

## Periodical

# GCC Weekly Overview (26-31 Jan)

## DeepSeek breakthrough drags US markets down

Last week saw the US equity indices underperform as a number of US large-cap tech stocks fell sharply on the claims over last week-end that Chinese DeepSeek R1 AI model delivered performance at the fraction of the cost of US competitors raising question on whenever the cost disinflation stage of the AI investment cycle is arriving earlier than expected. As a result, the NASDAQ Composite lost 1.6%, and the SPX lost 1% in what would otherwise have been a fairly flat week.

In Europe, equity markets performed well, in part due to investors seeking shelter from the rout in tech stocks, but also due to a more optimistic view on rates. The SXXP rose 1.8% as weaker German regional and French inflation data led to bets that Thursday's ECB cut would be followed by another in March, and various market commentators also pointed to the region now appearing undervalued with potential for the valuation gap with the US to narrow. In the UK, the FTSE 100 hit a new high, rising 2% as hopes grew of a rate cut next week, to be followed by 2 more later in the year. Chinese markets were closed for most of the week for New Year holidays, but India's SENSEX rose by 2.8% ahead of Saturday's budget, which delivered hoped for tax cuts and some economic stimulus, although was it missing measures to tackle unemployment.

Over the weekend, the Trump administration announced significant tariffs to be applied to a wide range of imports from Canada, Mexico, and China. In response, Canada immediately imposed a set of tariffs on key US exports to the country, whilst Mexico raised strong objections, and China has said it will file a suit against the US at the WTO. Clearly, with relevant markets currently closed, it is not possible to assess the immediate market impacts of these announcements, but commentators are focussing on the potential inflationary impacts and the risks to economic growth in not only the targeted countries but the US as well. The tariffs are scheduled to take effect at 00.01 on Tuesday, 4<sup>th</sup> February, leaving open the possibility for some form of compromise.

Please refer to our [GCC Weekly Data Monitor](#) for further details.

Figure 1. GCC Country Indices

Ticker	Index Name	Country	Price Performance					
			1W	1M	3M	6M	12M	YTD
MXOM	MSCI OMAN	OMAN	-2.2%	-1.6%	-4.9%	-4.6%	-7.1%	-1.7%
MSX30	MSX30	OMAN	-1.3%	-0.7%	-4.3%	-2.7%	-0.4%	-0.7%
MXSA	MSCI SAUDI ARABIA	S. ARABIA	0.1%	1.8%	2.2%	1.6%	-0.6%	2.4%
SASEIDX	TADAWUL ALL SHARE	S. ARABIA	0.5%	2.6%	3.3%	3.1%	4.2%	3.1%
MXAE	MSCI UAE	UAE	0.5%	6.9%	15.2%	20.1%	20.2%	5.0%
DFMGI	DFM GENERAL	UAE	-0.9%	1.0%	12.1%	22.3%	22.5%	0.4%
ADSMI	FTSE ADX GENERAL	UAE	0.2%	2.8%	2.5%	3.2%	1.4%	1.8%
MXQA	MSCI QATAR	QATAR	0.1%	-0.5%	0.0%	5.6%	4.7%	-0.5%
DSM	QE	QATAR	0.1%	0.9%	1.4%	5.3%	6.1%	0.9%
MXKW	MSCI KUWAIT	KUWAIT	1.1%	5.7%	9.6%	6.2%	6.4%	5.7%
KWSEAS	KWSE ALL SHARE	KUWAIT	1.4%	5.7%	8.8%	7.9%	7.5%	5.7%
MXBH	MSCI BAHRAIN	BAHRAIN	0.5%	-3.3%	-5.3%	-5.6%	0.7%	-3.5%
BHSEASI	BB ALL SHARE	BAHRAIN	-0.9%	-5.0%	-6.9%	-4.6%	-9.1%	-5.4%
MXGCC	MSCI GCC COUNTRIES	GCC	0.4%	2.7%	5.3%	5.7%	4.1%	3.1%

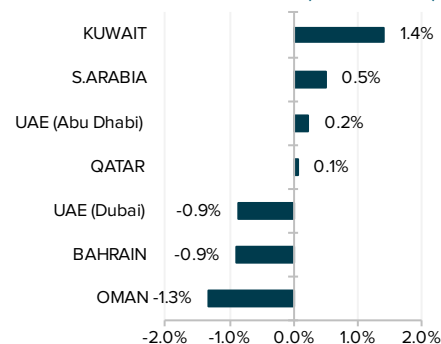
Source: Bloomberg, Oman Investment Bank Research.

