



Decide with Confidence

Dun & Bradstreet INSIGHT: GCC Stock Markets

January 2009

New Year; old wounds

The stock markets across the world closed year 2008 on a dismal note as concerns over the future of the global economy still remain intact. The bleak outlook has sent the global markets crashing during the year as stock market valuations have plummeted to multi year lows with sentiments of investors still looking weak.

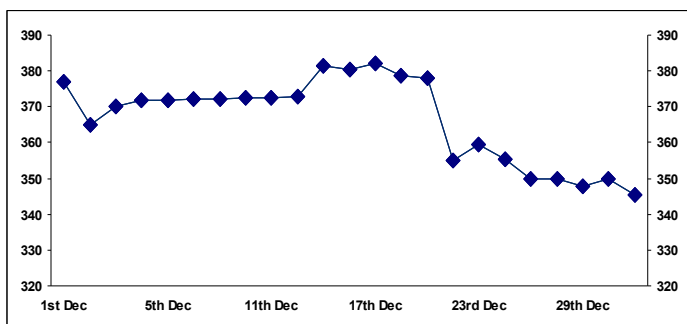
The volatility on stock markets remained unprecedented during the last month as health of the US auto majors remained a key concern. The government's allocation of emergency funds to the major players of the industry provided short term relief as investors welcomed the move which is expected to save the auto industry from collapsing as demand for vehicles remains low. The Federal Reserve, as expected, pushed its benchmark interest rates lower by 75 basis points in order to further improve the liquidity in the system. The move was followed by several other major nations as well. However, the poor economic statistics, which keep flowing out of the world's biggest economy, kept investors' sentiments poor due to which the so called "Santa rally" was missing this time of the year.

Sentiments in the GCC region remained low as oil prices

continued their bearish trend. The outlook for the region has been severely dented with low oil prices, as concerns over the growth prospects of the region remains a key point affecting investors' view of the energy rich nations. The sentiments towards the banking and the real estate sectors continued to be negative as low liquidity levels in the system can dampen their profits in the coming quarters. During the year, the Gulf bourses combined together lost around 48% in market capitalization. The Dubai Financial Market, which is the most vulnerable in the region to external shocks, lost 72.4%, the highest during 2008 as the liquidity crunch finally put some brakes on Dubai's real estate market.

The outlook for the year ahead is expected to remain sluggish as the global economy tries hard to come out of what is termed as one of the most severe crisis hitting the world post World War II era. The mood across the globe remains weak and investors are closely monitoring government efforts to keep the situation from getting worse. In the near term, the investors are looking forward to the new incoming US President and the much anticipated second stimulus package which is expected to generate utmost curiosity for every investor.

MSCI GCC Index



GCC Indices

Market	31 Dec	30 Nov	%MTD	Mkt Cap (US\$bn)*
ADXGI	2,390.01	2,775.85	-13.90	61
BASI	1,804.07	1,949.20	-7.45	21
DFMGI	1,636.29	1,964.66	-16.71	38
DSM20	6,886.12	6,071.39	13.42	76
KSEMI	7,782.60	8,875.20	-12.31	107
MSM30	5,441.12	6,263.86	-13.13	15
TASI	4,802.99	4,738.14	1.37	246

* - As on 31 December 2008

Commodities

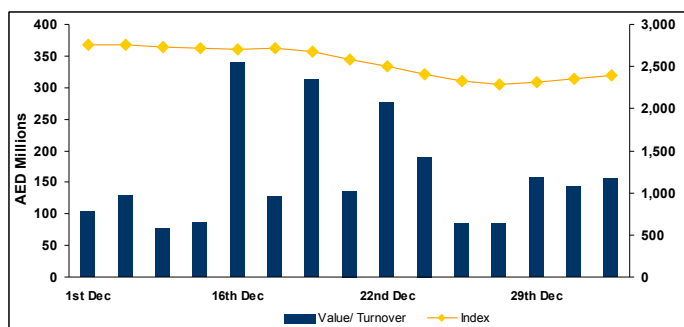
US\$ per barrel	31 Dec	30 Nov	%MTD	%YTD
OPEC Basket	35.58	47.38	-24.91	-60.82
US\$ per ounce			%MTD	%YTD
Gold	883.60	815.50	8.35	5.83
US\$ per tonne			%MTD	%YTD
Aluminium	1,496	1,756	-14.78	-39.96
Copper	2,935	3,623	-18.98	-58.49
Steel	335	290	15.52	NA

World Indices

Market	31 Dec	30 Nov	%MTD	%YTD
DJIA	8,776.39	8,829.04	-0.60	-33.84
FTSE	4,434.20	4,288.00	3.41	-31.33
KOSPI	1,124.47	1,076.07	4.50	-40.73
NASDAQ	1,577.03	1,535.57	2.70	-40.54
NIFTY	2,959.15	2,755.10	7.41	-51.79
NIKKEI	8,859.56	8,512.27	4.08	-42.12
SSE	1,820.81	1,871.16	-2.69	-65.39



ADX General Index



Insight

The ADX index declined 13.9% over the month, as investor confidence continued to remain subdued due to the effects of the global slowdown. The recession has raised questions about the demand for oil on which the economy of Abu Dhabi is heavily reliant on. The sentiments towards banking sector became grimmer after S&P downgraded ratings for few of the local banking stocks, raising further concerns over the ability of the sector to withstand the tight international credit markets. During the year, energy sector declined by a massive 96.2% due to plummeting oil prices in Q4 2008.

