

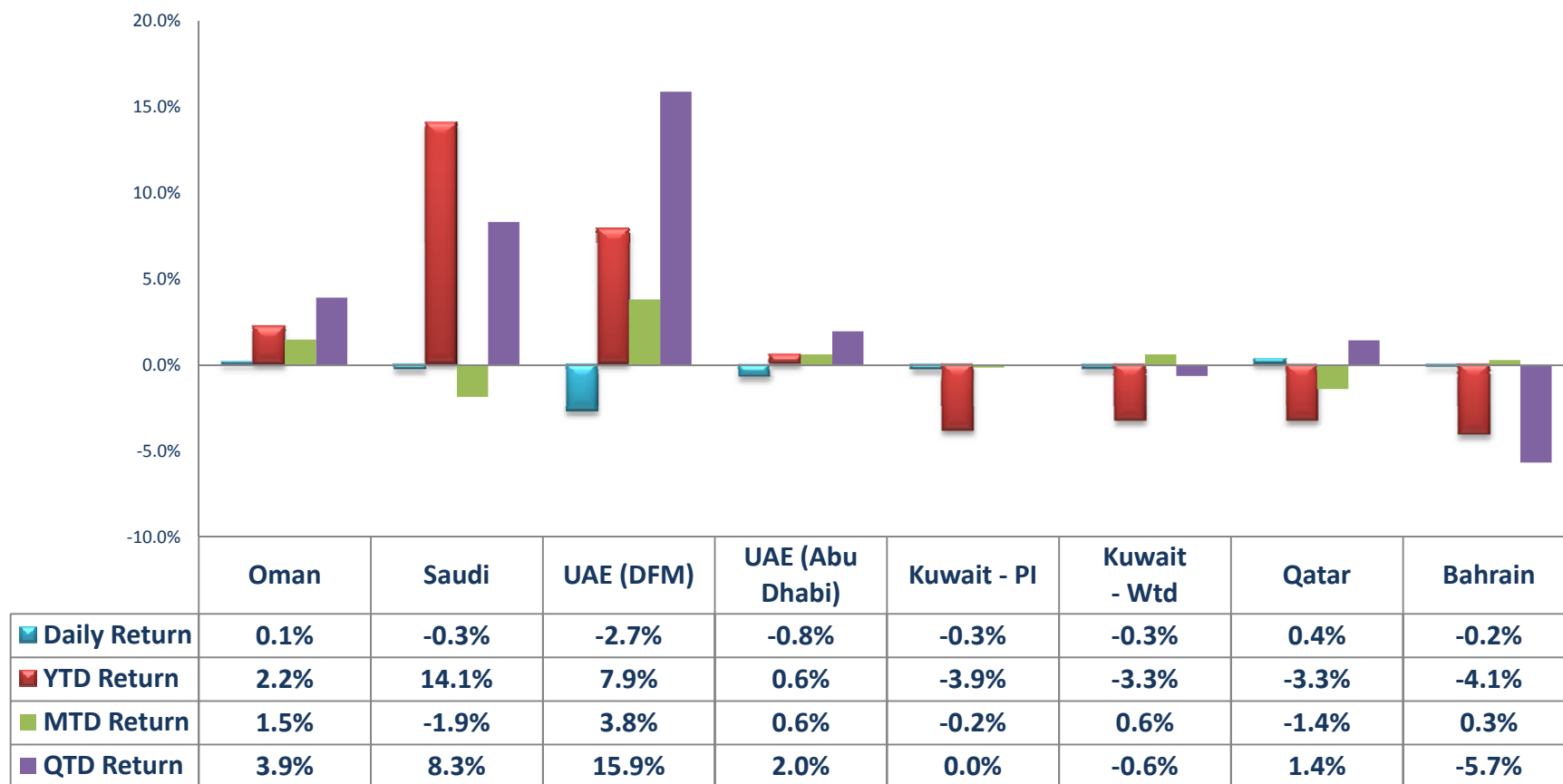
GBCM Morning Briefing

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GCC - Equity Market Monitor



Source: Respective Stock Markets, Bloomberg, GBCM Research

MSM - Net Buy/(Sell) Position

Previous Week's Turnover: RO 16.789 million (c. US\$ 43.7million)			
Figures In RO	BUY	SELL	NET
OMANIS	12,662,228	10,097,012	2,565,216
GCC	2,866,831	2,224,110	642,721
Arabs	131,882	124,830	7,052
OTHERS	1,127,963	4,342,953	(3,214,989)

Top 5 - Turnover Market Share – Previous Week

Value Leaders	Sector	Turnover (RO)	Market Share
Omantel	Services	4,931,646	29.37%
Bank Muscat	Banking	1,882,713	11.21%
Galfar	Industry	1,669,551	9.94%
Ooredoo	Services	984,934	5.87%
Sembcorp Salalah	Services	874,842	5.21%

MSM - Lead Indicators

Value Indicators **	Mkt. Cap (In' 000s)	PER	P/BV	Dividend Yield (%)
MSM 30	7,055,528	10.4	1.4	4.4%
Financial	3,412,656	9.3	1.1	3.4%
Industrial	1,262,984	14.6	1.9	4.4%
Services	3,253,373	13.0	2.4	5.6%
MSM Shariah	3,547,134	12.8	2.1	5.1%

Daily Market Performance

Indices Monitor	Current Closing	Previous Closing	Daily % Chg	MTD % Chg	YTD % Chg
