

Equity Weekly

Weekly Report | 2 September 2024

Global Equities

Global equities lost some of its recent momentum as discussion about stretched valuations gathered pace. We also saw strong economic data from the US which dampened bets of a faster easing cycle in the US. Overall, the MSCI World index added +0.5% 5d to close the month of August with gains of +6.2%. Emerging market equities continue to underperform developed market equities with the MSCI EM index losing -0.4% 5d. A large part of the weakness in emerging market equities comes from Chinese equities as the Shanghai Composite index lost -1.1% 5d to end the month of August with losses of -2.8%.

The focus of investors will shift completely to the economic data ahead of the Federal Reserve meeting later this month. The non-farm payrolls data will be keenly watched. It must be remembered that the weak non-farm payrolls data last month caused significant volatility in the first half of August.

Chart of the Week

In the first eight months of the year, the MSCI World index has rallied +15.5% on the back of +16.2% gains in the

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MSCI G7 index. The MSCI EM index has rallied +7.4% while the MSCI GCC index has lost -0.4% over the same period.

The MSCI World index is currently trading at 1y forward BEst PE of 19.3, close to the multiple last seen at the start of 2022. In terms of regional indices, the MSCI G7, the MSCI EM index and the MSCI GCC index are trading at 1y forward BEst PE of 19.7x, 12.2x, and 14.4x respectively.

MENA Equities

Regional equities closed mixed with the Qatar Exchange and the DFM index adding +1.2% 5d and +0.8% 5d respectively, while the ADX index and the Tadawul lost -1.0% 5d and -0.6% 5d respectively.

TECOM had its best week since March 2024 with gains of +5.1% 5d. The stock currently trades at a 2024 BEst PE multiple of 13.4x with a 2024E dividend yield of 5.1%. Over the past month, the stock has outperformed the broader real estate sector stocks (+0.7% 1m) on the DFM with gains of +10.2% 1m.

Chart of the Week – MSCI World PE Ratio



Source: Bloomberg

Market Data

MENA Equity Indices

Index	Last Price	wtd % chg	ytd % chg	T.Value 5d avg (USDmn)	BEst P/E	BEst P/B	Div Yield
DFM	41,563	0.9%	10.3%	15,107.5	20.9	5.1	1.8
ADX	5,648	0.2%	18.4%	76,603.4	23.6	4.7	1.4
Tadawul	17,714	-0.9%	18.0%	60,345.3	33.0	6.1	0.8
ISE 100	8,377	0.6%	8.3%	3,952.6	12.4	1.9	3.8
EGX 30	18,907	1.5%	12.9%	2,882.9	13.9	1.6	3.0
Kuwait Premier	7,631	0.7%	1.2%	2,806.0	14.0	1.8	3.3
Bahrain	12,437	0.7%	11.7%	2,386.0	19.2	3.9	3.0
MSM	38,648	0.7%	15.5%	20,003.5	21.4	2.0	1.8
Qatar Exchange	8,092	0.8%	6.6%	4,913.5	19.2	2.0	3.6

Developed Market Indices

Dow Jones	17,989	2.1%	5.5%	8,335.0	8.7	1.0	4.5
S&P 500	2,842	-0.4%	-4.5%	37,080.4	11.2	1.1	3.0
Nasdaq	2,674	-1.0%	0.7%	7,386.8	10.2	1.0	2.0
FTSE 100	82,366	1.6%	14.0%	107.5	23.4	3.6	1.2
Dax	25,236	1.7%	16.1%	5,557.7	23.0	3.6	1.2
Cac 40	78,544	-0.3%	25.9%	27.8	4.0	1.0	8.0
Swiss	22,268	0.5%	24.2%	10,131.0	18.3	2.7	2.5
Nikkei	136,004	0.3%	1.4%	3,678.0	8.9	1.4	6.4
Australia	83,750	-0.7%	8.9%	1,176.9	11.2	1.6	3.9
Stoxx 600	1,284	-0.1%	13.6%	565.2	11.7	1.8	1.6