Recent News

- ALDAR Properties has signed a memorandum of understanding with the National Bank of Ras Al Khaimah to provide mortgages for the investors in the company's Al Raha Beach and Yas Island projects.
- Methaq Takaful Insurance Company announced that Bin Salem Group (UAE) has acquired a 40% stake in the company.
- Abu Dhabi National Energy Company announced that its subsidiary, TAQA Gen X (USA), has signed an agreement to acquire JPMorgan's stake in BE Red Oak Holding (USA), which awaits the Federal Energy Regulatory Commission's Approval.
- Aabar Investments has signed an agreement with American International Group to fully acquire the latter's subsidiary, AIG Private Bank (Switzerland), at an amount of US\$ 254 mn.
- Bank of Sharjah's Board of Directors met and approved the disposal of 30% of Emirates Lebanon Bank to El Capital FZCO, which awaits the regulatory approval.
- Emirates Telecommunications Corporation is planning to acquire a stake in Soft At Home, a joint venture between Thomson, Sagem and France Telecom, to develop its software solutions services.

Sectoral Trends

Sector	31 Dec	30 Nov	%MTD	%YTD
General Index	2,390.01	2,775.85	-13.90	-47.49
Bank & Fin Svcs	3,168.59	3,675.07	-13.78	-47.33
Real Estate	507.01	634.44	-20.09	-66.77
Consumer	1,175.05	1,373.36	-14.44	-39.11
Construction	4,450.83	4,327.00	2.86	-13.67
Industrial	2,195.41	2,049.73	7.11	-21.57
Telecom	1,693.77	2,123.59	-20.24	311.27
Health Care	1,365.04	1,399.06	-2.43	-14.08
Energy	122.11	151.58	-19.44	-96.27
Insurance	3,499.80	3,402.38	2.86	7.20

- Abu Dhabi National Energy Company announced on 2 December 2008 that it's wholly owned subsidiary, TAQA Bratani, has completed the US\$ 631 mn acquisition of 7 oil fields from Shell U.K. Limited, Esso Exploration and Production (UK) Limited.
- Waha Capital's subsidiary, Waha Leasing, has purchased 2 Airbus aircrafts (A330-200 and A320-200) from AerCap Holdings, to lease them to the Russian airline, Aeroflot.

Gainers

Company	31 Dec	30 Nov	Change	%Chg
Nat.Marine Drdngng	8.78	5.41	3.37	62.29
Invest Bank	2.58	2.04	0.54	26.47
Union Insurance Co	4.78	3.81	0.97	25.46
Abu Dhabi Nat. Ins	8.30	7.23	1.07	14.80
Arkan Bldg MatrIs	6.02	5.35	0.67	12.52

Losers

Company	31 Dec	30 Nov	Change	%Chg
Sharjah Isl Bnk	0.92	1.59	-0.67	-42.14
Oman & Emirates	1.99	3.08	-1.09	-35.39
AbuDhabiCommBnk	1.78	2.67	-0.89	-33.33
Union Nat Bank	2.22	3.32	-1.10	-33.13
Waha Capital	0.55	0.81	-0.26	-32.10

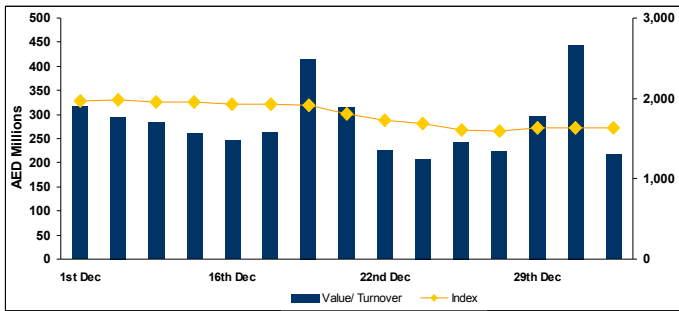
Most Active by Volume

Company	Volume	CMP (AED)	%Chg
Dana Gas	184,503,501	0.59	-19.18
ALDAR Properties	118,363,567	3.97	-27.69
RAK Properties	116,370,888	0.52	-22.39
Sorouh Real Estate	108,751,718	3.16	-7.06
Waha Capital	99,532,206	0.55	-32.10

Most Active by Value

Company	Value (AED)	CMP (AED)	%Chg
ALDAR Properties	558,921,049	3.97	-27.69
Sorouh Real Estate	332,777,682	3.16	-7.06
First Gulf Bank	311,901,119	9.15	-0.33
Arkan Bldg MatrIs	193,814,787	6.02	12.52
Etisalat	129,862,978	9.93	-20.24

DFM General Index



Insight

The Dubai Financial Market shrugged 16.7% during the month led by continuous concerns over the real estate market. The banking sector also continued its downward trend as banks are making cautious efforts to rearrange their loan portfolio in wake of the liquidity crunch. Shuaa Capital was the biggest causality for the month as the company laid off 21 employees to realign its cost structure. In an attempt to boost investors' sentiments, the Board of Arabtec Holdings approved issuance of bonus shares in the ratio of 1:1, after which a marked interest from investors was witnessed for the scrip.