MSM 30	6,482.34	6,473.05	0.14%	1.48%	2.19%
Financial	7,854.38	7,838.91	0.20%	1.83%	1.87%
Industrial	8,431.91	8,394.70	0.44%	1.36%	0.79%
Services	3,512.92	3,510.17	0.08%	1.31%	1.09%
MSM Shariah	998.21	997.72	0.05%	0.80%	3.31%

Global Markets Performance

Index	Closing	% Chg	%MTD	%QTD	%YTD
Americas					
S&P 500	2,094.1	-0.7	-0.6	1.3	1.7
Dow Jones	17,898.8	-0.8	-0.6	0.7	0.4
Nasdaq	5,051.1	-0.6	-0.4	3.1	6.7
Brazil	53,347.5	-0.6	1.1	4.3	6.7
Europe					
FTSE 100	6,784.9	-0.9	-2.9	0.2	3.3
CAC 40	4,901.2	-1.4	-2.1	-2.6	14.7
DAX	11,196.5	-1.2	-1.9	-6.4	14.2
Asia Pacific					
Nikkei	20,407.1	0.1	-0.8	6.2	16.9
Hang Seng	27,280.5	1.4	-0.5	9.6	15.6
Sensex	26,425.3	0.2	-5.0	-5.5	-3.9
Shanghai	5,166.4	0.9	12.0	37.8	59.7
Korea	2,052.2	-0.2	-3.0	0.5	7.1
Russia	950.4	-0.9	-1.9	7.9	20.2

MENA Markets Performance

Index	Closing	% Chg	%MTD	%QTD	%YTD
MENA					
Egypt	8,626.5	-0.2	-1.8	-5.6	-3.4
Jordan	2,154.8	-0.4	-1.3	0.9	-0.5
Tunis	5,632.6	0.5	-0.2	6.0	10.7
Morocco	20,303.3	0.4	-0.9	-7.0	0.3
Palestine	478.9	0.0	0.0	0.8	-4.8
Turkey	80,532.5	-0.4	-3.0	-0.4	-6.1

