

MSM: Depth improvement, price stability and portfolio restructuring

Date: 18/10/2012

Week 42

MSM summary	Current Wk	Previous Wk	Change	W/W	MTD	YTD
				%	%	%
Al Arabi Oman 20 Index	1,045.90	1,025.42	20.48	2.00	4.25	3.17
Al Arabi GCC 50 Index	973.20	977.80	(4.60)	(0.47)	0.97	4.84
Al Arabi MENA 200 Index	924.11	920.58	3.53	0.38	(5.00)	3.13
MSM 30	5,713.47	5,644.45	69.02	1.22	3.24	0.32
Volume(In 000)	62,409	60,818	1,591.61	2.62		
Value traded (In RO 000)	17,365	13,459	3,906.05	29.02		
No. of Transactions	5,526				Volume of Bonds	578,786

MSM Performance:

Positive global and regional sentiment over the last week saw the MSM 30 post solid gains due to continued institutional holdings, improved market depth and increasing investor appetite for risk assets .

The benchmark ended the week (14 – 18 October) on a positive note at level of 5,713.47 points, gaining 1.22% w-o-w supported by telecom companies, Renaissance Services and few banks shares .

Observations during the week included improved depth that stabilized markets and delayed stock activity; post a calm period immediately after results. Further, banks also reported late relative to their past earnings announcements.

During last week, Al Arabi Oman 20 Index Increased by 2.0% to finish at 1,045.9 points as turnover amounted to RO11.82mn. Al Arabi GCC 50 Index decreased by 0.47% to close at 973.2 points. Also, "Al Arabi MENA200 Index" registered Increased of 0.38% to close at 924.11 points.

The analysis of the sub indices revealed that the Service Index increased by 1.99% at 2,839.1 points. Noteworthy were the performance of telcos, Oman Telecommunications Co. (Omantel) & Oman Qatari Telecommunication (Nawras) both of which closed at seven and five months highs at RO 1.404 per share and RO 0.546 per share respectively. Renaissance Services also performed notably supporting gains in the Services Index. We reiterate our belief that the Service Sector will benefit from the rising spend by new entrant to the workforce.

The Financial Index, at the second place, gained 0.46% w-t-w to close at 6,302.73 points, assisted by gains in Oman Nat. Inv. Corp. Holding (ONIC), Bank Sohar, BankMuscat and National Bank Of Oman .

Bank Muscat reported robust earnings for the 3Q'12. Net Income grew 20% YoY on a nine month and quarterly basis to RO 104 million and RO 35.8 million (+2.4% q-o-q) respectively as the bank continued to post high teen YoY net income growth rates this year .

Overall profitability was aided by better cost management (cost to income close to the lowest in the last seven quarters) and healthier growth in Net Interest Income relative to the first half of this year on account of higher LDR ratios relative to the last six quarters .While undisclosed we find it probable that existence of provisioning write backs might aided the Banks' stellar earnings performance .

We believe a continuance of higher LDRs in Q4'12 could act as a trigger for the stock price. We view Bank Muscats' ability to grow as best in the industry, given its scale and size.

Ahlibank reported a set of weak results for 3Q'12 with net income falling 13 % QoQ on account of lackluster Net operating income growth which collapsed 18 % on a QoQ basis - the largest QoQ fall witnessed over the last five years .Continued earnings weakness in 4Q'12 on a higher equity base may depress the markets' ROE expectations on the stock and weigh on the price near term.

Oman Al Arabi Fund



Weekly
NAV (RO) 0.923

Top Gainers	Price	Chg	Chg
Companies	RO	RO	%
PORT SER. CORPORATION	0.475	0.040	9.20
DHOFAR CATTLE FEED	0.198	0.014	7.61
NAWRAS	0.546	0.032	6.23
RENAISSANCE SERVICES	0.558	0.024	4.49
OMAN TELECOMMUNICATION	1.404	0.037	2.71

Top Losers	Price	Chg	Chg
Companies	RO	RO	%
DHOFAR INSURANCE	0.170	(0.008)	(4.49)
NAT. ALUMINIUM PRODUCTS	0.211	(0.009)	(4.09)
TAAGEER FINANCE	0.129	(0.004)	(3.01)
OMAN TEXTILE HOLDING	0.322	(0.008)	(2.42)

Top Co. - Value	Price	Value	Mkt.Share
Companies	RO	in RO 000	
BANK MUSCAT	0.560	2,097.03	12.08%
RENAISSANCE SERVICES	0.558	1,572.78	9.06%
NAWRAS	0.546	1,260.83	7.26%
OMAN TELECOMMUNICATION	1.404	1,094.16	6.30%
OMAN CEMENT	0.651	811.06	4.67%

Top Co. - Volume	Price	Volume	Mkt.Share
Companies	RO	in 000	
BANK NIZWA	0.105	7,444.94	11.93%
GULF INVESTMENT SER.	0.088	6,429.34	10.30%
BANK SOHAR	0.149	5,457.01	8.74%
AL ANWAR HOLDING	0.128	4,687.06	7.51%
BANK MUSCAT	0.560	3,750.92	6.01%

Market Capitalization

No. of Companies

(In Billion)

Increased Decreased unchanged

OMR	USD			
7.12	18.37	25	22	21



NBO net profit growth slowed to 2.4 % on a QoQ basis in Q3'12 after registering an average growth of 22.8 % QoQ in the first half of the year . Total operating expenses grew 3.6 % QoQ after falling 0.8% in Q1'12 and rising 4 % in Q2'12 resulting in a cost to income ratio of 51% for the quarter. LDR fell to 99% from 104% relative to Q2'12 as deposit growth outpaced loan growth by approximately 5 %.

Within the leasing sector, Muscat Finance posted a slight improvement in net interest income on quarterly basis (0.8%) to RO 1.8mn in Q3'12 and 5.3% on yearly basis .

The increase in provision for impairment (+59.2% on q-o-q) affected the bottom line adversely which declined by 5.3% q-o-q to RO 0.914mn in Q3'12. Net margins came slightly below full year FY'11 and stood at 38.7%. Net investments in finance debtors registered its best level all time at around RO 100mn, showing an increase of 7.3% q-o-q and 16.6% y-o-y in Q3'12 .