Recent News

- Union Properties Board of Directors met and proposed the issuance of a maximum of AED 2.50 bn convertible bonds to strategic investors, which still awaits the approval of the EGM and the Securities and Commodities Authority (UAE).
- Arabtec Holding's Board of Directors has approved the distribution of 100% bonus shares.
- Ajman Bank announced the opening of its first main branch in Ajman on 22 December 2008. The Board of Directors met and approved the opening of the branch on 21 December 2008.
- The Securities and Commodities Authority approved Aramex's request to buy back a maximum of 10% of its own shares (121,000,000 shares).
- Dubai Refreshments Company announced that it will sell the Aquafina plant in Dibba to Jeema Mineral Water Company.
- Dubai Investments is planning to buy part of the convertible bonds issued by Union Properties.
- Dubai Financial Market announced the listing of Al Jazeera Steel Products Company, the first Omani public joint stock company to list on DFM.
- Colliers International reported that property prices in

Sectoral Trends

Sector	31 Dec	30 Nov	%MTD	%YTD
General Index	1,636.29	1,964.44	-16.70	-72.42
Banking	1,096.75	1,277.67	-14.16	-67.88
Insurance	3,336.06	3,526.12	-5.39	-27.94
Investment	2,430.34	2,847.18	-14.64	-69.85
Real Estate	2,375.93	3,068.95	-22.58	-82.63
Transportation	378.68	453.35	-16.47	-59.52
Materials	247.45	287.39	-13.90	-28.97
Telecom	351.13	449.84	-21.94	-70.72
Utilities	937.50	1,406.25	-33.33	-83.66
C Staples	396.00	396.00	0.00	-40.36

Dubai were likely to fall for the first time in the Q408 as the impact of the global financial crisis took its toll on the city-state's real estate sector. The company's quarterly housing report stated that house price growth slowed to 5% in Q308, down from 16% in Q208 and property prices rose 80% in Q308 from a year earlier.

- Mortgage volume in the UAE has begun to take a dip due to slowing real estate activity and tightening liquidity, according to the GCC Home Finance Summit.

Gainers

Company	31 Dec	30 Nov	Change	%Chg
Gulf Fin House	13.85	12.05	1.80	14.94
Salam Int Inv Co	18.50	16.10	2.40	14.91
Alfirdous Holding	1.20	1.06	0.14	13.21
Al Salam Bnk Sudan	2.45	2.25	0.20	8.89
Grand Real Est. Prj	1.00	0.94	0.06	6.38

Losers

Company	31 Dec	30 Nov	Change	%Chg
SHUAA Capital	1.00	1.79	-0.79	-44.13
Dubai Islamic Bnk	1.66	2.54	-0.88	-34.65
Union Properties	0.72	1.09	-0.37	-33.94
Nat Gen Cooling Co	0.52	0.78	-0.26	-33.33
Gulf Navigation	0.64	0.94	-0.30	-31.91

Most Active by Volume

Company	Volume	CMP (AED)	%Chg
EMAAR Properties	534,031,312	2.26	-22.87
Dubai Fin Mkt	479,298,360	1.25	-4.58
Air Arabia	338,536,288	0.89	-9.18
DEYAAR	267,322,026	0.50	-29.58
Arabtec Hldng Co	188,229,960	2.26	-50.33

Most Active by Value

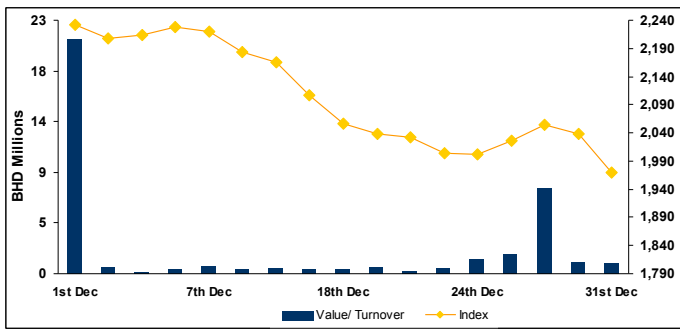
Company	Value (AED)	CMP (AED)	%Chg
EMAAR Prop.	1,417,214,488	2.26	-22.87
Arabtec Hldng Co	850,706,556	2.26	-50.33
Dubai Fin Mkt	603,933,638	1.25	-4.58
Air Arabia	321,042,619	0.89	-9.18
Dubai Islamic Bnk	204,984,168	1.66	-34.65