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

Commodities Performance

Index	Closing	% Chg	%MTD	%QTD	%YTD
Energy					
NYMEX Crude	60.0	-1.3	-0.6	18.1	6.6
ICE Brent Crude	63.9	-1.9	-2.6	11.9	2.9
Crude Oil, Oman	62.0	-2.0	0.6	17.3	15.3
NYMEX Natural Gas	2.8	-2.7	4.1	0.0	-8.7
NYMEX Gasoline	212.1	-0.8	2.8	21.6	22.1
Precious Metals					
Gold Spot	1,181.7	0.0	-0.7	-0.2	-0.3
Silver Spot	16.0	-0.5	-4.6	-4.1	1.7
Platinum Spot	1,095.0	-1.2	-1.6	-4.2	-9.4
Palladium Spot	738.2	-0.6	-5.0	0.3	-7.7
Base Metals					
LME Aluminium-Spot	1,701.5	-0.7	0.1	-4.5	-6.8
LME Copper-Spot	5,892.5	0.5	-1.9	-2.8	-7.5
LME Zinc-Spot	2,112.5	0.2	-3.2	2.0	-2.5
LME Lead-Spot	1,848.8	-0.2	-4.4	0.9	0.3
LME Nickel-Spot	13,093.0	-1.3	4.0	6.1	-13.1
Steel					
US - Hot Roll Coil Steel	461.0	0.0	-0.6	-12.2	-23.4
Agriculture					
Corn - Active Contract	358.8	-1.2	0.4	-8.5	-13.6
Wheat - Active Contract	510.5	-0.2	5.9	-2.3	-15.6
CBOT - Soya bean	904.3	-0.5	-0.2	-5.3	-10.1
Shipping					
Baltic Dry Index	642.0	2.1	9.0	6.6	-17.9

Global Currencies

Index	Closing	% Chg	%MTD	%QTD	%YTD
In Comparison with USD					
USD Vs EURO	1.127	0.1	2.5	5.0	-6.9
USD Vs Canadian Dollar	1.232	-0.2	1.1	3.0	-5.7
USD Vs Japanese Yen	123.390	0.0	0.6	-2.6	-2.9
USD Vs GBP	1.556	0.3	1.8	5.0	-0.1
USD Vs Swedish Krona	8.180	0.3	4.1	5.5	-4.6
USD Vs Swiss Franc	0.929	0.5	1.2	4.7	7.1
USD Vs Chinese Renminbi	6.208	0.0	-0.2	-0.1	0.0
USD Vs Hong Kong Dollar	7.753	0.0	0.0	0.0	0.0
USD Vs Indian Rupee	64.060	-0.1	-0.4	-2.4	-1.6
USD Vs Aus Dollar	0.773	-0.3	1.1	1.6	-5.4
USD Vs Indonesia Rupiah	13,335.00	-0.1	-0.8	-2.0	-7.1
USD Vs Turkish Lira Spot	2.714	-0.4	-1.9	-4.3	-13.9
USD Vs Omani Riyal	0.385	0.0	0.0	0.0	0.0
USD Vs UAE Dirham	3.673	0.0	0.0	0.0	0.0
USD Vs Saudi Riyal	3.750	0.0	0.0	0.0	0.1
USD Vs Kuwait Dinar	0.302	-0.1	0.3	-0.4	-3.1
USD Vs Qatar Riyal	3.641	0.0	0.0	0.0	0.0
USD Vs Bahrain Dinar	0.377	0.0	0.0	0.0	0.0