Oman Orix Leasings' initial results were impressive as the company posted a 4.5% q-o-q (19.5% y-o-y) jump in net profit in Q3'12 at RO 0.82mn, boosted by a notable increase in net lease income. Net investments in leases stood out registering a healthy improvement on both quarterly and yearly basis at RO 82.3mn in Q3'12, an increase of 24% y-o-y (7.8% q-o-q)

The Industrial Index increased by 0.33% on a weekly basis to 7,233.64 points due to the rise in cement shares, Al Anwar Ceramics Tiles and Galfar .

Galfar Engineering & Contracting posted its initial results on the last trading day after the trades' hours. The results show a decline in contract & other Income by 1% q-o-q (up by 10% y-o-y) to RO 81.2mn in Q3'12. The higher total expenses to contract & other Income on quarterly basis (from 97.7% in Q2'12 to 98.6% in Q3'12) led the net profit to register a drop of 48.5% q-o-q to RO 0.774mn in Q3'12. (up by 20% y-o-y). However, the drop in Q3 numbers is in line with the historical trend for the company. The TTM P/E stood at 22.8x.

Trading statistics show an increase in both in terms of total volume and traded value which were up by 2.62% and 29.02% respectively on weekly basis to 62.4mn shares with value of RO 17.4mn. Continuing strong presence of Institutional investors of all categories is observed in the market with net buying of RO 3.45mn .

As noted in our prior reports, we believe tendering activity shall accelerate in the last quarter of the year in terms of volume and values especially related to vital sectors like infrastructure, resulting in more announcements from related companies .

Better than expected industrial production & retail sales data from the worlds' largest economy and more .certainty that Spain may be getting ready to accept a formal sovereign bailout coupled with the near closure of a deal for Greece with international lenders for EUR 13.8 billion provided positive data points for investors to return to risk assets .Further, a surprise rebound in export growth from China, saw Asian markets shrug off losses earlier this week to post strong gains on Wednesday and Thursday .Investors shunned safety havens like the USD and the Japanese yen to move into equities and the Euro which returned to over 1.30 vis a vis the USD on Tuesday.

Main News:

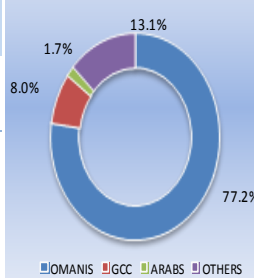
- The second package of Duqm Airport project Completion of 45% after the completion of the first package
- The value of contracts traded during the September 2012 more than RO 165m
- Sohar Free Zone launches the first phase of 12 projects costing RO 80m and 15 projects under consideration
- Muscat won whole membership in the World Federation of Exchanges

Recommendation:

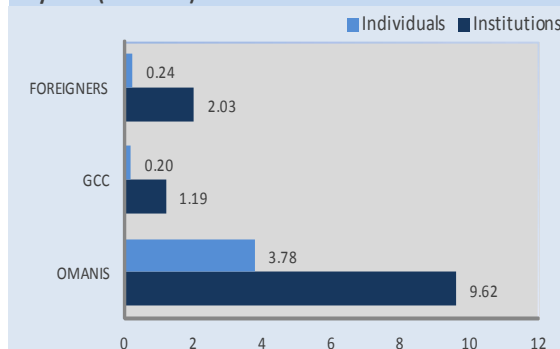
We see a rise in trading volumes on a daily basis, providing investors with more depth in restructuring their portfolios effectively. We believe that increased disclosure and granularity combined with expeditious reporting, especially amongst large caps will enhance investor ability in making better and informed decisions.

Nationality Trading - Buy

	Value (RO 000)
OMANIS	13,406.0
GCC	1,387.9
ARABS	299.7
OTHERS	2,271.1

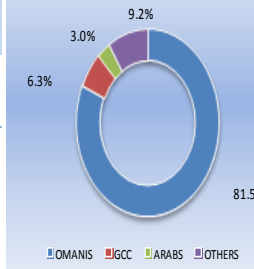


Buy Side (In RO mn)

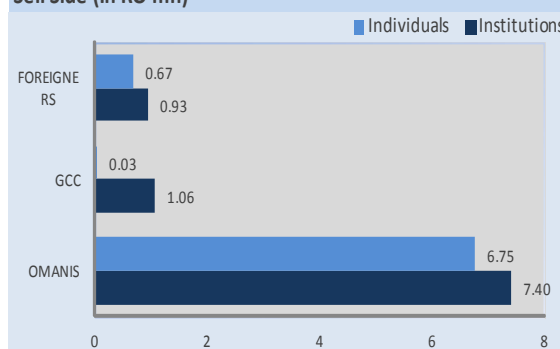


Nationality Trading - Sell

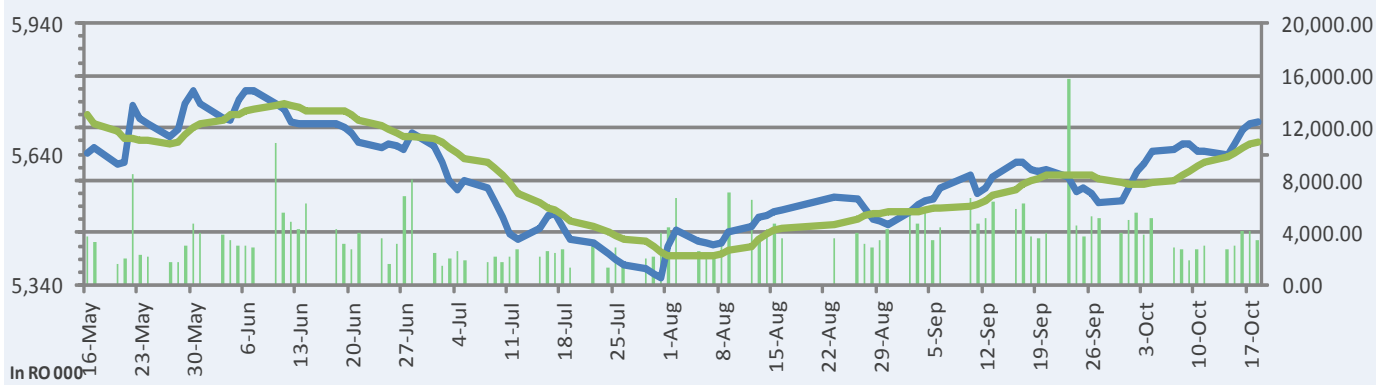
	Value (RO 000)
OMANIS	14,146.6
GCC	1,087.5
ARABS	526.6
OTHERS	1,604.1



