB Korea Spot            | -24.6 | -46.1 | -8.0  |
| <b>Intermediate (in USD/ MT)</b>    |       |       |       |
| 2EH CFR Far East Asia               | -9.8  | -21.7 | -26.6 |
| 2EH CFR South East Asia             | -9.6  | -20.9 | -26.1 |
| DOP CFR Far East Asia               | -5.2  | -18.4 | -26.6 |
| <b>Polymers (in USD/ MT)</b>        |       |       |       |
| LLDPE Future Contract (CNY/ MT)     | -4.0  | -11.7 | 4.0   |
| Film Grd Poly HDPE Far E Spot       | 2.6   | -10.6 | 0.9   |
| Film Grd Poly HDPE SE Asia          | 0.0   | -12.7 | -10.0 |
| Film Grd Poly HDPE India Spot       | 4.4   | -11.8 | -6.3  |
| <b>Urea (in USD/ MT)</b>            |       |       |       |
| Urea Price (RMB/ MT)                | -3.1  | -9.3  | -1.1  |
| UREA Cornbelt                       | -6.0  | -24.1 | -18.2 |
| UREA Middle East                    | -3.5  | -12.7 | -26.7 |
| US Urea Avg. Retail Price           | -6.0  | -8.8  | -11.6 |
| <b>Propane/ Butane (In USD/ MT)</b> |       |       |       |
| Arab LPG Propane Mo Posted          | 0.0   | 0.0   | -42.7 |
| BP Amoco LPG Propane Mo             | 0.0   | 0.0   | 19.8  |
| Arab LPG Butane Mo Posted           | 0.0   | 0.0   | -39.5 |
| BP Amoco LPG Butane Mo              | 0.0   | 0.0   | 13.8  |

## Oman News

### Oman Property transactions data - Jan-Aug 2015

(Source: Muscat Daily)

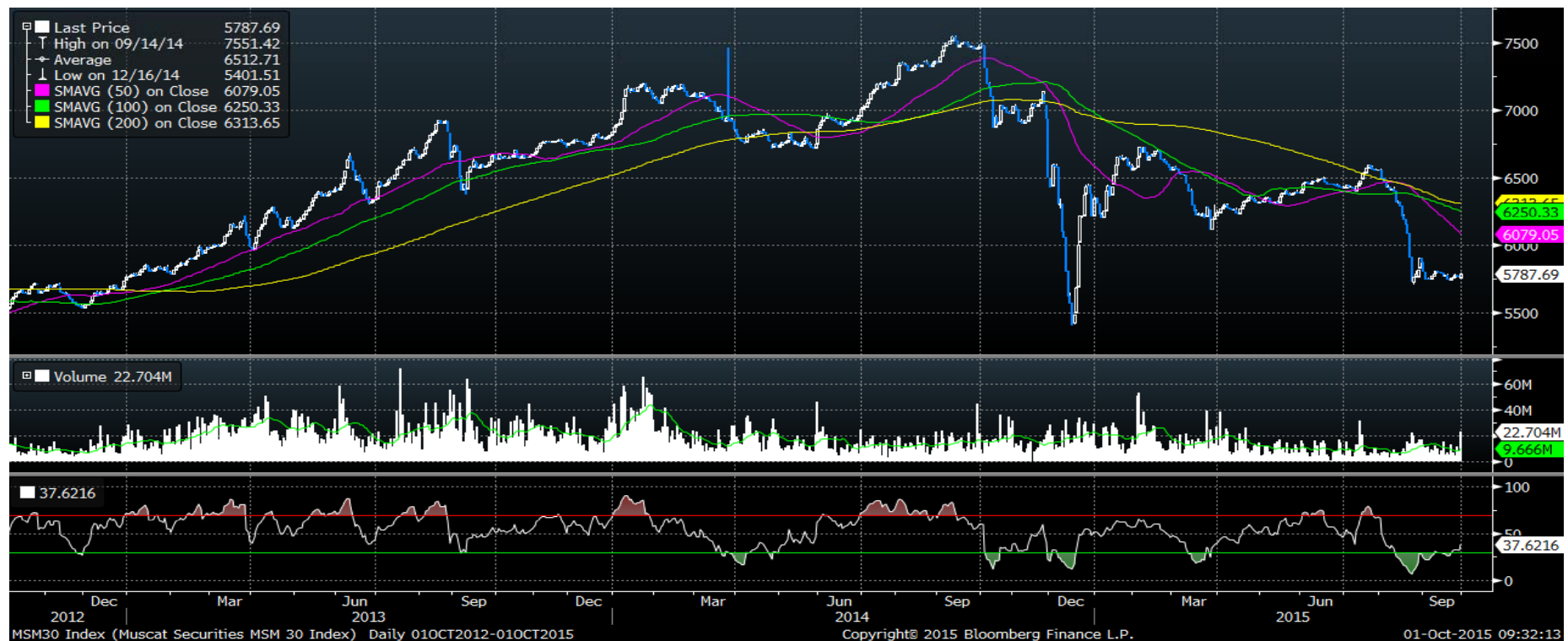
- The total value of property transactions surged 53.2% to RO2.94 billion during the period from January–August 2015 from RO1.91 billion in the corresponding period of 2014.
- The sharp rise in transactions comes on the back of robust growth in mortgage contracts. Traded value of mortgage contracts jumped 79.6% to RO2.05 billion from RO1.14 billion a year ago, as per official data
- The number of mortgage contracts rose by 13.2% to 15,001 in the first eight months this year from 13,249 a year earlier.
- In addition to mortgage transactions, the report shows that the traded value of property in sales contracts rose 13.3% to RO867 million. The number of sales contracts decreased by 2.3% to 54,220 in first eight months of 2015 compared to 55,521 last year.
- The number of properties issued for GCC states citizens dropped by 25% to 1,670 from 2,233 in first eight months of 2014.
- With the rising trend of property ownership and easy access to mortgage, the sultanate's real-estate market is witnessing a robust growth this year despite persistent lower oil prices, as per news report.

