

# GCC Asset Allocation & Volatility

February 2009

A Turbulent start to the year

Research Highlights:  
Suggesting asset allocation among GCC stock markets based on quantitative proprietary models developed by Markaz

## Asset Allocation Review – January 2009

Strategies	Table 1: Return Profile – Various Strategies		
	Monthly Return (%)	MTD Outperformance / Underperformance vs SAA (%)	YTD 09 Outperformance / Underperformance vs SAA (%)
Strategic Asset Allocation (SAA)	-8.85	-	-
Tactical Asset Allocation (TAA) Strategies			
1. Momentum Model	-6.68	2.17	2.17
2. Mean Reversion Model	-11.02	-2.17	-2.17
3. Risk Model	-9.25	-0.40	-0.40

Source: Markaz Research. The strategies are quantitative models proprietary to Markaz Research

Following the turbulence of GCC market performance in 2008, it would be nice for things to regulate a bit in 2009, however, judging from January 2009 performance, this does not look likely. GCC markets saw wildly divergent performances in January 2009. Saudi's Tadawul was the only index to see a monthly gain, albeit a marginal one of 0.12%, while the rest of the GCC indices continued to flounder in the red. On a monthly basis, Qatar's Doha Stock Market lost the most, with a decline of 23.72%, the DSM was the best performing GCC market in 2008, with a loss of 28%. The second highest loss was in the Kuwait Stock Exchange, which shed a further 13% in January following its 2008 loss of 38%.

The Strategic Asset Allocation (SAA) model's monthly loss was more severe in January, declining by 8.85% versus the 2.6% loss in December. The model benefited somewhat from its high allocation of 54% to Saudi Arabia while holding an allocation of 26% and 9% in Kuwait and the UAE, respectively. The MSCI Saudi index lost just 1.15% in January, whereas MSCI Bahrain and Qatar plunged 28% and 23%, respectively. In January, the Momentum model outperformed all other Tactical Asset Allocation (TAA) models, as it recorded a loss of 6.68%.

For the month of February (Table 2), the Momentum model decreased its exposure to the Saudi market to 59% and reduced its allocation to Qatar to 3%, while holding 20% of its portfolio value as cash.

Strategies	Table 2: Recommended Asset Allocation for February- 09							Cash/ (Loan)	Portfolio Total
	Saudi Arabia	UAE	Kuwait	Bahrain	Qatar	Oman			
SAA	58%	7%	24%	1%	6%	3%	0%	100%	
TAA Strategies									
1. Momentum Model	59%	4%	12%	1%	3%	1%	20%	100%	
2. Mean Reversion Model	58%	11%	36%	2%	9%	4%	-20%	100%	
3. Risk Model	30%	11%	24%	2%	9%	4%	20%	100%	

Source: Markaz Research. The strategies are quantitative models proprietary to Markaz Research

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M.R. Raghu CFA, FRM  
Head of Research  
+965 2224 8280  
[rmandagolathur@markaz.com](mailto:rmandagolathur@markaz.com)

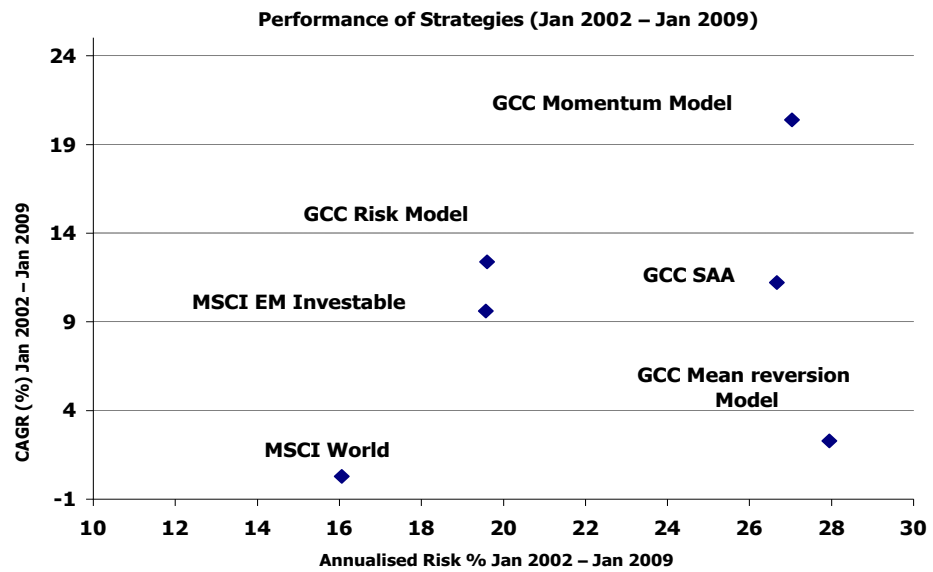
Layla Al-Ammar  
Investment Analyst  
+965 2224 8000 Ext. 1205  
[lammar@markaz.com](mailto:lammar@markaz.com)

Kuwait Financial Centre  
S.A.K. "Markaz"

P.O. Box 23444, Safat 13095,  
Kuwait  
Tel: +965 2224 8000  
Fax: +965 2242 5828  
[www.markaz.com](http://www.markaz.com)

Figure 1: Long-term Trends of Asset Allocation Strategies

The Momentum model significantly reduced its exposure to the Saudi market (from 81% to 59%) and the Qatari market (from 70% to 3%) for February 2009.



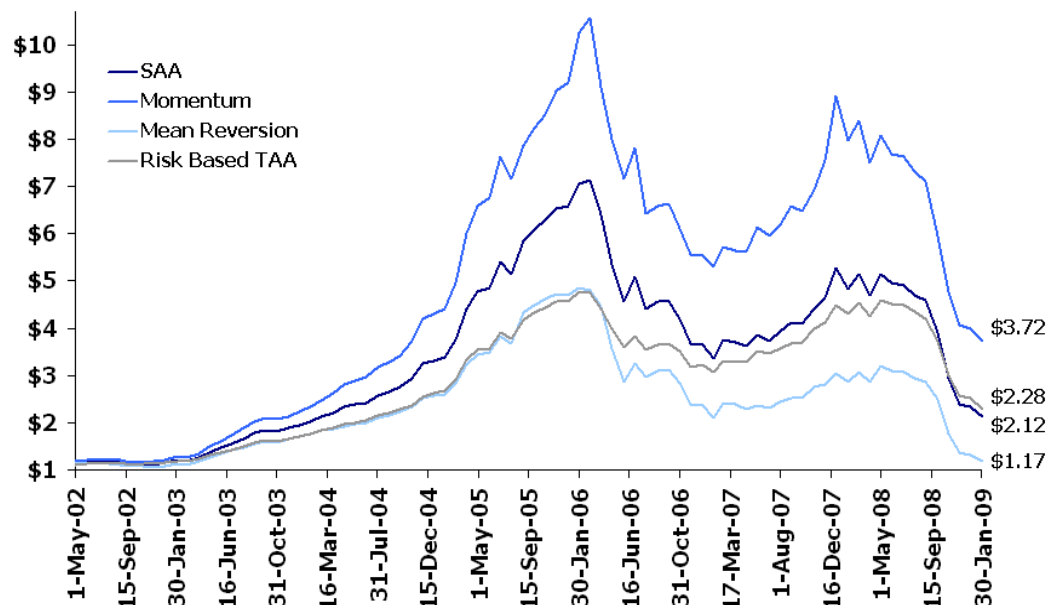
Source: Markaz Research

For January, all the asset allocation models witnessed marginal reductions in their annualized risk from November levels. The Momentum model's CAGR of returns declined further in January to 20.4% from 21.8% in December, and the annualized risk held steady at 27.0% (Figure - 1). On a CAGR basis, the SAA model return stood at 11.21% in January versus 12.8% in December. The Mean Reversion model registered an annualized risk of 28% and compounded returns of 2.27% in January. The Risk model saw a monthly decline of 12 bps in its CAGR of returns to 12.37%, while annualized risk increased 2 bps to 19.6%.

In January, the MSCI EM index and MSCI World index reported a rise in the CAGR of returns to 9.60% and 0.28%, respectively.