Prices in this document are as of 31 Jan 2025 unless otherwise indicated.

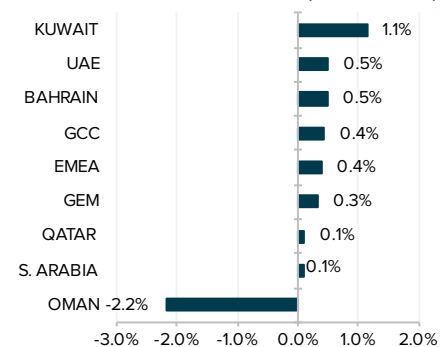
### GCC

- Equity
- Fixed income
- Commodities

#### GCC Local Index Returns (Last Week)



#### GCC MSCI Index Returns (Last Week)



Global Indices	Index	Weekly	YTD
S&P 500	6,041	-1.0%	2.7%
Nasdaq	19,627	-1.6%	1.6%
Dow Jones	44,545	0.3%	4.7%
FTSE 100	8,674	2.0%	6.1%
STOXX	540	1.8%	6.3%

Commodity	Price	Weekly	YTD
Brent Oil	75.7	-2.2%	1.4%
Nat. Gas	3.0	-24.4%	-16.2%
Gold	2,798	1.0%	6.6%

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## Oman Equities

MSX30 Index fell 1.30% for the week. **OQ Exploration & Production (OQEP OM)** dropped 5.30%, while **Abraj Energy (ABRJ OM)** declined 5.50%, not helped by crude oil's continued their downward trend. **Oman Cables (OCAI OM)** and **Bank Dhofar (BKDB OM)** lost 3.50% and 3.20%, respectively, while **OQ Gas Networks (OQGN OM)** and **Ahli Bank (ABOB OM)** slipped 2.20% and 2.80%. **BankMuscat (BKMB OM)** was down 1.50%. **Bank Nizwa (BKNZ OM)** gained 1%, the bank, after closing the week's session, announced a 7.03% dividend, comprising 2.49% in cash and 4.54% in mandatory convertible sukuk and a one-time share buyback of OMR 5mn, which equates to about 62 days of trading based on ADTV.

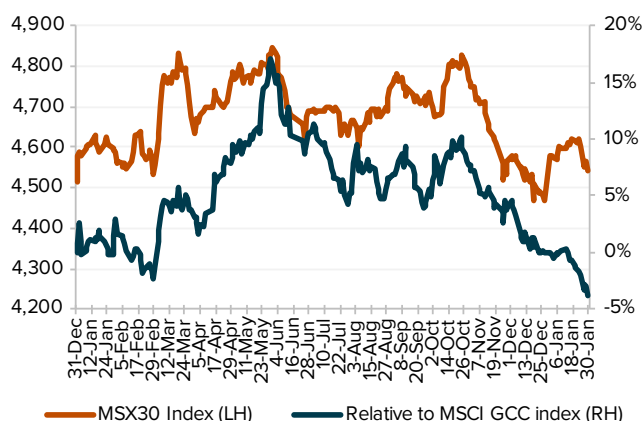
Refer to Figure 2 for a summary of FY24 dividends by key MSX-listed companies.

Figure 2. Summary of selected Omani corporates proposed FY24 dividends

	Closing price, OMR*	DPS, OMR	Mandatory convertible bond/Sukuk	Dividend yield on Cash	Total distribution, OMR	Total Yield
Bank Muscat	0.256	0.0165		6.45%	0.0165	6.45%
Sohar International Bank	0.140	0.008		5.71%	0.0080	5.71%
Oman Cables Industry	2.75	0.0915		3.33%	0.0915	3.33%
Bank Nizwa	0.100	0.00249	0.0045	2.49%	0.0070	7.03%
Ahli Bank	0.176	0.005	0.0050	2.84%	0.0100	5.68%

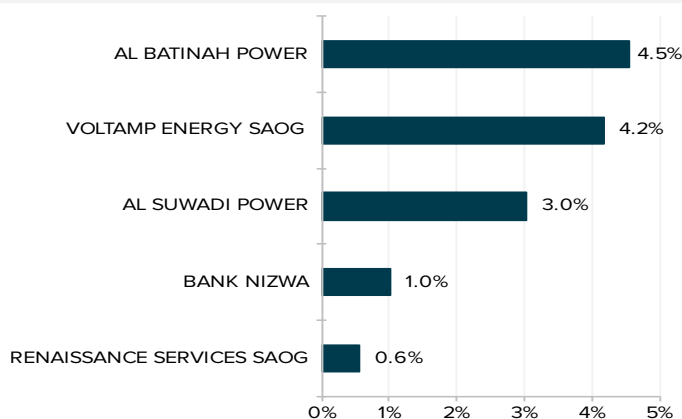
Source: MSX, Oman Investment Bank Research \*as of 29 January 2025