Decide with Confidence

Bahrain Stock Exchange (BSE)

BSE General Index



Insight

The BSE index continued to be in the negative terrain as it declined by 7.45% during the month. The Central Bank of Bahrain's decision to cut its key policy interest rate by 75 basis points failed to evince investor interest and the index continued on its south bound path. The selling pressure on the banking stocks continued as the sectoral index declined by 11.2% during the month, down 39.1% YTD. Market breadth was in favor of decliners as 15 stocks declined while 5 posted gains over the month. At the end of 2008, the market capitalization of the BSE stood at US\$ 21.1 bn, down 25% from end Dec. 2007.

Recent News

- BBK announced that it has closed a US\$ 26 mn subordinated bond investment issue under the US\$ 1 bn EMTN program.
- Investcorp Bank has agreed to acquire a 40% stake in TDX Group Debt Management Firm (UK), at a price of GBP 28 mn.
- Ithmaar Bank has announced that it will increase its stake in Bank of Bahrain and Kuwait through a share swap in return for 100% of the shares of Shamil Bank of Bahrain, Ithmaar's subsidiary. Approval of the involved parties is awaited.
- State owned Bahrain Development Bank (BDB), is preparing to convert gradually into an Islamic bank with its own Sharia committee to cater to the growing demand for Sharia products.
- Gulf Investment Corp's Bahrain based subsidiary Foulath had signed a deal with Japans JFE Steel Corp to establish a US\$ 700 mn steel pellets plant in Oman.
- Fitch Ratings has affirmed Bahrain based Arab Banking Corporation's (ABC) Long-term Issuer Default Rating (IDR) at BBB+, Short-term IDR F2, Support 2 and Support Rating Floor BBB+.
- According to a report released by Bahrain's Labour Market Regulatory Authority (LMRA), employment of

Sectoral Trends

Sector	31 Dec	30 Nov	%MTD	%YTD
General Index	1,804.07	1,949.20	-7.45	-34.52
Commercial Banks	2,117.04	2,382.00	-11.12	-39.15
Investment	1,582.53	1,727.70	-8.40	-37.86
Insurance	2,275.97	2,275.97	0.00	-1.73
Services	1,638.30	1,626.00	0.76	-19.35
Industrial	1,273.93	1,304.78	-2.36	-11.44
Hotels & Tourism	2,848.57	2,717.10	4.84	23.04

foreigners increased in the third quarter of 2008 by 13% to bring expatriate manpower to 417,389 who are working in various sectors.

- Microsoft has signed a Partners in Learning agreement with the education ministry in Bahrain. The ministry will receive technology training, tailored curriculum development, access to the latest technology and help raising the levels of ICT literacy in schools.
- A landmark initiative by Tamkeen (Labour Fund) and Shamil Bank a wholly owned subsidiary of Ithmaar Bank, has provided more than BHD 9.3 mn in financing to 192 small and medium enterprises (SMEs) in Bahrain.

Gainers

Company	31 Dec	30 Nov	Change	%Chg
United Gulf Bank	0.58	0.54	0.04	7.48
Gulf Hotels Group	0.51	0.48	0.03	7.08
National Hotels Co	0.42	0.40	0.02	6.06
Bahrain Telecom	0.63	0.61	0.02	2.62
BBK	0.50	0.50	0.00	0.80

Losers

Company	31 Dec	30 Nov	Change	%Chg
Gulf Fin House	\$0.92	\$1.60	-0.68	-42.50
Ithmaar Bank	\$0.26	\$0.35	-0.09	-25.71
Al Salam Bank	0.09	0.12	-0.03	-24.14
Al Khaleej Dev Co	\$1.08	\$1.38	-0.30	-21.74
Ahli United Bank	\$0.63	\$0.77	-0.14	-18.18

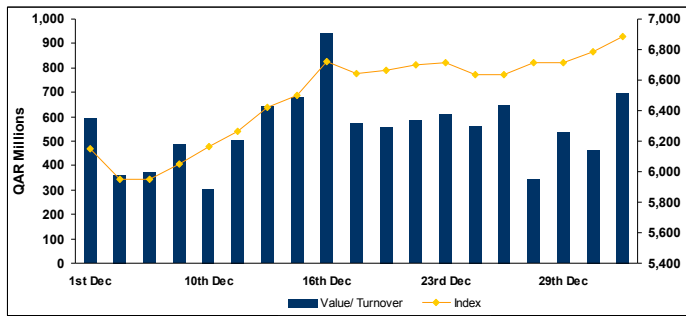
Most Active by Volume

Company	Volume	CMP (BHD)	%Chg
BBK	119,702,950	0.50	0.80
Sec. & Inv Co	82,500,000	0.31	NA
Al Salam Bank	41,777,829	0.09	-24.14
Gulf Finance House	15,697,755	\$0.92	-42.50
Ahli United Bank	6,247,741	\$0.63	-18.18