Figure 2: \$1 Performance of TAA Strategies

\$ 1 Performance of TAA Strategies Vis-à-vis Strategic Asset Allocation



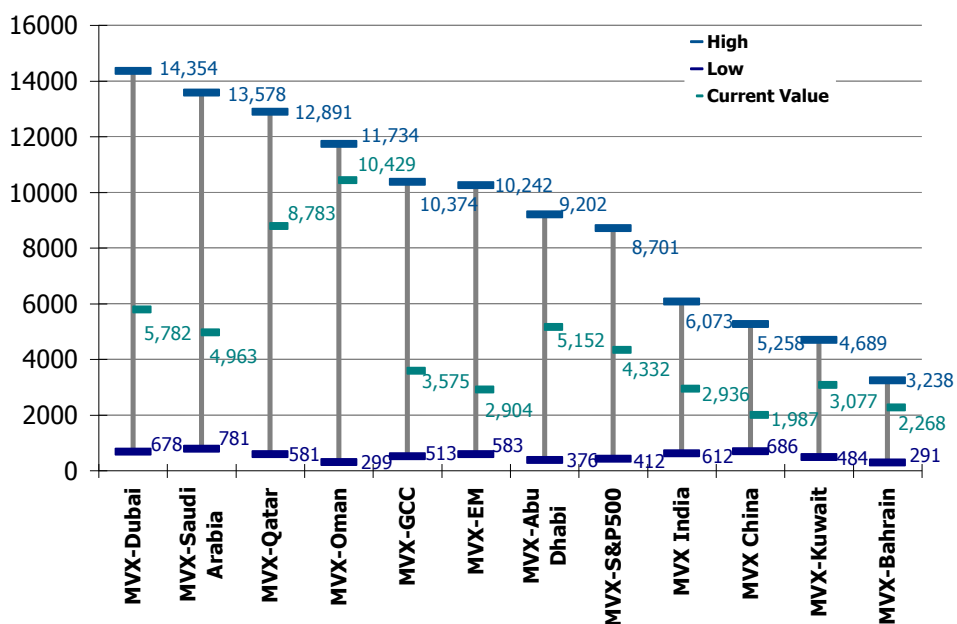
Source: Markaz Research

### Volatility (as measured by Markaz Volatility Index)

In January, volatility levels cooled off in Saudi Arabia, Kuwait, and Dubai by 20%, 20%, and 16%, respectively. However, Qatar volatility spiked by a whopping 109% in January and is currently trading 27% above its 120-day moving average. Oman is also exhibiting very high levels of volatility relative to its history.

MVX China recorded its fourth consecutive monthly decline in January and was trading 41% below its 120-Day MVA

**Figure 3: Comparable MVX Levels as of January 31, 2009**



Source: Markaz Research

Key Trends & Inference			
Index/Country	MVX Spot as on Jan 31, 2009	% Chg (MoM) <sup>1</sup>	Inference
Oman	10,429	32	MVX Oman was trading 53% higher than its 120-day MVA.
Qatar	8,783	109	MVX Qatar was down 49% in December, before spiking 109% in January.
Dubai	5,782	-16	MVX Dubai was trading 19% below its 120-day MVA <sup>2</sup> .
Abu Dhabi	5,152	-0.3	MVX Abu Dhabi was trading up 149% on a YTD basis.
Saudi Arabia	4,963	-20	MVX Saudi Arabia was down 44% in December and trading 29% below its 120-day MVA.
S&P 500	4,330	2	MVX S&P 500 inched up by 2% in January following December where it was trading 42% lower.
GCC	3,575	35	MVX GCC was trading 14% below its 120-day MVA.
Kuwait	3,077	-20	MVX Kuwait rose 20% on a MoM basis. On a YTD basis, the index was trading 219% higher.
India	2,936	6	India was down 29% in November and 36% in December, before edging up by 6% in January.
EM	2,904	-17	MVX EM was trading 44% below its 120-day MVA but it was up 60% YTD.
Bahrain	2,268	-1	MVX Bahrain was trading 18% above its 120-day MVA.
China	1,987	-14	China recorded its fourth consecutive decline and was trading 41% below its 120-day MVA

Source: Markaz Research  
 Note: <sup>1</sup> - Variation calculated on a MoM basis      <sup>2</sup> - 120-Day Moving Average

In January, the short-term correlation between Kuwait and Dubai decreased to 44% while correlation between Qatar and the S&P 500 dropped to 0

## Correlation

Correlations among GCC markets continue to edge higher in tandem with common set of crisis being faced by the markets. However, compared to US markets (S&P 500) correlations continue to be attractive and in certain cases (Kuwait, Oman, & Bahrain) continues to be either negative or close to zero.

**Table 3: Short-Term Return Correlation**

1Y Correlation (February 2008– January 2009)									
	Saudi Arabia	Kuwait	Dubai	Abu Dhabi	Qatar	Oman	Bahrain	S&P 500	GEM*
Saudi Arabia	100								
Kuwait	14	100							
Dubai	29	44	100						
Abu Dhabi	27	49	83	100					
Qatar	20	52	62	68	100				
Oman	21	39	59	57	64	100			
Bahrain	9	61	50	53	52	46	100		
S&P 500	24	(4)	12	12	0	(2)	(3)	100	
GEM*	30	19	41	38	28	29	25	50	100

Source: Markaz Research; \*: Global Emerging Markets

**Table 4: Long-Term Return Correlation**

3Y Correlation (February 2006– January 2009)									
	Saudi Arabia	Kuwait	Dubai	Abu Dhabi	Qatar	Oman	Bahrain	S&P 500	GEM*
Saudi Arabia	100								
Kuwait	15	100							
Dubai	25	33	100						
Abu Dhabi	25	38	71	100					
Qatar	13	35	42	50	100				
Oman	15	29	41	43	52	100			
Bahrain	8	43	33	37	39	36	100		
S&P 500	11	(1)	8	8	1	0	(1)	100	
GEM*	16	13	27	26	22	24	15	45	100

Source: Markaz Research; \*: Global Emerging Markets

## Market Review

### A. GCC Performance

MOM Change

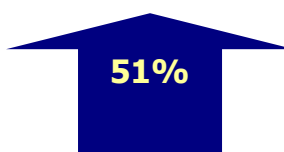


- GCC markets recorded a MoM decline of 8.87% in January following an 8.0% decline in December. Emerging markets lost 3% in January. The GCC decline was led by Qatar, Kuwait, and Oman, whose indices lost 23.72%, 13%, and 11.5% respectively in January.

### Liquidity

- In January, volume traded in GCC markets was up 29.53% to 15.9 Bn shares whereas value traded increased by 24% to USD37.8 Bn (refer Appendix 4).
- The Saudi market topped the charts in terms of contribution to overall trading activity in the GCC. Saudi Arabia contributed 40% to the total volume traded and 81% to the total value traded in January.

MOM Change (Value Traded)



### B. Saudi Arabia Performance

- Saudi Arabia's Tadawul All-Share Index (TASI) gained a marginal 0.12% MoM in January, after ending 2008 with a fall of 56%.
- The Tadawul's gain was led by the Hotel & Tourism and Insurance sectors, which gained 17.34% and 13% for the month.

### Liquidity

- For January, the total volume and value traded stood at approximately 6.3 Bn and USD30.7 Bn, respectively, an MOM growth of 45% and 51%, respectively.
- Concentration of the top five stocks in terms of volume and value traded to total market capitalization stood at 21%.

### Performance of blue chip stocks

- Multi-investment company, Kingdom Holdings Company's (KINGDOM) stock price tanked 62.4% in 2008, as the global credit crisis severely impacted valuations of its investments. KINGDOM announced a net loss of USD 8 bn for 2008.
- Saudi Telecom Co. (STC) stayed its growth course in 2008, with the firm setting aside USD14 Bn for acquisitions in Asia and the Middle East. STC reported a net profit of USD 2.94 bn for 2008, a decline of 8.17% from 2007. The STC stock declined 41.4% during the year, and is down a further 4% YTD in 2009.
- Saudi Basic Industries Corporation (SABIC) witnessed a mixed year as steel prices, which rose in the first half of 2008, boosted by demand growth, witnessed heavy declines in the second half, as demand fell off. The huge decline in oil prices blunted the subsidy edge that SABIC enjoyed over its competitors. The troubles of 2008 reflected in SABIC's performance, with its net profit for 2008 falling 18.56% to USD 5.9 bn. Quarterly performance was worse, with 4Q08 net profits plunging 96% to USD 83 mn. The year 2008 also saw SABIC's stock price plummet 68.9%.

### MoM Change

Company	% Change
KINGDOM	4
RAJHI	0
STC	-4
SABIC	-7
SAMBA	-18

Expected Implication on the market



### Regulatory/Other Developments

- The country's stock market regulator, the Capital Market Authority, stated during the year that listed firms would have to comply with mandatory corporate governance disclosures in their annual reports, beginning 2009.
- As the global credit crisis deepened, the Saudi Arabian Monetary Agency (SAMA) as part of policy measures reduced interest rates in 2008. The latest 50 bps cut in December brought interest rates down to 2.5%.

**MOM Change**



**MOM Change (Value Traded)**



**MoM Change**

Company	% Change
AGLTY	6
ZAIN	-7
NBK	-8
KFH	-13
NIG	-42

**Expected Implication on the market**



**MOM Change**



- Despite the decline in oil prices and the 8.9% decrease in the forecasted budget revenues for 2009, the government has increased its budget expenditure for 2009 by 15.9%.

**C. Kuwait Performance**

- The Kuwait Index fell 13.08% in January, second only to Qatar's Doha SM. January's loss was the index' seventh consecutive loss.
- The price index's performance was determined by the Investment and Banking indices, which plunged by 17.98% and 16.59% during the month. Even the Insurance index, which was the only sector to gain in 2008, was not immune to the losses, declining 5.69% for January.

**Liquidity**

- The total volume traded in Kuwait decreased by 5% in January, whereas the total value traded decreased 38% to USD3.13 Bn in the same month.