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

Petrochemical Performance

Index	Closing	%MTD	%QTD	%YTD
Aromatics (in USD/ MT)				
Benzene Aromatics Rotterdam	790.0	-0.6	7.5	13.7
Benzene FOB Korea Spot	770.0	-1.3	0.0	15.8
Benzene CFR Japan Spot	775.0	-1.3	0.0	15.7
Benzene CFR India Spot	780.0	-1.3	0.0	15.6
Condensates (in USD/ MT)				
European Naptha	551.2	0.1	9.2	12.0
Naptha C&F Japan	585.5	4.3	11.6	25.8
Naptha CIF NWE Cargo	548.3	-1.1	12.3	27.1
Naptha fob Singapore Spot	63.0	4.4	12.2	26.3
Olefins (in USD/ MT)				
Ethylene Spot	1,385.0	1.1	40.6	44.3
Ethylene FOB Korea Spot	1,390.0	0.4	18.8	54.4
Ethylene FOB Japan Spot	1,385.0	0.7	18.9	53.9
Propylene FOB Korea Spot	950.0	1.6	-4.5	68.1
Intermediate (in USD/ MT)				
2EH CFR Far East Asia	1,055.0	0.0	1.9	-6.6
2EH CFR South East Asia	1,080.0	0.0	0.9	-6.1
DOP CFR Far East Asia	1,175.0	-1.3	3.5	-5.2
Polymers (in USD/ MT)				
LLDPE Future Contract (CNY/ MT)	9,615.0	2.8	-1.2	16.3
Film Grd Poly HDPE Far E Spot	1,335.0	-1.1	2.7	14.1
Film Grd Poly HDPE SE Asia	1,360.0	-1.5	4.6	4.6
Film Grd Poly HDPE India Spot	1,400.0	-0.7	6.1	9.4
Urea (in USD/ MT)				
Urea Price (RMB/ MT)	1,752.0	1.3	6.4	8.9
UREA Cornbelt	395.0	0.0	11.3	2.6
UREA Middle East	310.0	3.3	12.7	-17.3
US Urea Avg. Retail Price	503.4	-0.3	-2.5	-3.2

Oman News

Petrofac wins \$900 million PDO contract

(Source: Times of Oman)

- Petrofac has won a \$900 million engineering and procurement contract from Petroleum Development Oman (PDO) to provide services for its Yibal Khuff oilfield, located around 350km south west of Muscat.
- Petrofac will provide detailed engineering, and construction and commissioning management support services, as well as procurement on an incentivized pass-through basis for four and a half years.
- The total contract value is expected to be around \$900 million with around one-quarter of the revenues relating to professional services (engineering, construction and commissioning management).
- The development of the field will add to PDO's future oil production while the associated gas will be utilised for power generation and enhanced oil recovery developments.

Oman signs pact with IDB for water facilities

(Source: Times of Oman)

- Oman and the Islamic Development Bank (IDB) signed an Istisna'a (contract), according to which IDB will provide a loan worth \$176 million (c. RO 68 million) to finance 86% of the cost of a water supply project from Wadi Dhaiqah to Muscat and Quriyat.
- As per the agreement, the tenure of the loan is for 14 years, and it will be repaid in bi-annual instalments over 10 years with a four-year grace period. The project worth OMR79 million, will help in meeting the growing demand for water.
- It will also enhance the potable water supply network, improve the production capacity of potable water by adding about 32 million cubic metres per day.
- It will connect the wilayat of Quriyat, which includes Daghmar and Hail Al Ghaf villages, with the water network and provide almost 7 million cubic metres per day of irrigation water to 325 hectares of agricultural land.

Oman News

Renaissance Board approves the repurchase of Mandatory Convertible Bonds

(Source: MSM)