Sell Side (In RO mn)



MSM 30 one year close & turnover Vs MA10



Sector Name	Bloomberg Code	No of Co.	Current	Previous	Points Weekly	W/W %	Points Monthly	MTW %	Points Yearly	YTD %
Financial Sector	BKINV	13	6,302.73	6,273.73	29	0.46	126	2.04	(83)	(1.30)
Industry Sector	INDSI	10	7,233.64	7,209.80	24	0.33	190	2.70	1275	21.40
Services Sector	SINSI	7	2,839.10	2,783.58	56	1.99	115	4.22	272	10.59

Main Indicators - Sectors	52-Week		Main Indicators	
	High	Low	P/Ex	P/Bx
MSM 30	6,045.39	5,356.82	10.88	1.56
Financial Sector	7,256.20	5,843.11	11.80	1.34
Industry Sector	7,260.38	5,558.65	10.20	1.62
Services Sector	2,794.07	2,389.62	9.20	1.81

Source: MSM, Bloomberg

GCC MENA IPO Tracker

Status	Terms	Date	Country	Equity Offered
Rumored	Afia International Company	2010	Saudi Arabia	30.00%
Announced	Upline Group	H2 2010	Morocco	-
Rumored	Al Mansoori Specialized Engineering	2010	UAE	-
Rumored	AlSalam Aircraft Company	2010	Saudi Arabia	-
Rumored	AREBCO Holding Company	2010	Kuwait	49.00%

Source: Zawya

Government Development Bonds

Issue No.	Maturity Date	Issue Value (RO)	Coupon	Listing Date
35	Aug. 3, 2013	80,000,000	4.00%	Sep.10, 2008
36	Sep. 6, 2012	50,000,000	4.00%	Oct. 04, 2009
37	July 26, 2015	100,000,000	4.00%	Sept. 01, 2010
38	Nov 11, 2014	100,000,000	3.25%	Nov. 01, 2010
39	Dec 20, 2016	150,000,000	3.25%	Dec. 20, 2011
40	Jun. 19, 2022	100,000,000	5.50%	Jun. 24, 2012

Source: MSM



GCC Market Indices	Current Close	Previous Close	Change	W/W	MTD	YTD
	Index	Index		%	%	%
Muscat Securities Market	5,713.47	5,644.45	69.02	1.22	3.24	0.32
Saudi Stock Exchange	6,811.19	6,796.99	14.20	0.21	(0.42)	6.12
Kuwait Stock Exchange	5,909.91	5,968.89	(58.98)	(0.99)	(1.22)	1.65
Qatar Exchange	8,542.14	8,478.61	63.53	0.75	0.38	(2.70)
Bahrain Stock Exchange	1,066.84	1,065.86	0.98	0.09	(1.88)	(6.72)
Dubai Financial Market	1,654.42	1,636.67	17.75	1.08	4.79	22.24
Abu Dhabi Securities Exchange	2,652.44	2,654.33	(1.89)	(0.07)	1.81	10.41

Source: Zawya, OABInvest

World Markets	Country	W/W	YTD
Europe		%	%
FTSE 100	United Kingdom	2.18	6.23
DAX	Germany	2.64	25.86
CAC 40	France	4.04	11.59
United States			
DJIA	USA	1.71	10.96
S&P 500	USA	2.26	16.17
NASDAQ	USA	1.97	19.15
Asia Pacific			
NIKKEI 225	Japan	5.26	6.24
HANG SENG	Hongkong	1.81	16.73
Arab Market Indices			
Tunis Se Index	Tunis	(0.12)	1.77
EGX 30 Index	Egypt	1.50	60.82
Amman Stock Exchange	Jordan	0.67	(4.31)
Palestine Sec. Exchange	Palestine	-	(8.31)
Blom Stock Index	Lebanon	(0.40)	(5.38)
MSCI			
	Bahrain	(6.23)	(6.23)
	Kuwait	(2.31)	(5.54)
	Oman	1.80	(10.62)
	Qatar	(2.35)	(2.35)
	UAE	0.70	23.64
	GCC Countries	(0.69)	(0.96)

Source: Bloomberg at 3.00 P.M Muscat time

Commodity Prices	W/W	YTD
	%	%
Brent Crude (per bbl)	(0.21)	9.13
WTI Crude (per bbl)	0.25	(6.35)
Gold100 OZ (per oz)	(0.48)	11.66
Silver (per oz)	(1.32)	18.77
Platinum (per oz)	0.70	18.74
Copper	1.11	8.16
Aluminium	(0.25)	8.16
Lead	1.31	6.09
Zinc	(0.72)	4.12
Nickel	0.62	(8.18)

Source: Bloomberg

Cross Rate for Major Currencies					
Codes	GBP	EURO	JPY	USD	OMR
GBP	1	0.8122	0.0079	0.6195	1.6139
EUR	1.2315	1	0.0097	0.7628	1.9873
JPY	127.194	103.295	1	78.791	205.260
USD	1.6144	1.3110	0.0127	1	2.6051
OMR	0.6234	0.5063	0.0049	0.3861	1