**Performance of blue chip stocks**

- Public Warehousing Co. (AGLTY) stock closed out 2008 with a loss of 47%, but was up 6% in January. In December 2008, the firm won a USD932 Mn contract for supplying repair parts and equipment to the Tobyhanna Army Depot in Pennsylvania.
- Mobile Telecommunications Co.'s (ZAIN) stock price declined 57.2% in 2008, and a further 7% in January. The company also proposed a dividend of 50 fils per share for 2008 during December. Also in December, the company announced that it had paid off USD 1.8 bn of debt, or roughly 30% of overall debt. For 2008, the company reported a net profit of USD 1.11 bn, a growth of 2.77% over 2007 net profit.
- National Bank of Kuwait (NBK) stock declined 37% in 2008 and was down 8% in January. For 2008, NBK announced a net profit of USD 925 mn, a decline of 7.31% YOY.
- Kuwait Finance House (KFH) stock declined 43.3% in 2008 and was down a further 13% in January. In December 2008, the company announced it had liquidated most of its investments in its first Asian Real Estate fund and recorded a profit of USD39.6 Mn.
- National Industries Group (NIG) stock price plunged 72.4% in 2008 and was down a whopping 42% in January.

**Regulatory/Other Developments**

- The Central Bank of Kuwait took a number of steps during the second half of 2008 to counter the credit crisis, including rate cuts. The latest step in this direction was in December 2008, when the discount rate was slashed by 50 bps to 3.75%.
- The Kuwait Investment Authority set up a multi-billion-dollar fund to buy up to 10% of value of stocks traded on the Kuwait Stock Exchange in order to support sagging investor confidence.

**D. United Arab Emirates Performance**

- The UAE markets were amongst the most affected by the global credit crisis in 2008, with the DFM shedding 72.4% during the year and the ADX losing 47.5%. In January, the markets lost a further 7.09% and 5.61%, respectively. On a market cap weighted basis, UAE declined by 6.12% in January.
- The Materials sector index in Dubai fell by 19.47%, the largest among DFM sector indices, while the Banking index was flat for the month. In Abu Dhabi the Real Estate sector index plunged 23.16% followed by Banks & Financials, which shed 10.9% for the month.

MoM Change	
Company	% Change
EMIRATES	
NBD	8
DIB	6
ETISALAT	2
NBAD	-6
EMAAR	
PROP	-13

Expected Implication  
on the market



MOM Change



### Liquidity

- Trading activity in Dubai and Abu Dhabi remained on a high note. The total volume traded in UAE in January increased 58% (5.71 Bn), whereas the total value traded increased 34% (USD2.43 Bn in January).
- Concentration of the top five stocks in terms of volume and value traded to market capitalization was 11% and 28%, respectively, in January.

### Performance of blue chip stocks

- Dubai Islamic Bank (DIB) stock plunged 82.7% in 2008, as the credit crisis dampened prospects of the financial services segment. However, the stock was up 6% in January.
- Emirates Telecommunication Corp. (Etisalat) stock lost 48.3% in 2008 and was up 2% in January. In 2008, Etisalat's net profit rose 18.7% to USD 2.36 Bn. The firm paid a cash dividend of 25 fils a share for the first half of 2008.
- National Bank of Abu Dhabi (NBAD) reported a 2008 net profit of USD 819 mn, 20.5% higher than 2007. In December 2008, the bank tied up with Evans Randall to set up a USD500 Mn fund offering mezzanine finance for European real estate projects. Nevertheless, the stock lost 53.2% in 2008, and was down a further 6% in January.
- For Emaar Properties (EMAAR) stock ended 2008 at a new four-year low as its share price nosedived 84.8%. In January, the stock lost a further 13%. The firm had a mixed year with the first half witnessing record profits and its write-downs in the US market were offset by the real estate boom in the Middle East region. However, the property boom in the Middle East failed to sustain in the second half, resulting in EMMAR shares figuring among the top losers in the real estate segment on the DFM.

### Regulatory/Other Developments

- The UAE Cabinet has approved 21% increase in the total outlay to AED42.2 Bn for 2009, which is to be a zero-deficit, no surplus budget.

### E. Qatar

#### Performance

- The Doha Stock Market (DSM) was down 28.1% during 2008, due to weak investor sentiment caused by the credit crisis. The losses continued into January where the index lost an additional 23.72%. This would rank as the second worst month in its history.
- Losses on the DSM were led by the Industrial and Banking sectors, which lost 24.68% and 23.77%, respectively, in January.

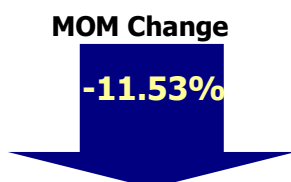
#### Liquidity

- In January, total value traded on the DSM shed 51% to equal USD 1.41 bn while total volume traded shrank by 34% to equal 215 mn.
- Concentration of the top five stocks in terms of volume and value traded to market capitalization was 30% and 40%, respectively, in January.

#### Performance of blue chip stocks

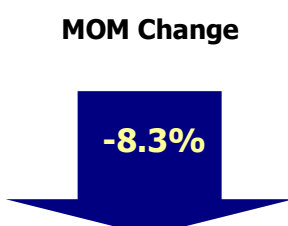
- Qatar Telecommunications (QTEL) stock declined by 43.7% in 2008, and was down a further 6% in January. The firm has also declared a cash dividend of QR10 per share for 2008.
- Qatar Islamic Bank (QIB), in December 2008, announced a stake sale worth QR3.8 Bn to the Qatar Investment Authority. In November, QIB proposed a cash dividend of QR7 a share for 2008. QIB reported a net profit of USD 450 mn in 2008, a growth of 30.5% over 2007. Despite

MoM Change	
Company	% Change
QTEL	-6
QIB	-12
INDUSTRIES	
QATAR	-27
CBQ	-28
QNB	-35



MoM Change	
Company	% Change
BANK	
DHOFAR	12
OTEL	2
BKMB	-18
NBO	-24
RCCI	-28

**Expected Implication  
on the market**



healthy results, the stock fell 16.4% in 2008 and was down a further 12% in January of 2009.

- The Commercial Bank of Qatar (CBQ) stock fell 38.5% in 2008, and was down an additional 28% in January. The bank announced in December 2008 the sale of shares to the Qatar Investment Authority to raise an additional QR3.2 Bn. CBQ announced a 2008 net profit of USD 467 mn, a growth of 22.4% over 2007.
- Qatar National Bank (QNB) reported a 2008 net profit of USD 1 bn, a YoY increase of 45%. For Q4 2008, QNB reported net earnings of USD 178 mn, a flat decline of 1% on a YoY basis, but a tumble of 43% QoQ. QNB's stock held its own in 2008, losing just 2%; however, the stock took a severe beating in January, plunging 35%.

**Regulatory/Other Developments**

- The Qatar Investment Authority decided to acquire 10-12% stake in banks listed on the DSM at the closing share prices of 12<sup>th</sup> October 2008.

**F. Oman  
Performance**

- The Muscat Securities Market (MSM) declined 39.8% in 2008, and fell a further 11.53% in January. Losses were led by the Industrial sector, which shed 17.74% in January, followed by Banking & Investments with a monthly decline of 15%.

**Liquidity**

- During January, total volume traded increased 34% to 157 mn while total value traded increased by 12% to USD 161 mn.

**Performance of blue chip stocks**

- Bank Dhofar posted a yearly fall of 44.9% in 2008, but rose 12% in January. Bank Dhofar's Board has recommended a 2008 cash dividend of 15.5% and 4.5% bonus shares, to be approved on March 29. The bank announced 2008 net profits of USD 61 mn, a YoY growth of just 4%.
- Bank Muscat (BKMB) posted a 2008 net profit of USD 243 mn, a growth of 11.2% YoY. The BKMB stock declined by 58.4% in 2008 and was down a further 18% in January.
- In January, National Bank of Oman (NBOB) registered a monthly loss of 24% following a 2008 loss of 42.9%. In 2008, NBOB posted a net profit of USD 141 mn, a YoY growth of 21.7%.

**Regulatory/Other Developments**

- During the year, the government intervened so as to maintain enough liquidity in the system. Oman's benchmark repo rate, which was 4.32% at the beginning of the year, was slashed to 1.53%. The last rate cut of 0.89% came in December 2008, as the Central Bank of Oman tried to ease the intense liquidity pressure on the economy.
- The fall in oil prices in the second half of 2008 led to a change in Oman's budget planning for 2009. In response to declining oil prices, Oman restructured its budget for 2009 at a price of USD45 /bbl – from the earlier USD55/ bbl. At the current price, Oman expects a budget deficit of RO385 Mn in 2009.

**G. Bahrain  
Performance**

- The index declined 35% in 2008 and a further 8.27% in January. January represented the eighth consecutive loss for the index.

**MOM Change (Value Traded)**



**MoM Change**

Company	% Change
BATELCO	1
InvCorp	0
ABC	0
GFH	-13
AUB	-29

- January's losses were led by the Banking sector, which shed 14.2% in the month. The only sector index to manage a gain was Hotels & Tourism, which was up a marginal 0.38% for the month. Hotel and Tourism was the only sector to post yearly gains of 23.0% in 2008. The Services Index, which was up 0.8% in December, has reported a loss of 19.4% in 2008.