Most Active by Value

Company	Value (BHD)	CMP (BHD)	%Chg
BBK	59,871,151	0.50	0.60
Sec. & Inv Co	25,575,000	0.31	NA
Gulf Finance House	8,720,380	\$0.92	-42.50
Al Salam Bank	3,549,943	0.09	-22.41
United Gulf Bank	2,184,099	0.58	7.48

DSM General Index



Insight

The benchmark DSM20 index bucked the negative trend and ended the month 13.42% higher. The positive mood was supported by the Qatar Investment Authority who has started buying stakes in local companies in order to boost investors' sentiments. The bullish trend was further supported by the announcement that Qatar's nominal GDP expanded by 62.8% in the Q3 to QAR 108.39 bn due to high energy prices. The industrial sector witnessed most of the buying activity as the index gained 27.3%, as investors started to look beyond the current financial turmoil and picked future growth stories.

Recent News

- The EGM of Masraf Al Rayan approved the private placement of 150 million shares allocated to Qatar Investment Authority at a price of QAR 14.70 per share.
- Doha Bank's EGM met and approved the issuance of a maximum of 20% shares which is 34,449,634 shares to Qatar Investment Authority.
- Al Khaliji's BOD approved the private placement of 144 million shares at QAR 11.60 per share to Qatar Investment Authority.
- The Board of Directors of First Finance Co. has permitted the distribution of 5 % bonus shares and 15% cash dividends for the year ending 31 December 2008 pending the approval of the general meeting.
- Qatar Investment Authority will pick up between 6 million and 12 million of Ahli Bank's shares at QAR 55 per share after the approval given at the EGM held by the bank.
- Salam International Investment's Board of Directors met and approved the distribution of 6.25% cash dividend, to be approved by the AGM and Ministry of Business and Trade.
- Islamic Arab Insurance Company (Salama) bought

Sectoral Trends

Sector	31 Dec	30 Nov	%MTD	%YTD
General Index	6,886.12	6,071.39	13.42	-28.12
Banking	10,319.72	8,553.53	20.65	-23.05
Industry	6,491.25	5,099.31	27.30	-25.71
Insurance	4,960.37	4,517.97	9.79	-55.04
Services	4,660.29	4,874.90	-4.40	-37.29

back 0.0136% (150,000 shares) of its outstanding shares for a price of AED 1.046 per share and another 0.059% (650,000 shares) for a price of AED 1.0185 per share on 15 December 2008.

- Qatar National Bank has increased its number of branches to 42 with the opening of 2 more service branches in December 2008.
- Qatar Shipping Co. further expanded its fleet with the purchase of LNG carriers which will be used to ship liquefied natural gas.
- Qatar Airways has secured two contracts to buy 3 new Boeing 777 jets worth US\$ 500 mn.
- Qatar Telecom has signed a telecommunications memorandum of understanding with the San Miguel Corporation (Philippines), for expansion plans in the wireless and mobile broadband sectors in Southeast Asia.

Gainers

Company	31 Dec	30 Nov	Change	%Chg
Comm Bnk of Qatar	88.30	62.50	25.80	41.28
Barwa Real Est	30.30	21.50	8.80	40.93
Industries Qatar	100.60	78.10	22.50	28.81
Ezdan Real Est.	27.00	21.40	5.60	26.17
QatarInt Islamic Bnk	58.60	48.60	10.00	20.58

Losers

Company	31 Dec	30 Nov	Change	%Chg
Qatar Telecom	109.50	127.10	-17.60	-13.85
Dlala Holding	20.50	23.20	-2.70	-11.64
Salam Int. Inv	11.00	12.40	-1.40	-11.29
Doha Ins Co	20.60	23.20	-2.60	-11.21
Mannai Corp	120.30	135.00	-14.70	-10.89

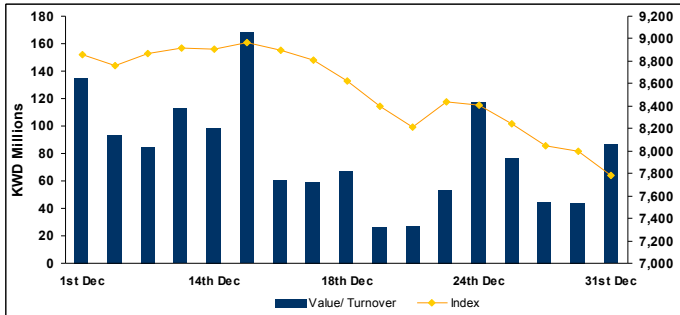
Most Active by Volume

Company	Volume	CMP (QAR)	%Chg
Masraf Al Rayan	85,573,263	11.00	0.00
Barwa Real Est	37,648,801	30.30	40.93
Qatar Gas Trans Co	30,217,688	21.60	-4.00
Comm Bnk of Qatar	18,396,180	88.30	41.28
Doha Bank	17,394,680	42.00	14.13