Source :Oanda

P/E (TTM) Comparison of Omani Market & MENA	18-Oct-12	11-Oct-12	4-Oct-12	27-Sep-12
	X	X	X	X
Muscat Securities Market* (Oman)	10.88	10.73	10.74	10.57
Saudi Stock Exchange (Saudi Arabia)	12.43	12.34	12.46	12.35
Kuwait Stock Exchange (Kuwait)	15.93	16.17	16.29	16.26
Qatar Exchange (Qatar)	11.50	11.61	11.70	11.71
Bahrain Stock Exchange (Bahrain)	8.44	8.36	8.48	8.51
Dubai Financial Market (UAE)	11.23	11.13	11.08	10.77
Abu Dhabi Securities Exchange (UAE)	9.03	9.02	9.03	8.84
The Egyptian Exchange (Egypt)	12.29	12.04	11.92	12.44
Amman Stock Exchange (Jordan)	12.30	12.26	12.37	12.33
GCC Market Average	11.97	11.96	12.04	11.95
North Market Average	13.23	13.19	13.18	13.46
Levant Average	11.11	10.99	11.06	11.05

Source: Zawya, Bloomberg*, PEx: last Closing price / Earnings per share (times), PBx: Last closing price / Book value of the share (times)

Market performance and value indicators

Financial Sector



	Sub Sector	Name of Company	MKT Code	RO	Close	Volume	52-Wk		Share Performance %				BETA	Share Latest Ratio			N/P (RO'mn)	YOY	QOQ
				Capitalization	Price		High	Low	% Δ	% Δ WTD	% Δ MTD	% Δ YTD	1Y	P/E	P/B	Div. Yld. %	Latest Calendar Qtr		
Financial Sector	Banking	BANKMUSCAT SAOG	BKMB	1,141,566,040	0.560	573,102	0.654	0.490	-0.18	1.08	1.82	-13.45	1.05	8.45x	1.16x	3.77	35.78	19.59%	2.32%
		BANK DHOFAR SAOG	BKDB	401,542,511	0.365	5,000	0.501	0.365	0.00	-1.08	-2.41	-19.79	0.69	10.57x	1.65x	1.60	10.29	-167.86%	12.08%
		NATIONAL BANK OF OMAN SAOG	NBOB	312,463,043	0.282	167,600	0.319	0.260	0.00	0.71	4.44	-9.67	0.63	8.43x	1.10x	6.05	10.30	-	7.05%
		HSBC BANK OMAN	HBMO	430,067,261	0.215	223,440	0.290	0.215	-0.92	0.00	-0.46	-22.25	0.89	14.35x	1.46x	5.17	4.82	97.34%	98.56%
		BANK SOHAR	BKSB	163,900,009	0.149	760,500	0.161	0.134	0.68	2.05	6.43	-3.36	1.00	8.47x	1.16x	5.24	5.33	33.13%	5.98%
		AHLI BANK	ABOB	204,629,837	0.170	221,677	0.224	0.134	0.00	-0.58	2.41	-22.74	1.02	7.59x	1.26x	#N/A/N/A	5.17	10.33%	-12.62%
		BANK NIZWA	BKNZ	157,500,000	0.105	1,156,618	0.119	0.099	0.00	0.00	0.00	-	-	-	-	-	1.01	-	-
	Insurance	OMAN UNITED INSURANCE CO	OUIS	17,799,923	0.178	97,810	0.198	0.106	0.56	-0.56	2.30	54.78	1.31	5.24	0.84x	4.21	0.04	-106.77%	-
		OMAN NATIONAL INVESTMENT CO	ONIC	48,211,662	0.278	488,600	0.324	0.14	1.4599	2.21	5.30	63.53	1.91	13.90x	0.94x	1.80	1.11	9.14%	82.44%
		MUSCAT NATIONAL HOLDING	MNHI	8,815,001	1.763	-	2.200	1.581	0.00	-0.11	-0.11	-19.09	0.27	9.85x	0.59x	4.25	-0.35	-	-170.91%
		DHOFAR INSURANCE	DICS	34,000,000	0.170	10,000	0.200	0.166	-4.49	-4.49	-4.49	-14.14	0.72	-	1.10x	#N/A/N/A	0.52	-155.40%	-64.01%
	Finance & Leasing	MUSCAT FINANCE	MFCI	33,265,583	0.165	1,790	0.185	0.146	0.00	0.00	-3.51	-1.00	0.45	9.39x	1.24x	#N/A/N/A	0.97	-	0.10%
		NATIONAL FINANCE CO	NFCI	30,816,999	0.123	-	0.139	0.109	0.00	0.00	6.03	4.09	0.45	6.70x	0.98x	5.69	1.03	-	12.77%
		UNITED FINANCE CO	UFCI	31,751,528	0.127	-	0.140	0.11	0.00	0.00	-1.55	4.96	0.97	10.65x	0.94x	7.87	0.73	-	21.48%
		OMAN ORIX LEASING CO.	ORXL	26,783,251	0.123	-	0.131	0.087	0.00	0.00	5.13	15.41	0.58	7.15x	1.01x	9.85	0.79	29.32%	4.53%
		AL-OMANIYA FINANCIAL SERVICE	AOFS	52,677,299	0.310	336,839	0.310	0.242	0.00	0.00	0.00	5.00	0.36	10.18x	1.12x	6.14	1.32	15.25%	0.69%
		TAAGEER FINANCE	TFCI	27,950,775	0.129	96,403	0.154	0.1	-0.77	-3.01	2.38	8.19	0.52	7.14x	1.02x	5.96	0.97	27.33%	0.31%
		FINANCIAL SERVICES CO.	FSCI	4,355,000	0.103	54,290	0.095	0.05	0.00	-1.47	0.00	21.82	1.12	-	0.82x	#N/A/N/A	-0.12	-79.51%	-205%
	Investment & Brokerage	GLOBAL FIN INVESTMENT	GFIC	26,400,000	0.088	93,000	0.114	0.05	0.00	2.33	1.15	57.14	1.65	13.50x	0.70x	#N/A/N/A	2.77	-1670.06%	509.87%
		OMINVEST	OMVS	98,239,899	0.353	15,545	0.435	0.347	-1.12	-0.28	1.15	-7.11	1.13	9.09x	0.96x	2.58	3.16	51.99%	-
		NATIONAL SECURITIES	NSCI	1,675,000	0.057	-	0.100	0.062	0.00	0.00	0.00	-12.99	0.50	-	1.23x	#N/A/N/A	-0.09	114.05%	30.76%
		GULF INVESTMENTS SERVICES	GISI	12,855,047	0.088	2,026,455	0.106	0.048	1.15	1.15	2.33	69.23	1.88	13.28x	0.84x	#N/A/N/A	0.42	-1.56%	-1.56%
		FINANCIAL CORP/THE	FINC	8,683,715	0.124	-	0.124	0.112	0.00	0.00	0.00	-0.80	0.34	-	1.23x	#N/A/N/A	-0.20	6.03%	-339.32%
		DHOFAR INTL DEVELOPMENT	DIDI	71,400,002	0.357	366,855	0.525	0.33	0.56	1.13	2.00	-17.93	0.92	7.68x	0.91x	5.56	2.14	-143.40%	-32.64%
		AL BATINAH DEV & INV-50%	DBIH	1,710,000	0.085	3,522	0.086	0.031	0.00	-1.72	1.79	-16.18	1.68	-	0.48x	#N/A/N/A	0.04	-125.08%	46.47%
		AL SHUROOQ INV SER	SISC	5,750,000	1.150	-	-	-	0.00	0.00	0.00	0.00	0.31	-	1.25x	#N/A/N/A	-0.16	-	75.11%
		AL ANWAR HOLDINGS SAOG	AACT	15,360,001	0.128	141,000	0.164	0.1	0.00	0.00	4.92	18.52	1.52	14.60x	0.82x	#N/A/N/A	0.82	-	-
		OMAN & EMIRATES INV(OM)50%	OEIO	13,528,125	0.111	5,900	0.156	0.087	-2.63	-0.89	2.78	18.09	1.53	6.29x	0.79x	#N/A/N/A	3.37	301.85%	9170.25%
		TRANS GULF INVESTMENT HLDG CO	TGII	5,684,375	0.067	168,300	0.104	0.054	1.19	0.00	1.19	41.67	1.64	12.83x	0.66x	5.88	-0.16	-49.33%	-121.04%
		AL SHARQIYA INVEST HOLDING	SIHC	8,240,000	-	7,000	0.120	0.08	0.00	0.98	3.00	7.29	1.02	13.13x	0.53x	#N/A/N/A	0.14	79.79%	186.61%
		AVERAGE		3,397,621,885										9.93x	0.99x	5.10			