**Liquidity**

- In January, total value traded plunged 84% to USD 33 mn while total volume shrank 82% to 36 mn.
- Concentration of the top five stocks in terms of volume and value to the market capitalization was 10% and 18%, respectively.

**Performance of blue chip stocks**

- Bahrain Telecommunication Company (Batelco) gained 1% in January after losing 22.2% in 2008. Batelco posted a 2008 net profit of USD 276 mn, a YoY growth of just 2.60%.
- Gulf Finance House (GFH) reported a monthly loss of 13% in January following a whopping 69.8% in 2008. GFH posted a net profit of USD 292 mn in 2008, a decline of 14% over 2007.
- Ahli United Bank (AUB) registered a loss of 50.2% in 2008, with a further decline of 29% in January.

**Regulatory/Other Developments**

- After October, the CBB again cut repo lending rates in December to 2.75% from 3.50% to boost liquidity in the system.

## Appendix 1: Model Performance – Historical

Monthly performance (%)													
SAA													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2002	2.03	(0.43)	3.03	10.65	2.09	(1.43)	(0.30)	(0.07)	(3.35)	(0.22)	(1.05)	3.73	14.93
2003	4.16	(0.79)	6.46	8.80	6.65	6.10	6.98	6.51	3.86	(2.27)	4.62	3.53	69.69
2004	4.36	4.46	4.19	4.93	2.63	1.60	6.46	2.97	3.81	6.87	10.57	1.76	70.09
2005	2.10	10.68	17.61	8.07	1.93	11.47	(5.14)	14.01	3.90	3.35	3.82	0.88	98.49
2006	7.32	1.10	(10.50)	(16.18)	(15.01)	11.48	(13.39)	3.56	0.52	(8.47)	(12.36)	(0.48)	(44.49)
2007	(8.11)	11.75	(1.53)	(2.19)	6.44	(2.83)	5.04	4.59	(0.38)	8.03	5.15	13.61	44.48
2008	(8.57)	6.46	(8.78)	9.54	(3.62)	(0.73)	(4.44)	(2.48)	(14.89)	(24.69)	(18.53)	(2.63)	(55.91)
2009	(8.85)												(8.85)
TAA- Momentum													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End
2002	2.03	(0.61)	2.87	13.39	2.48	(1.01)	0.44	0.46	(3.87)	(0.68)	1.65	3.44	21.56
2003	5.44	(1.05)	5.91	10.96	7.90	7.43	8.85	7.87	4.10	(2.21)	3.54	4.39	83.61
2004	5.11	5.36	6.40	6.65	2.97	2.45	7.08	3.50	4.37	8.68	13.17	2.05	92.43
2005	2.77	12.63	21.05	9.61	2.72	12.72	(6.25)	10.03	4.65	3.54	5.67	2.03	114.27
2006	11.54	3.02	(13.84)	(12.25)	(10.44)	9.27	(18.01)	2.62	0.72	(7.72)	(9.09)	(0.30)	(39.74)
2007	(4.37)	7.61	(1.39)	(0.14)	9.01	(2.77)	4.05	6.07	(1.35)	6.80	8.90	18.32	60.91
2008	(10.57)	5.07	(10.61)	7.63	(4.62)	(0.72)	(4.21)	(2.76)	(16.42)	(19.67)	(14.74)	(2.16)	(55.33)
2009	(6.68)												(6.68)
TAA - Mean reversion													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End
2002	2.03	(0.25)	3.18	7.91	1.70	(1.85)	(1.05)	(0.60)	(2.83)	0.25	(3.76)	4.01	8.50
2003	3.46	(0.52)	7.02	6.64	5.41	4.77	5.12	5.16	3.62	(2.33)	5.71	2.66	57.47
2004	3.62	3.56	1.99	3.22	2.30	0.75	5.85	2.44	3.26	5.07	7.98	1.47	50.06
2005	1.43	8.72	14.17	6.54	1.13	10.22	(4.04)	17.99	3.16	3.16	1.98	(0.27)	83.23
2006	3.09	(0.83)	(7.15)	(20.11)	(19.58)	13.69	(8.77)	4.49	0.32	(9.22)	(15.63)	(0.65)	(49.54)
2007	(11.84)	15.89	(1.67)	(4.23)	3.86	(2.90)	6.02	3.12	0.60	9.25	1.40	8.89	28.74
2008	(6.57)	7.85	(6.94)	11.45	(2.62)	(0.75)	(4.68)	(2.20)	(13.37)	(29.71)	(22.32)	(3.09)	(56.84)
2009	(11.02)												(11.02)
TAA - Risk													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End
2002	2.12	(0.42)	2.22	6.32	2.39	(0.19)	0.87	1.05	(3.31)	0.49	0.60	2.55	15.39
2003	3.00	(0.52)	3.82	6.42	3.75	4.67	5.89	4.42	3.11	(0.66)	3.50	2.32	47.46
2004	3.28	3.92	3.45	3.91	2.21	2.04	4.97	2.73	3.06	3.87	7.85	2.97	54.25
2005	2.49	8.11	14.40	6.68	0.74	9.04	(3.16)	10.69	3.48	2.68	2.93	(0.08)	74.00
2006	4.53	(0.29)	(7.64)	(8.98)	(10.00)	6.65	(8.08)	3.34	0.60	(3.90)	(9.88)	1.36	(29.45)
2007	(4.76)	7.75	(0.80)	(0.12)	7.14	(1.53)	3.50	2.84	0.63	8.02	2.74	9.28	39.35
2008	(4.12)	5.35	(6.40)	8.06	(1.71)	(0.40)	(2.92)	(3.40)	(11.29)	(19.93)	(13.97)	(2.20)	(43.94)
2009	(9.25)												(9.25)

Source: Markaz Research

## Appendix 2: Volatility Model Performance – Historical

Table 1: Markaz Volatility Index (MVX)<sup>1</sup>

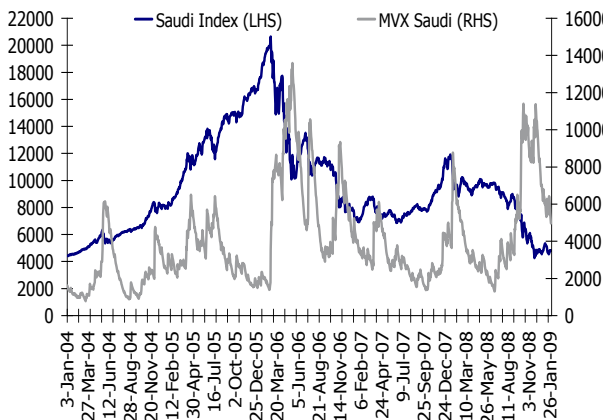
	Current Value 31-January-09	Historic High	Historic High Date	Historic Low	Historic Low Date	120-D Moving Average
MVX-Saudi Arabia	4,963	13,578	16-May-06	781	17-Mar-04	6,976
MVX-Kuwait	3,077	4,689	18-Mar-06	484	24-Oct-07	2,806
MVX-Qatar	8,783	12,891	14-Oct-08	581	8-Nov-04	6,906
MVX-Dubai	5,782	14,354	16-Oct-08	678	30-Aug-04	7,158
MVX-Abu Dhabi	5,152	9,202	14-Oct-08	376	29-Mar-04	5,041
MVX-Oman	10,429	11,734	14-Oct-08	299	7-Sep-04	6,838
MVX-Bahrain	2,268	3,238	30-Oct-08	291	29-Dec-04	1,924
MVX-GCC	3,575	10,374	16-May-06	513	28-Sep-07	4,151
MVX-EM	2,904	10,242	30-Oct-08	583	8-Jul-05	5,220
MVX-S&P500	4,332	8,701	28-Oct-08	412	19-Jan-07	5,196
MVX India	2,936	6,073	3-Nov-08	612	7-Dec-06	3,571
MVX China	1,987	5,258	22-Sep-08	686	28-Dec-05	3,344

Source: Markaz Analysis

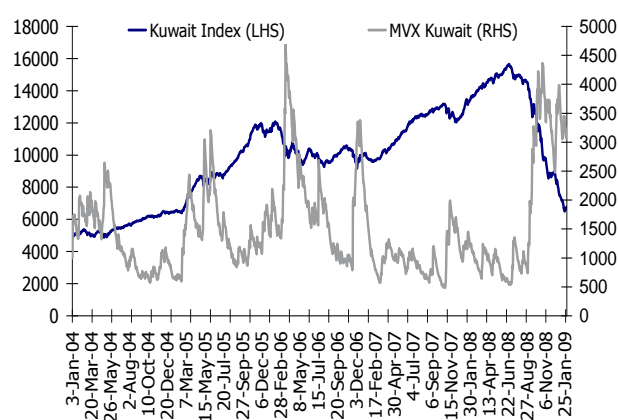
<sup>1</sup> Base Date Index 1000 as of 1st Jan 2004