### Oman, Bahrain, Saudi set to record huge budget deficits

(Source: Times of Oman)

- Fiscal policy responses by Gulf Cooperation Council (GCC) sovereigns to lower oil prices are likely to be small compared to the loss of revenues over 2015 and 2016, said Fitch Ratings.
- The international rating agency expects Bahrain, Oman and Saudi Arabia to record double-digit deficits in 2015, although all three will benefit from some narrowing next year
- Notably Saudi Arabia, where Fitch has projected the deficit to drop back to 8.7% of GDP from 16.7%, reflecting some one-off spending this year as capex is scaled back and oil prices start to recover.
- However, general government debt levels for these three sovereigns will continue to rise in 2016, as borrowing resumes or increases to help finance deficits.

## MSM - Market Watch



Source: Bloomberg, GBCM Research

### Market Outlook- Beginning of new quarter, would there be a recovery for the yearend?...

During the last trading session being the Q3 closing, all the GCC markets ended on a positive note expect for Kuwait. The GCC equities had a rough patch during Q3 post reasonable Q2 amid fall in oil prices and ongoing geopolitical risk (Yemen war). The benchmark S&P GCC and MSCI GCC Index declined c. 14% during Q3 2015. The prevailing low oil price environment would in turn mean depressed market performance and de-rating of valuations in the regional markets (already seen in GCC). With the sharp fall in equities, we do see contrarian theories to prevail both in technical front (several buy signals) and also fundamentally showing strength, would there be a recovery for the yearend? MSM to see support at 5,740 points, the next resistance is seen at 5,805 levels.

## UAE News

### Dubai airport traffic data for Aug 2015

*(Source: Khaleej Times)*

- Dubai International airport recorded the highest monthly traffic of 7.3 million in August - highest in its 55-year history.
- The airport's August traffic reached 7.3 million, up 9.5% YoY from 6.65 million recorded during the same month last year. The year-to-date traffic totalled more than 52 million, showing 12.4% growth compared to 46.5 million recorded during the first eight months last year.
- The traffic was boosted by the rush of travellers, including inbound traffic of residents returning for the start of the academic year, as well as increase in flight frequency and launch of new services by Emirates, flydubai and other airlines.
- Aircraft movements totalled 34,773 during the month compared to 31,214 movements recorded in August 2014, an increase of 11.4%. Year-to-date aircraft movement totalled 268,253, up 18.1% compared to 227,110 recorded during the same period in 2014.
- Dubai International handled freight volumes totaling 207,427 tonnes in August compared to 196,986 tonnes recorded in August 2014, up by 5.3%. Year-to-date cargo reached 1.6 million tonnes, up 2.9% compared to 1.6 million tonnes recorded during the first eight months last year.

### dnata acquires 30% stake in Italy's Airport Handling

*(Source: Gulf Business)*

- Dnata has signed an agreement to acquire a 30% share in Italian company, Airport Handling SPA. Dnata will have a majority representation on Airport Handling's board through which it will control day-to-day operations.
- Under the agreement, the company will also have a call option to acquire a further 40% share in the Italian firm. The financial details of the deal were not disclosed.
- The transaction is subject to competition approval by Italian authorities and the European Union. This is expected to be received by the end of November 2015.



## GCC News

### Mall of Qatar opening delayed to Q3 2016

*(Source: Arabian Business)*

- The developer of Doha's the Mall of Qatar has confirmed it has delayed the opening of the mega facility until the end of the Q3 2016.
- The mall, which is owned and developed by Mall of Qatar W.L.L in collaboration with turnkey contractors UrbaCon Trading & Contracting (UCC), was scheduled to open in Q1 2016, after developers announced a delay to the original opening date of Q3 this year.

### Qatar awards sewerage tunnel contracts worth €550 million to Bouygues-led consortium

- Ashghal has awarded two contracts worth €550 million (Dh2.26 billion) to a consortium led by Bouygues Construction, a French contracting company.
- The contracts cover the construction of two major sewage tunnels in Doha that are being built as part of the 10bn Qatari riyal (Dh10.08bn) Idris (Inner Doha Re-sewerage Implementation Strategy) project.
- The project is an eight-year plan to massively increase the capacity of the Qatari capital's sewerage and wastewater network to cope with the needs of the rapidly increasing population.
- The work covers a northern section that will be up to 16 kilometres long and three metres wide, and a southern section that will be 14km long and 4.5 metres wide.
- The consortium, which includes the Qatari contractor Urbacon Trading & Contracting, is set to start on site soon. It is due to hand over the completed tunnels in 2019.

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