Most Active by Value

Company	Value (QAR)	CMP (QAR)	%Chg
Comm Bnk of Qatar	1,393,665,041	88.30	41.28
Industries Qatar	1,256,192,739	100.60	28.81
Qatar Islamic Bnk	1,094,047,597	82.80	9.96
Barwa Real Est	1,018,461,958	30.30	40.93
Masraf Al Rayan	936,220,648	11.00	0.00

KSE General Index



Insight

On the back of another round of political uncertainty, the Kuwait market lost 12.3%. There was a sharp decline in sentiments when the country cancelled a US\$ 7.4 bn JV between Dow Chemical and Kuwait Petroleum Corporation following opposition from the MPs. This cancellation overshadowed the Central Bank's move to cut its benchmark lending rates by 50 basis points to 3.75% and lower the one-month repurchase rate by 50 basis points to 2.5%. The concerns over the earnings were again ignited after GIH's announcement that it had defaulted on majority of its debts.

Recent News

- Abyaar Real Estate Development Company's Board of Directors met and proposed a 100% rights issue at a price of KWD 0.125 per share, which awaits the general assembly's approval.
- Kuwait Finance and Investment Company announced that the Kuwait Central Bank has approved its conversion into a Shariah-Compliant company on 23 December 2008.
- Equipment Holding Company's fully owned subsidiary, Equipment Company, has been granted a 2 year KWD 0.40 mn contract in a tender offer from the Public Authority for Applied Education and Training to provide the latter's colleges with electricity maintenance services.
- National Bank of Kuwait announced on 23 December 2008 that the Central Bank of Kuwait has approved the bank's request to acquire a maximum of 40% stake in Boubyan Bank, to be effective in a three-month period.
- The Kuwait Central Bank approved the Osoul Investment Company's request to buy back a maximum of 10% of its outstanding shares (34.804 million shares), for a 6 months period starting 17 December 2008.

Sector	31 Dec	30 Nov	%MTD	%YTD
General Index	7,782.60	8,875.20	-12.31	-38.03
Banking	9,751.80	11,216.00	-13.05	-32.58
Insurance	3,316.30	3,224.80	2.84	-3.64
Investment	7,475.60	9,138.20	-18.19	-53.19
Real Estate	3,448.10	3,901.20	-11.61	-40.93
Industrial	5,086.50	5,912.70	-13.97	-38.41
Services	15,413.60	17,218.60	-10.48	-27.47
Food	3,457.00	4,045.90	-14.56	-47.64
Non Kuwaities	7,910.10	8,635.80	-8.40	-27.77

- Al Enma'a Real Estate Company's Board of Directors met and proposed the distribution of 5% bonus shares, which still awaits the AGM's approval.
- Sokouk Holding Company announced that it has sold its stake in a joint stock company at a value of KWD 40.56 mn realizing a profit of KWD 0.87 mn.
- The International Investor announced that it will de-list its shares from Bahrain Stock Exchange, effective 31 December 2008.
- Safat Global Holding announced losses of KWD 0.40 mn for the 3 month period ended 30 September 2008 (Q308) compared to earnings of KWD 0.09 mn for Q307.

Gainers

Company	31 Dec	30 Nov	Change	%Chg
Kwait Bah Int Exch	0.238	0.152	0.086	56.58
National Petro Ser	0.395	0.305	0.090	29.51
Al Massaleh RealEst	0.120	0.094	0.026	27.66
Eyas Highr & Tech	0.350	0.275	0.075	27.27
Hayat Comm Co	0.280	0.222	0.058	26.13

Losers

Company	31 Dec	30 Nov	Change	%Chg
Gulf Petro Inv	0.091	0.218	-0.127	-58.26
Global Inv House	0.192	0.410	-0.218	-53.17
Investment Dar Co	0.102	0.212	-0.110	-51.89
Gulf Fin House	0.244	0.440	-0.196	-44.55
Network Hldg Co	0.070	0.126	-0.056	-44.44

Most Active by Volume

Company	Volume	CMP(KWD)	%Chg
Boubyan Bank	327,620,000	0.395	-10.23
Gulf Fin House	190,460,000	0.244	-44.55
Al Safwa Grp Co	184,640,000	0.048	-93.42
The Nat Ind Grp	125,715,000	0.415	-18.63
Mobile Tel (Zain)	121,767,500	0.840	-23.64