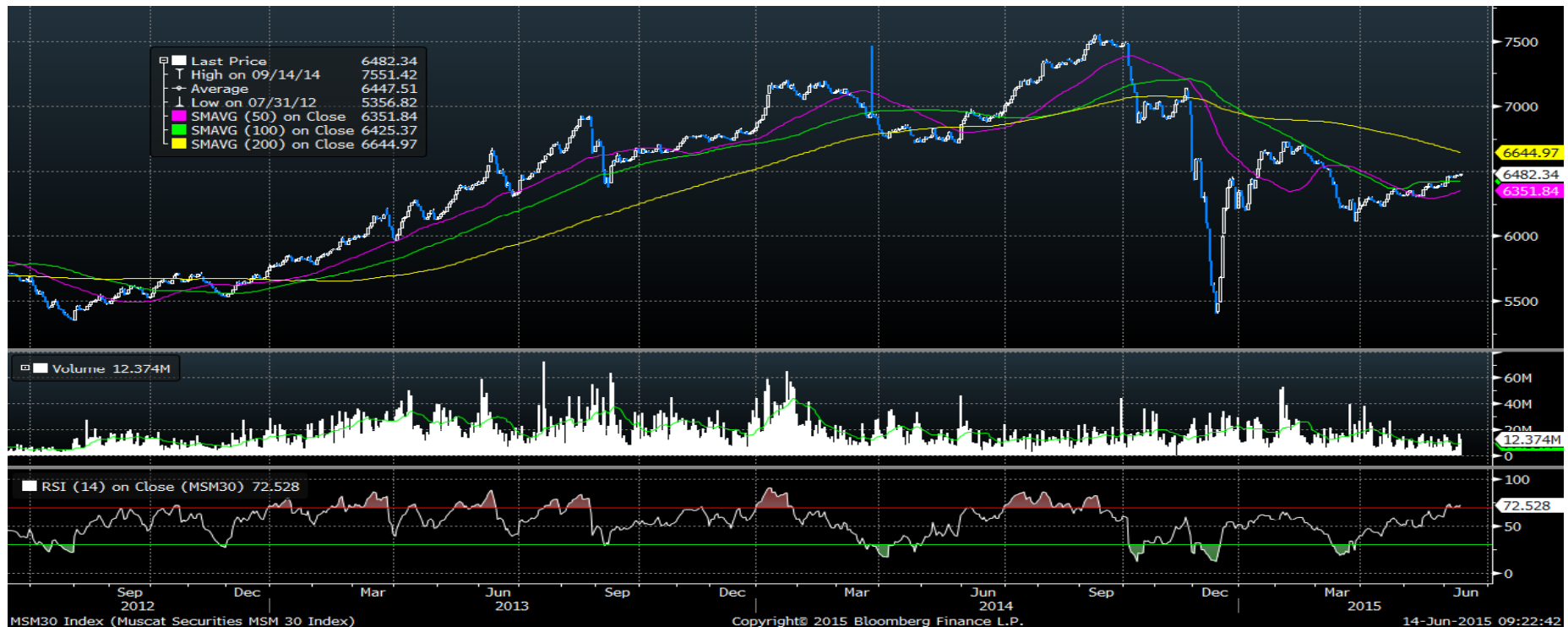
- The Board of Directors of Renaissance Services SAOG have approved a scheme for the buyback of the Mandatory Convertible Bonds (MCBs) issued by the Company in July 2012 (the Scheme).
- The Scheme will be presented to the Company's Shareholders for their approval at an extra-ordinary general meeting of the shareholders, and to the MCBs holders for their approval at the MCB holders' general meeting.
- **The Board has also approved the issuance of Perpetual Notes by the Company's wholly owned overseas subsidiary to fund the Scheme. The Perpetual Notes will be issued to major local and regional institutional investors.**
- The Scheme is beneficial for the Company's shareholders and MCB holders. The purpose of the Scheme is to create an additional option for MCB holders, where they can opt for cash in place of shares in the Company.
- The MCBs will be bought back, depending on the financing arrangements in place.
- The Scheme will provide the agreed rate of return on the MCB's up to the date of the buyback. **The record date for the first buyback is 25th July 2015, and the buyback price for this first repurchase will be RO 0.170.**

Capital Intelligence affirms National Bank of Oman ratings

(Source: Muscat Daily)

- Capital Intelligence (CI) has affirmed National Bank of Oman's (NBO) financial strength rating at BBB+.
- The rating is underpinned by the bank's good loan asset quality, its sound capital adequacy ratio (CAR) together with its high Tier-1 capital and its improving profitability ratios notwithstanding the marginal decline in the first quarter of this year.
- According to CI, the bank's rating is also supported by its well-established franchise and its good market share.
- NBO's foreign currency ratings were also affirmed at BBB+ long-term and A2 short-term. NBO's support rating was maintained at '3' underpinned by the strong likelihood of support from the Government of Oman and its majority shareholder, CBQ.