### Markaz Volatility Index (MVX)-Country Charts (Till January 2009)

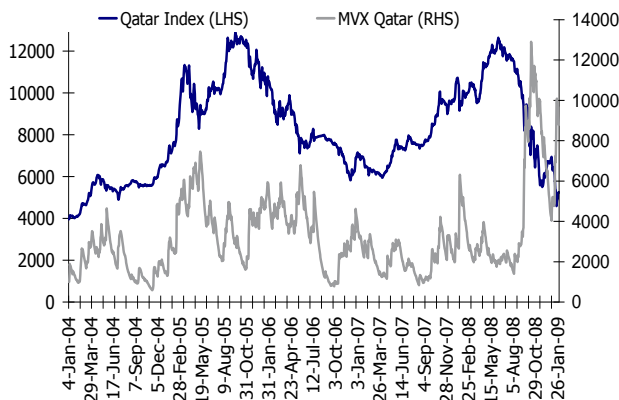
#### Saudi Arabia



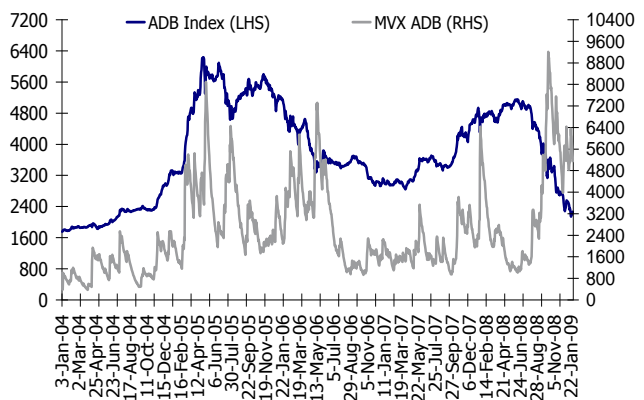
#### Kuwait



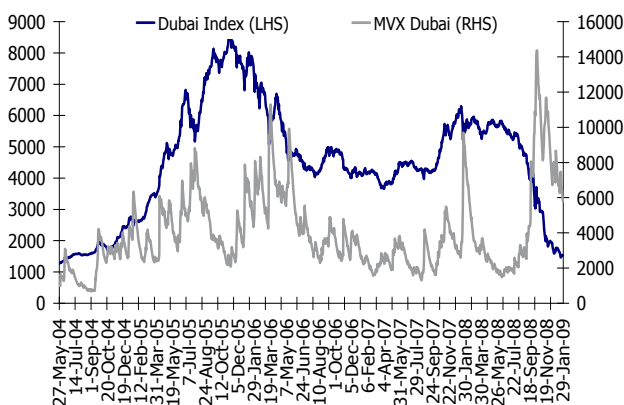
#### Qatar



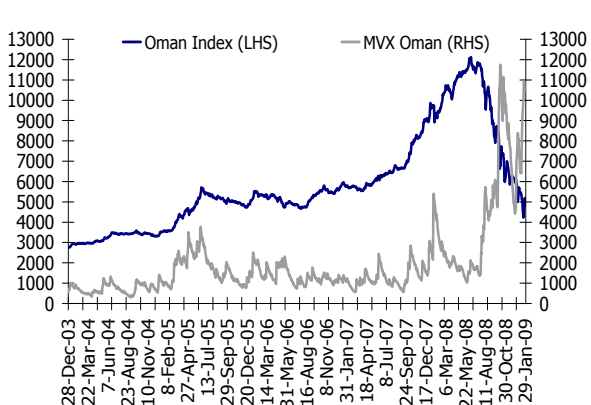
#### Abu Dhabi



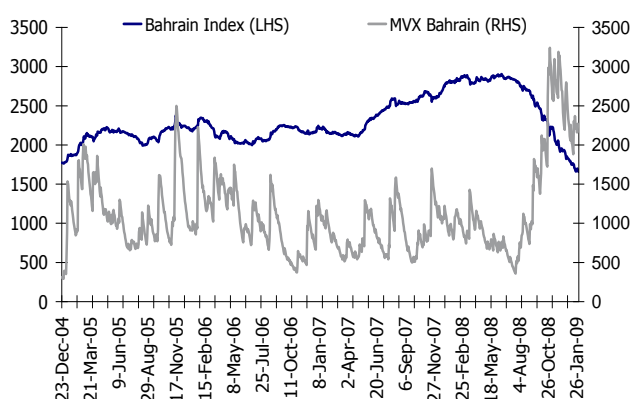
#### Dubai



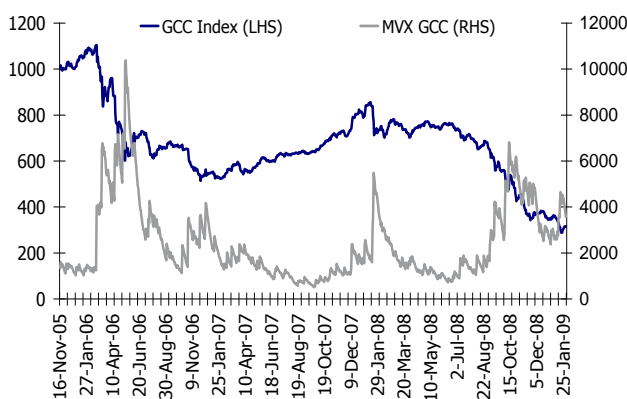
#### Oman



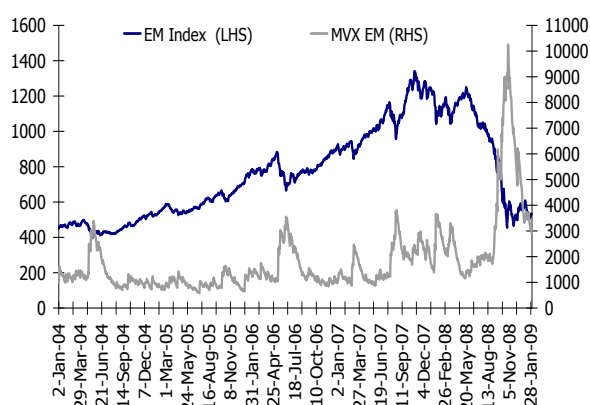
### Bahrain



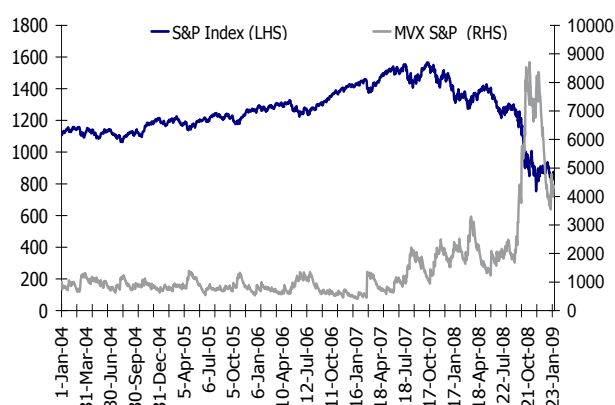
### GCC



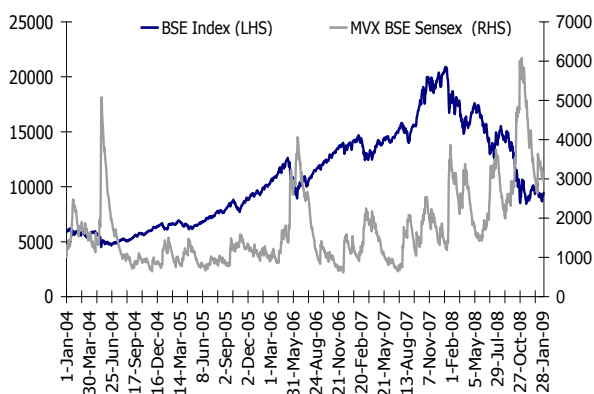
### EM



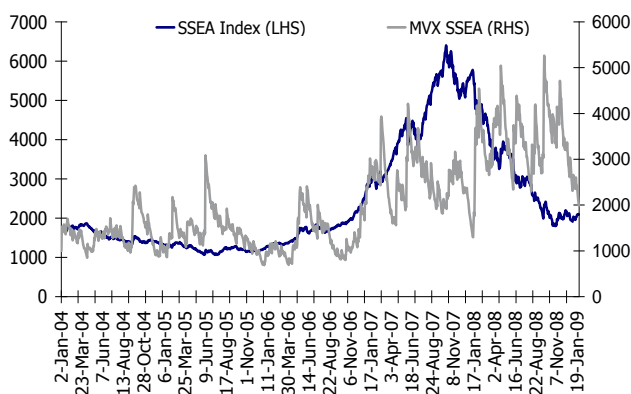
### S&P 500



### India



### China



## Appendix 3: Market Indicators

Indicators	M. Cap (USD Bn)	Last Close	Jan 2009 %	YTD %	2008 %	P/E 2007	P/E 2008
Saudi (TASI)	246	4,809	0.12	0.12	-56	21	9
Kuwait (KSE)	91	6,765	-13.08	-13.08	-38	14	5
Abu Dhabi (ADI)^	64	2,256	-5.61	-5.61	-48	16	6
Qatar(Doha SM)	42	5,253	-23.72	-23.72	-28	16	6
Dubai (DFMGI)	34	1,520	-7.09	-7.09	-73	23	-
Bahrain (BAX)	18	1,655	-8.27	-8.27	-35	9	5
Oman(Muscat SM)	10	4,814	-11.53	-11.53	-40	14	6
MSCI GCC Index	323	315	-8.87	-8.87	-57	19	8