Most Active by Value

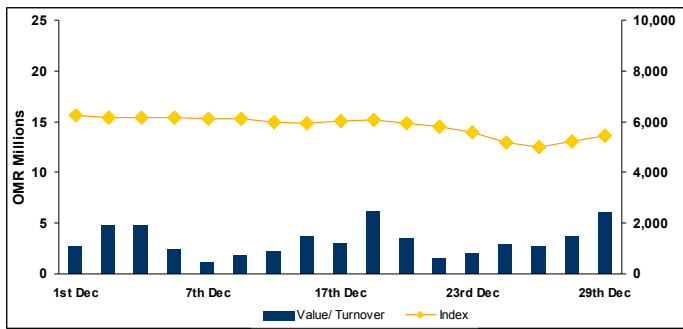
Company	Value (KWD)	CMP(KWD)	%Chg
Kuwait Fin House	156,510,750	1.360	-22.73
Boubyan Bank	140,017,500	0.395	-10.23
Mobile Tel (Zain)	131,391,200	0.840	-23.64
Nat. Bnk of Kuwait	126,212,400	1.180	-27.16
Com Bnk of Kuwait	111,085,750	1.180	-6.35



Decide with Confidence

Muscat Stock Market (MSM)

MSM General Index



Insight

The MSM30 index retreated 13.1% during the month. To boost investors' confidence the Capital Market Authority established an "Investment Stability Fund" and further, following the action taken by the Federal Reserve in the US, the Central Bank of Oman reduced its repurchase rate by 89 basis points to 1.53%. However, despite the government taking utmost efforts to minimize the effects of financial crisis, the bearish sentiments continue to prevail. The usual stock picking before the results season seems to be missing this time around as investors are being cautious in taking investment decisions.

Recent News

- Oman Telecommunications Company has signed an OMR 2.25 mn strategic business agreement with Saud Bahwan Automotive to implement the Multi Protocol Label Switching solution at Saud Bahwan Group. The company has also announced an earning of OMR 107.11 mn as on 30 September 2008 as compared to OMR 82.96 mn, an increase of 30% over the previous period.
- Taghleef Industries Company has announced an earning of OMR 0.53 mn as on 30 September 2008 as compared to OMR 0.12 mn for the previous period.
- Dhofar Power Company announced an earning of OMR 2.22 mn for the period ended 30 September 2008, a 20% decrease as compared to the earnings in the previous period.
- Muscat Electricity awarded Galfar Engineering and Contracting a 10 month OMR 3.20 mn contract to upgrade the company's primary substations at Walia and Ghala Industrial Area.
- Bank Dhofar, Bank Sohar and Oman Arab Bank have arranged an OMR 26 mn (US\$ 67.60 mn) syndicated credit facility to Renaissance Services to finance the company's expansion project in Oman.

Sectoral Trends

Sector	31 Dec	30 Nov	%MTD	%YTD
General Index	5,441.12	6,263.86	-13.13	-39.78
Banking & Investment	6,620.92	7,470.50	-11.37	-46.23
Industry	4,321.64	5,388.48	-19.80	-46.89
Service & Insurance	2,527.87	2,914.56	-13.27	-28.45

- Oman National Engineering and Investment Company was awarded an OMR 1.40 mn contract by Salalah Tender Committee for a period of 12 months to construct a sewage plant at Hurait.
- A 100% rights issue was approved at the EGM of Construction Materials Industries and Contracting.
- The Omani government has announced that it was planning to sell its stake in the Majan Glass Company by the end of January 2009.
- Oman Flour Mills Company's Board of Directors has approved a 1:10 stock split, which is awaiting the approval of the EGM..

Gainers

Company	31 Dec	30 Nov	Change	%Chg
Ominvest	0.49	0.45	0.04	8.89
Taageer Finance	0.38	0.36	0.02	5.28
Areej Veg Oils	3.25	3.13	0.12	3.96
Gulf Inv Services	0.11	0.11	0.00	3.77
Muscat Gases	5.20	5.10	0.10	1.96

Losers

Company	31 Dec	30 Nov	Change	%Chg
Oman Natnl Dairy	1.25	2.18	-0.93	-42.66
Oman Cables Ind	0.90	1.49	-0.60	-39.99
Al Jazeera Ser	0.06	0.09	-0.04	-39.36
Al Anwar Holdg	0.14	0.23	-0.09	-37.61
Galfar Engg&Contr	0.46	0.68	-0.22	-32.11

Most Active by Volume

Company	Volume	CMP(OMR)	%Chg
Bank Muscat	14,672,711	0.80	-7.75
Renaissance	11,579,021	0.62	-23.65
Oman Int Bank	10,990,799	0.22	0.46
Galfar Engg&Contr	10,722,985	0.46	-32.11
Construction Mat	7,386,990	0.07	-28.72

Most Active by Value

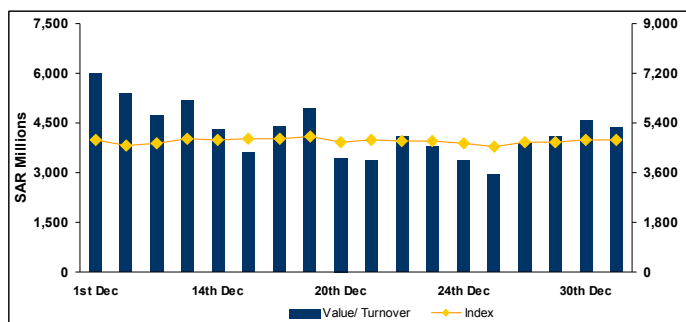
Company	Value (OMR)	CMP(OMR)	%Chg
Bank Muscat	12,111,307	0.80	-7.75
Renaissance	8,456,868	0.62	-23.65
Oman Telecom	8,245,566	1.59	-8.26
Galfar Engg&Contr	5,854,926	0.46	-32.11
Raysut Cement	3,248,753	1.10	-17.19