MSM - Market Watch



Source: Bloomberg, GBCM Research

Market Outlook- Range bound activity to prevail, the beginning of holy month of Ramadan to impact volumes...

During the last trading week, the benchmark index ended in green gaining 0.3% to close at 6,482 points amid stock specific institutional buying activity along with relatively low market participation. We expect the local and regional markets to reveal flattish trade during this week with the beginning of the holy month of Ramadan by end of this trading week, this means the overall volumes may remain dull. On the other hand, the institutional activity in the frontline counters is giving positive hopes along with relative stability in oil prices. On the technical side, MSM index to find strong resistance at 6,500 points and the support is seen at 6,430 levels.

Support for the MSM is seen at 6,470 and 6,430 levels, while the resistance is seen at 6,500 and 6,540 points respectively.

UAE News

Dubai hotel room rates data for April 2015

(Source: Gulf News)

- Hotel room rates in Dubai continued to fall in April due to a strong dollar and increasing hotel room supply.
- Average room rate (ARR) dropped from \$326 (Dh1,197) in April 2014 to \$289 last April, while occupancy edged down from 85.4% to 84.2% during the same period, according to global consultancy EY's Middle East Hotel Benchmark Survey Report.
- This pushed revenue per available room (RevPAR- the standard measure of hotel performance) down by 12.5% to \$243 year-on-year in April.
- Performance of Dubai hotels also weakened in the first quarter of this year compared with the same time in 2014 as ARR dropped 8.7% cent to \$221 and occupancy decreased by 4% to 86%, resulting in RevPAR falling 12% to \$192.

GCC News

Saudi inflation data for May 2015

(Source: Gulf Business)

- Saudi Arabia's Central Department of Statistics released the following May consumer price data, showing inflation accelerated to 2.1% year-on-year in May from 2% in April.
- Prices of housing and utilities rose 3.1% from a year earlier in May, while food and beverage prices climbed 1.4%.

Debt burden to grow heavier for Bahrain if oil prices remain low- S&P

(Source: Gulf Base)

- Bahrain will face a rising debt burden should the oil markets remain bearish, says Standard & Poor's. S&P has reaffirmed Bahrain's foreign and local currency sovereign credit ratings at BBB minus and A-3, respectively. Outlook for the country remained negative.
- Bahrain's fiscal break-even oil price was estimated at \$123 a barrel last year, the highest of all GCC states, said S&P. As about 80% of Bahrain's exports are linked to oil, the current account is expected to fall into a slight deficit.
- S&P estimate that the government will be in a net debt position of almost 20% of GDP by the end of this year, from 10% of GDP last year and a net asset position of 12% of GDP in 2010.

APICORP in talks about possible debut international bond in 2015

(Source: Gulf Base)

- Arab Petroleum Investments Corp. (APICORP) is in talks with banks about a debut international bond issue this year, as per news sources, which would be the first overseas debt offering from the kingdom in a year.
- The offering, which one source said could raise up to \$1 billion, would be a quasi-sovereign issue as APICORP, an energy investment company, is owned by the governments of the Organization of Arab Petroleum Exporting Countries.
- The company has held talks with local and international banks, sources said. The issue would have a lifespan of five years. The issue would be likely to draw considerable interest from investors, given the rarity of Saudi credits issuing outside the kingdom.

| **Institutional Sales** - Hunaina Banatwala, (+968) 2479 0614-559 | **Institutional Brokerage** - Talal Al Balushi, (+968) 2479 0614 -560 |

| **Equity Research** - Kanaga Sundar, (+968) 2479 0614 -534 | Vijay Sridharan, (+968) 2479 0614 - 533 |

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