Market performance and value indicators

Industrial Sector



Sub Sector	Name of Company	MKT	RO	Close	Volume	52-Wk		Share Performance %				BETA	Share Latest Ratio			N/P (RO'mn)		YOY	QOQ	
		Code	Capitalization	Price		High	Low	% Δ	% Δ WTD	% Δ MTD	% Δ YTD	1Y	P/E	P/B	Div. Yld. %	Latest Calendar Qtr				
Industrial Sector	Food & Beverage Industry	NATIONAL BISCUIT INDUSTRIES	NBII	3,780,000	3.780	-	3.780	3.780	0.00	0.00	0.00	-10.00	0.31	10.51x	1.54x	1.32	0.14	-567.91%	-	76.16%
		SWEETS OF OMAN	OSCI	5,390,000	0.770	-	0.790	0.605	0.00	0.00	5.48	8.76	0.57	5.89x	2.10x	5.84	0.28	-	-	-
		DHOFAR BEVERAGES CO	DBCI	5,220,000	0.261	-	-	-	0.00	0.00	0.00	0.00	0.33	27.15x	1.90x	#N/A/N/A	0.12	-1155.65%	141.35%	
		NATIONAL REAL ESTATE DEVELOP	NRED	-	5.000	-	-	-	0.00	-	-	-	-	pplicable	pplicable	#N/A/N/A	-0.03	84.17%	509.52%	
		OMAN REFRESHMENT CO	ORCI	120,000,008	2.400	102,100	2.400	1.200	0.00	2.13	11.11	65.52	0.75	12.07x	5.70x	2.92	2.39	33.13%	-24.58%	
		NATIONAL MINERAL WATER	NMWI	925,842	0.046	-	0.070	0.043	0.00	0.00	-4.17	2.22	1.17	-	-	#N/A/N/A	-0.20	-11.20%	-24.58%	
		AREEJ VEGETABLE OILS	AVOI	11,504,600	2.501	-	2.501	2.500	0.00	0.00	0.00	0.00	0.33	5.02x	1.21x	10.00	1.17	147.78%	166.36%	
		OMAN FOODS INTERNATIONAL SOA	NRCI	930,000	-	-	0.150	0.045	0.00	0.00	0.00	15.38	0.33	-	0.75x	#N/A/N/A	-0.03	-	-48.39%	
		OMAN FLOUR MILLS	OFMI	74,025,002	0.470	100	0.505	0.400	0.00	0.00	-4.08	-1.67	0.80	9.88x	1.43x	5.36	5.07	-	306.24%	
		SALALAH MILLS CO	SFMI	40,842,274	0.848	-	1.000	0.740	0.00	0.00	0.00	-13.65	0.40	12.28x	2.09x	4.72	0.88	-10.00%	-25.20%	
		OMAN EUROPE FOODS INDUSTRIES	OETI	2,000,000	1.000	-	0.070	0.070	0.00	0.00	400.00	400.00	2.95	-	1.88x	#N/A/N/A	-0.08	-5.81%	-11.96%	
		DHOFAR CATTLEFEED	DCFI	15,246,000	0.198	673,173	0.204	0.113	3.66	7.61	22.22	46.67	1.53	346.15x	0.39x	2.53	0.39	-	14.08%	
		OMAN AGRICULTURAL DEV	OADI	1,595,000	-	-	1.451	1.450	0.00	0.00	0.00	0.00	0.33	0.58x	1.29x	#N/A/N/A	-0.11	-51.7%	-102.83%	
		OMAN FISHERIES CO	OFCI	13,250,000	0.106	774,179	0.125	0.089	-0.93	-0.93	1.92	15.22	1.19	13.84x	0.80x	#N/A/N/A	0.00	-	-99.91%	
		DHOFAR FISH INDUSTRIES CO	DFII	3,248,660	1.279	-	1.279	1.279	0.00	0.00	0.00	0.00	0.33	-	2.36x	#N/A/N/A	0.03	-	-	
		SOHAR POULTRY	SPCI	618,000	2.224	-	-	-	0.00	0.00	0.00	0.00	0.33	2.10x	0.37x	#N/A/N/A	0.23	-	-613.15%	
		A'SAFFA FOODS SAOG	SPFI	56,558,250	0.513	-	0.540	0.410	0.00	0.00	10.80	10.15	1.25	13.46x	3.14x	2.23	1.13	10.23%	6.54%	
		GULF MUSHROOM COMPANY	GMPI	10,296,000	0.500	-	0.500	0.289	0.00	0.00	0.20	15.06	0.40	8.84x	2.16x	4.55	0.16	-14.82%	-48.08%	
	Cement	OMAN CEMENT CO	OCOI	215,398,331	0.651	423,500	0.700	0.413	-0.15	0.77	2.84	50.69	0.93	14.87x	1.44x	4.62	3.87	21.84%	-24.71%	
		RAYSUT CEMENT CO	RCCI	278,200,012	1.391	12,152	1.419	0.700	0.00	0.72	1.31	83.03	0.96	14.08x	2.62x	3.59	6.85	75.19%	0.11%	
	Engineering & Construction	AL-HASSAN ENGINEERING CO	AFAI	13,236,608	0.176	211,667	0.303	0.120	-0.56	-0.56	2.33	-30.43	1.48	-	0.98x	8.52	-2.08	-521.46%	-830.53%	
		GALFAR ENGINEERING&CONTRACT	GECS	139,886,993	0.411	232,760	0.440	0.315	0.24	0.24	-0.48	21.96	1.49	23.54x	1.56x	2.92	1.49	14.05%	-12.22%	
	Textiles	OMAN TEXTILE HOLDING CO SAOG	OTHI	1,932,000	0.322	-	0.430	0.320	0.00	-2.42	-2.72	-19.70	1.30	-	0.20x	#N/A/N/A	-0.14	-29.80%	-	