Source: Excerpt from Markaz 'Daily Morning Brief' February 1, 2009

^ PE is for UAE in totality, CY08 Estimates are Markaz Earnings Estimates

### Appendix 4: Value & Volume Traded Indicators

		Volume Parameters				Value Parameters				
% of Volume Traded	% of Value Traded	Volume Traded (Mn)	LTM Volume Traded (Mn)	MoM Deviation for Dec (%)	Top 5 Volume Traded Concentration in Market Cap	Value Traded (USD Mn)	LTM Value Traded (USD Mn)	MoM Deviation for Dec (%)	Top 5 Value Traded Concentration in Market Cap	
40%	81%	<b>Saudi Arabia</b>	6,301	4,733	45%	21%	30,714	38,783	51%	21%
22%	8%	<b>Kuwait</b>	3,495	6,309	-5%	21%	3,134	9,337	-38%	33%
36%	6%	<b>UAE</b>	5,712	9,103	58%	11%	2,434	10,084	34%	28%
1%	4%	<b>Qatar</b>	215	307	-34%	30%	1,412	3,675	-51%	40%
1%	0%	<b>Oman</b>	157	317	34%	24%	161	655	12%	44%
0%	0%	<b>Bahrain</b>	36	129	-82%	10%	33	178	-84%	18%
		<b>Total GCC</b>	15,916				37,888			

Source: Markaz Research

### Appendix 5: Value traded (USD Bn)

	2004	2005	2006	2007	2008
Saudi (TASI)	473	1103	1403	682	522
Kuwait (KSE)	51	97	60	131	134
Abu Dhabi (ADX)	4	29	19	48	83
Dubai (DFM)	14	110	95	103	63
Qatar (DSM)	6	28	21	30	47
Oman (MSM)	2	3	2	5	9
Bahrain (BAX)	0.4	0.6	1.4	0.9	2.2
Total	550	1371	1601	1000	860

Source: Respective Stock Exchanges

## Appendix 6: Blue Chips Performance

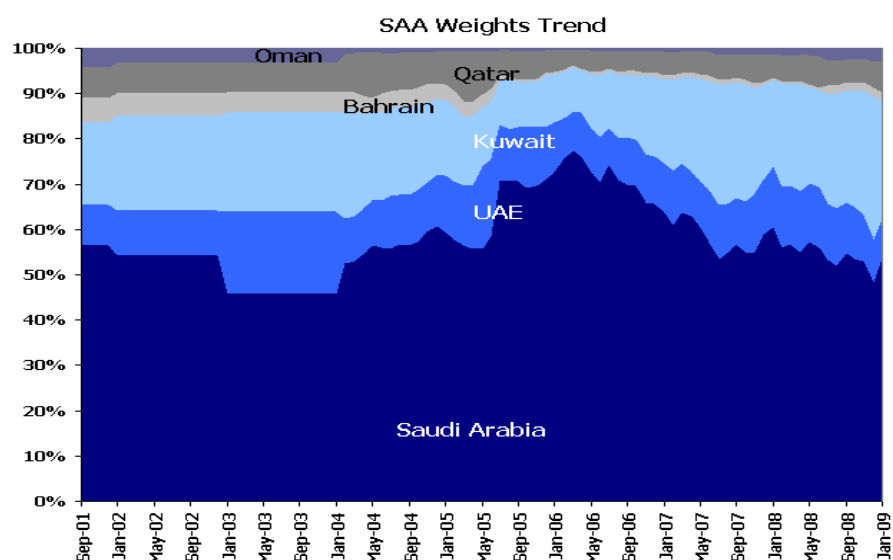
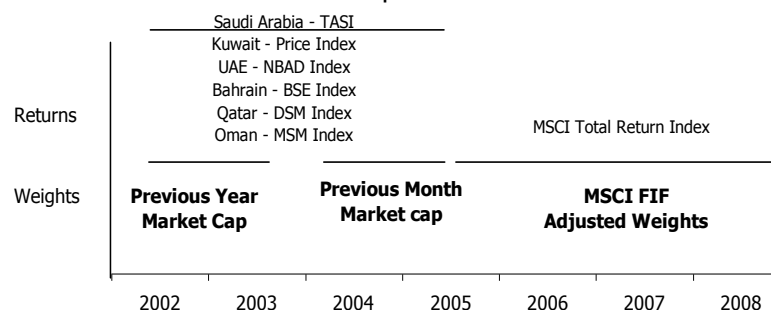
Companies	M.Cap (USD Bn)	Last Close (LC)	MTD Change	YTD Change	2008 Change	P/E 2007	P/E 2008	9M08 PAT	9M08 PAT (YoY Growth)
<b>Saudi Arabia (SAR)</b>									
SABIC	38	47.8	-7	-7	-69	18	5	22000 <sup>#</sup>	-19
SAUDI TELECOM	25	47.1	-4	-4	-43	14	7	9880	10
AL-RAJHI BANK	22	55.8	0	0	-54	27	11	5100	5
SAMBA FIN GRP	10	42.1	-18	-18	-57	22	6	4450 <sup>#</sup>	-8
KINGDOM HLDGS	8	4.9	4	4	-62	26	22	-29900 <sup>#</sup>	NA
<b>United Arab Emirates (AED)</b>									
ETISALAT	17	10.1	2	2	-49	16	7	8660 <sup>#</sup>	19
NBAD	4	8.4	-6	-6	-54	14	5	2527	44
EMIRATES NBD	4	3.3	8	8	-77	17	4	3660	33
EMAAR PROP	3	2	-13	-13	-85	14	2	5570	15
DIB	2	1.8	6	6	-83	2	2	1730	35
<b>Kuwait (KWD)</b>									
ZAIN	11	0.8	-7	-7	-58	22	7	235	0
NBK	10	1.1	-8	-8	-37	19	9	255 <sup>#</sup>	-7
KFH	8	1.2	-13	-13	-43	17	8	157 <sup>#</sup>	-43
AGILITY	3	0.8	6	6	-50	5	5	108	-10
NIND	1	0.2	-42	-42	-70	2	2	102	-51
<b>Qatar (QAR)</b>									
IND QTR	11	73.6	-27	-27	-28	15	7	7200	111
QNB	7	111.5	-35	-35	-2	14	8	3650 <sup>#</sup>	44
Q-TEL	4	103.3	-6	-6	-44	14	7	1800	39
QA ISL BK	4	73.1	-12	-12	-19	15	9	1640 <sup>#</sup>	31
QA COMM BK	4	63.8	-28	-28	-39	19	6	1700 <sup>#</sup>	21
<b>Oman (OMR)</b>									
OMAN TELE	3	1.6	2	2	-8	11	9	75*	54
BANK MUSCAT	2	0.7	-18	-18	-57	9	6	90	44
NAT BK OF OMAN	1	0.3	-24	-24	-42	7	6	35	20
BANK DHOFAR	1	0.4	12	12	-44	12	12	24 <sup>#</sup>	4
RAYSUT CEM	1	0.8	-28	-28	-44	5	4	27 <sup>#</sup>	-10
<b>Bahrain (USD)</b>									
AHLI UTD BANK	3	0.5	-29	-29	-50	7	5	280	24
BATELCO	2	0.6	1	1	-22	9	8	104 <sup>#</sup>	3
ARAB BANK CORP	2	0.9	0	0	-68	15	NA	-852	NA
GULF FIN HOUSE	1	0.8	-13	-13	-70	2	2	292	-14
INVESTCORP BK	1	1489	0	0	-43	4	8	151 <sup>#</sup>	-50

Source: Markaz 'Daily Morning Brief' February 1, 2009, Gulfbase, Zawya # - FY08 \* - H1 2008

\* H1 2008 # Fiscal year

## Appendix 7: Methodology – Asset Allocation

**Strategic Asset Allocation (SAA):** SAA refers to long-term policy allocation. This is a benchmark portfolio constituted based on monthly weights derived from average market capitalization of respective stock markets. SAA can be useful to investors when it is difficult to determine market direction. Our SAA is as provided below:



**Tactical Asset Allocation (TAA):** TAA refers to short-term changes made to SAA in order to derive return in excess of SAA. In other words, TAA assumes that we have views (positive or negative) on the respective markets and these are expressed either as underweight or overweight to the SAA. For e.g. the strategic allocation to Saudi Arabia is 56%. In a particular month, we may be bullish on Saudi Arabia and may want to increase the weight (overweight) to 70%. The stress is on short-term performance, which leaves investors' long-term risk tolerances and preferences unaffected. Our proprietary algorithm model tactically underweight and overweight GCC markets based on this trend. The nature of the movement of weights under various strategies is as provided in the table below:

S No	Strategy	Overweight If	Underweight If	No change If
1	SAA	MSCI FIF Adjusted Weight Increases	MSCI FIF Adjusted Weight Decreases	MSCI FIF Adjusted Weight remains stable
2	Momentum	markets go up	markets go down	Markets remain stable
3	Mean Reversion	markets go down	markets go up	Markets remain stable
4	Risk	volatility goes down	volatility goes up	Volatility Remains stable

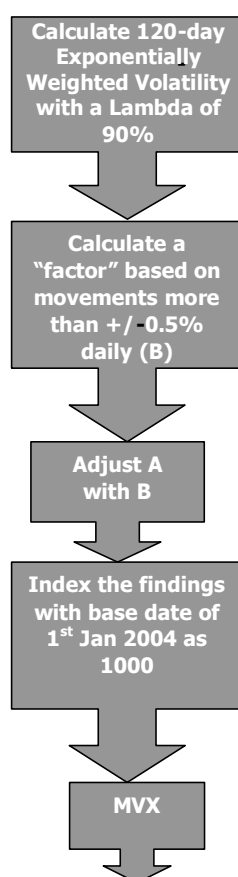
**Range:** Changes to TAA can be made subject to certain limits on upper and lower levels. The limits are put in place to ensure that no drastic action is incorporated in the model. It is also a tool to contain the risk of the model. Presently, the limit is set to +/- 50%. The various limits (max and min) are detailed below for various strategies:

Strategies	Decision Characteristics		
	Min	Max	Neutral/Spot
Momentum	50% of SAA	150% of SAA	SAA
Mean Reversion	50% of SAA	150% of SAA	SAA
Risk Based	50% of SAA	150% of SAA	SD Weight

**Leverage/Cash Level:** Our proprietary model is tuned to restrict leverage/cash level of the portfolio to a limit of +/- 20%.