Figure 3. MSX30 Performance



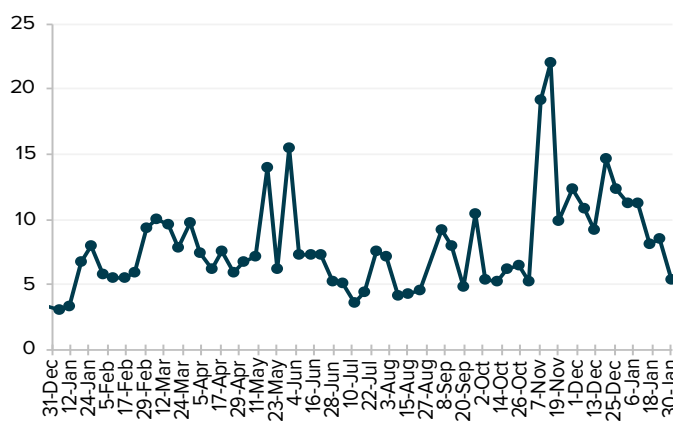
Source: Bloomberg, Oman Investment Bank Research.

Figure 5. MSX – Highest Performers of the Week\*



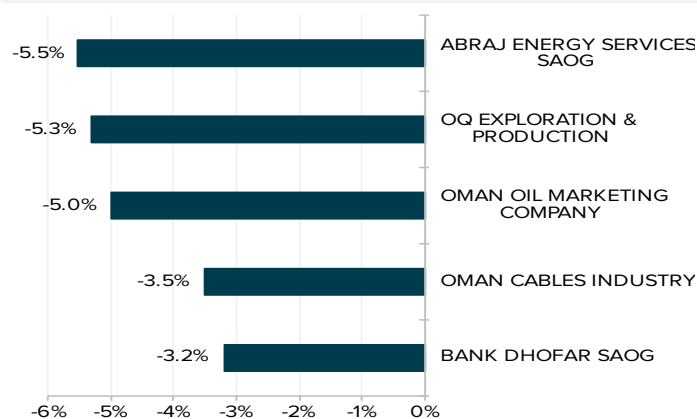
Source: Bloomberg, Oman Investment Bank Research. \*MSX30 and selected stocks.

Figure 4. Weekly Avg Daily Trade Volume (USD mn)\*



Source: Bloomberg, Oman Investment Bank Research. \*Excluding Abraj block trade on 4th of July and OQEP trading on the week of 31 October.

Figure 6. MSX – Lowest Performers of the Week



Source: Bloomberg, Oman Investment Bank Research. \*MSX30 and selected stocks.

## GCC Equity Markets

### Saudi Market

The Tadawul All Share Index (TASI) closed the week at 12,415.49, up by 0.50%.

**Jabal Omar Development (JOMAR AB)** saw the biggest gain, surging 15.10% to close at SAR 26.4. **Makkah Construction & Development (MCDCO AB)** also posted a significant rise of 12.30. The sharp increases follow Saudi Arabia's decision on January 27 to allow foreign investors to invest in publicly traded companies owning real estate in the holy cities of Mecca and Medina. **Almarai Co (ALMARAI AB)** also advanced by 6.30%. **Al Rajhi Bank (RJHI AB)** gained 3.20%, ending the week at SAR 99, its 52-week high, after posting strong 2024 results that beat street estimates.

On the downside, **Bupa Arabia for Cooperative Insurance (BUPA AB)** fell 11.20% after 2024 FY numbers missed analysts estimates. **ACWA Power (ACWA AB)** dropped 2.80%, while **Saudi Arabian Oil (ARAMCO AB)** edged down by 1.10%.

### UAE Markets

#### DFM

The DFM General Index (DFMGI) closed the week at 5,180.37, down by 0.90%.

On the upside, **Commercial Bank of Dubai (CBD DB)** led the gains, rising 5.50% after posting stronger FY numbers YOY.