		MUSCAT THREAD MILLS CO	MTMI	1,985,734	0.195	-	0.214	0.087	0.00	0.00	0.00	124.25	0.85	5.88x	1.43x	6.69	0.04	115.00%	-57.43%	
	Mining	GULF STONE	GSCI	2,976,600	0.082	-	0.082	0.082	0.00	0.00	0.00	0.22	0.36	6.97x	0.70x	#N/A/N/A	0.01	-	-91.71%	
		OMAN CHROMITE	OCCI	10,950,001	3.650	-	3.800	3.500	0.00	0.00	0.00	1.39	0.37	24.08x	2.55x	5.48	0.17	-336.44%	905.9%	
		AL-FAJAR AL-ALAMIA CO	AFAI	35,221,619	0.714	-	0.750	0.643	0.00	0.00	0.00	0.00	0.34	-	1.65x	2.80	0.16	-243.2%	-245.2%	
	Construction Materials Support	CONSTRUCTION MATERIALS IND	CMII	4,845,000	0.057	264,180	0.071	0.037	0.00	-1.72	-1.72	29.55	1.63	-	0.59x	#N/A/N/A	0.02	-	-86.7%	
		CEMENT & GYPSUM PRO	CGPI	1,500,000	1.000	-	-	-	0.00	0.00	0.00	0.00	0.33	-	-	#N/A/N/A	0.00	-	-	
		NATL ALUMINIUM PRODUCTS	NAPI	7,083,576	0.211	43,200	0.410	0.180	-2.31	-4.09	-3.21	-47.77	1.43	8.73x	1.04x	9.48	0.14	-66.3%	321.2%	
		ABRASIVES MANUFACTURING CO S	ABMI	50,000	0.000	-	0.060	0.050	0.00	0.00	0.00	-48.45	0.76	-	-	#N/A/N/A	-0.05	-	6.9%	
		AL-ANWAR CERAMIC TILE CO	AACT	80,135,681	0.392	72,199	0.397	0.276	0.00	1.55	2.62	26.65	0.91	12.88x	2.76x	3.64	1.65	14.0%	-1.3%	
AL JAZEERA STEEL PRODUCTS CO		ATMI	35,845,715	0.287	12,878	0.304	0.233	-1.37	-0.35	1.41	13.89	1.27	9.63x	1.05x	5.21	1.66	51.6%	46.3%		
OMAN CERAMIC COM		OMCI	1,493,512	0.495	2,688	0.750	0.211	-0.80	-0.80	-33.91	-33.91	0.12	7.72x	1.20x	#N/A/N/A	0.04	-	20.1%		
Paper, Glass & Packaging	TAGHLEEF INDUSTRIES SAOG	AKPP	-	-	-	-	-	-	-	-	-	-	-	-	#N/A/N/A	0.00	-	-		
	OMAN PACKAGING	OPCI	6,973,740	0.215	-	0.220	0.150	0.00	0.00	7.50	34.38	0.71	5.69x	1.37x	6.94	0.44	-	-		
	FLEXIBLE IND PACKAGES	FIPC	2,651,250	0.125	-	0.125	0.113	0.00	0.00	0.00	-7.41	0.40	9.62x	1.02x	#N/A/N/A	0.04	-	-54.9%		
	GULF PLASTIC INDUSTRIES CO	AKPI	389,000	0.000	-	0.390	0.389	0.00	0.00	0.00	0.00	0.33	0.92x	0.27x	#N/A/N/A	0.11	-	-		
	PACKAGING CO LTD	PCLI	1,110,000	0.370	-	0.370	0.370	0.00	0.00	0.00	0.00	0.33	-	0.46x	#N/A/N/A	-0.17	-288.0%	11.9%		
	COMPUTER STATIONERY INDS	CSII	3,250,000	0.325	-	-	-	0.00	0.00	0.00	0.00	0.33	-	1.76x	#N/A/N/A	0.02	-67.4%	47.3%		
	AL AHLIA CONVERTING INDUS	AACI	-	-	-	0.055	0.020	-	-	-	-	0.85	-	-	#N/A/N/A	-	-	-		
Chemicals	MAJAN GLASS COMPANY	MGCI	19,025,093	0.498	-	0.583	0.450	0.00	0.00	0.00	-11.21	0.30	25.68x	1.49x	4.37	0.31	-37.2%	-10.8%		
	GULF INTERNATIONAL CHEMICALS	GICI	3,360,000	0.160	53,679	0.212	0.112	1.91	1.27	4.58	11.11	1.59	12.11x	1.28x	9.43	0.09	7.8%	-8.6%		
	OMAN CHLORINE	OCHL	31,503,735	0.510	-	0.515	0.365	0.00	-0.58	2.00	15.91	0.83	10.29x	1.97x	4.90	0.89	24.2%	12.2%		
	NATIONAL DETERGENTS/THE	NDTI	15,291,990	0.899	-	0.898	0.849	0.00	0.00	0.00	0.00	0.32	20.30x	1.23x	4.45	0.20	-7.7%	-29.6%		
Pharmacceuticals	NATIONAL PHARMACEUTICAL	NPMI	5,000,000	0.100	-	-	-	0.00	0.00	0.00	0.00	0.33	4.42x	0.88x	#N/A/N/A	0.14	-	-9.7%		
Electrical & Mechanical	OMAN FIBER OPTICS	OFOI	13,098,341	2.761	-	3.037	2.761	0.00	0.00	0.00	0.01	0.33	5.40x	1.27x	8.36	0.50	19.8%	7.6%		
	VOLTAMP ENERGY SAOG	VOES	19,299,500	0.319	552	0.427	0.223	0.00	-0.62	3.24	-15.24	1.14	26.53x	1.35x	5.70	0.13	-73.1%	-44.3%		
	OMAN CABLES INDUSTRY	OCAI	89,251,503	0.995	-	1.000	0.660	0.00	-0.50	6.65	34.46	1.19	10.24x	1.77x	4.02	3.23	-	89.3%		
	OMAN FILTERS INDUSTRY	OFIG	400,000	0.000	-	0.040	0.020	0.00	0.00	0.00	0.00	0.30	-	24.87x	#N/A/N/A	-0.16	14.7%	99.7%		
AVERAGE			1,406,775,167										21.39x	2.04x	5.21					

