



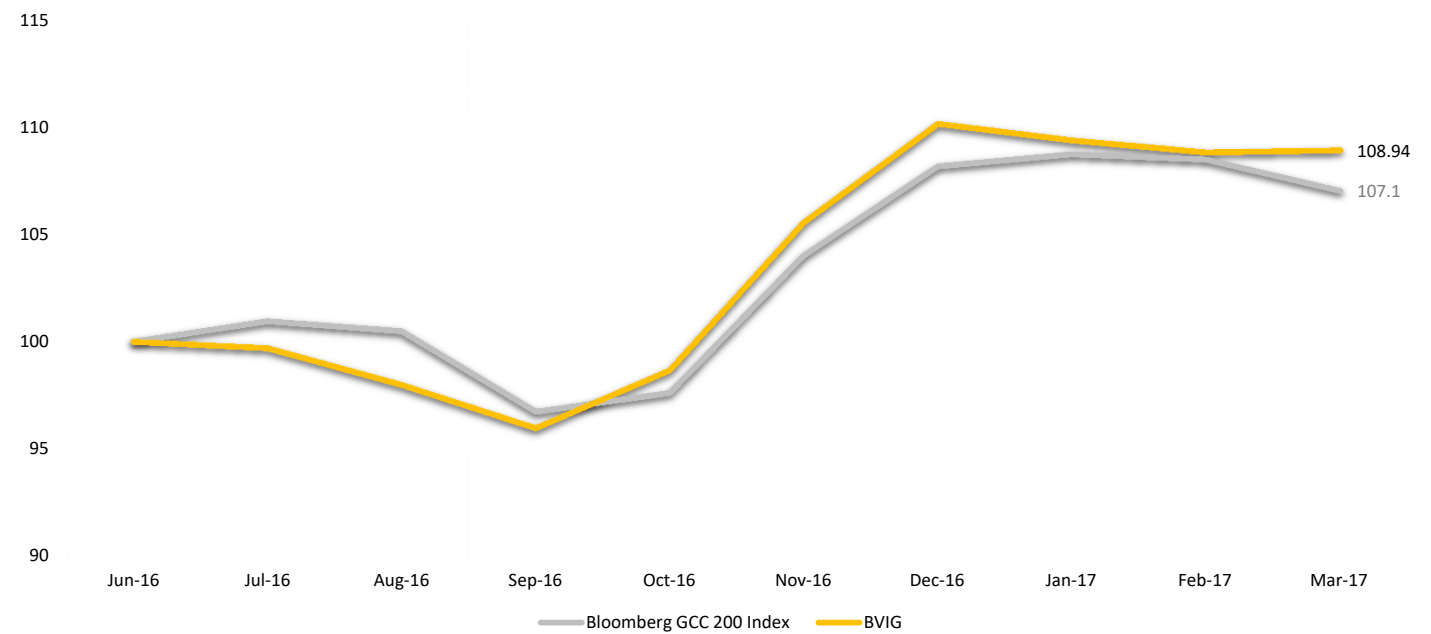
Market commentary

The Bloomberg GCC 200 Index lost -1.2% in March as Saudi Arabia's credit worthiness was cut one level by Fitch Ratings, which said low oil prices were worsening public and external finances. Saudi Arabia, where more than 60 percent of government revenue last year came from oil, reported a 15 percent rise in the federal government budget deficit to 17.3 percent of economic output in 2016, Fitch said. Net foreign assets of the central bank, or the Saudi Arabian Monetary Authority, fell by \$49.5 billion, or 7.7 percent of gross domestic product, between June 2016 and January 2017. International equity index compiler MSCI said it welcomed reforms of the Saudi Arabian stock market and reiterated that it could launch in June a review of whether to include Saudi Arabia in its emerging market index

Macro indicators (Saudi Arabia)

Indicator	Q2 16	Q3 16	Q4 16
GDP (yoy)	1.4%	0.9%	
Inflation (yoy)	2.6%	2.3%	-0.1%
Unemployment	5.6%	5.7%	5.7%
Business confidence	-12.0	3.0	
EUR/SAR	4.0	4.0	4.0
Brent oil	\$54.5	\$55.5	\$55.2

Bernstein Value Index GCC



BVIG Bernstein Value Index GCC is an equal-weighted index compiled of 18-20 GCC value plays selected using Bernstein's proprietary long-term value screening indicators.

BGCC 200 The Bloomberg GCC 200 Index is a capitalization weighted index of the top 200 equities in the GCC region based on market capitalization and liquidity.