**Dubai Financial Market PJSC (DFM DB)** recorded the steepest decline, dropping 7.50%. **Emaar Development PJSC (EMAARDEV DB)** also fell 7.40% to AED 13.15 after last year's rally and the strong start to 2024, which saw the stock reach an all-time high of AED 14.25 last week. Meanwhile, **Emirates NBD PJSC (EMIRATES DB)** declined 6.90% on disappointing 20% DPS cut despite 7% FY24 earnings growth. Following correction ENBD trades at ~5% dividend yield in line with FAB and ADCB.

**Mashreqbank (MASQ DB)** has gained 10% after publishing solid Q4 results boosted by one-off disposal gains. Also, we note that the bank has launched commercial banking operations in Oman earlier in January.

#### ADX

The **FTSE ADX General Index (ADSMI)** closed the week at **9,586.12**, up by **0.20%**.

**Abu Dhabi Commercial Bank (ADCB UH)** led the gains, soaring 10.90% to AED 11.98, its highest level since 2005, fueled by strong 2024 results that exceeded analysts' expectations, according to Bloomberg. **First Abu Dhabi Bank PJSC (FAB UH)** also advanced, rising 1.30%.

On the downside, **Alpha Dhabi Holding PJSC (ALPHADHA UH)** recorded the steepest decline, dropping 5.60%. Notably, on January 29, the company announced the acquisition of a 73.73% stake in National Corporation for Tourism & Hotels (NCTH). This deal follows the transfer of assets from Alpha Dhabi Hospitality Holding and Murban Energy to NCTH in exchange for shares.

Meanwhile, **ADNOC Logistics & Services (ADNOCLS UH)** and **ADNOC Drilling (ADNOCDRI UH)** also posted losses of 3.40% and 3.10%, **ADNOC Gas (ADNOCGAS UH)** edged down 1.40%.

## Qatar Market

The QE Index (DSM) ended the week at 10,666.71, nearly unchanged with a slight gain of 0.06%.

On the upside, **Dukhan Bank (DUBK QD)** gained 2.56%, closing at QAR 3.687.

On the downside, **Al Rayan Bank (MARK QD)** posted the largest decline, falling 4.29%. **Qatar Gas Transport (Nakilat) (QGTS QD)** dropped 3.39%, while **Ezdan Holding Group (ERES QD)** was down 3.14%.

## Kuwait Market

The KWSE All Share Index closed the week up by 1.40%, with notable gains across several banking stocks.

On the upside, **Al Ahli Bank of Kuwait (ABK KK)** recorded the strongest gain, rising 9.20% with volumes tripling in nine months. **Gulf Bank (GBK KK)** and **Burgan Bank (BURG KK)** also saw solid increases, gaining 3.40% and 3.00%, respectively. **National Bank of Kuwait (NBK KK)** edged up by 1.50%.

On the downside, **Commercial Bank of Kuwait (CBK KK)** was the only major decliner, falling 1.90%.

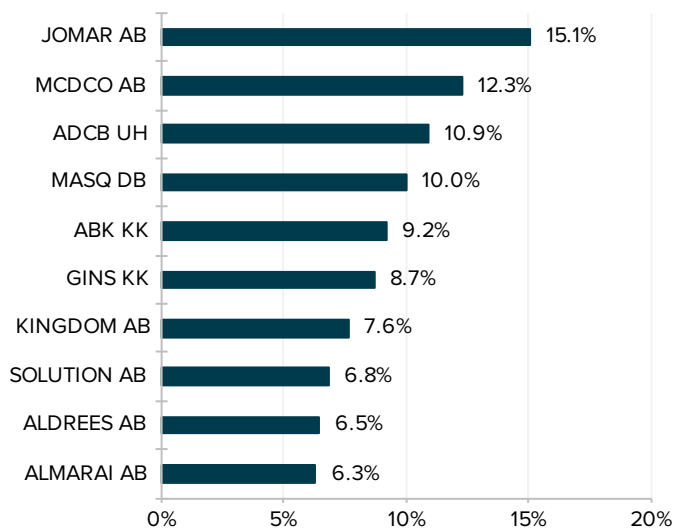
## Bahrain Market

The BB All Share Index closed the week at 1,879.48, down by 0.90%, reflecting mixed performance across key stocks.

On the upside, **Al Salam Bank BSC (SALAM BI)** posted the largest gain, rising 3.60%, while **GFH Financial Group BSC (GFH BI)** gained 1.30%.