Source: Bloomberg. The red marked refers to Q2 results

Market performance and value indicators

Services Sector



	Sub Sector	Name of Company	MKT	RO	Close	Volume	52-Wk		Share Performance %				BETA	Share Latest Ratio			N/P (RO'mn)	YOY	QOQ
			Code	Capitalization	Price		High	Low	% Δ	% Δ WTD	% Δ MTD	% Δ YTD	1Y	P/E	P/B	Div. Yld. %	Latest Calendar Qtr		
Services Sector	Telecommunication	OMAN TELECOMMUNICATIONS CO	OTEL	1,053,000,000	1.404	369,797	1.434	1.164	1.67	2.71	5.17	7.26	0.87	8.88x	2.20x	9.96	32.14	-	7.65%
		OMANI QATARI TELECOMMUNICATI	NWRS	355,415,527	0.546	283,115	0.658	0.461	0.55	6.23	8.98	-16.00	1.04	7.92x	2.19x	6.96	9.67	-	-1.29%
	Tourism & Hospitality	GULF HOTELS (OMAN) CO LTD	GHOS	37,708,000	11.000	-	10.999	9.900	0.00	0.00	0.00	0.00	0.33	13.84x	1.34x	7.27	0.57	22.15%	-35.89%
		INTERIOR HOTELS	INHS	6,451,354	0.129	-	-	-	0.00	0.00	0.00	0.32	0.34	7.28x	0.96x	#N/A/N/A	-0.06	-190.85%	-127.24%
		AL BATINAH HOTELS	BAHS	2,998,380	1.298	-	1.298	1.298	0.00	0.00	0.00	-0.01	-14.06	18.61x	1.10x	#N/A/N/A	0.01	-	-
		AL BURAIMI HOTEL	ABHS	3,144,090	0.880	-	-	-	0.00	0.00	0.00	0.00	0.33	-	1.07x	#N/A/N/A	0.04	-	-5.24%
		OMAN HOTELS & TOURISM CO	OHTS	12,127,500	2.205	-	3.100	2.205	0.00	0.00	0.00	-28.87	0.31	7.65x	0.46x	4.54	0.33	-	-
		HOTELS MANAGEMENT CO INTERNA	HMCI	8,324,578	0.100	-	0.110	0.086	0.00	0.00	0.00	26.58	0.45	-	0.72x	#N/A/N/A	0.07	-45.74%	-
		SAHARA HOSPITALITY	SAHS	14,291,666	2.450	-	2.450	2.450	0.00	0.00	0.00	4.26	0.35	7.49x	1.14x	#N/A/N/A	0.51	13.25%	-0.77%
		DHOFAR TOURISM	DTCS	13,700,000	1.000	-	1.000	1.000	0.00	0.00	0.00	0.00	0.35	-	0.29x	#N/A/N/A	-0.59	-8.69%	11.59%
		SALALAH BEACH RESORT SAOG	SHCS	8,750,000	1.400	-	1.400	1.300	0.00	0.00	0.00	-2.10	0.34	13.66x	1.03x	#N/A/N/A	0.05	-	-
	Logistics	PORT SERVICE CORPORATION	PSCS	45,144,001	0.475	81,434	0.565	0.368	1.50	9.20	10.98	10.98	1.10	9.94x	1.43x	10.55	1.68	30.01%	24.98%
		SALALAH PORT SERVICES	SPSI	84,524,803	0.470	-	0.479	0.423	0.00	0.00	0.00	-1.88	0.30	17.84x	2.10x	3.19	1.63	-1508.62%	1.74%
	Oil & Gas Marketing	SHELL OMAN MARKETING	SOMS	238,699,997	2.387	-	2.600	2.235	0.00	0.00	1.53	-0.25	0.53	20.74x	9.53x	4.90	3.46	-	2.61%
		OMAN OIL MARKETING COMPANY	OOMS	122,485,504	1.899	-	1.910	1.590	0.00	0.00	2.10	11.05	0.42	15.09x	3.57x	3.26	2.28	-	21.34%
		AL MAHA PETROLEUM PRODUCTS M	MHAS	124,165,504	17.995	133	18.100	11.500	0.00	-0.58	4.01	33.30	0.71	12.85x	3.45x	4.72	2.95	27.98%	18.08%
		NATIONAL GAS CO	NGCI	13,675,000	0.547	-	0.600	0.500	0.00	0.00	0.00	3.60	0.37	11.19x	1.69x	7.31	0.25	-	-22.38%
		MUSCAT GASES COMPANY SAOG	MGMC	24,600,000	0.820	-	0.820	0.720	0.00	0.00	0.12	10.66	0.44	18.19x	3.57x	7.32	0.34	-	-28.23%
	Education & Training	DHOFAR UNIVERSITY	DHUS	15,820,000	1.130	-	1.130	1.124	0.00	0.00	0.00	-5.75	0.29	19.56x	1.33x	#N/A/N/A	0.09	-	-83.52%
		MAJAN COLLEGE	BACS	9,000,000	0.300	25,288	0.310	0.255	0.00	0.00	-1.64	12.78	0.37	9.19x	1.53x	10.00	0.11	-25.80%	-55.95%
		NATIONAL HOSPITALITY INSTITU	NHIS	2,050,000	2.050	-	-	-	0.00	0.00	0.00	0.00	0.33	67.78x	3.82x	#N/A/N/A	0.00	-	-
		OMAN EDUCATION & TRAINING IN	OETI	24,639,999	0.352	-	-	-	0.00	0.00	0.00	0.00	0.21	230.07x	2.03x	0.85	0.22	-	-
	Energy	AL KAMIL POWER CO	KPCS	18,181,625	1.889	-	1.900	1.700	0.00	0.00	1.72	9.83	0.35	6.66x	1.02x	6.35	0.81	10.52%	55.28%