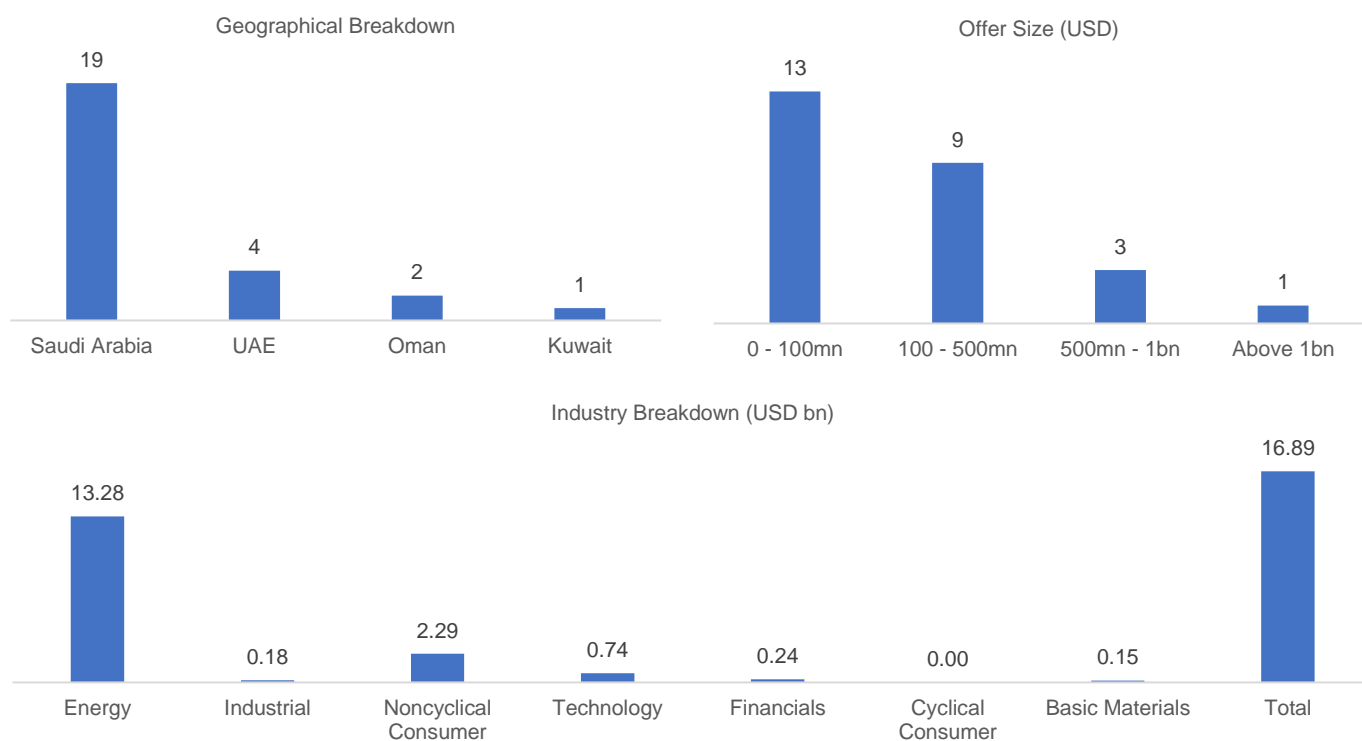
Emerging Market Indices

Hong Kong	4,325	0.8%	6.5%	88.7	8.3	1.2	5.5
Shanghai	9,285	-0.9%	-3.1%	336.9	15.1	1.9	2.1
Korea	12,189	0.4%	1.9%	2,444.6	17.8	2.3	3.6
Sensex	9,833	-0.9%	31.6%	2,242.6	4.7	0.9	2.5
Nifty	30,903	0.4%	24.1%	75.1	6.9	2.2	2.3
Karachi	7,806	-0.2%	4.4%	135.5	13.2	1.3	2.8
Taiwan	1,956	-0.1%	-0.8%	4.6	7.7	0.5	8.9
Bovespa	4,760	0.3%	5.4%	8.6	9.2	0.6	5.3
Jo'burg	10,230	0.3%	-5.5%	101.8	11.3	1.4	4.2
Vietnam	4,325	0.8%	6.5%	88.7	8.3	1.2	5.5
Jakarta	9,285	-0.9%	-3.1%	336.9	15.1	1.9	2.1

Source: Bloomberg, BEst – Bloomberg Estimate

Primary Market Performance

Summary (USD)



Deal breakdown (Year to Date)

Pricing Date	Name	Issuer Ticker	Primary Exchange	Currency	Offer Price	Last Price	IPO to date change (%)
9-Jul	Jabal Real Estate Investment	JREF OM	Muscat	OMR	0.10	0.10	-1.0%
25-Jun	Leaf Global Environmental Se	LEAF AB	Saudi Arabia	SAR	50.00	63.50	27.0%
10-Jun	Beyout Investment Group Hold	BEYOUT KK	Kuwait	KWd	500.00	450.00	-10.0%
7-Jun	Saudi Arabian Oil Co	ARAMCO AB	Saudi Arabia	SAR	27.25	27.85	2.2%
5-Jun	Neft Alsharq Co For Chemical	NEFTALSH AB	Saudi Arabia	SAR	3.60	4.28	18.9%
2-Jun	Al Ashghal Al Moysra Co	ALASHGHA AB	Saudi Arabia	SAR	10.00	52.00	420.0%
28-May	Alef Education Holding Plc	ALEFEDT UH	Abu Dhabi	AED	1.35	1.24	-8.1%
28-May	Yaqeen Capital Co	YAQEEN AB	Saudi Arabia	SAR	40.00	24.50	-38.8%
27-May	Al Taiseer Group Talco Indus	TALCO AB	Saudi Arabia	SAR	43.00	60.50	40.7%