Decide with Confidence

Saudi Stock Exchange (SSE)

SSE General Index



Insight

The benchmark TASI registered a marginal gain of 1.3% on the back of positive steps taken by the government to fight the global economic slowdown. The sentiments turned positive after the government announced an expansionary budget for the year 2009 which is expected to act as a fiscal stimulus for the economy. The optimism was also supported by the Saudi Arabian Monetary Agency (SAMA) cutting its repo rate by 50 basis points to 2.5% and the reverse repo rate to 1.5% from 2.0%. The move was in line with SAMA's recent attempts to loosen monetary policy to ease liquidity.

Recent News

- Aseer Trading Tourism Industrial Agricultural Real Estate and Contracting Company approved the distribution of 5% (SAR 0.50 per share) cash dividend for the year ending 31 December 2008.
- Emaar, The Economic City (Emaar.E.C.), has signed a SAR 325 mn contract with Al-Radwan Contractors, a Saudi Arabian construction company, to build 134 villas within the Resort Cove.
- Saudi Ceramics Company approved the distribution of dividend of SAR 2.50 per share for the year ending 31 December 2008, which awaits the general assembly's approval.
- Saudi based Etihad Atheeb Telecommunication is to raise SAR 300 mn (US\$ 80.08 mn) by selling 30% of its shares to the public.
- Arabian Shield Cooperative Insurance Company will purchase the insurance portfolio of its subsidiary; Arabian Shield Insurance Company (Bahrain), in return for transfer of the latter's assets to the company as on 31 December 2008.

Sectoral Trends

Sector	31 Dec	30 Nov	%MTD	%YTD
Genl Index / TASI	4,802.99	4,738.14	1.37	-56.49
Banks & Fin Svcs	13,595.73	13,847.31	-1.82	-55.49
Petrochemical Inds	3,170.95	3,130.02	1.31	-66.52
Cement	3,055.25	3,348.01	-8.74	-57.82
Retail	3,733.01	3,433.99	8.71	-31.94
Energy & Utilities	3,415.18	3,375.22	1.18	-39.17
Agri & Food Inds	3,860.53	3,595.74	7.36	-32.66
Telecm & Info Tech	1,646.50	1,494.34	10.18	-50.69
Insurance	609.62	521.41	16.92	-73.67
Multi-Investment	2,052.66	2,035.20	0.86	-67.01
Industrial Inv	3,289.77	3,035.21	8.39	-46.55
Bldg & Constrctn	3,920.35	3,744.41	4.70	-42.94
Real Estate Dev	3,214.26	3,070.17	4.69	-52.12
Transport	2,950.05	2,900.38	1.71	-45.25
Media & Publishg	1,783.79	1,630.16	9.42	-55.21
Hotel & Tourism	3,986.84	3,389.52	17.62	-35.64

Gainers

Company	31 Dec	30 Nov	Change	%Chg
Sdi Ind Coop Ins	42.30	22.80	19.50	85.53
United Coop Assrnc	35.20	19.50	15.70	80.51
Al Ahli Takaful Co	43.10	27.00	16.10	59.63
Saudi Fisheries	24.80	16.10	8.70	54.04
Allianz SF	41.90	28.00	13.90	49.64

Losers

Company	31 Dec	30 Nov	Change	%Chg
Malath Insurance	32.60	46.50	-13.90	-29.89
Saudi Ind Inv Grp	10.05	11.95	-1.90	-15.90
Southern Pro Cem	46.60	53.75	-7.15	-13.30
Qassim Cement	80.75	92.75	-12.00	-12.94
Saudi Cement	56.50	64.00	-7.50	-11.72

Most Active by Volume

Company	Volume	CMP (SAR)	%Chg
Alinma Bank	887,120,215	11.10	-5.93
Emaar Eco City	341,918,200	8.95	-1.10
Zain KSA	238,933,751	10.65	-1.39
MA'ADEN	204,525,512	10.65	-1.84
Saudi Basic Ind	194,658,153	51.50	3.00

Most Active by Value

Company	Value (SAR)	CMP (SAR)	%Chg
Saudi Basic Ind	10,615,123,352	51.50	3.00
Alinma Bank	10,142,268,982	11.10	-5.93
Emaar Eco City	2,980,865,887	8.95	-1.10
Zain KSA	2,523,115,271	10.65	-1.39
Nat Shipping Co	2,316,326,668	16.50	0.61

Please send your feedback to:

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