## Appendix 8: Methodology – Markaz Volatility Index

Markaz Volatility Index (MVX) follows the following steps for its calculation.



- The MVX has a base date of 1 Jan 2004, for all the indices which have data from 1<sup>st</sup> Jan 2004. The average of the below mentioned parameters for all the countries is taken as the base value and converted into 1000.
- MVX is calculated based on Exponentially Weighted Moving Average (EWMA) for a period of 120-days Using EWMA provides more weight to recent volatility than historic. MVX also considers a second parameter i.e., the number of days during the previous 120 trading days where index trades outside a pre-set level. Presently, this level is +/-0.5% based on historic relationships (refer table below).
- Any movement outside this band indicates heightened level of volatility.
- The second parameter is reinforcement to the first parameter and may be influenced by the first parameter. However, since the methodology is uniformly applied across all the markets, the model is strengthened by the second parameter.

	% Number of days of deviation (Updated January '09)									
	Saudi Arabia	Kuwait	Qatar	Oman	Dubai	Abu Dhabi	Bahrain	MSCI EM	S&P	GCC
Less than +/-0.25%	17	31	24	32	15	23	42	22	29	26
+/-0.25% & +/-0.50%	16	23	16	22	16	18	26	20	21	21
+/-0.50% & +/-0.75%	11	17	11	14	13	14	12	16	14	15
+/-0.75% & +/-1.00%	10	11	9	9	8	10	9	10	11	12
+/-1.00% & +/-1.25%	10	5	7	7	10	8	4	8	7	8
+/-1.25% & +/-1.50%	7	4	6	3	7	6	2	7	4	6
+/-1.50% & +/-1.75%	5	3	5	3	6	5	1	3	4	3
+/-1.75% & +/-2.00%	4	1	3	2	3	3	1	3	2	2
+/-2.00%	22	4	20	8	21	13	2	10	8	9
Total	100	100	100	100	100	100	100	100	100	100

Note: Timeline observation - 30 Jun 04 - 31 January 09

Source: Markaz Research.

Note: Indices used - Saudi Arabia: TASI, Kuwait – Price Index, Qatar – Doha Market Index, Oman – Muscat SM Index, Abu Dhabi – ADI Index, Dubai – DFM Index, Bahrain – BAX Index, EM – MSCI EM, S&P – S&P 500 Index & GCC – MSCI GCC Index

## Appendix 9: GCC Stock Market Returns – Monthly Performance

Saudi Arabia															\$1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
2000	-2%	1%	-1%	2%	0%	3%	4%	8%	1%	-2%	-2%	-1%	11%	1.11	
2001	0%	0%	0%	0%	4%	4%	2%	5%	-11%	3%	-1%	3%	8%	1.20	
2002	1%	0%	3%	15%	0%	-4%	-2%	-2%	0%	-2%	-6%	4%	4%	1.24	
2003	5%	-3%	8%	5%	10%	12%	8%	9%	0%	-6%	7%	4%	76%	2.19	
2004	3%	5%	8%	6%	3%	1%	8%	2%	5%	12%	13%	-1%	85%	4.05	
2005	0%	10%	15%	7%	7%	12%	-2%	13%	1%	4%	4%	2%	104%	8.24	
2006	13%	4%	-13%	-24%	-14%	17%	-17%	2%	3%	-15%	-14%	-5%	-53%	3.91	
2007	-11%	17%	-7%	-3%	0%	-7%	7%	10%	-5%	9%	11%	18%	39%	5.44	
2008	-13%	6%	-11%	12%	-5%	-2%	-7%	0%	-15%	-26%	-14%	1%	-56%	2.37	
2009	0%												0%	2.37	

Kuwait															\$1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
2000	-1%	-1%	-1%	1%	5%	-1%	-3%	-2%	5%	-2%	-4%	0%	-5%	0.95	
2001	0%	3%	5%	3%	6%	7%	0%	6%	-11%	4%	0%	3%	28%	1.21	
2002	3%	0%	6%	9%	6%	3%	-1%	-1%	-8%	4%	9%	6%	39%	1.69	
2003	5%	4%	11%	20%	8%	-4%	3%	6%	11%	1%	3%	6%	102%	3.40	
2004	7%	2%	-5%	2%	5%	3%	4%	4%	3%	1%	4%	1%	34%	4.56	
2005	2%	4%	17%	10%	-4%	6%	2%	7%	6%	12%	3%	-4%	79%	8.13	
2006	4%	-3%	-14%	3%	-3%	1%	-6%	3%	5%	3%	-7%	3%	-12%	7.15	
2007	-4%	0%	5%	5%	7%	6%	3%	1%	1%	-1%	-6%	4%	25%	8.93	
2008	7%	4%	2%	3%	2%	3%	-3%	-4%	-10%	-20%	-6%	-14%	-33%	5.98	
2009	-13%												-13%	5.20	

Qatar															\$1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
2000	-10%	-3%	3%	3%	0%	0%	2%	0%	-2%	-2%	2%	0%	-8%	0.92	
2001	-2%	-3%	1%	4%	15%	-3%	3%	4%	-2%	3%	10%	4%	37%	1.26	
2002	-1%	0%	2%	7%	11%	4%	8%	8%	-8%	2%	0%	2%	37%	1.73	
2003	7%	-2%	6%	11%	-1%	13%	10%	8%	-6%	3%	9%	-1%	70%	2.94	
2004	3%	15%	16%	11%	-7%	-5%	4%	5%	-4%	0%	7%	9%	65%	4.84	
2005	12%	30%	18%	-16%	-3%	15%	-3%	20%	3%	-1%	-12%	1%	70%	8.24	
2006	-5%	-18%	4%	0%	-15%	0%	4%	-2%	-3%	-4%	-17%	20%	-35%	5.32	
2007	-10%	-2%	-4%	8%	12%	1%	4%	-2%	8%	16%	-1%	2%	34%	7.14	
2008	-1%	10%	-9%	18%	5%	0%	-2%	-10%	-11%	-26%	-12%	13%	-28%	5.13	
2009	-24%												-24%	3.92	

UAE															\$1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
2000	-2%	-4%	5%	-1%	-1%	-6%	-2%	-1%	0%	-4%	-1%	-2%	-18%	0.82	
2001	6%	-2%	0%	-1%	0%	-2%	-1%	2%	2%	1%	8%	8%	24%	1.01	
2002	6%	0%	-1%	-1%	0%	1%	3%	6%	-5%	1%	2%	1%	15%	1.16	
2003	1%	0%	-1%	5%	-1%	2%	9%	2%	8%	0%	2%	2%	32%	1.53	
2004	5%	2%	-1%	2%	5%	8%	8%	2%	6%	-1%	15%	17%	88%	2.88	
2005	5%	10%	32%	29%	-6%	14%	-19%	19%	7%	2%	-5%	-3%	103%	5.84	
2006	-9%	-3%	-2%	-16%	-5%	-5%	-2%	10%	-2%	-4%	-12%	3%	-40%	3.49	
2007	2%	1%	-9%	3%	15%	-1%	-3%	-1%	1%	20%	-5%	10%	34%	4.66	
2008	-2%	3%	-6%	8%	-1%	-2%	0%	-10%	-12%	-18%	-22%	-15%	-57%	2.02	
2009	-4%												-4%	1.95	

Oman															\$1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
2000	-6%	-4%	8%	-3%	-9%	-2%	-3%	-5%	0%	-7%	16%	-4%	-20%	0.80	
2001	-4%	0%	-4%	-8%	-3%	0%	4%	2%	-4%	-3%	-3%	-3%	-24%	0.61	
2002	6%	-2%	5%	1%	9%	2%	1%	-3%	-2%	0%	4%	3%	26%	0.77	
2003	2%	-1%	4%	8%	5%	5%	4%	1%	3%	3%	2%	1%	42%	1.09	
2004	7%	2%	0%	3%	5%	8%	-1%	-1%	2%	-1%	-2%	-1%	24%	1.35	
2005	6%	2%	18%	9%	7%	9%	-2%	-3%	-2%	-2%	-3%	1%	44%	1.95	
2006	12%	-3%	1%	-5%	-3%	-1%	-3%	8%	7%	6%	-5%	2%	14%	2.23	
2007	3%	0%	-4%	4%	7%	2%	1%	3%	5%	15%	5%	7%	62%	3.61	
2008	2%	13%	-3%	11%	3%	-2%	-5%	-12%	-11%	-27%	1%	-13%	-40%	2.17	
2009	-12%												-12%	1.92	