22-May	Adnoc Drilling Co Pjsc	ADNOC DRI UH	Abu Dhabi	AED	3.90	4.40	12.8%
22-May	Rasan Information Technology	RASAN AB	Saudi Arabia	SAR	37.00	54.10	46.2%
19-May	Saudi Manpower Solutions Co	SMASCO AB	Saudi Arabia	SAR	7.50	9.19	22.5%
19-May	Epicure Vision Gcc Growth Fund	EVGF OM	Muscat	OMR	1.02	1.00	-2.0%
14-May	Dr. Soliman Abdul Kader Fake	FAKEEHCA AB	Saudi Arabia	SAR	57.50	58.00	0.9%
12-May	Mohammed Hadi Al Rasheed And	ALRASHEE AB	Saudi Arabia	SAR	28.00	74.90	167.5%
9-May	Miahona	MIAHONA AB	Saudi Arabia	SAR	11.50	31.20	171.3%
1-May	Spinneys 1961 Holding Plc	SPINNEYS UH	DFM	AED	1.53	1.49	-2.6%
18-Apr	Qomel Co	QOMEL AB	Saudi Arabia	SAR	80.00	105.40	31.8%
28-Mar	Taqat Mineral Trading Co	TAQAT AB	Saudi Arabia	SAR	18.00	11.98	-33.4%
14-Mar	Parkin Co Pjsc	PARKIN UH	DFM	AED	2.10	3.54	68.6%
28-Feb	Modern Mills Co	MODERNMI AB	Saudi Arabia	SAR	48.00	49.25	2.6%
18-Feb	Quara Finance Co	QUARA AB	Saudi Arabia	SAR	15.00	15.98	6.5%
8-Feb	Al-Modawat Specialized Medic	ALMODAWA AB	Saudi Arabia	SAR	111.00	13.00	-88.3%
5-Feb	Wsm For Information Technolo	WSM AB	Saudi Arabia	SAR	49.00	40.50	-17.3%
4-Feb	Pan Gulf Marketing Co	PANGULF AB	Saudi Arabia	SAR	51.00	25.50	-50.0%
24-Jan	Middle East Pharmaceutical	AVALONPH AB	Saudi Arabia	SAR	82.00	135.60	65.4%

Source: Bloomberg
Data as of 1 September 2024

Economic & Earnings Calendar

Economic			
Date	Country	Data	Consensus
2 Sept	Eurozone	HCOB Manufacturing PMI	45.6
	Italy	GDP y/y	0.9%
3-Sept	Saudi Arabia	S&P Global Saudi Arabia PMI	-
	Qatar	Qatar Financial Center PMI	-
	Canada	S&P Global Manufacturing PMI	-
	US	ISM Manufacturing	47.5
4-Sept	Japan	Jibun Bank Composite PMI	-
	UAE	S&P Global UAE PMI	-
	India	HSBC Composite PMI	-
	Eurozone	HCOB Composite PMI	51.2
	UK	S&P Global Composite PMI	53.4
	US	Trade Balance	USD -78.9bn
	Canada	Bank of Canada Rate Decision	4.25%
	US	Factory Orders	4.7%
	US	Durable Goods Orders	9.9%
5-Sept	Germany	Factory Orders m/m	-1.9%
	US	ADP Employment Change	140k
	US	Initial Jobless Claims	230k
	US	ISM Services Index	51.1
6-Sept	Eurozone	GDP y/y	0.6%
	Canada	Net Change in Employment	25k
	US	Change in Nonfarm Payrolls	165k

GCC Earnings				
Date	Period	Stock	Ticker	Estimate
3-Sep	Q1 24	Al Taiseer Group TALCO Industr	TALCO AB	-
3-Sep	Q2 24	Banader Hotels Co BSC	BANADER BI	-
4-Sep	Q2 24	Saudi Industrial Export Co	SIECO AB	-
4-Sep	Q1 25	Tihama Advertising & Public Re	TAPRCO AB	-
4-Sep	Q2 24	Nayifat Finance Co	NAYIFAT AB	-
4-Sep	Q2 24	Ahli United Bank BSC	AUB BI	-

Source: Bloomberg

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