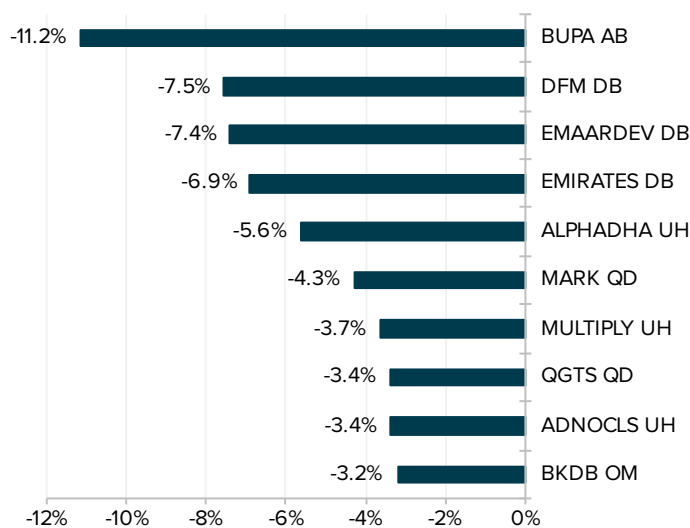
On the downside, **Aluminium Bahrain BSC (ALBH BI)** recorded the steepest decline, falling 5.40%.

Figure 7. GCC - Highest Performers of the Week\*



Source: Bloomberg, Oman Investment Bank Research. \*Above \$1bn Mcap.

Figure 8. GCC - Lowest Performers of the Week\*



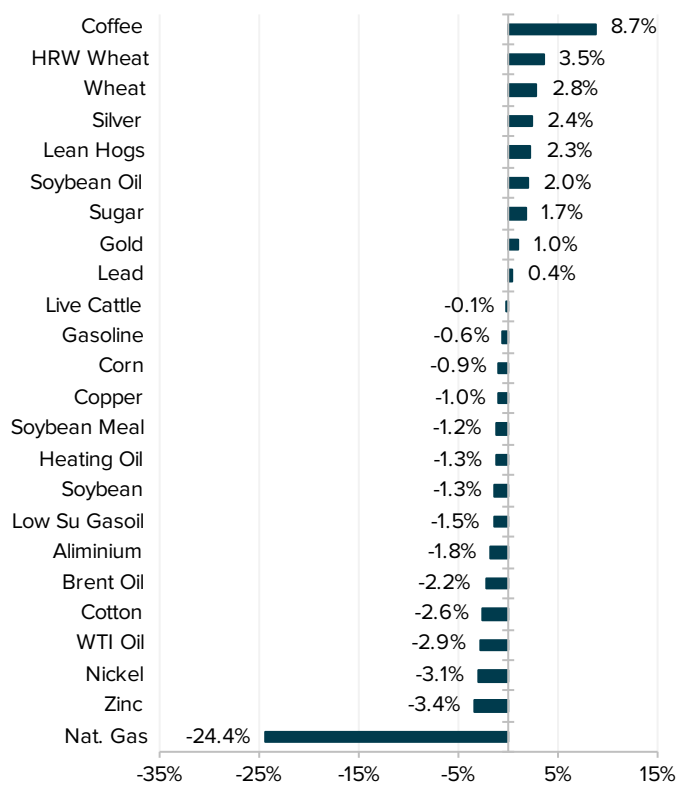
Source: Bloomberg, Oman Investment Bank Research. \*Above \$1bn Mcap.

## Commodities

In the commodities space, Brent Crude and base metals fell amid mounting concerns around Chinese growth after PMIs released at the beginning of the week fell short of expectations, and in oil's case, the narrative continued around more US drilling.