Bahrain															\$1
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
2001	-4%	-8%	3%	4%	1%	0%	-2%	8%	-9%	6%	1%	-1%	-2%	0.98	
2002	3%	-4%	4%	1%	0%	-2%	2%	0%	-5%	1%	5%	0%	3%	1.01	
2003	1%	-3%	-1%	2%	4%	5%	2%	1%	8%	5%	1%	2%	29%	1.30	
2004	-1%	0%	0%	3%	3%	0%	3%	10%	4%	4%	0%	1%	31%	1.70	
2005	5%	8%	3%	6%	-2%	-1%	-3%	0%	2%	4%	2%	-2%	24%	2.10	
2006	7%	-3%	-7%	0%	-4%	1%	1%	7%	2%	0%	-2%	2%	1%	2.13	
2007	-3%	0%	1%	-2%	10%	4%	7%	-2%	1%	4%	-2%	6%	24%	2.64	
2008	2%	3%	-3%	2%	1%	-1%	-2%	-4%	-8%	-10%	-12%	-7%	-35%	1.73	
2009	-8%												-8%	1.59	

Note: - Saudi Arabia - TASI, Kuwait - Weighted Index, Qatar - Doha Market Index, Oman - Muscat SM Index, UAE - NBAD Index, Bahrain - BAX Index

## Markaz Research Offerings

### Strategic Research

Diworsification: The GCC Stranglehold (Jan-09)  
 This Too Shall Pass (Jan-09)  
 Fishing in Troubled Waters (Dec-08)  
 UAE Outlook (Oct-08)  
 Down and Out: Saudi Stock Outlook (Oct-08)  
 Kuwait Stocks: Fair Value Not Far Away (Sept-08)  
 Mr. GCC Market-Manic Depressive (Sept-08)  
 Global Investment Themes (June-08)  
 To Yield or Not To Yield (May-08)  
 The Golden Portfolio (Apr-08)  
 Banking Sweet spots (Apr-08)  
 The "Vicious Square" Monetary Policy options for Kuwait (Feb-08)  
 Outlook 2008: GCC (Jan-08)  
 China and India: Too Much Too Fast (Oct-07)  
 A Potential USD 140b Industry: Review of Asset Management industry in Kuwait (Sep-07)  
 A Gulf Emerging Portfolio: And Why Not? (Jun-07)  
 To Leap or To Lag: Choices before GCC Regulators (Apr-07)  
 Derivatives Market in GCC (Mar-07)  
 Managing GCC Volatility (Feb-07)  
 GCC for Fundamentalists (Dec-06)  
 GCC Leverage Risk (Nov-06)  
 GCC Equity Funds (Sep-06)

### Periodic Research

<u>Title</u>	<u>Frequency</u>
Markaz Daily Morning Brief	Daily
Markaz Kuwait Watch	Daily
KSE Market Weekly Snapshot	Weekly
KSE Market Weekly Review	Weekly
International Market Update	Weekly
Mena Mergers & Acquisitions	Monthly
Option Market Activity	Monthly
GCC Asset Allocation & Volatility	Monthly
GCC Equity Funds	Quarterly

### Sector Research

Real Estate	Infrastructure
<ul style="list-style-type: none"> <li>▪ Saudi Arabia (Sep-08)</li> <li>▪ Abu Dhabi (July-08)</li> <li>▪ Algeria (Mar-08)</li> <li>▪ Jordan (Mar-08)</li> <li>▪ Kuwait (Feb-08)</li> <li>▪ Lebanon (Dec-07)</li> <li>▪ Qatar (Sep-07)</li> <li>▪ Saudi Arabia (Jul-07)</li> <li>▪ U.S.A. (May-07)</li> <li>▪ Syria (Apr-07)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Power</li> <li>▪ Water</li> <li>▪ Airports</li> <li>▪ Seaports</li> <li>▪ Roadways</li> <li>▪ Railways</li> <li>▪ ICT</li> </ul>

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**To obtain a print copy, kindly contact:**

Kuwait Financial Centre "Markaz"

Client Relations & Marketing Department

Tel: +965 2 224 8000 Ext. 1804

Fax: +965 22414499

Postal Address: P.O. Box 23444, Safat, 13095, State of Kuwait

**Email: [info@markaz.com](mailto:info@markaz.com)**

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## Markaz Research Offerings

### Company Research

Saudi Arabia	UAE	Qatar	Bahrain	Oman
<ul style="list-style-type: none"> <li>Saudi Investment Bank (Jan-09)</li> <li>Savola Group (Dec-08)</li> <li>Kingdom Holding Co (Dec-08)</li> <li>Al Marai Company (Nov-08)</li> <li>Saudi Kayan Petro Co. (Aug-08)</li> <li>Al Rajhi Bank (Aug – 08)</li> <li>Arab National Bank (July-08)</li> <li>Saudi Telecom Co. (Jun-08)</li> <li>SAFCO (Jun-08)</li> <li>Banque Saudi Fransi (Jun-08)</li> <li>Riyad Bank (Jun-08)</li> <li>Samba Financial Group (May-08)</li> <li>Sabic (May-08)</li> </ul>	<ul style="list-style-type: none"> <li>Gulf Cement Company (Jan-09)</li> <li>Abu Dhabi National Hotels (Dec-08)</li> <li>Dubai Investments (Dec-08)</li> <li>Arabtec Holding (Dec-08)</li> <li>Air Arabia (Nov-08)</li> <li>Union Properties (Nov-08)</li> <li>Dubai Islamic bank (Oct-08)</li> <li>Aldar Properties (Sept-08)</li> <li>Union National Bank (Aug-08)</li> <li>Dubai Financial Market (July-08)</li> <li>Emaar Properties (July-08)</li> <li>Dana Gas (July-08)</li> <li>FGB (July-08)</li> <li>DP World (July-08)</li> <li>ADCB (Jun-08)</li> <li>Etisalat (Jun-08)</li> <li>NBAD (May-08)</li> </ul>	<ul style="list-style-type: none"> <li>Qatar Fuel Co. (Dec-08)</li> <li>Qatar Shipping Co (Dec-08)</li> <li>Barwa Real Estate Co. (Nov-08)</li> <li>Qatar Int'l Islamic bank (Nov-08)</li> <li>Qatar Insurance Co. (Nov-08)</li> <li>Qatar Telecom (Oct-08)</li> <li>Qatar Gas Transport Co. (Oct-08)</li> <li>Doha Bank (Aug-08)</li> <li>Qatar National Bank (Aug-08)</li> <li>QEWC (July-08)</li> <li>QISB (July-08)</li> <li>Masraf Al-Rayan (Jun-08)</li> <li>Commercial Bank of Qatar (Jun-08)</li> <li>Industries Qatar (May-08)</li> </ul>	<ul style="list-style-type: none"> <li>Gulf Finance House (Oct-08)</li> <li>Esterad Investment Company (Aug-08)</li> <li>Bahrain Islamic Bank (Aug-08)</li> <li>Ithmaar Bank (July-08)</li> <li>Tameer (July-08)</li> <li>Batelco (July-08)</li> </ul>	<ul style="list-style-type: none"> <li>Galfar Engineering &amp; Cont. (Nov-08)</li> <li>Oman Telecommunications (Sept-08)</li> <li>Bank Muscat(Sept-08)</li> <li>Oman cement (Sept-08)</li> <li>Raysut Cement Company (Aug-08)</li> <li>National Bank of Oman (Aug-08)</li> <li>OIB (July-08)</li> </ul>
<p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 60%</b></p>	<p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 46%</b></p>	<p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 93%</b></p>	<p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 29%</b></p>	<p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 69%</b></p>
			<p><b>Egypt</b></p> <ul style="list-style-type: none"> <li>Commercial Int'l Bank (Oct-08)</li> <li>Orascom Telecom (Sep-08)</li> <li>Mobinil (Sep-08)</li> <li>Telecom Egypt (Aug-08)</li> <li>EFG-Hermes (Jun-08)</li> </ul> <p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 45%</b></p>	<p><b>Jordan</b></p> <ul style="list-style-type: none"> <li>Arab Bank (Sept-08)</li> <li>Cairo Amman Bank (Oct-08)</li> </ul> <p><b>Research Coverage Market</b> <b>Cap as % of total Market cap 39%</b></p>

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Kuwait Financial Centre "Markaz"

Client Relations & Marketing Department

Tel: +965 2 224 8000 Ext. 1804

Fax: +965 22414499

Postal Address: P.O. Box 23444, Safat, 13095, State of Kuwait

Email: [info@markaz.com](mailto:info@markaz.com)

markaz.com

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