		DHOFAR POWER CO	DHPS	-	-	-	-	-	-	-	-	-	-	-	-	#N/A/N/A	0.00	-	-
		SOHAR POWER CO	SHPS	42,812,000	1.540	-	1.720	1.301	0.00	0.85	-0.45	-8.61	0.83	57.93x	16.75x	5.23	1.86	-	-228.91%
		UNITED POWER CO	UECS	12,301,938	1.020	-	1.300	0.905	0.00	0.00	-1.07	1.80	0.17	13.43x	0.69x	13.73	0.19	-68.48%	-14.75%
		ACWA POWER BARKA SAOG	APBS	67,519,997	0.422	400	0.425	0.271	0.00	0.72	1.44	41.99	0.47	8.40x	1.95x	5.92	2.54	-	154.06%
		OMAN NATIONAL ENGINEERING AN	ONES	28,000,801	0.400	-	0.437	0.344	0.00	0.00	0.00	1.45	0.46	9.41x	1.43x	4.25	0.70	-	-21.33%
		SMN POWER HOLDING SAOG	SMNP	85,843,315	4.300	550	4.350	3.410	1.15	-1.15	2.38	17.39	-	-	45.93x	7.84	2.87	-	-
	Diversified Commercial Services	RENAISSANCE SERVICES SAOG	RNSS	157,408,707	0.558	686,056	0.665	0.427	-1.06	4.49	8.35	2.39	2.02	117.50x	0.92x	#N/A/N/A	3.87	-	394.63%
		AL JAZEIRA SERVICES	AJSS	47,734,688	0.326	138,750	0.334	0.149	-0.61	2.52	7.95	84.18	1.30	8.74x	1.80x	2.15	1.08	-205.71%	-
		OMAN INTL MARKETING	OIMS	259,000	0.000	-	0.518	0.518	0.00	0.00	0.00	-5.82	0.33	-	1.41x	#N/A/N/A	-0.01	-	-
		OMAN HOLDING INTERNATIONAL	OHII	21,120,667	0.192	289	0.269	0.172	0.00	0.52	-6.80	-23.51	1.03	3.47x	0.39x	10.42	0.19	-79.01%	-95.63%
		OMAN INVESTMENT & FINANCE	OIFC	25,899,986	0.185	238,209	0.199	0.137	-0.54	0.54	0.54	16.67	1.22	7.65x	1.43x	4.63	0.56	-15.42%	-59.75%
	Health Care	OMAN MEDICAL PROJECTS	OMPS	8,324,578	0.100	-	0.110	0.086	0.00	0.00	0.00	26.58	0.45	-	0.72x	#N/A/N/A	0.07	-45.74%	-
	AVERAGE			2,736,123,207										26.82x	3.56x	6.43			

Source: Bloomberg. The red marked refers to Q2 results



Useful Definitions (Source: MSM)

MSM 30 INDEX

The price index that aims to manifest the daily changes in the prices of the companies listed in Muscat Securities Market in objective and fair form and it is weighted by the market value which is the most common manner to compute the indices in the securities markets. Muscat Market Index consists of (30) companies representing the different sectors of the market. It is constituted of three sector indices that are: banks and investment companies index, Industry index and services and insurance index. It is considered as an essential benchmark for the investors to compare the performance of their investment portfolios with the performance of the market in general

RIGHT ISSUE

The company giving the present (old) holders of shares the first right in purchasing the increase shares (in case that the company increases its share capital through issuing new shares) before offering them to others. In case the shareholder did not participate in the subscription and covering, the company sells the shares to any other investor

PORTFOLIO

The total of assets owned by any investor and the financial instruments should be diversified to avoid the risks and to follow the known proverb "don't put all the eggs in one basket"

SHAREHOLDERS EQUITY

Represents the value of the shares owned by shareholders in a company and they are normally made of (paid up capital + reserves + retained earnings)

Quotation

It is the bid & ask prices decided by buyers & sellers for the securities

PAID UP SHARE CAPITAL

The portion of the subscribed share capital that has been paid

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