Index constituents news

Ticker	Name	Date	Recent Key News and Events
SABIC:AB	Saudi Basic Industries Corp	24.03.2017	Sabic CEO Al-Benyani Says 2017 Will Be Challenging Year
NCB:AB	National Commercial Bank	2.04.2017	The banks' shares topped the largest-weight list on the Saudi Stock Exchange (Tadawul) by the end of the first quarter of 2017. The 30 largest-weight stocks in Tadawul include eight shares in the banks sector
ETISALAT:UH	Emirates Telecommunications		
EMIRATES:UH	Emirates NBD		
RJHI:AB	Al Rajhi Bank		
STC:AB	Saudi Telecom Co	21.03.2017	STC needs new sources of growth after profit fell in eight of the past 10 quarters. The end of its monopoly in 2005 led the company to embark on a flurry of international acquisitions as it sought to expand. It is now looking to exit some of those investments
NBAD:UH	National Bank of Abu Dhabi	22.03.2017	National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC picked a new investment banking team as Abu Dhabi's biggest lenders work toward a \$175 billion merger, according to two people with knowledge of the appointments.
FGB:UH	First Gulf Bank	22.03.2017	National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC picked a new investment banking team as Abu Dhabi's biggest lenders work toward a \$175 billion merger, according to two people with knowledge of the appointments.
SECO:AB	Saudi Electricity	20.10.2016	Saudi Electricity Co., the dominant electricity provider in the Arab world's biggest economy, reported its best quarterly profit in more than a decade after the state-controlled utility raised prices following subsidy cuts.
ADCB:UH	Abu Dhabi Commercial Bank		
SAMBA:AB	Samba Financial		Saudi Arabia's Samba Financial Group named Rania Mahmoud Nashar as chief executive officer, the second woman to ascend to a top finance position in recent days as the conservative kingdom goes through unprecedented social and economic change.
RIBL:AB	Riyad Bank		
EMAAR:UH	Emaar Properties PJSC		
SABB:AB	The Saudi British Bank		
BSFR:AB	Banque Saudi Fransi		Credit Agricole SA, France's third-largest bank by market value, is considering a sale of its 31 percent stake in Saudi Arabian lender Banque Saudi Fransi, in a deal that could potentially fetch about \$2.4 billion



Index constituents performance

Ticker	Name	Industry	Last	Performance				Mcap EURb	Net Debt EURb	EV/EBITDA TTM	P/E		P/B TTM	EBITDA% TTM	Div yld N12M
			31.03.17	LTM Low	LTM High	% off L	% off H				2017F	2018F			
SABIC:AB	Saudi Basic Industries Corp	Materials	96.8	73.3	98.5	32%	-2%	72.6	4.4	6.6x	14.2x	14.2x	1.6x	31.1%	5.0%
NCB:AB	National Commercial Bank	Banks	39.4	32.0	46.3	23%	-15%	19.7			9.6x	9.1x	1.3x		4.0%
ETISALAT:U	Emirates Telecommunications	Telecom	18.1	17.2	20.2	5%	-11%	40.1	-1.3	5.6x	17.1x	16.4x	3.1x	50.1%	4.8%
EMIRATES:L	Emirates NBD	Banks	8.3	8.0	8.8	4%	-5%	11.8			7.2x	6.8x	0.9x		4.7%
RJHI:AB	Al Rajhi Bank	Banks	63.8	49	68	31%	-5%	25.9			12.5x	11.1x	1.9x		3.6%
STC:AB	Saudi Telecom Co	Telecom	66.9	51	74	31%	-10%	33.4	-2.4	6.7x	14.5x	13.6x	2.2x	35.7%	6.0%
NBAD:UH	National Bank of Abu Dhabi	Banks	10.3	8	11	35%	-6%	13.6			10.4x	9.6x	1.2x		4.0%
FGB:UH	First Gulf Bank	Banks	12.9	11	14	23%	-8%	14.8			10.0x	9.4x	1.7x		7.2%
SECO:AB	Saudi Electricity	Utilities	23.2	14	26	62%	-10%	24.1	40.0	12.6x	34.8x	30.6x	1.5x	3.0%	3.5%
ADCB:UH	Abu Dhabi Commercial Bank	Banks	6.8	6	8	20%	-11%	9.0			8.3x	Q4 16	1.2x		6.1%
SAMBA:AB	Samba Financial	Banks	21.5	16	25	35%	-15%	10.7			9.2x	8.7x	0.9x		4.6%
RIBL:AB	Riyad Bank	Banks	10.5	9	12	23%	-11%	7.9			10.4x	8.2x	0.9x		6.5%
DPW:DU	DP World Ltd	Transports	21.5	16	22	38%	-3%	16.8	4.7	10.3x	16.0x	15.0x	1.8x	50.0%	1.8%
EMAAR:UH	Emaar Properties PJSC	Real estate	7.3	6	8	24%	-6%	13.3	-1.3	6.8x	9.4x	7.8x	1.1x	41.2%	2.8%
SABB:AB	The Saudi British Bank	Banks	22.6	16	26	38%	-13%	8.5			7.8x	7.6x	1.0x		3.2%
BSFR:AB	Banque Saudi Fransi	Banks	25.9	18	28	44%	-7%	7.8			9.0x	8.9x	1.0x		3.5%
Bernstein Value Index GCC										6.7x	10.2x	9.4x	1.3x	38.4%	4.3%

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