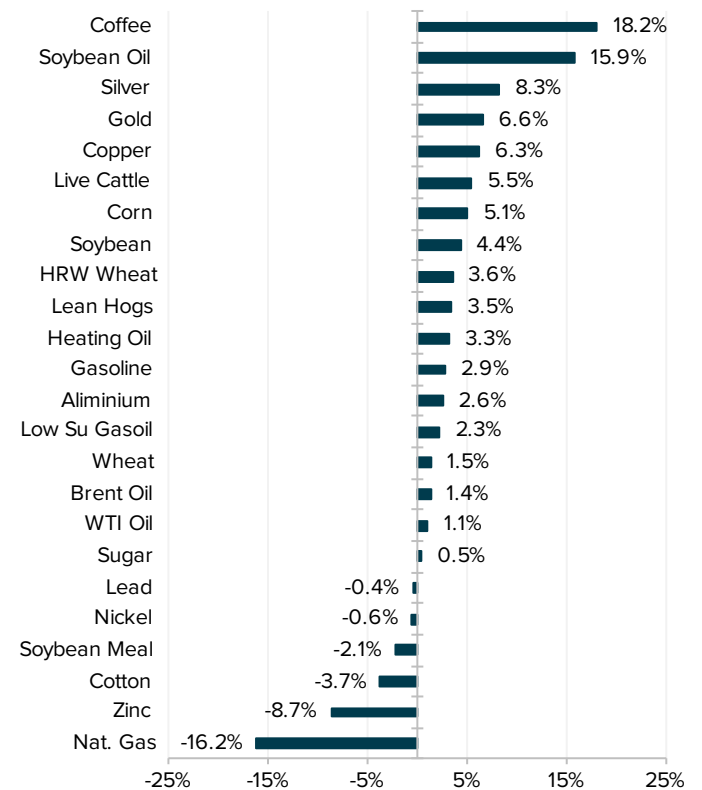
Natural gas markets were extremely volatile last week. In the US, there was a very sharp fall on the back of warmer weather forecasts after recent speculative buying by hedge funds that had driven prices higher in recent weeks. The NYME front-month contract fell 24.4%. In contrast, European prices hit a 15-month high after lower wind speeds and higher demand exacerbated storage levels that were already low by seasonal standards.

Figure 9. Commodities – Last Week's Perf.



Source: Bloomberg, Oman Investment Bank Research.

Figure 10. Commodities – YTD Perf.



Source: Bloomberg, Oman Investment Bank Research.

## Key Economic Data Releases

Figure 11. Economic Calendar

Date	Region/Country	Event	Period	Survey	Prior
2/3/2025	United States	ISM Manufacturing	Jan	49.9	49.3
2/3/2025	United States	S&P Global US Manufacturing PMI	Jan	50.1	50.1
2/3/2025	Eurozone	HCOB Eurozone Manufacturing PMI	Jan	46.1	46.1
2/3/2025	Eurozone	CPI Estimate YoY	Jan	2.40%	2.40%
2/3/2025	Eurozone	CPI MoM	Jan	-0.4%	0.40%
2/3/2025	Eurozone	CPI Core YoY	Jan	2.60%	2.70%
2/3/2025	UAE	M3 Money Supply YoY	Nov		15.90%
2/4/2025	United States	Durable Goods Orders	Dec	-2.2%	-2.2%
2/4/2025	United States	Factory Orders	Dec	-0.7%	-0.4%
2/4/2025	Qatar	CPI YoY	Dec		0.95%
2/4/2025	S.Arabia	S&P Global Saudi Arabia PMI	Jan		58.4
2/4/2025	Qatar	S&P Global Qatar Whole Economy PMI	Jan		52.9
2/5/2025	United States	ADP Employment Change	Jan	150k	122k
2/5/2025	United States	MBA Mortgage Applications	31-Jan	--	-2.0%
2/5/2025	United States	Trade Balance	Dec	-\$96.8b	-\$78.2b
2/5/2025	United States	ISM Services Index	Jan	54.1	54.1
2/5/2025	Eurozone	HCOB Eurozone Composite PMI	Jan	50.2	50.2
2/5/2025	Eurozone	HCOB Eurozone Services PMI	Jan	51.4	51.4
2/5/2025	Eurozone	PPI MoM	Dec	0.50%	1.60%
2/5/2025	Eurozone	PPI YoY	Dec	-0.1%	-1.2%
2/5/2025	UAE	S&P Global United Arab Emirates PMI	Jan		55.4
2/5/2025	UAE	S&P Global Dubai PMI	Jan		55.5
2/6/2025	United States	Initial Jobless Claims	1-Feb	213k	207k
2/6/2025	Eurozone	Retail Sales MoM	Dec	-0.1%	0.10%
2/6/2025	Eurozone	Retail Sales YoY	Dec	1.90%	1.20%
2/6/2025	Qatar	Trade Balance Month	Dec		16671m
2/7/2025	United States	Change in Nonfarm Payrolls	Jan	170k	256k
2/7/2025	United States	U. of Mich. Sentiment	Feb	72	71.1
2/7/2025	United States	Unemployment Rate	Jan	4.10%	4.10%
2/7/2025	United States	Wholesale Inventories MoM	Dec	-0.5%	-0.5%
2/7/2025	Qatar	QCB Int'l Reserves & Foreign Currency Liquidity QAR	Jan		255.0b

Source: Bloomberg, Capital IQ, Oman Investment Bank Research.

## Disclosure

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